



Oregon

Kate Brown, Governor

Public Wi-Fi logon: LandsDSL

Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

(503) 986-5200

FAX (503) 378-4844

www.oregon.gov/dsl

State Land Board

STATE LAND BOARD

February 5, 2019

10:00 am – 12:00 pm

Oregon Department of State Lands

Land Board Room

775 Summer St NE

Salem, Oregon

Kate Brown

Governor

Dennis Richardson

Secretary of State

Tobias Read

State Treasurer

AGENDA

Consent Items

1. Request for approval of the minutes of the December 18, 2018, State Land Board Meeting.
2. ODOT Bridge Easement

Action Items

3. Port of Port Orford Potential Land Sale
4. South Tongue Point Potential Land Sale

Informational Items

5. Elliott State Forest Updates
6. Aquatic Resource Management (ARM) Annual Report
7. Oregon Dept. of Forestry Annual Report on Common School Forest Lands
8. South Slough National Estuarine Research Reserve (SSNERR) Summary
9. Other

Continued on next page

Livestream available at: <https://www.youtube.com/channel/UCQA7FHTWwl-gjJkQeYPJ1IA>

This meeting will be held in a facility that is accessible for persons with disabilities. If you need assistance to participate in this meeting due to a disability, please notify Arin Smith at (503) 986-5224 or arin.n.smith@state.or.us at least two working days prior to the meeting.

Visitors are NOT permitted to bring backpacks, bags, or large purses into the DSL building prior to, during, or following Land Board meetings.

Purses, medical bags, and diaper bags are permitted, but may be subject to inspection by OSP.

Public Testimony - The State Land Board places great value on information received from the public. The Board accepts both oral and written comments on **consent and action agenda items only**.

When providing testimony, please:

- Provide written summaries of lengthy, detailed information
- Recognize that substance, not length, determines the value of testimony or written information
- Endorse rather than repeat the testimony of others

Written comments may be submitted before or during the meeting for consideration by the Board. To speak at the meeting, you must sign in on the sheet provided at the information table located near the meeting room's entrance. The standard time limit is three minutes for each individual. The Board cannot accept testimony on a topic for which a public hearing has been held and the comment period has closed.



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The State Land Board met in regular session on December 18, 2018, in the Land Board Room at the Department of State Lands (DSL), 775 Summer Street NE, Salem, Oregon. **State Land Board**

Present were:

Kate Brown
Dennis Richardson
Tobias Read

Governor
Secretary of State (by phone)
State Treasurer

Kate Brown
Governor

Dennis Richardson
Secretary of State

Land Board Assistants

Jason Miner
Steve Elzinga
Ryan Mann

Governor's Office
Secretary of State's Office (by phone)
State Treasurer's Office

Tobias Read
State Treasurer

Department Staff

Vicki Walker Bill Ryan Jean Straight Ali Hansen Chris Castelli
Arin Smith Anne Friend Melissa Pelton Lee Hullinger Eric Metz

Department of Justice

Matt DeVore

Governor Brown called the meeting to order at 10:03 a.m. The topics discussed, and the results of those discussions are listed below. To view the Land Board (Board) meeting in its entirety, please visit our YouTube page: <https://www.youtube.com/watch?v=zHEqDswf-o0>

Consent Items

1. Minutes

Treasurer Read made a motion to approve the minutes for the August 14, 2018, and October 15, 2018, State Land Board meetings.

Secretary Richardson seconded that motion.
There were no objections to this motion.
The item was approved at 10:04 a.m.

2. ODOT Bridge Easement – Schooner Creek

3. ODOT Bridge Easement – John Day River

Director Walker briefly described the remaining items on the consent agenda.
Treasurer Read made a motion to approve Items 2 and 3.
There were no objections to that motion.
The items were approved at 10:09 a.m.

Action Items

4. Easement Rulemaking

10:09 a.m.

Director Walker and the Board thanked the Rules Advisory Committee (RAC) members for their time on preparing the draft rule.

Treasurer Read made a motion to approve agenda Item 4.
There were no objections to the motion.
The action item was approved at 10:12 a.m.

5. Coos County Filled Land Sale

10:12 a.m.

Director Walker briefly described the agenda item.

Treasurer Read made a motion to approve agenda Item 5.
There were no objections to this motion.
The action item was approved at 10:16 a.m.

6. Clarification of Callan's Annual Report

10:16 a.m.

Treasurer Read made a motion to approve agenda Item 6.
There were no objections to this motion.
The action item was approved at 10:19 a.m.

Director Walker then explained the 2019 Distribution binder information. This information will be available to the public on the DSL website.

Governor Brown then clarified that the purpose of SB 1566 is to stabilize funding for State school districts.

Director Walker recognized DSL's fiscal staff for their work and meeting the high standards necessary for the positive outcome of the annual financial audit.

7. Elliott State Forest Updates

10:25 a.m.

The Board members all clarified their goals for the Forest.

Director Walker then introduced Troy Ramig with ICF, the project manager for the Habitat Conservation Plan (HCP) for the Forest. Troy briefly described the HCP process and status.

10:36 a.m.

Presentations were taken from those interested in public ownership of the forest:

- Oregon State University
- Coos County
- Douglas County
- Cow Creek Band of Umpqua Tribe of Indians
- Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians
- Oregon Department of Forestry
- Wes Ream – RAW Foundation

11:33 a.m.

Director Walker then discussed the \$100M Declaration of Preservation of Non-Economic Benefits for the Elliott State Forest. She then gave an overview of public comment that was received on this topic.

11:46 a.m.

Governor Brown opened the room for public testimony.
Public comments ended at 12:20 p.m.

Treasurer Read made a motion to approve the declaration.
Secretary Richardson seconded that motion.
The action item was approved at 12:21 p.m.

Board members gave their comments and thoughts.

Treasurer Read made a motion to work with OSU and agency partners on developing a plan to transform the Elliott into a research forest.
Secretary Richardson seconded that motion.
The motion was approved at 12:32 p.m.

8. UP Transfer Bill (LC 686)

9. Resolution regarding South Slough National Estuarine Research Reserve

12:34 p.m.

Director Walker gave a quick background on both Items 8 and 9.

She then asked the Board to support LC 686 and the movement of Unclaimed Property and Estates over to State Treasury as well as helping to pass legislation shifting South Slough management costs from the Common School Fund to other sources and/or identify alternative management options.

Public comment was taken regarding these items.

Treasurer Read made a motion to adopt the resolution and endorse LC 686.
Secretary Richardson seconded that motion.
The motion was approved at 12:45 p.m.

10. OOST Reappointments

12:45 p.m.

Director Walker recommended the Re-appointment of one voting member of the Oregon Ocean Science Trust (OOST) to another term ending December 2022.

Treasurer Read made a motion to approve the re-appointment.
Secretary Richardson seconded that motion.
The motion was approved at 12:47 p.m.

Informational Items

11. Jordan Cove Energy Project Application Update

Director Walker stated that the application was received and determined to be complete. The public comment period is open and ends on February 3, 2019, at 5:00 p.m.

Application materials are available on the DSL website and at five public libraries.

Public hearings are being held at five locations across Oregon. Public comment is also excepted by mail, email, and through the DSL website.

Governor Brown adjourned the meeting at 12:55 p.m.

Kate Brown, Governor

Vicki L. Walker, Director



Oregon

Kate Brown, Governor

Department of State Lands

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State Land Board

Kate Brown

Governor

State Land Board

Regular Meeting

February 5, 2019

Agenda Item 2

Dennis Richardson

Secretary of State

Tobias Read

State Treasurer

SUBJECT

Request for approval of a permanent easement for a bridge over submerged and submersible lands in the Umpqua River within Douglas County, in Sections 13 and 18, Township 22 South, Range 2 West, Willamette Meridian.

ISSUE

Whether the State Land Board should approve a request from the Oregon Department of Transportation for a permanent easement to build, operate and maintain a replacement bridge crossing of the Umpqua River by State Highway 38 near Scottsburg.

AUTHORITY

Article VIII, Section 5 of the Oregon Constitution; requiring the Land Board to “manage lands under its jurisdiction with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management.”

ORS 273.171; relating to the duties and authority of the Director.

OAR 141-122-0010 to 141-122-0120; establishing procedures for granting easements and rights-of-way on trust and non-trust lands and requiring Land Board approval of easements granted in perpetuity.

PUBLIC INVOLVEMENT

DSL circulated this application for a 30-day public comment period and received two comments:

- Todd Martin, Coquille Indian Tribe, commented on significant archaeological findings, and recommended that state guidelines be followed if ancestral remains are observed or discovered.
- Eric Himmelreich, ODFW, stated that comments were submitted in response to ODOT's removal-fill permit application for the same project (APP0061418). Those comments concerned the seasonal timing of in-water work.

Under its own authority, Douglas County conducted a technical review and floodway analysis for the bridge replacement project.

BACKGROUND

ODOT applied for a permanent easement for construction, operation and maintenance of a replacement bridge at the crossing of State Highway 38 over the Umpqua River near Scottsburg.

The existing bridge was constructed in 1929. The bridge has narrow lanes and tight corners at both ends and was not designed for modern traffic. The replacement bridge will better accommodate modern traffic and more likely withstand a large earthquake or other natural disaster. DSL intends to grant a temporary easement (61397-EA) for the removal of the existing bridge and construction of the replacement bridge.

The proposed easement is 100 feet wide on each side of the centerline of the proposed replacement bridge. The easement will allow ODOT to operate and maintain the replacement bridge.

Pursuant to OAR 141-122-0060(2) no compensatory payment of will be assessed for the easement.

RECOMMENDATION

The Department of State Lands recommends that the State Land Board approve the grant of a permanent easement to operate and maintain a replacement bridge across the Umpqua River as requested by the Oregon Department of Transportation in application 61398-EA.

APPENDICES

- A. Locator Map
- B. Draft Easement

State of Oregon
Department of State Lands



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APPENDIX A - Locator Map

61398-EA EASEMENT
T22S, R09W, Section 18 and T22S, R10W, Section 13
143,977 Square Feet
DOUGLAS County

 Use Area

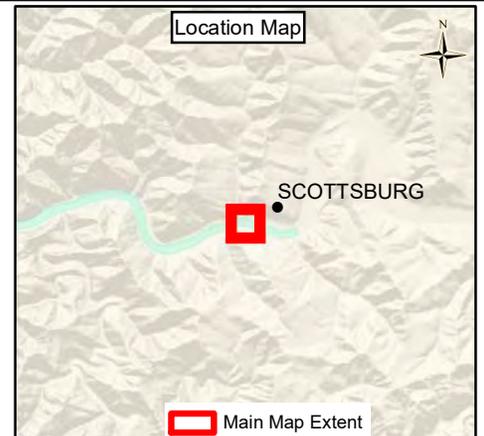
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Feet



Map Projection:
 Oregon Statewide Lambert
 Datum NAD83
 International Feet
 State of Oregon
 Department of State Lands
 775 Summer St NE, Suite 100
 Salem, OR 97301
 503-986-5200
 www.oregon.gov/DSL
 Date: 9/28/2018



 Main Map Extent

STATE OF OREGON
Department of State Lands

EASEMENT NO. 61398-EA
S&S Bridge

The STATE OF OREGON, by and through its Department of State Lands, GRANTOR, for and in consideration of \$N/A, hereby grants to GRANTEE,

NAME of GRANTEE:

State of Oregon, by and through its
Department of Transportation

ADDRESS:

3500 NW Stewart Parkway
Roseburg, OR 97470

an easement and right to construct, maintain, operate and replace a bridge over, upon, and across the following particularly described property situated in Douglas County, Oregon, more particularly described as follows:

Permanent Easement for Highway Right of Way Purposes

A parcel of land lying in the W1/2SW1/4 of Section 18, Township 22 South, Range 9 West, W.M. and the E1/2 SE1/4 of Section 13, Township 22 South, Range 10 West, Willamette Meridian, Douglas County, Oregon and more particularly described in Exhibit A and as shown on Exhibit A-1.

This Parcel of land contains 3.28 acres, more or less.

TO HAVE AND TO HOLD the same unto GRANTEE in perpetuity, subject to the following conditions:

1. GRANTOR has the right to grant additional easements within the area authorized by this easement subject to the provisions of the administrative rules governing the granting of easements.
2. GRANTEE shall obtain prior written approval from GRANTOR prior to:
 - a) Changing the type of use authorized by this easement;
 - b) Expanding the number of authorized developments or uses;
 - c) Changing the authorized area; and/or
 - d) Permitting other persons to utilize the easement for uses and developments requiring separate written authorization by GRANTOR pursuant to the administrative rules governing the granting of easements or other GRANTOR requirements.
3. The easement area shall remain open to the public for recreational and other non-proprietary uses unless restricted or closed to public entry by the State Land Board or GRANTOR.
4. GRANTOR and/or its authorized representative(s) shall have the right to enter into and upon the easement area at any time for the purposes of inspection or management.

5. Except as expressly authorized in writing by the Department, GRANTEE shall not:
 - a) Cut, destroy or remove, or permit to be cut, destroyed or removed any vegetation, or
 - b) Remove any sand and gravel, or other mineral resources for commercial use or sale, that occur in the easement area except as expressly authorized in writing by GRANTOR.

Routine right-of-way maintenance including vegetation trimming shall be allowed.

6. GRANTEE shall compensate GRANTOR for the fair market value of any commercially valuable timber or sand and gravel resources in the easement area that must be removed during or after placement of the authorized use, or which cannot be developed because of the authorized use.
7. GRANTEE shall conduct all operations within the easement area in a manner that conserves fish and wildlife habitat; protects water quality; and does not contribute to soil erosion, or the introduction or spread of noxious weeds or pests. Upon completion of construction, GRANTEE shall reclaim disturbed lands to a condition satisfactory to GRANTOR.
8. GRANTEE shall obtain a surety bond in the amount of \$ N/A to ensure compliance with the terms and conditions of this easement.
9. The right to use this easement shall automatically terminate if it, or the development authorized by GRANTOR, is not used within five (5) consecutive years of the date this easement was granted, pursuant to the provisions of the administrative rules governing the granting of easements.
10. Unless otherwise approved in writing by GRANTOR, GRANTEE shall remove all cables, pipes, conduits, roads, and other developments placed by GRANTEE on the easement, and shall restore the surface of the easement area to a condition satisfactory to GRANTOR within one (1) year following termination of use or expiration of this easement.
11. GRANTEE shall inspect the condition of the area authorized by this easement and the developments authorized by this easement on a frequency of: every five years.
12. GRANTOR shall have the right to stop operation of the use authorized by this easement for noncompliance with the conditions of this easement, the provisions of the administrative rules governing the granting of easements, and/or any lawful requirement by a regulatory agency of this STATE.
13. If this easement authorizes the use of state-owned submerged and/or submersible land:
 - a) Construction in navigable waters shall conform to the standards and specifications set by the U.S. Army Corps of Engineers and the U.S. Coast Guard for the use authorized by this easement.
 - b) Any blasting which may be necessary, or in-water placement, maintenance, or repair of the authorized use shall be performed according to the laws of this STATE,

including strict adherence to Oregon Department of Fish & Wildlife in-water work windows.

14. GRANTEE shall pay to GRANTOR the current market value, as determined by GRANTOR, for any unnecessary and non-approved damages to state-owned lands caused by construction or maintenance of the easement.
15. GRANTEE shall pay all assessments that may be legally charged on public lands which are levied against the property subject to this easement, whether or not such assessments have been levied against the easement area or STATE by the assessing agency.
16. GRANTEE shall use the authorized easement area only in a manner or for such purposes that assure fair and non-discriminatory treatment of all persons without respect to race, creed, color, religion, handicap, disability, age, gender or national origin.
17. If a crossing listed in this easement is later found to have a valid easement from the GRANTOR, then the easement with the latest expiration date will be the "prevailing easement."
18. This easement is freely transferable. However, no transfer may increase the burden on the easement area or detract from the value of the underlying state-owned land.

This easement does not convey an estate in fee simple of the lands used for a right-of-way. This grant is for an easement only, and title remains in the State of Oregon.



STATE OF OREGON, acting by and through its Department of State Lands

DSL Authorized Signature

Printed Name

Date

STATE OF OREGON)
) ss
 County of Marion)

This foregoing instrument was acknowledged before me this _____ day of _____ 20_____,
 by _____, the _____ of the Department of State
 Lands.

 NOTARY PUBLIC FOR OREGON
 My commission Expires: _____

Permanent Easement for Highway Right of Way Purposes

A parcel of land lying in the W1/2SW1/4 of Section 18, Township 22 South, Range 9 West, W.M. and the E1/2SE1/4 of Section 13, Township 22 South, Range 10 West, W.M., Douglas County, Oregon; the said parcel being all state-owned submerged land lying between the lines of ordinary high water on the Northerly and Southerly banks of the original channel of Umpqua River, and being included in a strip of land variable in width, lying on each side of the center line of the relocated Umpqua Highway, which center line is described as follows:

Beginning at Engineer's center line Station 730+19.50, said station being 5090.07 feet South and 7688.02 feet West of the Northeast corner of Section 18, Township 22 South, Range 9 West, W.M.; thence North 66°10'40" East 622.74 feet to Engineer's center line Station 736+42.24 Back equals "C"832+00.00 Ahead 9.99 feet right; thence North 64°43'38" East 912.94 feet; thence on a spiral curve left (the long chord of which bears North 63°33'14" East 175.97 feet) 176.00 feet; thence on a 1432.39 foot radius curve left (the long chord of which bears North 57°08'20" East 203.24 feet) 203.41 feet; thence on a spiral curve left (the long chord of which bears North 50°43'27" East 175.97 feet) 176.00 feet; thence North 49°33'03" East 750.05 feet; thence on a spiral curve right (the long chord of which bears North 51°06'38" East 116.97 feet) 117.00 feet; thence on a 716.20 foot radius curve right (the long chord of which bears North 79°24'22" East 609.33 feet) 629.38 feet; thence on a spiral curve right (the long chord of which bears South 72°17'55" East 116.97 feet) 117.00 feet; thence South 70°44'19" East 281.40 feet; thence on a 11459.16 foot radius curve right (the long chord of which bears South 70°37'13" East 47.28 feet) 47.28 feet to Engineer's center line Station "C"866+10.46 Back equals 21+44.92 Ahead.

The width in feet of said strip of land is as follows:

Station	to	Station	Width on Northwesternly Side of Center Line
"C" 843+80.00		"C" 846+68.35 PT	80.00' in a straight line to 100.00'
"C" 846+68.35 PT		"C" 856+00.00	100.00'
Station	to	Station	Width on Southeasterly Side of Center Line
"C" 846+68.35 PT		"C" 856+00.00	100.00'

Bearings are based on the Oregon Coordinate Reference System 1983 (2011 adjustment, epoch 2010) Oregon Coast Zone.

This Parcel of land contains 3.28 acres, more or less.

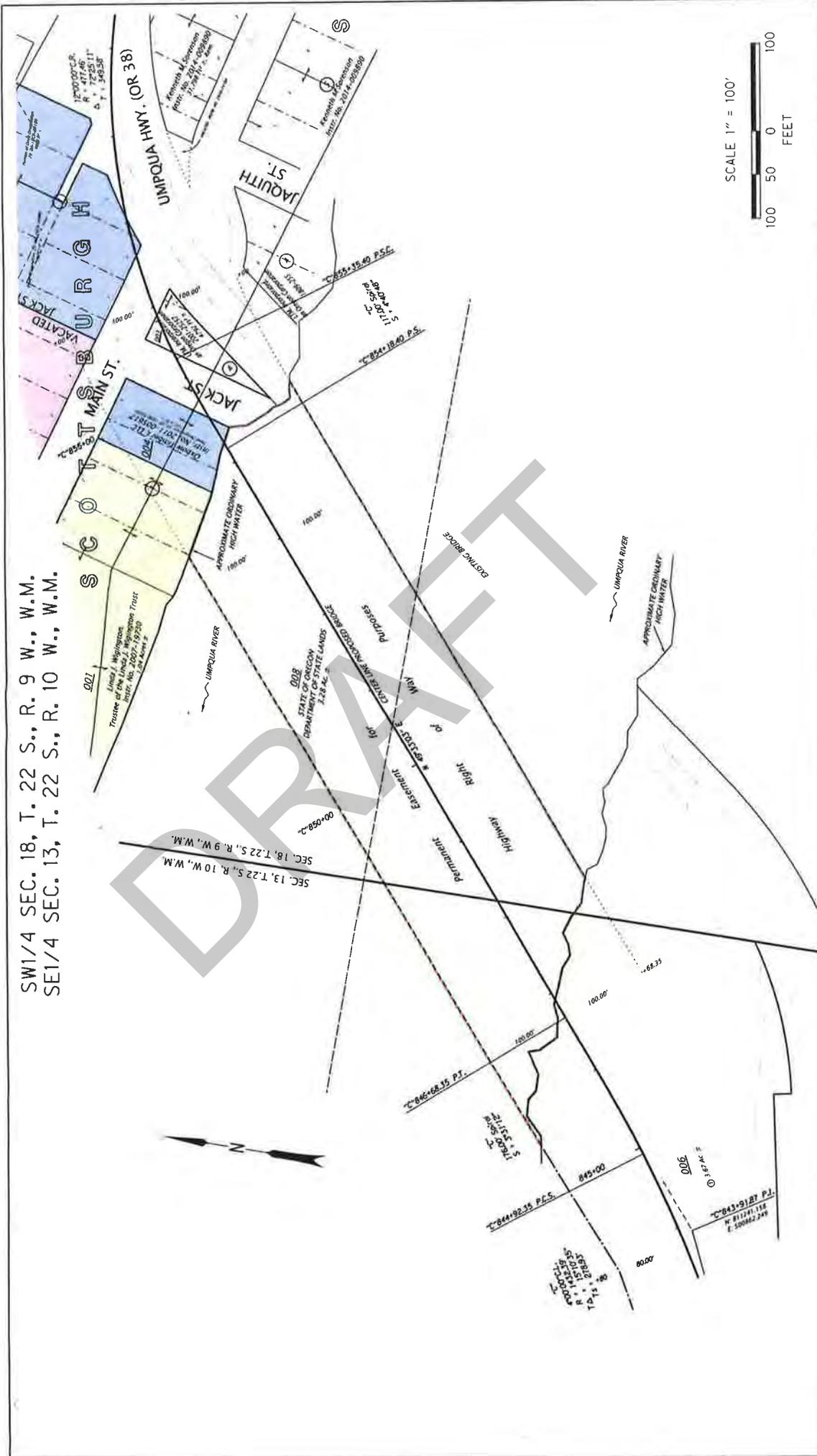
REGISTERED
PROFESSIONAL
LAND SURVEYOR

DIGITALLY SIGNED

OREGON
NOVEMBER 10, 2011
MICKEY D. CALVERT
75099

EXPIRES: 12/31/2019

SW1/4 SEC. 18, T. 22 S., R. 9 W., W.M.
 SE1/4 SEC. 13, T. 22 S., R. 10 W., W.M.



OREGON DEPARTMENT OF TRANSPORTATION RIGHT OF WAY ENGINEERING SKETCH MAP	Section	OR38: Scottsburg Bridge Replacement
	Highway	Umpqua Highway
	County	Douglas County
	Purpose	Permanent Easement for Highway Right of Way Purposes
Scale	1" = 100'	
Date	3/12/18	
File	9266008	
	See Drawing 11B-9-16	

State of Oregon
Department of State Lands



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EXHIBIT A-1

61398-EA EASEMENT
T22S, R09W, Section 18 and T22S, R10W, Section 13
143,977 Square Feet
DOUGLAS County

 Use Area

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Feet



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Datum NAD83
International Feet

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Date: 9/28/2018



 Main Map Extent

**CERTIFICATE OF APPROVAL OF CONVEYANCE
(ORS 93.808)**

State of Oregon, by and through its Department of Transportation, Grantee, hereby approves and accepts, pursuant to ORS 93.808, the grant of an interest in real property from State of Oregon, by and through its Department of State Lands, Grantor, as described in the instrument to which this Certificate is attached.

A copy of this Certificate may be affixed to, and recorded with, the instrument described above.

DATED this 2 day of January, 2019.

State of Oregon, by and through its Department of Transportation,
Grantee

By: [Signature]

Name: Benjamin Ebner

Title: Region 3 Right of Way + Utility Manager

STATE OF OREGON)
) ss.
County of Douglas)

On this 2 day of January, 2019, before me personally appeared Benjamin Ebner, who being duly sworn stated that he/she is the R3 Right of Way + Utility Manager of Oregon Department of Transportation, Grantee, and acknowledged the foregoing instrument to be the voluntary act of said Grantee and that he/she executed the foregoing instrument under authority granted by said Grantee.



[Signature]
NOTARY PUBLIC FOR OREGON
My commission Expires: 9/28/2020



Oregon

Kate Brown, Governor

Department of State Lands

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State Land Board

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Dennis Richardson
Secretary of State

Tobias Read
State Treasurer

State Land Board

**Regular Meeting
February 5, 2019
Agenda Item 3**

SUBJECT

Request for approval to sell two (2) tracts of filled land at Township 33 South, Range 15 West, Section 5, Tax Lot 200 totaling 1.66 acres of state-owned filled lands in Curry County at Graveyard Point to the adjacent riparian property owner, the Port of Port Orford.

ISSUE

Whether the State Land Board should authorize the Department to sell the 1.66 acres of state-owned filled land (Appendix A) in a direct land sale.

AUTHORITY

Oregon Constitution, Article VIII, Sections 2 and 5; pertaining to the Common School Fund and land management responsibilities of the State Land Board.

ORS 273.055; relating to the power to acquire and dispose of real property.

ORS 273.171; relating to the duties and authority of the Director.

ORS274.915; relating to the sale, lease or trade of submersible and submerged lands.

OAR 141-068; relating to the sale, exchange or reservation of new lands.

Real Estate Asset Management Plan (REAMP), adopted by the Land Board; February 2012

SUMMARY

In 1999, the Port of Port Orford received a permit under application number 20291-RF to fill lands for the purpose of construction and expansion of a dock because their existing structure was rapidly deteriorating and in need of constant repair. The structure at that time was pile supported and the permit allowed for 100,000 cubic yards of fill to be placed over state-owned submerged and submersible land for the replacement and extension of the old structure. The Port completed the dock expansion project but did not pursue purchasing the New Lands within the first year of creation as allowed by ORS 274.932.

The Port had a waterway lease which expired in 2015, and the Port was advised at that time that a Special Use Lease would be required since the dock was no longer over open water but over state-owned filled land. At this time the Port was given the choice of purchasing the filled land as an alternative to leasing it. Subsequently, the Port submitted an application to purchase the filled lands and on October 11, 2016, the State Land Board voted to approve initial due diligence of the two tracts of New Lands.

At the time the application was submitted to the Land Board, GIS measurements of the two tracts estimated the site to total 1.96 acres. The property was later surveyed by a local surveyor and the two tracts actually total 1.66 acres.

The expanded dock area has created a large public parking area, an area for divers to access the water, a crab-fishing area for recreation and has a crane for unloading commercial fishing vessels. A nearby cannery is in the process of being built. Access to the water has improved tremendously and will provide increased financial and recreational opportunities for the community. The Port owns the surrounding riparian land and owns the improvements on the state-owned land.

RECOMMENDATION

The Department recommends that the State Land Board authorize the direct sale of the two tracts of New Lands totaling 1.66 in Curry County to the Port of Port Orford for \$12,130.

APPENDICES

- A. Map of the parcel
- B. 2016 Land Board Agenda item
- C. Land Evaluation

State of Oregon
Department of State Lands



National Agriculture Imagery Program (NAIP) under contract for the United States Department of Agriculture (USDA) for the Farm Service Agency's (FSA). Oregon Imagery Framework Implementation Team.

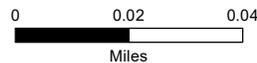
Appendix A: Filled Land Sale 57847-LS

Port of Port Orford
T33S, R15W, Sec 05, Tax Lot 200
1.66 Acres of Filled Land
Curry County

Legend

- Filled Lands Sale Area
- Tax Lot 200
- Townships
- Sections

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Oregon Statewide Lambert
Datum NAD83
International Feet

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www.oregon.gov/DSL
Date: 12/20/2018





Oregon

Kate Brown, Governor

Department of State Lands

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www.oregonstatelands.us

State Land Board

Kate Brown

Governor

Jeanne P. Atkins

Secretary of State

Ted Wheeler

State Treasurer

State Land Board

Regular Meeting

October 11, 2016

Agenda Item 1f

SUBJECT

Request for approval to initiate the review and determination of the potential sale of 1.96 acres of state-owned filled lands located in Curry County (Appendix A).

ISSUE

Whether the State Land Board should authorize the Department to initiate the review and determination of the sale of state-owned filled lands in Curry County (Township 33 South, Range 15 West, Section 5, Tax Lot 200).

AUTHORITY

Article VIII, Section 2 and 5 of the Oregon Constitution; pertaining to the Common School Fund and land management responsibilities of the State Land Board.

ORS 273.055; relating to the power to acquire and dispose of real property.

ORS 273.171; relating to the duties and authority of the Director.

ORS 274.915; relating to the sale, lease or trade of submersible and submerged lands.

ORS 274.960 through 274.985; pertaining to investigation of state's interest.

OAR 141-068; relating to the sale, exchange or reservation of new lands.

BACKGROUND

In 1999, the Port of Port Orford obtained a permit under file number 20291-LS to fill lands for the purpose of construction and expansion of a dock because their existing structure was rapidly deteriorating and in need of constant repair. The permit allowed for 100,000 cubic yards of fill to be placed over state-owned submerged or submersible land for the replacement and extension of the pile supported dock. The Port completed the dock expansion project and did not pursue purchasing the New Lands within the

first year of creation as allowed by ORS 274.932. The Port had a waterway lease for the original dock which expired in 2015, and the Port was advised that a Special Use Lease would be required since the dock was no longer over open water but over state-owned filled land. At this time the Port was also informed that they could submit an application to purchase the filled land as an alternative to leasing it. On May 1, 2015 DSL received an *Application to Purchase* the 1.96 acres of state-owned filled land from the Port of Port Orford.

RECOMMENDATION

The Department recommends that the State Land Board approve the initiation of the review and determination of the sale of 1.96 acres of state-owned filled lands in Township 33 South, Range 15 West, Section 5, Tax Lot 200 of Curry County.

APPENDICES

A. Site Map

New & Historically Filled Lands Evaluation Form

57847-LS

Evaluation done in: Office Field

Parcel Name: Graveyard Point County: Curry Site #: _____ LAS #: 57847

Map & Tax Lot: 33S 15W Sec. 5, TL 200 Total Acreage of Filled Land: 1.66 Total Acres of Tax Lot: 14.9 acres

Waterway: Ocean, Port of Port Orford Mineral Rights: N/A

Physical Description (attach aerial photo):

There are two irregular shaped areas that the Port filled in order to create a large filled area for public parking, a crane for unloading fish from ships, crab fishing and marine related activities.

Criteria:

Parcel is filled/new land which was placed by Port of Port Orford (whom).

Fill was placed in 1999 (year).

Has the property sold/transferred ownership since the fill was placed? If so, how many times?

No

DSL has not pursued resolution of ownership previously.

Adjacent Property/Upland Owners & Use:

Map 3315-05DC, Tax Lot 400-Marianne Bhonslay, 830 Bay Harbour Dr., Redwood City, CA 94065-vacant residential land;

Map 3315-05DC, Tax Lot 403-Lazlo & Patricia Bernat, P.O. Box 460, Port Orford, OR 97465-improved residential;

Map 3315-05DC, Tax Lot 300- Russel Gibson, P.O. Box 1372, Port Orford, OR 97465-improved multi-family;

Map 3315-05DC, Tax Lot 100- Twixtown Residential Cooperative, Inc., P.O. Box 7889, Tahoe City, CA 96145-improved multi-family;

Map 3315-05DA, Tax Lot 8300-City of Port Orford, P.O. Box 310, Port Orford, OR 97465-public use;

Map 3315-05DD, Tax Lot 100, City of Port Orford, P.O. Box 310, Port Orford, CA 97465-public use.

Zoning: Marine Industrial

Within a Port District: Yes No **Port District Name:** Port of Port Orford

Cultural-Historic: Parcel Reviewed: Yes No

Previously Surveyed: Yes No Partially

Cultural Resources Identified (if yes, consult w/staff archaeologist): Yes No

Probability of Cultural Resources: Low Medium High

Fishing/Fish Habitat Use: Parcel Reviewed: Yes No

Previously Surveyed: Yes No Partially

Fishing/Fish Habitat Uses Identified: Yes No

Identified by: Port officials

Probability of Fishing/Fish Habitat Issues: Low Medium High

Navigational Use: Parcel Reviewed: Yes No

Previously Surveyed: Yes No Partially

Navigational Use Identified: Yes No

Identified by: N/A

Probability of Navigational Use Issues: Low Medium High

Recreational Use: Parcel Reviewed: Yes No

Previously Surveyed: Yes No Partially

Recreational Use Identified: Yes No

Identified by: Port officials

Probability of Recreational Use Issues: Low Medium High

Commercial Use: Parcel Reviewed: Yes No

Previously Surveyed: Yes No Partially

Commercial Use Identified: Yes No

Identified by: Port officials

Probability of Commercial Use Issues: Low Medium High

Known Endangered Species: N/A **If yes, Consult ODFW:** N/A

Endangered Plant Study Completed: N/A-The area filled was submerged and submersible land with no vegetation so no study is needed.

Buildable: Yes No **Lot of Record:** Yes No

Potential for Zone Change/Partition: Possibly for partition

Does the added land alter the Highest & Best Use of the property?:

It gives one continuous area that extends much further out into the bay whereas it previously did not extend as far, parking was limited and access was much more difficult. The Port installed a large parking area, a crane for unloading fish directly from ships, an area for crab fishing and an area for divers to access deep water. There are a few small shops and the Port office on site. A cannery is being built on or near the site. The site is open to the public for recreational fishing and diving as well as unloading of commercial fishing vessels.

Highest and Best Use Conclusion: Marine Industrial Use

Legal Access: Yes No **County Maintained Road:** Yes No

Access by Waterway: Deepwater access on south side, shallower access for divers on north side **Condition:** Good

Interior Roads/Trails/Condition: Most of the site is paved with concrete or asphalt in good condition for public access/parking

Property Boundaries/Corner Survey Markers: None Known

Easements (to/from whom and what type): None Known

Nearest DSL Parcel (direct): 2.4 mile to northeast

Topography/Shape of Parcel: Flat (totally paved)/Irregular shape

Vegetation Cover (types, condition, % coverage): None-totally paved

Site Structures/Improvements: Asphalt, Concrete, Crane, a few buildings on the entire site

Electrical Transmission Lines/Corridor (on-site or nearby): Coos-Curry Electric Co-op

Potential for Alternative Energy: N/A

Subsurface/Mineral Sale Yes No If yes, **DOGAMI Report ordered:** N/A

DAS Surplus Real Property Notice Completed: 12/17/18 **Sent:** _____

View Site/Water Features/Other amenities: Ocean on three sides

Waterway Structures: Yes No **Authorization Type:** RF LAS #: 20291

Lease History: Special Use Lease #19664 in 2015; had Dock Registration before land was filled

Current Use: Port Facility with numerous marine industrial uses

Evidence of Prior Activity (wildfire, crops, historic home site): N/A

Fill Type: Boulders, rock, concrete **Who Originated the fill if known:** Port of Port Orford

Property Expenses: \$0 **Other Holding Costs:** \$0

DSL/Other Comments: The Port has cooperated with DSL to fill the area and improve the property legally.

Assessor's RMV: \$311,370 (entire 14.9 acre site) **Tax Year:** 2018-2019

Estimated Market Value: \$20,870/acre **Source:** Curry County website

Evaluation/Discussion:

The Port of Port Orford has taken an area that previously had a dock, filled in some submerged and submersible land to create a much safer large parking area, crane for unloading commercial fishing vessels and areas for recreational use. This area will provide financial opportunities for the fishing industry in the area as well as for recreational use for the community.

The land is valued at \$20,870/acre for the Real Market Value by the Curry County Assessor & is thought to be accurate when compared to recent appraisals in Coos Bay.

$\$20,870/\text{acre} \times 1.66 \text{ total acres} = \$34,644 \times 10\% = \$3,465$ (Reasonable Portion of Benefit)

Submerged Land Value 25% of \$20,870/acre = \$5,218/acre x 1.66 acres = \$8,662

$\$3,465 + \$8,662 = \$12,130$ (Rounded) Total Land Value

Recommendation:

It is recommended that the two filled tracts of submerged and submersible land totaling 1.66 acres be sold to the Port of Port Orford for **\$12,130**.

Originator: Clara Taylor **Date:** 12/17/18 **Reviewer:** Amber Ross **Date:** 12/31/18



Oregon

Kate Brown, Governor

Department of State Lands

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State Land Board

State Land Board

**Regular Meeting
February 5, 2019
Agenda Item 4**

Kate Brown
Governor

Dennis Richardson
Secretary of State

Tobias Read
State Treasurer

SUBJECT

Request for final approval to sell the north portion of the S. Tongue Point property, a 21.78-acre parcel located at Township 8 North, Range 9 West, Sec 12, Tax Lot 102, north of Liberty Lane in Astoria in a direct sale to Clatsop Community College.

Request for approval to initiate due diligence and partition on the surface and subsurface mineral rights of the south portion of the S. Tongue Point property with approximately 102.2 acres south of Liberty Lane at Township 8 North, Range 9 West, Sec 12 and 13, Tax Lot 106.

ISSUE

Whether the Land Board should authorize the sale of the north portion of the property in Astoria through a direct sale to Clatsop Community College and authorize the initial due diligence and partition of the southern portion of the property. (Appendix A).

AUTHORITY

Oregon Constitution, Article VIII, Sections 2 and 5; pertaining to the Common School Fund and land management responsibilities of the State Land Board.

ORS 273.055; relating to the power to acquire and dispose of real property.

ORS 273.171; relating to the duties and authority of the Director.

OAR 141-067; relating to the sale, exchange and purchase of state land.

Real Estate Asset Management Plan (REAMP), adopted by the Land Board; February 2012.

SUMMARY

The South Tongue Point property is on the deep-water channel of the Columbia River at the eastern end of Astoria. Some of the northern portion of the property has been leased to the Clatsop Community College for its MERTS college campus under a land lease for an annual rent of \$13,848. The east side of the property has a dock and small office owned by the U.S. Coast Guard. Salmon net pens next to the dock are on leased land for the Clatsop County Economic Development Council.

The land was enlarged with dredge spoils from 1948-1976 from the Columbia River and was acquired from the federal government with the North Tongue Point property in 1980 along with the South Tongue Point property for \$2 million. Most of the property is zoned Marine Industrial which supports water-related industrial uses. The southern portion of the property has never been developed except for an 8.5 acres wetland restoration.

DSL received an application from Warrenton Fiber Company in 2013 to purchase the southern portion of the property with the intent of creating an expansion area for its fiber wood products production and shipping. The Land Board approved initial due diligence at its February 11, 2014 meeting. In completing the due diligence, DSL sent out notice to public agencies and adjacent property owners, notifying them of the potential sale of the property. The Columbia River Estuary Study Taskforce (CREST) which performed the wetland restoration in 2012 to enhance salmon habitat, wrote a letter urging DSL not to sell the wetland restoration area. Other comments received from residents near the site expressed safety concerns regarding highway access as well as concern over development of the site as an industrial property. DSL rejected the application.

At its October 13, 2015, the Land Board approved due diligence on the entire S. Tongue Point property because of a land sale application from Clatsop Community College. The College was not only concerned with the possibility of a large industrial site being located across from its MERTS campus but also saw an opportunity to expand its marine environmental educational program with a living laboratory in the southern undeveloped portion of the property.

On December 2, 2016, the College requested that the transaction be split into two transactions with the North Campus purchased first with a partition from the south undeveloped parcel and from the north tidelands. The College has been working with Columbia Land Trust to purchase the southern undeveloped parcel. Because of potential grant requirements, the southern parcel would be purchased with surface and

subsurface property rights. Columbia Land Trust submitted land sale applications for the southern property in June, 2018 on behalf of the College and has received some preliminary approvals for grant funding.

The north property partition has been approved by the City of Astoria and a second partition will be completed this year to separate the southern tidelands. All of the tidelands will be retained by DSL. The north property was recently appraised by Matthew Larrabee, MAI for \$826,500 which was accepted by the Clatsop Community College's Board.

RECOMMENDATION

The Department recommends that the State Land Board authorize the direct sale of the North portion of the S. Tongue Point property, a 21.78-acre parcel located at Township 8N, Range 9W, Section 12, Tax Lot 102 in Clatsop County to Clatsop Community College for \$826,500 and authorize the Department to initiate due diligence studies and partition of the southern portion of the property located at Township 8N, Range 9W, Section 12 and 13, Tax Lot 106, lying south of Liberty Lane.

APPENDICES

- A. Map of Property
- B. Land Evaluation Form
- C. 2015 Land Board Agenda Item

State of Oregon Department of State Lands



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Appendix A

T08N, R09W Secs. 12 & 13
Clatsop County
Land Sales

-  Clatsop Community College - 21.78 acres
-  DSL Tidelands - 5.67 acres
-  Columbia Land Trust - 102.2 acres
-  Sections

This product is for informational purposes only and has not have been prepared for, nor is suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

0 500 1,000

Feet



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet
State of Oregon
Department of State Lands
775 Summer St NE, Suite 100
Salem, OR 97301
503-986-5200
www.oregon.gov/DSL
Date: 12/28/2018



LAND EVALUATION FORM

1. Evaluation completed in: Office Field
2. Parcel Name: S. Tongue Point (North Campus) 3. County: Clatsop 4. Map & Tax Lot 8N 9W Section 12, Tax Lot 102 and 106 5. Site #: 149 & 3185
6. LAS #: 53871 7. Surveyed Acres: 21.78 acres for Tax Lot 102;102.2 acres for Tax Lot 106
8. DSL Land Class: ICR 9. REAMP Category: 1
10. Certified Forest: Yes No
11. Leased: No Yes Lease #: 20915;25307 Type of Use: College Campus; Salmon Net Pens
12. Ownership Type: Trust 13. Mineral Rights: No Yes
14. Adjacent Property Owners & Use: To the north, east and west, it is owned by U.S. Fish & Wildlife Service (wild area), to the west Pacific Timber LLC, 34755 Hwy. 101 Astoria, OR 97103-6664, timber.
15. Zoning: S-1,Marine Industrial; S-2 General DDevelopment Shorelands; A-1 Aquatic One; A-4 Aquatic Natural
16. Developable Parcel: No Yes 17. Minimum acres required for home site N/A
18. Lot of Record: No Yes
19. Potential for Zone Change/Partition: The property is being partitioned so that DSL will retain tidelands and the portion south of Liberty Lane is to be sold to Columbia Land Trust.
20. Wildlife Overlay: N/A
21. Cultural-Historic: Parcel Reviewed: No Yes
22. Previously Field Surveyed: No Yes Partially Date Surveyed:
23. Cultural Resources Identified in field? (if yes, consult with staff archaeo): No Yes
24. Probability of Cultural Resources: None Low Medium High
25. Threatened/Endangered Species: Field Survey Completed: No/Not Needed Yes
Species: N/A
26. Water Rights: No Yes Water Right Info: City of Astoria water
27. Irrigation District: N/A
28. Depth of Nearby Wells:20'
29. On-site/Distance to Existing Electrical Service and what type: On site
30. Electrical service provider/PUD Name: Pacific Power
31. Potential for Alternative Energy: N/A
32. Access: Liberty Lane exits from Hwy. 30
33. Legal Access: No Yes Gov't Maintained Road: No Yes Road Name/# Liberty Lane (public road to property line)
34. Easements (to/from whom and what type): US Coast Guard-road access
35. Interior Roads/Trails/Condition: Liberty Lane (private-good condition)
36. Known Property Boundaries/Corner Survey Markers: shown on survey
37. Nearest DSL Parcel (direct): ½ mile to the north at North Tongue Point

38. Topography/Shape of Parcel: Fairly level until near the water then there are some tide lands. Shape is irregular, like a tongue.

39. Vegetation Cover (dominant species, condition, % coverage): Healthy Himalayan blackberry in wild perimeter, native grasses, 90% covered where there are no improvements

40. Site Structures/Improvements: Liberty Lane is an improved roadway and the site also has a large parking lot and several classroom buildings for the MERTS Campus. All of the improvements belong to the College and are maintained by it.

41. View Site/Water Features/Other amenities: River and Eagles Nests

42. Evidence of Prior Impacts/Activities (wildfire, crops, historic home site): None Known

43. Lease History: Lease began in 1993 for the MERTS Campus; Salmon Net Pens Lease began in 2002

44. Current Use: Campus

45. Agriculture/Timber Potential: Not rated for crops or timber

46. Soil Type: Sandy

47. NRCS Soil Class: 81% Tropopsamments; 19% Coquille-Clatsop **48. MB & G Forest Rating:** N/A

49. Age of Timber: N/A **50. Timber Volume:** N/A

51. Estimated Timber Value: \$ 0

52. Site Index: Not Rated for Timber **53. Type of Timber:** N/A

54. % Annual timber volume increase: N/A

55. Fire District/Protection Area: Astoria

56. Property Expenses (fire protection costs): \$0 **57. Other Holding Costs:** \$0

58. Assessor's RMV: \$568,708 (north Portion of Site) **59. Tax Year:** 2018

60. Estimated Market Value: \$826,500 **61. Source:** Matthew Larrabee, MAI Appraisal

62. Known/Proj. AUMs: N/A **63. Annual Lease Amt.:** \$ 13,848.97

64. 20 year Investment Return based on timber/lease income: N/A

65. Rate of Return on Asset Value (%): N/A

66. Present Value based on Current/Projected Income: N/A

67. Potential developments necessary to increase marketability/land value (ie access, utilities): N/A

68. Est. Annual Income after Development (Improvements/Land-Use Action): N/A

69. Highest and Best Use Conclusion: Marine Industrial Use

70. Comments: This site was levelled and filled to build the MERTS Campus for Clatsop Community College in the 1980's north of Liberty Lane. The entire site was created out of dredge spoils from the 1940's-1980's. DSL disputed USA's claim to this site and USA sold this site and the N. Tongue Point site to DSL in 1986 for \$2 million. Any site along the Columbia River has a high probability for cultural resources although there are no known sites on the property.

71. Originators: Clara Taylor **Date:** 11/6/18

72. Reviewer: Shawn Zumwalt **Date:** 11/08/2018

Land Evaluation Form Instructions

General Instructions: Do not leave a portion of this form blank. If information is unavailable or not applicable please indicate why. This will ensure that everyone who reviews the information knows that the question was not skipped or overlooked, but there is a reason why the question was not addressed.

1. **Evaluation done in: __Office __Field:** By the time the form is completely filled out, both office and field should be checked and initialed by the staff person(s) who worked on the form. Some of the information on the form comes from DSL records, appraisals, GIS data etc. Some information needs to be completed on site in the field. (Real Property staff)
2. **Parcel Name:** DSL name given to parcel, based on names of nearby topographic features, or named county roads. Parcel names may not be derived from names of previous lessees or any person. Do some research before naming the parcel as it may already have been named.(Property Manager)
3. **County:** what county or counties the parcel is located within (Property Manager)
4. **Map & Tax Lot** Township Range Section and tax lot number of parcel being evaluated (Property Manager)
5. **Site #:** In LAS, search and navigate to the Land Parcel page for the parcel being evaluated. The site # is on the first tab called "Land Parcel Site" (Property Manager)
6. **LAS #** In LAS, search and navigate to the Land Parcel page for the parcel being evaluated. The LAS # is the "parcel Number" at the top of the page. (Property Manager)
7. **GIS Acres** Acreage of parcel. Derived from the DSL Land GIS Layer acreage information (Property Manager)
8. **DSL Land Class** Land class code found in LAS, this is set up as a drop down menu in the form- (Property Manager)
 - a. AGR – Agriculture
 - b. FORS - Forest
 - c. ICR – Industrial/Commercial/Residential
 - d. MER- Mineral Energy
 - e. RNGL – Rangeland Leased
 - f. RNGU - Rangeland Unleased
 - g. SPEC – Special Stewardship
 - h. SS - Waterway (Submerged/Submersible)
9. **AMP Category** Drop-down Menu in form. Indicate what parcel is/should be listed as under the DSL Real Estate Asset Management Plan (REAMP) Categories. Category 1 indicates parcel has "Long-Term Potential" meaning that the parcel currently or has the potential to generate revenue over the long term. Category 2 indicates that the parcel has the potential to generate revenue over the short-term (5 years or less). Category 3 indicates that the parcel is currently generating revenue (i.e. currently under lease). Category 4 indicates that parcel is not currently generating

revenue, and/or there is minimal potential to generate revenue in the future, either short or long term.

- 10. Certified Forest** Oregon Department of Forestry Certified forest. This information is found in LAS. (Property Manager)
- 11. Leased** Is the parcel under evaluation currently under a DSL lease? If yes please provide the Lease number and type of use. (Property Manager)
- 12. Ownership Type** DSL ownership of parcel, either Surface only, Subsurface only, or Surface and Subsurface ownership. This information is found in LAS and is set up as a drop down menu on the form. (Property Manager)
- 13. Mineral Rights** Does DSL Own the mineral rights to the parcel? Check Clear Lists (Yes or No) (Property Manager, Ownership Specialist)
- 14. Adjacent Property Owners & Use** List by cardinal direction the name of the property owner/BLM District/National Forest Name and the predominant use on the adjacent lands (e.g. *North Boundary of parcel is Malheur National Forest, East Boundary is BLM-Burns District, South Boundary is privately owned by John Doe at 12345 Road St Bend, OR 97701 (Irrigated agriculture-alfalfa), West boundary is privately owned by Joe Smith at PO Box 000 Pennsylvania, CA 12345 (rock quarry)*) (Asset Analyst, Real Property Staff-field work)
- 15. Zoning** What is the county zoning for the parcel in question? Must go to the county website/assessor tax lot records to get this information. (Asset Analyst)
- 16. Developable Parcel:** Use county zoning information, appraisal information to determine if parcel is buildable. Include minimum acreage required for home site (Asset Analyst)
- 17. Minimum Acres required for home site:** Note minimum acreage required for a home site based on county zoning (Asset Analyst)
- 18. Lot of Record:** Need to work with county to determine this, must be completed prior to sale (Asset Analyst)
- 19. Potential for Zone Change/Partition:** Determine this based on zoning and development information from the county. (Asset Analyst)
- 20. Wildlife Overlay** This is information that is checked as part of county zoning information. DSL also has some wildlife layers in the GIS files (from ODFW). Need to list all wildlife zones by species here. (Asset Analyst)
- 21. Cultural-Historic:** Parcel Review is where the Staff Archaeologist has completed a SHPO information request for the parcel in question. (Yes or No) (Archaeologist)
- 22. Previously Field Surveyed:** Has any Archaeological field survey been completed at any time for any part or the entire parcel? If yes or partially, list the date(s) of the survey(s). (Archaeologist)
- 23. Cultural Resources Identified in the Field:** During any site visits by DSL staff, was there any cultural or historic resources found on site? If no, check the no box. If yes, check the yes box and consult with DSL staff Archaeologist to determine next steps. Parcel may require full pedestrian survey for cultural resources. (Real Property Staff, Archaeologist)
- 24. Probability of Cultural resources:** Completed by staff archaeologist, answer None, Low, Medium or High. (Archaeologist)

- 25. Threatened/Endangered Species:** Complete an ORBIC data request, perform field survey if necessary, list species (plant and animal) found on site. If no T & E Species indicate "none" (Property Manager)
- 26. Water Rights:** Look up water rights information on OWRD Website www.oregon.gov/OWRD go to Maps, click on Interactive Water Right Maps, click on Oregon Water Resources Web Mapping Program. This will get to the interactive web map. Once there, use the map tools to navigate to the parcel location. If there are water right on the parcel, list type and number (i.e. permit, certificate, etc.), name of water right holder, preference date, type of use, Point of Diversion (POD) or Place of Use (POU) and any other relevant information. (Property Manager)
- 27. Irrigation District:** Name of irrigation district parcel lies within. If parcel is not within an irrigation district indicate "No District" (Property Manager)
- 28. Depth of Nearby Wells:** Information from the OWRD Website from recorded well logs. Go to OWRD website at www.oregon.gov/OWRD, go to Maps, click on Interactive Water Right Maps, click on Oregon Water Resources Web Mapping Program. This will get to the interactive web map. Once there, use the map tools to navigate to the parcel location and look for wells (POD's) in the surrounding area (within 2 miles). Click on the Identify tool and scroll down to the well logs. Click on the well logs to determine depth of the well. List well depths on the form. (Property Manager)
- 29. On site/Distance to existing electrical service and what type:** Note where, and in what direction the nearest powerline/transmission line is located from the parcel. Note if the line is a single-phase, three-phase etc. or transmission line. (Real Property Staff-Field work)
- 30. Electrical Service Provider/PUD name:** Note who the electrical service provider is for the area. PUD is the Public Utilities District, include this name as well. (Property Manager)
- 31. Potential for Alternative energy:** Check available websites for solar, wind and geothermal energy potential for the parcel being evaluated. List the ratings (if any) for each type here. If no potential for all or any type of alternative energy indicate "no wind potential", "no geothermal potential", or "no solar potential" (Property Manager)
- 32. Access:** Detail any roads (legal or not) that can be used to gain access to the parcel. Include condition of road, type of road, any road names or numbers, or indicate no roads at all. If access is through adjacent private ownership please indicate that as well. (Real Property Staff-whomever does the field work)
- 33. Legal Access:** Indicate yes or no if there is legal access to parcel. If it is a government maintained road (county, BLM, USFS) list yes or no and include the road name or number. (Real Property Staff-Field Work)
- 34. Easements (to/from whom and what type):** List any easements on the property. Include deed book and page description and indicate if deed book is DSL or County. (Property Manager, Asset Analyst)
- 35. Interior Roads/trails/condition:** if there are any roads within the boundaries of the parcel being evaluated describe them here (Real Property Staff-Field Work)
- 36. Known Property Boundaries/Corner Survey Markers:** Indicate and describe the location of any survey markers, brass caps, section corners, witness placards etc. here. (Real Property Staff-Field Work)

- 37. Nearest DSL Parcel:** Describe how far away from the parcel being evaluated the next nearest DSL owned parcel is located. Include what direction and indicate the TRS of the nearest parcel. (Property Manager)
- 38. Topography/Shape of Parcel:** Describe the shape and topography of the parcel. Indicate any distinguishing features such as natural water, slopes etc. (Real Property Staff-Field work, and office work)
- 39. Vegetation Cover:** List the dominant species present in common names, indicate vegetative condition, and percent cover of trees, shrubs and grasses)
- 40. Site Structures/Improvements:** Describe any fences, irrigation structures, water developments, agriculture etc. Include location of structures and indicate size, or length and condition of any structures found on site. (Real Property Staff-Field Work)
- 41. View Site/Water Features/Other Amenities:** Describe any aesthetically pleasing attributes found within and around the parcel. Anything that would be potentially pleasing to a buyer (Real Property Staff-Field Work)
- 42. Evidence of Prior Impacts/Activities:** Describe the location and condition of any evidence of wildfires, crops, timber/logging, recreation or any other historic use. (Real Property Staff-Field Work)
- 43. Lease History:** Was the parcel ever, or is currently leased? Include lease number, Lessee Name, and use. This information can be found in LAS and in old files in Bend and Salem offices (All Real Property Staff)
- 44. Current Use:** Describe any current uses on the property. If known, include the name of who is using the parcel. (All Real Property-Field Work)
- 45. Agriculture/Timber Potential:** Describe the potential for agriculture and timber harvest based on conditions on site i.e. topography vegetation. (Real Property Staff-field work)
- 46. Soil Type:** Describe the soils on site from the NRCS Soils Web Mapping tool. If parcel is in a county where the soil survey is unavailable, describe the soils from what was observed during the site visit. (Property Manager-Real Property Staff)
- 47. NRCS Soil Class:** List the soils class from the NRCS Soils Web Mapping tool. (Property Manager, Asset Analyst)
- 48. MB & G Forest Rating:**
- 49. Age of Timber:** Average age of timber stand, this information comes from the appraisal and timber cruise. (Asset Analyst)
- 50. Timber Volume:** Information comes from the timber cruise (Asset Analyst)
- 51. Estimated Timber Value:** This figure from the timber cruise and appraisal (Asset Analyst)
- 52. Site Index:** Indicate what site index was used for the timber cruise (i.e. either 50 or 100 year indexes) (Asset Analyst)
- 53. Type of Timber:** What timber species are found on parcel, and what species were accounted for in the timber cruise? (Asset analyst)
- 54. % Annual timber volume increase:** What is the percent annual timber volume increase used in the timber cruise? (Asset Analyst)
- 55. Fire District/Protection Area:** Indicate if parcel is under ODF Fire Protection, within the boundaries of a Rangeland Fire Protection Area (RFPA), and/or under the BLM Fire Suppression agreement. List the name of the RFPA if appropriate. (Property Manager)

- 56. Property Expenses:** List any property expenses such as fire protection costs (ie funds paid to an RFPA or to ODF). Determine this amount by acre. (Property Manager)
- a. For RFPA's: take full amount paid to RFPA and determine how many DSL acres are within that RFPA boundary. Then determine the per acre rate for fire protection and multiply that amount by the number of acres within the parcel in question.
 - b. For ODF fire protection: Determine the rate for protection from the previous full calendar year, multiply this number by the number of acres within the parcel in question.
- 57. Other Holding Costs:** This is intended to capture the holding costs to DSL. For example: If the parcel in question is classified as Rangeland Unleased (RNGU), the holding costs to DSL would come out of the Rangeland Program costs. To determine this amount on a per acre basis, take the program expenditure amount from the previous calendar year and divide that amount by the total number of acres classified as Rangeland. That will give you the per acre costs for all lands classified as Rangeland. Then take that amount and multiply it by the number of acres within the parcel being evaluated.
- 58. Assessor's RMV:** This is the county assessor's Real Market Value. This information must come from the county as it is updated annually. (Asset Analyst)
- 59. Tax Year:** Indicate what tax year the Assessor's RMV value is from. (Asset Analyst)
- 60. Estimated Market Value:** This value comes from the appraisal. If marketable timber on parcel, indicate what the total market value would be with the timber and without the timber. (Asset Analyst)
- 61. Source:** Indicate the source of the appraisal. I.e. who completed the appraisal? (Asset Analyst)
- 62. Known/Projected AUM's:** List the AUM amount the parcel can support. This information either from appraisal, NRCS Soils web mapping tool, or on site determination. (Rangeland Manager)
- 63. Annual Lease amount:** Indicate what the Grazing lease rate would be given the AUM amount, or what the current lease fee is if parcel is under lease. (Rangeland Manager)
- 64. 20 year Investment Return based on Timber/lease income:**
- 65. Rate of Return on asset value (%):**
- 66. Present Value based on Current/Projected Income:**
- 67. Potential developments necessary to increase marketability/land value (i.e. access, utilities):** List what developments DSL could complete prior to sale to increase property value prior to sale, also have an option to say none. (Asset Analyst)
- 68. Estimate Annual Income after Development (Improvements/Land use action):** Answer based on question 31 above. Determine value of property after any developments and improvements. Also, determine what income could be if improvements were completed and DSL leased out the property (i.e. for agriculture use) (Asset Analyst/Property Manager)

- 69. Highest and Best Use Conclusion:** What is the overall highest and best use of the property? What action, either lease for a specific purpose, or sale would bring the highest value to the Common School Fund? (All Real Property staff)
- 70. Comments:** Note any extra comments or information about the parcel here.
- 71. Originator:** Names or initials of any and ALL DSL Staff that contributed information to this evaluation and the date the information was added.
- 72. Reviewer:** Filled out once Eastern Region Manager has reviewed the form and is satisfied by the information contained. Include date the form was reviewed and accepted.



Oregon

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State Land Board

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Secretary of State

Ted Wheeler

State Treasurer

State Land Board

Regular Meeting

October 13, 2015

Agenda Item 1f

SUBJECT

Request for approval to initiate the review and determination for a potential sale of approximately 132 acres of state-owned filled lands at South Tongue Point in Clatsop County.

ISSUE

Whether the Land Board should authorize the Department to initiate the formal due diligence phase for the potential sale of three (3) parcels of filled lands totaling about 132 acres in Clatsop County (Appendix A).

AUTHORITY

Oregon Constitution, Article VIII, Sections 2 and 5; pertaining to the Common School Fund and land management responsibilities of the State Land Board.

ORS 273.055; relating to the power to acquire and dispose of real property.

ORS 273.171; relating to the duties and authority of the Director.

OAR 141-067; relating to the sale, exchange and purchase of state land.

Real Estate Asset Management Plan (REAMP) adopted by the Land Board; February 2012.

SUMMARY

The South Tongue Point parcels are on the deep-water channel of the Columbia River at the eastern end of Astoria. A portion of the north end of the property has a land lease with current annual rent of about \$13,000 for a lease with Clatsop County

Community College. The east side of the property has a dock and small office owned by the Coast Guard. Salmon net pens next to the dock are on leased land for the Clatsop County Economic Development Council.

The parcels were enlarged from 1948-1976 through dredge spoil deposits from the Columbia River and encompass formerly submerged and submersible (statutory) land. The property is zoned "Marine Industrial" which supports water-related industrial uses. The southern portion of the property has never been developed except for an 8.5-acre wetland restoration.

DSL received an application from Warrenton Fiber Company in 2013, to purchase a portion of the property with the intent of creating an expansion area for its fiber wood products production and shipping. The Land Board approved initial due diligence for the potential sale of the property on the undeveloped southern portion at its February 11, 2014 meeting. In conducting the due diligence, DSL sent out notice to public agencies and adjacent property owners in the area notifying them of the potential sale of the property. The Columbia River Estuary Study Taskforce (CREST), which performed the wetland restoration in 2012, to enhance salmon habitat wrote a letter urging DSL not to sell the wetland restoration area. Other comments received from residents near the site also expressed safety concerns related to highway access, as well as general concern over the development of an industrial site at the property.

On March 18, 2015, DSL received a land sale application from Clatsop County Community College to purchase the entire property. While the current lease to the College provides revenue on the seven acres near the north end of the property, the likelihood of an industrial company developing the remainder of the property – either as a lessee or possible future landowner – is uncertain. Further, many of the potential industrial marine leasing uses carry pollution risks, which can be problematic for DSL to monitor as the landowner.

Given this situation, the Department recommends moving forward with conducting due diligence related to the potential sale of the South Tongue Point parcels, to help inform future State Land Board decisions around the future disposition of these parcels. Upon approval of this agenda item, the Department would then move forward with additional due diligence steps to provide information needed towards a potential future decision on whether or not to sell these parcels.

Agency Review

As part of the due diligence, letters will be sent to all adjacent landowners and lessees to inform them of the potential sale of these parcels. Local, state and federal agencies and tribal interests will be notified and asked to offer information concerning their areas of interest. Any significant concerns offered by any interest over a particular parcel will be thoroughly evaluated and thoughtfully considered prior to moving forward with a

recommendation on the sale process. As comments are received from the public and other agencies, and following the additional due diligence work, a final decision will be made on whether or not to recommend the sale of any or all three parcels.

RECOMMENDATION

The Department recommends that the State Land Board authorize the Department to initiate the review and determination of the sale of up to three (3) parcels of filled lands totaling about 132 acres in Clatsop County (Appendix A).

APPENDIX

A. Site map

**Placeholder for
Elliott State Forest
Update**

Oregon Department of State Lands

Aquatic Resource Management Program Report

Fiscal Year 2018
(July 1, 2017 through June 30, 2018)



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INTRODUCTION

The Oregon Department of State Lands (Department) is the administrative arm of the State Land Board, Oregon's oldest board. Established by the Oregon Constitution in 1859, the Land Board has been composed of the Governor, Secretary of State, and State Treasurer throughout its history.

The Department's Aquatic Resources Management (ARM) Program manages aquatic resources dedicated to the Common School Fund at statehood, including among other resources, submerged and submersible lands within the bed and banks of 12 waterways within the state. Those waterways include all or segments of the John Day, Chetco, Columbia, Coos, Coquille, Klamath, McKenzie, Rogue, Sandy, Snake, Umpqua and Willamette Rivers, as well as many lakes such as the Klamath, Devils, Siltcoos, Tahkenitch and North and South Tenmile. Submerged and submersible lands also include tidally influenced bays and estuaries along the Pacific Ocean to three miles offshore (the Territorial Sea). The Department processes applications within submerged and submersible land for waterway leases, easements, boat docks and boat house registrations, public facility licenses, sand and gravel operations, and special uses.

The ARM also protects the state's waterways and wetlands through administration of Oregon's Removal-Fill Law, enacted in 1967. The Removal-Fill Law was passed to conserve, restore and protect water resources for their contribution to aquatic life and habitats, fisheries, aquatic-based economies, tourism, public recreation, navigation, water quality, floodwater storage, and other natural resource functions.

This report provides information regarding management of state-owned waterways and fulfills the annual report requirement in the state's Removal-Fill Law (Oregon Revised Statutes (ORS) 196.885). This report covers Fiscal Year (FY) 2018. A fiscal year for Oregon state government is July 1 through June 30.

SECTION 1 – STATE WATERWAYS

State-Owned Waterways

Upon becoming a state, the State of Oregon acquired ownership of all submerged and submersible land underlying navigable waterways, waterways affected by tidal action, and the Territorial Sea (waters and seabed extending three geographical miles seaward from the Pacific coastline). The state also owns the submerged and submersible land underlying meandered lakes within its borders.

After Statehood, other water bodies have been determined to be navigable, and therefore state-owned, through legislative, judicial or administrative proceedings which include rivers, lakes, and tidally influenced waters. For further information, including rivers and lakes that have been determined navigable please refer to the website: Oregon.gov/DSL.

Uses of a State-owned Waterway

The people of Oregon are the owners of the submerged and submersible land and the

Department is responsible for management of these publicly owned lands. The public has rights to use the beds and banks of navigable waterways for any legal activity, such as boating, fishing and swimming.

The following are typical uses of state-owned submerged and submersible lands that require an authorization from the Department. Authorizations include leases, licenses, easements, registrations and short-term access agreements.

- Houseboats
- Boat ramps
- Docks, floats and wharfs
- Marinas and moorages
- Marine industrial facilities
- Bridges
- Utilities and pipeline crossings
- Sand and gravel operations
- Remedial cleanup
- Non-water dependent commercial uses (restaurants for example)
- Pilings, mooring buoy, voluntary habitat restoration, revetment, attenuations, retaining wall, rip rap, tide-gates

The following are common terms used with authorizations and their definitions.

- **Lease** - For uses that are generally longer term and are either water or non-water dependent.
- **Public Facilities License** - Publicly owned structures and uses such as boat ramps, docks, fishing and swimming platforms, viewing structures, and navigation aids.
- **Registrations** - Non-commercial uses and smaller structures such as boat docks, float or small boat houses (under 2,500 square feet), or floating recreational cabins (under 1,500 square feet), pilings, erosion control structures and voluntary habitat restorations.
- **Easements** - Required for long-term or permanent structures and uses on state-owned land. Types of uses include bridge and utility line crossings, erosion control structures and dredge spoils.
- **Remedial Activity** - All environmental remediation and restoration activities proposed on state-owned lands require an authorization. This includes access authorizations for individual or regular sampling, to leases and easements for long term environmental dredging or the placement of a sediment cap.

Proprietary Authorizations

The Department manages over 5,000 authorizations for a variety of uses (see above) on state-owned submerged and submersible land. Table 1 provides an overview of the number of authorizations managed by the Department by use classification.

Table 1. Active Proprietary Authorizations by Type

Authorization Type	As of July 1, 2018
Public Facility License Waterway (WW)	234
Easements WW	1,200
Registration of Waterway Structures	2,850
Waterway Lease	548
Sand & Gravel WW	17
Short Term Access Authorization	313
Special Use License/Permit	27
Special Use Lease	18
Temporary Use Permit WW	10
Totals	5,876

Department staff focused on obtaining authorizations for new uses of state-owned waterways and renewals for uses that are in compliance with their authorizations yet expiring. Table 2 looks at the Department workload for new waterway authorizations over the last five years. Table 3 evaluates the trend for Department workloads with regards to renewing authorizations. Table 4 outlines the revenue received for the past four years. Table 5 forecasts proprietary authorizations that will be renewed for the next few years.

Table 2. New Proprietary Authorizations by Type

Authorization Type	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	5-Year Total	5-Year Average
Public Facility License WW	3	4	6	2	2	17	3
Easements WW	28	25	21	27	32	133	27
Registration of Waterway Structures	30	45	76	27	13	191	38
Waterway Lease	8	8	9	3	4	32	6
Sand & Gravel WW	1	1	0	1	1	4	1
Short Term Access Authorization	25	32	41	30	34	162	32
Special Use License/Permit	2	2	2	2	0	8	2
Special Use Lease	1	1	2	1	0	5	1
Temporary Use Permit WW	0	0	0	0	0	0	0
Totals	131	141	167	103	101	654	131

Table 3. Renewed Proprietary Authorizations by Type

Authorization Type	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	5-Year Total	5-Year Average
Public Facility License WW	38	48	9	12	12	119	24
Easements WW	2	2	2	4	5	15	3
Registration of Waterway Structures	450	738	282	390	331	2,191	438
Waterway Lease	32	69	50	55	20	226	45
Sand & Gravel WW	0	1	2	7	1	11	2
Short Term Access Authorization	0	1	2	0	0	3	1
Special Use License/Permit	0	0	3	2	3	8	2
Special Use Lease	0	1	1	1	1	4	1
Temporary Use Permit WW	0	0	0	0	0	0	0
Totals	524	982	354	474	376	2,710	542

Table 4. Gross Revenue Received by the Department

Agency Object Type	FY 2015	FY 2016	FY 2017	FY 2018
Public Facility License	\$16,875.00	\$10,500.00	\$40,666.00	\$9,000.00
Easements-WW	\$185,749.93	\$207,252.56	\$768,133.19	\$177,299.84
Registration of Waterway Structures	\$147,582.00	\$111,354.59	\$128,353.00	\$119,590.00
Waterway Lease	\$1,888,658.50	\$2,302,702.31	\$2,040,478.56	\$2,182,514.00
Sand & Gravel WW	\$435,451.78	\$584,203.42	\$677,043.16	\$521,478.04
Short Term Access Authorization	\$3,468.00	\$750.00	\$4,250.00	\$1,000.00
Special Use License/Permit	\$8,775.00	\$2,625.00	\$3,050.00	\$0
Special Use Lease	\$1,750.00	\$27,699.58	\$40,474.39	\$74,057.71
Sale of S & S Land	(\$67,338.00)	\$750.00	\$25,000.00	\$0
Sale of Filled Land	\$750.00	\$0	\$139,769.00	\$0
Civil Penalties	\$10,116.00	\$37,344.20	\$49,566.00	\$55,966.00
Grand Total	\$2,631,38.21	\$3,285,181.66	\$3,916,783.30	\$3,127,864.56

Table 5. Future Renewing Proprietary Authorizations by Type

Authorization Type	FY 2019	FY 2020	FY 2021	FY 2022
Public Facility License WW	13	7	5	7
Easements WW	8	9	39	5
Registration of Waterway Structures	545	661	389	423
Waterway Lease	27	29	44	32
Sand & Gravel WW	4	6	2	0
Short Term Access Authorization	4	4	1	0
Special Use License/Permit	2	4	0	1
Special Use Lease	0	3	1	2
Temporary Use Permit WW	1	3	1	0
Totals	619	742	490	481

Table 6 shows enforcement actions including defaults and trespasses. The table shows the number of opened and closed enforcement records during a five-year period. The Proprietary Coordinators during this period targeted compliance monitoring and pursued default and trespass situations.

Table 6. Proprietary Enforcement Records

Enforcements*	2014	2015	2016	2017	2018	Totals
Opened	34	6	21	7	22	90
Closed	17	6	11	1	29	64

* Prior to 2014 the Proprietary Program did not use Enforcement records (previously also known as "Violations").

Default – When rent has not been paid for the authorization, such as a lease, the lessee is in default until the rent is paid in full, or if the rent is not paid the state may terminate the lease.

Trespass – Unauthorized use of Department lands.

Goble Site Cleanup

In 2012, the Department entered into a waterway lease agreement to moor the River Queen, a steam-powered automobile ferry near Goble, Oregon, on the Columbia River. The lessees were to restore the River Queen, which had been in the same location for many years and owned by the previous lessee.

On April 22, 2015, the Department conducted a site visit of the leasehold. Department staff noted several vessels, in various states of disrepair, had been brought into the leasehold. In addition, there was an accumulation of chemicals, debris, old RVs, scrap metal and other items stored on the barges. The Department had concerns that the lessees were operating a salvage operation on the site and verbally directed them not to bring any more vessels into the leasehold. On May 19, 2015, the Department of Environmental Quality (DEQ), the U.S. Coast Guard (USCG), and the Department conducted a joint site visit to perform a preliminary inventory of vessels and chemicals. The Department worked in coordination with DEQ and

USCG to identify and mitigate environmental threats. Numerous solid and liquid waste risks and violations were identified including asbestos, bunker oil, PCB contaminated oil, diesel fuel, and unidentified solids and liquids. The state and federal partners attempted to work collaboratively with the lessees but repeatedly met resistance.

The Department issued a Notice of Lease Termination on November 14, 2016, due to repeated violations and unwillingness of the lessees to bring the leasehold into compliance. The lessees requested a hearing on the Lease Termination. A settlement agreement was reached that required lease termination on May 30, 2017.

The Department has been pursuing efforts to have the lessees pay for the cleanup, and to date has put liens on all the lessees' assets, and the lessees have signed a waiver for the Department to receive insurance funds, if there are any. On June 1, 2017, the USCG entered the Goble Site and began a two-week process of removing hazardous substances and fuels on the site to reduce the threat of pollution to the waterway. USCG was the lead agency on site during this first phase.

The Department entered the site by mid-June 2017 and used several contract agreements to assist in the cleanup of the Goble site. Contractors secured the site, removed asbestos and other hazardous materials, removed solid waste and debris from the vessels, and disposed of 10 vessels from the site. The most complex and challenging part of the project was the removal of the 230-foot River Queen, which was built in 1922. The River Queen was too degraded to safely tow from the site and was too large to fit in a standard dry dock for removal. Ultimately, the River Queen was partially disassembled on site in order to fit in a dry dock, which increased cleanup costs.

The leasehold site has been restored to its original condition and is clear of all debris.

Table 7 shows the total tons of hazardous and solid waste removed from the site, as well as recycled materials.

Table 7. Hazmat Removed from the Site

	Asbestos	Solid Waste	Hazardous Waste	Liquid Waste	Other Misc. Waste	Recycled Steel
Tons	140	511	81	114	106	933

In summary, the Department began cleanup in June 2017 and completed it in August 2018 by working with other government entities and specialized contractors. The Department completed the cleanup and restoration of the site at a total cost of approximately \$12 million. The Department continues efforts to recover costs from the lessees and their insurers.

Submerged Lands Enhancement Fund

The Department received three applications for grants under the Submerged Lands Enhancement Fund created by the Oregon legislature in 2017. In June 2018, the Department convened the Application Review Team consisting of Department staff and other government

representatives from coordinating agencies. The total budget for the biennium is \$100,000. All three projects were independently scored and granted. The projects granted are: controlling for invasive aquatic plant management by the Willamette Riverkeeper; removal and replacement of a boat ramp and dock structure for the City of Coquille; and removal of small-scale debris along 70 miles of the Lower Columbia, Lower Willamette, and Multnomah Channel by the Lower Columbia Estuary Partnership. All projects will be complete by summer 2019.

Legislation

LC 0489: A legislative proposal that would authorize the Department to use moneys in a restoration subaccount of the Submerged Lands Enhancement Fund to purchase insurance or otherwise defray costs to clean up or otherwise address damage to state-owned submerged or submersible lands. It also would authorize the Department's ability to assess a surcharge on the payment required for leases, easements, registrations, access agreements or other proprietary authorizations. If the legislation is passed, the Department anticipates the surcharge assessed may range from three to ten percent of the payment amount otherwise required.

Rulemaking

Revisions to Oregon Administrative Rule (OAR) 141-140, siting of ocean renewable energy facilities in the territorial sea.

DSL recently completed a multifaceted rulemaking effort to update the ocean renewable energy rules to accurately reflect the requirements of Part 5 of the Territorial Sea Plan, SB 606 (2013), HB 2694 (2013) and SB 319 (2015).

DSL updated the application fees to ensure they are adequately covering the costs of administering the Joint Agency Review Team and other statutory requirements. DSL also reviewed the compensation section for an ocean energy facility lease.

DSL convened a Rule Advisory Committee (RAC) to assist with this rulemaking effort. The RAC met eight times between June 2016 and April 2017. The RAC had a consensus agreement that the draft rules were ready for public review and comment. DSL held three public hearings in Coos Bay (June 20), Newport (June 21) and Astoria (June 28). DSL held a subsequent open house public meeting in Portland on July 6. The public comment period was open from June 1 to July 14. The State Land Board reviewed and approved the draft rules at their October 17, 2017 meeting. The final rule became effective on January 1, 2018.

Revisions to Oregon Administrative Rule (OAR) 141-122 and OAR 141-123 to create separate rules for easements on trust lands and non-trust lands.

OAR 141-122: Concerns granting easements for structures and uses on state-owned trust lands. Trust lands are managed to maximize revenue for the benefit of schools.

OAR 141-123: Concerns granting easements for structures and uses on state-owned non-trust lands, such as state-owned waterways. Non-trust lands are managed for public trust values such as navigation, commerce, fisheries and recreation.

Existing rules for easements on trust lands (OAR 141-122) would be modified, and new rules

for easements for non-trust lands (OAR 141-123) will be added. A RAC was convened in December 2017 and first met in January 2018. The RAC and the Department held four meetings to develop rules governing the Department's easements for trust and non-trust lands, with an emphasis on fiber optic cable rules and compensation. The RAC and the Department also developed a financial impact statement looking at how the new rules will impact businesses in Oregon. Three meetings throughout the state were held in August 2018 to hear public comment. The new rules are likely to be adopted in January 2019.

Portland Harbor Superfund Site

Staff continued work to clarify the state's ownership boundaries within the Portland Harbor Superfund area and issued authorizations and permits for remedial activities, investigative work, and ongoing Portland Harbor industrial activity. Staff also assisted with submissions to the U.S. Environmental Protection Agency (EPA), conducted work related to the non-judicial allocation of Portland Harbor response costs, and coordinated with other state agencies on a state-level response to issues associated with cleanup, including DEQ, OHA, ODOT, the Governor's Office, and others.

Inter-Governmental Agreements for Management of Some Department Lands

The Department is currently party to the following agreements.

- Inter-Governmental Agreement (IGA) with Multnomah County Sheriff Office (MSCO) – Assistance with monitoring of State waterways in Multnomah County, \$10,000 per biennium.
- Inter-Agency Agreement (IAA) with Oregon Parks and Recreation (OPRD) – monitoring and cleaning up property owned by the Department along the Sandy River on or near Dabney State Park and Lewis and Clark State Park, \$26,000 per biennium.
- IAA with OPRD – monitoring and cleaning up property owned by the Department near the South Jetty of the Siuslaw River, \$5,000 per year.

Transient Boaters

In the past several years, there has been an increase in the number of people living on boats on the Willamette and Columbia Rivers in Portland without authorization. This is problematic for many reasons. The living conditions are unsafe. Access by emergency services is difficult. Many of the vessels are without working engines and cannot be quickly moved to safety, if needed. There is a higher risk of pollution from sewage, oil slicks and other wastes. Most of the vessels do not have sanitation. Many of the vessels are in disrepair and end up becoming abandoned, derelict or sunken, requiring public money for retrieval and disposal.

Many of the inhabitants are in violation of other boat-related regulations, including titles and registrations, and safety equipment, such as anchor lights. Most of the boats are "anchoring out" or tethered to structures on land. This has caused conflict with other river users who encounter the anchor lines. The Multnomah County Sheriff's Office (MCSO) Marine Patrol spends considerable staff resources responding to complaints of pollution, crime, and vessels that have become adrift or sunken. Some of the public docks managed by the City of Portland continue to be occupied by transient boaters and are not available to the public for recreational use.

The Transient Boater Work Group

The Transient Boater Work Group was formed in Summer 2014 to address this issue. The work group includes representatives from the following agencies and citizen groups:

- Department of State Lands (DSL)
- Oregon State Marine Board (OSMB)
- Department of Environmental Quality (DEQ)
- Oregon State Police (OSP)
- Oregon Department of Justice (DOJ)
- Multnomah County Sheriff's Office (MCSO)
- Multnomah County Housing
- Multnomah County Chair's Office
- Citizens
- City of Portland Parks and Recreation
- Portland Housing Bureau
- City of Portland Office of Neighborhood Involvement
- City of Portland Mayor's office
- JOIN, Connecting a Street to a Home
- Columbia River Yachting Association
- Waterfront Organization of Oregon
- City of Portland Police Dept. Intensive Street Engagement
- Metro Regional Government

Enforcement Planning

The long-term goals of enforcement are to find alternative housing for transient boaters in violation of state law, reduce the number of trespass situations and identify high-priority areas for enforcement.

Enforcement Roles and Responsibilities

- **DSL:** Lead for administrative actions
- **OSMB:** Support for boating data and seizure, and removal (50 percent of the cost).
- **MCSO:** Law enforcement support; assist with serving orders and provide support during seizures.
- **JOIN:** Assist boaters with housing services and transport of personal belongings, if needed.
- **City of Portland Police:** Provides continuous outreach for services and housing referrals.

The Department, OSMB, and MCSO have conducted outreach to transient boaters explaining the regulations and provided brochures with information about complying with moorage and boating safety laws, as well as housing referral information. The Department in coordination with the work group is pursuing a strategy of progressive enforcement of transient boaters. Outreach and education efforts are followed by notices of trespass and ultimately seizure of vessels.

The Department has spent approximately \$29,511.50 in the past two years for removal and disposal of 15 vessels, not including staff time. Between July 1, 2017, and June 30, 2018, the Department served three pre-seizure notices or trespass notices, and seized and disposed of 13 vessels in conjunction with the Oregon State Marine Board.

SECTION 2 – REMOVAL-FILL PROGRAM TRENDS

Removal-Fill Permits

There are four types of permits available to conduct work in wetlands and waterways:

Individual Permits (IP): A permit for projects that have more than minimal adverse effects to waterways and wetlands, are more complicated and often involve more than one removal-fill activity, may involve a substantial mitigation obligation, and do not qualify for any of the General Permits or General Authorizations. The processing timeline is up to 120 days.

General Permits (GP): A streamlined permit covering activities substantially similar in nature, recurring or ongoing, and have predictable effects and outcomes. A GP may be established by order or by rule. GPs issued by rule may be on a statewide basis or a geographic basis. GPs issued by order are for an applicant or group of applicants. For example, the Bureau of Land Management/U.S. Forest Service GP (GP-42104-RF) issued by order, authorizes 11 aquatic restoration activity categories in multiple waterways in all Oregon counties. The processing timeline is up to 40 days for most GPs.

General Authorizations (GA): A streamlined permit for nine specific types of removal fill activities that have minimal adverse effects on wetlands and waterways. General Authorizations are pre-approved but require a 30-day notice to the Department prior to the removal-fill activity.

Emergency Permits (EP): Authorizations for emergencies that pose a direct threat to human health, safety or substantial property, and where prompt removal-fill action is required to address the threat. Approval is given as quickly as possible in emergency situations.

The Department saw a 30% increase (336 to 436) in permit numbers compared to FY 2017. This includes increases in Individual Permits by 32% (193 to 255), General Permits by 55% (38 to 59), and General Authorizations by 63% (59 to 96). Emergency Permits are very weather dependent, rather than economy driven, and decreased by 56% (46 to 26).

Table 8. Removal-Fill Authorizations by Type

Authorization Type	Applications Received	Approved	Denied	Total Decisions	Approved in ESH
IP	255	338	1	339	163
GA	96	83	5	88	58
GP	59	57	0	57	28
EA	26	24	1	25	21
Totals	436	502	7	509	270

Essential Indigenous Anadromous Salmonid Habitat (ESH)

The Department's essential indigenous anadromous salmonid habitat (ESH) requirements were established by the 1993 Legislative Assembly and fully implemented by the Department in 1996. Authorization is required for any amount of fill or removal for activities occurring within stream reaches used for spawning or rearing of state and federally listed anadromous fish species, unless the activity is specifically exempt. Table 9 includes the subset of permits in ESH waters.

The Department works with the Oregon Department of Fish and Wildlife to update the ESH

designations for Oregon’s waterways to reflect new data, improved mapping techniques, and habitat reopened to salmonid and other species through recovery and restoration efforts. The maps were last updated and adopted into rule in March 2015.

Authorized Volumes of Removal and Fill

Table 9 below contains total volumes (in cubic yards) of material permitted to be removed and filled in all waters of the state, including wetlands. It is important to note the total volume authorized each year will always be more than the actual volume removed or filled. Many, if not most, projects take several years to complete, but the permit is granted for the total amount and kept active each year. There are significant volumes permitted for some activities, particularly maintenance dredging, that occur on an as-needed basis, but are kept active, some of them for decades.

Table 9. Removal-Fill Authorized Volumes (cubic yards) for FY 2018

Auth Type	Removal Volume	Fill Volume	ESH Only Removal	ESH Only Fill	Wetland Removal Volume	Wetland Fill Volume
IP	3,064,939	5,407,781	1,665,317	1,279,849	472,449	1,749,726
GA	4,028	2,652	1,744	1,183	100	96
GP	54,062	28,204	12,483	15,111	8,124	8,628
EA	1,355	2,462	1,355	2,345	0	100
Total	3,124,384	5,441,099	1,680,899	1,298,488	480,673	1,758,550

Table 10 shows the number of acres of wetlands authorized to be removed from the landscape or created or restored. The net gain and loss of acres is generally a meaningful measurement only for wetlands but is not very useful for waterways. Wetlands can be removed from the landscape entirely; whereas streams can be improved or degraded, but they generally cannot be removed from the landscape. See Figure 1 for locations of Removal-Fill activities.

The Department’s goal is no net loss of wetlands from the aggregate of property development and creation and restoration of wetlands. Wetland gains have outpaced wetland losses over the past five years by 474 acres due to a few large voluntary restoration projects.

Table 10. Gains and Losses in Wetlands for FY 2018

Authorization Type	Wetland Acres Gained	Wetland Acres Lost	Net Wetland Acres
IP	46.88	61.03	-14.15
GA	5.2	0	5.2
GP	0	2.05	-2.05
EA	0	0	0
Total	52.08	63.08	-11

Recreational Placer Mining

In Essential Salmonid Habitat (ESH), a removal-fill permit is required to fill, remove, or move any amount of material below the ordinary high water mark. To facilitate permitting for placer mining in ESH, DSL adopted a General Authorization (GA).

The number of recreational placer mining authorizations hit its peak in 2012 (Figure 2). The number is somewhat inflated due to many duplicate authorizations. The Department has since revised the process to not allow duplicate authorizations. Since 2014, the numbers have dramatically declined due to the limits imposed by a moratorium (Senate Bill 838 2013) and now the additional limitations placed by Senate Bill 3 (2017). The GA, per Senate Bill 3, has been revised to, among other things, only allow non-motorized methods (e.g. gravity and siphon dredges).

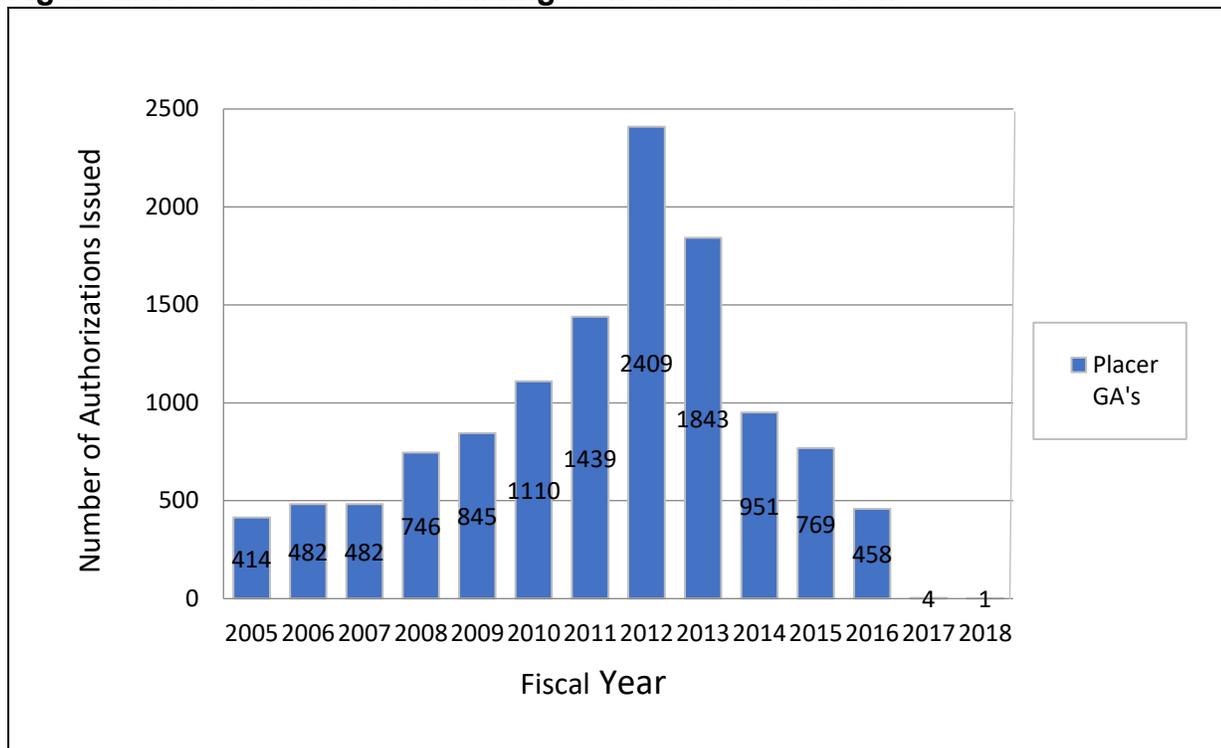
The Department received 104 applications during the reporting period. Only one authorization was issued. Most applications were not authorized because the mining proposed did not require an authorization (33), the waterway requested was not open to mining (45), or the application was a duplicate or insufficient information was provided (26).

The agency has constructed a new web-based application that will add significant clarity to the process and minimize errors, such as those described above. The information the applicant enters will be screened by the web-based application. If the information entered identifies a stream, type of activity, method, or type or size of equipment that is not allowed by rule the applicant is prevented from proceeding. A pop-up window explains the problem to the applicant. There are also pop-ups cautioning or reminding the applicant of important items, but do not prevent them from proceeding.

Reporting

There were seven year-end reports received for work performed during FY 2018. None reported filling or removing within waterways.

Figure 2. Recreational Placer Mining General Authorizations



Legislation

Legislative Work Group on Wetlands Regulation and Wetlands Inventory and LC 2728

House Bills 2785 and 2786 brought to the attention of the House Committee on Agriculture and Natural Resources (Committee) the challenges with Oregon’s current system for regulating wetlands on agricultural lands. The Committee was introduced to a grower from Junction City encountered unexpected requirements relating to removal-fill in unmapped wetlands when reconstructing and expanding a building. The Department has developed a more robust State Wetlands Inventory (SWI) to improve the screening process for identifying potential jurisdictional areas and has been testing it with stakeholders.

Committee Chair Representative Brian Clem formed a Wetland Regulation Working Group to address wetland regulation in Oregon. The Department helped staff the working group and played an active role in providing information, answering questions and discussing alternatives with the Committee. Two subgroups were active in FY 2018 and charged with identifying short-term recommendations for the 2019 legislative session, as well as longer-term priorities. At the writing of this report both subgroups submitted reports with recommendations to the full Committee in December 2018.

The Mapping, Mitigation, and Assumption Sub-Work Group recommended actions on the Statewide Wetlands Inventory (SWI) and Wetland Land Use notification (WLUN) process; mitigation banking, and partial state assumption of the Federal Clean Water Act 404 program. The report to the Committee includes several funding proposals: 1) 1.0 FTE for the Department for WLUN response capacity; 2) 1.0 FTE for the Department for 404 assumption

process capacity; and 3) funding for Business Oregon to support a public mitigation bank pilot program loan. Other recommendations for legislative action include amending ORS 196.643 to allow payments to the Oregon Removal-Fill Mitigation Fund when credits from approved mitigation banks are available, legislative approval to allow the Department to partially assume federal 404 jurisdiction, and amendment of ORS 196.800-.905 uncodified session law to reflect the exclusion of agriculture or forest uses from assumption authority.

The Agricultural Channel Maintenance Sub-Work Group recommended actions dealing with agricultural maintenance. The report to the committee included recommended legislation to: 1) authorize maintenance of agricultural channels during dry conditions; 2) direct the Department to develop and adopt a General Permit for maintenance during wet conditions; 3) identify funding for Oregon State University to study ways to meet agricultural channel maintenance needs while minimizing negative impact to, or improving, habitat complexity and water quality; and 4) reporting by the Department of State Lands, Department of Agriculture, and Department of Fish and Wildlife to the legislative committees related to agriculture and natural resources regarding the status of ditch maintenance activities, compliance and program outcomes, and recommendations on modifications to conditions based on scientific study and agency program data. The recommendations regarding maintenance of agricultural channels during dry conditions were further developed by the Committee co-chairs/chair into Legislative Concept 2728. As of the writing of this report, the Committee had voted to approve LC 2728 as a committee bill for the 2019 Regular Session.

Rulemaking

General Permit for Floodplain Connectivity

Between 2016 and 2017 the Department conducted rulemaking to attempt to implement the intent of tabled legislation from the 2015 Session (HB 3217). As of June 2017, the Department had convened a rules advisory committee (RAC), developed a draft rule, conducted public noticing and hearings, and prepared a final draft rule for adoption. In June 2017, the Department received a request from the Coastal Caucus to suspend the rulemaking effort due to constituency concerns. The rulemaking was placed on indefinite suspension at that time.

Aquatic Resource (Compensatory) Mitigation Framework

The Department initiated rulemaking (OARs 141-085, 141-089, and 141-093) to update the statewide compensatory mitigation requirements using a watershed-based approach, and function-based assessment and accounting methods; and to make other non-substantive edits for routine rules maintenance.

The Department is changing policy because in 2008, the federal government adopted a new rule – the Final Compensatory Mitigation Rule – which promotes a watershed- and function-based approach to compensatory mitigation. Studies show that the current practice of requiring acreage-based mitigation is leading to an overall loss of functions and values of aquatic resources across the nation. The new mitigation framework aims to bring Oregon’s mitigation program into alignment with the federal standard and to provide more successful, sustainable benefits for the environment. Development of the policy, a new function assessment method for streams, and stakeholder outreach has been underway since 2009.

The Department convened a RAC to assist with this rulemaking effort. The RAC met five times to further develop the rules. The public comment period was open from November 1 through December 7 and the Department held three public hearings in Bend (November 15), Salem (November 20), and Astoria (November 28). The Department received 22 comments on the proposed rules and is currently responding to those concerns.

This new approach to compensating for wetland and stream losses will be collaboratively implemented by DSL, US Army Corps of Engineers-Portland District (Corps) and US Environmental Protection Agency-Region 10 (EPA) will be implemented by April 1, 2019 at the earliest.

Statewide Wetlands Inventory and Goal 5 Planning Assistance

Statewide Wetlands Inventory

The Department is responsible for developing, maintaining and distributing the Statewide Wetlands Inventory (SWI). The SWI initially was based upon the National Wetlands Inventory (NWI) developed by the U.S. Fish and Wildlife Service (USFWS). Local Wetlands Inventories (LWIs) that cover many urban and urbanizing areas in Oregon are added to the SWI as they are approved. The SWI also includes other recognized mapping that indicates potential locations of wetlands and waters. Other department approved wetland mapping such as wetland delineations and compensatory mitigation sites are part of the SWI but are not yet available in digital GIS format.

Development of the SWI update web map tool began in FY 2017. Internal and external reviews and revisions were completed, and release is anticipated before the end of FY 2019. Outreach about the SWI update web map to local government planners and other groups started in FY 2018 and is ongoing.

The Department obtained an Environmental Protection Agency (EPA) Wetland Program Improvement Grant to support the development of an ESRI GIS format geodatabase of all approved LWIs so that this mapping can be added to the digital SWI update. Older LWIs exist only in hard-copy/pdf format and need to be digitized entirely. Newer LWIs have digital datasets that need to be standardized into ESRI GIS format and a single organizational structure. When complete this geodatabase will be added to the SWI web map and supporting webpage.

LWIs have much more detailed and accurate mapping than the NWI and include other descriptive information and wetland functional assessments that are used to make Locally Significant Wetland determinations for Goal 5 compliance. LWIs are used by cities and counties for planning purposes, they also provide good wetland location information for the public, landowners, and developers. The Department assists local governments and their consultants with LWI development, and ultimately reviews and approves LWIs. In FY 2018, the Department approved LWIs for the Medford Urban Reserves and Urban Growth Boundary Expansion area and for the City of Monmouth.

Department staff have been leading an effort to develop a new wetland functional assessment method for local planning efforts, especially for LWIs. This new assessment method will replace the Oregon Freshwater Wetland Assessment Methodology for Locally Significant Wetland determinations. The Department's Aquatic Resource Planner convened and continues to work with a technical advisory committee to integrate the new assessment method into the Division 86 Locally Significant Wetland rules.

Outreach included presentations to local planning staff about the SWI, regulations, and participation in long-range wetland planning efforts. Events included three Oregon Coastal Zone Planners meetings, several Oregon Cascades West Regional Consortium and Council of Governments, Columbia County Natural Resources Conservation Service and Soil and Water Conservation District meetings, DLCD Community Services Regional Representatives, Association of Oregon Counties Planning Directors, City of Monmouth Planning Commission, Corvallis Regional Economic Development Commission, Albany/Millersburg Economic Development, and Connect 2018 Conservation Partnership.

The Aquatic Resource Planner corresponded with county and city representatives and with members of the public about notices, land use planning, related wetland topics, regulatory process and other inquiries.

Wetland Conservation Plans and Advance Aquatic Resource Plans

Wetland Conservation Plans (WCP) were developed subsequent to the 1989 wetlands bill as a method for local governments and communities to make long range plans for development, mitigation and protection of wetlands identified on the Local Wetlands Inventory. They are approved by final order of the Director and include local land use planning decisions. To date West Eugene has the only WCP, which was approved in 1994.

Advance Aquatic Resource Plan (AARP) rules were developed from a long process involving multiple State, Federal, Local Government and other stakeholder participation. AARPs are similar in many ways to WCPs. Wetlands and waters are identified, functional assessments completed, and decisions are made regarding the best use of each wetland, then the plan is approved by final order of the director. AARPs differ from WCPs because the plan is not a land use decision; the plan area is determined by the participants, and both the landowners and future developers voluntarily agree, or not, to the conditions of the plan. If the participant chooses to comply with the terms of the AARP there is some streamlining of the Removal-Fill permitting process built into the plan.

Two AARPs have been approved. The first is for 19 selected industrial sites in Linn and Benton Counties sponsored by the Oregon Cascades West Consortium was approved on October 2, 2015. The Port of The Dalles sponsored The Dalles' AARP for six industrial sites, approved July 8, 2016. After participating in the development of both Plans, the U.S. Army Corps of Engineers declined to recognize the plan efforts with either a Letter of Permission or a Regional General Permit, respectively, on October 6, 2017.

SECTION 3 – PROGRAM REPORTING FOR THE REMOVAL-FILL LAW

Monitoring

The Department monitors mitigation sites and impact sites that require restoration, both for permitted activities and violations. Due to the nature of the time it takes for establishment of mitigation sites and restoring impact sites, including soil stability and plant development, there will always be a quantity of sites actively being monitored. Currently, the Department is actively monitoring 240 sites (see Table 11 below). The Department’s goal is to keep pace by closing as many as are opened, however, this will vary from year to year depending on the number of permits or enforcements each year.

Table 11. Wetland Mitigation Monitoring FY 2018

Authorization Type	Active	Opened	Closed
Wetland	109	45	27
Stream	131	107	9
Total	240	152	36

Enforcement

When the Department becomes aware of potential non-compliance issues, the alleged violation is investigated to determine whether a violation has occurred or not. Table 12 shows the number of permitted and non-permitted enforcements opened and closed. Also shown are the subset of those violations specifically occurring in ESH waters. The civil penalties collected may or may not be assessed in the same year as the violation, which may increase or decrease the penalties collected in a fiscal year relative to the penalties assessed. The total amount of civil penalties collected will also be affected by negotiations during resolution of the violation.

The Department opened 110 enforcement files during the reporting period. Of the over 500 active authorizations only 1 enforcement was opened for projects with a permit. This is likely due, at least in part, to the interaction, coordination, and education that is made possible through permitting and monitoring. The Department closed 114 enforcement files in FY 2018. Enforcement files are closed either through Consent Agreements and other orders, or when further investigation reveals either no violation occurred or there was insufficient evidence to confirm a violation.

Table 12. Compliance Checks, Enforcements, Civil Penalties, & Final Orders FY 2018

	Number of compliance checks	Enforcement Files Opened	Enforcement Files Closed	Civil Penalties Assessed	Civil Penalties Collected	Final Orders
Permit Violation	114	1	2	\$16,000	\$6,000	1
Unpermitted Work	109	109	112	\$252,620	\$66,689	47
ESH Permit Violation	38	0	0	\$0.00	\$0.00	0
ESH Un-permitted Work	35	35	42	\$63,906	\$40,975	21

Contested Case Hearings

The Department managed nine files with a request for a contested case during FY 2018. Many of the requests remained active from prior years. Table 13 below shows the final status of the contested files within the fiscal year.

Table 13. Status of Requested Hearings at End FY 2018

Cases Settled/	Cases Pending	Hearing Held	Department Decision	Appealed to Higher	Higher Court Upheld Department
1	3	1	1	1	

Wetland Land Use Notification

The wetland land use notification process was initiated in 1989 as part of the wetlands program legislation. All counties and cities are required to notify the Department of certain development activities proposed in wetlands that are mapped on the Statewide Wetlands Inventory. The Department reviews the notice and provides a written response within 30 days to the applicant and local government as to whether the proposed action requires a removal-fill permit and/or a more precise wetland boundary location (delineation). The Department was successful in responding within 30 days for 663 notices but exceeded that time for 22 notices (3% of all notices) in FY 2018.

The objective of the notification process is to provide coordination between local (city or county) development approvals and state wetland regulations. Overall, the wetland land use notice process has proven to be an effective “early warning” mechanism for landowners and developers that a state permit may be required in addition to the local approval. Table 14 shows the increase in notices for FY 2018 compared to the prior two fiscal years, which is at least in part a result of the Department’s increased outreach to local planners.

Table 14. Department Response Time for Wetland Land Use Notices

Response Time	FY 2016	FY 2017	FY 2018
30 Days or Less	407	550	623
More than 30 Days	29	21	16
Total	436	571	639

Wetland/Jurisdictional Determinations and Wetland Delineation Report Review and Approval

The Department offers the public service of providing an agency determination on whether wetlands or other waters of the state may be present on a parcel of land and provides reviews of delineation reports. A wetland determination, conducted without charge, identifies if wetlands or other waters of the state are present on a site that may be subject to state permit requirements. If wetlands and/or waters are present, a delineation and report by a wetland consultant may be needed to accurately locate and map the wetlands and waters (a wetland delineation report). Wetlands staff review the delineation reports submitted to the Department. Landowners, developers and local governments use the approved delineation report and maps

to avoid or minimize impacts to waters of the state, or to determine the impacts that will require a state permit. Table 15 shows the number of wetland determinations and delineation report reviews conducted for FY 2018.

Table 15. Wetland Determinations and Delineation Report Reviews

Fiscal Year	Determination	Delineation	Total
2016	230	266	496
2017	185	281	466
2018	330	332	662

Compensatory Mitigation

Oregon Administrative Rule 141-085-0006(3) defines compensatory mitigation as follows: *“Compensatory mitigation” means replacement of water resources that are damaged or destroyed by an authorized activity.*”

Applicants have several mitigation options to choose from. They may conduct their own mitigation on the impact site or elsewhere nearby by either creating or restoring wetlands, enhance degraded wetlands, or in certain limited cases, preserve high-value wetlands that are threatened. Some applicants have the option of purchasing wetland credits from a mitigation bank or an in-lieu fee project, or they may pay into the Department’s Removal-Fill Mitigation Fund. The Department promotes mitigation banking because it is ecologically valuable to consolidate mitigation and generally more efficient to perform compensatory mitigation on a larger scale.

Mitigation Banking

There are currently 27 approved mitigation banks in Oregon. Table 16 details the sales and balances of the mitigation banks for FY 2018. During the last year, five new potential banks started the establishment process, but have not yet been approved.

Table 16. Mitigation Bank Credit Sales and Balances as of June 30, 2018

Mitigation Bank	County	Total possible credits	% of credit released	% sold to date	Balance of credits remaining
Amazon Creek	Lane	39.78	100.00	100.00	0
Butler	Washington	45.60	45.00	24.00	34.80
Claremont	Clatsop	11.97	28.00	5.00	11.36
Cow Hollow	Douglas	15.22	100.00	100.00	0
Coyote Prairie North	Lane	78.68	76.00	52.00	37.64
Evergreen	Benton	84.52	90.00	58.00	35.67
Foster Creek	Clackamas	27.57	75.00	84.00	4.02
Frazier Creek	Benton	13.00	100.00	100.00	0
Garret Creek	Clackamas	15.49	66.00	17.00	12.86
Long Tom	Lane	59.51	85.00	85.00	8.98
Marion	Marion	38.30	62.00	58.00	16.06
Mid-Valley phases 1-2	Benton	21.53	98.00	98.00	4.20
Muddy Creek	Benton	60.33	80.00	75.00	14.94
Mud Slough phases 1-4	Polk	157.90	93.00	71.00	45.90
Oak Creek	Linn	38.98	58.00	58.00	16.41
ODOT Bobcat Marsh	Washington	5.26	100.00	27.00	3.77
ODOT Crooked River	Crook	5.56	39.00	5.00	5.27
ODOT Greenhill	Lane	8.11	20.00	14.00	6.97
ODOT Lost River	Klamath	13.44	41.00	29.00	9.59
ODOT Vernal Pool	Jackson	20.95	78.00	44.00	11.64
One Horse Slough	Linn	66.91	90.00	65.00	24.19
Rogue Valley Vernal Pool	Jackson	24.70	50.00	15.00	21.44
Tualatin Valley	Washington	31.10	72.00	50.00	16.04
Weathers	Marion	9.19	100.00	100.00	0
West Eugene	Lane	135.52	100.00	100.00	0
Wilbur Estuary	Lane	51.34	64.00	3.00	49.66
Total wetland credits		1,121.56	-	-	431.43
Salem Stream Bank *	Marion	10,741*	30.00	3.00	10,405.00

*The Salem stream credit units are not based on acreage and thus are not comparable to the wetland credits balances

Mitigation Bank Program Compliance and Efficiency

Mitigation Banking represents an important efficiency for both the Department and for permit applicants. They can provide greater ecological benefits, are more efficient for Department staff to manage than smaller mitigation sites and can be a profitable business venture for the bank sponsor. Banks are a popular option for applicants. The per acre cost is generally less than for individual mitigation sites and obligation for the mitigation requirement is transferred to the bank sponsor once credits are purchased.

Department staff inspect each mitigation bank annually to evaluate whether expectations have been met, to verify information in the monitoring reports, and to discuss and resolve emerging issues. One bank is in remedial status due to weed invasion. Agency staff has been working with some bank sponsors to promote the establishment of long-term stewardship plans where previous administrative rules did not require such plans.

Compensatory Mitigation – Department In-Lieu Programs

In-lieu fees are accepted into the Oregon Removal-Fill Mitigation Fund as a form of compensatory mitigation for unavoidable adverse effects on waters of this state. The funds are used by the agency to construct mitigation sites and compensate for lost functions and values. There are two in-lieu fee programs available. The Payment In-Lieu (PIL) program allows payment for compensatory mitigation for small impacts (generally <0.2 acres) to waters of this state when other methods of providing compensatory wetland mitigation are not available, or inadequate. The U.S. Army Corps of Engineers does not accept PIL mitigation for their federal 404 permits. The Oregon Department of State Land In-Lieu Fee (ILF) program was approved by the Corps in 2009 and provides compensatory mitigation for both waters of this state and waters of the United States; i.e., the credits may be used to satisfy mitigation requirements for both Oregon removal-fill permits and federal 404 permits. Under the ILF program, areas are approved to sell a maximum number of credits, but a project must be approved and meet performance requirements before credits are released and the mitigation obligation is fulfilled.

The Department’s in-lieu programs provided mitigation for 17 permit authorizations for a total of 3.74 credits. Credits sales for PIL and ILF, and ILF credit sales and balances are shown in Table 17 and 18, respectively. Funds are deposited in the Oregon Removal-Fill Mitigation Fund.

No new projects were funded through the Oregon Removal-Fill Mitigation Fund in FY 2018. The Department has ongoing projects funded in previous years for all areas shown in Table 18, except the Umpqua Interior Foothills. For this area, the Department has continued working with a private mitigation bank developer and plans to purchase credits once that project is approved and credits are released.

Table 17. Deposits into the Oregon Removal-Fill Mitigation Fund

	<i>FY 2018</i>
Number of Permits using the PIL Program	8
PIL \$ Totals	\$106,237
PIL Credits Sold	0.75
Number of Permits using the ILF Program	9
ILF \$ Totals	\$210,683
ILF Credits Sold	2.99
Mitigation Fund Deposits \$ Total	\$316,920

Table 18. In-Lieu Credit Sales and Balances as of June 30, 2018

<i>Site Name</i>	<i>County</i>	<i>Credits Released</i>	<i>Credits Sold</i>	<i>Balance</i>
Tamara Quays	Lincoln	2.16	-1.81	0.34
Half Mile Lane	Washington	13.24	-4.72	8.52
Pixieland	Lincoln	4.02	-1.99	2.03
Lower Columbia advance credit area	Clatsop	0	-2.76	-2.76
Umpqua Interior Foothills advance credit area	Douglas	0	-7.52	-7.52
Wilson Trask Nestucca advance credit area	Tillamook	0	-0.46	-0.46



Common School Forest Land Annual Report

FISCAL YEAR 2018



**Prepared by the Oregon
Department of Forestry**

February 2019

DATE: February 5, 2019

TO: Governor Kate Brown
Secretary of State Dennis Richardson
State Treasurer Tobias Read

FROM: Peter Daugherty, Oregon State Forester

SUBJECT: Fiscal Year 2018 Annual Report for Common School Forest Land

During fiscal year 2018 the Oregon Department of Forestry (ODF) managed 33,074 acres of Common School Forest Land (CSFL). This is the first year ODF has not managed the Elliott State Forest. These lands are managed to maximize revenue through elements of an agreement among ODF, the State Land Board (Land Board) and the Oregon Department of State Lands (DSL). The DSL 2012 Real Estate Asset Management Plan directs CSFL to be managed primarily to produce merchantable timber on a sustainable basis. ODF achieves this mandate through implementation of forest management plans approved by the Oregon Board of Forestry and the Land Board.

This agreement and partnership among ODF, DSL and the Land Board requires ODF to present an annual report regarding the status of CSFL management. This report includes timber management information, fiscal year operating costs, revenue transferred to the CSF, and other information affecting CSFL management and operations.

Fiscal Year 2018 Harvest and Revenue

ODF continues stewardship of 33,074 acres of CSFL through active management, supervising and administering timber operations, monitoring environmental effects and protecting wildlife habitat. Young stand management activities continue to grow healthy, sustainable forests that provide long-term benefits including wood products, diverse ecosystems and habitat, and clean air and water.

In FY 2018, the CSFL harvest volume was 3.6 million board feet (MMBF). Revenue transferred was \$2.0 million, and management costs were \$1.3 million. Net Operating Income (NOI), the total timber revenue transferred to DSL minus management cost, was \$0.7 million. Timber sales sold in FY 2018 total 8.7 MMBF, with expected revenue of \$4.6 million.

Table 1: CSL Revenues and Expenditures					
Category	FY14	FY15	FY16	FY17	FY18
Total Expenditures	\$3,730,795	\$3,320,711	\$3,512,163	\$3,105,647	\$1,321,283
Revenue to DSL	\$3,556,385	\$4,246,450	\$6,448,023	\$3,496,412	\$2,001,213
Net Operating Income	(\$174,410)	\$925,739	\$2,935,860	\$390,765	\$679,930

Stand Level Inventory
[The Forest Inventory Report](#)



Oregon

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State Land Board

Kate Brown

Governor

M E M O R A N D U M

Dennis Richardson

Secretary of State

Date: February 5, 2019

Tobias Read

State Treasurer

To: Governor Kate Brown
Secretary of State Dennis Richardson
State Treasurer Tobias Read

From: Vicki L. Walker
Director

Subject: Summary of the South Slough Reserve's Work Related to Climate Change

Climate change presents a significant threat to the Oregon coast. Developed shorelines, coastal roads, and natural ecosystems are vulnerable to sea level rise and extreme weather events that can negatively impact infrastructure, coastal economies, coastal accessibility, and human safety. Ocean acidification has serious implications for water quality, shellfish industries, and ecosystem services, and it has already noticeably impaired shellfish production in Oregon.

The South Slough Reserve identifies Climate Change as a management priority in its 2017-2022 Management Plan. As such, reserve staff are engaged in several research and education efforts to increase understanding and communication of climate change. This memo summarizes the Reserve's research related sea level rise, climate change, ocean acidification, and carbon storage in coastal wetlands; education and training related to these topics; and actions the Reserve is taking to reduce greenhouse gas emissions.

Sea Level Rise and Climate Change

The South Slough Reserve participates in the National Estuarine Research Reserve System's Sentinel Sites program, which is a national initiative centered on monitoring

the response of tidal wetlands to changes in sea level and tidal inundation patterns. Essentially, this program is designed to answer the question: *What will happen to tidal wetlands as sea level changes?*

Reserve staff maintain the necessary infrastructure in South Slough to: 1) measure changes in sea level and tidal inundation patterns, 2) quantify changes in wetland elevation, both from geologic processes and the rate at which sediment accumulates in or erodes from wetlands, 3) measure changes in plant diversity and species richness within wetland study sites, and 4) measure changes in weather and water quality. The Reserve's Sentinel Site Plan that describes this work has been highly regarded by the National Oceanic and Atmospheric Administration (NOAA) and disseminated amongst the reserve system as a gold standard.

The value of the Reserve as a Sentinel Site extends beyond understanding local impacts of sea level rise. The Reserve is part of a national study to assess the resilience of marshes across the country. The resulting peer-reviewed publication¹ includes a calculation tool to help coastal managers evaluate the resilience of marshes and inform their decisions for the most appropriate coastal management strategy. In addition, the Reserve's monitoring infrastructure and data attract visiting researchers to the Reserve and facilitates a broader range of climate and biological research.

The Reserve is mapping density and distribution of tidal marshes, eelgrass beds, and other habitats in the South Slough watershed. Habitat maps provide essential baseline data for assessing habitat changes over time, and the Reserve's work is being used to inform mapping protocols for use across the State of Oregon. The Reserve has also partnered with University of Oregon to incorporate sea level rise into land use and infrastructure planning to increase resilience of waterfront areas in the Coos Estuary.

The Reserve participates in the U.S. Climate Reference Network, a partnership with NOAA's National Climatic Data Center, by maintaining a climate observing station in the Reserve at Fredrickson Marsh that measures changes in precipitation, air temperature, and a suite of other meteorological parameters. At the time of its installation, the Reserve's station was the first marsh station in the Climate Reference Network that now includes over 130 climate observing stations across multiple habitat types.

Ocean Acidification

The Reserve maintains equipment in South Slough for continuous measurements of pH and dissolved carbon dioxide (pCO₂) in the estuary and is partnering with other researchers to assess impacts of changing pH on submerged aquatic vegetation. Combined with data from a recently installed NOAA networked ocean buoy near the mouth of Coos Bay, the Reserve's data will help characterize pH and pCO₂ patterns at the interface of nearshore and estuarine waters.

Reserve staff sit on the West Coast Ocean Acidification and Hypoxia Science Panel and participate in the Oregon Ocean Acidification and Hypoxia Monitoring Workgroup. Additional partners for this work include the Confederated Tribes of the Coos, Lower

Umpqua and Siuslaw Indians; the Northwest Association of Networked Ocean Observing Systems; and NOAA.

Carbon Storage in Tidal Wetlands

Blue Carbon refers to carbon that is stored and sequestered in coastal ecosystems that would otherwise be released and contribute to increasing CO₂ levels in the atmosphere.

The Reserve helped create and continues to be part of the Pacific Northwest Blue Carbon Working Group, which is a group of research scientists, restoration practitioners, conservation leaders, land managers, and policy experts who are working to organize the region's approach to coastal blue carbon research and policy. With this group, Reserve staff are working to: 1) quantify the carbon storage potential of tidal wetlands throughout the Pacific Northwest, 2) characterize environmental drivers that influence carbon storage in wetlands, and 3) understand how carbon storage potential changes when wetlands are converted to alternate uses, such as pastures or developed sites. This work was highlighted in an invitational presentation to the legislative Joint Interim Carbon Reduction Committee on July 24, 2018, where it was well received.

Reserve staff are also contributing to efforts to develop coastal climate adaptation and mitigation strategies for Oregon. This includes partnering on a Blue Carbon Market Feasibility Assessment and surveying the needs of natural resource managers, restoration professionals, and decision makers for blue carbon information.

Education Related to Climate Change

The Education Program at the South Slough Reserve incorporates climate change themes into its school programs, volunteer trainings, community education, public outreach, and teacher trainings. Recently, the Reserve partnered with the Oregon Department of Land Conservation and Development to deliver a presentation on the effects of sea level rise in Coos Bay, as well as a "King Tides Tour" and photo sharing event to help the community visualize what increasing sea levels will look like.

Upcoming teacher training workshops will focus on ocean acidification and sea level rise to provide teachers with resources and training in using scientific data to investigate climate issues in the classroom with their students. Teachers and students also benefit from hands-on learning at the Reserve's demonstration Sentinel Site where they can collect their own data and learn how the Reserve is studying climate change.

The Coastal Training Program at the South Slough Reserve provides training for coastal managers and decision makers in Oregon. Recent workshops addressed climate adaptation for coastal communities and mapping of estuarine wetlands and sea level rise inundation in coastal areas.

The Reserve also provides applied work experience opportunities for recent high school and college graduates by partnering with external programs. For example, much of the

work described in this memo involved interns funded through NOAA, the National Science Foundation, Oregon Sea Grant, and Friends of the South Slough Reserve, Inc.

Facilities and Operations

The Reserve is in the process of completing facility upgrades to increase its energy efficiency and water conservation practices. With grant funding from NOAA, the Reserve recently replaced outdated HVAC systems at the Reserve's Visitors Center and housing facility with high efficiency heat pumps that greatly reduce energy use and associated costs. The Visitor Center also has an array of solar panels that offset a portion of the facility's energy use. A recent remodel at the Reserve's science lab also included several energy savings measures, including the installation of high efficiency LED lights and energy efficient windows and doors.

¹ Raposa, K.B., K. Wasson, E. Smith, J.A. Crooks, P. Delgado, S.H. Fernald, M.C. Ferner, A. Helms, L.A. Hice, J.W. Mora, B. Puckett, D. Sanger, S. Shull, L. Spurrier, R. Stevens, and S. Lerberg. 2016. Assessing tidal marsh resilience to sea-level rise at broad geographic scales with multi-metric indices. *Biological Conservation*, 204(B): 263-275.

<https://www.sciencedirect.com/science/article/pii/S0006320716305742>



Oregon

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State Land Board

Kate Brown

Governor

M E M O R A N D U M

Dennis Richardson

Secretary of State

Date February 5, 2019

Tobias Read

State Treasurer

To: Governor Kate Brown
Secretary of State Dennis Richardson
State Treasurer Tobias Read

From: Vicki L. Walker
Director

Subject: **Progress on Evaluating Alternative Funding and Management Options for South Slough Reserve**

Background

The South Slough National Estuarine Research Reserve (South Slough Reserve) is a 5,900-acre natural area located in the Coos estuary on the south coast of Oregon. The Reserve was designated in 1974 as the first unit of the National Estuarine Research Reserve System (NERRS), a national network of estuaries protected and managed for the purposes of long-term research, education, and coastal stewardship. Established by Congress in 1972 as part of the Coastal Zone Management Act, the NERRS is administered as a partnership between the National Oceanic and Atmospheric Administration (NOAA) and coastal states.

In Oregon, the legislature established the South Slough Reserve through ORS 273.553, which also designated the Department of State Lands (DSL) as the administering agency for the Reserve. ORS 273.554 created the South Slough National Estuarine Research Reserve Management Commission, which is comprised of nine Governor-appointed members and serves as the Reserve's governing and policy making board.

The Reserve's operating funds come from NOAA and the State of Oregon. Early on, state funding was a mix of General Fund and Common School Fund but was transferred entirely to the Common School Fund in the 1980s amid a state-wide financial crisis.

At the direction of the State Land Board, I have been tasked with investigating alternative funding and/or management options to shift the South Slough Reserve's funding away from the Common School Fund. Bree Yednock, Reserve Manager, has been integral in that discussion.

The idea of moving the South Slough Reserve out of DSL has been explored many times, but the idea gained the most traction with the execution of an Agreement of Cooperation on April 19, 2016, that established a workgroup comprised of administrators from DSL, University of Oregon (UO), and Oregon State University (OSU) to determine the feasibility of transferring the management of the South Slough Reserve to one or both universities.

Since then, OSU determined they were no longer interested in a management role. Therefore, discussions since September 2018 have focused on a potential transfer of Reserve management to UO. This memo provides a summary of information gained to date through discussions with UO, as well as outreach to the South Slough Reserve Management Commission, local tribes, and Reserve stakeholders.

Discussions with UO

Several meetings have occurred with UO to share information and identify areas where more research is needed for evaluating a potential transfer of management.

On September 25, Bree Yednock (Reserve Manager) met with the UO Strategic Planning Committee to provide an overview of the Reserve, including information on the governing structure and management policy, personnel, programs, public use, land management, and funding. The Strategic Planning Committee is comprised of faculty who have been tasked with identifying opportunities for strengthening linkages between the Oregon Institute of Marine Biology (where the Reserve's science lab is located) and other departments on UO's main campus. UO faculty expressed interest in developing an archaeological field school in the Reserve and expanding the university's research and teaching related to estuarine and coastal environments. There was concern among some faculty about the availability of stable funding and long-term management from the university given recent funding challenges.

On October 4, myself, Bree Yednock, and Matt DeVore (Department of Justice) met with Cass Moseley (UO Associate Vice President for Research) and Libby Batlan (UO Vice President for State and Community Affairs) and identified a need for more information related to options for leasing the reserve land and facilities, details on how existing personnel might be transferred to UO, due diligence requirements by both parties, clarity in the role of the South Slough Management Commission in a transfer, the proposed management structure under UO, tribal relations, and funding options.

On November 26, Bree Yednock met by phone with Cass Moseley, Jason Younker (UO Assistant Vice President and Advisor to the President), and Scott Fitzpatrick (UO Department of Anthropology) to better understand UO's interest in expanding their archaeology field school to include sites along South Slough. Yednock explained the Reserve defers to the local tribes for managing cultural resources in the reserve. Any activities that require ground disturbance are discussed with the local Tribal Historic Preservation Officers who evaluate potential impacts and provide guidance. The Reserve's Oregon Administrative Rules (OARs) specifically restrict digging for artifacts.

On January 4, Reserve staff provided UO with information they had requested on the Reserve's existing partnerships and agreements; a summary of how the Reserve collaborates with tribes; a detailed valuation of reserve assets and deferred maintenance; and a summary of regular land management challenges and public use issues.

Outreach

South Slough Reserve Management Commission – On November 29, at the 152nd regular meeting of the South Slough Reserve Management Commission, Vicki Walker provided an update on the discussions related to a potential transfer of the Reserve to UO. The Commission had questions and concerns, primarily centered around: 1) the need for a stable and sustainable funding source to support the Reserve and its mission; and 2) the Commission's role in the decision-making process for the future of the Reserve. There was also a question regarding how public input would be received and weighed by UO if the existing management commission is disbanded.

I then worked with Bree and Matt DeVore to address the Commission's question about their role and authority in a potential transfer. In short, because the Commission is given authority through state statutes and associated OARs, changes to this structure will require legislative action.

Local Tribes – On October 12, I requested consultation with the Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians (CTCLUSI), the Coquille Indian Tribe, and the Confederated Tribes of Siletz Indians (CTSI).

Consultation with the Coquille Tribal Council occurred on November 29. On January 14, 2019, the Tribe sent a letter entreating the Governor and DSL to keep the Reserve within DSL and funded through the Common School Fund (see Appendix A).

A date for consultation with CTCLUSI has not been set, but conversations with their Tribal Historic Preservation Officer indicated the date will likely be set for the spring.

The CTSI accepted the request for consultation, but a date has not been set.

Reserve Stakeholders – I received meeting requests from several stakeholders, including: Bob Bailey, former director of Oregon Department of Land Conservation and Development who was involved in the establishment of the Reserve; Louise Solliday, former DSL Director and Interim Manager of the Reserve; Peggy Lynch, Natural Resources Coordinator at the Oregon League of Women Voters who indicated local members are heavily vested in the Reserve; Jamie Fereday, a former South Slough Reserve Management Commissioner (2005-2013) and retired middle school teacher; and Mike Graybill, former Reserve Manager.

A common theme of these meetings was the stakeholders' concern for stable funding and a suitable management structure for the Reserve. Additional stakeholder comments highlighted the importance of land management. It was noted that legislation was passed in the 1980s to designate South Slough Reserve as constitutional lands, thereby allowing DSL to use constitutional revenue to fund the Reserve. One stakeholder acknowledged the scope of managing the Reserve goes beyond research and would mean a change of culture for a university to emphasize stewardship and education as much as research. Another stated if the Reserve is to be transferred out of DSL, it would be better suited in an agency like State Parks, which already manages land, and could help local efforts to connect the parks and fill existing gaps in the Oregon Coast Trail. And, more recently, I've received comments that the South Slough should become part of the OSU effort to purchase the Elliott State Forest as a research forest.

Upcoming Meetings

As mentioned previously, consultation will be scheduled with the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, and the Confederated Tribes of Siletz Indians.

Bree Yednock and I have also requested a meeting with OSU administrators, including OSU Extension, to determine if they have renewed interest in the management or participation in funding options for the Reserve.



COQUILLE INDIAN TRIBE

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January 10, 2019

Vicki Walker
 Department of State Lands
 775 Summer St. NE
 Salem, OR 97301

Re: South Slough National Estuarine Research Reserve

Dai'sla! I hope this letter finds you well! I am writing to document our interest and preferences for management of the South Slough National Research Reserve (SSNERR).

You visited our offices on November 30, 2018. During that meeting, we discussed two high priority issues: co-management concerns on Winchester Creek and proposed budgetary changes that may affect future management of the SSNERR. I write this letter to express my support of the Department of State Lands (DSL) and SSNERR's efforts for the management of the Reserve.

Winchester Creek currently serves as the only suitable spawning habitat for Coho salmon and Pacific lamprey in the South Slough Watershed. The Coho spawning reach is approximately $\frac{3}{4}$ mile long and is located within portions of the Coos County Forest, approximately 2 miles south of the Reserve. We have no information indicating that Coos County Forest management practices along the Creek are sufficient to protect the instream spawning habitat for these threatened and culturally significant species. SSNERR staff and Coos County Commissioners have explored options for increasing protection of the spawning reaches, including a land exchange. I support the proposal to exchange lands around Winchester Creek with the four proposed parcels along Seven Devils Road as the most feasible and timely solution to allow the Reserve to manage the Creek for conservation and stewardship for natural and cultural resources.

The SSNERR was established with the support of Coquille Tribal Members, who have lived on that landscape since time immemorial. The Tribe endeavors to see the lands of its ancestors managed meaningfully and with care. It has come to our attention that DSL has been directed to seek alternate funding for the management of the SSNERR, currently supported in part by the Common School Fund. We entreat the Governor and DSL to continue funding the SSNERR through the Common School Fund or to seek funding which will not alter the management scheme at the Reserve. Continued management by DSL affords the SSNERR the protections of the state including the government-to-government relationship between the State and tribes.

The South Slough Watershed is a significant part of our traditional cultural landscape and plays an important role for our ecosystem. We look forward to our continued relationship with DSL and the SSNERR as stewards for this invaluable place that we call part of our home. The Tribe requests that you stay in contact with us as you consider options to move forward with management of the Reserve and the resources within it. If you have any questions regarding these comments, please contact our Tribal Historic Preservation Officer, Kassie Rippee, at 541-756-0904 x1216 or thpo@coquilletribe.org

Shuenhalni,

A handwritten signature in blue ink, appearing to read "Brenda Meade". The signature is fluid and cursive, with a large initial "B" and a long, sweeping tail.

Brenda Meade
Chairperson