



MORNING STAR TRUST LAND TRANSFER 2015-2017

PROPOSAL

The Department of Natural Resources proposes to transfer 1,804.86 acres, more or less, of Common School Trust property located in Snohomish County to Natural Resources Conservation Area status.

Proceeds from the timber value will be deposited into the Common School Construction Account. The land value proceeds will be deposited into the Real Property Replacement Account and used to purchase replacement property desirable for the Common School Trust.

BENEFITS

The property asset base of the Common School Trust is improved by:

- Disposing of property that is inefficient to manage for timber harvest income.
- Enabling replacement of the asset with property that has greater potential for income production to provide future revenue to support public schools statewide.
- Transferring the property to a program that will protect and manage for identified biological, ecological, and social values.

GENERAL LOCATION

The property is located approximately 12 miles northeast from Sultan within Sections 3, 4, 9, 10, Township 28 North, Range 9 East, W.M., in Northwest Region.

ENCUMBRANCES

The property is encumbered by: 7 road easements, 1 road cost share agreement, 1 watershed covenant with the City of Everett, a DNR genetic tree reserve for a portion of Section 3, and a weather monitoring station permit to Snohomish County for a SNOTEL site.

IMPROVEMENTS Tenant owned SNOTEL weather monitoring equipment.

PRESENT INCOME None.

MARKET VALUE	Timber (21,686 Mbf)	\$5,300,000
	Land & Reprod.	<u>\$ 883,000</u>
	TOTAL	\$6,183,000

TERMS OF TRANSFER Cash.

JUSTIFICATION

The property is included in the 2015-2017 Biennium Trust Land Transfer Program. Approval and funding for the transfer is authorized by Section 3224, Ch. 3, Washington Laws of 2015, and RCW 79.17.200.

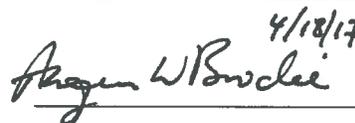
COMMENTS

Transfer will be by Commissioner's Order. Mineral rights will be retained in their existing trust ownerships. As specified by legislation, permitted use will be restricted to Natural Resources Conservation Area purposes. Property will be reserved as Permit Lands as defined in the Department's Habitat Conservation Plan.

Division Manager



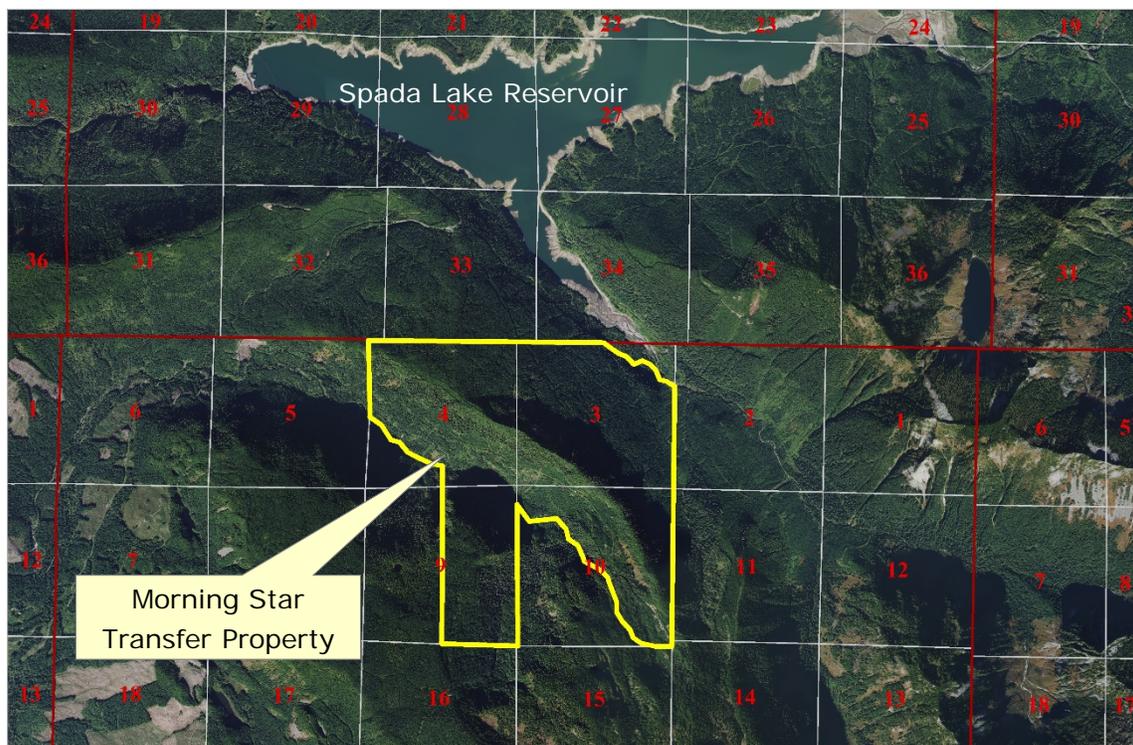
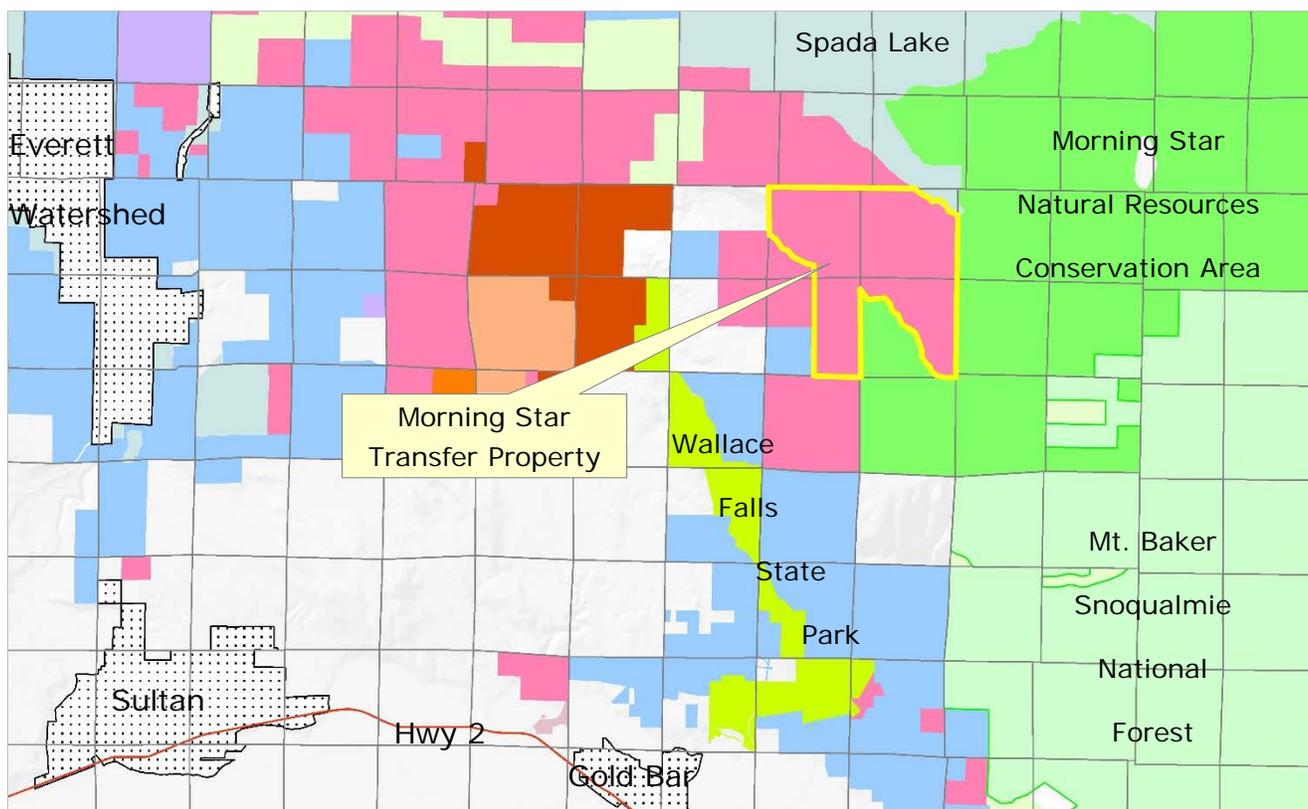
Deputy Supervisor for
State Uplands

4/18/17


Date of Board Approval

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BOARD OF NATURAL RESOURCES

MORNING STAR TRUST LAND TRANSFER 02-091942



The transfer property includes portions of Sections 3, 4, 9, 10, Township 28 North, Range 9 East, W.M., in Northwest Region

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BOARD OF NATURAL RESOURCES**

RESOLUTION NO. 1504

A **RESOLUTION** relating to the compensation to the Common School Trust for the designation of Common School Trust property to be managed as a Natural Resources Conservation Area as authorized by Section 3224, Ch. 3, Washington Laws of 2015 and RCW 79.71.050 under Department of Natural Resources Land Transfer File No. 02-091942.

**BE IT RESOLVED BY THE BOARD OF NATURAL RESOURCES,
DEPARTMENT OF NATURAL RESOURCES, STATE OF WASHINGTON, THAT:**

SECTION 1. The State of Washington, acting by and through the Department of Natural Resources, has title to and holds in trust under the provisions of Title 79 RCW the Common School Trust property described in Exhibit A, attached hereto and by this reference is made a part hereof.

SECTION 2. The real property described in Exhibit A and known as Morning Star Trust Land Transfer is among the properties identified for transfer in Section 3224, Ch. 3, Washington Laws of 2015.

SECTION 3. The Board of Natural Resources finds that it is in the best interest of the Common School Trust to transfer and set aside the real property described in Exhibit A to Natural Resources Conservation Area status.

SECTION 4. The Board of Natural Resources finds the appraised market value of the real property described in Exhibit A to be \$6,183,000 consistent with the valuation method used to establish the value of the fee simple interest of the property described in Exhibit A.

SECTION 5. The Board of Natural Resources approves of the use of the Declaration of Covenants, Conditions, and Restrictions related to the Dedication of Morning Star Trust Land Transfer as a Natural Resources Conservation Area and Management Commitment, attached hereto as Exhibit B and by this reference made a part hereof, as evidence of the transfer of the property described in Exhibit A to Natural Resources Conservation Area status.

SECTION 6. Should the transfer authorized by this resolution be consummated, the State of Washington, Department of Natural Resources shall:

- A. Upon receiving payment of the value stated in SECTION 4 above, properly authorize and record the Declaration of Covenants, Conditions, and Restrictions related to the Dedication of Morning Star Trust Land Transfer as a Natural Resources Conservation Area and Management Commitment, and take whatever steps are necessary to designate the property described in Exhibit A as a Natural Resources Conservation Area. Use shall be restricted for purposes consistent with Ch. 79.71 RCW. The property shall be retained as Permit Lands as defined in the Department of Natural Resources' Habitat Conservation Plan. All oils, gases, coals, ores, minerals will be reserved in their existing trust ownerships as provided under RCW 79.11.210. Easement rights will be reserved as provided under RCW 79.36.370. The term of the Natural Resources Conservation Area status shall be perpetual

- B. Disburse the proceeds as a result of the transfer to Natural Resources Conservation Area status as follows:
 - 1. Deposit the timber value of \$5,300,000 into the Common School Construction Account; and

 - 2. Deposit the land value of \$883,000 into the Real Property Replacement Account and hold said funds, together with accrued interest, for the purpose of acquiring desirable replacement property for the Common School Trust in future purchases to be approved by the Board.

APPROVED AND ADOPTED by the Board of Natural Resources, Department of Natural Resources, State of Washington, this _____ day of _____, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Commissioner of Public Lands.

HILARY S. FRANZ
Commissioner of Public Lands

Approved as to form this 14th day
of April, 2017.

Adrienne Smith
Assistant Attorney General

EXHIBIT A
LEGAL DESCRIPTION

Section 3, Township 28 North, Range 9 East, W.M., Snohomish County, Washington.

EXCEPTING THEREFROM that portion of Section 3, Township 28 North, Range 9 East, Willamette Meridian, Snohomish County, Washington, lying northeasterly of a line parallel with and 30 feet northeasterly, as measured at right angles to the centerline of that segment of DNR Road SL-S-4000 within Government Lots 1 and 2 and the Southeast Quarter of the Northeast Quarter of said Section 3.

That portion of the Southwest Quarter lying northerly of Olney Creek, the Northwest Quarter, the Northeast Quarter and the Southeast Quarter of Section 4, Township 28 North, Range 9 East, W.M., Snohomish County, Washington.

The Northeast Quarter and the Southeast Quarter of Section 9, Township 28 North, Range 9 East, W.M., Snohomish County, Washington.

Section 10, Township 28 North, Range 9 East, W.M., Snohomish County, Washington.

EXCEPTING THEREFROM that portion of Section 10, Township 28 North, Range 9 East, Willamette Meridian, Snohomish County, Washington, lying southwesterly of the center of the unnamed stream which flows from a point nearest the SE corner of said Section 10, thence northwesterly to join Olney Creek, and exit said Section 10 at a point about 500 feet southerly from the NW corner thereof, being a stream starting at about the SE corner of said Section 10, running thence generally northwesterly to join the stream which shows on the USGS Wallace Lake Quadrangle map, Provisional Edition, 1989, said confluence located about 600 feet north, and 1400 feet west from said SE corner.

Rynea L. Edwards, PLS 45158
Land Description & R/W Specialist
Land Survey Unit
Engineering Division
PO Box 47030
Olympia, WA 98504-7030

Dated: 10/28/2016 and 02/08/17

EXHIBIT B

AFTER RECORDING RETURN TO:

Department of Natural Resources
Conservation, Recreation and Transactions Division
ATTN: Trust Land Transfer Program
PO Box 47014
Olympia, WA 98504-7014

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS RELATED TO
THE DEDICATION OF MORNING STAR TRUST LAND TRANSFER AS A NATURAL
RESOURCES CONSERVATION AREA AND MANAGEMENT COMMITMENT

Snohomish County

Grantor: State of Washington, by and through the Department of Natural Resources

Grantee: State of Washington, by and through the Department of Natural Resources,
Natural Areas Program

Abbreviated Legal Desc: Portion of Sections 3, 4, 9, 10, T28N, R9E,

Tax Parcel #: Ptns. of 28090300100200; 28090400100100; 28090900100100100;
28091000100100;

THIS DECLARATION is made this ____ day of _____, 2017, by the State of
Washington, Department of Natural Resources (DNR).

RECITALS

WHEREAS, the State of Washington owns that certain real property legally described as set forth on Exhibit A attached hereto and shown on Exhibit B and incorporated herein by this reference (the Property);

WHEREAS, Hilary S. Franz, Commissioner of Public Lands, following the approval of the Board of Natural Resources, designated the Property as a natural resources conservation area pursuant to the requirements of Ch. 79.71 Revised Code of Washington; and

WHEREAS, this instrument is intended to be consistent with the purposes and requirements of Section 3224, Ch. 3, Washington Laws of 2015; and

WHEREAS, DNR desires to place a Declaration of Covenants, Conditions, and Restrictions declaring that the Property shall be utilized perpetually as a natural resources conservation area and desires this Declaration to be recorded as a covenant running with the land to bind the Property according to the terms of this instrument.

NOW, THEREFORE, DNR hereby declares that the Property shall be used perpetually as a natural resources conservation area only subject to prior reservations and to further restrictions of use as set forth herein.

Section 1. Restriction on Use of Property. The Morning Star Natural Resources Conservation Area was established for the Property because of its scenic and ecological values. No uses are to be made of the Property except those consistent with its designation for the term specified herein. No additional or future restrictions may be placed on the Property without the approval of the Commissioner of Public Lands. DNR shall manage the Property consistent with its designation as a natural resources conservation area, and subject to any management plan that is adopted pursuant to RCW 79.71.070. Any other use or activity on the Property which is or may become inconsistent with the purposes of the Morning Star Natural Resources Conservation Area, the preservation of the Property in its natural condition, or the protection of its ecological features, or any management plan that is adopted, is prohibited.

Section 2. Applicability of Habitat Conservation Plan. The Property is located within an area that is subject to the State of Washington, Department of Natural Resources Habitat Conservation Plan and amendments thereto adopted in connection with Incidental Take Permit No. PRT-812521, as supplemented by Permit No. 1168, and the Implementation Agreement for the Washington State Department of Natural Resources Habitat Conservation Plan dated January 30, 1997, and any amendments to said permits and agreement. The Property is also to be used consistent with management as "PERMIT LANDS" as defined in the Habitat Conservation Plan Implementation Agreement as long as the Habitat Conservation Plan Implementation Agreement is in effect.

Section 3. This Declaration does not convey to the public the right to enter the Property for any purpose whatsoever, except as is set forth in any management plan adopted for the Morning Star Natural Resources Conservation Area.

Section 4. The covenants and restrictions of this Declaration shall run with the land and bind the Property in perpetuity.

Section 5. This Declaration, and any future changes duly authorized in writing by the Commissioner of Public Lands, shall be recorded in the Auditor's Office of Snohomish County.

Section 6. Each covenant, condition, and restriction contained in this Declaration may be enforced by DNR or any owner of the Property if the Property is subsequently transferred from the State of Washington to another person or entity.

Section 7. This Declaration shall be governed by and construed in accordance with the laws of the State of Washington.

Section 8. This Declaration shall take effect when recorded.

This Declaration is executed and delivered pursuant to RCW 79.71.050 pursuant to Commissioner's Order No. _____, dated _____, entered by the Commissioner of Public Lands with the approval of the Board of Natural Resources, State of Washington.

IN WITNESS WHEREOF, this _____ day of _____, 2017.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

HILARY S. FRANZ
Commissioner of Public Lands

Approved as to form this _____ day
of _____, 2017.

Assistant Attorney General

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
PETER GOLDMARK, Commissioner of Public Lands

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STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
PETER GOLDMARK, Commissioner of Public Lands

EXHIBIT B

INSERT MAP IN FINAL DOCUMENT