
Minutes

Board of Natural Resources Meeting

May 5, 2020
Webinar, Olympia, Washington

BOARD MEMBERS PRESENT

The Honorable Hilary Franz, Washington State Commissioner of Public Lands

The Honorable Bill Peach, Commissioner, Clallam County – *joined at 10:02am*

The Honorable Chris Reykdal, Superintendent of Public Instruction

Jim Cahill, Designee for the Honorable Jay Inslee, Washington State Governor

Dan Brown, Director, School of Environmental and Forest Sciences, University of Washington

André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University

1 CALL TO ORDER

2 Chair Franz called the meeting to order at 9:01 AM.

3

4 The Board members introduced themselves. Chair Franz noted there was a quorum for the
5 meeting.

6

7 WEBINAR FORMAT BRIEFING

8 Ms. Anderson provided an overview of conducting the meeting via Webinar.

9

10 PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST

11 Mike Nash, resident of Goldbar, WA, spoke about the Middle May timber sale expressing his
12 concern. He noted that, due to the Covid-19 Pandemic, there is a possibility of reduced timber
13 value and feels there will be no demand for the timber.

14

15 Irene Nash, realtor and resident of Goldbar, WA, spoke about the Middle May timber sale
16 expressing her concern of reduced property values if the harvest occurs.

17

18 Reed Blanchard, spoke about the City Skidder timber sale, noting that he has filed an appeal. He
19 stated that the area is historically used for foraging, and shared concerns of slope stability and
20 water quality. He also stated that the SEPA process the Agency follows appears to be outdated,
21 and suggested that the Agency modernize their process.

22

23

1 Dan Chaplick, Superintendent of the Sultan School District, spoke on behalf of its Board of
2 Directors. He expressed support of the Middle May timber sale, stating that the benefits of the
3 revenue generated by the sale will relieve the burden of needed repairs to schools and allow the
4 schools purchase text books and computers.

5
6 Miguel Perez-Gibson, Forest Policy Analyst, WEC, spoke about the development of a climate
7 and carbon policy for management of state lands and requested that the Board acknowledge the
8 need for the policy, and provide a timeline of when it would be accomplished.

9
10 Margaret Tuft asked about the long-term and short-term benefits of the Middle May timber sale.
11 She feels that there are other ways to provide revenue to schools. She shared concerns on the
12 impact to the environment, and encouraged the Board to explore other options to provide
13 revenue to the beneficiaries.

14
15 Susan Cross, resident of Index, WA, spoke about the changes to the environment due to logging
16 taking place in her area. She encouraged the Board to find other solutions, and stated it is a false
17 choice to pit children against their future.

18
19 Beverly Parsons, resident of Hansville, WA, expressed her support of the challenges voiced by
20 the commenters today. She encouraged the Board to step up to their responsibility and set policy.
21 She stated the Department is focusing on climate resiliency (defense) when they should focus on
22 carbon sequestration (offense). She also spoke about public involvement, and feels that the
23 public should be more involved in varying roles in the BNR's policy setting process.

24
25 Stephen Kropp, resident of Tacoma, WA, spoke about the forest inventory data, and feels that
26 there should be a way to generate the revenue without having to sacrifice biodiversity.

27
28 Ed Bowen signed in to make comments, but due to audio difficulties he emailed his comments,
29 which were forwarded to the Board Members. Mr. Brodie read Mr. Bowen's comments to the
30 audience and for the record: *"The sale in March of Foot Trail required a road cost share
31 agreement with the Forest Service. That cost share agreement still puts a vast majority of the
32 funds burden on Clallam County and its Junior Taxing districts, to the tune of \$349,318.00. This
33 is wrong, and the agency should have discussed this decision with the beneficiaries prior to
34 casting this burden on us."*

35
36 Robert Hubbard, Managing Partner, Ravenwing Ranch, spoke about the Malaga Land Exchange,
37 describing the property, the benefits to all parties, and voicing his support of the transaction.

38
39 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

40
41 Matt Comisky, Washington Manager, AFRC, stated that he is pleased to see more timber sales
42 coming through, and shared his concerns with the continued delay of the Middle May timber
43 sale.

44
45 Margaret Tuft, spoke about the City Skidder timber sale and shared her concern with the lack of
46 comments from the tribes. She also shared concerns with the age of trees scheduled for harvest,
47 and the potential impact to local streams that flow in to Discovery Bay.

1
2 Sam Chesley, resident of Goldbar, WA, stated that citizens in Goldbar and surrounding
3 communities oppose the Middle May timber sale. The community appreciates the value the
4 timber land brings to their properties, the recreation opportunities, and visual aesthetics.

5
6 Stephen Kropp, resident of Tacoma, WA, requested the DNR postpone any decision on the Pony
7 Up sale due to the fact that the SEPA process occurred during Covid-19, and also due to the lack
8 of access to this sale. He also spoke about the Frances 40 timber sale, and shared concerns with
9 harvesting one of the last remaining stands of spruce trees in the 80 year age class. He also noted
10 the possibility of rare plants in the stand. He also stated that the numbers do not make sense due
11 to how much the Department is getting per acre.

12
13 **TIMBER SALES (Action Item)**
14 **Proposed Timber Sales for June 2020, April Auction Results, Quarterly Market Update | 3**
15 **handouts, including the presentation**

16 Patrick Ferguson, Program Specialist, Product Sales & Leasing Division

17
18 Mr. Ferguson presented the results of the April 2020 auctions to the Board. He stated that the
19 Department offered 12 sales totaling 68.4 mmbf. 11 sales sold totaling \$15.9 million for an
20 average of \$258 per mbf with 2.0 bidders per sale on average. Mr. Ferguson noted that
21 Transylvania Sorts is pending with 4 unsold sorts, totaling 2/3 of the sale volume. Those 4 sorts,
22 along with 3 sorts from the Q Yonck Sorts sale, will be reoffered May 7th.

23
24 Mr. Ferguson asked for questions. There were none.

25
26 Mr. Ferguson then presented proposed sales to be offered in June 2020 to the Board.

27
28 Mr. Ferguson asked for questions.

29
30 Director Brown referred back to the April results and asked if the pending sales account for the
31 prices received being lower than what was offered. Mr. Ferguson confirmed that was correct, and
32 added that some sort sales, more often on the east side, are a negative value.

33
34 Mr. Ferguson recommended approval of the proposed sales as presented.

35
36 MOTION: Commissioner Peach moved to approve the proposed sales.

37
38 SECOND: Dean Wright seconded the motion.

39
40 ACTION: The motion carried unanimously.

41
42 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

43
44 Rod Fleck, Forks City Attorney, Forks, WA, spoke about the Peninsula Land transaction and
45 shared concerns on the impacts to the local community. He feels proper public outreach was not
46 conducted due to Proclamation 20-28, and also stated they have not received a response to

1 several questions sent in the fall. He asked why this exchange is necessary now, and requests that
2 this transaction be postponed.

3
4 Ed Bowen signed in to make comments, but due to audio difficulties he emailed his comments,
5 which were forwarded to the Board Members. Mr. Brodie read Mr. Bowen’s comments to the
6 audience and for the record: *“I oppose the peninsula land exchange because this action is not
7 necessary and required at this time and the public input system does not work in rural
8 Washington.”*

9

10 **LAND TRANSACTION (Action Items)**
11 **Eastwood Creek Purchase, No. 08-100358; Resolution 1562**

12 Bob Winslow, Recreation, and Transactions Division

13

14 Mr. Winslow presented the East Woods Creek Purchase to the Board. He stated that the East
15 Woods Creek property is located in Snohomish County about 7 miles northeast of Monroe. The
16 property is 39.77 acres in size and has equal amounts of site class 2 and site class 3 soils. The
17 property is an edge holding that is adjacent to DNR managed trust land on three sides, and the
18 Seller is Weyerhaeuser. He shared that existing DNR-maintained roads provide access to the
19 property, and that the trees are mixed conifer and hardwood species which are approximately 18
20 years in age.

21

22 He stated that the negotiated acquisition price is \$145,000. The funding used for this acquisition
23 comes from the Real Property Replacement Account using funds for acquiring replacement
24 Capitol Building Trust property.

25

26 Mr. Winslow recommended that the Board approve Resolution 1562.

27

28 MOTION: Director Brown moved to approve Resolution 1562.

29

30 SECOND: Mr. Cahill seconded the motion.

31

32 ACTION: The motion carried unanimously.

33

34 **Peninsula Land Exchange, No. 86-097165; Resolution 1563**

35 Bob Winslow, Recreation, and Transactions Division

36

37 Mr. Winslow presented the Peninsula Land Exchange to the Board. He stated that the Peninsula
38 Land Exchange is located in Clallam and Jefferson counties on the Olympic Peninsula, with
39 properties stretching from the west near the Hoh River to Highway 101 near Chimicum on the
40 east. DNR’s transaction goals include enhancing access to trust lands, consolidating trust
41 ownership, and expanding the number of operable acres for future timber revenue for the State
42 Forest Land and Common School Trusts.

43

44 He explained that two of the state’s eight parcels are located east of Lake Ozette, and six of the
45 state’s parcels are in-holdings at the Merrill and Ring managed Pysht Tree Farm, which was
46 originally established in 1886. DNR will convey 1,001 gross acres valued at \$5,490,000 and
47 acquire 1,395 gross acres valued at \$5,490,000. The exchange will result in a total increase of

1 394 gross acres and 411 net operable acres for DNR managed trusts. There are three ownership
2 entities associated with the Merrill and Ring ownership (R. D. Merrill Company; JLCG LLC;
3 Ring Family Limited Partnership).

4
5 Mr. Winslow went on to explain that for the Common School Trust, the gross acres will go from
6 536 acres to 901 acres, which is a 68% increase, while the overall market value will go down
7 slightly by 1.8%. For the State Forest Land Trust, the gross acres will increase from 465 acres to
8 495 acres, which is a 6% increase, while the overall market value will increase by 3%. Common
9 School Trust will lose net acreage in the 0-10 and 61-70 year old age classes, while gaining net
10 acreage in the 11 to 60 year old age classes. State Forest Land Trust will gain net acreage in the
11 0-30 and 61 to 70 year old age classes, while losing net acreage in the 31 to 50 year old age
12 classes.

13
14 He further stated that the Department held a public hearing in Port Angeles on September 5,
15 2019 and several comments were received to include: exchange beneficial as it consolidates trust
16 land; view that exchanger might export logs which may impact jobs; support as exchange may
17 help increase number of jobs; view that exchanger may manage under shorter rotation lengths
18 than DNR which would impact age classes; support for exchange as cost reductions for
19 landowners would be beneficial; view that impacts to sub-taxing districts need to be evaluated
20 (Winslow mentioned law that sunsets on June 30, 2020 that provides counties with the
21 opportunity to reposition tax levy codes and redistribute future revenues); view regarding
22 changes to fish and wildlife habitat, especially as it might apply to marbled murrelets, northern
23 spotted owls, salmonids and eagles (Mr. Winslow mentioned that a conservation easement is
24 being put in place to protect the occupied marbled murrelet habitat in a portion of Parcel S-CL-
25 07 for the remaining term of the HCP); valuation should be quantified as to value gains to
26 owners and not to market value (Mr. Winslow stated that this would be counter to the State
27 Constitution requirements); view that if DNR conveys older age classes it would impact carbon
28 sequestration; view that SEPA analysis should occur for the exchange and other analysis should
29 occur; view that potential conversion to non-forest use may occur for parcels without
30 conservation easements (Mr. Winslow mentioned that state parcels being conveyed are located in
31 more rural areas with less conversion pressure than the private parcels that the state will acquire).

32
33 Commissioner Peach spoke towards the utility of the sub-taxing district proviso law and that
34 DNR should seek Legislation to make this a permanent tool along with trying to have the timber
35 excise tax along with the timber revenue both go to the adjusted tax levy code area, so that the
36 sub-taxing districts continue to get both of these future sources of revenue.

37
38 Chair Franz delayed the motion on the Peninsula Land Exchange due to audio issues with a
39 commenter on this transaction. The Board will move forward after public comment is heard on
40 this transaction.

41
42 **Malaga Exchange, No. 86-099530; Resolution 1564**
43 Bob Winslow, Recreation, and Transactions Division

44
45 Mr. Winslow presented the Malaga Land Exchange. He explained that the property is located in
46 Chelan County about 15 miles east of Wenatchee near the town of Malaga. DNR's transaction
47 goals are to enhance access to trust lands and to consolidate trust lands to facilitate a future

1 conservation outcome, while repositioning trust assets to a more favorable location for future
2 trust revenue. A very rare plant named the Whited's milkvetch (*Astragalus sinuatus*) grows on
3 the nearby Upper Dry Gulch Natural Area Preserve managed by DNR and many populations of
4 this plant also grow on the Ravenwing Ranch properties associated with this land exchange. If
5 this exchange is approved, then DNR's ownership will go from approximately 33% of this plants
6 known range to over 90% being publicly owned by either DNR or the United States Bureau of
7 Land Management.

8
9 The Department will convey four parcels of Common School Trust property totaling 2,198 acres
10 and valued at \$1,098,840 in this exchange. This property is entirely grasslands, and the zoning is
11 Rural Residential RR-20 which provides for a density of up to one home per 20 acres. The land
12 is currently leased for grazing and the Conservation Reserve Program (CRP) by the Exchanger,
13 and the annual revenue is approximately \$1/acre.

14
15 The Department will acquire 8 parcels of land that will be designated as Common School Trust
16 ownership totaling 2,205 acres and valued at \$1,102,560 in this exchange, a net gain of 7 acres
17 and \$3,720 in market value. The legal access to the existing and acquired lands that will be
18 owned by DNR will be enhanced. These acquired properties are also entirely grasslands and the
19 Zoning includes two rural residential designations, RR-20 and RR-10, which provide for a
20 zoning density of up to 1 home per 20 acres (RR-20), and one home per 10 acres (RR-10). The
21 land does not come with any leases.

22
23 DNR held a public hearing in Malaga on November 19, 2019, and one person testified in favor
24 of the exchange.

25
26 Commissioner Peach asked if the Department is planning on expanding the natural area preserve
27 with DNR selling this consolidated Malaga trust land in a future transaction, and then using the
28 acquired trust sale funds to reposition Common School Trust land assets elsewhere in
29 Washington State. Mr. Winslow responded that this is correct, and that is DNR's goal.

30
31 Mr. Winslow recommended approval of Resolution 1564.

32
33 MOTION: Dean Wright moved to approve Resolution 1564.

34
35 SECOND: Commissioner Peach seconded the motion.

36
37 ACTION: The motion carried unanimously.

38
39 **Continuation of the Peninsula Land Exchange, No. 86-097165; Resolution 1563**

40
41 Chair Franz called for comments on the Peninsula Land Exchange.

42
43 Chairman T.J. Green, Makah Tribe, spoke on behalf of the Makah Tribe about the Peninsula
44 Land Exchange and expressed opposition to the transaction. He requested that the Board take no
45 action today. He shared concerns in regards to a violation of treaty rights, and requests that time
46 be allowed in order to work through this process to resolve tribal issues, and still allow the

1 exchange to go forward. He shared concerns with the Department being unable to attach tribal
2 access rights to this exchange due to statute.

3
4 Mr. Brodie responded to the access comments raised by the Makah Tribe and the complexity of
5 their request, and shared that ongoing dialogue is underway. He also spoke about the law
6 proviso that allows for counties to pass ordinances for addressing sub-taxing district timber
7 revenue, and the need for timeliness as this law sunsets on June 30, 2020.

8
9 Chair Franz stated that the Department will continue discussions with the Makah Tribe looking
10 for mutually acceptable solutions, and that staff has already been looking into potential
11 legislative changes and tools associated with sub-taxing districts.

12
13 Mr. Cahill spoke towards the Department continuing to look at tribal access needs and engaging
14 in creative problem solving.

15
16 Mr. Winslow recommended approval of Resolution 1563.

17
18 MOTION: Commissioner Peach moved to approve Resolution 1563.

19
20 SECOND: Director Brown seconded the motion.

21
22 ACTION: The motion carried unanimously.

23
24 Meeting adjourned at 10:59 AM.

Approved this 2nd day of June, 2020.

DocuSigned by:

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Hilary S. Franz, Washington State Commissioner of Public Lands

Approved via Webinar
Jim Cahill, Designee for Governor Jay Inslee

Chris Reykdal, Superintendent of Public Instruction

Approved via Webinar
Bill Peach, Commissioner, Clallam County

André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University

Approved via Webinar
Dan Brown, Director, School of Environmental and Forest Sciences,
University of Washington

Attest:

DocuSigned by:

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Tami Kellogg, Board Coordinator