

DRIVING ECONOMIC OPPORTUNITY BY INVESTING IN STATE LANDS AND RECREATION

The Washington State Department of Natural Resources (DNR) manages 3 million acres of state-owned lands, many in and around our state's most economically challenged communities. While the economy along the I-5 corridor has exploded over the past 20 years, growth in rural Washington has stagnated — or worse, receded. State trust lands have the potential to drive economic recovery in areas of the state that need it the most. This package works in concert with my Rural Communities Partnership Initiative to increase the contributions of state lands. This funding request will provide DNR with the tools to:

- increase revenue from trust assets,
- expand on successful sectors of DNR's portfolio,
- capitalize on commercial real estate opportunities,
- pursue and develop clean energy projects, and
- support the recreation industry that so many of our small-town gas stations, cafes and motels rely on.

Clean energy has shown the potential to be a sustainable economic contributor. State trust lands are located in prime areas to develop solar, wind, and geothermal energy. This package allows DNR to pursue these projects, increasing local employment opportunities and financial returns for trust beneficiaries.

Many communities in rural Washington rely heavily on recreation to support tourism. This package shows a commitment to outdoor recreation, through additional maintenance and development of recreational sites. This package seeks win-win outcomes to efficiently increase trust revenue and provide prudent, sustainable opportunities to expand the rural economies that made our state what it is today.



THE STATE LANDS SURROUNDING ALL OUR COMMUNITIES ARE VITAL TO EXPANDING ECONOMIC AND RECREATION OPPORTUNITIES IN EVERY PART OF OUR STATE."

HILARY S. FRANZ
Commissioner of Public Lands

\$34M

\$9.4M OPER. BUDGET
\$24M CAPITAL BUDGET

To improve and expand recreation and revenue-generation on public lands.

EMERGENCY COMMUNICATIONS AND CONNECTIVITY

\$2,057,000 in 2019-21
\$1,002,000/yr ongoing

DNR manages many communications towers and sites, but cannot afford to maintain some sites because costs exceed the 25-to-31 percent of revenues DNR is allowed to capture for maintenance. The standard for maintaining communication sites is 60-to-75 percent of gross revenue. This proposal will prepare 25 towers for sale, allowing DNR staff to administer DNR's 430 other existing leases. It is also projected to increase revenue by \$600,000 to \$1 million annually.



AMATEUR RADIO

\$371,000 in 2019-21
\$199,000/yr ongoing

Amateur radio operators are part of effective, comprehensive emergency communications throughout Washington. State law requires DNR to provide amateur radio operators access to communications towers for \$100 per year, with the Legislature obliged to pay the difference with fair market value (RCW 79.13.510). Current appropriations fall short.



HEALTHY ECONOMIES, HEALTHY TRUSTS, HEALTHY WASHINGTON

DNR's Rural Communities, Recreation, and Trust Health Budget Request 2019-21



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RENEWABLE ENERGY PROJECTS PROVIDE NEW JOBS, GENERATE CLEAN ENERGY, AND DIVERSIFY DNR'S PORTFOLIO.

GREEN ENERGY

\$1,460,000 in 2019-21
\$707,000/yr ongoing

Solar, wind, and geothermal energy present incredible opportunities to develop new industries and family-wage jobs in rural Washington, and state trust lands are located in areas of high interest to green energy firms. The agency needs the expertise, capacity, and resources to capitalize on existing opportunities presented by the growing green energy sector. This funding adds 4 positions to identify, recruit and establish new green energy leases, yielding as much as \$1–\$2 million in additional revenue each year.

IDENTIFY GEOTHERMAL RESOURCES

\$632,000 in 2019-21
\$292,000/yr ongoing

Washington's volcanic activity presents the potential for clean, renewable geothermal power, but very little is known about the viability of this resource. The Washington Geologic Survey, a division of DNR, is at the forefront of efforts to understand the potential of Washington's geothermal resources.

This funding provides 1.5 full-time positions to map geothermal resources, and find tenants to tap into resources.

Capital Request ODESSA GROUNDWATER REPLACEMENT PROJECT

\$825,000 in 2019-21

DNR manages land and has district water rights located within the Bureau of Reclamation's Odessa Groundwater Replacement Project area. The project requires DNR to pay for its portion of a water delivery system to bring water to the parcels.

Capital Request PASCO LOCAL IMPROVEMENT DISTRICT

\$4,000,000 in 2019-21

Funding to improve 73 acres of undeveloped commercial property in partnership with the City of Pasco to generate \$1–2 million in new, annual revenue for beneficiaries on an ongoing basis.

DEPARTMENT OF NATURAL RESOURCES | RURAL COMMUNITIES, RECREATION, AND TRUST HEALTH BUDGET REQUEST 2019-21

OUTDOOR RECREATION AND COMMUNITY ENGAGEMENT

\$3,896,000 in 2019-21
\$2,126,000/yr ongoing

Washington's outdoor recreation industry provides 200,000 jobs and generates \$21 billion in annual economic activity, often in and around the state's most economically challenged communities. While DNR has received funding from the Recreation and Conservation Office to develop new recreation sites, limited resources and increasingly competitive grants for funding maintenance and operations have forced DNR to close more than 30 recreation sites since 2008. DNR also faces an approximate \$650,000 reduction in funding from gas tax revenue next biennium.



CLAY GRAHAM

This package will fund 10 new full-time regional positions to support maintenance, manage volunteers, expand recreation opportunities, as well as provide education and enforcement. It adds 2 new law enforcement officers to decrease illegal activities on DNR-managed lands. The package will also fund 3 outreach professionals to work with partners to educate the public about recreation opportunities and the importance of public lands and working forests, recruit volunteers for maintenance, and increase visits to state recreation areas.

Capital Request SUSTAINABLE RECREATION

\$8,500,000 in 2019-21

Driven by the agency's commitment to community-based recreation planning, DNR has more than 60 recreation projects like expanding mountain bike trails in the Northeast, developing campgrounds on the Olympic Peninsula, and growing trail networks in the Snoqualmie Corridor. Projects like these work in concert with DNR's trust objectives and strengthen the department's support of public access in an environmentally sustainable manner.



Capital Request NATURAL AREAS FACILITIES PRESERVATION

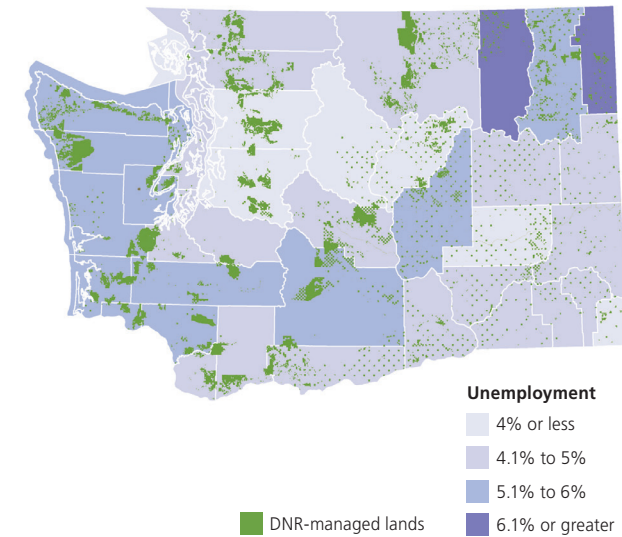
\$7,048,000 in 2019-21

This request funds 36 projects across 32 different natural areas to preserve their ecological integrity, educate visitors about important features, and maintain or improve public access. Projects span 21 counties.

Capital Request TEANAWAY COMMUNITY FOREST

\$1,856,000 in 2019-21

Funding, in partnership with the Washington Department of Fish and Wildlife, to preserve archeological sites, maintain roads, manage grazing, expand recreation, and reduce the risk of wildfire in the Teanaway Community Forest, an integral part of the Yakima Integrated Basin Plan's mission to increase water for irrigation and industry, and to improve water quality for salmon.



COUNTY UNEMPLOYMENT OVERLAYED WITH DNR-MANAGED LANDS

Surrounding many of Washington's most economically challenged communities, state lands can be an engine of economic growth.

TRUST LANDS PERFORMANCE ASSESSMENT

\$1,100,000 in 2019-21

State lands have generated \$1.5 billion for trust beneficiaries over the past two decades. However, that number could be higher. The agency has not taken a full appraisal of its portfolio's performance since 1996.

In that time, the economy has changed dramatically, and continued development has changed the optimal use of some lands. This funding allows DNR to complete a review of its holdings to maximize returns.

COMMERCIAL LEASING

\$440,000 in 2019-21
\$398,000/yr ongoing

Opportunities exist to increase revenue from DNR-held commercial real estate, but the department does not have the capacity or funding to take advantage of them. This funding will allow DNR to deploy 1 employee to identify, develop, and market urban properties.

Capital Request COMMERCIAL REAL ESTATE

\$2,000,000 in 2019-21

DNR is requesting \$2 million to improve vacant commercial spaces and increase their marketability in order to generate \$1.5 million per year in rental income.



COMMERCIAL REAL ESTATE OPPORTUNITIES EXPAND TRUST REVENUE AND PROVIDE STABILITY AGAINST FLUCTUATING TIMBER AND AGRICULTURE MARKETS.