



Oregon

Tina Kotek, Governor

Department of State Lands

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State Land Board

Tina Kotek

Governor

State Land Board

June 11, 2024

10:00 am – 12:00 pm

Meeting Agenda

LaVonne Griffin-Valade

Secretary of State

Public Wi-Fi logon: LandsDSL

Tobias Read

State Treasurer

*This is a hybrid meeting that can be attended in-person at **775 Summer St. NE, Suite 100, Salem, OR 97301-1279** or online through the Department of State Lands' livestream video:*

www.youtube.com/@oregonstatelands

CONSENT ITEMS

1. Request for approval of the minutes of the April 9, 2024, State Land Board Meeting

ACTION ITEMS

2. Request for approval of sale and release of 67.5 acres of subsurface minerals and geothermal rights in Marion County, owned by the Oregon Department of Administrative Services, to DG Strategic VII, LLC (also known as Dollar General).
Public testimony will be accepted on this item.
3. Oregon Department of Forestry's proposed 2025-2027 Common School Fund budget.
Public testimony will be accepted on this item.
4. Elliott State Research Forest –
 - Shutter Creek Acquisition
 - 1000 Road Decoupling and Delineation
 - Board of Directors Appointments*Public testimony will be accepted on these items.*

Continued on the next page

INFORMATIONAL ITEMS

5. Elliott State Research Forest – Forest Management Plan Update
No public testimony will be taken on this item.

6. Department of State Lands 2025-27 Budget Overview.
No public testimony will be taken on this item.

7. South Slough National Estuarine Research Reserve Annual Report
No public testimony will be taken on this item.

8. Other
No public testimony will be taken on this item.

WATCH THE MEETING ONLINE

Meeting video and audio will be livestreamed, and the recording available after the meeting, on the DSL YouTube Channel: www.youtube.com/@oregonstatelands

ATTEND IN-PERSON

This meeting will be held in a facility that is accessible for persons with disabilities. If you need assistance to participate in this meeting due to a disability, please notify Arin Smith at arin.n.smith@dsl.oregon.gov at least two working days prior to the meeting.

Visitors are **NOT permitted to bring backpacks, bags, or large purses** into the State Lands building prior to, during, or following Land Board meetings. Purses, medical bags, and diaper bags are permitted, but may be subject to inspection by the Oregon State Police.

PROVIDE PUBLIC TESTIMONY

The State Land Board places great value on information received from the public. The public may provide written or spoken (online or in-person) testimony regarding consent and action agenda items, time permitting and at the discretion of the Chair.

- **Providing Written Testimony:** Testimony received by 10 a.m. on the Monday before the meeting will be provided to the Land Board in advance and posted on the meeting website. Submit your input in writing to: landboard.testimony@dsl.oregon.gov. Testimony received after this deadline may not be provided to the Land Board prior to a vote. Please indicate the agenda item your testimony relates to.
- **Providing Spoken Testimony by Video/Phone or In Person:** Advanced sign-up is required for the public to provide spoken testimony (in-person or by Zoom). The sign-up deadline is 10 a.m. the day before the meeting.
Please note: When the number of people interested in speaking exceeds the time allotted for an agenda item, speakers are randomly selected for testimony slots to ensure all have an equal opportunity to testify. Speakers have the same chance of being randomly selected whether they plan to testify in person or by Zoom. The testimony order will be posted to the State Land Board Meetings webpage the day before the meeting, and everyone who signed up to testify will be notified of the testimony order via email. Be aware there may not be time for everyone who signs up to speak.

Additional Testimony Information

- Testimony on action items is taken during the item's presentation, before the Land Board votes. Please review the meeting agenda and be present and prepared to provide testimony at the appropriate time.
- The Board typically accepts testimony on consent and action items only.
- The standard time limit is three minutes for each individual; the actual time available for testimony during Land Board meetings is at the discretion of the Chair.
- The Board may not be able to accept testimony on items for which a formal comment period has closed, such as a rulemaking comment period. The meeting agenda indicates whether testimony will be accepted on an item.



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State Land Board

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Secretary of State

The State Land Board (Land Board or Board) met in regular session on April 9, 2024, in the Land Board Room at the Department of State Lands (DSL), 775 Summer Street NE, Salem, Oregon. The meeting audio and video was livestreamed on the DSL YouTube channel.

Present were:

Tina Kotek

Governor

Tobias Read

State Treasurer

Tobias Read

State Treasurer

Land Board Assistants

Geoff Huntington

Governor's Office

Jessica Ventura

Secretary of State's Office

Jessica Howell

State Treasurer's Office

Department Staff

Vicki Walker

Bill Ryan

Chris Castelli

Ted Bright

Arin Smith

Jean Straight

Ali Ryan Hansen

Linda Safina-Massey

Brett Brownscombe

Patricia Fox – via Zoom

Josh Mulhollem

Department of Justice

Matt DeVore

Governor Kotek called the meeting to order at 10:00 a.m. The topics discussed and the results of those discussions are listed below. To view the Land Board (Board) meeting in its entirety, please visit our YouTube page: [April 9, 2024 Land Board Meeting](#)

Consent Items

1. Minutes

Treasurer Read made a motion to approve the minutes for the February 13, 2024, Land Board meeting.

Governor Kotek seconded the motion.

The item was approved at 10:01 a.m. without objection.

**Following the approval of the minutes, testimony was taken from State legislators for items 7 and 9. More details can be found below under the associated agenda items.

Action Items

- 2. The Department of State Lands requests approval to begin due diligence to support the acquisition of two properties in Coos County, totaling 113 acres, to increase the lands of the South Slough Reserve and protect those habitats.**

Director Walker introduced Patricia Fox, the new manager of the South Slough Reserve. Patricia gave a brief background of the item, which included a letter supporting the acquisition by the Coos County Board of Commissioners. The acquisition is also supported by the local Tribal Nations.

Governor Kotek thanked the Coos County Board of Commissioners and the Tribes for their involvement.

Director Walker gave the Department's recommendation that the State Land Board authorize the Reserve, working through the Department of State Lands' Real Property Program, to complete due diligence work in support of the acquisition of these properties in Coos County.

Treasurer Read made a motion to approve the action item.
Governor Kotek seconded the motion.
The item was approved at 10:17 a.m. without objection.

- 3. The Department of State Lands requests approval to initiate permanent rulemaking for administrative rules under OAR 141-082 governing the management of, and issuing of leases, licenses, and registrations for structures on, and uses of state-owned submerged and submersible land.**

Director Walker introduced Deputy Director Bill Ryan, who joined the meeting via Zoom and gave an overview of the agenda item and the Department's recommendation that the State Land Board authorize the Department to initiate permanent rulemaking for administrative rules under OAR 141-082 governing the management of, and issuing of leases, licenses, and registrations for structures on, and uses of state-owned submerged and submersible land.

Treasurer Read made a motion to approve the action item.
Governor Kotek seconded the motion.

The item was approved at 10:24 a.m. without objection.

- 4. The Department of State Lands requests approval to sell the remaining 261 acres of the Stevens Road Tract in a brokered transaction.**

Director Walker introduced Robert Underwood, with DAS Real Estate Services, along with Bend City Planner, Damian Syrnyk, both joining the meeting via Zoom and available to answer questions if needed.

Director Walker gave a brief background of the item and noted that 20 acres of the 261 acres are deed restricted by HB 3318 (2021) to households that make less than the

median income; and that 7 of those acres are prioritized to be dedicated, to the extent provided by law, to households with at least one individual employed by an education provider.

The Director made the Department recommendation that the State Land Board authorize the Department to sell the remaining 261 acres of the Stevens Road Tract through a brokered transaction.

Treasurer Read commented that he appreciated the concise recommendation and made a motion to approve the action item.

Governor Kotek stated that she appreciated the amount of work that went into this item and thanked everyone who was involved.

She then seconded the motion.

The item was approved at 10:37 a.m. without objection.

5. The Department of State Lands requests approval to decertify the remaining 1,920 acres of forestlands, known as Sun Pass, within the Klamath District to reduce costs to the Common School Fund.

Director Walker gave a brief description of the item and the Department's recommendation that the State Land Board approve of decertifying the remaining 1,920 acres of the Sun Pass tract within the Oregon Department of Forestry's Klamath District, to be effective July 1, 2024.

10:43 a.m.

Treasurer Read asked if there is ever a circumstance where forestlands would be recertified?

Director Walker replied that that could be a possibility.

Matt Devore, Senior Assistant Attorney General, added that if in lieu lands or other lands are acquired by the common school fund, they could then be certified as well.

Treasurer Read then asked if beyond being managed for wildfire mitigation, are there any other plans for the forestlands?

Director Walker then invited Mike Wilson, State Forest Division Chief with ODF, to the table to assist in answering the question. Mike stated that it will be a long time before they are productive again. They are low value forestlands generally and are currently only producing costs.

Treasurer Read made a motion to approve the action item.

Governor Kotek seconded the motion.

The item was approved at 10:47 a.m. without objection.

6. The Department of State Lands requests approval of an oversight structure for the Elliott State Research Forest, including establishment of an Elliott State Research Forest Board of Directors (ESRF Board) to ensure public accountability and transparency in State Land Board and Department administration of the Elliott

State Research Forest. Note: The requested action is adoption of a structure; appointments to a board, if approved, would occur at a later date.

Director Walker introduced Brett Brownscombe, Elliott State Forest Transition Director, who joined her at the table to present the item. She also stated that Melissa Cribbins was joining via Zoom and available to answer questions as a current member of the ESRF Advisory Committee.

Brett gave a detailed overview of the proposed oversight structure for the ESRF and its Board of Directors and the recommendation that the State Land Board adopt the oversight and ESRF Board of Directors structure as captured in Appendix A and affirm its intent to appoint ESRF Board members as part of an upcoming State Land Board meeting.

Governor Kotek then called on Melissa Cribbins to give her comments. Governor Kotek thanked Melissa and the other members for their service on the Committee.

**Legislative Testimony previously mentioned above under item 1:

- Representative Boice
- Representative Diehl

11:08 p.m.

Testimony was then opened to the public:

- Bob Zybach, Program Manager for Oregon Websites & Watersheds Project, Inc.

Treasurer Read and Governor Kotek both made comments in support of the item.

Treasurer Read made a motion to approve the action item.

Governor Kotek seconded the motion.

The item was approved at 11:18 p.m. without objection.

Informational Item

7. Elliott State Research Forest Updates

Director Walker and Brett Brownscombe presented the update and went into detail on each of the key actions that need to be taken to make the ESRF an operating research forest.

8. Legislative Update

11:34 a.m.

Director Walker invited Chris Castelli, Government Relations Manager, to present the update from the short legislative session.

Updates on the following bills were presented:

- SB 5701

- SB 1537 (**Please note that this bill was presented as SB 1573 at the meeting and the item has since been amended to reflect the correct bill number**)
- HB 4132
- HB 4080
- SB 1576

9. Update on Oregon’s Abandoned and Derelict Vessel Program

11:40 a.m.

Director Walker was joined at the table by Josh Mulhollem, Waterways Stewardship Manager, who presented the update.

**Legislative Testimony previously mentioned above under item 1:

- Senator Taylor
- Representative Gomberg

Treasurer Read asked what is being done as far as insurance requirements to prevent boats from getting to this point?

Josh responded that they continue to talk to insurance providers about what options may be available in Oregon in the future.

The meeting was adjourned at 12:00 p.m.

Tina Kotek, Governor

Vicki L. Walker, Director



Oregon

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State Land Board

Tina Kotek

Governor

State Land Board

Regular Meeting

June 11, 2024

Agenda Item 2

LaVonne Griffin-Valade

Secretary of State

Tobias Read

State Treasurer

SUBJECT

Subsurface mineral and geothermal rights in Marion County.

ISSUE

Whether the State Land Board should authorize the sale and release of 67.5 acres of subsurface mineral and geothermal rights in Marion County to DG Strategic VII, LLC. The acreage is Lot 1, Scannell Corporate Center in Township 8 South, Range 2 West, Section 7, Tax Lot 700 (See Appendix A for a site map of proposed land transaction #64232), and located within the Scannell Corporate Center, formerly the Mill Creek Corporate Center. These rights are currently owned by the Oregon Department of Administrative Services.

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 273.775 – 273.790; relating to Mineral and Geothermal Resource Rights
- OAR 141-73; relating to procedures for the sale, exchange, or release and transfer of mineral and geothermal resources held by agencies other than the Department of State Lands.

BACKGROUND

In 2001, the Oregon Legislature passed House Bill 2923 which required the Oregon Department of Corrections to transfer a portion of the former Mill Creek Corporate Center (MCCC) property, now known as Scannell Corporate Center, to the Department of Administrative Services (DAS). DAS would then be required to market and sell the property for its highest and best use with proceeds distributed to the Oregon Cultural Trust. The Oregon Cultural Trust was also established by the Oregon Legislature in 2001 as an ongoing funding engine for arts and culture across the state.

In 2009, it was determined that there were potentially valuable minerals, in the form of sand and gravel aggregate, underlying the portion of the former MCCC property now owned by DAS. The Department of State Lands requested the minerals be conditionally withheld from the future sale as that was believed to be of the greatest benefit to the state of Oregon. In 2009 the State Land Board approved withholding the minerals from the sale with the condition that the surface owner would have the right to refuse the development of the minerals. The state would retain the subsurface rights but would not be able to extract or develop the sand and gravel aggregate resources without consent from the surface owner.

Since 2009, there have been zoning changes in the city of Salem. Development of sand and gravel aggregate is no longer an allowable land use within the area of the subject property. This rezoning has eliminated any potential value of those subsurface resources.

In 2022, DAS completed the sale of 67.5 acres known as Lot 1 of the Scannell Corporate Center to Scannell Properties for the construction of a distribution warehouse facility for DG Strategic VII, LLC (also known as Dollar General). The Department was contacted by representatives of Scannell Properties and DAS seeking the sale of the mineral rights to remove the split estate as an encumbrance on the title of the property. DG Strategic VII, LLC has since acquired Lot 1 of the Scannell Corporate Center and is seeking ownership of the mineral rights withheld by DAS.

STAFF FINDINGS

Mineral and geothermal resource rights are retained by the state unless their sale or exchange provides the greatest benefit for the people of Oregon and is consistent with the conservation of lands under the Department's jurisdiction.

It was determined through a mineral appraisal that the mineral value is estimated at \$10,000.00. Given that the minerals cannot be developed due to zoning restrictions, the sale of the subsurface rights would be of the greatest benefit. DG Strategic VII, LLC will reimburse DSL \$15,000 for the mineral appraisal that was completed on January 22, 2024.

PUBLIC INVOLVEMENT

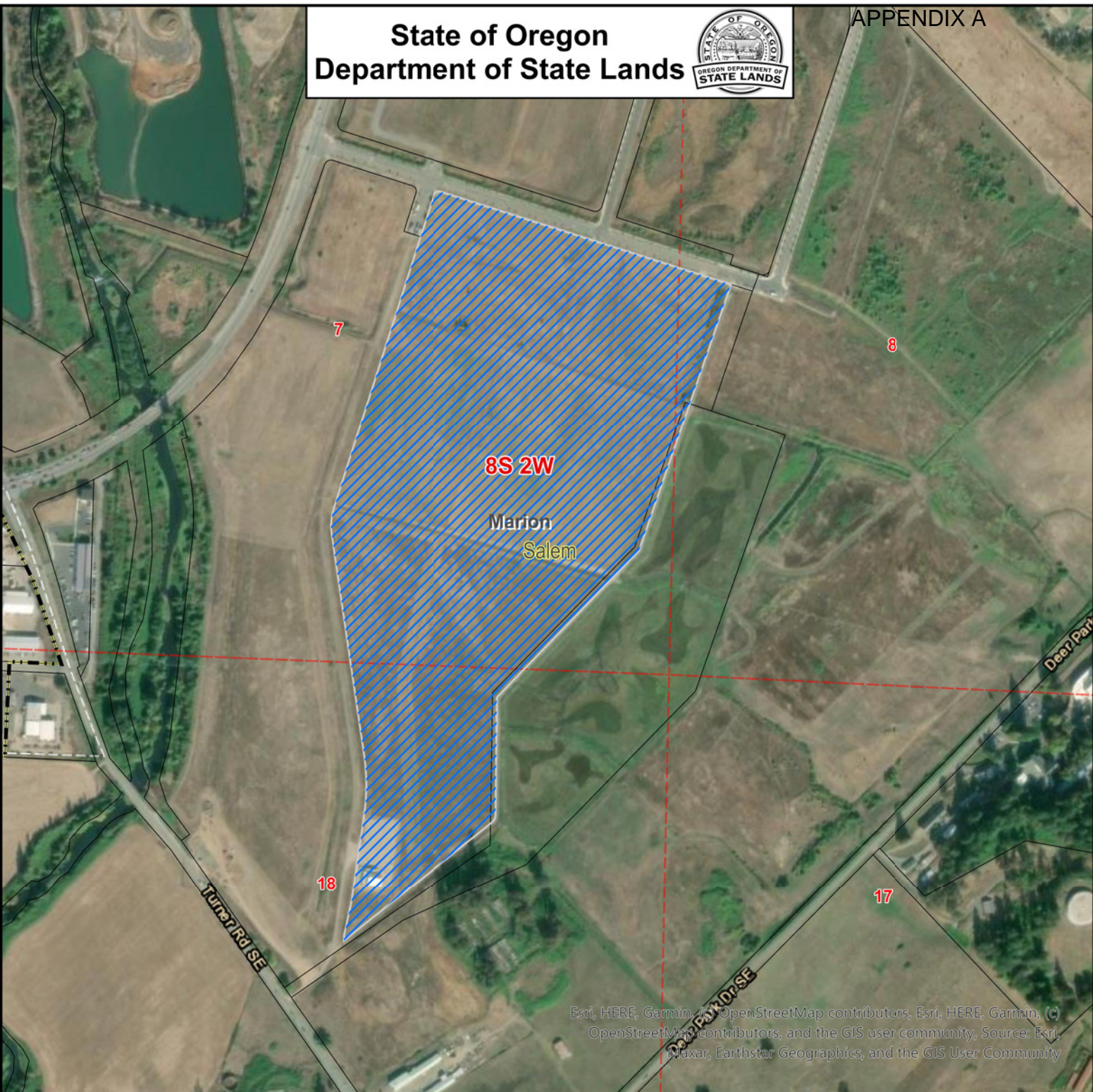
Per OAR 141-73, the Department does not host a public comment period for the sale of mineral and geothermal resources held by other agencies.

RECOMMENDATION

The Department recommends the State Land Board approve the sale and release of the 67.5 acres of subsurface minerals and geothermal rights for the property underlying Lot 1, Scannell Corporate Center, located in Marion County at Township 8 South, Range 2 West, Section 7, Tax Lot 700, to DG Strategic VII, LLC for the appraised price of \$10,000.

APPENDICES

- A. Site Map
- B. DOGAMI Minerals Review Report
- C. Mineral Appraisal (excerpt of summary included, [see full report online here](#))
- D. Application 64232
- E. Draft deed



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EXHIBIT A

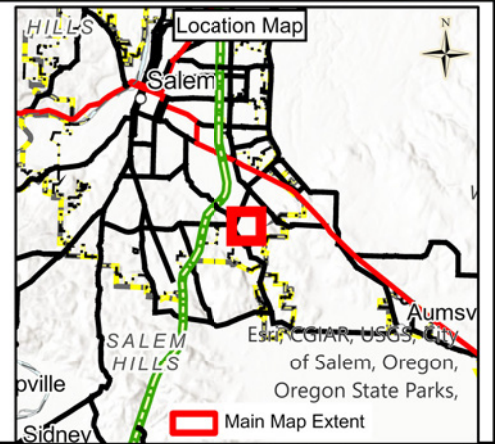
**64232-LS Mineral Sale
T08S, R02W Section 07,8 and 18)
67.5 Acres
Marion County**

DSL Proposed Mineral Sale

This map depicts the approximate location and extent of a Department of State Lands Proprietary authorization for use. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet
State of Oregon
Department of State Lands
775 Summer St NE, Suite 100
Salem, OR 97301
503-986-5200
www.oregon.gov/DSL
Date: 4/3/2024



August, 4, 2008

To: Tami Hubert, Oregon Department of State Lands

From: Clark Niewendorp, Mineral Resources Geologist, Oregon Department of Geology and Mineral Resources

Subject: Mineral Scoping Report – Mill Creek Corporate Center Phase IC, Parcel 2 of Partition Plat 2007-109 (8.049± acres), a tract of land located in Sections 5 and 8, T. 8 S., R. 2 W., Marion County, Oregon

Summary

At the request of the Oregon Department of State Lands (DSL), a 8.049± acres tract of land (Parcel 2 of Partition Plat 2007-109, The “Parcel”) located Sections 5 and 8, T. 8 S., R. 2 W., Marion County, Oregon, was evaluated for mineral resources (known) and mineral resource potential (undiscovered). The level of mineral resource potential and certainty of this assessment, as defined in this document, are summarized below:

- Available information gives a good indication of the level aggregate resource potential (sand and gravel) onsite. The Parcel’s geologic environment, together with its immediate proximity to known aggregate operation, is a favorable indication for sand and gravel resource onsite – a high potential is assigned.
- Available information gives a good indication of the level of quarry stone resource potential. The Parcel’s geology and geographic setting is not favorable for the occurrence of any near-surface quarry stone resources – no resource potential.
- For clay, available information only suggests the level of mineral resource potential. The Parcel’s geologic environment is favorable for a clay resource – a low potential is assigned.
- Available information (on-site subsurface exploration) is not adequate for determination of the level of hydrocarbon (oil and gas) resource.
- There is little or no indication in the available information that the Parcel has resource potential for metals, non-clay industrial minerals, geothermal, or coal.

Location, Previous Studies, and Geology

DSL provided a tax lot map representing the Parcel’s location. As shown on this map, the Parcel and surrounding land is within the City of Salem, Marion County, Oregon. Features of the Parcel are shown on the Salem East topographic quadrangle map (1:24,000-scale). The Parcel lies in the map’s southwest corner and its terrain is relatively flat. Here the Parcel of land occupies part of Mill Creek’s floodplain, which is in a 1-kilometer wide gap between the Salem Hills to west and Waldo Hills to the east.

Department of Geology and Mineral Industries (DOGAMI) provide a mineral scoping report to DSL (November 21, 2006) for the Mill Creek Industrial Park, Phase I, Parcel B, site, which is directly across Aumsville Highway from this site.

The Salem and Waldo Hills owe their height to a lava-capped mass, 400 to 500 feet thick, which is more resistant to erosion than the underlying tuffs, tuffaceous sandstones, and pebble conglomerates (Walker and Duncan, 1989). The lava mass, named the Salem-Stayton lavas, is basaltic and probably correlative to the Columbia River Basalts seen throughout northern Oregon.

Glacial fan deposits extend through the gap now occupied by Mill Creek (Crenna and others, 1994), and it is these deposits that have supplied and continue to produce most of the sand and gravel for Salem metropolitan area's needs. Over these deposits, the silts and clays left behind by the Missoula floods form a fertile substrate for the Willamette Valley's agriculture.

ASSESSMENT

The chart below summarizes the result of our desk-based assessment to identify resource sites of economic interest both within the Parcel and in a 10-mile radius circle (buffer area) of land around the Parcel.

Commodity Type	Count
Construction Aggregate (sand and gravel, stone)	57 sites
Industrial Mineral (clays)	4 sites
Ferruginous Metals	8 sites
Geothermal	0 wells, 0 springs
Oil & Gas	4 wells

In the following text, a brief appraisal of identified resources both within the Parcel and in the surrounding buffer area is provided. A list of references reviewed for this assessment is presented at the end of the report. Also included is an Appendix that discusses the methodology used for the desk-based assessment and the basis for assigning the levels of resource potential and certainty.

Construction Aggregate

Aggregate is crushed rock (quarry stone) or naturally sized rock particles (sand and gravel) used in various types of construction such as roads, bridges, commercial and residential buildings, landscaping, highway ice control, drainage control, and railroads.

Sand and Gravel Resources – The potential for the economic occurrence of sand and gravel onsite (as part of a large-scale future resource) given the future development plan for the Parcel, is doubtful at this time. Having said that I believe the available information gives a good indication of the Parcel's level of sand and gravel resource potential. It's considered "high." The Parcel's geology is

not only favorable it's proximity to large-scale sand and gravel operation, about a 1,000 ft to the east, is by far the best indicator of a high-level resource potential.

Stone Resources – Available information gives a good indication of the level of quarry stone resource potential. Land in the buffer area contains eight known quarry stone resource sites. Available information indicates that the geology and geography of the Parcel is not favorable for a near-surface quarry stone resource. Therefore, the quarry stone resource potential onsite is low.

Metals – Available information gives a good indication of the Parcel's level of metal resource potential. In the buffer area, our records indicated that land to the east in the Salem Hills contain at least eight ferruginous bauxite (gibbsite)/titanium deposits (Corcoran and Libbey, 1956). No attempt has been made to develop these deposits and future exploitation is unlikely. Because of the Parcel's geology, onsite formation of ferruginous bauxite/titanium ores is not likely. Likewise, the Parcel's geologic environment is not favorable for the formation/deposition of other metal resources.

Industrial Minerals – No records were found that identified any industrial mineral resources onsite. However, the land in the buffer area contains at least four areas with clay occurrences. Because potential in this study is based, in part, on a known resource nearby or a geologic environment in which the existence of resources is permissive, a low potential for onsite clay resource is assigned. Also, there is little or no indication in the available information that the Parcel has resource potential for other industrial minerals.

Coal – About 8 mi east-northeast of the Parcel in the Waldo Hills area (headwaters of Beaver Creek) a coal resource is known. Coal was mined from at least one seam in sandstone that is overlain by the Salem-Stayton lavas mentioned above. The Waldo Hills Coal Company started mining this coal in 1939. Mining was intermittent from the onsite and by 1948 activity had ceased altogether. Based on the Parcel's geology, there is little to no potential onsite for a near-surface coal resource.

Geothermal Resources – Available information gives a good indication of the Parcel's level of geothermal resource potential. In the area of interest, search of the Oregon Department of Water Resources' records did not reveal any water wells containing warm water (temperatures above 70° F). Geothermal springs are not present. Thus, there is little or no indication that a near-surface, onsite power or direct-use geothermal resource is available.

Hydrocarbon Resources – Available information is not adequately for determination of the Parcel's level of hydrocarbon resource potential. In Marion County, efforts have been directed at securing subsurface supplies of oil and gas. Inside the buffer area four widely scattered boreholes, closest one being four miles to the south, were drilled to explore for oil and gas: Gath 1, 2,426 ft total depth (TD); Schermacher 1 2,426 TD; Merrill 1, 5,282 TD; and Independence 12-25, 4,826 TD. These four wells were dry meaning that they had "no trace" of gas or oil. No current leasing or exploration activity in the county is known. At this time, without an onsite subsurface investigation (e.g. geophysical studies

or exploratory drilling), the future potential estimate for identifiable onsite oil and gas resources (natural) is unknown.

DATA SOURCES

Black, G.L., 1994, Digital data and selected texts from *Low-temperature geothermal database for Oregon*: Oregon Department of Geology and Mineral Industries Open File Report O-94-09.

Bowen, R.G., Peterson, N.V., and Riccio, J.F., 1978, Low- to intermediate-temperature thermal springs and wells in Oregon: Oregon Department of Geology and Mineral Industries Geological Map Series 10.

Corcoran, R.E., and Libbey, F.W., 1956, Ferruginous bauxite deposits in the Salem Hills, Marion County, Oregon: Oregon Department of Geology and Mineral Industries Bulletin 46, 53 p.

Crenna, P.A., Yeats, R.S., and Levi, S., 1994, Late Cenozoic tectonics and paleogeography of the Salem metropolitan areas, central Willamette Valley, Oregon: Oregon Geology, v.56, no. 6, p. 129-136.

Gray, J.J., 1993, Mineral information layer for Oregon by county (MILCO): Oregon Department of Geology and Mineral Industries Open File Report O-83-08.

McDowell, P.F., 1991, Quaternary stratigraphy and geomorphic surfaces in the Willamette Valley, Oregon, *in* Morrison, R.G., ed., Quaternary nonglacial geology, Conterminous U.S.: Boulder Colo., Geological Society of America Decade of North American Geology, Geology of North America, v. K-2, p. 156-164.

Olmstead, D.L., 1989, Hydrocarbon exploration and occurrences in Oregon: Oregon Department of Geology and Mineral Industries Oil and Gas Investigation 15.

Oregon Department of Geology and Mineral Industries, Mineral Land Reclamation and Regulation database.

Oregon Department of Geology and Mineral Industries, unpublished oil and gas drill hole files.

Walker, G.W., and Duncan, R.A., 1989, Geologic map of the Salem 1 by 2 quadrangle, western Oregon, U.S. Geological Survey, Miscellaneous Investigation Series, Map I-1893

APPENDIX

Method

This evaluation of the Parcels' mineral resource potential is desk-based. Heavy reliance is made on review of published and unpublished geology and mineral/material resource literature available at DOGAMI. Extensive use is made of two databases: Mineral Information Layer for Oregon by County (MILCO) and Mineral Lands Reclamation and Regulation's (MLRR) database of mining operations permitted since 1972. This investigation provided an inventory of known mineral resource sites lying within a 10-mile radius circle (buffer area limited to Oregon side only) around the Parcel and the geology of the Parcel. An inventory of known mineral localities within the buffer area – and features inside of parcel – suggests whether or not the Parcel has any potential for mineral resources.

No fieldwork or site-specific studies were conducted for this assessment. Evaluation of hydrocarbon potential is based on surface geology and interpolation of subsurface data, if available, from very widely spaced drill holes. This study does not include adequate information to conduct an economic analysis or estimate the value of minerals or mineral projects, nor does the study address mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. It is beyond the scope of this study to provide data on dimension and shape of the site, volume of material present or removed, and reserves remaining. Therefore, the users of this information must consider its currency, and any other conditions specific to this study as a whole. Potential users are advised to consult with DOGAMI to gain an understanding of the inherent limitations of the information and its scope of inference. The user is responsible for the appropriate use of this information.

Mineral resources evaluated in this assessment include construction aggregate (rock, sand, and gravel) and industrial minerals (silica-sand, clay, and limestone). The occurrence of metals and the resource potential related to coal (if present), geothermal and hydrocarbons (oil and gas) were also evaluated. Provided below are the definitions for the levels of mineral resource potential and certainty of assessment after Goudarzi (1984).

Levels of Resource Potential

HIGH mineral resource potential is assigned to areas where geologic, geochemical, and geophysical characteristics indicate a geologic environment favorable for resource occurrence, where interpretations of the data indicate high degree of likelihood for resource accumulation, data support mineral-deposit models indicating presence of resource, and where evidence indicated that mineral concentration has taken place. Assignment of high resource potential to area requires some positive knowledge that mineral-forming processes have been active in at least part of the area.

MEDIUM mineral resource potential is assigned to areas where geologic, geochemical, and geophysical characteristics indicate a geologic environment favorable for resource occurrence, where interpretations of the data indicate high degree of likelihood for resource accumulation, and (or) where an application of mineral-deposit models indicates favorable ground for the specified type(s) of deposits..

LOW mineral resource potential is assigned to areas where geologic, geochemical, and geophysical characteristics define a geologic environment in which the existence of resources is permissive. This broad category embraces areas with dispersed by insignificantly mineralized rock, as well as areas with obvious site limitations and little or no indication of having been mineralized.

NO mineral resource potential is a category reserved for a specific type of resource in a well-defined area.

UNKNOWN mineral resource potential is assigned to areas where information is inadequate to assign a low, moderate, or high level of resource potential.

Levels of Certainty

Available information is not adequately for determination of the level of mineral resource potential.

Available information only suggests the level of mineral resource potential.

Available information gives a good indication of the level of mineral resource potential.

Available information clearly defines the level of mineral resource potential

**ODSL Minerals Reservation
Lot 1, Scannell Corporate Center
Salem, Oregon**

Prepared For

**Oregon Department of State Lands
775 Summer Street, NE
Salem, Oregon 97401**

Prepared By

**R.P. Herman & Associates LLC
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File 23086

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13635 NW Cornell Road, Suite 200B
Portland, Oregon 97229

Voice: (503) 789-7522

rick@rpherman.com

Ms. Amber McKernan
Real Property Program Manager
Operations Division
Oregon Department of State Lands
775 Summer Street, NE
Salem, Oregon 97401

January 22, 2024

Dear Ms. McKernan:

In accordance with your request, I have completed an appraisal of a mineral reservation retained by ODSL that pertains to a 67.5-acre parcel of land located in the Scannell Corporate Center, Salem, Oregon. The property was conveyed by the State of Oregon, by and through its Department of Administrative Services and the Oregon Corrections Enterprises, to Scannell Properties #564, LLC on October 11, 2022. Subsequently, it has been sold to Dollar General and is in the process of being developed with a 901,000 SF regional distribution facility. The property is zoned Employment Center. The Scannell Logistics Center is an element of the 651-acre “Mill Creek Corporate Center” development, which supports a broad range of industrial type development, including a recently completed Amazon fulfillment facility and a Home Depot regional distribution facility. Scannell Properties is also developing a 479,000 SF owner/user industrial building that will be occupied by Gensco Heating & Air Conditioning immediately northeast of the Dollar General facility.

The purpose of this assignment is to develop and support a value opinion that is exclusive to the mineral reservation that is recited in the bargain and sale deed that conveyed ownership from the State of Oregon to Scannell Properties. The intended use of the assignment results is to assist Oregon Department of State Lands in negotiations with the original surface rights owner (Scannell Properties) as to a purchase of the reserved mineral rights on the property, as provided in *ORS 273.775* to *ORS 273.787*. The minerals reservation cited in the bargain and sale deed has been recited verbatim herein. A copy of the bargain and sale deed has been included in the report addenda. Those rights have been subsequently conveyed to the current surface rights owner (DG Strategic VIII, LLC) by means of a warranty deed recorded on December 5, 2022. The client is the Oregon Department of State Lands. Recognized intended users include ODSL and the State Land Board. There are no third-party beneficiaries. The assignment results are intended to comply with the 2024 Edition of the *Uniform Standards of Professional Appraisal Practice*.

Monetization of the subject minerals reservation represents an extremely unique appraisal problem. The scope and nature of the minerals reservation is unique to ODSL and, more specifically, the subject property. There is no analogous market data available from which to draw relevant and meaningful market comparisons. Therefore, the appraisal problem solution in this instance is necessarily unique and does not reconcile with traditional appraisal methodology. This is primarily due to the lack of marketability associated with the subject minerals reservation. Specifically, the reservation requires that “*Grantor (State of Oregon) shall not prospect for, explore, mine, extract,*

Ms. Amber McKernan
Oregon Department of State Lands
Page 2

January 22, 2024

drill for, or remove such minerals, materials, and geothermal resources without the express written consent of the owner or owners of the surface estate of the property described in this deed, and such surface rights owner's consent may be withheld in the sole discretion of the surface rights owner.” Consequently, the current surface rights owner of the subject property (Dollar General) has exclusive and unilateral control over the ability to harvest any and all minerals on the subject property. Given that the property is in the process of being developed with a 901,000 SF distribution center that constructively occupies the entire site, the physical ability to harvest minerals is not available. It is highly likely that any attempt to harvest minerals would conflict with the operational requirements and necessities of the building tenant (Dollar General). Finally, and of equal importance, surface mining is prohibited in the Employment Center zone. Individually and cumulatively, the current use of the property and zoning effectively prohibit/preclude the ability to explore for or harvest any minerals. There is no reasonably probable motivation or ability to explore for or harvest potential mineral rights by the current surface rights owner or a third-party successor.

In the appraiser's opinion and judgment, the economic benefit of the minerals reservation as of the current date is negligible and can be monetized based upon a remote and speculative future event wherein the existing improvements have reached the end of their economic life, thereby rendering the underlying site available for alternative use and, concurrently, a possible zoning exception/modification that would allow surface mining. The potential economic benefit of the subject minerals reservation may therefore be equivalent to a very high risk, long-term speculative option which cannot be exercised until the end of the option period and may not ultimately have any economic benefit at that time if the existing improvements are not razed, and if the surface mining prohibition remains in the zoning code at that time. Market research pertaining to the typical economic life of industrial buildings similar to that being constructed on the subject site suggest and support a probable option exercise horizon of approximately 50 years. Alternatively, the surface rights owner may derive a near-term economic benefit by having the mineral reservation removed as a title exception of record so as to potentially enhance marketability and/or financing options. This scenario would require reclassifying the property as “low potential resource.”

Given all considerations, it is the appraiser's opinion and conclusion that the potential economic benefit of the subject minerals reservation and most probable sale price can be justified at \$10,000.

Acceptance of this report is subject to various conditions and assumptions that have been identified throughout the report and at its conclusion. The opportunity to be of service to ODSL and the State Land Board is sincerely appreciated.

Respectfully submitted,



Richard P. Herman, MAI, FRICS
Member, R.P. Herman & Associates LLC
Oregon Certified Appraiser C000190
Expiration Date: January 31, 2026
Email Address: rick@rpherman.com
Date of Report: January 22, 2024

RECEIVED

APPENDIX D

DEC 27 2022

DEPARTMENT OF STATE LANDS
BEND FIELD OFFICE



Oregon Department of State Lands
Bend Field Office
951 SW Simpson Avenue, Suite 104
Bend, Oregon 97702
Telephone: 541-388-6112
Fax: 541-388-6480

AGENCY # 64232

APPLICATION TO ACQUIRE MINERAL AND GEOTHERMAL RESOURCE RIGHTS*

Please print clearly.

Applicant Name(s): DG Strategic VII, LLC Phone: (615) 855-5814
Address: 100 Mission Ridge Fax: N/A
E-mail: cmiley@dollargeneral.com
City: Goodlettsville State: TN Zip Code: 37072

I (we) hereby make application to obtain the mineral and geothermal resource rights from the following described land:

	County	Section	Township	Range	Tax Lot	Acres
	Please see attachment					67.5
(Attach additional sheets if necessary)					Total Acres	67.5

Please describe the reasoning for submitting an application to purchase State-owned minerals:

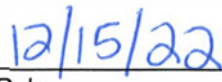
Reunification of surface and subsurface rights

I acknowledge that submission of this application provides no right of priority (except as determined by the State Land Board) and that no disposal will be completed without Land Board approval.

I am a Qualified Residential Property Owner *

****Note: Please read the Instructions for Submitting an Application to Acquire Mineral & Geothermal Resource Rights before completing and submitting this application.***


Applicant's Signature


Date

Attachment to Application to Acquire Mineral and Geothermal Resource Rights

Applicant: DG Strategic VII, LLC

Description of Applicant's Land:

Lot 1, SCANNELL CORPORATE CENTER, in the City of Salem, recorded September 29, 2022 in Volume H49, Page 05, in the Book of Town Plats for Marion County, Oregon.

Lot 1 consists of 67.5 acres. Please see the attached Plat of Scannell Corporate Center for the location of Lot 1. Also attached is Tax Parcel Map 08 2W 07 that depicts the location of Scannell Corporate Center.

Reasoning for submitting an application to purchase State-owned minerals:

Applicant acquired the land consisting of 67.5 acres on December 1, 2022 and desires to own all surface and subsurface rights including all mineral and geothermal rights thereunder. Applicant does not intend to prospect for, explore, mine, extract, drill for, or remove any minerals, materials, or geothermal resources from the land; however, due to Applicant's substantial investment in the land and other improvements to be constructed on the land, Applicant desires to own all surface and subsurface rights.

Pursuant to the terms and condition of the Bargain and Sale Deed from The State of Oregon, by and through its Department of Administrative Services and Oregon Corrections Enterprises to Scannell Properties #564, LLC dated October 11, 2022, and recorded on December 1, 2022, the State of Oregon has no right to prospect for, explore, mine, extract, drill for, or remove any minerals, materials, or geothermal resources from the land without the express written consent of the surface rights owner and such consent may be withheld in the sole discretion of the surface rights owner. The Applicant is now the surface rights owner.

SCANNELL CORPORATE CENTER

A RE-PLAT OF PARCEL 3, PARTITION PLAT 2016-049
 IN THE N.E. 1/4 OF SECTION 18, THE S.E. 1/4 OF SECTION 7, AND THE S.W. 1/4 OF SECTION 8,
 T. 8 S., R. 2 W., W.M., CITY OF SALEM, MARION COUNTY, OREGON
 JUNE 27, 2022

SHEET INDEX

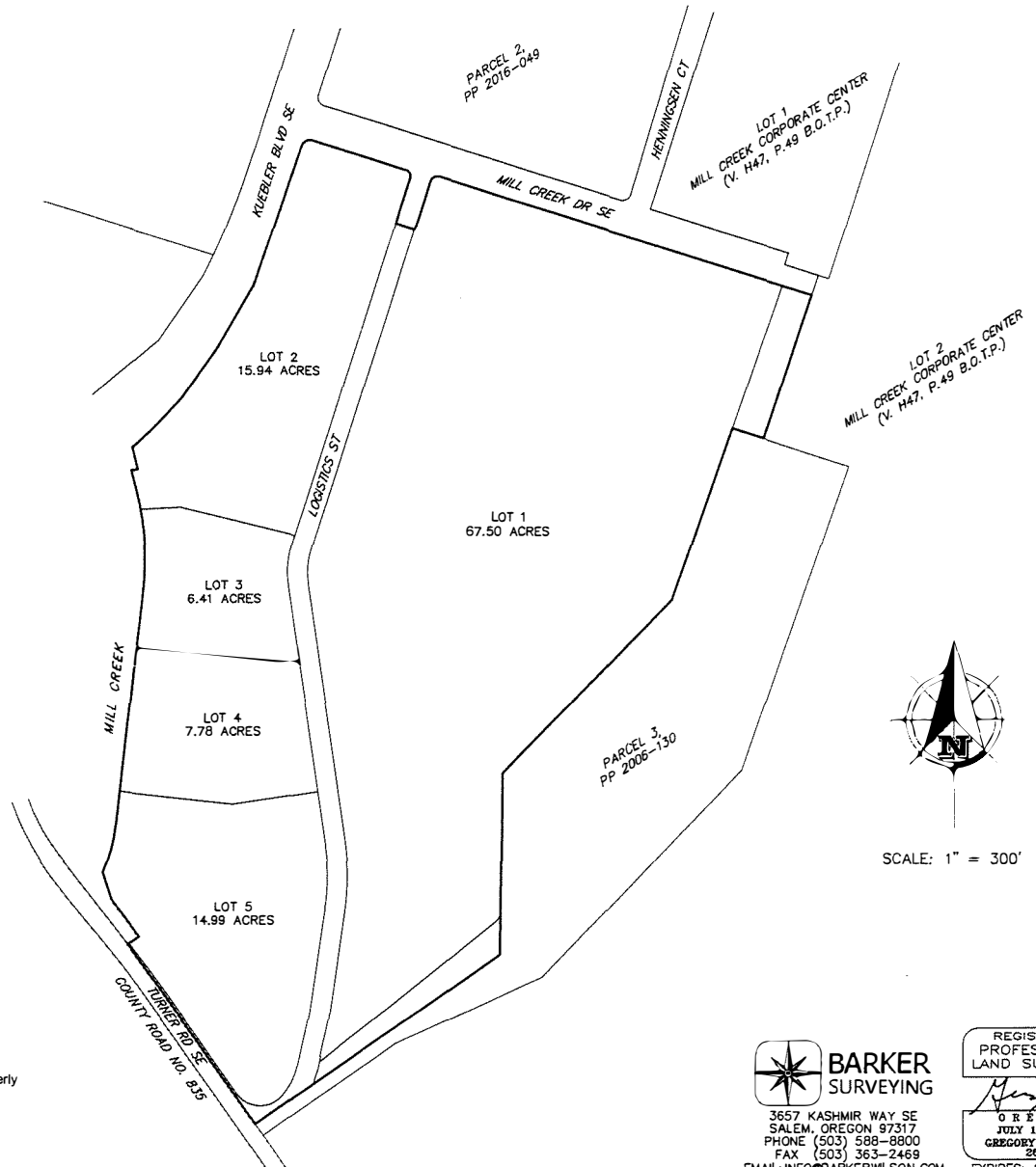
- SHEET 1 - INDEX (COVER SHEET), VICINITY MAP, NARRATIVE, FOUND MONUMENT LIST
- SHEET 2 - OVERALL BOUNDARY, LEGEND, SURVEY REFERENCES,
 DETAIL LOTS 1 AND 2, OVERHEAD POWER LINES DETAIL
- SHEET 3 - DETAIL LOTS 3-5, DETAIL "A", LEGEND
- SHEET 4 - DETAIL "B" & "C", LEGEND
- SHEET 5 - DETAILS "D" & "E", LEGEND, CURVE TABLE
- SHEET 6 - SURVEYOR'S CERTIFICATE, APPROVALS, DECLARATION, PLAT NOTES

NARRATIVE:

The purpose of this survey is to subdivide that property described in Reel, 3884, Page 169, Marion County Deed Records, being Parcel 3 of Partition Plat 2016-049, into lots, and create streets and easements as show hereon. This subdivision conforms to the plat phasing process per City of Salem Planning Case No. SUB08-05MOD2. The basis of bearings used was along the Centerline of Mill Creek Drive SE per said Partition Plat 2016-049, between monument J and the most Easterly monument A. Monuments found from Partition Plat 2016-049, M.C.S.R. 35280, Partition Plat 2004-116 and the Plat of MILL CREEK CORPORATE CENTER were held (unless shown otherwise on the attached map) to determine the boundary of said Parcel 3.

FOUND MONUMENT LIST:

- (A) 5/8" iron rod with 1-1/2" aluminum cap stamped "WILSON PLS 2687", set in [1].
- (B) 5/8" iron rod with yellow plastic cap stamped "WILSON PLS 2687", set in [1].
- (C) 5/8" iron rod with yellow plastic cap stamped "K&E EXC. INC. LS 2596", set in [2].
- (D) 5/8" iron rod with yellow plastic cap stamped "WESTLAKE CONSULTANTS", set in [3].
- (E) 5/8" iron rod, found without cap, bent, set in [3].
- (F) 5/8" iron rod with aluminum cap stamped "OREGON DEPT. OF TRANS.", set in [4].
- (G) 5/8" iron rod, found without cap, down 0.4', set in [3].
- (H) 5/8" iron rod with yellow plastic cap stamped "OTAK INC.", set in [5].
- (I) 5/8" iron rod, down 2.0', set in [4].
- (J) 5/8" iron rod, cap destroyed, set in [1].
- (K) 5/8" iron rod with yellow plastic cap stamped "K&E EXC. INC. LS 2596", set in [2].
 Found N53°07'20"E 0.51' from calculated position
- (L) 5/8" iron rod down 1.0', cap destroyed, set in [1]. Disturbed by construction. Reset 5/8" iron rod with yellow plastic cap stamped "WILSON PLS 2687" at surface at calculated position of most Northerly northeast corner of Parcel 3, Partition Plat 2016-49



SCALE: 1" = 300'

BARKER SURVEYING
 3657 KASHMIR WAY SE
 SALEM, OREGON 97317
 PHONE (503) 588-8800
 FAX (503) 363-2469
 EMAIL: INFO@BARKERWILSON.COM

REGISTERED PROFESSIONAL LAND SURVEYOR
Gregory J. Wilson
 O R S & G O N
 JULY 19, 1994
 GREGORY J. WILSON
 2887
 EXPIRES: 6/30/2024

08 2W 07

APP 082W07
SALEM



MARION COUNTY, OREGON
SEC 7 T8S R2W W.M.
SCALE 1" = 400'

LEGEND

- LINE TYPES
- Taxlot Boundary
 - Road Right-of-Way
 - Railroad Right-of-Way
 - Private Road ROW
 - Subdivision/Plat Bndry
 - Waterline - Taxlot Bndry
 - Historical Boundary
 - Easement
 - Railroad Centerline
 - Taxcode Line
 - Map Boundary
 - Waterline - Non Bndry

- CORNER TYPES
- + 1/16TH Section Cor
 - ⊙ DLC Corner
 - ⊕ 1/4 Section Cor
 - 16, 15
⊕ Section Corner
 - 21 22

NUMBERS
Tax Code Number
00 00 0

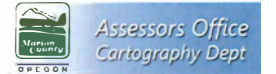
Acreege 0.25 AC All acres listed are Net Acres, excluding any portions of the taxlot within public ROWs

NOTES
Tick Marks: A tick mark in the road indicates that the labeled dimension extends into the public ROW



CANCELLED NUMBERS	
100	
200	
301	
302	
400	
599	
602	

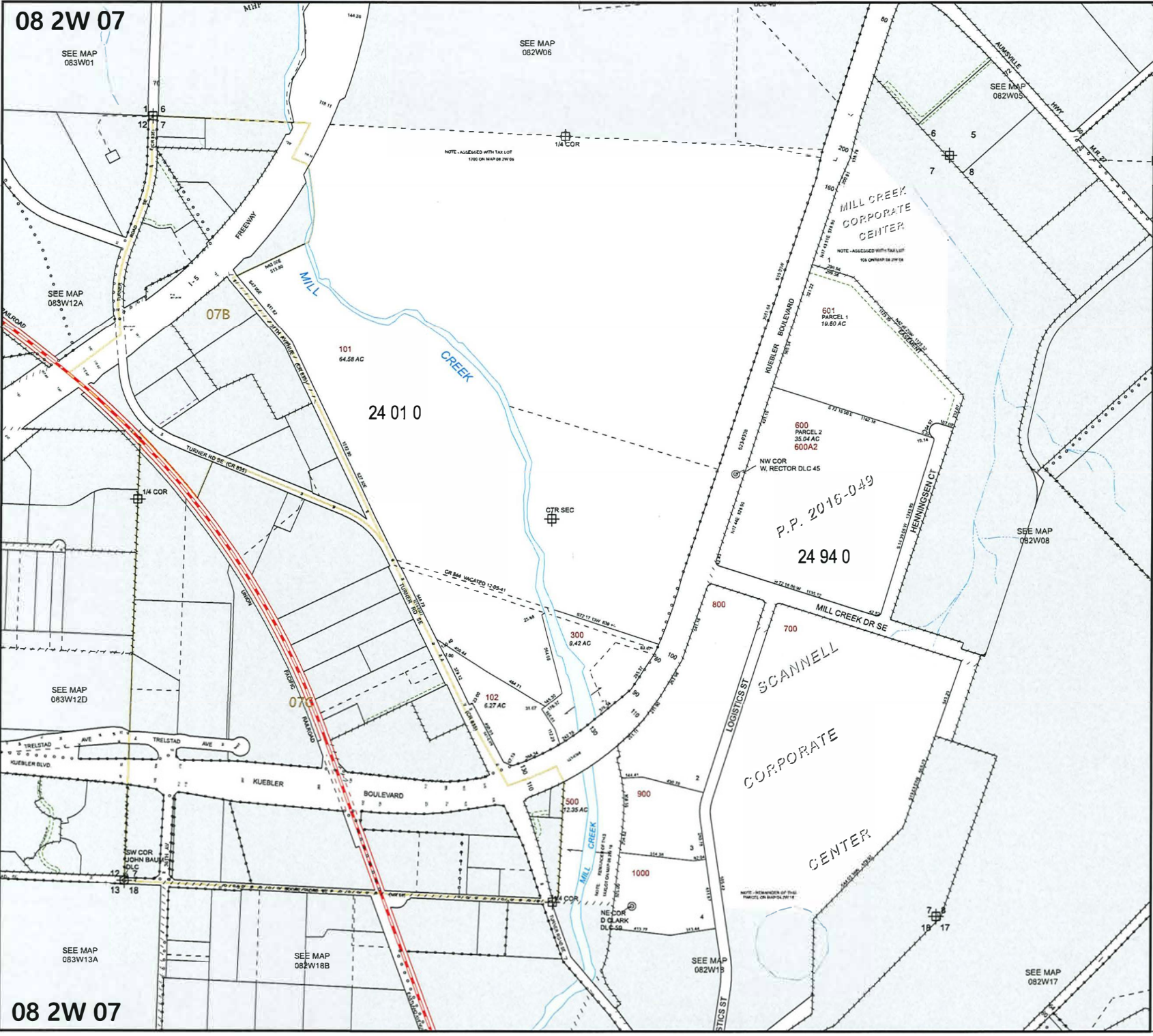
DISCLAIMER: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY



FOR ADDITIONAL MAPS VISIT OUR WEBSITE AT www.co.marion.or.us

PLOT DATE: 12/8/2022

SALEM
08 2W 07



08 2W 07

After recording, return to:

Scannell Properties #564, LLC
Attn: Jeff Cromer
8801 River Crossing Boulevard, Suite 300
Indianapolis, IN 46240

REEL 4675 PAGE 45
MARION COUNTY
BILL BURGESS, COUNTY CLERK
12-01-2022 11:48 am.
Control Number 725419 \$ 96.00
Instrument 2022 00047180

Until a change is requested, all tax statements shall be sent to the following address:

Scannell Properties #564, LLC
Attn: Accounting
8801 River Crossing Boulevard, Suite 300
Indianapolis, IN 46240

FIRST AMERICAN 308 9620

BARGAIN AND SALE DEED

NOTE: FIRST AMERICAN TITLE IS RECORDING THIS DOCUMENT AS AN ACCOMMODATION TO CLIENT ONLY AND WILL NOT ASSUME ANY RESPONSIBILITY AS TO ITS' VALIDITY.

The State of Oregon, by and through its Department of Administrative Services and Oregon Corrections Enterprises (Grantors), conveys to SCANNELL PROPERTIES #564, LLC, an Indiana limited liability company (Grantee), the real property located in Marion County, Oregon, described on the attached Exhibit A (the "Property").

The true consideration for this conveyance is \$ 5,851,197.00

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this 11 day of October 2022.

GRANTORS:

STATE OF OREGON, acting by and through its Department of Administrative Services

By: [Signature]

Name: Shannon Ryan

Title: Administrator

STATE OF OREGON, acting by and through Oregon Corrections Enterprises

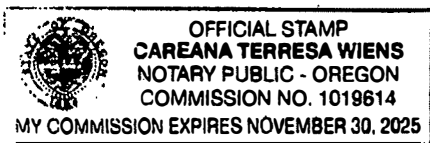
By: [Signature]

Name: Melanie Doolin

Title: Administrator

STATE OF OREGON)
)SS
COUNTY OF MARION)

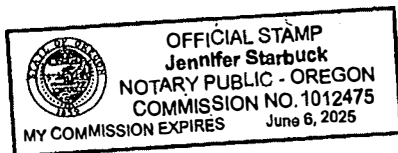
The foregoing instrument was acknowledged before me on 11th day of October, 2022, by Shannon Ryan, as Administrator of the State of Oregon, Department of Administrative Services.



[Signature]
Notary Public for Oregon
My commission expires: November 30, 2025

STATE OF OREGON)
)SS
COUNTY OF MARION)

The foregoing instrument was acknowledged before me on October 11, 2022, by Melanie Doolin, as Administrator of the State of Oregon, Oregon Corrections Enterprises.



[Signature]
Notary Public for Oregon
My commission expires: June 6, 2025

**EXHIBIT A
TO
BARGAIN AND SALE DEED**

(Legal Description)

Lot 1, SCANNELL CORPORATE CENTER, in the City of Salem, recorded September 29,
2022 in Volume H49, Page 05, in the Book of Town Plats for Marion County, Oregon

EXCEPTING AND RESERVING to Grantor and Grantor's successors, and assigns all minerals as defined in ORS 273.775(1), including soil, clay, stone, sand, and gravel, and all geothermal resources, as defined in ORS 273.775(2), together with the right to make such use of the surface as may be reasonably necessary for prospecting for, exploring for, mining, extracting, reinjecting, storing, drilling for, and removing, such minerals, materials, and geothermal resources; provided, however, that the grantor shall not prospect for, explore, mine, extract, drill for, or remove, such minerals, materials, and geothermal resources without the express written consent of the owner or owners of the surface estate of the Property described in this deed and such surface rights owner's consent may be withheld in the sole discretion of the surface rights owner. In the event use of the Property by a surface rights owner or the improvements located thereon should be damaged by one or more of the activities described above, then such owner shall be entitled to compensation from state's lessee to the extent of the diminution in value of the Property, including any damage to the improvements located thereon, based on the actual use by the surface rights owner at the time the state's lessee conducts any of the above activities. This reservation shall not restrict the surface owner's right to purchase the reserved mineral rights on the Property, as provided in ORS 273.775 to ORS 273.787.

REEL: 4675 PAGE: 45

December 01, 2022, 11:48 am.

CONTROL #: 725419

**State of Oregon
County of Marion**

I hereby certify that the attached instrument was received and duly recorded by me in Marion County records:

FEE: \$ 96.00

**BILL BURGESS
COUNTY CLERK**

THIS IS NOT AN INVOICE.

THIS SPACE PROVIDED FOR RECORDER'S USE ONLY:

WHEN RECORDED RETURN TO:

Rebekah Fisher & Associates, PLLC
414 Bridge Street
Franklin, TN 37064

UNTIL A CHANGE IS REQUESTED ALL
TAX STATEMENTS SHALL BE SENT TO
THE FOLLOWING ADDRESS:

DG Strategic VII, LLC
100 Mission Ridge
Goodlettsville, TN 37072
Attn: Tax Department

WARRANTY DEED

THE GRANTOR, **SCANNELL PROPERTIES #564, LLC**, an Indiana limited liability company, for and in consideration of: Seventeen Million Two Hundred Thousand Seven Hundred Fifty-Five (\$17,200,755.00) and other good and valuable consideration grants, bargains, sells, conveys and warranties to the GRANTEE, **DG STRATEGIC VII, LLC**, a Tennessee limited liability company, the following described real estate, situated in the City of Salem, in the County of Marion, State of Oregon and is described as follows:

Lot 1, **SCANNELL CORPORATE CENTER**, in the City of Salem, recorded September 29, 2022 in Volume H49, Page 05, in the Book of Town Plats for Marion County, Oregon

Subject to existing taxes, assessments, liens, encumbrances, covenants, conditions, restrictions, rights of way and easements as listed on Exhibit A, attached hereto and incorporated herein by reference. The Grantor hereby covenants with the Grantee that Grantor is lawfully seized in fee simple of the above granted premises and has good right to sell and convey the same; and that Grantor, his heirs, executors and administrators shall warrant and defend the title unto the Grantee, his heirs and assigns against all lawful claims whatsoever.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

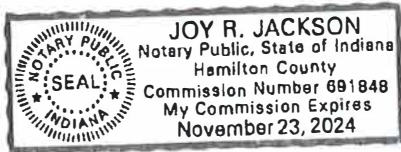
GRANTOR:

SCANNELL PROPERTIES #564, LLC,
An Indiana limited liability company

By: *Marc D. Pflieger*
Name: Marc D. Pflieger
Title: Manager

STATE OF INDIANA)
) ss:
COUNTY OF MARION)

On this 20th day of October, 2022, before me a Notary Public within and for said County and State, personally appeared Marc D. Pflieger, to me personally known, who, being by me duly sworn did say that he is the Manager of Scannell Properties #564, LLC, an Indiana limited liability company, the limited liability company named in the foregoing instrument, and that the instrument was signed on behalf of the company by authority vested in such Manager by its Members and Marc D. Pflieger acknowledged the instrument to be the free act and deed of the limited liability company.



Joy R. Jackson
Notary Public, Hamilton County
My Commission expires 11/23/24

EXHIBIT A

1. Taxes for the year 2022 not yet due and payable.
2. Administrative Decision, including the terms and provisions thereof,

Recording Date: December 16, 2004
Recording No.: Reel 2415, page 150
3. Infrastructure Agreement, including the terms and provisions thereof,

Recording Date: August 7, 2007
Recording No.: Reel 2687, page 393

Amendment(s)/Modification(s) of said agreement,

Recording Date: November 2, 2012
Recording No: Reel 3441, page 56
4. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Salem
Purpose: Sewer
Recording Date: October 12, 2006
Recording No: Reel 2718, page 269
5. Notice of Decision, including the terms and provisions thereof,

Recording Date: September 6, 2007
Recording No.: Reel 2862, page 317
6. Matters shown in Notes, on that certain plat

Name of Plat: Mill Creek Corporate Center
Recording Date: October 22, 2013
Recording No: Book of Town Plats Volume H47, page 49, and Reel 3554, page 242 of Marion County Deed Records
7. Declaration of Covenants, Conditions and Restrictions for Phase IA, IC, and Phase II of Mill Creek Corporate Center

Recording Date: January 4, 2008
Recording No: Reel 2905, page 411
8. Notice of Decision, including the terms and provisions thereof,

Recording Date: October 11, 2013

Recording No.: Reel 3552, page 9

9. Notice of Decision, including the terms and provisions thereof,

Recording Date: May 13, 2016

Recording No.: Reel 3817, page 71

10. Improvement Agreement, including the terms and provisions thereof,

Recording Date: June 1, 2016

Recording No.: Reel 3822, page 270

11. Notice of Decision, including the terms and provisions thereof,

Recording Date: August 11, 2022

Recording No.: Reel 4649, page 408

12. Improvement Agreement, including the terms and provisions thereof,

Recording Date: August 11, 2022

Recording No.: Reel 4649, page 409

13. Easement(s) for the purpose(s) shown below and rights incidental thereto, as delineated on or as offered for dedication on

Plat: Scannell Corporate Center

Recording Date: September 29, 2022

Recording No: Reel 4661, page 497

Purpose: Storm Drain, Public Utilities, and Sewer

14. Terms and conditions of the Bargain and Sale Deed from The State of Oregon, by and through its Department of Administrative Services and Oregon Corrections Enterprises to Scannell Properties #564, LLC, an Indiana limited liability company dated October 11, 2022, and recorded as _____ on December 1, 2022.

8801 River Crossing Blvd. Suite 300
Indianapolis, Indiana 46240
T 317.843.5959
F 317.843.5957

RECEIVED

DEC 27 2022

DEPARTMENT OF STATE LANDS
BEND FIELD OFFICE

APPENDIX D



SCANNELL
PROPERTIES

December 20, 2022

VIA FEDEX

Oregon Department of State Lands
Bend Field Office
951 SW Simpson Avenue, Suite 104
Bend, Oregon 97702

Re: **Application to Acquire Mineral and Geothermal Resource Rights**

Lot 1, Scannell Corporate Center, in the City of Salem, recorded September 29, 2022 in Volume H49, Page 05, in the Book of Town Plats for Marion County, Oregon

Dear Sir or Madam:

Please find enclosed with this letter an Application to Acquire Mineral and Geothermal Resource Rights signed by DG Strategic VII, LLC (“DG”). Scannell Properties #564, LLC (“Scannell”) acquired the 67.5-acre parcel from the State of Oregon on December 1, 2022, and subsequently conveyed the land to DG (copies of both deeds are attached for reference). Upon conveying the land to DG, Scannell and DG entered into a development agreement whereby Scannell will develop the property on DG’s behalf. Scannell is submitting this application on DG’s behalf and will work with the Oregon Department of State Lands during this process.

We look forward to hearing from you on the next step in this process. If you have any questions or need additional information, please contact me via e-mail me at jeffc@scannellproperties.com.

Sincerely,

Jeffrey M. Cromer
Counsel for Scannell Properties #564, LLC

Enclosures

Space above this line for Recorder's use.

Quitclaim Deed
(Minerals and Geothermal Resources)

GRANTOR:

State of Oregon, acting by and through its
Department of State Lands
775 Summer St. NE, Ste 100
Salem, OR 97301-1279

GRANTEE:

DG Strategic VII, LLC
100 Mission Ridge
Goodlettsville, TN 37072

**FUTURE TAX STATEMENTS
SHOULD BE MAILED TO:**

DG Strategic VII, LLC
Attn: Tax Department
100 Mission Ridge
Goodlettsville, TN 37072

**AFTER RECORDING
RETURN TO:**

DG Strategic VII, LLC
100 Mission Ridge
Goodlettsville, TN 37072

The STATE OF OREGON, acting by and through its Department of State Lands, GRANTOR, releases and quitclaims to, GRANTEE, all right, title and interest in and to all minerals as defined in ORS 273.775 (1), including soil, clay, stone, sand and gravel, and all geothermal resources as defined in ORS 273.775 (2), within or upon the following described real property:

BEING a tract of land located in Section 08, Township 08 South, Range 02 West of the Willamette Meridian, County, Oregon and being more particularly described as Lot 1, Scannell Corporate Center, in the City of Salem, Recorded September 29, 2022 in Volume H49, Page 05, in the Book of Town Plats for Marion County, Oregon.

The true and actual consideration for this conveyance is \$10,000.00.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this _____ day of _____, 20__.

STATE OF OREGON, acting by and through its Department of State Lands,

Vicki L. Walker, Director

STATE OF OREGON)
) ss
County of Marion)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__,

by _____, as Director of the Department of State Lands.

Notary Public for Oregon
My commission expires _____, 20__.



Oregon

Tina Kotek, Governor

Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

(503) 986-5200

FAX (503) 378-4844

www.oregon.gov/dsl

State Land Board

State Land Board

**Regular Meeting
June 11, 2024
Agenda Item 3**

Tina Kotek
Governor

LaVonne Griffin-Valade
Secretary of State

Tobias Read
State Treasurer

SUBJECT

The Oregon Department of Forestry's (ODF's) proposed 2025-2027 Common School Fund budget.

ISSUE

Whether the State Land Board should approve ODF's proposed Common School Fund budget for submission to the Department of Administrative Services.

AUTHORITY

Oregon Constitution, Article VIII, Section 5; specifying that the State Land Board is responsible for managing Common School Fund lands.

ORS 273.041 to 273.071; authorizing the Department of State Lands to exercise the administrative functions of the State Land Board.

ORS 273.135 to 273.155; authorizing the Department of State Lands to enter into written agreements with other government agencies for the performance of technical and professional services.

ORS 530.490 to 530.500; authorizing the State Forester to manage, control, and protect the Common School Forest Lands.

SUMMARY

As required in Section 10.1 of the July 1, 2023 Common School Forest Land Management

Agreement, “The Department shall provide a preliminary biennial Department-wide budget to the DSL by August 1 of each even-numbered year.”

DISCUSSION

The Oregon Department of Forestry (ODF) will manage 26,173 acres of Common School Forest Lands (CSFL) through an agreement among ODF, the State Land Board, and the Department of State Lands. ODF’s mission on CSFL is to manage and protect these lands for the maximum short and long-term benefit to the people of Oregon. Within this context, these lands are managed with the objective of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management. CSFL are managed in alignment with the goals and management direction that are described in the 2012 Real Estate Asset Management Plan.

Oregon Department of Forestry’s Current Service Level budget for all management costs (\$3.57 million) and statewide fire patrol assessments (\$1.61 million) on CSFL for the 2025-2027 biennium is approximately \$5.18 million. This is an increase of \$0.5 million over the 2023-2025 ODF Legislatively Adopted Budget (LAB) of \$4.68 million.

ODF estimates that we will generate \$2.70 million in total revenue through the auction and administration of timber sales. This will result in a negative operating income to the Common School Fund of \$870,000 for all management costs, and \$2.48 million including statewide fire patrol assessments. CSFL net operating income for all management costs averaged a positive \$1.17 million annually for the past 5 fiscal years (FY19 – FY23).

Expected Management Outcomes

CSFL results across the ODF State Forest Division for the 2025-2027 biennium are as follows:

1. Produce an estimated \$2.70 million in gross revenues based on ODF’s April 2024 CSFL revenue projection from all CSFL, resulting in a projected total net revenue to the Common School Fund of negative \$2.48 million over the biennium. It is important to note that the revenue and expenditure projections have a degree of uncertainty given fluctuations in the timber market which create challenges predicting future timber sale value.

2. For the 2025-2027 biennium, harvest from timber sales is projected to be 5.2 million board feet - again recognizing uncertainties associated with predicting actual harvest timber volumes versus appraised volume offered for sale. CSFL timber sales are sold on a recovery basis (i.e., actual volume scaled at the mill) to ensure receipt of the full value of timber harvested.
3. Assist the Department of State Lands in implementation of the 2012 Real Estate Asset Management Plan.
4. Provide for appropriate public access and recreational opportunities on CSFL throughout the state.
5. Continue to implement cultural resource management strategies on CSFL, including consultation with tribes.
6. Continue to provide a variety of opportunities for public participation in ODF's planning processes.

RECOMMENDATION

The Department of Forestry and the Department of State Lands recommend that the Land Board approve the submission of ODF's 2025-2027 Current Service Level CSFL Budget to the Department of Administrative Services as part of the Department's total budget, with recognition that there may be policy option packages that could cause changes to ODF's Agency Request Budget, although none are known at this time.

APPENDICES

- A. Draft 2025-2027 biennial budget for Common School Forestland

APPENDIX A

Draft 2025-2027 biennial budget for Common School Forestland

**2025-27 Oregon Department of Forestry Current Service Level Budget
Common School Lands - ESTIMATED**

Budget Category	2023-25	2025-27		
	Legislatively Adopted Budget (LAB)	Current Service Level (CSL)	Policy Packages	Agency Request Budget
Common School Lands Fund				
Personal Services	\$1,949,872	\$2,082,894	\$0	\$2,082,894
Services & Supplies	\$1,073,296	\$1,137,183	\$0	\$1,137,183
<i>Sub-Total</i>	<u>\$3,023,168</u>	<u>\$3,220,077</u>	<u>\$0</u>	<u>\$3,220,077</u>
Indirect Administrative Costs				
Admin Prorate	\$487,090	\$324,259	\$0	\$324,259
Debt Service - COP's	\$0	\$0	\$0	\$0
Seed Orchard	\$33,568	\$31,525	\$0	\$31,525
<i>Sub-Total</i>	<u>\$520,658</u>	<u>\$355,784</u>	<u>\$0</u>	<u>\$355,784</u>
Indirect Fire Patrol Assessments				
Fire Patrol Assessment (Elliot)	\$738,857	\$1,045,834	\$0	\$1,045,834
Fire Patrol Assessment (Other)	\$397,846	\$563,141	\$0	\$563,141
<i>Sub-Total</i>	<u>\$1,136,703</u>	<u>\$1,608,976</u>	<u>\$0</u>	<u>\$1,608,976</u>
Grand Total	<u>\$4,680,529</u>	<u>\$5,184,836</u>	<u>\$0</u>	<u>\$5,184,836</u>
FTE	<u>6.37</u>	<u>6.37</u>	<u>0.00</u>	<u>6.37</u>



Oregon

Tina Kotek, Governor

Department of State Lands

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State Land Board

Tina Kotek

Governor

LaVonne Griffin-Valade

Secretary of State

State Land Board

**Regular Meeting
June 11, 2024
Agenda Item 4a**

Tobias Read

State Treasurer

SUBJECT

Request for authorization to acquire the Shutter Creek property in Coos County for \$0.

ISSUE

Whether the State Land Board should give approval for the Department of State Lands to acquire the 49.33-acre Shutter Creek property, located on Shutters Landing Lane in North Bend, for \$0. The property includes buildings totaling approximately 62,000 square feet.

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.
- OAR 141-067; relating to the sale, exchange and purchase of state land.
- Real Estate Asset Management Plan (REAMP), adopted by the State Land Board; February 2012.

BACKGROUND

The 49.33-acre Shutter Creek property is the former site of the Shutter Creek Correctional Institution. The property was previously deeded to Oregon Department of Corrections by the U.S. General Services Administration at no cost for correctional uses

through the federal [Public Benefits Conveyance Program](#). Following the closure of the correctional institution in 2022, the state requested and received federal approval for changing the use of the property from correctional to wildlife conservation. The use change positioned the Department of State Lands to acquire the property at no cost.

The property is anticipated to serve as the headquarters for the Elliott State Research Forest and other potential partnerships, pending the outcome of a visioning and redevelopment planning process the Department will advance. Senator Jeff Merkley and Senator Ron Wyden secured \$4 million for property renovations and rehabilitation in Congress' fiscal year 2023 omnibus appropriations package, which will support the redevelopment process. The proposed headquarters could potentially include laboratory, classroom, dormitory and office spaces, and may also house potential partnerships with Tribal and other local entities.

The property has great potential to honor and advance Tribal culture and partnership. Shutter Creek is within the traditional lands of the hanis (Coos) people. The Elliott State Research Forest is within the traditional lands of the hanis (Coos) and quuiich (Lower Umpqua) peoples. Descendants of the hanis and quuiich peoples are enrolled in the federally recognized Tribal sovereign nations of Western Oregon, including the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians, Confederated Tribes of Siletz Indians, and the Coquille Indian Tribe.

If the Land Board approves this recommendation, these lands will be dedicated to the statutory component of the Common School Fund.

RECOMMENDATION

The Department recommends the State Land Board approve the acquisition of the Shutter Creek Parcel in North Bend for \$0.

APPENDICES

Appendix A – Map of the Shutter Creek Property

Appendix B – Bargain and Sale Deed

Appendix C – Declaration of Restrictions

State of Oregon
Department of State Lands



APPENDIX A



APPENDIX A

64743-LA Land Acquisition
T23S, R12W Section 31
49.33 acres
Coos County

Shutter Creek Parcel

Tax Lot

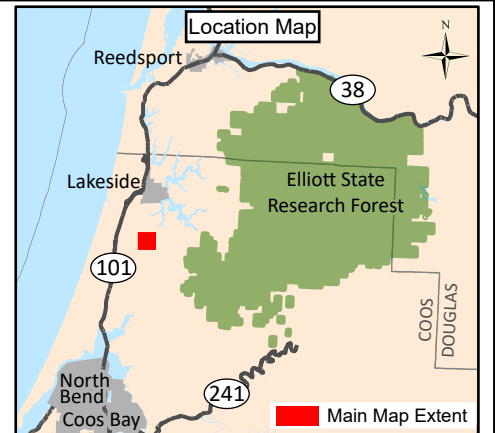
This map depicts the approximate location and extent of a Department of State Lands Proprietary authorization. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

0 150 300

Feet



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet
State of Oregon
Department of State Lands
775 Summer St NE, Suite 100
Salem, OR 97301
503-986-5200
www.oregon.gov/DSL
Date: 10/24/2023



AMERITITLE
 432490AM

Coos County, Oregon	2023-05552
\$101.00 Pgs=4	08/11/2023 09:39 AM
eRecorded by: AMERITITLE - ROSEBURG	
Julie A. Brecke, Coos County Clerk	

AFTER RECORDING, RETURN TO:
 Oregon Department of State Lands
 Real Property Program
 951 SW Simpson Ave., Suite 104
 Bend, OR 97702

SEND TAX STATEMENTS TO:
 Oregon Department of State Lands
 Real Property Program
 951 SW Simpson Ave., Suite 104
 Bend, OR 97702

STATUTORY BARGAIN AND SALE DEED (ORS 93.860)

The **STATE OF OREGON, BY AND THROUGH ITS DEPARTMENT OF CORRECTIONS**, with an address of 3601 State Street, Salem, OR 97301 (“Grantor”), conveys to the **STATE OF OREGON, BY AND THROUGH ITS DEPARTMENT OF STATE LANDS**, whose address is 951 SW Simpson Ave., Suite 104, Bend, OR 97702 (“Grantee”), the following described real property (“Property”):

Land in Coos County, Oregon, described more particularly in Exhibit A, attached hereto.

The true consideration for this conveyance is ZERO DOLLARS (\$0.00) and is comprised entirely of other property or value given or promised.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

DATED this 7th day of August, 2023.

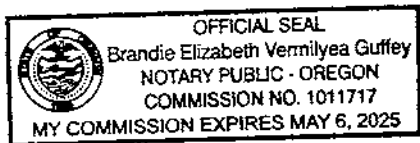
Grantor

By: [Signature]
Tom Shin

Its: Chief Financial Officer

STATE OF Oregon)
) ss.
County of Marion)

The foregoing instrument was acknowledged before me on this 7th day of Aug, 2023, by Tom Shin, as Chief Financial Officer of the Oregon Department of Corrections, of whom record was executed.



[Signature]
Printed Name: Brandie E Vermilyea Guffey
Notary Public in and for the State of Oregon
My commission expires: May 6, 2026

Conveyance accepted pursuant to ORS 93.808

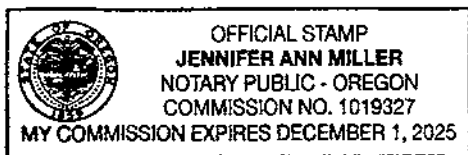
Grantee

By: [Signature]
Vicki Walker

Its: Director

STATE OF Oregon)
) ss.
County of Marion)

This instrument was acknowledged before me on August 7, 2023, by Vicki Walker, as Director of the Oregon Department of State Lands.



[Signature]
Printed Name: Jennifer Ann Miller
Notary Public in and for the State of Oregon
My commission expires: December 1, 2025

EXHIBIT A
Legal Description

A parcel of land located in Government Lots 3, 5 and 6 (Northwest quarter) of Section 31, Township 23 South, Range 12 West, Willamette Meridian, Coos County, Oregon, described as follows:

Commencing at the Northwest corner of said Section 31; thence South 67° 32' 40" East, a distance of 1537.40 feet to the point of beginning, said point being the centerline of Lundgren Market Road No. 25; thence South 87° 34' 40" East a distance of 717.73 feet; thence South 1° 32' 24" West, a distance of 1955.02 feet to the East-West centerline; thence North 88° 19' 11" West, along said line a distance of 1747.82 feet to the centerline of Lundgren Market Road No. 25; thence Northeasterly along said centerline to the point of beginning.

The basis of bearing is the North line of Section 1, Township 24 South, Range 13 West, Willamette Meridian, North 89° 23' 20" West according to the Survey Plat by Richard J. Hintz dated June 1987.



Certification of Charges Paid
[Oregon Revised Statutes (ORS) 311.411]

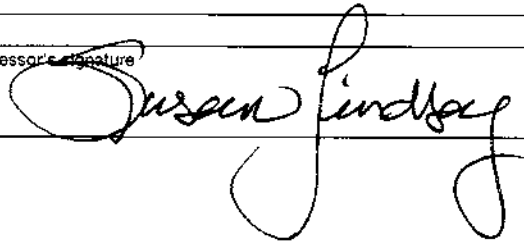
Certification # 43701

All charges have been paid for the real property that is the subject of conveyance between:

Grantor STATE OF OREGON, BY AND THROUGH ITS DEPARTMENT OF CORRECTIONS
--

Grantee STATE OF OREGON, BY AND THROUGH ITS DEPARTMENT OF STATE LANDS
--

Signed on (date) AUGUST 7, 2023	and for consideration of \$ 0.00
------------------------------------	-------------------------------------

Assessor's signature 	Date AUGUST 11, 2023
---	-------------------------

Recording Requested By:

UNITED STATES OF AMERICA
By and through the
U.S. General Services Administration

Coos County, Oregon **2023-05553**
\$141.00 Pgs=24 08/11/2023 09:39 AM
eRecorded by: AMERITITLE - ROSEBURG
Julie A. Brecke, Coos County Clerk

When Recorded Mail To:

OREGON DEPT OF STATE LANDS
775 SUMMER ST NE, STE 100
SALEM OR 97310
ATTN: BRETT BRUNSCOMB
No Fee Recording Pursuant to
Government Code Section _____

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

DECLARATION OF RESTRICTIONS
STATE OF OREGON
Coos County

THIS DECLARATION OF RESTRICTIONS is made this 9th day of August, 2023 by the STATE OF OREGON ("State"), acting by and through the Oregon Department of State Lands ("ODSL"), and the UNITED STATES OF AMERICA ("USA"), acting by and through the General Services of Administration ("GSA"), under and pursuant to the powers and authority contained in under Title 16 U.S.Code § 667b-d for the property described herein ("Property"):

A parcel of land located in Government Lots 3, 5 and 6 (Northwest quarter) of Section 31, Township 23 South, Range 12 West, Willamette Meridian, Coos County, Oregon, described as follows:

Commencing at the Northwest corner of said Section 31; thence South 67° 32' 40" East, a distance of 1537.40 feet to the point of beginning, said point being the centerline of Lundgren Market Road No. 25; thence South 87° 34' 40" East a distance of 717.73 feet; thence South 1° 32' 24" West, a distance of 1955.02 feet to the East-West centerline; thence North 88° 19' 11" West, along said line a distance of 1747.82 feet to the centerline of Lundgren Market Road No. 25; thence Northeasterly along said centerline to the point of beginning. The basis of bearing is the North line of Section 1, Township 24 South, Range 13 West, Willamette Meridian, North 89° 23' 20" West according to the Survey Plat by Richard J. Hintz dated June 1987.

AMERITITLE WAS REQUESTED TO RECORD THIS INSTRUMENT AS AN ACCOMMODATION. IT HAS NOT BEEN EXAMINED FOR SUFFICIENCY ON ITS EFFECT UPON THE TITLE.

RECITALS:

A. On January 19, 1990, GSA, as authorized under and pursuant to the powers and authority contained in Title 40, U.S. Code § 553 (b), conveyed to the State of Oregon, acting by and through the Department of Corrections (“ODOC”), 49.33 acres of real property, more or less, located in North Bend, Coos County, Oregon, as more fully described in a quitclaim deed recorded in the Official Records of Coos County, Oregon, on February 12, 1990, as Document No. 90-2-0642. The conveyance withheld certain restricted areas for environmental investigation and remediation.

B. Subsequently, a notice of no further action (“NFA”) was issued in 2013. Following the issuance of the NFA, GSA executed a quitclaim deed to release and convey all certain restricted areas that were withheld from the 1990 conveyance, as more fully described in a quitclaim deed recorded in the Official Records of Coos County, Oregon, on January 21, 2014, as Instrument No. 2014-00363.

C. The Property was conveyed and accepted by the ODOC upon the express condition that the Property was to be used exclusively for correctional purposes pursuant to certain restrictions set forth in the 1990 and 2014 quitclaim deeds referenced above (collectively, the “**Correctional Use Restrictions**”).

D. On September 13, 2021, ODOC determined it no longer needed the Property for correctional purposes, and concurrently the State of Oregon, for the benefit of the Department of State Lands (“ODSL”) expressed interest in utilizing the Property for wildlife conservation purposes.

E. On June 30, 2022, ODSL submitted an Application for Real Property for the Conservation of Wildlife including Program of Utilization and plan (“**June 2022 Application**”) to GSA for transfer of the Property for wildlife conservation purposes. On September 26, 2022, U.S. Fish and Wildlife Service and GSA accepted and approved ODSL’s June 2022 Application. The June 2022 Application is more particularly described in the attached Exhibit “A” - June 2022 Wildlife Conservation Application, attached hereto and made a part hereof.

F. Grantee has agreed to impose on the Property, for the benefit of USA and its successors and assigns, restrictive covenants to ensure that the Property will be permanently used solely for wildlife conservation purposes in perpetuity. Simultaneous with the recording of this instrument, Grantee is transferring the Property from ODOC to ODSL pursuant to ORS 270.020. This transfer is a ministerial act for the purpose of complying with State Law, and has no effect on Grantee’s obligations set forth in the restrictive covenants of this Declaration.

G. This Declaration of Restrictions is recited in a Deed of Release that applies to the Property’s previous correctional use restrictions and is being recorded consecutive to the Deed of Release and the conveyance from ODOC to ODSL.

NOW THEREFORE, for consideration of wildlife conservation purposes in perpetuity and the mutual agreements contained herein, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, State does hereby declare, covenant, and agree, for itself and its successors and assigns, that the Property shall hereafter and perpetually be held and conveyed subject to the following conditions and restrictions:

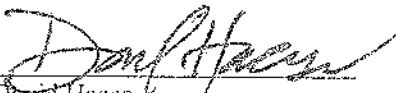
1. The Property shall be used and maintained exclusively for wildlife conservation purposes in perpetuity as set forth in the June 2022 Application, which program and plan may be amended from time to time at the written request of either State or GSA, with the written concurrence of the other party, and such amendments will be added to and become a part of the original application.
2. ODSL shall, within 6 months of the date of this Declaration of Restrictions, erect and maintain a permanent sign to the Property indicating that the Property is a wildlife conservation area, for use by the general public.
3. The Property shall not be sold, leased, assigned or otherwise disposed of except to another eligible governmental agency that the General Service Administration approves in writing. Any such disposition shall assure the continued use and maintenance of the Property for wildlife conservation purposes subject to the same terms and conditions in this Declaration of Restrictions. Any mortgage, lien, bond, or any other encumbrance not wholly subordinate to the interest of the United States of America in this Declaration of Restrictions shall constitute an impermissible disposal. Furthermore, this provision shall not preclude the State from providing related recreation, research, cultural or educational facilities, developments, and services that are compatible with the approved application through concession agreements, permits, licenses or other agreements entered into with third parties, provided prior concurrence to such agreement is obtained in writing from the General Services Administration.
4. Funds received by the State, successors or assigns, for the use of all or portions of the Property, through concession agreements, permits and licenses, shall be expended solely for wildlife conservation purposes. Until the Property has been fully developed in accordance with the June 2022 Application, all revenues received by the State, successors or assigns, for the use of all or portions of the Property must be used for the development, operation and maintenance of the Property. After the Property has been fully developed in accordance with the June 2022 Application, revenue generated by the Property may be expended on other wildlife conservation properties operated by the State.
5. ODSL covenants and agrees for itself, its successors and assigns, that: (1) any use, operation, program or activity on or related to the Property will be conducted in compliance with all Federal laws and regulations relating to nondiscrimination, including but not limited to the following laws and regulations as such may be amended from time to time: (a) the regulations of GSA at 41 CFR Subpart 101-4 et. seq; 41 CFR Subpart 101-6.2 et. seq; 41 CFR Subpart 101-8.3 et. seq; and 41 CFR Subpart 101-8.7 et. seq.; (b) Title VI of the Civil Rights Act of 1964; (c) Title III of the Age Discrimination Act of 1975, (d) Section 504 of the Rehabilitation Act of 1973, and (e) the Architectural Barriers Act of 1968; (2) this covenant shall be subject in all respects to the provisions of said laws and regulations; (3) GSA, its successors and assigns, will promptly take and continue to take such action as may be necessary to effectuate this covenant; (4) the United States shall have the right to seek judicial enforcement of this covenant; (5) GSA, its successors and assigns, will (a) obtain from each other person (any legal entity) who, through contractual or other arrangements with GSA, its successors or assigns, is authorized to provide services or benefits on or in connection with the Property, a written agreement pursuant to which such other person shall, with respect to the services or benefits which he is authorized to provide, undertake for himself the same obligations as those imposed upon GSA, its successors and assigns, by this covenant, and (b) furnish a copy of such agreement to GSA or his successor or assign; and (6) this covenant shall run with the land, and shall

in any event, without regard to technical classification or designation, legal or otherwise, be binding to the fullest extent permitted by law and equity for the benefit of, and in favor of ODSL and enforceable by ODSL against GSA, its successors and assigns.

6. Upon reasonable notice, GSA has the right of entry upon the Property for the purposes of evaluating ODSL's compliance with the terms and conditions of this Declaration of Restrictions.
7. In the event that there is a breach by ODSL, its successors and assigns, of any of the covenants, conditions or restrictions set forth herein, whether caused by the legal or other inability of ODSL, its successors and assigns, to perform said covenants, conditions or restrictions, GSA will give written notice, with a reasonable time stated therein, for the elimination, rectification or cure of said breach. Upon failure to eliminate, rectify or cure said breach within the time set forth in the notice or as otherwise agreed to by GSA, all right, title, and interest in and to the Property shall, at GSA's option, revert to and become the property of GSA. In addition to all other remedies for such breach, ODSL, its successors and assigns, at GSA's option, shall forfeit all right, title, and interest in any and all of the tenements, hereditaments, and appurtenances thereunto belonging.
8. The failure of the GSA to require in any one or more instances complete performance of any of the conditions or covenants shall not be construed as a waiver or relinquishment of such future performance, but obligation of ODSL, its successors and assigns, with respect to such future performance shall continue in full force and effect.
9. In the event GSA exercises its option to revert all right, title, and interest in the Property to GSA, or ODSL voluntarily returns title to the Property in lieu of a reverter, then ODSL shall provide protection to and maintenance of the Property at all times until such time as the title is actually reverted or returned to and accepted by GSA, including the period of any notice of intent to revert. Such protection and maintenance shall, at a minimum, conform to the standards prescribed by GSA in its regulations 41 CFR §§ 102-75.965 - 102-75.980 as such may be amended.

To indicate their agreement to the provisions contained in this Declaration of Restrictions, State and USA have caused this instrument to be executed by their duly authorized representatives effective of the date above.

UNITED STATES OF AMERICA
Acting by and through the
Administrator of General Services

By: 
David Haase
Contracting Officer and Director
Office of Real Property Disposition (9PZ)
U.S. General Services Administration

CERTIFICATE OF ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Francisco)

On August 9, 2023 before me, Martina Tsibu-Gyan Notary Public,
Date Name and Title of the Officer

personally appeared David Haase,
Name(s) of Signer (s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

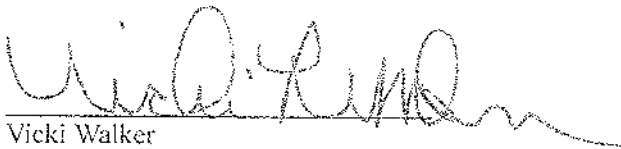
Martina Tsibu-Gyan
Signature of Notary Public



(Notary Public Seal)

STATE:

STATE OF OREGON
Acting by and through
Oregon Department of State Lands

BY: 
Vicki Walker

TITLE: Director

DATE: 8/7/2022

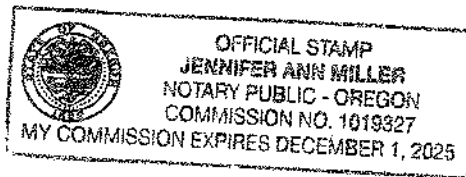
OREGON NOTARY ACKNOWLEDGMENT

State of Oregon

County of Marion

This record was acknowledged before me on August 7, 2023 by Vicki Walker, as Director of the Oregon Department of State Lands.

Jennifer Ann Miller SEAL:
Signature of Notarial Officer



Document Description

This certificate is attached to page 8 of a Declaration of Restraint (title or type of document), dated August 7, consisting of 8 pages.

Exhibit "A"
June 2022 Wildlife Conservation Application
16 pages

Application for Real Property for the Conservation of Wildlife

APPLICATION FOR REAL PROPERTY FOR THE CONSERVATION OF WILDLIFE

(Place) Shutter Creek Correctional Institution, 9-D-OR-0653A

(Date)

TO: General Services Administration
 C/O Attention David Haase
 Real Property Utilization & Disposal Division (9PZ)
 50 United Nations Plaza, Room 4345
 Mail Box 9
 San Francisco, CA 94102

The State of Oregon acting by and through Christian Gaston, Budget Director, Office of Governor Kate Brown, 900 Court Street NE, Salem, OR 97301, pursuant to the provisions of the Act of Congress approved May 19, 1948 (Public Law 537, 80th Congress), as amended and to the Rules and Regulations of the General Services Administration, hereby expresses its intention to acquire from the United States of America the following described property described in detail in "Program of Utilization" attached hereto and made a part hereof as "Exhibit A," located at the installation identified as follows: Shutter Creek Correctional Institution, 9-D-OR-0653AC

The Government reserves the right, as its interest may require, to reject any and all request, or part of any request for property contained in this application; to waive defects, informalities, and irregularities; and to permit alteration of this application by the State by increasing or decreasing the property to be acquired herewith.

Enclosed herewith is a certification as to the authority of the undersigned to execute this application and to do all other acts necessary to consummate the transaction.

The undersigned agrees that this application is made upon the further terms and conditions:

1. Upon approval of this application, notice in writing of the extent of the property which may be transferred and of any boundary surveys which may be required to be performed at the expense of the transferee will be transmitted by the General Services Administration Regional Office to the undersigned.
2. Within five days from the receipt of such notice, the undersigned will elect to accept transfer of the property subject to contingencies (a) and (b) below, or to withdraw its application and will communicate such election in writing to the General Services Administration at the above address. Absent an extension of time mutually agreed upon, the undersigned will remove contingencies and make a final determination to accept transfer or withdraw its application not later than August 1, 2023.

Acceptance of transfer by undersigned is contingent upon the following:

- (a) Satisfactory inspection and completion of due diligence to determine existence and cost for removal of contamination and/or hazardous materials on site or in or upon existing structures; and/or
- (b) Obtaining adequate assurance of sufficient funds to conduct site remediation, and/or repurposing or renovation of existing structures and supporting infrastructure, and/or construction of new facilities and supporting infrastructure determined by undersigned as necessary to support intended programs related to forest operations and research on the Elliott State Research Forest.

3. It is understood that property transferred as a result of this request will be subject to:

- (a) Reservation by the United States of all oil, gas, and mineral rights;
- (b) The condition that the property shall continue to be used for wildlife conservation; and
- (c) The condition that in the event the property transferred is no longer used for such purposes, or in the event the property is needed for national defense purposes, title thereto shall revert to the United States.

4. In support of its eligibility for transfer of the requested property, the undersigned submits a proposal entitled "Program of Utilization," in an original and five copies, which are attached hereto as Exhibit A, which proposal is drawn in accordance with, and contains the information required by "Instructions for Preparation of Applications for Real Property for the Conservation of Wildlife."

STATE OF Oregon
 BY [Signature]

WITNESSES:
[Signature]
[Signature]

PROGRAM OF UTILIZATION

Real Property for the Conservation of Wildlife

Exhibit "A" of Application dated June ____, 2022.

Outline. The following information must be submitted under the above title and date line as part of each application in connection with each property requested:

a. Name of Applicant Agency and Representative.

(1) Legal name of prospective transferee;

Oregon Department of State Lands

(2) Name, title, and address of person having authority to consummate transaction as shown by attached certificate.

Vicki Walker
 Director, Oregon Department of State Lands
 775 Summer Street
 Salem OR, 97301

b. Property Name and Location.

(1) Name and GSA Control Number of property;

Shutter Creek Correctional Institution, 9-D-OR-0653AC

(2) Location of property the subject of this request:

(a) County; Coos
 (b) Nearest town; Lakeside, OR
 (c) Distance and direction from nearest town.
 Approximately 8.8 miles south of Lakeside, OR.

c. Description of Property.

(1) Land:

(a) Size (acreage/hectares);

Approximately 49.33 acres of land

(b) Boundaries - by legal description;

A parcel of land located in Government Lots 3, 5 and 6 (Northwest quarter) of Section 31, Township 23 South, Range 12 West, Willamette Meridian, Coos County, Oregon, described as follows:
 Commencing at the Northwest corner of said Section 31; thence South 67° 32' 40" East, a distance of 1537.40 feet to the point of beginning, said point being the centerline of Lundgren Market Road No. 25; thence South 87° 34' 40" East a distance of 717.73 feet; thence South 1° 32' 24" West, a distance of 1955.02 feet

to the East-West centerline; thence North 88° 19' 11" West, along said line a distance of 1747.82 feet to the

centerline of Lundgren Market Road No. 25; thence Northeasterly along said centerline to the point of beginning.

The basis of bearing is the North line of Section 1, Township 24 South, Range 13 West, Willamette Meridian, North 89° 23' 20" West according to the Survey Plat by Richard J. Hintz dated June 1987.

- (c) Types of land, expressed as percentage of the total requested: (a) agriculture, (b) wild hay, (c) grazing, (d) timber lands, (e) marsh, (f) brush, (g) submerged land, (h) lakes, (i) river, (j) other types;

100% of the property is type (j) "other types". The site consists of a landscaped "campus" of 26 buildings including dormitories, administrative space, maintenance and shop facilities, kitchen hall, cell tower, and a variety of other buildings for program and infrastructure support. The property has a secure gate for entry and is completely fenced for security.

- (d) Land suitability: Discuss (a) farming, (b) grazing, (c) trapping, (d) hunting, (e) logging, (f) fisheries, (g) others;

Property is fully developed with administrative and dormitory buildings and supporting infrastructure (26 buildings, including a cell tower and security fencing. Not capable of active management for any of (a) through (f). However, it is well suited to provide facilities supporting conservation research activities associated with the nearby Elliott State Research Forest. These activities would support recovery of protected species under the federal Endangered Species Act located on the Elliott forest and associated with much of the research to be conducted.

The site is also well suited to support a potential partnership and co-location with the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians (hereafter "CTCLUSI") in support of traditional and contemporary management practices on the Elliott and other tribal forest lands supporting conservation of protected species.

Examples of facilities to be constructed or repurposed on the site include those supporting: forest administration and operations; both wetland dry (computer modeling) research laboratories; sample preparation space; meeting and work space for researchers and program collaborations between the State, CTCLUSI, local conservation organizations; and education programs and partnerships between Oregon State University College of Forestry, local community

colleges, and K-12 school district programs; and, dormitory facilities for short duration stays by visiting researchers.

- (e) Timber: Describe species and whether virgin, culled, or cut-over, approximate average stand.

None.

- (2) Buildings: Describe individually by building number and designation as "Barracks," "PX," etc., and give dimensions and square feet (square meters) of floor space.

Building Number	Building Name	Sq. Ft.
1	Frank Hall	861
2	Computer Lab	1,200
3	Woodshop	1,950
4	Physical Plant	1,650
5	Control Center	1,650
6	Dining Hall	3,311
7	Administration	2,793
8	Golden Operations	1,075
9	Forestry	662
10	Medical	2,048
11	Program Services	2,080
12	Upper Pump House	468
13	Freedom Hall	3,648
14	Greenhouse	299
15	Warehouse	2,144
16	R & D	3,018
17	Radio/Key	1,809
18	Vehicle Maintenance	1,368
19	Dormitory	6,036
20	Dormitory	18,000
21	Auto Hobby	892
22	Paint Locker	100
23	Tool Locker	100
24	Courtney Hall	3,955
25	Fire/Truck House	480
26	Sewer/Summit Tools	600

Instrument Number	Recorded Date	Grantee
73797	10/31/1952	West Coast Telephone Company
2018-03368	4/10/2018	Central Lincoln People's Utility District

(3) Utilities:

- (a) Designation; and
- (b) Description.

Sewer is provided by the City of Lakeside. Electricity is provided by Central Lincoln Utility Company. Water is provided through the City of Coos Bay Waterboard.

d. Program Brief. Here give in detail a complete plan for the administration and utilization of the property covering thoroughly the following:

- (1) Portion of area to be set aside as refuge;

None of the property would be set aside as a wildlife refuge, but the entirety of the property will be used to support species monitoring, recovery and research activities associated with the Elliott State Research Forest and the associated Habitat Conservation Plan covering three protected species. (See detailed description in part (2) below.)

In addition, the property would support a contemplated partnership with the CTCLUSI by affording facilities to support management of tribal forest lands, and joint research undertakings on the Elliott between Oregon State University and the CTCLUSI focused on traditional and contemporary forest management practices.

The 49 acres is fully developed at present with 26 buildings and supporting infrastructure. If obtained, the State will decrease the density of structures and intensity of use from the prior correctional facility and military installation that preceded that use. Many structures will be removed and the area restored to green space that will complement the function and mission of the Elliott State Research Forest Authority while also honoring historic connection of the land to the CRCLUSI tribal. All uses of the site will support management of Elliott and nearby tribal forest lands for multiple values including protection and conservation of at-risk species habitat. Buildings required to support the uses described above will either be constructed new or repurposed from those constructed or renovated by the state in 2009. The remainder of the structures (all of which were constructed by the federal government in the 1950s) have reached end of serviceable life span and will be removed and/or replaced.

- (2) Wildlife species to be primarily benefited;

As the administrative headquarters and research facility for management of the ESRF, the property will be managed in support of habitat conservation and preservation of habitat associated with Northern Spotted Owl, Marbled Murrelet, and three distinct populations of Northern Coastal Coho Salmon. The ESRF which this property will be managed to support, contains stellar habitat for all three protected species with 23 known NSO nest sites, over 37,000 acres of marbled murrelet habitat known or modeled to be occupied, and more than 3,700 miles of fish bearing streams capable of supporting listed salmon stocks. These species and their habitat also exist on tribal lands of the CTCLUSI, and may be supported by facilities on the property that is the subject of this application.

This property will be the research and operational headquarters for the 82,500 acre forest that is accessible from an existing access road leading from the property to the forest. As such the property's management will be inseparable from that of the forest and will directly benefit the species (and ongoing recovery goals) both through the research and monitoring programs conducted on site by Oregon State University and visiting researchers from around the globe, but also in the implementation of terms and conditions of the Habitat Conservation Plan and associated 80 year permit to be issued by U.S. Fish and Wildlife and NOAA Fisheries under the federal Endangered Species Act. In addition to research activities, the property will house all programs associated with forest operations, and will be the hub of all conservation and protective actions (and collaborations) undertaken on behalf of at-risk species. Presence of NSO or Marbled Murrelet on this 49 acre property is currently unknown, but will be determined and protected if identified. There are no active streams on the property capable of supporting listed salmon stocks.

The Administrative Draft HCP can be found at this link:
[Elliott Administrative Draft HCP](#)

- (3) What protection will be afforded wildlife;

The property will be afforded the same protections for wildlife as the Elliott State Research Forest. Given it's intended use in support of research and administrative infrastructure, there will be no hunting, or trapping allowed on the property consistent with public safety. The property will be open to the public. All applicable state and federal wildlife protections requirements will be followed in management of the property.

- (4) What uses will be made of the lands other than for game propagation; and

See above. In addition, the Elliott Forest will be managed for multiple values including recreational activities such as hunting, fishing, mountain biking, hiking, etc. as well as tribal partnerships, and timber production associated with research activities. The property will provide supporting infrastructure to foster collaborative partnerships and activities associated with all these purposes.

(5) Specific use for each structure and for utilities.

Use of specific structures will be evaluated as a site plan is developed to determine the most cost effective approach to provide the facilities necessary to support the mission and work of the research forest and its programs. A 2017 inventory of the buildings estimated approximately \$14 million in deferred maintenance and deficiencies in existing structures. That cost is now estimated to approximate \$20 million not including meeting ADA standards, and requirements for mitigating asbestos and lead paint that would be part of any renovation or upgrading of those buildings. These factors leave open the possibility of removal of structures and replacement with new construction as the most cost effective option.

e. Proof of Need.

The 82,500 acre Elliott State Research Forest is not easily accessible from neighboring communities without lengthy driving distances around the outer boundary. While not adjacent, the Shutter Creek property is located on an access road network providing more direct options for accessing different portions of the forest than any other available options. Furthermore, there are (at present) no structures or facilities located on the Elliott State Research Forest making this the most suitable option.

f. Suitability of Property.

Given its location and accessibility, the Shutter Creek property is an ideal and secure location for the administrative and research facilities associated with implementing contemplated programs on the Elliott State Research Forest and nearby tribal forest lands managed by the CTCLUSI. If existing facilities that are past end-of-useful-life can be remediated along with supporting infrastructure

g. Plans to Finance and Maintain the Property.

Management of the Shutter Creek property will be paid for by receipts from timber harvest on the ESRF, and from lease payments by entities utilizing facilities on site. The financial plan for the ESRF anticipates and incorporates operation and maintenance costs associated with facilities necessary to support the operations and research on the forest which will be refined and documented prior to removing stated contingencies and accepting transfer from GSA.

h. Tax or Public Revenue Support.

Upon transfer, the property will be held by the Oregon Department of State Lands who will be responsible for operation and maintenance of the site and facilities supported by a lease arrangement with the Elliott State Research Forest Authority which is also a public agency of the State of Oregon. The budgets of both agencies are administered with oversight of Oregon's Governor after approval by the Oregon Legislature. It is not anticipated that appropriation of general fund dollars will be necessary to support either the Elliott State Research Authority or the operation and maintenance of the property.

i. Current and Planned Land Utilization for Wildlife Conservation. *

This application is accompanied by a list of the public lands in Oregon currently owned and managed for wildlife conservation by the Oregon Department of Fish and Wildlife. The attached contains two lists - one identifying "Conservation Opportunity Areas" and the other identifying "Wildlife Areas" with corresponding locations and acreages. Both classifications are relevant to the criteria identified in GSA application instructions.

Conclude with a statement under oath as required in the instructions.

I, Vicki L. Walker in my capacity of
 ___ [position] Director, DSL acting on behalf of the State of Oregon, state under oath that the Department of State Lands is an instrumentality of the State of Oregon; and that the property to be acquired will be used chiefly to assist and support in the management of the Elliott State Research Forest, which is to be managed to provide multiple public values including providing essential habitat for species listed under the federal Endangered Species Act.

Vicki L. Walker
 [Name]
 [Title]

June 29, 2022
 [Date]

Conservation Opportunity Areas In Oregon

Alkali Lake	East	COA	8960
Alsea Estuary-Alsea River	West	COA	33553
Alvord Lake Basin	East	COA	157514
Anderson Butte	West	COA	55727
Antelope Creek-Paynes Cliffs	West	COA	149857
Bakeoven Creek-Buckhollow Creek	East	COA	104294
Baker Valley Wetlands	East	COA	47984
Banks Swamp	West	COA	3840
Baskett Butte	West	COA	21114
Basque Hills Area Plains	East	COA	232583
Bear Valley	East	COA	136256
Beaver Creek	West	COA	20717
Big Butte Area	West	COA	48659
Big Marsh Creek	East	COA	38389
Boardman Area	East	COA	135892
Breitenbush River	West	COA	49901
Brothers-North Wagontire	East	COA	722955
Bull of the Woods, North	West	COA	28791
Bull Run-Sandy Rivers	West	COA	152315
Bully Creek Area	East	COA	263560
Burnt River	East	COA	20471
Calapooia River	West	COA	36847
Cape Ferreio	West	COA	7658
Central Cascades Crest, Southeast	East	COA	55016
Central Cascades Crest, West	West	COA	226457
Chetco River-Winhchuck River Estuaries	West	COA	27503
Chewaucan River	East	COA	60185
Clackamas River and Tributaries	West	COA	36328
Clatskanie River	West	COA	28814
Clatsop Plains	West	COA	15280
Clatsop State Forest-Jewel Meadows Area	West	COA	30735
Coburg Ridge	West	COA	44779
Cold Springs National Wildlife Refuge Area	East	COA	18504
Columbia River-Blind Slough Swamp	West	COA	103164
Coos Bay	West	COA	72871
Coos Mountain-Middle Creek	West	COA	72949
Corvallis Area Forests and Balds	West	COA	65252
Crater Lake	East	COA	179208
Crawfordsville Oak-Washburn Butte	West	COA	18551
Crowley	East	COA	445941
Deer Island	West	COA	8397
Depoe Bay Area	West	COA	5709

Deschutes River	East	COA	15995
Devil's Lake	West	COA	4330
Dry Valley	East	COA	76782
Dundee Oaks	West	COA	3839
East Fork Illinois River	West	COA	33304
East Madras-Trout Creek Sagebrush and Grassland Area	East	COA	134983
Elliot State Forest	West	COA	36468
Eola Hills	West	COA	17275
Fields Peak	East	COA	81242
Fifteenmile Creek	East	COA	21800
Finley-Muddy Creek Area	West	COA	30706
Forest Park	West	COA	55559
Foster Flat-Black Rim Sagebrush Area	East	COA	154247
Gales Creek	West	COA	29443
Gearhart Mountain-North Fork Sprague	East	COA	106286
Grande Ronde Valley	East	COA	89591
Grave Creek	West	COA	33290
Habeck Oaks	West	COA	10876
Harney-Malheur Area	East	COA	224611
Hart Mountain Area	East	COA	196634
Hayden Island-Government Island	West	COA	3324
Heceta Head	West	COA	44935
Hood River	East	COA	12093
Illinois River-Silver Creek	West	COA	140234
Imnaha	East	COA	551567
Jordan Creek Wetlands	East	COA	19912
Kalmiopsis Area	West	COA	101206
King Mountain Area	West	COA	113310
Kings Valley-Woods Creek Oak Woodlands	West	COA	23030
Kingston Prairie-Scio Oak Pine Savanna	West	COA	15354
Klamath Marsh-Williamson River	East	COA	251550
Klamath River Canyon	East	COA	75018
Lake Abert	East	COA	74261
Lawrence Grasslands	East	COA	55663
Little Deschutes River	East	COA	19833
Little Louse Canyon	East	COA	189578
Little North Santiam River Area	West	COA	54380
Logan Valley-John Day River Headwaters	East	COA	106831
Long Creek-Coyote Creek-Silver Creek	East	COA	115205
Lost River Area	East	COA	129390
Lower Coquille River	West	COA	75237
Lower Deschutes River	East	COA	202123
Lower Grande Ronde	East	COA	112809
Lower John Day River	East	COA	490118
Lower Rogue River and Estuary	West	COA	28512
Lower Sandy River	West	COA	17183
Lower Willamette River Floodplain	West	COA	10833
Luckiamute River and Tributaries	West	COA	53833

Malheur River Headwaters	East	COA	227106
Mary's Peak	West	COA	33905
McKenzie River Area	West	COA	127920
McTimmons Valley - Airlie Savanna	West	COA	7677
Metolius Bench-Mutton Mountains Wildlife Movement Corridor	East	COA	129232
Metolius River Area	East	COA	152892
Middle Fork John Day River	East	COA	426717
Middle Fork Willamette River	West	COA	71823
Middle Owyhee River Area	East	COA	515450
Middle Willamette River Floodplain	West	COA	65251
Middlefork Willamette River Headwaters	West	COA	45426
Mill Creek	West	COA	10237
Missouri Ridge	West	COA	7678
Mohawk River	West	COA	11515
Molalla River	West	COA	23035
Mt Hood Area	East	COA	179170
Mt Jefferson Wilderness, North	East	COA	39664
Necanicum Estuary	West	COA	1069
Necanicum River	West	COA	22409
Nehalem and Salmonberry River Headwaters	West	COA	33926
Nehalem River Estuary	West	COA	13291
Nestucca Bay	West	COA	18723
Nestucca River Watershed	West	COA	121581
Netarts Bay	West	COA	17481
New River Area	West	COA	52455
Newberry Crater	East	COA	69733
North Fork John Day River 1	East	COA	115808
North Fork John Day River 2	East	COA	97245
North Fork Malheur-Monument Rock Area	East	COA	207264
North Fork Nehalem River	West	COA	12803
North Fork Siuslaw River	West	COA	63331
North Fork Smith River	West	COA	44141
North Medford Area	West	COA	46103
North Umpqua River Area	West	COA	115817
Ochoco Mountains	East	COA	211741
Odell Lake-Davis Lake	East	COA	24312
One Horse Slough-Beaver Creek	West	COA	43501
Oregon Caves-Applegate Area	West	COA	145917
Pelican Butte-Sky Lakes Area	East	COA	101815
Pistol River Estuary	West	COA	3950
Powder River Sage-Grouse Core Area	East	COA	351231
Pudding River	West	COA	16142
Pueblo Mountain	East	COA	64292
Quartz Mountain	East	COA	122197
Quartzville Creek Area	West	COA	37743
Rattlesnake Creek-Calamity Creek Area	East	COA	109394
Red Prairie-Mill Creek-Willamina Oaks South	West	COA	20474
Rickreall Creek and Little Luckiamute River Headwaters	West	COA	12156

Rock Creek	West	COA	19835
Rock Creek-Butter Creek Grasslands	East	COA	517714
Rogue River	West	COA	145326
Saddle Mountain	West	COA	39058
Sage Hen Creek	East	COA	117866
Salem Hills-Ankeny NWR	West	COA	41867
Salmon River Estuary-Cascade Head	West	COA	31340
Sand Lake Area	West	COA	11981
Santiam Confluences	West	COA	54196
Sauvie Island-Scappoose	West	COA	49629
Scoggins Valley-Mount Richmond	West	COA	27518
Shady Cove Foothills	West	COA	151737
Siletz Bay	West	COA	7308
Siletz River	West	COA	25591
Silver Creek Area	East	COA	104276
Siskiyou Crest Area	West	COA	65082
Siuslaw River	West	COA	90200
Siuslaw River Estuary	West	COA	25841
Sixes River-Elk River	West	COA	117356
Smith-Bybee Lakes and Columbia Slough	West	COA	4875
Soda Mountain Area	East	COA	81897
Soldier Creek-Upper Owyhee River	East	COA	283167
South Fork Coguille	West	COA	142098
South Fork Crooked River Area	East	COA	427327
South Fork Umpqua River and Tributaries	West	COA	117760
South John Day River	East	COA	372310
Sprague River	East	COA	78118
Steens Mountain	East	COA	251570
Summer Lake Area	East	COA	165131
Sutton Lake Area	West	COA	12249
Sycan Marsh	East	COA	51208
Sycan River	East	COA	37129
Tahkenitch-Siltcoos Lakes	West	COA	73145
Ten Cent Lake-Juniper Lake Area	East	COA	68483
Tenmile Area	West	COA	20479
Tenmile Lake	West	COA	59816
Thomas Creek-Goose Lake	East	COA	167935
Three Forks	East	COA	302548
Tillamook Bay and Tributaries	West	COA	131837
Tillamook Head	West	COA	5006
Trask Mountain	West	COA	23678
Trout Creek Mountains	East	COA	362238
Tualatin River	West	COA	68197
Umpqua Headwaters	West	COA	561229
Umpqua River	West	COA	80616
Umpqua River Estuary	West	COA	47568
Upper Deschutes River	East	COA	68452
Upper Grande Ronde River Area	East	COA	126051

Upper Klamath Lake Area	East	COA	176079
Upper Silvies River	East	COA	198326
Upper Siuslaw	West	COA	80608
Upper South Fork Malheur Area	East	COA	122871
Upper Willamette River Floodplain	West	COA	77874
Walla Walla Headwaters	East	COA	103071
Wallowa Mountains	East	COA	234178
Warm Springs River	East	COA	33270
Warner Basin Wetlands	East	COA	238819
Warner Mountains	East	COA	174772
Warner West	East	COA	220935
Wasco Oaks	East	COA	234819
Wassen Creek	West	COA	35826
West Eugene Area	West	COA	170163
Whychus Creek	East	COA	33264
Willow Creek-Birch Creek Area	East	COA	165678
Yachats River Area	West	COA	72393
Yamhill Oaks-Willamina Oaks North	West	COA	54388
Yaquina Bay	West	COA	21806
Zumwalt Prairie Plateau	East	COA	218893

Wildlife Areas In Oregon

Bridge Creek	East	WL Area	14564
Bridge Creek - Camas Creek	East	WL Area	142
Bridge Creek - Texas Bar	East	WL Area	229
Chickahominy	East	WL Area	1836
Coquille Valley - Beaver Slough	West	WL Area	274
Coquille Valley - Coyote Springs	East	WL Area	171
Coquille Valley - Luckman	West	WL Area	96
Coquille Valley - Winter Lake (closed to public access)	West	WL Area	286
Courtney Creek	West	WL Area	72
Crates Point	East	WL Area	120
E.E. Wilson	West	WL Area	1664
E.E. Wilson - Adair	West	WL Area	48
E.E. Wilson - Baker	West	WL Area	55
Elkhorn - Auburn	East	WL Area	3181
Elkhorn - Muddy Creek	East	WL Area	397
Elkhorn - North Powder	East	WL Area	4440
Elkhorn - Roth	East	WL Area	287
Enterprise	East	WL Area	56
Fern Ridge - Amazon Dike 2	West	WL Area	758
Fern Ridge - Applegate	West	WL Area	841
Fern Ridge - East Coyote	West	WL Area	435
Fern Ridge - Fisher Butte	West	WL Area	1150

Fern Ridge - Kirk Park	West	WL Area	156
Fern Ridge - NE Coyote	West	WL Area	191
Fern Ridge - Royal Amazon	West	WL Area	1123
Fern Ridge - South Coyote Unit	West	WL Area	307
Fern Ridge - South Marsh	West	WL Area	343
Fern Ridge - West Coyote	West	WL Area	450
Ferns Ridge - Jeans Peninsula	West	WL Area	75
Fish Lake	East	WL Area	637
Gail Achterman	West	WL Area	272
God's Valley	West	WL Area	319
Gold Ray	West	WL Area	206
Headquarters	West	WL Area	20
Hirsch Property	East	WL Area	22
Irrigon	East	WL Area	828
Jewell Meadows - Beneke Creek and Fish Hawk Creek	West	WL Area	2799
Jewell Meadows - Humbug	West	WL Area	156
Junction City Pond and Archery Park	West	WL Area	39
Ken Denman - Bear Creek	West	WL Area	55
Ken Denman - Hall	West	WL Area	615
Ken Denman - Military Slough	West	WL Area	1421
Klamath - Gorr Island	East	WL Area	162
Klamath - Miller Island	East	WL Area	2626
Klamath - Sesti Tgawaals Point	East	WL Area	181
Klamath - Shoalwater Bay	East	WL Area	606
Ladd Marsh	East	WL Area	5557
Little Sheep	East	WL Area	526
Lostine	East	WL Area	1012
Lower Deschutes	East	WL Area	8014
Lower Deschutes - River	East	WL Area	388
Lower Deschutes - Woosley	East	WL Area	10293
Minam	East	WL Area	5138
Phillip W. Schneider	East	WL Area	51213
Power City	East	WL Area	103
Prineville Reservoir	East	WL Area	8418
Riverside	East	WL Area	2193
Riverside - Malheur River	East	WL Area	1789
Riverside - Wyoming-Colorado RR Inholdings	East	WL Area	93
Rogers	East	WL Area	98
Rufus Ponds	East	WL Area	37
Sauvie Island	West	WL Area	11033
Snake River Islands - Huffman Island	East	WL Area	33
Snake River Islands - Patch Island	East	WL Area	104
Snake River Islands - Porters Island	East	WL Area	62
St Louis Ponds	West	WL Area	236
Summer Lake	East	WL Area	20092
Tami Wagner - Carson Tract	West	WL Area	113
Tami Wagner - Meeks Tract	West	WL Area	39
Wallowa	East	WL Area	27

Warm Springs	East	WL Area	134
Wenaha	East	WL Area	11235
White River	East	WL Area	29797
Willow Creek	East	WL Area	781



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State Land Board

Tina Kotek

Governor

LaVonne Griffin-Valade

Secretary of State

State Land Board

Regular Meeting

June 11, 2024

Agenda Item 4b

Tobias Read

State Treasurer

SUBJECT

Decoupling the 1000 Road in the Elliott State Forest from the constitutional Common School Fund.

ISSUE

Whether the State Land Board should take final action to sever the 1000 Road in the Elliott State Forest from fiduciary management responsibilities associated with the constitutional Common School Fund established by the Admission Act of 1859.

AUTHORITY

- Oregon Constitution, Article VIII, Section 5; pertaining to the land management responsibilities of the State Land Board.
- ORS 273.031; relating to the duties and authority of the State Land Board.
- ORS 273.171; relating to the duties and authority of the Director.
- ORS 530.450 – 530.520; relating to the Elliott State Forest.

Under Oregon's Admission Act, the State is obligated to manage the lands dedicated to the Common School Fund for "use of schools." 11 Stat. 383 (1859). The State Land Board is obligated to manage lands under its jurisdiction with the objective of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management. Oregon Constitution Article VIII, Section 5(2).

The Elliott State Forest was established in 1930 as Oregon's first state forest and is comprised of lands dedicated to the constitutional Common School Fund under the jurisdiction of the State Land Board. Portions of a road commonly known as the 1000 Road were acquired by the Oregon Department of Forestry on behalf of the Department of State Lands for management of the Elliott State Forest.

BACKGROUND

Past State Land Board Action: Decoupling the Elliott State Forest

At the State Land Board's direction, the Department of State Lands has been working since 2019 with many partners and stakeholders to establish the publicly owned Elliott State Research Forest.

Decoupling – compensating the constitutional Common School Fund for the forest and releasing the Elliott from its obligation to generate revenue for schools – has consistently been a key element of the State Land Board's vision for the Elliott State Research Forest. The decoupling process included:

- ***Appraisals.*** In 2016, the Department of State Lands entered into a contract for a comprehensive analysis of the value of the Elliott State Forest. Mason, Bruce & Girard compiled the appraisals of three independent appraisers to determine that the value of the Elliott State Forest was \$220.8 million. This appraisal was conducted in anticipation of an open process to sell the forest and compensate the constitutional Common School Fund for the value of the asset.

In 2022, the Department of State Lands contracted with Mason, Bruce & Girard to update the 2016 appraisal to account for multiple changed circumstances having potential to impact the \$220.8 million valuation. These new factors included increased timber volume on the forest, potential harvest constraints related to the Endangered Species Act and a Habitat Conservation Plan (HCP), the 2019 Oregon Supreme Court decision precluding sale to private entities, and a changed economic climate driving up log prices and the discount rates applied to valuing future timber harvests on the forest.

The 2022 appraisal, attached as Appendix A, found the value of the Elliott State Forest to be \$99.6 million when the proposed management parameters under the draft HCP for the research forest were taken into account. The appraisal found a value of \$180 million when an alternative HCP approach was considered, which included increased harvest levels.

- ***Compensation to the Constitutional Common School Fund.*** The state paid a total of \$221 million into the constitutional Common School Fund to satisfy financial obligations related to the Elliott State Forest. In 2017, the Oregon Legislature approved funding of \$100 million through certificates of participation

to finance the release of all or a portion of the Elliott State Forest from restrictions resulting from ownership of the forest by the constitutional Common School Fund. This money was deposited into the constitutional Common School Fund in March 2019.

In 2022, the Oregon Legislature approved general funds of \$121 million to be deposited in the constitutional Common School Fund to ensure that financial obligations to the constitutional Common School Fund related to the Elliott State Forest were satisfied. This money was deposited into the constitutional Common School Fund in April 2022.

- ***State Land Board Vote to Decouple.*** In December 2022, with compensation secured and deposited into the Fund, the State Land Board voted to decouple the Elliott State Forest from the constitutional Common School Fund (see State Land Board [December 2022 meeting agenda item 3](#)).

Current State Land Board Action: Correcting an Oversight in Previous Decoupling

In December 2023, the State Land Board affirmed its vision and direction for establishing the Elliott State Research Forest. The State Land Board's direction was based on its continued foundational commitments for the research forest, including that it would be a public research forest decoupled from the constitutional Common School Fund.

The December 2022 decoupling action inadvertently did not include decoupling of the 1000 Road, a strip of land approximately 40 feet wide and 3,000 feet long located at the eastern edge of the forest. Appraisals assumed the existence of the 1000 Road parcel within the Elliott State Forest boundary, but the parcel was inadvertently omitted from the description of the land to be decoupled in agenda item 3 from the December 2022 State Land Board meeting.

RECOMMENDATION

The Department of State Lands recommends the State Land Board approve decoupling the 1000 Road parcel, as described in Appendix B to this agenda item, from the constitutional Common School Fund.

APPENDICES

Appendix A – 2022 Appraisal completed by Mason, Bruce & Girard.
Appendix B – Legal description of the 1000 Road.

APPENDIX A

The 2022 appraisal by Mason Bruce & Girard is [available for download here \(PDF\)](#).

1000 ROAD, ELLIOTT STATE RESEARCH FOREST, LEGAL DESCRIPTION

Township 23 South, Range 10 West of the Willamette Meridian, Douglas County, Oregon

Section 13:

A strip of land forty (40) feet in width located in the Northeast quarter of the Northwest quarter (NE1/4NW1/4), the West half of the Northwest quarter (W1/2NW1/4), and the Northwest quarter of the Southwest quarter (NW1/4SW1/4) of Section 13, Township 23 South, Range 10 West, Willamette Meridian, said strip of land being along the following described center line, and which center line is more particularly described as follows:

Beginning at a point in the center of Lake Creek, said point being 823.7 feet South and 1138.2 feet West of the $\frac{1}{4}$ corner common to Sections 12 and 13, Township 23 South, Range 10 West, Willamette Meridian;
 thence along the center line of said strip of land North 60° 21' West 112.9 feet;
 thence along an 80° curve to the left, the long chord of which bears North 89° 27' West 69.6 feet;
 thence South 61° 27' West 103.2 feet;
 thence South 18° 18' West 214.8 feet;
 thence South 33° 12' West 207.4 feet;
 thence South 14° 25' East 204.1 feet;
 thence South 15° 36' West 223.5 feet;
 thence South 79° 33' West 203.8 feet;
 thence North 89° 05' West 296.0 feet;
 thence South 84° 09' West 228.7 feet;
 thence South 70° 03' West 173.5 feet;
 thence North 69° 52' West 127.4 feet, more or less, to a point on the section line between Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian, said point being 829.8 feet North 0° 41' 43" West of the $\frac{1}{4}$ corner common to Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian.

Also beginning at a point 869.4 feet North and 500.1 feet East of the $\frac{1}{4}$ corner common to Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian;
 thence along the center line of said strip of land South 89° 21' West 193.1 feet;
 thence North 52° 49' West, 93.1 feet;
 thence North 13° 15' West 255.3 feet;
 thence South 81° 45' West 61.2 feet;
 thence South 27° 45' West 127.3 feet;
 thence North 76° 16' West 69.4 feet, more or less, to a point on the section line between Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian, said point being 1065.2 feet North 0° 41' 43" West of the $\frac{1}{4}$ corner common to Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian.

Also beginning at a point on the section line between Sections 13 and 14, Township 23 South,

Range 10 West, Willamette Meridian, said point being 41.5 feet South of the $\frac{1}{4}$ corner common to Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian; thence along the center line of said strip of land South $32^{\circ} 45'$ East 45.5 feet;
thence South $17^{\circ} 15'$ East 43.0 feet;
thence South $5^{\circ} 00'$ West 98.0 feet;
thence South $10^{\circ} 30'$ West 57.0 feet;
thence South $34^{\circ} 45'$ West 32.5 feet, more or less, to a point on the section line between Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian, said point being 301.2 feet South of the $\frac{1}{4}$ corner common to Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian; all being in Douglas County, Oregon.



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State Land Board

Regular Meeting

June 11, 2024

Agenda Item 4c

Tobias Read

State Treasurer

SUBJECT

Correcting the delineation of lands that comprise the Elliott State Research Forest.

ISSUE

Whether the State Land Board should act to update the delineation of specific lands to be managed as the Elliott State Research Forest to include land associated with the 1000 Road parcel that was inadvertently omitted from the delineation previously approved by the State Land Board on December 13, 2022.

AUTHORITY

- Oregon Constitution, Article VIII, Section 5; pertaining to the land management responsibilities of the State Land Board.
- ORS 273.031; relating to the duties and authority of the State Land Board.
- ORS 273.171; relating to the duties and authority of the Director.
- ORS 530.450 – 530.520; relating to the Elliott State Forest.

BACKGROUND

In December 2023, the State Land Board affirmed its vision and direction for establishing the Elliott State Research Forest. The State Land Board's direction was based on its continued foundational commitments for the research forest, including that it would be a public research forest decoupled from the constitutional Common School Fund.

In December 2022, the State Land Board voted to decouple the Elliott State Forest from the constitutional Common School Fund (see Land Board [December 2022 meeting agenda item 3](#)). In order to clearly identify which lands were being decoupled, the State Land Board also voted to delineate the lands to be included in the Elliott State Research Forest (see State Land Board [December 2022 meeting agenda item 4](#)).

The December 2022 description of lands being delineated inadvertently omitted lands in the parcel commonly known as the 1000 Road, a strip of land approximately 40 feet wide and 3,000 feet long located at the eastern edge of the forest. The 1000 Road was included in relevant property appraisals and intended to be decoupled at that time but was unintentionally omitted from the description of the land to be decoupled.

The action requested in the June 11, 2024 agenda item 6b decouples the 1000 Road parcel from the constitutional Common School Fund. The related action requested in this agenda item (6c) delineates the lands being decoupled as part of the lands included in the Elliott State Research Forest.

RECOMMENDATION

The Department of State Lands recommends the State Land Board add the lands described in Appendix A to the delineation of the Elliott State Research Forest previously approved by the State Land Board at its December 2022 meeting.

APPENDICES

Appendix A – Legal Description of the 1000 Road in the Elliott State Research Forest.

1000 ROAD, ELLIOTT STATE RESEARCH FOREST, LEGAL DESCRIPTION

Township 23 South, Range 10 West of the Willamette Meridian, Douglas County, Oregon

Section 13:

A strip of land forty (40) feet in width located in the Northeast quarter of the Northwest quarter (NE1/4NW1/4), the West half of the Northwest quarter (W1/2NW1/4), and the Northwest quarter of the Southwest quarter (NW1/4SW1/4) of Section 13, Township 23 South, Range 10 West, Willamette Meridian, said strip of land being along the following described center line, and which center line is more particularly described as follows:

Beginning at a point in the center of Lake Creek, said point being 823.7 feet South and 1138.2 feet West of the ¼ corner common to Sections 12 and 13, Township 23 South, Range 10 West, Willamette Meridian;
 thence along the center line of said strip of land North 60° 21' West 112.9 feet;
 thence along an 80° curve to the left, the long chord of which bears North 89° 27' West 69.6 feet;
 thence South 61° 27' West 103.2 feet;
 thence South 18° 18' West 214.8 feet;
 thence South 33° 12' West 207.4 feet;
 thence South 14° 25' East 204.1 feet;
 thence South 15° 36' West 223.5 feet;
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 thence North 89° 05' West 296.0 feet;
 thence South 84° 09' West 228.7 feet;
 thence South 70° 03' West 173.5 feet;
 thence North 69° 52' West 127.4 feet, more or less, to a point on the section line between Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian, said point being 829.8 feet North 0° 41' 43" West of the ¼ corner common to Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian.

Also beginning at a point 869.4 feet North and 500.1 feet East of the ¼ corner common to Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian;
 thence along the center line of said strip of land South 89° 21' West 193.1 feet;
 thence North 52° 49' West, 93.1 feet;
 thence North 13° 15' West 255.3 feet;
 thence South 81° 45' West 61.2 feet;
 thence South 27° 45' West 127.3 feet;
 thence North 76° 16' West 69.4 feet, more or less, to a point on the section line between Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian, said point being 1065.2 feet North 0° 41' 43" West of the ¼ corner common to Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian.

Also beginning at a point on the section line between Sections 13 and 14, Township 23 South,

Range 10 West, Willamette Meridian, said point being 41.5 feet South of the $\frac{1}{4}$ corner common to Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian; thence along the center line of said strip of land South $32^{\circ} 45'$ East 45.5 feet;
thence South $17^{\circ} 15'$ East 43.0 feet;
thence South $5^{\circ} 00'$ West 98.0 feet;
thence South $10^{\circ} 30'$ West 57.0 feet;
thence South $34^{\circ} 45'$ West 32.5 feet, more or less, to a point on the section line between Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian, said point being 301.2 feet South of the $\frac{1}{4}$ corner common to Sections 13 and 14, Township 23 South, Range 10 West, Willamette Meridian; all being in Douglas County, Oregon.



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State Land Board

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Regular Meeting

June 11, 2024

Agenda Item 4d

LaVonne Griffin-Valade

Secretary of State

Tobias Read

State Treasurer

SUBJECT

Appointment of the first voting members of the Elliott State Research Forest Board of Directors.

ISSUE

Whether the State Land Board should appoint the candidates presented by the Department as the first voting members of the Elliott State Research Forest Board of Directors.

AUTHORITY

- Oregon Constitution, Article VIII, Section 5, specifies the State Land Board is responsible for managing lands placed under their jurisdiction by law.
- ORS 273.045; authorizing the Department of State Lands to exercise the administrative functions of the State Land Board.
- ORS 530.450 to ORS 530.520; authority for management of the Elliott State Forest.

BACKGROUND

At its April 9, 2024, meeting, the State Land Board adopted a formal oversight structure related to ensuring public transparency, accountability, and oversight in the administration of the Elliott State Research Forest (ESRF). This oversight structure included the creation of a new ESRF Board of Directors (ESRF Board) and related roles and responsibilities. In short, pursuant to the oversight structure, the ESRF Board:

- Has authority to issue advice and make recommendations to the Department regarding planning, operational implementation, fiscal and budgetary matters,

- research and management, reports, and other matters relevant to the effective administration and oversight of the ESRF; and
- Is responsible for receiving and reviewing materials presented by the Department as well as public input, and advancing ESRF oversight, advice, and recommendations in a manner that strives to ensure consistency with the ESRF's foundational direction and documents.

The ESRF Board will operate under existing constitutional and statutory authorities relevant to the Land Board and Department. The ESRF Board is advisory in nature (although the oversight structure ensures the Department will give deference to ESRF Board recommendations), and decision responsibilities with legal implications will continue to rest with the Department and Land Board. Should future legislation be enacted with respect to the ESRF, authorities and responsibilities may be further clarified.

The ESRF Board may consist of seven or nine voting members, to be appointed by the Land Board in accordance with terms and other provisions provided in the oversight structure, as well as one non-voting member designated by the lead research entity for the ESRF (to be determined). In considering ESRF Board membership, the oversight structure commits the Land Board to strive to appoint members reflecting a full complement of relevant experience or expertise in subjects related to the ESRF mission, management policies and operations of the research forest, and a demonstrated interest in the success of the ESRF as a research forest.

The DSL Director has provided a list of candidates for Land Board consideration (Appendix A) which was developed in the recruitment process described below. Four of the six proposed initial ESRF Board candidates were members of the 2019-2022 DSL Advisory Committee for the ESRF or subsequent ESRF advisory bodies. For continuity and cohesion in advancement of the ESRF, the Department's intention has long been to propose such candidates be appointed to the ESRF Board.

The ESRF Board is not intended as the sole means of oversight or engagement in the Department's future administration of the ESRF. The ESRF Board, for example, is not a substitute for independent relationships with Tribal Nations or other governments, including the State Legislature. But the ESRF Board is intended as a key structure in shaping the ESRF's future management as a research forest, including through public oversight, accountability, and engagement consistent with its mission and management policies.

PUBLIC OUTREACH

On April 24, 2024, the Department announced it was accepting letters of interest for the ESRF Board. The announcement was featured on the DSL home page, posted to the [Elliott website](#), and distributed via the ESRF email list, a news release, and social media posts. The Department also conducted direct outreach to the ESRF Advisory Group

members, Tribal staff, and shared the interest flyer with potentially interested parties. Interest materials were accepted through May 12, 2024.

RECOMMENDATION

The Department recommends the State Land Board appoint the first voting members of the ESRF Board of Directors from the Department's candidate list (Appendix A).

APPENDIX

A. DSL Proposed Candidate List for ESRF Board Appointment

APPENDIX A

**Elliott State Research Forest Board Appointments:
DSL-Proposed Candidates**

Name	Location	Board Seat	Term
Keith Tymchuck	Reedsport	1	3 years
Bob Sallinger	Portland	2	3 years
Mike Kennedy	Siletz	3	3 years
Melissa Cribbins	Coos Bay	4	2 years
Peter Hayes	Vernonia	5	2 years
Haley Lutz	Coos Bay	6	1 year
		7	1 year
		8	1 year
		9	2 years

Proposed Candidates Bios

MELISSA CRIBBINS

Melissa Cribbins is a small business owner and an attorney. A former Coos County Commissioner, Melissa is currently a member of the Environmental Protection Agency's Local Government Advisory Council and is past Chair of the National Association of Counties' Energy, Environment and Land Use Committee. Prior to her election in 2012, she worked for the Coquille Indian Tribe as in-house counsel for six years. She is a member of the Oregon State Bar, the Confederated Tribes of the Coos, Lower Umpqua, and Siuslaw Indians bar, and the Washington State Bar, and she also serves as a tribal judge. She has served on multiple boards and committees, including the Elliott State Research Forest Advisory Committee, the Board of Directors for the Association of Oregon Counties, and the Board of Directors for Energy Trust of Oregon. Melissa is a graduate of Portland State University and Gonzaga University.

PETER HAYES

Peter Hayes and his family own and care for Hyla Woods in the northern Oregon Coast Range where they experiment with what is needed to grow forests that are ecologically complex and resilient, economically sufficient, and culturally helpful. Building on 170 years of family work in forestry and sawmilling, Peter's public involvements include past service on the Oregon Board of Forestry, co-founding and leadership of the Build Local Alliance, and coordination of the NW Innovative Forestry Summit.

HALEY LUTZ

Haley Lutz is an Oregon coast native, born in North Bend. She is the Executive Director of the Coos Watershed Association (CoosWA), a locally-organized, non-regulatory organization that has been leading innovative science, restoration, monitoring, and education programs with the Coos watershed community since 1994. CoosWA has a deep interest in the Elliott and related partnerships. Haley holds a Masters of Studies in Environmental and Natural Resource Law from Lewis and Clark Law School. Before coming to CoosWA, she worked for the Oregon Department of Fish and Wildlife, interned with NOAA Fisheries working on the Oregon Cost Coho Recovery Plan, and led a watershed council on the North Coast. In her spare time, she enjoys fishing, bow hunting, swimming, exploring the outdoors, and trying to keep up with her wild toddler.

MIKE KENNEDY

Mike Kennedy leads the Natural Resources Department for the Confederated Tribes of Siletz Indians as the Natural Resources Manager and is responsible for operation of the Tribal Forestry, Aquatics, Wildlife, Hunting & Fishing, Realty and Environmental Protection programs. It is the mission of the Siletz Tribal Natural Resources Department to care for, protect, enhance, and provide for the wise use of all the Tribe's natural resources in a manner which will ensure that all generations to come will benefit from these resources. Prior to his current role, he has

served as the Tribal Forester, Presales Forester, and Forestry Technician. All told, he has dedicated his career to forest management for forty-two years. Mike holds a Bachelor of Science degree in Forest Management from the State University of New York College of Environmental Science and Forestry. He currently serves as the Tribe's representative on the Elliott State Research Forest Advisory Committee, Siuslaw National Forest Resource Advisory Committee, the BLM Western Oregon Resource Advisory Committee, the Oregon Department of Forestry State Forests Advisory Committee, and the Oregon State University McDonald-Dunn Research Forest Stakeholder Advisory Committee.

BOB SALLINGER

Bob Sallinger has more than 30 years of experience working on conservation issues across the State of Oregon including three decades of service to the Audubon Society of Portland. He has focused primarily on conservation of avian species. His expertise spans urban, rural, and wild landscapes. Bob takes a multi-dimensional approach to conservation that includes policy, law, advocacy, science, and public engagement. He has been directly involved in achieving collaborative solutions to some of Oregon's most challenging natural resource issues including long-term participation on the Harney Basin Wetlands Initiative, Private Forest Accord and Elliott State Research Forest. Bob's involvement with the Elliott stretches back more than a decade, and he was part of the Elliott State Research Forest Advisory Committee that met for more than three years to develop the Elliott State Research Forest proposal. He currently serves as board president of Humane Voters Oregon, and on the boards of the Portland Utility Board, the Intertwine Alliance, the Urban Flood Safety and Water Quality District. He previously worked as an adjunct professor of law at Lewis and Clark Law School and as an elected director at East Multnomah Soil and Water Conservation District. Bob has a BA in Biology from Reed College and a JD from Lewis and Clark Law School with a Certificate in Environmental and Natural Resources Law. Bob lives in NE Portland with his wife Elisabeth Neely, three children and assorted goats, chickens, dogs, and homing pigeons.

KEITH TYMCHUK

Keith Tymchuk is a lifelong resident of Reedsport. A graduate of the University of Oregon and Oregon State University, he has been an educator for 42 years, the last 40 at Reedsport High School teaching Government, History, Psychology and English. He served six terms as Reedsport's mayor, has been a Port of Umpqua Commissioner for 28 years and serves as the Regional Solutions Convener for Douglas, Coos, and Curry Counties. He is currently the President of the Board of Directors for Central Lincoln PUD. Keith also has been involved in projects as diverse as Wave Energy, Community Forests, and the Oregon Coast Trail. Keith served on the Elliott State Research Forest Advisory Committee since its inception in 2019. He is an avid reader and enjoys hunting, fly fishing and golfing in his free time.



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M E M O R A N D U M

State Land Board

Date: June 11, 2024

To: Governor Tina Kotek
Secretary of State LaVonne Griffin-Valade
State Treasurer Tobias Read

From: Vicki L. Walker
Director

Tina Kotek
Governor

LaVonne Griffin-Valade
Secretary of State

Tobias Read
State Treasurer

Subject: Draft DSL Forest Management Plan for the Elliott State Research Forest

Based on the State Land Board's December 2023 direction, the Department of State Lands has been advancing a workplan for final steps in creating the Elliott State Research Forest. The workplan includes, among other key actions, advancement of a DSL Forest Management Plan (FMP) for formal adoption by the State Land Board.

DSL has prepared a Draft DSL FMP for next-step engagement of the public, Tribes, other government and non-government stakeholders, and the ESRF Board of Directors (see table below). Advancement of the DSL FMP is central to providing operational viability and on-the-ground activity in 2025 as well as addressing questions, concerns, or matters relevant to ESRF management direction, research (and related roles including integration of research and management), financial viability, as well as Indigenous interests, conservation, forest products, community and other values.

The Draft DSL FMP is based on a revision of the proposed FMP drafted by the Oregon State University (OSU) College of Forestry. While submitted to DSL in December 2023, the OSU FMP was never brought before the State Land Board for approval due to the late 2023 shift to DSL management of the ESRF. The 2023 FMP contains significant good work and detail, and was subject to substantial advisory committee, Tribal, and public input and review over the course of its multi-year development. The Draft DSL FMP builds on this effort while also making shifts summarized below.

The DSL FMP will be consistent with the ESRF Mission and Management Policies adopted by the Land Board in April 2024 as part of the ESRF Oversight Structure, as well as the proposed ESRF Habitat Conservation Plan (HCP). The Forest Management Plan, however, is a much broader plan than the proposed HCP. The HCP focuses on the narrower context of the Endangered Species Act (ESA) and related commitments,

providing regulatory coverage within which forest management activity can occur. The FMP speaks to the broader context (e.g., history, resources and values tied to the forest) as well as the broader suite of values the ESRF will advance (e.g., timber and carbon management, research and monitoring, Indigenous culture and practices, non-ESA species conservation, and partnerships). Budgeting for the ESRF must account for advancement of both the HCP and FMP through operations as well as the related research, partnerships, and forest infrastructure.

Summary of the Draft DSL FMP

At a high level, the Draft DSL FMP incorporates the underlying land allocations developed in the 2021 ESRF Research Proposal (as revised over time) and used in the ESRF HCP, as well as related research forest principles. But the Draft FMP increases focus and flexibility for ESRF research and management. It recognizes and/or advances considerations including but not limited to:

- ***Focusing research and management while acknowledging ongoing conversations.*** ESRF research and management will operate under a unifying question as well as five themes tied to the original ESRF Research Proposal,¹ with approaches and outcomes relevant to shaping future management practices and policy beyond the ESRF. While advancement of a Triad approach is not precluded, the Draft FMP intentionally allows more flexibility based on feedback to date and increases focus on the five themes. The Draft FMP recognizes the conversation over the Triad and the larger research partner question is unsettled at this time, with the next-step FMP engagement process allowing for conversation with OSU, Tribes, the ESRF Board, research community, and broader public.
- ***The ESRF has a significant role to play in advancing carbon sequestration, climate resilience, and biodiversity management and research.*** The Draft FMP more expressly articulates the ESRF's connection to the State's Climate Change and Carbon Plan (and state policy decisions) and advances related management and research opportunities in the context of a working research forest. This includes advancing carbon and biodiversity outcomes not just through the Conservation Research Watershed (CRW) but longer rotations in intensive allocations, biodiversity contributions from complex early seral habitat, and a proposed new designation for achieving these outcomes with more flexibility than CRW-specific management.
- ***Expectation of self-sustainability.*** This includes revenues from timber production² as well as intended carbon credit enrollment and other potential

¹ (a) Biodiversity and at-risk species; (b) Climate change adaptation and forest carbon; (c) Socio-cultural intersections (including related to forest products, recreation, and integration of Indigenous practices and research with Western approaches); (d) Aquatic habitats and water (including research on active riparian management); and (e) Natural and human-caused disturbance.

² Within HCP-based parameters and an expected outcome of 17 mbf / year over a 4-year rolling average (with up to 20 mbf allowed in any given year within that period).

sources. Advancement of a carbon project would be based on commitments to consistency with ESRF research and active management, a plan for appropriate use of funds, and refinement of timber harvest figures that would otherwise be allowed on the ESRF (under options for achieving HCP permits) versus what will occur based on the DSL FMP’s approach. That said, during the “start-up” phase prior to actual receipt of funds from these sources, the ESRF will depend on state and other funding sources to advance operations. Research is anticipated to be funded from ESRF revenues after base operational costs (including staffing, HCP monitoring and compliance, wildfire protection, and road management) have been addressed as well as through research grants and other sources.

- **The need for a partner research entity.** The Draft FMP recognizes DSL’s role as a manager and that DSL is not a research entity. It describes the role of a desired lead research entity, including in integrating research and management on the ESRF. The FMP also describes the research-related role of proposed ESRF staffing, the need for partnerships, as well as a Science Advisory Committee in the governance structure and process for the ESRF.
- **Space for ongoing planning efforts.** Certain planning efforts that will occur as part of the Draft DSL FMP process will need time and effort to continue beyond the initial FMP. The Department intends to provide this space and integrate outcomes into future FMP updates or amendment. This includes work with Tribal governments, recreation plan development, and education plan development.

Next Steps Timeline

The timeline for advancement of the Draft DSL FMP is as follows:

Timeline	Activity
June 2024	Draft Published on DSL website
June-Aug. 2024	Public Engagement Process <i>Note: Led by contractor; includes at least a 45-day comment period and virtual and in-person participation opportunities</i>
	Tribal, other government, and ESRF Board engagement <i>Note: Led by DSL</i>
Aug.-Sept. 2024	Feedback reviewed, addressed, revised FMP ready
October 2024	Proposed FMP presented to State Land Board <i>Note: Action item for decision</i>



Oregon

Tina Kotek, Governor

Department of State Lands

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State Land Board

M E M O R A N D U M

Tina Kotek
Governor

LaVonne Griffin-Valade
Secretary of State

Tobias Read
State Treasurer

Date: June 11, 2024

To: Governor Tina Kotek
Secretary of State LaVonne Griffin-Valade
State Treasurer Tobias Read

From: Vicki L. Walker
Director

Subject: Proposed 2025-27 Policy Option Packages

The Department of State Lands is preparing its 2025-27 Agency Request Budget for submission to the Department of Administrative Services and consideration for inclusion in the Governor's Budget.

The requested budget includes 10 proposed policy option packages that request additional funding for current core services; funding to continue current program projects in the next biennium; and funding for two major new programs. The Department is also requesting 4 packages to carry forward current federal funding into the next biennium.

Additional Funding for Current Core Services: \$5.5 million

Funding sources: Statutory Common School Fund and program fees, with potential for alternative and/or new revenue streams to cover or offset costs.

An independent assessment of the Department's operations; analysis of customer and employee survey results; and evaluation of performance metrics have identified multiple areas where the Department is unable to meet performance targets, provide adequate day-to-day service, and complete strategic work to increase revenue and results. Lack of adequate funding for some programs and services is seriously impacting the Department's service to Oregon, and the health of our workplace.

Key considerations for these packages include:

- **Ongoing impacts to Oregon resulting from continued inadequate funding.** The most impacted services are protection of wetlands and waterways, where inadequate resources have resulted in delayed decisions, unresponsiveness, and inaction in addressing violations. South Slough Reserve's multitude of services – providing science and training, education and recreation programs, stewardship of water and land – are continually strained by gaps in basic funding and staffing.
- **Potential to cover package costs through in-progress fee adjustments and other revenue streams.** The Department will soon begin rulemaking to address the statutory Common School Fund's heavy subsidy of the removal-fill permitting process, as well as rulemaking to examine waterway fees. A legislative concept to recover actual costs for projects in the territorial sea, as well as fair compensation for use of the territorial sea, has also been advanced for the 2025 legislative session.
- **Risks of continued inaction on new revenue streams, climate initiatives.** Due to lack of capacity, the Department cannot pursue multiple initiatives that would identify new revenue streams for the constitutional and statutory Common School Fund – including advancing renewable energy projects, carbon projects, and exploring emerging environmental markets. Projects aimed at supporting local communities and economies in climate resiliency efforts, as well as increasing the resilience of DSL-managed lands and waters, are also languishing.

The four proposed packages that require additional funding are outlined below, with additional detail regarding positions and the mix of Other Funds anticipated for each package in Appendix A.

- **Wetlands and Waterways Staffing.** This package addresses the impacts of inadequate staffing on programs that protect wetlands and waterways by adding nine new permanent positions and making permanent four existing limited duration positions. **Total Amount: \$3.5 million Other Funds; Ongoing Request.** (Note – \$2.5 Million is additional funding; \$1.0 Million for the existing limited duration positions is in the Department's 2023-25 budget.)
- **South Slough Reserve Staffing.** This package addresses the impacts of inadequate staffing on South Slough National Estuarine Research Reserve as an essential resource for science, learning, and exploration by adding two permanent positions and reclassifying an existing management position. **Total Amount: \$539,000 Other Funds; Ongoing Request.**
- **South Slough Reserve Operations.** South Slough Reserve is experiencing rising costs this biennium, and exploring whether a policy package is necessary

to right-size the base budget, or to request a higher inflation rate through the exception process. This package is a placeholder, pending the outcome of conversations with the Department of Administrative Services. **Total Amount: \$390,000 Other Funds; Ongoing Request.**

- **Resources for GIS.** GIS technology is essential to the Department's ability to manage, protect, and restore lands, waterways, and waters; forest and estuary research; and to support communities in understanding and planning for resilient built and natural environments. Current resources do not adequately support the many Department programs and services that depend on GIS. This package adds four permanent positions. **Total Amount: \$1 million Other Funds; Ongoing Request.**

Funding for New Programs and Services: \$23 million

Funding sources: General Fund and Abandoned and Derelict Vessel Fund, with potential for multiple alternative and/or new revenue streams to cover or offset costs.

The Elliott State Research Forest and the state's Abandoned and Derelict Vessel Program are major new programs and services being added in 2025-27. Two proposed packages are outlined below, with additional detail regarding positions and the mix of funding anticipated for each package in Appendix A.

- **Elliott State Research Forest Initial Costs.** The Elliott State Research Forest will be established in 2024 as the nation's largest research forest, under the oversight of the State Land Board, Department, and an appointed ESRF Board of Directors. This package supports initial management and operation of the research forest and includes seven permanent positions. Though forest revenue streams – including harvest and a carbon project – will ultimately fully fund the ESRF, those dollars are not yet available. The Department and stakeholders have long anticipated one-time start-up funding would be necessary for the initial launch of the research forest. **Total Amount: \$11.3 million General Fund; One-Time Request.**
- **Abandoned and Derelict Vessel Program.** The state's Abandoned and Derelict Vessel Program addresses the impact of hazardous vessels on Oregon's publicly owned waterways and the statutory Common School Fund, which historically funded vessel removals. This program is now supported by the state's distinct Abandoned and Derelict Vessel (ADV) Fund. This package funds program operations, including vessel removal, and makes permanent three limited duration positions and adds a permanent risk evaluation position. No new monies are being requested, but a legislative concept has been drafted to seek a permanent funding source. **Total Amount: \$11.2 million ADV Fund; Ongoing Request.**

Continuing Funding for Existing Projects: \$10.7 Million

Funding sources: Statutory Common School Fund, Portland Harbor Cleanup Fund.

The below proposed packages provide funding for current projects continuing in the next biennium, as well as an update to an existing management plan for the Lower Willamette River.

- **Modern Permitting and Information System Project.** The existing Department database that supports management of school lands, wetland and waterway permits and authorizations, and associated revenues was developed in the late '90s and cannot be updated. This continuing project is to develop a modern database and new online application and information portal that is easy for Oregonians to use. This package is for completion and launch of the system and ongoing maintenance. **Total Amount: \$3.5 million Other Funds; \$2.8 million One-Time Request and \$700,000 Ongoing Request.**
- **Portland Harbor Superfund Site**
 - *Portland Harbor Cleanup.* This package supports direct cleanup work for the Portland Harbor Superfund Site by continuing administrative expenditures, including professional and legal services. Though Portland Harbor is a long-term project, this request is one-time because the amount required is based on upcoming project needs. Unspent dollars stay in the Portland Harbor Cleanup Fund. **Total Amount: \$1 million Other Funds; One-Time Request.**
 - *Protecting State Interests.* This package continues the legal and environmental expertise necessary to defend the state's interests in the Portland Harbor Superfund Site cleanup. This package includes Department of Justice costs, environmental consulting costs, and making permanent one limited duration natural resource specialist position. As with package 303, part of this request is one-time because the amount required is tailored to upcoming defense needs. Unspent dollars stay in the statutory Common School Fund. **Total Amount: \$5.7 million Other Funds; \$5.3 million One-Time Request and \$370,000 Ongoing Request (permanent position).**
- **Lower Willamette River Management Plan.** The Lower Willamette River Management Plan guides stewardship of the river in Portland, from Kelley Point Park to just above the Sellwood Bridge. Adopted in 1992, the plan needs to be updated to reflect available science, existing and future conditions, community priorities for use and development, and to integrate climate resilience considerations and goals. **Total Amount: \$500,000 Other Funds; One-Time Request.**

Carrying Forward Federal Funding: \$4 Million

These four packages carry forward federal funding for:

- **Shutter Creek.** This package supports ongoing maintenance and initial redevelopment work for the Shutter Creek site in North Bend, the potential headquarters for the Elliott State Research Forest. Package includes continuation of two limited duration maintenance positions. **Total Amount: \$2.1 million Federal Funds; One-Time Request.**
- **Enhancing Protection of Wetlands and Waters.** This package carries forward Environmental Protection Agency funding for projects to improve and enhance administration of Oregon's removal-fill law. **Total Amount: \$69,000 Federal Funds; One-Time Request.**
- **Wasson Creek Watershed Restoration Project.** This package carries forward National Oceanic and Atmospheric Administration (NOAA) funding for the Wasson Creek Watershed Restoration Plan. **Total Amount: \$1.5 million Federal Funds; One-Time Request.**
- **South Slough Reserve Capital Improvement Projects.** This package carries forward NOAA funding for multiple improvements at the Reserve. **Total Amount: \$375,000 Federal Funds; One-Time Request.**

Total: All 2025-27 Proposed Policy Packages

The total for all proposed packages is \$42.8 million. The Department’s total 2025-27 budget request is anticipated to be approximately \$149.3 million. This includes a current service level budget of approximately \$106.5 million, based on the legislatively approved budget for 2023-25, as well as the proposed policy packages.

The total ongoing and one-time requests policy option package requests by fund source are:

<u>Ongoing Requests</u>	
<i>Fund Source</i>	<i>Amount</i>
Other Funds – Statutory Common School Fund	\$6,548,478
Other Funds – Abandoned and Derelict Vessel Fund	\$11,214,195
<u>One-Time Requests</u>	
<i>Fund Source</i>	<i>Amount</i>
Other Funds – Statutory Common School Fund	\$6,077,049
Other Funds – Portland Harbor Cleanup Fund	\$1,070,000
General Fund	\$11,328,172
Federal Funds	\$4,017,480

Next Steps

The Department will incorporate any State Land Board direction or input into final development of policy option packages and prepare the Agency Request Budget for submission to the Department of Administrative Services by August 30, 2024. The Governor’s Budget is anticipated to be released December 1, 2024. The Department will provide a budget update to the State Land Board at its December 2024 meeting.

APPENDIX

A. Policy Option Package Detailed Overview

Overview: Department of State Lands 2025-27 Proposed Policy Option Packages

Packages Requesting Additional Funding for Current Core Services: \$5.5 Million

Title	Package Description	Positions and Resources	Estimated 2025-27 Funds Required	Funding Source / Recurrence
Adequate Resources for Protecting Wetlands and Waterways	Current inadequate staffing levels are severely impacting DSL programs and services related to protection of wetlands and waterways, including wetland conservation, removal-fill permitting, and Oregon-owed waterway oversight.	This package adds 9 new positions: 1- Deputy Director; 1- Natural Resource Protection & Sustainability Manager 2; 1 - Natural Resource Specialist 4; 3 - Natural Resource Specialist 3 positions; 1 - Human Resource Analyst 1; 1 - Fiscal Analyst 2; and 1 - Administrative Specialist 2. This package also converts 4 positions from LD to permanent: Natural Resource Specialist 4 (Territorial Sea Specialist); 2 Natural Resource Specialist 3 positions (a Jurisdictional Coordinator and Mitigation Coordinator); and 1 Public Affairs Specialist position (Community Engagement Specialist). Package includes Services & Supplies associated with employees.	\$3,512,017	Other Funds (Statutory Common School Fund, Program Revenue). Ongoing Request.
Adequate Resources for South Slough Reserve	Current inadequate staffing levels are severely impacting management of South Slough National Estuarine Research Reserve as an essential resource for science, learning, and exploration.	Adds 2 new positions, a Project Manager and an Administrative Specialist 2; and reclasses an existing Management Position.	\$539,017	Other Funds (Statutory Common School Fund, Program Revenue). Ongoing Request.
Adequate Resources for GIS	GIS technology is essential to the Department's ability to manage, protect, and restore lands, waterways, and waters; forest and estuary research; and to support communities in understanding and planning for resilient built and natural environments. Current resources do not adequately support the many programs and services that depend on GIS.	Adds 4 positions: 1 Natural Resource Specialist 4; 2 Natural Resource Specialist 3s; and 1 Information Systems Specialist 4. Also includes Services & Supplies associated with new employees.	\$1,035,154	Other Funds (Statutory Common School Fund, Program Fees). Ongoing Request.
South Slough - Operational Funding Gaps	South Slough Reserve is experiencing rising costs this biennium, and is exploring whether a POP is necessary to right-size the base budget, or to request a higher inflation rate through the exception process.	Increase funding for operational needs, including: ODF forest protection costs – current estimate \$30,000; New monthly costs for internet and cell phones – estimate \$35,000; Regular IT replacement schedule – estimate \$25,000 each biennium; Coverage for decreases in federal funding; Need to purchase new furniture for classrooms/community space/workspace.	\$390,000	Other Funds (Statutory Common School Fund). Ongoing Request.
			Total Ongoing Requests	\$5,476,188
			Total One-Time Requests	\$0
			ADDITIONAL REQUESTS TOTAL	\$5,476,188

Overview: Department of State Lands 2025-27 Proposed Policy Option Packages

Continuing Funding for Existing Projects: \$10.7 Million				
Title	Package Description	Positions and Resources	Estimated 2025-27 Funds Required	Funding Source / Recurrence
Modern Permitting and Information System Project	Having an online permitting and information system that is easy to use greatly improves access for customers and the public, as well as the Department's ability to efficiently and effectively deliver service. The Department will complete, launch, and maintain the new system with this POP.	POP includes: LD positions and backfill costs for staff and contract dollars for project management, organization change, implementation services, and quality assurance.	\$3,483,589	Other Funds (Statutory Common School Fund). Ongoing Request of \$700,000; One-Time Request of \$2,783,589.
Portland Harbor Cleanup	Legal agreements obligate the Department to fund administrative and legal expenditures for the investigation and design of specific cleanup projects in Portland Harbor Superfund site.	This package supports multiple agreements that facilitate timely remedial work necessary to the successful implementation of EPA-approved cleanup plans for Portland Harbor, while managing risk and costs to the state.	\$1,070,000	Other Funds (Portland Harbor Cleanup Fund). One-Time Request.
Lower Willamette River Management Plan	Adopted in 1992, the Lower Willamette River Management Plan needs to be updated to reflect available science, existing and future conditions, community priorities for use and development, and to integrate climate resilience considerations and goals.	Develop a new management plan in a process that ensures both robust technical process and meaningful and extensive community, stakeholder, Tribal, and agency engagement.	\$500,000	Other Funds (Statutory Common School Fund). One-Time Request.
Portland Harbor Superfund Site - Protecting State Interests	Ongoing protection of the state's interests as a potentially responsible party (PRP) in cleanup of the Portland Harbor Superfund, as well as DSL's continued fulfillment of stewardship responsibilities within the site, are necessary to limit financial and waterway impacts associated with the cleanup.	Continue: assistance from legal and environmental experts and making 1 limited duration position permanent.	\$5,670,750	Other Funds (Statutory Common School Fund). Ongoing Request of \$372,290 (permanent position); One-Time Request \$5,298,460.
			Total Ongoing Requests	\$1,072,290
			Total One-Time Requests	\$9,652,049
			EXISTING PROJECTS TOTAL	\$10,724,339

Overview: Department of State Lands 2025-27 Proposed Policy Option Packages

Funding for New Programs and Services: \$22.5 million				
Title	Package Description	Positions and Resources	Estimated 2025-27 Funds Required	Funding Source / Recurrence
Elliott State Research Forest Initial Funding	Establishes the Elliott State Research Forest as a new program and provides initial resources for DSL forest management and operations.	Add 7 positions: ESRF Manager; 3 Natural Resource Specialist 4 positions (Forester, Biologist, and a Data Specialist); Executive Support; a Policy & Partnership Engagement positions, and a Research Analyst 4 position. Package also includes Services and supplies for DOJ; Habitat Conservation Plan Monitoring, and other Professional Services.	\$11,328,172	General Fund. One-Time Request.
Abandoned and Derelict Vessels Program	Ongoing funding is necessary to achieve the goals of the ADV Program to address ADVs and ensure Oregon's public waterways are open to all for fishing, navigation, commerce, and recreation.	This package would make 3 LD positions into permanent; 1 Natural Resource Protection & Sustainability Manager 2; 1 Project Manager 3; 1 Procurement Specialist 3. Adds 1 Natural Resource Specialist 4 position, a Risk Evaluation Specialist. Package includes Services & Supplies associated with employees and funding for vessel removal.	\$11,214,196	Other Funds (Abandoned and Derelict Vessel Fund; DSL is advancing efforts for alternative funding streams). Ongoing Request.
			Total Ongoing Requests	\$11,214,196
			Total One-Time Requests	\$11,328,172
			NEW PROGRAMS TOTAL	\$22,542,368

Overview: Department of State Lands 2025-27 Proposed Policy Option Packages

Carrying Forward Federal Funding: \$4 Million				
Title	Package Description	Positions and Resources	Estimated 2025-27 Funds Required	Funding Source / Recurrence
Shutter Creek	The former site of Shutter Creek Correctional Institution in North Bend has been secured as potential headquarters for the Elliott State Research Forest through the federal public benefits conveyance program.	Continue funding of 2 LD Facility Specialist Positions, Services & Supplies, utilities and miscellaneous maintenance, and costs for DOJ and initial redevelopment work.	\$2,086,084	Federal Funds. One-Time Request
South Slough - Wasson Creek Project NOAA Grant Carry Forward	The Department needs to carry forward NOAA funding for the Wasson Creek Watershed Restoration Plan, a ridgetop-to-estuary plan to restore ecological value at the watershed level. This restoration plan seeks to target both terrestrial and aquatic habitats. Grant starts 4/1/2023 and ends 3/30/2027.	Carry forward NOAA federal grant funding to continue the work on the Wasson Creek Project.	\$1,487,122	Federal Funds. One-Time Request
EPA Grant Carry Forward	The Department needs to carry forward Environmental Protection Agency grant funds for projects to improve and enhance administration of Oregon's Removal-Fill law, which protects wetlands, rivers, streams, and other waters essential to climate resilience. The Grant start date is 2/1/2024 and the end date is 10/31/2025.	Carry forward funds to complete multiple removal-fill program projects, including developing a statewide dataset of approved compensatory mitigation sites, creating a framework to assess mitigation program effectiveness, and developing an online training program for using wetland and stream assessment tools.	\$69,274	Federal Funds. One-Time Request
South Slough - NOAA Grant Carry Forward	The Department needs to carry forward federal grant funds to allow South Slough Reserve to complete capital improvement projects. Grant start date 7/1/2021 end date 6/30/2026.	The Reserve has secured several grants through NOAA to complete various capital improvement projects.	\$375,000	Federal Funds. One-Time Request.
			Total One-Time Requests	\$4,017,480
			FEDERAL FUNDS TOTAL	\$4,017,480

PROPOSED PACKAGE TOTALS - ALL FUND SOURCES	
Other Funds (Statutory Common School Fund, Program Revenue)	\$15,130,527
Other Funds (Abandoned and Derelict Vessel Fund)	\$11,214,196
Other Funds (Portland Harbor Cleanup)	\$1,070,000
General Fund	\$11,328,172
Federal Funds	\$4,017,480
TOTAL	\$42,760,375



Oregon

Tina Kotek, Governor

Department of State Lands

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State Land Board

M E M O R A N D U M

Tina Kotek
Governor

LaVonne Griffin-Valade
Secretary of State

Tobias Read
State Treasurer

Date: June 11, 2024

To: Governor Tina Kotek
Secretary of State LaVonne Griffin-Valade
State Treasurer Tobias Read

From: Vicki L. Walker
Director

Subject: South Slough National Estuarine Research Reserve Annual Report

The Department of State Lands oversees the South Slough National Estuarine Research Reserve on the Southern Oregon coast and reports annually on management and performance of the Reserve. The Reserve manages nearly 7,000 acres of natural habitat which include open water channels, tidal and freshwater wetlands, riparian areas, and forested lands.

The South Slough Reserve Annual Report for January 1, 2023, to December 31, 2023, reviews the Reserve's operations and management priorities; highlights its restoration of the Wasson Creek site; discusses accomplishments and impacts of its education, coastal training, research and monitoring, and stewardship programs; and analyzes visitor use and revenue.

The purpose of the report is to provide current information about South Slough Reserve's programs, including how they address the coastal management and education needs of Oregonians. The report can be measured against previous performance and used to identify and address factors affecting performance.

APPENDICES

A. South Slough Reserve: Annual Report



2023

Living Laboratory

Annual Report of the South Slough National Estuarine Research Reserve

OREGON DEPARTMENT OF STATE LANDS

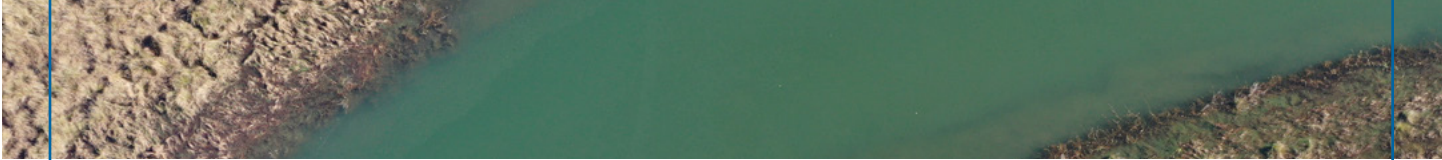


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REPORT

AT-A-GLANCE

The Department of State Lands is the state partner for the South Slough National Estuarine Research Reserve on the southern Oregon coast. The Reserve manages nearly 7,000 acres of natural habitat which includes open water channels, tidal and freshwater wetlands, riparian areas, and forested lands.

South Slough Reserve is a cornerstone of recreation, education, science, and coastal training, providing rich opportunities for the local community and visitors alike to learn about and explore estuaries. Reserve lands and waters are used by visiting researchers, teachers and students, and other members of the public who come to the Reserve to hike or paddle, view wildlife, and participate in community classes. The Reserve Visitor Center offers interpretive exhibits as well as meeting spaces for the public.

This **South Slough National Estuarine Research Reserve 2023 Annual Report** highlights program accomplishments during the 2023 calendar year and reviews revenue and spending.

2023 Key Achievements

Over \$3.5 million raised for implementation and monitoring of the Wasson Creek Restoration Project

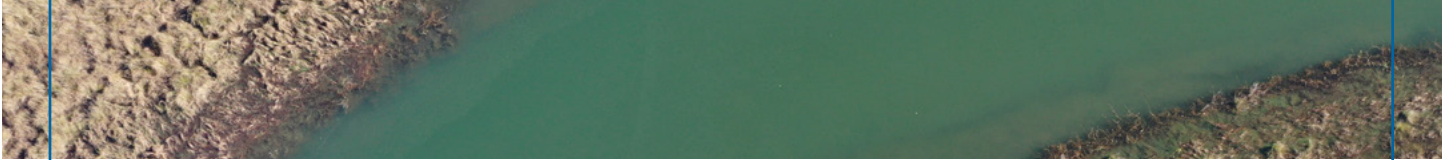
Inaugural drone program launched to help with research, monitoring, and outreach

\$1.634 million in funds leveraged to support Reserve activities—38% more funding than leveraged in fiscal year 2022 (\$1,179,249)

4,413 hours of learning offered to the public and schools via field trips, summer camps, interpretive programming, and teacher professional development

15 college and 3 high school interns contributed 4,089 hours of service in the areas of research, education, communications, and stewardship

508,406 square feet of invasive weeds removed from the Reserve by volunteers as part of the Second Saturday Stewards program



SOUTH SLOUGH RESERVE **OVERVIEW**

South Slough Reserve was designated in 1974 as the first unit of the National Estuarine Research Reserve System, which has since grown to a network of 30 reserves that protect more than 1.3 million acres of coastal areas across the country for long-term research, education, stewardship, and recreation. Each reserve is managed in partnership with the National Oceanic and Atmospheric Administration and coastal states. The Oregon Department of State Lands partners with NOAA to oversee the Reserve.

Reserve programs include Education, Research and Monitoring, Coastal Training, and Stewardship. These programs help people of all ages learn about estuaries and coastal watersheds; provide scientific information for coastal planning, resource management, and decision-making; conduct research and monitor ecological change over time; and manage and maintain Reserve land and facilities. These efforts collectively enhance scientific and public understanding of estuaries and contribute to improved estuarine management.

The Reserve's immediate governing body is the South Slough National Estuarine Research Reserve Management Commission, which includes nine governor-appointed members and the director of Oregon Department of State Lands, who serves as chair. The Commission establishes the Reserve's operating policies and administrative rules.

Tribal Partnerships

The Reserve recognizes its location on the traditional lands of the Miluk Coos people who have managed this area for abundance since time immemorial. To ensure ongoing and sound stewardship of this special place and protection of its cultural resources, the Reserve relies on regular consultation and partnership with the Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians (CTCLUSI); Coquille Indian Tribe; and Confederated Tribes of Siletz Indians. The Reserve values regular input from Tribal staff participating on the Reserve Management Commission and serving on technical advisory groups. Staff also maintain close contact with the Tribes' Tribal Historic Preservation Officers to assess potential impacts of Reserve projects on cultural resources and take measures to avoid or mitigate any negative impacts.

In 2023, Reserve staff partnered with Tribal staff

[CTCLUSI Tribal Elder, John Schaefer, offers cultural knowledge to researchers from the Pacific Birds Habitat Joint Venture, Monica Iglecia and Laura Farwell, during their visit to the Wasson Creek Restoration Project.](#)



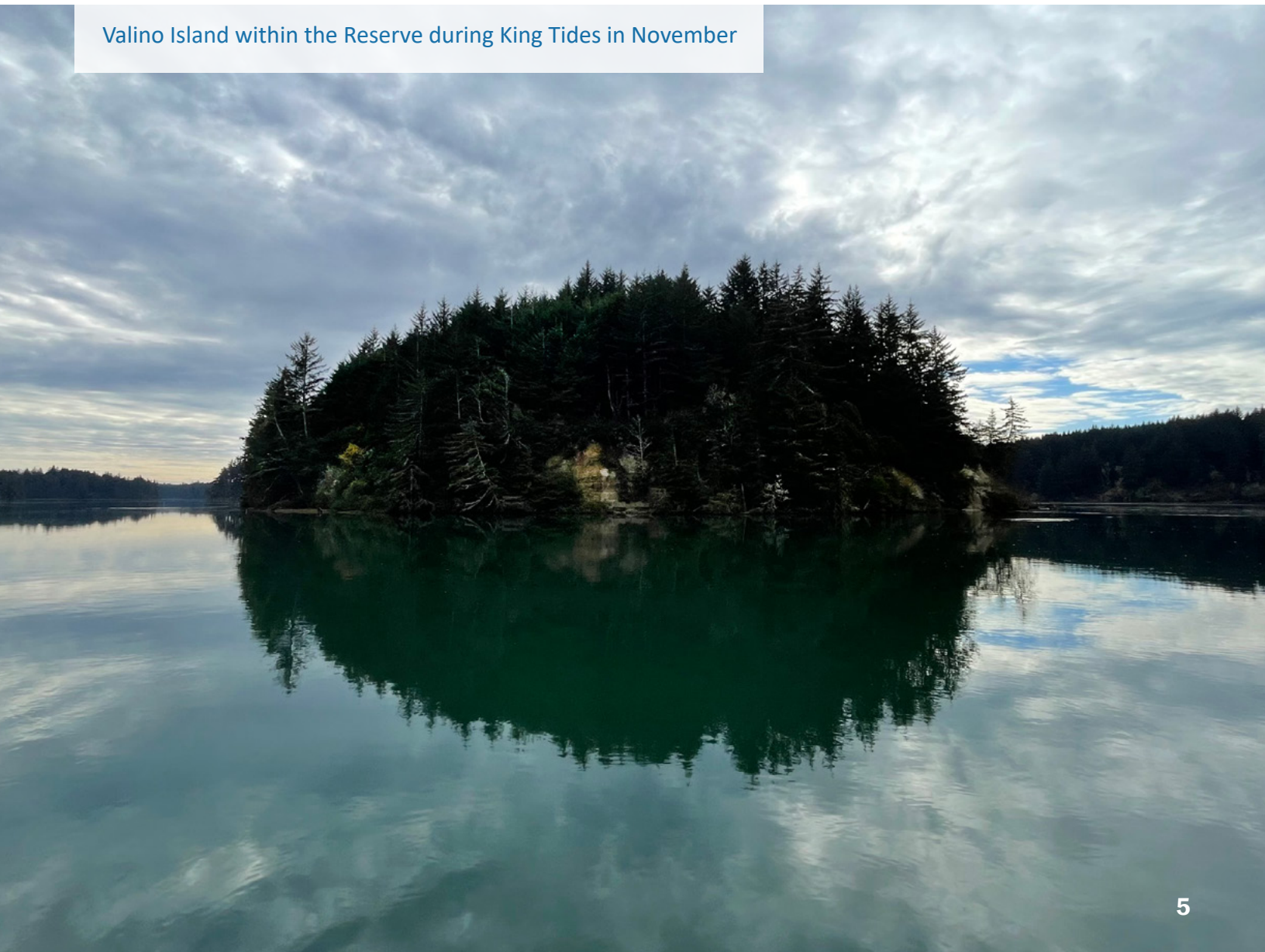
on education and training programs, research and monitoring projects, and stewardship work. For example, Reserve staff hosted multiple days of the Coquille Indian Tribes' Summer Camp, engaged with Tribal staff to incorporate cultural content into the designs for the new exhibits at the Reserve's visitor center, provided stewardship opportunities for Tribal youth, and collaborated on multiple science projects.

Plans and Priorities

South Slough Reserve's programming and decision-making is guided by two key planning documents: the Department's 2022-2027 Strategic Plan and the Reserve's 2017-2022 Management Plan. The Reserve management plan outlines a Reserve-specific vision, mission, and overarching goals as well as a detailed strategic planning framework linked to the Reserve's Priority Focus Areas: Climate Change, Habitat Protection and Restoration, and Invasive Species.

In 2023, staff paused updating the Reserve management plan to focus capacity on completing the federal process for amending the Reserve's boundary to include all the lands acquired by the Reserve since 2008. With the boundary amendment nearing completion, Reserve staff will resume updating the management plan in 2024 to include the new boundary area.

Valino Island within the Reserve during King Tides in November





RESERVE PROGRAM: EDUCATION

All programs of South Slough Reserve promote increased understanding and connection to the estuary through learning. The Education Program serves teachers, students, and community members from the local area, across Oregon, and beyond.

During 2023, the Reserve served:

- Regular school programming, such as classroom visits and field trips, for 2,120 students
- Four-week after-school Estuary Explorers program for 19 elementary students
- Spring break and summer science day camps for 108 kids
- Community classes and outreach events for 3,206 people

The Visitor Center was open Tuesday through Saturday from 10 AM to 4 PM, welcoming 3,055 people over 253 days.



Summer Science campers build a model beaver dam

Digitizing Program Surveys

During spring 2023, Education Program staff and interns created digital program evaluation forms for school and community education participants. At the end of a school field trip or community program, participants are invited to scan a QR code and complete a short survey to help staff, interns, and volunteers identify what aspects of the program are working well and areas for improvement.

Converting the evaluation forms to short, online formats is making it much easier for the Education team to collect and analyze feedback from participants of these program areas. Previously the feedback for these programs was collected through paper surveys, or through a document sent with an email, requiring the data to be entered manually before it could be analyzed. Providing participants with an opportunity to respond immediately after a program, rather than hours or days later via email, has also increased the response rates for feedback.

Survey results were also overwhelmingly positive. For example, results from school field trips showed:

- 100% of participants found the education programs to be engaging and thought provoking
- 98% of teachers noted the curriculum was age appropriate and met curriculum outcomes
- Instructors received 4.9 stars out of 5 for knowledge and enthusiasm

The Education team is excited about the success of this transition and the information received through the evaluations. In the future, surveys can also be used to evaluate participants' understanding of Reserve priority issues and effectiveness of Reserve communication techniques.

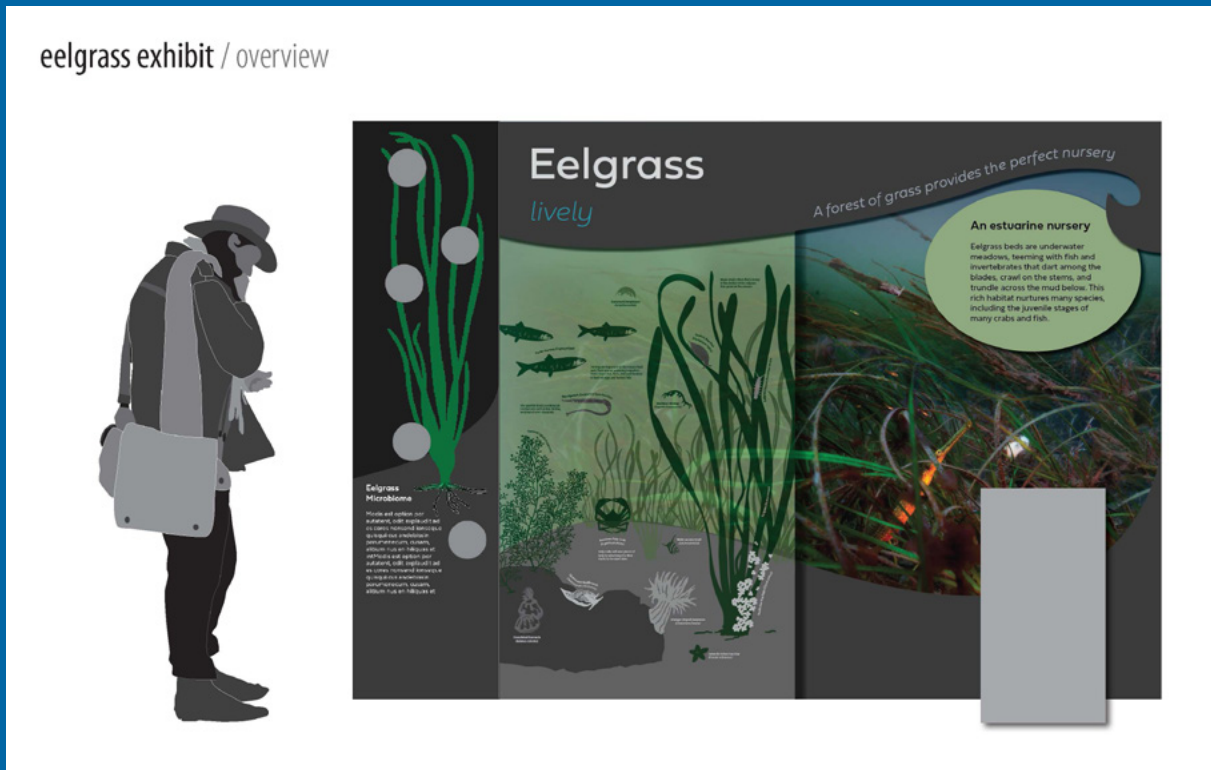
Updating Interpretive Exhibits

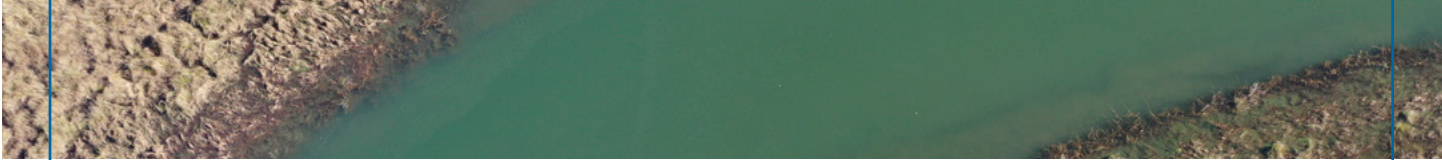
The Reserve is working to update the interpretive exhibits inside the Visitor Center. Much has changed at the Reserve and in Oregon since the existing exhibits were designed twenty years ago. The new exhibits incorporate human stories and experiences as well as make improvements in accessibility and inclusivity so that all visitors can interact and learn.

Starting in 2022, Reserve staff and partners met with contractor, Content Design Collaborative, to kick off the development of detailed plans and drawings. This year, the Reserve contracted Sea Reach to implement design, writing, and fabrication based on the 2022 plans. A working group comprised of cultural staff from the CTCLUSI, the Coquille Indian Tribe, and the Confederated Tribes of Siletz Indians meets regularly with the Reserve Education Coordinator, Jaime Belanger, to ensure accurate and meaningful incorporation of Tribal culture and stewardship information. Reserve staff from all program areas are contributing information, ideas, and feedback to ensure that the natural history, science, and reserve activity is captured and communicated effectively. Updated exhibits will be installed by the end of June 2024 and highlighted during the 50th anniversary celebrations.

The work is funded through a NOAA Procurement, Acquisition, and Construction (PAC) grant, which also included updates to the public restrooms and installation of automatic doors to increase accessibility and inclusion for Reserve visitors.

Draft Exhibition Design





RESERVE PROGRAM: **STEWARDSHIP**

The Stewardship Program connects people to place, strengthens relationships with lands and waters, provides opportunities for people to contribute to the wellbeing of coastal watersheds, and facilitates co-stewardship with Tribal Nations on ancestral lands. In 2023, the stewardship team:

- Actively engaged with 460 students
- 23 members of the public participated in stewardship activities
- Gave public presentations to 245 people
- Partnered with more than 41 local natural and/or cultural resource professionals.

Wasson Creek Restoration Project

One of the Focus Projects of the Department's 2022-2027 Strategic Plan, the Wasson Creek Restoration Project is a unique watershed-scale restoration project that has been decades in the planning. The Project will benefit fish and birds—including culturally important species such as coho salmon and lamprey and endangered species such as the marbled murrelet—as well as other wildlife and people.

The Wasson Creek Restoration Project project will not only restore a 525-acre watershed, but it will also serve as a living classroom so that we can learn from and improve restoration practices at the local, national, and global scale. Over \$3.5 million has been received for implementation and monitoring of the Project in 2023. Much of this funding is supporting jobs through hiring contractors and researchers, providing internships, and supporting staff at the Reserve. Funding is coming from:

- The National Estuarine Research Reserve System Habitat Protection and Restoration funds made possible by the Bipartisan Infrastructure Law (\$3,535,900)
- The Coos Basin Coho Partnership (\$300,000)
- The U.S. Fish and Wildlife Service Coastal Program (\$64,203)
- The Coquille Tribal Community Funds (\$5,000)



Removal of English ivy, an invasive plant that weakens and kills trees, from the Reserve

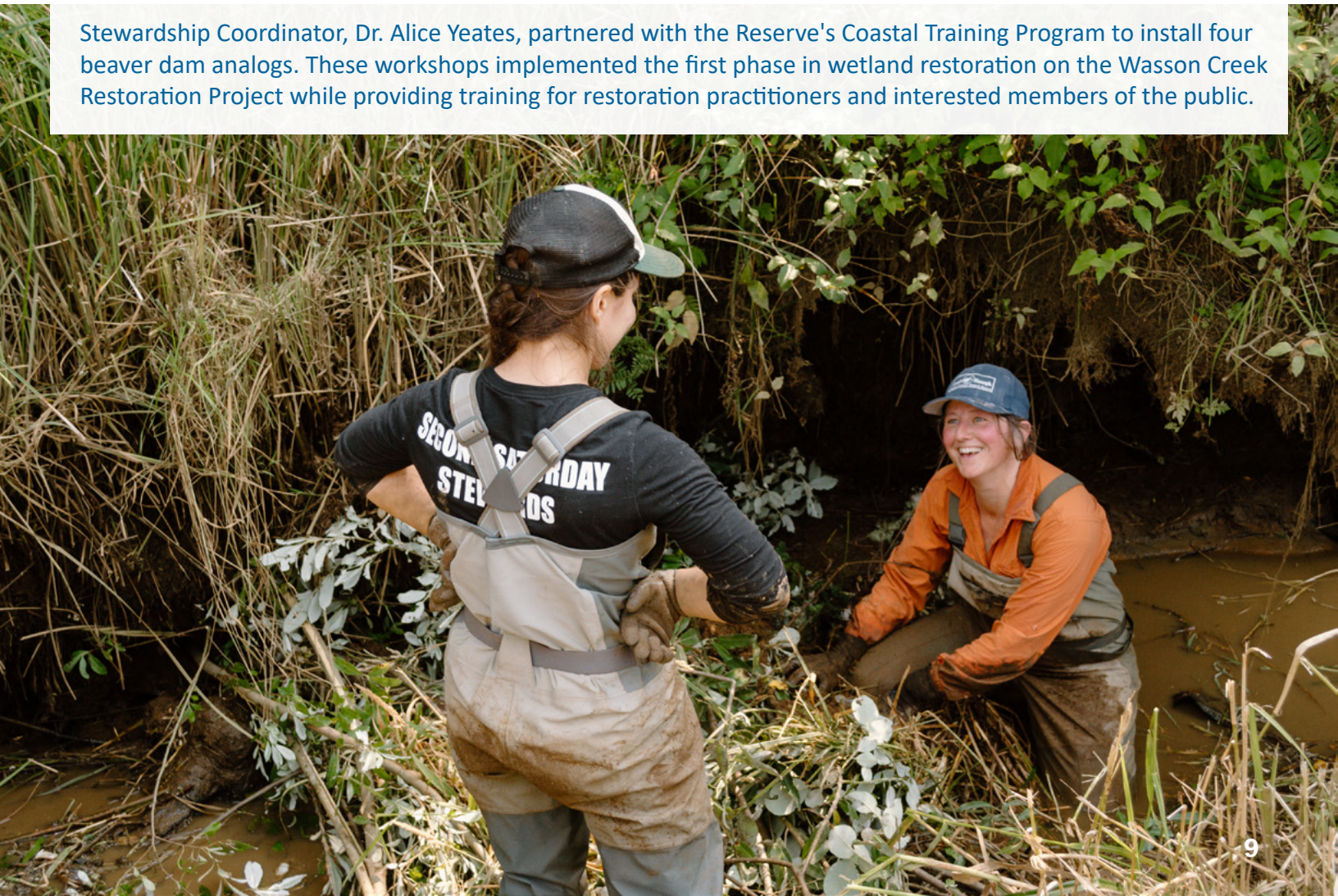
In 2023, the Wasson Creek Restoration Project restoration team—made up of Reserve staff, partners, volunteers, and interns—moved the project forward through:

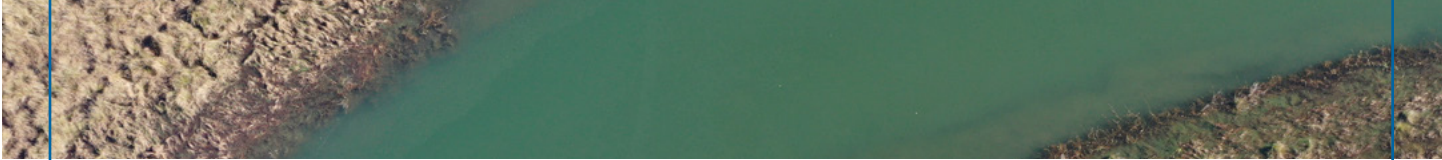
1. Environmental compliance and permit completion for beaver dam analogs
2. Pre-restoration monitoring
3. Restoration implementation
4. Community engagement

With funding secured and progress made, the Reserve estimates restoration project completion by March 2026. This is an adjustment from the Department's 2022-2027 Strategic Plan which cited 2025 for completion. Major Tasks highlighted in the 2022-2027 Strategic Plan are on track:

MAJOR TASKS FROM DSL 2022-2027 STRATEGIC PLAN	CURRENT STATUS OF MAJOR TASKS
Develop restoration plan for forested uplands	Completed 2021
Update restoration plan for wetlands	Completed 2022
Pre-restoration monitoring	Extensive pre-restoration work has been completed, will be ongoing until restoration commences
Complete forested uplands restoration work	Completed phase 1 (45-acres) in 2022

Stewardship Coordinator, Dr. Alice Yeates, partnered with the Reserve's Coastal Training Program to install four beaver dam analogs. These workshops implemented the first phase in wetland restoration on the Wasson Creek Restoration Project while providing training for restoration practitioners and interested members of the public.





RESERVE PROGRAM: **COASTAL TRAINING**

The Coastal Training Program provides training and technical assistance to coastal decision makers, natural resource managers, and restoration practitioners to support science-based coastal and estuarine management.

During 2023, the Coastal Training Program offered eight trainings attended by a total of 125 participants.

Training topics included:

- Creating infographics
- Geographic Info Systems (GIS) remote sensing techniques and climate change impacts
- Accessible trail design
- Biochar kiln usage and demonstration
- Creating defensible space around structures
- Installing beaver dam analogs for restoration
- An overview of Oregon’s coastal planning goals for local and city planners

Trainings were hosted in partnership with:

- South Coast GIS Users group
- Wilson Biochar Associates
- OSU Extension program, Coos Forest Protective Association
- Oregon Department of Forestry
- Trailkeepers of Oregon
- U.S. Fish and Wildlife Service
- Oregon Department of Land Conservation and Development

Biochar Kiln Demonstration

In 2023, the Reserve’s Coastal Training Program hosted a training for natural resource managers as well as practitioners in forestry and restoration fields to get hands-on experience building a fire in a biochar kiln. Biochar is a low-emission fertilizer made from partially burning woody debris. This debris is usually a waste product, from timber operations and forest thinning treatments, that would otherwise require expensive or emissions-heavy disposal.

During breaks from tending the kiln the group had a robust discussion around using biochar as a forest management tool and the resulting char for carbon sequestration. Twenty participants and six instructors from as far away as northern California and the Portland metro area came away from the program with solid ideas and enthusiasm for utilizing biochar in their respective jurisdictions.



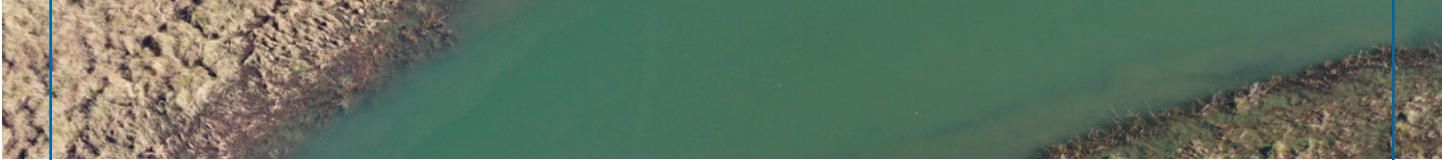


Reserve maintenance staff, Jonathan Forth, cooling the kiln while Dr. Chris Adlam, Regional Fire Specialist with Oregon State University, takes measurements with a temperature meter.

Coastal Training Program Coordinator Sabra Comet worked with Stewardship Coordinator Dr. Alice Yeates and Reserve Park Ranger Jonathan Forth to deliver the training. The Reserve contracted Wilson Biochar to conduct the demonstration using a kiln the Reserve had purchased in 2022. Feedback from speakers and participants was overwhelmingly positive and there are requests to make it a repeat program. Plans are already in the works to schedule more biochar kiln trainings to coincide with key steps in the Wasson Creek Watershed Restoration Project.

Additionally, several Reserve volunteers with video production experience created a [short informational video](#) of the biochar kiln operation and benefits, interviewing subject matter experts throughout the process. The video can be found on the Reserve website.

Since the training, Oregon Department of Forestry has borrowed and tested the Reserve's kiln for management of sudden oak death, a large concern for the timber industry of Curry and Coos counties. Use of the kiln was reported to be effective for rendering affected foliage during Forestry's culling efforts. In between workshops, the Reserve kiln will continue to be loaned to local groups for use in their own forest management projects.



RESERVE PROGRAM:

RESEARCH & MONITORING

The Research and Monitoring Program improves scientific understanding of estuaries and coastal watersheds through application of research, monitoring, and education to inform coastal management. The Program team expands capacity through collaborations and partnerships with academic, federal, state, nonprofit, and Tribal scientists as well as natural resource managers. In 2023, Reserve staff and partners:

- Conducted 36 research and monitoring projects
- Leveraged limited resources to increase productivity
- Facilitated collaborative learning experiences
- Improved understanding of estuarine, wetland, and upland ecosystems

These collaborations have resulted in numerous technical working groups, grant-funded projects, presentations, reports, and scientific publications.

Wetland Restoration Over Time

With a decades-long history of restoration science, South Slough Reserve serves as a long-term living laboratory to understand the effectiveness of restoration methods and projects. The Mature Restoration Analysis is funded by National Estuarine Research Reserve System Science Collaborative and led by Dr. Chris Janousek from Oregon State University. The effort is a collaboration across west coast states and includes four Reserves. The project is researching the status and trajectory of the oldest regional tidal wetland projects to better understand restoration effectiveness and outcomes. The results will inform future restoration efforts.

Reserve staff are included on the project team to:

- Help coordinate engagement with decision makers and stakeholders
- Present results to regional and national audiences
- Provide local and technical knowledge
- Collect data at wetlands in the Coos estuary
- Assist with data acquisition in Oregon
- Develop education and outreach products

In 2023, Reserve staff and interns joined Oregon State University to collect vegetation and elevation data at sites in South Slough. The project team is planning a 2024 decision makers workshop at South Slough to disseminate findings.

"I am a cultural anthropologist researching the social impact of debris that washed ashore from the 2011 tsunami and aquatic hitchhikers. This was a very important experience for me. I am deeply grateful for your cooperation."

Dr. Taichi Uchio, Faculty of Global Studies at Reitaku University in Japan, after joining Reserve scientists and interns to survey Green Crabs over two days in August 2023.

Supporting Graduate Fellows

The National Estuarine Research Reserve System program supports graduate students through the two-year NOAA Margaret A. Davidson Graduate Fellowship Program. Fellows work on the Reserve's coastal management priorities including climate change, habitat protection, and invasive species.

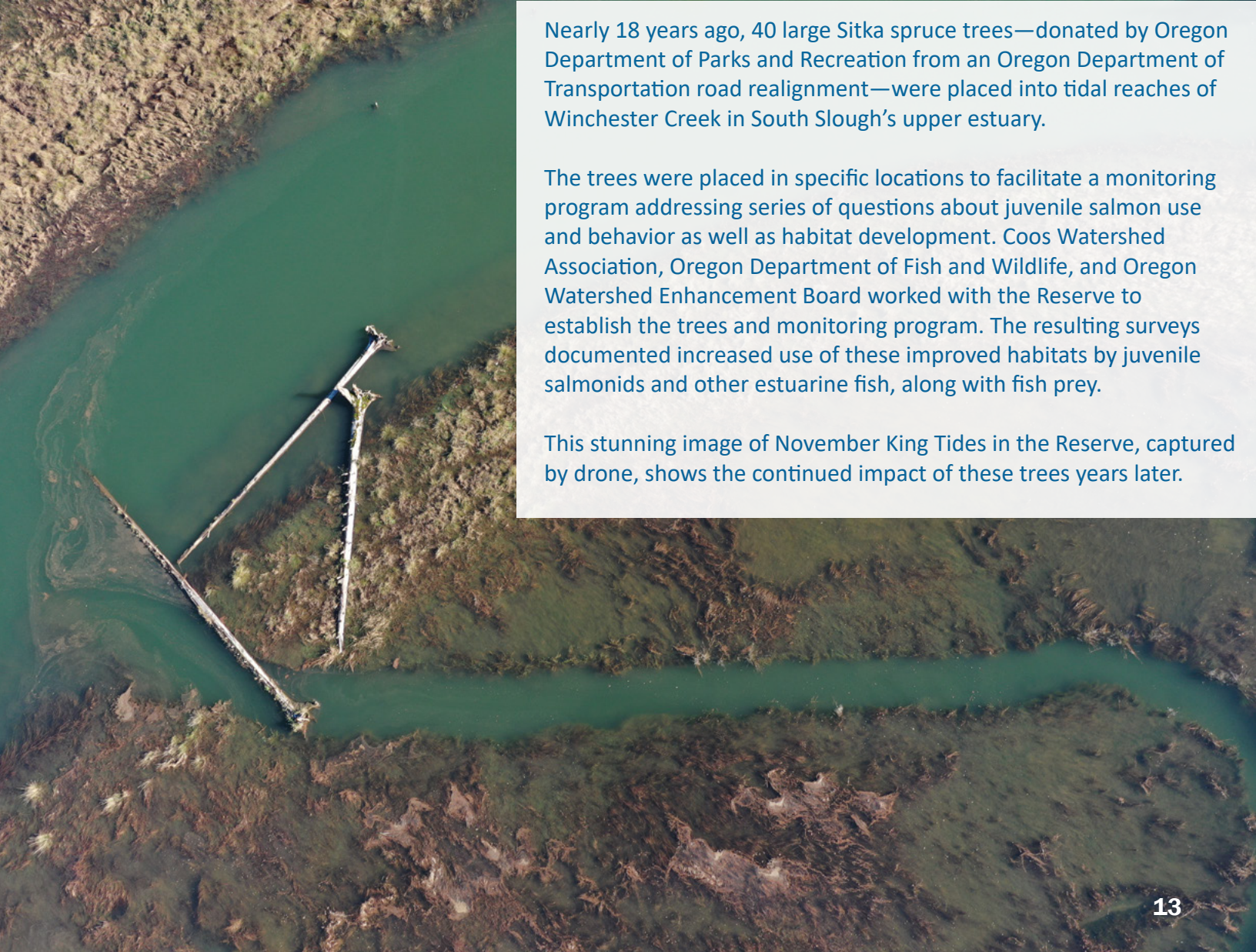
Taylor Dodrill, a PhD student from Portland State University and the Reserve's 2020-2022 fellow, conducted research to help predict the occurrence and effects of harmful algal blooms in South Slough, Coos estuary, and Tenmile Lakes. She completed her dissertation in October 2023.

Lara Breikreutz, a MS student from Oregon State University and the Reserve's 2022-2024 fellow, is evaluating recovery potential of eelgrass from seed banks under ambient and warming conditions in the Coos estuary.

Launching an Uncrewed Aerial Systems program

Over the past year, Science staff led by GIS Specialist Jennifer Kirkland have been developing an Uncrewed Aerial Systems (UAS) program. Monitoring and mapping habitats in the Reserve such as eelgrass beds, emergent marsh, upland forests, and the Sitka spruce swamp will be greatly enhanced by the UAS program. Other benefits include helping Reserve Science staff study the progress of restoration projects, assess vegetation health, and track wetland responses to sea-level rise and other environmental stressors, as well as acquiring beautiful landscape photos for outreach and education purposes.

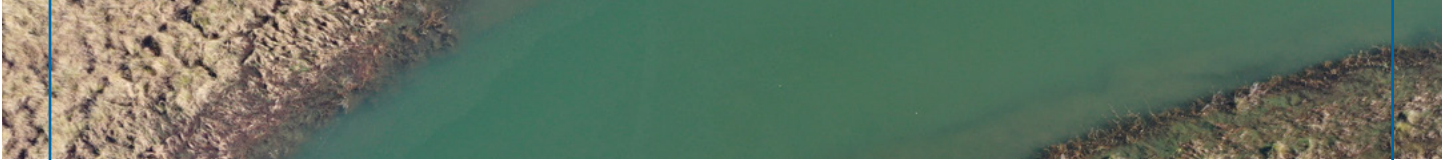
Jennifer Kirkland has completed the requirements to obtain her Federal Aviation Administration remote pilot (Part 107) certificate and has begun testing imagery acquisition and image processing methods. To aid in her work, the Reserve has acquired three UAS platforms, two smaller units for standard photography and one larger unit that can carry more sophisticated sensors.



Nearly 18 years ago, 40 large Sitka spruce trees—donated by Oregon Department of Parks and Recreation from an Oregon Department of Transportation road realignment—were placed into tidal reaches of Winchester Creek in South Slough's upper estuary.

The trees were placed in specific locations to facilitate a monitoring program addressing series of questions about juvenile salmon use and behavior as well as habitat development. Coos Watershed Association, Oregon Department of Fish and Wildlife, and Oregon Watershed Enhancement Board worked with the Reserve to establish the trees and monitoring program. The resulting surveys documented increased use of these improved habitats by juvenile salmonids and other estuarine fish, along with fish prey.

This stunning image of November King Tides in the Reserve, captured by drone, shows the continued impact of these trees years later.



PUBLIC INVOLVEMENT

Reserve staff strive to give the public an opportunity to make meaningful connections to South Slough Reserve through volunteer and internship opportunities as well as informational outreach events around the community. In turn, volunteers and interns provide support and assistance to the Reserve by helping fulfill its operational, research, stewardship, and education goals. From January to December 2023, 49 volunteers and interns put in 4,795 hours valued at \$151,419.

Interns from summer 2023 returning to fixed points where the marsh level is measured repeatedly.

The survival of tidal wetlands depends on the intricate relationship between sea level and marsh elevation.



Internship Program Improvements

The South Slough Reserve Internship Program has been providing quality educational experiences for high school and college students, as well as those re-entering the workforce or changing careers, since 2013. As of December 2023, the Reserve has hosted 118 interns who spent an average of 100-300 hours of job training with a staff mentor.

The Reserve made significant improvements to its internship program in 2023, including incorporating a toolkit from the Oregon Department of Administrative Services for state internship programs. The Reserve’s Public Involvement Coordinator, Operations Manager, and DSL Human Resources staff worked together to set up administration of monthly stipend awards provided through grants and the Friends of South Slough. Previously, administration and dispersal of stipend awards was done directly through the Friends of South Slough on a limited basis. As of December 2023, 19 of the 118 internships have been directly administered through the Department and South Slough Reserve.

Volunteer Program Communications and Engagement

The Reserve continually works to update volunteer program management. Since 2021, volunteers have been able to report their hours via an online form which they can access with a QR code or link. This has helped to streamline the tracking of volunteer hours. Volunteers are recognized annually by the Management Commission, as well as by Reserve staff at every opportunity.

Second Saturday Stewards

Through collaboration between Reserve Stewardship Coordinator Dr. Alice Yeates, Public Involvement Coordinator Deborah Rudd, and Park Ranger Assistant Jonathan Forth, a program was set up in 2019 to engage volunteers in the monitoring of invasive species through the Second Saturday Stewards program. A regular group of volunteers meet every second Saturday of the month for two hours to help remove and learn about invasive species. Thanks to the generosity of the local Coos Head Food Coop, stewardship volunteers are provided a meal after each session. As of December 2023, the Second Saturday Stewards have removed 508,406 square feet of invasive weeds and 24 industrial size bags of trash from Reserve lands.



FACILITIES AND LAND

MANAGEMENT PROJECTS

Progress on New Entrance to the Reserve

In 2023, the Reserve partnered with the Friends of South Slough to reconfigure the entrance to the South Slough Reserve Visitor Center from Seven Devil's Road. The goal of the redesign is to create a welcoming entrance with increased safety, parking, and access for school group buses. The project will also improve internet access, which is currently unreliable and impacts work operations at the Reserve.

Friends of South Slough provided funding and contract support for the development of engineering and architectural designs. Staff provided input throughout the iterative design process to ensure the designs would fit the needs of visitors and onsite programs. The final designs were approved by the South Slough Reserve Management Commission in November 2023 and are being used to develop a grant proposal for submission in 2024 to fund the construction phase of the project.

Expanding the Reserve Boundary

In 2023, the Reserve worked with NOAA to complete the federal process required for National Estuarine Research Reserve boundary amendments. This included writing a draft environmental assessment with legal and public review. The project is in the final stages of engagement with the local community, stakeholders, and Tribes. The boundary update is expected to be completed in January 2024. The new boundary will include all the lands acquired by the Reserve since 2008.

Trail Projects

Multiple trail improvements were made on the Reserve's 5.5 miles of public trails, including replacing boardwalks and upgrading and installing new education platforms.

Accessibility Upgrades

Renovation of the public restrooms at the Visitor Center was completed in 2023 making them both fully accessible based on the Americans

with Disabilities Act (ADA) standards and gender neutral.

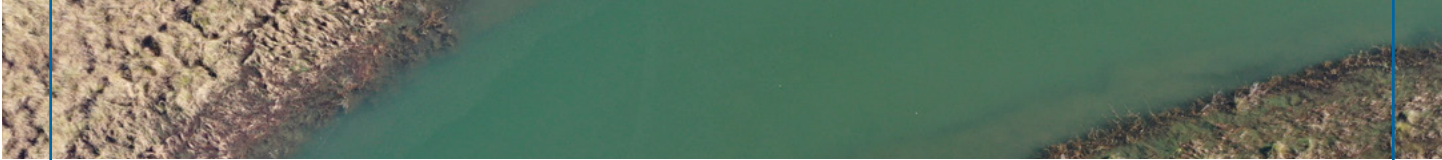
Significant progress was also made on contracting for the installation of ADA-compliant exterior doors at the Visitor Center.

Upgrading Communication Tower Power

In 2023, power for our network communications tower failed and upgrades were needed. Staff from the Department's Salem office and the Reserve collaborated to install and connect a new propane generator at the tower. This ensures that power can be available 24/7 if solar going into the system is not enough to maintain connectivity.



Maintenance staff, Mike Allman and Daniel Fenn, repair the North Creek Trail from tree damage after storm events in December 2023



REVENUE & SPENDING

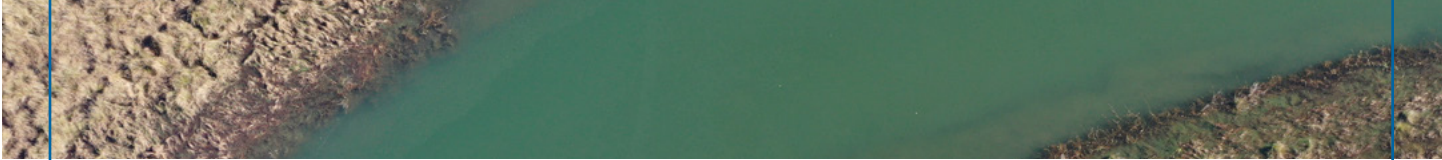
State funding for South Slough Reserve comes from the Common School Fund, which provides stable support for Reserve operations, programs, and services provided to Oregonians as envisioned by the Legislature. The South Slough Reserve upholds the values of the Common School Fund by supporting education and the long-term stewardship of the state’s wetlands and waterways. This funding provides two critical benefits. First, it enables the Reserve to provide high-quality programming and services to diverse audiences at little or no cost. Second, Common School Fund dollars are leveraged to bring in a significant amount of additional revenue: the Fund provides match for the Reserve’s annual operations award from NOAA and for various competitive grants each year. In 2023, the Reserve brought in a total of \$1,634,744 in non-Common School Fund dollars to support the water quality monitoring program, trail improvement projects, the acquisition of a key property at the entrance to the Visitor Center, renovation and upgrades to public restrooms and exhibits, and general operations. The Reserve also brings in revenue every year from facility rentals and lodging, with the fee schedule designed to offset operation and maintenance costs for use of the facilities.

The percentage of funding leveraged by the Reserve varies from year to year depending on project needs, the federal budget, and grant opportunities. In calendar year 2023, Reserve revenue included \$1,634,744 of leveraged funds, which accounted for 51.48 percent of total revenue. This was a 5.76 percent increase from calendar year 2022.

REVENUE	2023
Common School Fund	\$ 1,540,603
Leveraged funds*	\$ 1,634,744
Total Revenue	\$ 3,175,347
% Leveraged Funds	51.48%

** Leveraged funds include the operations award received from NOAA, competitive grants, funding from the Friends of South Slough, Inc. and fees charged for rentals and permits.*

SPENDING	2023
Salaries and Wages	\$2,212,060
Services and Supplies	\$501,160
Capital Outlay	\$399,263
Total Spending	\$3,112,483



APPENDIX A

RESERVE PARTNERS

Tribal Partners

- Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians
- Coquille Indian Tribe
- Confederated Tribes of Siletz Indians
- Lower Elwha Klallam Tribe

City and County Partners

- City and county land-use planners
- Coos County
- Coos Health & Wellness
- All Coos County school districts

State Partners

- Oregon Department of State Lands
- Oregon Department of Fish and Wildlife
- Oregon Department of Land Conservation and Development
- Oregon Department of Forestry
- Oregon Department of Transportation
- Oregon Coast STEM Hub
- Oregon Sea Grant
- Oregon Natural Resources Education Program

Federal Partners

- U.S. Forest Service
- Bureau of Land Management
- National Oceanic and Atmospheric Administration
- Coast Guard
- U.S. State Department
- U.S. National Parks Service

University Partners

- University of Oregon
- University of Oregon, Oregon Institute of Marine Biology
- University of Oregon, Institute for Policy Research and Engagement
- Oregon State University
- Portland State University
- University of California, Davis
- Southern Oregon University

Additional Partners

- Friends of South Slough, Inc.
- Partnership for Coastal Watersheds
- Coos Watershed Association
- Wetlands Conservancy
- The PEW Charitable Trusts
- National Estuarine Research Reserve System Science Collaborative
- National Estuarine Research Reserve Association
- Tenmile Lakes Basin Partnership
- Wild Rivers Land Trusts
- Pacific Marine and Estuarine Fish Habitat Partnership
- Trailkeepers of Oregon
- National Science Foundation
- Wilson Biochar, LLC
- Parks Canada
- George Wright Society
- Coos Bay Downtown Association
- Pacific Lamprey Conservation Initiative
- South Coast Food Co-op
- The Egyptian Theater
- American Fisheries Society