NATURAL RESOURCES

Trust Land Transfer
Land Portfolio Management Tool

2027-29

September 2026

WASHINGTON STATE DEPT OF NATURAL RESOURCES

Trust Land Transfer Land Portfolio Management Tool 2027-29

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On the cover: A view of Dusty Lake from the Babcock Bench parcel, one of the six parcels selected for transfer in 2027-29.

All photos in this booklet taken by DNR staff.

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Prepared by the

WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES

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Part One: Revitalizing Trust Land Transfer

What is Trust Land Transfer?

The Washington State Department of Natural Resources (DNR) manages state trust lands to generate revenue for specific trust beneficiaries such as public schools, universities, and counties. However, some parcels of state trust lands are not suitable for revenue-generating activities such as timber harvest, grazing, or agriculture.

Trust Land Transfer (TLT) is a legislatively funded tool that enables DNR to keep these lands in public ownership while also maintaining economic returns to trust beneficiaries. Specifically, TLT enables DNR to accomplish the following:

Mount Si Natural Resources Conservation Area (NRCA) near North Bend.

At least 70 percent of the land in this popular NRCA came from trust land transfer.

- Transfer under-performing state trust lands out of trust status and acquire funds to purchase replacement lands with higher long-term income producing potential; and
- Conserve lands that have high ecological or social values.

How Does it Work?

Each biennium, state trust land parcels are nominated for TLT by DNR, state agencies, Tribes, counties, public utility districts, cities, and others. DNR determines if the transfer would be in the best interests of the trust beneficiaries and whether there is an appropriate receiving agency to manage each nominated parcel.

After that determination is made, DNR conducts Tribal outreach before providing the applications to the Trust Land Transfer Advisory Committee, a volunteer group appointed by the Commissioner of Public Lands. The Advisory Committee hears presentations from each applicant, reviews the applications, then prioritizes the parcels based on Tribal support, community involvement and support, ecological values, economic values, and public benefits.

DNR uses that prioritized list of parcels as a guide to create an informational package, with maps and property descriptions, that is presented to the Board of Natural Resources and then to the Legislature for funding. The Legislature considers the proposal, determines the makeup of the final package, and sets an appropriation funding level. If approved, the transfer package (or a portion of it) is authorized and funded as a proviso in the biennial capital budget. Once the transfers are approved by the Board and completed by DNR, the value of the transaction is set aside to purchase replacement lands that will generate revenue for trust beneficiaries.

37 Years of Success

Established in 1989 and revitalized in 2022, the TLT tool has been highly successful at improving the state trust lands portfolio while also preserving special places for the people of Washington. Over the past 37 years, DNR has used the TLT tool to transfer from trust status **more than 130,000 acres of state trust lands** with outstanding ecological values and public benefits. **Nearly 15 percent (by area) of the Washington State Parks system came from TLT, and 43 DNR-managed natural areas owe their existence to TLT, in full or in part.** DNR has also purchased **more than 55,000 acres of replacement lands** that earn sustainable, long-term revenue for trust beneficiaries.

Morning Star NRCA near Spada Lake

All of the acres in this popular and mountainous NRCA came from the TLT program.

Part 2: The Proposed Parcels

Table 1 lists all six parcels proposed for transfer, along with their receiving agencies and other information. Parcels are listed in order of priority and were approved for transfer by the Board of Natural Resources at its September 1, 2026, meeting.

DNR is submitting to the Legislature a $30 million capital budget funding request for transfer of all six parcels, a portion of which will be used for appraisal-related expenses. Parcels will be transferred out of trust status in order of priority. DNR will use the appropriation to purchase productive replacement land.

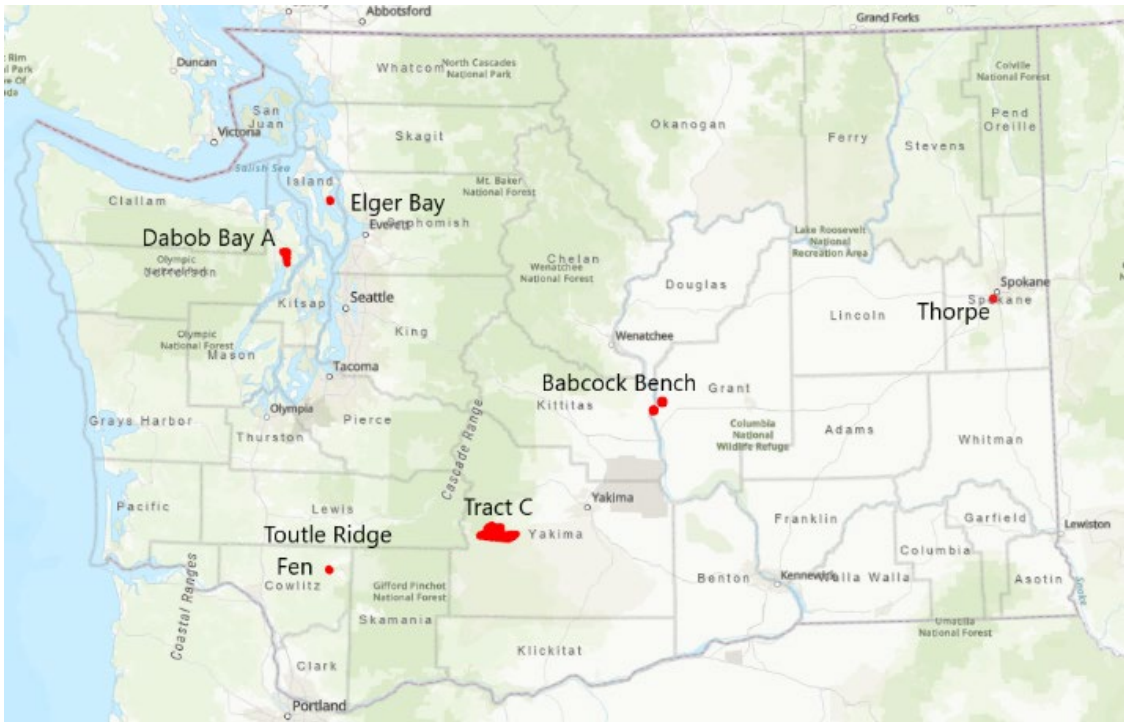
Table 1. Proposed Parcels in Order of Priority

Acres listed in this table are approximate. Each parcel will be surveyed prior to transfer. Values estimates are based on fair market value and do not constitute an appraisal. A full appraisal will be conducted as part of the transfer process.

Property Name and Priority	Acres	Trust	County	Receiving Agency	Estimated value
1. Elger Bay	173	Common School (03)	Island	Island County	$600,000
2. Dabob Bay A	1,096	State Forest Transfer (01)	Jefferson	DNR Natural Areas Program	$10,750,000
3. Babcock Bench	1,071	Common School (03)	Grant	Washington Department of Fish and Wildlife	$10,650,000
4. Toutle Ridge Fen	174	Common School (03), Agricultural School (04), Normal School (08)	Cowlitz	DNR Natural Areas Program	$1,100,000
5. Thorpe	199	Common School (03)	Spokane	City of Spokane	$3,910,000
6. Tract C	10,420*	Common School (03)	Yakima	Confederated Tribes and Bands of the Yakama Nation	$2,990,000*

**Note: A portion of this transfer has been funded and will be completed by the end of the 2025-27 Biennium, and this acreage figure will be adjusted as appropriate. DNR is seeking partial funding of Tract C to meet $30 million statutory threshold for total TLT budget request.*

Figure 1. Map Showing Location of Each Parcel



How Were the Parcels Chosen and Prioritized?

After DNR staff reviewed each application to ensure the proposed transaction is in the best interests of the trust beneficiaries and completed Tribal outreach, The Trust Land Transfer Advisory Committee met six times in the spring and summer of 2026 to hear applicants' presentations and evaluate and score the proposals.

Each proposal was prioritized using the following criteria:

- Community involvement and support for the transfer;
- Ecological values, such as rare plant communities;
- Economic values, such as increased tourism that benefits local communities;
- Public benefits, such as recreational opportunities; and
- Tribal support or opposition.

DNR is continuing to gather feedback from the Advisory Committee and is using that information to improve the application and evaluation processes for future biennia.

On the following pages, DNR provides a map and description of each parcel, including the reasons the parcel is appropriate for transfer. Parcels are presented in order of priority.

Parcel One: Elger Bay | Map

Located In
Island County, Washington

Boundaries may vary at time of transfer.

Area of Detail

N

0 0.09 0.18 Mi.

0 0.1 0.19 Km.

WASHINGTON STATE DEPARTMENT OF NATURAL RESOURCES

DNR-Managed Trust Lands
Common School (3)
Island County - Elger Bay

Disclaimer: Extreme care was used during the compilation of this map to ensure accuracy. However, due to changes in ownership and the need to rely on outside information, the Department of Natural Resources cannot accept responsibility for errors or omissions, and therefore, there are no warranties which accompany this material.

Parcel One: Elger Bay | Description

Receiving Agency:	Island County
Acres:	173
County:	Island
Region:	Northwest
Trust:	Common School (Trust 03)
Proposed Use:	Fish and wildlife habitat, education, recreation
Transfer Type:	Fee

Characteristics and Location

The parcel is the only state trust land on Camano Island, and it is approximately 7 miles southwest of Stanwood as the crow flies. The parcel contains multiple wetland complexes and recreation infrastructure, including trails and an amphitheater. Elger Bay Elementary School is surrounded on three sides by the parcel, and students there regularly take part in educational outings on the parcel.

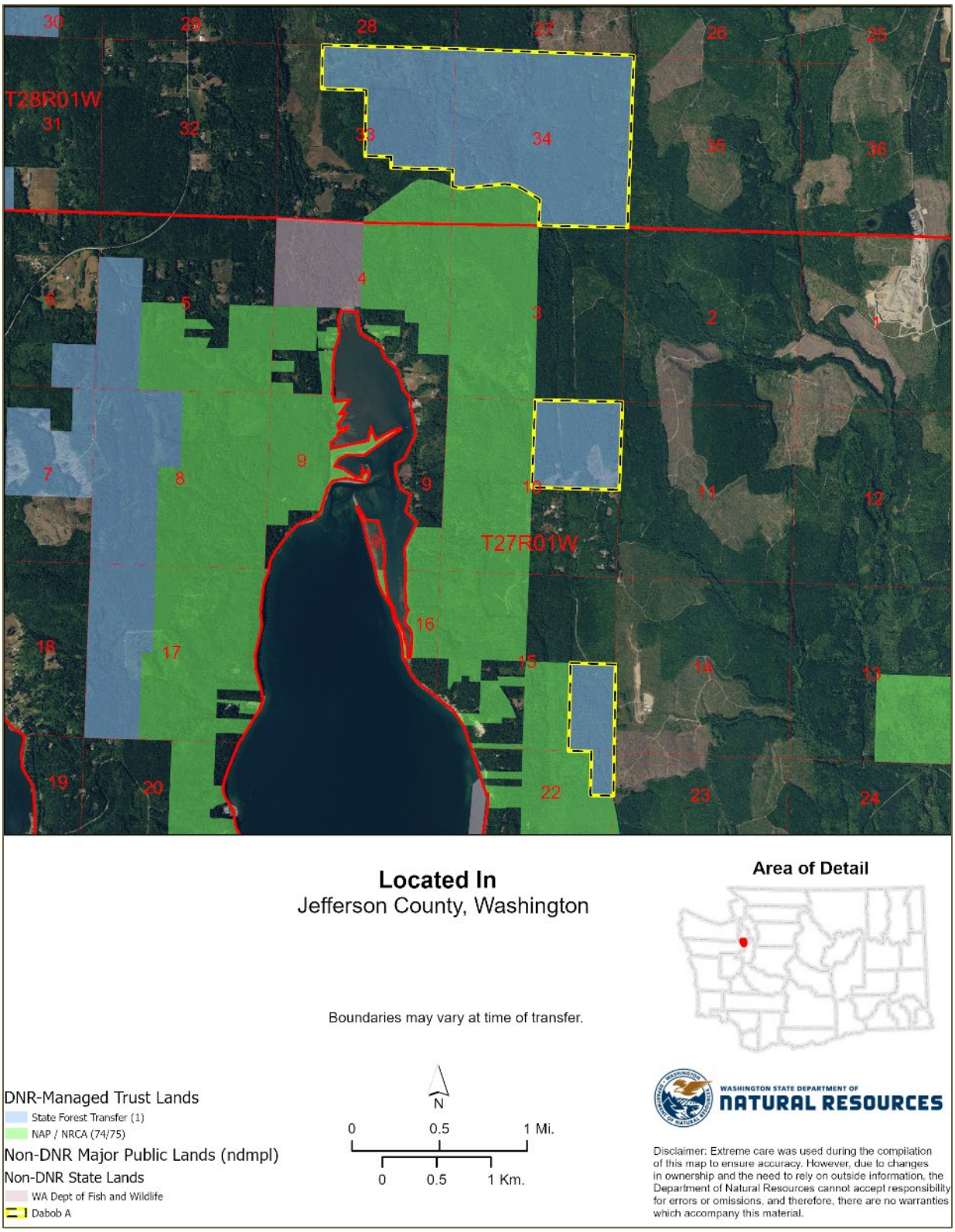
Why Transfer?

The parcel is under a Trust Land Transfer lease that generates no revenue for beneficiaries, which expires in 2031. It has minimal potential to generate revenue and has many neighbors, and it is an isolated parcel for DNR to manage.

Legal Description

Portion of Section 30, Township 31 North, Range 03 East, Island County, Washington

Parcel Two: Dabob Bay A | Map



Parcel Two: Dabob Bay A | Description

Receiving Agency:	Washington State Department of Natural Resources Natural Areas Program
Acres:	1,096
County:	Jefferson
Region:	Olympic
Trust:	State Forest Transfer (Trust 01)
Proposed Use:	Conservation, fish and wildlife habitat
Transfer Type:	Fee

Characteristics and Location

These three parcels adjacent to the DNR-managed Dabob Bay Natural Area are already inside the long-term boundary of the combined Natural Area Preserve and Natural Resources Conservation Area. They contain two instances of a globally imperiled plant community, as well as salmon habitat and intact older forests. The parcels are approximately 10 miles south of Port Townsend.

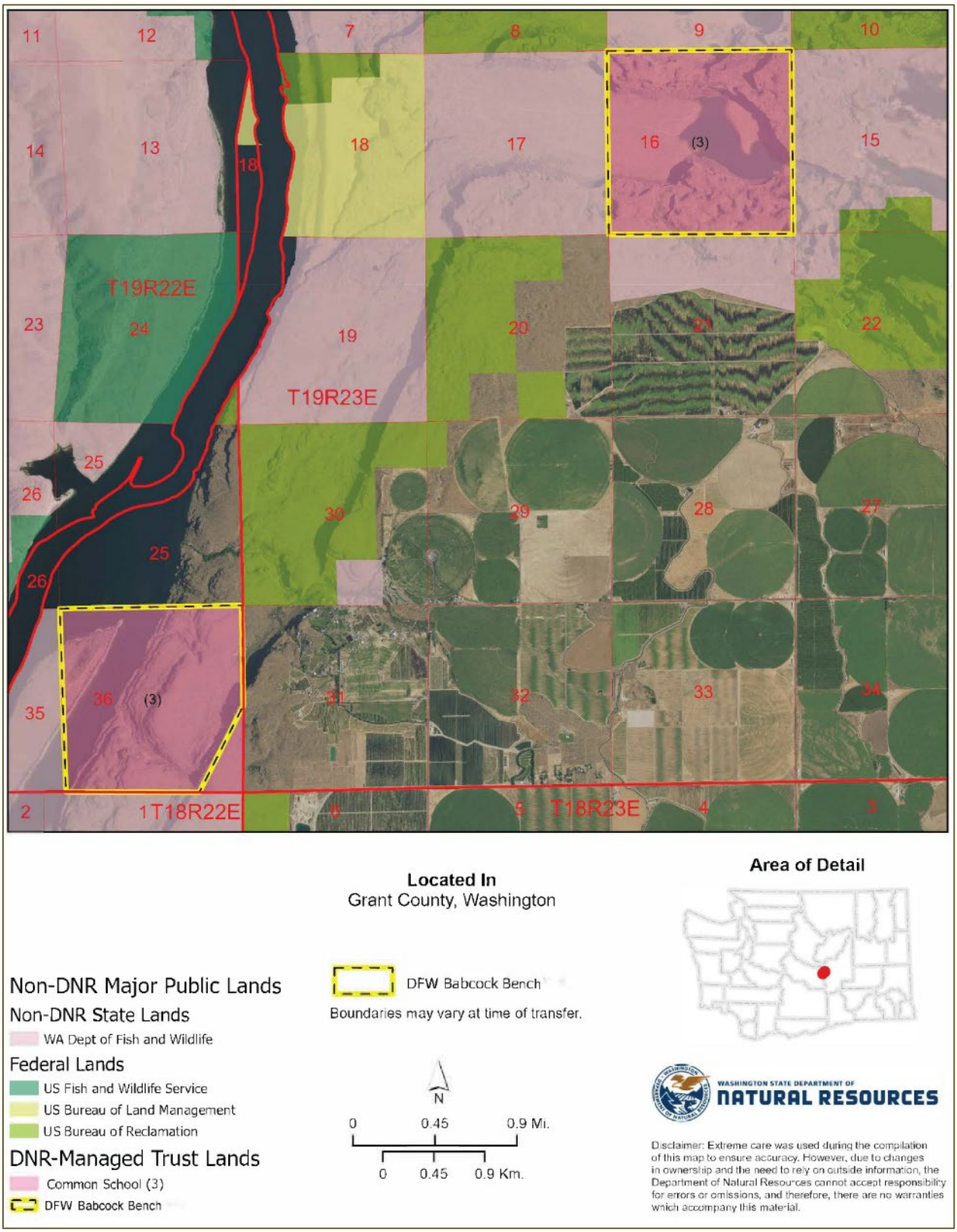
Why Transfer?

The three parcels are inside the long-term Natural Area boundary, and there is significant public investment in their long-term conservation.

Legal Description

Portions of Section 33 and Section 34, Township 28 North, Range 1 West; and portions of Sections 10, 15, and 22, Township 27 North, Range 1 West, Jefferson County, Washington

Parcel Three: Babcock Bench | Map



Parcel Three: Babcock Bench | Description

Receiving Agency:	Washington Department of Fish and Wildlife
Acres:	1,235
County:	Grant
Region:	Southeast
Trust:	Common School (Trust 03)
Proposed Use:	Fish and wildlife habitat, nonmotorized recreation
Transfer Type:	Fee

Characteristics and Location

These two parcels of shrub-steppe habitat are adjacent to the Quincy Lakes Unit of WDFW's Columbia Basin Wildlife Area. The northern parcel contains Dusty Lake, a walk-in-only lake that is a relic of the glacial outwash floods of Lake Missoula. The southern parcel includes cliffs that provide critical habitat for bats and falcons, and it abuts the Columbia River along its western edge.

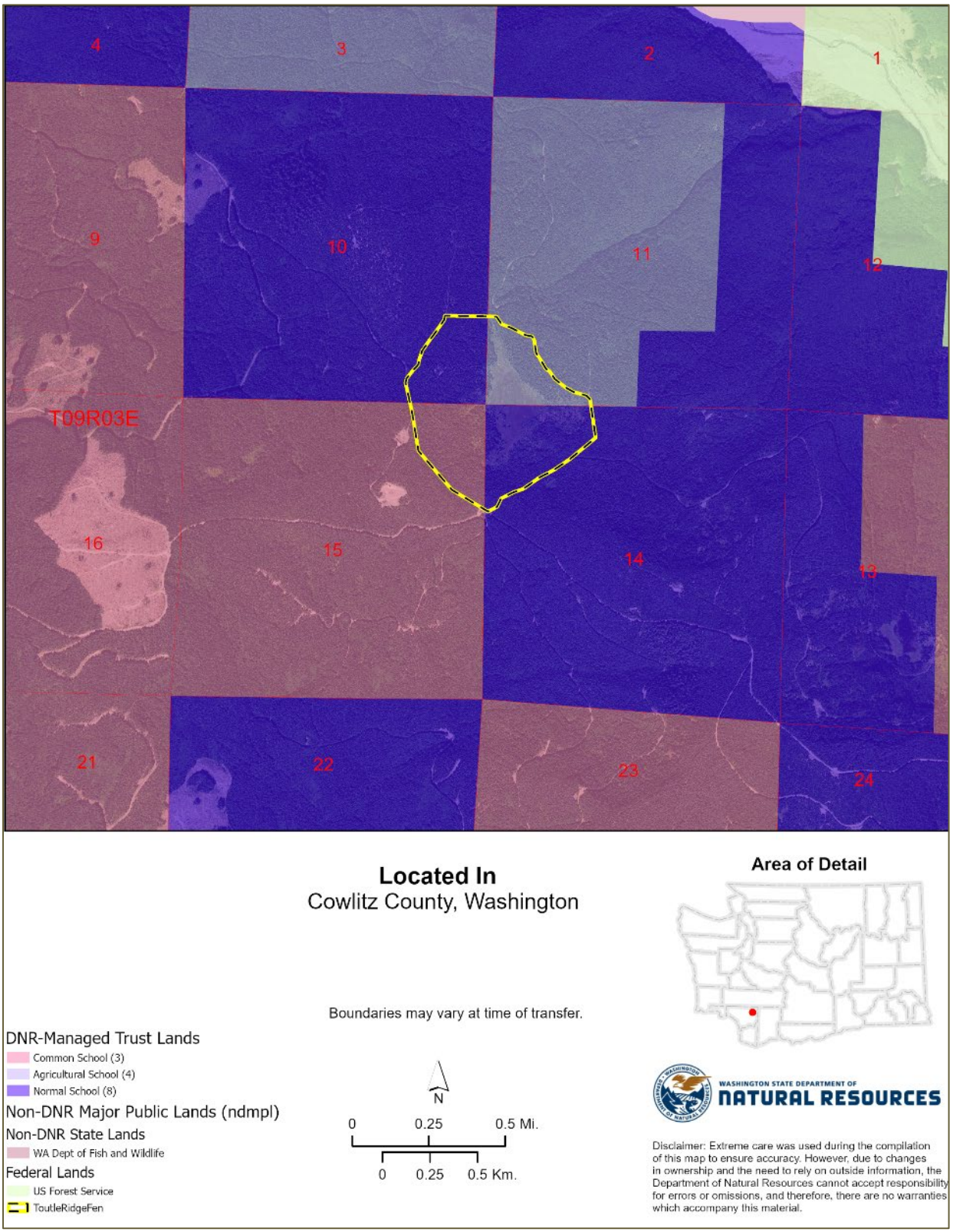
Why Transfer?

One parcel is an inholding and the other is an edgeholding to WDFW's Columbia Basin Wildlife Area. Both provide critical wildlife habitat, but they generate very little revenue for trust beneficiaries under their lease to WDFW. Completing this transfer would simplify the administration and conservation of these areas.

Legal Description

Portion of Section 36, Township 19 North, Range 22 East; Section 16, Township 19 North, Range 23 East, Grant County, Washington

Parcel Four: Toutle Ridge Fen | Map



Parcel Four: Toutle Ridge Fen | Description

Receiving Agency:	Washington State Department of Natural Resources Natural Areas Program
Acres:	174
County:	Cowlitz
Region:	Pacific Cascade
Trust:	Common School (Trust 03), Agricultural School (Trust 04), Normal School (Trust 08)
Proposed Use:	Conservation, wildlife habitat
Transfer Type:	Fee

Characteristics and Location

This parcel 22 miles east of Castle Rock contains a fen, a wetland similar to a bog, that contains five rare plant associations and two rare plants, including top priorities for conservation under the Washington Natural Heritage Plan. The fen has minimal invasive species present and has been determined to have “very high biodiversity significance” by DNR’s Natural Heritage Program.

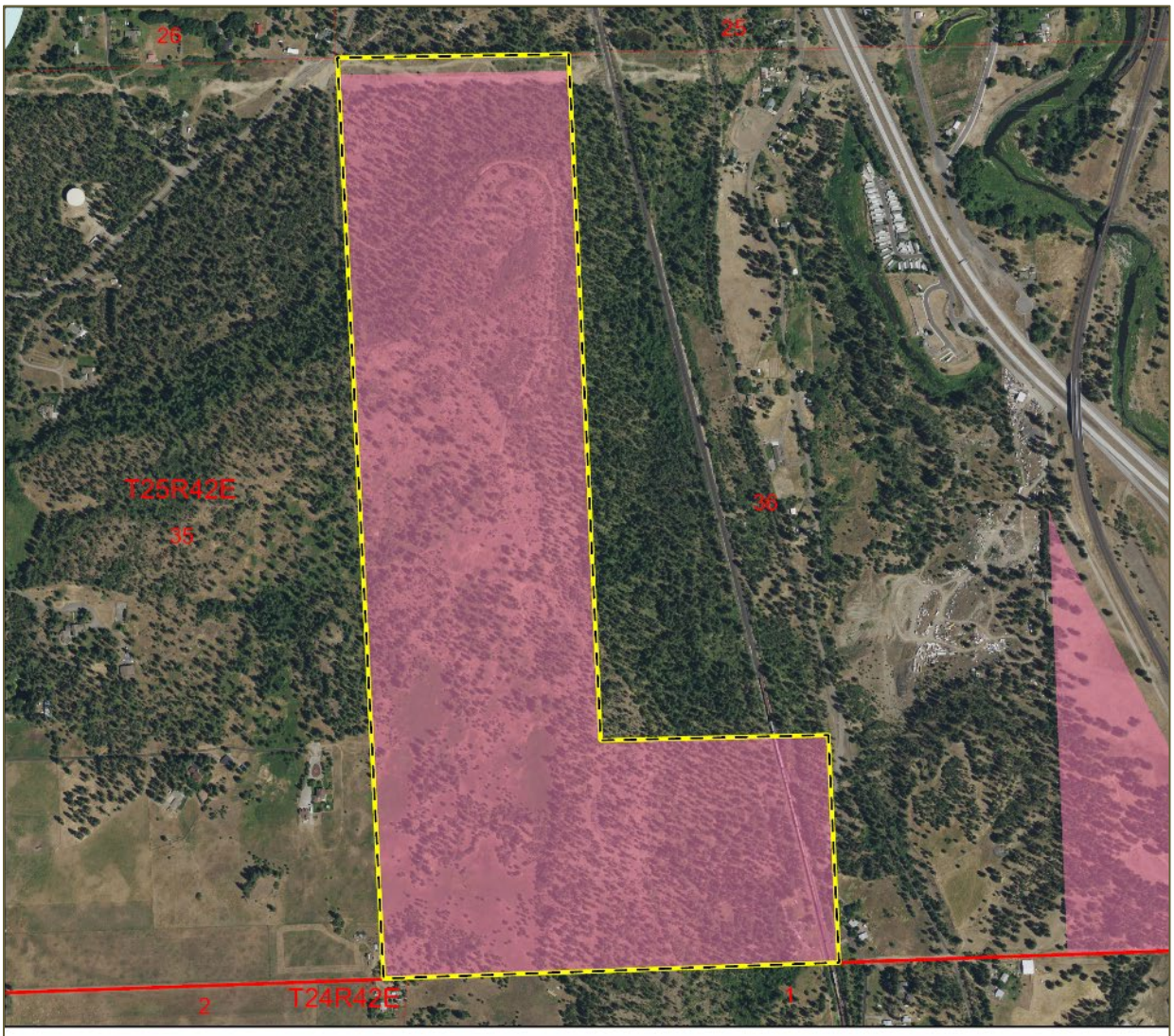
Why Transfer?

The parcel is unsuitable for harvest due to the large fen complex at its center, and its transfer would permanently conserve its biological diversity and move it into a program better suited to care for its unique characteristics. The parcel has already been included in the long-term boundary of the Toutle Ridge Fen Natural Area Preserve.

Legal Description

Portions of: Sections 10, 11, 14, 15, Township 9 North, Range 3 East, Cowlitz County, Washington

Parcel Five: Thorpe | Map



Parcel Five: Thorpe | Description

Receiving Agency:	City of Spokane
Acres:	199
County:	Spokane
Region:	Northeast
Trust:	Common School (Trust 03)
Proposed Use:	Recreation, wildlife habitat, forest health management
Transfer Type:	Fee

Characteristics and Location

The parcel, which is in the southwestern portion of the Spokane city limits, contains several rare forest plant communities. Dozens of bird species have been documented on the parcel. The City of Spokane does not have a park that serves this area.

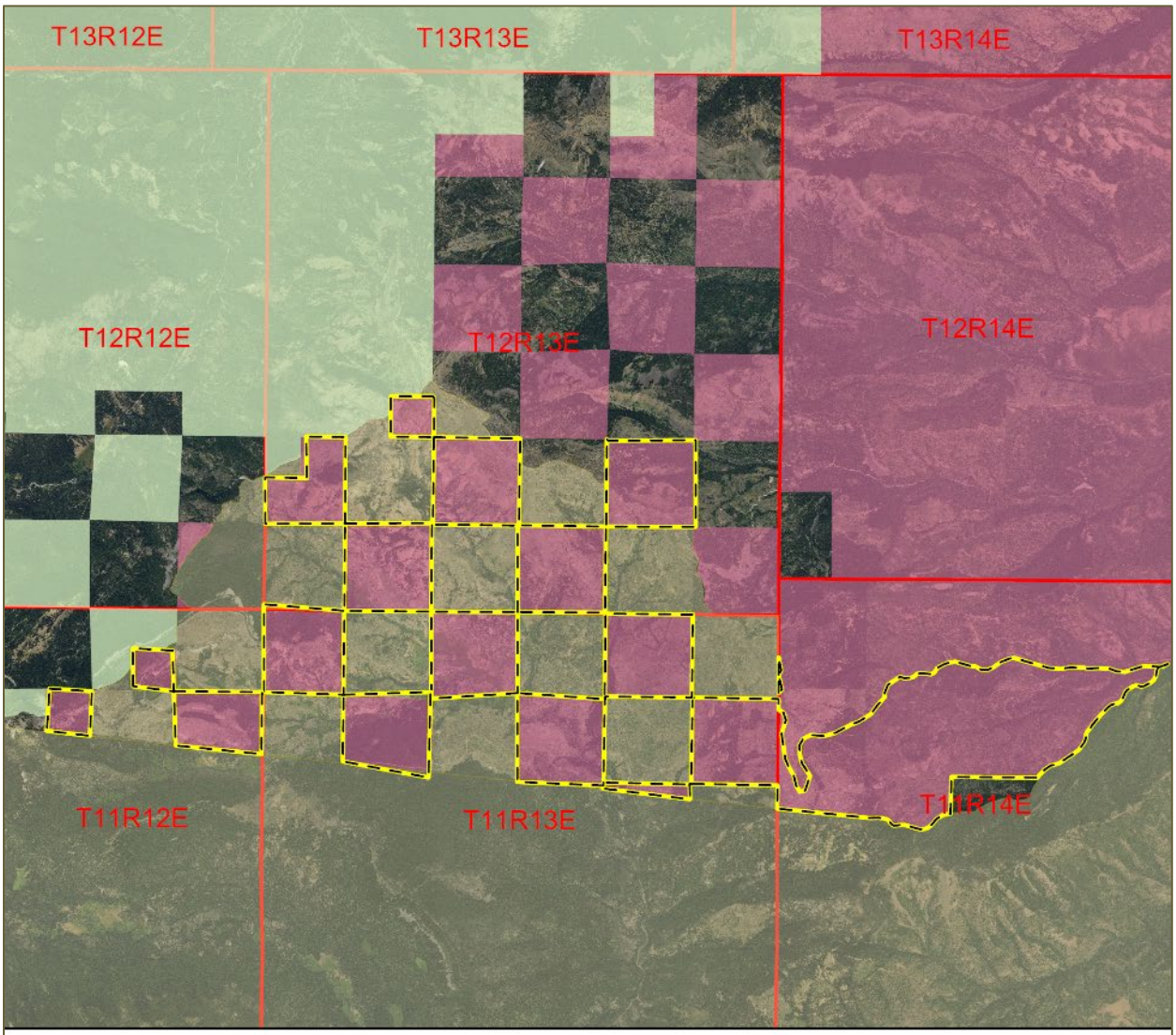
Why Transfer?

The parcel is no longer in the best interests of DNR's trust beneficiaries to manage, and a land exchange to transact out of the parcel dissolved in 2025. There is considerable community support for this proposal.

Legal Description

Portion of Section 36, Township 25 North, Range 42 East, Spokane County, Washington

Parcel Six: Tract C | Map



Located In
Yakima County, Washington

Boundaries may vary at time of transfer.

Area of Detail

DNR-Managed Trust Lands
Common School (3)
Non-DNR Major Public Lands (ndmpl)
Federal Lands
US Forest Service
Administrative - Tribal Lands and Reservations
Yakima TC

N
0 1 2 Mi.
0 1 2 Km.

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Parcel Six: Tract C | Description

Receiving Agency:	Confederated Tribes and Bands of the Yakama Nation
Acres:	10,420*
County:	Yakima
Region:	Southeast
Trust:	Common School (Trust 03)
Proposed Use:	Fish and wildlife habitat, forest health management, hunting and gathering
Transfer Type:	Fee

Characteristics and Location

The parcel is in the western portion of the Ahtanum State Forest, approximately 23 miles west of Yakima. It is located within Tract C, inside the boundary of the Yakama Indian Reservation. It contains part of the extensive Klickitat Meadows complex along Diamond Fork, a high-elevation tributary to the Klickitat River that contains critical steelhead habitat.

Why Transfer?

The parcels are inside the boundary of the Yakama Indian Reservation, as described in the Treaty of 1855. The rural location of these parcels and their high elevation mean that they have minimal long-term revenue generation under DNR's forest management model. Some of the parcels in this application are in a checkerboard with Yakama Nation lands.

**A portion of this transfer has been funded and will be completed by the end of the 2025-27 Biennium, and this acreage figure will be adjusted as appropriate. DNR is seeking partial funding of Tract C to meet $30 million statutory threshold for total TLT budget request.*

Legal Description

Portions or all of Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 17, 18, Township 11 North, Range 14 East; Sections 2, 9, 10, 12, Township 11 North, Range 12 East; Sections 2, 4, 6, 8, 10, 12, 14, Township 11 North, Range 13 East; Sections 20, 26, 28, 30, 32, 34, Township 12 North, Range 13 East, Yakima, Washington