



Columbia/King

Proposed Trust Exchange

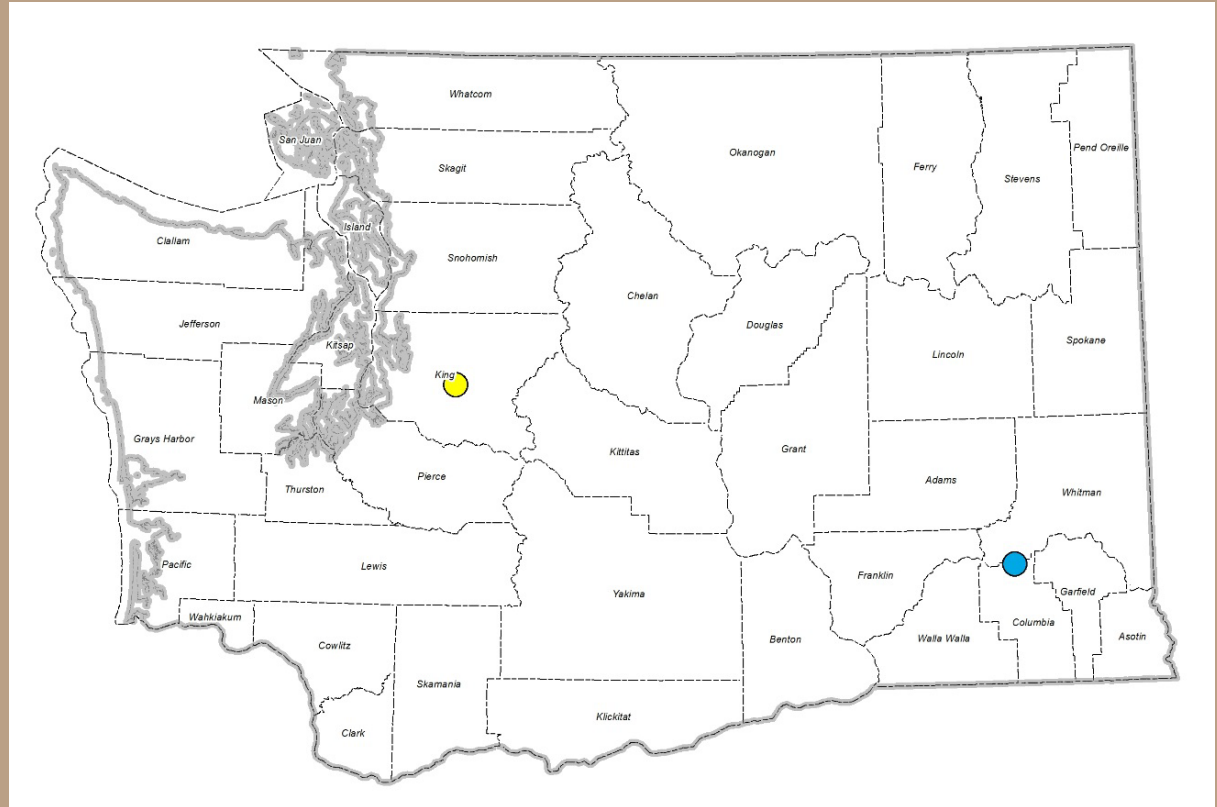
Columbia and King Counties



Columbia/King Exchange

Proposal

- Bonneville Power Administration will acquire a section of Common School trust land for the Central Ferry-Lower Monumental transmission line.
- DNR will acquire a replacement property from BPA through a land exchange. The proposed exchange parcel is BPA property in King County.



Columbia/King Exchange

Background

- In 2011 BPA encumbered school trust land in Columbia County with an easement for a major transmission line. DNR had intended to lease the property for wind power.
- DNR and BPA negotiated a mitigation agreement:
 - BPA would locate suitable replacement land to exchange with DNR.
 - Replacement property would have equivalent wind power potential.
- Initial property search was unsuccessful, and wind market changed.
 - BPA offered forest property it owns in King County.
 - Eliminated the need to find a willing third-party seller.
 - Agreement allowed for DNR to waive the wind-power potential requirement.
- Internal reviews determined school trust would gain more long-term value from forest land.

Columbia/King Exchange

State Property

640 acres

Columbia County

Common School trust

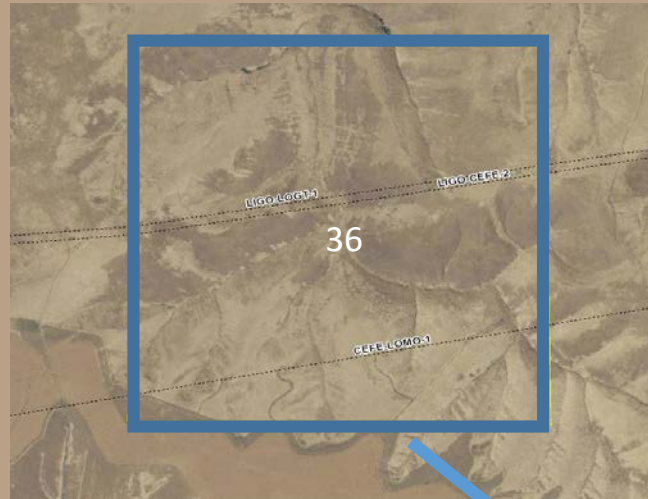
No legal access

Two transmission lines

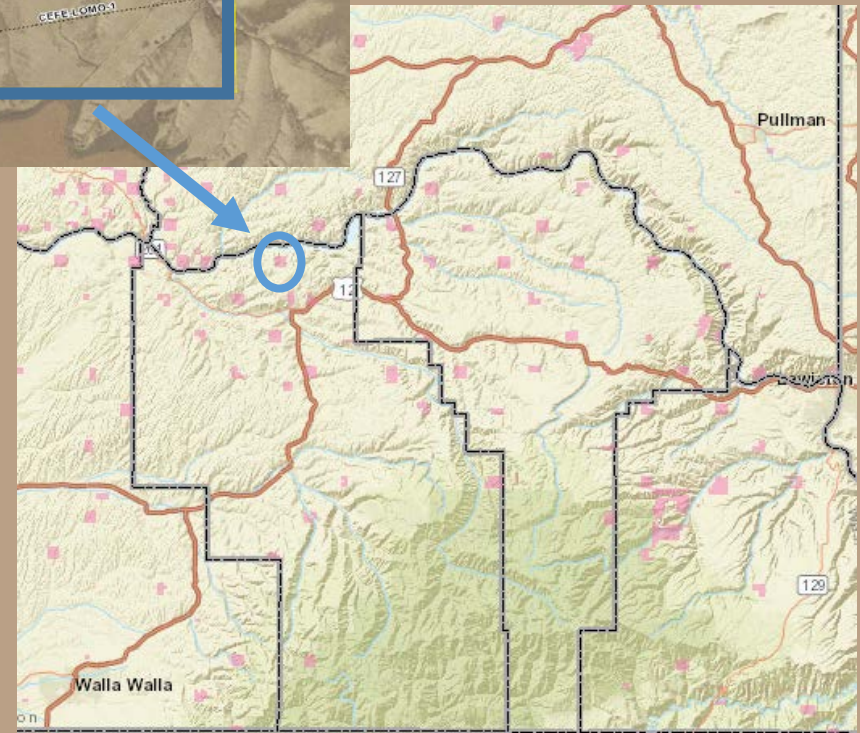
Grazing lease

- leased by neighbor
- income is \$1,112 per year

Appraised value \$128,000



Section 36, Township 13 N,
Range 38 E, W.M.



Columbia/King Exchange

BPA Property

40 acres

King County

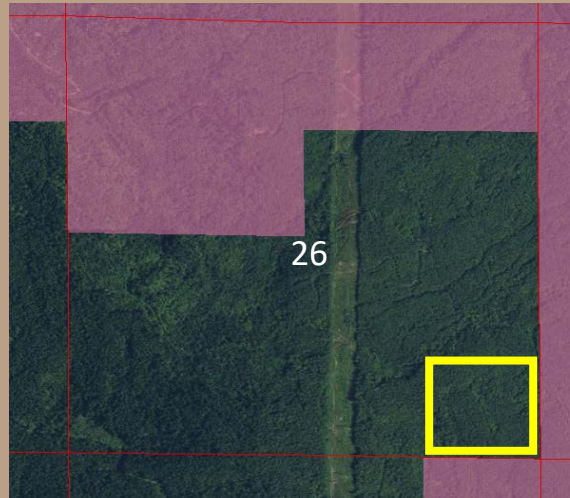
Adjacent to Raging River State Forest

Forest land

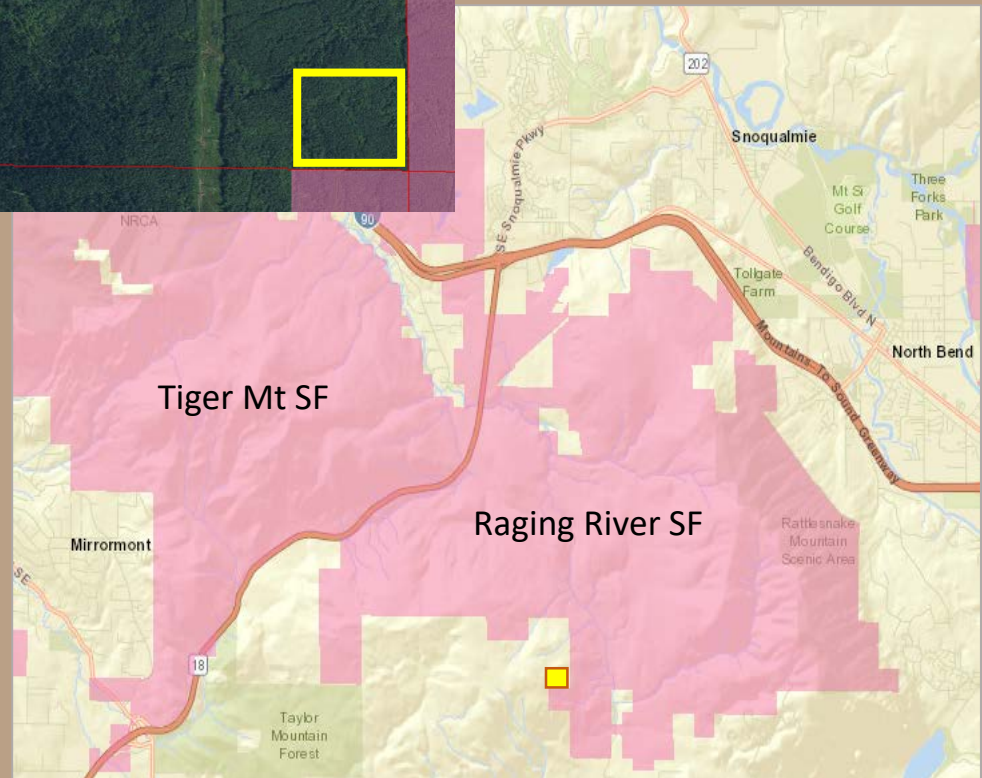
- 343 Mbf timber
- 8 acres merchantable
- 29 acres 28-yr old reproduction

Access through trust land and county road

Appraised value \$250,000



Section 26, Township 23 N,
Range 7 E, W.M.



Columbia/King Exchange

Public Outreach

Hearing held May 14, 2015 in Dayton, Columbia County

- Three neighbors attended, including the lessee.
- No comments against the exchange. Lessee concerned about continuing to lease the DNR parcel.
- No written comments received from attendees, counties, tribes or other stakeholders.



Columbia/King Exchange

Exchange Terms

	<u>DNR</u>		<u>BPA</u>
Land:	\$128,000	Land:	\$130,000
Cash:	\$122,000	Timber:	\$120,000
Total:	\$250,000	Total:	\$250,000

- BPA will grant a grazing lease to DNR's lessee.
- DNR will grant a conservation easement to BPA on the King County parcel.
-- Because BPA acquired the property for mitigation it must stay in forestry.
- Both parties will exchange mineral rights.
- Cash to balance will come from the Real Property Replacement Account.
- Acquired property will become Common School Trust.

Columbia/King Exchange

Resolution

Questions?

Resolution No. 1540



