

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners
Mark McCauley, County Administrator

FROM: Heidi Eisenhour, Commissioner

DATE: November 6, 2023

SUBJECT: Dabob Bay Natural Area Trust Land Transfer and Inter-Trust Exchange

STATEMENT OF ISSUE:

As part of the Dabob Bay Natural Area managed by the Department of Natural Resources (DNR) in SE Jefferson County, there was a boundary expansion in 2016. Since that time DNR has been working towards set aside of DNR managed lands within the boundary.

ANALYSIS:

DNR has done extensive work including analysis of potential impacts to Junior Tax Districts as a result of these two transactions. The considerations are detailed in the slide deck included.

FISCAL IMPACT:

Impact to Junior Tax Districts to be reviewed.

RECOMMENDATION:

Discuss, ask questions, support or not.

REVIEWED BY:


Mark McCauley, County Administrator Date 11/1/23



Dabob Bay Inter-Trust Exchange and Trust Land Transfer (TLT)



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES

Dabob Bay
Trust Land Transfer
02-099529

Dabob Bay
Inter-Trust Exchange
86-100443



Trust Land Transfer (TLT) Overview

- **This Option A would transfer all proposed TLT parcels within the current boundary; Parcels A to H**
- **Needs to use all TLT funds and requires RCO funds**
- **Legislature appropriates Trust Land Transfer funds to compensate the trust beneficiary.**
- **Property is transferred with perpetual deed restriction limiting future uses to natural areas**



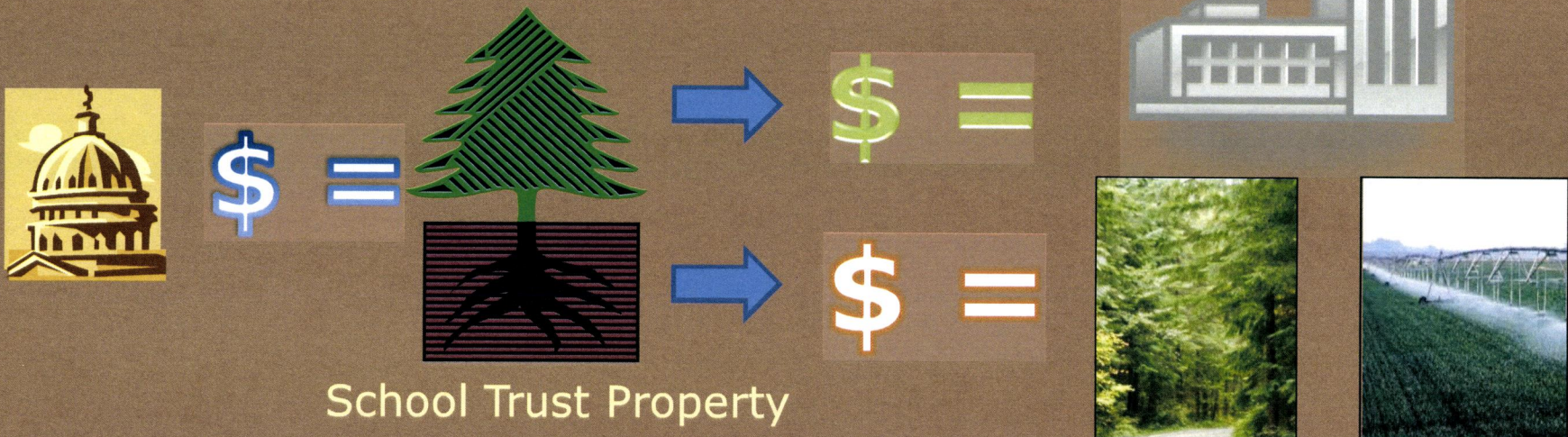
Trust Land Transfer Overview

- Properties at time of the TLT transfer must be Common School Trust (current rules at time of funding).
- DNR may also use awarded grant funds obtained from the State of Washington Recreation and Conservation Office (RCO) for transferring and conserving portions of parcels A to G.



Trust Land Transfer (TLT) Overview

- Timber value from transferred Common School Trust (K-12) property builds schools
- Land value buys replacement property for the Common School Trust elsewhere



Inter-Trust Exchange Overview

- **Properties at time of transfer must be Common School Trust (current rule at time of TLT funding).**
- **When a non-Common School trust parcel is identified for TLT, nearby candidate common school parcels are considered for exchange.**
- **All Dabob Bay TLT parcels are State Forest Trust (Parcels A,B,C,D,E,F,H) except for Parcel G, so therefore need an inter-trust exchange to occur**

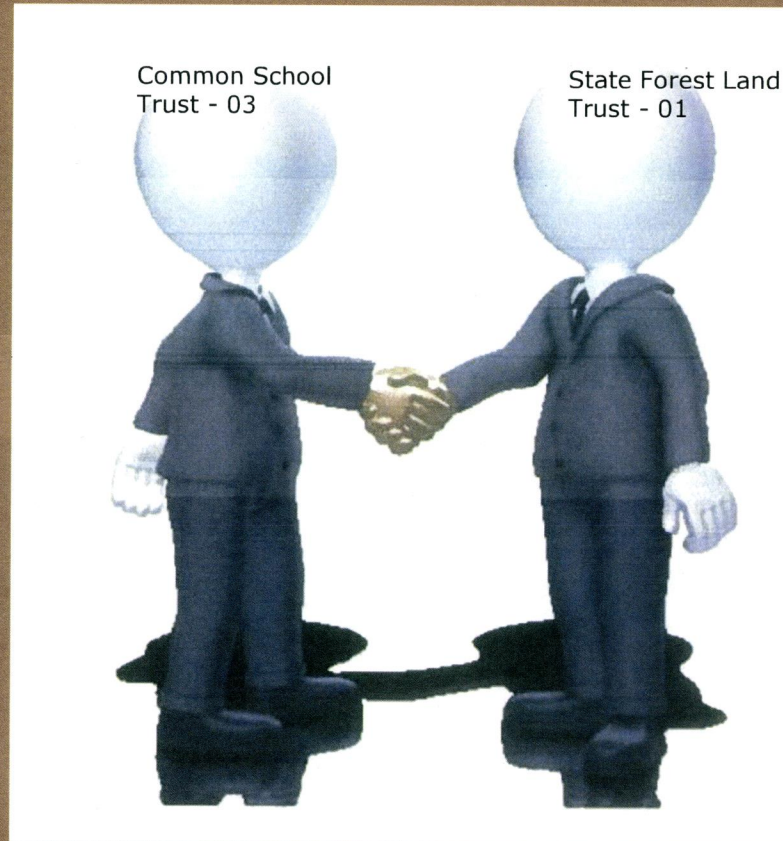


Inter-Trust Exchange Overview

- **Equivalent market value between the trusts is required for an equal value exchange.**
- **Location, soil, timber, access, revenue potential, zoning, public testimony are all considered in creating an exchange between trusts.**
- **Appraisal results used to determine the exchange balance.**



Inter-Trust Exchange Overview



Exchange between DNR managed trusts

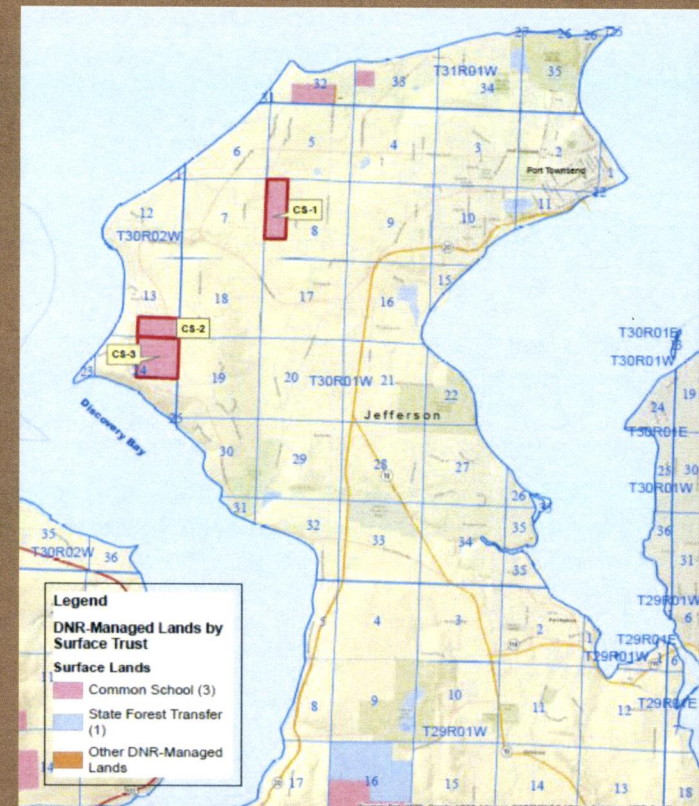
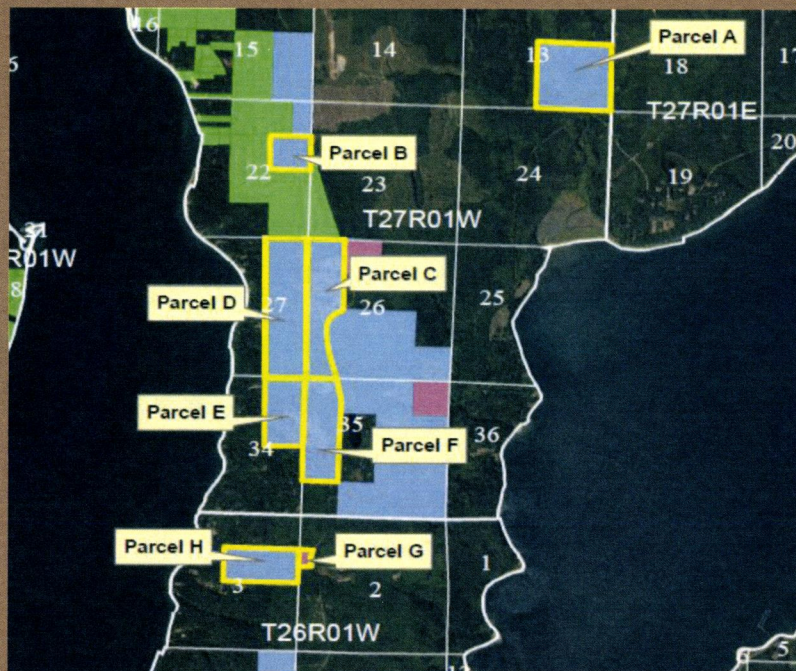
State Forest Land Trust and Common School Trust

State retains ownership of all parcels



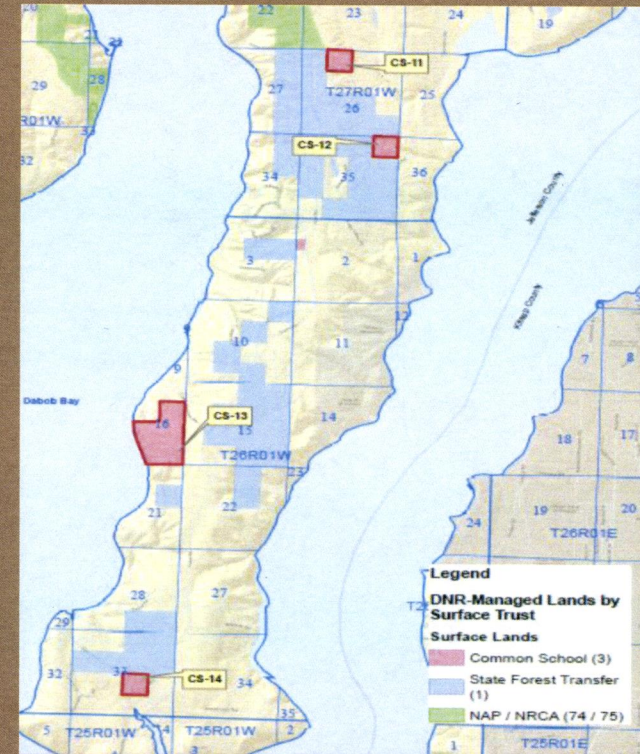
Dabob Bay Inter-Trust Exchange

State Forest Land Trust (Parcels A to F, H) parcels traded with Common School Trust (Parcel CS-1 to CS-10; CS-12 to CS-15).



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Dabob Bay Inter-Trust Exchange

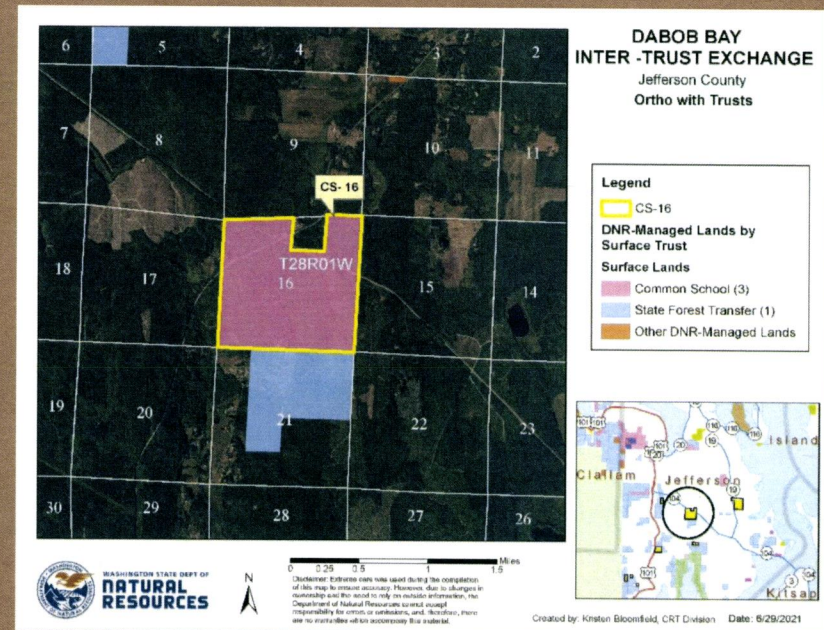
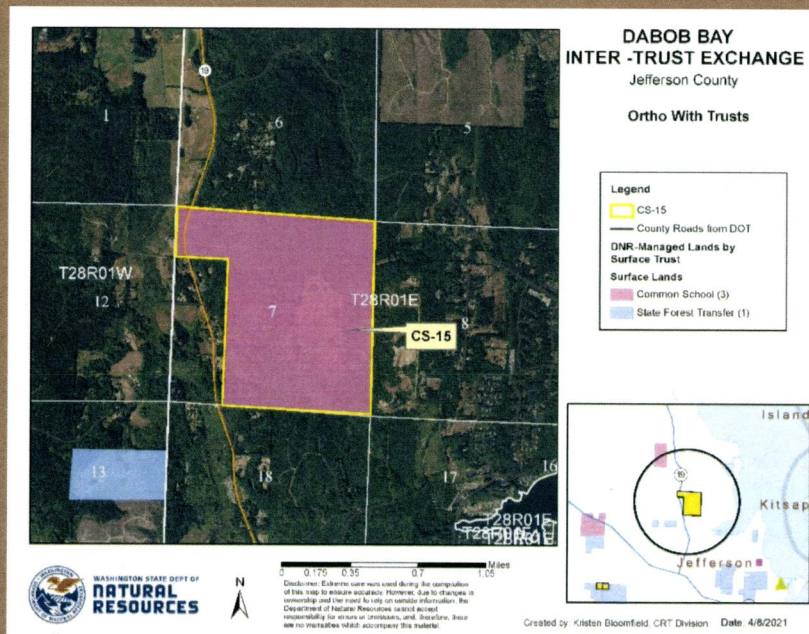


State Forest Land Trust parcels traded to Common School Trust
(Parcels CS-1 to CS-10; CS-12 to CS-15).



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Dabob Bay Inter-Trust Exchange

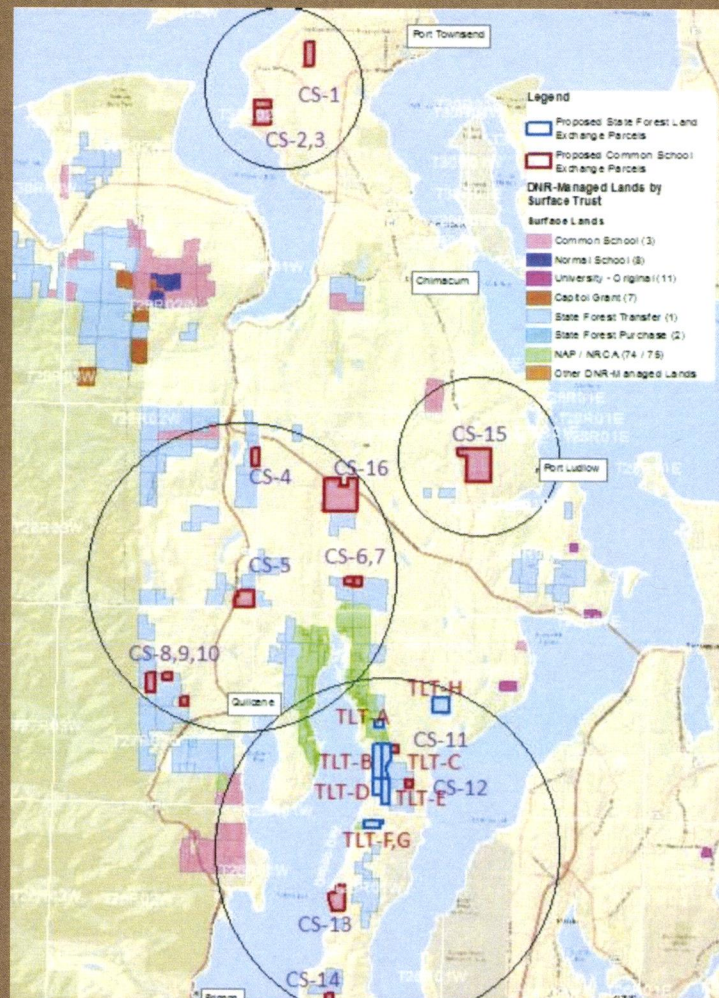


State Forest Land Trust parcels (TLT Parcels A,B,C,D,E,F,H) traded to Common School Trust.



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Dabob Bay TLT Project Overview



Step 1: Inter-Trust Exchange

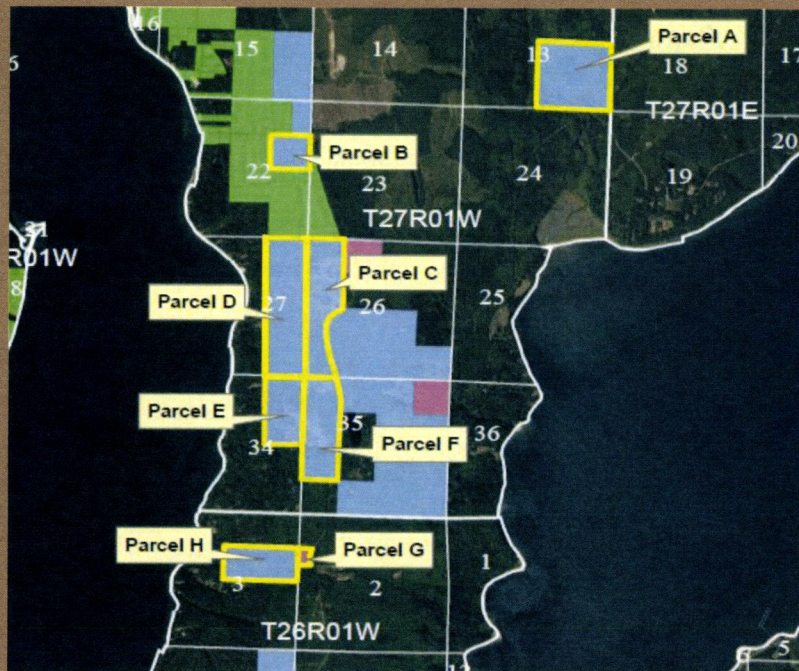
State Forest Land Trust (SFL) (blue outline) parcels traded with Common School Trust (CS) (pink outline) in advance of any trust land transfer. **No transfers of CS-11 or CS-16 to balance the exchange and \$855,351 of the \$2.5 Million of Jefferson replacement purchase funds to be used for trust balancing, shown later.**

Step 2: TLT Transfer

Parcels shown in the blue outline will become perpetually conserved and dedicated as Natural Resource Conservation Area lands (green color on map).



Dabob Bay Trust Land Transfer (TLT)



TLT Transfer:

All of the Parcels labelled A to H will be proposed to the Board of Natural Resource for transfer into the Dabob Bay NRCA.



Next Steps

- **Meet with Jefferson County Commissioners in late October to discuss Plan A; followed by outreach to taxing district representatives and Common School Trust interested parties.**
- **Prepare presentation for taking to the DNR management in early November to prepare for December 5, 2023 BNR Meeting for vote on Dabob Bay Inter-Trust Exchange and Dabob Bay TLT transfer**
- **Close the transaction before December 30, 2023 when the RCO funds will no longer be available to bridge the needed funding gap. Finalize all other paperwork and ownership record changes.**



Dabob Bay Inter-Trust Exchange and TLT



- Approved Natural Area boundary (green line).
- Identified rare and higher quality Plant Communities (blue colored areas).
- Due to Parcel CS-11 having rare plant community presence, DNR removed that parcel from exchange consideration.
- SFL trust gains by getting replacement lands for TLT Parcels C, F, and H that all have current harvest restrictions.



Current 2023 Valuation

- **Transfer of all TLT Parcels A to H: **\$10,095,227****
Total of 786.56 acres
- **TLT Timber Payment Made: **\$4,600,000****
- **TLT Remaining Reappropriation: **\$1,660,000****
- **TLT New Appropriation: **\$2,246,000****
- **RCO Funds for Dabob Bay **\$1,740,000****
****\$10,246,000****



Current 2023 Valuation

- Transfer of all TLT Parcels A to H: **\$10,095,227**
Total of 786.56 acres
- Inter-Trust Exchange Value of CS-1,2,3,4,5,6,7,8,9,10,
12,13,14,15 **\$10,950,578**
Total of 1,660 acres

NOTE - To balance the land exchange, DNR would use approximately \$855,351 cash out of the \$2.5 Million of Jefferson County land replacement funds provided from the legislature. Payment made to the Common School Trust Real Property Replacement Account for the purchase of Common School forest lands in Jefferson County in the amount of \$855,351.



Dabob Bay Inter-Trust Exchange and TLT



Photo by Keith Lazelle Nature Photography



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Dabob Bay Trust Land Transfer 02-099529
Concept A – Oct. 6, 2023

Dabob Bay Inter-Trust Exchange and TLT



Connie Gallant 2012



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Concept A – Oct. 6, 2023

Dabob Bay Inter-Trust Exchange and TLT



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Concept A – Oct. 6, 2023

