



# Oregon

Tina Kotek, Governor

## Department of State Lands

775 Summer Street NE, Suite 100

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(503) 986-5200

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

## State Land Board

Tina Kotek

Governor

Tobias Read

Secretary of State

Elizabeth Steiner

State Treasurer

## State Land Board

**February 11, 2025**  
**10:00 am – 12:00 pm**  
**Meeting Agenda**

*Public Wi-Fi logon: LandsDSL*

*This is a hybrid meeting that can be attended in-person at 775 Summer St. NE, Suite 100, Salem, OR 97301-1279 or online through the Department of State Lands' livestream video: [www.youtube.com/@oregonstatelands](http://www.youtube.com/@oregonstatelands)*

### **CONSENT ITEMS**

1. Request approval of the minutes of the December 10, 2024, State Land Board Meeting.

### **ACTION ITEMS**

2. Adoption of Division 142 Proposed Rules – Rocky Habitat Designations  
*Public testimony will be taken on this item.*
3. Approval to Initiate Due Diligence for a Potential Land Sale on West Hayden Island  
*Public testimony will be taken on this item.*
4. Elliott State Research Forest: Board Appointment  
*Public testimony will be taken on this item.*

### **INFORMATIONAL ITEMS**

5. Common School Fund Audit Report  
*No public testimony will be taken for this item.*

*Continued on the next page*

6. Real Property Program Annual Report  
*No public testimony will be taken for this item.*
7. Department of State Lands Director Recruitment Process  
*No public testimony will be taken on this item.*
8. Other  
*No public testimony will be taken for this item.*

### **WATCH THE MEETING ONLINE**

Meeting video and audio will be livestreamed, and the recording available after the meeting, on the DSL YouTube Channel: [www.youtube.com/@oregonstatelands](https://www.youtube.com/@oregonstatelands)

### **ATTEND IN-PERSON**

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.

### **PROVIDE PUBLIC TESTIMONY**

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

- **Providing Written Testimony:** Testimony received by 10 a.m. on the Monday before the meeting will be provided to the Land Board in advance and posted on the meeting website. Submit your input in writing to: [landboard.testimony@dsl.oregon.gov](mailto:landboard.testimony@dsl.oregon.gov). 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:** Advanced sign-up is required for the public to provide spoken testimony (in-person or by Zoom).

The sign-up deadline is 10 a.m. the day before the meeting.

**Please note:** When the number of people interested in speaking exceeds the time allotted for an agenda item, speakers are randomly selected for testimony slots to ensure all have an equal opportunity to testify. Speakers have the same chance of being randomly selected whether they plan to testify in person or by Zoom. The testimony order will be posted to the State Land Board Meetings webpage the day before the meeting, and everyone who signed up to testify will be notified of the testimony order via email. Be aware there may not be time for everyone who signs up to speak.

### **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.
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## State Land Board

Tina Kotek

Governor

The State Land Board (Land Board or Board) met in regular session on December 10, 2024, 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.

LaVonne Griffin-Valade

Secretary of State

### Present were:

Tina Kotek

Tobias Read

LaVonne Griffin-Valade

Governor

State Treasurer – Virtual

Secretary of State

Tobias Read

State Treasurer

### Land Board Assistants

Geoff Huntington

Jessica Ventura

Jessica Howell

Governor's Office

Secretary of State's Office

State Treasurer's Office

### Department Staff

Vicki Walker

Arin Smith

Ted Bright

Bill Ryan

Jean Straight

Ellie Forness

Ali Ryan Hansen

Katrina Scotto di Carlo

Linda Safina-Massey

### Department of Justice

Matt DeVore

Governor Kotek called the meeting to order at 10:05 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: [December 10, 2024, Land Board Meeting](#)

### **Consent Items**

#### **1. Minutes**

Secretary Griffin-Valade made a motion to approve the minutes for the October 15, 2024, Land Board meeting.

Treasurer Read seconded the motion.

The item was approved at 10:06 a.m. without objection.



## **ACTION ITEMS**

### **2. Request for approval to a. permanently adopt new rules in OAR 141-126: Authorizing Communication Site Facilities on State-Owned Land and b. Amended rules in OAR 141-125: Authorizing Special Uses on State-Owned Land**

Director Walker gave an overview of item 2a and a slide was shared to show the locations of the sites.

The Department recommended that the Land Board adopt proposed rule, OAR 141-126, Administrative Rules for authorizing communication site facilities on state-owned land. If adopted, the proposed rules will go into effect immediately upon filing. It is anticipated the rules will be filed prior to January 1, 2025.

Treasurer Read asked why the rulemaking process took so long. Director Walker introduced Real Property Manager, Amber McKernan, who joined the meeting virtually, to answer the question. Amber stated that many things contributed to the long timeline, including lack of staff, and length and depth of public comments that were received in 2022 which required a significant amount of research and revisions to the rules, followed by another public comment period.

He then asked if there will be a regular schedule for reviewing fees going forward. Ms. McKernan responded that the fees in rule are set, and any changes would require additional rulemaking. Director Walker then stated that rules are required to be reviewed every 5 years and rate studies are done at that time. He then asked if there will be new sites to help with the increased need for leases. Mr. McKernan stated that yes, there is an increased need, and DSL is actively working to help with that.

Governor Kotek asked if the rates are locked in for the full 10-year lease. Ms. McKernan stated she believed there is an automatic 3% annual increase built into the lease Plus the CPI. Director Walker noted the terms under ORS 141-126-01510 (4) and (5).

Secretary Griffin-Valade made a motion to approve the action item.

Treasurer Read seconded the motion.

The item was approved at 10:32 a.m. without objection.

Director Walker then gave an overview of item 2b. and recommended that the Land Board adopt amended rules in OAR 141-125: authorizing special uses on state-owned land.

Secretary Griffin-Valade made a motion to approve the action item.

Treasurer Read seconded the motion.

The item was approved at 10:35 a.m. without objection.

## **INFORMATIONAL ITEMS**

### **3. Common School Fund Annual Report**

Director Walker introduced Jamie McCreary and Louise Howard from Oregon State Treasury to present the report.

Treasury staff presented the annual report and provided the Board with a year-end summary for Fiscal Year 2024.

Governor Kotek and Treasurer Read thanked the team at Treasury for their work with the Common School Fund and this report.

Secretary Griffin-Valade also thanked them for the clarity of the report and making it easy to understand.

### **4. Aquatic Resource Management Annual Report**

10:54 a.m.

Director Walker invited Deputy Director Bill Ryan to the table to present the report.

Deputy Director Ryan reviewed highlights of the annual report which provides summary information regarding the management of state-owned waterways for the 2024 Fiscal Year and fulfills the annual report requirements in the state's removal-fill law ORS 196-885.

Governor Kotek thanked DSL staff for their work on the report.

Treasurer Read stated that he would like to see continued efforts in protecting the Common School Fund from the cost of removing ADV's (abandoned & derelict vessels) and removal-fill fees.

Secretary Griffin-Valade thanked Deputy Director Ryan for the presentation.

Director Walker recognized staff for their continued work on the fee schedule.

### **5. Geologic Carbon Sequestration in Oregon**

11:07 a.m.

Director Walker introduced Alex Lopez with DOGAMI who was joined by colleagues Sarah Lewis and Jason McClaughry to present this report.

Governor Kotek asked for clarification of the timeline that was presented and asked when the regulatory framework is expected to go out for public comment. Ms. Lewis stated that it is up to the Federal government (EPA) to decide the timeline and it will likely take 18-24 months. Governor Kotek stated that it seems if we could have concurrent conversations that run alongside each other to speed up the timeline.

Community and Tribal engagement will be headed by DOGAMI, along with agency and other external partners.

Governor Kotek then asked how long it will take to identify Common School properties that can be used. Mr. McClaughry stated that locations will be determined by the thickness of basalt units and proximity to industrial emitters of CO2. Once the geologic data is in a digital package, they will work with private and University partners to put a preliminary geologic model together and have fact-based decisions for the locations.

Treasurer Read asked whether, based on what DOGAMI knows now, which Common School Fund Lands would be the best location? Mr. McClaughry indicated it would be in the triangle between Hermiston, Boardman and Condon. Treasurer Read encouraged DOGAMI to start early on their tribal engagement. He also asked DOGAMI to speed up the timeline if they can.

Secretary Griffin-Valade stated that language needs to be easily understood by the public and those who may resist change.

## **6. Other**

11:35 a.m.

- Budget overview and update on Governor's Recommended Budget (GRB)
- Undersea cable easement update: The Department submitted LC 289 that would give the Department rulemaking authority for application fees, renewal fees and compensation rates. A discussion was had about the timeline in the legislation and the need to move that up.
- Abandoned & Derelict Vessel Program update: Dredge Anderson, a 100-foot barge has been pulled from the waterway and is at Diversified Marine to deconstruction. The Department continues to apply for grant opportunities to help fund the program.

At the end of the meeting Governor Kotek thanked Secretary Griffin-Valade for serving on the Board and gave her a plaque as a parting gift for her final meeting.

The meeting was adjourned at 11:45 a.m.

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Tina Kotek, Governor

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Vicki L. Walker, Director

Zoom. The testimony order will be posted to the State Land Board Meetings webpage the day before the meeting, and everyone who signed up to testify will be notified of the testimony order via email. Be aware there may not be time for everyone who signs up to speak.

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## State Land Board

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## State Land Board

**Regular Meeting  
February 11, 2025  
Agenda Item 2**

Tobias Read

Secretary of State

Elizabeth Steiner

State Treasurer

### **SUBJECT**

Administrative rulemaking governing the establishment and management of marine reserves and marine protected areas in Oregon's territorial sea.

### **ISSUE**

Whether the State Land Board should adopt updated administrative rules in OAR 141-142 to formally incorporate new rocky habitat designations in conformance with Part III of Oregon's Territorial Sea Plan.

### **AUTHORITY**

Oregon Constitution, Article VIII, Section 5, specifies that the State Land Board is responsible for managing lands placed under their jurisdiction by law.

ORS 273.045; authorizing the Department of State Lands (the Department) to exercise the administrative functions of the State Land Board.

### **BACKGROUND**

On August 13, 2024, the State Land Board authorized the Department to initiate rulemaking for OAR 141-142, rules governing the establishment and management of marine reserves and marine protected areas in Oregon's territorial sea.

Oregon's marine rocky habitats are integral to the unique landscape and seascape of the Oregon Coast. They provide a safe harbor for a variety of species that have uniquely adapted to live on the margin between the land and sea. The living resources found in rocky habitats include fish, invertebrates, and plant life, particularly in the intertidal areas, as well as seabirds and seals that use adjacent cliffs and offshore rocks

for shelter, feeding, and reproduction. Below the surface, rocky habitats offer stable footing for structure-forming marine plants such as kelps and seagrasses. These marine plants provide a foundation for the diverse, unique, and economically important species that live in rocky habitats.

The Territorial Sea Plan, originally published in 1994, is managed by the Ocean Policy Advisory Council (OPAC) and the Department of Land Conservation and Development (DLCD) and outlines clear policies and direction for strong, site-based management and the protection of unique ecosystems along the Oregon Coast. Part III of the Territorial Sea Plan outlines the state's Rocky Habitat Management Strategy and includes classifications such as marine gardens, habitat refuges, and research and conservation areas.

The Department is following through on a responsibility to amend OAR 141-142 with the updated designations of rocky habitat sites (see Appendix D), in conformance with the community-informed work completed by OPAC and DLCD in updating Part III of the Territorial Sea Plan.

## **PUBLIC INVOLVEMENT**

After a 3-year public review process, an updated Part Three of the Territorial Sea Plan was adopted in April 2023 which resulted in new rocky habitat designations and new areas designated as marine gardens and conservation and protected areas. This public process directed several outcomes, including rulemaking required by the Department, the Oregon Department of Fish and Wildlife, and the Oregon Parks and Recreation Department.

### ***Public Review and Comment Period***

A Notice of Proposed Rulemaking (Appendix B) was filed with the Secretary of State's office on October 1, 2024. A public review and comment period was held from October 1 - October 31, 2024. The Department emailed a public notice to inform interested parties and stakeholders, as well as notified Senate President Rob Wagner and House Speaker Julie Fahey of the proposed rulemaking. All information (statements, draft rules, and comment form) was posted to the DSL website:

<https://www.oregon.gov/dsl/Pages/rulemaking.aspx>

In total, the Department received one comment. See Appendix C for the full comments submitted and the Department's response. A summary:

- The Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians (CTCLUSI) supports the changes, but requested that Tribal provisions of the Territorial Sea Plan also be included in a new Tribal stand-alone section of the administrative rules. The Department, after consultation with the Department of Justice, has elected to include the new provisions with some minor changes. Unfortunately, due to specifics in the rulemaking process, the Department cannot accommodate CTCLUSI's request to make a stand-alone rule. However, the

Department was able to incorporate CTCLUSI's comments as three new sections under the General Provisions rule, OAR 141-142-0020(7)-(9).

### **RECOMMENDATION**

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

### **APPENDICES**

- A. OAR 141-142 Final Rules
- B. Notice of Proposed Rulemaking including the Statement of Need and Fiscal Impact and Draft Rules
- C. Comments and DSL Responses
- D. Rocky Habitat Designation and Maps (excerpt from the Territorial Sea Plan, Part III)

Department of State Lands  
Chapter 141  
Division 142

RULES GOVERNING THE ESTABLISHMENT OF AND AUTHORIZATION OF USES IN MARINE RESERVES,  
MARINE GARDENS, MARINE CONSERVATION AREAS, MARINE PROTECTED AREAS, MARINE RESEARCH  
AREAS, AND SEABIRD PROTECTION AREAS IN THE TERRITORIAL SEA

141-142-0010  
Purpose and Applicability

This division:

- (1) Governs the State Land Board establishment and Department of State Lands management of marine reserves, marine protected areas and seabird protection areas in the Territorial Sea.
- (2) Describes uses that the department may authorize within areas designated as a marine reserve, marine protected area, or seabird protection area.
- (3) Identifies areas of state-owned submerged and submersible land in the Territorial Sea that the State Land Board has designated as a marine reserve, marine garden, marine conservation area, marine protected area, marine research area, or seabird protection area.

141-142-0015  
Definitions

As used in this division, unless the context requires otherwise:

- (1) "Area" or "Protected Area" means and refers to all marine reserves, marine gardens, marine conservation areas, marine research areas, marine protected areas, and seabird protection areas.
- (2) "Authorization" means a lease, registration, short-term access authorization, temporary use authorization, public facility license, easement or other authorization the department grants that allows a person to use, or place a structure in, on, under or over state-owned submerged land, state-owned submersible land, or both in the Territorial Sea.
- (3) "Department" means the Department of State Lands.
- (4) "Disturbance" means the extraction of living organisms and non-living materials, or human induced changes to the environment.
- (5) "Extractive Activity" means any human effort to remove or attempt to remove any living or non-living marine resource.
- (6) "Extreme Low Water" or "ELWL" means the lowest elevation reached by the sea as recorded by a water level gauge during a given period. Extreme low water is generally seaward of the "line of ordinary low water" as defined in ORS 274.005(3).



(7) “Marine Conservation Area” are areas within Oregon’s territorial sea or adjacent rocky intertidal area with relatively intact ecosystems with high ecological value. These areas are managed to preserve the natural system to the highest degree possible by limiting adverse impacts to habitat and wildlife.

(8) “Marine Garden” or “Marine Education Area” means any area within Oregon’s territorial sea or adjacent rocky intertidal area that has been reserved by the state to provide enhanced education, enjoyment, public access, and resource awareness. These sites are characterized by their high public visitation and educational potential.

(9) “Marine Protected Area” means any area of the marine environment within Oregon’s territorial sea that has been reserved by the state to provide lasting protection for part or all of the natural and cultural resources therein.

(10) “Marine Research Area” means any area within Oregon’s territorial sea or adjacent rocky intertidal area that has been reserved by the state to support scientific research and monitoring while maintaining ecological integrity. These sites have relatively intact ecosystems that have or may benefit from scientific research.

(11) “Marine Reserve” is an area within Oregon's territorial sea or adjacent rocky intertidal area that is protected from all extractive activities, including the removal or disturbance of living and non-living marine resources, except as necessary for monitoring or research to evaluate reserve condition, effectiveness, or impact of stressors.

(12) “Mean High Water” or “MHWL” is a tidal datum. It is the average of all the high water heights observed over the National Tidal Datum Epoch. For stations with shorter series, comparison of simultaneous observations with a control tide station is made in order to derive the equivalent datum of the National Tidal Datum Epoch. For purposes of the department’s jurisdiction, Mean High Water corresponds generally with the “line of ordinary high water” as defined in ORS 274.005(3).

(13) “National Tidal Datum Epoch” means the specific 19-year period adopted by the National Ocean Service as the official time segment over which tide observations are taken and reduced to obtain mean values (e.g., mean lower low water, etc.) for tidal datums. It is necessary for standardization because of periodic and apparent secular trends in sea level. The present National Tide Datum Epoch is 1983 through 2001 and is actively considered for revision every 20-25 years. Tidal datums in certain regions with anomalous sea level changes are calculated on a Modified 5-Year Epoch.

(14) “Removal-Fill Permit” means an authorization granted by the department governing the removal, fill, alteration, or any combination thereof of material within the waters of the State of Oregon as provided in ORS 196.668 to 196.692 and ORS 196.800 to 196.990.

(15) “Seabird Protection Area” is an area within Oregon’s Territorial Sea that has been reserved by the state for the protection of seabirds.

(16) “State Land” as provided in ORS 273.006(8) means public land controlled by the department.

(17) “Structure” means anything placed, constructed, or erected in, on, under or over state-owned submerged and submersible land.

(18) “Submerged Land” as provided in ORS 274.005(7), means lands lying below the line of ordinary low water of all navigable waters within the boundaries of this state as heretofore or hereafter established, whether such waters are tidal or nontidal, except as provided in 274.705.

(19) “Submersible Land” as provided in ORS 274.005(8), means lands lying between the line of ordinary high water and the line of ordinary low water of all navigable waters and all islands, shore lands or other such lands held by or granted to this state by virtue of her sovereignty, wherever applicable, within the boundaries of this state as heretofore or hereafter established, whether such waters or lands are tidal or nontidal, except as provided in 274.705.

(20) “Territorial Sea” as provided in ORS 196.405(5), means the waters and seabed extending three nautical/geographical miles seaward from the coastline in conformance with federal law.

(21) “Territorial Sea Plan” as provided in ORS 196.405(6), means the plan for Oregon’s Territorial Sea. In addition to the Territorial Sea as defined in section (15), the scope of the Territorial Sea Plan includes the “ocean shore” as defined in 390.605.

#### 141-142-0020

##### General Provisions

(1) The department will only grant an authorization or a removal-fill permit for a regulated removal-fill activity if the use, or removal, fill or alteration of material is necessary to study, monitor, evaluate, enforce or protect or otherwise further the studying, monitoring, enforcement and protection of the marine reserve, marine garden, marine conservation area, marine protected area, marine research area, or seabird protection area.

(2) Applicants for an authorization within a marine reserve, marine garden, marine conservation area, marine protected area, marine research area, or seabird protection area must provide evidence suitable to the department and other reviewing agencies that their proposed use meets the requirements of OAR 141-142-0020(1) and the management plan adopted and in force for the area at the time the application is submitted.

(3) The department will honor the terms and conditions of any valid authorization (including any provisions providing for a right of renewal) previously granted by the department for a use existing within an area designated as a marine reserve, marine garden, marine conservation area, marine protected area, marine research area, or seabird protection area at the time of its designation if the holder of the authorization is, and continues to be in full compliance with the terms and conditions of the authorization.

(4) The department will condition any authorization to use or place a structure on, in or over state-owned submerged and submersible land in an area designated as a marine reserve, marine garden, marine conservation area, marine protected area, marine research area, or seabird protection area to require that the holder receive all other authorizations required by the department (such as a Removal-Fill Authorization under ORS 196.800 to 196.990) and other local, state, and federal entities before using the area.

(5) Any person applying to the department for an authorization to place any structure on, in or over state-owned submerged and submersible land in an area designated as a marine reserve, marine garden,

marine conservation area, marine research area, marine protected area, or seabird protection area must describe in the application how they will remove the structure pursuant to the requirements of the Territorial Sea Plan.

(6) Notwithstanding the provisions of ORS 274.885 to 274.895, no person may harvest or remove any kelp or other seaweed for any purpose within an area designated as a marine reserve or marine protected area unless expressly authorized by the department to do so in order to study, monitor, evaluate, enforce or otherwise further the purpose of the marine reserve, marine garden, marine conservation area, marine protected area, marine research area, or seabird protection area.

(7) These rules are not intended to affect consent decrees or other agreements between the State of Oregon and any Oregon federally recognized Tribe, nor are these rules intended to change any state agency policy recognizing Tribal rights in rocky habitat areas.

(8) The department shall provide all affected Oregon federally recognized Tribes the opportunity for consultation regarding any department action, including the planning, taking place in the rocky habitat areas.

(9) The department shall make good faith efforts to avoid, minimize or mitigate impacts to cultural resources or historic properties in rocky habitats as determined by the State Historic Preservation Office or Tribal Historic Preservation Office. The department shall consult with affected Oregon federally recognized Tribes as appropriate.

#### 141-142-0025

Establishing a Marine Reserve, Marine Garden, Marine Conservation Area, Marine Protected Area, Marine Research Area, and Seabird Protection Area

In order to be established, marine reserves, marine gardens, marine conservation areas, marine protected areas, marine research area, and seabird protection areas must be approved by the adoption of an amendment to this division by the State Land Board.

#### 141-142-0030

Otter Rock Marine Reserve

(1) All state-owned submerged and submersible land bounded by the following points is within the Otter Rock Marine Reserve:

(a) Beginning from a point at Latitude 44° 45.17' (44° 45' 10" N), Longitude -124° 3.86' (124° 3' 52" W) (Point A);

(b) Then following the MHWL south to Latitude 44° 43.31' (44° 45' 10.5" N), Longitude -124° 3.66' (124° 3' 51.5" W) (Point B);

(c) Then west to Latitude 44° 43.31' (44° 44' 47.6" N), Longitude -124° 4.2' (124° 4' 12" W) (Point C);

(d) Then north to Latitude 44° 45.17' (44° 45' 10" N), Longitude -124° 4.53' (124° 4' 32" W) (Point D);

(e) Then in an easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0035

Redfish Rocks Marine Reserve

(1) All state-owned submerged and submersible land bounded by the following points is within the Redfish Rocks Marine Reserve:

(a) Beginning from a point at Latitude 42° 42.96' (42° 42' 57.6" N), Longitude -124° 27.78' (124° 27' 46.8" W) (Point A);

(b) Then south along MHWL to Latitude 42° 41.52' (42° 41' 31.2" N), Longitude -124° 27.18' (124° 27' 10.8" W) (Point B);

(c) Then west to Latitude 42° 41.16' (42° 41' 9.6" N), Longitude -124° 28.86' (124° 28' 51.6" W) (Point C);

(d) Then north to Latitude 42° 42.54' (42° 42' 32.4" N), Longitude -124° 29.64' (124° 29' 38.4" W) (Point D);

(e) Then in an easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0040

Redfish Rocks Marine Protected Area

(1) All state-owned submerged and submersible land bounded by the following points is within the Redfish Rocks Marine Protected Area:

(a) Beginning from a point at Latitude 42° 41.16' (42° 41' 9.6" N), Longitude -124° 28.86' (124° 28' 51.6" W) (Point A);

(b) Then north to Latitude 42° 42.54' (42° 42' 32.4" N), Longitude -124° 29.64' (124° 29' 38.4" W) (Point B);

(c) Then west to Latitude 42° 41.90' (42° 41' 54" N), Longitude -124° 32.50' (124° 32' 30" W) (Point C);

(d) Then south to Latitude 42° 40.25' (42° 40' 15" N), Longitude -124° 32.50' (124° 32' 30" W) (Point D);

(e) Then in an easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0045

Cape Perpetua Marine Reserve

(1) All state-owned submerged and submersible land bounded by the following points is within the Cape Perpetua Marine Reserve:

(a) Beginning from a point at Latitude 44° 17.00' (44° 17' 0" N), Longitude -124° 6.73' (124° 6' 42" W) (Point A);

(b) Then south along the ELWL to Latitude 44° 13.50' (44° 13' 30" N), Longitude -124° 6.74' (124° 6' 44.4" W) (Point B);

(c) Then west to Latitude 44° 13.50' (44° 13' 30" N), Longitude -124° 11.00' (124° 11' 0" W) (Point C);

(d) Then north to Latitude 44° 17.00' (44° 17' 0" N), Longitude -124° 11.00' (124° 11' 0" W) (Point D);

(e) Then in a generally easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0050

Cape Perpetua North Marine Protected Area

(1) All state-owned submerged and submersible land bounded by the following points is within the Cape Perpetua North Marine Protected Area:

(a) Beginning from a point at Latitude 44° 17.00' (44° 17' 0" N), Longitude -124° 6.73' (124° 6' 22.2" W) (Point A);

(b) Then west to Latitude 44° 17.00' (44° 17' 0" N), Longitude -124° 10.50' (124° 10' 30" W) (Point B);

(c) Then north to Latitude 44° 20.00' (44° 20' 0" N), Longitude -124° 10.50' (124° 10' 30" W) (Point C);

(d) Then east to Latitude 44° 20.00' (44° 20' 0" N), Longitude -124° 6.04' (124° 6' 2.4" W) (Point D);

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0055

Cape Perpetua South-East Marine Protected Area

(1) All state-owned submerged and submersible land bounded by the following points is within the Cape Perpetua South East Marine Protected Area:

(a) Beginning from a point at Latitude 44° 13.50' (44° 13' 30" N), Longitude -124° 6.74' (124° 6' 44.4" W) (Point A);

(b) Then south along the ELWL to Latitude 44° 5.75' (44° 5' 45" N), Longitude -124° 7.53' (124° 7' 31.8" W) (Point B);

(c) Then west to Latitude 44° 5.75' (44° 5' 45" N), Longitude -124° 8.60' (124° 8' 36" W) (Point C);

(d) Then north to Latitude 44° 13.50' (44° 13' 30" N), Longitude -124° 8.00' (124° 8' 0" W) (Point D);

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0060

Cape Perpetua Seabird Protection Area

(1) All state-owned submerged and submersible land bounded by the following points is within the Cape Perpetua Seabird Protection Area:

(a) Beginning from a point at Latitude 44° 13.50' (44° 13' 30" N), Longitude -124° 11.00' (124° 11' 0" W) (Point A);

(b) Then south to Latitude 44° 5.75' (44° 5' 45" N), Longitude -124° 11.62' (124° 11' 37.2" W) (Point B);

(c) Then east to Latitude 44° 5.75' (44° 5' 45" N), Longitude -124° 8.60' (124° 8' 36" W) (Point C);

(d) Then north to Latitude 44° 13.50' (44° 13' 30" N), Longitude -124° 8.00' (124° 8' 0" W) (Point D);

(e) Then in a westerly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0065

Cascade Head Marine Reserve

(1) All state-owned submerged and submersible land bounded by the following points is within the Cascade Head Marine Reserve:

(a) Beginning from a point at Latitude 45° 2.00' (45° 2' 0" N), Longitude -124° 0.52' (124° 0' 31.2" W) (Point A);

(b) Then south along the MHWL to Latitude  $44^{\circ} 59.25'$  ( $44^{\circ} 59' 15''$  N), Longitude  $-124^{\circ} 0.89'$  ( $124^{\circ} 0' 53.4''$  W) (Point B);

(c) Then west to Latitude  $44^{\circ} 59.25'$  ( $44^{\circ} 59' 15''$  N), Longitude  $-124^{\circ} 4.50'$  ( $124^{\circ} 4' 30''$  W) (Point C);

(d) Then north to Latitude  $45^{\circ} 2.00'$  ( $45^{\circ} 2' 0''$  N), Longitude  $-124^{\circ} 4.50'$  ( $124^{\circ} 4' 30''$  W) (Point D);

(e) Then in an easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0070

Cascade Head North Marine Protected Area

(1) All state-owned submerged and submersible land bounded by the following points is within the Cascade Head North Marine Protected Area:

(a) Beginning from a point at Latitude  $45^{\circ} 2.00'$  ( $45^{\circ} 2' 0''$  N), Longitude  $-124^{\circ} 5.00'$  ( $124^{\circ} 5' 0''$  W) (Point A);

(b) Then north to Latitude  $45^{\circ} 5.00'$  ( $45^{\circ} 5' 0''$  N), Longitude  $-124^{\circ} 5.00'$  ( $124^{\circ} 5' 0''$  W) (Point B);

(c) Then east to Latitude  $45^{\circ} 5.00'$  ( $45^{\circ} 5' 0''$  N), Longitude  $-124^{\circ} 0.40'$  ( $124^{\circ} 0' 24''$  W) (Point C);

(d) Then south along the MHWL to Latitude  $45^{\circ} 2.00'$  ( $45^{\circ} 2' 0''$  N), Longitude  $-124^{\circ} 0.52'$  ( $124^{\circ} 0' 31.2''$  W) (Point D);

(f) Then in a westerly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0075

Cascade Head South Marine Protected Area

(1) All state-owned submerged and submersible land bounded by the following points is within the Cascade Head South Marine Protected Area:

(a) Beginning from a point at Latitude  $44^{\circ} 56.50'$  ( $45^{\circ} 56' 30''$  N), Longitude  $-124^{\circ} 1.47'$  ( $124^{\circ} 1' 28.2''$  W) (Point A);

(b) Then west to Latitude  $44^{\circ} 56.50'$  ( $45^{\circ} 56' 30''$  N), Longitude  $-124^{\circ} 5.00'$  ( $124^{\circ} 5' 0''$  W) (Point B);

(c) Then south to Latitude  $44^{\circ} 59.25'$  ( $44^{\circ} 59' 15''$  N), Longitude  $-124^{\circ} 5.00'$  ( $124^{\circ} 5' 0''$  W) (Point C);

(d) Then east to Latitude 44° 59.25' (44° 59' 15" N), Longitude -124° 0.89' (124° 0' 53" W) (Point D);

(e) Then in a southerly direction along the MHWL back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0080

Cascade Head West Marine Protected Area

(1) All state-owned submerged and submersible land bounded by the following points is within the Cascade Head West Marine Protected Area:

(a) Beginning from a point at Latitude 45° 2.00' (45° 2' 0" N), Longitude -124° 5.00' (124° 5' 0" W) (Point A);

(b) Then south to Latitude 44° 59.25' (44° 59' 15" N), Longitude -124° 5.00' (124° 5' 0" W) (Point B);

(c) Then east to Latitude 44° 59.25' (44° 59' 15" N), Longitude -124° 0.89' (124° 5' 0" W) (Point C);

(d) Then north along the MHWL to Latitude 45° 2.00' (45° 2' 0" N), Longitude -124° 0.52' (124° 0' 31" W) (Point D);

(e) Then in a westerly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0085

Cape Falcon Marine Reserve

(1) All state-owned submerged and submersible land bounded by the following points is within the Cape Falcon Marine Reserve:

(a) Beginning from a point at Latitude 45° 48.00' (45° 48' 0" N), Longitude -123° 58.10' (123° 58' 6" W) (Point A);

(b) Then south along the MHWL to Latitude 45° 46.80' (45° 46' 48" N), Longitude -123° 58.17' (123° 58' 10.2" W) (Point B);

(c) Then south continuing along the MHWL to Latitude 45° 44.00' (45° 44' 0" N), Longitude -123° 56.77' (123° 56' 46.2" W) (Point C);

(d) Then west to Latitude 45° 44.00' (44° 44' 0" N), Longitude -124° 1.50' (124° 1' 30" W) (Point D);

(e) Then north to Latitude 45° 48.00' (45° 48' 0" N), Longitude -124° 1.50' (124° 1' 30" W) (Point E);



(f) Then in an easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0090

Cape Falcon West Marine Protected Area

(1) All state-owned submerged and submersible land bounded by the following points is within the Cape Falcon West Marine Protected Area:

(a) Beginning from a point at Latitude 45° 48.00' (45° 48' 0" N), Longitude -124° 1.50' (124° 1' 30" W) (Point A);

(b) Then south to Latitude 45° 44.00' (45° 44' 0" N), Longitude -124° 1.50' (124° 1' 30" W) (Point B);

(c) Then west to Latitude 45° 44.00' (45° 44' 0" N), Longitude -124° 3.19' (124° 3' 11.4" W) (Point C);

(d) Then northwest to Latitude 45° 44.31' (44° 44' 18.6" N), Longitude -124° 3.50' (124° 3' 30" W) (Point D);

(e) Then north to Latitude 45° 48.00' (45° 48' 0" N), Longitude -124° 3.50' (124° 3' 30" W) (Point E);

(f) Then in an easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0095

Cape Falcon Shoreside Marine Protected Area

(1) All state-owned submerged and submersible land bounded by the following points is within the Cape Falcon Shoreside Marine Protected Area:

(a) Beginning from a point at Latitude 45° 48.00' (45° 48' 0" N), Longitude -123° 58.10' (123° 58' 6" W) (Point A);

(b) Then south along the ELWL to Latitude 45° 46.80' (45° 46' 48" N), Longitude -123° 58.17' (123° 58' 10.2" W) (Point B);

(c) Then west to a point at Latitude 45° 46.79' (45° 46' 47" N), Longitude -123° 58.37' (123° 58' 22" W) (Point C);

(d) Then north to a point at Latitude 45° 48.00 (45° 48' 0" N), Longitude -123° 58.25' (123° 58' 15" W) (Point D);

(e) Then in an easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0100

Blacklock Point Marine Conservation Area

All state-owned submerged and submersible land in the coastal area of Floras Lake State Natural Area between Langlois and Port Orford is within the Blacklock Point Marine Conservation Area.

141-142-0105

Boiler Bay Marine Research Area

All state-owned submerged and submersible land in the intertidal area between the mouth of Fogarty Creek and the westernmost tip of Government Point at Boiler Bay State Wayside is within the Boiler Bay Marine Research Area.

141-142-0110

Brookings Marine Research Area I

All state-owned submerged and submersible land in the intertidal area between a point 1/2 mile north of Harris Beach State Park and the mouth of the Chetco River, except the area within the Harris Beach Marine Garden, is within the Brookings Marine Research Area.

141-142-0115

Cape Arago Marine Research Area A

All state-owned submerged and submersible land between a line projected due west from Cape Arago lighthouse and the southern tip of Norton Gulch is within the Cape Arago Marine Research Area A.

141-142-0120

Cape Arago Marine Research Area B

All state-owned submerged and submersible land between the southern tip of Norton Gulch and Simpson Reef Overlook is within the Cape Arago Marine Research Area B.

141-142-0125

Cape Arago Marine Research Area C

All state-owned submerged and submersible land between Simpson Reef Overlook and a point  $\frac{3}{4}$  of a mile south of Cape Arago State Park is within the Cape Arago Marine Research Area C.

141-142-0130

Cape Blanco Marine Research Area

All state-owned submerged and submersible land in the intertidal area along the north and south sides of Cape Blanco extending seaward to encompass all rock along the headland up to the sand beaches of the north and south sides of the cape is within the Cape Blanco Marine Research Area.

141-142-0135

Cape Foulweather Complex Marine Conservation Area

All state-owned submerged and submersible land starting 12 miles north of Newport and extending to 1.5 miles south of Depoe Bay, encompassing 1.9 miles of shoreline, is within the Cape Foulweather Complex Marine Conservation Area.

141-142-0140

Cape Kiwanda Marine Garden

All state-owned submerged and submersible land in the intertidal area between the north and south sides of Cape Kiwanda, including the rocky areas abutting the sand beaches on the north and south sides of the headland, is within the Cape Kiwanda Marine Garden.

141-142-0145

Cape Lookout Marine Conservation Area

All state-owned submerged and submersible land beginning from the west-facing sand beach 880 yards north of Rover Creek and extending west along the Cape's south flank, around the tip, then east along the north flank for 1,425 yards is within the Cape Lookout Marine Conservation Area.

141-142-0150

Chapman Point Marine Garden

All state-owned submerged and submersible land encompassing the shoreline around Chapman Pt, extending 194 yards north and 211 yards south of the tip of Chapman Pt (perpendicular to West 7th St. beach access), and extending out seaward to 405 yards from the tip of Chapman Pt is within the Chapman Point Marine Garden.

141-142-0155

Coquille Point Marine Garden

All state-owned submerged and submersible land in the intertidal area between a line perpendicular to the shore from the 8<sup>th</sup> St. beach access point and a line perpendicular to shore from the Coquille Point beach access staircase is within the Coquille Point Marine Garden.

141-142-0160

Ecola Point Marine Conservation Area

All state-owned submerged and submersible land encompassing the shoreline and ocean along the headland from 194 yards northeast of the tip of Bald Point to 176 yards north of Waterfall Creek to the south, including all beaches and nearshore rocks within the two lines, is within the Ecola Point Marine Conservation Area.

141-142-0165

Fogarty Creek Marine Conservation Area

(1) All state-owned submerged and submersible land further described below is within the Fogarty Creek Marine Conservation Area:

(a) The intertidal and subtidal zones between the southern flank of Fishing Rock and the southern flank of the rocky platform located 180 yards south of Fogarty Creek.

(b) The seaward boundary line of Fogarty Creek Marine Conservation Area extends to a point at Latitude 44° 50.405' (44° 50' 24" N), Longitude - 124° 03.478' (124° 3' 29" W) (Point A);

(c) Then northeast to a point at Latitude 44° 50.782' (44° 50' 47" N), Longitude - 124° 03.208' (124° 3' 12" W).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0170

Gregory Point Marine Research Area

(1) All state-owned submerged and submersible land bounded by the following points is within the Gregory Point Marine Research Area:

(a) Beginning from a point at Latitude 43° 20.312' (43° 20' 19" N), Longitude -124° 22.838' (124° 22' 50" W) (Point A);

(b) Then northwest to a point at Latitude 43° 20.598' (43° 20' 36" N), Longitude -124° 22.895' (124° 22' 54" W) (Point B);

(c) Then east to a point at Latitude 43° 20.650' (43° 20' 39" N), Longitude -124° 22.637' (124° 22' 38" W) (Point C);

(d) Then southeast along the MHWL to Latitude  $43^{\circ} 20.402'$  ( $43^{\circ} 20' 24''$  N), Longitude  $-124^{\circ} 22.545'$  ( $124^{\circ} 22' 33''$  W) (Point D);

(e) Then in a southwesterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0175

Harris Beach Marine Garden

All state-owned submerged and submersible land between a line perpendicular to shore from the Harris Beach State Park beach access parking area and a line perpendicular to shore from the road entrance to Harris Beach State Park off Highway 101 is within the Harris Beach Marine Garden.

141-142-0180

Haystack Rock Marine Garden

All state-owned submerged and submersible land within a 300-yard radius around the base of Haystack Rock (Cannon Beach), including all tidepools and beaches between extreme high and low tides, is within the Haystack Rock Marine Garden.

141-142-0185

Neptune State Park Marine Research Area

All state-owned submerged and submersible land in the intertidal area between the northerly and southerly boundaries of Neptune State Park is within the Neptune State Park Marine Research Area.

141-142-0190

Pirate Cove Marine Research Area

(1) All state-owned submerged and submersible land East of a line drawn across the mouth of Pirate Cove, and defined by the following points is within the Pirate Cove Marine Research Area:

(a) Beginning from a point at Latitude  $44^{\circ} 49.083'$  ( $44^{\circ} 49' 5''$  N), Longitude  $-124^{\circ} 04.035'$  ( $124^{\circ} 4' 2''$  W) (Point A);

(b) Then to north a point at Latitude  $44^{\circ} 49.146'$  ( $44^{\circ} 49' 9''$  N), Longitude  $-124^{\circ} 04.060'$  ( $124^{\circ} 4' 4''$  W) (Point B).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0195

Whale Cove Marine Conservation Area

(1) All state-owned submerged and submersible land East of a line drawn across the mouth of Whale Cove, and defined by the following points, is within the Whale Cove Marine Conservation Area:

(a) Beginning from a point at Latitude 44° 47.237' (44° 47' 14" N), Longitude -124° 04.298' (124° 4' 18" W) (Point A);

(b) Then north to a point at Latitude 44° 47.367' (44° 47' 22" N), Longitude -124° 04.32' (124° 4' 19" W) (Point B).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

141-142-0200

Yachats Marine Garden

All state-owned submerged and submersible land in the intertidal area between the north and south boundaries of Yachats State Park is within the Yachats Marine Garden.

141-142-0205

Yaquina Head Marine Garden

All state-owned submerged and submersible land in the intertidal area along the north and south sides of Yaquina Head, including rocky areas abutting the sandy beaches along the headland, is within the Yaquina Head Marine Garden.

141-142-0210

Otter Rock Marine Garden

All state-owned submerged and submersible land in the intertidal area between the highest point at Cape Foulweather and Devils Punchbowl is within the Otter Rock Marine Garden.

141-142-0215

Cape Perpetua Marine Garden

All state-owned submerged and submersible land in the intertidal area between the north side of Devils Churn and the north boundary of Neptune State Park is within the Cape Perpetua Marine Garden.

OFFICE OF THE SECRETARY OF STATE  
LAVONNE GRIFFIN-VALADE  
SECRETARY OF STATE

CHERYL MYERS  
DEPUTY SECRETARY OF STATE  
AND TRIBAL LIAISON



## APPENDIX B

ARCHIVES DIVISION  
STEPHANIE CLARK  
DIRECTOR

800 SUMMER STREET NE  
SALEM, OR 97310  
503-373-0701

### **NOTICE OF PROPOSED RULEMAKING** INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 141

**DEPARTMENT OF STATE LANDS**

**FILED**

09/30/2024 1:21 PM  
ARCHIVES DIVISION  
SECRETARY OF STATE

**FILING CAPTION:** Updating the division to align the division with Part Three of the Territorial Sea Plan.

**LAST DAY AND TIME TO OFFER COMMENT TO AGENCY:** 10/31/2024 5:00 PM

*The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.*

*A public rulemaking hearing may be requested in writing by 10 or more people, or by a group with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date the Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.*

**CONTACT:** Danielle Boudreaux  
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Suite 100  
Salem, OR 97301

**Filed By:**  
Danielle Boudreaux  
Rules Coordinator

### **NEED FOR THE RULE(S)**

Part Three of Oregon's Territorial Sea Plan outlines the state's Rocky Habitat Management Strategy. Originally published in 1994, the Territorial Sea Plan is managed by the Land Conservation and Development Commission (LCDC) and the Department of Land Conservation and Development (DLCD), with review and input of the Ocean Policy Advisory Council (OPAC) and its Rocky Habitat Working Group (RHWG) subcommittee. It outlines clear policies and direction for strong, site-based management and the protection of unique ecosystems along the Oregon Coast. This includes classifications such as marine gardens, habitat refuges, and research and conservation areas. After a 3-year process, an updated Part Three of the Territorial Sea Plan was adopted in April 2023.

Oregon's marine rocky habitats are integral to the unique landscape and seascape of the Oregon Coast. They provide a safe harbor for a variety of species that have uniquely adapted to live on the margin between the land and sea. The living resources found in rocky habitats include fish, invertebrates, and plant life, particularly in the intertidal areas, as well as seabirds and seals that use adjacent cliffs and offshore rocks for shelter, feeding, and reproduction. Below the surface, rocky habitats offer stable footing for structure-forming marine plants such as kelps and seagrasses. These marine plants provide a foundation for the diverse, unique, and economically important species that live in rocky habitats.

The Department of State Lands' administrative rules in OAR 141-142 have not been updated since 2012, and rulemaking is needed to align rules with the updated Plan and protected areas.

### **DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE**

Statewide Land Use Planning Goal 19: Ocean Resources

<https://www.oregon.gov/lcd/OP/Documents/goal19.pdf>

Oregon Territorial Sea Plan: Part Three, Rocky Habitat Management Strategy

[https://www.oregon.gov/lcd/OCMP/SiteAssets/Pages/Territorial-Sea-Plan/TSP3\\_RHMS\\_April202023.pdf](https://www.oregon.gov/lcd/OCMP/SiteAssets/Pages/Territorial-Sea-Plan/TSP3_RHMS_April202023.pdf)

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STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The administrative rules do not have any known direct impacts on racial equity.

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FISCAL AND ECONOMIC IMPACT:

None identified.

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COST OF COMPLIANCE:

*(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).*

(1) Oregon Department of Fish and Wildlife, Oregon Parks and Recreation Department, and Oregon Department of Land Conservation and Development have all completed the rulemaking process required to implement the adopted changes to Part Three of the TSP. DSL is initiating rulemaking as a final step in the process and does not see any additional cost of compliance for other state agencies, units of local government, or members of the public.

(2)(a) The department has not identified any small business subject to these rules.

(2)(b) Small businesses will not be expected to perform additional record keeping, administrative activities, or incur additional costs as a requirement to comply with these rules.

(2)(c) Small businesses are not expected to incur costs associated with professional services, equipment supplies, labor or increased administration to comply with these rules.

---

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

While small businesses were not directly involved in the drafting of the proposed rulemaking, they were involved in the review of the site designations and public comment process for Part Three of the Territorial Sea Plan.

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WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The proposed rule language conforms to Part Three of the Territorial Sea Plan which went through a public comment process. The rules identify the geographical locations of protected marine areas.

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RULES PROPOSED:

141-142-0010, 141-142-0015, 141-142-0020, 141-142-0025, 141-142-0030, 141-142-0035, 141-142-0040, 141-142-0045, 141-142-0050, 141-142-0055, 141-142-0060, 141-142-0065, 141-142-0070, 141-142-0075, 141-142-0080, 141-142-0085, 141-142-0090, 141-142-0095, 141-142-0100, 141-142-0105, 141-142-0110, 141-142-0115, 141-142-0120, 141-142-0125, 141-142-0130, 141-142-0135, 141-142-0140, 141-142-0145, 141-142-0150, 141-142-0155, 141-142-0160, 141-142-0165, 141-142-0170, 141-142-0175, 141-142-0180, 141-142-0185, 141-142-0190, 141-142-0195, 141-142-0200, 141-142-0205, 141-142-0210, 141-142-0215

AMEND: 141-142-0010

RULE SUMMARY: This rule is being amended to conform with Oregon's Territorial Sea Plan Part Three.

CHANGES TO RULE:



141-142-0010

Purpose and Applicability 1

This division:

(1) Governs the State Land Board establishment and Department of State Lands (~~Department~~) management of marine reserves, marine protected areas and seabird protection areas in the Territorial Sea.

(2) Describes uses that the ~~D~~department may authorize within areas designated as a marine reserve, marine protected area, or seabird protection area.

(3) Identifies areas of state-owned submerged and submersible land in the Territorial Sea ~~managed by the Department~~ that the State Land Board has designated as a marine reserve, marine ~~protected~~garden, marine conservation area, marine protected area, marine research area, or seabird protection area.

Statutory/Other Authority: ORS ~~183, 273, 274~~ 196.555, ORS 273.045

Statutes/Other Implemented: ORS ~~847~~ 196.555, ORS 196.540

AMEND: 141-142-0015

RULE SUMMARY: This rule is being amended to conform with Oregon's Territorial Sea Plan Part Three.

CHANGES TO RULE:

141-142-0015

Definitions ~~¶~~

As used in this division, unless the context requires otherwise:

- (1) "Area" or "Protected Area" means and refers to all marine reserves, marine gardens, marine conservation areas, marine research areas, marine protected areas, and seabird protection areas.
- (2) "Authorization" means a lease, registration, short-term access authorization, temporary use authorization, public facility license, easement or other authorization the Department grants that allows a person to use, or place a structure in, on, under or over state-owned submerged land, state-owned submersible land, or both in the Territorial Sea.
- (23) "Department" means the Department of State Lands.
- (34) "Disturbance" means the extraction of living organisms and non-living materials, or human induced changes to the environment.
- (45) "Extractive Activity" means any human effort to remove or attempt to remove any living or non-living marine resource.
- (56) "Extreme Low Water" or "ELWL" means the lowest elevation reached by the sea as recorded by a water level gauge during a given period. Extreme low water is generally seaward of the "line of ordinary low water" as defined in ORS 274.005(3).
- (67) "Marine Conservation Area" are areas within Oregon's territorial sea or adjacent rocky intertidal area with relatively intact ecosystems with high ecological value. These areas are managed to preserve the natural system to the highest degree possible by limiting adverse impacts to habitat and wildlife.
- (8) "Marine Garden" or "Marine Education Area" means any area within Oregon's territorial sea or adjacent rocky intertidal area that has been reserved by the state to provide enhanced education, enjoyment, public access, and resource awareness. These sites are characterized by their high public visitation and educational potential.
- (9) "Marine Protected Area" means any area of the marine environment within Oregon's Territorial Sea that has been reserved by the state to provide lasting protection for part or all of the natural and cultural resources therein.
- (710) "Marine Research Area" means any area within Oregon's territorial sea or adjacent rocky intertidal area that has been reserved by the state to support scientific research and monitoring while maintaining ecological integrity. These sites have relatively intact ecosystems that have or may benefit from scientific research.
- (11) "Marine Reserve" is an area within Oregon's Territorial Sea or adjacent rocky intertidal area that is protected from all extractive activities, including the removal or disturbance of living and non-living marine resources, except as necessary for monitoring or research to evaluate reserve condition, effectiveness, or impact of stressors.
- (812) "Mean High Water" or "MHWL" is a tidal datum. It is the average of all the high water heights observed over the National Tidal Datum Epoch. For stations with shorter series, comparison of simultaneous observations with a control tide station is made in order to derive the equivalent datum of the National Tidal Datum Epoch. For purposes of the Department's jurisdiction, Mean High Water corresponds generally with the "line of ordinary high water" as defined in ORS 274.005(3).
- (913) "National Tidal Datum Epoch" means the specific 19-year period adopted by the National Ocean Service as the official time segment over which tide observations are taken and reduced to obtain mean values (e.g., mean lower low water, etc.) for tidal datums. It is necessary for standardization because of periodic and apparent secular trends in sea level. The present National Tide Datum Epoch is 1983 through 2001 and is actively considered for revision every 20-25 years. Tidal datums in certain regions with anomalous sea level changes are calculated on a Modified 5-Year Epoch.
- (104) "Removal-Fill Permit" means an authorization granted by the Department governing the removal, fill, alteration, or any combination thereof of material within the waters of the State of Oregon as provided in ORS 196.668 to 196.692 and ORS 196.800 to 196.990.
- (115) "Seabird Protection Area" is an area within Oregon's Territorial Sea that has been reserved by the state for the protection of seabirds.
- (126) "State Land" as provided in ORS 273.006(8) means public land controlled by the Department.
- (137) "Structure" means anything placed, constructed, or erected in, on, under or over state-owned submerged and submersible land.
- (148) "Submerged Land" as provided in ORS 274.005(7), means lands lying below the line of ordinary low water of all navigable waters within the boundaries of this state as heretofore or hereafter established, whether such waters

are tidal or nontidal, except as provided in 274.705.

(~~159~~) "Submersible Land" as provided in ORS 274.005(8), means lands lying between the line of ordinary high water and the line of ordinary low water of all navigable waters and all islands, shore lands or other such lands held by or granted to this state by virtue of her sovereignty, wherever applicable, within the boundaries of this state as heretofore or hereafter established, whether such waters or lands are tidal or nontidal, except as provided in 274.705.

(~~1620~~) "Territorial Sea" as provided in ORS 196.405(5), means the waters and seabed extending three nautical/geographical miles seaward from the coastline in conformance with federal law.

(~~217~~) "Territorial Sea Plan" as provided in ORS 196.405(6), means the plan for Oregon's Territorial Sea. In addition to the Territorial Sea as defined in section (~~1520~~), the scope of the Territorial Sea Plan includes the "ocean shore" as defined in 390.605.

Statutory/Other Authority: ORS ~~183, 273, 274~~ 196.555, ORS 273.045

Statutes/Other Implemented: ORS ~~847~~ 196.555, ORS 196.540

141-142-0020

General Provisions \_\_

(1) The Department will only grant an authorization or a removal-fill permit for a regulated removal-fill activity if the use, or removal, fill or alteration of material is necessary to study, monitor, evaluate, enforce or protect or otherwise further the studying, monitoring, enforcement and protection of the marine reserve, marine ~~protected area~~garden, marine conservation area, marine protected area, marine research area, or seabird protection area.

(2) Applicants for an authorization within a marine reserve, marine ~~protected area~~garden, marine conservation area, marine protected area, marine research area, or seabird protection area must provide evidence suitable to the Department and other reviewing agencies that their proposed use meets the requirements of OAR 141-142-0020(1) and the management plan adopted and in force for the area at the time the application is submitted.

(3) The Department will honor the terms and conditions of any valid authorization (including any provisions providing for a right of renewal) previously granted by the Department for a use existing within an area designated as a marine reserve, marine ~~protected area~~garden, marine conservation area, marine protected area, marine research area, or seabird protection area at the time of its designation if the holder of the authorization is, and continues to be in full compliance with the terms and conditions of the authorization.

(4) The Department will condition any authorization to use or place a structure on, in or over state-owned submerged and submersible land in an area designated as a marine reserve, marine ~~protected area~~garden, marine conservation area, marine protected area, marine research area, or seabird protection area to require that the holder receive all other authorizations required by the Department (such as a Removal-Fill Authorization under ORS 196.800 to 196.990) and other local, state, and federal entities before using the area.

(5) Any person applying to the Department for an authorization to place any structure on, in or over state-owned submerged and submersible land in an area designated as a marine reserve, marine garden, marine conservation area, marine research area, marine protected area, or seabird protection area must describe in the application how they will remove the structure pursuant to the requirements of the Territorial Sea Plan.

(6) Notwithstanding the provisions of ORS 274.885 to 274.895, no person may harvest or remove any kelp or other seaweed for any purpose within an area designated as a marine reserve or marine protected area unless expressly authorized by the Department to do so in order to study, monitor, evaluate, enforce or otherwise further the purpose of the marine reserve, marine ~~protected area~~garden, marine conservation area, marine protected area, marine research area, or seabird protection area.

Statutory/Other Authority: ORS ~~183, 273, 274~~ 196.555, ORS 273.045

Statutes/Other Implemented: ORS ~~847~~ 196.555, ORS 196.540

141-142-0025

Establishing a Marine Reserve, Marine ~~Protected Area~~Garden, Marine Conservation Area, Marine Protected Area, Marine Research Area, and Seabird Protection Area

In order to be established, marine reserves, marine ~~protected areas~~gardens, marine conservation areas, marine ~~protected areas~~, marine research area, and seabird protection areas must be approved by the adoption of an amendment to this division by the State Land Board.

Statutory/Other Authority: ORS ~~183, 273, 274~~ 196.555, ORS 273.045

Statutes/Other Implemented: ORS ~~847~~ 196.555, ORS 196.540

141-142-0030

Otter Rock Marine Reserve \_\_

(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and~~ is bounded by the following points is within the Otter Rock Marine Reserve:

(a) Beginning ~~at from~~ a point at the northwest corner of Gull Rock at Latitude  $44^{\circ} 45.175'$  ( $44^{\circ} 45' 10.5''$  N), Longitude  $-124^{\circ} 04.533.86'$  ( $124^{\circ} 4' 31.83' 52''$  W) (Point A);

(b) Then ~~east~~ following the MHWL south to Latitude  $44^{\circ} 45.1753.31'$  ( $44^{\circ} 45' 10.5''$  N), Longitude  $-124^{\circ} 3.858366'$  ( $124^{\circ} 3' 51.5''$  W) (Point B) at approximately the MHWL;

(c) Then following the MHWL; \_\_

(c) Then west to Latitude  $44^{\circ} 44.79333.31'$  ( $44^{\circ} 44' 47.6''$  N), Longitude  $-124^{\circ} 3.7833.4.2'$  ( $124^{\circ} 34' 47.12''$  W) (Point C);

(d) Then following longitude  $-124^{\circ} 3.7833'$  ( $124^{\circ} 3' 47''$  W) south to Latitude  $44^{\circ} 44.7283'$  ( $44^{\circ} 44' 43.7''$  N) (Point D) at approximately the ELWL;—

(e) Then following the ELWL to Latitude  $44^{\circ} 43.315'$  ( $44^{\circ} 43' 18.9''$  N), Longitude  $-124^{\circ} 3.6567'$  ( $124^{\circ} 3' 39.4''$  W) (Point E);—

(f) Then west to Latitude  $44^{\circ} 43.315'$  ( $44^{\circ} 43' 18.9''$  N) north to Latitude  $44^{\circ} 45.17'$  ( $44^{\circ} 45' 10''$  N), Longitude  $-124^{\circ} 4.253'$  ( $124^{\circ} 4' 13.2''$  W) described as the southwest corner of Whale Back Rock (Point F);

(g) Then in a north easterly direction back to the point of beginning (Point A).

(1) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ORS ~~183, 273, 274~~ 196.555, ORS 273.045

Statutes/Other Implemented: ORS ~~847~~ 196.555, ORS 196.540

141-142-0035

Redfish Rocks Marine Reserve \_\_

(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and~~ is bounded by the following points is within the Redfish Rocks Marine Reserve:

(a) Beginning from a point at Latitude 42° 42.5496' (42° 42' 32.4" 57.6" N), Longitude -124° 29.647.78' (124° 29' 38.446.8" W) (Point A);

(b) Then ~~east~~south along MHWL to Latitude 42° 42.961.52' (42° 42' 57.631.2" N), Longitude -124° 27.718' (124° 27' 46.10.8" W) (Point B) at approximately the ELWL;

~~(c) Then following the ELWL south;~~

~~(c) Then west~~ to Latitude 42° 41.5216' (42° 41' 31.29.6" N), Longitude -124° 27.1828.86' (124° 27' 10.8" W), ~~described as a point near the middle of Coal Point~~51.6" W) (Point C);

~~(d) Then west~~north to Latitude 42° 41.162.54' (42° 41' 9.632.4" N), Longitude -124° 28.86 29.64' (124° 28' 51.638.4" W) (Point D);

~~(e) Then in a north~~n easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ORS 183, 273, 274 196.555, ORS 273.045

Statutes/Other Implemented: ORS 847 196.555, ORS 196.540

141-142-0040

Redfish Rocks Marine Protected Area ¶

(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and is~~ bounded by the following points is within the Redfish Rocks Marine Protected Area:

(a) Beginning from a point at Latitude ~~42° 41.9016'~~ (42° 41' 549.6" N), Longitude ~~-124° 32.5028.86'~~ (124° 32' 3028' 51.6" W) (Point A);

(b) Then ~~east~~north to Latitude 42° 42.54' (42° 42' 32.4" N), Longitude -124° 29.64' (124° 29' 38.4" W) (Point B);

(c) Then ~~south~~west to Latitude 42° 41.1690' (42° 41' 9.654" N), Longitude ~~-124° 28.8632.50'~~ (124° 28' 51.632' 30" W) (Point C);

(d) Then ~~west~~south to Latitude 42° 40.25' (42° 40' 15" N), Longitude -124° 32.50' (124° 32' 30" W) (Point D);

(e) Then in a ~~generally north~~n easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ~~ORS 183, 273, 274~~ ORS 196.555, ORS 273.045

Statutes/Other Implemented: ~~ORS 847~~ ORS 196.555, ORS 196.540



141-142-0045

Cape Perpetua Marine Reserve I\_\_

(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and~~ is bounded by the following points is within the Cape Perpetua Marine Reserve I:

(a) Beginning from a point at Latitude 44° 17.00' (44° 17' 0" N), Longitude -124° 6.73' (124° 6' 42" W) (Point A);

(b) Then south along the ELWL to Latitude 44° 16.82' (44° 16' 49.2" N), Longitude -124° 6.69' (124° 6' 41.4" W) ~~(Point B);~~—

~~(c) Then south along the MHWL to Latitude 44° 16.15' (44° 16' 9" N), Longitude -124° 6.56' (124° 6' 33.6" W) (Point C);~~—

~~(d) Then south along the ELWL to Latitude 44° 15.81' (44° 15' 48.6" N), Longitude -124° 6.62' (124° 6' 37.2" W) (Point D);~~—

~~(e) Then south along the MHWL to Latitude 44° 14.67' (44° 14' 40.2" N), Longitude -124° 6.84' (124° 6' 50.4" W) (Point E);~~—

~~(f) Then south along the ELWL to Latitude 44° 13.50' (44° 13' 30" N), Longitude -124° 6.74' (124° 6' 44.4" W) (Point F);~~

~~(g) Then west to Latitude 44° 13.50' (44° 13' 30" N), Longitude -124° 11.00' (124° 11' 0" W) (Point G);~~

~~(h) Then north to Latitude 44° 17.00' (44° 17' 0" N), Longitude -124° 11.00' (124° 11' 0" W) (Point H);~~

~~(i) Then in a generally easterly direction back to the point of beginning (Point A).~~

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ~~ORS 183, 273, 274~~ ORS 196.555, ORS 273.045

Statutes/Other Implemented: ~~ORS 847~~ ORS 196.555, ORS 196.540

141-142-0050

Cape Perpetua North Marine Protected Area

(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and~~ is bounded by the following points is within the Cape Perpetua North Marine Protected Area:

- (a) Beginning from a point at Latitude ~~44° 20' 17.00"~~ 44° 20' 17.00" (44° 20' 17.00" N), Longitude ~~-124° 6' 04.73"~~ -124° 6' 2.42.2" W) (Point A);
- (b) Then south along the MHWL ~~west~~ to Latitude ~~44° 18' 67.00"~~ 44° 18' 36" N), Longitude ~~124° 6.37'~~ 124° 6' 22.2" W) (Point B);
- (c) Then south to Latitude ~~44° 18.33'~~ 44° 18' 19.87' 0" N), Longitude ~~-124° 6.3910.50'~~ -124° 6' 23.410' 30" W) (Point C);
- (d) Then south along the MHWL ~~north~~ to Latitude ~~44° 17' 20.00'~~ 44° 17' 0" N), Longitude ~~124° 6.73'~~ 124° 6' 42" W) (Point D);
- (e) Then west to Latitude ~~44° 17.00'~~ 44° 17' 20' 0" N), Longitude ~~-124° 10.50'~~ -124° 10' 30" W) (Point E);
- (f) Then north ~~east~~ to Latitude ~~44° 20.00'~~ 44° 20' 0" N), Longitude ~~-124° 10.506.04'~~ -124° 10' 30' 6' 2.4" W) (Point F);
- (g) Then in a generally easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ~~ORS 183, 273, 274~~ ORS 196.555, ORS 273.045

Statutes/Other Implemented: ~~ORS 847~~ ORS 196.555, ORS 196.540

141-142-0055

Cape Perpetua South-East Marine Protected Area \_\_

(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and~~ is bounded by the following points is within the Cape Perpetua South -East Marine Protected Area:

(a) Beginning from a point at Latitude 44° 13.50' (44° 13' 30" N), Longitude -124° 6.74' (124° 6' 44.4" W)

(Point A);

(b) Then south along the ELWL to Latitude 44° 5.75' (44° 5' 45" N), Longitude -124° 7.53' (124° 7' 31.8" W)

(Point B);

(c) Then west to Latitude 44° 5.75' (44° 5' 45" N), Longitude -124° 8.60' (124° 8' 36" W) (Point C);

(d) Then north to Latitude 44° 13.50' (44° 13' 30" N), Longitude -124° 8.00' (124° 8' 0" W) (Point D);

~~(e) Then in a generally easterly direction back to the point of beginning (Point A).~~

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ~~ORS 183, 273, 274~~ ORS 196.555, ORS 273.045

Statutes/Other Implemented: ~~ORS 847~~ ORS 196.555, ORS 196.540

141-142-0060

Cape Perpetua Seabird Protection Area \_\_

(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and~~ is bounded by the following points is within the Cape Perpetua Seabird Protection Area:

(a) Beginning from a point at Latitude 44° 13.50' (44° 13' 30" N), Longitude -124° ~~811.00'~~ (124° ~~811'~~ 0" W) (Point A);

(b) Then south to Latitude 44° 5.75' (44° 5' 45" N), Longitude -124° ~~811.602'~~ (124° ~~811'~~ 367.2" W) (Point B);

(c) Then ~~west~~ to Latitude 44° 5.75' (44° 5' 45" N), Longitude -124° ~~118.620'~~ (124° ~~118'~~ 37.26" W) (Point C);

(d) Then north to Latitude 44° 13.50' (44° 13' 30" N), Longitude -124° ~~118.00'~~ (124° ~~118'~~ 0" W) (Point D);

(e) Then in a ~~generally easterly~~ direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ORS ~~183, 273, 274~~ 196.555, ORS 273.045

Statutes/Other Implemented: ORS ~~847~~ 196.555, ORS 196.540

141-142-0065

Cascade Head Marine Reserve \_\_

(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and~~ is bounded by the following points is within the Cascade Head Marine Reserve:

(a) Beginning from a point at Latitude 45° 2.00' (45° 2' 0" N), Longitude -124° 0.52' (124° 0' 31.2" W) (Point A);

(b) Then ~~west along the ELWL to Latitude 45° 1.98' (45° 1' 58.8" N), Longitude -124° 0.65' (124° 0' 39" W)~~  
(Point B);

(c) Then ~~south along the MHWL to Latitude 45° 1.53' (45° 1' 31.8" N), Longitude -124° 0.74' (124° 0' 44.4" W)~~  
(Point C);

~~(d) Then south along the EL~~ south along the MHWL to Latitude 44° 59.25' (44° 59' 15" N), Longitude -124° 0.89' (124° 0' 53.4" W) (Point ~~DB~~);

(e) Then west to Latitude 44° 59.25' (44° 59' 15" N), Longitude -124° 4.50' (124° 4' 30" W) (Point ~~EC~~);

~~(f)~~ Then north to Latitude 45° 2.00' (45° 2' 0" N), Longitude -124° 4.50' (124° 4' 30" W) (Point ~~FD~~);<sup>¶</sup>

~~(g)~~ Then in a ~~generally~~ easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ~~ORS 183, 273, 274~~ 196.555, ORS 273.045

Statutes/Other Implemented: ~~ORS 847~~ 196.555, ORS 196.540

141-142-0070

Cascade Head North Marine Protected Area \_\_

(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and~~ is bounded by the following points is within the Cascade Head North Marine Protected Area:

(a) Beginning from a point at Latitude  $45^{\circ} 52.00'$  ( $45^{\circ} 52' 0''$  N), Longitude  $-124^{\circ} 04.45.00'$  ( $124^{\circ} 05' 240''$  W) (Point A);

(b) Then ~~south along the MHWL~~ north to Latitude  $45^{\circ} 2.855.00'$  ( $45^{\circ} 25' 510''$  N), Longitude  $-124^{\circ} 0.695.00'$  ( $124^{\circ} 05' 41.40''$  W) (Point B);

(c) Then ~~south along the ELWL~~ east to Latitude  $45^{\circ} 25.00'$  ( $45^{\circ} 25' 0''$  N), Longitude  $-124^{\circ} 0.5240'$  ( $124^{\circ} 0' 31.24''$  W) (Point C);

(d) Then ~~west to~~ Latitude  $45^{\circ} 2.00'$  ( $45^{\circ} 2' 0''$  N), Longitude  $-124^{\circ} 5.00'$  ( $124^{\circ} 5' 0''$  W) (Point D);

~~(e) Then north~~ south along the MHWL to Latitude  $45^{\circ} 52.00'$  ( $45^{\circ} 52' 0''$  N), Longitude  $-124^{\circ} 5.000.52'$  ( $124^{\circ} 50' 031.2''$  W) (Point ~~E~~ D);

~~(f)~~ e Then in a ~~generally eaw~~ generally easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ORS 183, 273, 274 196.555, ORS 273.045

Statutes/Other Implemented: ORS 847 196.555, ORS 196.540

(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and is~~ bounded by the following points is within the Cascade Head South Marine Protected Area:

(a) Beginning from a point at Latitude ~~44° 59.256.50'~~ 44° 59' 15.30" N, Longitude ~~-124° 0.891.47'~~ (124° 01' 53.428.2" W) (Point A);

(b) Then ~~south along the ELWL~~ west to Latitude ~~44° 56.50'~~ (45° 56' 30" N), Longitude ~~-124° 1.475.00'~~ (124° 15' 28.20" W) (Point B);

(c) Then ~~west~~ south to Latitude ~~44° 56.509.25'~~ (44° 56' 30.15" N), Longitude ~~-124° 5.00'~~ (124° 5' 0" W) (Point C);

(d) Then ~~north~~ east to Latitude ~~44° 59.25'~~ (44° 59' 15" N), Longitude ~~-124° 5.000.89'~~ (124° 50' 05.3" W) (Point D)¶

(e) Then in a ~~generally easterly direction~~ southerly direction along the MHWL back to the point of beginning (Point A)¶

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ~~ORS 183, 273, 274~~ ORS 196.555, ORS 273.045

Statutes/Other Implemented: ~~ORS 847~~ ORS 196.555, ORS 196.540

(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and is~~ bounded by the following points is within the Cascade Head West Marine Protected Area:

- (a) Beginning from a point at Latitude 45° 2.00' (45° 2' 0" N), Longitude -124° 4.55.00' (124° 45' 30" W) (Point A);
- (b) Then south to Latitude 44° 59.25' (44° 59' 15" N), Longitude -124° 4.55.00' (124° 45' 30" W) (Point B);
- (c) Then ~~west~~ to Latitude 44° 59.25' (44° 59' 15" N), Longitude -124° 5.000.89' (124° 5' 0" W) (Point C);
- (d) Then north along the MHWL to Latitude 45° 2.00' (45° 2' 0" N), Longitude -124° 5.000.52' (124° 5' 00' 31" W) (Point D);
- (e) Then in a ~~generally easterly~~ direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ~~ORS 183, 273, 274~~ ORS 196.555, ORS 273.045

Statutes/Other Implemented: ~~ORS 847~~ ORS 196.555, ORS 196.540



(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and is~~ bounded by the following points is within the Cape Falcon Marine Reserve:

- (a) Beginning from a point at Latitude 45° 48.00' (45° 48' 0" N), Longitude -123° 58.10' (123° 58' 6" W) (Point A);
- (b) Then south along the ~~EL~~MHWL to Latitude 45° 46.80' (45° 46' 48" N), Longitude -123° 58.17' (123° 58' 10.2"W) (Point B);
- (c) Then south ~~continuing~~ along the MHWL to Latitude 45° 45.79' (45° 45' 47.4" N), Longitude -123° 58.41' (123° 58' 24.6" W) (Point C);
- (~~d~~) Then south along the ELWL to Latitude 45° 45.44' (45° 45' 26.4" N), Longitude -123° 58.03' (123° 58' 1.8" W) (Point D);
- (~~e~~) Then south along the MHWL to Latitude 45° 44.62' (45° 44' 37.2" N), Longitude -123° 57.82' (123° 57' 49.2"W) (Point E);
- (~~f~~) Then south along the ELWL to Latitude 45° 44.00' (45° 44' 0" N), Longitude -123° 56.77' (123° 56' 46.2" W) (Point F);
- (~~g~~) Then west to Latitude 45° 44.00' (44° 44' 0" N), Longitude -124° 1.50' (124° 1' 30" W) (Point G);
- (~~h~~) Then north to Latitude 45° 48.00' (45° 48' 0" N), Longitude -124° 1.50' (124° 1' 30" W) (Point H);
- (~~i~~) Then in a ~~generally~~ easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ~~ORS 183, 273, 274~~ ORS 196.555, ORS 273.045

Statutes/Other Implemented: ~~ORS 847~~ ORS 196.555, ORS 196.540

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(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and is~~ bounded by the following points is within the Cape Falcon West Marine Protected Area:

(a) Beginning from a point at Latitude 45° 48.00' (45° 48' 0" N), Longitude -124° 1.50' (124° 1' 30" W) (Point A);

(b) Then south to Latitude 45° 44.00' (45° 44' 0" N), Longitude -124° 1.50' (124° 1' 30" W) (Point B);

(c) Then west to Latitude 45° 44.00' (45° 44' 0" N), Longitude -124° 3.19' (124° 3' 11.4" W) (Point C);

(d) Then northwest to Latitude 45° 44.31' (44° 44' 18.6" N), Longitude -124° 3.50' (124° 3' 30" W) (Point D);

(e) Then north to Latitude 45° 48.00' (45° 48' 0" N), Longitude -124° 3.50' (124° 3' 30" W) (Point E);

(f) Then in a ~~generally~~ easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ~~ORS 183, 273, 274~~ ORS 196.555, ORS 273.045

Statutes/Other Implemented: ~~ORS 847~~ ORS 196.555, ORS 196.540

—

(1) All state-owned submerged and submersible land ~~that is under the jurisdiction of the Department and is~~ bounded by the following points is within the Cape Falcon Shoreside Marine Protected Area:

- (a) Beginning from a point at Latitude 45° 48.00' (45° 48' 0" N), Longitude -123° 58.10' (123° 58' 6" W) (Point A);
- (b) Then south along the ELWL to Latitude 45° 46.80' (45° 46' 48" N), Longitude -123° 58.17' (123° 58' 10.2" W) (Point B);
- (c) Then west to a point at Latitude 45° 46.79' (45° 46' 47" N), Longitude -123° 58.37' (123° 58' 22" W) (Point C);
- (d) Then north to a point at Latitude 45° 48.00' (45° 48' 0" N), Longitude -123° 58.25' (123° 58' 15" W) (Point D);
- (e) Then in an easterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ORS ~~183, 273, 274~~ 196.555, ORS 273.045

Statutes/Other Implemented: ORS ~~847~~ 196.555, ORS 196.540

Blacklock Point Marine Conservation Area

All state-owned submerged and submersible land in the coastal area of Floras Lake State Natural Area between Langlois and Port Orford is within the Blacklock Point Marine Conservation Area.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Boiler Bay Marine Research Area

All state-owned submerged and submersible land in the intertidal area between the mouth of Fogarty Creek and the westernmost tip of Government Point at Boiler Bay State Wayside is within the Boiler Bay Marine Research Area.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Brookings Marine Research Area I

All state-owned submerged and submersible land in the intertidal area between a point 1/2 mile north of Harris Beach State Park and the mouth of the Chetco River, except the area within the Harris Beach Marine Garden, is within the Brookings Marine Research Area.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Cape Arago Marine Research Area A

All state-owned submerged and submersible land between a line projected due west from Cape Arago lighthouse and the southern tip of Norton Gulch is within the Cape Arago Marine Research Area A.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Cape Arago Marine Research Area B

All state-owned submerged and submersible land between the southern tip of Norton Gulch and Simpson Reef  
Overlook is within the Cape Arago Marine Research Area B.  
Statutory/Other Authority: ORS 196.555, ORS 273.045  
Statutes/Other Implemented: ORS 196.555



Cape Arago Marine Research Area C

All state-owned submerged and submersible land between Simpson Reef Overlook and a point ° of a mile south of Cape Arago State Park is within the Cape Arago Marine Research Area C.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Cape Blanco Marine Research Area

All state-owned submerged and submersible land in the intertidal area along the north and south sides of Cape Blanco extending seaward to encompass all rock along the headland up to the sand beaches of the north and south sides of the cape is within the Cape Blanco Marine Research Area.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Cape Foulweather Complex Marine Conservation Area

All state-owned submerged and submersible land starting 12 miles north of Newport and extending to 1.5 miles south of Depoe Bay, encompassing 1.9 miles of shoreline, is within the Cape Foulweather Complex Marine Conservation Area.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Cape Kiwanda Marine Garden

All state-owned submerged and submersible land in the intertidal area between the north and south sides of Cape Kiwanda, including the rocky areas abutting the sand beaches on the north and south sides of the headland, is within the Cape Kiwanda Marine Garden.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Cape Lookout Marine Conservation Area

All state-owned submerged and submersible land beginning from the west-facing sand beach 880 yards north of Rover Creek and extending west along the Cape's south flank, around the tip, then east along the north flank for 1,425 yards is within the Cape Lookout Marine Conservation Area.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Chapman Point Marine Garden

All state-owned submerged and submersible land encompassing the shoreline around Chapman Pt, extending 194 yards north and 211 yards south of the tip of Chapman Pt (perpendicular to West 7th St. beach access), and extending out seaward to 405 yards from the tip of Chapman Pt is within the Chapman Point Marine Garden.  
Statutory/Other Authority: ORS 196.555, ORS 273.045  
Statutes/Other Implemented: ORS 196.555

Coquille Point Marine Garden

All state-owned submerged and submersible land in the intertidal area between a line perpendicular to the shore from the 8th St. beach access point and a line perpendicular to shore from the Coquille Point beach access staircase is within the Coquille Point Marine Garden.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Ecola Point Marine Conservation Area

All state-owned submerged and submersible land encompassing the shoreline and ocean along the headland from 194 yards northeast of the tip of Bald Point to 176 yards north of Waterfall Creek to the south, including all beaches and nearshore rocks within the two lines, is within the Ecola Point Marine Conservation Area.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555



Fogarty Creek Marine Conservation Area

(1) All state-owned submerged and submersible land further described below is within the Fogarty Creek Marine Conservation Area:

(a) The intertidal and subtidal zones between the southern flank of Fishing Rock and the southern flank of the rocky platform located 180 yards south of Fogarty Creek.

(b) The seaward boundary line of Fogarty Creek Marine Conservation Area extends to a point at Latitude 44° 50.405' (44° 50' 24" N), Longitude - 124° 03.478' (124° 3' 29" W) (Point A);

(c) Then northeast to a point at Latitude 44° 50.782' (44° 50' 47" N), Longitude - 124° 03.208' (124° 3' 12" W).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Gregory Point Marine Research Area

(1) All state-owned submerged and submersible land bounded by the following points is within the Gregory Point Marine Research Area:

(a) Beginning from a point at Latitude 43° 20.312' (43° 20' 19" N), Longitude -124° 22.838' (124° 22' 50" W) (Point A);

(b) Then northwest to a point at Latitude 43° 20.598' (43° 20' 36" N), Longitude -124° 22.895' (124° 22' 54" W) (Point B);

(c) Then east to a point at Latitude 43° 20.650' (43° 20' 39" N), Longitude -124° 22.637' (124° 22' 38" W) (Point C);

(d) Then southeast along the MHWL to Latitude 43° 20.402' (43° 20' 24" N), Longitude -124° 22.545' (124° 22' 3" W) (Point D);

(e) Then in a southwesterly direction back to the point of beginning (Point A).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Harris Beach Marine Garden

All state-owned submerged and submersible land between a line perpendicular to shore from the Harris Beach State Park beach access parking area and a line perpendicular to shore from the road entrance to Harris Beach State Park off Highway 101 is within the Harris Beach Marine Garden.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Haystack Rock Marine Garden

All state-owned submerged and submersible land within a 300-yard radius around the base of Haystack Rock (Cannon Beach), including all tidepools and beaches between extreme high and low tides, is within the Haystack Rock Marine Garden.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Neptune State Park Marine Research Area

All state-owned submerged and submersible land in the intertidal area between the northerly and southerly boundaries of Neptune State Park is within the Neptune State Park Marine Research Area.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Pirate Cove Marine Research Area

(1) All state-owned submerged and submersible land East of a line drawn across the mouth of Pirate Cove, and defined by the following points is within the Pirate Cove Marine Research Area:

(a) Beginning from a point at Latitude 44° 49.083' (44° 49' 5" N), Longitude -124° 04.035' (124° 4' 2" W) (Point A);

(b) Then to north a point at Latitude 44° 49.146' (44° 49' 9" N), Longitude - 124° 04.060' (124° 4' 4" W) (Point B).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Whale Cove Marine Conservation Area

(1) All state-owned submerged and submersible land East of a line drawn across the mouth of Whale Cove, and defined by the following points, is within the Whale Cove Marine Conservation Area:

(a) Beginning from a point at Latitude 44° 47.237' (44° 47' 14" N), Longitude -124° 04.298' (124° 4' 18" W) (Point A);

(b) Then north to a point at Latitude 44° 47.367' (44° 47' 22" N), Longitude -124° 04.32' (124° 4' 19" W) (Point B).

(2) All coordinate information is provided in WGS84 coordinate system (geographic latitude/longitude) and has not been verified by a licensed surveyor.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Yachats Marine Garden

All state-owned submerged and submersible land in the intertidal area between the north and south boundaries of Yachats State Park is within the Yachats Marine Garden.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555



Yaquina Head Marine Garden

All state-owned submerged and submersible land in the intertidal area along the north and south sides of Yaquina Head, including rocky areas abutting the sandy beaches along the headland, is within the Yaquina Head Marine Garden.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Otter Rock Marine Garden

All state-owned submerged and submersible land in the intertidal area between the highest point at Cape Foulweather and Devils Punchbowl is within the Otter Rock Marine Garden.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

Cape Perpetua Marine Garden

All state-owned submerged and submersible land in the intertidal area between the north side of Devils Churn and the north boundary of Neptune State Park is within the Cape Perpetua Marine Garden.

Statutory/Other Authority: ORS 196.555, ORS 273.045

Statutes/Other Implemented: ORS 196.555

## OAR 141-142 Rulemaking: Rocky Shore Habitat Designations



## Comments & Agency Response

The comment period was open from October 1, 2024, to October 31, 2024, at 5:00 PM. The Department received 1 set of comments in total, which were received via a PDF letter (attached at the end of this document).

Learn more about DSL rulemaking at: <https://www.oregon.gov/dsl/Pages/rulemaking.aspx>

### Table of Contents

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**Brad Kneaper, Chair, Tribal Council, Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians (via Meagan Davenport) – October 30, 2024 (letter dated); October 31, 2024 (letter received)**

### Comment (excerpt from letter):

The Tribe supports the changes, but requests that Tribal provisions of the Sea Plan be included in a new Tribal stand-alone section of the administrative rules. Specifically, the Tribe requests that the following language (from the Sea Plan) be incorporated in the rule:

- These rule, the Territorial Sea Plan, and their implementation do not affect consent decrees or other agreements between the State of Oregon and any Oregon federally recognized tribe or any state agency policy recognizing tribal rights in rocky habitat areas.
- All affected Oregon federally recognized tribes shall be provided the opportunity for consultation regarding any action, including the planning, taking place in the rocky habitat areas.
- Impacts to cultural resources or historic properties in rocky habitats shall be avoided, minimized, or mitigated, in consultation with affected Oregon federally recognized tribes and as determined by the State Historic Preservation Office or Tribal Historic Preservation Office, as appropriate.

### Agency Response:

Dear Chair Kneaper:

Thank you for your supportive comments submitted on behalf of the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians (CTCLUSI) regarding the Department of State Lands (Department) proposed rulemaking for OAR 141-142. Confirmation of receipt of those comments was provided to CTCLUSI on October 31, 2024.

The Department has considered the comments and supports adding the new provisions to OAR 141-142. After consultation with the Department of Justice (DOJ), minor changes to the provisions were made to ensure any requirements apply to, and are implementable, by the Department. In regard to CTCLUSI's request for a stand-alone rule, the rulemaking process prevents the Department from creating a stand-alone rule at this point, as any new rule must be circulated to the public for comment and review. However, the Department has incorporated the provisions as three new sections under the General Provisions rule, OAR 141-142-0220(7-9).

The Department also sought input from Tribal staff to better understand the intent of CTCLUSI's comments and is committed to ongoing conversation on this topic at the Tribe's request. The Department believes that through our outreach to CTCLUSI, internal discussions, and consultation with DOJ we have addressed the main points and concerns of CTCLUSI.

Please reach out if you have any questions or would like to discuss the Department's rulemaking efforts in more detail.

The Department appreciates CTCLUSI's thoughtful comments and participation in the rulemaking process.



**CONFEDERATED TRIBES OF  
COOS, LOWER UMPQUA AND SIUSLAW INDIANS  
TRIBAL GOVERNMENT**

1245 Fulton Avenue - Coos Bay, OR 97420

Telephone: (541)888-9577 Toll Free 1-888-280-0726 Fax: (541)888-2853

October 30, 2024

Vicki L. Walker, Director  
Oregon Department of State Lands  
775 Summer St. NE  
Salem, OR 97301-1279

**SENT VIA EMAIL (Vicki.walker@dsl.oregon.gov)**

**RE: Comments on OAR 141-142 Rulemaking**

Dear Ms. Quan:

This letter is submitted on behalf of the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians ("CTCLUSI" or "Tribe") on the OAR 141-142 rulemaking currently open for public comment by the Department of State Lands ("DSL").

It is the Tribe's understanding that the intent of the rulemaking to incorporate updates of Part Three of the Territorial Sea Plan ("Sea Plan") into the DSL administrative rules in OAR 141-142.

The Tribe supports the changes, but requests that Tribal provisions of the Sea Plan be included in a new Tribal stand-alone section of the administrative rules. Specifically, the Tribe requests that the following language (from the Sea Plan) be incorporated in the rule:

- These rule, the Territorial Sea Plan, and their implementation do not affect consent decrees or other agreements between the State of Oregon and any Oregon federally recognized tribe or any state agency policy recognizing tribal rights in rocky habitat areas.
- All affected Oregon federally recognized tribes shall be provided the opportunity for consultation regarding any action, including the planning, taking place in the rocky habitat areas.
- Impacts to cultural resources or historic properties in rocky habitats shall be avoided, minimized, or mitigated, in consultation with affected Oregon federally recognized tribes and as determined by the State Historic Preservation Office or Tribal Historic Preservation Office, as appropriate.

The Tribe appreciates your consideration of these comments.

Respectfully,

A handwritten signature in dark ink, appearing to be 'BK' followed by a long, sweeping horizontal line.

Brad Kneaper  
Chair, Tribal Council  
Confederated Tribes of Coos, Lower and Siuslaw Indians

cc: Tribal Liaison Ellie Forness, [Ellie.S.Forness@dsl.oregon.gov](mailto:Ellie.S.Forness@dsl.oregon.gov)  
Rulemaking Coordinator Danielle Boudreaux, [DSL.Rules@dsl.oregon.gov](mailto:DSL.Rules@dsl.oregon.gov)

# Rocky Habitat Designations & Map

## Rocky Habitat Designations (as of April 2023)

### **Marine Gardens (Marine Education Areas)**

The OPAC and LCDC have approved the designation of eight Marine Gardens in rocky intertidal areas along the Oregon Coast (Table 3). ODFW's regulations in these areas protect the rocky intertidal invertebrate community from harvest impacts (OAR 635-005-0260). Currently, ODFW designated Marine Gardens are summarized in the table at right.

Marine Gardens are closed to the take of marine invertebrates with two exceptions: single mussels may be taken for bait, and razor clams (a sandy beach species) may be taken at Cape Perpetua. The

Cape Perpetua Marine Garden has some small stretches of sandy beach among the rocky areas where razor clams can be harvested without affecting rocky habitat areas. Sport fishing is allowed in and from Marine Gardens, while commercial harvest of invertebrates is prohibited. No collection of marine aquatic vegetation is allowed within the ocean shore in these areas, except by scientific research permit from OPRD. These regulations may differ in areas where Marine Gardens overlap with Marine Reserves or Marine Protected Areas (Section E.2.b).

<b>Table 3 Marine Gardens (Marine Education Areas)</b>	
<b>Site Name</b>	<b>Community, County</b>
Haystack Rock	Cannon Beach, Clatsop County
Chapman Point	Cannon Beach, Clatsop County
Cape Kiwanda	Pacific City, Tillamook County
Otter Rock	Otter Rock, Lincoln County
Yaquina Head	Agate Beach, Lincoln County
Yachats	Yachats, Lincoln County
Cape Perpetua	Lincoln County
Coquille Point	Bandon, Coos County
Harris Beach	Brookings, Curry County

### **Marine Research Areas**

The OPAC and LCDC have approved the designation of seven Marine Research Areas (total) in both rocky intertidal areas and subtidal areas (Table 4). ODFW's Marine Research Area regulations vary by site and are designed to limit sport harvest of most invertebrate species and manage scientific/educational take through a permit program (OAR 635-005-0260; Section E.3.). The designated Marine Research Areas are listed in Table 4.



At most intertidal-only Marine Research Areas, sport harvest of most invertebrate species is closed. However, harvest of abalone,<sup>32</sup> clams, Dungeness crab, red rock crab, mussels, piddocks, scallops, and shrimp is allowed. The regulations divide Cape Arago into three zones (Areas A, B, and C – north to south). Area B employs the Marine Research Area regulation described above, while Areas A and C prohibit take of all marine invertebrates. Pirate Cove and Gregory Point Marine Research Areas are closed to the take of all marine invertebrates. Sport fishing is allowed in Marine Research Areas, while commercial harvest of invertebrates is prohibited. No collection of marine plants is allowed within the ocean shore in these areas, except by scientific research permit from OPRD. These regulations may differ in areas where Marine Research Areas overlap with Marine Reserves or Marine Protected Areas (Section E.2.c.).

<b>Table 4 Marine Research Areas</b>	
<b>Site Name</b>	<b>Community, County</b>
Boiler Bay (intertidal only)	Depoe Bay, Lincoln County
Pirate Cove (intertidal and subtidal)	Depoe Bay, Lincoln County
Neptune State Scenic Viewpoint (intertidal only)	Florence, Lane County
Gregory Point (subtidal only)	Charleston, Coos County
Cape Arago (intertidal only)	Charleston, Coos County
Cape Blanco	Curry County
Brookings (intertidal only)	Brookings, Curry County

### **Marine Conservation Areas**

As specified in Section D of the Strategy, the Marine Conservation Area designation allows for different types of management prescriptions based on site conservation goals and needs. Each site will be described below accordingly, in a north to south order, to document the management regulations that will be applied. The Marine Conservation Areas are included in the Appendix E Map of Rocky Habitat Designated Sites.

#### **Ecola Point Marine Conservation Area**

The Ecola Point Marine Conservation Area goals are to preserve and strengthen the ecological integrity of the site including existing marine life, fish, seabird and shorebird nesting areas that exist in these rocky habitats for long term sustainability, and to preserve the area's wilderness character in the face of increasing tourism and

<sup>32</sup> All abalone harvest was closed coastwide for at least a 3-year period beginning in 2018 due to population concerns. As of the date of this document, it is not known if and when harvest will reopen.

population on the North Coast. There is no change to existing use for commercial or recreational fish harvest. For invertebrate harvest only scientific research permits would allow harvest, and there would be no recreational harvest except for the use of single mussels used as bait for fishing. There is no harvest of marine plants, except for harvest associated with scientific research (permit required).

### **Cape Lookout Marine Conservation Area**

The goal of the Cape Lookout Marine Conservation Area is Conserve, to the highest degree possible, the ecological functions and rocky habitat resources in order to provide long-term ecological, economic, and social benefits for current and future generations. There is no change to the existing use for commercial or recreational fish harvest. There is no change in the invertebrate harvest rules in the subtidal areas. The commercial harvest of invertebrates in the intertidal area is not allowed. Recreational harvest of invertebrates is allowed to, consistent with ODFW regulations. Marine plant harvest in the area is prohibited.

### **Fogarty Creek Marine Conservation Area**

The goal of the Fogarty Creek Marine Conservation Area is the conserve the full diversity of species and habitats in the intertidal and shallow subtidal areas. The area will allow fishing, but only from shore. Commercial and recreational harvest of invertebrates in the area is prohibited. The recreational harvest of marine plants is allowed in the intertidal areas, consistent with existing regulations which allow a souvenir quantity.

### **Cape Foulweather Complex Marine Conservation Area**

The goal of the Cape Foulweather Complex Marine Conservation Area is to conserve the ecological functions and rocky habitat resources in order to provide long-term ecological, economic, and social benefits for current and future generations. There is no change to the existing use for commercial or recreational fish harvest. There is no change in the invertebrate harvest rules in the area. The recreational harvest of marine plants is allowed in the intertidal areas, consistent with existing regulations which allow a souvenir quantity. Harvest of marine plants in the subtidal areas is prohibited.

### **Whale Cove Marine Conservation Area**

Whale Cove was the first Marine Conservation Area designated on the coast and included management regulations for the intertidal and subtidal areas of Whale Cove in

Lincoln County. ODFW's regulations at Whale Cove prohibit harvest of both marine invertebrates and fish (OAR 635-005-0260). No collection of marine plants is allowed within the ocean shore in these areas, except by scientific research permit from OPRD (OAR 736-020-0003).

### **Blacklock Point Marine Conservation Area**

The goals for the Blacklock Point Marine Conservation area are:

1. Educate, monitor, and apply adaptive, ecosystem-based management to conserve the ecological structure, function, and resiliency of nearshore rocky habitat species facing effects of changing climate.
2. Allow for continued legal sustainable human uses of their goods, services, and resources including fisheries, using non-regulatory management measures.
3. To provide long-term ecological, economic, and social benefits for current and future generations on Oregon's south coast.

There are no changes to the existing statewide harvest regulations for fish, invertebrates, or marine plants.



# Territorial Sea Plan Part Three - Appendix E Map 1 of 2

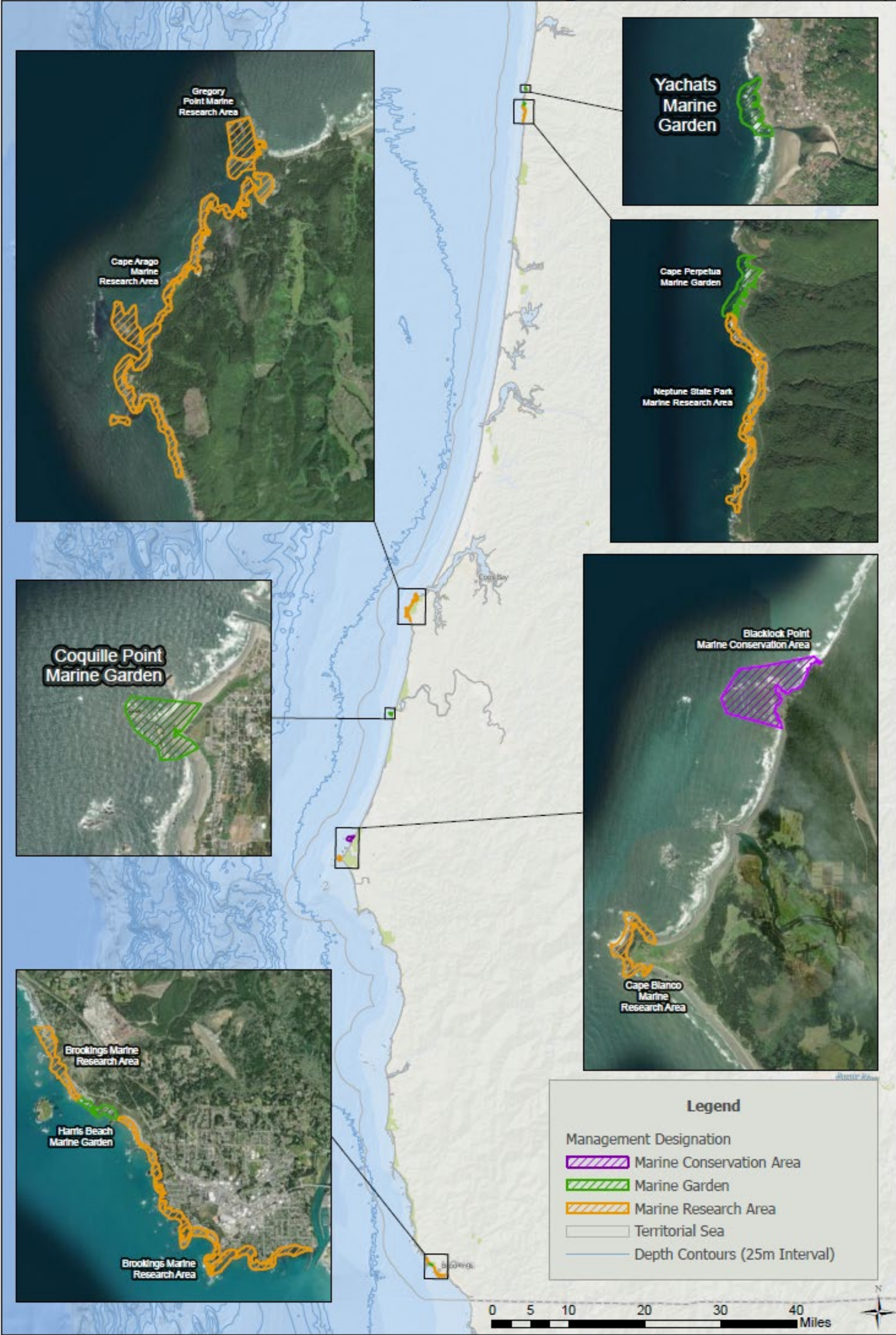
## North Coast Rocky Habitat Management Designations (as of April 2023)





# Territorial Sea Plan Part Three - Appendix E Map 2 of 2

## South Coast Rocky Habitat Management Designations (as of April 2023)



## Marine Reserves & Protected Areas

Currently, there are five Marine Reserves designated in Oregon, four of which have one or more associated Marine Protected Areas (MPAs). All of the Marine Reserves contain subtidal habitat and four of the Marine Reserves contain rocky intertidal habitat (OAR 635-012).

The Marine Reserves include:

<b>Table 5 Marine Reserves</b>	
<b>Site Name</b>	<b>Community, County</b>
Cape Falcon (subtidal and rocky intertidal habitat)	Tillamook & Clatsop Counties
Cascade Head (subtidal and rocky intertidal habitat)	Tillamook County
Otter Rock (subtidal and rocky intertidal habitat)	Otter Rock, Lincoln County
Cape Perpetua (subtidal and rocky intertidal habitat)	Lincoln County
Redfish Rocks (subtidal habitat only)	Port Orford, Curry County

ODFW's regulations for Marine Reserves prohibit the take of fish and invertebrates. ODFW's regulations for the nine MPAs vary by site and can be found in OAR chapter 635, division 12. Only two MPAs have regulations that materially affect rocky intertidal areas: Cascade Head North MPA and Cape Perpetua North MPA. Regulations pertaining to rocky intertidal areas of Cascade Head North MPA and Cape Perpetua North MPA prohibit take of fish from shore and prohibit take of invertebrates except crab. The regulations may differ where the MPAs overlap with Marine Gardens (Marine Education Areas) and Marine Research Areas (Section E.2.c.).

## Areas of Overlap between Designations

There are some rocky intertidal areas where Marine Reserves or Marine Protected Areas (MPA) overlap with Marine Gardens (Marine Education Areas) or Marine Research Areas. ODFW designated Marine Gardens (Marine Education Areas) and Research Reserves (Marine Research Areas) in years prior to designating Marine Reserves, and their designations were for different purposes. Even though many of the regulations are redundant in areas of overlap, ODFW chose not to change the status or



rescind the underlying Marine Gardens and Research Reserves in favor of the newer Marine Reserve regulations because the longevity of the Marine Reserve designations is not known. The Oregon Legislature will evaluate Marine Reserves in 2023, with an option of maintaining, changing, or removing designations. Maintaining the Marine Garden and Marine Research Area designations in areas of overlap ensures that these long standing rocky intertidal area protections will remain should the overlying Marine Reserve or MPA designations be removed.

Areas of overlap include:

- partial overlap between the Otter Rock Marine Garden (Marine Education Area) and Otter Rock Marine Reserve
- partial overlap of the Yachats Marine Garden (Marine Education Area) and Cape Perpetua North MPA
- partial overlap between the Cape Perpetua Marine Garden (Marine Education Area) and Cape Perpetua North MPA
- partial overlap between the Cape Perpetua Marine Garden (Marine Education Area) and Cape Perpetua Marine Reserve (note, sandy beaches are not in the Marine Reserve)
- complete overlap of the Neptune State Scenic Viewpoint Marine Research Area and the Cape Perpetua Marine Reserve (note, sandy beaches are not in the Marine Reserve)

The general interpretation of rules in areas of overlap is that the more stringent regulation (by species) applies. For example, the Otter Rock Marine Garden (Marine Education Area) allows fishing and taking single mussels for bait. The Otter Rock Marine Reserve does not allow any take; therefore, the more stringent Marine Reserve regulations (i.e. no take) apply for those species where the two areas overlap. For a full detailed description of Marine Reserves and Marine Protected Areas rules and regulations visit <http://OregonMarineReserves.com/>.



# Oregon

Tina Kotek, Governor

## Department of State Lands

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## State Land Board

Tina Kotek

Governor

Tobias Read

Secretary of State

Elizabeth Steiner

State Treasurer

## State Land Board

**Regular Meeting**  
**February 11, 2025**  
**Agenda Item 3**

### **SUBJECT**

Potential sale of filled lands on Hayden Island in Multnomah County

### **ISSUE**

Whether the State Land Board should authorize the Department of State Lands to initiate due diligence and to inform the public about a potential sale of approximately 65 acres of filled land on Hayden Island in Multnomah County to the Oregon Department of Transportation (ODOT). The site is located within Sections 19 and 30, Township 2 North, Range 1 East of the Willamette Meridian, in Multnomah County, State of Oregon.

### **AUTHORITY**

- Oregon Constitution, Article VIII, Sections 2 and 5; pertaining to the Common School Fund and land management responsibilities of the State Land Board.
- ORS 273.055; relating to the power to acquire and dispose of real property.
- ORS 273.171; relating to the duties and authority of the Director.
- ORS 274.915; relating to the sale, lease or trade of submersible and submerged lands.
- OAR 141-068; relating to the sale, exchange or reservation of historically filled land.
- Asset Management Plan, adopted by the Land Board; October 2024

### **BACKGROUND**

Hayden Island is located west of the Interstate 5 bridge near the Oregon-Washington border, and within the channel of the Columbia River. Since statehood, Hayden Island has been altered by fill, accretion, and erosion. The highly developed eastern side of the island is within the city of Portland. In contrast, the largely undeveloped western side of



the island, sometimes commonly known as West Hayden Island, is outside the city of Portland but still within the city's Urban Growth Boundary. While the western side is subject to city Comprehensive Plan designations, it is not subject to city zoning. Recently, there is interest in preserving the land as open space.

The site proposed for sale is on the south shore of the western side where there are formerly submerged and submersible lands, now filled, known as the "South Shore" lands. These are owned and managed by the Department. The current zoning for the "South Shore" lands is Multiple Use Forest, which generally can be used for timber, agriculture, conservation, recreation, hazard mitigation, and compatible associated uses. These lands are currently undeveloped bare lands or open space.

Since October 2023, upon Land Board approval, the Department has been working with the Port of Portland to clarify title on parcels of land owned by both parties on the west side of Hayden Island; this agreement is close to being finalized. Concurrent with this effort, on November 12, 2024, ODOT applied to purchase the "South Shore" lands. The application to purchase is part of ODOT's involvement in the Interstate Bridge Group and efforts to replace the I-5 bridge over the Columbia River. The Interstate Bridge Group is seeking to use these lands to satisfy anticipated compensatory mitigation requirements for impacts related to bridge construction associated with the following permits, approvals and uses for impacts in Oregon:

- U.S. Army Corps of Engineers (Section 10/404 Permits)
- NOAA Fisheries and USFWS (ESA Section 7 Consultation)
- Oregon Department of Environmental Quality (Section 401 Permit)
- Oregon Department of State Lands (Removal-Fill Permit)
- Oregon Department of Fish and Wildlife (Fish and Wildlife Habitat Mitigation Policy)
- City of Portland (Environmental Zones)
- Canoe landing, as requested by the Confederated Tribes of Grand Ronde and the Cowlitz Indian Tribe.

As part of compensatory mitigation, the land must be maintained in a natural state to offset the impact of the new bridge on the surrounding environment, and ODOT would be required to manage the land for that purpose in perpetuity.

### **Next Steps and Public Involvement**

If due diligence is authorized by the Land Board, the Department will open a 30-day public comment period on the proposed land sale. Interested and impacted parties would be notified of the application, including adjacent landowners, affected local, state, and federal agencies; holders of valid authorizations granted by the Department in the requested area; any local port district, any local federally recognized Tribes, any local watershed councils, national estuary programs and soil and water districts, and other interested persons.

The due diligence period also allows the Department to:

- pursue reports related to archaeological, environmental, and wildlife resources
- evaluate the land's value to the people of the state of Oregon and to the Common School Fund;
- conduct a mineral evaluation, and
- complete any land use processes, if necessary, for the sale.

When due diligence is completed, the Department will return to the Land Board with staff findings as well as a recommendation or request on the sale of the surface and subsurface lands.

### **RECOMMENDATION**

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

### **APPENDICES**

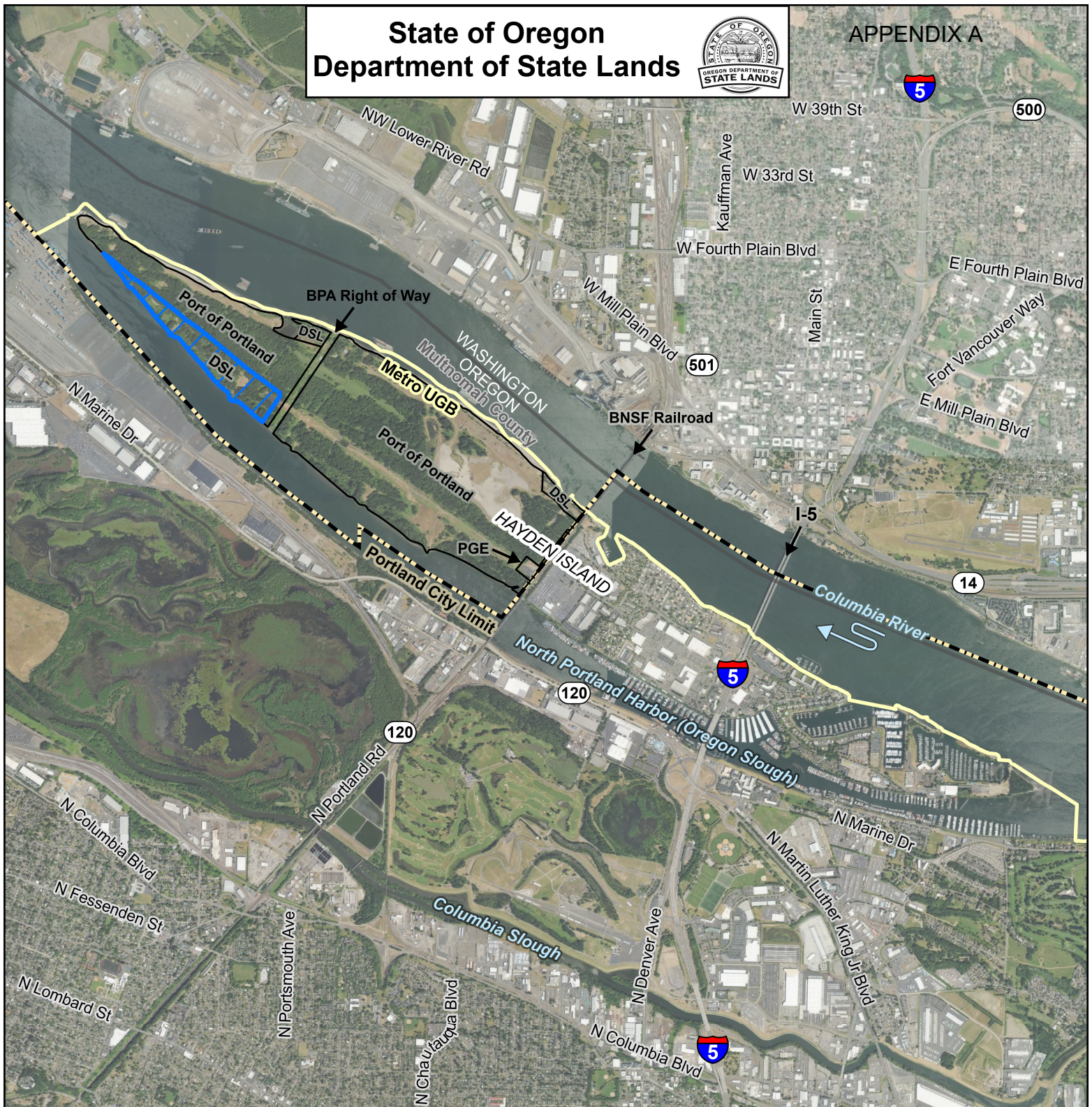
- A. Maps
- B. Application to Purchase Land (#65338LS)



# State of Oregon Department of State Lands



APPENDIX A



## APPENDIX A

65338-LS Land Sale  
T2N, R1E, Sections 19 and 30  
65 acres (approx.)  
Multnomah County

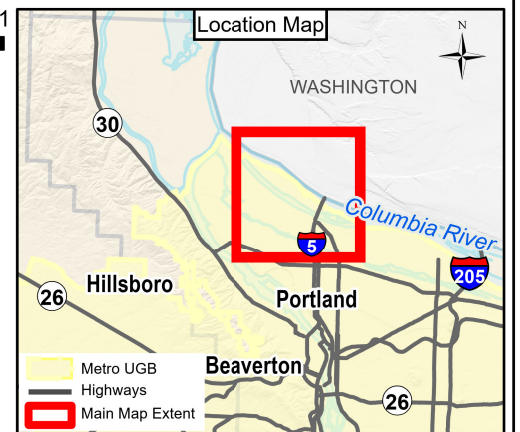
- Potential Land Sale
- Adjacent Land Ownership (western side of the island)
- Portland City Limit
- Metro Urban Growth Boundary (UGB)

This map depicts the approximate location of a Department of State Lands authorization. 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 0.25 0.5 1



Map Projection:  
Oregon Statewide Lambert  
Datum NAD83  
International Feet  
  
State of Oregon  
Department of State Lands  
951 SW Simpson Ave, Ste 104  
Bend, OR 97702  
541-388-6112  
[www.oregon.gov/DSL](http://www.oregon.gov/DSL)  
Date: 1/23/2025

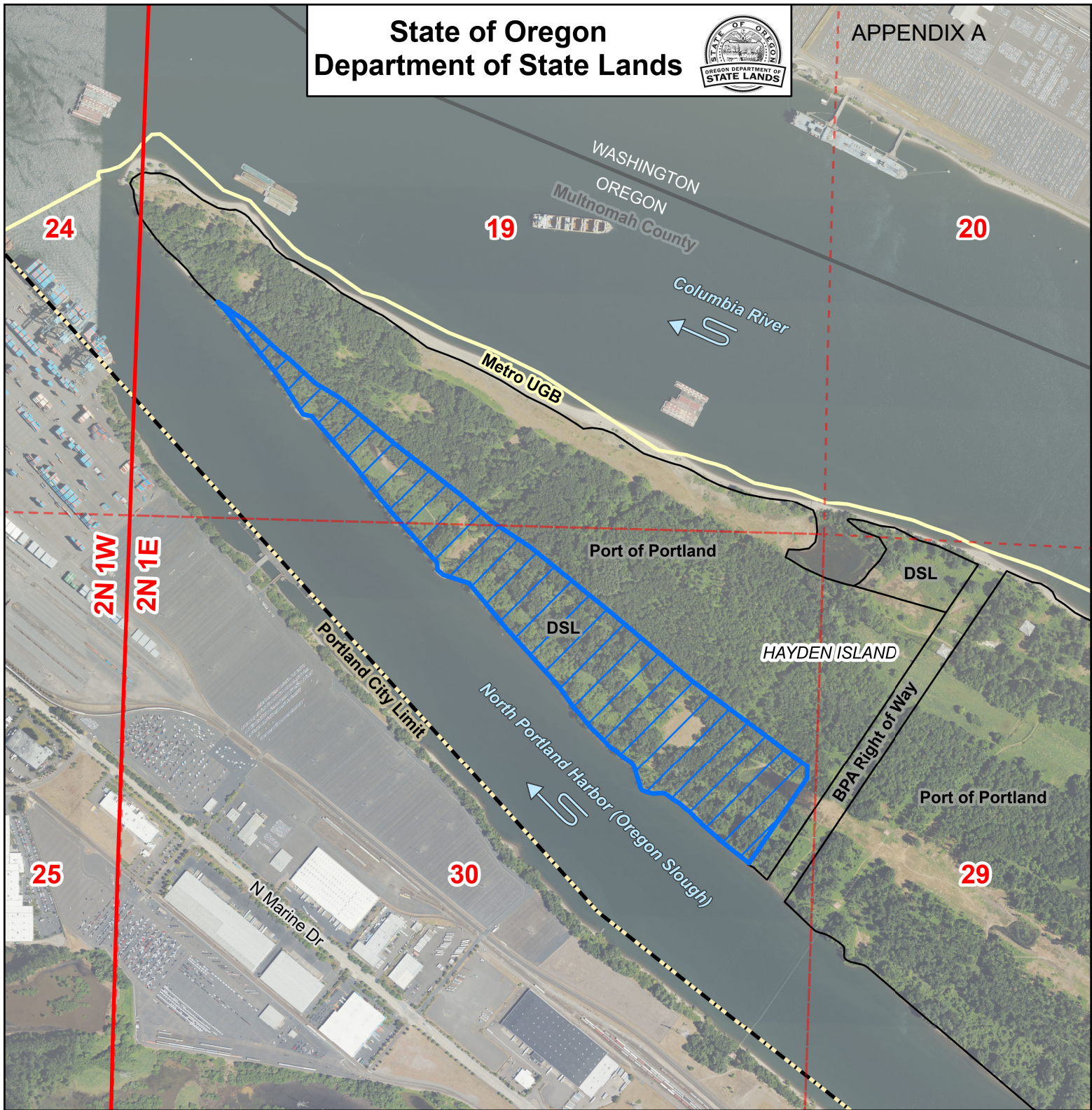




State of Oregon  
Department of State Lands



APPENDIX A



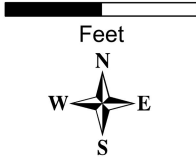
**APPENDIX A**

65338-LS Land Sale  
T2N, R1E, Sections 19 and 30  
65 acres (approx.)  
Multnomah County

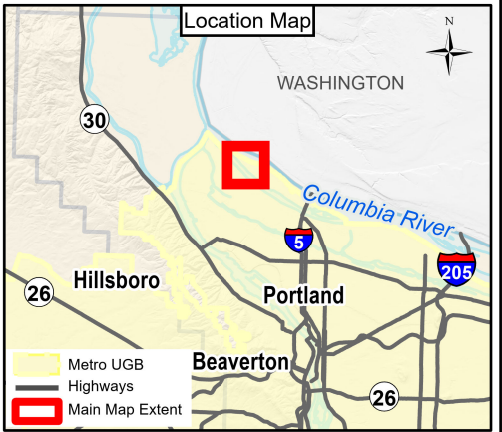
- Potential Land Sale
- Adjacent Land Ownership
- Portland City Limit
- Metro Urban Growth Boundary (UGB)
- Townships
- Sections

This map depicts the approximate location of a Department of State Lands authorization. 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.

0 500 1,000



Map Projection:  
Oregon Statewide Lambert  
Datum NAD83  
International Feet  
  
State of Oregon  
Department of State Lands  
951 SW Simpson Ave, Ste 104  
Bend, OR 97702  
541-388-6112  
[www.oregon.gov/DSL](http://www.oregon.gov/DSL)  
Date: 1/23/2025



Oregon Department of State Lands  
Bend Field Office  
951 SW Simpson Avenue, Suite 104  
Bend, Oregon 97702  
Telephone: 541-388-6112  
Fax: 541-388-6480

AGENCY # \_\_\_\_\_



## APPLICATION TO PURCHASE LAND\*

*Please print clearly.*

Applicant Name(s): ODOT - William Warncke Phone: 503-347-8178  
Address: 500 Broadway Street, Suite 200 Fax: \_\_\_\_\_  
\_\_\_\_\_  
E-mail: bill.warncke@interstatebridge.org  
City: Vancouver State: WA Zip Code: 98660

I (we) hereby make application to purchase the following described land:

	County	Section	Township	Range	Tax Lot	Acres
	Multnomah	30	2N	1E	2N1E30-00300	28.67
(Attach additional sheets if necessary)				Total Acres		28.67

**Please describe the reasoning for submitting an application to purchase State Land:**

ODOT is submitting an application to purchase State Lands for the Interstate Bridge Replacement program.

I acknowledge that submission of this application:

- May initiate a competitive sale process
- Provides no right of priority (except as determined by the State Land Board)
- No sale will be made for less than fair market value.

The Department of State Lands (DSL) reserves the right to reject this application at any time before completion of the sale.

**\*Note: Please read the Instructions for Submitting an Application to Purchase Land before completing and submitting this application.**

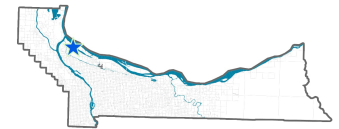
Applicant's Signature \_\_\_\_\_

Date \_\_\_\_\_



Oregon Department of Transportation (ODOT) is submitting an application to purchase land from the Department of State Lands (DSL) on Hayden Island. ODOT is applying to purchase Tax Lot 2N1E30 -00300, a 28.67-acre lot, from DSL. Tax lot 2N1E30 is located in Section 30 Township 2N Range 1E of the Willamette Meridian on the southwest shore of Hayden Island. Tax lot 2N1E30 -00300 is bordered by two Port of Portland parcels: 2N1E30 -00200 to the north, and, 2N1E30 -00400 to the southeast. The Oregon Slough is on the south shore of 2N1E -00300.

2N1E30  
PORTLAND

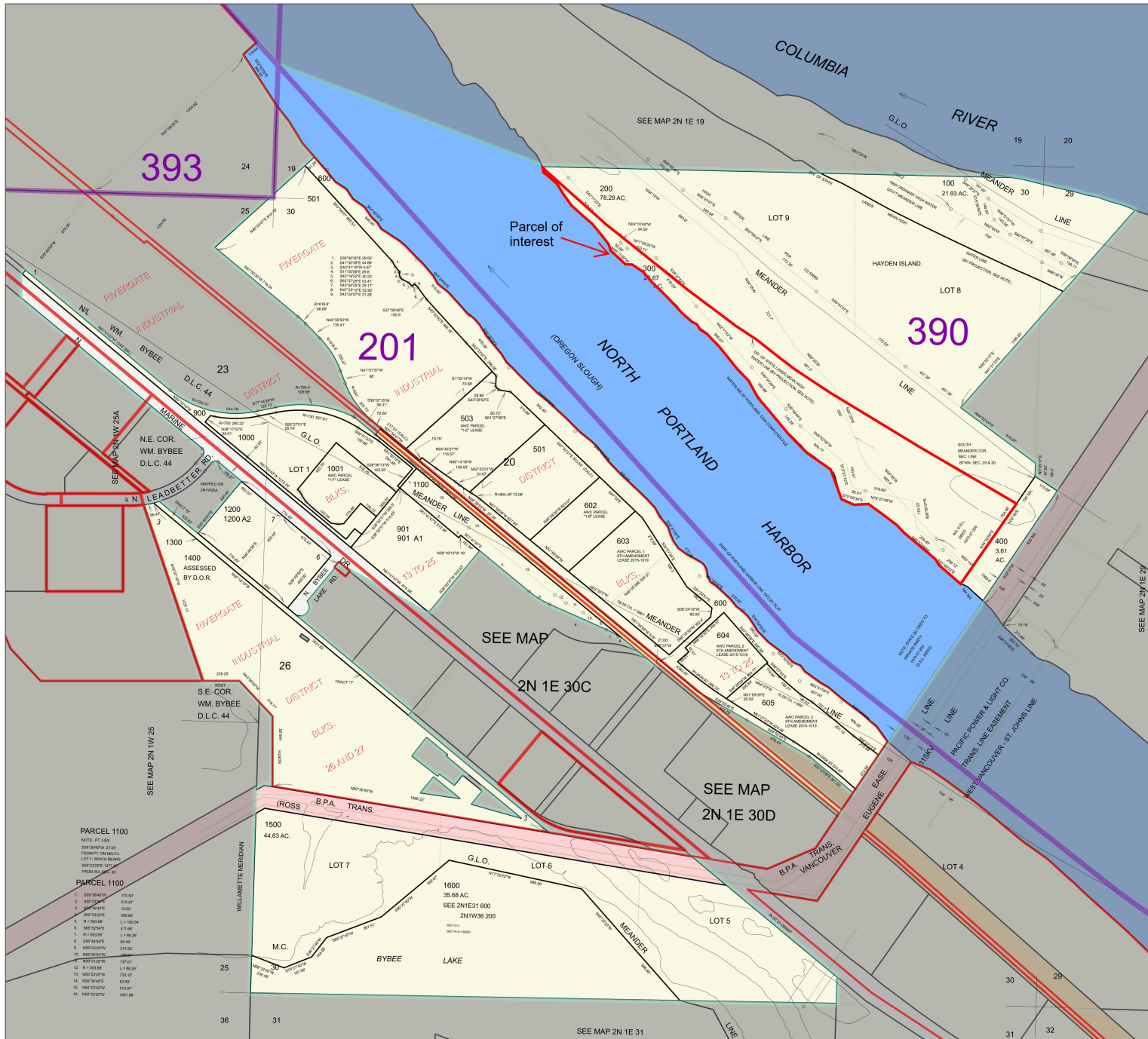


SECTION 30 TOWNSHIP 2 N.  
RANGE 1 E.  
WILLAMETTE MERIDIAN

1" = 400'

Cancelled Numbers:

500  
502  
601  
700  
800  
1200-A1



PCS: NAD 1983 HARN State Plane Oregon  
FIPS 3601 Feet Intl  
Datum: North American 1983 HARN  
Projection: Lambert Conformal Conic  
Multnomah County  
1/18/2024 4:49 PM

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY  
2N1E30 PORTLAND

# Application to Purchase Land

## Instructions and Procedures

*Attached to these instructions is the application to purchase land from the Oregon Department of State Lands*

The Department of State Lands (DSL) has an active program of land sales and invites the submittal of applications to purchase land. The Land Board's 2012 Real Estate Asset Management Plan and rules (OAR 141-067) govern and direct DSL's land sales and exchange efforts and priorities. ***Please note: A submittal of a land purchase application does not guarantee a land sale will be authorized.***

### Instructions

To insure prompt processing of your application:

- Fill out the application legibly and completely;
- Sign and date the application;
- Provide an accurate description of the property location;
- Provide a copy of the tax assessor's map of the property with the parcel identified;
- Remit a check for the non-refundable application fee of \$750.00 for each application.

**Send the completed application and check to:**

**Oregon Department of State Lands  
Real Property Program  
951 SW Simpson Avenue, Suite 104  
Bend, OR 97702**

### Procedures

- All land purchase applications (i.e. land sale project) are given careful and thoughtful consideration by DSL and must be approved by the State Land Board.
- DSL evaluates all purchase applications by carefully investigating the financial, natural, cultural and recreational impacts of the project. Adjacent property owners, interested parties, lessees (if applicable), federal, state and local agencies are notified during the evaluation. DSL uses the information to recommend to the Land Board whether or not to sell the parcels under study; the Land Board must also approve the final sale transaction.
- The Land Board must also approve the actual land sale method. Sale methods vary depending on a number of factors such as the type of land being sold and the prospective purchaser. An appraisal of all interests being sold is always conducted before a sale occurs. Generally, sales of Common School Fund Trust land are made through a public auction process. The Department will retain mineral rights. In some instances reservations or easements might be attached to the property in order to place protection over or conserve special unique or significant resources (e.g. historical or cultural features). Valid existing rights (e.g. utility easements) are also honored.
- DSL may require the applicant to provide a correct and precise description of the lands applied for in accordance with a survey.





# Oregon

Tina Kotek, Governor

## Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

(503) 986-5200

FAX (503) 378-4844

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

## State Land Board

Tina Kotek

Governor

Tobias Read

Secretary of State

Elizabeth Steiner

State Treasurer

## State Land Board

**Regular Meeting**  
**February 11, 2025**  
**Agenda Item 4**

### **SUBJECT**

Elliott State Research Forest Board of Directors appointment

### **ISSUE**

Whether the State Land Board should appoint the candidate presented by the Department to fill the vacant position on the Elliott State Research Forest Board of Directors and clarify term end dates.

### **AUTHORITY**

- Oregon Constitution, Article VIII, Section 5, specifies the State Land Board is responsible for managing lands placed under their jurisdiction by law.
- ORS 273.045; authorizing the Department of State Lands to exercise the administrative functions of the State Land Board.
- ORS 530.450 to ORS 530.520; authority for management of the Elliott State Forest.

### **BACKGROUND**

At its April 9, 2024, meeting, the Land Board adopted a formal oversight structure of the Elliott State Research Forest (ESRF) to ensure public transparency, accountability, and oversight in the administration of the program. This oversight structure included the creation of a new ESRF Board of Directors (ESRF Board) and related roles and responsibilities (see Appendix B).

The ESRF Board may consist of seven or nine voting members, to be appointed by the Land Board, as well as one non-voting member designated by the lead research entity for the Elliott (which is to be determined). The Land Board appointed six initial members in June 2024 and three additional members in October 2024. Due to the recent untimely

passing of an ESRF Board member, the Department is asking the Land Board to fill this vacancy and restore the ESRF Board to nine members.

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

Additionally, due to multiple staggered appointments in 2024, ESRF Board term end dates need clarification to ensure consistency and efficiency in the Department's engagement with the Land Board on the oversight of the Elliott. Going forward, three of the nine board seats will end each year on October 15, with new appointments or reappointments made at the Land Board's October meeting.

### **PUBLIC OUTREACH**

This vacancy was discussed in three public meeting sessions of the ESRF Board:

- November 7, 2024
- December 9, 2024 (with a request for input on qualified candidates representing conservation interests)
- February 5, 2025

### **RECOMMENDATION**

The Department recommends the Land Board clarify the board term end dates and fill the vacancy on the ESRF Board of Directors by appointing Kaitlin Lovell, as identified in Appendix A, subject to a positive background check.

### **APPENDIX**

- A. ESRF Board: Current Members and Proposed Candidate for Appointment
- B. Elliott State Research Forest: Oversight Structure

**APPENDIX A****Elliott State Research Forest Board Appointments:  
DSL-Proposed Candidate**

<b>Name</b>	<b>Location</b>	<b>Board Seat</b>	<b>Term</b>	<b>Appointed on</b>	<b>Term Ends on</b>
<b>Keith Tymchuck</b>	Reedsport	1	3 years	June 11, 2024	October 15, 2027
<b>Kaitlin Lovell</b>	Colton	2	3 years	<i>Proposed on February 11, 2025</i>	<i>October 15, 2027 (remainder of term)</i>
<b>Mike Kennedy</b>	Siletz	3	3 years	June 11, 2024	October 15, 2027
<b>Melissa Cribbins</b>	Coos Bay	4	2 years	June 11, 2024	October 15, 2026
<b>Peter Hayes</b>	Portland	5	2 years	June 11, 2024	October 15, 2026
<b>Jennifer Allen</b>	Portland	6	2 years	October 15, 2024	October 15, 2026
<b>Payton Smith</b>	Coos Bay	7	1 year	October 15, 2024	October 15, 2025
<b>Mike Wilson</b>	Dallas	8	1 year	October 15, 2024	October 15, 2025
<b>Haley Lutz</b>	Coos Bay	9	1 year	June 11, 2024	October 15, 2025

## **Proposed Candidate Bio: February 11, 2025**

### **KAITLIN LOVELL (Colton, OR)**

Kaitlin Lovell is a scientist and a lawyer specializing in endangered species and river ecosystems, with over 25 years of professional experience elevating the role of science in law and policy. She is an expert in the Endangered Species Act and Clean Water Act including the development and implementation of Habitat Conservation Plans. Since 2007 she has served in a variety of roles for the City of Portland including External Finance Manager, Mitigation Policy Director, Regulatory Strategy and Remediation Manager, and thirteen years leading the Science Integration (formerly Science, Fish and Wildlife) Division. A climate practitioner, she is the co-author of Portland's Climate Change Vulnerability and Risk Assessment, and Climate Preparation Strategy, leading the natural resources assessment and strategy. Kaitlin joined the City after seven years at Trout Unlimited, a national nonprofit fish conservation organization, where she served as salmon policy coordinator and counsel helping to draft Oregon's first recovery plans for Oregon Coast Coho, and for Lower Columbia and Willamette coho, chinook and steelhead. Prior to moving to Oregon in 2001, she served as Assistant University Counsel at Cornell University supporting and defending world renowned research including experimental nature-based climate solutions. Kaitlin is a graduate of Cornell Law School and Bucknell University.

## **Currently Appointed Board Member Bios**

### **JENNIFER ALLEN**

Jennifer Allen recently retired from Portland State University, where she was the Portland Professor of Environment and Natural Resources in the Mark O. Hatfield School of Government; she previously served as director of PSU's Institute for Sustainable Solutions. Jennifer served on the prospective board for the Elliott State Research Forest and chaired the Science Advisory Panel associated with earlier ESRF development efforts. She has also served as a commissioner and chair on the Oregon State Parks Commission as well as on the boards of a number of nonprofits. Jennifer offers knowledge and experience related to governance, research, and organizational development that would be of value to the ESRF board. Jennifer holds a Ph.D. in Environmental Science and Public Policy from George Mason University, a Master of Environmental Management from Yale School of Forestry and Environmental Studies, and a BA in American Studies from Yale University.

### **MELISSA CRIBBINS**

Melissa Cribbins is a small business owner and an attorney. A former Coos County Commissioner, Melissa is currently a member of the Environmental Protection Agency's Local Government Advisory Council and is past Chair of the National Association of Counties' Energy, Environment and Land Use Committee. Prior to her election in 2012, she worked for the Coquille Indian Tribe as in-house counsel for six years. She is a member of the Oregon State Bar, the Confederated Tribes of the Coos, Lower Umpqua, and Siuslaw Indians Bar, and the Washington State Bar, and she also serves as a tribal judge. She has served on multiple boards and committees, including the Elliott State Research Forest Advisory Committee, the Board of Directors for the Association of Oregon Counties, and the Board of Directors for Energy Trust of Oregon. Melissa is a graduate of Portland State University and Gonzaga University.

### **PETER HAYES**

Peter Hayes and his family own and care for Hyla Woods in the northern Oregon Coast Range where they experiment with what is needed to grow forests that are ecologically complex and resilient, economically sufficient, and culturally helpful. Building on 170 years of family work in forestry and sawmilling, Peter's public involvements include past service on the Oregon Board of Forestry, co-founding and leadership of the Build Local Alliance, and coordination of the NW Innovative Forestry Summit.

### **HALEY LUTZ**

Haley Lutz is an Oregon coast native, born in North Bend. She is the Executive Director of the Coos Watershed Association (CoosWA), a locally organized, non-regulatory organization that has been leading innovative science, restoration, monitoring, and education programs with the Coos watershed community since 1994. CoosWA has a deep interest in the Elliott and related partnerships. Haley holds a Master of Studies in Environmental and Natural Resource Law from Lewis and Clark Law School. Before coming to CoosWA, she worked for the Oregon Department of Fish and Wildlife, interned with NOAA Fisheries working on the Oregon Coast

Coho Recovery Plan, and led a watershed council on the North Coast. In her spare time, she enjoys fishing, bow hunting, swimming, exploring the outdoors, and trying to keep up with her wild toddler.

### **MIKE KENNEDY**

Mike Kennedy recently retired as the Natural Resources Director for the Confederated Tribes of Siletz Indians, where he was responsible for operation of the Tribal Forestry, Aquatics, Wildlife, Hunting & Fishing, Realty and Environmental Protection programs. Prior to that role, he served as the Tribe's Forester and Presales Forester and spent 8 seasons as a Forestry Technician on the Ochoco National Forest. All told, he has dedicated his career to forest management for 44 years and continues to remain engaged in these issues while living in Siletz, Oregon. Mike holds a Bachelor of Science degree in Forest Management from the State University of New York College of Environmental Science and Forestry. In addition to serving on the Elliott State Research Forest Board, he has served on the Siuslaw National Forest Resource Advisory Committee, the BLM Western Oregon Resource Advisory Committee, the Oregon Department of Forestry State Forests Advisory Committee, and the Oregon State University McDonald-Dunn Research Forest Stakeholder Advisory Committee.

### **PAYTON SMITH**

Born and raised in North Bend, Payton Smith spent much of her youth growing up on the Elliott. After graduating from college at the University of Oregon, she worked for Roseburg Forest Products in Springfield before moving home to Coos Bay. Payton serves as the Director of Communications and Government Affairs for Southport Lumber. Her job connects her with South Coast community and economic vitality efforts in many ways. She also serves on the board of directors for the Judith Ann Mogan Foundation as well as the Boys and Girls Club of Southwestern Oregon.

### **KEITH TYMCHUK**

Keith Tymchuk is a lifelong resident of Reedsport. A graduate of the University of Oregon and Oregon State University, he has been an educator for 42 years, the last 40 at Reedsport High School teaching Government, History, Psychology and English. He served six terms as Reedsport's mayor, has been a Port of Umpqua Commissioner for 28 years and serves as the Regional Solutions Convener for Douglas, Coos, and Curry Counties. He is currently the President of the Board of Directors for Central Lincoln PUD. Keith also has been involved in projects as diverse as Wave Energy, Community Forests, and the Oregon Coast Trail. Keith served on the Elliott State Research Forest Advisory Committee since its inception in 2019. He is an avid reader and enjoys hunting, fly fishing and golfing in his free time.

### **MICHAEL WILSON**

Michael Wilson served as the Natural Resource Department Director for the Grand Ronde Tribe (now retired), where he managed forestry and Indigenous stewardship approaches and programs on the Tribe's forestlands. He has also served on many state and federal committees and planning efforts where he has engaged in forest policy and tribal representation. Currently, he serves as a board member of the Oregon Agricultural Trust and Board Chair of the Polk Soil

and Water Conservation District. Mike is a Grand Ronde Tribal member and brings valuable knowledge and experience of tribal forest operations and management. He continues to work on several projects that promote tribal rights and representation. Mike worked and recreated around the Elliott early in his career and worked as part of representation of Grand Ronde Tribal interests in the original Elliott advisory committee. Mike holds an MBA from George Fox University and Business/Environmental Studies from Linfield College.

## **Elliott State Research Forest Oversight Structure**

For the purpose of safeguarding public oversight, accountability and transparency in the administration of the Elliott State Research Forest (ESRF), the State Land Board on April 9, 2024 approved the following structure for an ESRF Board of Directors (ESRF Board) to guide management of the ESRF by the Department of State Lands (DSL).

The ESRF Board will function in an advisory capacity to DSL based on existing statutory authorities, delegated responsibilities and direction from DSL and the State Land Board. This document is divided into three primary sections:

1. State Land Board roles and duties related to the ESRF, ESRF Board membership and appointment;
2. DSL responsibilities; and
3. ESRF Board duties and responsibilities.

Future changes to this Oversight Structure will follow this process:

- Revisions relevant to Section 1 (ESRF Mission, Management Policies, and State Land Board responsibilities) may be made based on State Land Board review and approval.
- Revisions relevant to Sections 2 and 3 (DSL and ESRF Board responsibilities) may be made based on mutual agreement between DSL and the ESRF Board.
  - If such mutual agreement exists, DSL will notify the State Land Board of the changes at its next scheduled meeting, and State Land Board approval need not occur provided that the changes agreed upon by DSL and ESRF Board are consistent with State Land Board direction.
  - If DSL and the ESRF Board do not reach mutual agreement over a proposed change, either entity may seek State Land Board guidance and resolution.

### **Section 1: State Land Board Roles**

#### **A. ESRF Mission**

The State Land Board's mission for the Elliott State Research Forest is the creation of an enduring, publicly owned, world-class research forest that:

(1) Advances and supports forest health, climate resilience, carbon sequestration, biodiversity conservation, recovery of imperiled species, water quality and quantity, recreational opportunities and local economies as well as scientific research that improves knowledge related to forest management's role in achieving these qualities.



(2) Is managed to promote collaboration, partnerships, inclusive public processes and equity, consistent with:

- (A) The management policies in Subsection B below;
- (B) An applicable habitat conservation plan approved pursuant to the federal Endangered Species Act of 1973 (P.L. 93-205, 16 U.S.C. 1531 to 1544); and
- (C) A forest management plan approved by the State Land Board.

## **B. ESRF Management Policies**

The State Land Board's management policies for the ESRF are to:

- (1) Further the mission described in subsection (A) of this section.
- (2) Support scientific inquiry.
- (3) Allow public access for recreational and educational purposes that is compatible with scientific and conservation purposes, and the mission and management policies described in this section.
- (4) Advance long-term, operational-scale research on issues including forest management practices, ecosystem function, biodiversity, habitat conservation, water quality and quantity, carbon sequestration, rural livelihoods and the resilience of forests to the impacts of climate change.
- (5) Support rural economies through active forest management, timber harvest and other forest products, recreation, research, habitat restoration and related jobs.
- (6) Improve the ecological health of the forest through conservation and restoration measures relevant to habitat, biodiversity, carbon and climate resilience outcomes;
- (7) Promote opportunities at all education levels to interact with the forest and advance public understanding of the ecological, economic and social benefits of healthy forest ecosystems.
- (8) Seek active partnerships with Tribal governments to:
  - (A) Research and demonstrate traditional and contemporary Tribal cultural practices and ecological knowledge related to forest management.
  - (B) Provide opportunities for Tribal governments and Tribal members to harvest traditional forest products and engage in traditional Tribal cultural practices related to the forest.

(C) Consult on potential impacts on natural, cultural and traditional resources in the forest.

(9) Maintain a financially self-sufficient forest management entity and structure capable of operating and overseeing the forest and necessary infrastructure.

(10) Prioritize collaborative partnerships that recognize both the local and statewide values the forest provides.

(11) Maintain a high level of public accountability and transparency in forest management decisions and operations.

### **C. ESRF Guidance and Decision Responsibilities**

Consistent with the ESRF's mission and management policies, the State Land Board will provide the following to DSL and the ESRF Board:

(1) Policy guidance.

(2) Feedback on DSL's biennial programmatic reports.

(3) Approval or denial of:

(A) A forest management plan, and any amendments thereof.

(B) Any amendments to the habitat conservation plan, prior to submittal to federal or state regulatory agencies.

(C) Any expansion of lands in the forest, or exchange of lands in the forest or timber on the lands.

### **D. ESRF Board Membership and Appointment Process**

The State Land Board will appoint voting members to the ESRF Board. The ESRF Board shall consist of seven or nine voting members and a person designated by the lead research entity for the ESRF, who shall be a nonvoting member.

(1) The State Land Board shall:

(A) Appoint the voting members for terms of four years and for not more than two consecutive terms, except as set forth below in subsection 5.

- (B) Fill any vacancy among the voting members by appointing a voting member to serve the remainder of the unexpired term.
  - (C) Consult with, and consider input from, the primary ESRF research partner and the existing ESRF Board when determining whom to appoint to the ESRF Board.
  - (D) Endeavor to appoint members who have a full complement of relevant experience or expertise in subjects related to the mission and management policies and operations of the research forest, and demonstrated interest in the success of the mission and management policies of the forest as a research forest.
- (2) ESRF Board Members are not entitled to compensation but may receive reimbursement by DSL of their actual and necessary travel and other expenses incurred in the performance of their official duties, to the extent allowed by applicable law.
- (3) On or before June 1, 2024, the DSL Director will develop a list of candidates for appointment as the first voting members of the ESRF Board.
- (4) The State Land Board intends to appoint the first voting members of the ESRF Board from a list of candidates at its June 2024 meeting.
- (5) Notwithstanding section 1(a) above:
- (A) Of the voting members first appointed by the State Land Board:
    - (i) Three shall serve for a term ending one year after the date of the appointment.
    - (ii) Two shall serve for a term ending two years after the date of the appointment.
    - (iii) Two shall serve for a term ending three years after the date of the appointment.
    - (iv) If there are nine members, three shall serve for a term ending two years after the date of the appointment, and three shall serve for a term ending three years after the date of the appointment.
  - (B) A voting member serving a term described in this subsection, or serving the remainder of an unexpired term resulting from vacancy referred to in Subsection 1(B), may be appointed to serve two additional consecutive terms.

## **Section 2: DSL Responsibilities**

- (1) DSL shall advance ESRF management in a manner consistent with the mission and management policies of Section 1 above, including in compliance with an approved habitat conservation plan, forest management plan, or other plans or direction referenced in Section 3(2)(A)-(N) below.
- (2) DSL will safeguard public transparency, accountability and participation in decision-making related to the ESRF by ensuring the ESRF Board complies with Oregon Public Meetings Laws, ORS 192.610 to 192.705 and by advancing the following:
- (A) Provide opportunities for public comment at each ESRF Board meeting.
  - (B) Provide ESRF Board members with copies of written public comments before the ESRF Board acts.
  - (C) Provide the public with written materials as well as a public review and comment opportunity on items listed in Section 3(2)(A)-(N). For any proposed biennial operations plans, forest management plan or related amendments, or amendments to the habitat conservation plan, at least 45 days will exist for public comment before the ESRF Board votes on any recommendations related to such plans.
  - (D) Conduct at least five meetings of the ESRF Board per year for which public participation is facilitated.
- (3) DSL will adopt the recommendations of the ESRF Board to the fullest extent possible, especially if offered with full consensus of the ESRF Board, unless DSL determines the ESRF Board recommendation is inconsistent with state law, inconsistent with State Land Board or DSL policy, or other reasons exist for making a different decision. DSL will respond to ESRF Board Recommendations within 30 days. If DSL does not adopt the advice or recommendations of the ESRF Board, DSL will articulate its reasons to the ESRF Board in writing concurrent with the Department's decision.

### **Section 3: ESRF Board Duties & Responsibilities**

- (1) The ESRF Board shall advise the DSL Director and ESRF Forest Manager, and advance recommendations if it has them, on the following:
- (A) Evaluation, or contract for evaluation, of whether management of the forest (operational planning, implementation, monitoring and reporting) is being effectively integrated with a lead research entity or entities.

(B) Evaluation of whether the mission and management policies for the Elliott State Research Forest are being effectively implemented.

(C) The operational and fiscal integrity of the ESRF.

(D) The hiring of an ESRF forest manager as well as delegation of responsibilities to this position.

(E) The scope of biennial operations plans.

(F) The advancement and/or implementation of operations and research programs, whether prospective (based on proposed programs) or retrospective (based on ongoing or past implementation of programs).

(2) After considering public comments received in response to the Department's circulation of materials related to items below, as well as any further input the ESRF Board solicits, the ESRF Board shall advise the ESRF Forest Manager and/or DSL Director with recommendations on:

(A) Department budgets for the ESRF, including related to its Agency Request Budget.

(B) Biennial operations reports.

(C) Biennial operations plans.

(D) Proposed research plans or programs.

(E) Recreation plans.

(F) Education plans.

(G) A forest management plan.

(H) Any sale of carbon credits or entry into easements or other encumbrances of lands in the forest.

(I) Any expansion or exchange of lands in the forest.

(J) Any amendments to a habitat conservation plan related to the forest

(K) Any proposed amendments to the Elliott State Research Forest Proposal.

(L) Any other submission to federal or state agencies that relates to revising or clarifying ESRF management or policy direction.

(M) Any proposed receipt of funds, including bequests, or funding requests made to the federal government, private sector, state agencies or the Legislative Assembly not otherwise covered in subsection 2(A), including any request for issuance of revenue bonds, certificates of participation financing, or state-funded debt service.

(N) Any other plans or decisions DSL intends to make of significance to advancement of or compliance with the ESRF's mission and management policies.

(3) In advancing oversight, advice or recommendations, the ESRF Board shall review DSL proposals, plans, reports or other information submitted to it (by DSL, the public or otherwise) relevant to the subject matter in subsections (1) and (2) above. While DSL and the State Land Board have responsibility for decisions on plans, amendments, or other decision areas referenced in subsection (1) and (2), the ESRF Board's review and any advice or recommendations related to those subsections will focus on and strive to ensure consistency with the direction and intent of the applicable Forest Management Plan, Habitat Conservation Plan, research direction, or overall mission and management policies of the ESRF.

(4) The ESRF Board shall also:

(A) Review DSL's biennial or other programmatic reports to the State Land Board on the ESRF and may provide recommendations to the State Land Board on the DSL reports.

(B) Promote transparency around decisions concerning the forest, including forums to provide public input in association with ESRF Board meetings or separately.

(5) The ESRF Board may also:

(A) Form advisory bodies or subcommittees as the Board deems necessary and appropriate.

(B) Request that DSL pursue funding of ESRF operations and/or research through state-issued bonds, certificates of participation or similar instruments as well as other opportunities identified by the ESRF Board.



# Oregon

Tina Kotek, Governor

## 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

Tina Kotek

Governor

Tobias Read

Secretary of State

Elizabeth Steiner

State Treasurer

## M E M O R A N D U M

Date February 11, 2025

To: Governor Tina Kotek  
Secretary of State Tobias Read  
State Treasurer Elizabeth Steiner

From: Vicki L. Walker  
Director

Subject: Common School Fund Audit Report

The Department's auditors, Eide Bailly, will be presenting the 2024 governance letter and 2024 financial statements attached in the appendix. The key items that will be addressed are as follows:

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

### **APPENDICES**

- A. Common School Fund 2024: Governance Letter
- B. Common School Fund 2024: Final Financial Statements

November 13, 2024

To the State Land Board  
Department of State Lands  
Salem, Oregon

We have audited the financial statements of the Common School Fund of the State of Oregon as of and for the year ended June 30, 2024, and have issued our report thereon dated November 13, 2024. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards***

As communicated in our letter dated August 14, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Funds solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.



## Qualitative Aspects of the Entity's Significant Accounting Practices

### *Significant Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. A summary of the significant accounting policies adopted by the Common School Fund are described in Note 1 to the financial statements. As described in Note 1, the Common School Fund changed accounting policies related to accounting for accounting changes and error corrections to adopt the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*. Accordingly, the presentation and disclosure requirements have been applied to the financial statements for the year ended June 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the unclaimed property deposit liability that will be distributed is based on the percentage of claims historically paid out overtime. We evaluated the key factors and assumptions used to develop the unclaimed property deposit liability and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Management's estimate of the various investment valuations with non-readily available market prices are based on a cash flow analysis with true up adjustments provided by the fund managers. We evaluated the key factors and assumptions used to develop the investment valuations and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Common School Fund's financial statements relate to:

The disclosure of investments in Note 2 to the financial statements requires disclosures to address Government Accounting Standards Board Statement No. 40 "*Deposit and Investment Risk Disclosure – an amendment of Government Accounting Standards Board Statement No. 3*" which addresses common deposit and investment risks related to credit risk, custodial credit risk, concentration of credit risk, and interest rate risk.

The disclosure of deposit liabilities in Note 4c to the financial statements that summarize the estimated liability for unclaimed property for the year ended June 30, 2024.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The following summarizes an uncorrected financial statement misstatement whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

Overstatement of Deposit Liability	\$5,880,232
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The effect of this uncorrected misstatement, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended June 30, 2024, is an understatement of beginning net position of \$3,384,341 and an understatement of current year change in net position of \$2,495,891.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Fund's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. Except as described in the following paragraph, we did not identify and circumstances that affect the form and content of the auditor's report.

#### *Modification of the Auditor's Report*

We have made the following modification to our auditor's report to include an emphasis of a matter.

As discussed in Note 1, the financial statements of the Common School Fund are intended to present the financial position, and the changes in financial position, of only the position of the State or Oregon that is attributable to the transactions of the Common School Fund. They do not purport to, and do not, present fairly the financial position of the State of Oregon or Department of State Lands or the Oregon State Treasury as of June 30, 2024, or the changes in their financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated November 13, 2024.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Common School fund of the State of Oregon, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Common School Fund's auditors.

This report is intended solely for the information and use of the Oregon State Lands Board, the Director, the Oregon Secretary of State Audits Division, and management of the Common School Fund and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho

# **Common School Fund**

## **Annual Financial Report**

### **For the Fiscal Year Ended June 30, 2024**

## **Oregon Department of State Lands**

*An Agency of the State of Oregon*



**Vicki L. Walker**  
Director

**Jean Straight**  
Deputy Director, Administration Division

**Report Prepared by:**

Joseph Flager, CPA, Fiscal Manager  
Sangit Shrestha, CPA

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## **FINANCIAL SECTION**



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CPAs &amp; BUSINESS ADVISORS

**Independent Auditor's Report**

State Land Board  
Oregon Department of State Lands  
Salem, Oregon

**Report on the Audit of the Financial Statements*****Opinion***

We have audited the financial statements of the Common School fund, major governmental fund of the State of Oregon, which comprise the balance sheet as of June 30, 2024, and the related statement of revenues, expenditures, and changes in fund balances of the Common School fund of the State of Oregon, as of and for the year ended June 30, 2024, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Common School Fund of the State of Oregon as of June 30, 2024, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Oregon, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Common School Fund of the State of Oregon are intended to present the financial position and the changes in financial position that is attributable to the transactions of the Common School Fund. They do not purport to, and do not, present fairly the financial position of the State of Oregon, the Department of State Lands, or the Oregon State Treasury as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Oregon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024, on our consideration of the Common School Fund of the State of Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Common School Fund of the State of Oregon's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Common School Fund of the State of Oregon's internal control over financial reporting and compliance.



Boise Idaho  
November 13, 2024

## **BASIC FINANCIAL STATEMENTS**

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**Balance Sheet**  
**June 30, 2024**

**ASSETS**

Cash and Cash Equivalents	\$ 190,105,193
Cash and Cash Equivalents, Restricted	2,283,728
Investments	2,359,453,942
Investments, Restricted	123,741,574
Securities Lending Collateral	15,532,554
Accounts and Interest Receivables	55,620,030
Due from Other Funds	141,682
Advances to Other Funds	300,000
Net Contracts, Notes, and Other Receivables	13,437

**Total Assets**

	\$ 2,747,192,140
--	------------------

**LIABILITIES AND FUND BALANCES****Liabilities:**

Accounts Payable	\$ 136,536,284
Obligations Under Securities Lending	15,532,554
Due to Other Funds	448,939
Deposit Liabilities	277,281,235

**Total Liabilities**

	429,799,012
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**DEFERRED INFLOWS OF RESOURCES**

Unavailable Revenue - Contracts	13,437
---------------------------------	--------

**Total Deferred Inflows of Resources**

	13,437
--	--------

**Fund Balances:**

## Restricted by:

Oregon Constitution	1,547,367,521
Enabling Legislation	770,012,170

Total Fund Balances	2,317,379,691
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**Total Liabilities, Deferred Inflows of Resources,  
and Fund Balances**

	\$ 2,747,192,140
--	------------------

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2024**

**REVENUES**

Licenses and Fees	\$ 2,360,052
Federal	1,226,662
Charges for Services	261,604
Rebates and Recoveries	17,168
Fines, Forfeitures, and Penalties	126,071
Rents and Royalties	5,598,658
Investment Income	243,978,403
Sales	880,092
Unclaimed and Escheat Property Revenue	78,848,670
Other	4,326,386

**Total Revenues**


---

 337,623,766
 

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**EXPENDITURES**

Personal Services	14,207,299
Services and Supplies	10,022,815
Intergovernmental	771,459
Capital Improvements	2,408,009
Debt Service:	
Principal	412,263
Interest	150,550
Investment Expenditures	8,692,427

**Total Expenditures**


---

 36,664,822
 

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Excess of Revenues Over Expenditures

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 300,958,944
 

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**OTHER FINANCING SOURCES (USES)**

Transfers from Other Funds	3,784,581
Transfers to Other Funds	(117,156,723)
Insurance Recoveries	1,140,463

**Total Other Financing Sources (Uses)**


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 (112,231,679)
 

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Net Change in Fund Balances

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 188,727,265
 

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Fund Balances - Beginning

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 2,128,652,426
 

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**Fund Balances - Ending**


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 \$ 2,317,379,691
 

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The notes to the financial statements are an integral part of this statement.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Common School Fund have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

### **A – THE REPORTING ENTITY**

The Department of State Lands (Department) is the administrative agency of the State Land Board handling the day-to-day work of the board in managing the land and other resources dedicated to the Common School Fund. The State Land Board, which consists of the Governor, the Secretary of State, and the State Treasurer, is the trustee of the fund as outlined in the Oregon Constitution. The Oregon State Treasury (Treasury) began managing the Unclaimed Property Program starting the fiscal year 2022, which remains in the Common School Fund.

The Common School Fund, a governmental fund, was established at statehood and is intended to generate earnings to distribute to public schools. The Common School Fund accounts for programs that manage state-owned land, including a leasing program that generates annual revenues, for the benefit of the public school system. Estate funds that become the property of the state, unclaimed property, and income derived from unclaimed property are also accounted for in this fund. Statutory and constitutional provisions stipulate that the assets of the fund, including investment income, must be used for common school purposes. The primary funding sources for these programs include investment income, leasing revenues, forest management, unclaimed property receipts, and transfers from other funds.

### **B – FUND FINANCIAL STATEMENTS**

The fund financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances. The statement of revenues, expenditures, and changes in fund balances reports revenues by type and expenditures by natural classification. Other financing sources and other financing uses are reported in the last section of the statement.

### **C – MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The Common School Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities existing at the end of the year. For this purpose, revenues are considered available if they are collected within 90 days of the end of the current fiscal year. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. Information for receivables not expected to be collected within one year of the date of the financial statements and payables reported in the financial statements is discussed in Note 4.

### **D – DEPOSITS AND INVESTMENTS**

#### **Deposits**

Cash deposits not held in a cash management or investment pool are classified as cash and cash equivalents. Cash deposits that are held in a cash management or investment pool are classified as cash and cash equivalents when the pool has the general characteristics of a demand deposit account. Cash and cash equivalents include: cash on hand, cash and investments held by the Office of the State Treasurer in the Oregon Short-Term Fund (OSTF), cash deposits held in demand deposit accounts with custodial banks, and cash deposits of debt proceeds in investment funds held by a trustee.



### **Investments**

Investments are reported at fair value except for investments in the OSTF with remaining maturities of up to 90 days are carried at amortized cost, which approximates fair value. The Department and the Treasury report these investments as cash and cash equivalents on the balance sheet.

Changes in the fair value of investments are recognized as investment income (loss) in the current year.

The fair value of publicly traded debt and equity securities in active markets is determined by the custodian's pricing agent using nationally recognized pricing services. The custodian's pricing agent values equity securities traded on a national or international exchange at the last reported sales price and generally values debt securities by using evaluated bid prices. The fair value of publicly traded real estate investment trust securities is determined by the custodian's pricing agent using recognized pricing services and generally reflects the last reported sales price. For investments that do not have an active market, such as private placements or comingled investment vehicles, the value is stated at the net asset value of units held, or its equivalent, as reported by the fund manager or general partner.

### **Derivatives**

In accordance with State investment policies, the Office of the State Treasurer participates in contracts that have derivative characteristics. Derivative instruments are used to hedge against fluctuations in foreign currency rates, and to manage the overall risk of investment portfolios. The fair value of all derivative instruments within the Common School Fund are reported on the balance sheet as investments, accounts and interest receivable, and accounts payable. The change in fair value for all Common School Fund derivative instruments is reported with investment income on the statement of revenues, expenditures, and changes in fund balances.

### ***E – RECEIVABLES AND PAYABLES***

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to other funds." Receivables consist of revenues earned or accrued in the current period and are shown net of estimated uncollectable accounts. Payables consist of amounts owed to vendors for operational expenditures, other state agencies for services received and investment liabilities outstanding.

### ***F – INTERFUND TRANSACTIONS***

Interfund transactions are transactions between the Common School Fund and other funds included in the Oregon Annual Comprehensive Financial Report. Interfund balances (due to/from other funds and advances to/from other funds) result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Advances to/from other funds are not expected to be repaid within one year. See Note 7 for more in interfund transactions.

### ***G – RESTRICTED ASSETS***

Restricted cash and cash equivalents and restricted investments are held in trust for third parties in the Unclaimed Property Program.

### ***H – FUND BALANCES***

The difference between assets and liabilities plus deferred inflows of resources is labeled "Fund Balance" on the fund financial statements. Fund balance is reported in five components: (1) Non-spendable, (2) Restricted, (3) Committed, (4) Assigned, and (5) Unassigned.

Restricted fund balances are the result of constraints imposed by the law through constitutional provisions or enabling legislation or by parties outside the State, such as creditors, grantors, contributors, or laws or regulations of other governments. Common School Fund balances are all restricted.

For fund balance classification purposes, the Department and the Treasury determine the appropriate classification of each of their detail-level funds based on the resources accounted for in those funds and the constraints on spending those resources. The Department and the Treasury expend resources from the appropriate fund based on each fund's specific spending constraints. Ending fund balances, therefore, are the result of that spending.

## **NOTE 2 – DEPOSITS AND INVESTMENTS**

### **Common School Fund Investment Portfolio Held at Treasury**

Investments of the Common School Fund held by the State Treasurer (Treasurer) require the exercise of prudent and reasonable care in the context of the Common School Fund's investment portfolio and as part of an overall investment strategy. The Treasurer is required to diversify investments unless it is not prudent to do so. In addition, the Treasurer must exercise reasonable care to incorporate risk and return objectives suitable to the particular investment fund. The Treasurer has a policy and procedure that addresses objectives and strategies for investments of the Common School Fund.

The Common School Fund's investment policies are governed by statute and the Oregon Investment Council (Council). The Treasurer is the investment officer for the Council and is responsible for the funds on deposit with the Treasury. The Treasurer works with the State Land Board to ensure implementation of the asset allocation policy that meets the business needs of the Common School Fund. The Council does not make asset allocation changes without considering input from the State Land Board. In accordance with Oregon statutes, the investment funds are invested, and the investments of those funds managed, as a prudent investor would do, exercising reasonable care, skill and caution. The Treasurer is authorized to use demand deposit accounts, fixed income investments, and direct equity investment transactions, although the majority of equity investments are directed by external investment managers under contract with the Council. Investments are managed around a 60% equity, 20% fixed income, 10% real estate, 5% real assets, and 5% diversifying strategies target with a range of plus or minus 5%, as detailed below. The Common School Fund's actual asset allocation is monitored monthly relative to established asset allocation policy targets and ranges. A deviation outside of any of the ranges triggers a review and rebalancing back toward the target asset allocation with due consideration given to the liquidity of the investments and transaction costs. Whenever possible, cash flows into and out of the fund are used to rebalance between asset classes. Cash is held only for business operating purposes.

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation</b>	<b>Range</b>
Public Equities	MSCI ACWI IMI (Net)	45%	40% - 50%
Private Equities	Russell 3000 + 300 bps Index	15%	10% - 20%
	Total Equities	60%	50% - 70%
Fixed Income	Bloomberg US Aggregate Bond Index	20%	15% - 25%
Real Estate	NCREIF ODCE QTR Lag (Net)	10%	5% - 15%
Real Assets	CPI + 4%	5%	0% - 10%
Diversifying Strategies	HFRI FOF: Consv Index	5%	0% - 10%
Cash		0%	0% - 3%
	Weighted aggregate of indexes listed		
Policy Mix	above at target allocation	100%	

**Common School Fund Participation in the Oregon Short-Term Fund Held at Treasury**

The Treasurer maintains the Oregon Short-Term Fund (OSTF), a cash and investment pool that is available for use by the Common School Fund. Because the pool operates as a demand deposit account, the Common School Fund portion of the OSTF is classified on the financial statements as cash and cash equivalents. Additional information about the OSTF can be found in the OSTF financial statements at:

<https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Pages/default.aspx>

**Common School Fund Investments Held Outside Treasury**

Statutes govern the placement of investments of the Common School Fund held outside Treasury as part of trust agreements or mandatory asset holdings by regulatory agencies. The Common School Fund investment portfolio includes \$123.7 million held outside Treasury and is reported as restricted investments on the balance sheet.

***A – DEPOSITS***

**Custodial Credit Risk for Deposits**

The custodial credit risk for deposits is the risk that, in the event of a depository financial institution failure, the Department and the Treasury will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Department and the Treasury do not have a formal policy regarding custodial credit risk for deposits. However, banking regulations and Oregon law establish the insurance and collateral requirements for deposit in the OSTF.

Oregon Revised Statutes (ORS) Chapter 295 governs the collateralization of public funds. Depositories are required to pledge collateral against any public fund deposits in excess of the deposit insurance amounts. This requirement provides additional protection for public funds in the event of a depository loss. ORS Chapter 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable.

ORS Chapter 295 provides the statutory authority for the Public Funds Collateralization Program (PFCP). The Treasury uses an internally developed web application to administer the PFCP and facilitate depository, custodian, and public official compliance with ORS Chapter 295. Under the PFCP, depositories are required to report quarterly to Treasury, providing quarter-end public fund balances in excess of Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) limits. Depositories are also required to report their net worth and capitalization information. The FDIC or NCUA assigns each bank or credit union a capitalization category quarterly: well capitalized, adequately capitalized, or undercapitalized. Based on this information, the depository's minimum collateral required to be pledged with the custodian and the maximum liability in the pool of all depositories is calculated for the next quarter. The maximum liability is reported to the depository, Treasury, and the custodian.

Barring any exceptions, a depository is required to pledge collateral valued at no less than 10% of its last reported uninsured public fund deposits if the depository is well capitalized and as much as 110% if the depository is adequately capitalized, undercapitalized, or assigned to pledge 110% by Treasury.

There are three exceptions to this calculation, and any exceptions are required to be collateralized at 100%:

1. A depository may not accept public fund deposits from one depositor in excess of the depository's net worth. If the depository has a drop in net worth that takes it out of compliance, the depository is required to post 100% collateral on any amount the depositor has in excess of the depository's net worth while working to eliminate that excess.
2. A depository may not hold aggregate public funds in excess of a percentage of the depository's net worth based on its capitalization category (100% for undercapitalization, 150% for adequately capitalized, 200% for well capitalized) unless approved for a period of 90 days or less by Treasury.
3. A depository may hold in excess of 30% of all aggregate public funds reported by all depositories holding Oregon public funds, only if the excess is collateralized at 100%.

Where interest bearing balances within the OSTF exceed the FDIC or NCUA amount of \$250,000 the balances were covered by collateral held in the PFCP.

As of June 30, 2024, \$2.3 million in other depository balances of the Common School Fund was held by AVENU not covered by the FDIC rules. However, the firms are members of the Securities Investor Protection Corporation (SIPC) which provides protection up to \$500 thousand, of which \$250 thousand applies to cash credit balances. Consequently, \$250 thousand was insured by SIPC and \$2 million was uninsured and held by the counterparty in the Treasury's name.

## ***B – INVESTMENTS***

### **Custodial Credit Risk**

Custodial credit risk for investments of the Common School Fund is the risk that, in the event of the failure of the counterparty to a transaction, the State will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The Council has no formal policy regarding the holding of the securities by a custodian or counter party. For the year ended June 30, 2024, no investment holdings of the Common School Fund held at Treasury were exposed to custodial credit risk.

As of June 30, 2024, the Common School Fund held \$126.6 million in investments outside Treasury. AVENU and other investment firms held investments totaling \$123.7 million. The firms are members of the Securities Investor Protection Corporation (SIPC) which provides protection up to \$500 thousand of which a maximum of \$250 thousand applies to cash credit balances. Investments outside Treasury also included \$2.9 million of real estate property. All the investment holdings of the Common School Fund held outside Treasury other than the real estate property were registered in the Treasury's name and therefore not exposed to custodial credit risk. The real estate property is registered in the Department's name and therefore not exposed to custodial credit risk.

### **Interest Rate Risk**

Interest rate risk is the risk (variable in value) borne by an interest-bearing asset such as a loan or a bond, due to variability of interest rates. Approximately 24.39% of the Common School Fund's investment portfolio is invested in fixed income securities. Investment policy for fixed income investments of the Common School Fund is to maintain a well-diversified bond portfolio, managed to maximize total return, that reflects the overall characteristics of the Barclays Capital Universal Index Benchmark and to invest opportunistically, using innovative investment approaches within a controlled and defined portfolio allocation.

### **Credit Risk and Concentration of Credit Risk**

Credit risk refers to the risk that a borrower will default on any type of debt by failing to make payments which it is obligated to make. Treasury investment policies for fixed income investments of the Common School Fund maintain an overall portfolio quality of at least "A" or higher, maintain an average bond duration level of plus or minus 20% of the Barclays Capital Universal Index. No more than 30% of the total fixed income portfolio at market value, may be maintained in securities rated less than Baa3. No more than 10% of the total fixed income portfolio, at market value, may be maintained in Rule 144A securities. No more than 25% of the fixed income allocation shall be invested in a single industry, or Government Agency. Use of leverage in any fixed income securities is not allowed (excluding use of securities in a securities lending program).

### **Interest Rate Sensitive Investments**

The Common School Fund held approximately \$101.6 million in debt instruments backed by pooled mortgages, TBAs (to-be-announced federal agency-issued mortgage pools), collateralized mortgage obligations (CMOs), or fixed rate mortgages. These securities represent a stream of principal and interest payments from underlying mortgages and consequently, the value of these securities can be volatile as interest rates fluctuate. Assets with these characteristics may also be susceptible to prepayment by mortgage holders which may result in a decrease in total interest realized. Additionally, the risk of default exits and collateral held may potentially be insufficient to

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cover the principal due. The Common School Fund also held approximately \$6.5 million of asset-backed securities backed primarily by student loan and manufactured housing loan receivables.

The credit rating of the Common School Fund's investments held at Treasury and using the segmented time distribution method as of June 30, 2024, follows:

Investment Type	Credit Rating <sup>1</sup>	Investment Maturities (in years)				Total Market Value
		Less than 1	1 to 5	6 to 10	More than 10 or none	
U.S. Treasury	Exempt	\$ 6,993,891	\$ -	\$ 37,719,325	\$ 17,914,746	\$ 62,627,962
U.S. Treasury TIPS	Exempt	-	-	701,078	-	701,078
Federal agency STRIPS	Exempt	12,277	-	-	101,087	113,364
Federal agency TBA	Exempt	-	-	-	2,488,402	2,488,402
Federal agency TBA	Not Rated	-	-	-	4,266,514	4,266,514
U.S. Federal agency mortgages	Exempt	1,214,859	2	13,050	19,248,598	20,476,509
U.S. Federal agency mortgages	Not Rated	16,406,349	627,997	71,391	37,455,418	54,561,155
Total U.S. government debt		24,627,375	628,000	38,504,844	81,474,764	145,234,984
Corporate bonds	AAA	1,601,429	356,093	-	95,029	2,052,551
	AA	-	871,464	817,622	1,125,839	2,814,925
	A	11,486,322	5,533,807	7,289,784	6,105,638	30,415,551
	BBB	12,316,752	14,777,155	13,273,900	11,506,559	51,874,366
	BB	911,384	2,969,642	1,376,591	1,466,131	6,723,748
Total corporate bonds		26,315,887	24,508,160	22,757,897	20,299,195	93,881,140
Non-U.S. government debt	A	-	-	168,598	-	168,598
	BBB	1,579,114	1,261,716	-	8,392,471	11,233,301
	BB	-	-	-	481,757	481,757
Total non-U.S. government debt		1,579,114	1,261,716	168,598	8,874,228	11,883,656
Asset-backed securities	AAA	1,146,649	547,183	336,895	553,006	2,583,733
	AA	367,964	-	-	340,640	708,604
	A	1,068,312	-	420,561	276,228	1,765,101
	BBB	710,818	202,732	-	400,402	1,313,952
	BB	25,170	-	-	-	25,170
	CC	82,419	-	-	-	82,419
Total asset-backed securities		3,401,333	749,915	757,456	1,570,277	6,478,981

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Investment Type	Credit Rating <sup>1</sup>	Investment Maturities (in years)				Total Market Value
		Less than 1	1 to 5	6 to 10	More than 10 or none	
Collateralized mortgage obligations	AAA	6,548,142	-	-	-	6,548,142
	AA	1,641,531	-	-	-	1,641,531
	A	366,697	-	-	-	366,697
	BBB	3,579,434	-	-	-	3,579,434
	BB	361,795	-	-	-	361,795
	B	502,130	-	-	-	502,130
	CCC	47,746	-	-	-	47,746
	Not Rated	25,764	-	-	-	25,764
Total collateralized mortgage obligations		13,073,240	-	-	-	13,073,240
Collateralized mortgage-backed securities	AAA	7,306,233	-	-	1,954,229	9,260,462
	AA	2,095,608	-	-	943,018	3,038,626
	A	718,010	-	-	-	718,010
	BBB	428,067	-	-	-	428,067
Total collateralized mortgage-backed securities		10,547,918	-	-	2,897,247	13,445,164
Domestic fixed income funds	Not Rated	-	-	-	290,843,873	290,843,873
Total debt investments		\$ 79,544,867	\$ 27,147,791	\$ 62,188,796	\$ 405,959,584	574,841,037
Domestic equity securities						120,670,477
International equity securities						168,168,927
Domestic equity funds						532,687,891
International equity funds						439,331,322
Private equity holdings						171,009,028
International real estate investment trusts						1,303,376
Real estate LP						10,677,196
Real estate open ended funds						181,922,398
Alternative diversifying strategies						96,033,908
Alternative real assets						59,903,382
Total investments held at Treasury						<u>\$2,356,548,942</u>

<sup>1</sup> Investments of \$62,627,962 in U.S. Treasury securities, \$701,078 in U.S. Treasury Inflation Protected Securities (TIPS), \$113,364 in Federal Agency STRIPS, \$6,754,916 in Federal Agency TBA, and \$19,663,208 in Government National Mortgage Association (GNMA), which are reported within U.S. Federal agency mortgages, are explicitly guaranteed by the U.S. government, and therefore, are exempt from credit risk disclosure requirements.

**Investments Held at Treasury**

Fixed income securities are classified using final maturity date or next rate reset date, whichever is sooner. Fixed income mutual funds are classified by effective duration, the measurement used by the fund manager.

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**Investments Held Outside Treasury**

The following table shows the credit rating and segmented time distribution for Investments held outside Treasury as of June 30, 2024.

Investment Type	Credit Rating	Investment Maturities (in years)				Total Market Value
		Less than 1	1 to 5	6 to 10	More than 10 years	
U.S. Treasury Securities	Exempt	\$ -	\$ -	\$ 29	\$ 36,500	\$ 36,529
GNMA	Exempt	-	-	-	429	429
Municipal Bonds	Not Rated	-	-	14,744	102,754	117,498
International Debt Securities	Not Rated	-	6	-	-	6
Corporate Bonds	A	-	4,934	23,852	-	28,786
Corporate Bonds	Baa	-	-	13,161	-	13,161
Corporate Bonds	Ba	-	-	10,774	-	10,774
Corporate Bonds	Not Rated	2	1	26,577	15	26,595
Debt Investments		<u>\$ 2</u>	<u>\$ 4,941</u>	<u>\$ 89,136</u>	<u>\$ 139,699</u>	<u>233,778</u>
Mutual Funds						44,554,383
Domestic Equity Securities						78,748,658
International Equity Securities						174,274
Real Estate Investment Trust						30,481
Real Estate						2,905,000
Total Investments Held Outside Treasury						<u>\$126,646,574</u>

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**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. State agencies are required to deposit moneys in state-qualified depositories under Oregon law. Exceptions due to foreign field offices and related circumstances are approved by the Treasurer. International debt securities denominated in U.S. dollars are not subject to currency risk if the investment's obligations will be paid in U.S. dollars. Investment policies for fixed income investments under the management of the Treasurer provides for investments of the Common School Fund in non-dollar denominated securities within a target allocation range of 20% to 30% of their portfolio. For investments not under the management of the Treasurer there are no formal policies on foreign currency risk. Deposits and investments exposed to foreign currency risk for the Common School Fund as of June 30, 2024, follow:

Foreign Currency Denominations	Deposits and Investments (U.S. Dollars)					
	Deposits	Corporate Bonds	International Equity Securities	Non-US Government Debt	International Real Estate	Total
Argentine Peso	\$ 770	\$ -	\$ -	\$ -	\$ -	\$ 770
Australian Dollar	-	-	5,704,072	-	-	5,704,072
Brazilian Real	-	-	842,901	-	-	842,901
Canadian Dollar	705,061	-	5,825,612	-	-	6,530,673
Swiss Franc	-	-	14,821,537	-	-	14,821,537
Chilean Peso	-	-	62,855	-	-	62,855
Chinese Yuan	-	-	2,473,064	-	-	2,473,064
Danish Krone	66,833	-	5,900,441	-	-	5,967,274
Euro	11,498	-	54,298,875	-	-	54,310,373
British Pound	4,027	-	41,727,689	-	-	41,731,716
Hong Kong Dollar	-	-	9,748,251	-	-	9,748,251
Hungarian Forint	-	-	21,349	-	-	21,349
Indonesian Rupiah	-	-	55,745	-	-	55,745
Indian Rupee	-	1,601,429	-	-	-	1,601,429
Israeli New Shekel	2,504	-	-	-	-	2,504
Japanese Yen	-	-	25,243,971	-	-	25,243,971
Korean Won	-	-	3,096,272	-	-	3,096,272
Mexican Peso	285,085	-	-	9,197,528	-	9,482,613
Norwegian Krone	-	-	1,778,828	-	-	1,778,828
Polish Zloty	-	-	868,191	-	-	868,191
Swedish Krona	-	-	3,816,846	-	-	3,816,846
Singapore Dollar	-	-	3,221,928	-	1,303,376	4,525,304
Thai Baht	-	-	1,938,763	-	-	1,938,763
Turkish Lira	-	-	228,435	-	-	228,435
New Taiwan Dollar	-	-	7,748,455	-	-	7,748,455
South African Rand	-	-	896,689	-	-	896,689
Total	\$1,075,778	\$1,601,429	\$190,320,769	\$ 9,197,528	\$1,303,376	\$ 203,498,880

**C – FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of investments within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Investments held by Treasury:

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.



- Investments managed by Treasury: investments in equity securities, including exchange-traded derivatives, when their value is based on quoted prices from an active market; and real estate, which consist of investments in real estate investment trusts, when their value is based on an active market price.
- Investments not managed by Treasury: funds priced using a fair value per share that is published daily and validated with a sufficient level of observable activity; and equity securities, including exchange-traded derivatives, when their value is based on quoted prices from an active market.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
  - Investments managed by Treasury: investments with remaining maturities of fewer than 90 days are carried at amortized cost, which approximates fair value; investments with maturities of greater than 90 days, debt securities, and investments not valued at fair value per share are valued using the latest bid prices or evaluated quotes from independent pricing vendors, which use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions; certain non-U.S. government commercial paper is reported at amortized cost as independent vendor pricing was not available; and where observable activity is limited, yet supports that the fair value per share represents an exit value of the security at the measurement date.
  - Investments not managed by Treasury: debt securities are valued using the latest bid prices or evaluated quotes from independent pricing vendors, which use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions; and where observable activity is limited, yet supports that the fair value per share represents an exit value of the security at the measurement date.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.
  - Investments not managed by Treasury: in the absence of quoted market prices, such as equity securities that trade infrequently or not at all, valuations are based on the last traded price or prices provided by investment managers; and funds that do not meet the criteria to be measured at fair value because the fair value per share (or its equivalent) was not calculated in a manner consistent with the Governmental Accounting Standards Board's measurement principles for investment companies.

Investments that are measured at net asset value (NAV) as a practical expedient, such as most private equity, alternative, opportunity and real estate investments, are excluded from the fair value hierarchy if the NAV per share (or its equivalent) was calculated in a manner consistent with the Governmental Accounting Standards Board's measurement principles for investment companies.

Private equity consists of 18 funds, organized as limited partnerships and limited liability companies, participating in diversified strategies including leveraged-buyouts, venture capital, growth equity, fund of funds, co-investments and special situations. The fair values of the private equity investments have been determined using the NAV per share (or its equivalent) as provided by the general partner or managing member. These funds have a finite term. Distributions will be received as the underlying investments of the funds are liquidated, which is expected to occur over the next 12-14 years.

Investments in real estate, other than real estate investment trusts which are generally valued based on an active market price have been valued based on the NAV per share (or its equivalent), as provided by the general manager. This type includes three commingled real state funds, structured as limited partnerships, where the funds have a finite term. Distributions from the funds will be received as the underlying investments of the funds are liquidated. Liquidation is expected to take place during the five-year period following the termination of the

investment period which extends to 2035. Real estate also includes investment in three open-ended funds that permit quarterly redemption of shares, subject to certain requirements being met.

Alternative equity funds seek to provide diversification and inflation hedging characteristics to the Common School Fund and includes investments with a focus on infrastructure. Alternative equity consists of 19 investments in commingled funds organized as limited partnerships and limited liability companies. The fair values of the investments have been determined using NAV per share (or its equivalent) of the investments as provided by the fund manager. For alternative real assets, which includes 9 of the 19 funds, the funds have a finite term. Distributions will be received as the underlying investments of the funds are liquidated, which is expected to occur over the next 8 to 12 years. Alternative diversifying strategies permit periodic redemption of shares, subject to certain requirements being met, and consist of 10 funds investing in diversifying hedge strategies.

Real estate property investments held outside of the Treasury are valued by appraisals using market sales approach and income approach. Collectibles held outside Treasury are valued using comparative sales.

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The following table shows the fair value classification hierarchy for investments as of June 30, 2024:

Investments by Fair Value Level	Fair Value Classification Heirarchy			Total Investments
	Level 1	Level 2	Level 3	
Investments Held at Treasury				
U.S. Treasury	\$ -	\$ 62,627,962	\$ -	\$ 62,627,962
U.S. Treasury TIPS	-	701,078	-	701,078
U.S. Federal Agency Strips	-	113,363	-	113,363
U.S. Federal Agency TBA	-	6,754,916	-	6,754,916
U.S. Federal Agency Mortgages	-	75,037,665	-	75,037,665
Corporate Bonds	-	93,881,140	-	93,881,140
Non-US Government Debt	-	11,883,656	-	11,883,656
Asset-backed Securities	-	6,478,981	-	6,478,981
Collateralized Mortgage Obligations	-	13,073,239	-	13,073,239
Collateralized Mortgage-backed Securities	-	13,445,164	-	13,445,164
Total debt securities	-	283,997,164	-	283,997,164
Domestic equity securities	288,838,784	-	620	288,839,404
International equity funds	35,564,633	-	-	35,564,633
Real Estate Investment Trust	1,303,376	-	-	1,303,376
Investments measured at fair value	325,706,793	283,997,164	620	609,704,577
Investments Measured at Net Asset Value (NAV):				
Domestic equity funds				532,687,891
International equity funds				403,766,689
Domestic Fixed Income funds				290,843,873
Private equity				171,009,028
Real estate LP				10,677,196
Real estate open ended funds				181,922,398
Alternative diversifying strategies				96,033,908
Alternative real assets				59,903,382
Total investments measured at NAV				1,746,844,365
Total Investments Held at Treasury				2,356,548,942
Investments Held Outside Treasury				
U.S. agency securities	-	36,529	-	36,529
GNMA	-	429	-	429
Municipal bonds	-	117,498	-	117,498
Corporate bonds	-	79,316	-	79,316
Domestic equity securities	78,738,098	10,560	-	78,748,658
International equity securities	174,274	-	-	174,274
Real Estate Investment Trust	30,481	-	-	30,481
Real Estate	-	-	2,905,000	2,905,000
International debt securities	-	6	-	6
Mutual funds	44,554,383	-	-	44,554,383
Total Investments Held Outside Treasury	123,497,236	244,338	2,905,000	126,646,574
Total Investments by fair value level	\$449,204,029	\$ 284,241,502	\$2,905,620	\$ 2,483,195,516

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The following table shows the investments measured at net asset value per share (or its equivalent) including unfunded commitments and redemption as of June 30, 2024.

<b>Investments Measured at Net Asset Value (NAV)</b>	<b>Fair Value</b>	<b>Unfunded Commitments<sup>1</sup></b>	<b>Redemption Frequency (If Currently Eligible)</b>	<b>Redemption Notice Period</b>
Domestic fixed income funds	\$ 290,843,873	\$ -	Daily	5 days
Domestic equity funds	532,687,891	-	Daily	2 days
International equity funds	403,766,689	-	Daily, Quarterly	2 - 120 days
Real estate LP	10,677,196	18,601,083	NA	NA
Real estate open-ended funds	181,922,398	802,548	Monthly, Quarterly	15 days
Alternative real assets	59,903,382	75,833,054	NA	NA
Alternative diversifying strategies	96,033,908	-	Monthly, Quarterly	2 - 65 days
Private equity	171,009,028	71,021,340	NA	NA
Total Investments at fair value	<u>\$ 1,746,844,365</u>	<u>\$166,258,025</u>		

<sup>1</sup> Excludes new commitments not yet funded at June 30, 2024.

**D – SECURITIES LENDING**

Common School Fund participates in securities lending transactions in accordance with State investment policies. The Treasury has, through a Securities Lending Agreement, authorized State Street Bank and Trust Company (State Street) to lend the Common School Fund securities pursuant to a form of loan agreement. Both the State and borrowers maintain the right to terminate all securities lending transactions on demand. There were no significant violations of the provisions of securities lending agreements during the year ended June 30, 2024.

During the year, State Street had the authority to loan short-term, fixed income, and equity securities and to receive as collateral U.S. dollar and foreign currency cash, U.S. government and agency securities, and foreign sovereign debt of Organization of Economic Cooperation and Development countries. Borrowers were required to deliver collateral for each loan equal to not less than 102% of the market value of the loaned U.S. securities, international fixed income securities, or 105% in the case of international equity. The custodian did not have the ability to pledge or sell collateral securities absent a borrower default, and during the fiscal year the State did impose restrictions on the amount of loans the custodian made on its behalf. The State is fully indemnified against losses due to borrower default by its custodian. There were no losses during the year from the failure of borrowers to return loaned securities and no recoveries of amounts from prior losses.

As of June 30, 2024, the fair value of cash and non-cash collateral received was \$17.6 million and invested cash collateral was \$15.4 million for Common School Fund. There were no significant violations of the provisions of securities lending agreements during the period of these financial statements.

State Street, as a lending agent, has created a fund to reinvest cash collateral received on behalf of the OSTF. Common School Fund receives an allocated portion of this activity based on its deposits in OSTF. As of June 30, 2024, Common School Fund's allocated portion of cash collateral received and invested cash collateral were \$152 thousand and \$152 thousand respectively. Securities on loan from OSTF in total included U.S. Agency securities (87.39%), and domestic fixed income securities (12.61%).

As permitted under the fund's Declaration of Trust, participant purchases and redemptions are transacted at \$1 per unit ("constant value") based on the amortized cost of the fund's investments. Accordingly, the securities lending collateral held and the obligation to the lending agent are both stated at constant value on the balance sheet.

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The maturities of investments made with cash collateral did not generally match the maturities of the securities loaned. Since the securities loaned are callable on demand by either the lender or borrower, the life of the loans at June 30, 2024, is effectively one day. On June 30, 2024, the Common School Fund had no credit risk exposure to borrowers because the amounts the State owes to borrowers exceed the amounts borrowers owe the State. The following table shows the combined balances of the securities on loan, cash and securities collateral received, and investments of cash collateral held.

<b>Securities Lending as of June 30, 2024</b>			
<b>Investment Type</b>	<b>Cash and Securities Collateral Received</b>	<b>Securities on Loan at Fair Value</b>	<b>Investments of Cash Collateral at Fair Value</b>
U.S. Agency securities	\$ 230,350	\$ 223,570	\$ -
Domestic equity securities	7,527,947	7,357,939	6,431,558
Domestic debt securities	7,464,878	7,279,343	6,554,973
International equity securities	2,396,114	2,289,250	2,396,416
	17,619,289	17,150,102	15,382,947
Allocation from Oregon Short-Term Fund	1,197,465	1,173,510	151,564
<b>Total</b>	<b>\$ 18,816,754</b>	<b>\$ 18,323,612</b>	<b>\$ 15,534,511</b>

### NOTE 3 – DERIVATIVES

Derivatives are financial instruments whose value is derived from underlying assets, reference rates, or indexes. They generally take the form of contracts in which two parties agree to make payments at a later date based on the value of the underlying assets, reference rates, or indexes. The main types of derivatives are futures, forwards, options and swaps. In the Common School Fund portfolio, forward currency exchange contracts may be used to gain exposure or hedge against the effects of fluctuations of foreign currency exchange rates. A foreign currency exchange contract is a forward contract that is a commitment to purchase or sell a foreign currency at the future date at a negotiated forward rate. Foreign currency forward contracts are privately negotiated contracts with customized terms and are transacted in over-the-counter markets. Risk associated with such contracts includes movement in the value of foreign currencies and the failure of the counter party to perform.

The following table shows the foreign currency exchange contracts subject to foreign currency risk within the Common School Fund as of June 30, 2024:

<b>Currency</b>	<b>Options</b>	<b>Currency Forward Contracts</b>		<b>Total Exposure</b>
		<b>Net Receivables</b>	<b>Net Payables</b>	
Canadian Dollar	\$ -	\$ 6,967	\$ 2,507	\$ 9,474
Mexican Peso	-	(42,224)	433,969	391,745
<b>Total</b>	<b>\$ -</b>	<b>\$ (35,257)</b>	<b>\$ 436,476</b>	<b>\$ 401,219</b>

In the Common School Fund portfolio, rights and warrants are often obtained and held due to existing investments. Rights are the right, but not the obligation, to purchase newly issued equity shares, often in proportion to the number of shares currently owned, in a specific company, at a pre-established price on or within a predetermined date. A warrant provides the holder the right, but not the obligation, to purchase securities from the issuing entity at a specific price and within a certain period. Rights and warrants are privately transacted in over-the-counter markets. Both are subject to general market risk and liquidity risk.

The following table shows the related net depreciation in fair value amounts and the notional amounts of derivative instruments outstanding within the Common School Fund as of June 30, 2024:

Investment Derivatives	Net Appreciation/ (Depreciation) in Fair Value <sup>1,4</sup>	Classification	Fair Value <sup>2</sup>	Notional Value <sup>3</sup>
Foreign Exchange Forwards	\$ 205,965	Long Term Instruments	\$ 401,219	\$ 13,415,166
Total	<u>\$ 205,965</u>		<u>\$ 401,219</u>	<u>\$ 13,415,166</u>
<sup>1</sup> Negative values (in brackets) refer to losses				
<sup>2</sup> Negative values refer to liabilities				
<sup>3</sup> Notional may be a dollar amount or size of underlying for futures and options				
<sup>4</sup> Excludes futures margin payments				

The fair value of derivative instruments is reported on the balance sheet as investments, accounts and interest receivables, and accounts payable. Changes in fair value of derivative instruments during the fiscal year are reported on the statement of revenues, expenditures, and changes in fund balance as investment income.

## NOTE 4 – RECEIVABLES AND PAYABLES

### A – RECEIVABLES

The following table disaggregates receivable balances reported in the financial statements as accounts and interest receivable (net), and Net Contracts, Notes, and Other Receivables. Receivable reported for governmental activities as of June 30, 2024:

Accounts and Interest Receivables	Total
General accounts	\$ 74,748
Due from federal government	571,646
Interest	2,800,835
Investment broker receivable	52,172,801
Accounts and Interest Receivable, net	<u>\$ 55,620,030</u>

Net Contracts, Notes, and Other Receivables	Total
Contracts, Notes, and Other Receivables	\$ 112,440
Allowance for doubtful accounts	(99,003)
Net Contracts, Notes, and Other Receivables	<u>\$ 13,437</u>

**B – PAYABLES**

The following table disaggregates accounts payable reported in the financial statements as general accounts payable and broker payable. Payables reported for governmental activities as of June 30, 2024:

Accounts Payable	Total
General accounts payable	\$ 2,774,597
Investment broker payable	133,761,687
Total payables	<u>\$ 136,536,284</u>

**C – DEPOSIT LIABILITIES**

Deposit liabilities consist of unclaimed property held in custody by the Treasury and the Department in perpetuity for the rightful owner as required by ORS 98.302-98.436 and 98.991-98.992. The unclaimed property liability is reported at approximately 51% of the total unclaimed property being held. Starting the fiscal year 2022, the Treasury took responsibilities for all new deposit liabilities. All deposit liabilities prior to the fiscal year 2022 remain the responsibility of the Department. The total legal liability for the unclaimed property program as of June 30, 2024, was \$1.1 billion. The accumulated annual adjustment as of June 30, 2024, was \$837.8 million.

**NOTE 5 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)**

**A – LEASES - LESSEE**

The Department and the Treasury have various non-cancelable rental agreements for buildings and equipment with non-state entities that are accounted under the lease guidance GASB Standard No. 87, *Leases*. For the year ended June 30, 2024, the principal and interest payments are reported as debt service payments in the amount of \$179 thousand and \$102 thousand, respectively. Lease liabilities and assets are recorded in the State of Oregon's Annual Comprehensive Financial Report for the year ended June 30, 2024, Statement of Net Position but not at the fund level. There is no residual value guarantee in these lease contracts. Land is pledged as a collateral security to one of the leased building contracts. The following table shows future minimum lease payments and the related net present value as of June 30, 2024:

Year ending June 30,	Principal	Interest
2025	\$ 198,592	\$ 94,027
2026	223,064	90,666
2027	244,523	86,220
2028	260,984	81,402
2029	176,714	76,627
2030-2034	1,016,411	312,028
2035-2039	1,256,181	166,901
2040-2044	804,221	25,232
<b>Total</b>	<u>\$ 4,180,689</u>	<u>\$ 933,104</u>

**B – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)**

The Treasury has one non-cancelable Subscription-Based Information Technology Arrangement (SBITA) with non-state entities that are accounted for under the new guidance GASB Standard No. 96, *Subscription-Based Information Technology Arrangements* related to the unclaimed property software system (KAPS). The

Department has entered into an additional subscription contract that has not yet been commenced, of which a total of \$3.6 million has been committed for the year ending June 30, 2024, related to implementation cost. The subscription for software related to the Department's Land Administration System Replacement Project is estimated to commence in October of 2025 and will be recognized by the Department at that time. For the year ended June 30, 2024, the principal and interest payments are reported as debt service payments in the amount of \$233 thousand and \$48 thousand, respectively. SBITA liabilities and assets are recorded in the State of Oregon's Annual Comprehensive Financial Report for the year ended June 30, 2024, Statement of Net Position. The following table shows future minimum SBITA payments and the related net present value as of June 30, 2024:

Year ending June 30,	Principal	Interest
2025	\$ 248,255	\$ 41,564
2026	264,273	34,240
2027	281,024	26,444
2028	298,539	18,154
2029	316,846	9,347
<b>Total</b>	<b>\$ 1,408,937</b>	<b>\$ 129,749</b>

### **C – LEASE RECEIVABLES**

The Department receives rental income from land and property leased to non-state entities. For the year ended June 30, 2024, the Department received rental income of \$63 thousand on leased assets with a fair market value of \$2.9 million. The leased assets are considered investments of the Department and is excluded from the lease guidance GASB Standard No. 87, *Leases*. Future minimum lease revenues for non-cancelable leases as of June 30, 2024:

Year ending June 30,	Amount
2025	\$ 65,095
2026	67,048
2027	69,060
2028	71,132
2029	54,540
Total future minimum rental revenues	<b>\$ 326,875</b>

## **NOTE 6 – POLLUTION REMEDIATION OBLIGATION**

Pollution remediation obligations address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. This includes pre-cleanup activities, cleanup activities, government oversight and enforcement-related activities and post remediation monitoring. Excluded from pollution remediation obligations are obligations for pollution prevention and control activities, fines and penalties, landfill closure and post closure care, and other future remediation activities required upon retirement of an asset. The Common School Fund recognizes a pollution remediation obligation when it can reasonably estimate the range of expected cash outlays.

The Department is involved in negotiations related to a confidential, non-judicial mediation process that will result in an allocation of costs associated with investigation and cleanup of contamination of the in-river portions of the Portland Harbor Superfund site. There are over 100 parties, private and public, that may eventually bear a share



of the costs. The Environmental Protection Agency (EPA) issued a Record of Decision estimating the cleanup to cost \$1.1 billion and take approximately 13 years to complete. It is too early to estimate the total cleanup costs that may be shared by the liable parties and what portion of that will be assessed against the Common School Fund. The Portland Harbor Superfund site is discussed in greater detail in Note 12.

On May 31, 2019, the Department entered into a settlement agreement for funding remedial design with the EPA, Oregon Department of Transportation, and the City of Portland for the Portland Harbor Superfund site cleanup. The EPA settlement agreement for funding remedial design requires the State to pay \$6 million to EPA in July 2019 and up to \$6 million by June 2021, not to exceed \$12 million in total. The EPA informed the Department that the second payment of \$6 million for remedial design was not necessary.

As of June 30, 2024, the Department has remaining contracts for Portland Harbor cleanup activities estimated at \$314 thousand. The pollution remediation obligation of \$314 thousand for the Portland Harbor Superfund site is recorded in the State of Oregon's Annual Comprehensive Financial Report for the year ended June 30, 2024, Statement of Net Position.

## **NOTE 7 – INTERFUND TRANSACTIONS**

Interfund balances reported in the financial statements as of June 30, 2024:

<b>Due from Other Funds</b>				
<b>Due to Other Funds</b>	<b>General</b>	<b>Environmental Management</b>	<b>Internal Service</b>	<b>Common School</b>
Environmental Management	\$ -	\$ -	\$ -	\$ 307,004
Common School	35	140,147	1,500	-
Internal Service	-	-	-	141,935
Total	\$ 35	\$ 140,147	\$ 1,500	\$ 448,939

<b>Advances from Other Funds</b>				
<b>Advances to Other Funds</b>	<b>Common School</b>			
Environmental Management	\$ -	\$ -	\$ -	\$ 300,000

Interfund balances result from the time lag between the date a transaction for interfund goods and services or reimbursable expenditures is recorded and the date the payment between funds is made. Advances to other funds are not expected to be repaid within one year.

## **NOTE 8 – RELATED PARTY TRANSACTIONS**

The Oregon State Treasurer (Treasurer) is a constitutional officer within the executive branch of the state of Oregon, elected by statewide vote. As chief financial officer for the state, the Treasurer heads the Oregon State Treasury (Treasury). Treasury acts as the central bank for all state agencies and is the largest financial institution in the state. Treasury manages the portfolio of investments for the state's funds, including the Common School Fund.

The State Land Board, which consists of the Governor, Secretary of State and Treasurer, is the trustee of the Common School Fund as outlined in the Oregon Constitution. The Common School Fund's investment policies are governed by statute and the Oregon Investment Council. The Treasurer is the investment officer for the Investment Council. During the year ended June 30, 2024, the Common School Fund paid Treasury \$659 thousand in fees for the management of the Common School Fund investment portfolio.

## **NOTE 9 – RISK FINANCING**

The State of Oregon administers property and casualty programs covering State government through its Insurance Fund. The Insurance Fund services claims for: direct physical loss or damage to state property; tort liability claims brought against the State, its officers, employees or agents, workers' compensation; employee dishonesty; and faithful performance coverage for certain positions by law to be covered and other key positions.

As state agencies, the Department and the Treasury participate in the Insurance Fund. The cost of servicing insurance claims and payments is covered by charging an assessment to each entity based on its share of services provided in a prior period. The total statewide coverage assessment is based on independent biennial actuarial forecasts and administrative expenses, less carry-forward or equity in the insurance fund. For the Common School Fund, the amount of claim settlements did not exceed insurance coverage for each of the past three years.

## **NOTE 10 – FUND BALANCES**

Restricted fund balances result from constraints imposed by law through constitutional provisions or enabling legislation or by parties outside the State, such as creditors, grantors, contributors, or laws or regulations of other governments. Enabling legislation authorizes the Department to levy, access, charge, or otherwise mandated payment from external resource providers and includes a legally enforceable requirement that those resources be used only for specific purposes stipulated by the legislation. As of June 30, 2024, the Common School fund balance of \$2.3 billion is restricted for K-12 Education.

## **NOTE 11 – COMMITMENTS**

Commitments are defined as existing arrangements to enter into future transactions or events, such as contractual obligations with vendors for future purchases or services at specified prices and sometimes at specified quantities. Commitments may also include agreements to make grants and loans.

As of June 30, 2024, the Department had the following personal services contract commitments in effect:

<b>Funding Source</b>	<b>Total</b>
Other Funds	\$ 11,612,364

The Oregon Investment Council has entered into agreements that commit the investment managers for the Common School Fund, upon request, to additional investment purchases up to a predetermined amount. As of June 30, 2024, the Common School Fund had approximately \$259.8 million in commitments to purchase private

equity, alternatives and real estate open-ended fund investments. These amounts are unfunded and are not recorded in the financial statements.

## NOTE 12 – CONTINGENCIES

### **PORTLAND HARBOR SUPERFUND SITE**

The Department is currently involved in a confidential, non-judicial allocation and mediation process related to environmental contamination in the Portland Harbor. In 2000, the U.S. Environmental Protection Agency (EPA) listed an approximately 10-mile stretch of the lower Willamette River area (Site) as a Superfund site under the federal Superfund law (CERCLA). EPA has identified over 100 parties as potentially responsible under CERCLA for costs related to investigation and cleanup of hazardous substances at the Site, including the State of Oregon, acting by through the Department as well as the Department of Transportation (ODOT).

EPA alleges the release of hazardous substances from third-party activities on submerged and submersible leased lands owned by the State in trust for the public and managed by the Department within the Site. Under CERCLA, responsible parties can be held jointly and severally liable for all costs, subject to certain defenses.

In 2017, EPA issued its final cleanup plan for the Site called the “Record of Decision” (ROD). The ROD requires active remediation (through dredging, capping, enhanced natural recovery, and monitored natural recovery) of nearly 400 acres of contaminated sediments and over 20,000 lineal feet of riverbank. EPA’s initial estimate for full performance of the remedy was \$1.05 billion and 13 years; other parties estimate that it is a \$3 billion remedy that will take 20 years to complete. Liable parties under CERCLA are responsible for funding this remedial action, as well as preliminary actions such as additional investigations, remedial design, and agency oversight. EPA has asked potentially responsible parties (PRPs) to step forward to perform components of the ROD or risk an enforcement action. Numerous parties, including the Department and ODOT, have entered into Administrative Settlements and Orders on Consent with EPA to perform pre-remedial design and related work.

A group of Portland Harbor PRPs are engaged in a confidential, non-binding private mediation process to achieve an allocation of responsibility for the costs of implementing the ROD among the responsible parties. If successful, the process will culminate in the parties developing a comprehensive settlement proposal to EPA based on the allocation. If accepted by EPA, the settlement will be memorialized in a judicial Consent Decree filed in the Oregon federal district court. The State is participating in this non-judicial allocation by and through the Department and ODOT. It is not possible to predict the relative share of cleanup costs that will be assigned to each agency through this confidential mediation or, should it fail, through litigation.

It is also too early to predict when the mediation will conclude or whether it will result in a durable comprehensive settlement with EPA.

Separately, the Portland Harbor natural resource trustees, a group composed of five tribes, two federal agencies and the State, acting through its trustee, the Oregon Department of Fish and Wildlife, are asserting a CERCLA claim for natural resource damages (NRD) against all Portland Harbor PRPs, including the Department and ODOT. The trustees have initiated a cooperative injury assessment process funded by thirty parties, the goal of which is to reach settlements of the NRD claim based on readily available information. The State is seeking a settlement of its NRD liabilities through this process.

The State has pursued claims for insurance coverage of its Portland Harbor defense costs and expects to make additional insurance claims in the future for its eventual liabilities for cleanup costs and NRD. These claims are based on commercial general liability insurance policies that the State held between 1968 and 1972 and on insurance policies that listed the Department and ODOT as additional insureds. The State has executed a

settlement agreement with several of its insurers regarding their obligation to pay for most of the State's defense costs through 2024, but the insurers have reserved their rights to deny indemnity coverage.

## **OTHER REPORTS**

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**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

State Land Board  
Oregon Department of State Lands  
Salem, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Common School Fund, a major governmental fund of the State of Oregon, which comprise the balance sheet as June 30, 2024, and the related statement of revenues, expenditures, and changes in fund balances for the year ended, and the related notes to the financial statements, which collectively comprise the Common School Fund's basic financial statements and have issued our report thereon dated November 13, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Common School Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Common School Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Common School Fund's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Common School Fund's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Common School Fund 's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho  
November 13, 2024





# Oregon

Tina Kotek, Governor

## Department of State Lands

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## State Land Board

Tina Kotek

Governor

Tobias Read

Secretary of State

Elizabeth Steiner

State Treasurer

## M E M O R A N D U M

Date: February 11, 2025

To: Governor Tina Kotek  
Secretary of State Tobias Read  
State Treasurer Elizabeth Steiner

From: Vicki L. Walker  
Director

Subject: Annual Report of the Real Property Program

Oregon school lands are 764,000 acres strong and provide diverse value to people in the state including revenue generation for the Common School Fund, economic opportunities in Eastern Oregon, and habitat improvements for important species like greater sage grouse. The Department of State Lands, specifically the Real Property program, manages these lands. Real Property is staffed by 12 people in the Bend field office.

The Real Property Program Annual Report for July 1, 2023, to June 30, 2024 (FY24) covers the land management efforts on school lands including three main themes of the year, summaries of the program and the outlook in the coming year. Additional information at the end of the report reviews the current school lands portfolio, analyzes school land financial performance, and details land sales and authorizations.

The goal of this report is to provide current information about Oregon's school lands and how they are managed, as well as a snapshot in time of Real Property Program performance that can be measured against previous performance and used to identify and address factors affecting performance.

## **APPENDICES**

Appendix A – Annual Report for the Real Property Program, FY24





# *Annual Report Real Property Program*

*Pursuing Partnerships and Management Opportunities  
Fiscal Year 2024*

**OREGON DEPARTMENT OF STATE LANDS**



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Rangeland managers encourage the growth of native bitterbush, a favorite snack of mule deer during winter months

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# MEET THE PROGRAM



Travis Simpson, 6'1" Real Property Technician and newest addition to team, providing scale to basin big sagebrush (tallest species)

*School Lands are any lands managed by the Real Property Program that send revenue to the Common School Fund, distributed annually to all K-12 public schools in Oregon.*

Oregon school lands are 764,000 acres strong and provide diverse value to people in the state including revenue generation for the Common School Fund, economic opportunities in Eastern Oregon, and habitat improvements for important species like greater sage-grouse. The Department of State Lands, specifically the Real Property program, manages these lands. Real Property is staffed by 12 people in the Bend field office.

This Real Property Program Annual Report for July 1, 2023, to June 30, 2024 (FY24) covers the land management efforts on school lands including three main themes of the year, summaries of the program and the outlook in the coming year. Additional information at the end of the report reviews the current school lands portfolio, analyzes school land financial performance, and details land sales and authorizations.

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# REAL PROPERTY PROGRAM SERVICES

## Leasing Rangelands

We manage a variety of leases, licenses, easements on 624,000 acres of rangeland, including providing grazing opportunities to local ranchers, communication towers, firewood gathering, and solar energy planning.

[More information](#)

## Leasing Agricultural lands

We lease approximately 7,000 acres of lands for agricultural use, which provide crop production opportunities to local farmers in rural economies of central and eastern Oregon.

[More information](#)

## Protecting Cultural Resources

Through consultation with Oregon's nine federally recognized Tribes and the State Historic Preservation Office, our statewide archaeologist protects Oregon's cultural heritage prior to all ground disturbing projects.

[More information](#)

## Habitat Protection

Often with the help of partners, our management benefits wildlife habitat, including for sensitive species like greater sage-grouse.

[More information](#)

## Working Forestlands

We oversee management of approximately 41,000 acres of forestlands. State forestlands provide clean water, recreation, habitat, and carbon sequestration, all while supporting local economies through sustainable harvest.

[More information](#)

## Land Transactions & Ownership

We respond to the evolving community needs around land by providing land transaction services for Department-managed land as well as mineral rights transactions for other state agencies.

[More information](#)

## Industrial, Commercial, & Residential Lands

We manage approximately 4,000 acres of land near urban areas to maximize benefits to the Common School Fund through development, or holding for eventual sale or development.

[More information](#)

## Maintaining Public Access

In our management of lands, we maintain open lands for recreation, including hunting, fishing, hiking, and mountain biking.

[More information](#)



# FISCAL YEAR 2024 IN NUMBERS

**\$487,208**

*net operating income  
program-wide  
(positive for the  
first time in 5 years)*

**-\$85,809**

*net operating income loss  
for forestlands  
(lowest in 7 years)*

**\$4.5M RECEIVED**

*for the sale of  
159 acres of school land  
south of Prineville*

**\$575,464**

*wildfire suppression costs  
from Stockade Block fire,  
expected to be reimbursed*

**253**

*new and ongoing  
authorized uses  
on school lands*

In August 2023, a portion of the largest rangeland property, Stockade Block, ignited from a vehicle fire. Crews from the Bureau of Land Management assisted in containment.



## TAKEAWAYS FROM THIS REPORT

EXPANDING MANAGEMENT  
ON FORESTLANDS

ATTRACTING RENEWABLE  
ENERGY INVESTMENT

ENHANCING RANGELAND  
THROUGH PARTNERSHIPS



# EXPANDING MANAGEMENT ON FORESTLANDS

The Real Property Program has two transitions underway that will reduce cost and increase overall forestland revenue: Select forestlands are transitioning to Department management from Oregon Department of Forestry management, and the Elliott State Research Forest will be managed as a distinct program by a new program team.

These changes will result in more capacity for proactive management of forests as well as timber sale revenue directly benefitting the constitutional Common School Fund.

**4,907 ACRES**

*forestlands transferred  
from ODF to DSL  
management*

**\$650,000**

*revenue from  
Department's first  
timber sale*

**305**

*log loads sent to mills  
from first timber sale*

**50**

*slash piles burned  
as part of thinning  
operation*

**50%**

*time forester dedicates  
to DSL-managed  
forestlands*

## CHALLENGE

The Department's one forester has been focused on work to establish the Elliott State Research Forest, as well as beginning the Real Property Program's direct management of forestlands.

Building a timber program took intense initial effort. Completing the Department's first timber sale since at least the 1950s required development of a timber sale contract, log ticket books, a timber appraisal process, and a log brand. To ensure the project benefitted forest health, rigorous field work was required to assess forest stand conditions including species mix, forest structure, and preparation of the project area. Thinning the 70-acre stand in Hood River County in June 2024 earned the Common School Fund \$650,000 and serves as a positive model for the Department moving forward.

The Forester's remaining capacity has been dedicated to the Elliott State Research Forest. The Department is in the process of hiring dedicated staff for the Elliott State Research Forest. These recruitments should be completed in early 2025, which will release capacity for expanding management on school forestlands.

## NEXT STEPS

Once the Elliott State Research Forest transitions to program-specific management, the Real Property Program can shift priorities to forestland tracts that need wildfire risk reduction and forest health improvement.

Achieving these goals depend on the forest stand conditions and strategic timber sales that are able to help reduce wildfire risk, improve forest health, and contribute revenue to the Common School Fund. Since the 70-acre stand in Hood River County (image below), the Department has processed two more timber sales that will help with land management goals and raise over \$1.4 million for the Common School Fund.





# ENHANCING RANGELAND THROUGH PARTNERSHIPS

The Real Property Program manages hundreds of thousands of acres of rangelands with a lean staff.

Success at this scale of management is only possible through partnership work. Adjacent property owners, government entities, federal agencies, and nonprofit organizations are some of the partners that help us build out a landscape-level projects without tapping the Common School Fund.

**\$385,000**

*grant funding spent on DSL rangelands through partnerships*

**6,261 ACRES**

*juniper and invasive grass treatments completed*

**6,000 MILES**

*average traveled by range staff each month to manage rangelands*

**14 PARTNERS**

*help fund and implement rangeland projects*

## CHALLENGE

Two rangeland staff, with a third hired at the end of FY 2024, manage over 624,000 acres throughout eastern Oregon. Without partners, it would be difficult to manage these expansive areas and budget for rangeland health improvements.

Partners help the Department in three ways. First, grants have a higher chance of success when the project is landscape-scale and multi-partner. Second, working with adjacent property owners ensures the greatest chance of success for treatments, whether working to reduce juniper encroachment or invasive grass on rangeland. Third, some goals are only achievable if a critical mass of land is working towards the same goal, such as preserving habitat for greater sage-grouse.

## NEXT STEPS

In FY 2025, the Real Property Program anticipates working with rangeland partners on 11,600 acres of juniper removal and thinning projects, 2,000 acres of invasive annual grass treatment, and other projects in development. As partners identify work throughout central and eastern Oregon, they continue to work with Real Property staff. The Program is actively seeking similar partnerships for projects on its forestlands.



14 rangeland partners honored with a Land Board Award in October 2024



# ATTRACTING RENEWABLE ENERGY INVESTMENT

According to renewable energy analysts, approximately 63,200 more acres of Oregon land are needed to develop enough solar energy to replace all current fossil fuel-based energy in the state.

The Real Property Program is investing capacity to help solar development—as well as geothermal and wind—establishment on school lands. Besides helping with the State's climate goals, these leases hold the potential to be the highest revenue producers in the Program.

**22,855 ACRES**

*of solar projects currently under demonstration phases*

**\$119,276**

*annual demonstration fees collected on solar projects in FY24*

**46,000 ACRES**

*of lands identified with high potential for renewable energy*

**5 SITES**

*under lease, license, or ongoing discussion for renewable energy*

## CHALLENGE

Developing renewable energy projects is a difficult and lengthy undertaking. Industry staff estimate only one out of 20 proposed projects make it to completion because projects fail in the planning and permitting process.

Further complicating the path to success for projects of this type, much of our school land is either core sage-grouse habitat or located far from transmission power lines.

## NEXT STEPS

To make school lands an attractive investment for renewable energy lessees, staff are working on a renewable energy analysis of school lands to evaluate ideal sites for project development. The analysis will factor for distance to transmission lines, wildlife habitat impacts, topography, wind and solar energy potential, zoning and other criteria.

Additionally, the Department is discussing conservation easements with Oregon Department of Fish and Wildlife to help mitigate the impact on wildlife habitat for these developments. By April 2025, the Real Property Program anticipates completing the renewable energy analysis to better understand what lands are suitable for development.

Besides solar, there is a growing interest in geothermal energy where wells are drilled to access hot water and steam as a source for electricity. In April 2024, the Department received an application for a geothermal lease in the Crump Lake area. Eastern Oregon has been evaluated to have moderate to high favorability for geothermal energy development.

“

Renewable energy developments serve to greatly benefit Common School Fund income while also helping Oregon meet its clean energy goals.

”

- Director Vicki Walker



# STRATEGIC PLAN CHECK-IN

The Real Property program is advancing the Department's **Strategic Plan** goals—specifically goals for Supporting Schools and Thriving Oregon.

- **Supporting Schools** focuses on increasing revenue to the Common School Fund.
- **Thriving Oregon** focuses on building a legacy of healthy, resilient, and accessible natural resources for the people of Oregon.

Some examples of measurable objectives tracked by the plan include:

- Update the Asset Management plan (completed FY 2024)
- Renewable energy market analysis for school lands
- Complete In-Lieu Land acquisitions from Bureau of Land Management
- Promote sage-grouse habitat restoration

**10**

*number of program  
projects*

**10%**

*percent of projects  
completed*

**70%**

*percent of projects in  
progress*

**20%**

*percent of projects  
not started*

**13%**

*program percent of  
total Strategic Plan  
projects*





## THE FUTURE

The Real Property Program has many upcoming actions, activities, and changes which are highlighted in the following two pages.

The Department extends its gratitude to our dedicated staff and partners for their efforts in the management and preservation of Oregon's lands.

Solar panels at the 54 megawatt Gala Solar plant, in Crook County. This development is less than a mile from school lands that are currently under lease for another solar project expected to be developed in the next couple of years.



# THE FUTURE: SEVEN UPCOMING ACTIONS

1

## FINISHING RENEWABLE ENERGY ANALYSIS

Finish renewable energy analysis to evaluate development of renewable energy projects on school lands.

4

## COMMUNICATIONS SITE RULES

Update the rules regarding leases at communication sites to establish modern lease rates and align with current industry standards.  
*Note: Updated in December 2024*

7

## SOLAR DEVELOPMENT

Starting at the end of FY 2025 or early FY 2026, The Department anticipates the start of development of two solar projects in Crook and Lake counties.

2

## DSL-MANAGED FORESTLANDS

Evaluate additional forestlands to be moved from Oregon Department of Forestry's management to DSL for greater efficiency and more effective management. *Note: On the first day of FY 2025, 1,920 acres of Common School Forestlands in the Klamath area were moved to DSL management.*

5

## PARTNERSHIP PROJECTS

In addition to the many rangeland partnership projects already discussed., a 320-acre fuels reduction and forestland resiliency project in Union County, in partnership with the Confederated Tribes of the Umatilla Indian Reservation, is expected to get approval and funding from the Bureau of Indian Affairs.

3

## MANAGING FORESTLANDS

The Department will continue to identify and pursue timber sales to thin strategic forest stands for healthier and more resilient forests. *Note: Two timber sales have been executed so far in FY 2025.*

6

## LANDS OWED TO THE STATE

The Department continues to acquire lands still owed to the state from statehood from the Bureau of Land Management and anticipates adding 80 acres of land in La Pine by the end of FY 2025. The remaining lands owed to the state total 1,477 acres.



# THE FUTURE: FOUR SIGNIFICANT CHANGES TO ANTICIPATE

1

## ASSET MANAGEMENT PLAN

The new Asset Management Plan, effective December 1, 2024, will have significant implications to actions, land classifications, and performance tracking. There will also be a new focus on environmental markets and renewable energy projects.

2

## ELLIOTT STATE RESEARCH FOREST

The Elliott State Research Forest will become a separate program, allowing greater capacity for Real Property to work more on DSL-managed forestlands. The transfer will also have a significant impact on Real Property fiscal performance.

3

## INCREASED GRAZING FEES

Grazing fees are increasing by 28.85% in 2025 due to the effect of higher calf prices on administrative rule calculations.

4

## REVENUE FROM ODF-MANAGED FORESTS

Revenue from Oregon Department of Forestry managed forestlands is projected to decrease due to delays in timber production related to Western Oregon State Forest Habitat Conservation Plan.



Customer foraging on school lands near Hampton in Deschutes County

# APPENDIX A: SCHOOL LANDS BY CLASSIFICATION

This table shows acres of school land classification at the end of FY 2024. Where noted (\*), a portion of land classifications listed as statutory may be shared with other programs. These include Industrial, Commercial, and Residential (ICR) and special stewardship lands. This data was calculated from the mapping database, not deeded acres.

- **Constitutional lands** are obligated to the Constitutional Common School Fund because these lands are or were related to the lands set aside for the purpose of schools in the Oregon constitution at statehood.
- **Statutory lands** were set aside through federal or state statutes, and are obligated to the Statutory Common School Fund.

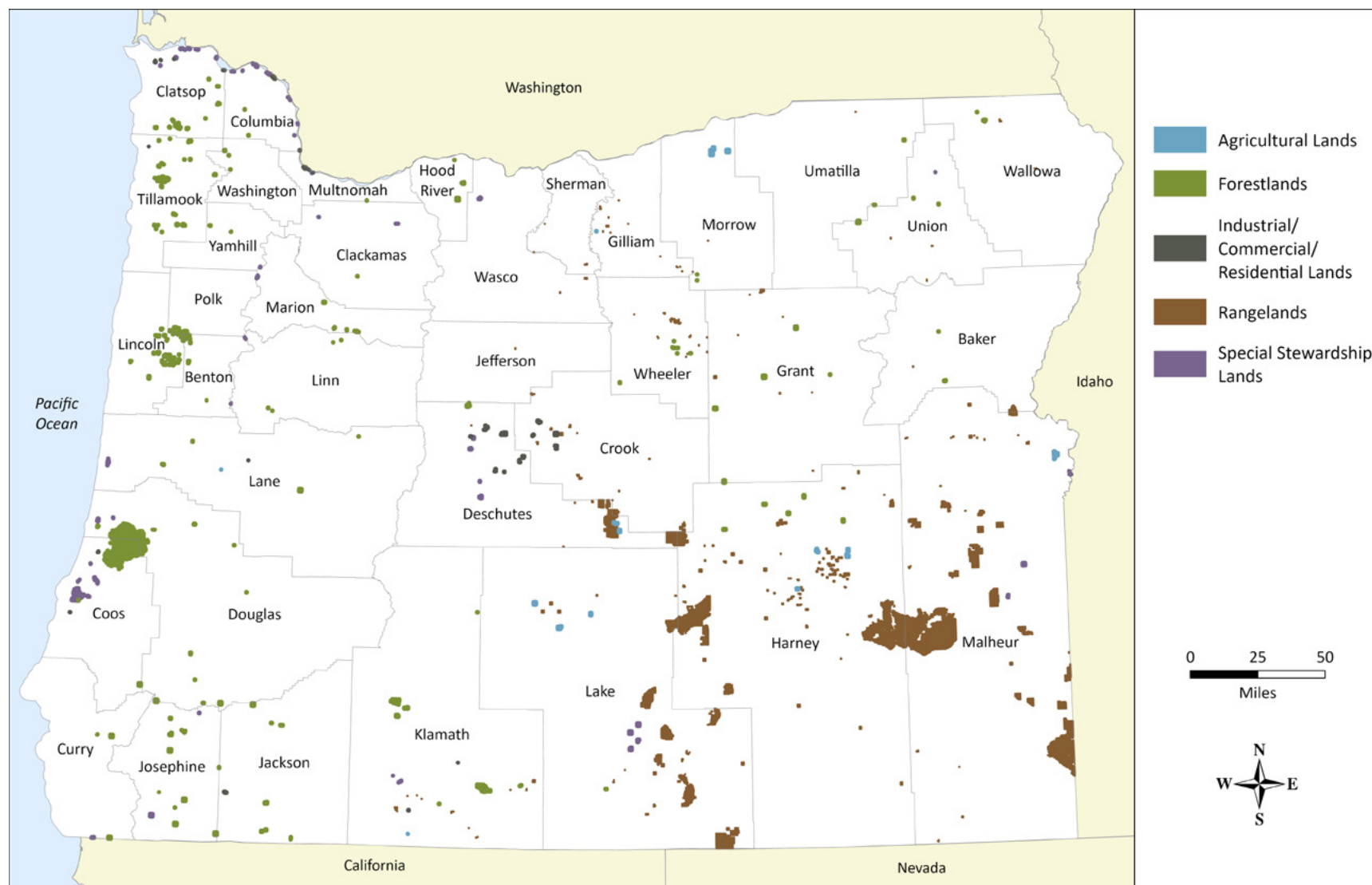
School Lands Ownership			
LAND CLASSIFICATION	CONSTITUTIONAL OWNERSHIP	STATUTORY OWNERSHIP	TOTAL LAND CLASSIFICATION
Agricultural Land	7,051	2	7,053
Forestland (All)	39,087	83,412	122,499
ODF-Managed Forestland	26,536	182	26,718
DSL-Managed Forestland	12,551	0	12,551
Elliott State Research Forest	0	83,230	83,230
ICR*	3,879	520	4,399
Mineral (Subsurface Only)	768,211	272	768,483
Rangeland	598,675	25,534	624,209
Special Stewardship**	5,161	9,340	14,501
Land Classification Total	1,422,064	119,080	1,541,144
Total School Lands Without Minerals or Other Programs	653,853	109,409	763,262

\* Of the statutory ICR acres, approximately 338 acres are managed by the Aquatic Resource Management Program.

\*\* Of the statutory Special Stewardship acres, approximately 6,681 acres are managed by South Slough Reserve and 2,380 acres are under the Aquatic Resource Management Program.

# APPENDIX A: SCHOOL LANDS BY CLASSIFICATION (CONTINUED)

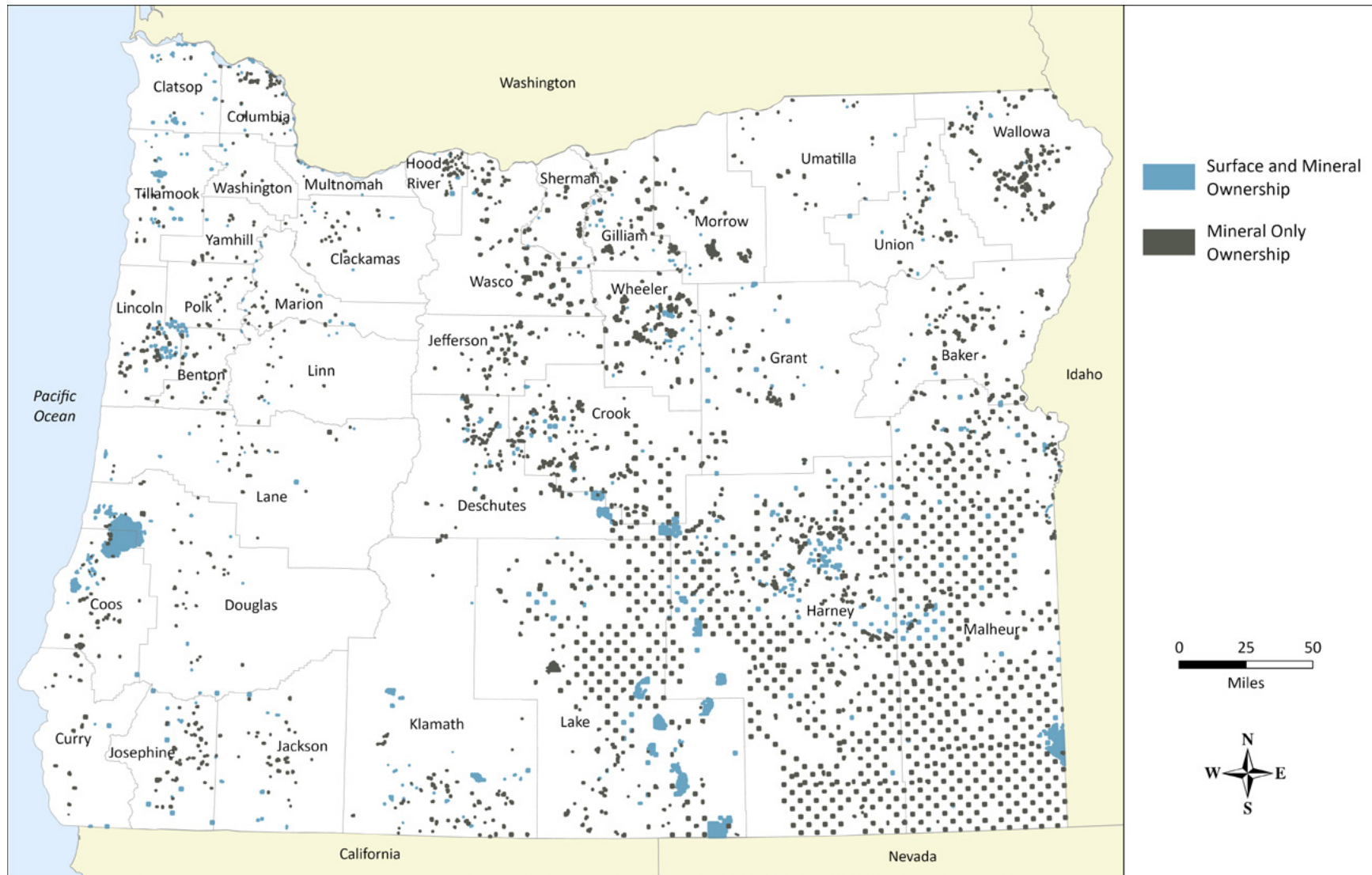
School Lands Map (Without Minerals)





# APPENDIX A: SCHOOL LANDS BY CLASSIFICATION (CONTINUED)

Minerals Map



# APPENDIX B: PROGRAM PERFORMANCE

This table shows Real Property Program performance measures of gross revenue and net operating income for the past three fiscal years and the 3-year average net operating income. FY 2024 was the first year overall NOI was positive in the last five years. The Elliott State Research Forest experiences annual losses as timber harvesting has been on hold, but expenses were down in FY 2024 and forestlands had the lowest loss in seven years. Rangelands had a slight loss due to a vehicle-caused wildfire expense (\$575,000), which we anticipate being reimbursed by insurance. This table does not include income from land sales.

**Real Property Revenues, Expenditures, and Net Operating Income (NOI) by Land Class**

	FISCAL YEAR 2022			FISCAL YEAR 2023			FISCAL YEAR 2024			3- YEAR AVG ANNUAL NET OPERATING INCOME
LAND CLASSIFICATION	GROSS REVENUE	EXPENSE	NOI	GROSS REVENUE	EXPENSE	NOI	GROSS REVENUE	EXPENSE	NOI	
Agricultural Land	\$337,531	\$161,765	\$175,765	\$341,739	\$102,407	\$239,332	\$348,780	\$57,869	\$290,911	\$235,336
Rangeland	\$694,826	\$637,089	\$57,736	\$850,650	\$646,584	\$204,066	\$1,162,480	\$1,167,275	(\$4,796)	\$85,669
ICR	\$1,142,550	\$1,049,876	\$92,674	\$991,491	\$750,058	\$241,433	\$1,060,699	\$822,900	\$237,799	\$190,635
Forestland	\$3,334,246	\$3,796,799	(\$462,552)	\$2,921,775	\$6,016,634	(\$3,094,860)	\$4,508,362	\$4,594,171	(\$85,809)	(\$1,214,407)
Mineral & Energy Resource	\$97,256	\$52,494	\$44,762	\$130,650	\$60,341	\$70,309	\$110,509	\$63,079	\$47,431	\$54,167
Special Stewardship	\$2,967	\$7,767	(\$4,800)	\$9,574	\$8,919	\$655	\$6,000	\$4,327	\$1,673	(\$824)
Total	\$5,609,376	\$5,705,791	(\$96,415)	\$5,245,879	\$7,584,943	(\$2,339,064)	\$7,196,830	\$6,709,621	\$487,208	(\$649,424)
Total Without Forestland	\$2,275,129	\$1,908,992	\$366,137	\$2,324,104	\$1,568,308	\$755,796	\$2,688,468	\$2,115,450	\$573,018	\$564,984

## APPENDIX B: PROGRAM PERFORMANCE (CONTINUED)

### Forestland Breakdown (Not Inclusive of Land Sales)

LAND CLASSIFICATION	FISCAL YEAR 2022			FISCAL YEAR 2023			FISCAL YEAR 2024			3- YEAR AVG ANNUAL NET OPERATING INCOME
	GROSS REVENUE	EXPENSE	NOI	GROSS REVENUE	EXPENSE	NOI	GROSS REVENUE	EXPENSE	NOI	
ODF-managed Forestland	\$3,172,047	\$1,446,295	\$1,725,752	\$2,754,787	\$1,846,378	\$908,409	\$2,801,158	\$2,109,972	\$691,186	\$1,108,449
Elliott Forest	\$145,025	\$2,215,977	(\$2,070,953)	\$74,886	\$4,078,365	(\$4,003,480)	\$485,106	\$1,832,608	(\$1,347,502)	(\$2,473,978)
Shutter Creek	n/a	n/a	n/a	n/a	n/a	n/a	\$571,646	\$459,632	\$112,014	\$112,014
DSL-managed Forestland	\$17,175	\$134,526	(\$117,351)	\$92,102	\$91,891	\$211	\$650,453	\$191,960	\$458,493	\$113,784
Total Without Elliott & Shutter Creek	\$5,464,351	\$3,489,814	\$1,974,537	\$5,170,993	\$3,506,577	\$1,664,416	\$6,140,078	\$4,417,382	\$1,722,697	\$1,787,217

# APPENDIX C: AUTHORIZATIONS

This table shows a tally of leases, licenses, easements, permits for uses on school lands in FY 2024. When compared to FY 2023, authorizations were slightly up, and total revenue increased about \$350,000.

**Land Authorizations**

AUTHORIZATION TYPE	LAND USE	# OF AUTHORIZATIONS	TOTAL ACRES	TOTAL REVENUE	% TOTAL REVENUE
Forage Leases	Grazing	157	657,738	\$953,358	53%
Special Use Leases/ Licenses	Agriculture	13	7,125	\$337,726	19%
	ICR	2	402	\$91,919	5%
	Communications	24	5	\$119,769	7%
	Hard Mineral	2	680	\$108,167	6%
	Upland Quarry	2	10	\$750	0%
	Recreation	6	80.8	\$6,850	0.4%
	Solar Energy	4	22,855	\$119,276	6.6%
	Miscellaneous	5	6,085	\$2,350	0.1%
Oil & Gas	Oil & Gas	7	n/a	\$1,087	0.1%
Easements	Easements	5	1.8	\$63,784	3.5%
Permits	Small Products, Gravel Removal, Firewood & Hauling Permits	26	n/a	\$7,984	0.4%
Total*		253	694,983	\$1,813,020	100.00%

Note: Acres may be double-counted due to multiple authorizations on the same property.

\*Total is for authorizations issued by the Real Property Program and does not include income from the leasing of space in the Department's Salem building.

# APPENDIX D: LAND TRANSACTIONS

FY 2024 had few finalized land transactions. The 159-acre Millican Road parcel was sold and the Department acquired Shutter Creek from the Oregon Department of Corrections as an operations base for the Elliott State Research Forest.

Land Transactions

TRANSACTION TYPE	LAND SALE NAME	TRANSACTION AMOUNT	COUNTY	DEED DATE	ACRES	LAND CLASSIFICATION	OWNERSHIP DESIGNATION
Land Sale	Millican Land Parcel	\$4,527,510	Crook	12/21/23	158.87	ICR	Constitutional
Acquisition	Shutter Creek	\$0	Coos	8/11/23	52	ICR	Statutory

# APPENDIX E: ROLLING THREE-YEAR NET OPERATING INCOME

This table is a new addition to this year’s annual report, which reflects the stability of income on land classifications and forestland units. Agricultural lands exhibit very stable income. Special stewardship had a communication site that was reclassified as rangelands in 2021. Rangeland averages fluctuate because cattle market prices set grazing fees and wildfire suppression costs also impact the program. The Elliott State Research Forest has a significant impact on program totals.

**Rolling Three-Year Average Annual Net Operating Income**

LAND CLASSIFICATION	YEARS				
	FY 2018-2020	FY 2019-2021	FY 2020-2022	FY 2021-2023	FY 2022-2024
Agricultural Land	\$201,864	\$201,334	\$191,670	\$208,266	\$235,336
Forestland (All)	(\$899,804)	(\$813,333)	(\$575,608)	(\$1,294,243)	(\$1,214,407)
ODF-Managed Forestland	\$669,540	\$817,194	\$1,264,311	\$1,243,204	\$1,108,449
DSL-Managed Forestland	(\$101,101)	(\$79,277)	(\$60,984)	(\$43,763)	(\$113,784)
Elliott State Research Forest	(\$1,468,242)	(\$1,543,894)	(\$1,771,579)	(\$2,493,684)	(\$2,473,978)
ICR	\$263,701	\$92,549	\$38,367	\$85,259	\$190,635
Mineral	\$116,938	\$42,739	\$36,635	\$30,072	\$54,167
Rangeland	\$279,965	\$74,650	\$134,645	\$91,100	\$85,669
Special Stewardship	\$17,564	\$28,446	\$15,545	\$6,974	(\$824)
School Lands Avg. Total	(\$19,772)	(\$373,615)	(\$158,746)	(\$872,572)	(\$649,424)
Total School Lands Without Elliott or Shutter Creek	\$1,448,470	\$1,170,279	\$1,612,833	\$1,621,112	\$1,787,217

# APPENDIX F: RETURN ON ASSET VALUE

Return on asset value measures revenue generated compared to market value of the land. This measurement is calculated by dividing net operating income by land market values. For this report, land values for FY 2022 were used. Overall forestlands and Elliott State Research Forest remain negative. DSL-managed forestlands and agricultural lands are up in FY 2024. Rangelands were down slightly due to the wildfire and ICR lands were flat compared to the previous year. For 10-year return trends, see the figures below.

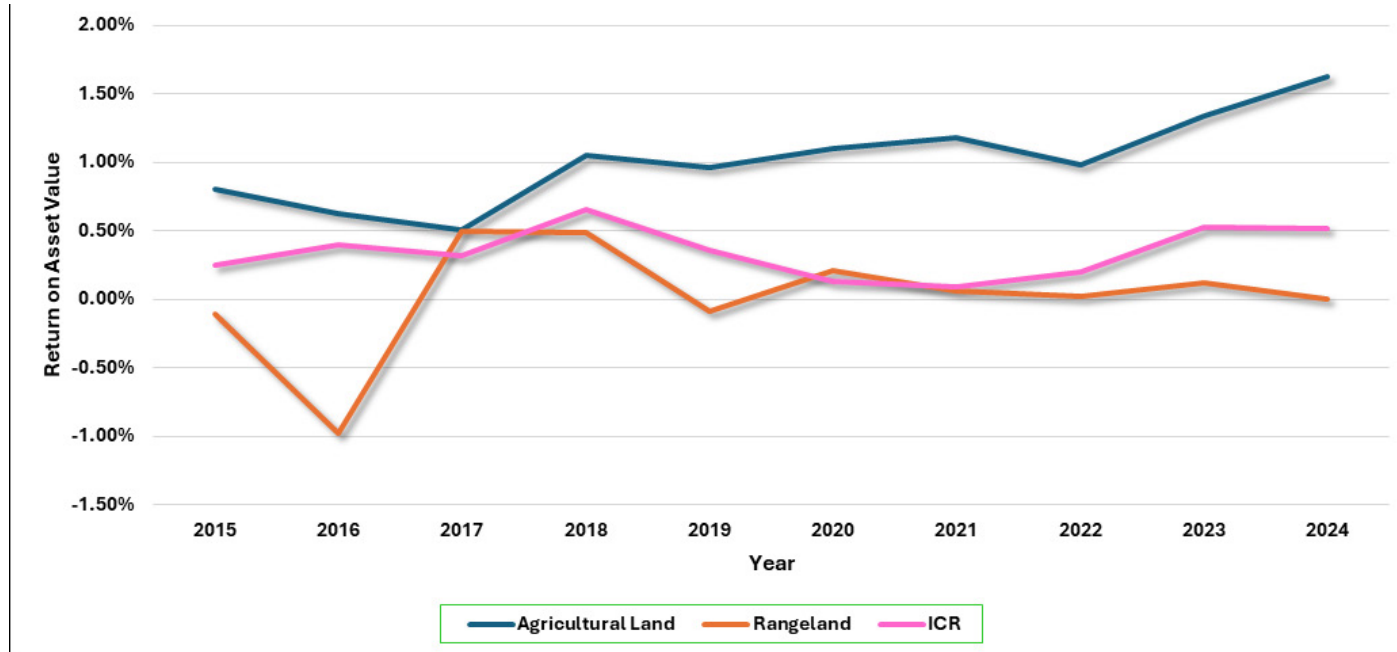
Market Value and Performance by Land Classification

LAND CLASSIFICATION		2024 NOI	2022 MARKET VALUE (MILLIONS)	2024 RETURN ON ASSET VALUE
Agricultural Land		\$290,911	\$17,850,000	1.63%
Rangeland		(\$4,796)	\$175,950,000	0.00%
ICR		\$237,799	\$46,000,000	0.52%
Forestland (All)		(\$85,809)	\$111,100,000	-0.08%
	ODF-Managed Forestland	\$691,186	\$91,650,000	0.75%
	DSL-Managed Forestland	\$458,493	\$19,450,000	2.36%
	Elliott State Research Forest	(\$1,235,488)	\$220,800,000	-0.56%
TOTAL		\$1,673,593	\$350,900,000	0.48%

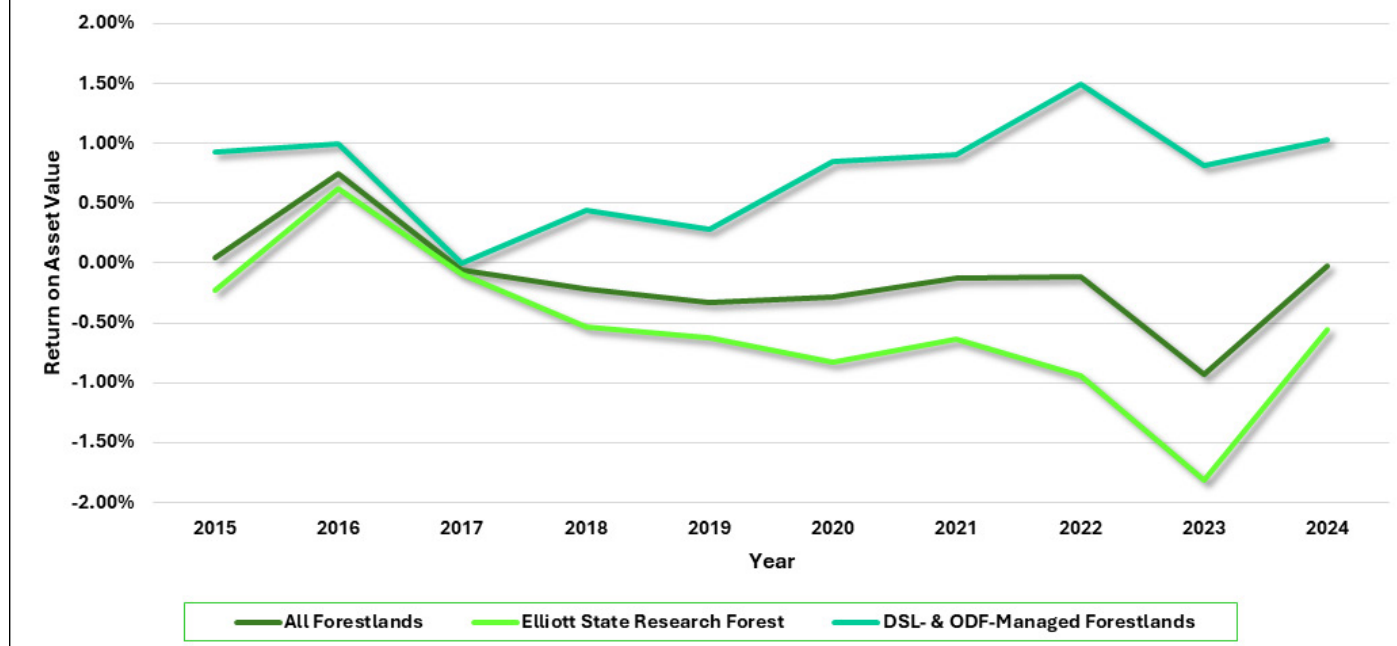


## APPENDIX F: RETURN ON ASSET VALUE (CONTINUED)

10-Year Return on Asset Value by Agricultural, Rangeland, and ICR Land Classifications



10-Year Return on Asset Value For Forestland Types





# Oregon

Tina Kotek, Governor

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## State Land Board

Tina Kotek

Governor

Tobias Read

Secretary of State

Elizabeth Steiner

State Treasurer

## State Land Board

**Regular Meeting  
February 11, 2025  
Agenda Item 7**

### **SUBJECT**

Department of State Lands Director recruitment

### **AUTHORITY**

ORS 273.161(1); Appointment of director of department.

### **BACKGROUND**

In December 2024, Department of State Lands Director Vicki L. Walker formally notified the State Land Board of her intent to retire June 30, 2025.

By statute, the State Land Board shall appoint a Director of the Department of State Lands to serve for a term of four years (ORS 273.161 (1)).

This agenda item provides an opportunity for Land Board discussion of the recruitment process, ensuring perspective or direction may be provided as desired or necessary.