



# Oregon

Tina Kotek, Governor

## Department of State Lands

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### State Land Board

The State Land Board (Land Board or Board) met in regular session on February 11, 2025, in the Land Board Room at the Department of State Lands (DSL), 775 Summer Street NE, Salem, Oregon. The meeting audio and video was livestreamed on the DSL YouTube channel.

Tina Kotek

Governor

Tobias Read

Secretary of State

#### Present were:

Tina Kotek

Governor

Tobias Read

Secretary of State

Elizabeth Steiner

Treasurer – via Zoom

Elizabeth Steiner

State Treasurer

#### Land Board Assistants

Geoff Huntington

Governor's Office

Dmitri Palmateer

Secretary of State's Office

Jessica Howell

State Treasurer's Office

#### Department Staff

Vicki Walker

Bill Ryan

Ellie Forness

Katrina Scotto di Carlo

Arin Smith

Chris Castelli

Ali Ryan Hansen

Linda Safina-Massey

Ted Bright

Cait McCusker

#### Department of Justice

Matt DeVore

Governor Kotek 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: [February 11, 2025, Land Board Meeting](#)

### Consent Items

#### 1. Minutes

Secretary Read made a motion to approve the minutes for the December 10, 2024, Land Board meeting.

Treasurer Steiner seconded the motion.

The item was approved at 10:04 a.m. without objection.

## **ACTION ITEMS**

### **2. Adoption of Division 142 Proposed Rules – Rocky Habitat Designations**

Director Walker gave an overview of the item and its history

The Department recommended that the Land Board adopt the proposed changes to OAR 141-142 (Appendix A). If adopted, the proposed rules will go into effect immediately upon filing.

Treasurer Steiner asked who is responsible for putting up signage in the area to make sure the public is aware of the rules. Blake Helm, Proprietary Specialist for the Dept of State Lands, responded that Oregon Parks and Recreation will be posting the signage. Andy Lanier, Marine Affairs Coordinator with the Department of Land Conservation and Development, confirmed that as being correct.

Treasurer Steiner stated that she appreciates the interagency coordination.

Secretary Read made a motion to approve the action item.

Treasurer Steiner seconded the motion.

The item was approved at 10:10 a.m. without objection.

### **3. Approval to Initiate Due Diligence for a Potential Land Sale on West Hayden Island**

Director Walker introduced Chris Castelli, Deputy Director, to assist in presenting the item.

Mr. Castelli gave a quick overview of the item and introduced Bill Warnake, Oregon Department of Transportation (ODOT), to give more detail on the project. Mr. Warnake stated ODOT would like to purchase the property to satisfy compensatory mitigation needs for the upcoming interstate bridge project. The new bridge will have massive foundations that will create a net fill in the floodway that will be offset by removal on West Hayden Island. It will also improve habitat for aquatic species and create a natural resource park for the public.

Treasurer Steiner asked how much of the 65 acres will be removed to offset the increased fill for the pilings.

He stated that they plan to remove fill along the shoreline to create shallow water habitat for Salmonids.

She then asked how the public will be able to access the area for recreation with no parking available.

He stated that the only current access is by boat but anticipates this issue will be addressed by the Port of Portland and others as the site is developed.

Secretary Read asked how a conservation easement results in removal and how the two interact.

Mr. Warnake responded that the property has inherent natural resource values but those habitats are heavily impacted by invasive species and dredge spoils. Removing some of those spoils will restore the site to a natural condition and provide enhanced habitat for several species.

Secretary Read then asked about the comment period being moved from 30 days to 45 days. Director Walker stated that she decided to lengthen the comment period due to high public interest in West Hayden Island.

Governor Kotek asked what the timeline looks like for due diligence. Deputy Director Castelli responded that the 45 days is needed to collect information and complete public comment. There is no date set to complete due diligence, but the bridge project is scheduled to start in 2027.

The Department recommended that the Land Board authorize the initiation of due diligence for the South Shore property on Hayden Island in Multnomah County for a potential land sale to ODOT.

Secretary Read made a motion to approve the action item.  
Treasurer Steiner seconded the motion.  
The item was approved at 10:28 a.m. without objection.

#### **4. Elliott State Research Forest: Board Appointment**

Director Walker stated that the oversight structure for the Elliott commits the Land Board to strive to appoint members reflecting a full complement of relevant experience or expertise in subjects related to the mission, management policies, and operations of the research forest as well as a demonstrated interest in the success of the program. The now vacant position on the ESRF Board represents forest conservation, biodiversity and wildlife protection interests. The Department has worked within this community and with the Land Board Assistants to identify potential candidates who can represent these interests and subject matter expertise.

She then recommended the Land Board clarify the board term end dates and fill the vacancy on the ESRF Board of Directors by appointing Kaitlin Lovell, subject to a positive background check.

Director Walker then took a moment to recognize the recent unexpected passing of Board member Bob Sallinger, and his commitment to his work on the Elliott State Research Forest.

Secretary Read voiced his thanks to Bob Sallinger and welcomed Kaitlin Lovell.

Director Walker then introduced Kaitlin Lovell who made a short statement

Secretary Read made a motion to approve the action item.  
Treasurer Steiner seconded the motion.  
The item was approved at 10:38 a.m. without objection.

## **INFORMATIONAL ITEMS**

### **5. Common School Fund Audit Report**

Director Walker introduced Lealan Miller with the Department's auditor Eide Bailey to the table to present the report.

Lealan Miller presented the 2024 governance letter and 2024 financial statements and gave an overview of key items as follows:

- Overall process of the audit
- The auditor's opinion
- Highlights from the letter issued to those in charge of governance (the Board)
- The Government Auditing Standards opinion letter

### **6. Real Property Program Annual Report**

10:45 a.m.

Director Walker was joined at the table by Deputy Director Chris Castelli and Real Property Manager Amber McKernan (via Zoom) to present the report.

The primary purpose of this report is to provide the State Land Board a year-end summary of the financial performance of the Common School Fund (CSF) trust lands under the Department of State Lands' oversight. Included in the summary were the overall revenues and expenditures associated with these lands, which were the result of a broad range of real property management activities including leases, easements, licenses, special uses, and land sales and exchanges. This annual report presented outcomes from the 2024 fiscal year (July 1, 2023, to June 30, 2024) and included discussion of future real property management direction and priorities.

Treasurer Steiner asked how the decision is made as to which forestlands DSL manages and ODF manages. She also asked, if ODF manages the lands that have timber sales, do the funds still go to the Common School Fund?

Director Walker introduced DSL Forester, Ryan Singleton, to the table to assist in answering questions. Mr. Singleton stated that the overhead for ODF to manage is much higher than for DSL to manage, so DSL tends to manage forestlands that are lower income producers but with higher management costs. However, the funds produced from all forestlands go to the Common School Fund regardless of who is managing. Finally, Treasurer Steiner asked if ODF is predicting lower revenues from timber sales due to the Western Forest Habitat Conservation Plan (HCP) would the same be true of DSL? Mr. Singleton responded that we have 25,000 acres under the Western Oregon HCP and a lot of those will become habitat and will not be manageable in the short term, but it may be a good thing in the long term.

Secretary Read asked if there has been a consideration that the Tribes may be interested in having a role in management of the lands. Mr. Singleton responded that that has not been considered. Secretary Read then asked about grazing fees and if the lessees are aware of the cost formula. Ms. McKernan responded that grazing fees

correlate with market conditions of calf prices and the lessees are aware and can plan for that.

Governor Kotek asked if damage of rangelands from the fire season has affected how they will be used in the future. Ms. McKernan responded that if the land is affected by fire, they tend to reduce grazing the following year by about 25% and that can affect lessees.

## **7. Department of State Lands Director Recruitment Process**

11:14 a.m.

Director Walker asked the Departments Communications Director, Ali Ryan Hansen, to the table to present the item.

Ms. Hansen gave an overview of the recruitment timeline and process.

Secretary Read stated that he appreciates the plan to consult with Tribal governments in this process. He also expressed the importance of a proactive approach to public engagement and finding someone with a balance of patience and urgency in the position.

Governor Kotek stated that a proactive nature on rulemaking is also an important attribute.

Treasurer Steiner emphasized the importance of diversity in leadership and asked if a 30-day recruitment would be enough time to ensure a diverse applicant pool.

Governor Kotek responded that they have found with Director hires that they tend to open for 30 days and then extend the recruitment as needed.

A special meeting will be scheduled later this month to discuss this topic further and allow for public comment.

## **8. Other**

Housing Projects on Stevens Road:

1700 homes are being built on the 382-acre western half. The 261-acre eastern half was accepted into the Bend urban growth boundary; under HB 3318, 20 acres are required to be deed restricted for affordable housing, with 7 of those acres requiring priority sale to be given to education providers.

In-lieu land update:

An 80-acre parcel in LaPine has been cleared for transfer to the state from BLM in 2025 for future housing development.

New Elliott State Research Forest Staff:

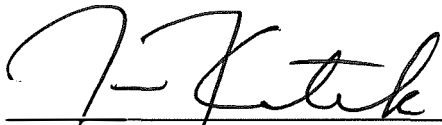
Darren Goodding, Forest Manager

Amy Price, Biologist

Emma Sloan, Policy & Partnership Coordinator

Recruitments for a support staff, Research Coordinator and additional Forester are in process.

The meeting was adjourned at 11:38 a.m.

A handwritten signature in black ink, appearing to read 'Tina Kotek', written over a horizontal line.

Tina Kotek, Governor

A handwritten signature in black ink, appearing to read 'Vicki L. Walker', written over a horizontal line.

Vicki L. Walker, Director