

The State Land Board met in special session on July 6, 2000 in the Indian Affairs Conference Room at the State Capitol, Salem, Oregon 97310.

Present were:

John A. Kitzhaber	Governor
Bill Bradbury	Secretary of State
Jim Hill	State Treasurer

<u>Assistants</u>	<u>Staff</u>	<u>Dept. of Justice</u>
Paula Burgess	Paul Cleary	Bill Cook
Paddy McGuire	John Lilly	
Rollie Wisbrock	Gary Van Horn	
	Gail Lowry	

Governor Kitzhaber called the meeting to order at 1:10 p.m. 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 NE, Suite 100, Salem, Oregon 97301-1279 (phone: (503) 378-3805).

Action Agenda

1. Results of sealed bid process and request for final sale of approval for North Tongue Point marine industrial site.

Director Cleary reviewed the process that occurred with advertising the property for public sealed bid, while simultaneously notifying the Port of Astoria of their opportunity to exercise their surplus property right until June 23. The Port chose not to exercise that right. The sealed bid sale was held on June 30. One bid was received from Cresmont, Inc., that met the minimum acceptable bid of \$4 million. State Treasury confirmed that Cresmont's ten percent down payment of \$400,000 had been received.

Cleary said the tear sheets from the advertising show that it was done properly. He added that Cresmont, Inc. was a qualified bidder that met the minimum acceptable bid. He recommended the Board approve the sale of the property of 36± acres of uplands and improvements at the bid price of \$4 million. Cleary explained that during the closing process there will be a possible adjustment as Cresmont may pay the \$89,000 water improvement payment that the Division had included in the sale price. If paid by Cresmont, that will be a credit against the sale price. In addition, there are lessee-owned improvements of less than \$100,000 that still have some undepreciated value, which will also adjust the sale price. The agency is also asking the release of whatever mineral rights the state obtained from the federal government upon purchase of the property. Cleary said that a deed will not be presented until it is confirmed that the remainder of the sale price has been deposited.

Governor Kitzhaber asked about any outstanding payments that Cresmont may need to make prior to closing. Director Cleary stressed that all taxes must be current and all rental payments must be paid up to date by the closing. He said that it was agreed that, if the Land Board approves the sale today, Cresmont's rental for July will be waived. Cleary added that these final sale approval conditions/provisions are outlined in the sale agreement that has been provided to Cresmont.

Secretary of State Bradbury moved the Land Board approve the sale of 36± of uplands and improvements at North Tongue Point marine industrial site to Cresmont, Inc. for \$4 million with possible adjustments as described by Director Cleary. State Treasurer Hill seconded the motion. Director Cleary noted that the release of mineral rights should be included in that motion. The motion was amended to include the release of the mineral rights that were received from the federal government upon purchase of the property. The amended motion was unanimously approved.

Secretary of State Bradbury commented that it is great to see this getting resolved. He said it is a good outcome for the Common School Fund and good for the community. Cleary added that the community has gotten behind Cresmont, Inc. and their partner, the Washington Marine Group, and are looking forward to the development there.

State Treasurer Hill said he thought he would never see this day. Cleary remarked that the agency has done a good job for the Common School Fund in terms of getting the land under lease for the past number of years and concluding the sale.

2. Request for appointment of Stephen J. Purchase as Acting Director of the Division of State Lands.

Director Cleary explained he is preparing to take the plunge from land to water, so to speak, in leaving the Division of State Lands to go to the Department of Water Resources as Director. He said it had been his privilege to serve the Board as the Director of the Division of State Lands for the past five years. Since there will be an interim period where the agency will need an Acting Director, Cleary recommended that the Board appoint Steve Purchase to fill the Acting Director position until a permanent Director can be appointed by the Board. He also recommended that Steve's salary be set at Range 39X, Step 7, for that period and noted that there would be no backfill to cover Steve's current position as Assistant Director for Field Operations.

Secretary of State Bradbury moved Stephen J. Purchase be appointed as Acting Director of the Division at the above salary range pending the appointment and hiring of a permanent Director. State Treasurer Hill seconded the motion and the approval was unanimous.

The Board members expressed their appreciation to Director Cleary for his work with the Division, saying he has done an exceptional job in terms of making progress in the many diverse issues and responsibilities of the Division and also in balancing competing values between the agency's constituencies. Governor Kitzhaber said Cleary's legacy at the Division is one of deep respect across the spectrum of those public interests.

The Board and the staff presented Director Cleary with a map showing the ownership interests of the State of Oregon.

Governor Kitzhaber adjourned the meeting at 1:20 pm.

John A. Kitzhaber, Governor

Paul R. Cleary, Director