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*Fall 2013*

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## **Land Board increases distributions to schools**

At a special meeting on Sept. 17, the State Land Board approved an extra \$12 million from the Common School Fund for distribution to Oregon school districts. The extra funds will be distributed in four equal payments of \$3 million in the 2013-15 biennium, bringing the total distribution to about \$100 million.

Historically, about 4 percent of the fund has been sent to school districts annually, which has been deemed a sustainable rate of disbursements. To help balance the current state budget, the 2013 Legislature requested an extra 1 percent withdrawal from the fund. The additional funds are part of the total school funding package passed by the Oregon Legislature, which includes a \$12 million start-up budget for the Network for Quality Teaching and Learning within the Department of Education.

The Land Board, made up of the Governor, Secretary of State and the State Treasurer, agreed that future distributions from the fund



should remain at the long-term sustainable rate of 4 percent. The Oregon Investment Council, which includes the Treasurer, guides the investment of the Common School Fund. Only the earnings are sent to schools.

“Oregon schools are working hard to educate our next generation, and we are pleased to support the Legislature’s commitment to education,” Treasurer Wheeler said. “At the same time, we must continue to be wise stewards of the Common School Fund, to ensure future generations will also benefit.”

Though recent investment performance has been strong (the fund is now worth \$1.2 billion, up from a low of \$700 million in 2008-09), long-term projected returns are uncertain, mainly due to projected decreases in timber revenues from the Elliott State Forest near Reedsport.

### **Legislature directs work groups to meet during interim**

**Regional Solutions:** The goal of House Bill 2620 is to develop a framework that further aligns state economic and community development programs to support local priorities developed by the Regional Solutions Centers and local community leaders. A work group will build on the existing accomplishments of Regional Solutions Teams and natural resource agencies in streamlining processes for priority projects.

The Project Steering Committee includes the following state agencies: Water Resources, Agriculture, Environmental Quality, State Parks, Business Oregon, Land Conservation and Development, Energy, Housing, Business Services, Administrative Services, Oregon Lottery, Justice, Oregon Solutions Network,

Transportation (convener) and State Lands, represented by DSL director Mary Abrams.

A Project Team will work with community stakeholder groups and advise the Steering Committee on how best to develop the framework. DSL's Kirk Jarvie serves on the Project Team, and will collaborate with other DSL staff as needed.

The Steering Committee has met twice since August, and will be meeting monthly as a Regional Solutions Cabinet. A report is due at the February 2014 legislative session.



**Filled Lands:** The Department of State Lands will manage a work group on historically filled lands, which resulted from deliberations on Senate Bill 479. Historically filled lands are uplands created before 1963 – mostly the result of navigation channel dredging and maintenance – where land ownership is unclear.

The goal of the Filled Lands Advisory Group (FLAG) is to develop a process for settling historically filled land claims, which in most cases will avoid costly litigation. FLAG members represent landowners, ports, fisheries, recreationists, education beneficiaries and the legislature, and will be advisory to DSL.

The FLAG will meet roughly once a month for up to six months, with the first meeting taking place in late October or early November. The group will prepare a report for both the State Land Board and the Legislature. Any recommendations requiring legislative action will be developed for the 2015 session.

**Suction Dredging:** Senate Bill 838 imposes a moratorium from Jan. 2, 2016 – Jan. 2, 2021 on suction dredging and other forms of motorized mining on approximately 85 percent of Oregon's stream miles. The bill also directs the Governor's Office to lead a work group to

develop a better system for state regulation of the activity, and limits the number of annual permits to 850.



The work group will be composed of representatives from state and federal agencies, Oregon tribes and mining stakeholders (e.g. miners and environmental organizations), led by a facilitator. Participants will develop recommendations for a consolidated regulatory process, specifically addressing:

- A single permit – or single contact point – for placer mining activities.
- An adequate fee structure to cover administration, compliance, monitoring, enforcement and education.
- Protection and recovery measures for in-stream and riparian habitat.

The Governor’s office must submit a summary report to the Legislature on or before Nov. 1, 2014.

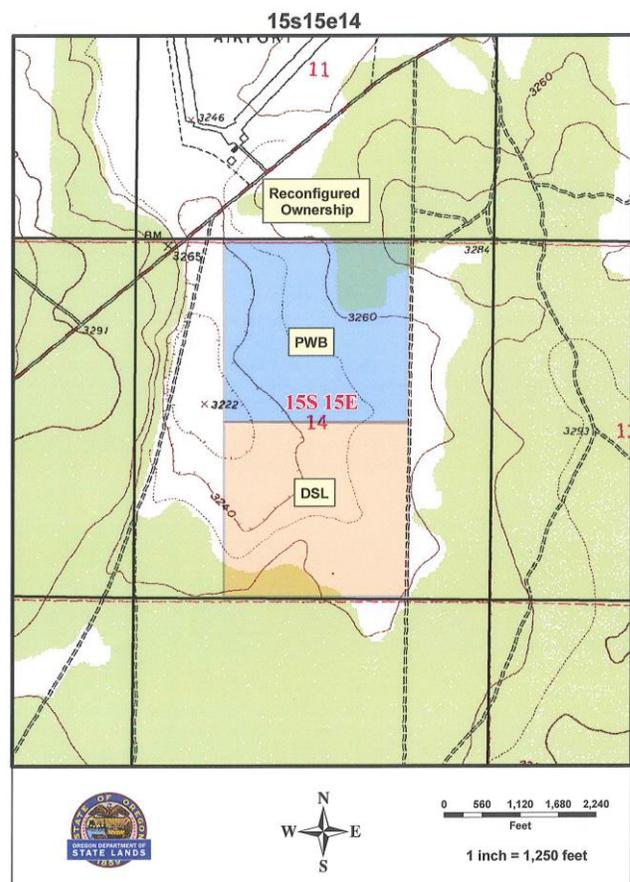
### Prineville parcel on the market

#### **Land exchange in 2012 enhanced property values**

In 2012, the Land Board approved a land exchange between Premier West Bank (PWB) and the Department of State Lands on parcels located in Prineville. The purpose of the exchange was to modify the shape of two

virtually identical parcels from long and narrow to square. A key reason for the exchange, in addition to each party getting a better configured parcel, was the potential to market the sites as two 160-acre parcels, or one 320-acre parcel.

Now, the two adjoining parcels along Millican Road (across from the Les Schwab Distribution Center) are being offered for sale for commercial development through a real estate broker with special expertise in marketing to database operators. Recently, Facebook and Apple established operations in the Prineville area.



The exchange agreement identified a partnership between PWB (now renamed to American West Bank) to market the properties. "Through this public-private exchange, DSL has greatly enhanced the value of our property," said Asset Manager John Russell. "By reconfiguring it and obtaining access to Millican Road, we are now much better poised to sell our parcel and gain new revenue from our land."

The Prineville parcel – known also as the Juniper Canyon property in Crook County – was transferred to DSL in 2009 as part of the [in-lieu land process](#). The federal government still owes Oregon acreage not obtained at statehood, and DSL has been working with the Bureau of Land Management to receive all acreage due. About 1600 acres are still outstanding to complete the land transfer.

## **Sales being considered within Elliott State Forest**

### ***Curtailed harvest levels prompts analysis of three parcels***

Oregon's Constitution directs the State Land Board to maximize revenues from state lands for public education in Oregon. Historically, the Elliott State Forest has produced the largest land-based income for the Common School Fund. In 2012, a new forest management plan was put in place to increase harvest levels in the coming years, while maintaining a range of conservation benefits.

Because of ongoing legal challenges, harvests on the forest for fiscal years 2013 and 2014, previously planned at about 40 million board feet, are now expected to be closer to 15 million board feet. This reduced harvest level – and corresponding reduction in revenues to the

Common School Fund – is anticipated to extend at least through the 2013-15 biennium, prompting the Land Board to look at alternative revenue-generating options.



The Department of State Lands, working with the Department of Forestry, identified three parcels that meet the sale and exchange criteria identified in the board's [Real Estate Asset Management Plan](#). The three parcels in Coos and Douglas counties total 2,714 acres. The Elliott's total acreage is about 93,000 acres, of which 91 percent (about 84,500 acres) is Common School Fund land.

As part of the analysis, due diligence studies (cultural resources, endangered plants, and endangered animals) and appraisals have been initiated, and staff is reviewing public comments from interested parties and adjacent landowners.

More information, including parcel descriptions and a timeline, is on the [DSL website](#).

## Funds found for Volcanoes fans

### Outreach set up at playoff game

Staff from the Unclaimed Property Section found nearly \$11,000 for Volcanoes fans at the local baseball club's playoff game with Boise, Sept. 4. "About 50 or 60 people dropped by our table during the game," said program manager Pat Tate, "and every person with lost funds was surprised and pleased." About 16 people were matched with their unclaimed funds, he said.

Before the first pitch, Tate presented Tom Leip, president of business operations, with funds due the Volcanoes, in the form of an oversized ceremonial check for \$939.76. Announcements throughout the game directed attendees to the unclaimed property table, where staff searched for names in the database.



Photo by Vanessa Parker

It's easy to search for your name: go to <https://oregonup.us> to begin the process. While it's not necessary to register your name, it's a good tool for tracking the progress of your claim.

More than \$400 million in unclaimed property is available for claim, and the Department of State Lands receives about \$50 million annually in unclaimed funds. All funds are held within the [Common School Fund](#), whose

earnings are sent to school districts twice a year. Funds are available for claim forever by owners or their heirs.

Check our website now for you, your family members and friends!



## State lands largely spared in 2013 rangeland fires

Similar to 2012, when state-owned rangelands were only minimally impacted by the devastating fires that consumed wide swaths of southeast Oregon, fires this summer appear to have skirted state lands.

As the fire season draws to a close, 15 fires were reported on Department of State Lands-managed property. However, rangeland staff have determined a number of those were on adjacent private land. Known loss on state land at this time is over 1,875 acres, and all fires were caused by lightning.

DSL pays the Bureau of Land Management for fire suppression on state lands on an "actual cost" reimbursement basis. In addition, the department pays dues to volunteer Rangeland Fire Protection Associations where they include state-owned land. Local fire protection volunteers are frequently the first to respond, and with knowledge of their local areas, are

instrumental in keeping fires small and quickly contained. BLM provides air resources, often critical to suppressing fires in inaccessible areas; access to national resources; and is the sole fire suppression source for state lands where no RFPAs exist.

In 2012, only three fires totaling 520 acres were included in fire suppression efforts



coordinated by the BLM on behalf of the state. No cost estimate is available yet for this year.

At the end of each fire season, DSL range managers review fire areas to determine rehabilitation needs, which often include fence repair or replacement; preemptive treatment of invasive weeds where suppression actions may have spread seed; and temporary fencing to exclude livestock and allow burned areas to recover.

More information is available from [Randy Wiest](#), rangeland manager.

### **Removal-fill rulemaking kicks into gear**

**Placer mining (suction dredging):** The 2013 legislature passed Senate Bill 838, which includes a variety of changes to the current statute and rules regarding suction dredge activities. The legislation establishes certain conditions on placer mining from Jan. 1, 2014 – Jan. 2, 2016, including a limit of 850 placer mining permits per year.

To meet a very aggressive timeline on implementing this restriction, DSL staff have been holding informational meetings and

drafting rules for comment. The new rules will include:

- The new operating restrictions.
- How DSL will implement the limit on the number of authorizations. The bill states that priority will be given to applicants that have held a permit for the longest period of time before Jan. 1, 2014.

“We’ve met with a wide variety of folks to gain a better perspective on how to implement this new legislation,” said Lori Warner-Dickason, northern region manager for removal-fill permits. “It’s always tricky to balance the widely diverging viewpoints on this issue, but the bottom line is we have to comply with the law,” she said. The new rules must be in place by Jan. 1, 2014.

More information, including a timeline, is on the [DSL website](#). Formal public comments will be accepted from Oct. 1 through Oct. 31.

Other rulemaking activity includes:

**Essential Salmon Habitat:** Changes proposed for 2013 are based on the Oregon Department of Fish and Wildlife’s Fish Habitat Distribution data. 2013 includes a net increase of 617 miles, for a total of 20,712 stream miles. Estimated completion: February 2014.



**Large woody debris:** House Bill 2396 added large woody debris to the definition of material regulated by Oregon’s removal-fill law. This will not affect the removal of large woody debris when it is a threat or danger to livestock, human life or property, transportation structures and navigation. Estimated completion: May 2014.



**Regional mitigation pricing:** House Bill 2032 modified the method of calculating payments for off-site compensatory mitigation, using regional pricing estimates. This DSL-sponsored legislation will provide more equitable pricing for mitigation projects rather than relying on a statewide average. Estimated completion: May 2014.

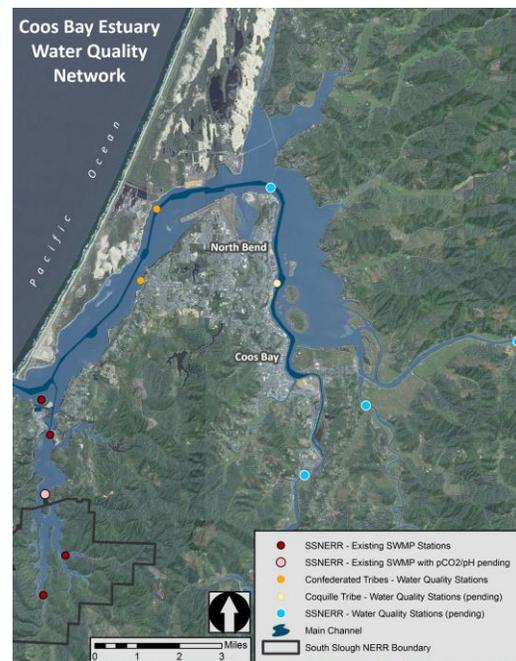
**Advance wetland planning:** DSL is developing an administrative rule to allow community “advance wetland plans” to streamline the removal-fill permit application process for projects within a defined planning area. The purpose of an AWP is to plan ahead for and minimize wetland-development conflicts; identify and characterize aquatic resources; and develop a compensatory mitigation strategy to offset unavoidable impacts to those resources. Estimated completion: May 2014.

## South Slough expands water quality monitoring

Working with the [Partnership for Coastal Watersheds](#), the South Slough Reserve is overseeing the addition of four stations to monitor water quality in the Coos estuary. The Reserve’s System-Wide Monitoring Program (SWMP), in operation since 1995, currently has five long-term monitoring stations that measure water temperature, salinity, pH, dissolved oxygen and depth, and additional parameters.

The Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians maintain an additional two water quality monitoring stations in Coos Bay, with a third being proposed by the Coquille Indian Tribe. This would provide a total of 12 stations throughout the Coos estuary (see map).

The primary goal of expanding the SWMP network is to capture a more complete picture of water quality conditions in the entire system to help understand current conditions and future effects of climate and land-use changes.



*New scientific equipment:* The South Slough recently received funding from the National Oceanic and Atmospheric Administration (NOAA) Ocean Acidification Program to add two instruments to understand the effects of ocean acidification in South Slough waters. One instrument makes high accuracy and high resolution pH measurements. The second measures the partial pressure of carbon dioxide gas in the water.

The new instruments will be deployed alongside one of the long-term SWMP stations at Valino Island to help understand a rising pH (less acid conditions) trend in estuary waters, contradicting a decreasing pH (more acid conditions) trend in the ocean. More information about both projects is available on the [South Slough Reserve](#) website.



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