



# Oregon

Kate Brown, Governor

*Public Wi-Fi logon: LandsDSL*

## Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

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[www.oregon.gov/dsl](http://www.oregon.gov/dsl)

## State Land Board

Kate Brown

Governor

Shemia Fagan

Secretary of State

Tobias Read

State Treasurer

## **STATE LAND BOARD**

**June 14, 2022**

**10:00 am – 12:00 pm**

**In-Person & Zoom Video/Audio Meeting**

**The meeting video will be livestreamed on the  
[Department of State Lands YouTube Channel](#)**

## **AGENDA**

### **Consent Items**

1. Request for approval of the minutes of the April 12, 2022, State Land Board Meeting.

### **Action Items**

2. Land Board Delegation to DSL Director for Division 145 Decisions  
*Public testimony will be accepted on this item.*
3. Request to Initiate Rulemaking to Restrict Public Use at N. Hayden Island  
*Public testimony will be accepted on this item.*
4. Department of State Lands Budget Request  
*Public testimony will be accepted on this item.*
5. Department of Forestry Budget Request  
*Public testimony will be accepted on this item.*

### **Informational Items**

6. ODF - Western Oregon State Forests Habitat Conservation Plan  
*No public testimony will be taken on this item.*

*Continued on next page*

7. Real Estate Asset Management Plan (REAMP) Update  
*No public testimony will be taken on this item.*
8. Marbled Murrelet Management Plan  
*No public testimony will be taken on this item.*
9. Strategic Plan Update  
*No public testimony will be taken on this item.*
10. Oregon Renewable Energy Siting Assessment (ORESAs) Project Update  
*No public testimony will be taken on this item.*
11. Other  
*No public testimony will be taken on this item.*

Meeting video will be livestreamed, and the video recording available after the meeting, on the DSL YouTube Channel: <https://www.youtube.com/channel/UCQA7FHTWwl-gjJkQeYPJ1IA>

### **Attending the State Land Board Meeting**

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 [arin.n.smith@dsl.oregon.gov](mailto:arin.n.smith@dsl.oregon.gov) at least two working days prior to the meeting.

Visitors are **NOT permitted to bring backpacks, bags, or large purses** into the State Lands building prior to, during, or following Land Board meetings. Purses, medical bags, and diaper bags are permitted, but may be subject to inspection by the Oregon State Police.

***Public testimony information can be found on the next page.***

### ***Providing Public Testimony***

The State Land Board places great value on information received from the public. The public may provide written or spoken testimony regarding consent and action agenda items, time permitting and at the discretion of the Chair.

- **Providing Written Testimony:** Written testimony may be submitted at [landboard.testimony@dsl.oregon.gov](mailto:landboard.testimony@dsl.oregon.gov). Testimony received by 10 a.m. the day before the meeting is provided to Land Board members in advance and posted on the meeting website. Testimony received after this deadline may not be provided to the Land Board prior to a vote. Please indicate the agenda item your testimony relates to.
- **Providing Spoken Testimony by Video/Phone or In Person:** The signup deadline to provide spoken testimony during meetings is 10 a.m. the day before the meeting. You may sign up to provide testimony by video/phone or in person. Signup information is posted on the [Land Board Meetings website](#) one week prior to the meeting. After signing up, you will receive a confirmation email containing additional information.

### **Additional Testimony Information**

- Testimony on action items is taken during the item's presentation, before the Land Board votes. Please review the meeting agenda and be present and prepared to provide testimony at the appropriate time.
- The Board typically accepts testimony on consent and action items only.
- The standard time limit is three minutes for each individual; the actual time available for testimony during Land Board meetings is at the discretion of the Chair.
- Be aware that there may not be time for everyone who signs up to provide testimony.
- The Board may not be able to accept testimony on items for which a formal comment period has closed, such as a rulemaking comment period. The meeting agenda indicates whether testimony will be accepted on an item.



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The State Land Board (Land Board or Board) met in regular session on April 12, 2022, 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.

### State Land Board

Kate Brown  
Governor

Shemia Fagan  
Secretary of State

Tobias Read  
State Treasurer

#### Present were:

Kate Brown  
Shemia Fagan  
Tobias Read

Governor  
Secretary of State  
State Treasurer

#### Land Board Assistants

Jason Miner  
Molly Woon  
Ryan Mann – via Zoom

Governor's Office  
Secretary of State's Office  
State Treasurer's Office

#### Department Staff

Vicki Walker	Bill Ryan	Reyna Aguiar	Ted Bright
Arin Smith	Jean Straight	Ali Ryan Hansen	

#### Department of Justice

Matt DeVore

Governor Brown called the meeting to order at 10:02 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: [April 12, 2022 Land Board Meeting](#)

### Consent Items

#### 1. Minutes

Secretary Fagan made a motion to approve the minutes for the February 8, 2022, Land Board meeting.

Treasurer Read seconded the motion.

The item was approved at 10:05 a.m.

### Action Items

#### 2. Stevens Road Tract incorporation into the City of Bend

The Department recommended the State Land Board (1) approves submittal of a letter by DSL to the Department of Land Conservation and Development giving its consent for the City of Bend to pursue incorporating the remaining 261 acres of the Stevens Road tract into the Bend UGB; and (2) authorizes DSL to enter into an intergovernmental

agreement for the sale and transfer of 20 of those acres for affordable housing land to the City of Bend at the appraised value.

Comment of support was taken from Bend City Councilor Anthony Broadman.

Treasurer Read made a motion to approve the action item.

Secretary Fagan seconded the motion.

The item was approved at 10:20 a.m.

**3. Request for final approval to sell 15.35 acres of subsurface mineral and geothermal rights, located at Cordon Road and State Street, in the City of Salem.**

The Department recommended the State Land Board approve the sale of the subsurface minerals and geothermal rights for the property located northwest of the intersection of Cordon Road and State Street in the City of Salem; Township 7 South, Range 2 West, Section 29C, Tax Lots 200, 300 and 400.

Secretary Fagan made a motion to approve the action item.

Treasurer Read seconded the motion.

The item was approved at 10:24 a.m.

**4. Request for authorization to purchase 0.56 acres at the primary public entrance to South Slough National Estuarine Research Reserve**

The Department recommended the Land Board approve the purchase of tax lot 500, containing 0.56 acres of land adjacent to the entrance of South Slough Reserve's Visitor's Center.

Treasurer Read made a motion to approve the action item.

Secretary Fagan seconded the motion.

The item was approved at 10:30 a.m.

**Informational Item**

**5. 2022 Legislative Session Update**

Director Walker introduced Department of State Lands' Government and Legislative Affairs Director, Meliah Masiba, who gave an overview of the 2022 legislative session.

**6. Elliott State Forest Update**

10:35 a.m.

Director Walker introduced Geoffrey Huntington, Elliott State Forest Project Advisor, who joined Meliah Masiba in giving the Board an update and timeline for the Elliott State Research Forest project.

Questions and comments were received from the Board.

## **7. Other**

11:06 a.m.

- Hood River forest lands management intergovernmental agreement
- Klamath forest lands decertification
- Marbled Murrelet Species Management Plan

The meeting was adjourned at 11:12 a.m.

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Kate Brown, Governor

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Vicki L. Walker, Director



# Oregon

Kate Brown, Governor

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### State Land Board

Kate Brown

Governor

## State Land Board

Regular Meeting

June 14, 2022

Agenda Item 2

Shemia Fagan

Secretary of State

Tobias Read

State Treasurer

### **SUBJECT**

Delegation of authority related to use of state lands for Portland Harbor Superfund Site remediation and restoration activities.

### **ISSUE**

Whether the State Land Board, under its constitutional and statutory authority to manage state-owned lands (including but not limited to uplands, submerged lands, and submersible lands), should delegate to the Director of the Department of State Lands the authority to negotiate and reach agreements with Potentially Responsible Parties, federal, state and local government entities, or any other interested party regarding the compensation due to the State, and any other applicable requirements, for the use of state lands, in order to facilitate remediation and restoration activities on lands under the State Land Board jurisdiction within the Portland Harbor Superfund Site.

### **AUTHORITY**

Oregon Constitution, Article VIII, Section 5, specifies the obligations of the State Land Board in its management of lands under its jurisdiction.

ORS 273.041 to 273.071; authorizing the Department of State Lands to exercise the administrative functions of the State Land Board; relating to the general powers and duties of department and board.

ORS 274.040; authorizing the Department of State Lands to lease submerged and submersible lands.

OAR 141-145; rules governing the management of state-owned submerged and submersible land subject to remediation and habitat restoration activities.

## **SUMMARY**

In 2011, pursuant to its authority under the Comprehensive Environmental Responsibility, Compensation and Liability Act of 1980 (CERCLA or the “Superfund” law), the Environmental Protection Agency issued a General Notice Letter to the State of Oregon, by and through the State Land Board and the Department of State Lands, alleging that hazardous substances have been or are being released from submerged and submersible lands of the Willamette River in the Portland Harbor and that the State, by and through the State Land Board and the Department of State Lands, is one of the parties potentially responsible for the costs cleaning up that contamination. In 2010, a group of Potentially Responsible Parties entered into a Participation and Common Interest Agreement to undertake a confidential allocation and mediation process to allocate costs associated with remedial activities in the Portland Harbor.

In 2014, the State Land Board passed rules in OAR Chapter 141, Division 145 to establish guidelines for the Department to determine the terms and conditions (including compensation) required when remediation and restoration activities occur on state-owned submerged and submersible lands conducted pursuant to any such Superfund order issued by the Environmental Protection Agency or the Oregon Department of Environmental Quality pursuant to state laws. Those rules set the guidelines that the Department of State Lands must follow in negotiating the terms of the use of state lands in a potential settlement in mediation.

To afford the State Land Board and the Department of State Lands with flexibility to reach an agreement in mediation, the State Land Board desires to provide the Director with authority to facilitate EPA- or DEQ-approved remediation and restoration activities on lands under the State Land Board jurisdiction to the fullest extent possible, within the Land Board’s constitutional and statutory authorities. The Land Board desires that the Director use the Division 145 rules as a guideline, but also have the discretion and flexibility to agree to terms that deviate from the limits of OAR Chapter 141, Division 145 if the Director believes that such different terms would be in the State’s best interests.

## **RECOMMENDATION**

The Department recommends the State Land Board delegate to the Director of the Department the authority to negotiate and reach agreements with Potentially Responsible Parties, federal, state and local government entities, or any other interested party regarding the compensation due to the State, and any other applicable



requirements, for the use of state lands, in order to facilitate remediation and restoration activities on lands under the State Land Board jurisdiction within the Portland Harbor Superfund Site as specified in the attached delegation of authority document.

## **APPENDICES**

- A. Delegation of Authority Related to Use of State Lands for Portland Harbor Superfund Remediation and Restoration Activities



# Oregon

Kate Brown, Governor

## APPENDIX A

### Department of State Lands

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June 14, 2022

### State Land Board

Kate Brown

Governor

To: Vicki Walker, Director of Department of State Lands

From: State Land Board

Shemia Fagan  
Secretary of State

Subject: Delegation of Authority Related to Use of State Lands for  
Portland Harbor Superfund Remediation and Restoration Activities

Tobias Read  
State Treasurer

### Background for Delegation:

The State of Oregon owns submerged and submersible lands of the Willamette River through the Oregon Admission Act and the Equal Footing Doctrine. 11 Stat. 383 (1859); *Pollard v. Hagan*, 44 U.S. 212 (1845); *Oregon v. Corvallis Sand & Gravel, Co.*, 429 U.S. 363 (1977). The State Land Board has authority 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. Oregon Constitution, Article VIII, Section 5. The Department of State Lands acts as the administrative arm of the State Land Board and has specific statutory authority to authorize the use of state-owned uplands, submerged lands, and submersible lands. ORS 273.171 and 274.040.

In 2011, pursuant to its authority under the Comprehensive Environmental Responsibility, Compensation and Liability Act of 1980 (CERCLA or the “Superfund” law), the Environmental Protection Agency issued a General Notice Letter to the State of Oregon, by and through the State Land Board and the Department of State Lands, alleging that hazardous substances have been or are being released from submerged and submersible lands of the Willamette River in the Portland Harbor and that the State, by and through the State Land Board and the Department of State Lands, is one of the parties potentially responsible for the costs cleaning up that contamination. In 2010, a group of Potentially Responsible Parties entered into a Participation and Common Interest Agreement to undertake a confidential allocation and mediation process to allocate costs associated with remedial activities in the Portland Harbor.

In 2014, the State Land Board passed rules in OAR Chapter 141, Division 145 to establish guidelines for the Department to determine the terms and conditions (including compensation) required when remediation and restoration activities occur on state-owned submerged and

submersible lands conducted pursuant to any such Superfund order issued by the Environmental Protection Agency or the Oregon Department of Environmental Quality pursuant to state laws. Those rules set the guidelines that the Department of State Lands must follow in negotiating the terms of the use of state lands in a potential settlement in mediation.

To afford the State Land Board and the Department of State Lands with flexibility to reach an agreement in mediation, the State Land Board desires to provide the Director with authority to facilitate EPA- or DEQ-approved remediation and restoration activities on lands under the State Land Board jurisdiction to the fullest extent possible, within the Land Board's constitutional and statutory authorities. The Land Board desires that the Director use the Division 145 rules as a guideline, but also have the discretion and flexibility to agree to terms that deviate from the limits of OAR Chapter 141, Division 145 if the Director believes that such different terms would be in the State's best interests.

Scope of Delegation:

The State Land Board, under its constitutional and statutory authority to manage state-owned lands (including but not limited to uplands, submerged lands, and submersible lands) hereby delegates to the Director of the Department of State Lands the authority described below.

The State Land Board delegates to the Director of the Department of State Lands the authority to negotiate and reach agreements with Potentially Responsible Parties, federal, state and local government entities, or any other interested party regarding the compensation due to the State, and any other applicable requirements, for the use of state lands, in order to facilitate remediation and restoration activities on lands under the State Land Board jurisdiction within the Portland Harbor Superfund Site. The State Land Board intends for this delegation to apply to all of the State Land Board's constitutional and statutory authorities related to lands under its jurisdiction in this matter. The State Land Board intends for the Director to use the OAR Chapter 141, Division 145 rules as a guideline for making decisions but grants the Director discretion and flexibility to agree to terms that deviate from the limits of OAR Chapter 141, Division 145 if the Director believes that such different terms would be in the State's best interests.

This delegation does not include the authority to sell state-owned lands, except in situations where other authority already allows the Director or the Department to take such action. This delegation may be withdrawn by the State Land Board at any time.

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Kate Brown,  
Governor and Chairperson of the State Land Board



# Oregon

Kate Brown, Governor

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## State Land Board

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Secretary of State

Tobias Read

State Treasurer

## State Land Board

### Regular Meeting

June 14, 2022

### Agenda Item 3

### SUBJECT

Request for approval to initiate rulemaking to restrict public use of state-owned land along the Columbia River in Multnomah County.

### ISSUE

Whether the State Land Board should initiate rulemaking to restrict public use of approximately 500 yards of the bank of the Columbia River along the north side of Hayden Island, between river mile 106 and 107, east of a navigational pile dike and west of the I-5 Oregon/Washington bridge and as illustrated on Appendix A.

### AUTHORITY

Oregon Constitution, Article VIII, Section 5, specifies that the State Land Board is responsible for managing Common School Fund lands.

ORS 273.041 to 273.071; authorizing the Department of State Lands to exercise the administrative functions of the State Land Board; relating to the general powers and duties of department and board.

OAR 141-088-0000; relating to the purpose and applicability of public recreational use of state-owned property.

OAR 141-088-0004; relating to restriction of uses of state-owned lands that pose a significant risk of harm or damage to the natural resources of the land or to the public.

## **SUMMARY**

On May 9, 2022, the Department of State Lands Director enacted emergency restrictions of public use for a roughly 500-yard segment of the Columbia riverbank along the north side of Hayden Island that is only accessible by water or private uplands. The Department has received numerous reports from local law enforcement, emergency services, and the Portland Harbor Master of activities associated with unauthorized camps that are seriously impacting the safety and health of the riverbank and river, as well as the nearby community (see Appendix B and C). Activities of concern include threats of violence, unauthorized and uncontrolled fires, multiple shopping carts, abandoned vehicles and numerous items of trash. On March 17, 2022, the Department also received a request from the Waterfront Organizations of Oregon to restrict overnight camping on the riverbank (Appendix D).

The emergency restrictions, which are pursuant to OAR 141-088-0007, temporarily close the area to all uses between 10 p.m. and 5 a.m. and prohibit establishing campsites or fires at all times. A temporary administrative order was filed with the Secretary of State's office on May 13, 2022.

The proposed rulemaking process would explore making these restrictions permanent, while allowing for access by government personnel, emergency responders, and adjacent landowners needing to inspect or maintain the property. The permanent use restrictions would be one element of a long-term solution for ensuring healthy, safe waterways.

Upon Land Board approval to initiate rulemaking, the Department will convene a rules advisory committee (RAC) to review and provide input on the proposed rules and related development of a public participation process and evaluation of fiscal impact. The Department will also gather input on the proposed rules through a public comment period and will hold at least one public hearing in Multnomah County on the proposed rules.

The Department will take into consideration public comment, input from the RAC, and input from other local and state agencies and affected stakeholders to determine the appropriate final proposed restrictions in accordance with OAR 141-088-0006 which will go to the Land Board for adoption by rule at a future meeting.

## **RECOMMENDATION**

The Department recommends the State Land Board authorize the Department to initiate rulemaking to impose permanent restrictions on public use of approximately 500 yards of the bank of the Columbia River along the north side of Hayden Island, between river mile 106 and 107.

## **APPENDICES**

- A. Site Map
- B. Harbor Master Incident Log 2022
- C. Multnomah County Sheriff Office Incident Report
- D. Letter to DSL from Waterfront Organizations of Oregon



## APPENDIX A

### N. Hayden Island Emergency Closure

Columbia River; River Mile 106-107

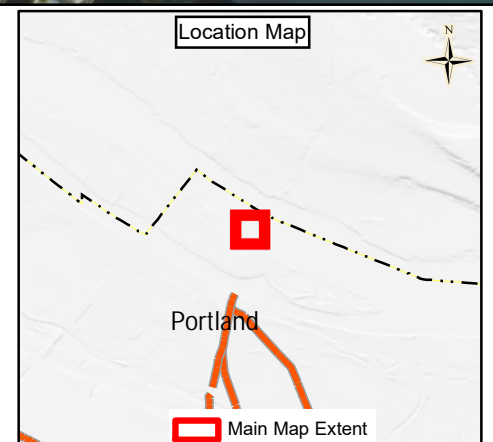
The area between the I-5 Oregon/Washington Bridge  
and Wing Dam along the north bank of Hayden Island

This map depicts the approximate location and extent of a Department of State Lands Proprietary authorization for use. This product is for informational purposes only and may not have been prepared for, or be 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.

0 100 200  
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](http://www.oregon.gov/DSL)  
Date: 4/11/2022



## 1401 N Hayden Island Dr Camp incidents 2022

1. **Jan 4 RP220001403** / Misc. Fire / unauthorized burning
2. **Jan 5 RP220001780** / Misc. Fire / warming fire
3. **Jan 9 RP220003018** / smoke in Area / UTL REPORT OF SMOKE UNDER THE INTERSTATE BRIDGE CALLED BY PASSERBY
4. **\*Jan 21 RP220006560** / Breathing Problem / unable to determine from notes if on beach or at motel
5. **Jan 23 RP220007711** / Misc. Fire / HOMELESS CAMP BURNING TRASH.
6. **Jan 26 RP 220008588** / Misc. Fire / unauthorized burning
7. **\*Jan 31 RP220010311** / unconscious person / patient refused treatment, unable to determine from notes if on beach or at motel
8. **\*Feb 5 RP220011884** / GSW / unable to determine from notes if on beach or at motel
9. **Feb 15 RP220015289** / Misc. Fire / nothing found
10. **Feb 15 RP220011884** / Misc. Fire / FB17 ARRIVED TO FIND AN APROXIMATELY 4' BY 8' GARBAGE FIRE. THE FIRE WAS UNATTENDED. FB17 EXTINGUISHED THE FIRE. WE HAVE HAD SEVERAL FIRES AT THIS CAMP. IT IS LOCATED ON THE SHORE OF THE COLUMBIA RIVER, NORTH OF THE ROADWAY INN WHERE THE SHIPS THE ALERT (SUNKEN) AND SACARISSA ARE LOCATED. THIS IS A LARGE CAMP WITH FREQUENT FIRE PROBLEMS.
11. **Feb 16 RP220015461** / Misc. Fire / unauthorized burning
12. **Feb 20 RP220016770** / 15FT FIBERGLASS BOAT ON A TRAILER PILED WITH GARBAGE AND LIT ON FIRE WITH BRANCHES. THIS WAS ON THE PLATEAU ABOVE THE CAMP ON THE RIVER ADJACENT TO I-5. E-17 EXTINGUISHED THIS FIRE, BUT THERE WAS A SECOND FIRE ON THE BEACH E-17 LEFT DUE TO BEING A KNOWN HOSTILE CAMP AND NO HAZARDS. THIS PILE APPEARED TO BE BRUSH AND WAS TENDED.
13. **Feb 21 RP220017014** / Misc. Fire / SAME BOAT FULL OF GARBAGE E17 RESPONDED TO ON 2/20.
14. **Mar 14 RP220024250** / Commercial Fire / uncontrolled burning
15. **Mar 16 RP220024716** / Police request for medical / unable to determine from notes if on beach or at motel
16. **Mar 16 RP220024957** / Smoke in Area / FIRE BURNING ON THE BEACH OF A KNOWN HOSTILE CAMP. THIS IS THE CAMP VISIBLE FROM THE I5 BRIDGE SOUTHBOUND ON THE WEST SIDE. E-17 COULD SEE THERE WERE NO HAZARDS FROM THE FIRE AND DID NOT ENTER THE CAMP OR EXTINGUISH DUE TO SAFETY ISSUES.
17. **Mar 18 RP220025383** / Misc. Fire / HOMELESS CAMP BURNING TRASH. E17 EXTINGUISHED
18. **Mar 22 RP220026934** / Misc. Fire / FIRE AT HOMELESS CAMP ON BEACH

\*all asterisk dates are presumed to be on the beach as no room number or lobby is stated as in others, but cannot be certain it was on the beach from the notes.



**From:** [DANGLER Stephen C](#)  
**To:** [TAYLOR Jacob \\* DSL](#)  
**Subject:** FW: 3/10/22 Meeting Notes  
**Date:** Thursday, March 31, 2022 2:54:19 PM  
**Attachments:** [Image001.png](#)

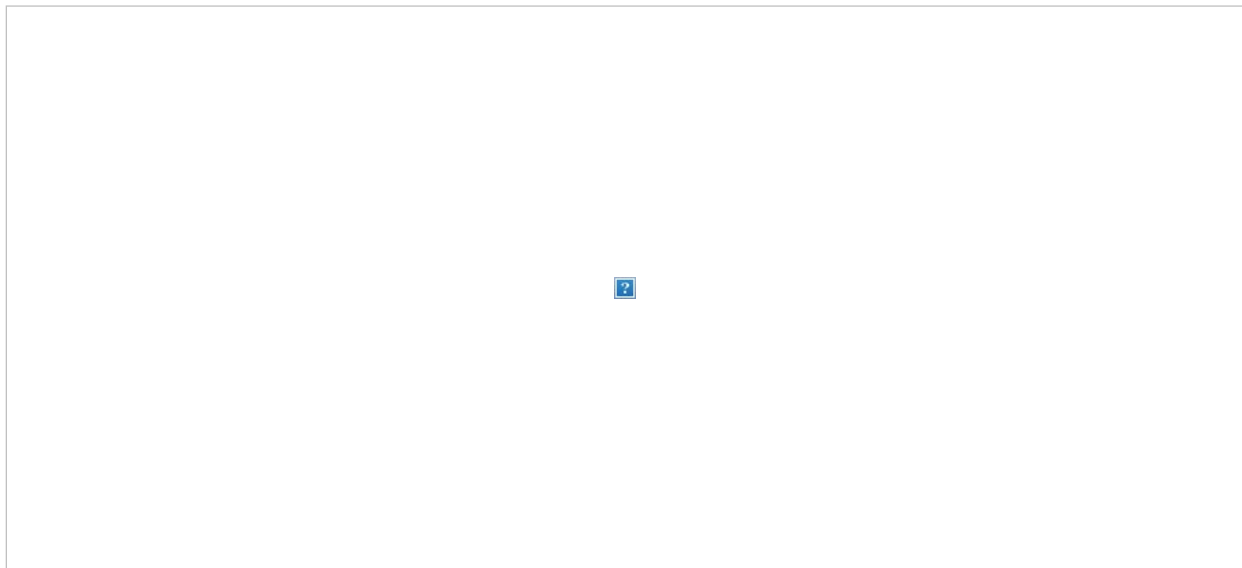
This is what I put together for my command. We just arrested another from there yesterday.

**From:** DANGLER Stephen C  
**Sent:** Wednesday, March 9, 2022 1:46 PM  
**To:** ERIKSEN James <james.eriksen@mcso.us>; MORRISEY O'DONNELL Nicole <nicole.morrissey@mcso.us>; ASBOE Doug <doug.asboe@mcso.us>; KAER Carey <carey.kaer@mcso.us>  
**Cc:** DANGLER Stephen C <stephen.dangler@mcso.us>  
**Subject:** 3/10/22 Meeting Notes

Command,

The listed is not as accurate as it could be but the graph from 2018-2022 is a good representation of the continued issues and increase of incidents.

**River Patrol calls for service since 2018 at 1401 N Hayden Island Dr or Columbia River at I5 Bridge:**



**Detailed breakdown of the calls are below:**

Row Labels	Dispatched	Self-Initiated	Grand Total
<b>2022</b>	<b>4</b>	<b>2</b>	<b>6</b>
PREMCK		1	1
RIVPOL	3		3
ROB	1		1
SUBSTP		1	1
<b>2021</b>	<b>25</b>	<b>12</b>	<b>37</b>
ASSIST		3	3
FOLLOW	1	3	4
RIVPOL	22	1	23
ROVIOP	1		1
SERVE		4	4
SUSP	1		1
WARR		1	1
<b>2020</b>	<b>20</b>	<b>7</b>	<b>27</b>
ASSIST	1		1
PORTOR		1	1
RIVADV	1	2	3
RIVPOL	16		16
SUICD		1	1
SUSP	1		1
TRASTP		2	2

## APPENDIX C

VEHREC		1	1
WARR	1		1
<b>2019</b>	<b>13</b>	<b>7</b>	<b>20</b>
ASSIST	1		1
HAZARD		1	1
RIVADV		2	2
RIVPOL	12	2	14
SUSP		1	1
TRASTP		1	1
<b>2018</b>	<b>13</b>	<b>1</b>	<b>14</b>
HAZARD		1	1
RIVPOL	13		13
<b>Grand Total</b>	<b>75</b>	<b>29</b>	<b>104</b>

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Date: March 17, 2022

Jacob Taylor  
Department of State Lands  
Outreach and Compliance Coordinator  
775 Summer St. NE, Suite 100  
Salem, OR 97301  
(Via email [Jacob.Taylor@state.or.us](mailto:Jacob.Taylor@state.or.us))

Re: Request for Closure (OAR 141-088-0004)

Dear Mr. Taylor,

We request closure of overnight camping on the riverbank of the Columbia River just North of 1401 N. Hayden Island Drive, Portland Oregon (From 45.6160770973222, -122.68083155277883 To 45.61428166513335, -122.67699003268876 or also described as From the northeast corner of 1501 N Hayden Island Dr to the NW corner of 909 N Hayden Island Drive or also described as From the NE corner of the Hayden Island Manufactured Home Park to the NW corner of the Holiday Inn) pursuant to OAR 141-088-0004.

This unique section of the river bottom and riverbanks up to the high-water mark is the responsibility of the Department of State Lands. The uniqueness comes because the only legal access to this area is from the waterway and is so geographically small, only a few can occupy the space. While the state land is a public resource and should be enjoyed by all Oregonians, this small parcel of land is currently used by individuals who have violated OAR 141-082-0255(43) "Limited Duration of Use" and continue to stay without enforcement. They have also frightened and run off others who hoped to recreate in that area. It also presents challenges to property owners adjacent to the DSL property and who have rights not to allow access to their private property.

1. The camp's unique "high water" location is problematic to adjacent private properties. Individuals currently have no ingress and egress rights across private property to the State of Oregon land. Oregon Department of State Lands clearly and rightfully instructs Oregonians on their website to "always get the landowner's permission if you need to cross private lands" and "obey all Oregon laws and common rules of decency at all times". Private property rights are well documented and case law supports the private property owner's rights to not

allow access. There is no easement across the neighbor's private property to allow access to this parcel of land owned by the State of Oregon.

2. Undue hardship of expense to complete daily maintenance, cleaning of litter & drug paraphernalia, removal of "Target" shopping carts, and towing unauthorized vehicles driving through the private property onto the riverbank. The MCSO River Patrol Unit just recently helped retrieve 21 Target shopping carts from state owned lands. One property owner has towed ten (10) vehicles from the riverbank in the last 45 days.
3. Barriers on private property are being moved and vehicles are driving on private property (trespassing) to access the riverbank. This likely will cause erosion issues for the Columbia River.
4. Probable ecosystem impacts to the Columbia River with sunken boats, petroleum and other chemicals, human waste, and contaminated syringe needles.
5. Daily criminal activity in the Hayden Island community from occupants of this camp are documented by police and sheriff. Recent criminal issues include stolen vehicles, broken windows, drug use, trespassing, shopping carts on fire, and rocks thrown at security staff.
6. Undue hardship on our local 911 system, police and fire resources which are critically understaffed. In speaking with first responders, the daily impacts to their workload by the single camp is disproportionate.

Our goal is to help protect our state lands and help all Oregonians have access to use them to recreate. This long-standing illegal camp has taken away the ability of the occasional boater or kayaker to beach their vessel on this small and unique piece of public land.

In addition to the unanimous approval from the Board of the Waterfront Organizations of Oregon of this ban, we have received unanimous support from all of the Hayden Island HOAs, floating home and boat marinas who responded to our query.

We request this closure based on OAR 141-088-0004, Section (4).

Sincerely,

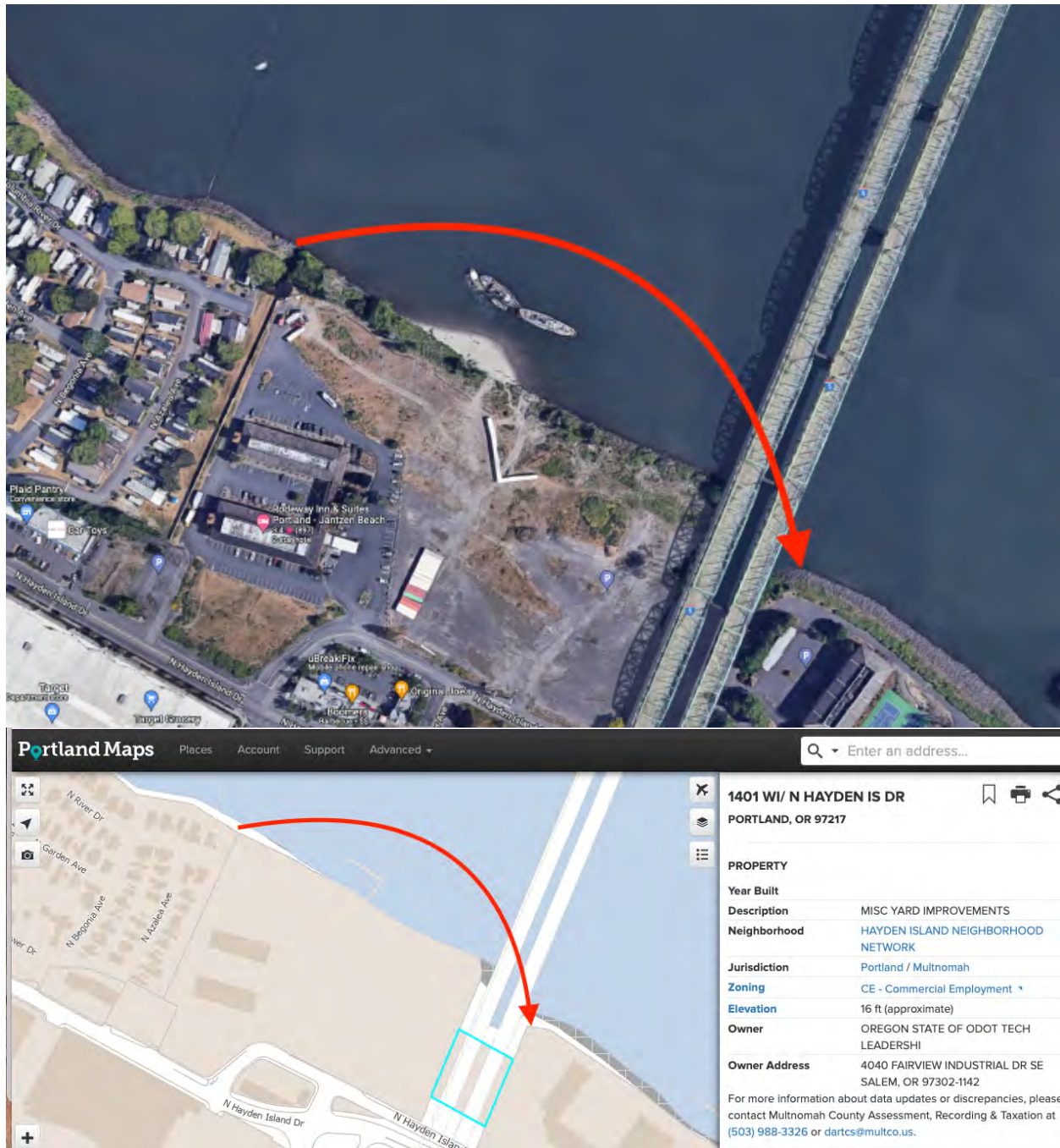


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# Oregon

Kate Brown, Governor

## Department of State Lands

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## State Land Board

Kate Brown

Governor

Shemia Fagan

Secretary of State

Tobias Read

State Treasurer

## State Land Board

### Regular Meeting

June 14, 2022

### Agenda Item 4

### **SUBJECT**

Request for approval to submit the Department of State Lands 2023-25 budget request.

### **ISSUE**

Whether the State Land Board should approve the Department's proposed 2023-25 budget request for submission to the Department of Administrative Services.

### **AUTHORITY**

Oregon Constitution, Article VIII, Section 5; specifying the State Land Board is responsible for managing 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 273.041 to 273.071; authorizing the Department of State Lands to exercise the administrative functions of the State Land Board.

### **SUMMARY**

The Department of State Lands is preparing its 2023-25 budget proposal, which maintains current service levels to support the Department's mission of ensuring Oregon's school land legacy and protecting waterways and wetlands of the State through superior stewardship and service.

Twelve policy packages are also proposed to significantly advance the Department's 2022-2026 strategic goals of Exceptional Service, Thriving Oregon, Supporting Schools, and Great Workplace.

## Exceptional Service Policy Packages

The proposed Exceptional Service packages will enhance service to the public and the people who do business with DSL, with an emphasis on ensuring information and services are more accessible and accountable. Exceptional Service packages are:

- Using Data to Improve Service and Accountability – Package 105. Increased use of data to continuously improve service and publicly report on performance is a cornerstone of DSL's strategic work and day-to-day operations. A formal Department of Administrative Services information technology assessment identified adding a business analyst position as critical for DSL to fully realize the benefits of its new permitting and information system – *see Package 106 below*. Two limited duration business analyst positions are currently managing implementation of the new system. This package retains one of those positions for ongoing support of informed decision making and accountable operations. **Total Amount: \$249,212 Other Funds.**
- Modern Permitting and Information System Project – Package 106. The existing Department database that supports management of school lands, wetland and waterway permits and authorizations, and associated revenues was developed in the late '90s and cannot be updated. This project creates an online permitting and information system that is easy for Oregonians to use, and also increases DSL's ability to efficiently and effectively deliver service. Online services will include applying for permits, accessing project documents, and paying fees. Being able to access the new system anywhere will also improve staff's ability to provide service and complete tasks when in the field. This package adds limitation to complete implementation of the new system and to maintain the system following implementation. **Total Amount: \$4,017,385 Other Funds.**
- Enhancing Visitor Experience at South Slough Reserve – Package 107. This package will help Oregonians explore South Slough Reserve's trails, waterways, and more by adding a seasonal park ranger and creating a full-time position to create maps and oversee geographic information. The Department is proposing a new 0.50 FTE seasonal Park Ranger Assistant position to help provide more frequent maintenance of trails and public access points in spring through early fall when more people are visiting the Reserve. Creating a full-time GIS Specialist position by adding 0.50 FTE to an existing 0.50 FTE position will also expand capacity for mapping, enhanced management of lands and waters with geographic information, and other essential GIS support for both the Reserve and other DSL programs. **Total Amount: \$163,728 Federal Funds.**



## Supporting Schools Policy Packages

The proposed Supporting Schools packages will increase revenue to the Common School Fund, with an emphasis on seeking innovative solutions and securing alternative funding for projects that advance strategic goals. Supporting Schools packages are:

- Elliott State Research Forest Transition – Package 108. The Department is currently working to complete required tasks for the Elliott State Forest to transition from a Common School Fund asset to a research forest operated by a Legislatively created independent state agency, the Elliott State Research Forest Authority. This package continues contracted forest maintenance services, as well as fire protection services from Oregon Department of Forestry, during the transitional phase from July 1, 2023, to December 31, 2023. The package also continues limited duration Elliott project management staffing from July 1, 2023, to June 30, 2024, to complete all aspects of the transition. **Total Amount: \$789,622 Other Funds.**
- EPA Grant Carry Forward – Package 109. The Department secured Environmental Protection Agency grants to complete multiple removal-fill program projects, including developing a statewide dataset of approved compensatory mitigation sites, creating a framework to assess mitigation program effectiveness, developing an online training program for using wetland and stream assessment tools, and other projects to improve and enhance program services. Work plans and funds need to be extended into the 2023-25 biennium. This package carries forward any unspent grant funds to complete projects. **Total Amount: \$192,748 Federal Funds.**
- Ocean Science Research Grants Carry Forward – Package 111. The Department received \$1.06 million during the 2021 Legislative Session on behalf of the Oregon Ocean Science Trust and another \$1 million in the 2022 Legislative Session. The OOST was directed to use the funding for research grants. This package carries forward any unawarded grant funds. **Total Amount: \$600,000 Other Funds.**
- NOAA Grant Carry Forward – Package 112. The Department applied for and received a National Oceanic and Atmospheric Administration construction award for South Slough National Estuarine Research Reserve restroom renovations that extends the end date to June 30, 2024. This package carries forward any unspent grant funds to complete the project. **Total Amount: \$250,000 Federal Funds.**

## Thriving Oregon Policy Packages

The proposed Thriving Oregon packages will support communities and build a natural resource legacy for our state, with particular emphasis on increasing oversight to ensure



effective stewardship of wetlands and waterways and adding resources to meaningfully engage and partner with communities. Thriving Oregon packages are:

- Portland Harbor Superfund Site – Packages 101 and 102
  - Protecting State Interests – Package 101. This package provides the legal and environmental expertise necessary to defend the state's interests in the Portland Harbor Superfund Site cleanup. This package includes Department of Justice costs, environmental consulting costs, and one limited duration Natural Resource Specialist position. **Total Amount: \$2,722,066 Other Funds.**
  - Portland Harbor Cleanup – Package 102. This package supports the direct cleanup work for the Portland Harbor Superfund Site by continuing administrative expenditures, including additional professional services and legal expenditures. **Total Amount: \$2,721,125 Other Funds.**
- Stewardship of Wetlands and Waterways – Package 104. This package enhances the Department's stewardship of wetlands and waterways by adding six positions to ensure ongoing expertise in permitting and leasing and oversight of authorized removal-fill activities and waterway uses, as well as increasing public engagement. **Total Amount: \$1,331,486 Other Funds.**

The positions will:

- *Increase removal-fill law expertise and permit oversight.* Oregon's Removal-Fill Law requires people who plan to remove or fill material in wetlands or waterways to obtain a permit from the Department. The Department currently does not have a permanent dedicated position to provide expertise and guidance for ensuring consistent administration of the Removal-Fill Law statewide, as well as oversight of complex projects and issues requiring coordination with agencies, Tribes, and local governments. This package would make an existing limited duration position permanent, thereby ensuring capacity is retained.

A Removal-Fill Compliance Specialist position is also proposed to help ensure permittees are meeting permit requirements to protect waters of the state. The Department issued 615 removal-fill permits from July 1, 2020, to June 30, 2021. This package would add a position to increase capacity for ensuring permit conditions are met by assisting existing staff with onsite post-construction reviews, monitoring to

ensure compliance with permit conditions, mitigation report reviews, and other actions to ensure compliance.

- *Increase oversight of permitted waterway uses and enhance service.* Currently, waterway leasing staff are expected to conduct at least one site visit per leasehold in their respective territory every three years, or more often when complaints are received or there is other cause for concern. Staff also visit leaseholds upon lease renewal. The Department is considering shortening waterway lease terms to further reduce financial risk, which is a current and continuing strategic goal. Shortening lease terms ensure effective oversight and protection of public waterways but will require more frequent lease renewal site visits. The proposed Waterway Compliance Specialist position will help provide extra capacity to accomplish those routine but essential leasehold inspections.

The Department is also proposing making permanent a limited duration Metro Waterway Coordinator position approved during the 2021 legislative session. The Portland metro region continues to have a high volume of waterway use applications, leases, and authorizations, and dedicated attention to these complex and varying uses continues to be required.

Lastly, a limited duration Submerged Cable Analyst position is proposed to lead the Department's work in examining undersea cable permitting processes, in close coordination with the Department of Land Conservation and Development as the lead agency on this statewide effort directed by House Bill 2603 (2021). The bill provided this position, which is being carried over into the upcoming biennium due to a longer-than-anticipated recruitment.

- *Increase opportunities for public engagement and participation.* The package includes a proposed Public Engagement Officer position to ensure meaningful and inclusive opportunities for engagement with the public, communities, and stakeholders across all DSL programs and processes and to lead strategic initiatives related to participation and inclusion.
- Community-Led Project to Enhance Public Waterways – Package 110. This package continues the Submerged Lands Enhancement Fund established by the Oregon Legislature in ORS 274.388. This grant program provides local communities and organizations with funds to improve state-owned submerged and submersible land through projects such as removal of abandoned and

derelict vessels, marine debris cleanups, invasive species removal, and habitat and water quality enhancement. **Total Amount: \$200,000 Other Funds.**

### **Great Workplace Policy Package**

The proposed Great Workplace package will ensure DSL is a great place to work, with an emphasis on supporting staff. The Great Workplace package is:

- Position Reclassification – Package 103. This package reclassifies four positions evaluated by Human Resources and determined to be in the incorrect classification. The employees have been working out of class in the appropriate classification; this package will complete the reclassification process by funding and adjusting the positions in the classification system. **Total Amount: \$0.00 Other Funds.**

### **RECOMMENDATION**

The Department of State Lands recommends the State Land Board approve submission of the Department's 2023-2025 budget, including Policy Packages 101-112, to the Department of Administrative Services.



# Oregon

Kate Brown, Governor

## Department of State Lands

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## State Land Board

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Shemia Fagan

Secretary of State

Tobias Read

State Treasurer

## State Land Board

Regular Meeting

June 14, 2022

Agenda Item 5

### **SUBJECT**

Request for State Land Board approval of the Oregon Department of Forestry's (ODF's) proposed 2023-2025 Common School Fund budget.

### **ISSUE**

Whether the State Land Board should approve ODF's proposed Common School Fund budget for submission to the Department of Administrative Services (DAS).

### **AUTHORITY**

Oregon Constitution, Article VIII, Section 5; specifying that the State Land Board is responsible for managing Common School Fund lands.

ORS 273.041 to 273.071; authorizing the Department of State Lands to exercise the administrative functions of the State Land Board.

ORS 273.135 to 273.155; authorizing the Department of State Lands to enter into written agreements with other government agencies for the performance of technical and professional services.

ORS 530.490 to 530.500; authorizing the State Forester to manage, control, and protect the Common School Forest Lands.

## **SUMMARY**

As required in Section 10.1 of the July 1, 2017, Common School Forestland Management Agreement, “The Department shall provide a preliminary biennial Department-wide budget to the DSL by August 1 of each even-numbered year.”

## **DISCUSSION**

The Oregon Department of Forestry (ODF) manages 33,005 acres of Common School Fund forestland through an agreement among ODF, the State Land Board, and the Department of State Lands (DSL). ODF’s mission on school forestland is to manage and protect these lands for the maximum short and long-term benefit to the people of Oregon. Within this context, these lands are managed with the objective of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management. School forestlands are managed in alignment and consistent with the goals and management direction that are described in the 2012 Real Estate Asset Management Plan.

Oregon Department of Forestry’s Current Service Level Budget for all management costs and statewide fire patrol assessments on school forestlands for the 2023-2025 biennium is approximately \$4.74 million. This compares to the 2021-2023 ODF Legislatively Approved Budget for all management costs of \$4.28 million.

Through the planning and administration of timber sales ODF estimates that we will generate \$7.23 million in total revenue. This will result in a positive cash flow to the Common School Fund of approximately \$2.49 million.

## **Expected Management Outcomes**

The following outcomes are anticipated for management of school forestlands by the ODF State Forest Division for the 2023-2025 biennium:

1. Produce an estimated \$7.23 million in gross revenues based on ODF’s FY 2022 revenue projection from all school forestlands, resulting in a projected total net revenue to the Common School Fund of \$2.49 million over the biennium. It is important to note that the revenue and expenditure projections have a degree of uncertainty given fluctuations in the timber market which create challenges predicting future timber sale value.
2. For the 2023-2025 biennium, harvest from timber sales is projected to be 17.3 million

board feet – again recognizing uncertainties associated with predicting actual timber volumes.

3. Assist Department of State Lands in implementation of the 2012 Real Estate Asset Management Plan.
4. Provide for appropriate public access and recreational opportunities on school forestlands throughout the state.
5. Continue to implement cultural resource management strategies on school forestlands, including consultation with tribes.
6. Continue to provide a variety of opportunities for public participation in ODF's planning processes.

### **RECOMMENDATION**

The Department of Forestry and the Department of State Lands recommend that the State Land Board approve the submission of ODF's 2023-2025 Current Service Level Common School Fund Budget to the Department of Administrative Services as part of the Department's total budget, with recognition that there may be policy option packages that could cause changes to ODF's Agency Request Budget, although none are known at this time.

### **APPENDICES**

- A. Draft 2023-2025 biennial budget for Common School Fund forestland.

## Appendix A

### Draft 2023-2025 biennial budget for Common School Forestland

2023-25 Oregon Department of Forestry Current Service Level Budget				
Common School Lands				
	2021-23	2023-25		
Budget Category	Legislatively Approved Budget (LAB)	Current Service Level (CSL)	Policy Packages	Agency Request Budget
<b>Common School Lands Fund</b>				
Personal Services	\$1,879,272	\$2,010,567	\$0	\$2,010,567
Services & Supplies	\$995,237	\$1,074,698	\$0	\$1,074,698
<i>Sub-Total</i>	\$2,874,509	\$3,085,265	\$0	\$3,085,265
<b>Indirect Administrative Costs</b>				
Admin Prorate	\$421,193	\$487,555	\$0	\$487,555
Debt Service - COP's	\$0	\$0	\$0	\$0
Seed Orchard	\$30,400	\$33,568	\$0	\$33,568
<i>Sub-Total</i>	\$451,593	\$521,123	\$0	\$521,123
<b>Indirect Fire Patrol Assessments</b>				
Fire Patrol Assessment (Elliott)	\$622,179	\$738,857	\$0	\$738,857
Fire Patrol Assessment (Other)	\$336,055	\$397,846	\$0	\$397,846
<i>Sub-Total</i>	\$958,234	\$1,136,703	\$0	\$1,136,703
<b>Grand Total</b>	<b>\$4,284,336</b>	<b>\$4,743,091</b>	<b>\$0</b>	<b>\$4,743,091</b>
<b>FTE</b>	<b>7.05</b>	<b>6.52</b>	<b>0.00</b>	<b>6.52</b>





# **Western Oregon State Forests**

## **Public Draft HCP**

### **Common School Forest Land Outcomes**

State Land Board Meeting

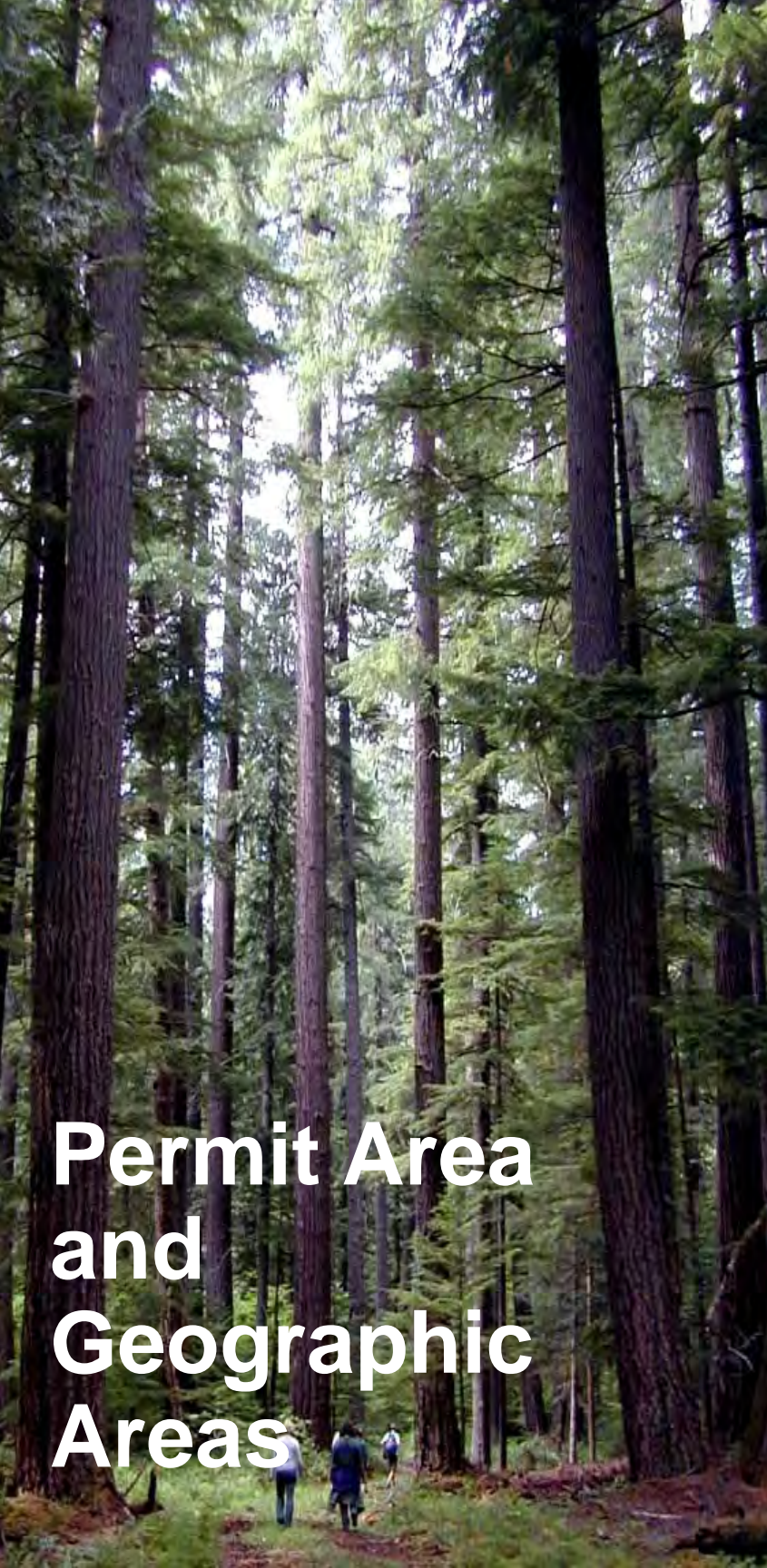
June 14, 2022

**Cindy Kolomechuk**

ODF Western Oregon State Forests HCP Project Manager

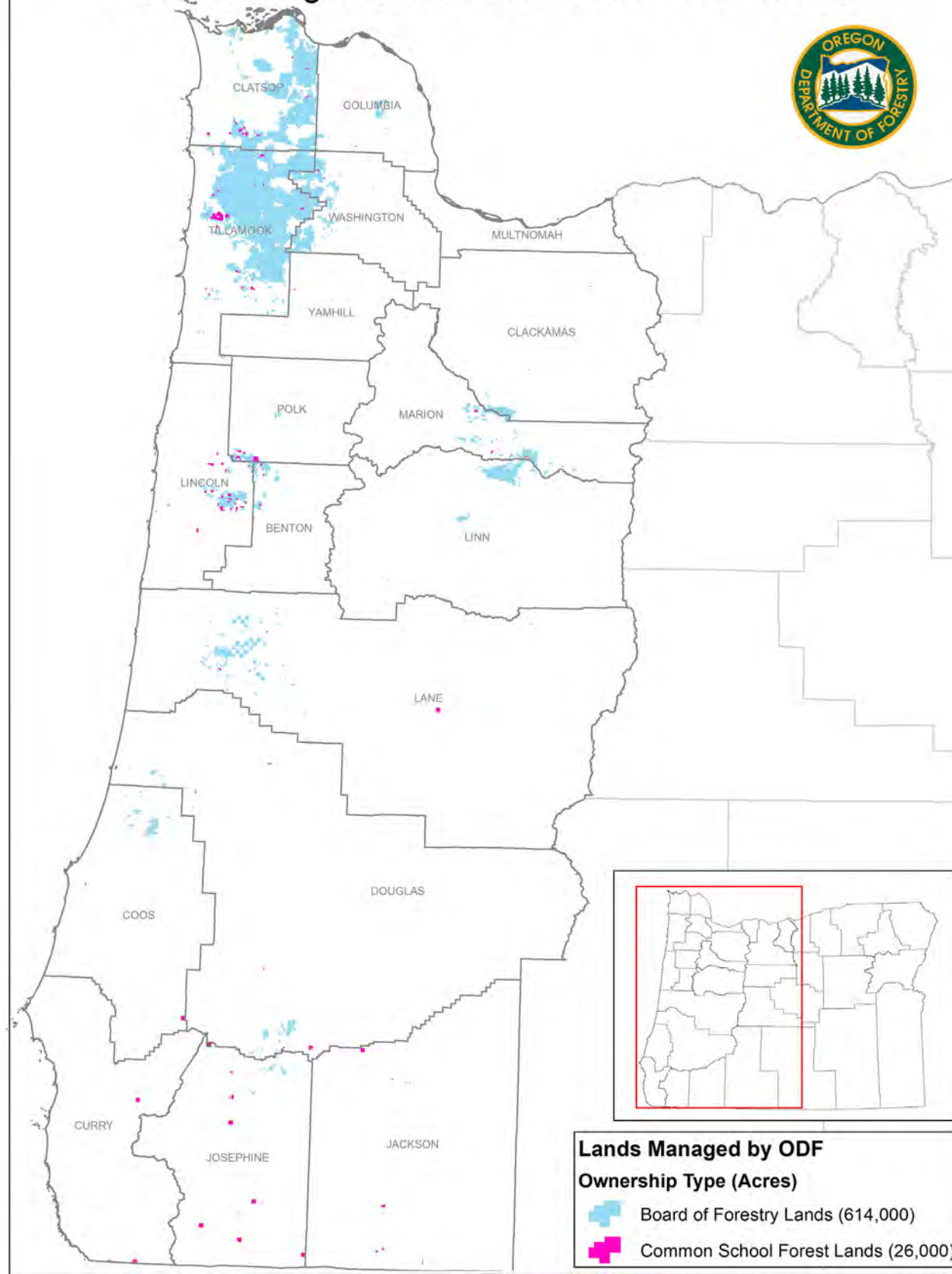






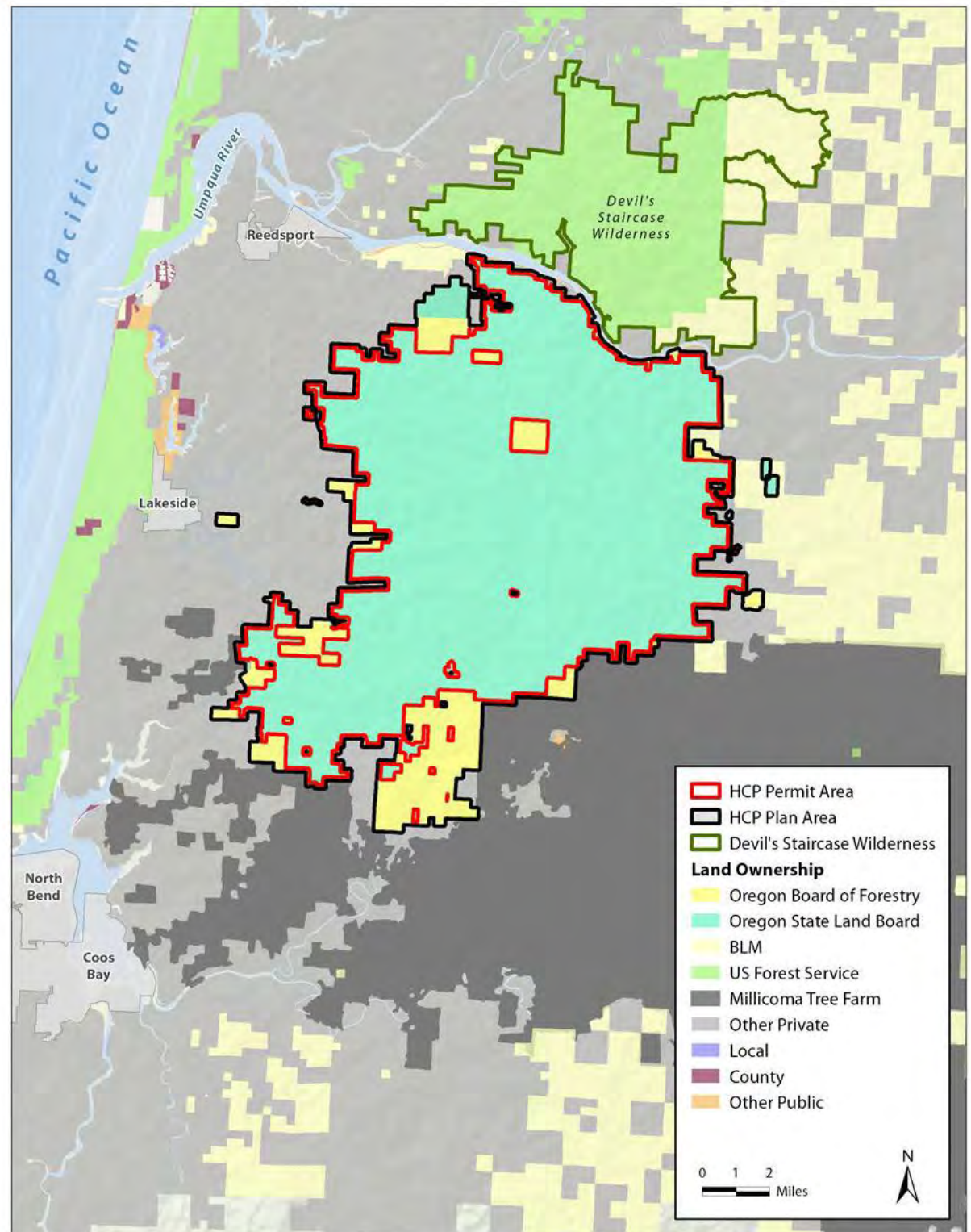
# Permit Area and Geographic Areas

## Western Oregon State Forests HCP Permit Area





# Plan Area: Elliott State Research Forest







**NOAA  
FISHERIES**

# **Draft Environmental Impact Statement for the Western Oregon State Forests Habitat Conservation Plan**

**Department of State Lands Meeting**

**June 14, 2022**

**Presenters:**

**Deb Bartley, EIS project manager, ICF**

**Sarah Reich, Socioeconomics & EJ Lead, ECONorthwest**

# Socioeconomics—Methodology

- Model volume to mills
  - Forest management model
  - ODF log flow data
- Jobs and labor income
  - IMPLAN
- Spatial analysis to distribute timber revenues
- Key-informant interviews
- Qualitative analysis of non-timber forest products and ecosystem services



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# Socioeconomics – Comparison of Effects

Modeled timber harvest is higher under proposed action than no action, which results in:

- More timber revenue and direct jobs over permit term, variation over time and location
- More total employment and labor income in Western Oregon during the period modeled (2023-2032)
- More revenue to local and state governments and schools, variation over time and location

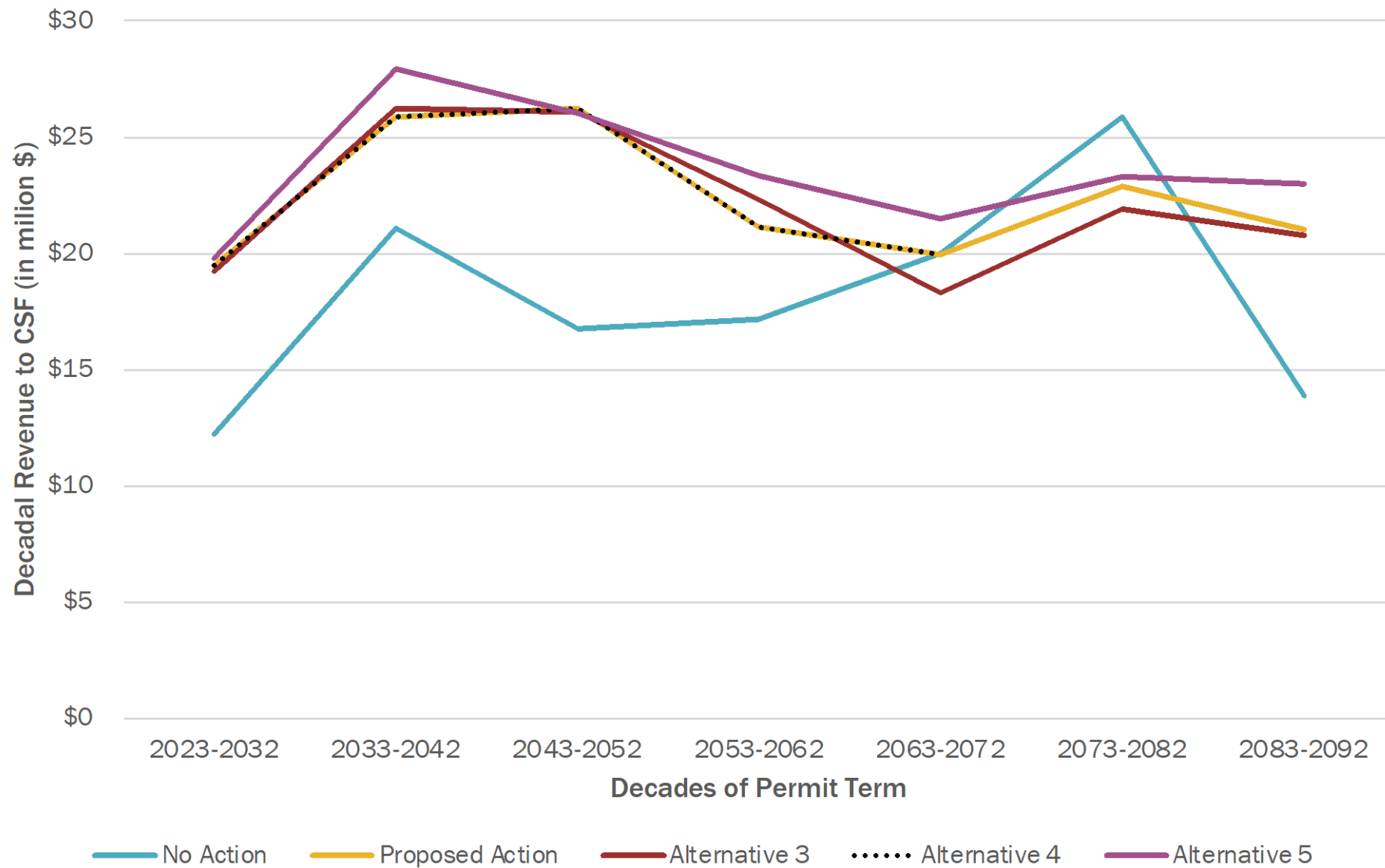
The supply and value of ecosystem services under the alternatives would vary locally and over time based on differences in harvest and resulting forest structure



**NOAA**  
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# Socioeconomics – Comparison of Effects

## Common School Fund Lands revenue over the permit term



# Environmental Justice

Disproportionately high adverse human health and environmental effects for low-income, minority, and tribal communities in Western Oregon

Disproportionate adverse impacts could occur:

- Where losses in local government revenue intersect with low-income and minority communities.
- If changes in supply and value of ecosystem services with subsistence and cultural importance result in higher travel costs or lower value to tribes and EJ communities.



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Thank you





# **ACHIEVEMENTS REPORT**

**2012-2021**

## **Real Estate Asset Management Plan**

**PREPARED JUNE 2022**



## REPORT OVERVIEW

The Real Estate Asset Management Plan (REAMP), a ten-year plan adopted in 2012, established a framework for managing Common School Fund land assets and set metrics for evaluating performance and value of those school lands.

The Plan established management direction for both school lands and Oregon-owned public rivers, lakes, and other waters\*, within the State Land Board's constitutional and statutory stewardship responsibilities.

### Plan Strategy & Objectives

The Plan's primary strategy was disposing of low-performing lands and acquiring high-performing lands to generate returns – of both income and land value appreciation – that would exceed the 10-year average investment return of the Common School Fund. Specific objectives supporting that primary strategy included:

- **Focus on appreciation and performance.** Objectives were targeting investment in lands with demonstrated appreciation potential such as forestlands, agricultural lands, industrial/commercial/residential lands, and energy lands; and creating reinvestment capital by acquiring assets with higher performance potential and strategically disposing of select assets.
- **Increase school land revenue and value.** Objectives were increasing annual distributions to public schools by growing revenue streams; increasing the value of school lands; assuring investments in owned lands will realize a greater rate of return than the average Common School Fund investment return; and ensuring market value rates for leases and other uses.
- **Develop tools for consistent, accountable management of lands.** Objectives were creating performance measurement tools to monitor returns on school lands and creating a process to evaluate land acquisition and sales to ensure highest and best use and returns to the Common School Fund.

### Plan Achievements

This report reviews Plan achievements within the objectives outlined above, with emphasis on:

- Sale of low-performing lands via development and implementation of Area Management Plans.
- Acquisition of high-potential parcels through in-lieu land selections or other industrial/commercial/residential acquisitions.
- Conversion of owned lands into higher value lease types such as agriculture.
- Increase the value of managed lands throughout the ten-year plan period.
- Overall return on asset value achieved during the ten-year plan period.

*\*Note: While the 2012 REAMP covered Oregon-owned public waterways and associated revenues, waterway oversight and public waterway use program metrics are now part of the Aquatic Resource Management Program's annual report.*

## Plan Achievements: Rebalancing the REAMP Asset Portfolio

**Sale of Low-Performing Lands.** Three long-term management plans for large blocks of school lands were written during the plan period. The Central Oregon Asset Management Plan (AMP), John Day Area Asset Management Plan, and Stockade Block Management Plan all identified specific parcels of lower-performing lands for disposal.

*Table 1. Low performing parcels sales through AMP's*

SPECIAL AREA MANAGEMENT PLAN SALES AND EXCHANGES					
	Parcels sold/ exchanged	Acres sold/ exchanged	In-holdings acquired	Average parcel sale price	Total AMP sale revenue
John Day AMP Sales	9	400	N/A	\$11,956	\$107,600
Central Oregon AMP Sales	11	670	N/A	\$65,725	\$772,977
Stockade Block AMP Exchange	13	1,220	8 parcels, 1,035 acres	N/A	\$57,500 payment to DSL
<b>Total AMP Sales Revenue</b>					<b>\$938,077</b>

**Acquisition of High-Potential Parcels.** The REAMP focused on Industrial/Commercial/Residential (ICR) land acquisitions as a means to diversify the portfolio of assets and move towards higher-value land holdings with higher returns.

Five ICR properties realized significant returns or made significant progress during the REAMP period. The Forked Horn Butte Subdivision and Helvetia Business Park purchases yielded returns in line with the 10-year average of Common School Fund returns. Neither acquisition required land use planning to maximize value prior to sale, which resulted in a relatively quick return on investment.

ICR lands typically require land use planning, which can extend timelines but also significantly increase value. The Department acquired two significant ICR properties, the Stevens Road and South Redmond tracts, from the Bureau of Land Management as in-lieu selections. These properties have become high-value assets through land use planning efforts in partnership with the cities of Bend and Redmond. The Department also completed a land exchange on the Millican Road Tract in Prineville to make the tract more appealing to future buyers. This transaction also involved land use planning.

The information below summarizes the status of each of the five major ICR properties acquired with intent to sell when market conditions are favorable. *Additional information about each of these properties is in Appendix A.*

### **Sale Complete: Forked Horn Butte Subdivision**

*Acquisition of a planned 63-lot subdivision with infrastructure, and a 20-acre undeveloped lot in the City of Redmond.*

### **Timeline of Key Actions**

- 2009: Acquired in an exchange of timberland with Giustina Resources
- 2015: Land Board approved phased sale
- 2016: Final payments received

### **Total Return**

- Sale price: \$3.34 million
- Sale return: \$414,000
- Percent return: 18 percent

### **Sale Complete: Helvetia Business Park Property**

*Acquisition of a multi-tenant, flexible occupancy industrial property in Hillsboro.*

### **Timeline of Key Actions**

- 2012: Acquired in an exchange of timberland with Giustina Resources for \$2.9 million
- 2017: ADA bathrooms installed for \$60,000
- 2019: Land Board approved sale

### **Total Return**

- Sale price: \$4.2 million
- Sale return: \$1.24 million
- Net lease income produced: \$1,534,925
- Annual management return: 8.12 percent

### **In Progress: South Redmond Tract**

*Acquisition of 940 acres of in-lieu lands located adjacent to the Deschutes County Fairgrounds and Exposition Center, near the Roberts Field-Redmond Municipal Airport in Redmond.*

### **Timeline of Key Actions to Date**

- 2007: Acquired from BLM
- 2008: Management plan created
- 2013: The City of Redmond amends comprehensive plan to include large lot industrial zoning
- 2015: DSL land approved by the City of Redmond for large lot industrial zoning designation
- August 2018: Signed annexation agreement with City of Redmond for 945 acres of large lot industrial lands
- August 2019: Annexed property into Redmond city limits; land is officially zoned large lot industrial
- October 2019: Partition approved for sales to Oregon Military Department and Deschutes County
- 2020: Infrastructure improvements initiated
- January 2020: Deed of Declaration for 19<sup>th</sup> Street, meeting infrastructure requirements
- April 2021: 20-acre parcel sold to Oregon Military Department

- Spring 2022: DSL enters into deferred improvement agreement with City of Redmond for remaining road and utilities infrastructure. The Department has spent \$2 million on infrastructure costs to date.
- Summer 2022: Deschutes County land exchange on the path toward completion
- Summer 2022: 200-acre lot partition created for the sale of the first large lot industrial parcel

#### **Returns To Date**

- 20-acre parcel sold to the Oregon Military Department
- Sale price: \$1.66 million

#### **In Progress: Stevens Road Tract**

*Acquisition of 640 acres of in-lieu land in Bend.*

#### **Timeline of Key Actions to Date**

- 1997: Acquired from BLM
- 2007: Conceptual master plan created
- 2016: Accepted into Bend urban growth boundary
- 2020: Western 320 acres sold
- 2021: House Bill 3318 enacted, creating a path to incorporating eastern acres into Bend urban growth boundary (UGB)
- June 2022: City of Bend approves concept plan for development of property, meeting requirements established by HB 3318

#### **Returns to Date**

- 320 western acres
- Sale price: \$22 million

#### **In Progress: Millican Road Tract**

*Land use planning of 160 acres of industrial land in Prineville.*

#### **Timeline of Key Actions t-o Date**

- 2012: realigned parcel through land exchange with Premier West Bank
- 2012: Property added to Prineville urban growth boundary, rezoned for light industrial use
- 2013: Property added to city of Prineville, deemed “shovel ready”
- 2012 - 2013: Marketed for sale
- 2017: Evaluation of income potential from leasing land for solar energy
- April 2018: State Land Board approved brokered sale
- May 2020: Purchase sale agreement signed for \$4.5 million
- November 2021: Agreement terminated following \$74,000 in payments

#### **Returns To Date**

- Purchase sale agreement payments: \$74,000

**Land Sales Income.** The major direction of the REAMP was to dispose of lower performing lands and acquire higher performing lands. Between Fiscal Year 2012 and 2021, the Department completed seven acquisitions, fifteen land and mineral exchanges, and 84 land sales (which includes filled land sales), and 32 mineral releases (mineral releases include DSL-managed lands, as well as lands managed by other state agencies).

Selling school lands when market conditions are favorable has proven to generate significant income for the Department. The Department did not track data from individual sales prior to 2015; however, between FY 2015 and 2021, the Department oversaw school land sales of \$37.7 million. The sale of the western portion of the Stevens Road Tract contributed \$22 million to that total, in addition to \$15 million in sale income from all other sales during that time.

*Table 2. Revenue from land sales between FY 2015 and FY 2021*

LAND SALES FY 2015 - 2021			
DSL School Land Sales	Revenue	Number of Sales	Acres Sold
Agricultural Land	\$0	0	0.00
Rangeland	\$475,228	13	436.51
ICR Land	\$32,592,362	9	648.74
Forest Land	\$4,588,456	4	654.18
Mineral & Energy Resources	\$77,913	11	1,400.45
Special Stewardship Land	\$0	0	0.00
<b>TOTAL Value of Lands Sold</b>	<b>\$37,733,958</b>	<b>37</b>	<b>3,139.88</b>
Filled Lands Sales	\$352,356	10	28.54
Mineral Release Other Agency	\$4,264	2	427.00
<b>TOTAL Value Sold</b>	<b>\$356,620</b>	<b>12</b>	<b>456.54</b>

## Plan Achievements: Increasing School Land Revenue and Value

**Evaluation of Land Classifications.** School lands managed through the REAMP are defined by their land type: agriculture, rangelands, industrial/commercial/residential (ICR) lands, forestlands, mineral and energy resources, and special stewardship lands.

As guided by the REAMP, the Department has reevaluated all land parcels for the correct classification as determined by each class definition while considering the highest and best use of each parcel. The classifications were evaluated in 2017, and again in 2021. Many classification changes were due to changing conditions – for example, a moratorium on water rights being issued in certain basins which prevented agricultural conversions, or because the physical site characteristics did not match the class definition in the REAMP. *See Appendix B for a comparison of land classifications in 2012 and 2021.*

The Department also identified gaps in the classification system that should be addressed in the next plan. For example, minerals and energy are a single classification, yet they are separate resources that could either occur above or below ground.

**Conversions to Agricultural Land.** Agricultural land is identified in the REAMP as desirable property to acquire due to a higher rate of income per acre generated when leased. For most agricultural uses, water rights are a limiting factor that determines if a property is available for cultivation. The Department has partnered on several conversions of rangeland to agricultural land in cases when rangeland has had suitable soil types, appropriate proximity to other development and utilities, and valid water permits or water rights. When converting rangeland to agricultural land, the Department takes ownership of all infrastructure below ground, which may include wells and utilities, and the lessee takes ownership of all above ground structures, such as pivots.

*Table 3. Overview of agriculture lease changes over the plan period.*

Agriculture Leases	2011	2021
Number of Leases	8	12
Number of Cultivated Acres	3,555	4,949
Dollar Per Acre Lease Value	\$43.50	\$65.00

**Increasing Rangeland Leases.** The Department administers 153 active forage leases for cattle grazing throughout southeast Oregon. These leases are categorized as either blocked leases with large contiguous tracts of land, or isolated leases with much smaller acreages that are often surrounded by private ownership.

The below table provides an overview of rangeland lease changes over the plan period. The increase in lease numbers between 2012 and 2021 can be attributed to changes in lease management for blocked parcels. The Department also had success identifying unleased rangelands and advertising them as available for lease. To be agile with lease rates in changing economic conditions, the Department calculates lease rates by the Animal Unit Month (AUM) on an annual basis using a formula based upon the previous year's price of a cow-calf pair.

*Table 4. Comparison of number of forage leases from 2012 to 2021.*

Forage Leases (For Grazing)	2012	2021
Blocked Leasehold	44	47
Isolated Leasehold	95	106
<b>Total</b>	<b>139</b>	<b>153</b>
Acres Leased	620,028	622,700
AUM Price	\$6.79	\$9.84

**Stockade Block Land Exchange.** As part of the Stockade Block Special Area Management Plan, the Department completed a land exchange in 2015 with the current Tree Top Ranches LP, who is also the adjacent landowner. This land exchange met the objective identified in the REAMP to acquire private inholdings within DSL ownership and transfer DSL inholdings out of private ownership. DSL exchanged 1,220 acres valued at \$336,500 of state land, for 1,036.6 acres of private land valued at \$279,000. A \$57,500 cash payment from Tree Top Ranches LP to DSL at closing resolved the valuation imbalance.

**Rangeland Analysis Inventory.** In 2018, the Rangeland Analysis Inventory was completed for approximately 500,000 acres of school rangelands. This 18-year project provides the Department with data to evaluate existing leasehold management plans for sustainability, inform and prioritize range improvement projects, and establish a baseline for future data collection efforts to identify ecological trends.

The process to analyze school rangelands was defined with the help of the Natural Resource Conservation Service and became a comprehensive source of information that described rangeland health, as well as carrying capacity. Data collected through rangeland analysis included plant community and ground cover data, watershed health information, soil sampling, and noxious weed mapping. The ultimate goal of the analysis was to define the sustainable carrying capacity in AUMs that could be successfully grazed for decades to come for the benefit of the Common School Fund.

While school rangelands have been managed for grazing since the mid-1900s, having true scientific data on each parcel of land owned and grazed provides the foundation for the design of lease operating plans, pasture rotations, and best management practices that preserve rangeland health. This endeavor epitomizes the Department’s commitment to revenue enhancement while balancing stewardship of the resources as identified in the REAMP.

**Greater Sage Grouse.** In September 2015, DSL and the U.S. Fish and Wildlife Service entered into a Candidate Conservation Agreement with Assurances (CCAA) on 525,000 acres of rangelands in southeast Oregon. Through this CCAA, DSL will have assurances that existing management activities will continue in the event sage grouse becomes federally listed under the Endangered Species Act. DSL has committed to conservation measures, which improve sage grouse habitat including removing juniper, treating annual invasive grasses, marking fences with anti-collision markers, and installing wildlife ramps in stock tanks.

**Rangeland Improvement Projects.** As a result of a lawsuit in the late 1990s, twelve percent of grazing fees are allocated to the “range improvement fund” to allow the Department to actively manage and enhance leased rangelands. Range improvement projects are completed for a variety of reasons, including increasing livestock distribution through fencing and water improvements, improving hydrologic function and restoring native plant communities by removing juniper, and treating noxious weeds. All projects are designed for long-term protection of sustainable grazing lands while maintaining revenue generation for the Common School Fund. Any improvement projects that require ground-disturbing activities are reviewed for cultural resources impacts through the State Historic Preservation Office.

*Table 5. Summary of rangeland improvement projects through the plan period*

<b>Rangeland Improvement Projects</b>	<b>2012 - 2021</b>
Juniper Removal – DSL Funded	960 acres
Juniper Removal – Other Funded	7,452 acres
Noxious Weed Spraying – DSL or ODFW Funded	10,398 acres
Waterline Installations	29 miles
Fence Construction	32 miles
Livestock Well Drilling or Repairs	3 wells



**Certified Forestland Management Analysis.** When the REAMP began in 2012, school forestlands were largely either certified forests, typically west of the Cascades, managed by the Oregon Department of Forestry; or they were noncertified forests, typically east of the Cascades, that were essentially unmanaged except for grazing lease uses. The Department's FY 2017-2021 Strategic Plan identified a need to analyze the management of the certified forestlands to see where there could be cost savings. There was also a need to identify management activities required to reduce wildfire risk and increase forest health for noncertified forestlands. To achieve those aims, DSL hired a forester in 2019. DSL's forester has successfully identified forestlands that could sensibly be decertified in Klamath County which would provide management cost savings of \$225,000 a year. The Department will present the decertification proposal to the State Land Board in August 2022 as part of ongoing efforts to reduce costs and increase operating income.

DSL's forester has also started developing a management plan for the noncertified forestlands that will address wildfire resilience and forest health while also contributing income to the Common School Fund. The Department has since completed one thinning project on 107 acres of noncertified forest. The Department has also begun working with Hood River County to establish an agreement to help with forestlands management and timber sales adjacent to county ownership.

DSL's forester has contributed much time and expertise to the Elliott State Research Forest project and the Habitat Conservation Plan for the Elliott. During the term of the REAMP, the Elliott State Forest was the subject of lawsuits over endangered species, which ended harvest and resulting revenues. Due to the constitutional mandate of school lands to produce net revenue, the Department decertified the forest and withdrew the 85,000 acres from ODF's management to reduce costs. Since then, many options for the forest were evaluated. The outcome of these efforts, once approved by the Land Board, will be the creation of a public research forest managed by Oregon State University and owned and overseen by a new independent state agency created by the 2023 Legislature in SB 1546.

While revenue from forestlands has decreased substantially with the loss of forest acreage from the Elliott, forestlands remain the highest revenue producing classification, averaging approximately \$2.25 million in revenue from 2018 to 2021.

#### **Mineral Potential Analysis and Renewable Energy Advances**

During the plan period the Department entered into two new solar leases on rangelands in Lake County and had a three-year license for meteorological towers to research wind energy potential on a large tract of land. Consistent with the REAMP objective of growing the stream of revenue to the Common School Fund, the Department has identified analyzing the renewable energy resource potential of school lands for the eventual marketing for renewable energy uses as a strategic plan priority.

The first phase of a mineral potential analysis has begun, with a partnership stemming from a Department of Defense grant fund obtained by the Oregon Department of Energy for creation of the Oregon Renewable Energy Siting Assessment (ORESAs) mapping tool. As of May 2022, the ORESAs tool has been completed. The Real Property Program will be able to use this mapping tool to complete the Strategic Plan objective of analyzing the renewable energy potential of school lands.

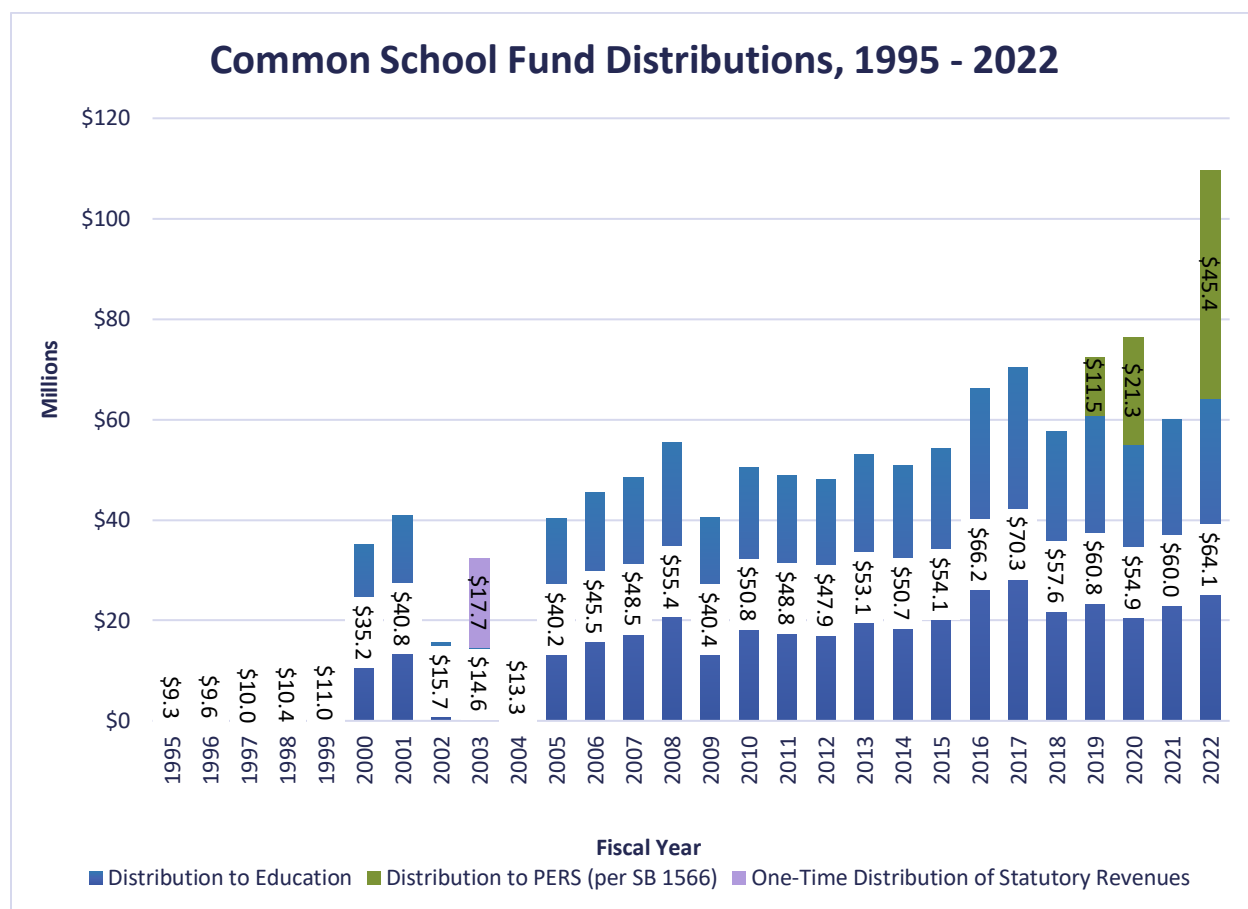
Renewable energy and mineral uses are high revenue-generating leases with significant potential to increase revenue to the Common School Fund. Mineral and energy revenue makes up 28 percent of the Net Operating Income (NOI) from all land classifications. At this time the Department has two solar

leases and two hard mineral leases contributing revenue; the meteorological towers provided significant income for a three-year span. The NOI for the mineral and energy land classification is higher because there are very few expenses incurred.

**Contributions of Special Stewardship Lands.** Though some special stewardship lands produce revenue for the Common School Fund or add value to the land base – as with recent acquisitions at South Slough National Estuarine Research Reserve – these lands are typically managed for the other benefits they provide to Oregon. Special stewardship lands can often be lands that have endangered species or lands that are National Heritage Sites exhibiting valuable ecosystems. Some school forestlands are also classified as special stewardship to protect certain animals listed as threatened or endangered through the Endangered Species Act.

**Contributions to the Common School Fund.** The graph below shows Common School Fund distributions to Oregon’s K-12 public schools during the 10-year plan period. Though distributions trended upward over the plan period, it’s important to note other factors affecting distributions to schools, such as the financial performance of the Common School Fund itself, and legislatively directed contributions to Public Employees Retirement System.

Chart 1. History of annual distributions to Oregon school districts from the Common School Fund



## Plan Achievements: Developing Tools for Consistent, Accountable Management of Lands

**Performance Measures Established.** The 2012 Plan identified four performance measures to track and analyze school lands performance. These performance measurements supported reporting plan progress and provided data to inform asset management in changing economic environments.

### Net Operating Income

The overall NOI was positive during the plan period. The Department has learned the following:

- **Millions in revenue were produced by forestlands prior to the Elliott State Forest harvest restrictions.**
- **The NOI measure does not include income from land sales.** If land sale revenue is included as income, the NOI increases significantly.
- **Industrial/commercial/residential land use planning can greatly increase sale price but also requires significant staff time.** Processes for inclusion within urban growth boundaries and city annexation, rezoning, and partitioning require significant time and dedicated staff attention.
- ORS 273.413 provides authority for the Department to dispose of lands not suitable for long-term management and deposit the proceeds of those sales into a revolving account within the Common School Fund, and to draw from that account for acquisitions or investments approved by the Land Board in conjunction with the Oregon Investment Council. Due to the structure of the land sale revolving account statutes, only eminent land sale costs may be charged to the account. Due to this, staff time costs of processing land sales are not calculated as an expense to the land sale revolving account, but rather counted as an expense within the individual land classification such as ICR or rangelands. Calculating NOI without land sale income does not capture the full picture.

Table 6. Performance measures totals over the 10-year plan period

10 YEAR TOTALS			
	Revenue	Expenditures	Net Operating Income
Agricultural Land	\$2,773,921	\$1,267,298	\$1,506,623
Rangeland	\$7,921,139	\$7,711,575	\$209,563
ICR	\$11,074,427	\$8,829,408	\$2,245,018
Forest Land	\$40,428,328	\$38,528,428	\$1,899,899
Mineral & Energy	\$2,994,437	\$644,746	\$2,349,690
Special Stewardship	\$203,453	\$109,039	\$94,413
<b>TOTALS</b>	<b>\$65,395,705</b>	<b>\$57,090,494</b>	<b>\$8,305,206</b>

Table 7. Performance measures totals including land sales revenue

LAND SALE REVENUES - ACCRUED TO LAND SALE REVOLVING ACCOUNT			
	Revenue	Expenditures	Net Operating Income
2015 - 2021	\$34,967,844	*\$10,833,125	\$24,134,719
<b>Total with Operating Revenue with Land Sales</b>	<b>\$100,363,549</b>	<b>\$67,923,619</b>	<b>\$32,439,925</b>

\*Data for land sales expenditures does not include FY 2012.

Chart 2. Annual Net Operating Income by land classification not including revenue from land sales

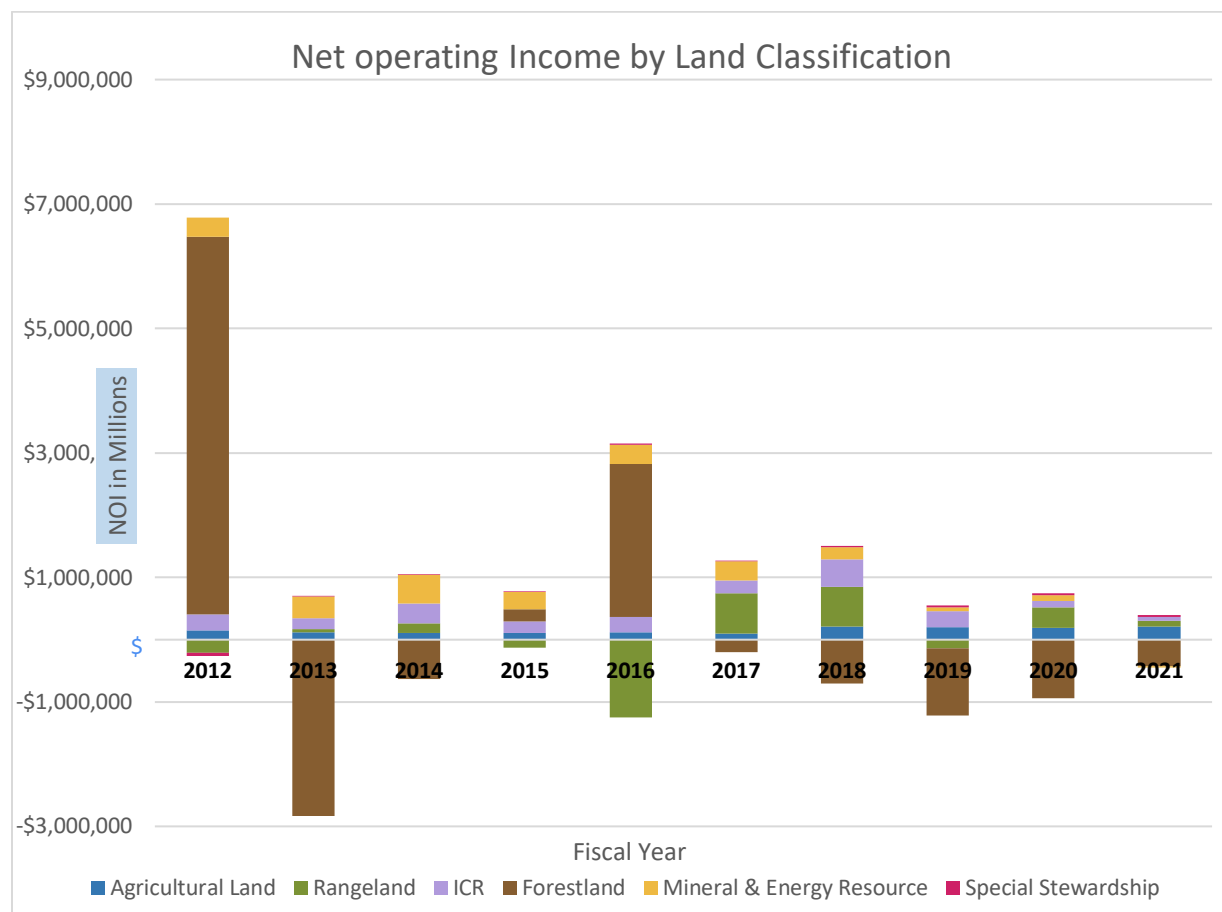
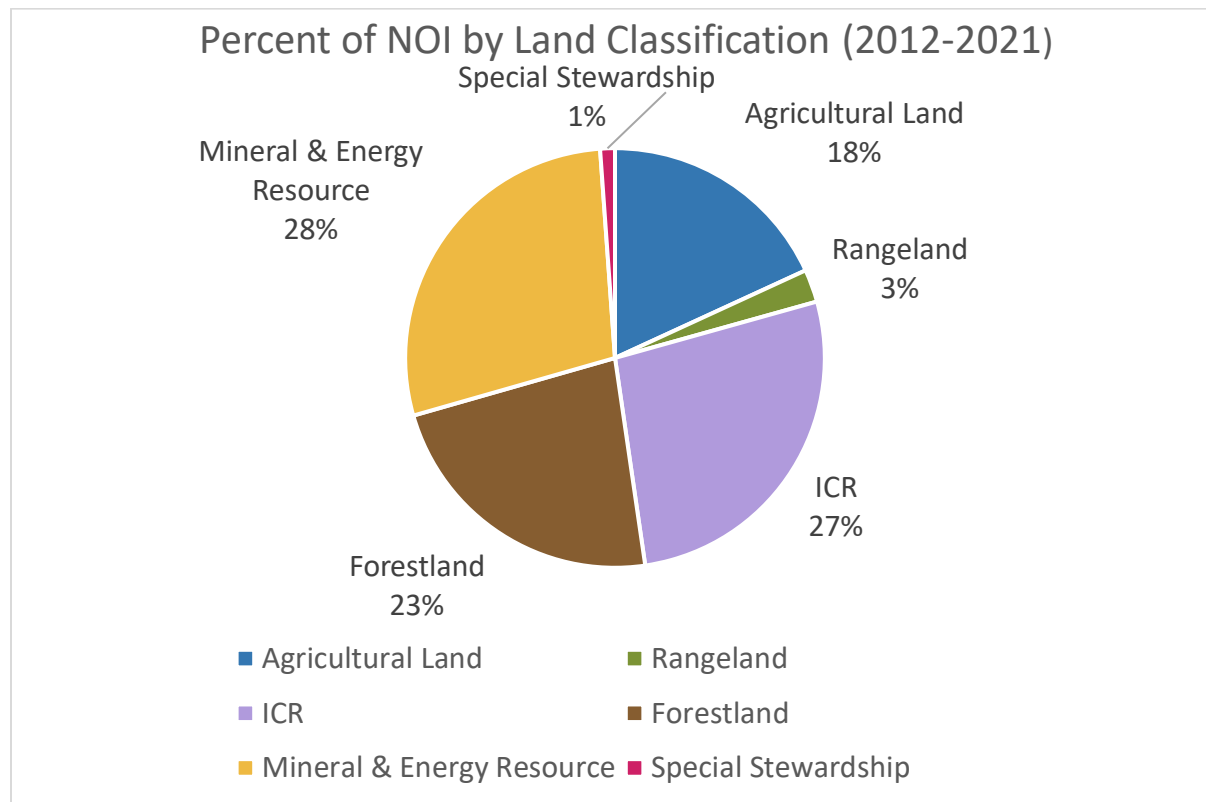


Chart 3. Land classifications percentage of the total 10-year Net Operating Income



### **Annual Land Value Appreciation**

Every year the Real Property Program updates the value of all Department-managed lands. Some specific ICR properties are valued using true Uniform Standard of Professional Appraisal Practice appraisal values. However, most lands are assigned a generalized value per acre based on data available for the county (or portion of the county) they are located in. Due to the number of parcels managed by the Department, individually valuing each property is not feasible. Because land values are generalized by classification, the values for each land classification are reported as a range between a low and a high value. For the information provided in the graphs below, the average of each range of values was used. Since 2012, land value has increased by 8.72% overall, or \$52 million dollars.

When looking at the value of forestlands throughout the plan period in Chart 5, the value appears to be static over time. In 2016, the Department had the Elliott State Forest appraised; once that appraised value was established, the value was not changed in the Department's reporting. The Elliott State Forest was the largest portion of the Department's forest ownership and therefore has a disproportionate impact on the overall value of forestlands.

Chart 4. Annual total asset value of all land classifications

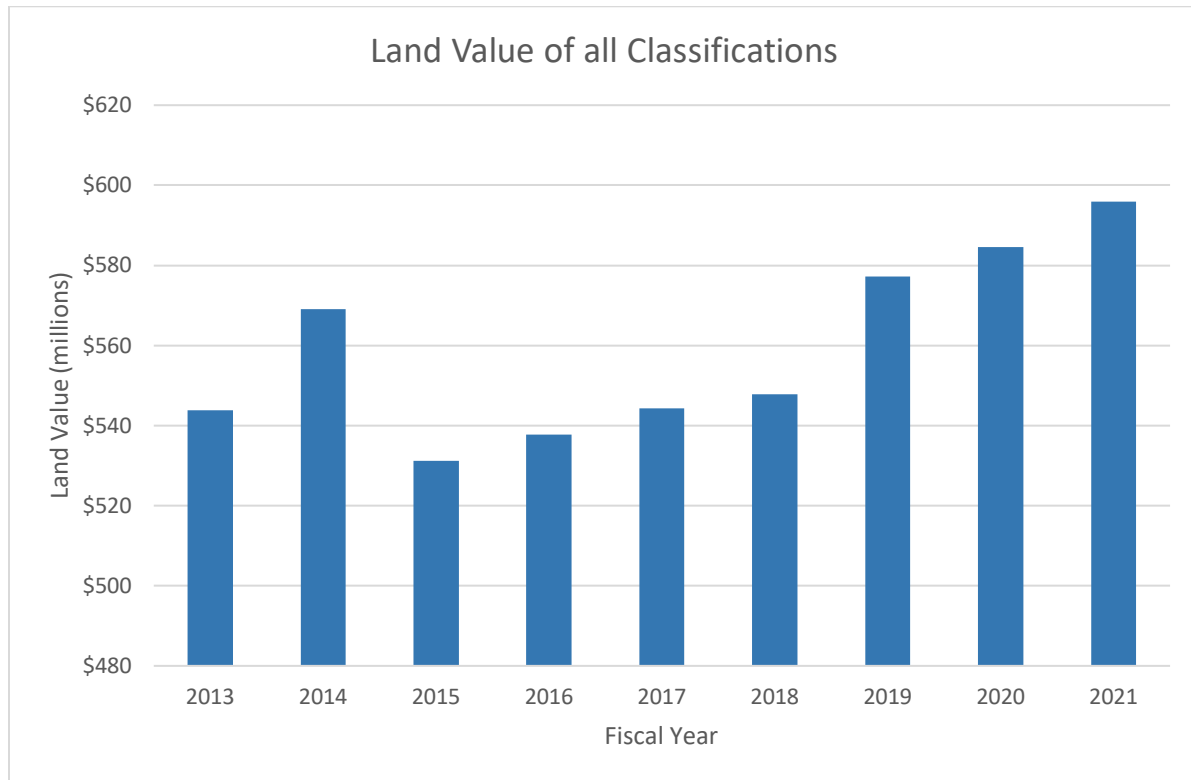
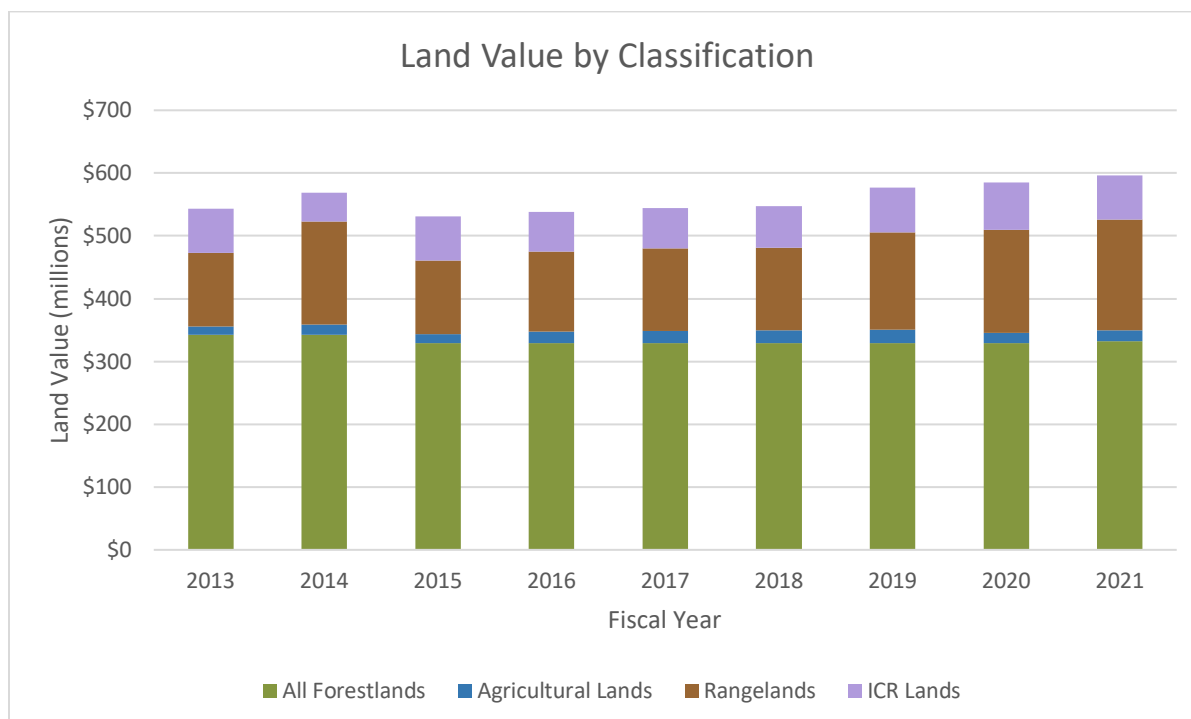


Chart 5. Annual total asset value for by land classification



## **Return on Asset Value**

The REAMP identifies Return on Asset Value (ROAV) as the most common financial performance indicator to measure success of investments when complete data is available, including market appraisal values, and annual expenditures and revenues. ROAV measures return compared to land value and is calculated by the Department as net operating income divided by market value of lands in each classification.

The REAMP does state that ROAV is not a particularly useful measure unless a good benchmark has been established such as an appraised value that can be updated over time. Over the course of the plan period, ROAV has been determined to be an unsuitable metric for evaluating performance of school lands and success of management techniques. For the Department to show a positive ROAV across all land classifications, authorization rates and fees would have to increase at equal-to-or-greater-than the land value appreciation, which in recent years has been very high and has kept ROAV very close to zero. Another reason ROAV may not be accurately providing information on Department revenue success is that income generated from the sale of lands is not included in the total net operating income, and therefore is not added to the ROAV calculation.

In addition, the fiduciary responsibility of school lands is an important component of the Department's management intended to last in perpetuity, but it is not the only consideration of the value of school lands to the people of the state of Oregon. The Department will explore alternatives to ROAV as an indicator of land management success in the next REAMP.

## **Total Annual Revenue**

Chart 6 below displays gross revenue throughout the plan period. The spikes in revenue in 2012 and 2016 are from large timber harvests. In 2012, the forestlands produced \$11 million in gross revenue and in 2016 there was \$6 million in gross revenue from the remaining timber sales in the Elliott State Forest. As of 2018, the Elliott stopped contributing revenue and the annual school forestland revenue streams have been consistent at approximately \$2.25 million over the last four years.

Since hiring a forester, the Department has more capacity to coordinate with ODF on certified forest management and to actively manage noncertified forestlands which has led to more predictable forest income. Rangeland revenues will always have variations because fees are calculated annually based on how economic conditions have affected the cost of a cow-calf pair. Another cause of variation in rangeland revenue is the need for drought reductions on grazing use, which typically reduces use and therefore fees by 25 percent in drought years.

Chart 6. Gross Annual Revue for all land classifications

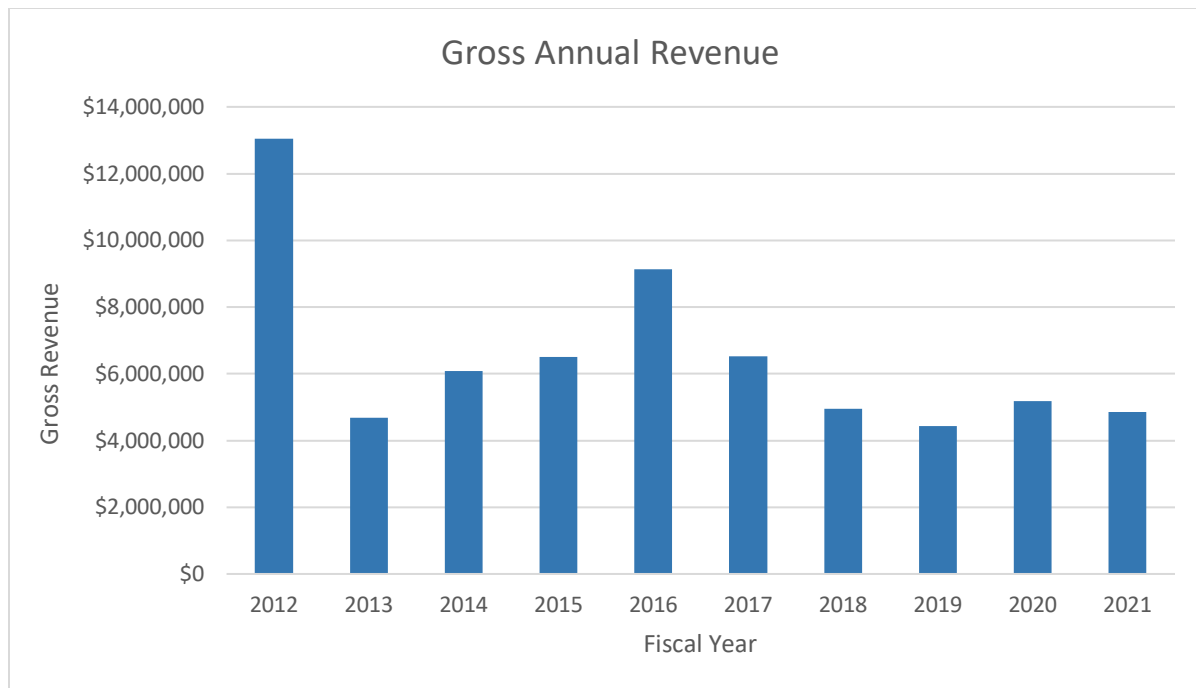
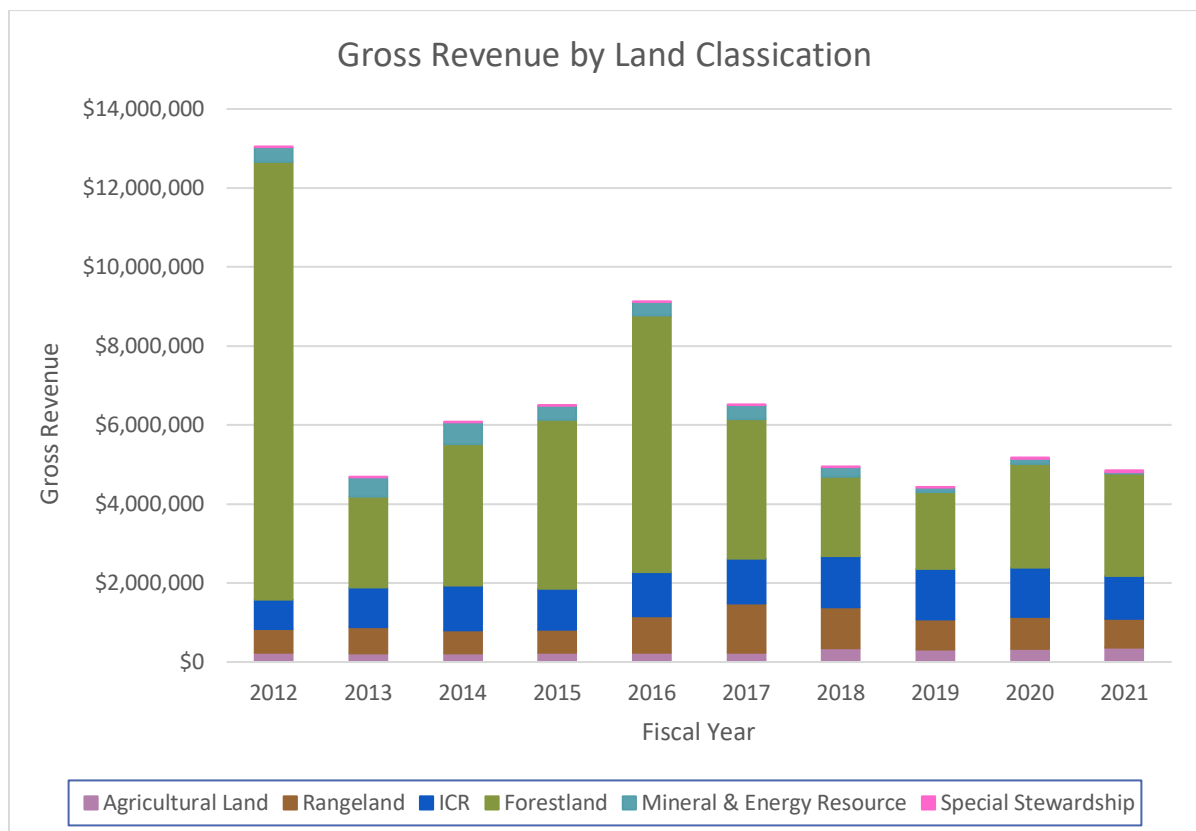


Chart 7. Gross Annual Revenue by land classification





**Established Management Priorities.** Operating under the REAMP, the Department's 2017-2021 Strategic Plan underscored the Real Property program's overall purpose of ensuring school lands generate long-term sustainable revenues to fund Oregon schools through the maintenance of a land base that meets Common School Fund trust obligations. Strategic Plan priorities that have been completed included a rate study and market analysis for communication site leases; inventory and assessing rangeland ownership for existing and potential improvements and infrastructure; and rulemaking to update fees for easements on trust lands. Priorities still in progress include a market analysis and renewable energy report for school lands, and a forestlands management strategy for currently underperforming forestlands. The Department recently completed a 2022-2026 Strategic Plan; projects overseen by the Real Property Program team will be integrated into the next REAMP.

## Looking Ahead: Creating the Next Real Estate Asset Management Plan

This achievements report represents the endpoint of the 2012-2021 Real Estate Asset Management Plan, and the beginning of the planning process for developing the next asset management plan.

The Department anticipates a yearlong development process, with initial focus on engaging the many communities, stakeholders, organizations, agencies, and Tribes who have important and varying perspectives on the management of Oregon's school lands.

These conversations will help shape and frame the next plan, as will the lessons learned as the 2012-2021 REAMP was implemented. Those lessons include:

- **Better performance measures are needed.** Two of the four existing performance measures – net operating income and return on asset value – were insufficient for demonstrating progress on plan objectives and informing management of school lands. While the significant costs associated with land use planning and other preparation of lands for sale is captured in the net operating income calculation, land sale revenue is not, which skews the metric downward. The return on asset value is a metric more suited for investment type properties where firm expenses and revenues can be tracked starting at acquisition. Applying ROAV to lands managed for long-term income will never show a significant increase unless land value decreases, or there is a large increase in revenue which is very hard for agencies with fees fixed in administrative rules.
- **Sale of low-performing lands has little potential to produce significant revenue.** Typically, the costs associated with preparing and marketing low-performing lands exceed the sale revenue generated. The sale of 18 low-performing parcels from the John Day AMP and Central Oregon AMP provided \$880,000 in income, and \$505,000 of that was one sale. In many cases, selling low-performing lands costs more than retaining them.
- **Undertaking land use planning has great potential to produce significant revenue.** Acquiring in-lieu lands and other lands where land use planning efforts such as incorporation into urban growth boundaries, rezoning, partitioning, and other actions can increase value, has resulted in much higher revenues for the Common School Fund. The Department is focused on acquiring the remaining acreages of In-Lieu lands from the federal government and is aiming for ICR lands

with planning potential. Once the remaining In-Lieu lands have been selected, any further land acquisitions would have to be made through the land revolving account as identified in ORS 273.413.

- **Management of occupied buildings is unlikely to be a good fit for the portfolio.** Management of such buildings takes significant and dedicated expertise, and contracted management services impact profit margins.
- **External factors can significantly affect the Department's ability to maximize land potential and appreciation.** For example, availability of water rights affects conversion of rangelands to agriculture. Wildfire can be an unexpected cost that can negate the net operating income of any given year. Drought can affect the ability to produce revenue from grazing, and houseless camps can incur large cleanup costs.

The Department anticipates presenting an asset management plan to the State Land Board for consideration in summer 2023.

## APPENDICES

### APPENDIX A: LAND ACQUISITION SUMMARIES

- **Forked Horn Butte Subdivision.** The Department of State Lands participated in an exchange of timberland with Giustina Resources in December 2009 to acquire the Forked Horn Butte Subdivision. This property was a planned 63-lot subdivision with infrastructure, and a 20-acre undeveloped lot. The total value of the subdivision upon acquisition was \$2.75 million. In 2015, DSL agreed to, and the Land Board approved, a phased land sale to Palmer Homes, LLC that added \$3.34 million to the Common School Fund. The final payments were received, and the property deed was transferred in November 2016. The sale of the Forked Horn Butte property demonstrates consistency with the 2012 REAMP as it was a response to market-driven opportunities providing an 18 percent return on investment to the Common School Fund.
- **Helvetia Business Park Property.** Purchased in 2012, the Helvetia property is a multi-tenant, flexible occupancy industrial property in Hillsboro, Oregon. The purchase price in late 2012 was \$2.9 million and the Department sold the property December 2019 for just over \$4.2 million after managing the property seven years. The property was fully occupied for five of the seven years DSL held the asset. The Department invested nearly \$60,000 in the design and construction of an accessible bathroom facility leading to full occupancy of the property. The overall investment was in line with the 2012 REAMP with approximately a 30 percent gain on the sale of the property and provided an average annual return of 6.2 percent from operations and management of the property.
- **Millican Road Tract.** In June 2012, DSL entered into an exchange agreement with Premier West Bank. The proposed land exchange was undertaken to reconfigure two adjacent, long, rectangular parcels measuring approximately a quarter mile by one mile and turning them into square parcel configurations of a half-mile by half-mile in size. This configuration made both properties easier to develop and thus more attractive to prospective industrial site purchasers. The greatest benefit to the DSL-managed property was the direct access to Millican Road. Both parcels were included in the Prineville UGB and later incorporated into the city limits. This initiative was strongly supported by the City of Prineville and Crook County who took the lead to adjust the Prineville UGB and city limits boundary to help provide marketable industrial lands that could create local employment opportunities.

The property has attracted varying interests, including leasing for solar development and the potential for a data-center type of use. In 2017, the Department evaluated the long-term returns of a solar lease versus the one-time sale compensation of the property. An appraisal at that time indicated the market value of the property was \$2.4 million. Due to the desire of local officials, the Department did not pursue the solar lease and instead is marketing the property for an industrial use that could add to the long-term employment opportunities for the local community.

In 2018, the Department again had the property appraised and the market value had increased to \$3.2 million. At this point, there was an interested buyer and DSL began working with a

broker to increase the visibility of the property for sale. The interested buyer ultimately negotiated a phased purchase with an extended due-diligence period that would allow significant research into the power infrastructure of the property. This purchase and sale agreement required nonrefundable quarterly payments and the purchase price was negotiated at \$4.5 million. The buyer ultimately cancelled the sale agreement, but the Department earned \$74,000 in payments for the effort.

- **South Redmond Tract.** DSL acquired the South Redmond Tract in 2007 from the Bureau of Land Management as an in-lieu land selection. The 940-acre tract was configured as a contiguous block located adjacent to, and south of, the Deschutes County Fairgrounds and Exposition Center, and southwest of Roberts Field-Redmond Municipal Airport. At the time of acquisition, the property was outside the Redmond city limits and UGB and was not designated within the city's 50-year Urban Area Reserve.

Upon DSL receiving title to the tract, a collaborative planning effort was initiated between federal, state, and local agencies which resulted in the South Redmond Tract Land Use and Management Plan. The plan recommended land use and land management concepts to generate the greatest possible revenues for the Common School Fund that are compatible with community interest and local land-inventory needs and were consistent with Oregon land use law and the DSL Asset Management Plan. Through this effort, the property was incorporated into the Redmond UGB and was annexed into city limits in 2019.

As identified in the plan, the Department completed a land sale of 20 acres to the Oregon Military Department (OMD) for the development of a National Guard Readiness Center, as well as entered into a land exchange agreement with Deschutes County to accommodate a 140-acre expansion of the adjacent Deschutes County Fairgrounds. In February 2021, the land sale to OMD was finalized resulting in a \$1.67 million contribution to the Common School Fund.

The Department and Deschutes County are working together to complete the land exchange which will provide another 137 acres of land zoned for light industrial use. This exchange is expected to be completed in summer 2022. DSL's contracted brokers will then immediately market and sell the exchanged property to generate additional revenues for the Common School Fund.

Approximately 780 acres of the tract were chosen to be the only property in the state zoned for Large Lot Industrial (LLI) use, with lots 200 acres or greater in size. As part of the LLI zoning requirements, the Department has invested nearly \$2 million in road and utility infrastructure to position the property as "shovel ready" for interested buyers. Currently, the Department is working with the City of Redmond to partition off the first 200-acre lot to be marketed and sold through a contracted broker. There have been multiple interested parties, some for lots smaller than 200 acres. The LLI zoning requires the Department to sell a 200-acre or greater size parcel prior to pursuing sale of smaller parcels on the tract.

- **Stevens Road Tract**

In 1997, the Department acquired a 640-acre tract northeast of the intersections of Stevens Road and 27<sup>th</sup> Street in Bend as an in-lieu land selection. In 2007, DSL adopted the Stevens Road Tract Conceptual Master Plan, which demonstrated the property's ability to meet the standards of the City of Bend for a mixed-use urbanized neighborhood addition which included commercial, industrial, open space, and residential zoning designations. Of the 640 acres of property studied in the Conceptual Master Plan, 320 acres were included in the City of Bend Urban Growth Boundary expansion approved in 2016 and have since been annexed into the city. The western half of the parcel was sold in 2020, providing \$22 million to the Common School Fund.

The eastern 261 acres of school lands remain outside the Bend UGB and are currently pending approval from Deschutes County to be rezoned for multi-use agricultural purposes which is a more appropriate zoning designation for property adjacent to developing or urbanized land. In 2021, the site was identified as having potential for a portion of the property to be developed for affordable housing under HB 3318. In cooperation and coordination with the City of Bend, a comprehensive development plan is being completed that will lead to the disposal of the remaining eastern acres. The ultimate result will provide affordable housing options for the Central Oregon community, a portion of which will be dedicated to housing for school district employees, as well as providing a significant amount of revenue to the Common School Fund.

## APPENDIX B – LAND CLASSIFICATION CHANGES 2012-2021

<b>Comparison of land classifications between 2012 and 2021</b> <i>Change in acres within each land classification, not including waterways</i>					
	<b>Acres 2012</b>	<b>Acres 2021</b>	<b>% Land Class 2012</b>	<b>% Land Class 2021</b>	<b>Change in acres</b>
Agricultural Lands	<b>5,860</b>	<b>7,930</b>	0.38%	.51%	<b>2,070</b>
Rangelands	<b>625,510</b>	<b>621,385</b>	40.28%	40.33%	<b>(4,125)</b>
Industrial/Commercial/ Residential Lands	<b>7,010</b>	<b>6,390</b>	0.45%	.41%	<b>(620)</b>
Forestlands	<b>129,530</b>	<b>122,360</b>	8.34%	7.94%	<b>(7,170)</b>
Mineral and Energy Lands	<b>774,110</b>	<b>769,120</b>	49.85%	49.92%	<b>(4,990)</b>
*Special Stewardship Lands	<b>11,005</b>	<b>13,545</b>	0.71%	.88%	<b>2,540</b>
<b>TOTAL</b>	<b>1,553,021</b>	<b>1,540,732</b>	100%	100%	<b>(12,295)**</b>

*\*The mineral resource acres indicated above occur in “split estates” in which DSL owns the mineral rights but not the land surface associated with those rights. In addition to this acreage, DSL also manages 360,000 acres of mineral rights underlying DSL land (which are included in other land asset classes).*

*\*\*Changes in acreage classifications are either due to sale of lands in that classification, or the lands being re-classified after review of site characteristics.*

## **Marbled Murrelet Management Plan**

*June 2022 State Land Board Update*

### **Background**

In July 2021, the marbled murrelet, a small seabird that nests in old growth forests along the Pacific Coast, was reclassified from threatened to endangered by the Oregon Fish and Wildlife Commission. The reclassification, based on criteria provided by the Oregon Endangered Species Act (ORS 496.171 to 496.192 and 498.026), was made after the Commission voted that the survival of marbled murrelets has diminished, such that they are in danger throughout much of their range in Oregon.

The Commission also adopted mandatory survival guidelines to ensure the survival of the marbled murrelet. State agencies that own, manage, or lease property with lands that could play a role in marbled murrelet conservation are required to follow the survival guidelines until they develop an endangered species management plan specific to their lands.

### **Plan Development**

The Department of State Lands is in the process of developing a marbled murrelet endangered species management plan with guidance from the Oregon Department of Fish and Wildlife. Data provided by ODFW suggests there is a moderate to high probability of marbled murrelet nesting habitat in the following categories of DSL forested lands:

- The Elliott State Forest
- South Slough National Estuarine Research Reserve
- DSL certified forestlands

DSL will develop a marbled murrelet endangered species management plan for South Slough Reserve and the Elliott State Forest. The Elliott is in the process of transitioning into the Elliott State Research Forest, to be managed by the Elliott State Research Forest Authority, a separate public agency that will manage the forest in coordination with Oregon State University. The marbled murrelet endangered species management plan being created for the Elliott will be in effect as long as DSL manages the forest. A habitat conservation plan (HCP) is also being developed for the Elliott State Research Forest, which will, among other things, provide strategies to manage species of concern. Marbled murrelet conservation will be covered under the final habitat conservation plan, and once approved, the HCP will supersede the marbled murrelet endangered species management plan.

The Oregon Department of Forestry is developing a marbled murrelet endangered species management plan for the forestlands it manages including Board of Forestry owned lands and DSL's certified forestlands. Concurrently, it is also in the process of developing a separate habitat conservation plan for forestlands it manages, which will also satisfy the ODFW species management plan requirements. Once the habitat conservation plan is approved, it will supersede the marbled murrelet endangered species management plan.

### **Next Steps**

DSL is currently working to assess its lands and determine its role in the conservation of the marbled murrelet. The agency's role may include, but is not limited to:



## DEPARTMENT OF STATE LANDS



- Conservation. Using methods and procedures to manage resources and to help the species recover such as research, census taking, law enforcement, habitat protection and restoration; or
- Take avoidance, i.e., implementing guidance to prevent acts that may harm, kill, or harass marbled murrelets (OAR 635-100-0137).

As DSL determines its role, the agency will need to balance its statutory and constitutional requirements, rules and policies, and statutory purpose with the conservation needs of the marbled murrelet, social and economic impacts of conservation, and the roles that other agencies will play in the conservation of the marbled murrelet.

The Department will continue to keep the State Land Board informed on progress of the marbled murrelet endangered species management plan as it works toward submitting a complete plan to ODFW by the January 16, 2023, deadline. The Department hopes to have a presentation by the Oregon State University College of Forestry on the Oregon Marbled Murrelet Project at our October Land Board meeting to give the Land Board a better area about the habitat needs of this endangered species.



AGENDA ITEM 9 -  
DEPARTMENT OF STATE  
LANDS STRATEGIC PLAN  
UPDATE:

**NO MATERIALS**



# Oregon Renewable Energy Siting Assessment (ORESA)

May 2022



**OREGON**  
Department of  
Land Conservation  
& Development



# ORESA Project

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The ORESA project is funded through a \$1.1 million grant through U.S. Department of Defense Office of Local Defense Community Cooperation (DOD-OLDCC). The grant team includes **Oregon Department of Energy**, working with the **Department of Land Conservation & Development** and **Oregon State University's Institute for Natural Resources**. Closes June 30, 2022.

The project incorporated the expertise of **state, local, and tribal governments** through interagency agreements, along with input from **industry and technical advisors**, and **cross-sectoral stakeholder and community engagement**.

# ORESA: Goals and Objectives

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## DOD Goals

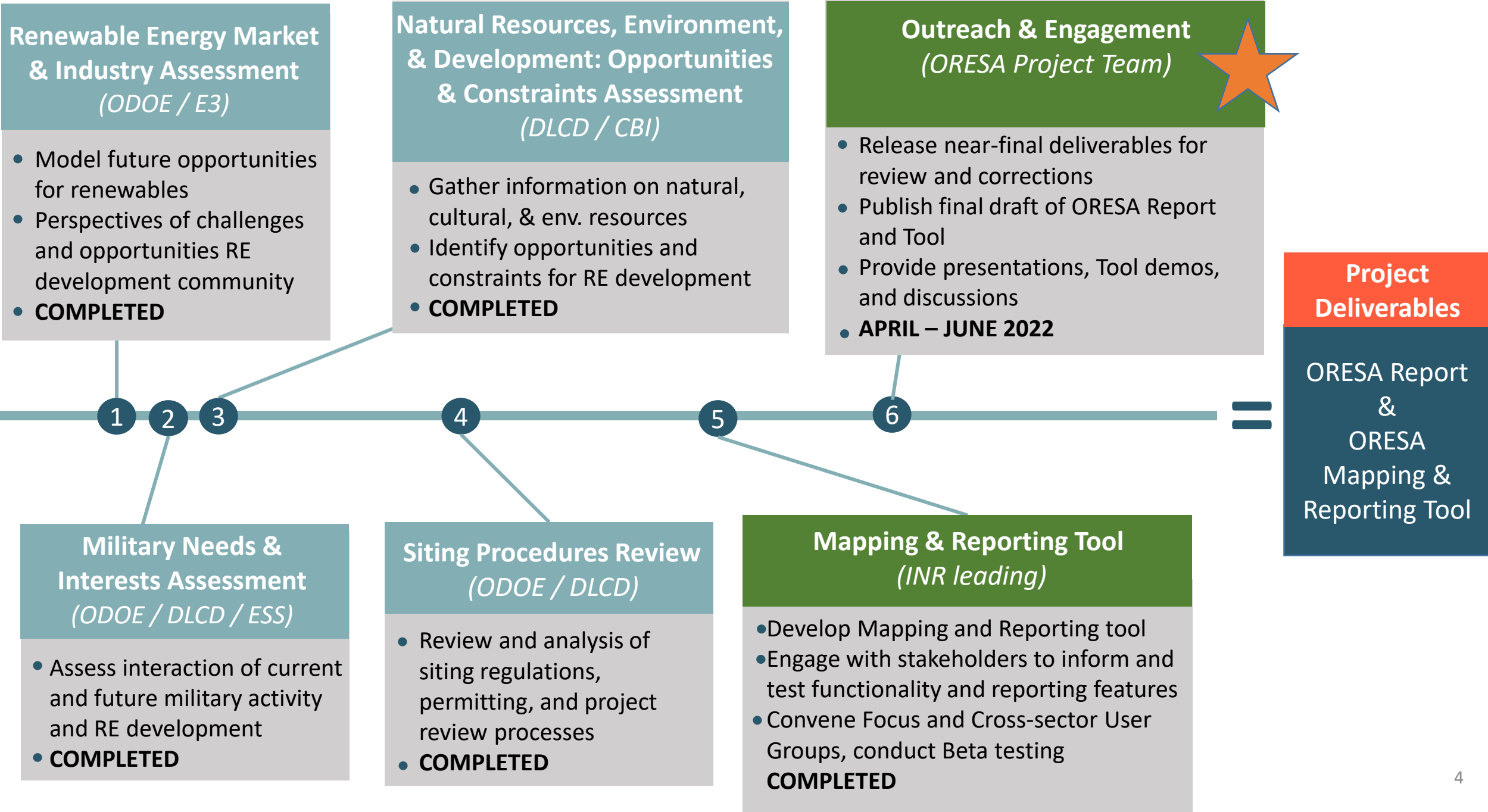
Support **military compatibility through coordination** with local, regional, and state agencies and raise awareness about the military.

## Project Goals

Create **relevant educational tools** for stakeholders, agencies, local governments, and policy makers about renewable energy development, military training and operational areas, economic/community benefits, land use considerations, natural, cultural, and environmental resources, and other regulatory requirements. Users can explore these resources to inform discussions related to renewable energy in a way that **minimizes conflict and supports development opportunities**.

## Project Objectives

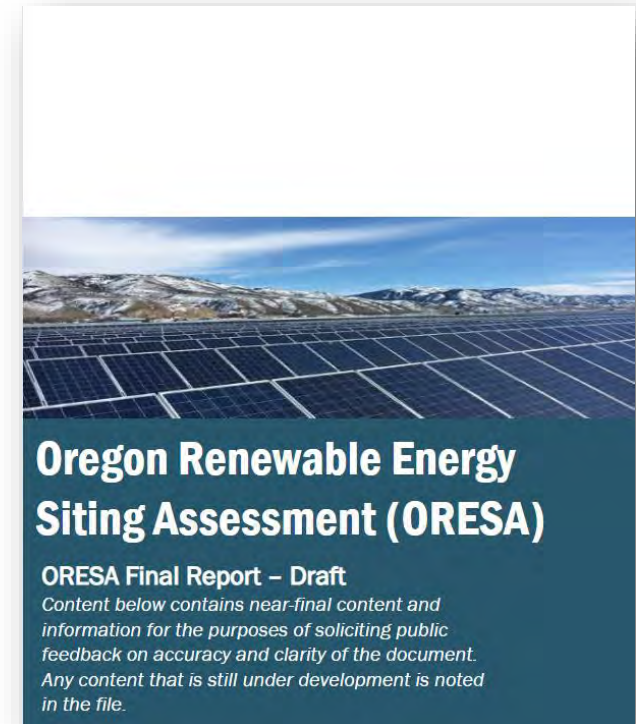
Baseline data, information, and perspectives to create **a transparent, consistent collection of trusted, accurate information** in Oregon, without recommendations or endorsements, and note where information may be imprecise or uncertain.





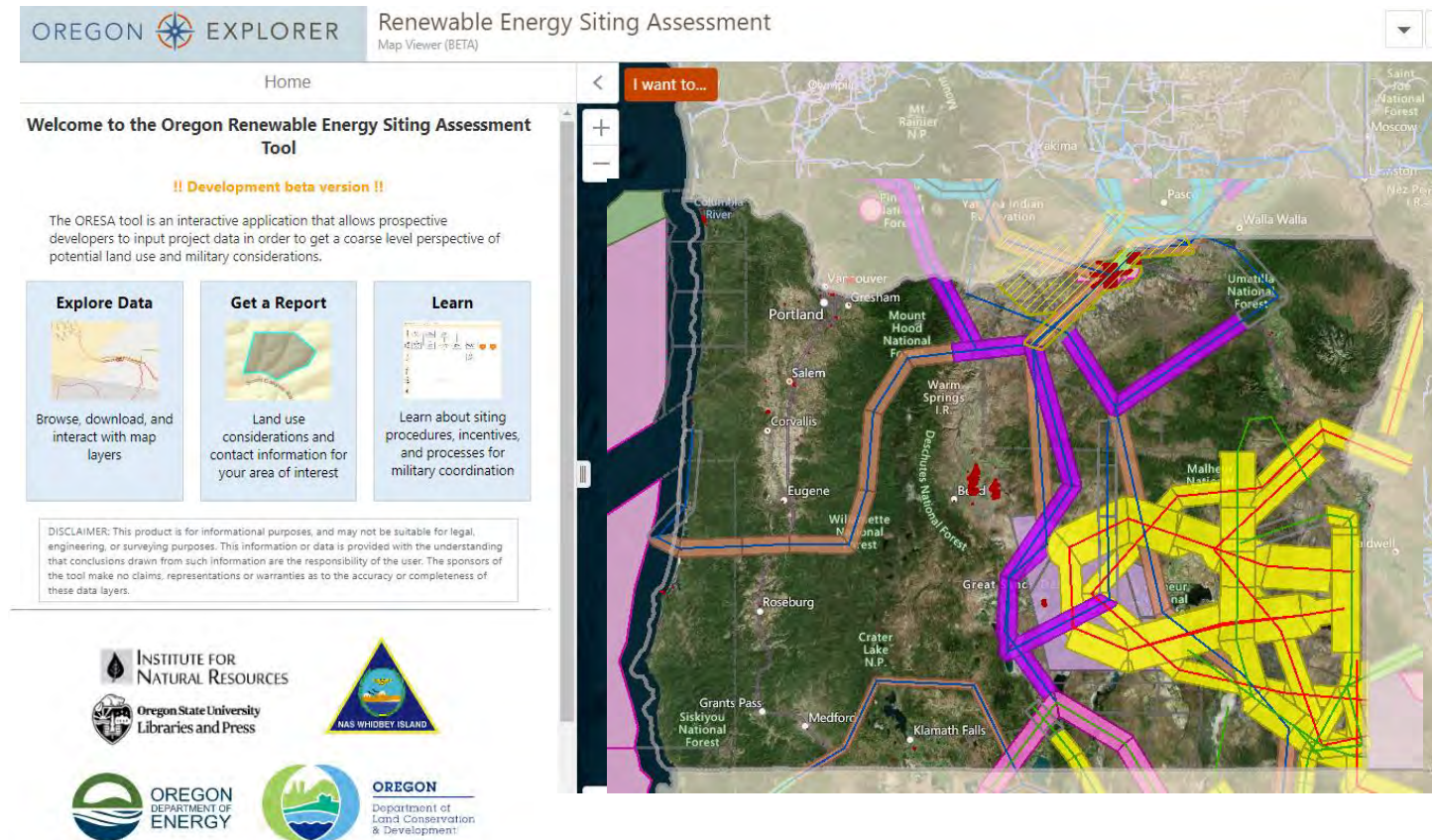
# ORESA REPORT

- **Section 1:** Explore – Summary of core activities and research methodologies from the ORESA assessments, procedures review, and Mapping and Reporting Tool. Includes findings and best practices for data collection and organization.
- **Section 2:** Report – Key findings from the assessments on what information is critical for discussions and planning of renewable energy development in Oregon. Includes context on the Reporting function and data in the Tool.
- **Section 3:** Learn – Lessons learned from the project, including important conversations, perspectives, and issues from stakeholders and project participants. Summarizes the Learn section of the Tool.
- **Section 4:** Conclusion – Additional items not addressed in the project including data gaps, Tool function and features, and resources that were of interest or highlighted by stakeholders and project participants.
- **Appendices:** Index and links to supporting materials including the assessment reports, procedures report, summary outreach documents and military brochure.



# Mapping and Reporting Tool

- Housed on [Oregon Explorer](#) with data related to renewable energy; military; economic development; land use; natural resources; and other regulatory or process considerations.
- Development involved stakeholders to help define use cases, data exploration needs and reporting functionality.
- Tool should build a more comprehensive understanding of renewable energy and support early notification & coordination in the state.





# DEMO

[https://tools.oregonexplorer.info/OE\\_HtmlViewer/Index.html?viewer=renewable#](https://tools.oregonexplorer.info/OE_HtmlViewer/Index.html?viewer=renewable#)


Welcome

Welcome to the Oregon Renewable Energy Siting Assessment Tool

!! Development beta version !!


The ORESA tool is an interactive application that allows prospective developers to input project data in order to get a coarse level perspective of potential land use and military considerations.

Explore Data




Browse, download, and interact with map layers

Get a Report




Land use considerations and contact information for your area of interest


Learn





Learn about siting procedures, incentives, and processes for military coordination


DISCLAIMER: This product is for informational purposes, and may not be suitable for legal, engineering, or surveying purposes. This information or data is provided with the understanding that conclusions drawn from such information are the responsibility of the user. The sponsors of the tool make no claims, representations or warranties as to the accuracy or completeness of these data layers.

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# Questions and Feedback

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- Are there any data layers and queries you use in your work right now that we should consider including in the Tool? Is anything missing or needs updates?
- Are there any missing functions and analysis features you'd recommend for our Tool? Any other mapping tools you use regularly we should review/compare?
- Our Tool allows for contact notifications and site-level reports. Are there any people or data you would recommend we add to either of these features?
- Anyone else we should invite to review the Tool and Report? Any stakeholders who you'd like to share this with, or hope will use the Tool and Report?
- We will continue to maintain the Tool and look for funding to support additional/expanded work. Do you have any recommendation for future problems, opportunities, or projects/programs we should add to our list for future scoping/planning?

# Resources

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**Project website:** [Oregon Renewable Energy Siting Assessment \(ORESAs\)](#)

## Key Deliverables

- [Beta ORESAs Mapping and Reporting tool.](#)
  - [ORESAs Mapping & Reporting Tool Summary](#)
  - [ORESAs Mapping & Reporting Tool Demonstration Video](#)
- Near-final [ORESAs Report](#)

## Supporting Materials

- [Renewable Energy Market and Industry Assessment Report](#)
- [Military Needs and Interests Assessment Report](#)
- [Natural Resources, Environment, And Development - Opportunities and Constraints Assessment Report](#)
- [ORESAs Procedures Report](#)
- [Brochure: Oregon and Our Nation's Military](#)

# Stay in touch!

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Learn more about the ORESA project:

<https://www.oregon.gov/energy/energy-oregon/Pages/ORESAS.aspx>

Send comments and requests for engagement:

<https://odoe.powerappsportals.us/en-US/ORESAS/>

Sign up for email updates:

<http://web.energy.oregon.gov/cn/a6n53/subscribe>



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**Legend:**

- ORESA Project Team
- Tool Development Team
- User Engagement
- Milestone

**User Engagement:** To develop, refine, and test the Oregon Renewable Energy Siting Assessment (ORESAs) Mapping and Reporting Tool, the ORESA project team lead by OSU-INR hosted the following sessions with engaged users.

A series of nine stakeholder-specific **focus groups** with a total of 90 participants (subtotals listed by focus group) representing the following organizations:

- **Local Government (5):** Crook County, Lake County, Morrow County, Umatilla County
- **State Agencies (18):** Business Oregon, Oregon Department of Agriculture, Oregon Department of Aviation, Oregon Department of Energy, Oregon Department of Land Conservation and Development, Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, Oregon Department of State Lands, Oregon Department of Water Resources, Oregon Military Department, Public Utilities Commission, Oregon Solutions, State Historic Preservation Office
- **Federal Governments and National Labs (9):** Argonne National Lab, Bureau of Ocean Energy Management (BOEM), Bonneville Power Administration, National Oceanic and Atmospheric Administration, National Renewable Energy Laboratory, Pacific Northwest National Laboratory, US Department of Energy, US Fish and Wildlife Service
- **Renewable Energy Developers and Utilities (22):** Avangrid Renewables, Energy Trust, New Sun Energy, Northwest Energy Coalition, Obsidian Renewables, Oregon Coast Energy Alliance Network (OCEAN), OneEnergy Renewables, Oregon Solar+Storage Industries Association (OSSIA), Pacific Ocean Energy Trust (POET), Portland Gas and Electric, Renewable Northwest, Umatilla Electric, Verde
- **Non-governmental Organizations (17):** 1000 Friends, Audubon, Columbia Riverkeeper, Farmers Conservation Alliance, Lake County Resource Initiative (LCRI), Oregon Winegrowers Association, Oregon Environmental Council, Oregon Natural Desert Association, Oregon Hunters Association, Soil and Water Conservation District, Rogue Climate, Sustainable Northwest, The Nature Conservancy, Wallowa Resources
- **Military and Federal Aviation Agency (13):** NW DoD Regional Coordination Team (including US Navy, Coast Guard, Army, and Air Force), Federal Aviation Administration (FAA)
- **Tribes (6)\*:** Confederated Tribes of the Grand Ronde, Columbia River Intertribal Fish Commission, LCIS, Yakama Nation (note: \*Feedback included individual meetings and/or part of other focus group meetings)

Two **cross-sector user group** meetings (15 participants) representing the following organizations:

- **Tribes:** Confederated Tribes of the Grand Ronde, Coquille Tribe
- **Local Government:** Gilliam County Planning, Wasco County Planning
- **State Government:** Oregon Department of Agriculture
- **Federal Government:** US Fish & Wildlife Service, BOEM
- **Renewable Energy Developers:** OCEAN, OSSIA, Avangrid, Northwest Energy Coalition, Renewable Northwest, Verde
- **Utilities:** PacifiCorp, Umatilla Electric
- **Military:** NW DoD Regional Coordination Team representatives

Five **beta testing** sessions with the following organizations:

- US Navy
- Grid United
- Lake County Resource Initiative
- Avangrid Renewables
- Community Renewable Energy Association (CREA)

During this iterative process, the ORESA project team gathered additional input and suggestions from almost 100 participants through a public comment period, and demonstrations and presentations with OSSIA, Tribal Natural Resources Working Group, WECC Environmental Data Task Force, and others.