

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

CONSENT AGENDA REQUEST

TO: Board of County Commissioners

FROM: Mark McCauley, County Administrator

DATE: March 13, 2023

SUBJECT: Letter of Support: Department of Natural Resources (DNR) Dabob Bay
Inter-trust Exchange 86-100443

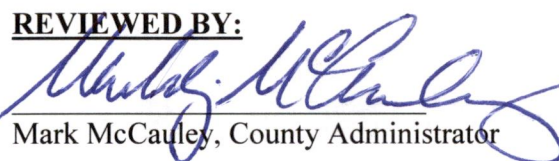
STATEMENT OF ISSUE: DNR is proposing an inter-trust exchange which result in the protection of 826 acres of remaining Forest Trust parcels with the portion of the Dabob Bay Natural Resource Conservation Area that was expanded in 2016. The proposal will also provide \$8.5 million in new Forest Trust lands in east Jefferson County. The new acres have fewer timber harvest constraints which will help improve the long-term value of the Forest Trust lands to Jefferson County and its junior taxing districts. These lands will be exchanged for Common School lands yet to be identified. The lands exchanged must be of approximately the same appraised value.

ANALYSIS: The County wholeheartedly supports the inter-trust exchange and wishes to send a letter of support, a draft of which is attached.

FISCAL IMPACT: This request has no fiscal impact.

RECOMMENDATION: Consider the letter of support and decide whether to approve and sign.

REVIEWED BY:


Mark McCauley, County Administrator

3/9/23
Date



Board of County Commissioners
1820 Jefferson Street
PO Box 1220
Port Townsend, WA 98368

Kate Dean, District 1 Heidi Eisenhour, District 2 Greg Brotherton, District 3

March 13, 2023

DNR, Dabob Bay Inter-Trust Exchange
Attn: Bob Winslow,
P.O. Box 47014,
Olympia, WA 98504-7014
[E-mail to: Exchanges@dnr.wa.gov]

Dear Mr. Winslow:

We appreciate the hard work of you and other DNR staff over the past several years in persisting with DNR's proposed Dabob Bay Inter-Trust Exchange 86-100443. We strongly support DNR's proposal to permanently protect all 826 acres of remaining Forest Trust parcels within the portion of the Dabob Bay Natural Resource Conservation Area (NRCA) that was expanded in 2016. The proposal will also provide \$8.5 million in new Forest Trust lands in East Jefferson County to replace the 786 acres of Forest Trust lands that have severe timber harvest constraints, improving the long-term economic value of the Forest Trust lands to Jefferson County and its junior taxing districts.

We understand that DNR must complete the Inter-Trust Exchange, including a decision by the Board of Natural Resources, by June 30, 2023 or lose the legislative funding. We also understand that, given the increase in appraised values, DNR is short \$2.2 million needed to complete the full exchange unless they can successfully transfer over some existing RCO grant funding that was secured for other Dabob Bay projects. We urge you to make every effort to secure this necessary funding so that the project can be completed in full. Please let us know if what we can do to help.

We support the use of candidate School Trust parcels C1 through C16 as needed and feasible for the full exchange to occur. At the Public Hearing, you noted that C1 through C14 School Trust lands were likely to be needed because their total updated appraised value (land and timber) is approximately equal to the appraised value for the Forest Trust lands to be protected, at approximately \$8.5 million.

The balance of acreage between affected junior taxing districts is also promising for the use of C1 through C14. For example, the 786 acres of Forest Trust lands within the Dabob Bay Natural Area include approximately 626 acres in the Quilcene Fire District and 160 acres in East Jefferson Fire District (Thorndyke parcel). In comparison, School Trust parcels C1 through C14 total 1,180 acres, including 820 acres within the Quilcene Fire District and 360 acres with East Jefferson Fire District. We ask that you continue to strive to balance exchanged lands within the various junior taxing districts as feasible and reasonable, with the primary goal of completing the full exchange in a timely fashion.

We believe that the proposed Inter-Trust exchange represents a clear and significant step up in revenue value for the county and its junior taxing districts due to DNR's severe timber harvest constraints on the 786 acres of Forest Trust land related to protection of globally imperiled plant associations, streams, wetlands and unstable slopes. The \$8.5 M in appraised land and timber value here is based on private industry regulations, not the limited amount DNR can actually harvest under its more restrictive policies and regulations. In contrast, the "new" Forest Trust lands include a mix of forest age classes, fewer constraints, and increased acreage. In addition, we understand that these DNR conservation lands are eligible for annual PILT payments.

In summary, we fully support DNR's work to complete the Dabob Bay Inter-Trust Exchange and Trust Land Transfer by the June 30, 2023 deadline and look forward to an update from you as the project proceeds.

Sincerely,

Jefferson County Commissioners

Kate Dean
District 1

Heidi Eisenhour
District 2

Greg Brotherton, Chair
District 3

Cc: Hilary Franz, Commissioner of Public Lands