Peter Goldmark
Washington State
Commissioner of Public Lands

January 20, 2010

The Honorable Steve Stuart, Chair
Clark County Commissioners
PO Box 5000
Vancouver, WA 98666

Subject: Projection of Income from State Forest Lands

Dear Commissioner Stuart:

The Department of Natural Resources (DNR) manages about 30,351 acres of state forest lands (formerly known as forest board lands) that benefit Clark County. As the attached report shows, in calendar year 2009, these lands generated $1.9 million and are projected to generate $6.1 million in calendar year 2010. This represents a decrease of $409 thousand from the 2010 projection in the October 2009 report. Net value under contract for harvest after December 2010 is estimated at $3.3 million. This timber could be harvested earlier if market conditions, purchaser harvesting plans, and/or regulatory requirements warrant.

Most of this income is from timber sales. Timber markets, supply concerns, contract requirements and regulatory requirements influence when timber purchasers choose to harvest. The revenue projections rely on purchasers' plans for harvest and may change in future reports if those plans change.

The next projection of state forest land revenues will be available in late April 2010. In the meantime, if you have questions about this report, contact Eric Wisch, Pacific Cascade Region Manager. Eric can advise you of possible fluctuations in timber harvest and provide information on DNR management programs and activities in your county. Eric can be reached at 360.577.2025.

Sincerely,

Peter Goldmark
Commissioner of Public Lands

Enclosures

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County Income Report
January 2010

Income from management activities on state forest lands is designated for allocation to several taxing districts in each county, depending upon the location of the activity in that county. Only a very small amount is available for discretionary use by the county.

Revenue from state forest lands (formerly known as forest board lands) comes primarily from harvested timber. Lease activities and rights-of-way applications provide additional sources of revenue. Another source of revenue to the counties is leasehold tax returns, which will vary with the amount of lease activity in any given year.

Table 1 shows the annual revenue for each county from calendar year 2000 through the calendar year 2009. As is evident in Table 1, total revenue varies considerably from year to year. Many of the key variables responsible for high revenues in one year can also lead to reduced income the following year.

Revenue projections for each of the 19 counties with state forest lands were made for calendar year 2010. **Table 2** includes the summary of all timber harvest projections listed in Table 2A, and is combined with an estimate of additional revenue from leases, rights-of-way applications, and other activity on state forest lands. **Table 2A** presents projected revenue for each timber sale on state forest lands.

Table 3 presents the volume and net value under contract as of December 31, 2009 that is not currently scheduled for harvest until after December 2010.

These projections were developed by Department of Natural Resources' region staff who contacted each timber sale purchaser with sale rights, to determine approximately how much and when they planned to harvest the timber in each sale.

Projections for each sale's anticipated harvest should be considered a rough estimate only, as actual removal activity depends on individual sale characteristics (species, volume, location, etc.), combined with outside market factors as determined by each purchaser.

The schedule of future state forest land timber sales in your county is available upon request from Department of Natural Resources' region staff.

Table 1. Revenue to Counties from State Forest Transfer and Purchase Lands (Calendar Years)

Updated: 1/11/10

County	2000	2001	2002	2003	2004	2005	2006	2007	2008	Jan-Dec 2009
Clallam	$5,758,321	$6,963,919	$3,600,540	$4,777,301	$4,426,097	$5,495,006	$4,470,806	$5,903,404	$9,323,340	**$4,173,346**
Clark	2,366,311	3,573,835	2,313,003	3,820,106	4,092,569	4,411,237	4,264,442	5,614,184	1,088,753	**1,977,893**
Cowlitz	1,212,652	1,839,302	5,001,470	2,934,808	215,329	5,345,911	2,348,848	1,599,865	1,299,756	**2,914,752**
Grays Harbor	2,352,472	1,862,881	3,293,823	2,107,685	1,776,300	2,667,556	700,385	1,078,365	404,882	**1,007,779**
Jefferson	1,649,297	518,203	1,778,453	889,650	1,631,808	3,200,661	1,075,049	762,629	1,409,138	**669,093**
King	1,143,568	1,835,851	1,976,627	2,889,619	4,388,319	995,578	425,144	3,638,003	1,836,570	**1,053,232**
Kitsap	599,418	729,223	31,508	626,030	1,109,673	759,721	218,756	400,093	798,357	**244,491**
Klickitat	1,306,269	1,988,025	263,951	1,207,848	112,777	1,256,702	2,307,063	4,157,236	490,525	**1,037,450**
Lewis	10,052,997	3,945,857	1,534,075	5,493,493	4,356,765	2,606,113	19,053,461	4,421,392	4,715,266	**6,738,048**
Mason	2,799,623	1,321,104	2,382,746	2,379,357	5,336,229	4,774,081	1,432,968	2,585,862	2,416,073	**1,500,640**
Pacific	2,771,851	4,007,787	969,916	1,875,588	2,051,170	2,939,705	2,238,753	2,621,728	963,320	**3,428,025**
Pierce	529,510	1,469,706	2,237,462	3,571,913	5,620,352	1,778,066	2,251,072	1,435,948	1,509,353	**742,913**
Skagit	9,194,478	5,509,637	13,209,159	8,973,769	9,620,659	12,532,120	9,021,036	10,635,736	11,723,743	**5,704,325**
Skamania	755,801	768,791	55,235	68,576	533,038	308,142	436,890	540,697	324,117	**253,914**
Snohomish	14,528,018	8,543,151	6,452,352	10,398,846	13,664,903	12,756,744	7,069,004	11,391,018	6,323,157	**10,138,226**
Stevens	30,236	43,769	33,815	39,619	36,945	40,922	38,002	42,239	40,587	**79,484**
Thurston	6,156,550	8,080,735	3,770,580	4,523,536	6,270,700	7,777,205	5,344,608	4,915,648	1,777,592	**2,625,128**
Wahkiakum	1,481,581	2,244,642	2,414,098	2,011,817	1,015,082	2,730,555	2,146,022	571,852	1,170,658	**1,516,340**
Whatcom	4,059,821	5,759,368	5,525,028	6,993,439	7,467,518	6,075,055	2,648,374	2,420,510	6,067,453	**3,569,263**
Totals	$68,748,774	$61,005,786	$56,843,841	$65,583,000	$73,726,233	$78,451,080	$67,490,683	$64,736,409	$53,682,639	$49,374,342

Note: Revenue is received daily by the Department of Natural Resources for activities on State Forest lands and deposited daily at the Office of State Treasurer. Effective February 1998 these monies are remitted to each county via wire transfer a minimum of four times per month. Due to the specific date monies are received by the Department and the cutoff dates used by the State Treasurer for wire transfers, the revenue for the current period may be different than actual remittances to date.

Table 2. Total Projected Revenues to Counties from State Forest Transfers and Purchase Lands [1/]

(Dollars in Thousands)

	January thru June 2010		July thru December 2010	
County	**High**	**Medium**	**High**	**Medium**
Clallam	$647.8	$1,068.6	$174.3	$195.8
Clark	1,632.0	4,418.0	1,649.2	1,649.2
Cowlitz	323.0	1,620.7	1,184.4	1,185.1
Grays Harbor	223.8	779.1	1,449.1	1,576.8
Jefferson	14.8	14.8	5.3	255.8
King	21.0	21.0	10.4	10.4
Kitsap	31.4	384.4	11.1	11.1
Klickitat	9.8	9.8	8.7	8.7
Lewis	818.7	1,130.6	635.6	635.6
Mason	147.2	147.2	49.3	49.3
Pacific	719.4	786.0	631.8	652.0
Pierce	0.0	726.6	0.0	0.0
Skagit	2,387.1	2,387.1	556.4	556.4
Skamania	568.6	737.7	214.6	383.8
Snohomish	5,733.2	5,733.2	179.3	179.3
Stevens	10.2	10.2	41.7	41.7
Thurston	1,686.3	2,231.4	543.6	684.6
Wahkiakum	672.8	672.8	235.4	235.4
Whatcom	162.9	162.9	1,538.6	1,538.6
Totals	**$15,810.1**	**$23,042.3**	**$9,118.7**	**$9,849.6**

[1/] High - 90 percent reliability that timber harvest will occur and stated revenue will be transmitted. Medium - 50 percent reliability that timber harvest will occur and stated revenue will be transmitted.

Note: Projected revenues are based on timber purchaser's logging plans as of December 2009. These plans change with changes in the economy and the business needs of each purchaser. Department of Natural Resources' region staff should be contacted concerning possible fluctuations in timber harvest for sales currently under contract and the schedule of future sales on State Forest Lands in your county.

Table 2A. Projected Timber Harvest Revenues to *Clark County* from State Forest Transfer and Purchase Lands by Legal Description
(Thousands of Dollars) [1/]

Sale App. Number	Sale Name	Expiration Date	Legal Description Section	Township	Range	January thru June 2010 High	Medium	July thru December 2010 High	Medium	Value Under Contract after Dec-10
79342	Render	01/31/10	23-26, 28, 29, 32	4N	4E	0.0	1,785.4	0.0	0.0	0.0
80571	Hot Tub	10/31/10	30, 31	3N	5E	638.8	638.8	241.4	241.4	0.0
			25, 26, 36	3N	4E					
80590	Happy Dance	10/31/10	1, 2	2N	4E	35.6	35.6	0.0	0.0	0.0
			36	3N	4E					
81456	Biggin	10/31/10	1, 12	3N	3E	0.0	786.5	604.8	604.8	0.0
			6-8, 17	3N	4E					
			36	4N	3E					
			31	4N	4E					
81726	Copper	10/31/10	1	3N	4E	0.0	0.0	162.1	162.1	0.0
			25-26, 35-36	4N	4E					
81811	Paprika	10/31/10	14-16, 22, 23	2N	4E	67.6	67.6	0.0	0.0	0.0
82261	Lunar Gauge	10/31/10	12	3N	3E	152.9	152.9	0.0	0.0	0.0
			1, 5-7	3N	4E					
82636	One Horse	10/31/10	36	6N	2E	375.7	375.7	300.5	300.5	0.0
			31, 32	6N	3E					
82784	Berry Patch	10/30/10	1	3N	3E	87.6	87.6	0.0	0.0	0.0
			25, 36	4N	3E					
82878	Sea of Gold	10/31/11	24, 25, 36	3N	3E	0.0	30.0	0.0	0.0	509.5
			19, 21, 28-31	3N	4E					
82879	Loafer	10/31/11	2, 3, 10, 11, 16	3N	4E	0.0	7.6	11.4	11.4	49.3
83025	Rashford Ridge	10/31/11	34, 35	6N	4E	0.0	0.0	14.2	14.2	416.1
83265	Power Out	10/31/11	4, 5	5N	3E	101.7	101.7	0.0	0.0	349.2
			32, 33	6N	3E					

Table 2A. Projected Timber Harvest Revenues to *Clark County* from State Forest Transfer and Purchase Lands by Legal Description
(Thousands of Dollars) [1/]

Sale App. Number	Sale Name	Expiration Date	Legal Description Section	Legal Description Township	Legal Description Range	January thru June 2010 High	January thru June 2010 Medium	July thru December 2010 High	July thru December 2010 Medium	Value Under Contract after Dec-10
83883	Remington Steele	10/31/12	10, 11, 14, 16	2N	4E	10.7	10.7	8.4	8.4	0.0
83912	Swan Song	10/31/10	1, 12, 13	3N	3E	124.3	124.3	51.0	51.0	0.0
84261	Berry Nice	10/31/11	25, 26	4N	3E	0.0	0.0	87.6	87.6	699.1
			30	4N	4E					
84449	Cake Walk	11/30/10	1	4N	3E	0.0	38.8	98.6	98.6	0.0
84462	Skull Cap	10/31/11	13	3N	3E	0.0	137.6	0.0	0.0	550.6
			17, 18, 19, 20	3N	4E					
84552	Poleander	10/31/11	34, 35	4N	4E	0.0	0.0	0.0	0.0	240.5
84564	Bunchberry	10/31/11	4, 5, 8	3N	4E	0.0	0.0	0.0	0.0	470.8
84567	Hagen Creek	10/31/11	25, 36	3N	4E	0.0	0.0	0.0	0.0	40.8
			30, 31	3N	5E					
	Total					**$1,594.9**	**$4,380.9**	**$1,580.2**	**$1,580.2**	**$3,325.8**

[1/] High - 90 percent reliability that timber harvest will occur and stated revenue will be transmitted.
Medium - 50 percent reliability that timber harvest will occur and stated revenue will be transmitted.
Values are cumulative from high to medium probability.

Note: Projected revenues are based on timber purchaser's logging plans as of December 2009. These plans change with changes in the economy and business needs of each purchaser. Department of Natural Resources regional staff should be contacted concerning possible changes in timber harvest plans and for copies of sale area maps for specific locations of timber sales within the legal descriptions listed above.

Table 3. Volume and Net Value of Timber under Contract on State Forest Transfer and Purchase Lands for Harvest after Calendar Year 2010 [1/]

County	Volume (mbf)	Net Value
Clallam	1,487	$254,391
Clark	15,304	3,325,800
Cowlitz	0	0
Grays Harbor	2,485	473,951
Jefferson	5,990	876,605
King	0	0
Kitsap	0	0
Klickitat	0	0
Lewis	12,054	2,166,779
Mason	0	0
Pacific	7,331	1,043,120
Pierce	2,006	493,836
Skagit	0	0
Skamania	776	432,442
Snohomish	4,659	718,153
Thurston	1,988	955,274
Wahkiakum	3,069	763,097
Whatcom	0	0
Totals	**57,148**	**$11,503,448**

[1/] Normally, counties receive 75 percent of State Forest land Transfer revenues and 26.5 percent of State Forest land Purchase revenues.

Note: The sales represented here are currently under contract as of December 2009. This timber could be harvested at any time depending on market conditions and business needs as determined by each purchaser. Sales to be sold in the future could provide additional revenue to your county. Department of Natural Resources' region staff should be contacted concerning future sale activity and dates.