Annual Review of State Trust Lands Management Fiscal Year 2014
July 1, 2013 – June 30, 2014

A Report to the Board of Natural Resources

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February 2015
Trust Lands Topics
Fiscal Year 2014

• Aspects of Forest Management
  – Investing in our Forest Stands
  – Volume Sold/Value Earned
  – Sustainable Harvest
  – Forest Land Planning
  – Roads

• Leasing

• Transactions

• Results to Date from Increased Management Fee
Investing in Forest Stands
Fiscal Year 2014

Seed and Seedling Production:
• Woods-run collection was 34 bushels
• Seed orchard production 320 bushels
• Shipped 5.9 million seedlings for reforesting state trust lands

Forest establishment:
• Approximately 18,000 acres planted
• 92 percent of regeneration harvests are hand planted

Forest stand tending:
• 22,000 acres treated for weeds
• 10,000 acres pre-commercially thinned
• 5,000 acres commercially thinned
Timber Volume Sold
FY05-FY14 Sold Sales

Harvest volume (MMBF)

Fiscal Year

FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15

W.WA Sold E.WA Sold W.WA Planned for FY 15
E.WA Planned for FY 15 2007 SHC Planned W.WA E.WA Planned
## Total Revenue Earned
### Fiscal Year 2014

<table>
<thead>
<tr>
<th></th>
<th>Dollars in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasing</td>
<td>$41.8</td>
</tr>
<tr>
<td>Timber</td>
<td>$151.9</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$193.7</td>
</tr>
</tbody>
</table>
# Leasing Programs Revenue Earned

## Fiscal Year 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Leases</td>
<td>$22,540,159</td>
</tr>
<tr>
<td>Grazing</td>
<td>$1,067,515</td>
</tr>
<tr>
<td>Commercial Real Estate</td>
<td>$9,596,283</td>
</tr>
<tr>
<td>Special Forest Products</td>
<td>$518,243</td>
</tr>
<tr>
<td>Property Leases</td>
<td>$1,885,821</td>
</tr>
<tr>
<td>Communication Sites</td>
<td>$4,244,243</td>
</tr>
<tr>
<td>Minerals, Oil, &amp; Gas</td>
<td>$19,246</td>
</tr>
<tr>
<td>Rock, Sand, &amp; Gravel</td>
<td>$1,142,079</td>
</tr>
<tr>
<td>Rights of Way</td>
<td>$682,670</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>$141,927</td>
</tr>
<tr>
<td><strong>Leasing Total</strong></td>
<td><strong>$41,838,186</strong></td>
</tr>
</tbody>
</table>
Total Timber & Leasing Revenue 2004-2014

Timber Sale and Leasing Revenue

Millions of Dollars

- Leasing Programs
- Timber Removals
RMAPS: Before/After Example

Mill Creek
RMAPS: Fish Passage Culverts

Number of projects completed per year
Potential lineal habitat gain in miles (cumulative)

Year

- 1999-2002
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- Sep-14

Miles

- 0
- 100
- 200
- 300
- 400
- 500
- 600
- 700
- 800

Culverts

- 0
- 20
- 40
- 60
- 80
- 100
- 120
- 140
- 160
- 180

No. of Culverts
Habitat Gain (0.5mi/culvert)
Transactions Highlights
Fiscal Year 2014

Trust acquisitions:
• 6656 acres of forest land
• 1182 acres of agriculture land

Conservation and Recreation transfers:
• Lake Whatcom block, 8420 acres
• King County Parks, 40 acres
• DNR NRCAs, 191 acres

Community Forest:
• 50,272 acres acquired in Teanaway
### FY 2014 Purchases under $100,000

#### BNR Resolution 1164

<table>
<thead>
<tr>
<th>Property</th>
<th>Acres</th>
<th>Price ($)</th>
<th>County</th>
<th>Trust</th>
<th>Date</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coyle 6</td>
<td>6.5</td>
<td>80,000</td>
<td>Jefferson</td>
<td>School</td>
<td>10/31/13</td>
<td>Access to Timber</td>
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<tr>
<td>Coyle 40</td>
<td>40</td>
<td>90,000</td>
<td>Jefferson</td>
<td>School</td>
<td>12/6/2013</td>
<td>Edge holding in trust block</td>
</tr>
<tr>
<td>Blumauer Road</td>
<td>4.98</td>
<td>9800</td>
<td>Thurston</td>
<td>School</td>
<td>3/17/14</td>
<td>Edge holding in trust block</td>
</tr>
<tr>
<td>Wallitner Road</td>
<td>25.7</td>
<td>30,000</td>
<td>Snohomish</td>
<td>School</td>
<td>4/1/14</td>
<td>Edge holding in trust block</td>
</tr>
</tbody>
</table>

**Total:** 77 acres - $209,800
Some Results to Date from Management Fee Increase
Trust Land Investments

Results to Date

• Pre-commerical thinning
  – Over 10,000 acres treated

• LiDAR for forest inventory
  – 500,000 acres of LiDAR
  – 1100 field sample plots

• Planning
  – Marbled murrelet conservation Strategy
  – Sustainable Harvest Calculation
  – OESF
Trust Land Investments
Results to Date

- Secured permanent, legal access over 30 miles of road serving more than 43,000 acres

- FY15 Pending: Secure access over an additional 10 miles of road serving 35,000 acres
Trust Land Investments
Results to Date

• Ag - Purchased interest in irrigation infrastructure allowing for irrigation of more than 350 acres of EWA trust land, increasing lease revenue by more than 5x

• Ag - Developing EWA grazing lease compliance/rangeland health monitoring program to ensure sustainable resource use