

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners
Mark McCauley, County Administrator

FROM: Heidi Eisenhour, Commissioner
Mallorie Weinheimer, Chickadee Forestry
Catharine Copass, Ecologist

DATE: June 26, 2023

SUBJECT: Letter to Commissioner Franz re: Jefferson County forests opportunities

STATEMENT OF ISSUE: As reported for our May 22nd mtg, the Legislative Session ended with some serious investment in state forests. A big part of that was an \$83M budget proviso (via the Natural Climate Solutions Account) that will permanently conserve 2,000 acres of older, carbon dense, structurally complex DNR managed state forests across Western Washington and buy younger replacement forests to provide revenue to rural communities like ours. These programs, funding allocations and future related efforts will protect special forests and contribute to the forest products economy in Jefferson County. We received a letter (attached) from the Commissioner of Public Lands, Hilary Franz, on June 7. This agenda item is consideration of our response to that letter.

ANALYSIS: With this development, we have the opportunity to shape the work ahead with Jefferson County forests by:

1. Identifying replacement lands for acquisition to benefit the forest economy in our county and working with DNR and private landowners to pursue their inclusion in our working state forestlands.
2. Developing a list of priority DNR forest tracts we would like to see protected as part of the 2000 acres.
3. Supporting the expansion of the Dabob Bay Natural area via inclusion of priority acreage in NCS consideration and/or with a future Trust Land Transfer proposal.
4. Trust Land Transfer came out of the legislative session a revitalized tool. We've identified some parcels for a future Dabob Natural Area expansion as well as 40 landlocked acres that straddle the Duckabush River which the Port Gamble S'Klallam Tribe is interested in seeing protected permanently.
5. Working with our forestry expert Mallorie Weinheimer of Chickadee Forestry, we have identified four DNR tracts we would like to explore reconveyance or co-management of with DNR.

FISCAL IMPACT: We are the early phases with all of these ideas but consideration of fiscal impact to all beneficiaries including the county will be a priority consideration as we move forward.

RECOMMENDATION: Consider recommendations, ask questions, develop next steps.

REVIEWED BY:


Mark McCauley, County Administrator

Date 6/21/23

June 27, 2023

Hilary Franz, Commissioner of Public Lands
DNR
Olympia, WA

Dear Commissioner Franz,

Thank you for your letter dated June 7, 2023. The Jefferson County Board of Commissioners are very interested in the collaboration you propose, and we look forward to working with you and your team on the next steps and would love to get a meeting on the calendar in the near term. We are also writing to express our interest in being actively involved in all aspects of the implementation of the new Natural Climate Solutions (NCS) investments and in the next round of the revitalized Trust Land Transfer program. As you say in your June 7 letter- it is great to have these new tools! We are especially excited about is the potential for an even more robust forest products economy in Jefferson County than we have had for some time via all of the allowances for replacement lands via the NCS proviso.

With the NCS funding for replacement land, we are keenly interested in growing the base of working forest lands in Jefferson County. It is important to our economy and to our communities. We see great potential for DNR to acquire significant acreage from private forestland owners with areas that would connect well with existing DNR managed lands and be in the same junior taxing districts as many of our conservation priorities. We see opportunities to use investment in replacement lands also as a way to prevent conversion of forest lands which we know is a stated priority in the NCS proviso. We, and our local stakeholders, look forward to working with you on the implementation of the \$70 million dollars for replacement lands. We are also actively collaborating on the next steps on the previous proviso finding replacement land for encumbered lands. **We have worked with a local team of experts to identify about 2500 acres of timberland owned by Rayonier that not only are productive resource lands but are also adjacent to other working forests, recreation and conservation lands.**

Towards addressing the 2000 acres of structurally complex, carbon dense forests the \$70M in the proviso allows for protecting, we have done a significant amount of analysis and planning already so we have a preliminary list of top priorities. Once DNR communicates the guidance on the selection process we can refine the final list. Here are some of the parcels we see as strong candidates totaling nearly 500 acres:

DNR ParcelSys#	Name	Trust
6298	Camp Harmony	Common School and Indemnity (going to SFT with Intertrust X)
6312	Dabob West	State Forest Transfer
6498	Disco	State Forest Transfer
6328	Silent Lake	Common School and Indemnity (going to SFT with Intertrust X)
6342	Tarboo East	State Forest Transfer
114283	Tarboo East	State Forest Transfer

Dabob Bay Natural Area Boundary Expansion- Thank you for all the work and collaboration to date on conservation around Dabob Bay. This area remains a high priority for Jefferson County conservation. Work has been underway for several years on a proposed expansion of the Dabob Bay Natural Area. **See the map.** Several of our top priorities for NCS conservation acreage are within the proposed expansion

boundary. Other nearby parcels would make good candidates for future Trust Land Transfers but, per DNR guidance, the boundary expansion would need to be approved before areas can be nominated as an expansion area for TLT. It should be noted that much of the proposed expansion area was included in the DNR nominated carbon project sites. We would like to begin the process now of formally asking for DNRs approval of the proposed boundary expansion. Doing this now will help as we plan the best sequence of steps and decide which tools to use for different parcels.

Trust Land Transfer- We are interested in supporting projects for the upcoming round and for subsequent rounds. As previously noted, there are several logical candidates in the proposed Dabob Natural Area expansion area, but the boundary expansion has to be done before the parcels can be considered for TLT. There are other parcel candidates where TLT or NCS could be used. This is a topic that would definitely benefit from discussion with the DNR team. Here are about 1500 acres of parcels that have been identified as near- term candidates for TLT with the majority included for Dabob Expansion:

DNR ParcelSys#	Name	Trust
6297	Eaton	State Forest Transfer
6294	Eaton	State Forest Transfer
6327	Silent Lake	State Forest Transfer (Part is in Current Boundary)
6331	Silent Lake	State Forest Transfer (Part is in Current Boundary)
6531	Duckabush Upper	Common School and Indemnity
116472	Silent Lake - NEW	Common School and Indemnity
114283	Tarboo East	State Forest Transfer

Reconveyance or Co-management lands- We also are interested in exploring Jefferson County management/co-management of the following four parcels totaling just under 700 acres:

DNR ParcelSys#	Name	Trust
6349	Anderson Lake	Common School and Indemnity
6247	Beaver Valley	Common School and Indemnity (going to SFT with Intertrust X)
6519	Cape George	Common School and Indemnity (going to SFT with Intertrust X)
6354	West Jacob Miller	Common School and Indemnity (going to SFT with Intertrust X)

Thank you for considering our plans and priorities. We look forward to working together and appreciate your offer of heightened collaboration.

Sincerely,

Greg Brotherton
Commissioner, District 3

Heidi Eisenhour
Commissioner, District 2

Kate Dean
Commissioner, District 1

CC: Todd Welker, DNR State Uplands
Mona Griswold, DNR
Drew Rosenbalm, Olympic Region, DNR
Brian Turner, Straits District, DNR
Bob Winslow, DNR

NCS Proposed



Proposed Dabob
NA Boundary



Current Dabob
Natural Area
Boundary



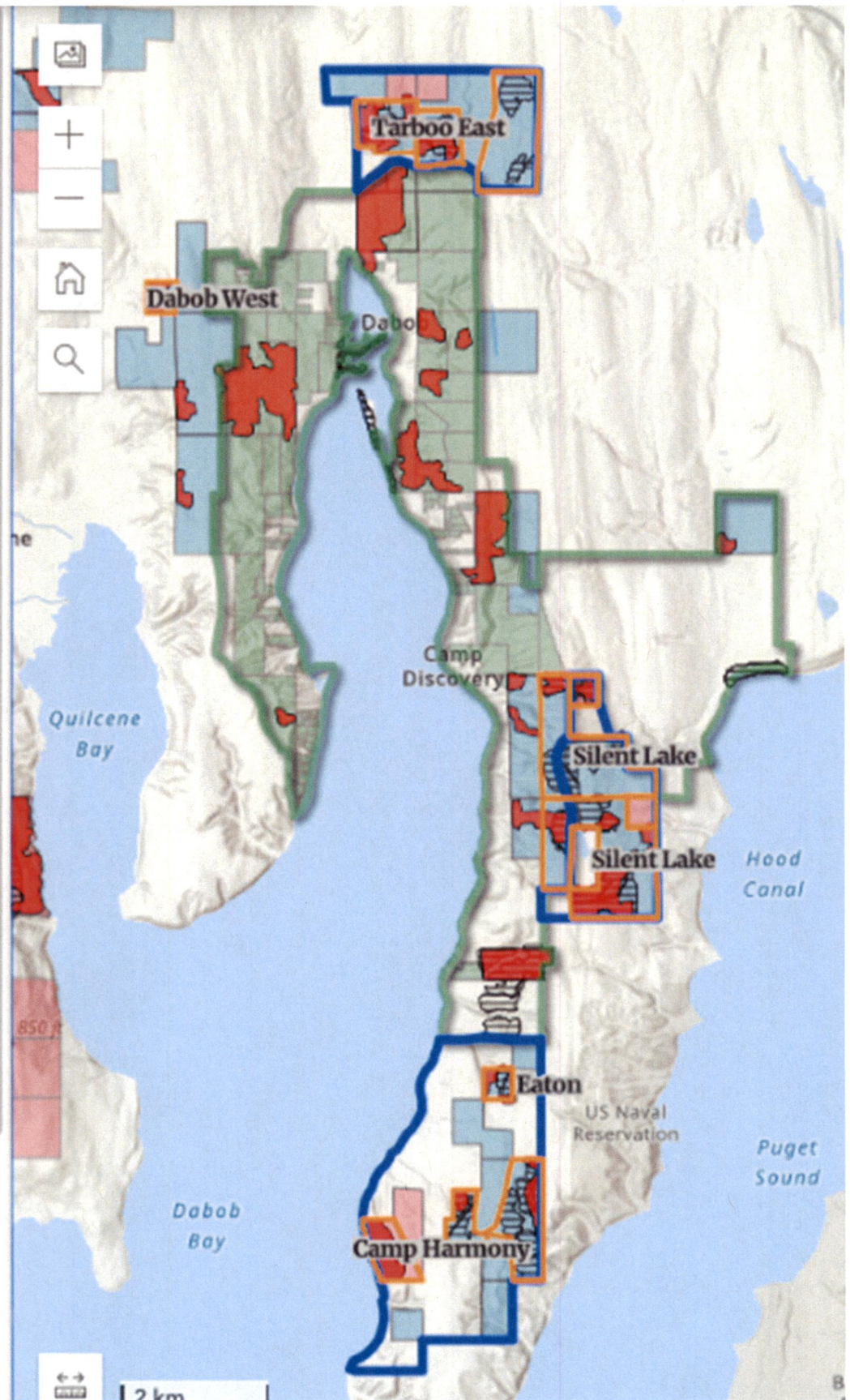
Older, Structurally
Complex Forests
(CRF)



WNHP Imperiled
Forests



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parcels_2023view





June 7, 2023

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Dear Commissioner Brotherton, Commissioner Dean, and Commissioner Eisenhour,

Thank you for your continued interest in the long-term health of forestlands in your county and for your engagement with the Department of Natural Resources (DNR) on the important decisions we make to ensure Jefferson County's trust lands are sustainably managed to meet the economic, environmental, and social needs of your communities, as well as our constitutional and statutory duties to our beneficiaries and our responsibility to protect our state's cultural resources and uphold tribal treaty rights. As an agency, we are committed to managing our state's forests for all the benefits they provide to every Washingtonian, including clean air and water, critical fish and wildlife habitat, carbon sequestration, cultural resources, space to recreate, sustainable wood products, quality local jobs, and funding for essential government services.

Over the past 30 years, we at DNR have taken significant steps to conserve our most ecologically valuable forests in Washington. Currently, 815,000 acres of DNR's trust lands are managed for conservation statewide, with more than 80 percent of that land located west of the Cascades. We have also protected an additional 130,000 acres of forestlands through our [Natural Resource Conservation Areas](#) (NRCA) and our [Natural Area Preserves](#) (NAP) programs. The [Clearwater Boggs](#) NAP and the [South Nolan](#) NRCA are two wonderful examples of how Jefferson County has benefited from those conservation efforts.

In addition to our ambitious conservation efforts, DNR is also a recognized leader in sustainable, ecological forest management. Our [Policy for Sustainable Forestry](#), which was developed with leading experts like

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Dr. Jerry Franklin and Dr. Norm Johnson and established a first of its kind Old Growth Policy for western Washington, ensures that our forest management practices maximize the long-term sustainability of our working forest trust land while also protecting our most ecologically valuable and structurally complex old growth forests in perpetuity. Additionally, our multi-species [State Trust Lands Habitat Conservation Plan](#) provides further protections for riparian corridors and other critical habitat to support recovery of our region's most iconic and imperiled species. We proudly employ leading experts in old growth ecology, forest stand dynamics, riparian science, and restoration ecology to conduct peer reviewed research to continually adapt our management strategies to meet our forest health goals. As an example, our Variable Retention Harvests are designed to mimic natural disturbances that help restore structurally complex, multi-layered forests that provide critical ecosystem services and are more resilient to the impacts of climate change.

This is just one of the many reasons why Dr. Jerry Franklin cites DNR's management as an exemplary application of Ecological Forestry, saying, "In this state the most innovative large forest management organization is the Department of Natural Resources. And while people may not be completely happy with what they're doing it's so profoundly changed from what it was doing 30 years ago as to defy belief.

So, it is an innovative organization and you tend to find the most innovative organizations are those which have a conflicting duty, both ecologic and economic, and so it creates a tension that makes you really work at figuring out 'how am I going to meet both of these obligations'."

This exemplary stewardship has resulted in all DNR-managed forests being certified under the [Sustainable Forestry Initiative®](#) standard. Additionally, 176,000 acres in the South Puget Planning Unit are also certified under the [Forest Stewardship Council®](#) standard.

We have also taken significant steps to promote the use of sustainable, locally sourced forest products and grow the timber economy in Washington. We know that building with wood stores carbon in the built environment and requires less energy to manufacture than other materials, making it our most renewable and sustainable building product. Expanding the use of wood in our built environment is a critical component of our agency's efforts to fight climate change, protect our working forests from conversion to subdivisions and parking lots, and grow quality local jobs.

While I am proud of all that we have accomplished as an agency, the challenges facing our forests – from the annual threat of catastrophic wildfire to the impacts of climate change and increasing pressure from conversion – continue to grow. That's why I am excited that, over the past six years, my team and I have worked in partnership with the legislature to significantly diversify DNR's toolbox to more effectively combat these threats and enhance the environmental, social, and economic benefits of county forest trust lands. Today, DNR's toolbox includes:

1. **Trust Land Transfer**, which allows DNR to work with eligible recipients to reposition state forest trust lands to be managed for ecological and recreational purposes and purchase replacement land that can earn long-term, sustainable revenue for the affected trust.
2. **Reconveyance** of State Forest Transfer lands to county ownership to be managed as a park, consistent with State Outdoor Recreation plans.

3. **Direct transfer** of trust land to eligible recipients, at fair market value, which allows the recipient to use these lands for any purpose (including open space, housing, commercial use, etc.) that is consistent with local zoning and DNR to reinvest the revenue back into the purchase of replacement lands for the same trust. HB 1460 expanded this authority to include county trust lands.
4. **Land Exchange** of county trust land for non-trust land of equal value that would allow the County to manage the parcel that was exchanged for any purpose that is consistent with local zoning.
5. **Land Pooling**, which is a mechanism to purchase new trust land for two or more counties who have entered agreements to share in the revenue generated from those lands.
6. **Forest Carbon Leasing** allows DNR to enter into leases for carbon projects on the voluntary market, for a term of 40 to 99 years as needed for the project. Leasing offers DNR an opportunity to generate revenue from carbon sequestration and storage on our lands while we work with legislators to pass a bill that would grant us direct authority to sell carbon credits and other ecosystem service credits.
7. **New funding for the 23-25 biennium to advance DNR's conservation and sustainable forest management work:**
 - a. **\$2.5 million** to conduct a regional wood basket analysis of current timber supply and the impacts of potential management changes on supply, and to convene a stakeholder group that will collaborate on approaches related to the conservation and management of older, carbon dense, structurally complex forest stands; strategies to increase carbon sequestration and storage in forests and harvested wood products; generate predictable revenue for beneficiaries and maintain wood supply for local industries and economies.
 - b. **\$1.5 million** to work with the Department of Ecology to convene a stakeholder group to conduct an ecosystem services inventory and develop a state trust lands ecosystem services asset plan that outlines opportunities to generate revenue and reduce the overall greenhouse emissions and increase carbon sequestration and storage.
 - c. **\$13.166 million** for silvicultural treatments to enhance forest stand growth and address the most critical forest health issues on managed trust lands in western Washington to ensure these forests are more resilient in the face of climate change.
 - d. **\$70 million** to purchase new forestlands, prioritizing lands at risk of conversion to a non-forested use, to offset the transfer of up to 2,000 acres of structurally complex, carbon-dense state trust forest lands out of trust status in counties west of the Cascade mountains, as well as all of Skamania County and the western portion of Klickitat County.
 - e. **\$10 million** to prepare commercial thinning timber sales in any county covered under the 1997 Habitat Conservation Plan for the purposes of restoring Northern spotted owl and riparian habitat in designated management areas that do not yet meet required habitat conditions.

Historically, DNR's management practices have been informed primarily by the Washington State Board of Natural Resources, with limited opportunities for direct input from individual county forest trust beneficiaries. I want to change that. As a former city councilmember, I know that the people best able to make decisions about what happens in their community are the people who live there and are most impacted by these decisions. I also know that what works for one county, may not work for all counties. That is why I'm reaching out.

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In light of the recent expansion of DNR's toolset, and our shared commitment to ensuring that our forests meet the constitutional and statutory duties to our beneficiaries as well as the critical environmental, social, and economic needs of your communities, I am excited to invite you to collaborate with DNR on a forest-management strategy for your county trust lands that best serves the needs of the beneficiaries, your constituents, and our state.

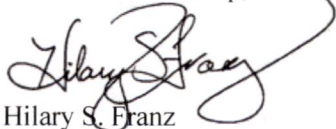
The truth is that not all forests are the same and our management strategies should reflect that. In fact, I outlined this broader vision for our state forestlands in an [op-ed](#) last year. Like you, I believe that our high ecological and cultural value forests should be conserved and managed to maximize those benefits, while our working forests should continue to provide reliable, long-term timber supply for our homes, hospitals and schools, as well as quality local jobs for our communities. I believe that by working together in partnership we can achieve this win-win approach that enhances the value of all forests and creates a truly sustainable environment, renewable economy, and just society.

I would like to invite you to work with me and my team to develop a strategy for how DNR manages the county forest trust lands in your County. I am seeking your collaboration and input so that together we can make decisions that reflect our shared values and your vision for your County, while considering the many, varied needs of our shared constituents. I know that we are all deeply committed to creating a healthy and sustainable environment in the face of a rapidly changing climate while continuing to grow a strong economy and meet the critical financial needs of your communities.

I suggest we start this conversation with a deep dive into the county trust lands that DNR currently manages on your behalf and the suite of management tools available, so we all have a clear understanding of your assets and can make informed decisions about how best to maximize the multiple benefits that these forests provide to the beneficiaries of these lands, your communities, your local economy, your environment and the region we all represent. We want to answer any questions and listen to you on challenges and opportunities you see and ideas you have. From there, we can have an inclusive, robust, and collaborative discussion about the needs and interests of your community concerning these forests and develop a forest-management strategy for your county trust lands that best serves the needs of the beneficiaries, your constituents, and our state.

Sarah Ogden from my staff will reach out in the coming days to provide further details and work with you to schedule a first meeting. We look forward to working with you on this and finding pathways to manage our forests for the benefit of our communities, our economy, and the climate.

Yours in stewardship,



Hilary S. Franz
Commissioner of Public Lands

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