
Minutes

Board of Natural Resources Meeting

November 5, 2019
Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT

The Honorable Hilary Franz, Washington State Commissioner of Public Lands

The Honorable Bill Peach, Commissioner, Clallam County

The Honorable Chris Reykdal, Superintendent of Public Instruction

Jim Cahill, Designee for the Honorable Jay Inslee, Washington State Governor

Dan Brown, Director, School of Environmental and Forest Sciences, University of Washington

Absent - André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University

1 CALL TO ORDER

2 Chair Franz called the meeting to order at 9:00 AM.

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4 All Board members introduced themselves. Chair Franz noted there was a quorum for the
5 meeting.

6 SAFETY REVIEW

7 Ms. McGuire played the safety overview and instruction on evacuating the building in case of an
8 emergency.

10 APPROVAL OF MINUTES

11 Chair Franz called for approval of the minutes for the September 3, 2019 Regular Board of
12 Natural Resources Meeting.

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15 MOTION: Commissioner Peach moved to approve the minutes.

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17 SECOND: Dan Brown seconded the motion.

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19 ACTION: The motion carried unanimously.

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PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST

Tom Lannen, Skamania County
Mr. Lannen commented on the Marbled Murrelet long-term conservation strategy and asked that the Board delay their vote to ensure that they have all the information that is needed.

Ed Bowen
Mr. Bowen commented on the Solutions Table event. More attention to needs to be given to the federal lands.

Miguel Perez-Gibson, WEC
Mr. Perez-Gibson has concerns that the Board members have not been given enough time to make a decision regarding the Marbled Murrelet long-term conservation strategy. Would like the Board to delay the vote.

Beverly Parsons
Ms. Parsons expressed her concerns about the Ridgetop Land Exchange, and that it is unfair to not have the community involvement.

Paul Keeley
Mr. Keeley shared his concerns regarding the Ridgetop Land Exchange.

Lisa Hurt
Ms. Hurt commented on the growth within WA State and the effects of the Silverdale land exchange. Clear cutting is effecting salmon and other fish.

Rod Fleck, City of Forks
Mr. Fleck shared that the Trust Land Advisory is a public decision.

PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS
No comments

TIMBER SALES (Action Item)
Proposed Timber Sales for December 2019 | 3 handouts, including the presentation
Koshare Eagle, Assistant Division Manager, Product Sales & Leasing Division

The results of the October 2019 auctions were presented to the Board by Ms. Eagle. The Department offered 13 sales totaling 35.3 mmbf. The 10 sales sold totaled \$7.9 million for an average of \$324 per mbf with 2.7 bidders per sale on average.

Ms. Eagle asked for questions.

Mr. Brown asked for clarification that two unsold sales that were offered last month, did not sell again this month.

1 Ms. Eagle explained that of the unsold sales, one sale and a hardwood utility sort had been
2 previously offered.

3 Commissioner Franz asked for background on the increase in bidders.

4 Ms. Eagle shared that the sale in the Pacific Cascade Region receiving 6 bids had desirable
5 wood. A sale in Northwest Region was smaller and had bidders that are typically not seen.

6 Ms. Eagle then presented proposed sales to be offered in November 2019 to the Board and noted
7 a correction to the notice on a sort sale within the proposed packet.

8 Ms. Eagle asked for approval of the proposed sales as presented.

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10 MOTION: Commissioner Peach moved to approve the proposed sales.

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12 SECOND: Superintendent Reykdal seconded the motion.

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14 ACTION: The motion carried unanimously.

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16 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

17
18 Russ Pfeiffer-Hoyt, WSSDA
19 Mr. Pfeiffer-Hoyt commented on asset management assessment.

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22 **Land Transaction Asset Management**

23 Trust Land Performance: Asset Management/Commercial Real Estate
24 David Bergvall and Duane Emmons

25
26 David Bergvall, Senior Policy and Project Advisor, Washington State Department of Natural
27 Resources

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29 Final Asset Stewardship Plan, profiles the assets and sets key benefits and future direction. All
30 the plans are in sync with the complete portfolio. Data is coming back from the December 2nd
31 Legislative report will be sent to the get Board.

32
33 In early 2000's with the asset stewardship plan, transition lands plan, and strategic leadership the
34 internal Asset Management Council (AMC) was created. The AMC was later dissolved as
35 administrations changed and priorities shifted. Today, leadership and staff are working to rebuild
36 the concepts of AMC.

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38 Strategies and anticipated outcomes might include, ensuring state lands provide the same
39 benefits. Optimize the entire portfolio. The asset value to include economic, ecological and
40 social values.

41
42 Duane Emmons, Division Manager, Product Sales & Leasing, Washington State Department of
43 Natural Resources

1 Growth potential and great variety characterize the commercial real estate asset class, which
2 consists of 48,100 acres of urban and rural lands.

3
4 Urban lands include areas zoned for commercial, industrial and high/moderate density residential
5 uses. Rural lands include areas zoned for low density residential, forest and agriculture uses that
6 are expected to be zoned for urban uses within 20 years.

7
8 The asset class was established to foster strategic development of lands with higher and better
9 use than commodity production. The Transition Lands Policy Plan was adopted by the Board of
10 Natural Resources in 1988.

11
12 The purpose of this asset class is to take advantage of opportunities
13 Created by local planning decisions and population growth.

14
15 One of the largest property is 655 acres in the city of Pasco. The property will continue to
16 generate revenue as other opportunities are explored. Other zones with acreage were discussed.

17
18 **LAND TRANSACTION (Action Items)**

19 **Fors Road Auction, No. 02-096152; Resolution #1552**

20 Bob Winslow, Recreation, and Transactions Division

21
22 The Fors Road property is located in Clallam County southwest of Port Angeles. The 67.63 acre
23 property is located in an area of rural residential homes and the zoning is Rural Conservation
24 Character with a density of 1 home per 10 acres.

25
26 The property has easement access that ties into Fors County Road, vegetation is predominantly
27 forested, and the property is encumbered by utility easements and two streams and has 38 net
28 operable timber acres.

29
30 The sale of this property would be through a written sealed bid public auction and the funds
31 would be placed into the Resource Management Cost Account (RMCA) and tracked as Land
32 Bank funds. No bids were received by DNR when this property was offered at auction on March
33 2019, with a minimum bid of \$460,000. The property was re-appraised and the range of current
34 market values was determined to be \$245,000 to \$300,000.

35
36 There were considerable questions and discussions by board members regarding timber values,
37 road costs, likely development scenarios, potential for zoning changes, anticipated property
38 appreciation, market changes since the last property appraisal, critical areas, optimal marketing
39 timing, different Forest Practices requirements for roads for different size landowners, and costs
40 to develop vacant lots.

41
42 The Board members voted to approve the Fors Road auction at a minimum bid price of \$245,000
43 under Resolution #1552 with the auction funds being placed into the Land Bank.

44
45 Mr. Gordon concluded by asking the Board to approve Resolution 1552.

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47 **MOTION:** Dan Brown moved to approve Resolution 1552.

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2 SECOND: Commissioner Peach seconded the motion.

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4 ACTION: The motion carried unanimously.
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7 **PUBLIC COMMENTS FOR CHAIR REPORT**

8
9 Russ Pfeiffer-Hoyt, WSSDA

10 Mr. Pfeiffer-Hoyt commented on the Sustainable Harvest Level that will be discussed during the
11 Chair Report.

12
13 Maria Ruth, Black Hills Audubon

14 Ms. Ruth shared her concerns regarding the Marbled Murrelet Long-Term Conservation Strategy
15 and the Sustainable Harvest Level that will be presented during the chair report. Questioned why
16 the lands will not have a buffer.

17
18 Miguel Perez-Gibson, WEC

19 Mr. Perez-Gibson commented on the Sustainable Harvest Calculation and Marbled Murrelet
20 Long-Term Conservation Strategy.

21
22 Lawson Fife, AFRC

23 Mr. Fife commented on the Sustainable Harvest Calculation and Marbled Murrelet Long-Term
24 Conservation Strategy and would like the Board to consider Alternative B.

25
26 Art Wang, Tahoma Audubon

27 Mr. Wang shared commented on the Marbled Murrelet Long-Term Conservation Strategy and
28 would like the Board to consider how the Marbled Murrelet will recover with the proposed plan.

29
30 Peter Goldman, WFLC

31 Mr. Goldman recommended that the Board delay their vote regarding the Marbled Murrelet
32 Long-Term Conservation Strategy and the Sustainable Harvest Level that will be presented to
33 the Board at the December 3rd meeting.

34
35 Bill Turner, SPI

36 Mr. Turner commented on the Sustainable Harvest Level and the different aspects to this
37 decision.

38
39 Matt Cominski, AFRC

40 Mr. Cominski commented on the policy impact concerning the Sustainable Harvest Level.

41
42 Ed Bowen

43 Mr. Bowen shared his concerns about the Marbled Murrelet Long-Term Conservation Strategy,
44 and Sustainable Harvest Level. Mr. Bowen provided a handout to the Board Members.

1 David Bestold (s/p), AFRC

2 Mr. Bestold commented on the Sustainable Harvest Calculation and the Marbled Murrelet Long-
3 Term Conservation Strategy that will presented to the Board.

4
5 Kendra Smith, Skagit County

6 Ms. Smith shared her concerns regarding the Sustainable Harvest Calculation and the impacts to
7 the citizens. Encouraged the Board to delay their vote at the December 3rd meeting.

8
9 Rod Fleck, City of Forks

10 Mr. Fleck shared his concerns regarding the Sustainable Harvest Calculation and the economic
11 impacts that this will have.

12
13 At this time the Board took a thirty minute lunch break.

14 15 **CHAIR REPORT**

16 **Marbled Murrelet Long-term Conservation Strategy and Sustainable Harvest Calculation**

17 Angus Brodie, Deputy Supervisor for State Uplands and Andrew Hayes, Division Manager,
18 Forest Resources Division, Washington State Department of Natural Resources

19 20 **Sustainable Harvest Level – Part 1**

21 During this portion of the Chair Report Mr. Brodie and Mr. Hayes outlined arrearage options,
22 riparian options and Marbled Murrelet options that the Board will take into consideration for the
23 December 3rd decision. Trust mandate was explained, as manager of state trust lands, the
24 Department of Natural Resources has legal fiduciary responsibilities under the State Constitution
25 to generate revenue and other benefits for each trust. Act prudently to reduce risk of loss for the
26 trust. Act impartially with respect to the current and future beneficiaries. The Revised Code of
27 Washington (RCW) 79.10.300 was reviewed. “the volume of timber scheduled for sale form
28 state-owned lands during a planning decade as calculated by the department and approved by the
29 board”. Other RCWs that were discussed are 79.10.320, 79.10.332 and the policy Sustainable
30 Forest.

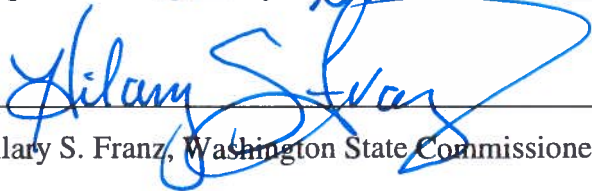
31
32 Arrearage volume was discussed, RCW 79.10.330 “the department shall conduct an analysis of
33 alternatives to determine the course of action regarding the arrearage” The 2017 Board Direction
34 on arrearage was reviewed. The Final Environmental Impact Statement was discussed, with the
35 preferred alternative of 382 MMBF over ten years.

36
37 Riparian was discussed with a review of the 1997 Riparian Conservation Strategy, which guides
38 foresters in how and when to treat stands to achieve desired future conditions in riparian
39 management zones. The 2017 Board Direction on riparian was reviewed. The option in the
40 Sustainable Harvest Level in The Final Environmental Impact Statement was discussed, which is
41 do not include riparian volume when setting the sustainable harvest level.

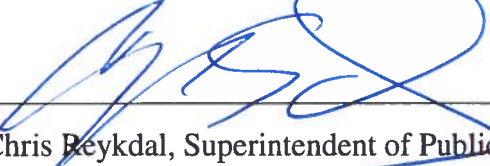
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43 The Board Direction on Marbled Murrelet from 2017 was discussed. Minimize impacts to
44 marbled murrelet, conserve all existing occupied sites. Offset impacts and address uncertainty
45 and reduce disproportionate financial impacts. The components of the alternatives were
46 discussed as well as the amendment. The acres of each alternative were discussed with the
47 Board.


1 The Environmental & Financial Analysis – Part 2
2 During this portion of the Chair Report the following items were discussed: Sustainable Harvest
3 Level, the Final Environmental Impact Statement, public comment summaries and actions,
4 financial analysis. Sustainable Harvest Level alternative 6 was discussed, as well as modeling
5 updates.
6
7 Public comment regarding the Marbled Murrelet habitat and conservation was reviewed and
8 discussed. If the Board approves the HCP Amendment over 150,000 currently held acres will be
9 made available for management. The discussion of junior taxing districts in Appendix R.
10
11 The policy for Sustainable Forest was discussed. The decision combinations examined in the
12 Financial Analysis explained to the Board, which reviewed the different combinations that were
13 analyzed which included planning decades. The potential magnitude for each decision point was
14 reviewed. Questions that the Board had for Mr. Brodie and Mr. Hayes were answered.
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17 Meeting adjourned at 300 PM.

Approved this 3rd day of December, 2019


Hilary S. Franz, Washington State Commissioner of Public Lands


Jim Cahill, Designee for Governor Jay Inslee


Chris Reykdal, Superintendent of Public Instruction


Bill Peach, Commissioner, Clallam County

André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University


Dan Brown, Director, School of Environmental and Forest Sciences,
University of Washington

Attest:


Theresa McGuire, Board Coordinator