

SENATE RURAL COMMUNITIES AND ECONOMIC DEVELOPMENT

Wednesday, November 20, 2013

HR C, State Capitol, Salem Oregon

Members Present: Senator Roblan, Senator Baertschiger, Senator Prozanski, Senator Close

Member Excused: Senator Burdick

INFORMATIONAL MEETING

ECONOMIC AND COMMUNITY DEVELOPMENT ALIGNMENT PROJECT (HOUSE BILL 2620)

Matthew Garrett, Director, Oregon Department of Transportation provided a [presentation](#) entitled “HB 2620 Developing an Economic and Community Development Alignment Plan for the 2014 Legislature.” He chairs the steering committee on the project and provided an overview of the four main points in HB 2620: (1) directs that a plan be developed to better align state programs with regional community development programs, (2) the plan be submitted for consideration during the 2014 session, (3) engage regional solutions centers, local government and private sector to better integrate programs and (4) directs natural resource agencies to participate with regional teams.

Michael Jordan, Chief Operation Officer and Director, Department of Administrative Services told the committee that last week program managers and local practitioners were brought together to start to produce some scenarios of change. One example: we ought to be able to coordinate all of the funding programs. They are expecting very high turnouts at regional workshops across the state in December.

He emphasized this will be an iterative process. There are more than 100 programs that are delivered to local communities for development purposes. The bill also directs the natural resource agencies be more engaged in regional solutions at the table; he is convening the agencies now to make that happen. The goal in the first plan is to address what can be done right away and to foreshadow what can be done in the future.

REDEVELOPMENT OF THE UMATILLA CHEMICAL DEPOT

Senator Hansell noted that the Umatilla Chemical Depot is wholly within his district. He provided history on this project, including during his tenure as a Umatilla County Commissioner. In 1988, the Base Realignment and Closure (BRAC) Act was passed by Congress; the Umatilla Depot was one of bases scheduled to close. Governor Goldschmidt formed a task force to work on a closure plan. There were no federal guidelines for this process.

The Local Reuse Authority (LRA) process was then established by Congress. The task force morphed into a federally recognized LRA. A governing body made up of five local jurisdictions:

the two ports, two counties and the Confederated Tribes of the Umatilla Indian Reservation. They were moving forward well until 9/11 and then everything was put on hold until the weapons at the depot were destroyed. In 2005, they were not on the new BRAC list. This was corrected, but required that membership be reconstituted; they added the state as a member, both the Oregon National Guard and Oregon Solutions Team. Senator Hansell was one of the original members and spent 18 years on the project.

Don Chance, Project Manager, Umatilla Army Depot Reuse Authority, is the LRA manager; the LRA is charged with preparation of redevelopment plan. He showed the committee a [map](#) of the comprehensive plan that was done in 2010; the Army has adopted and is using plan, but doesn't have to follow the plan for transferring acreage to other owners.

The base is 17,000 acres in size, split between Morrow and Umatilla counties. There are 1,001 bunkers that are very expensive to remove. It has historically employed 800 – 1500 people; total employment now is about 130 people. There has never been a chemical spill on the base. The chemical weapons were not put on the base until 1960s; most were stored in one area of the base. They were attached to munitions which complicated incineration.

Today, the process of base closure is very complex; restarted again in 2009. They are still in the final stages of completing this process. We have unique complication of interface with the state land use process; this area was never zoned as federal land. Both counties are going through an exceptions process on this property.

To date, about \$2.5 million has been spent to complete required studies. Two major studies are receiving some state funding for the first time. Current timing: expect by end of 2014 to be in final negotiations with Army for a no-cost transfer. They don't expect land transfers until early-mid 2015. The land will go to port districts or the districts and the counties. Any revenues from use of this area must be reinvested in base infrastructure for the first seven years. He reviewed the plan on the map.

Colonel Christian Rees, Director of Installations, Oregon Military Department (OMD) The Oregon National Guard has had an enclave there starting in the 1980s. When it became clear the base was slated for closure, OMD worked with Congressional delegation to get language to enable the department to be part of the LRA process and shift to a training area for the Oregon National Guard soldiers there, along with Boardman bombing range area. He believes their land transfer will be complete in early summer 2014; ownership will stay with the federal government, the state will be licensed to use it. He described training facilities and programs at Umatilla.

RURAL REVITALIZATION INITIATIVES IN OTHER STATES

Scott Hendrick, Program Director, National Conference of State Legislatures provided a [presentation](#) focused on policy approaches in other states to encourage economic growth in rural areas. Indiana, Vermont and Kentucky have all pursued a comprehensive approach to study and promote rural tourism. These efforts included developing a statewide plan to identify activities that are currently happening and then looking at individual obstacles that activities are facing in

order to make policy recommendations on ways to reduce regulatory burdens. Individual policies that he highlighted included limiting liability of agri-tourism operators; exemptions from some food safety laws for cottage food producers; reducing requirements to comply with certain building code standards if agri-tourism is not a building's primary purpose; preemption of certain local regulations limiting agri-tourism; tax exemptions for supplemental agri-tourism income; statewide promotional measures; and fee based signage programs. Mr. Hendrick also discussed programs focused on developing entrepreneurs and supporting business clusters by providing seed capital; connecting entrepreneurs with critical information and online resources; and training programs.

INNOVATIVE INFRASTRUCTURE FINANCING (HOUSE BILL 2345)

Karen Williams, Carroll Community Investments, LLC, Carroll Community Development, LLC provided a [presentation](#) on the Oregon Innovative Infrastructure Financing Task Force created by House Bill 2345 (2013). Ms. Williams outlined Oregon's infrastructure needs over the course of the next 20 years. The Task Force is focused on how to implement performance-based, life-cycle procurement using the Partnerships BC model. The Task Force is required to make recommendations to the 2014 Legislature.

POST-WILDFIRE LAND MANAGEMENT

Doug Decker, State Forester, Oregon Department of Forestry (ODF) provided a [presentation](#) to the committee on post fire plans on lands managed by ODF. He reviewed the 400 acres of state forest burned over the past summer. He noted the range of management objectives by various landowners and discussed plans for the state lands that burned. In response to a question, he estimated a cost of \$50,000 for the acres that need to be reforested.

Michael Haske, Deputy State Director for Resources, US Bureau of Land Management introduced himself to the committee and made a [presentation](#) on the 2013 fires in southwest Oregon. While he focused on the three big fires (Big Windy, Douglas Complex and Brimstone), he noted that the issues are generic to any BLM post-fire activity in western Oregon. The main considerations of post-fire activity are: safety; environmental degradation; fire severity; underlying land use allocations (BLM has different direction for different parcels of lands, including matrix lands (primarily timber production) and late successional reserves (primarily for threatened and endangered species habitat); needs of neighbors; and the agency outreach efforts.

Mr. Haske noted that within 14 – 21 days of containment of a fire, the agency must prepare an emergency rehabilitation and stabilization plan. Out of a \$7.7 million request, his office is receiving about \$1.6 million. Some activities have already been implemented on slope stability and road repair, reforestation, and noxious weed management.

Phil Adams, Roseburg Forest Products made a [presentation](#) to the committee and provided [maps](#) of the areas burned this summer. He explained that Roseburg properties are adjacent to federal lands being managed for different purpose. In the absence of a fire, both landowners can accomplish their goals. 11,000 acres of Roseburg property were involved in two of the fires this summer. They can recover the merchantable component but not the pre-merchantable

component. The fair market value is \$600 – 3500 per acre (depending on age). A secondary reforestation investment is an additional \$600 per acre.

Mr. Adams noted some concerns with BLM going forward: safety above and beyond roads and the transfer of risk from the current federal land use allocations (especially in late successional reserve areas where the federal NEPA process ties the hands of district managers). This transfers risk to private landowners. He is also concerned about future large fire costs due to unmitigated fuel loads, access and fire safety concerns.

He noted that the track record is not good with BLM late successional reserve lands; the Timber Rock fire was 10 years ago and there are still snags and brush fields. They will continue discussions with the federal agency; there are reforms needed going forward.

Senator Baertschiger expressed safety concerns and his frustration about the lack of action on federal lands.

COMMITTEE DISCUSSION OF POTENTIAL COMMITTEE BILLS

Senator Roblan reviewed a list of potential 2014 committee bills.