



PREVIEW LETTER

November 4, 2011

The Honorable John Austin, Chair  
 The Honorable Dave Sullivan  
 The Honorable Phil Johnson  
 Jefferson County Commissioners  
 PO Box 1220  
 Port Townsend, WA 98368

Subject: Third Quarter County Income Report of Year 2011

Dear Commissioner Austin:

Enclosed is the County Income Report for the third quarter of calendar year 2011. This report summarizes for each Forest Board county: (1) revenue transmitted by county from calendar year 2002 through the 3rd quarter of calendar year 2011, (2) income projections for calendar year 2011, and (3) volume and net value under contract for harvest after December 2011. The projections of revenue include all sales sold through December 31, 2011.

I would like to highlight several items in the attached county income report, which is based on DNR's FY11 selling plan:

- Revenue to Jefferson County through the 3rd quarter of 2011 calendar year = \$3,100,000.00  
 (This is DNR's 1st quarter FY12.)
- Revenue projected for Jefferson County for the full calendar year 2011:
  - Oct. 13, 2011 Commissioner letter \$3,100,000.00
  - [\$0.3 million greater than forecast in last quarterly report (July 2011)]
  - Adjusted relative to current region selling plan information \$3,100,000.00
  - [\$0.8 million less than forecast in last quarterly report (July 2011)]
- Estimated net value under contract for harvest after Dec 2011:
  - Oct. 13, 2011 Commissioner letter \$23,000.00
  - Current contracts (Jan.-Sept. 2011) carrying over to 2012 \$840,000.00
- Projected sales for remainder of calendar year (Oct. - Dec. 2011) revenue in 2012 \$840,000.00

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One reason for the different projected income is a falling trend in market values and sales that did not receive bids in the first quarter of FY 12 and are being reoffered later in the calendar year. We are still seeing a trend of fast turnover in sold sales as purchasers are still not willing to speculate long term.

Based on our adjusted numbers, the projected revenue for this calendar year, as adjusted for the current selling plan, is \$2.1 million greater than what Jefferson County received last year. This revenue projection is also \$1.5 million greater than the 10-year average annual income to Jefferson County.

We currently have one sale in the drawer from a previous fiscal year, Fresh Start. This sale is located on common school land in western Jefferson County. This sale will be cycled back into the action plan as time allows.

The County Income Report is a snapshot in time, whereas the region's selling plan is dynamic; sales are added or subtracted over time due to market changes, rule changes, and other issues.

If you have any questions, please contact me at 360-374-2806.

Sincerely,

Susan K. Trettevik  
Region Manager  
Olympic Region

Enclosures (3)

cc Philip Morley, Administrator