



Oregon

Tina Kotek, Governor

Department of State Lands

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State Land Board

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**Regular Meeting
December 12, 2023
Agenda Item 3**

Tina Kotek

Governor

LaVonne Griffin-Valade

Secretary of State

Tobias Read

State Treasurer

SUBJECT

Request for approval to initiate due diligence for the sale of 80 acres of forestland in Coos County from the Common School Fund trust land property to South Slough National Estuarine Research Reserve (See Appendix A)

ISSUE

Whether the Land Board should authorize the due diligence to support the sale of the land and mineral rights out of the Common School Fund and into the South Slough Reserve' management.

AUTHORITY

Oregon Constitution, Article VIII, Sections 2 and 5; relating 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 273.316 and 273.321; relating to the exchange of state lands.

ORS 273.553; relating to the South Slough National Estuarine Research Reserve agreement between Oregon and federal government rules.

BACKGROUND

The Department of State Lands oversees the South Slough National Estuarine Research Reserve (Reserve) on the southern Oregon coast. The Reserve manages nearly 7,000 acres of natural habitat which include open water channels, tidal and

freshwater wetlands, riparian areas, and forested lands. This area is managed for long-term research, education, and public recreation with a focus on the stewardship and protection of natural and cultural resources.

The proposed acquisition property is an 80-acre parcel of upland forest adjacent to the southeastern boundary of South Slough Reserve (Appendix A). As an asset of the Common School Fund, the parcel is owned by the Department and managed by Oregon Department of Forestry. The state had planned timber harvests of the parcel until observations of an endangered species using the site for habitat, the marbled murrelet, put harvest plans on hold.

The parcel is comprised of late-stage successional forest habitat and encompasses the headwaters of Tom's and Cox Creeks, both of which are tributaries of Winchester Creek, the main waterway of South Slough. Given the parcel's location and high conservation value, the Reserve submitted a grant proposal in 2017 to the National Oceanic and Atmospheric Administration (NOAA) to fund the purchase and transfer of the parcel from the Common School Fund to the Reserve. The grant proposal was ranked favorably and recommended for funding, but it was determined the Reserve lacked the required 1:1 matching funds and the grant could not be awarded.

With several million dollars recently becoming available to National Estuarine Research Reserves (NERRS) through the Bipartisan Infrastructure Law (BIL), the Reserve is in a favorable position to resume this acquisition project. In 2022, the Reserve received capacity-building funding from NOAA through the BIL and partnered with the Wild Rivers Land Trust to complete preliminary due diligence activities and develop a grant proposal for the next round of the NOAA-NERRS-BIL competitive funding program. Wild Rivers Land Trust has completed the required property title search, environmental assessment, property survey, and appraisal. The appraised value is \$745,000. The Reserve was approved to submit the full grant proposal by January 10, 2024.

The Department does not own the mineral rights on this property, but acquiring these rights would strengthen the grant proposal. The title research on this property uncovered multiple mineral rights reservations on DSL-owned land including and around this property during the past 70 years. Further due diligence is needed to confirm ownership of the mineral reservations and obtain mineral data and appraisals.

If a grant is awarded, the Department will bring this before the Land Board in mid-2024 for approval to complete the acquisition and transfer the property to the Reserve to be managed under the authority of the South Slough Reserve Management Commission. This action will also require a vote by the Land Board and the Board of Forestry to decertify the forest from active management by ODF. This action would support the Department's strategic plan goals in generating revenue for the Common School Fund, as well as supporting a thriving Oregon through habitat restoration, resiliency, and research.

PUBLIC INVOLVEMENT

South Slough Reserve Management Commission discussed this matter at two meetings of the Commission, open to the public to attend. On March 17, 2022, they authorized the Reserve staff to submit grant proposals for this project, and on December 14, 2022, they discussed the property acquisition again regarding the capacity funding for developing grant proposals. No public comments were submitted at these meetings.

RECOMMENDATION

The Department recommends the State Land Board authorize the South Slough National Estuarine Research Reserve through the Department of State Lands' Real Property staff to complete due diligence work in support of the sale of land and mineral rights.

APPENDICES

- A. Map of Property
- B. Excerpt of Appraisal Report