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STATE LAND BOARD MEETING

Monday, March 12, 2001

State Land Building

775 Summer St. NE, Salem, Oregon

9:30 a.m.

14 **GOVERNOR JOHN A. KITZHABER:** (unintelligible)I believe Mr.
15 Desmond wants to read something into the record for Mr. Burton and then we
16 will proceed with a motion.

17 **DIRECTOR ANN HANUS:** Great. Thank you Governor. For the record,
18 my name is Ann Hanus, Director of the Division of the State Lands. Following
19 the Board's Executive Session on February the 23rd, Secretary of State Bradbury
20 extended the Land Board's offer of \$1,833,300 along with deed restrictions to
21 keep the property for public purposes of parks and open space, allow access for
22 environmental education and retain the mineral rights. The Metro council met on
23 March 2nd, 2001 and approved the purchase of the tract, based on the terms
24 and conditions that are consistent with the Land Board's proposal of February
25 23rd. The Division recommends that the Land Board sell the Wilsonville Tract to
26 Metro for \$1,833,300 and convey the title to the property via the deed that
27 includes the restrictions as shown in Appendix B of your Agenda Item 1.

28 Just a note – the closing will likely take place in another month. That
29 doesn't preclude any of the action that you'll do here for the Land Board.
30 There's a minor glitch that we're waiting on. We've learned that the Wilsonville
31 School District has to complete some paperwork on the partition. So, that'll take
32 place within the next month. Once we have that, we'll work with Metro on putting
33 together a special ceremony involving the Land Board members and members of
34 Metro on that.

35 **GOVERNOR JOHN KITZHABER:** You mean I'm going to be invited to
36 Wilsonville? It'll be a relief not having to send Steve Marks, the stunt governor
37 up to represent me.

38 **DIRECTOR ANN HANUS:** Before we move on, David Bragdon and Carl
39 Hosticka wanted to say a few words, as well as Jim Desmond has a letter from
40 Mike Burton that he'd like to read into the record. But before we go on I'd like to
41 recognize Steve Purchase, who because of his shrewd actions, in the early
42 nineties was able to acquire this property for the Common School Fund and I
43 think it will have a very good return for the Common School Fund. Also, for John
44 Lilly for his tireless work over the years to make this sale a reality and then for
45 Jerry Hedrick, for all his legwork, research and knowledge to pull this deal off.
46 So, let me turn it over to David Bragdon and Carl Hosticka.

47 **GOVERNOR JOHN KITZHABER:** Great, thank you. Louise informs me
48 that shortly after the purchase the law was changed because it was so shrewd.
49 No good deed goes unpunished. Welcome.

50 **DAVID BRAGDON:** Governor, State Treasurer, for the record, I'm David
51 Bragdon, presiding officer for the Metro Council, 600 NE Grand, in Portland and
52 with me is Councilor Hosticka who will introduce himself momentarily. We just
53 wanted to convey the action of our council that was just described in terms of
54 approving this purchase and to add our thanks on behalf of the council. One of
55 the gratifying things with this program is not just seeing the lands that are
56 protected for it, but also to see the citizens enjoying it and toward that end I
57 wanted to site some of the environmental education programs that we already

58 have and that we look forward to expanding into this part of the region. And, four
59 times a year we put out a Metro Green Scene magazine that lists some of these
60 courses and programs that our naturalists offer, and just in leafing through it on
61 the way down I want to mention a couple that are good examples of the types of
62 things that the school children will be able to enjoy in Wilsonville by virtue of your
63 action today.

64 Just in the next month we have "*World of Wildflowers*" out at Oxbow for
65 kids that are 12 and under; "*Larkspurs Exploration on Cooper Mountain*," which
66 is also in the – on the west side, as well as a "*Turtle Walks Tracking Program*" in
67 north Portland at Smith and Bybee Lakes. So, there are children throughout the
68 region enjoying these programs already and we'll look forward to expanding that
69 type of activity in Wilsonville. So, thank you. I want to turn this over to Councilor
70 Hosticka.

71 **GOVERNOR KITZHABER:** Carl.

72 **CARL HOSTICKA:** Thank you. For the record, my name is Carl
73 Hosticka, Metro Councilor from Wilsonville. Actually, most of what I have to say
74 has been said. I was going to convey the results of the Metro Council's approval,
75 but since that's already been mentioned, all I'd like to say is that as part of our
76 deliberation, the Council wanted to thank each of the State Land Board members
77 individually for taking a personal interest in this. I think that we felt that your
78 personal interest helped move this along and showed that when people who – of
79 good will who are trying to achieve the same objective can get there over a

80 number of hurdles. And we wanted to convey that to you. It was mentioned
81 several times in our deliberations.

82 **GOVERNOR JOHN KITZHABER:** Thanks Carl.

83 **CARL HOSTICKA:** Thank you.

84 **GOVERNOR KITZHABER:** Mr. Desmond.

85 **JIM DESMOND:** Thank you Governor, members of the Board. Mike
86 Burton is on vacation but he wanted me to read the following letter which
87 delivered to you into the record.

88 "Gentlemen, on March 1 the Metro Council approved Metro's acquisition
89 of the Wilsonville Tract at a purchase price of \$1,833,300. This approval
90 authorizes me to execute and complete the purchase of the property pending the
91 final approval of the sale by the State Land Board at its meeting scheduled for
92 March 12th. Metro is prepared to move forward under the specific terms and
93 conditions outlined in our previous discussions – (1) including the deed
94 restrictions and (2) subject to the subsurface mining reservation outlined in the
95 proposed deed.

96 Regarding the purchase price, some of us at Metro continue to have
97 concern about paying above the typical market value for farmland, however, the
98 purchase price for this transaction, due to its unusual deed restrictions, the
99 significant amount of merchantable timber at the site and other unique matters
100 should not establish a precedent or comparable for other transactions that do not
101 contain similar restrictions and unusual circumstances.

102 As you know, and as we heard so eloquently stated during the last public
103 Land Board meeting, and on the subject – the citizens of Wilsonville have
104 strongly desired that this property be preserved as a publicly accessible natural
105 area. It has long been Metro's goal to complete this acquisition, which played
106 such a prominent role in the passage of Metro's Bond Measure 95.

107 I urge you to finalize this and vote yes to sell the Wilsonville Tract to Metro
108 on the terms outlined herein. And I want to thank each of you for your personal
109 commitment to finding a compromise on our differences of opinion and making
110 this happen. This permanent protection of the land for parks and open space
111 purposes will be good for the Common School Fund, the Wilsonville community
112 and the entire Metro region. Each of you has my gratitude for your help in
113 making this dream a reality.

114 Best regards, Mike Burton.”

115 And I just wanted to add – wanted to thank the citizens of Wilsonville, who
116 I've been in contact for so many years. I've been kind of a point person and
117 they've been very patient as we've tried to move this thing through. And I
118 wanted to thank Mr. Lilly, Mr. Hedrick and Mr. Purchase. We've worked really
119 hard to make this happen and I think worked hard on behalf of both of our
120 agencies to represent our interests and I think we reached a great compromise
121 and we're just thrilled. So thank you.

122 **GOVERNOR JOHN KITZHABER:** Thank you Mr. Desmond.

123 **DIRECTOR ANN HANUS:** Governor, members of the Land Board, the
124 mayor of Wilsonville would like to make some comments, Charlotte Lehan.

125 **GOVERNOR JOHN KITZHABER:** Certainly. Welcome.

126 **MAYOR CHARLOTTE LEHAN:** I'll just reiterate what's been said and
127 thank everyone, and I want to thank everybody involved on a number of staff
128 levels that have been involved in this for so long. And, yes we are planning on
129 some sort of celebration and we will figure the time out to meet your schedule so
130 the rest of us will work our schedule around yours so that – 'cuz we would really
131 like the governor to be able to come. But, short of that, before that, we did bring
132 a little treat today. We were going to bring a – we were going to bring something
133 last Monday because it was a birthday we'd heard, but we missed that one so we
134 brought a cake anyway – and it is a representation of the piece of property that
135 we (unintelligible because of laughter) in question. But I would not take too
136 seriously the geologic layers here.

137 **GOVERNOR JOHN KITZHABER:** Those represent the minerals that we
138 still have.

139 **MAYOR CHARLOTTE LEHAN:** Yeah, we were careful to not put in too
140 valuable of minerals in geologic layers since you're retaining the mineral rights.
141 So, just ignore the geologic layers and enjoy some cake when we're finished
142 here and thank you again.

143 **GOVERNOR JOHN KITZHABER:** Thank you Charlotte.

144 **SECRETARY OF STATE BILL BRADBURY:** Mr. Chair – just a
145 comment. I just wanted to say that it's been a real pleasure working with you
146 and your history. You have a long history with this property and I really only just
147 wanted to say that I appreciate your continual commitment in the hope that this

148 would – the fact -- what we're about to do would happen someday. And I just
149 think that's really (unintelligible).

150 **MAYOR CHARLOTTE LEHAN:** I appreciate that. It's been a while while.
151 Thank you.

152 **GOVERNOR JOHN KITZHABER:** Thanks. Well, I think I will ask the
153 Treasurer to make a motion here and then we can speak to the motion.

154 **STATE TREASURER RANDALL EDWARDS:** Thank you, Mr. Chair. Mr.
155 Chair, I recommend that the Land Board sell the Wilsonville Tract to Metro for
156 \$1,833,300 and convey title to the property via the deed that includes restrictions
157 as shown in Appendix B.

158 **SECRETARY OF STATE BILL BRADBURY:** Second.

159 **GOVERNOR JOHN KITZHABER:** It's been moved and seconded that
160 the Division of State Lands sell the Wilsonville Tract to Metro for \$1,833,300.
161 We convey title to the property via the deed that includes restrictions as shown in
162 Appendix A – and I'd like to enter a Appen, both, excuse me, Appendix B. I'd
163 like to enter both Appendix A and Appendix B into the record and incorporate
164 them as a part of the motion. Does anyone want to speak to the motion before
165 we--I presume adopt it?

166 **STATE TREASURER RANDALL EDWARDS:** Sure, just briefly. Mr.
167 Chair, of course this was one of my first projects on the Land Board and I'm very
168 pleased to see this one come to a conclusion. Obviously, it's been years in the
169 making and I feel that we've got a win-win here as you heard testimony, not only
170 *this morning, but also our last Land Board meeting and at the end, the citizens of*

171 Oregon will gain from having this land put in public domain for perpetuity and I'm
172 really proud and happy to play a small role in this.

173 **SECRETARY OF STATE BILL BRADBURY:** Just a comment. I would
174 echo the comments of the Treasurer and just say that it's been a – for me not
175 that long of a process compared to the Mayor of Wilsonville and our staff, John
176 and Ann at the Division of State Lands. But it is great to participate in basically
177 getting this property to a place where I think we all have said we want to get it,
178 which is to see it in public ownership, to see it in the open-spaces program. And
179 to see it made available to the school kids of Oregon in perpetuity. So I feel -- I
180 share Randall's comment -- this is an incredible win-win and I'd add a third win.
181 It's a win-win-win' both for the people who depend on school fund and the Metro
182 open-spaces program. And some other thing I can't remember right now.

183 **GOVERNOR JOHN KITZHABER:** OK. Further discussion? Is there
184 objection to the motion? The sale passes unanimously.

185 I'd like to just make one comment. I think that -- and actually make a
186 request of the folks from Metro. I think one of the things this process revealed is
187 the inadequacy of the negotiating modus operandi. I guess of the three-person
188 board – none of whom can talk to each other because of public meeting laws,
189 and I think a lot of the frustration and angst around this was because of the
190 process. And you know the staff; some of it was taken out on the staff. But the
191 staff really was very restricted because they didn't really have any other offer and
192 no, really no authorization to enter into a negotiation. And if you have any
193 thoughts about how we might address this in the future, if you'd forward them

194 down to us that would be very useful, because I've only got two years left on the
195 Board and I'd like to at least leave some sense of a process, I think whether it be
196 -- I think the real key is getting some kind of early warning from the staff when
197 we're getting into that situation because it's not that difficult for the Board to have
198 an Executive Session to appoint authorize one member to actually go into an
199 negotiation process. And I don't think we need to adopt rules for that, but we
200 should have some kind of informal policy to guide the Board because I think
201 that'll reduce the tension, unnecessary tension between two public agencies,
202 both of which is, as Carl said are trying to achieve the same thing. So, I'd sure
203 welcome that kind of input.

204 **DIRECTOR ANN HANUS:** And Governor we will be looking at our sale,
205 our regulations regarding our sales and exchanges as a way to try to help that in
206 the future.

207 **GOVERNOR JOHN KITZHABER:** Great. Is there any further business
208 coming before the Land Board? If not, we're adjourned.

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