

The State Land Board met in regular session on December 13, 2005 in the Land Board Room of the State Lands Building, 775 Summer Street NE, Salem, Oregon 97301-1279.

Present were:

Theodore R. Kulongoski	Governor
Bill Bradbury	Secretary of State
Randall Edwards	State Treasurer

<u>Assistants</u>	<u>Staff</u>	<u>Dept. of Justice</u>
Jim Myron	Ann Hanus	Lore Bensel
Jesse Cornett	John Lilly	
Inga Deckert	Steve Purchase	
	Jeannette Holman	
	Gail Lowry	

The Governor called the meeting to order at 10:10 am. The topics discussed and the results of those discussions are listed as follows. Further details of the discussions may be obtained in the written transcript of the meeting available at the Department of State Lands, 775 Summer Street NE, Suite 100, Salem, Oregon 97301-1279, (phone: (503) 378-3805, ext. 224).

Director Ann Hanus introduced Julie Curtis, the new Communications Manager for the Department of State Lands.

A recognition ceremony took place next honoring individuals instrumental in making the Statewide Programmatic General Permit a success. Hanus said this streamlined process for obtaining removal-fill permits will reduce paperwork, increase timeliness and enhance waterway and wetland resources for Oregonians.

Governor Kulongoski thanked everyone, calling this a milestone for streamlining the state and federal wetlands and the waterway permit process.

Secretary of State Bradbury echoed the Governor's comments saying this should help with the many years of duplicative permit issues.

Treasurer Edwards also thanked the group. He stressed how this exemplifies good government. He added that this really is being responsive to the public's needs.

Photographs were taken of the group with the Land Board members and certificates were given to all the individuals being honored.

Governor Kulongoski recognized two students from Dayton High School that were in attendance at the Land Board meeting: Katie Pasinger and Christy Overgard.

Consent Items

1.a. Request to initiate review and determination for sale of a parcel of land in Clatsop County.

Director Hanus said this is a request for authorization to sell a toxic waste clean-up site in the north shore of Young's Bay in Astoria to PacifiCorp. She explained that the toxins were a result of byproducts from an oil gasification process. A temporary lease has been issued to PacifiCorp in order to allow them to proceed with the clean up.

b. Request for authorization to sell six 40-acre isolated land parcels in Wheeler County.

Hanus explained that these sites were previously withdrawn from a list of sites for potential sale as presented in February to the Land Board. She said the agency realized the value of these parcels was higher than originally set and the agency rebid the parcels. Thirty-one bids were received for a total of \$111,096. This was 21 percent above the minimum bid value. The agency is requesting final authorization for sale of these six parcels.

Governor Kulongoski asked whether anyone present wanted to comment on the issue of this sale. No one came forward to speak.

c. Request for authorization to sell, through a direct sale, one isolated parcel in Wasco County.

Hanus said this is a request for authorization for direct sale of a parcel to Young Life. She explained the Department is currently in a discussion with Young Life about what the sale price would be.

d. Request for authorization to sell a parcel of submerged and submersible land in Multnomah County.

This item is for sale of a toxic waste clean-up site in the North Portland Harbor to Rhodia. Hanus said they have cleaned up the site and will pay \$20,000, based on a recent appraisal. The mineral rights will be reserved.

e. Request by the Oregon Department of Transportation to construct and maintain a permanent roadway easement for a public highway within the right-of-way boundaries of Oregon State Highway No. 66.

ODOT is requesting this easement to allow work to improve unsafe roadway conditions in Klamath County by straightening the road and replacing a bridge.

f. Request for approval of the release of Oregon Department of Administrative Services mineral rights in Marion County.

Hanus explained that this item is for release of mineral rights on the Fairview property in Salem. In order for development to take place on the property the mineral rights must be transferred. Hanus reported there are very limited minerals – mostly sand and gravel. The recommended sale price is \$2,740.

g. Request for approval to appear before the January 2006 Legislative Emergency Board to request increases in other funds expenditures limitation for grant limitation and building maintenance and repairs.

Hanus explained the agency is requesting authority to appear before the Emergency Board for two items: 1) increased limitation of \$54,336 for South Slough for a one-year project to study beach bacteria at the Sunset Bay Park; and 2) increased limitation of \$762,552 for repairs to the DSL building for the roofing, transformers, boiler flue stack, power distribution panel and other long-term repairs that are needed.

h. Request for approval of State Land Board minutes from October 11, 2005.

Secretary of State Bradbury moved the Consent Agenda be approved. Treasurer Edwards seconded the motion and the approval was unanimous.

Informational Items

2. Update on the Elliott Forest Management Plan and Habitat Conservation Plan.

Jim Young, Coos District Forester with the Department of Forestry, provided the Board with an update on the planning process for the Elliott State Forest. He said the Forest Management Plan (FMP) is near completion. He discussed the public comment process for the FMP, saying there were no substantive changes identified in the comments received that needed to be made to the FMP. Young said the Department of Forestry would request approval of the FMP at the Board of Forestry meeting in January and the Land Board meeting in February, contingent upon being successful with the Habitat Conservation Plan (HCP) process.

Young added that Forestry has a draft HCP, which contains a number of more specific strategies for species needing coverage, especially the spotted owl and marbled murrelet. He reported that Forestry is working with a consultant on an Environmental Impact Statement (EIS), which is required for the HCP. The EIS analyzes the economic and environmental impacts of those strategies in the HCP. Young anticipated that the USFWS and NOAA Fisheries would review the HCP/EIS to determine whether they would approve the Incidental Take Permit in early 2007.

Young said two issues cause uncertainty in the planning process: 1) the proposed threatened listing of the coho salmon and 2) an announcement that ESA protection for the marbled murrelet may be dropped. The planning team is analyzing the effects of these two issues on the Elliott planning process.

Young reported that until the HCP is approved, the existing 1995 FMP, the 1995 northern spotted owl HCP, and take avoidance for the marbled murrelet will guide management on the forest.

3. Status Report on DSL Strategic Plan 2006-2010.

Director Hanus said the agency kicked off the revision of the strategic planning process for 2006-2010, with an emphasis on the next two years. Questionnaire surveys were sent to over a thousand individuals and organizations. A comprehensive internal survey has been conducted. She anticipated the agency will return to the June Board meeting for approval.

4. Status Report on DSL Asset Management Plan.

Hanus said the agency is also working on update of the Asset Management Plan, which deals with all of the agency's real estate assets. The Steering Committee for that review consists of the Land Board Assistants, representatives from the Treasurer's Office, an education representative, a member of the public and DSL staff. Hanus said the agency would return in either February or April to update the Board on this.

Governor Kulongoski introduced and welcomed one other student in the audience at the Land Board meeting – Casey Dhillon. Casey is a home-school student working part-time as an intern at DSL.

The Governor adjourned the Land Board meeting at 10:55 am.

Theodore R. Kulongoski, Governor

Ann Hanus, Director