



# Oregon

Kate Brown, Governor

## Department of State Lands

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March 30, 2021

### State Land Board

Kate Brown  
Governor

To: Co-Chair Jeff Reardon, Co-Chair Kathleen Taylor, Committee Members  
Joint Committee On Ways and Means Subcommittee On Natural Resources

Shemia Fagan  
Secretary of State

From: Vicki L. Walker, Director, Oregon Department of State Lands

Tobias Read  
State Treasurer

**Re: Budget Presentation Follow-up**

Thank you, Co-Chairs Reardon and Taylor and Committee Members, for your consideration of the Department of State Lands 2021-2023 Governor's Budget. We appreciate the Committee's interest in the Department's work for Oregon and are pleased to provide the additional information below and attached. Please do not hesitate to contact us with questions.

### Key Performance Measures

- *Details on Proposed Key Performance Measures (KPMs):* Information about the Department's proposed new KPMs is on page 10 of the [Budget Reference Materials](#).
- *South Slough Reserve's Proposed KPM:* The proposed KPM would capture participants in formal education and interpretive programs and visitors to the South Slough Reserve Visitor Center. For example, people who participate in an activity such as a guided kayak trip will be counted; kayakers who explore on their own will not be counted. South Slough Reserve staff is working with the National Oceanic and Atmospheric Administration on ways to count more visitors in the future.
- *Improving Customer Satisfaction:* 2020 survey results helped DSL identify key areas for improving service. These include updating our website, adding self-service online features for submitting and checking on applications, decreasing wait times for unclaimed property checks, and providing easy-to-understand information. Improving service in these areas is supported by the in-progress information technology system replacement project (POP 106), the in-progress website redesign (being led by the communications officer position made permanent in POP 105), the Unclaimed Property program's new initiative to mail checks directly to rightful owners, and multiple initiatives within the Exceptional Service goal area of DSL's updated strategic plan, including development of customer service plans for each program area.

### IT System Replacement Project – Improving Online Information and Services

An overview of the Department's multi-year project to replace a badly outdated information technology system with a new, web-compatible system that will greatly enhance DSL's customer service is attached.

## School Lands

- *Industrial, Commercial, and Residential Lands:* The Department oversees 6,791 acres of industrial, commercial, and residential lands – approximately .09 percent of the surface acres managed. See DSL’s [Annual Report on Common School Fund Real Property](#) for additional information about the financial performance of school lands and a map showing where school lands are located.
- *School Lands Owed to Oregon:* The state is still owed 1,477.36 acres from the federal government per final judgement in State of Oregon v. BLM-USDI (85-646 MA). The Department is in negotiations with BLM to identify suitable properties for state ownership.

## Elliott State Research Forest Progress

The Land Board in December 2020 confirmed the Elliott's future as a research forest and directed details to be finalized over the next two years. Current work on the project includes:

- Finalizing the Oregon State University research forest proposal, including development of final details on riparian protections, a governance structure to ensure public accountability, and additional clarity on the breadth of anticipated research and involvement of multiple research disciplines.
- Developing a Habitat Conservation Plan for submittal to federal agencies.
- Identifying pathways for [decoupling](#) the Elliott from the Common School Fund.

A recap of progress in 2019 and 2021 and the timeline of work to completed over the next two years is attached. Additional information about research forest work is on DSL’s [Elliott webpage](#).

## Portland Harbor Superfund Site

*Portland Harbor Overview and Expenditure Information:* An overview of the Portland Harbor Superfund Site work, DSL’s role, and the Department’s 2021-23 policy packages for Portland Harbor work is attached. The first remedial cleanup projects are being designed now and work should begin in approximately two years. Sitewide cleanup is anticipated to take approximately 13 years. A summary of DSL expenditures related to Portland Harbor is also attached.

*Current Portland Harbor Information from the Environmental Protection Agency:* Information about the current status of the cleanup is available in the [EPA Portland Harbor Superfund Site Update from January 2021](#).

*Early Action Cleanup Area Information from the Environmental Protection Agency:* The below information is via the Environmental Protection Agency.

“Past early action cleanup areas are locations where EPA already started work to clean up the Portland Harbor Superfund Site before the final cleanup plan was signed. Early action cleanup areas are parts of a Superfund site that may become a threat to people or the environment before the long-term cleanup is completed. Within the Site, there are several early action areas.

EPA completed early actions at the Gasco-NW Natural/Siltronic and Terminal 4 areas in 2005 and 2009, respectively. Cleanups within the Portland Harbor site, Triangle Park and U.S. Moorings early-action areas have been completed and are being monitored.

Additional early actions are ongoing or near completion. They include Arkema, a former pesticide manufacturing facility on the southwest bank of the Willamette River, and River Mile 11E located between the Fremont and Broadway Bridges on the east side of the Willamette River.”

For additional information about all early action areas, as well as agreements & orders for remedial design, visit the [EPA website](#).

## **ATTACHMENTS**

### **A. IT System Replacement Project**

Overview

### **B. Elliott State Research Forest**

a. 2019-2020 Accomplishments

b. 2021-2022 Timeline

### **C. Portland Harbor Superfund Site**

Overview

## Overview: Improving Online Information & Services

The Department of State Lands is developing a new online permitting and information system that will be easy for customers to navigate and use. The Department's existing data management system is more than 20 years old, and no longer meets the needs of customers or staff. The new system will help DSL more efficiently and effectively oversee Oregon's removal-fill permits, waterway authorizations, land leases and authorizations, and other essential DSL processes and information.

### Project Background

DSL's existing Land Administration System database was launched in 1999 to support permitting, authorizations and enforcements, and associated revenues. The system was designed and built without web technology in mind and cannot be updated to work with the many web-based features now available for serving customers and streamlining business processes.

Applying for permits or leases online, accessing project documents, and viewing invoices are among the web features desired by DSL customers. The ability to use the system in the field – even when internet is not available – will also improve staff's ability to provide service and complete tasks when they are working with applicants, visiting sites, or investigating violations.

### Project Status

The system replacement project has been in progress since 2018. Milestones achieved include Stage Gate 1 project approval from the DAS Chief Information Office, engaging staff and customers to identify system needs, exploring options for software solutions, and hiring a contractor to manage project development and implementation.

The project management team anticipates obtaining Stage Gate 2 approval to release the request for proposals (RFP) for system development before the end of the 2019-21 biennium.

In the 2021-23 biennium, DSL will prepare for Stage Gate 3 approval to begin system construction, including selecting and contracting a system vendor and expanding the project team. Construction will take place throughout the biennium, during which the system will be phased into use. The anticipated project completion date is June 2023.

### 2021-23 Budget Request for Improving Online Information & Services

**Policy Package 106 – System Replacement Project, \$4,000,000 Other Funds.** This package adds limitation to purchase, customize, and implement the new system, and also includes contracted project management and business analyst services.

**Policy Package 107 – Accurate Data, \$241,558 Other Funds.** This package adds a dedicated data architect to provide ongoing technical oversight of DSL's new permitting and information system, ensuring accurate, current data is easily available to the public and to support the Department in making data-driven decisions.

Please see the Department's [2021-23 Governor's Budget](#) for full details on these policy packages.

ACCOMPLISHMENTS: JANUARY 2019 to DECEMBER 2020

## Managing for Flexible Research, Public Benefits

### Technical Work Completed:

- Draft HCP language submitted
- GIS mapping of forest stands
- Integration of key habitat data
- Innovative riparian modelling
- Carbon market analysis

### Agreement Regarding:

- Guiding principles for forest management
- Detailed management platform and research design
- Commitments to recreation and educational forest planning

## Public Accountability

### Governance Structure Including:

- Integrated advisory role for stakeholders and tribes
- Open, transparent proceedings and documentation of decisions
- Public access to documents

### Management Guided By:

- Forest Management Plan
- Biennial Operation Plans
- Annual Operation Reports

## Research Forest Financing

### Financial Modeling:

- **2019 Harvest Model:** Established anticipated harvest volume and revenue estimates
- **2019 Carbon Market Analysis:** Established estimates of current and ongoing carbon sequestration and potential associated revenue over time
- **2020 Harvest Model Update:** Revised revenue forecast based on current management platform

## Ongoing Engagement

ESRF Advisory Committee | OSU Committees | Tribal Engagement | Stakeholder and Public Feedback Gathered | Extensive Participation in Events, Feedback Period | Agreement Regarding Ongoing Engagement in Future Work

# ELLIOTT STATE RESEARCH FOREST 2021-2022 TIMELINE

2021														2022			
CATEGORY	SUMMARY OF WORK	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JAN.-MARCH	APRIL-JUNE	JULY-SEPT.	OCT.-DEC.
ADVISORY COMMITTEE	ESRF Advisory Committee provides input and insight				AC Meeting			AC Meeting		AC Meeting		AC Meeting					
OSU PROPOSAL	Resolution of outstanding research design issues (governance, riparian), finalize design language and any remaining issues.				Completed and review during 4/22 meeting and set timetable for developing legislative concept							Targeted completion of legislative concept					
FOREST MANAGEMENT PLAN	OSU-proposed timeline for framing and development of a Forest Management Plan			Begin stakeholder engagement	Continue Stakeholder Engagement and Discuss FMP Process at AC Meeting	Process underway including stepwise input from AC and stakeholders		Check In with AC		Check In with AC		Check In with AC		Forest management plan drafting begins, public process underway			Forest management plan completed and reviewed
FINANCIAL ASPECTS	DECOUPLING	Federal appropriation plan; State funding mechanisms; Private/nonprofit funding mechanisms	Investigation of Potential Decoupling Pathways					Check In with AC		Brief AC on Decoupling Pathways							
	CARBON	Evaluation of market opportunities; application decision; CARB application (or sale into voluntary market)		Discuss Carbon Role DSL/OSU													
	UPFRONT START-UP COSTS	Estimate and timing of Research Program Start-up Costs	TBD														
OUTREACH & ENGAGEMENT	PUBLIC OUTREACH	Outreach is ongoing - timeline identifies anticipated key opportunities for stakeholder and public information and participation			OSU Public Outreach - Research Proposal and FMP	DSL Public Meetings & Comment on Draft HCP Document			Engagement Sessions TBD		Engagement Sessions TBD			Engagement Sessions TBD	Engagement Sessions TBD	Engagement Sessions TBD	Engagement Sessions TBD
	TRIBAL ENGAGEMENT	Government to government consultation and informal engagement			Re-initiate Consultation Processes												
HCP DEVELOPMENT	Technical meetings with federal agencies, drafting documents, and preparing submission	Technical meetings and drafting submittal	Technical meetings and drafting submittal	Technical meetings, drafting documents, and review and amendment of documents	Technical meetings, drafting documents, and review and amendment of documents	Technical meetings and public review	Final amendments and target for submission to federal agencies	Federal Process Initiated									
RELATED FOREST MANAGEMENT PLANS	EDUCATION	Process TBD															
	RECREATION	Process TBD															
	LOCAL ECONOMY	Process TBD															

## Overview: Portland Harbor Superfund Site

Oregon is home to one of the largest federal Superfund sites in the United States. Portland Harbor encompasses an approximately 10-mile stretch of the Willamette River from the Broadway Bridge to Sauvie Island. The U.S. Environmental Protection Agency listed Portland Harbor on the National Priorities List in December 2000 and issued its selected remedy, known as the Record of Decision (ROD), in January 2017. The EPA has since identified Portland Harbor as a priority for immediate attention.

Portland Harbor cleanup will be technically and administratively challenging. The ROD calls for active remediation of ~400 acres of sediment and more than 23,000 feet of riverbank. EPA estimates that the cleanup will take 13 years to complete, at a cost of more than \$1.7 billion.

The State of Oregon is among the more than 200 parties potentially liable for a share of the costs related to investigation and cleanup of the Site. These parties include both public entities and private companies.

### How is DSL Involved?

Most of the riverbed and much of the riverbank in Portland Harbor was transferred to Oregon at statehood. The state holds, and DSL manages, this land in trust for the public.

DSL has been identified by the EPA as a Potentially Responsible Party (PRP) for costs associated with the investigation and cleanup of sediment contamination. The EPA has alleged DSL and the State Land Board are responsible for cleanup costs as a result of contaminant releases on land leased to other parties.

DSL also has stewardship responsibilities for use of state-owned riverbeds and banks within the Portland Harbor Superfund Site. DSL grants access to state lands for remediation and habitat restoration activities.

### Supporting Cleanup Work

In 2017, the Oregon Legislature created the Portland Harbor Cleanup Fund. DSL manages the fund, which supports coordination, contracts, and other work related to direct cleanup of the Site.

In May 2019, the state and the City of Portland entered into an agreement with EPA to facilitate remedial design work by other parties in the Portland Harbor Superfund Site. The agreement is unique in that it allows the city and state to pool funds to respond to EPA's demand for cleanup commitments, while leveraging these funds to facilitate broad, Site-wide work.

### 2021-23 Budget Request for Portland Harbor

**Policy Package 101 – Protecting State Interests, \$7,944,231 Other Funds.** This package funds ongoing protection of the state's interests as a PRP and ensures DSL's continued fulfillment of stewardship responsibilities within the Site. The package includes cost of legal and environmental expertise and two limited duration DSL staff positions.

**Policy Package 102 – Portland Harbor Cleanup, \$6,765,000 Other Funds.** This package continues investigations and cleanup work in the Portland Harbor Superfund Site by providing payment to the Portland Harbor Cleanup Fund and funding administrative and legal expenditures related to the investigation and design of cleanup projects. The package includes an estimated \$6 million payment to the Fund and \$1.765 million for administrative expenditures, including professional and legal work, related to the direct cleanup efforts.

Please see the Department's [2021-23 Governor's Budget](#) for full details on the Portland Harbor policy packages.