

Trust Land Transfer Proviso Workgroup Meeting 1 July 9, 2021 8am-11am

Notes approved by Trust Land Transfer Proviso Workgroup Members on July 28, 2021.

Member	Attendance
Randy Newman	Present
Heidi Eisenhour	Present
Ron Gelder	Present
Jim Freeburg	Present
Justin Allegro	Present
Matt Comisky	Present
Cynthia Wilkerson	Present
Peter Herzog	Present
Angus Brodie	Present
Court Stanley	Absent
Russ Pfeiffer-Hoyt	Present

Department of Natural Resources Staff Present:

- Lisa Anderson
- Kristen Ohlson-Kiehn
- Laurie Benson
- Tyson Thornburg
- Dave Gordon
- Robert Winslow
- Ralph Johnson
- Cathy Chauvin

Proviso Review and Role of Workgroup

- Angus walked through the proviso language and the responsibilities it gave to the workgroup. See presentation from Angus.
- DNR did not submit a package for TLT for the '21 leg session. DNR had spoken to many legislators who expressed interest in legislative packages that focused on creating jobs, looking at community resilience, and looking at agency efficiencies. DNR decided not to submit a TLT package and instead focus on legislative proposals that fit the interests expressed by the legislature.
- Stakeholders expressed interest in the TLT process and looking at ways to adapt and improve that tool. A group of stakeholders submitted a budget proviso to the legislature, which evolved into the proviso that passed.
- A workgroup member asked why the workgroup process was happening now and if there had been things that weren't working with the TLT process before?
 - DNR staff answered that the workgroup would go through some of the issues with the process as well as provide space in a future meeting for workgroup members to give their own perspective on the good and bad of the program.
- A workgroup member stated that the proposed legislation part of the proviso was not part of the final proviso and was a decision that DNR had made to include.

- A workgroup member asked if there were elements of the proposed legislation that could be different from the recommended process that comes out of the workgroup or that could be outside the scope of the workgroup?
 - DNR staff said there could be other elements included in the proposed legislation that are outside the scope of the workgroup. DNR does not presently have a legislative proposal ready so no specifics are available yet.

Work Group Process and Timeline

- DNR staff gave an overview of the timeline for the workgroup and what will be covered during meetings.
- A workgroup member said the timeline previously sent out included a Trust Land 101 meeting, and he wanted to know if that meeting had happened yet because it's important to understand trust lands before understanding TLT.
 - DNR staff said the Trust Land 101 meeting occurred at the request of workgroup members, and one meeting had occurred at the time of the first workgroup meeting. If other workgroup members are interested in having a Trust Land 101 meeting they can contact Lisa Anderson to set it up.
- A workgroup member asked if there was going to be an opportunity for the workgroup to weigh-in on the draft of the report before it goes to the Legislature on December 1 to make sure it reflects their understanding of the group.
 - DNR staff said the plan is to allow the workgroup the ability to review and provide input on the report before it is sent to the legislature.
- A workgroup member asked if the group would be reviewing the effect of replacement lands on the ability for trusts to generate revenue. They also asked if the group would be looking at case studies of previously successful and failed proposals. It might also be interesting to look at the properties listed in the proviso.
 - DNR staff said there hasn't been an extensive analysis of revenue from replacement lands because many of the properties purchased involve a long-term revenue generation so data is not available at this point.
- A workgroup member asked if DNR has a map of recent TLT properties so he can see if there are any geographic clusters.
 - DNR staff said DNR has a spreadsheet with a record and details of each TLT project and every TLT replacement acquisition. There is no spatial data coverage where TLT parcels can be quickly and easily be selected and mapped. A TLT spatial data layer will have to be created.
- A workgroup member said he's interested in public communication around TLT (there is little public notice given and little about the TLT process on DNR's website). There could be some visibility of the workgroup and TLT process on DNR's website, and even some on the ground signage for TLT properties.

Work Group Charter Review

- DNR staff gave an overview of the workgroup charter.
- A workgroup member asked if the workgroup doesn't reach consensus if majority based decision making would be used.

- DNR staff confirmed that if a consensus isn't reached, then both majority and minority recommendations would be submitted to DNR for consideration.
- A workgroup member said it was notable that the charter doesn't mention climate change, mitigation, and resilience. They asked that climate resilience and mitigation be added to the charter as values/interests associated with state trust lands. There might be an assumption that climate mitigation and resilience are included in conservation values and interests, but that's not necessarily true for all workgroup members. They said climate should be considered as part of the workgroup's conversations as it is a prevalent topic that the legislature has already put down some expectations around climate.
 - Another workgroup member said adding that language may complicate the charter because language around working lands would also need to be added. They said the Board of Natural Resources is currently engaged in figuring out the role of working forests in the role of carbon sequestration. Adding climate mitigation and resilience to the charter could complicate discussions and add additional work to the workgroup.
 - Another workgroup member said climate must be included in the conversations the workgroup has and the criteria that is developed for TLT. They didn't know if it needed to be included in the charter, but it should be included in conversations.
 - A workgroup member said there are statutes around climate that workgroup members will need to consider along with other statutes that need to be included.
 - DNR staff said the charter includes language that the workgroup would need to be consistent with existing laws and asked if that would cover the workgroup member's concerns. The workgroup member said they would like the members of the workgroup to be familiar with the statutes and expectations of the legislature in regards to climate mitigation and resilience. They also said they expected that the workgroup would recommend a process that may include changes to statutes, which may not be consistent with existing laws and policies.
 - DNR staff said the bullet point about values/interests that the member referenced includes all the values/interests that workgroup members will be asked to understand and consider throughout the process. Climate resilience and mitigation could be added to that bullet with the other values. Several workgroup members expressed interest in including climate mitigation and resilience in the bullet point so workgroup members would be expected to have awareness and understanding of climate policies.
 - Another workgroup member said that if climate were included under statutory obligations, then the workgroup would also need to do more work on statutory requirements of trust beneficiaries, like junior taxing districts.
 - A workgroup member suggested DNR look at RCW 70A-45-100 for possible language about climate resilience and mitigation. The green energy goals for the state could also be considered for inclusion in the charter.
- DNR will send out a charter with some changes based on the discussion of the workgroup members.

- A workgroup member also suggested that documents be sent to workgroup members ahead of meetings so they can review it ahead of the meeting and not have to read through the documents during meetings.

Trust Land Transfer 101

- DNR staff gave a presentation with background on the TLT process. Please see the recording of the presentation.
- A workgroup member asked how DNR views its obligation to beneficiaries given that outside entities can nominate lands for the TLT program.
 - DNR staff said one of the aspects DNR takes into consideration when outside entities nominate land is whether it fits the criteria for TLT. DNR identifies properties internally and looks at properties nominated externally. For external properties, DNR still weighs how that property would impact beneficiaries. Not all properties that are nominated become part of the list submitted to the Legislature. DNR filters the nominations and only properties that fit all criteria are actually passed to the legislature.
- A workgroup member said it looks like the considerations for costs include the timber producing value and the land value, but asked if other revenue generation values (like value from the carbon market) can be considered as criteria.
 - DNR staff said a lot of aspects outside of the timber and land values, but the carbon aspect hasn't been weighed to date, but other value considerations can be considered.
- A workgroup member asked if the ranking process for the project list includes input from external stakeholders or if it's just internal to DNR.
 - DNR staff said the list is ranked internally in DNR when submitted to the legislature, who then re-rank or take out properties from the list. There may have been an open ranking and public input into the process. Recently several entities have given input in the ranking, but ultimately the ranking depends on the duty to the trusts. The workgroup member said a couple years ago AFRC was able to give input on the list. Beneficiaries were also given the opportunity to give input.
 - A workgroup member said they had the opportunity to provide input into the ranking process. There was a property that they felt should rank higher, but a beneficiary pointed out that it would be a good candidate for solar development and it was ranked lower or taken off the list completely.
 - Another workgroup member said that while they were able to give input into the ranking, ultimately DNR was the entity that decided the final ranking.
- A working group member said it would be helpful to see what DNR has requested for TLT versus what the Legislature appropriated. DNR staff said typically the amount approved by the legislature has been less than what was requested by DNR. DNR will put together the information on what has been requested and what has been approved for workgroup members.
- A working group member asked if it was an increasing challenge to find and purchase replacement lands. They also asked if DNR was able to keep up with its obligations to

purchase replacement lands and if they needed to identify replacement property before a property is able to go through the TLT process.

- DNR staff said they are identifying and purchasing potential properties when the opportunities occur. A more detailed analysis would be helpful here. The Land Bank is another tool that DNR can use to keep the corpus of the trust whole by acquiring replacement lands. They also noted that replacement acres don't always match the original acres because DNR purchases replacement properties based on value and earning potential.
- A working group member said a list of acquired replacement lands (including the values, acres, names, and locations) would be helpful for working group members to see.

Scheduling

- DNR staff will send out Doodle polls to schedule the remaining meetings.

Parking Lot Items

- Analysis of replacement TLT lands and the revenue they generate for trusts.
- DNR can work to produce a map of TLT properties. A spreadsheet/list of properties transferred and acquired is available for sharing and review, but it will take more effort to generate a map.
- An analysis of the amounts DNR has requested from the legislature for TLT and how much the legislature actually approved.
- Purchasing replacement lands
 - Where do land replacement funds go (are replacement lands in the same area/county of the land they are replacing)?
 - How does the process for purchasing replacement land go?
 - How does the real property replacement account work? What is the current balance of the real property replacement account?
 - Is the amount for replacement funds sufficient to purchase new land?
 - A list of the replacement lands (\$, acres, locations) would help.
- More information on the Land Bank process.
- Additional information on Trust Lands and other mechanisms for transacting Trust Lands
- A workgroup member requested some case studies of TLT projects, both those that have been successful and those that have failed. They also suggested it might be helpful to do a case study of the projects that were submitted to the legislature for TLT during the 2021 legislative session.
- A workgroup member asked for a public location of documents that workgroup members have access to.