

The Oregon State Land Board met in regular session on October 28, 1993 in the William Q. Wick Memorial Auditorium of the South Slough Management Sanctuary at Charleston, Oregon.

DIVISION OF
STATE LANDS

Present were:

Phil Keisling Secretary of State

Jim Hill State Treasurer

STATE LAND BOARD

BARBARA ROBERTS
Governor

PHIL KEISLING
Secretary of State

JIM HILL
State Treasurer

Assistants

Anne W. Squier
Nina Johnson
Rollie Wisbrock

Staff

Gary Gustafson
Steve Purchase
Dana Siegfried
Gail Lowry
Mike Graybill

Dept. of Justice

Bill Cook

The meeting was called to order at 10:30 am by Secretary of State Keisling. The topics discussed and the results of those discussions 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 N.E., Salem, Oregon 97310 (phone: 378-3805).

Since Governor Roberts was unable to be present, Secretary of State Keisling chaired the meeting. He expressed his pleasure at the Board having the opportunity of meeting in Coos County.

Land Sale

Request to sell common school land within the Hart Mountain National Antelope Refuge in Lake County and common school land adjacent to the Malheur National Wildlife Refuge in Harney County to the U.S. Fish and Wildlife Service.

Director Gustafson said this proposal is to sell approximately 11,997 acres (26 individual parcels) of state land in the Hart Mountain National Antelope Refuge for \$940,000 and approximately 789 acres (2 parcels) of common school land adjacent to the Malheur National Wildlife Refuge for \$60,000 to the U.S. Fish and Wildlife Service. These lands, he explained, are for the most part remnants of the old Section 16 and 36 common school land grant to the state. Most of the original common school lands have been sold or traded, but remnants still remain in parts of Eastern Oregon.



The property within the Hart Mountain Antelope Refuge was previously used for grazing. Being a high desert region, the sparse grass in the area made it necessary for ranchers to have access to very large tracts of contiguous land in order to conduct viable grazing operations. They were only able to use these state-owned properties for grazing when they could also use the surrounding federal lands. Several years ago a lawsuit was filed against the U.S. Fish and Wildlife Service which resulted in grazing being temporarily halted in the refuge. As a result, previous state lessees no longer had any incentive to lease the state land. After this occurred, these parcels no longer generated revenue. The Lake County Comprehensive Plan and Zoning ordinances identify the area as exclusive farm use. For any other use of the property a conditional use permit would have to be obtained, as well as approval from the Refuge, which has influence over such things as access, since the property is within the Refuge.

The parcels adjacent to the Malheur National Wildlife Refuge had also been used for grazing. About eight years ago a significant flood occurred in the area, with the lands being inundated for a period of time. Since then, though there has been a drought in Eastern Oregon, some areas are still experiencing occasional flooding and have been slow to regrow. This has influenced the ability to graze these lands. Because of this, no revenue has been received from these lands recently or is any income likely in the near future.

Since exploring the option of an exchange of these lands for others owned by the U.S. Fish and Wildlife Service didn't produce any possibilities that could generate revenue, the decision was made to consider sale of the lands. An appraisal found the properties together were worth just under a million dollars. The sale package included the properties as two units, the Hart Mountain in-holdings as one unit, and the Malheur in-holdings as one unit. The parcels within these two refuges were combined to form two sale units in order to save administrative costs and ensure that only the most desirable parcels wouldn't be sold, leaving the less desirable parcels unsold and unlikely to attract any purchase interest.

Although most of the Hart Mountain lands are high desert, one 80-acre parcel has a year-around creek (Deer Creek) with an aspen grove, adjacent to an 80-acre piece of private land. If sold individually, it would greatly reduce the sale viability of the remaining land. Gustafson said that Lake County on two occasions submitted bids to acquire the 80-acre parcel (once through an offer for a land exchange, and once through a direct purchase at slightly more than the appraised value for the individual piece). However, Lake County was not interested in bidding or acquiring all of the Hart Mountain parcels which were advertised for sale as one unit.

Gustafson said the Division followed the state surplus property bid process. One acceptable offer from the U.S. Fish and Wildlife Service was received which slightly exceeded the appraised fair market value for each of the two units. Because Lake County's offer was for the Deer Creek parcel only, their bid was rejected as unresponsive to the terms of the state's advertised sale.

Gustafson reminded the Board that the approval for the transfer of the mineral estate was received at the last Land Board meeting. The decision to be made today is whether or not to approve the sale.

Gustafson stated that Findings of Fact pertaining to the sale were included in the written materials provided to the Board. He also noted a change to the staff report on page 3. The amount of "\$939,298" should read "\$940,000," in the middle paragraph.

When a sale is proposed in a county, approval is required from the affected county. Both Lake and Harney County denied approval of the sale. Gustafson said a lawsuit was being filed by Lake County against the Oregon State Land Board and the Division of State Lands since, in the county's opinion, there was failure to comply with their preference right to purchase.

Gustafson said the Division was careful to ensure compliance with state law through each step of the sale and notice, including findings and coordination with the counties. He said the Division recommends approval of the sale of 11,997 acres of common school land within the Hart Mountain Refuge and the approximate 788 acres adjacent to the Malheur Refuge, saying the sale will be in the best interest of the Common School Fund and would help the Board to best meet its fiduciary responsibilities to generate revenue over the long term.

State Treasurer Hill asked what the legal consequences would be, since the counties both denied approval. Gustafson said it would be up to the counties to decide what their next step will be. The basis of taking action to approve these sales contrary to the denial of approval by the counties would be the Land Board's constitutional authority to generate revenue over the long term and the conflict of that constitutional directive.

Bill Cook, Assistant Attorney General, said there are rare instances where the constitutional trust responsibilities of the Board will conflict with what the Legislature has outlined as a process for selling state lands. He said members of the Board must keep in mind the overall constitutional mandate to maximize revenue from the lands over the long term and do what a

reasonable and prudent trustee would do. If, after analysis of a circumstance, the Board determines that compliance with a certain statute would render them unable to fulfill their constitutional duties, the Constitution takes precedence over the statute. State Treasurer Hill asked what would be the purpose of the statute, if the Board can override it. Cook explained that the Constitution gives the Land Board the duty to manage and dispose of lands. The Legislature sets up processes for making that happen. He said the Land Board must comply with the law, but when there are rare conflicts, those conflicts are resolved in favor of constitutional duties. Lands proposed for sale that are obtained from the federal government under the Admissions Act are subject to the constitutional trust obligation to maximize revenue. If the proposed sale was for lands not subject to that, there would be no constitutional issue, and the statute would prevail.

Secretary of State Keisling asked whether the Board could be sued for breaching its fiduciary responsibility by choosing to retain this land which has no foreseeable income stream. Cook affirmed that was a possibility. He said the Board does run a risk if they don't do what a reasonable and prudent trustee would do, and that a lawsuit could potentially result.

Gustafson said that former Land Board Assistant Greg McMurdo recalled a situation in 1982, where the Board approved a land exchange that had been denied by the county. He also said the issue of a constitutional override is addressed to some degree in the July 24, 1992 Attorney General opinion called the "Elliott Opinion."

Secretary of State Keisling said if the sale is approved over the denial of the counties, this would be a very extraordinary thing for the Board to do. He said as a general rule, everything possible is done to avoid these kinds of conflict.

State Treasurer Hill asked whether the appraisal shows clearly that the value of the unit as a whole would be greatly diminished, if the 80-acre Deer Creek parcel were sold separately. Gustafson said that the appraisal does have a value for each of the 26 parcels individually. He said the Deer Creek parcel was definitely the most attractive and if separated out of the package, would likely cause difficulty in selling the remainder of the parcels.

Tim Colohan, County Counsel and District Attorney for Harney County, provided written and oral testimony. He said that in respect to the Harney County property, none are Section 16 and 36 lands, but rather are under the Board's jurisdiction by statute, making a difference as to how the Board can handle decisions on

them. On October 8, 1993 Harney County formally denied approval of the proposed sale of 788 acres to the U.S. Fish and Wildlife Service. He said that since 1990 Harney County has had an official position against any further net increase in federal land ownership. The county is opposed to the federal government purchasing any additional lands, and since they currently own more than 4.8 million acres in Harney County, constituting approximately 74 percent of the total land mass of the county, he said there should be many opportunities for the state to exchange the Malheur unit for federal lands, complementing existing holdings.

Colohan said rather than the lands being "within" the Refuge, they're part of an adjacent parcel jutting into the Refuge on the corner--perhaps 10-20 acres. He said they believe the Division's Findings of Facts are incorrect regarding the area being unproductive and unable to generate revenue, since the lands are capable of producing grain crops and constitute good pasture lands. Colohan said that Harney County Judge White has had conversations with adjacent landowners interested in purchasing at least a portion of these lands, who felt that the opportunity wasn't allowed by the way the properties were advertised. He said to his knowledge none of the landowners who expressed interest in a portion of these lands had done so in writing.

He said Harney County disagrees that the State Land Board may disregard their denial of the approval and proceed with the sale under the Constitution. He believes that an Oregon Supreme court case and Attorney General opinions support the county's position that the Division is mandated to get county approval of any sale.

He stated that for lands placed under the Board's jurisdiction by statute, the Legislature retains the power to prescribe the Board's duties and responsibilities. He said the Malheur unit parcels aren't under the Board's jurisdiction by Constitution. Approximately 620 acres were obtained through foreclosure proceedings in 1929 and were obtained as a result of a U.S. Supreme Court decision--so they are under jurisdiction by statute. He asked that the Board reassess its position and honor Harney County's right to deny approval of the sale.

Secretary of State Keisling said the issue of the status of the land is very important. He asked Colohan if the lands were constitutional, whether he thought the Board was still obliged to follow the legislative directive. Colohan responded that would be a tougher argument to make, but reiterated that the lands weren't constitutionally derived.

State Treasurer Hill asked Assistant Attorney General Bill Cook to respond to the issue of statutorily versus constitutionally obtained lands. Cook said the issue depends on how the lands were derived. He said that besides Section 16 and 36 lands, constitutional lands also include lands purchased with constitutional Common School Fund money. He said the facts of how the land was gained would need to be proven. He said if they are statutory lands, as Colohan said, that would be a different legal footing.

Secretary of State Keisling agreed with an earlier statement made by Director Gustafson that exchanges with the federal government can be very difficult. He said a sale probably would not have even been an issue, if an exchange could have been made. He said this experience increases his interest in working even harder with the federal government to be able to get in a mode of doing this.

Richard Moore, USFWS, said his agency was receptive that the acreage was for sale as a package, allowing them to save administrative costs by purchasing in two units. He said since 1979, the USFWS has been making a concerted effort especially at Hart Mountain Refuge to acquire as many of the in-holdings as possible.

Moore said the USFWS under the Refuge Sharing Act is required to pay in lieu of tax monies to the counties based on the fair market value of the land they own. These are monies received nationwide from such projects as wildlife reserves and offshore oil leasing. He said the land isn't currently generating income through grazing, so he believes it is to the county's advantage to have the property in the Refuge ownership. He encouraged the Board to approve the sale.

Moore said the Harney County parcel has been through flooding and remains very wet. He said the addition of the property to the Refuge would supply a great deal of important wildlife habitat.

Gordon Ross, Coos County Commission Chairperson, said he was asked by Jeremiah O'Leary, a member of the Lake County Court, to express Lake County's continued desire to acquire the 80-acre Deer Creek parcel. He said the parcel is very important to the people of Lake County. Ross said in his experience, as parcels are combined, usually the resulting sale revenue is less. He said this property is not grazing land, but wildlife habitat. He feels splitting this property out could accommodate Lake County's request and possibly maximize revenues for the Common School Fund.

Secretary of State Keisling asked about the status of the Harney County lands. Gustafson said staff were currently calling the agency to have the title report faxed to the meeting. He said the title report should show the Harney County lands are common school lands. He explained that the state received Section 16 and 36 of every township in the state that was surveyed. Where they were not yet surveyed, or where another impediment existed prior to statehood, an equal amount of land selections known as in-lieu land selections were selected elsewhere--still considered common school lands. Gustafson suggested that, if proof isn't able to be received before the meeting is over, that approval should be made subject to the lands being confirmed as common school lands.

Gustafson said that the Division of State Lands maintains the state's land title records. He said before a decision to sell, exchange or lease lands, a title report is conducted which verifies who owns the property and what the land grant or other authorization is in which we received the land. This was done with this property over a year ago with staff to ensure they were common school lands. He said land title records are sometimes a series of tracking deed transfers and once in awhile mistakes are made.

Secretary of State Keisling asked what would happen if 90 percent of the acreage were found to be constitutional and the other 10 percent statutory--asked whether the bid process would have to be reopened. Bill Cook responded that, if some of the lands were in fact statutory, as long as Harney County disapproves, the Land Board can't sell them to the USFWS. He said he was fairly certain the remainder of the sale could probably go through, by negotiating price with the only responsive bidder.

Gustafson said if a portion turned out not to be constitutional lands, his initial reaction would be to withdraw and repackage the deal, sending it out again for bid. He said today was the first he had heard of additional private landowners interested in the property. Gustafson suggested if the title information on the Harney County properties was inconclusive, he would recommend no action be taken on the proposal at this time. Gustafson asked whether Richard Moore of the USFWS would have a problem with the state deferring action. Richard Moore said if it were a matter of a month and a half or close to that, he didn't foresee a problem.

State Treasurer Hill asked if the Board moved ahead with only Lake County, whether the USFWS would have to go back and redo their proposal, possibly causing delay. He suggested the entire matter be delayed. Gustafson said since these are two different

units, the Board could proceed with a decision on Lake County and defer the Harney County decision until conclusive evidence is obtained. He confirmed to State Treasurer Hill that there were two separate offers for purchasing the two units.

Gustafson reported that preliminary information from the agency had been received, but needed to be checked further. He said it's not likely any definitive conclusion could be reached today regarding the Harney County lands because the state records were all in Salem.

State Treasurer Hill moved the Board act only on the sale of the Lake County property until a status determination could be made on the Harney County property. He said the motion should incorporate the staff report and appendices applicable only to Lake County. Secretary of State Keisling seconded the motion. Keisling said he appreciated the concerns of those who would have preferred to sell the property in 26 different parcels, but he felt aggregating the land was the best decision and in the best interest of the Board's fiduciary responsibility. He reiterated that Lake County was provided the opportunity to bid on the entire parcel but did not.

Gustafson said that ORS 270.100(1)(b) accords political subdivisions the first opportunity after state agencies to purchase real property, and Lake County was given that preference, but their bid was not responsive to the advertised bid, so was therefore rejected.

Gustafson reiterated the motion was to approve the sale of the Lake County unit for 11,997.88 acres of common school land within the Hart Mountain National Wildlife Refuge to the USFWS, and as part of the motion to incorporate the staff report and appendices included with them which pertain to Lake County. The motion was approved unanimously.

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| Emergency Board | Request to appear before the Legislative Emergency Board for increased Other Fund expenditure limitation authority to receive and implement two grants for the South Slough Estuarine Research Reserve. |
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Mike Graybill, Manager of the South Slough Estuarine Research Reserve, said notification has been received of the award of two grants. The first grant is to the Governor's Watershed Enhancement Board to do trail improvements and signage on the Hidden Creek Watershed, along with publication of some brochures describing the watershed. The other project is a \$15,000 grant for tree planting from the Small Business Administration, which will allow a contractor to do watershed rehabilitation in the Hidden Creek Watershed. Graybill said the project will attempt

to reinstate the forest conditions of around 1850. The completed trail will be an example of a small watershed from the watershed divide to tidal ocean influence in about three-quarters of a mile and highlight all the salient features of any watershed. He said this is their first try at a forest restoration project, and they will use the assistance of the Department of Forestry and others to guide the effort. The request is for authorization to approach the Legislative Emergency Board with an increase in Other Fund expenditure authority of \$30,686.

State Treasurer Hill moved the Board approve the request. Secretary of State Keisling seconded the motion and the approval was unanimous.

Emergency Board Request to appear before the Legislative Emergency Board for \$30,000 of increased Federal Funds expenditure limitation authority to allow the Division to receive a study grant from the U.S. Department of the Navy for biological studies at the Boardman Naval Weapons Systems Training Facility.

Director Gustafson said this is a request for approval of an Emergency Board appearance to request an increase of \$30,000 in Federal Fund expenditure limitation to allow a contract with The Nature Conservancy through the Natural Heritage Advisory Council to implement a study grant pending with the U.S. Department of the Navy for biological studies at the Boardman Naval Weapons Systems Training Facility. The Natural Heritage Advisory Council will do a study on Washington ground squirrels with the assistance of The Nature Conservancy.

State Treasurer Hill moved the Board approve the item. Secretary of State Keisling seconded the motion. Keisling stated for the record that his wife works for The Nature Conservancy, though she isn't working with this project. The motion was approved.

Agenda Consent Request to initiate rulemaking to revise administrative rules pertaining to the administration of unclaimed property.

Request for approval of the minutes of the September 21, 1993 State Land Board meeting.

Director Gustafson said the first item would allow rulemaking to begin on existing administrative rules related to the unclaimed property program. Rulemaking is needed because there were substantial changes made in statutes to that program. The

changes brought about by the bill introduced by the Division were quite extensive and should enable the agency to be more efficient as a one-stop clearinghouse and also allow better access to other states' records. The authority being requested today is to begin the rulemaking process. Final rules will be brought back to the Board for approval.

The second consent agenda item is for approval of the minutes of the last meeting.

State Treasurer Hill moved the consent agenda be approved. Secretary of State Keisling seconded the motion and the approval was unanimous.

Elliott Update on the Elliott State Forest Management
Forest Plan.

Jim Brown, State Forester, reported the Elliott State Forest planning is going well. He said a key piece of the work now is determining what alternatives will be recommended to the Board for their consideration for the Plan. Seven are currently being planned that use some form of a reserve system to protect threatened and endangered species and other non-community values. Forestry is also looking at other alternatives besides the reserve system approach that would achieve the same type of objectives, but through a managed landscape approach. He said that once the set of alternatives is reached, that the Board will have a fairly broad decision base to consider as they move forward to meet their responsibilities.

Brown said 42 miles of the stream system in the Elliott (about one-third of the anadromous fish-bearing streams in the forest) have been surveyed to assist in determining the condition of the streams and the types of management practices needed.

An economic analysis is ongoing and survey data on the spotted owl and marbled murrelet are being completed. He also reported that a number of public involvement efforts are happening. Discussions with the USFWS are also occurring in the process toward development of a habitat conservation plan.

Brown said that since the murrelet was listed by the USFWS last year, surveys showed 36 new sites on state lands as a whole, in addition to the 27 that were found last year. He said there is virtually no guidance from the USFWS as to the protection measures that are required for them, causing some delay and difficulty in meeting the planned 30 million board feet of timber sale each year. He said a declaratory judgment has been filed in the US District Court on murrelet on a specific timber sale in order to try to get clarity from the USFWS as to the

protection requirements. Working cooperatively with ODFW and in consultation with USFWS, Forestry staff are also drafting incidental take guidelines for the murrelet, to assist in take avoidance. He said plans are for completion of that effort in the next few weeks. Brown said if incidental take guidelines are successful, four timber sales could probably proceed, with a potential of between seven and one-half to ten million board feet on the market soon.

Elliott Marketing forest products workplan.
Forest

Brown said at the June 8, 1993 meeting, the Board requested Forestry to evaluate existing forest product marketing systems in the Elliott and to explore alternatives that might enhance revenues to the Common School Fund. He said at the September 21, 1993 meeting, a report with seven alternatives was provided the Board. The Board then requested that the alternatives be more detailed to assist them in knowing which of these might best meet their fiduciary responsibilities. Brown said a personal services contract will be used to assist in that process. Forestry will return at a later date with additional information and recommendations.

State Treasurer Hill asked what the timeline for this would be. Brown responded that Forestry will probably come back to the Board in February with the additional information.

Secretary of State Keisling asked what the timeline would be for the sales Brown previously had mentioned could proceed after the interim take guidelines. Brown said it should be early after the first of the year.

Elliott Draft Oregon Department of Forestry/Land Board
Forest Common School Forest Land Management Agreement.

Brown said this item deals with the revisions to the Common School Land Forest Management Agreement between the Land Board, the Department of Forestry, and the Division of State Lands (as a new co-signor). The old agreement was signed back in 1982. A number of changes in operation have taken place. Brown said the agreement offers greater clarity to the role the Division of State Lands will play and lays out the cooperation and the expectations of both agencies. The draft agreement is being circulated and an opportunity for public comment is being provided. The document will be revised after the public's comments are reviewed and the comments from the Land Board Assistants are incorporated.

Brown said one key difference to the revised agreement is the addition of the Director of the Division of State Lands as another co-signor, which he said is appropriate since specific responsibilities are assigned to the Director under the document.

Secretary of State Keisling asked what the public comment timeline would be and whether there would be a public hearing process. Brown replied that an informal timeline of 30 days had been set. He said no hearings were planned, but the draft has been circulated to individuals and interested groups that are tracking the issues involved. He confirmed that Forestry would return to the December Land Board meeting with the revision.

South Tongue Point Update on Marine and Environmental Research and Training Station (MERTS) at South Tongue Point.

Director Gustafson introduced this item describing where the process is on the Marine Education Research and Training Station at South Tongue Point.

He said there has finally been an agreement on values for the South Tongue Point land exchange and the exchange agreement is being finalized. The last step is the final environmental impact statement (EIS), which the federal government has released. Gustafson said the EIS will go through the review stage and will be finalized and hopefully adopted by February. He said that, assuming the EIS report is favorable and there are no major legal challenges (none are anticipated at this time), the title to the lands should be received around April of 1994, which fits with the planned development schedule at South Tongue Point.

David Blum, Tongue Point project manager, distributed photo reductions of the visuals that were placed on easels. He said the presentation would be a quick explanation of the conceptual design planned for the training station.

Richard Leonard, David Evans and Associates, explained some of the ideas for the training center and the phases of development that are being planned. A core development area would be developed first, then as programs evolve, the facilities would be expanded. Included in the plans are a natural study area, trails through the forested wetlands, and a dock for home-porting the training vessel for Clatsop Community College in-water training, a multi-function shared research education and training center which would include shops, labs, workshops, classrooms, and a parking area.

Dave Phillips, Clatsop Community College, said that Clatsop Community College will be the primary lessee and operator of the facility. He said this will fulfill a long-term need for a

maritime sciences program. He said they also need expanded spaces for their U.S. Coast Guard approved programs such as radar training, commercial fishing workshops and marine safety programs. Phillips said a \$300,000 HUD grant is being used in part for feasibility studies for development of curriculum in marine related industries such as ship repair, the pleasure boat industry, marine oil spill response, fire fighter training and environmental technician training.

Antonio Baptista, Director of the Center for Coastal and Land Margin Research of the Oregon Graduate Institute (OGI), described the center's objective to integrate valuable research being done in specific disciplines and to make it useful to deal with management of coastal resources. The Center was created two years ago with the core faculty representing the OGI and other representatives from schools across the United States and Canada. He said their interest in South Tongue Point comes from its Columbia River access, which is a big coastal feature. He said their extensive cooperation with the University of Washington (UW) will be assisted by having a site graphically located between OGI and UW. Another aspect that makes the site attractive is the cooperation the OGI is having with Portland State University geologists in the study of tsunamis on the coast. Both universities have grants to research the characteristics of tsunamis and their effects on the coast. He said the Columbia River is an excellent access point for that research. Baptista said the ability to forge partnerships with these institutions, to expand what is done scientifically, and to make it available to the community makes this extremely attractive to this package.

Roy Koch, Portland State University (PSU), said they are also happy to be a partner in the project. He said the MERTS project is an opportunity to expand existing PSU programs and to participate in some new activities.

Neil Maine, Special Projects Coordinator for the Coastal Studies and Technology Center, a non-profit corporation located at Seaside High School, said his Center has one director and 100 staff positions all filled by students who work on real community projects. He said the concepts being developed at the South Tongue Point facility are consistent with their philosophy would help them to expand what they are doing. He said there are fishermen in the Columbia River, management of the river and research going on there--making this a perfect setting to track students through all of the environments so they can understand the dynamics of natural resource management and uses. This will help facilitate access of young citizens to be active participants in the cooperative effort at South Tongue Point.

Secretary of State Keisling gave some background on South Tongue Point for the benefit of those not familiar with the facility, and described how the concept of the MERTS project came to be developed.

At Treasurer Hill's request, Neil Maine explained the nonprofit corporation status of the program at Seaside High School.

Secretary of State Keisling applauded all the efforts that have gone into the proposal, saying these are exciting possibilities. He said there are a lot of issues that the Land Board will have to deal with later on if everything works out.

David Blum said that they aren't planning anything that would exceed the funding of 1.5 million dollars of hard construction costs, and a half million dollars of operational costs--Phase I would be a stand-alone, fully-functional project irrespective of whatever happens after that.

Kelp Harvest Update on kelp harvest.

Director Gustafson said most of the prerequisites have been done in preparation for offering kelp leases on the southwest Oregon coast. The remaining steps involve close cooperation with ODFW. Gustafson said he is hopeful the agency will be able to begin offering leases by Spring 1994. He reported that the prior few days he had toured the southwest coast meeting with city representatives, as well as port commissioners and others to inform them about what has happened with the issue.

Secretary of State Keisling encouraged the work to continue with ODFW to ensure the process be done as quickly as possible.

Other

Joe Wolfe, City of Coquille, distributed aerial photos of the former Georgia-Pacific mill site in Coquille. He explained his concern to the Board of the difficulty the city is experiencing in being able to obtain a fill permit and in resolving wetland issues in order for marketing and future development of the old Georgia Pacific site. He briefly gave information about the situation and asked for guidance from the Land Board, inviting them to come to see the area for themselves.

Secretary of State Keisling thanked him for the information and for bringing the issue to the Board's attention.

Gustafson reminded those individuals going on the tour of the Elliott State Forest that the departure time would be at 1:30 pm. Lunch was served at the South Slough Research Reserve, provided by the Friends of the South Slough.

Secretary of State Keisling thanked the citizens of Coos County for their warm welcome and said the Board looks forward to coming back. The meeting was adjourned at 12:45 pm.

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