



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands
Kyle Blum - Deputy Supervisor for State Uplands

MORNING STAR TRUST LAND TRANSFER 2013-2015

PROPOSAL

The Department of Natural Resources proposes to transfer 2,445 acres, more or less, of Common School Trust property located in Snohomish County to Natural Resources Conservation Area status.

Proceeds from the timber value will be deposited into the Common School Construction Account. The land value proceeds will be deposited into the Real Property Replacement Account and used to purchase replacement property desirable for the Common School Trust.

BENEFITS

The property asset base of the Common School Trust is improved by:

- Disposing of property that is inefficient to manage for timber harvest income.
- Enabling replacement of the asset with property that has greater potential for income production to provide future revenue to support public schools statewide.
- Transferring the property to a program that will protect and manage for identified biological, ecological, and social values.

GENERAL LOCATION

Parts of Sections 2, 10, 11 and 14 and all of Section 15, Township 28 North, Range 9 East, W.M., in Northwest Region.

ENCUMBRANCES

The property is encumbered by five road easements and one new road reservation. The property is encumbered by one DNR Commissioner Order and a City of Everett Agreement requiring DNR to contact the city prior to any DNR timber harvests in the City of Everett watershed.

IMPROVEMENTS None.

PRESENT INCOME None.

MARKET VALUE	Timber (22,800 Mbf)	\$5,107,000
	Land & Reprod.	<u>\$ 599,000</u>
	TOTAL	\$5,706,000

TERMS OF TRANSFER Cash.

JUSTIFICATION

The property is included in the 2013-2015 Biennium Trust Land Transfer Program. Approval and funding for the transfer is authorized by Section 3231, Ch. 19, Washington Laws of 2013, and RCW 79.17.200.

COMMENTS

Transfer will be by Commissioner's Order and will include a perpetual easement reservation. Mineral rights will be retained in their existing trust ownerships. As specified by legislation, permitted use will be restricted to Natural Resources Conservation Area purposes.

Division Manager

Jack P. Nelson 4/20/15

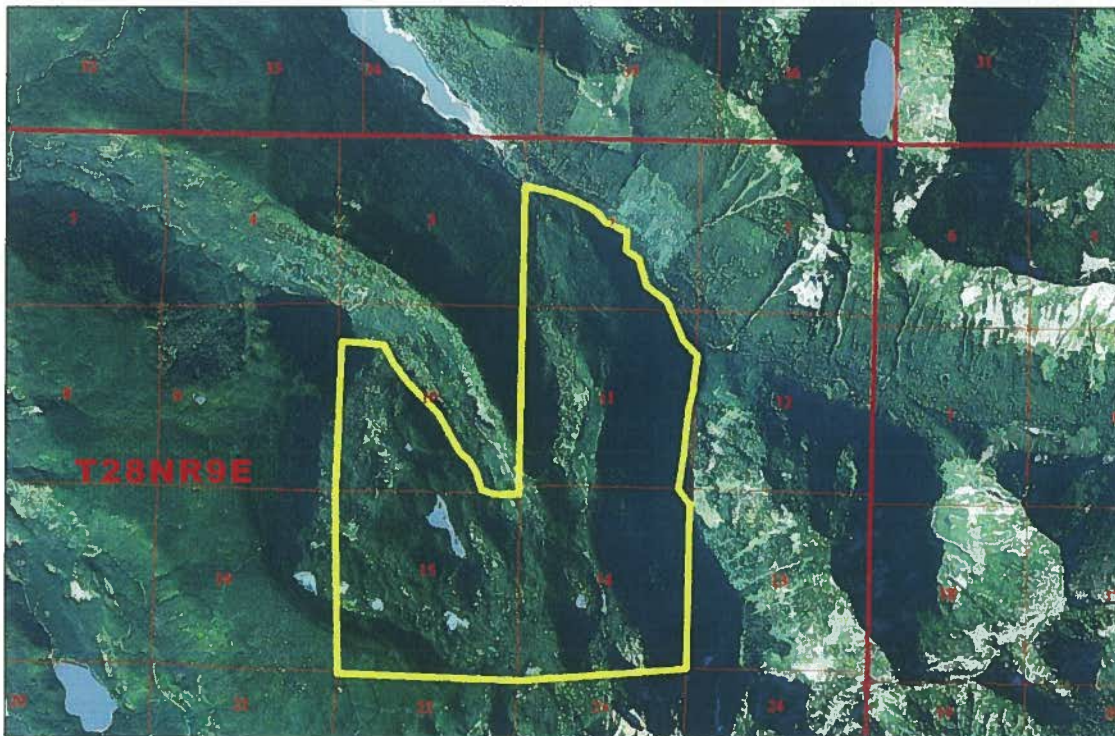
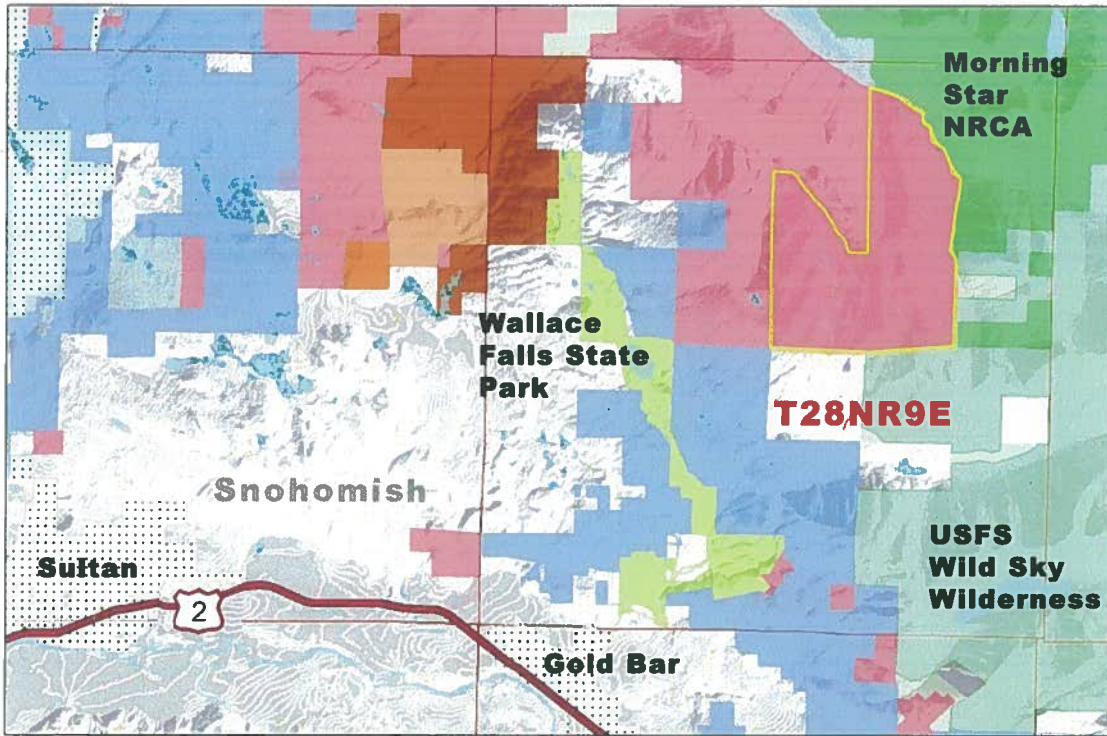
Deputy Supervisor for
State Uplands

Myke Blum

Date of Board Approval _____

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BOARD OF NATURAL RESOURCES

MORNING STAR TRUST LAND TRANSFER 02-090339



The transfer property is located in portions of Sections 2, 10, 11 and 14 and all of Section 15, Township 28 North, Range 9 East, W.M., Snohomish County, Washington.

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BOARD OF NATURAL RESOURCES**

RESOLUTION NO. _____

A **RESOLUTION** relating to the compensation to the Common School Trust for the designation of Common School Trust property to be managed as a Natural Resources Conservation Area as authorized by Section 3231, Ch. 19, Washington Laws of 2013 and RCW 79.71.040 under Department of Natural Resources Land Transfer File No. 02-090339.

**BE IT RESOLVED BY THE BOARD OF NATURAL RESOURCES,
DEPARTMENT OF NATURAL RESOURCES, STATE OF WASHINGTON, THAT:**

SECTION 1. The State of Washington, acting by and through the Department of Natural Resources, has title to and holds in trust under the provisions of Title 79 RCW the Common School Trust property described in Exhibit A, attached hereto and by this reference is made a part hereof.

SECTION 2. The real property described in Exhibit A and known as Morning Star Trust Land Transfer is among the properties identified for transfer in Section 3231, Ch. 19, Washington Laws of 2013.

SECTION 3. The Board of Natural Resources finds that it is in the best interest of the Common School Trust to transfer and set aside the real property described in Exhibit A to Natural Resources Conservation Area status, subject to the trust management reservation shown in Exhibit C.

SECTION 4. The Board of Natural Resources finds the appraised market value of the real property described in Exhibit A to be \$5,706,000, consistent with the valuation method used to establish the value of the property described in Exhibit A.

SECTION 5. The Board of Natural Resources approves of the use of the Declaration of Covenants, Conditions, and Restrictions related to the Dedication of Morning Star Trust Land Transfer as a Natural Resources Conservation Area and Management Commitment, attached hereto as Exhibit B and by this reference made a part hereof, as evidence of the transfer of the property described in Exhibit A to Natural Resources Conservation Area status.

SECTION 6. Should the transfer authorized by this resolution be consummated, the State of Washington, Department of Natural Resources shall:

- A. Upon receiving payment of the value stated in SECTION 4 above, properly

authorize and record the Declaration of Covenants, Conditions, and Restrictions related to the Dedication of Morning Star Trust Land Transfer as a Natural Resources Conservation Area and Management Commitment, and take whatever steps are necessary to designate the property described in Exhibit A as a Natural Resources Conservation Area. Use shall be restricted for purposes consistent with Ch. 79.71 RCW. The property shall be retained as Permit Lands as defined in the Department of Natural Resources' Habitat Conservation Plan. The property shall be subject to a perpetual easement, substantially in the form of the attached Exhibit C, for any and all purposes and appurtenant to all lands now owned or hereafter acquired by the Department of Natural Resources and its successors and assigns. All oils, gases, coals, ores, minerals, and fossils are not included and shall be reserved in their existing trust ownerships as provided under RCW 79.11.210. Easement rights shall be reserved as provided under RCW 79.36.370. The term of the Natural Resources Conservation Area status shall be perpetual.

- B. Disburse the proceeds as a result of the transfer to Natural Resources Conservation Area status as follows:
1. Deposit the timber value of \$5,107,000 into the Common School Construction Account; and
 2. Deposit the land value of \$599,000 into the Real Property Replacement Account and hold said funds, together with accrued interest, for the purpose of acquiring desirable replacement property for the Common School Trust in future purchases to be approved by the Board.

APPROVED AND ADOPTED by the Board of Natural Resources, Department of Natural Resources, State of Washington, this _____ day of _____, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Commissioner of Public Lands.

PETER GOLDMARK
Commissioner of Public Lands

Approved as to form this 17th day
of April, 2015.

Adrienne Smith
Assistant Attorney General

EXHIBIT A

LEGAL DESCRIPTION

That portion of Section 2, Township 28 North, Range 9 East, Willamette Meridian, Snohomish County, Washington, lying southerly and westerly of the South Fork of the Sultan River and the Middle Fork of the South Fork of the Sultan River, EXCEPTING THEREFROM any part thereof lying within Parcel No. 1 as described by document recorded June 28, 1991 in Vol. 2456 at Page 2901, under Auditor's File No. 9106280580, Snohomish County Records,

TOGETHER WITH

That portion of Section 10, Township 28 North, Range 9 East, Willamette Meridian, Snohomish County, Washington, lying southwesterly of the center of the unnamed stream which flows from a point nearest the SE corner of said Section 10, thence northwesterly to join Olney Creek, and exit said Section 10 at a point about 500 feet southerly from the NW corner thereof, being a stream starting at about the SE corner of said Section 10, running thence generally northwesterly to join the stream which shows on the USGS Wallace Lake Quadrangle map, Provisional Edition, 1989, said confluence located about 600 feet north, and 1400 feet west from said SE corner.

ALSO TOGETHER WITH

Section 11, Township 28 North, Range 9 East, Willamette Meridian, Snohomish County, Washington, EXCEPT that portion of said Section 11 lying easterly of the Middle Fork of the Sultan River,

ALSO TOGETHER WITH

Section 14, Township 28 North, Range 9 East, Willamette Meridian, Snohomish County, Washington, EXCEPT that portion of said Section 14 lying easterly of the Middle Fork of the South Fork of the Sultan River,

ALSO TOGETHER WITH

Government Lots 1 through 12 of Section 15, Township 28 North, Range 9 East, Willamette Meridian, Snohomish County, Washington.

ALSO TOGETHER WITH

The SW1/4 of Section 15, Township 28 North, Range 9 East, Willamette Meridian, Snohomish County, Washington, according to U.S. Government subdivision procedures.

Steven B. Ivey, PLS 29289
Land Description, R/W Specialist
DNR Land Survey Unit
Olympia, WA 98504-7030
Dated: 4/16/2015

Dennis J. Gelvin, PLS 21674
Land Description, R/W Specialist
DNR Land Survey Unit
Olympia, WA 98504-7030
Dated : 7/29/2013

EXHIBIT B

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS RELATED TO THE DEDICATION OF MORNING STAR TRUST LAND TRANSFER AS A NATURAL RESOURCES CONSERVATION AREA AND MANAGEMENT COMMITMENT

Snohomish County

Grantor: State of Washington, by and through the Department of Natural Resources

Grantee: State of Washington, by and through the Department of Natural Resources, Natural Areas Program

Abbreviated Legal Desc: Portion of Sections 2, 10, 11, 14, 15, T28N, R9E, W. M.

Tax Parcel #: 28090200200200; 28091000100100; 28091100100100; 28091400100100; 28091500100100;

THIS DECLARATION is made this ____ day of _____, 2015, by the State of Washington, Department of Natural Resources (DNR).

RECITALS

WHEREAS, the State of Washington owns that certain real property legally described as set forth on Exhibit A attached hereto and shown on Exhibit B and incorporated herein by this reference (the Property);

WHEREAS, Peter Goldmark, Commissioner of Public Lands, following the approval of the Board of Natural Resources, designated the Property as a natural resources conservation area pursuant to the requirements of Ch. 79.71 Revised Code of Washington; and

WHEREAS, this instrument is intended to be consistent with the purposes and requirements of Section 3231, Ch. 19, Washington Laws of 2013; and

WHEREAS, DNR desires to place a Declaration of Covenants, Conditions, and Restrictions declaring that the Property shall be utilized perpetually as a natural resources conservation area and desires this Declaration to be recorded as a covenant running with the land to bind the Property according to the terms of this instrument.

NOW, THEREFORE, DNR hereby declares that the Property shall be used perpetually as a natural resources conservation area only subject to prior reservations and to further restrictions of use as set forth herein.

Section 1. Restriction on Use of Property. The Morning Star Natural Resources Conservation Area was established for the Property to protect for public benefit an area that is important for scenic and ecological values. No uses are to be made of the Property except those consistent with its designation for the term specified herein. No additional or future restrictions may be placed on the Property without the approval of the Commissioner of Public Lands. DNR shall manage the Property consistent with its designation as a natural resources conservation area, and subject to any management plan that is adopted pursuant to RCW 79.71.070. Any other use or activity on the Property which is or may become inconsistent with the purposes of the Morning Star Natural Resources Conservation Area, the preservation of the Property in its natural condition, or the protection of its ecological features, or any management plan that is adopted, is prohibited.

Section 2. Applicability of Habitat Conservation Plan. The Property is located within an area that is subject to the State of Washington, Department of Natural Resources Habitat Conservation Plan and amendments thereto adopted in connection with Incidental Take Permit No. PRT-812521, as supplemented by Permit No. 1168, and the Implementation Agreement for the Washington State Department of Natural Resources Habitat Conservation Plan dated January 30, 1997, and any amendments to said permits and agreement. The Property is also to be used consistent with management as "PERMIT LANDS" as defined in the Habitat Conservation Plan Implementation Agreement as long as the Habitat Conservation Plan Implementation Agreement is in effect.

Section 3. This Declaration does not convey to the public the right to enter the Property for any purpose whatsoever, except as is set forth in any management plan adopted for the Morning Star Natural Resources Conservation Area.

Section 4. The covenants and restriction of this Declaration shall run with the land and bind the Property in perpetuity.

Section 5. This Declaration, and any future changes duly authorized in writing by the Commissioner of Public Lands, shall be recorded in the Auditor's Office of Snohomish County.

Section 6. Each covenant, condition, and restriction contained in this Declaration may be enforced by DNR or any owner of the Property if the Property is subsequently transferred from the State of Washington to another person or entity.

Section 7. This Declaration shall be governed by and construed in accordance with the laws of the State of Washington.

Section 8. This Declaration shall take effect when recorded.

This Declaration is executed and delivered pursuant to RCW 79.71.050 pursuant to Commissioner's Order No. _____, dated _____, entered by the Commissioner of Public Lands with the approval of the Board of Natural Resources, State of Washington.

IN WITNESS WHEREOF, this _____ day of _____, 2015.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

PETER GOLDMARK
Commissioner of Public Lands

Approved as to form this _____ day
of _____, 2015.

Assistant Attorney General

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
PETER GOLDMARK, Commissioner of Public Lands

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STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
PETER GOLDMARK, Commissioner of Public Lands

EXHIBIT B

[Note: Map will be inserted here in the original copy that will be recorded.]

EXHIBIT C

TRUST EASEMENT RESERVATION

The State of Washington, acting by and through the Department of Natural Resources (State), and successor and assigns, reserves a perpetual easement for any and all purposes appurtenant to all lands now owned or hereafter acquired by the State, over a strip of land 60 feet in width lying 30.00 feet each side of the existing road centerline as shown and described in Washington Department of Natural Resources easement documents 50-CR1931, 50-CT1932 and 50-CR1933 on file at the office of the Commissioner of Public Land Office located in Olympia, Washington, lying within Section 2, 11, and 14, Township 28 North, Range 9 East, W.M., Snohomish County, Washington.

Rynae L. Edwards, PLS 45158
State Land Survey Unit
PO Box 47030
Olympia, WA 98504-7030
Dated: 2/26/2015