

Department of State Lands

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State Land Board

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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)



