

**BLM Proposed Classification Decision for In-Lieu Lands – Deschutes County**  
**FREQUENTLY ASKED QUESTIONS**

**What are “in-lieu” lands?**

- At statehood, Congress granted Oregon sections 16 and 36 of every township “for use of schools” – 3.4 million acres total. These lands are dedicated to the Common School Fund.
- When those lands were already deeded or otherwise reserved, the federal government owed Oregon lands “in lieu” of those school lands not granted.

**What’s taken so long to acquire the school lands Oregon was owed?**

- For decades, the federal government asserted Oregon had already been provided all owed school lands. In the 1990s, a lawsuit determined that Oregon was still owed school lands. DSL and BLM then entered into an agreement and began working together to identify suitable lands for transfer to the State.
- Since then, nearly 3,000 acres have been transferred to Oregon as school lands, with about 1,400 acres still owed.
- The process does take time – the state needs to do due diligence to make sure it is getting a good deal for the Common School Fund.

**What type of lands is the state seeking?**

- Lands with high potential to generate revenue for schools. DSL’s most interested in acquiring industrial, commercial, or residential lands, and forestlands.
- In-lieu lands have tremendous potential to generate revenue for schools. The Stevens Road Tract in Bend was an in-lieu lands selection acquired in 1997. The first parcel was sold for \$22 million in 2020 and is currently being developed with a mix of housing and employment uses. The second parcel has recently been brought into Bend’s urban growth boundary, and the State Land Board approved the sale of the 261-acre property. It will be going on the market soon. The plan for that parcel is the development of a community of different housing types, parks, and commercial uses.

**What does the acquisition process include?**

- BLM takes steps to clear each parcel for disposal, including accepting public comment on the potential transfer. Following this “proposed classification decision” comment period, BLM will conduct field work to evaluate property characteristics, including likely presence of cultural resources, mineral resources, or protected species. While the BLM is doing those surveys, DSL considers potential management options for these properties.
- Within the next six to 12 months, DSL anticipates knowing whether these acquisitions will move forward.

- The State Land Board would ultimately have to approve the state's acquisition of new school lands to ensure the deal is a good one for schoolkids and the Common School Fund.

#### **Who received notice of the comment opportunity for these parcels?**

- Notices were mailed to adjacent property owners, as well as the businesses and individuals with existing BLM leases, permits, or use agreements.

#### **What will DSL do with these lands if acquired?**

- School lands are managed to generate revenue for the Common School Fund. DSL manages school lands in many ways, depending on each parcel's unique characteristics and potential for generating revenue.
- The 440 acres near Bend are outside the city's urban growth boundary. If acquired, DSL anticipates maintaining ownership and exploring options for leases to generate revenue. One leasing option being explored is a solar development lease. Opportunities to retain access to trails will be considered. Acquisition will depend on the ability to generate revenue through leasing.
- The 80 acres in La Pine are within the city's urban growth boundary. If acquired, DSL anticipates sale of the property for development.
- DSL seeks public input to help inform decisions about how school lands are managed and would do that for any lands acquired through the in-lieu selection process.
- Any future changes, such as zoning changes, would need to happen through state and local land use planning processes, all of which include opportunities for public participation and input.

#### **How can I provide comment?**

- Fill out the [comment form](#) on the DSL website.
- Comments can also be submitted to BLM by mail at BLM OR/WA State Office, 1220 SW 3rd Avenue, Portland, OR, 97204.
- Comment on the Deschutes County lands will be accepted until June 18, 2024.

#### **Are any other in-lieu lands currently in the acquisition process?**

- There is another proposed classification decision underway on two forestland parcels in Linn County. Details are available [on the DSL website here](#); comment was accepted until April 9, 2024.

#### **Who should I contact with questions?**

- If you have any questions or concerns, you may email the Department of State Lands Real Property Program at [realproperty@dsl.oregon.gov](mailto:realproperty@dsl.oregon.gov).
- Or contact the Real Property Program in writing at: Oregon Department of State Lands, Real Property Program, 951 SW Simpson Ave., Ste. 104 Bend, OR 97702.