

The State Land Board met in special session on March 12, 2001 in the Land Board Room of the State Lands Building, 775 Summer Street NE, Salem, Oregon 97301-1279.

Present were:

John A. Kitzhaber Governor

Bill Bradbury Secretary of State

Randall Edwards State Treasurer

Assistants
Louise Solliday
Inga Deckert
Paddy McGuire

Staff
Ann Hanus
Steve Purchase
John Lilly
Jeannette Holman
Gail Lowry

Dept. of Justice
Kevin Shuba

Governor Kitzhaber called the meeting to order. The topic discussed and the result of the discussion follows below. Further details of the discussion may be obtained in the written transcript of the meeting available at the Division of State Lands, 775 Summer Street NE, Suite 100, Salem, Oregon 97301-1279 (phone: (503) 378-3805).

1. Consideration of offer from Metro to purchase Common School Fund land at Wilsonville Tract (230 acres) for \$1,833,300.

Director Ann Hanus told the Board that following the Land Board's February 23, 2001 Executive Session, Secretary of State Bradbury extended to Metro the Land Board's offer to sell the Wilsonville Tract to Metro for \$1,833,300 with deed restrictions to keep the property in parks and open space, allowing access for environmental education and retaining the mineral rights. She said the Metro Council met on March 2, 2001 and approved the purchase of the tract, based on the terms and conditions consistent with the Land Board's proposal of February 23, 2001. Hanus reviewed the Division's recommendation that the Land Board sell the Wilsonville Tract to Metro for \$1,833,300 and convey the title to the property via the deed that includes the restrictions as stated in the agenda item. She said the closing would

likely take place in another month, but this timing would not preclude the Land Board's action today. This would also allow time for the West-Linn/Wilsonville School District to complete some paperwork on the partition stemming from the sale of 20 acres to the school district. She added that once everything is finalized, a special ceremony would be held involving the Land Board and members of Metro.

Hanus said that David Bragdon and Carl Hosticka wished to address the Board and that Jim Desmond wanted to read a letter into the record from Mike Burton who was on vacation. She then recognized Steve Purchase for his actions in buying the Wilsonville Tract in the early 1990's; John Lilly for his years of work to make the sale a reality; and Jerry Hedrick for his research, knowledge and "legwork" to bring about the sale.

David Bragdon, residing officer for the Metro Council, conveyed appreciation on behalf of the Council. He said that one of the gratifying things about the program is that the lands will be protected for the citizens to enjoy. He then cited two courses listed in the *Metro Green Spaces* magazine providing school children additional opportunities for learning about nature.

Carl Hosticka, on behalf of the Metro Council, thanked the Land Board members for taking a personal interest in the Wilsonville Tract sale. He stated that the Board's personal interest helped move the process along. He added that people of good will, who are trying to achieve the same objective, can reach agreement.

Jim Desmond read a letter from Mike Burton, who was unable to attend the meeting. Burton's letter reiterated that the Metro Council approved Metro's acquisition of the Wilsonville Tract for the purchase price of \$1,833,300 and that this approval authorized him to execute and complete the purchase of the property, pending the final approval of the sale by the Land Board. He said that Metro was ready to move forward under two previously discussed terms and conditions subject to the deed restrictions and to the subsurface mining reservations outlined in the proposed deed.

Burton expressed that some members of the Metro Council were concerned about paying above the typical market value for farmland. He recognized the unusual value with the merchantable timber and other "unique matters" and stated that the purchase price "should not establish a precedent or comparable for other transactions that do not have similar restrictions and unusual circumstances."

Burton reminded the Board that the citizens of Wilsonville desire that this property be preserved as a publicly accessible natural area and that the acquisition of this tract played a prominent role in the passage of Metro's Bond Measure 95.

Burton urged the Board to finalize the sale and thanked the members for their personal commitment to make this happen. He stated that this permanent protection of the land for parks and open space purposes would be good for the Common School Fund, the Wilsonville community and the entire Metro region.

Jim Desmond thanked the citizens of Wilsonville for their patience throughout the process. He also thanked John Lilly, Jerry Hedrick and Steve Purchase for their hard work in representing the interests of both Division of State Lands and Metro.

Mayor Charlotte Lehan thanked everyone involved and announced that Metro will be hosting a celebration to which the Land Board will be invited. She invited everyone to enjoy a piece of cake provided at the adjournment of the meeting. The cake was decorated to represent the Wilsonville Tract.

Secretary of State Bradbury expressed his pleasure in working with Mayor Lehan on the Wilsonville Tract sale, saying that he appreciated her commitment to seeing this sale come to pass.

State Treasurer Edwards made the motion to sell the tract to Metro for \$1,833,300, incorporating Appendix A and B from the written agenda materials as part of the motion. Secretary of State Bradbury seconded the motion and Governor Kitzhaber declared the sale final.

State Treasurer Edwards expressed his pleasure in the conclusion of the sale, stating that he believes the Oregon citizens will benefit greatly by the having the land in public domain for perpetuity.

Secretary of State Bradbury echoed the Treasurer's comments, expressing his pleasure in participating in the final part of the process and seeing the property placed in public ownership and the open-spaces program.

Governor Kitzhaber, after pointing out that the process revealed the inadequacy of the negotiating process, requested that Metro submit suggestions for improving the process. He said perhaps there should be an informal policy to guide the Board.

Director Ann Hanus told the Governor that the Division of State Lands would be reviewing the agency's regulations regarding sales and exchanges as a way to try to help future negotiations.

The Governor adjourned the meeting.

John A. Kitzhaber, Governor

Ann Hanus, Director