

Arch Cape Finance Committee

Arch Cape Forest Financial Plan Update

January 27, 2022

Arch Cape Water District Finance Committee

Financial Plan Update

Approach:

- Baseline is August 2021 “**6 Harvest**” plan Reviewed with ACWD Board on August 20,2021
- Revised assumptions include:
 - Purchase price: \$ 4.69 million
 - Tax Levy: 5 year levy (starting in 2043) ... \$68K per year revenue
 - Initial timber harvest:
 - moved from 2024/2026 to 2023/2024 ... single contract (2 yr timeframe) to minimize risk of completing activity prior to 12/2026
 - eliminated cable logging Reduces board feet harvest 60% & timber revenue 40%
 - One-time Expenses:
 - reduced \$ 100K implementation expense to \$40K
 - Contingency reserve of \$ 30K added
 - Recurring costs:
 - Forester: reduced recurring cost 50% during hibernation period
 - Property management: reduced recurring cost 50% during hibernation period except years with planned harvest

Summer 2021

	6 Harvests
Harvest Years	2024,2026, 2050, 2055, 2060, 2065
Type of Logging	Ground and Cable Logging
Deferred Road Maintenance Work on 8.9 Miles of the Mainline	Heavy
Decommission Roads	2.92 miles
Ongoing Road Maintenance	12.7 miles
Mgmt Planning	<ul style="list-style-type: none"> • Minor Update every 5 years • Major Revision every 10
Inventory	Update every 5 years

Current

	6 Harvests
Harvest Years	2023,2024, 2050, 2055, 2060, 2065
Type of Logging	Ground
Deferred Road Maintenance Work on 8.9 Miles of the Mainline	Heavy
Decommission Roads	2.92 miles
Ongoing Road Maintenance	12.7 miles
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Financial Plan Update (\$ in 000's)

Purchase Funding:

Purchase price	\$ 4,690
FLP grants	3,500
Clatsop County	250
Option fee	10
Bus Oregon	930

All scenarios assume local match (\$ 1.167 M) obtained via NCLC easement

Remaining available funding (post purchase):

Bus Oregon	1,070
Private donations	500
Total remaining funds	1,570

Business Oregon (ARPA) Remaining Fund Use

	ARPA with 5 yr Levy Yrs 0-5 FY 2021-2027
TOTAL ARPA FUNDING AVAILABLE	\$ 1,070,000
TOTAL ARPA FUNDING APPLIED	\$ 1,070,000
Log Sales - Net Revenue	566,828
Logging Costs	(464,075)
Roads & Landing Costs	(68,064)
Forestry Costs	(61,877)
Replanting Costs	(36,164)
—Taxes	(12,642)
—Hauling Costs	(362,468)
—Timber Stand Improvement Costs	(37,126)
Total Costs Anticipated to be Qualified for ARPA	(630,180)
Actual Costs Offset by ARPA Funds	528,022
One Time Expense	
Federal Audit (FLP)	(5,000)
Implementation Planning, Systems Setup & Mgmt	-
Certification - Initial	(10,000)
Deferred Road Maintenance (8.9 miles mainline)	(150,000)
Timber Stand Improvement - Young	(127,854)
Timber Stand Improvement - Old	(98,624)
Forest Management Plan Update and Outreach	(40,000)
Contingency	(30,000)
+ Signage - 2 signs	(500)
+ Building 2 fire command/control centers	(7,000)
Decommissioning Roads (2.92 Miles)	(73,000)
Total Expenses Anticipated to be Qualified for ARPA	(541,978)
One Time Expenses - Offset by ARPA Funds	541,978
TOTAL - One Time Expenses	-

Cost elements considered not viable for Bus Oregon Funds use

ARPA + 5 Year Levy starting in 2043
Cumulative Cash Flow

