Columbia/King
Proposed Trust Exchange
Columbia and King Counties
• Bonneville Power Administration will acquire a section of Common School trust land for the Central Ferry-Lower Monumental transmission line.

• DNR will acquire a replacement property from BPA through a land exchange. The proposed exchange parcel is BPA property in King County.
Columbia/King Exchange

Background

• In 2011 BPA encumbered school trust land in Columbia County with an easement for a major transmission line. DNR had intended to lease the property for wind power.

• DNR and BPA negotiated a mitigation agreement:
  --BPA would locate suitable replacement land to exchange with DNR.
  --Replacement property would have equivalent wind power potential.

• Initial property search was unsuccessful, and wind market changed.
  --BPA offered forest property it owns in King County.
  --Eliminated the need to find a willing third-party seller.
  --Agreement allowed for DNR to waive the wind-power potential requirement.

• Internal reviews determined school trust would gain more long-term value from forest land.
Columbia/King Exchange

State Property

640 acres

Columbia County

Common School trust

No legal access

Two transmission lines

Grazing lease
  - leased by neighbor
  - income is $1,112 per year

Appraised value $128,000

Section 36, Township 13 N, Range 38 E, W.M.
Columbia/King Exchange

BPA Property

40 acres

King County

Adjacent to Raging River State Forest

Forest land
- 343 Mbf timber
- 8 acres merchantable
- 29 acres 28-yr old reproduction

Access through trust land and county road

Appraised value $250,000

Section 26, Township 23 N, Range 7 E, W.M.
Public Outreach

Hearing held May 14, 2015 in Dayton, Columbia County

- Three neighbors attended, including the lessee.
- No comments against the exchange. Lessee concerned about continuing to lease the DNR parcel.
- No written comments received from attendees, counties, tribes or other stakeholders.
Columbia/King Exchange

Exchange Terms

<table>
<thead>
<tr>
<th></th>
<th>DNR</th>
<th>BPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land:</td>
<td>$128,000</td>
<td>$130,000</td>
</tr>
<tr>
<td>Cash:</td>
<td>$122,000</td>
<td>$120,000</td>
</tr>
<tr>
<td>Total:</td>
<td>$250,000</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

- BPA will grant a grazing lease to DNR’s lessee.

- DNR will grant a conservation easement to BPA on the King County parcel.
  -- Because BPA acquired the property for mitigation it must stay in forestry.

- Both parties will exchange mineral rights.

- Cash to balance will come from the Real Property Replacement Account.

- Acquired property will become Common School Trust.
Columbia/King Exchange

Resolution

Questions?

Resolution No. 1540