

## Trust Land Transfer Work Group Phase 2 Meeting 1

January 28, 2022 | 8:30 -10:30 am

### Work Group Attendees:

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

### Department of Natural Resources (DNR) Staff Present:

Laurie Benson, Cathy Chauvin, Cyndi Comfort, Marc Enty, Kari Fagerness, Dave Gordon, Bob Greene, Mona Griswold, Ralph Johnson, Kristen Ohlson-Kiehn, Drew Rosanbalm, Robert Winslow

### **TLT Phases 1 & 2**

- Laurie and Angus welcomed the Trust Land Transfer Phase 2 Work Group, thanking them for their time and effort to revitalize Trust Land Transfer (TLT) tool. They reiterated that this is an important tool to manage the trust land portfolio because allows the department to reposition trust lands out of trust status and still compensate beneficiaries.
- Laurie and Kristen walked through a presentation that provided background on trust lands and non-trust lands managed by the department, the work completed by the Phase 1 TLT Work Group, and the work to be completed by the Phase 2 TLT Work Group. (See [Meeting 1.0 presentation](#)).
- A work group member asked why the Transactions section was moved from Conservation, Recreation and Transactions Division to Product Sales & Leasing Division. Laurie explained that due to the existing crossover between Transactions, Commercial Real Estate and Transition Lands sections, Transactions has been moved to Product Sales & Leasing Division under Duane Emmons.
- A work group member noted that there seems to be a temporal disconnect between the subjects on the March (Impacts to Junior Taxing Districts) and May (Statutory Changes and other topics) meetings and encouraged the group to have flexibility moving forward. Laurie agreed.
- A work group member offered that he would like to brainstorm more on the relationship between this program, tribal treaty rights and tribal sovereign governments, and the possibility

that there may be a different kind of relationship than that which has been discussed to date. Other work group members requested to participate in the discussion. Laurie offered to start with a smaller group conversation on where these topics would fit best within the timeframe to bring back to the work group at a later date.

- A work group member asked about communication between the department and the taxing districts currently. He offered that the taxing districts should be made aware that there could be significant changes for their revenue distribution as part of this TLT process and that they would want to hear about any changes as early as possible (well before when proposals are going to the legislature). Angus responded that the department has a list of tax district contacts, but the work group will also be asked to coordinate with the department as well. He also shared that it is likely the county commissioners will also bring some of their perspectives from the taxing districts in their counties. He emphasized that the department is also open to other ideas. The work group member affirmed that there is a good handle with tax district representatives who interact with the department regularly, but that the department and work group need to make sure that any changes to TLT are more broadly shared with the various tax districts.
- A work group member requested an explanation of payment in lieu of taxes (PILT) and how it fits into the process and the lands put into TLT. Laurie affirmed that this topic will be addressed with the tax district topic.
- A work group member requested that the process for reaching out to the tribes clearly be described and added to the calendar. Laurie agreed.

#### **Charter Review and Group Business**

- Kristen walked through the draft charter and highlighted the changes between work group phase 1 and 2 charters. Additionally, she shared February meeting dates and times and notified the group that they would be trying to schedule the rest of the work group meetings through June.
- There were no work group member questions.

#### **Draft TLT Proviso for 2022**

- Angus shared that the department and some work group members may be interested in the department proposing a second proviso related to TLT to the legislature. The proviso would provide funding for two purposes: for the Phase 2 TLT work group and an additional piece of work related to a TLT of parcels in Dabob Bay in Jefferson County (this was a TLT funded in the last biennium). Angus committed to the work group that they would have an opportunity to review and ask questions about the draft proviso. Additionally, it was shared that the department hopes the work group is supportive of the Dabob Bay.
- A work group member expressed support and would love to see the language on the proviso, adding that it might be problematic to get the funding in a supplemental year.
- Angus shared that the department is committed to working through this issue, but may be restricted in the actual Dabob Bay transaction by the current design of the TLT tool.
- Angus also shared that the next piece is planning for Legislative session in 2023, noting that it is a long session that sets the biennial budget. He explained that the department has an initial parcel list that may be adjusted due to operational and region feedback within the department. He also surmised that members of the work group may also have their own lists. But, Angus

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explained that the department and the work group are constrained by the short period of time remaining to identify and prioritize a parcel list by the Office of Financial Management's September 2022 deadline. Therefore, the department is not planning to open the list for the purposes of the pilot. There will only be time to test out the new TLT process and evaluation criteria to develop a limited list for the 2023. So, he asked the group, as a question that can be left open, about how to indicate to the legislature that the department will have a longer list in future biennia, and therefore showing them the importance of the TLT tool. He added that the group doesn't have to solve that potential issue today, just asked the group to start thinking about it and preparing a strategy for 2023.

- A work group member pointed out that the Phase 1 Work Group's recommendation to move away from the 80/20 split will represent a budget adjustment for the legislature. This member expressed concern at the possibility that TLT could get shut down if the department proposes too long of a list of parcels to fund in the first year.
- Another work group member proposed that along with the work group participation in the pilot TLT process for 2023, there may be an opportunity to create a robust list of "projects in-waiting" nested behind the pilot, which could notify the Legislature about the demand in upcoming years.
- Another work group member noted that the pilot TLT process is a lengthy topic, and asked about including time in upcoming meetings to continue this discussion. Currently the Pilot Project is scheduled for Meetings 5.0, 5.1, 6.0, 6.1, which occur in May and June 2022.
- Another work group member requested more time for the discussion regarding the parcel lists to be considered for the pilot, recognizing the balance between not making it overwhelming but communicating the need for these types of transactions. The member shared that WDFW has started their list but has not yet started conversations with their region staff.
- Angus proposed perhaps that after the first couple of meetings, the work group can put additional time to discuss the pilot on the agenda. The department will need to send a message about the ability to only address a limited set of projects through the pilot to test it because of limited time. But, together with the work group, the department will also need to address the issues about the larger list and think through that more.

The meetings was adjourned.