

DIVISION OF
STATE LANDS

STATE LAND BOARD

BARBARA ROBERTS
Governor

PHIL KEISLING
Secretary of State

JIM HILL
State Treasurer

The Oregon State Land Board met in regular session on March 9, 1993 at 10:00 a.m. in the Land Board Room of the State Lands Building, 775 Summer Street N.E., Salem, Oregon 97310.

Present were:

Barbara Roberts	Governor
Phil Keisling	Secretary of State
Jim Hill	State Treasurer

<u>Assistants</u>	<u>Dept. of Justice</u>	<u>Staff</u>
Anne W. Squier Nina Johnson Rollie Wisbrock	Bill Cook	Gary Gustafson Earle Johnson Gary Van Horn Steve Purchase agency staff

The meeting was called to order by Governor Roberts. The topics discussed and the results of those discussions in the regular session of the meeting are listed as follows. Further details of the discussions may be obtained in the written transcript of the meeting available at the Division of State Lands, 775 Summer Street NE, Salem, Oregon 97310 (phone: 378-3805).

Governor Roberts opened the meeting by explaining that she would need to leave the meeting at 10:25 a.m. for a short while to take a call from Washington, D.C., and that Secretary of State Keisling would chair during her absence.

The Governor asked that the consent agenda be presented first. Secretary of State Keisling commented that a word had been omitted from the minutes. Since the error had been corrected prior to the meeting, it was decided that a motion to amend was unnecessary.



- NHAC** Request by the Natural Heritage Advisory Council to initiate rulemaking to adopt the revised Oregon Natural Heritage Plan approved by the Council.
- Easement** Request by Pt. Adams Packing, Inc. for a 40-year easement to extend an existing outfall pipeline 130 feet into Yaquina Bay.
- Easement** Request by Oregon Coast Seafoods for a 40-year easement to extend an existing outfall pipeline 130 feet into Yaquina Bay.
- Easement** Request by Newport Shrimp Company for a 40-year easement to extend an existing outfall pipeline 130 feet into Yaquina Bay.
- Minutes** Request for approval of January 12, 1993 State Land Board minutes.

State Treasurer Hill moved the Board approve the consent agenda. Secretary of State Keisling seconded the motion. He told the Board he wanted to verbally make note of a potential conflict of interest on the item on the consent agenda concerning the Natural Heritage Advisory Council, since his wife works for The Nature Conservancy, which is affiliated through funding with the Council. He added, however, that she does not work at The Nature Conservancy in this particular area and just wanted to clear the issue for the public record. Governor Roberts asked whether there were any other possible conflicts and with no response, asked for a vote on the consent agenda. Approval was unanimous.

Registry of sites Request by the Natural Heritage Advisory Council for registration of nine additional sites on the Oregon Register of Natural Heritage Resources.

Director Gustafson introduced this item and asked that Jimmy Kagan from The Nature Conservancy join him to answer possible questions. Director Gustafson stated that all nine sites have been nominated for registration by the Council and that further approval from the Land Board was needed to approve nominations to the Register. He added that there are currently 47 sites on the Register. Director Gustafson stated that the nine additional sites to be added today are located in areas as widespread as from the Columbia River down to Lake County. He added that all of the sites have been nominated or approved by the respective property owners; three of the sites are under state ownership and the remaining are owned by The Nature Conservancy. He recommended the Board approve the inclusion of these sites in the Register.

Mr. Kagan said the sites are straightforward as outlined in the summary and he had no further comments to add.

Secretary of State Keisling moved the item be approved. State Treasurer Hill seconded the motion and the decision was unanimous.

Surplus Property Request for final approval to expend \$52,800 of Common School Funds to purchase state surplus property near Wilsonville, in Clackamas County.

Director Gustafson began by stating that this issue has been before the Board on several occasions. During the last meeting, the Board presented five conditions for the Division to complete in preparation for possible acquisition of the property. They were as follows:

- 1) A title review be prepared for the property;
- 2) A property survey be prepared which is sufficient to provide a legal description needed to transfer title;
- 3) Documentation that Dammasch State Hospital remains responsible for the operation, maintenance, and decommissioning of the existing sewer plant;
- 4) DGS' documentation to the Division of a contaminant investigation performed by the Department of Environmental Quality on the old landfill site; and
- 5) Agreement by Dammasch to be responsible for any clean-up costs associated with any contaminants found in the old landfill area.

Director Gustafson announced that these conditions have been completed and stated that the additional time required to complete the items afforded a closer look at two specific parcels within the 270 acres being considered for purchase--the sewage treatment plant and the old landfill site. Director Gustafson stated the sewage treatment site is still in operation, but eventually will need to be decommissioned. He saw no potential future uses for the structure and said it would eventually need to be dismantled, which could be costly. Director Gustafson went on to explain his doubts regarding the old landfill site, stating that even though there is no evidence of contamination now, historically, there have been examples of old landfills having unforeseen contamination surprises. Director Gustafson recommended that the Land Board exclude these two sites, approximately 10-15 acres, from the acquisition.

He stated that the Department of General Services would resurvey the property excluding these two areas. The purchase price would remain at \$52,800, reflecting their administrative costs for selling the property.

Director Gustafson addressed the Board's interest in site-specific planning, saying this will be done if the property is purchased. He also stated the City of Wilsonville, Clackamas County, and others who have expressed interest in this property in the past will be included in the planning process. Director Gustafson reminded the Board that portions of the property will likely be undevelopable due to environmental or land use reasons.

Director Gustafson recommended that the Board proceed with the acquisition of the site, excluding the two areas noted. Governor Roberts asked for any comments or questions. Secretary of State Keisling asked when a public hearing would take place regarding the planning process. Director Gustafson said that he would like to have a public scoping meeting to gain ideas right away. Once a package is together, he would like to again take it back for public review.

Secretary of State Keisling requested the Division return in three months to give a status report to the Board. Director Gustafson said he would. Secretary of State Keisling stressed the importance of ensuring the process moves forward and thanked Director Gustafson and Bill Nickleberry for all their work on the project.

State Treasurer Hill asked how long the planning process would take. Director Gustafson responded that six months has been allocated for that process. Governor Roberts stated that she was extremely happy with the work involved, and also at the prospect of attaining such a valuable piece of property. Secretary of State Keisling moved the item be approved to purchase the property with the exception of the sewer treatment plant and the old landfill site. State Treasurer Hill seconded the motion and the approval was unanimous. Director Gustafson acknowledged the assistance from the Departments of General Services and Forestry. Governor Roberts agreed and suggested a letter be sent from the Board thanking them for their assistance.

Tongue Point

While waiting for Forestry staff to arrive, Governor Roberts asked Director Gustafson to comment on the Tongue Point brochure the Division has developed. Director Gustafson explained the extent of the project, including the international aspect and the Request for Proposals. Director Gustafson explained that this is a major marketing plan and bids on the site will be due by June 2, 1993. A recommendation for lease should be made to the Land Board sometime in August. Governor Roberts requested

when a recommendation is brought to the Board that there be more than one from which to choose. Director Gustafson explained that bidders will be judged on the same scale and a score of 80 will be the necessary cut-off point for finalists. The Board will be given information on all finalists.

Director Gustafson said he and Rollie Wisbrock had recently gone to Astoria and the Tongue Point site. He said the trip was successful and provided an opportunity to speak to many people. [At this time, Governor Roberts left the meeting.]

Budget Update

Director Gustafson provided the Board with an update on the budget. He said the Division's budget was the first to go before the subcommittee and was heard for three days. He reported the subcommittee largely adopted the Governor's recommended budget. However, they included an additional manager for the waterway leasing program. An additional \$100,000 in federal funds expenditure limitation authority for South Slough was also approved. He reported the budget has not yet passed on to the full Joint Ways and Means Committee. The watershed health initiative and developable lands benchmark proposal are being considered independently.

Secretary of State Keisling suggested a five minute recess.

Elliott Long-Range Management Plan

Ray Craig from the Department of Forestry was first to speak after the recess. He introduced Doug Decker, Forestry's Public Affairs Director. Craig updated the Board on the preparation of the new Elliott State Forest long-range management plan. The last Board action was to approve an interim plan for the Elliott. Craig reported that Forestry is on schedule with that plan. He said the goals of the current efforts are ensuring the Elliott long-range plan is consistent with Oregon Fish and Wildlife Commission's conservation plan for the owl, and obtaining an incidental take permit from the federal government.

Craig said Forestry is working with George Brown, Dean of the College of Forestry at OSU, to select from the college a consultant on biodiversity issues.

Doug Decker said a number of phases of public involvement were planned to help inform people regarding the planning process, including briefing and listening, informal contacts, public response, and follow-up. Public meetings have been held in Roseburg and North Bend. The first part of the meeting being devoted to discussing the background of the forest and the planning process, and then receiving feedback regarding concerns

of management issues, etc. These meetings have been heavily attended by neighbors of the Elliott as well as other landowners or companies and purchasers that have worked with Forestry in the past. Another meeting is planned this evening at the Salem State Forester's office again for briefing and listening.

A field tour of the Elliott also took place with mostly adjacent landowners and timber purchasers. Craig said about 170 different groups have been identified as being interested and they will be kept informed about the planning process and the future of the Elliott.

In summary, Decker said, the planning process is on track and the involvement process is working well.

Craig said that in the past, public interest was not as great, and therefore the plans lacked the perspective of public involvement. He also summarized by saying that Forestry is on track with the Board's motion of directing a new management plan be made as well as heading toward an incidental take permit and coordination with the Fish and Wildlife Commission and their conservation plan.

Decker said that consultation will be sought from people who have created resource management plans in the past, to help provide a product that will be understandable to the general public, well written and organized in a strategic fashion to present information in the best way possible.

State Treasurer Hill asked whether George Brown and faculty members of OSU will be the biodiversity consultants. Craig affirmed that will likely be the case, saying that OSU can give a third-party look at the biodiversity approach to the plan, which they are best suited to do. [Governor Roberts returned.]

State Treasurer Jim Hill asked what other consultants were considered before deciding to use OSU. Craig said he didn't know, since he wasn't involved in that process. He said he would obtain that information for the Treasurer.

In response to a question from Secretary of State Keisling regarding the budget for the biodiversity consultation and the writing consultation, Craig said he would also need to get that information to the Board at a later date.

Craig reported he and Jill Bowling recently visited the Simpson Lumber Company in northern California, which has obtained a Habitat Conservation Plan for spotted owls. The purpose of the visit was to be able to glean information from the process, and to allow Forestry to build on that process.

Secretary of State Keisling asked whether anyone at the Coos Bay or Roseburg hearings were recommending the long-range planning follow a strategy other than a Habitat Conservation Plan as a way to get an incidental take permit. Decker said they have not received comments against a Habitat Conservation Plan. He said most of the comments received have been fairly basic--that it is their first exposure to the planning process and most questions have been regarding how revenue is defined and maximized.

Craig said Forestry staff also visited their counterpart at the Washington Department of Natural Resources and learned they are also settling on a Habitat Conservation Plan as the most appropriate mechanism. He said several discussions have taken place with the U.S. Fish and Wildlife Service, who also confirmed a Habitat Conservation Plan as our best option.

Governor Roberts stressed the need for a biodiversity consultant to be chosen that will have not only academic expertise but hands-on understanding of what it actually means to do this type of long-range planning.

Secretary of State Keisling commented that the choice of a biodiversity consultant is critical, since this will be a pilot project and set a tone for others. Governor Roberts said it may well set tones beyond Oregon. She said it must be done correctly so we don't become the bad example, but rather the right example of how it ought to be done.

State Treasurer Hill requested information be provided the Board regarding the selection process for consultants. That information will be provided by Forestry to the Board through the Land Board assistants.

Governor Roberts mentioned a videotaping underway of the Elliott State Forest and asked whether anyone was aware of those plans. Craig said he was uncertain about who may be doing this. He promised to investigate the situation and to report to Anne Squier, the Governor's Senior Policy Advisor.

The meeting was adjourned at 11:08 am.