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STATE LAND BOARD MEETING
FEBRUARY 20, 1990
STATE CAPITOL BUILDING
HEARING ROOM C
SALEM, OREGON
9:00 A.M.

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AGENDA ITEM

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1 AGENDA ITEM NO. 1

2 SECRETARY OF STATE BARBARA ROBERTS: Why don't we
3 begin, Martha, and start with Item Number 1?

4 DIRECTOR MARTHA PAGEL: Okay. Madam Chair,
5 Treasurer Meeker, first item on the agenda is a request
6 to authorize the agency to appear before the Emergency
7 Board for expenditure limitation increase of \$100,000 that
8 would allow us to accept federal funds from the US Army
9 Corps of Engineers for a position to be housed in the
10 Division of State Lands that would help monitor enforcement
11 of our removal-fill permit program and better coordinate
12 and improve the consistency between enforcement efforts of
13 the Corps of Engineers, which operates a similar permitting
14 program, and the Division of State Lands, which operates
15 the state program.

16 SECRETARY OF STATE BARBARA ROBERTS: And this is
17 a one-time-only grant from the feds?

18 DIRECTOR MARTHA PAGEL: Yes, it is. And it's
19 our expectation that the agency would include a similar
20 type of position in our budget request for the next
21 biennium.

22 STATE TREASURER ANTHONY MEEKER: I would move
23 approval.

24 SECRETARY OF STATE BARBARA ROBERTS: Second. Any
25 discussion? Those in favor will indicate by saying aye.

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STATE TREASURER ANTHONY MEEKER: Aye.

SECRETARY OF STATE BARBARA ROBERTS: Aye.

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1 here and the timber land that's involved is basically the
2 riparian areas and a short distance away. The best that
3 I can tell from looking at the country is it was
4 harvested probably in the '30s, '40s, or '50s, in that
5 time frame and it's grown back now as White Fir, Doug
6 Fir, species of low value for that country. That's
7 primarily Ponderosa Pine country, and it's just not coming
8 back as Ponderosa Pine. I don't think you could really
9 harvest under the current Forest Practices Act. There
10 would be much that could be harvested in that country.
11 I hope that answers your question.

12 SECRETARY OF STATE BARBARA ROBERTS: Other
13 questions, Tony?

14 STATE TREASURER ANTHONY MEEKER: I don't think so.

15 SECRETARY OF STATE BARBARA ROBERTS: All right.

16 STATE TREASURER ANTHONY MEEKER: Okay. I'd move
17 that we approve the sale.

18 SECRETARY OF STATE BARBARA ROBERTS: Second.

19 STATE TREASURER ANTHONY MEEKER: In discussion of
20 that motion, first of all I'd like to comment on the
21 appraisal cost. It looks like we're in the wrong
22 business. That's ten percent of the purchase price. He
23 gets more even than a real estate commission.

24 SECRETARY OF STATE BARBARA ROBERTS: That's right.

25 STATE TREASURER ANTHONY MEEKER: I don't mind

1 selling parcels that are very, very difficult for us to
2 manage that are isolated like this that are so far away
3 from anything else that we may have. But generally, I
4 think we ought to be very cautious how we approach the
5 sale of the public asset and in this regard I think it
6 meets the test of not being an administratively appropriate
7 piece of land for us to keep from the standpoint of
8 management costs and everything else. I understand there
9 are no roads to this land. In order to manage it
10 properly it'd be difficult to get to. So in that sense
11 I think it's all right. But I think we ought to move
12 very cautiously on the sale of public assets, and I just
13 wanted that understood.

14 SECRETARY OF STATE BARBARA ROBERTS: I couldn't
15 agree more. Those in favor will signify by saying aye.

16 STATE TREASURER ANTHONY MEEKER: Aye.

17 SECRETARY OF STATE BARBARA ROBERTS: Aye. Motion
18 passed.

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1 lands. We're trying to approach this in an orderly
2 fashion and this will be the first step of that effort.

3 SECRETARY OF STATE BARBARA ROBERTS: Discussion?

4 STATE TREASURER ANTHONY MEEKER: I make the
5 assumption the Division as it goes along with this
6 rulemaking process continues its efforts to block up stuff.
7 I know that you're a long way from where you were ten
8 years ago and this process doesn't hinder that ability to
9 continue to block up and trade and that kind of thing?

10 DIRECTOR MARTHA PAGEL: No, not in any way. In
11 fact, this will help us move toward that objective by
12 allowing us to dispose of some of these parcels that are
13 not blocked and then acquire and add to our larger
14 holdings.

15 SECRETARY OF STATE BARBARA ROBERTS: Martha, your
16 comments on the legislation with our intent to be able to
17 accumulate the money and then repurchase isolated sales.
18 Does it indicate that the legislation was incomplete or
19 poorly researched and we need to go back and do some
20 additional legislative correction on it?

21 DIRECTOR MARTHA PAGEL: Madam Chair, it may be
22 that we need to back up and do some corrective
23 legislation. I think what we've found is that the piece
24 that we put in place, it wasn't researched well enough to
25 understand how it would interplay with all the different

1 statutes that were already on the books, and it just
2 became unworkable in light of all those different existing
3 requirements. So it's taken us a long time to figure out
4 how you'd put that piece on top of everything else that
5 is there. It may very well be that we want to move
6 forward with some clean-up legislation in the next session
7 that would set out some consistency and simplify the
8 process so that we basically have one or two types of
9 approaches to selling land instead of six or seven
10 depending on various factors about the land and how it's
11 being managed currently.

12 SECRETARY OF STATE BARBARA ROBERTS: Have we sold
13 some of these type of isolated and scattered parcels since
14 then and is the money sitting so we could repurchase at
15 this point in time but that just hasn't occurred because
16 of the clarity problems? Is it the sale or the
17 repurchase where the clarity problem --

18 DIRECTOR MARTHA PAGEL: It's in the sale where
19 the lack of clarity exists. And I don't believe that
20 we've sold any under House Bill 2174 yet, so the money
21 has not gone into the revolving fund. It has rather gone
22 into the Common School Fund. And until we get the
23 procedures set out clearly, we won't be able to take
24 advantage of the revolving fund. The other practical
25 reality that we recognize right from the start is that

1 the kinds of lands that we're selling off tend to be of
2 so much lower value than the kinds of land we want to
3 acquire, it's going to take a long time before that
4 revolving fund has any power behind it.

5 SECRETARY OF STATE BARBARA ROBERTS: Will the
6 Item 3 that we just dealt with in Wheeler County, does
7 that fall under an isolated parcel or is that different
8 than that?

9 DIRECTOR MARTHA PAGEL: I believe that goes into
10 Common School Fund. It is not under 2174.

11 SECRETARY OF STATE BARBARA ROBERTS: We didn't get
12 in the middle of Wheeler County with no road and still
13 not be an isolated parcel, that's amazing.

14 DIRECTOR MARTHA PAGEL: Clearly it is an isolated
15 parcel. But we may be selling it under a different
16 authority.

17 SECRETARY OF STATE BARBARA ROBERTS: Okay.

18 DIRECTOR MARTHA PAGEL: Under authority to sell
19 Common School Fund lands to the current leaseholder under
20 preference right.

21 SECRETARY OF STATE BARBARA ROBERTS: Tony?

22 STATE TREASURER ANTHONY MEEKER: I would move
23 approval.

24 SECRETARY OF STATE BARBARA ROBERTS: Second.
25 Those in favor.

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STATE TREASURER ANTHONY MEEKER: Aye.

SECRETARY OF STATE BARBARA ROBERTS: Aye. Item

passed. Next item.

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1 AGENDA ITEM NO. 4

2 DIRECTOR MARTHA PAGEL: Item Number 4 is a
3 request for final adoption of amendments to our rules
4 regarding the scheduling and giving notice of Land Board
5 meetings. I would call to your attention that the
6 original proposal when we began the rulemaking included a
7 component of possibly charging for Land Board materials
8 that are requested by members of the press and general
9 public. Responding to comments that came up at the Land
10 Board meeting and to our further investigation we
11 eliminated that recommendation. So these final rules
12 relate only to the scheduling and giving notice of the
13 meetings.

14 STATE TREASURER ANTHONY MEEKER: I would move
15 approval.

16 SECRETARY OF STATE BARBARA ROBERTS: Second.
17 Those in favor. Aye.

18 STATE TREASURER ANTHONY MEEKER: Aye.

19 SECRETARY OF STATE BARBARA ROBERTS: Okay. I was
20 just checking you, Tony. Okay.

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1 AGENDA ITEM NO. 5

2 SECRETARY OF STATE BARBARA ROBERTS: Item
3 Number 5.

4 DIRECTOR MARTHA PAGEL: Members of the Board, Item
5 Number 5 is a request that came to us from the Department
6 of Forestry to assist in their management of the Common
7 School Fund lands under the contract that they have with
8 the Land Board. The proposal is to begin a rulemaking
9 process that clarifies conditions of default, including
10 that default can occur if a timber operator cuts timber
11 outside of the boundary of the sale area and it sets out
12 a process for assessing damages for that kind of trespass.
13 This would be tied to similar changes in the timber sales
14 contract that would implement the rules when they are
15 finally adopted.

16 STATE TREASURER ANTHONY MEEKER: I move approval.

17 SECRETARY OF STATE BARBARA ROBERTS: Second.
18 Those in favor signify by saying aye.

19 STATE TREASURER ANTHONY MEEKER: Aye.

20 SECRETARY OF STATE BARBARA ROBERTS: Aye.
21 Anything else, Martha?

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AGENDA ITEM NO. 6

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DIRECTOR MARTHA PAGEL: Approval of the minutes.
Item Number 6, approval of the minutes from the last
meeting.

STATE TREASURER ANTHONY MEEKER: I would move
approval of the minutes.

SECRETARY OF STATE BARBARA ROBERTS: Second.
Those in favor signify by saying aye.

STATE TREASURER ANTHONY MEEKER: Aye.

SECRETARY OF STATE BARBARA ROBERTS: Aye. Oh,
we've got that down. We're getting so good.

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1 knowing at this point what the precise Navy interest would
2 be. They're moving ahead with the more general aspects
3 of that kind of a study and we expect that we will pin
4 down within the next 60 to 90 days to where the Navy is
5 going to be. We will also move ahead with the hearing.
6 We had planned to hold a public hearing in the Astoria
7 area to get a sense of what the public reaction was to
8 our development plan. We had been holding off on that
9 pending a final answer from the Navy, but since it's not
10 going to be forthcoming very soon our plan is to move
11 ahead with the public hearing in a more general vein.
12 And that brings us up to date.

13 STATE TREASURER ANTHONY MEEKER: What happened
14 with the land trade? Is that --

15 DIRECTOR MARTHA PAGEL: It's moving along nicely,
16 I think as quickly as we can expect in any of that kind
17 of a transaction with the federal government. Our staff
18 had been working with staff in the regional offices of
19 the Federal General Services to get appraisals and decide
20 a process for deciding what islands we will exchange in
21 order to get the South Tongue Point. But all systems are
22 go right now as far as the exchange occurring.

23 SECRETARY OF STATE BARBARA ROBERTS: So regardless
24 of the outcome of the naval project a portion of the
25 dredging up to a certain point will be finished. The

1 land exchange could well be done well in advance of any
2 decision about that and we will at least have some
3 comment on the part of the citizens of that community or
4 those communities about how they feel about some potential
5 uses of the area.

6 DIRECTOR MARTHA PAGEL: That's correct.

7 SECRETARY OF STATE BARBARA ROBERTS: So we will
8 have all of that which we wouldn't have had regardless.
9 So I think it puts us in a position to be a lot more
10 prepared to deal with that land regardless of the outcome,
11 and I think that we come out ahead --

12 DIRECTOR MARTHA PAGEL: Yes.

13 SECRETARY OF STATE BARBARA ROBERTS: I think with
14 the project.

15 DIRECTOR MARTHA PAGEL: And our position from the
16 outset had been that it would be advantageous for the
17 Board to acquire that property and that's the direction
18 we're proceeding in.

19 SECRETARY OF STATE BARBARA ROBERTS: It's
20 certainly going to be a more valuable piece of land with
21 the additional property regardless of what it used to be.
22 Okay.

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1 SECRETARY OF STATE BARBARA ROBERTS: And I second
2 and we are adjourned.

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