

Trust Land Transfer Work Group Phase 2 Meeting 2.0

February 11, 2022 | 8 am – 10 am

Work Group Attendees:

Work Group Member	Attendance
Justin Allegro	Present
Peter Bahls	Absent
Dylan Bergman	Present
Angus Brodie	Present
Matt Comisky	Present
Karen Edwards	Present
The Honorable Heidi Eisenhour	Absent
Jim Freeburg	Present
TBD – Washington State Parks and Recreation Commission	Absent
The Honorable Randy Johnson	Present
Randy Newman	Absent
Russ Pfeiffer-Hoyt	Present
David Troutt	Absent
The Honorable Ron Wessen	Present

Department of Natural Resources (DNR) Staff Present:

Laurie Benson, Cathy Chauvin, Cyndi Comfort, Kari Fagerness, Mona Griswold, Ralph Johnson, Katie Mink, Kristen Ohlson-Kiehn,

Welcome and Work Group Business:

- Laurie shared with the group the “why are we here” and “why should we care” overview of the meeting’s topic.
- The Work Group and DNR staff introduced themselves and their affiliations.

Timeline Review and Agenda

- Laurie gave the [Introduction](#) presentation that provided a review of the timeline and the agenda. She also reviewed the voting system:
 - Thumbs up if a work group member supports a proposal
 - Thumbs sideways if a work group member supports a proposal but has a concern. The work group member will be given time to share their concern.
 - Thumbs down if a work group member does not support a proposal.
- **Laurie asked the Work Group to vote on to support this voting system.**
 - **The Work Group voted in support of this voting system (9 Work Group Members were present and all voted thumbs up).**

Review and Vote on Notes

- **Laurie asked the Work Group to vote to approve the January 28, 2022 notes.**
 - **The Work Group voted in support of these notes (9 Work Group members were present and all voted thumbs up).**

Review of Charter

- The group reviewed the draft charter and provided the following suggestions:
 - Related to the Purpose:
 - A work group member asked for clarification on how the Phase 2 charter ties back to the recommendations from Phase 1.
 - DNR staff offered that the link to Phase 1 is the reference to the Legislative report which summarizes Phase 1 work.
 - Another work group member supported using this reference, rather than detailing the list of topics remaining to be addressed within the Legislative report topics.
 - A work group member suggested adding language to clarify the connection between the two phases.
 - Angus noted that the webpage captures the overall TLT and suggested adding it to the Charter. Another work group member agreed.
 - Another work group member supported language that ties the Charter to the Legislative Report and states that the Phase 2 Work group represents the next step.
 - Related to the Phase 2 Work Group Member Commitments:
 - Adding “economic benefits” to the first bullet to highlight the trust fiduciary responsibilities.
 - Changing “beneficiary needs” to “fiduciary responsibilities.”
 - Adding “beneficiary interests” to the first sentence.
 - Adding “beneficiary needs” to the list in the second sentence of the first bullet.
 - Other Suggestions:
 - A work group member asked for further clarification on the meaning of a “thumbs sideways” vote.
 - Laurie explained that “thumbs sideways” indicates that the voter supports the proposal but has concerns. When a work group member votes “thumbs sideways”, they will be given the opportunity to share their concerns, so that the work group can consider potential adjustments to the proposal to address concerns, when possible. Voting results will be captured in the notes, but no legislative report is required at the end of this process, so minority reporting will be limited.
 - A work group member noted that at a high level, TLT presents potential for reducing the land base, therefore reducing revenue.
 - Angus responded that trust land transfer is a tool that addresses one side of the transaction, which is allowing the department to dispose of underperforming lands. The other side of the transaction is reflected in

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another Phase 1 recommendation, which is for the department to receive full-value for the underperforming parcels that will be used to purchase revenue-producing replacement lands. The net effect should be to increase revenue for beneficiaries.

- DNR staff committed to incorporating suggestions and sending it back out to the Work Group.
- Laurie discussed the framework and how the Phase 2 Work Group meetings will fit into the overall framework. She noted that the topics of the work group meetings are not in the same order as the framework, but that was intentional based on many factors.

Meeting Topic: Advisory Committee (including Committee Size), Prioritization Criteria and Process (including Scoring)

- DNR staff presented and work group members discussed the [Meeting Topic: Advisory Committee, Prioritization Criteria, and Scoring](#) presentation.

Advisory Committee Discussion

- A work group member supported the idea of providing an “open call” to anyone within the groups listed in the Legislative report. The work group member pointed out that in some of the RCO examples offered, tribes were not included. He also noted that there may be tribes with overlapping areas and there may not be consistent communication between tribes. He suggested that if tribes don’t have representation, DNR should follow up individually. This approach could also be extended to taxing districts.
- A work group member shared that in other DNR processes, specific organizations are designated that nominate representatives who are then appointed by the Commissioner of Public Lands.
- A work group member suggested that committee membership should reflect a similar geographic representation as the parcel list. He also supported a model where organizations, on a predetermined list, nominate individuals for the committee because they will have better knowledge of the TLT program.
- A work group member proposed the idea of developing a list of people from both sides of the state, who would be called depending on the parcel list.
- A work group member pointed out that the geographic representation on the parcel list may be unknown at the time that the committee is assembled. The work group member noted that the organizations listed in the legislative report may have narrow interests and that members of the public might bring new perspectives. The work group member also commented that a larger committee size decision making more complicated.
- A work group member noted that developing the final evaluation criteria may inform this discussion about membership. She offered support for diverse geographic representation on the committee and including members of the public. She shared that in her experience with RCO, the application evaluation process tends to be subjective, and so having broad and balanced representation in the group can help to counter potential bias. She agreed that any prospective public participants will face a challenge in learning about trust responsibilities and the TLT program, but will need to educate themselves (or be educated) prior to participating on the committee.

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- Another work group member supported including the organizations listed in the legislative report, but expressed caution on inviting members of the public. The member commented that representatives nominated by organizations have gone through a vetting process to represent the interests of the organization, in contrast to members of the public who may represent themselves. The member also emphasized the role of the committee is to bring expertise that DNR does not already have internally to determine suitability and prioritization of the parcels. The member also added that if the committee lacks expertise in a specific geographic or other area, they can bring in advisors to provide that local or other knowledge on particular parcels.
- A work group member supported including nine people, geographic representation, and using the current list of organizations in the legislative report.
- Laurie summarized the key points of the discussion, that work group members seemed to support:
 - Populating the Advisory Committee with representatives from the organizations listed in the legislative report, with the potential to include one or two citizen members,
 - Ensuring Advisory Committee members provide diverse geographic representation,
 - Recruiting Advisory Committee members through an open to call and/or nomination process by those organizations, as well as an open call to the public, with a final appointment by the Commissioner of Public Lands, with some concerns.

Prioritization Criteria Discussion

- A work group member suggested that the work group organize prioritization criteria in an intentional order for the advisory committee. For example, he offered the idea that the first criteria an advisory committee should examine would be the economic impacts of a proposal, even though historically, the first criteria would focus more on the values of the resource.
- A work group member, responding to Criteria Topic #14 “Is replacement lands of equal or greater value available...”? (slide 11), stated that the department may not have replacement available at the time of evaluating parcels. And, that it would be impossible for the department to acquire replacement lands, without the funding to act quickly. (This fund is currently captured in the legislative report as the “Land Bank Account”, which is a potential statutory change that the Work Group will address in a future meeting). The member also shared that the tribal consultation by DNR is important.
- A work group member shared that the reason Criteria Topic #14 is on the list is to give the proposals that have the availability of replacement lands as a positive weight, as opposed to other proposals that may present a challenge to replace. An example of the former is replacement lands for Blanchard (on Skagit County State Forest Lands), where they knew that eventually, land in the Sedro-Woolley School District would become available. An example of the latter is when the department sought replacement land for the Washington State School of the Blind beneficiary.
- A work group member asked Angus whether this discussion addresses the reasoning behind incorporating the Land Bank mechanism (an idea conceptualized in Phase 1) into this process, which would provide a standing account, where funding would build up, giving DNR the ability to acquire potential replacement land to place into the Land bank as opportunities arise? Particularly if DNR knows that future TLT parcels may be located in a specific geographic area, those lands could be acquired in similar areas. If this mechanism would allow DNR to pool land,

then this criteria could make sense, because the question would be whether the department has suitable replacement land in the land bank.

- Angus confirmed that the initial funding for the land bank would come from existing trust land transfers, but in addition, DNR also proposes asking for the for independent funding for the land bank. The concept is to take the full amount of the TLT appropriation to be used for replacement lands, which will result in a more vibrant land transaction program with acquisitions and disposals through TLT and auctions. Regarding this evaluation criteria, Angus reflected that the Phase 1 Work Group discussed whether a proponent had knowledge of available lands. However, Angus agreed that it is hard to predict when land will be available, but having funds available is critical to be able to acquire land when it is available.
- The work group member responded that looking long-term, he hoped that more there is a standing amount of money available to purchase lands when it's available so DNR doesn't have to wait for legislature approval.
- A work group member asked about the ability to discuss the prioritization criteria in more detail.
 - Laurie confirmed that was the purpose of meeting 2.1 on February 24th.
- Laurie noted that the current list of criteria topics reflects all the ideas from Phase 1. She explained that the Phase 2 Work Group needs to a) decide whether to keep all the criteria, or to reduce the list to a more manageable number, and b) to identify the criteria that best reflect the values and purpose of the TLT program, considering the public, applicants and ultimately what will be most likely funded by the legislature.
- A work group member asked about whether applicants would be expected to provide an in-person presentation.
 - Laurie shared that the Phase One Work group recommended a written application with an in-person presentation and that is the recommendation going forward.
- A work group member suggested rewording the "risk of conversion" criteria because trust lands are not at risk of conversion by DNR. The member suggested that this criteria should address whether the transfer of the proposal will impact the risk of conversion of the surrounding area. The work group member also shared his belief that some criteria, such as fire risk or forest health, will be only be relevant to specific parcels.
- The work group member further clarified that he liked the idea of the each group members ranking the criteria individually after this meeting.
- Laurie noted that some of the criteria could use additional explanation from work group members to gain more clarity.
- A work group member also agreed that the tribal consultation piece would be critical to whether parcels should be further prioritized. The member also suggested more clarity on how to evaluate "impacts on local economy" criteria, specifically which metrics to use, so to better understand how to score the criteria. The member also suggested that in order to know how to prioritize "fire risk and forest health" criteria, the applicant would need to provide information on the intended future use of the parcel.
- The work group member stated that the list of local economy sectors that follows "impacts to local economy" should include changes to public services that would occur after transferring the proposal. The member noted the need for clarity on each criteria topic.

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- A work group member agreed that many of the criteria topics need fine tuning to help identify the best TLT projects to get at a useful ranking. The member proposed that the purpose of the prioritization criteria is to ensure that the best projects are prioritized at the top of the list. Related to the example of social values, he suggested that that the work group will need to further define the social values that contribute to making the parcel a the best project for consideration, and is hoping that DNR staff will bring some recommendations to the next meeting.
- A work group member suggested adding “that are not inconsistent with trust management duties” to the open space, recreation and social values criteria.
- A work group member offered a reminder and clarification on the role of Step #1 –the ‘best interest of the trust’ evaluation by DNR and eligibility to be on the TLT parcel list. The member noted that parcels that are being evaluated by the Advisory Committee will have been determined by DNR to be in the best interest of the trust, therefore “consistency with trust responsibilities” doesn’t need to be added to the criteria.
- Angus proposed that the group also needs to be thinking about what information the advisory committee will need from the applicant. For example, he suggested the open space question should be made more specific, by asking the applicant to describe the open space or public access values that will be provided by the receiving agency once it is transferred. So, the wording of all criteria should be adjusted to require that specificity.
 - Another work group member agreed.

Scoring Discussion

- A work group member supported the idea to narrow the list of criteria and decide which should be weighted more than others. The member gave an example about rewording the tribal question to be more specific such as “Is there tribal support or approval?”
- Laurie explained that DNR staff will send a survey to the work group, so that group members can respond individually to ranking the criteria and to help staff understand what levels of importance the group places on each criteria.
- A work group member asked if the survey could incorporate the weighting of the criteria. The member also noted that going through the ranking process might generate additional ideas and suggested a box for comments.
- Laurie asked the group for any last thoughts about scoring, weighting, or clarifying the criteria.
- A work group member shared that they don’t believe they should all be weighted the same, and suggested that once the group spends more time with the criteria it may be easier to determine weighting.
- A work group member suggested a survey that asks the work group rank each criteria 1 through 15.
- A work group member suggested that if applicants propose more than one parcel, that they share their priority. The member suggested that could be included in the receiving agency and funding criteria.
- A work group member asked for additional information on any tools for evaluating impacts to overburdened community and vulnerable populations. The member shared they would like to create a process that weighs impacts to overburdened communities higher.

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- A work group member asked for clarity on the Advisory Committee’s role in the overall TLT evaluation process.
 - Laurie clarified that the Advisory Committee’s role is to take the list of eligible parcels (that have been determined by the department to be in the best interest of trust beneficiaries’ to transfer out of trust status), and to prioritize that list for legislative funding as part of the TLT tool.
- A work group member suggested that questions should not be written as “yes” or “no” answer and to ask for more description about the criteria.
 - Laurie suggested that the criteria should read, “describe the opposition or support to the transfer of the parcel”. (The work group member confirmed this idea).
- Angus noted that the Work Group had yet to discuss whether the Advisory Committee will have the power to reject the proposal. Angus also confirmed that DNR will perform the ‘best interest of the trusts’ and the tribal consultation before the eligible parcel list will be given to the advisory committee.
- A work group member asked whether DNR would give the advisory committee a funding level to achieve.
- A work group member shared that he’s seen process with score ‘floors’, where projects below a certain score don’t seek funding.
- A work group member also supported the idea of attaching an estimated cost for a project to the proposal, and that it might impact prioritization. He noted that three parcels might cost less than one, which might impact the overall prioritization.

Next steps

- Laurie confirmed that DNR staff will send a survey to the Work Group to rank the criteria and that information will be used for developing recommendations for the meeting on February 24th.
- DNR staff wrapped up the proposal with next step, highlighting tasks for DNR staff and Work Group members and how the Work Group will review and refine the criteria recommendations on February 24th.
- Meeting was adjourned.