Trust Land Transfer Revitalization | Phase 2
Public Webinar
July 7, 2022, 6-7:30 pm
In Today’s Public Webinar

At today’s webinar, we will:

• Describe the trust land transfer (TLT) tool.
• Review how this tool is being revitalized with an external work group.
• Introduce the pilot project, a key part of revitalization.
• Introduce the parcels that are being proposed for transfer as part of the pilot project.
• Describe how you can submit your comments.
What is Trust Land Transfer (TLT)?

Established in 1989, TLT is a land portfolio management tool that is used to reposition economically under-performing state trust lands.

*Parcel is not generating revenue or is generating less revenue than expected
What is Trust Land Transfer (TLT)?

Through TLT, DNR:

• **Transfers** underperforming state trust lands out of trust status.
• **Replaces** the transferred parcel with lands that can generate revenue for trust beneficiaries.
• **Conserves** lands with high ecological and social values.

32 years | 125,968 acres transferred | 55,546 acres replaced

Nearly 15 percent of state park system | 43 DNR natural areas (20 at 100%)
How Does TLT Work?

• Underperforming lands are transferred to DNR’s Natural Areas Program, another state agency, a tribe, a non-profit organization, or a city or county. Receiving agency manages the parcel for its ecological and/or social values.

• Funding received from the Washington State Legislature is used to purchase replacement lands that generate revenue for trust beneficiaries.
What is TLT Revitalization?

- An effort to improve TLT to make it more consistent, transparent, repeatable, and effective.
- Work funded in part by a proviso to the 2021-23 Capital Budget (SHB 1080 Sec. 3333).
## 2021 Budget Proviso Language

<table>
<thead>
<tr>
<th>Work Group</th>
<th>“(1) The department of natural resources shall convene a work group of trust land beneficiaries and stakeholders to develop a recommended process for the way trust land transfer proposals are developed and implemented.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considerations</td>
<td>Consideration should be made for increasing the income value of the trusts, limiting impacts to trust lands not being considered for transfer, conservation value of lands that are a potential candidate for transfer, and use of the land bank for securing repositioned land that would result from any transferred projects, and any other items necessary for a well-supported program.</td>
</tr>
</tbody>
</table>
| DNR Tasks | The department of natural resources must report and make recommendations for the establishment of a new trust land transfer program to the fiscal committees of the legislature, by December 1, 2021.  

(2) For the 2021-2023 fiscal biennium, the department of natural resources may not trade, transfer, or sell any valuable material from the four parcels that comprised the proposed trust land transfer parcels in the 2019-2021 fiscal biennium, known as Blakely Island, Devils Lake, Eglon, and Morning Star. |
Revitalization In Two Phases

Phase 1
July to October, 2021
• Develop a new framework for TLT.

Phase 2
January to August, 2022
• Develop the framework into a strong, new, revitalized TLT tool.
Phase 2 Work Group Members

- **Justin Allegro**, Director, State Government Relations, The Nature Conservancy
- **Peter Bahls**, Executive Director, Northwest Watershed Institute, representing Port Gamble S’Klallam Tribe
- **Dylan Bergman**, Wildlife Program Manager, Jamestown S’Klallam Tribe
- **Duane Emmons**, Acting Deputy Supervisor for State Uplands, Department of Natural Resources
- **Matt Comisky**, Washington State Manager, American Forest Resource Council
- **Karen Edwards**, Real Estate Manager, Department of Fish and Wildlife
- **The Honorable Heidi Eisenhour**, Commissioner, Jefferson County

*Returning member*
Phase 2 Work Group Members, Continued

• Jim Freeburg*, Board Member, North Cascades Conservation Council
• Nikki Fields, Real Estate Program Manager, ADA Coordinator, Washington State Parks and Recreation Commission
• The Honorable Randy Johnson*, Commissioner, Clallam County
• Randy Newman*, Director, Office of Superintendent of Public Instruction
• Russ Pfeiffer-Hoyt*, Chair, Trust Lands Advisory Committee, Washington State School Directors Association
• David Troutt, Natural Resources Director, Nisqually Indian Tribe
• The Honorable Ron Wesen, Commissioner, Skagit County

*Returning member
New Features of the Revitalized TLT Tool

- Improved process for determining if a transfer is in the best interests of the trust beneficiaries
- Establishment of an advisory committee to rank nominated parcels into a prioritized list
- More robust tracking and reporting
- New webpages
- Changes to funding allocation to provide more funding for replacement lands
- Expansion of the program to all types of state trust lands
Where are we in the Process?

### January through Early July, 2022

Meetings

1 2 2.1 3 3.1 4 4.1 5 5.1 6 6.1 6.2

Build the TLT framework established in Phase 1 into an effective tool.

### Mid-July to August

Meetings

7 7.1

Facilitate a **pilot project** with the work group.

DNR is currently preparing for the start of the pilot project.
What is the Pilot Project?

- **Who**: Work group, facilitated by DNR
- **What**: DNR to provide a limited list of eligible parcels; work group members to prioritize them using the process and criteria identified by work group.
- **Why**: Test eligibility and prioritization processes with a limited number of parcels before full implementation.
- **When**: July and August 2022

**Goal**: Attain Board of Natural Resources approval for a prioritized list of parcels and then submit list to the legislature by September, 2022.
What Makes a Parcel Eligible for TLT?

- Must have an **identified receiving agency** who is willing and able to accept and manage the parcel.
- Transfer must be in the **best interests of the trust beneficiaries**.

As part of determining if a parcel is eligible for TLT, DNR is conducting outreach to county tax districts and tribes.
What are the Prioritization Criteria?

- Ecological values, such as wildlife habitat
- Public benefits, such as recreation opportunities
- Community involvement and support
- Economic impacts (positive or negative)
- Level of tribal support
What Happens After the Pilot Project?

• DNR will submit the prioritized list of parcels to the Board of Natural Resources for approval in early September, 2022.

• List of prioritized, Board-approved transfers will be submitted to the Washington State Legislature as a Capital Budget request in late September, 2022.

• Legislature will consider funding request in the 2023 legislative session.

• Once funding is approved, DNR will begin the formal transfer process.
Still to Come: Potential Statutory Changes

DNR is considering pursuing the following:

• **New statutes**: Establish intent of TLT, establish new Land Bank account.

• **Existing statute**: Consider changing statute to reduce restrictions on the direct transfer of State Forestlands.

• **When**: 2023 legislative session or a subsequent session
Types of State Trust Lands

Federally granted lands:
• 7 different trusts, ~3 million acres
• Granted at statehood

State Forestlands
• ~500,000 acres
• Granted from counties
• Per current statute, direct transfer without public auction very limited
State Forestland Revenue Distribution
RCW 79.64.110

Timber harvest on State Forestlands

Gross Revenue

Forest Development Account (FDA)

Net Revenue

Office of the State Treasurer

County Treasurer(s) (where State Forestlands are located)

Treasurer further distributes the revenue to taxing districts within the county in accordance with RCW 79.64.110.
Still to Come: Tax District Focus Group

- DNR will form a focus group to specifically examine potential impacts (if any*) and ways to avoid, minimize, or mitigate them.

- **When:** Currently anticipated in Fall 2022; solutions may require additional statutory changes in 2023 or other upcoming legislative sessions.

* Financial impacts may be minimal if the parcel currently is generating little or no revenue.
TLT Pilot Project
The Proposed Parcels
Blakely Island (184 acres)
Transfer to San Juan County

Proposed use:
Habitat conservation and open space

Why This Parcel?

**Difficult to manage.** Entire parcel is unharvestable due ecological values. There is no legal access from land side and no roads within or adjacent to the parcel.

**Ecological values.** Important marine shoreline habitat and trees with old growth characteristics (rare in this area).

**Social values.** Preserve views from San Juan Islands ferries.
Chapman Lake (542 acres)
Transfer to WDFW

Proposed use:
Habitat conservation and recreation

Why This Parcel?

Limited revenue potential. Too sparsely forested for timber harvest, soil and topography not suitable for agriculture, too small for solar power.

Ecological values. Habitat for numerous wildlife species; expected to be satellite unit of the Swanson Lake Wildlife Area.

Social values. Re-establish fishing and recreation access to a popular lake, benefitting the greater Spokane area.
Chelatchie Trail (81 Acres)

Transfer to Clark County

Proposed use:
Habitat conservation and recreation

Why This Parcel?

Difficult to manage. Approximately 60% of this parcel is unharvestable. Some of these areas are non-forested, and others contain streamside forests protected from harvest.

Social values. A trail converted from abandoned rail line currently runs through this parcel. Transfer would help Clark County develop a hike and bike trail that connect Battleground Lake State Park to Fairgrounds Community Park (2.8 miles). Provides public recreation opportunities in a highly populated area.
Devils Lake (415 acres)

Transfer to DNR Natural Areas Program

Proposed use:
Habitat conservation and recreation

Why This Parcel?

**Difficult to manage.** Approximately 70% of this parcel is unharvestable due to unstable slopes and sensitive areas (such as riparian forests) protected from harvest. Parcel currently has no road or trail access.

**Ecological values.** Protects a high quality, rare forested plant community and a mile of Puget Sound shoreline.

**Social values.** Provides limited opportunities for low-impact recreation such as hiking and birdwatching. Parcel will be added to the adjacent Devils Lake NRCA.
Eglon (707 acres)

Transfer to Kitsap County

Proposed use:
Habitat conservation and recreation

Why This Parcel?

**Difficult to manage.** 47% of this parcel is unharvestable due to unstable slopes or riparian forests protected from harvest. Parcel also provides recreation opportunities within a very densely populated area.

**Ecological values.** Parcel includes a large wetland, a stream, and older trees (130+ years old).

**Social values.** A trail on the property is used for public recreation and for pedestrian and bicycle use and streams are used by anglers. Transfer has strong community support.
Lake Spokane Campground
(305 acres)
Transfer to Wa. State Parks & Rec. Comm. (State Parks)

Proposed use:
Recreation and open space

Why This Parcel?

Limited revenue potential. Parcel is a recreation site being managed by State Parks through a lease agreement with DNR.

Social values. Property has a campground, water access, and parking. State Parks would be a better steward of this highly popular property because they have more experience with waterfront parks and on-site law enforcement staff.
Morningstar (1,071 acres)

Transfer to DNR Natural Areas Program

Proposed use:
Habitat conservation and recreation

Why This Parcel?

Difficult to manage. Approximately 80% of parcel is unharvestable due to steep slopes and sensitive areas managed as habitat.

Ecological values. Parcel includes older forest (120+ years old), wildlife habitat, and fish-bearing streams.

Social values. Provides opportunities for low-impact recreation such as hiking. Parcel is located within the boundaries of the Morningstar NRCA, a popular destination for King and Snohomish County residents.
Moses Lake Sand Dunes (648 acres)

Transfer to Grant County

Proposed use:
Recreation and open space

Why This Parcel?

Very limited revenue potential. Site consists of sand dunes formerly used by off-road vehicles.

Social values. Grant County will provide recreational opportunities for the public. Grant County would be a better steward of this property due to having nearby parks and law enforcement staff.
Rustler’s Gulch (40 acres)

Transfer to WDFW

Proposed use:
Habitat conservation and recreation

Why This Parcel?

Unsuitable for revenue production. Parcel is an in-holding of the Rustler’s Gulch Wildlife Area.

Ecological values. Moose, white tailed deer, coyote, and several bird species utilize this parcel as well as the surrounding WDFW wildlife area.

Social values. Acquisition of this parcel will help WDFW manage the Rustler’s Gulch Wildlife Area and continue providing opportunities for dispersed recreation.
Upper Dry Gulch (3,023 acres)

Transfer to DNR Natural Areas Program

Proposed use:
Wildlife habitat, natural area

Why This Parcel?

Unsuitable for revenue production. Property is steep and arid with no associated water rights. It also experiences frequent wildfires. Parcel is located within the approved boundary of the Upper Dry Gulch NAP.

Ecological values. Includes globally rare plant community. Also has high wildlife usage by mule deer, bighorn sheep, elk, and quail.

Social values. Provides research and education opportunities for local schools and community organizations.
West Tiger (99 acres)

Transfer to DNR Natural Areas Program

Proposed use:
Habitat conservation and recreation

Why This Parcel?

Unsuitable for revenue production.
Approximately 80% of this parcel is unharvestable due to steep, unstable slopes and riparian forests protected from harvest. There is no road access to harvestable areas.

Ecological values. Older forests (120+ years old) and salmon-bearing streams.

Social values. Protects views for motorists along I-90. Will be added to the West Tiger NRCA, which provides recreation opportunities in a densely populated area.
<table>
<thead>
<tr>
<th>Property Name</th>
<th>Acres</th>
<th>Trust</th>
<th>County</th>
<th>Receiving Agency</th>
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<tbody>
<tr>
<td>Blakely Island</td>
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<td>Common School (03)</td>
<td>San Juan</td>
<td>San Juan County</td>
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<td>Chapman Lake</td>
<td>542</td>
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<td>Spokane</td>
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<td>Chelatchie Prairie</td>
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<td>Devils Lake</td>
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<td>Common School (03)</td>
<td>Jefferson</td>
<td>DNR Natural Areas Program</td>
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<td>Eglon</td>
<td>707</td>
<td>Common School (03), University Original (11)</td>
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<td>Lake Spokane Campground</td>
<td>305</td>
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<td>Moses Lake Sand Dunes</td>
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<td>West Tiger</td>
<td>99</td>
<td>State Forest Land (01), Scientific School (10)</td>
<td>King</td>
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</tr>
</tbody>
</table>
Comments

We want to hear from you!

• Do you have specific concerns about these transfers that DNR should address? For example, economic or environmental impacts?

• Are you aware of any new information about these parcels that DNR needs to consider regarding the transfer of these parcels?

• Do you have comments or concerns about trust land transfer in general?
How to Submit Comments

• Go to this webpage to enter your comments:
  https://www.surveymonkey.com/r/XDTLQR9

• Comments will be received now until close of business on July 14, 2022
Where Can I Learn More?

A full explanation of the revitalized tool and a description of Phase 2 tasks can be found in the 2021 legislative report under “Project Documents” at: https://www.dnr.wa.gov/about/trust-land-performance-initiative/tools-address-underperforming-land-assets

This site also includes presentations and recordings of all work group meetings to date.
Thank you for your interest