

## **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** 

Tina Kotek Governor

State Land Board

Regular Meeting August 13, 2024 Agenda Item 3 LaVonne Griffin-Valade Secretary of State

> Tobias Read State Treasurer

# **SUBJECT**

Sale of filled lands on the Astoria waterfront.

#### **ISSUE**

Whether the State Land Board should authorize the Department of State Lands to conduct a direct sale of 0.57 acres of new, state-owned filled land to Fortuna Cannery, LLC. The property is located on the Astoria waterfront in Clatsop County at Township 8 North, Range 8 West, Section 7CA, a portion of Tax Lots 401 and 402 (see Appendix A for a site map of proposed land transaction #63360-LS).

#### **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 274.915; relating to the sale, lease or trade of submersible and submerged lands.

OAR 141-068; relating to the sale, exchange or reservation of new lands.

# **BACKGROUND**

Fortuna Cannery, LLC is a local business operating the Cannery Pier Hotel and Spa along the Astoria waterfront at 10 Basin Street. A current lessee of the Department, Fortuna Cannery, owns improvements on the state-owned filled lands and adjacent Oregon-owned waterway along this waterfront.

These new lands were filled between July 1969 – September 1971 to add storage and access to the docks. Fortuna Cannery later purchased these improvements, while the

state continued to retain ownership of the submerged, submersible, and filled lands. The filled lands are currently being used by the lessee as a parking area, access point, and small open space for the Cannery Pier Hotel and Spa. The Port of Astoria owns the adjacent uplands.

In June 2021, Fortuna Cannery applied to purchase the filled lands within tax lots 401 and 402 from the Department. At the October 12, 2021, meeting the Land Board approved the Department conducting due diligence for the direct sale (see Appendix B).

#### **PUBLIC INVOLVEMENT**

Following the approval to conduct due diligence, the Department circulated the proposed land sale for a 30-day public comment period from October 22, 2021 – November 20, 2021. The notice was sent to all adjoining landowners, local School District Superintendents, State and Federal wildlife agencies, local Tribes and other interested parties. The Department received one comment from the city of Astoria planner indicating the requirement to partition the subject parcel prior to the sale (see Appendix C).

## **STAFF FINDINGS**

As a result of the due diligence review, an appraisal determined the value of the land to be \$315,715.00, which the Department believes is a fair value.

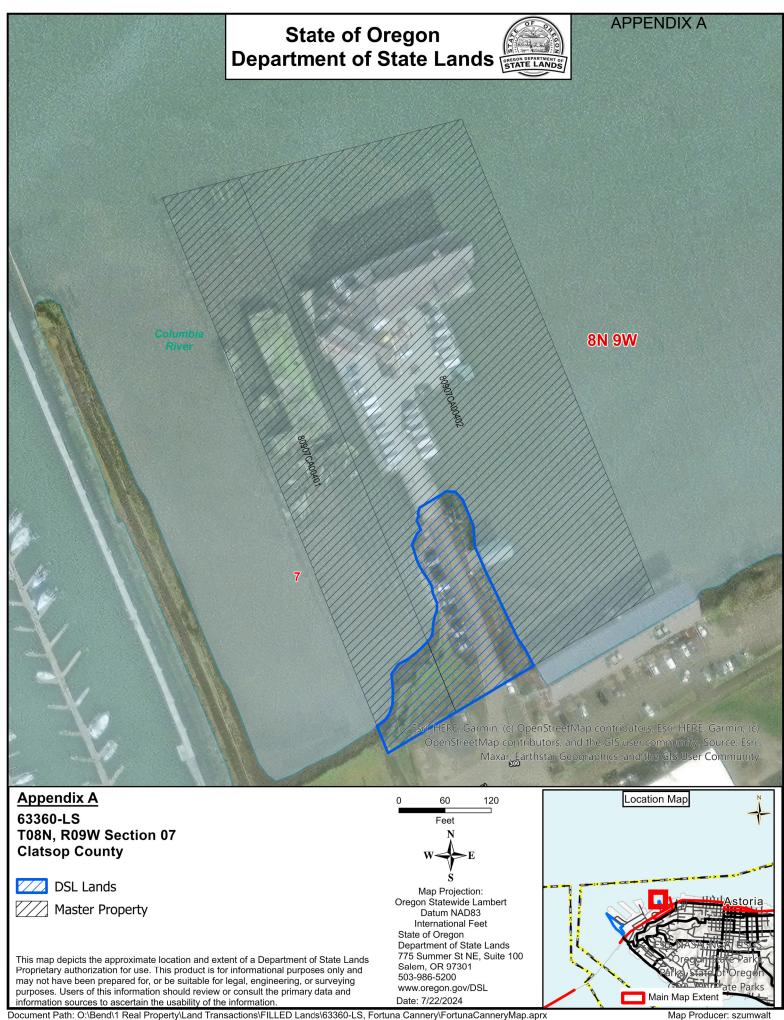
In accordance with administrative rules (OAR 141-067-0220(7)(b)), the property will be required to be partitioned from the parent tax lot to be deemed a legal lot of record. Prior to closing, the Department will require the applicant to complete a partition as stipulated in the draft Purchase and Sale Agreement (see Appendix D).

#### **RECOMMENDATION**

The Department recommends that the State Land Board authorize the direct sale of 0.57 acres of filled land in Clatsop County to Fortuna Cannery, LLC for the negotiated price of \$315,715.00.

## **APPENDICES**

- A. Map
- B. October 2021 Land Board item
- C. Public comments and DSL responses
- D. Draft Purchase and Sale Agreement





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#### **State Land Board**

State Land Board

Regular Meeting October 12, 2021 Agenda Item 2 Kate Brown Governor

Shemia Fagan Secretary of State

> Tobias Read State Treasurer

# **SUBJECT**

Request for approval to initiate due diligence for a potential sale of a tract of filled land on the Astoria waterfront in Clatsop County at Township 8 North, Range 9 West, Section 7CA, a portion of Tax Lots 401 and 402 totaling 0.7 acres of state-owned filled lands (DSL file 63360-LS).

## <u>ISSUE</u>

Whether the State Land Board should authorize the Department to initiate due diligence for a potential sale of 0.7 acres of state-owned filled land (Appendix A) in a direct land sale.

#### <u>AUTHORITY</u>

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.

ORS274.915; relating to the sale, lease or trade of submersible and submerged lands.

OAR 141-068; relating to the sale, exchange or reservation of new lands.

Real Estate Asset Management Plan (REAMP), adopted by the Land Board; February 2012

## **SUMMARY**

In June 2021, Fortuna Cannery LLC submitted an application to purchase filled land from DSL along the Astoria waterfront at Township 8 North, Range 9 West, Section 7CA. The land requested for purchase is a portion of Tax Lots 401 and 402 in Clatsop County. The filled land is currently leased by Fortuna Cannery LLC and used as a parking area, access point, and small open space for the Cannery Pier Hotel at 10 Basin Street. The Port of Astoria owns the adjacent upland.

Fortuna Cannery LLC owns the tax lots for the requested land, while DSL owns the filled land itself, a result of the Astoria Quitclaim Act (1969). As with most state-owned waterways, DSL owns the submerged and submersible land (beds and banks) of the Columbia River. However, the Astoria Quitclaim Act established tax lots for portions of submerged and submersible land along the Astoria waterfront, giving tax lot owners the right to lease the land. At the time, the land Fortuna Cannery LLC is requesting to purchase was submerged/submersible. According to an ownership study conducted by DSL staff, the land was subsequently filled between July1969 and September1971 to add storage and access to the docks. Fortuna Cannery LLC later purchased the improvements on Tax Lot 401 and 402, while the state maintained ownership of the filled lands. The ownership study was a Strength of Claim analysis completed by DSL Ownership Specialist Erin Serra which was prompted by the Fortuna application.

# RECOMMENDATION

The Department recommends that the State Land Board authorize the initiation of due diligence for a potential sale of 0.7 acres of filled land in Clatsop County.

#### **APPENDICES**

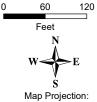
A. Map of the Parcel



63360-LS - State to Fortuna Cannery, LLC T08N, R09W Section 07 Tax Lots 401 and 402 0.70 acres **Clatsop County** 

Filled Lands

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.



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