



PUBLIC LANDS ADVISORY COMMITTEE
Tillamook Conference Room at Dept of Forestry
2600 State Street, Salem, OR 97310

MEETING MINUTES –November 3, 2006 1:30 p.m. – 3:20 p.m.

MEMBERS PRESENT:

Tom Byler, Chair
Jackie Winters, Senator
George Gilman, State Representative
Thomas Sjostrom, Bluestone & Hockley
Evelyn Stepp, Realtor, John L. Scott

MEMBERS NOT IN ATTENDANCE:

David Knowles, David Evans and Assoc
Nancy Niedernhofer, Parks & Recreation

OTHERS PRESENT:

Bill Foster, DAS Facilities Division
Fred Lord, DAS Facilities Division
Elaine Schacher, DAS Facilities Division
Greg Parker, DAS Facilities Division

Darrin Brightman, DAS Facilities Division
Scott Young, Department of Corrections

1. OPENING REMARKS / ADMINISTRATION:

Tom Byler, Chair, called the meeting to order at 1:30 pm and recognized that there was a quorum present. In particular he recognized the attendance of the two State Legislators, thanked them for attending and acknowledged that this is a very busy time for them.

a) Approval of minutes for September 8, 2006 meeting:

Hearing no comments or corrections, Chairman Byler asked for a motion to approve the minutes of the September 8, 2006 meeting. Evelyn Stepp made a motion to approve the minutes. Tom Sjostrom seconded and the minutes were unanimously approved.

b) Approval of minutes for October 3, 2006 meeting:

Hearing no comments or corrections, Chairman Byler asked for a motion to approve the minutes of the October 3, 2006 meeting. Evelyn Stepp made a motion to approve the minutes. Tom Sjostrom seconded and the minutes were unanimously approved.

Fred Lord advised that David Knowles from David Evans and Associates announced his resignation from the Committee and Nancy Niedernhofer resigned in September so two replacements are needed on this Committee. Nancy has relocated to Louisiana to accept a job with FEMA. Fred advised the committee to submit any recommendations for people to contact as possible replacements for the vacant positions on the Committee to him.

2. Property Acquisitions

a) Milwaukie – OLCC Distribution Warehouse Acquisition – Greg Parker, DAS Lands Transaction Coordinator

OLCC had a strategic plan earlier this year to remodel their existing 1954 Warehouse and build a mezzanine structure inside the warehouse as a short term solution to their space needs. The bad news is that Oregonians are drinking more. The good news is that Oregonians are drinking more expensive alcoholic beverages. OLCC has a need for more warehouse space and their projection over several years is that they may need up to 100,000 sq ft. An opportunity presented itself to acquire a warehouse near them which will fill their needs without doing the remodel. It currently has a tenant occupying about 70,000 sq ft. OLCC only needs about 30,000 sq ft so this looked like a perfect fit. OLCC came to DAS and an Inter-Agency Agreement was entered into to pursue this acquisition for them. As required by statute, DAS notified state agencies that we were looking for warehouse space and what the specifications were. No state agencies responded because the warehouse space needs to be within ½ mile of the OLCC existing headquarters and warehouse in Milwaukie. Notice was also distributed to the Public to let them know we were looking for this. We advertised in the Daily Journal of Commerce in Portland and one of the requirements was that it be within ½ mile of the OLCC warehouse in Milwaukie. Two possible properties we identified. Greg passed around a map of the first option for Committee review. One is directly across the street from the existing OLCC headquarters (Milwaukie

Avenue). It is owned by Oregon Transfer who owns several warehouses in that general vicinity. They are moving out to Rivergate on the confluence of the Willamette and Columbia Rivers, so will be vacating. The other warehouse is the one that OLCC found out about which belongs to the Rudy Wilhelm Company. Rudy Wilhelm passed away this year and his heirs are liquidating some of his properties. The Rudy Wilhelm property has been initially selected as the preferred choice for OLCC's use. It has the benefit, among other things, of not having to cross McLoughlin Blvd which is a major traffic problem. In fact they just need to go down an alley from their existing facility to get to the other location. They will need to have a truck making deliveries back and forth between the existing and new warehouse so the location is very convenient. Then the problems developed. The tenant, as it turns out, had provisions in their lease that gave them control. To make a long story short, the owner's broker is trying to strike a deal with the tenant to give up their right to expand into the remaining 35,000 feet and to renegotiate their lease so that they cannot renew after 2008 because OLCC will start encroaching on their 70,000 sq ft after that point. We have given the broker the opportunity to renegotiate but it is unknown at this time whether or not they will be successful. The good news, of course, is that if acquisition of this warehouse is not successful, we have a second option with the Oregon Transfer site. Photos were distributed of the Rudy Wilhelm property and the Oregon Transfer property located at 9304 SE Main. Prices are comparable with the Oregon Transfer site being more expensive. This property also needs more work to make it usable for OLCC's needs and there are some other negatives but it certainly would work. The broker has been given one week to see if they can strike a deal with the tenant in the Rudy Wilhelm site. If that is successful, they will sell the property to OLCC. They have been told the price OLCC is willing to pay. Any price offered is conditional upon an appraisal that will support it, as required under State law. If that acquisition doesn't work out, we will probably go back and look at the Oregon Transfer property.

Senator Winters asked about the timeline with the Broker.

Greg responded: He is expected to have a resolution of this issue one way or the other by next week.

Tom Sjoström asked if there is any reason to think that the tenant that exists in the Rudy Wilhelm warehouse now, wants to do any of this.

Greg responded: Yes, according to the broker. The broker has not allowed DAS to meet with the tenant. In fact if the broker is unsuccessful, Greg plans to make one last attempt to meet with the tenant to see what we can do. From OLCC's point of view, they are willing to give the tenant substantial discounts in the rent for the next couple of years. OLCC has the cash to pay for this building outright. They need it and it is a substantial savings in the long term to what their previous plan was. However, they are prepared to go across McLoughlin Blvd if necessary to do what they need to do.

Chairman Byler commented that he can appreciate how difficult it is to have McLoughlin Blvd come between the two warehouses. He inquired about what the obstacles are with McLoughlin. Is it traffic lights or are there other obstacles?

Greg responded that one of the issues is the traffic lights but they are also concerned about the number of accidents on that street even with the lights. Also, the space itself is not as good as the other warehouse. The warehouse owned by Rudy Wilhelm has a nice office aspect to it and it really is something that works quite well. It is in very good condition and it is a 1975 vintage. The one on McLoughlin is about 10 years older. It is not in bad shape but the office space needs to be remodeled and OLCC is not prepared to pay their asking price.

Chairman Byler confirmed that there are other factors involved besides location driving this choice. He asked if Greg hopes to have some resolution to this very soon.

Greg responded: Yes.

Chairman Byler asked if there were any further questions.

3. Property Dispositions

a) Burns Warm Site Sale – Fred Lord, DAS Lands Transaction Coordinator

The Burns site is owned and operated by Oregon Youth Authority and it contains their Eastern Oregon Youth Corrections facility. It is slightly west of downtown Burns on Monroe Avenue and if you were to continue further out you come to the Burns Paiute Indian Casino which is germane to this project. The State Archival Center and Warm Site is located on the Oregon Youth Authority Campus which comprises 35 acres and was built in 1999 at the direction of the Legislature. It is a 5,000 sq ft concrete block structure with a steel roof on steel trusses so it won't burn. It has an integral generator room inside the building and has an 18 inch built-up computer floor. The computer area or archival area is divided into two spaces for the two tenants who occupy the building, DAS / IRMD and the State Lottery. What has occurred is that with the construction of the new State Data Center on Airport Road, between Lottery and Motor

Pool, the need for the Burns facility has somewhat disappeared. DAS IRMD proposes to vacate their area fairly shortly and relocate. Lottery is required by the Legislature to stay there and they will be petitioning the Legislature to be allowed to vacate. The Burns Paiute Indian Tribe has gone to the Harney County Judge and has been working closely with him to obtain this property. Where DAS comes in, because we are not the owner, but just one of the two tenants, is that we are facilitating and acting on behalf of the Oregon Youth Authority to prepare this property for sale. An appraisal has been ordered, and it will be surveyed shortly, because it will require a petition. A map was displayed showing the location of the Youth Correction Facility and the Burn Archival Site. What is being proposed is to carve out a 5 or 6 acre portion of the 35 acre parcel to sell to the Burns Paiute Indian Tribe. This goes back, in part, to discussions this Committee has been hearing from various agencies about what is really surplus. The entire 35 acres is carried on OYA books as one parcel and it is declared "in use". Obviously, if you can carve out a 5 or 6 acre portion, then that portion is surplus. There are about 350 members in the Tribe and they are based in Burns. There is not, at this time, any letter of intent or agreement with the Tribe. We are still in the process of talking with them and Bill Foster is heavily involved in that. DAS will first lease the property to the Tribe and there will be an option to purchase in the lease. It is expected they will exercise that option within the next six months as they get their funding sources lined up. The Tribe is looking for Federal Funds to do this. They plan to operate the building as an Archival Center. They already have a web site up and running and are providing that service off-site at another location at this time. This is one of those tribal entrepreneurial ventures that will be housed here in Oregon.

Tom Sjostrom asked if the Tribe will have a service that they will try to sell to other people.

Fred Lord responded: Exactly, they are going to be running an archival service. This not an off-site digital server function, it is a backup function.

Tom Sjostrom asked about the role of the Judge.

Fred responded that he has been instrumental in bringing the parties together and encouraging this transaction.

Fred continued for informational purposes only; DAS intends to sell the property at the appraised value. The building was built by the state for a specific purpose and is being appraised as a "special use" building.

Tom Sjostrom asked if the building would be leased intact with all the equipment in it.

Fred responded: Yes, with all the equipment. In fact, one of the tenants may continue to be Lottery for some time.

Chairman Byler asked about the Statute that was referenced in the document, ORS 270.010. Does the lease agreement allow for first right of refusal to purchase?

Fred responded: Yes.

Chairman Byler asked if that applies to any entity in this situation whereby a lessee has first right of refusal if they are interested in purchasing the building.

Fred responded that any lessee has first right of refusal. What it means, however, is that they have to be able to meet the offered price which would be the appraised value. In this situation, it is such an extraordinarily unique building that the only other use that we can contemplate at this time would be something like a storage building which would be a tremendous waste of that resource.

Chairman Byler commented that this sounds like a really good fit. He applauds the folks who have been working on this to put this together.

Evelyn Stepp asked who is working with the Indian Tribe on the National level to help them get their funding.

Fred responded that he doesn't know but Bob Jester, the Director of OYA is working with them. In fact, Fred is going to Burns on November 15th along with the Director of OYA and the DAS Leasing Manager to physically look at the property. They are hoping to meet the surveyor and fix the boundaries on the ground. You can draw lines on a map until the cows come home but until you walk the property, it can still be fairly nebulous as to what is real.

Chairman Byler asked what time frame is anticipated.

Fred responded that the lease will be in place by the end of this calendar year. The appraisal is due the week after Thanksgiving and then there is the issue of the release of mineral rights and obtaining a survey. They want to get the Tribe into the building as a primary tenant as quickly as possible. This will enable them to continue moving forward and be able to demonstrate to the money sources that they are up and running.

Chairman Byler asked if there were any further questions.

4. **Mill Creek – Review of proposed Oregon State Corrections Area Plan revisions – Scott Young, Facilities Administrator with Department of Corrections (DOC)**

Scott Young stated that in the past, he has talked with this Committee about some of the property that DOC owns out in Southeast Salem (Mill Creek) and they have been asked by the Legislature to sell certain parcels. They have leased one piece to DPSST for a new training facility; about 240+ acres give or take some with easements and things. Since this property became identified as not being farmed by Corrections any longer, a lot of people have come forward with "Potential Use" proposals for ways the land can be used while DOC retains ownership. Some of the uses include: growing Christmas trees, planting sod and turf grass, nursery stock and even cattle grazing just to keep the fire danger down during the summer. DOC has been trading services with a rancher for cattle grazing in exchange for the rancher mowing some of the property. The rancher mows down the noxious weeds for DOC and takes some of that burden off their shoulders so they don't need to have a tractor or inmates out there doing those services. This presentation is to review proposed changes to the Oregon State Corrections Area Plan because a couple of people have come forward and said that they would like to purchase the land.

At one time, a local business owner, said that they would like to use around 15 acres to expand their steel metal business. The business involves cell tower and radio tower construction, called Steelhead Metals and Fabrication off of Boone Road and Turner Road. It is a very good fit. The parcel is shown on the map with a triangle in the dark shaded area. Depending on how you look at it and how you survey it, it has been bermed for flood control so it can be anywhere from 11 to 15 or 16 acres. It is landlocked for DOC use other than they can get some cattle in there to graze and to mow it. It has a small strip along the back side near Mill Creek where they can get equipment in there or they can get onto in off Turner Road.

Fred Lord added that for reference, the triangle is called the "Turner-Eastland Triangle" on the map.

Scott continued that Steelhead is the neighboring landowner directly in front of the parcel DOC is proposing to sell. Steelhead is located right on the corner of Turner and Boone Road. The owner of Steelhead approached DOC about a year and a half ago about possibly leasing this property and/or making some other kind of arrangements for its use. They talked to him about it. At first it was going to be metal storage which would make a pretty good lease arrangement on a temporary basis to help his business. That kind of sparked a little further interest during the past year and now he wants to expand his business completely. He needs a new building for more metal storage, etc. So, now the concept has changed over the last 8-9 months. What is being proposed is that since it is not DOC's business to deal with land like they have been doing, DOC would like to make a property transfer to Oregon Corrections Enterprises (OCE). OCE would make a deal with Steelhead Metal, whether it is a long term lease or a complete sale of the property. If they make a complete sale of the property, what's being proposed with those revenues for OCE's benefit, is to put it back into some inmate work programs so that it would benefit those inmates that they are trying to help put to work or to learn skills.

The other piece is the wetlands area along Mill Creek itself. It is a slightly larger area. It is identified on the map displayed in a lighter blue color. It is approximately 235 acres. A couple gentlemen here in town would like to partner with DOC to repair that and get it into wetlands and riparian along the Mill Creek stream bed. Right now there is an agreement in place with ODOT where they are using some of DOC's land along that stream bed in that area to do riparian work. It is a trade for riparian work that ODOT couldn't find space for along the freeway that they are widening by Kuebler Blvd. The two gentlemen have come forward and plan to obtain federal grants and want to arrange a 15 year lease with DOC in order to turn the whole property into a riparian wetland showcase. It is a pretty good fit for DOC. They have always wondered what to do with this parcel because it is not good farmland where it is located. It is in the 100 year flood plain and actually did flood in 1996. DOC doesn't have any structures down there that would be damaged but that area would benefit with this type of program to help improve the stream flows and to also improve the habitat along that stream bed.

Senator Winters commented that if it's the same two gentlemen that she is thinking about, they've also been involved with the State and DOC in the Savannah Oak restoration issue.

Scott confirmed that it is the same two gentlemen: Mark Krautmann, Heritage Seedling Inc. here in town and John Miller, Mahonia Nurseries and other businesses. Those two gentlemen worked with DOC on some of the Oak Savannah property that DOC also owns. They are trying to make that work too. They are bringing these two areas forward first because they both require a change in the Area Plan. They would like to move forward with the 15 acre transfer to OCE and try to get that taken care of, and then they will work with these two gentlemen on the wetlands if it is a good fit for the area. This proposal will get that property into a revenue stream as well as getting the burden of maintenance off DOC.

Chairman Byler asked if the wetland property is in use currently.

Scott responded that the zoning in that area is PH. It has been farmed, they have had crops out there but they don't do very well because it is pretty rocky. It is an old stream bed with gravelly soil. It doesn't do well for farming.

Senator Winters commented that she went out and reviewed the property and met with the two gentlemen together with DOC. Just knowing their work and just knowing that they are land owners out there, makes it a good fit. Part of the vision for that area, even when planning DPSST, was to develop and restore lands environmentally. It was a good fit with the Savannah Oak project and she thinks it will be with this project as well.

Chairman Byler stated that he is excited about this project from a professional level too.

Scott added that some of the concern with the Mill Creek Correctional Facility is how to protect that facility if that property went to some other use. The correctional facility is located on the top of the hill (the nob) above this land and it is an unfenced minimum security prison. The inmates have access in and out of the building and they go outside on nice days so there has always been concern, even if it had a fence. These two gentlemen have proposed not to make it a public showcase but to show that it can be a good partnership with the private sector and public agency to benefit the environment.

Chairman Byler stated that one thought that he has, in looking at the map is that he is a big fan of the notion of converting the bigger acreage (Mill Creek wetlands) and restoring its wetland value. That is a great idea. Just looking at the Turner-Eastland Triangle, though, you see that it abuts Mill Creek at the final piece. Have there been any thoughts about Riparian protection that could be included in the sale of that property?

Scott responded: Yes, what they have done is that the parcel has been surveyed now with a little bit more land around the creek on both sides to help maintain that buffer. When these two gentlemen work this riparian area, they can work the stream bed on both sides all the way out to Turner Road. The map doesn't really show that. Steelhead Metal has indicated in preliminary conversations that if they get this property in the triangle area, they don't want to mess with the wetland area. That is not their business either so DOC agreed in preliminary talks with them and some of the deal on the table is that DOC would retain some of the land away from the creek bed so that they wouldn't have to be too concerned and this area of the triangle. The area along the stream bed would be part of these two gentlemen's area for riparian work.

Senator Winters asked about the Christmas tree farming and what is happening with those talks.

Scott responded that they have just held them at bay at the moment because DOC is trying to figure out all the areas. The triangle and the wetland area are coming along better and both can be done fairly quickly. The Christmas trees, the turf growing and nursery stock have some other concerns such as: how to use the land, where you put them, what kind of environment they survive in as well as what damage they might produce onto some other environment. Christmas trees are notorious for pretty much sterilizing the ground or at least killing it long enough so that they don't get a lot of weeds and blackberry bushes growing in amongst the trees. Some of those chemicals have been DOC's concern if this is a partner they want to go to. The question is where they would locate the Christmas trees so no future harm is caused to other land. Those concepts and farming activities have been pushed to the side a little bit and they will be looked at with DAS's help. Cattle grazing is still going on at the moment but that has been scaling back some as they decide what they are going to use the property for.

Senator Winters thanked *Scott* for the update because she gets all the calls, particularly with the Christmas trees.

Scott responded that he knows that the farmer has been talking with *Senator Winters* and others about his concern that the land sits idle. DOC understands that and *Scott* has spoken with him a few times about it. He understands DOC's position so if he's willing to sit and wait until it is decided how all the property will be used and what the appropriate uses are; there will be resolution to his concerns.

Chairman Byler explained that one of the reasons he was asking about the current land use in the wetland property is that the Federal Grants makes him think of the different options they may be looking at like the CRP program. Is that one of them being considered?

Scott responded: Yes, that is one of them. That is the biggest one because they can get monies fairly readily and fairly easily. There are other smaller ones they have talked about. They will start with CRP and work with others to get other benefits. One of the things that they have talked about and it is something that DOC will work out if they get that lease agreement to work out; is the possibility of using inmates for some of the riparian work. They would train these

inmates to work with that type of program and understand the special skills to work with the native plants and take care of the property. They have offered to maybe use inmates to do that. DOC has offered the skills of the inmates to do some of the manual labor if that is what they need.

Chairman Byler responded that this is an excellent idea. One of the questions for the Committee's consideration is the lease option or management agreement. It sounds like DOC has some sleuthing to do in order to figure out the best approach.

Scott responded that this depends on the grant programs that they might go for. He thinks, in the CRP program, they will need to lease the land. They need to be able to show that they have control of that property for at least ten years. They are still waiting for DOC to say that this is a good program to use on the property.

Chairman Byler stated, for purposes of full disclosure, that the state match from the State of Oregon for the CRP program comes from his agency (OWEB) Oregon Watershed Enhancement Board. That's why he is interested in knowing what is happening here.

Senator Winters stated that she started facilitating this conversation because she thinks this proposal has a lot of merit. Not only the training of the inmates but also the land restoration pieces. She is hoping *Scott* can get all the details worked out.

Scott assured her that he thinks they still can.

Chairman Byler added that he encourages DOC to close the deal on this. He thinks any time we can put this size of acreage into protected ecological values for long periods of time in a semi-urban environment, it's all good. It sounds like in this case; it is a win-win situation for all the parties involved. He encouraged *Scott* to contact his agency if they can be of any assistance in terms of the training. They might be able to point DOC to the different sources for training inmates on some of the riparian skills that they need to look at.

Scott responded that some of the inmates are willing to learn some new skills outside what they normally get in the Corrections process so they would like to do that.

Senator Winters asked if DOC is having discussions with Chemeketa.

Scott responded that other people have come forward as he mentioned earlier. They have the farming community and now they have the two colleges in town, Chemeketa as well as Corban College. Both have shown interest in the property out there. Chemeketa is projecting that their campus to the North will be full within 5 or 10 years. They are looking outward into the future for where they might put a South campus. They approached DOC to look at about 80 to 100 acres next to Corban (yellow area on the map) so they could partner with Corban on some programs. Corban's interest is getting landlocked in their current location. If all of this land starts being sold or leased for other uses, they need a little more room for some ball fields, an outside perimeter road and some other uses they would like to get. They are looking for 20 to 40 acres. Both colleges are future use needs and DOC has talked with them and just left it until they understand what the Area Plan will be for the whole property.

Evelyn Stepp asked if some sort of plan has been put into place when they do this wetland area, to keep out non-native plants when they lease it for the 15 year lease period.

Scott responded: Yes, that is part of their program. They have talked with the two gentlemen and that is what they would do. Work on basically killing off what they can over a couple summers before they really plant any native species then part of that would be some maintenance. That's where they think they can have two steps: 1) train the inmates to plant and take care of the plants and 2) have the inmates take care of the maintenance out into the future.

Evelyn Stepp asked if there is a plan for the one section on the map between the light blue and the road.

Scott responded: That sliver was left out of the Area Plan for the wetlands because it knolls up along side Turner Road so it is up out of the flood plain. That is a piece that will be looked at for other uses. It wouldn't benefit for riparian work. It most likely will be some sort of commercial industrial but they don't know yet.

Evelyn Stepp asked how much acreage is in that piece.

Scott responded: Approximately 15 to 20 acres.

Chairman Byler asked if *Scott* had any sense of whether there are any flood plain issues in the triangle property. Would the restoration work in the wetland area benefit flood issues for the triangle property?

Scott responded that it will some because what they want to do is open up the stream bed a little bit more. It turned into a jungle over time with blackberries and other invasive species. What that did is hold up other debris in the stream

bed so part of what ODOT is trying to do with some of the areas they are repairing is that they are clearing some of that brush away and opening up the stream bed again. They are also trying to put in some sinking logs and other things to help the fish and other species in the water which in turn is supposed to hold back the flows a little bit. Some of this has already been looked at as to how it benefits the area. The community as a whole, clear downstream from the property into the City of Salem is considered when they plan how to hold water back from that property vs letting it come down.

Evelyn Stepp asked if there are native trees around the creek on that property.

Scott responded: Yes, there are some but some of it has been invaded. That is where the two gentlemen are proposing to bring that back by bringing in more native stock.

Senator Winters explained that how we got into all of this was that when planning for DPSST, several people came to Senator Winters about not only the issue of the sound impact but also whether or not the community would actually support having the Academy located there. As they looked at the Academy they looked at the whole issue of the environment, particularly the Savannah Oak and some of the other wetlands. That started them to thinking about what could be done. 1) To satisfy the needs of the Academy and 2) Preserve and protect the various land surrounding it. The two gentlemen *Scott* is talking about did an incredible job assisting Senator Winters with the neighbors in order to get DPSST approved by the community. One of them has actually worked with developing the plantings for DPSST so that we have a nice buffer to save the Oak Savannah. Then these gentlemen came to Senator Winters about the wetlands. Their whole passion and career is dealing with the wetland issues and the environment and it just fits this area. So, when they met with *Scott* to talk about what could be done, the idea of training the inmates came up so now other added values were brought in and it makes a lot of sense. She thinks this is something we can look back on later with some real pride. She supported them when they came to her and appreciates *Scott* at DOC for really getting into this because she thinks it will be of great value for the State.

Evelyn Stepp asked where the Oak Savannah's are located.

Senator Winters responded that if you go out by DPSST there is big hillside along Aumsville Hwy.

Scott added that if you look at all the black area on the map, this is the land that DAS has on the market for sale. Above the yellow area near Corban College, there are Savannah Oaks on that hillside and where Oregon State Correctional Institution is located, that whole area has oaks and is surrounded by prairie land. That whole area is based on the old oaks. Some of them are getting so old that they are starting to die and some of it has been overgrown by Douglas firs and cottonwoods and other things that have just propped into the area.

Evelyn stated that Douglas fir will be what ends of there at the end because this is the climate for them.

Scott added that with their research and other help, they found out that the canopy of the firs get over the top of some of the younger oaks and it will kill them.

Chairman Byler stated that this has been a fantastic discussion and it is an exciting opportunity and he agrees with Senator Winters that this is a great mix of uses on this property that meets a lot of different needs. He thinks it is very creative and looks forward to hearing more about it as things move down the line. He also asked if the Committee had any further questions and he thanked *Scott Young* for the report.

Senator Winters stated "good work *Scott*".

5. Final Report 2006 – What we have learned (Fred Lord)

Fred Lord stated that a scaled down version of the PowerPoint presentation that was shared with the Sub-committee in October will be given to this group. The legislative members of this Committee were unable to attend but the PowerPoint presentation was mailed to Representative Gilman and delivered to Senator Winters' office last week. Fred advised that he will not do the PowerPoint because we are all familiar with what the various agencies have said and with the recommendations that they have made. We have all had the opportunity to read the previous minutes and the discussions that have been going on. It is a lovely segue from what *Scott* presented about what Corrections is doing with its land which a year ago was all "in-use". The Oregon Youth Authority 36 acre parcel out in Burns was also all "in-use". Not because of what this Committee has been doing but serendipitously at the same time, things are coming about that show that there are ways to identify lands that aren't being currently used for what you might call their "highest and best use". Proposals have been presented which provide opportunities to slim or cut down some state ownership or to provide alternative uses which have a one + one = four affect. *Scott's* presentation of this riparian restoration zone of 240+ acres is a superb example. It keeps the land in state ownership and provides a buffer for the prison. It brings back restoration of native plants, it provides

training to inmates. It's a wonderful win-win situation and it brings employment and growth to that area and provides some needed habitat in the area that would be lacking if it were just allowed to go to cow pasture. It is a very innovative use of state property and still retains state ownership as a buffer. Also, at the same time DOC is disposing of 15 acres at the tag end to a user who puts it back into the tax base and brings employment and more economic growth to the city. A lot of good things have come about with property which a year ago was in the "in-use" category. Fred introduced Darrin Brightman, Area Plan Coordinator for DAS and explained that Darrin will be rewriting the Area Plans for state properties within the Salem Area. The first rewrite was the Oregon State Corrections Area Plan so Darrin has been involved with Scott on re-writing this Area Plan for those three prison sites out along Mill Creek and Turner Road. A lot of that Area Plan, which is something required by statute, has helped identify properties which are not currently being used for agency mission purposes and they are being pinpointed. The Area Plan component is only something that occurs in the Salem Area. It is not something that occurs on state lands perse'. We will not see that kind of concentrated activity identifying what the proposed future use of lands will be elsewhere in the state. It will be just here in the Salem. Of course, the State of Oregon owns quite a bit of land in Salem so it helps to get things moving.

Fred went quickly through the three page real estate practices summary that he handed out. It contains the nugget of what this Committee learned this past year. Fred has not yet divided them up into specific topics. This is the first time the PLAC has met in two consecutive months in a number of years so the work load has been heavier. However, it was a good thing that we had the Sub-committee meeting last month. It was a very good concentrated effort focused entirely on this one topic of what we have learned about state lands and how agencies manage them. From where we started the process and where we've ended up is fascinating. We started out the process thinking that there was a lot of surplus land out there and that we could move a lot of it into private hands. What we have learned is that there really isn't a lot of "identified" surplus land out there and even if it does get sold, it does go to the tax base but the revenues from the sale of those surplus lands don't go back to the general fund. You just heard Scott talking about this 15 acre sale to Steelhead Metal Fabrication Company. The property will be sold by Oregon Corrections Enterprises (OCE) and the proceeds will go back to providing training for prisoners which is an excellent use.

Senator Winters added from a city perspective and a county perspective they are still looking at the tax base. She thinks we have to be very cognizant of it even though it isn't always possible for surplus land to get on the tax roles, where ever possible, it is an objective. The Legislators hear more about it in Salem than anywhere else.

Representative Gilman stated that he has read through this report and his only question is that he doesn't know if there is enough emphasis placed on the fact that if we do sell, it goes back on the tax roles. He thinks that is very important and he thinks it is also true that DOC is already finding some property that will go back on the tax roles. They didn't call it surplus land but it certainly has a better use than what it is being used for currently. He also stated the Fred is correct in saying that there isn't a lot of surplus land and sale proceeds do not go to General Fund

Fred stated that DOC is going through their property in a very methodical manner identifying areas of opportunity. You might say going around the ring from the South side along Santiam Hwy and up to Corban College. They are looking at the lands and what they are being used for while still keeping with their mission purpose of providing corrections facilities and keeping that buffer around those prisons as needed. The DPSST property is an excellent example of that. They have managed to retain the buffer yet put the property to a use which will serve the entire state and all of the various enforcement arms that are in the state. The other property on that map that is not specifically identified, Chemeketa and Corban College are both looking at it and there are other users looking at those properties as well.

Senator Winters said that she must say something about Salem and Marion County. It is traditional for us to try to get together to find out the best usage for something and for entities to come together. It is wonderful for Chemeketa and Corban to be working together because they know that they can enhance each other. One is expanding and one is looking at not becoming land locked so they got together. She does not want to see the emphasis of the report to communicate that everything was looked at and by golly there just isn't anything there.

Fred responded that this report would not show that. DAS has come up with a fairly extensive list of little fixes. There is no one big glorious fireworks type fix that will make everyone happy and where everything would be taken care of. There are a lot of little things that will make the sale of land and the identification of land that could be sold more readily available. As noted, the first fix is to reconvene the Statewide Land Managers Forum. The people within agencies like Scott Young who get together and talk about land issues (not facilities issues). There is an entirely different forum that meets on an occasional basis and talks about facilities issues. We need to get that Land Manager's Forum back

together and talk about common issues and ways to move things quicker and for managers to share thoughts between agencies. We heard of these meetings from several agencies. Just for your information; there was one where Cliff Hough from Parks talked about the Federal Appraisal Rules which are more relaxed for smaller valued parcels than the standard Federal Appraisal Rules. This may be something we could adopt. Appraisal of small state properties is one of the reasons that many agencies don't go forward with selling property. The appraisal cost is more than the value of the property, so you are putting good money after bad. A more relaxed appraisal requirement is certainly something that will be brought up in the forum. If agencies can spend less money and still get the property on the market and off the State roles, it is worth investigating. There are a bunch of little things like that which can be done. There is a list shown in the document.

Senator Winters asked if these things can be done administratively.

Fred responded: It doesn't need to be a rule and it certainly isn't a statute. It is something that each agency can do as an administrative change in their existing policy. In many cases it may not even require a change in policy; it just requires recognition of the new information, such as the change that has occurred in appraisal standards. There are other things where all it takes is recognition that this possibility is open to them. What we are seeing is an attitude of "we have always done it this way". This Committee heard Scott Young, in a previous session, talk about the other thing that comes into play here. Scott came on board as the Facilities Manager for Corrections. He took care of the buildings, construction and maintenance of the buildings. His time now, as he has indicated in several open forums is that sometimes almost half his month is spent on land issues (sales and purchases). That is not what he came into and he is not a land man. He has learned extensively and quite competently how to handle land sales. Many agencies have one person in charge of both facilities and land. As a matter of fact, in many of the smaller agencies, the person who wears the facilities and land hat actually has a different hat entirely whether it is HR or IT. They have been given or bequeathed with the responsibility of handling the land issues. They don't have the background to handle it and it is not their primary duty. We are suggesting that DAS expand its role as the provider of those land services through Inter-agency Agreements. That is one of the things DAS will bring up with the agencies through this Land Manager's Forum because DAS does have the in-house expertise. Greg and Fred are both Real Estate people. They have the professional training and the background and skill set to be able to handle real estate sales and purchases. That begs the other question of the continuing education and training of Real Estate Specialist that you have in the various agencies that do have real estate staff (DLS, ODOT and DAS). To Fred's knowledge right now, ODOT is the only agency that spends time and agency resources on the training of their staff and continuing to maintain their current real estate skills. ODOT, of course, supports the International Right of Way Association (IRWA) and their Right of Way Agents go to that training. They learn about how to acquire Right of Way and how to do appraisals.

Senator Winters commented that some agencies, such as ODOT, are in the business of constantly doing land acquisitions. She sees that as a part of their internal function so they would need to have the in-house expertise because they are doing it on a continual basis. Unlike some of the smaller agencies who maybe once in ten or fifteen years need to have some sort of growth or expansion. DOC only needed the expertise when we started talking about growth outside of the Salem Area. As she looks at the agencies, perhaps only when they get into the expansion business would they need the expertise. From that standpoint, ODOT would need the expertise within their organization continuously.

Fred responded: Yes they do and there are actually three general groups: the three agencies who basically work with land transactions constantly: ODOT, DSL and DAS. Then there are a number of agencies who do real estate transactions specifically for their purposes: Forestry, Parks and Fish and Wildlife (ODFW). It was surprising to hear Parks and Forestry talk about the extent of what they are doing. A lot of it is dealing with encroachments and easements and permits. Not that much with land acquisitions and sales but they are doing one or two transactions per year. Certainly Parks with their goal of having one new state park every year until the year 2014. Then there is a much larger group of agencies who do a land transaction once every five years. They are the ones who are ideal for an Inter-agency Agreement with DAS to handle that occasional purchase or sale. The three largest agencies have in-house staff and the ones who fall between come to DAS quite frequently and ask for advice on how to sell property. There is a little fix for each group. The Inter-agency Agreement works for the agencies that are on the bottom end of land transaction activity. Training for the staff of those agencies that are on the top end of the land transaction activity so they maintain their skill sets will be recommended. In between, the sharing of ideas so that everybody can get an understanding of what some of the issues are, that hit all state agencies across the board. One of the things we are proposing is to revise our reporting structure so that we have a better grasp of what agencies own and what goes into the Statewide Lands Inventory Database. It is through the database that we are hoping to start identifying some of these potential surplus properties. We hope to identify those properties where the facility may be actually occupying a

fourth or fifth of the actual land area. We can ask the question of what they are doing with the rest of the property. Agencies have such a draw on their time that they can't get to something that is always at the back end of their task list. Through the Statewide Lands Inventory, DAS may be able to develop a means to ask that question on a biennial basis and continue to prod. That is where Fred sees DAS heading with this function of prodding agencies, asking the question: "What are you doing with that property?"

Chairman Byler asked to take a step or two backward before we get too far into the weeds on this. He made several observations:

- 1) The recognition of the importance to the local entities of the sale of state property, to put land on the tax roles. Work that into the final report.
- 2) State more broadly that the Committee is supportive of the notation of regular meetings of a Statewide Land Managers' group because we have learned over time that one size does not fit all because there are different statutes, different agencies, different capabilities, and different missions to carry out. These Managers will learn from each other and through some coordination and guidance from DAS. We can tackle some of these small technical fixes to move ourselves toward some of these broad objectives that we have been talking about but in a more subtle way than we imagined when we first embarked upon this.
- 3) The notion of identifying surplus lands that are currently identified as "in-use". As we are seeing with this Youth Authority property there are creative ways to look at land holdings. Hopefully through this Statewide Land Managers group, we can start helping the State Land Managers think a bit outside the box so that they can start recognizing that some of those properties that are in-use right now may have some other uses. They may be able to carve pieces out of those properties that are not needed for their purposes but they haven't been thinking in those terms to date. He hopes that the group structure (forum) that is created through this gathering of those State Land Managers would provide a useful tool to get those agencies thinking in those terms and provide some resources and guidance for them to help them understand how they can move forward on those parcels.

Fred stated that rather than hacking at the weeds with the little fixes on his list, it may be more productive to have a general discussion, a continuation of what happened last month within the sub-committee format where higher level issues were discussed. Senator Winters has pointed out repeatedly, and quite properly, the need to stay focused on the primary goal and Chairman Byler just reiterated that. We have property in the State for which statute specifically states that the State will not hold any more property than it needs and what it doesn't need should be looked at. That is what is driving everything. Sometimes a staff person looking at the mass of materials gets focused very narrowly on trying to make those small fixes to move toward that goal and not necessarily articulate the goal itself. The discussion was opened.

Evelyn Stepp stated that what she sees is that the State has different needs with different properties as time goes on. The property in Burns was given as an example. It is good timing to make some good use of it in another way. She also sees that the sale of these lands doesn't go into the general fund but each one of these agencies that has this land will derive some sort of benefit from the sale of the surplus land that they find in some way.. There are several benefits to the whole state, not just tax benefits.

Senator Winters stated that there is a huge benefit for Corrections in the transaction discussed today. Not only is there public good from the restoration of the wetlands but inmates will actually derive an income. You also have some land that is actually going on the tax roles that the city and the county will be very grateful for. It is all these combinations that we talk about when we talk about surplus lands. There are the burdens; however, the Paiute Indian Tribe sale will certainly be a benefit to that community. Not all lands can go for use and an example would be what we might have to do with the State Hospital. She thinks the bigger discussion is the question of whether or not the State is sitting on land that is doing nothing and not benefiting anyone or anything. The studies and the discussions have been that certainly some surplus land has greater value than just monies going into the general fund. The monies from Corrections will go back into Oregon Corrections Enterprises which actually really is a benefit to the public and to the individual. She thinks it can be crafted in a way to where it captures those kinds of concepts.

Fred responded that this is a good point. There is more to it than just the sale proceeds going into the general fund. There are a number of complimentary benefits. As Senator Winters pointed out, in the Corrections example, it's the education to the inmates, the addition of native lands to the city of Salem even though the public cannot walk through it because it is part of the buffer for the prisons, all those benefits still exist. What we are seeing in all of these examples, particularly in the piece in Burns, is not simply a land transaction where land is sold to a private developer and there is a tax base and employment going in there. There are other benefits that are coming out of each one of

these transactions because it starts out as unused or fallow state property. Fred noted that in each case in these two examples; Corrections on Turner Road and the one in Burns, these were both stand-alone parcels, easily identifiable and something you can get your grips on. With some of the agencies, such as Forestry and Parks, they own large conglomerations of property and it is very difficult to see any surplus lands in what they have. Their properties have been purchased for the purpose of fulfilling their mission. Parks, for example is to preserve and protect public lands for the public good. When a farmer looks at the lands out at Mill Creek and sees that it is not being plowed that year, he thinks it is going to waste. The Parks Department may look at that same property for part of their parks land and see that it is part of the public park and see that it is there for the purpose of use and enjoyment of Oregonians, therefore it is not going to waste. They might use it for a different purpose. They might put a campground on it instead of keeping it native habitat but it is still part of the Park. He doesn't mean to pick on Parks because we have Fish and Wildlife and DSL and the other large land owning agencies that think this way. We only have two agencies that have a vigorous land disposal program, ODOT and DSL. The others really don't have any kind of land disposal program. It is Fred's hope that through the Land Manager's Forum, that we can bring out these ideas that are coming up here to their attention and get them to think about them more as a group. They certainly have had an opportunity to know that this Committee is interested in it because they have been here but we have only heard from seven agencies and there are nineteen land-owing agencies out there.

Senator Winters stated that her recommendation would be that we give a background of what the findings were. You can talk about the findings of the agencies that were reviewed. In looking at Forestry and Parks, their goals and their objectives are somewhat different so you don't expect them to have the same kind of surplus abilities. The recommendation of continuation of a Statewide Land Managers Forum to meet periodically to share ideas is something that can be done administratively without any legislative action. She would include that part of the purpose of the Land Manager's meeting would be to encourage agencies to think outside the box when new concepts and ideas come along. What you're talking about is getting together for a sharing of information and ideas and those are pluses. She thinks what is coming out of this is good. She would also point out in the report some of the positive things that have occurred. She would give some examples of what can happen, such as Mill Creek. The Burns Paiute example is another good effort. Also the report could show some parallel differences. In one you have a lease arrangement with an option to purchase down the road. In the other example, you've got both a 15 year environmental restoration as well as an entrepreneur who is actually doing business on the property. Then there is the inmate training for OCE so you have some real values that are occurring in dealing with lands. Of course, Mill Creek Industrial Park will actually result in a lot of tax dollars ultimately. There are enough examples there.

Chairman Byler agreed with the comments made by Senator Winters and asked who this report is going to. Is it for the Committee's purposes or is it going to the Legislature?

Fred responded that it is going to the Legislature. That is what Bill Foster has said.

Chairman Byler continued that one of the things he thinks Senator Winters was getting at as well as Representative Gilman is that these recommendations are fine but we need context around it. We need to revisit the initial questions that arose that created this effort that we have been engaged in so that the legislators who see this, some of whom may be looking at these issues for the first time, understand and have some context of what they are looking at. He also agrees with Senator Winters that some examples of how agencies are getting more creative in terms of how they are thinking about their lands and looking for opportunities to make the best use of it, whether it is leasing or outright sale, instead of just having that land sit idle. This is a positive trend that we are seeing and again, the state managers group could be a great forum to encourage more thinking along those lines. The other thing that he would ask this Committee for feedback about is the administrative suite of technical fixes that Fred offered as recommendations.

Tom Sjostrom stated that it seems the technical fixes were discussed in detail last month and he thinks there is agreement that these are the kinds of things that the Committee wants to see included in the report.

Chairman Byler stated that he wants to make sure that all Committee members are comfortable with those ideas. The three members who attended the October meeting did talk about these at length. However, Representative Gilman and Senator Winters didn't have the benefit of that discussion.

Representative Gilman asked to discuss recommendation #5 which involves real estate brokers and something that goes on in Colorado.

Fred responded that this is referring to something that he discovered and it is thinking outside the box. Every state agency handles its own real estate sales unless they ask DAS to handle it for them under an Inter-agency Agreement.

In looking at other agencies and trying to get ideas, he called upon the assistance of Google. Google is a wonderful tool, ie., garbage in, garbage out. It is harder to separate good ideas from bad ideas but he was looking at what other states do with their real estate needs and how they handle it. He came across the state of Colorado and their statute. They have basically said to all their agencies, and this is primarily on the leasing side, but it is also on the real estate sales side, that if an agency needs leased space they will go through an outside real estate broker. The state has a multi-year contract with the Roger Staubach Company and with Grubb and Ellis. Colorado has nine counties which includes the Denver metropolitan area. This is an interesting idea because it is basically privatization. It is saying that the agency cannot have the expertise that you need in lease negotiations as the tenant so they are being told to go and get an expert. That is not what Texas or Connecticut has done.

Senator Winters asked if DAS Facilities acts in that capacity now for some of the smaller agencies.

Fred responded: Yes, the Facilities Department of the Department of Administrative Service, Leasing Section handles all leasing activity for State Agencies except for OUS and OHSU. If an agency (DEQ, DMV, ODOT or Forestry) needs a leased space somewhere in the state, they fill out the form and come to the DAS Leasing Department. The Leasing Department has the expertise to negotiate on behalf of all the tenants of the State of Oregon for space to the extent that it does. Going back to the first bullet, only ODOT pays for training for its real estate people. DAS used to but no longer does, so Fred thinks you will see a diminution of training on the DAS side because we don't have the money or the time to get the training to keep up with the professional real estate market in expertise. A thought occurred to him that it wasn't just the state of Colorado that he looked at. The state of Idaho uses E-Bay to market its real estate and apparently has some success. There are a lot of ideas out there about other ways to do things. Some of these ideas are discovered by individual agencies here in Oregon, and they keep it to themselves. They don't have a forum to share that. Part of what reconvening the Statewide Land Manager's Forum is for is to get those ideas out there. Some of these ideas would never work in Oregon but we don't know until we hear about them and take a good look at them. Some of the ideas may be of benefit to Oregon.

Evelyn Stepp stated that she knows that one of the things to look at when you are talking about the Grubb and Ellis' is that as real estate agents, we may have had some knowledge of real estate coming into practice but we were not seasoned professionals. We completed the education and passed the exam but when it got down to actually doing that process out in the field, we were in a learning process for a good three years at least. It is very uncomfortable to start with. It is not only education but also experience that is needed as well as continuing education.

Senator Winters stated that all this should be crystallized and put together and allow the Committee to have another look at the Draft Report before it goes to the Legislature.

Fred confirmed that what he is hearing the Committee suggesting is preparation of a brief showing the following:

- The reason we are doing this.
- The background.
- The questions we asked the agencies.
- The answers we received.
- The results or conclusions of those answers.

What the Committee is looking at today in the three page summary, are the results. The PowerPoint presentation contains much more of the "How, What, Why, When and Where" format. He would use that as his skeleton to put together the report to the legislature. At the same time, it is going to be a voluminous document and he is firm believer in trying to make a one page Executive Summary if he can get away with it.

Chairman Byler and Senator Winters agreed that a one page document is necessary. *Senator Winters* stated that if you are going to give it to a Legislator and it is voluminous, rest assured that it will sit on the shelf and nobody will actually look at it. *Chairman Byler* stated that the report must be crystallized in one page. *Senator Winters* added that you must give enough background information to where they understand the "why we are where we are".

Fred commented that there has been a tremendous amount of man hours put into this effort by the Committee as well as the staff. We are just barely starting. Maybe the Committee's direct involvement won't be as continuous in the future as it has been the last 24 months. It will still be there but the follow up has to be there. It is a dangerous thing to go through a large period of research, come up with some recommendations, make the recommendations and then see nothing. It is Fred's hope that we will have a continuous forum of feedback and mile posts over the next 24 to 36 months to make sure that things are moving forward. This report is just the start of it.

Representative Gilman stated that this Committee is making progress even before the report is finalized.

Fred responded that the two transactions discussed today are serendipitous. They were not the result of what we have been investigating with this Committee. They came up along side and independently. The Burns Paiute Tribe has been talking about trying to do something like this for 24 months or more. The Oak Savannah issue and the Riparian restoration issue is not something that came up because Corrections looked for land that could be put to a higher user. He thinks that because of this committee, that Corrections may have looked at it more avidly.

Senator Winters stated that she wanted to go back because a good idea was brought up about the Land Managers. What happens in Government is that everybody is doing their own little thing. One entity is not talking to another entity. The Oak Savannah came up because a private entity came to Senator Winters and said this is what is going on and they thought there was some value out there and asked to have some discussion with those parties involved. Senator Winters contacted DPSST and those who were planning that then she contacted Corrections, there was a meeting in her office and everyone started talking. This is the way back and it was the same scenario with the wetland. The same group came to her and said that there may be an opportunity. What often happens is that not everybody who should be talking is actually talking and the manager's getting together is an excellent recommendation because it forces everybody to start talking and sharing ideas and concepts. Once you can get everybody sharing, plans start to evolve and move along. But information in government comes from a variety and multiple sources. It can come from anywhere.

Chairman Byler concluded that even though these two projects that the Committee likes and are great examples of what the future can hold for us may not have come out of these discussion but these should be used as momentum builders. Incorporating a brief discussion of these into the report by saying this is what can be accomplished in the future. Part of what the recommendation this Committee will be offering are some tools by which we can get the agencies to think in those terms.

Senator Winters added that when DAS does the verbiage, it should be emphasized that there really was a "willingness" on the part of Corrections to see the possibilities. There has to be a willingness on the part of the agency or agencies to think outside the box. It is important to include this in the Report. There was a willingness on the part of Corrections staff to see the value and then they talked about the buffer and what was needed. It really started because of the race track that is going to be at DPSST and the neighbors are concerned about the noise and all that. There was a willingness of individuals to think differently and started asking if we need to look at it as we always have in the past. They started asking if they could put in buffers and if they could do things a little differently. It is that thinking outside the box that has moved these projects forward. In government manager's meetings, we get so caught up in tradition or we've done it that way all the time that we don't think in terms of how it could be done differently.

Fred summarized for Bill Foster that the Report being discussed is the report for the legislature which will bring this out. Chairman Byler and Senator Winters have both indicated the need to use examples of creative land disposition transactions. The Burns transaction, the Steelhead transaction and the Riparian restoration project that Corrections is doing are examples that will be used. Though Fred may produce a voluminous report, the Executive one page summary is very important, or the Report will just be round filed.

Chairman Byler asked if there were any more questions or comments regarding the recommendations that Fred has put forth. If there are no more thoughts from the group, he would like everyone to start thinking how to move forward. He has noticed as part of today's meeting materials that there is a list of suggesting meeting dates. Chairman Byler asked if the draft report would be distributed to the Committee members via an e-mail in advance of the January 5th meeting so the Committee could sit down as a group and talk through it a little more before it is submitted to the Legislature.

Fred advised that he does not know when we will need to submit this document to the Legislature. He does not know what document it is included in so he doesn't know the timing. He knows that there is something due to them by year's end. He does not know where this falls into that. It seems to him that this is an independent document.

Chairman Byler suggested that he find out what the deadline is and give the Committee members a chance to look at the draft before it has to be sent out to the Legislature. Whether or not they have an opportunity to sit down and talk about it as a group, he thinks it would be helpful for all the members to have the opportunity to take a look at the final draft before the final document is submitted to the Legislature.

6. General Discussion – 2007 Meeting Schedule

Fred advised that the 2007 meeting schedule dates was just picked out of the hat. What is needed is for everyone to look at their calendars and let him know if these Friday meeting dates will work for everyone. It is possible for DAS to be flexible with these meetings because, while it is nice to have these meetings at Forestry because they have a very accommodating conference room, it is possible to have small group meetings in this room. This construction is supposed to result in some larger conference rooms in the basement which may be where this group meets in the future. Physical places to meet is not the problem, it is the timing for when we can get the committee together for a quorum that will be the issue. Since membership is down by two it makes a quorum more challenging.

Chairman Byler encouraged everyone to think about the schedule carefully because three meetings are scheduled during the legislative session. It can really make a difference, for legislators particularly, if they can walk two blocks vs having to drive across town. *Senator Winters* commented that if the plans for the Legislature to go to an annual session are put into place, you will have to be respectful of the time demands of whatever Legislators you have around this table. What they are planning on doing is getting their work done in a very concerted time frame which means they will not be around doing stuff until August. They are going to get rid of all this busy stuff that they normally do so DAS staff needs to think about that piece as well. There is a huge difference between walking across the Capitol grounds to get to a meeting and driving out to Forestry. If you want legislative input, time is of the essence.

Fred asked if there is any particular day that would be better for more availability. He doesn't want to load up the calendars for all the meetings at the end of the year because the Committee needs to meet throughout the year to look at property sales and acquisitions on somewhat of a periodic basis because there may be more than just advisories on some of these land sales or purchases where the committee actually has an opportunity to provide advise to the Department.

Senator Winters stated that more importantly we need quorums and we might want to have some conversation with the Governor's office about the replacements so there are more individuals on the committee. She thinks that looking ahead; you want to be able to get them engaged in looking for individual replacements.

Chairman Byler asked DAS Staff to think about whether you could move two meetings to the fall, maybe September and November. He thinks that January through June is going to be tough. If we can squeeze a couple meetings in there, it will be great but having the bulk of the meetings during that period may be problematic, especially if you need quorums.

Senator Winters added that it will be problematic for the agencies as well. If they have to appear before Ways and Means as well as some policy committees, it is going to be tough. The plan is for the Legislature to compress time so it might be a different new world come January.

Fred responded that we will make some changes to the March and June meetings and move them forward right away. We will look at September and November instead of June and October which leaves the January meeting. When does the session start?

Representative Gillman responded: January 8th but that doesn't mean they start doing business on the 8th because they are looking at a totally new structure.

Chairman Byler agreed with the Legislative Members that there is a lot of uncertainty. It may not be business as usual and even if it is business as usually, there is a lot of uncertainty in the schedules and even amongst us, we could all be pulled in opposite directions and it could be very challenging for staff to pull the group together with that in mind. With the potential new direction of how the Legislature might take care of business this session, it really is hard to know. The three months of intensive committee work may create more time for some and less for others.

Senator Winters added that there is talk about doing more hearings out in the field. They are talking about a much different kind of work load than they have done in the past.

Chairman Byler advised that the January 5th date should remain. He asked all members to check their calendars to see if that works at this point and he will rely on Fred and Elaine to remind the members of that date as January 5th draws near to make sure it is still firm. Also, he wished DAS good luck in filling those two slots on the Committee as quickly as possible.

Fred stated that if any of the members of the Committee have a suggestion as to persons that they would care to see on the Committee, he would welcome their input. The two people who resigned filled actual statutory positions. One must be a public employee and the other, Dave Knowles filled the slot of planner. We cannot ask just anybody with a real estate license or anybody who has an interest in it. They must actually have that background experience or be in that employment group.

Chairman Byler asked about the state employee position. Is it as broad as just stated or are they looking for some specific skill set?

Fred responded that the statute simply states "public employee" but we do look for people who have some managerial experience and some experience touching on real estate.

Senator Winters asked if it could be somebody from the City or County.

Fred responded: That is a good question. He offered to look at the statute and send all members a copy of that particular part of the statute so everyone knows what it actually says.

There being no further business, meeting adjourned at 3:20 pm.