



Thorpe Exchange

Proposed Trust Exchange

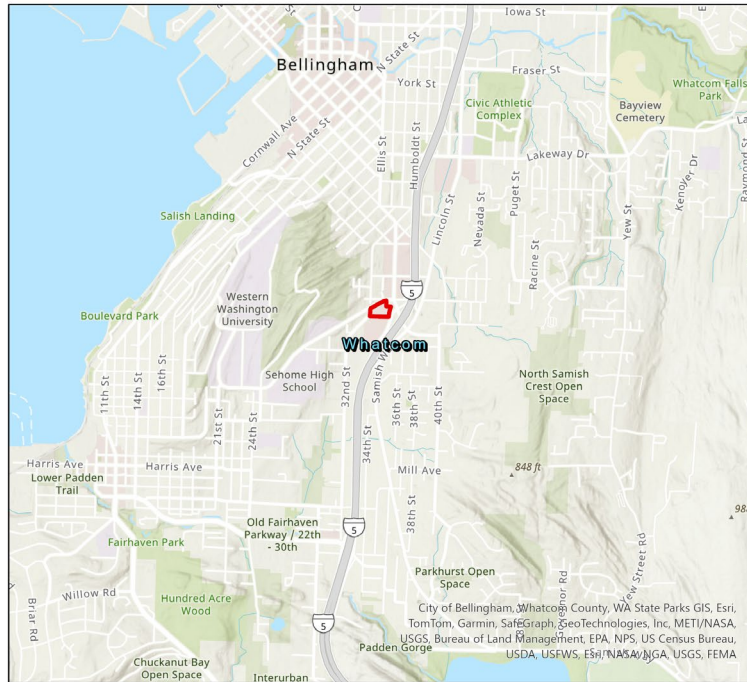
Spokane and Whatcom Counties



Thorpe Exchange

General Location – Exchanger Property

- Whatcom County
- Bellingham Sehome area – Haggen grocery
- Slightly West of Interstate I-5



Haggen
Whatcom County
Vicinity Map

Legend	
Administrative - State Boundary	Administrative - County Boundaries
Administrative - State Boundary	Administrative - County Boundaries
	Administrative - County Boundaries
	Sehome, Haggen



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES

0 0.2 0.4 0.8 Miles



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES

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Exchanger Property Overview

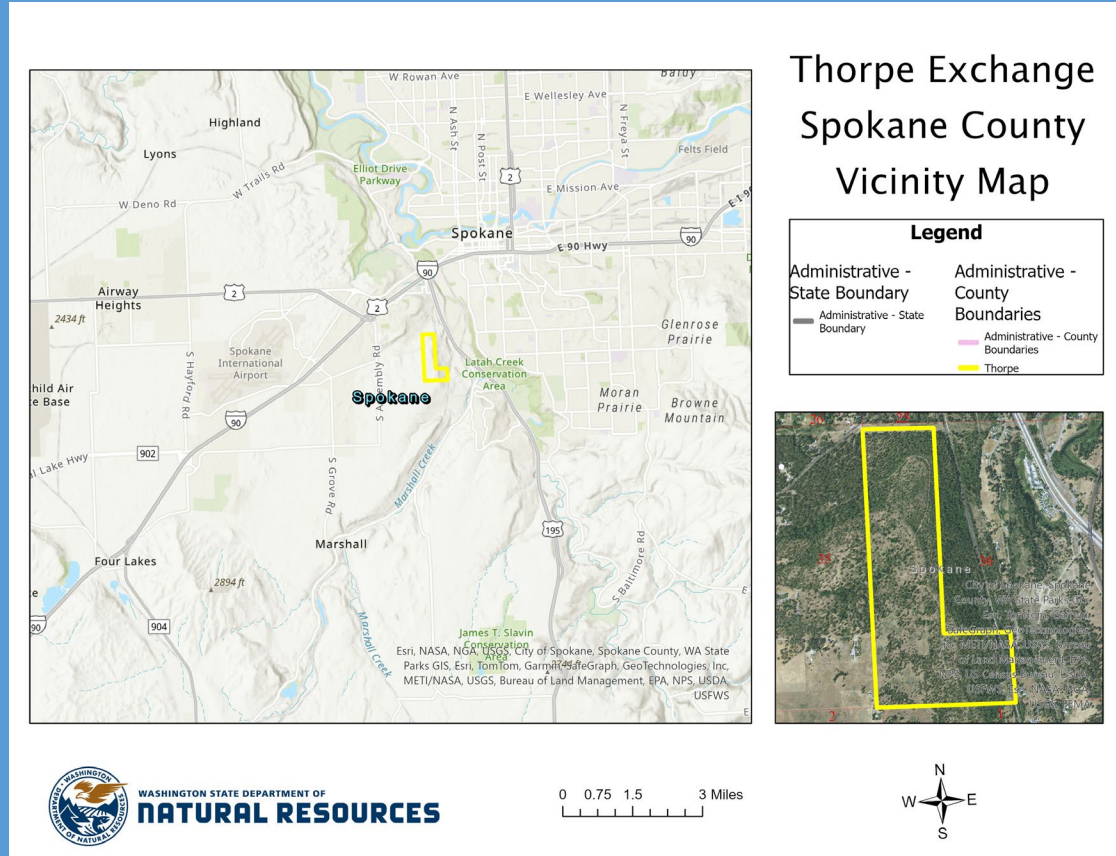
- 4.12 acres
- Commercial Property
- Building and Parking Lot
- Current Annual Lease Rent - \$909,545
- Leased to Haggen as a grocery store



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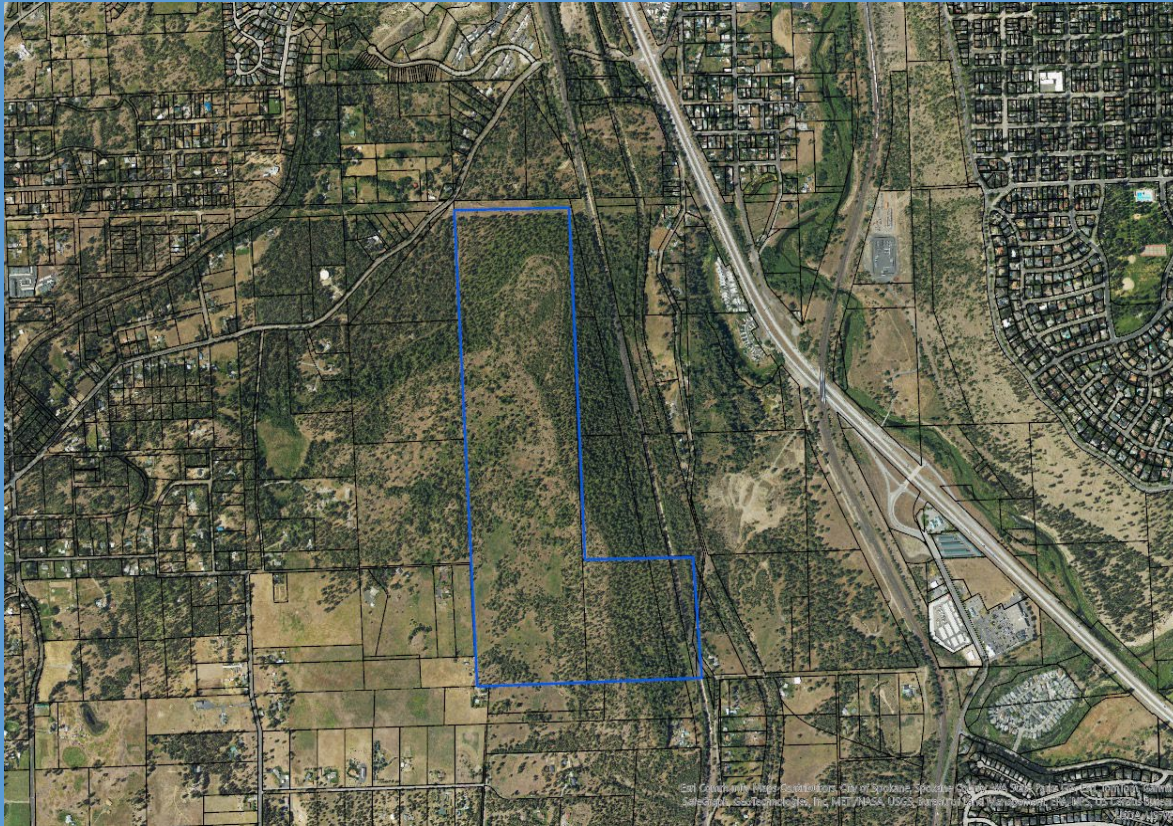
General Location – State Property

- Spokane County
- City of Spokane UGA
- Zoned residential by the City
- Forested land without structures
- Southwest Spokane and west of SR-195



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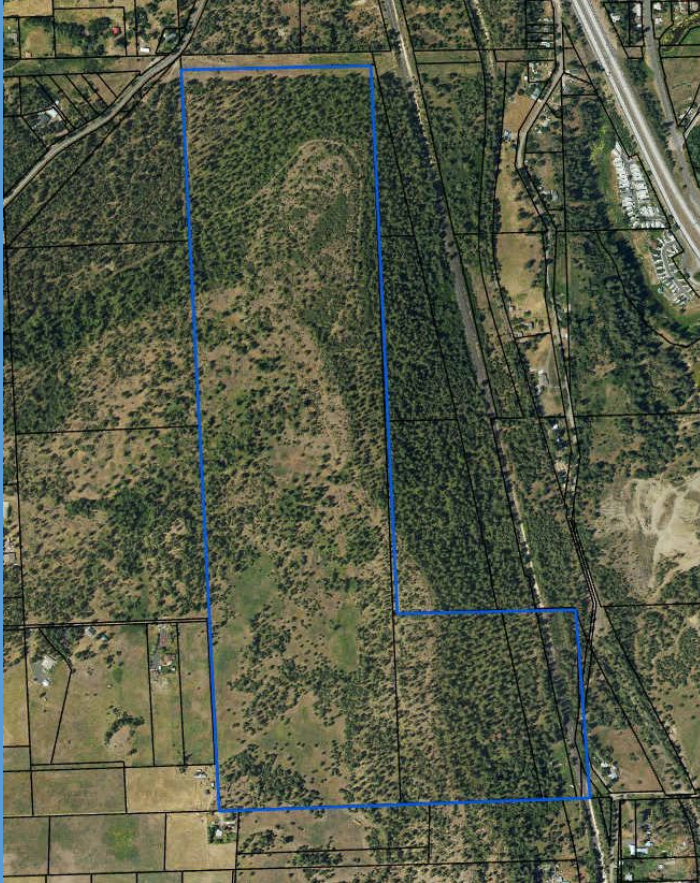
State Property Overview



- 200.8 acres total
- Proposed exchange to Latah Valley LLC
- Residential Zoning
- Limited long-term continued Forest Production
- Not Leased
- Exchanger owns some adjacent lands

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State Property Recent History



- Common School Trust asset managed for K-12 school construction revenue
- Forest Health treatment completed in 2009, not good timber producing land
- Ranked extremely low on TLT list
- Added to the DNR Urban Transition Lands list in 2019
- Currently costs Trust money to manage with dumping, trespass, and encampments

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Exchanger Property Valuation



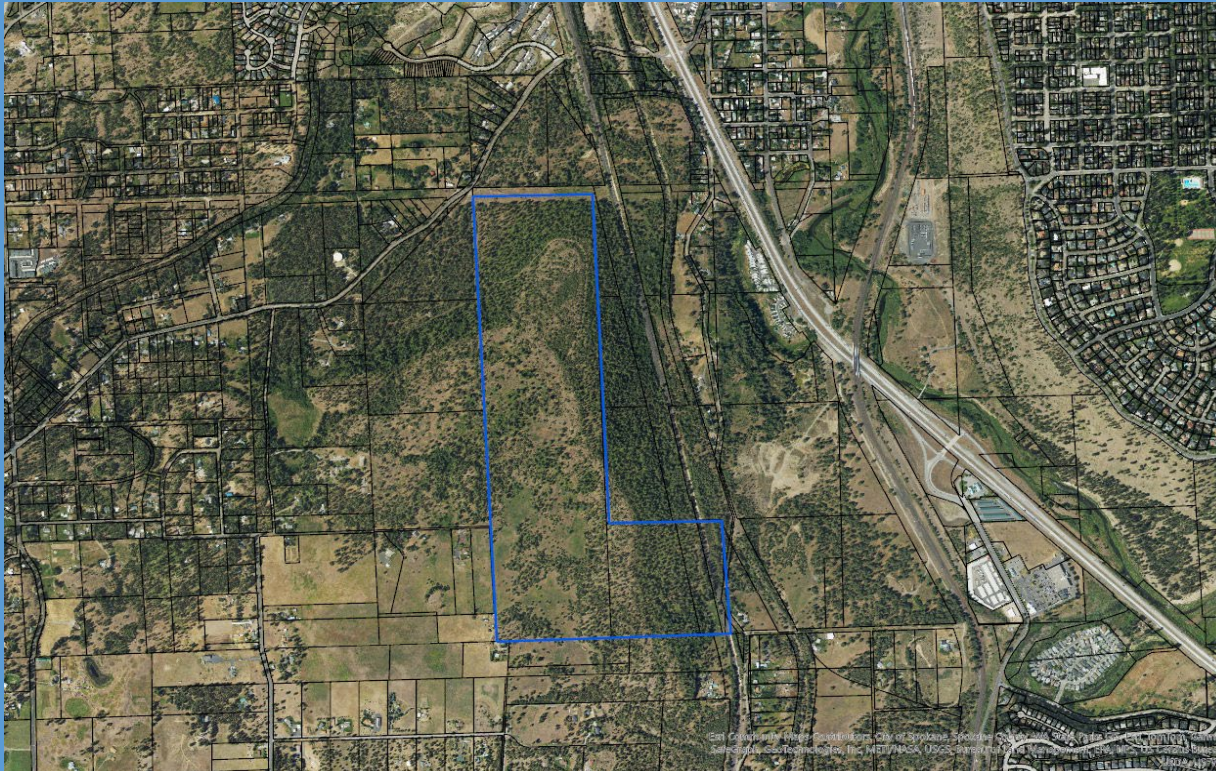
**Appraised
Value:**

\$15,400,000



Thorpe Exchange

State Property Valuation



State Appraisal
\$3,260,000

**DNR Staff
recommended
Value to BNR:**
\$8,250,000

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Exchange Balance

	State		Exchanger	
	Acres	Staff Recommendation	Acres	Appraised Value
BEFORE Exchange	200.80	\$8,250,000 – Land (Thorpe parcel)	4.12	\$15,400,000
Before Exchange	0	\$7,150,000 – Cash (Real Property Replacement Account)	0	\$0 - Cash
AFTER Exchange	4.12	\$15,400,000 – Land (Haggen property and Lease)	200.80	\$8,250,000– Land (Thorpe parcel)
AFTER Exchange	0	\$0 – Cash	0	\$7,150,000
Difference	-196.68	\$0	+196.68	\$0



Thorpe Exchange

Benefits to Common Schools Trust

- The Washington State Board of Natural Resources is responsible for overseeing DNR's management of the state trust lands by setting policies to "ensure that the acquisition, management, and disposition of all lands and resources within the department's jurisdiction are based on sound principles designed to achieve the maximum effective development and use of such lands and resources" RCW 43.30.215(2).
- The BNR's responsibilities include approving land exchange proposals consistent with DNR's fiduciary obligations to beneficiaries, see, e.g., RCW 79.17.010(1)(e) (discussing land exchanges involving state urban lands), which for the Thorpe Exchange is the Common School Trust.
- The Washington State School Director's Association sent a letter reminding the Board and DNR of its fiduciary responsibilities.
- The exchange will help address the on-going funding gap for schools.



Thorpe Exchange

Public Outreach

- 60 day Notice by DNR in October 2024 - City of Spokane, Spokane County, State Legislators, Spokane Tribe, Kalispel Tribe, State Parks, WDFW, WA DOT, WA State VA, Spokane School District
- Multiple meetings with community members and stakeholders, including on-site tour with DNR region and division staff
- Multiple meetings with City staff, Mayor, and Councilmembers and DNR staff
- Meetings with State Legislators, WA DOT and DNR staff
- G2G Consultation with Spokane Tribe and Coeur D'Alene Tribe



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Public Hearing and Testimony

- Public hearing held at City of Spokane Central library on December 4, 2024
- Numerous DNR staff present to address questions/concerns
- 14-day additional written testimony period ended Dec.18



Thorpe Exchange

Public Hearing and Testimony continued..

- Summary of Testimony includes the following topics:
 - Wildfire threats and risks, escape routes
 - Viewshed, wildlife habitat, Natural Area Conservation, future TLT protection, Outdoor Education values
 - Potential Tribal Ownership or City ownership
 - Property value or property tax effects
 - Delay decisions, desire more planning time
 - Desire for conservation, park, open space, recreation
 - Support exchange for state school funding needs
 - Stop all development in Latah Valley
 - Perceived lack of adequate infrastructure for residential development (fire and EMS station, schools, stores, sewers, water supply, roads, tunnel constraints)



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- The City zoned the Thorpe property residential years ago.
- The City and Latah Creek LLC have been in discussions for over a year on development of the area, including DNR's property.
- DNR learned about Latah Creek LLCs interest in late October 2024.
- DNR met with the Mayor, City Council and City Directors to discuss the City's interests in the Thorpe property.
- The City oversees all planning, permitting and development on properties within city limits, and is responsible to make sure infrastructure is in place to take the development.
- Recognizing the City's request for a delay until May, 2025, the DNR set the closing date for July 15, 2025 to respect the City's Resolution and mayor's letter while still meeting our legal fiduciary obligations.



Thorpe Exchange

Financial

- Exchange will provide reliable and consistent annual lease revenue to the Common School Trust by an increase of over \$13,000,000 over the next 15 years.
- Secures an additional \$5 million revenue for Common Schools.



Thorpe Exchange

Resolution 1649



