



# Oregon

John A. Kitzhaber, MD, Governor

## Department of State Lands

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The State Land Board met in executive and regular session on June 11, 2013, at the Department of State Lands, 775 Summer Street NE, Salem, Oregon.

### State Land Board

John A. Kitzhaber, MD  
Governor

#### Present were:

John A. Kitzhaber                      Governor  
Kate Brown                              Secretary of State  
Ted Wheeler                             State Treasurer

Kate Brown  
Secretary of State

Ted Wheeler  
State Treasurer

#### Land Board Assistants

Richard Whitman                      Governor's Office  
Josh Goldberg                           Secretary of State's Office  
Michael Selvaggio                      State Treasurer's Office

#### Department Staff

Mary Abrams                      Jim Paul                      Bill Ryan                      Julie Curtis  
John Russell                      Cyndi Wickham              Vena McCoy                  Chris Castelli  
Gloria Kiryuta                      Chris Bui                      Vickie Nokleby                Tiana Teeters

#### Department of Justice

Mark Schumock  
Jas Adams  
Diane Lloyd

#### Governor's Office

Rachel Wray

#### Executive Session

The Land Board met jointly with the Oregon Board of Forestry in Executive Session to consult with legal counsel concerning current litigation or litigation likely to be filed. The executive session was held pursuant to ORS 192.660(2)(h) and was closed to the public.

#### Regular Session

##### *Consent Agenda*

1. a. **Request for approval of the meeting minutes of the April 9, 2013 State Land Board regular session and executive session.**

**b. Request for approval to initiate the review and determination of the sale or exchange of up to three (3) scattered forested parcels (approximately 2714 acres) in Coos and Douglas Counties.**

Following the executive session, Governor Kitzhaber had to leave and excused himself from the meeting. Secretary Brown assumed the chair.

Director Abrams discussed the consent agenda. She explained that upon approval to initiate review, the Department would be evaluating up to three scattered forested parcels in Coos and Douglas Counties. This would be completed according to the land evaluation criteria in the Real Estate Asset Management Plan (REAMP) to determine the sale or exchange of approximately 2714 acres.

Treasurer Wheeler moved for approval of the consent agenda. Secretary Brown seconded the motion. The consent agenda was approved.

*Action Agenda*

**2. Request for approval of the direct sale of state-owned historically filled land in the City of Wheeler, Tillamook County.**

Director Abrams provided a summary of the Department's request to sell 1.7 acres of historically filled land along the Nehalem River in the City of Wheeler for the amount of \$25,000 to the Botts Marsh Corporation, LLC. She explained that the adjacent property owners applied to purchase the filled lands with the intention of selling nearly 7 acres of property to the City of Wheeler for the creation of a park. The city has applied for an acquisition grant to the Oregon Parks and Recreation Department to cover the cost of the purchase. For administrative reasons, the city is not interested in purchasing the 1.7-acre parcel directly from the Department, but rather the entire acreage from the Botts Marsh Corporation.

Stevie S. Burden, Mayor, City of Wheeler, provided testimony to the Land Board. She explained that Wheeler has applied for a grant to acquire this land as a park. This project has been 20 years in the making and the City of Wheeler understands the precedence of the Land Board's decision. Approving the direct sale will allow the involved parties to move forward with zoning, planning and land use. The mayor thanked the Regional Solutions Team for their responsiveness to the needs of small communities on the coast.

Secretary Brown stated that after viewing the City of Wheeler's website, the entire State of Oregon would want to move there.

Gordon Ross, former Coos County Commissioner, provided testimony to the Land Board regarding two state-owned forest parcels in Coos County. Mr. Ross stated that he was unaware that the two parcels had already been disposed of. He said he hopes this will provide an opportunity to group ownerships for management of the entire watershed. Mr. Ross provided copies of a proposal to Coos County legislators to turn the management of the forest trust lands over to Coos County to be used for county

roads. He explained that Coos County lost revenue when the Elliot State Forest was formed. He noted that the proposal was not submitted during the current legislative session; however, John Sweet will be working on it with legislators for the next session.

Treasurer Wheeler explained that he holds the City of Wheeler near and dear to his heart. The town was named after his great grandfather who had a sawmill in town. He is a huge fan of the community and understands how hard the City of Wheeler has worked with waterfront issues.

Treasurer Wheeler moved to approve the direct sale of state-owned historically filled land in the City of Wheeler, Tillamook County. Secretary Brown seconded the motion. The item was approved.

**3. Request for adoption of an administrative rule limiting the use of motorized vehicles on the Chetco River.**

Director Abrams provided an overview of the rulemaking process and proposed rule. The Department received a petition for rulemaking from the Chetco River Watershed Council declaring that the use of motorized vehicles within the wetted river channel poses a significant risk of harm and damage to the natural resource of the land and to the public.

Secretary Brown inquired about the testimony and opposition to this rule. Director Abrams said that the written testimony was split; about one-third opposed the rule and the remaining two-thirds supported the rule. However, at the public hearing, the vast majority of attendees were opposed to the rule. The Department came to understand that the opposition had less to do with the rule itself and more with limiting government intervention in public areas. Director Abrams also stated that a fair amount of the opposing views were a result of misunderstanding the rule's purpose. Most believed the rule limited all motorized access, which was incorrect. The Department has included a number of exceptions for crossing the river.

Secretary Brown also inquired about the primary purpose of this rule. Director Abrams explained that it is for the protection of the public use trust for recreation, fisheries, and navigation; which can all be disrupted by vehicles driving in the Chetco River.

Treasurer Wheeler stated that this rulemaking was a balancing act of competing views and positions. He applauded the Department for their hard work and public outreach.

Treasurer Wheeler moved to approve the adoption of the administrative rule limiting the use of motorized vehicles on the Chetco River. The Secretary seconded and the rule was adopted.

**4. Request for adoption of administrative rules governing the management of state-owned submerged and submersible land subject to remediation and habitat restoration (OAR 141-145).**

Director Abrams provided an overview of the rulemaking process and the proposed rules. The Land Board directed the Department to initiate rulemaking to develop new rules governing the processes to be used by the Department to authorize environmental remediation and/or restoration activities within the Portland Harbor Superfund Site and other locations throughout Oregon. A rules advisory committee was formed consisting of members from the Portland area, Lower Willamette Group and coastal communities. Public hearings were held; and public comments were received and considered. She noted that confined disposal facilities were intentionally omitted from the rules because they will require a more thorough and individualized review prior to authorization.

Treasurer Wheeler addressed a legal question to Diane Lloyd, Assistant Attorney General for the Department of Justice. He discussed the record of decision that will be forthcoming from the federal government on the Portland Harbor Superfund Site and asked how this rulemaking fits into the larger, legal framework. Ms. Lloyd responded that the Environmental Protection Agency (EPA) will come up with a proposed plan for cleanup that will go through review and will ultimately become part of the record of decision that will determine remedies at certain sites. The parties performing actions on state-owned land will seek proprietary authorization from the Department to conduct those cleanup activities. These rules will provide a framework for the Department to authorize those uses.

Treasurer Wheeler asked if state rules could be superseded by a federal ruling. Ms. Lloyd explained that EPA could approve something that the Department does not want to approve and therefore, the rules would be superseded; but she does not believe this is likely to happen.

Treasurer Wheeler moved to approve the adoption of administrative rules governing the management of state-owned submerged and submersible land subject to remediation and habitat restoration. The Secretary seconded and the rules were adopted.

#### *Informational Agenda*

Governor Kitzhaber returned to the meeting, but Secretary Brown remained as Chair.

#### **5. Annual report on the Unclaimed Property Program.**

Cyndi Wickham, Assistant Director, Finance and Administration, provided an overview of the history and purpose of the Unclaimed Property Program. The growth of the program was also addressed, including diminishing receipts during the last five years while claims have doubled in the same timeframe. The effects of the recession may be the reason people are claiming their assets and following up with businesses, resulting in fewer reports to the Department. While fiscal years 2011 and 2012 receipts were fairly static, 2013 receipts increased, primarily because of life insurance companies reporting policy proceeds where the owner is deceased or has met the limiting age requirement of the policy. This compliance was facilitated by Global Resolution Agreements reached between the states and large life insurers and audits by the department's contracted vendors.

Additional statistics, including agency response times to claims, finder service success, and education/outreach for holders was also presented. Lastly, Assistant Director Wickham talked about the program's goals and objectives for fiscal year 2014: making unclaimed property reporting easier and faster; making the claim process simpler and timelier; helping businesses to understand the rules and compliance for reporting unclaimed property; and participating in the initial review for improvements to the Uniform Unclaimed Property Act.

Secretary Brown noted the success they've encountered when working with NICUSA on developing Business Express for Oregon. She feels the Department will also be satisfied with the results of working with NICUSA in accomplishing future goals in the Unclaimed Property Program.

Treasurer Wheeler asked what defined or constituted a response. Assistant Director Wickham explained that a response consists of the Department notifying the claimant that sufficient information was received and verified resulting in payment being submitted to the owner. If insufficient information is received, the Department sends a letter requesting additional information to prove their ownership to the property.

Treasurer Wheeler also inquired about the Department's typical timeframe for resolution. Assistant Director Wickham advised that it depends on how long it takes the owner or claimant to return the information requested by the Department.

Treasurer Wheeler asked if the Department sent out a survey or followed-up with claimants to ensure satisfaction. Assistant Director Wickham explained that the Department includes people who have claimed property in its biennial customer service survey.

Treasurer Wheeler's final question involved military honors and service medals; he asked what happens to these items. Assistant Director Wickham responded that these are not sold and the Department turns them over to the Veterans Administration (VA). Treasurer Wheeler asked if the VA performs targeted outreach, but Assistant Director Wickham was unsure. He noted that other states have programs that work with local veterans' organizations to find the rightful owners of military honors and service medals and recommended that the Department pursue this activity as well.

Secretary Brown asked a follow-up question regarding the Department's response time and how we compare or rank with other states. Assistant Director Wickham explained that our response is comparable to other states. Turnaround times can vary between one day and one year, depending on the program and resources. Secretary Brown and Assistant Director Wickham agreed that DSL is "above average."

Treasurer Wheeler explained that the State of Massachusetts had a unique idea by distributing their entire unclaimed property database to their state legislators by district. The legislators were then highly motivated to interact with their constituents. This helps

to build good will for the legislator and would "put more legs to work" for the Unclaimed Property Program, given the limited capacity in terms of actual outreach efforts.

**6. Legislative update.**

Director Abrams provided a legislative update regarding the Department's proposed bills and other bills being tracked by the Department. The budget passed out of Ways and Means and the Senate. It is currently in the House for its third reading. Director Abrams stated that the Department proposed the right budget. There have been no adjustments, few questions by legislators, and very little opposition.


The Department introduced four policy bills during the session: SB 24 – Common School Fund Distribution; HB 2031 – Sale/Exchange of Mineral Rights; HB 2032 – Regional Pricing for Payments to the Removal-Fill Mitigation Fund; and HB 2033 – Transfer of the University Loan Program. All have passed both houses and have been or are waiting to be signed by the Governor.

Director Abrams also discussed some of the important bills being tracked by the Department. These are related to wave energy, suction dredging, removal of large woody debris, river crawlers, and ecosystem services. In addition, SB 479, relating to historically filled lands, did not proceed in the legislative process, but a work group will be formed during the interim to address this issue.

Secretary Brown said she appreciated the work on all of the bills, but especially the work on historical filled lands. She would like to see the issue resolved sooner rather than later.


The meeting was adjourned at 11:55 a.m.

  
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Kate Brown, Secretary of State

  
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Mary M. Abrams, Director

## State Land Board



<b>Department</b>	<b>Land Board Meeting Summary – June 11, 2013</b>	
<b>About Us</b>	<b>Executive Session</b>	
<b>Contact Us</b>	The Land Board met in executive session to consult with legal counsel concerning current litigation or litigation likely to be filed.	
<b>Administrative Rules</b>		
<b>Statutes</b>	<b>Consent Agenda</b>	
<b>Forms</b>	The Land Board:	
<b>Asset Management</b>	<ul style="list-style-type: none"> <li>• Approved the meeting minutes of the April 9, 2013 State Land Board meeting.</li> <li>• Approved a request to initiate review and determination of the sale or exchange of up to three forested parcels in Coos and Douglas counties.</li> </ul>	
<b>SLB Awards</b>		
<b>Common School Fund</b>	<b>Action Agenda</b>	
<b>Past Meetings</b>	The Land Board:	
<b>Schedule</b>	<ul style="list-style-type: none"> <li>• Approved the direct sale of state-owned historically filled land in the city of Wheeler.</li> <li>• Adopted an administrative rule limiting the use of motorized vehicles on the Chetco River.</li> <li>• Adopted rules governing the management of submerged and submersible land subject to remediation and habitat restoration.</li> </ul>	
	<b>Informational Agenda</b>	
	The board received the annual report on the Unclaimed Property Program, and an update on 2013 legislative activities.	
	All meeting materials are <a href="#">online</a> .	

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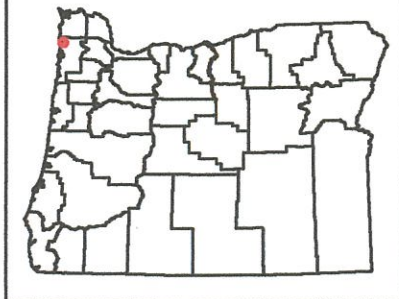
# Oregon Department of State Lands Land Management Division



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Feet

1 in = 238 feet

Map Projection:  
Oregon Statewide Lambert  
Datum NAD83  
International Feet



Vicinity Map

## Legend

- Approx Low Water Line 1912
- Tax\_Lots

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Base Map:  
BING Maps Aerial

Date: 3/20/2013

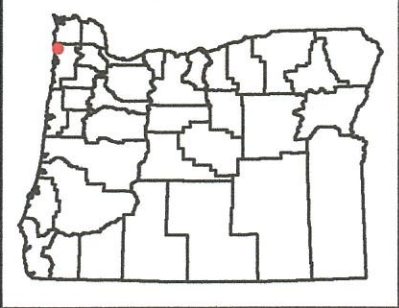


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