

The Oregon State Land Board met in regular session on September 13, 1994 in the Land Board Room of the State Lands Building, 775 Summer Street N.E., Salem, Oregon 97310.

DIVISION OF
STATE LANDS

Present were:

Barbara Roberts Governor
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
Gary Van Horn
Jenifer Robison
Gail Lowry
agency staff

Dept. of Justice

Bill Cook

The meeting was called to order at 10:12 a.m. by Governor Roberts. 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).

NHAC

Public input related to the proposed dedication of Onion Peak, a registered natural area, as a Natural Heritage Conservation Area.

Governor Roberts opened the Land Board meeting by stating that this portion of the meeting would serve as a public hearing on the proposal to dedicate Onion Peak as a Natural Heritage Conservation Area.

Director Gustafson said the 100-acre tract in Clatsop County was listed on the Natural Heritage Register in 1988 and is also a forest conservation area. He said the hearing today is to receive public input regarding the recommendation that the site now be formally dedicated. He added that Clatsop County approves the recommendation, as does the Department of Forestry, which manages the tract and the adjacent tract of county trust lands. Two other areas have been similarly dedicated so far--the peak of Steens Mountain and a 160-acre tract on the Oregon/California border. Gustafson explained that the Land Board will take final action on the Onion Peak dedication proposal at the October meeting.



Gustafson said that the site is common school trust land currently producing no revenue, with no anticipated revenue production in the foreseeable future. He said that the Land Board could reverse a dedication decision (undedicate the property), if they later determine the site could be used to produce revenue for the Common School Fund, or if another use for the site is chosen.

Stephen Anderson, Chairman for the Oregon Natural Heritage Advisory Council, spoke in support of the proposal. He commented that this Land Board is the first to take steps toward dedication of a site under the Natural Heritage Act passed by the Legislature in 1979. He commended the Board for their desire to protect natural heritage areas for future generations. He stated that there are other common school trust sites which could be dedicated that aren't generating income but have high value as natural heritage areas. He identified one such priority site as Eight Dollar Mountain in the Illinois Valley in Southern Oregon, which he said is rich in natural values. This site, he said, is also common school trust property not currently generating revenue. He said other state agencies with priority sites are also currently taking steps to prepare for site dedication.

Secretary of State Keisling asked whether the Land Board must take formal action on all lands proposed for dedication, if they aren't common school trust lands. Anderson confirmed that the Land Board, as overseer for the NHAC, makes a final decision on any sites to be dedicated.

Governor Roberts asked for any further testimony and there was none. She closed the public hearing on the proposal, saying that action would be taken on the recommendation for dedication of the Onion Peak site at the October Land Board meeting.

Common School Fund/ Request for approval of a Memorandum of
MOA Agreement regarding overall responsibility
for Common School Fund administration.

Director Gustafson said the Land Board authorized the Division at its meeting in March to work with the Treasury to develop a Memorandum of Agreement regarding the administration of the Common School Fund and the responsibilities of the Land Board, Division, Treasury, and the Oregon Investment Council in its administration. Gustafson explained the various duties of each party and requested that the Board approve the agreement. He also commended the work of the Treasury in developing the agreement.

Secretary of State Keisling moved the item be approved. State Treasurer Hill seconded the motion and the approval was unanimous. Governor Roberts clarified that the latest version of the Memorandum of Agreement was available at the meeting.

Consent Agenda

- Rulemaking** Request for State Land Board approval to initiate rulemaking for the leasing of state land for agricultural uses.
- Rulemaking** Request for State Land Board approval to initiate rulemaking to revise the administrative rules pertaining to the payment of claims to owners of unclaimed property and related activities.
- Minutes** Request for approval of the July 22, 1994 minutes of the State Land Board special meeting.
- Minutes** Request for approval of the July 29, 1994 minutes of the State Land Board regular meeting.

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

- Elliott State Forest** Update on the Elliott State Forest Habitat Conservation Plan.

Director Gustafson explained the Habitat Conservation Plan (HCP) for the Elliott State Forest would soon be submitted to the US Fish and Wildlife Service. He introduced Ray Craig, Assistant State Forester, who explained that the HCP, as well as other associated documents, would soon be delivered to the US Fish and Wildlife Service for their review.

Logan Jones, Principal Forester in the Forest Management Division of State Forestry, said the HCP would be submitted along with the Long-range Management Plan, an environmental assessment, implementation agreement and an application for the incidental take permit on Friday, September 16. The highlights are a 60-year permit for the spotted owl and a 6-year permit for the marbled murrelet. He said the duration of the permit request for the marbled murrelet is only 6 years, since so little is known regarding the biology of the bird that it wouldn't be wise to extend it for a longer period. He stated that this will provide an opportunity for research and surveys to gain information and to allow changes to the permit or the HCP. An earlier draft of the HCP was given to the USFWS in June. Jones said Forestry has been working hard since that time to incorporate the USFWS comments and concerns. He said USFWS is now in agreement with the plan approach for both the murrelet and the spotted owl. He said the environmental assessment (which is actually USFWS' document) may need some changes to fully comply with the requirements of the National Environmental Policy Act (NEPA).

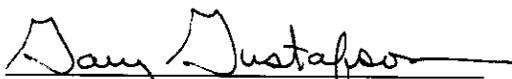
The schedule, after submission of the HCP, is anticipated as follows. The executive summary of the EIS will be published by the end of October. A 30-day comment period will be opened with a possible public hearing. All significant comments will then be incorporated. Jones said an incidental take permit is anticipated by January 1.

Governor Roberts commented that it would be nice to have the incidental take permit in place before she leaves office. Secretary of State Keisling said the process has been a long and tedious one. He voiced his appreciation for all the hard work that has gone into it. He asked whether the planned timber sales would still be conducted in late October under the current plan and, if so, whether USFWS has been fully apprised of them. Craig affirmed that timber sales would go forward and that USFWS had full knowledge of them.

Governor Roberts also agreed that the process had been a long one and is still on-going, but said that much has been learned. She also commended the Department of Forestry for their work and their cooperation with other federal and state agencies. She said Oregon and the Elliott will be a future model for forests.

Governor Roberts congratulated Ray Craig on becoming a new grandparent.

Secretary of State Keisling moved the Land Board be adjourned. State Treasurer Hill seconded the motion and the approval was unanimous. The Board adjourned the meeting at 10:38 am.


Gary Gustafson, Director


Barbara Roberts, Governor