

## **Department of State Lands**

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#### **State Land Board**

State Land Board

Regular Meeting April 9, 2019 Agenda Item 4 Kate Brown Governor

Bev Clarno Secretary of State

> Tobias Read State Treasurer

# **SUBJECT**

Request for approval to initiate due diligence for the sale and possible partition of a 15.23 acres tract at the south end of North Tongue Point in Clatsop County, located at Township 8 North, Range 9 West, Section 11, Tax Lot 5800.

## <u>ISSUE</u>

Whether the Land Board should authorize the initial due diligence for the sale and possible partition of DSL land on North Tongue Point. (Appendix A).

### **AUTHORITY**

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

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

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

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

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

## **SUMMARY**

The North Tongue Point property is on the deep-water channel of the Columbia River at the eastern end of Astoria. This tract is adjacent to a former U.S. Naval base at North Tongue Point which includes long shipping piers.

In the mid-1980's, DSL purchased this 15.23-acre tract, plus the former 33.9-acre Naval base that operated during World War II, and 130 acres at South Tongue Point for \$2 million.

On September 20, 2000, DSL sold the former 33.9-acre Naval base for \$4 million to Cresmont, Inc.

In February 2019, the State Land Board approved selling the north 21.78 acres of South Tongue Point to Clatsop Community College in a direct sale for \$826,500.

For the past ten years, DEQ and the U.S. Corps of Engineers (Corps) have worked cooperatively to clean up and monitor the southern 8 acres of the 15.23 acres tract proposed for sale. The tract had a landfill that has been capped and monitored for the past ten years. The earthen cap requires periodic inspection and maintenance by the Corps in perpetuity. A fence has been installed around the impacted area and is only accessible to the Corps.

DSL received an application from Bergerson Construction, Inc. to purchase the northern portion of the property. Bergerson Construction, Inc. currently leases space from Hyak Maritime, the current owner of the former Naval base, and has found it needs additional space for material storage.

DSL asks to perform due diligence studies on the sale of this 15.23-acre tract, and to possibly partition the northern portion of the property for the sale if it appears to be more lucrative than selling the entire parcel. An open, competitive sale process will be pursued for this property.

## **RECOMMENDATION**

The Department recommends that the State Land Board authorize the Department to initiate due diligence studies for a sale and to potentially partition the property located at Township 8N, Range 9W, Section 11, Tax Lot 5800.

#### **APPENDIX**

A. Map of Property

