# A Study Regarding State Forest Trust Lands Managed by the Washington State Department of Natural Resources

August 15, 2024



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## **II. Executive Summary**

This report provides an assessment of land managed by the Washington State Department of Natural Resources (DNR) in King County, including the extent, forest cover, and history of harvest on these lands, as well as revenue and other values generated from them. It also provides an assessment of the potential for transfer of these lands from DNR to King County, with recommendations on parcels that should be prioritized for transfer and improvements to cooperative forest management between DNR and King County on all other parcels.

## A. DNR-Managed Lands in King County

DNR manages 5.6 million acres of forest, range, agricultural, aquatic, and commercial lands across the state, including state trust lands of which DNR is the manager for a variety of different trusts and their beneficiaries. DNR trust lands include both federally granted lands and State Forest Trust Lands, most of which were harvested and abandoned lands that were acquired by counties through tax foreclosures in the 1920s and 1930s. To encourage reforestation and facilitate their management, counties deeded the lands to the state, and they became part of the statutory trust. State Forest Trust Lands may be used for forestry, sale of valuable material, and leasing, where appropriate. Counties are beneficiaries of these lands and distribute a portion of the revenue they receive to junior taxing districts; these funds help pay for county services, schools, fire districts, ports, hospitals, libraries, and other services.

Within King County, there are more than 100,000 acres of DNR-managed land, including 28,384 acres of natural areas, 22,862 acres of trust lands for which King County is the beneficiary, and more than 50,000 acres of trust lands managed for other trusts. In addition, just under 6,000 acres of forestland were transferred to DNR in 1995 to be managed for the benefit of King County's Water Pollution Control District. Like State Forest Trust Lands, these lands are managed for long-term forestry for the benefit of King County's Wastewater Treatment Division (WTD) of the Department of Natural Resources and Parks (DNRP). DNR-managed lands are concentrated in three areas in King County: a northern group of parcels, located east of Duvall near the border with Snohomish County; a central group of parcels, located on either side of I-90 from Issaquah to east of North Bend; and a southern group of parcels, located on either side of the Green River.

DNR-managed trust lands provide economic, conservation, and recreation value to the county and its residents. Thousands of acres managed by DNR are used for recreation, including some of the most widely used recreation areas along the I-90 corridor. Trust lands in King County are primarily coniferdominated forests between 40 and 80 years old, but also include approximately 7,000 acres estimated to be more than 80 years old, with those over 120 years old protected from harvest.

<sup>&</sup>lt;sup>1</sup> Ohlson-Kiehn, K, Anderson, L., Brodie, A., and Hayes, A. Trust Land Performance: Charting a Course for the Future. Presentation to the Washington State Association of Counties, 17 March 2021.

https://www.dnr.wa.gov/publications/tlpa wsac presentation.pdf

<sup>&</sup>lt;sup>2</sup> https://apps.leg.wa.gov/rcw/default.aspx?cite=79.22.040

<sup>&</sup>lt;sup>3</sup> DNR. 2021. Trust Lands Performance Assessment Project: Charting a Course for the Future. Legislative Report, January 2021. Washington State Department of Natural Resources, Olympia, WA. 52 p. <a href="https://www.dnr.wa.gov/publications/em-tlpa-lege-report-complete.pdf">https://www.dnr.wa.gov/publications/em-tlpa-lege-report-complete.pdf</a>

<sup>&</sup>lt;sup>4</sup> DNR, 2006, 13. https://www.dnr.wa.gov/publications/lm\_psf\_policy\_sustainable\_forests.pdf

Since 1976, just under 20,000 acres of DNR-managed trust lands in King County have been harvested. Approximately a quarter of this acreage (4,788 acres) was harvested before 2000, while roughly 6,000 acres per decade were harvested in the 2000s and 2010s (6,158 and 5,684 acres, respectively); 2,680 acres have been harvested so far in the 2020s. Over the past decade, a total of \$24.2 million in revenue has been generated for King County and its junior taxing districts from DNR-managed lands. Just over \$10 million has remained with the County, including \$4.6 million to WTD because it receives revenue generated on King County Water Pollution Control District lands, while Roads and the General Fund received the next largest allotments (\$3.2 million and \$1.1 million, respectively). Among junior taxing districts, revenue went primarily to school districts, which collectively received \$6.1 million over the past decade, while the State of Washington received \$4.6 million, which also was allocated to school funds. Fire districts in King County received \$1.6 million and smaller amounts went to hospitals and libraries.

## B. Potential for Transfer of DNR-Managed Land to King County

This report provides a discussion of four mechanisms to transfer DNR-managed land to King County ownership, including direct transfer, land exchange, Trust Land Transfer (TLT), and reconveyance, each of which has different benefits and risks or costs. Direct transfer allows trust land to be transferred to eligible recipients at fair market value, and DNR uses the revenue to purchase replacement lands for the same trust. Land exchange allows for the exchange of any state land and the timber on it for any land of equal value, as long as it does not reduce the publicly owned forestland base. TLT is a legislative tool for DNR to move land from trust status to conservation status, with a focus on lands with high ecological value and public benefits for recreation, but limited potential to generate income due to physical, legal, or other constraints. Reconveyance allows for State Forest Trust Lands to be transferred from DNR to counties for park purposes.

On parcels where benefits of land transfer are found to justify the cost, Trust Land Transfer is recommended as the first choice means of transfer where it is applicable. Reconveyance is a tool that could be explored in specific cases, in particular those where there is strong revenue potential, which typically makes TLT a less applicable tool. Land exchange is not recommended as a means of transfer as a general approach. Similarly, direct transfer may be appropriate in some specific cases, but the use of acquisition funds for lands that are already publicly owned is unlikely to provide as many benefits as the acquisition of privately owned lands, especially those that are at risk of land-use conversion.

DNRP evaluated the benefits of current management of State Forest Trust Lands and other DNR-managed lands versus how the County might manage those lands if ownership was transferred. DNRP focused on parcels for which a conservation or recreation gain could be achieved by transferring ownership to King County. While a number of these parcels were identified as having possible gains, in most cases, further analysis would be required to assess those potential gains and determine whether they justify the added cost of managing the land. The list of parcels for which that analysis was sufficient to definitively suggest transfer to King County includes eight parcels that are currently part of an application for the TLT program in the 2023-25 biennium, one parcel that is expected to be part of TLT applications for the next biennium, and one parcel that could either be part of a future TLT application or could benefit from a cooperative management approach. Each of the latter two parcels are adjacent to King County Parks properties, are isolated from other large blocks of DNR-managed trust lands, and have limited potential for revenue generation, making them strong candidates for TLT.

While transfer of parcels to King County ownership is one pathway to effect change in management, another pathway is through development of cooperative management practices between DNRP and DNR. DNRP recommends five strategies to advance cooperative management:

- 1) Reinstate regular meetings between DNR and King County to receive information on proposed or planned harvests and projected revenue.
- 2) Begin regular coordination between King County Forestry staff and DNR staff to visit proposed harvest sites and conduct field assessments.
- Create a committee with representatives from each of King County's junior taxing districts to participate in the quarterly meetings, receive information on projected revenue, and provide input.
- 4) Begin directing a portion of the revenue from DNR harvests of which King County is a beneficiary to the DNRP Forestry Program to support DNRP's involvement in the collaborative management described above and for forestry activities that support forest carbon storage and related goals in the Strategic Climate Action Plan (SCAP) and Clean Water Healthy Habitat.
- 5) Explore the potential for a joint forest carbon project that would allow DNRP and DNR to pilot generating revenue from a mix of carbon and timber.

An important outcome of this work is the <u>webmap</u> that was created, which was used to evaluate DNR-managed parcels and will continue to be a valuable resource in making future decisions that support collaborative management and responsible stewardship.<sup>5</sup>

## III. Background

## **Department Overview**

The Department of Natural Resources and Parks (DNRP) supports sustainable and livable communities and a clean and healthy natural environment. Its mission is also to foster environmental stewardship and strengthen communities by providing regional parks, protecting the region's water, air, working lands, and natural habitats, and reducing, safely disposing of, and creating resources from wastewater and solid waste.

The Water and Land Resources Division (WLRD) has a biennial budget of approximately \$485 million. WLRD provides stormwater management services for unincorporated areas, supports three watershed-based salmon recovery forums, acquires and manages open space, restores habitat-forming processes on streams and major river systems, monitors water quality, controls noxious weeds, and provides economic and technical support for forestry and agriculture. As the primary service provider to the King County Flood Control District, WLRD reduces flood hazards to people, property, and infrastructure; inspects and maintains more than 500 river facilities; and partners in floodplain restoration. Additionally, WLRD operates the County's Environmental Lab and Science sections, which provide environmental monitoring, data analysis, and management and modeling services to partners, jurisdictions, and residents throughout the region. The King County Hazardous Waste Management Program—a collaborative effort with King County and its municipalities—is also part of WLRD.

#### **Historical Context**

The Washington State Department of Natural Resources (DNR) manages 5.6 million acres of forest, range, agricultural, aquatic, and commercial lands across the state, including trust lands where DNR is the manager for a variety of different trusts and their beneficiaries (Figure 1). These state trust lands are divided into two categories: federally granted lands (also referred to as State Lands) and State Forestlands (or State Forest Trust Lands, the term used throughout this report) (Figure 2).

The federally granted lands were bestowed by the U.S. Congress when Washington became a state in 1889. Management of the lands is guided by the federal Omnibus Enabling Act of 1889 as well as the Washington State Constitution, which directs sale, lease, and management of these lands. They cover approximately 3 million acres and were granted to provide support for a range of public needs, with revenue from them primarily funding public schools and universities (Table 1).

State Forest Trust Lands cover 619,319 acres across 21 counties. This category includes two subcategories: State Forest Transfer Lands and State Forest Purchase Lands (Table 1). The majority (539,926 acres) are State Forest Transfer Lands, most of which were harvested and abandoned lands that were acquired by counties through tax foreclosures in the 1920s and 1930s. In order to encourage reforestation and facilitate their management, counties deeded them to the state and they became part of the statutory trust, with management guided by state law. An additional 79,393 acres are State Forest Purchase Lands that were either purchased by the state or acquired as gifts; these lands did not pass through counties and are not part of the statutory trust (Table 1). State Forest Trust Lands generate 95 percent of their revenue from timber and counties are beneficiaries. Counties then distribute a portion of the revenue they receive to junior taxing districts; these funds help pay for county services, state schools, fire districts, ports, hospitals, libraries, and other services.

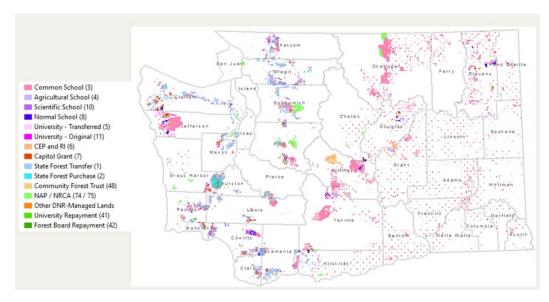


Figure 1. DNR-Managed Lands Across Washington, by Trust.

<sup>&</sup>lt;sup>6</sup> Ohlson-Kiehn et al., 2021.

<sup>&</sup>lt;sup>7</sup> DNR, 2006.

<sup>8</sup> https://apps.leg.wa.gov/rcw/default.aspx?cite=79.22.040

<sup>&</sup>lt;sup>9</sup> DNR, 2021.

Figure 2. State trust Lands, including federally granted lands and State Forestlands (or State Forest Trust Lands). 10

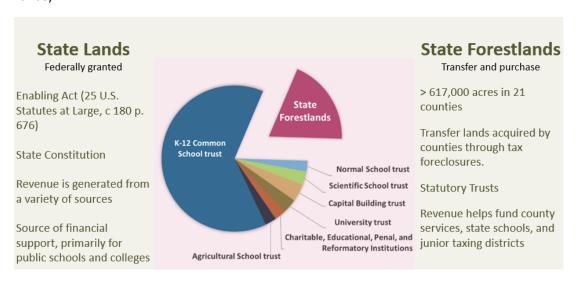


Table 1. State trust lands by trust (Data provided by DNR).

Trust Category	Trust	Statewide Acres	Beneficiary Use
Federally granted	Common School Trust	1,780,582	Supports construction of public K-12 schools
	Agricultural School Trust	71,143	Supports Eastern Washington University, Central Washington University, Western Washington University, and The Evergreen State College
	University Trust	89,061	Supports the University of Washington
	Charitable, Educational,	71,444	Supports institutions managed by the
	Penal, and Reformatory		Department of Social and Health Services,
	Institutions Trust		Department of Corrections, and the
			University of Washington
	Capitol Grant	109,489	Supports state government office buildings
	Normal School Trust	66,800	Supports Washington State University
	Scientific School Trust	84,252	Supports Washington State University
State	State Forest Transfer	539,926	Supports counties and junior taxing
Forest	Lands		districts in which the land is located
Trust	State Forest Purchase	79,393	
Lands	Lands		
Other	Water Pollution Control Division	5,960	Supports King County DNRP's Wastewater Treatment Division

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<sup>&</sup>lt;sup>10</sup> Ohlson-Kiehn et al., 2021.

Much of the authorization for the system of state trust land management originated in the 1920s. In 1923, the State Forest Board was created and the Reforestation Act was enacted, authorizing the purchase of forestlands for timber. All State Forest Purchase Lands were to be used primarily for forestry; the timber could be sold and the land could be leased but not sold. <sup>11</sup> Four years later, in 1927, State Forest Transfer Lands began to be established. <sup>12</sup> When DNR was created in 1957, it was assigned responsibility as trust manager for state trust lands. <sup>13</sup>

A more recent addition to DNR's forest management portfolio is just under 6,000 acres of forestland that were transferred from King County to DNR for management in 1995 for the benefit of King County's Water Pollution Control District (which became part of DNRP in 1996 after Metro and King County merged). Like State Forest Trust Lands, these lands are managed for long-term forestry for the benefit of DNRP's Wastewater Treatment Division (WTD).<sup>14</sup>

In addition to trust lands, DNR manages forests within two types of natural areas: Natural Area Preserves (NAP), which cover 41,344 acres statewide, and Natural Resources Conservation Areas (NRCA), which cover more than 125,000 acres across the state. <sup>15</sup> These areas are managed for protection of native ecosystems, habitat, and ecological communities, while allowing for low-impact public use; revenue production is not required. <sup>16</sup>

#### **Current Context**

DNR-Managed Forestlands in King County

As the manager of state trust lands, DNR is legally responsible for generating revenue and other benefits for each trust in perpetuity.<sup>17</sup> DNR follows land management policies established by the Board of Natural Resources, which includes representatives of each trust beneficiary, such as K-12 schools, the University of Washington and Washington State University, a governor's representative, and a timber counties representative. The Board approves timber sales; approves sales, exchanges, or purchases of trust lands; and establishes the sustainable harvest level for forested State Trust Lands.<sup>18</sup>

A portion of the revenue produced from state trust lands supports DNR's management, with revenue from federally granted lands placed into the Resource Management Cost Account (RMCA) and revenue from State Forest Transfer Lands placed in the Forest Development Account (FDA). The distribution can change over time, but currently beneficiaries receive 75 percent of revenue from State Forest Transfer Lands. For State Forest Purchase Lands, 50 percent is placed in the FDA, 23.5 percent goes to the state general fund, and 26.5 percent goes to the beneficiaries. In the case of King County Water Pollution District lands, 31 percent goes to the RMCA account and 69 percent goes to King County. <sup>19</sup>

<sup>&</sup>lt;sup>11</sup> DNR, 2006. https://www.dnr.wa.gov/publications/lm psf policy sustainable forests.pdf

<sup>&</sup>lt;sup>12</sup> Ohlson-Kiehn et al., 2021.

<sup>&</sup>lt;sup>13</sup> DNR, 2021.

<sup>&</sup>lt;sup>14</sup> DNR, 2006, 13.

<sup>&</sup>lt;sup>15</sup> DNR, 2021.

<sup>&</sup>lt;sup>16</sup> https://www.dnr.wa.gov/managed-lands/natural-areas

<sup>17</sup> DNR 2006

<sup>18</sup> https://apps.leg.wa.gov/rcw/default.aspx?cite=43.30.205

<sup>&</sup>lt;sup>19</sup> DNR, 2021.

In addition to revenue generation, the Multiple Use Act directs DNR to allow for other land uses, such as recreation, hunting, fishing, education, scientific studies, and watershed protection, as long as they do not interfere with meeting the financial obligations to the trust beneficiaries. <sup>20</sup>

King County and its junior taxing districts are the trust beneficiaries of 22,862 acres of State Forest Trust Lands, 93 percent of which are forested. In addition, DNR manages more than 50,000 acres of forestland in King County for other trusts and manages 28,384 acres of natural areas (Table 2).

Table 2. DNR-Managed Lands in King County (Data provided by DNR).

TRUST	Forested Acres	Non-Forested Acres	Total Acres
01 – State Forest Transfer	21,356	1,506	22,862
03 – Common School and Indemnity	35,804	2,879	38,683
04 – Agricultural School	1,105	65	1,171
05 – University – Transferred	61	3	64
06 – Charitable/Ed/Penal & Reformatory	353	160	513
07 – Capitol Grant	8,182	638	8,820
08 – Normal School	2,504	156	2,660
09 – Escheat	960	149	1,109
10 – Scientific School	3,141	195	3,335
11 – University – Original	835	47	881
12 – Community College Forest Reserve	16	2	18
13 – Administrative Site	7	4	11
74 – Natural Area Preserve	2,343	77	2,420
75 – Natural Resources Conservation Area	26,041	3,302	29,343
77 – King County Water Pollution Control	5,525	436	5,960
Division			
TOTAL ACRES	108,233	9,619	117,851

## King County DNRP Managed Forestlands

King County owns and manages approximately 30,000 acres in over 200 individual management units. More than 28,000 acres of this land are forested and managed by King County Parks. This includes approximately 4,000 acres of working forest, defined as "land managed to balance sustainable timber production with conservation, ecological restoration, and public use." <sup>21</sup> Across county-managed lands, the DNRP forestry program assesses forest conditions, determines management priorities, and implements forest management practices with a focus on long-term climate resilience, while balancing forestry activities with recreational uses. Any forestland acquired from DNR by King County would ultimately be managed by King County Parks.

<sup>&</sup>lt;sup>20</sup> https://apps.leg.wa.gov/rcw/default.aspx?cite=79.10.120

<sup>&</sup>lt;sup>21</sup> King County. 2022. Open Space Plan: Parks, Trails, and Natural Areas 2022 Update. King County Department of Natural Resources and Parks. Seattle, WA. 98 p., vi. <a href="https://kingcounty.gov/~/media/services/parks-recreation/parks/openspace/2022">https://kingcounty.gov/~/media/services/parks-recreation/parks/openspace/2022</a> KC OpenSpacePlan Update Final.ashx?la=en&hash=98D52B0EC7873364A18C B052E1B97B12

#### **Report Methodology**

DNRP staff worked to compile a wide range of spatial and stand-based forest data in consultation with DNR staff and other King County staff. DNRP worked with King County Information Technology (KCIT) to create maps and a rks, Tribal lands, watersheds, King County Council Districts, urban growth areas, and the Forest Production District. DNRP also obtained forest inventory data for state trust lands from DNR's Remote Sensing Forest Resource Inventory System (RS-FRIS) dataset. RS-FRIS provides modeled forest conditions for each of DNR's Resource Inventory Units (RIUs) based on field data and remotely sensed data at a scale of 1/10<sup>th</sup> of an acre. For past timber harvests, DNRP used a dataset provided by DNR that is used to track harvest activities on DNR-managed lands, which is derived from various datasets in its Land Resources Manager system. DNRP analyzed past harvests by year and decade, by harvest technique, and by region. The department also obtained a data layer from DNR that included all encumbrances to identify leases on trust lands.

DNRP included data on forest composition and age and completed timber harvests in the webmap, using those data to create summaries of forest types, age classes, and harvest histories. For the static maps (Appendix B), DNRP used the percent hardwood variable from RS-FRIS to group forests into four forest types: conifer-dominated, conifer-mixed, deciduous-mixed, and deciduous-dominated. From the same dataset, DNRP used the age variable (calculated from a composite of known dates of stand initiation that were recorded in historical inventory data and predicted dates in cases where these data were not recorded) and grouped forests into four age classes: 0-40 years, 40-80 years, 80-120 years, and 120+ years.

DNRP worked with staff from King County's Finance and Business Operations Division and the Assessor's Office, as well as the DNR Office of Budget and Economics, to compile revenue data; with the DNRP Tribal Liaison on tribal consultation; and with WLRD, the Parks Division (King County Parks), and the Director's Office to develop recommendations based on the information compiled. To identify parcels for potential acquisition, DNRP consulted with King County Parks Open Space staff and WLRD Basin Stewards, who have expertise in specific geographies within the County and asked them to review the webmap to identify any parcels that are currently DNR-managed state trust land where there could be a conservation or recreation gain by transferring ownership to King County. The list and map of parcels were then presented to the Land Conservation Initiative (LCI) team for review, and the refined list was reviewed by the DNRP Director's Office.

## **IV. Report Requirements**

## C. Review of Methods for Transferring Trust Lands from State to County Ownership (A.1)

This section describes the four methods available to transfer DNR-managed trust lands from state to county ownership: direct transfer, land exchange, Trust Land Transfer, and reconveyance. Each of these methods has specific criteria (including which types of lands are eligible) and processes required to implement them. Each method also requires approval from the Board of Natural Resources, which assesses proposed transfers, with an emphasis on whether it is in the best interest of the trust involved.

#### **Direct Transfer**

Direct transfer allows trust land in any category to be transferred to other public agencies at fair market value, which allows the recipient to use the land for any purpose allowed by local zoning. DNR uses the revenue to purchase replacement lands for the same trust.

#### Benefits

• The County can obtain high-priority parcels without restrictions on how the land is used.

#### Risks

- The County assumes financial responsibility for long-term management of the parcels.
- This approach may be less likely to provide significant conservation benefits relative to spending an equivalent amount to purchase privately owned land, since it is already in public ownership.

#### Land Exchange

Land exchange allows for the exchange of any State Trust Land and the timber on it for any land of equal value with other public or private parties, as long as it does not reduce the publicly owned forestland base. This exchange may be done for several reasons, including for DNR to acquire county-owned land. Any land exchanges must be approved by the Board of Natural Resources, which evaluates whether the exchange is in the best interest of the trust for which the state land is held. Prior to exchanging land, DNR is required to consult with state legislative members, other state and federal agencies, Tribes, local governments, conservation groups, and other interested parties to identify and address whether the state lands being considered for exchange have the potential to be used for open space, parks, schools, or critical habitat, and to address any cultural resource issues.<sup>22</sup>

#### Benefits

- The County may have an opportunity to acquire land with high conservation value, but that is less
  desirable to keep in the trust because it has low revenue-generating value without having to raise
  funds to purchase the land.
- There may be land owned by the County on which it generates little revenue due to staffing or other
  constraints that are not a barrier for DNR (e.g., where the lands are in proximity to other land DNR is
  actively managing). In these cases, land provided for exchange may become revenue-generating
  under DNR management.
- There may be parcels owned by the County that are under the management of a department other than DNRP that could be candidates for land exchange (e.g., another department could have surplus lands with no conservation value that could be traded for lands of high conservation value).

#### Risks

The County assumes financial responsibility for the long-term management of the parcels.

- Any land the County would offer for the exchange would need to have enough revenue-generating potential to be deemed in the interest of the trust. In many cases, this land may be of equal benefit to the County if it retains ownership.
- The County would be limited in lands available for exchange, since any lands with habitat, cultural, or recreational purposes would not be good candidates. For these lands, it would be preferable to keep them under King County DNRP management, where there is no mandate to generate revenue from them.

<sup>&</sup>lt;sup>22</sup> https://app.leg.wa.gov/rcw/default.aspx?cite=79.17.010

 Parcels that would be likely candidates for this process may also be candidates for Trust Land Transfer, which would not require providing any County land in exchange.

#### **Trust Land Transfer**

Trust Land Transfer (TLT) is a legislative tool for DNR to move land from trust status to conservation status, with a focus on lands with high ecological value and public benefits for recreation, but limited potential to generate income due to physical, legal, or other constraints. TLT was established in 1989 and revitalized in 2022 to meet the goals of maintaining ecological and public benefits. This is done by transferring high-priority parcels and replacing the transferred parcels with ones that can be managed for timber production or other types of revenue to improve the financial performance of state trust lands. Over 125,000 acres of state trust lands have been transferred through the program, including portions of public lands in King County, such as Mount Si NRCA (70 percent from TLT), Squak Mountain State Park, and Lake Sammamish State Park.<sup>23</sup> DNR has purchased more than 55,000 acres of revenue-generating replacement lands.<sup>24</sup>

As of 2022, any State Trust Land is eligible to be considered for TLT. This is a change from the past, when only land in the K-12 Common School Trust was eligible. The receiving agency must be a public agency, such as a county, city, public utility, or DNR's Natural Areas Program, or a federally recognized Tribe. Parcels can be nominated by the receiving agency itself or by other organizations, as long as they have obtained agreement from a receiving agency to accept and manage them. <sup>25</sup> The receiving agency does not have to purchase the parcels since the program is funded by the Washington State Legislature through a legislative appropriation. However, the receiving agency is committing to the long-term management of the parcels once they are transferred.

DNR reviews eligibility, prioritizes parcels, and seeks approval from the Board of Natural Resources. DNR reviews all parcels proposed for the program to verify that each one has a receiving agency and that the transfer is in the best interest of the trust beneficiaries. DNR also conducts outreach to Tribes and, if the parcels are State Forest Trust Lands, to counties and their taxing districts. DNR then works with an external advisory committee made up of nine to 12 members who represent trust beneficiaries, public agencies, Tribes, overburdened communities and vulnerable populations, and other interested parties. The advisory committee prioritizes parcels for each biennium using five criteria: ecological values, public benefits, Tribal support, economic impacts, and community involvement and support.

The Board of Natural Resources votes to amend, if needed, and approve the prioritized list, which is sent to the Legislature with a request for funding based on the estimated fair market value of all parcels on the list. The legislature sets a funding level, which may include some or all of the parcels. In 2023, for example, five out of 10 parcels submitted by DNR were selected for funding. For selected parcels, an appraisal is conducted and the value of each parcel, including timber, is placed in an account to be used to purchase replacement lands for the affected trust. In the case of State Forest Trust Lands, the county

<sup>&</sup>lt;sup>23</sup> https://www.dnr.wa.gov/managed-lands/land-transactions/trust-land-transfer/success-stories

<sup>&</sup>lt;sup>24</sup> DNR (Washington State Department of Natural Resources). 2022. Trust Land Transfer Land Portfolio Management Tool 2023-25. Washington State Department of Natural Resources, Olympia, WA. 32 p.

<sup>&</sup>lt;sup>25</sup> https://www.dnr.wa.gov/managed-lands/land-transactions/trust-land-transfer/selecting-receiving-agency

<sup>&</sup>lt;sup>26</sup> https://www.dnr.wa.gov/managed-lands/land-transactions/trust-land-transfer/advisory-committee

<sup>&</sup>lt;sup>27</sup> https://www.dnr.wa.gov/managed-lands/land-transactions/trust-land-transfer/prioritizing-list

in which the parcel is located can request a portion of the value of the timber or other valuable materials on the transferred land as a one-time payment (Figure 3).<sup>28</sup>

Figure 3. Trust Land Transfer for State Forest Trust Lands. 29



DNR seeks replacement lands that provide opportunities for revenue generation. In the case of State Forest Trust Lands, DNR tries to locate those replacement lands in the same county and, where possible, in the same tax district as the parcels being transferred.<sup>30</sup>

#### Benefits

- The County can obtain additional open space with no cost for acquisition.
- DNR can move lands that have high conservation value to a status for which revenue generation is no longer needed.
- The process is well-established and widely seen as beneficial for DNR, its beneficiaries, the receiving agencies, and the public, and it has the approval of and funding from the state Legislature.
- An explicit analysis of the effect on trust beneficiaries minimizes impacts to trust beneficiaries, including counties and junior taxing districts.
- In cases where State Forest Trust Lands are being transferred, there is a possibility of improving revenue generation for the County and junior taxing districts.
- Counties have "flexibility to request a portion of the appraised timber value of the transferred parcel as a one-time payment." This would allow the County to minimize near-term impacts on junior taxing districts since this one-time payment could be distributed in place of timber revenue. This is particularly beneficial if nominated parcels are scheduled for harvest within the next several years, resulting in only a short-term loss in harvest revenue.

#### Risks

- The County assumes financial responsibility for the long-term management of the parcels.
- A limited number of parcels are chosen for funding each biennium, so there is a risk that highpriority parcels for the County would not be selected.
- In the case of State Forest Trust Lands, there can be uneven impacts to junior taxing districts, as replacement lands may be located within a different tax area code than transferred lands, so future revenue could go to a different district.
- If high-priority conservation lands also have a strong potential for revenue generation, TLT would not be an effective means of transfer.

<sup>&</sup>lt;sup>28</sup> DNR, 2022; <a href="https://www.dnr.wa.gov/managed-lands/land-transactions/trust-land-transfer/transfer-and-replacement">https://www.dnr.wa.gov/managed-lands/land-transactions/trust-land-transfer/transfer-and-replacement</a>

<sup>&</sup>lt;sup>29</sup> DNR, 2022, 6.

<sup>&</sup>lt;sup>30</sup> https://www.dnr.wa.gov/managed-lands/land-transactions/trust-land-transfer/transfer-and-replacement

<sup>&</sup>lt;sup>31</sup> DNR, 2022, 5.

#### Reconveyance

Since 1969, state law has allowed for State Forest Trust Lands to be reconveyed by counties for park purposes. Reconveyance begins with a county determining that State Forest Trust Lands acquired by the state from that county under RCW 79.22.040 are needed by the county for public park use.<sup>32</sup> An application must be submitted by the county in the form of a resolution or order from a county legislative body that includes an outline of public recreation needs consistent with State Outdoor Recreation Plans. It also requires documentation of compliance with the State Environmental Policy Act (SEPA).<sup>33</sup> DNR evaluates the proposal and presents it to the Board of Natural Resources. If the application is approved, the land is deeded to the county.<sup>34</sup>

After reconveyance, DNR retains the timber rights, so the timber resources continue to be managed by DNR "to the extent that this is consistent with park purposes" and is approved by the county. <sup>35</sup> Once land has been reconveyed, DNR contacts the county five and ten years after the deed transfer to determine if the land is being used for public park purposes. <sup>36</sup> If the land is not ultimately used or ceases to be used for park purposes, it can be conveyed back to DNR. <sup>37</sup>

Reconveyance is a much less commonly used tool than TLT, but has been used or explored by some counties, both in cases where the county wanted less timber harvest and where the county wanted more timber harvest than under DNR management. A prominent example of the former is Whatcom County's reconveyance of 8,844 acres of forestland around Lake Whatcom. According to Whatcom County Parks and Recreation, "the county recognized that efforts to provide additional protection to the Lake Whatcom watershed and water quality could also be accommodated through the broad interpretation of park purposes and implementation of best management practices." 38

According to Whatcom County documents and staff, it was a lengthy process, beginning with the county formulating a proposal in 2006. It was not until 2013 that the proposal was approved by the county council and DNR's Board of Natural Resources, and the deed was signed in 2014. The proposal was widely supported but, according to Whatcom County staff, did face some opposition from the timber industry and school district since it would take those acres out of timber production and would affect revenue to the county and junior taxing districts, which include schools. Once transferred, Whatcom County sought to manage the forest toward older forest conditions, to provide watershed benefits, low-impact recreation, and connectivity to existing trails, parks, and communities. <sup>39</sup> In Whatcom County's review of the potential for recreational use on the reconveyed land, it was noted that, while recreational uses are allowed on State Forest Trust Lands, there were no established trail systems or facilities and

<sup>32</sup> https://app.leg.wa.gov/rcw/default.aspx?cite=79.22.040

<sup>&</sup>lt;sup>33</sup> DNR. 2012. Reconveyance of Forest Land to a County for Public Park Purposes. DNR Procedure PR15-007-011, 5 July 2012; <a href="https://app.leg.wa.gov/rcw/default.aspx?cite=79.22.040">https://app.leg.wa.gov/rcw/default.aspx?cite=79.22.040</a>

<sup>&</sup>lt;sup>34</sup> DNR (Washington State Department of Natural Resources). 2017. Reconveyance of State Forest Transfer Lands. Presentation to the Board of Natural Resources, 4 April 2017.

<sup>35</sup> RCW 79.22.310: Timber resource management. (wa.gov)

<sup>&</sup>lt;sup>36</sup> DNR. 2012.

<sup>37</sup> https://app.leg.wa.gov/RCW/default.aspx?cite=79.22.300

<sup>&</sup>lt;sup>38</sup> Whatcom County Parks and Recreation. 2016. Lookout Mountain Forest Preserve and Lake Whatcom Park Recreational Trail Plan. June 2016. 52 p., 2

<sup>&</sup>lt;sup>39</sup> Whatcom County Parks and Recreation. 2014. Lake Whatcom Reconveyance. Park Planning Session Presentation, 29 April 2014. <a href="https://www.whatcomcounty.us/ArchiveCenter/ViewFile/Item/793">https://www.whatcomcounty.us/ArchiveCenter/ViewFile/Item/793</a>.

there was "a substantial amount of unauthorized...trail building." As such, management by Whatcom County was seen as enhancing recreational opportunities and management.

#### Benefits

- There is no cost to King County for the acquisition of the parcels, so there is potential for the County to acquire parcels of high conservation priority without acquisition costs.
- If high-priority conservation lands have strong potential for revenue generation, reconveyance could be a more effective means of transfer than TLT.
- Forest management for forest health is allowed, so there could be an opportunity to generate
  revenue from thinning projects, depending on the forest conditions. Since DNR retains the timber
  rights on reconveyed parcels, any revenue would be distributed in the same manner as timber
  harvests prior to reconveyance.

#### Risks

- The County would take ownership of the parcels and become responsible for operations and management costs.
- There would be lost revenue from future timber harvests on the reconveyed parcels, which would affect the County and junior taxing districts.

## A. Potential Benefits and Risks of King County Taking Ownership (A.2)

This section will include a discussion of some of the benefits and risks of King County taking ownership of some or all State Forest Trust Lands.

Any decision to transfer DNR-managed land to King County would require an assessment of the potential benefits and risks associated with the change in forest ownership and management. To assess potential risks and benefits of County-versus-DNR ownership of trust lands broadly, it is important to understand baseline management strategies that govern how lands are managed by the two entities. For any specific parcels, more detailed analysis of forest conditions and other site variables would be needed. This is particularly true for potential climate mitigation effects, which require analysis at the forest stand level. Nonetheless, some broad inferences can be made by evaluating management guidelines and practices for each agency.

## **DNR Forest Management**

DNR forestlands are managed under the Policy for Sustainable Forests, which is intended to guide DNR's management "to conserve and enhance the natural systems and resources of forested state trust lands managed by DNR to produce long-term, sustainable trust income, and environmental and other benefits for the people of Washington." This policy provides direction for DNR to manage for economic performance, ecosystem health and productivity, and social and cultural benefits from forested trust lands.

<sup>&</sup>lt;sup>40</sup> Whatcom County. 2013. Review of the Lake Whatcom Reconveyance Proposal Recreational Use 1/15/13. https://www.whatcomcounty.us/ArchiveCenter/ViewFile/Item/797.

<sup>&</sup>lt;sup>41</sup> DNR, 2006, 3.

DNR manages forestland in compliance with federal and state laws as well as Board of Natural Resources policy. Among federal laws, the Endangered Species Act (ESA) strongly influences DNR activities. To comply with the ESA, DNR signed a multispecies habitat conservation plan in 1997. The State Trust Land Habitat Conservation Plan (HCP) covers 1.6 million acres of forested state trust lands and focuses on providing habitat for northern spotted owl, marbled murrelet, and riparian-dependent species, such as salmon and bull trout. It also requires conservation actions for uncommon habitats and habitat elements, such as old-growth forests in the five habitat conservation planning units in Western Washington. Two of the five Western Washington HCP planning units include parts of King County: North Puget Sound and South Puget Sound.<sup>42</sup>

In addition, in 2006, the Forest Practices Habitat Conservation Plan was adopted to support protection and restoration of salmon and aquatic habitats. This plan ensures state compliance with the ESA as applied to several salmonid stocks and the federal Clean Water Act. This conservation plan applies to all forested state trust lands, including those not covered by the State Trust Land HCP. Each of these plans strive to assure long-term conservation of many species and their habitats while providing public recreation opportunities and a sustainable source of timber.<sup>43</sup>

DNR also manages in compliance with state laws related to public land management. <sup>44</sup> This includes the sustainable harvest requirement, which directs DNR to manage for sustainable yield, defined as "management of the forest to provide harvesting on a continuing basis without major prolonged curtailment or cessation of harvest." <sup>45</sup> DNR must calculate and periodically adjust a sustainable harvest level, defined as "the volume of timber scheduled for sale from state-owned lands during a planning decade as calculated by DNR and approved by the Board of Natural Resources." <sup>46</sup> In the process of calculating the sustainable harvest level, some stands that are considered important to meeting ecological objectives may be designated as either short-term or long-term harvest deferrals. Under current state policy, this includes deferred harvest for old-growth stands (five acres or larger that originated naturally before 1850). <sup>47</sup> Other policies that affect the scale of DNR timber harvests include those related to watershed systems, under which DNR "generally limits the size of even-aged harvest units to 100 acres," unless there are ecological benefits to larger harvest areas, such as reducing the number of roads needed. <sup>48</sup>

Another key law guiding DNR management is the Forest Practices Act, which applies to all nonfederal and non-Tribal forestlands, including DNR-managed state trust lands, and is intended to protect public resources and maintain a viable timber industry. <sup>49</sup> Most DNR harvests are also reviewed under the State Environmental Policy Act (SEPA).

In addition, all DNR-managed forestland is certified under the Sustainable Forestry Initiative (<u>SFI</u>) and DNR-managed lands south of I-90 are also certified by the Forest Stewardship Council (<u>FSC</u>). Each of

<sup>&</sup>lt;sup>42</sup> https://www.dnr.wa.gov/programs-and-services/forest-resources/habitat-conservation-state-trust-lands

<sup>&</sup>lt;sup>43</sup> https://www.dnr.wa.gov/programs-and-services/forest-practices/forest-practices-habitat-conservation-plan

<sup>44</sup> https://apps.leg.wa.gov/RCW/dispo.aspx?cite=79

<sup>&</sup>lt;sup>45</sup> DNR, 2006, 28.

<sup>&</sup>lt;sup>46</sup> DNR, 2006, 18.

<sup>&</sup>lt;sup>47</sup> DNR, 2006.

<sup>&</sup>lt;sup>48</sup> DNR, 2006, 37.

<sup>&</sup>lt;sup>49</sup> DNR, 2006; <a href="https://apps.leg.wa.gov/rcw/default.aspx?cite=76.09">https://apps.leg.wa.gov/rcw/default.aspx?cite=76.09</a>

those certification programs require forestland managers to meet standards for environmental and social responsibility while also ensuring the long-term economic viability of covered forestland.

Thus, although DNR manages land for sustainable timber harvest as a fiduciary for trust beneficiaries, various management plans and department objectives result in management that is generally less intensive than typical industrial forestland.

#### King County DNRP Forest Management

Management of forestlands by King County Parks is guided by four primary documents: King County Comprehensive Plan, Strategic Climate Action Plan (SCAP), Open Space Plan, and 30-Year Forest Plan. In addition, Clean Water Healthy Habitat (CWHH) and the Land Conservation Initiative (LCI) set broad goals related to forest cover that influence protection and management of forests by DNRP. CWHH highlights forests and green space as one of six goal areas and sets the goal of no net loss of forest cover in any King County watershed. LCI seeks to conserve 65,000 acres of high-priority land, much of which is forested, over the next 30 years.

The King County Comprehensive Plan (Comprehensive Plan) was last updated in 2022 and is undergoing a full update in 2024. There are several key policies in the Comprehensive Plan that provide guidance and direction for management of County-owned forestlands. Among the current policies (and proposed edits included in the Public Review Draft) are:

- R-622 King County recognizes the many values provided by the public forestland in the county
  and encourages continued responsible forest management on these lands. King County should
  collaborate with other public land managers in planning for the restoration, conservation, use,
  and management of forest resources on public lands for multiple public values, such as
  sustainable supplies of timber, carbon storage and sequestration, and other ecosystem benefits.
- P-116 Working forestland and conservation easements owned by King County shall provide large tracts of forested property in the Rural Forest Focus Areas, the Forest Production District, and Rural Area. These areas shall remain in active forestry, protect areas from development, or provide a buffer between commercial forestland and adjacent residential development, and may provide ecological or recreational benefits.
- P-117 Management goals for working forestland owned by King County shall include enhancing ecological benefits and functions, demonstrating best forest management practices, providing passive recreation opportunities, and generating revenue to facilitate sustainable management of those sites.<sup>50</sup>

Executive Order PUT 8-18 (Implementation of Forestry Policies), which was issued in March 2002, provides direction to DNRP, in coordination with other executive departments, to implement Comprehensive Plan policies regarding forestry. <sup>51</sup> The Executive Order stresses the need to balance timber production, conservation and restoration of natural resources, and public use on County-owned properties, and recognizes the value of County-owned forestlands as demonstration areas for sound forestry practices. <sup>52</sup>

<sup>&</sup>lt;sup>50</sup> King County, 2024. <a href="https://cdn.kingcounty.gov/-/media/king-county/depts/council/comprehensive-plan/2024/2023-0440-attachment-a.pdf?rev=84d600c276534543ac4e72ccdfff0a9e&hash=CFCCC4E17D42B996AC44CD7BE471930D">https://cdn.kingcounty.gov/-/media/king-county/depts/council/comprehensive-plan/2024/2023-0440-attachment-a.pdf?rev=84d600c276534543ac4e72ccdfff0a9e&hash=CFCCC4E17D42B996AC44CD7BE471930D</a>

<sup>&</sup>lt;sup>51</sup> https://kingcounty.gov/en/legacy/about/policies/executive/utilitiesaeo/put818aeo

<sup>52</sup> https://kingcounty.gov/en/legacy/about/policies/executive/utilitiesaeo/put818aeo

The King County Strategic Climate Action Plan (2020) includes many strategies focused on protection and management of public and private forestland in both rural and urban King County. Several of those strategies help guide management of County-owned forestland, including:

- **GHG 6.2.3** Launch the Rural Forest Carbon Program and include options for both Countyowned and private forestland.
- **GHG 6.3.1** Complete forest stewardship plans: maintain progress toward completing plans to inform restoration priorities and activities on King County-owned property.
- **GHG 6.4.1** Double the pace of forest restoration. Restoration will prioritize County-owned forestlands most in need of ecological treatment per 2020 analysis and align with appropriate Forest Stewardship Plans. Activities could include removing invasive species, young stand management, and afforestation. King County's objective is to place these additional acres on a climate-ready trajectory, on a path toward later seral, mature forested conditions that can better absorb and adapt to disturbances, such as changing temperatures, attacks by pests, and diseases. <sup>53</sup>

The Open Space Plan (2022) is a functional plan of the King County Comprehensive Plan and provides a policy framework for how the County plans, develops, manages, and expands its complex of parks, trails, and open space. There are several classifications for County-owned forestlands, which recognize the potential uses and management objectives for each parcel. Although active forest management is an explicit objective for lands designated as working forests, a range of active forest management practices are possible on all forestlands to improve forest health, climate resilience, and recreational opportunities. Key forest management-related policies included in the Open Space Plan include:

- OS-115 Management goals for working forestlands should include enhancing ecological benefits and functions, demonstrating best forest management practices, providing passive recreation opportunities, and generating revenue to facilitate sustainable management of those sites.
- **SO-143** King County will promote forest management and restoration to conserve and enhance forest ecosystem health and contribute to improved water and air quality, surface water management, fish and wildlife habitat, aesthetics, climate change adaptation, and energy conservation.
- **SO-144** King County should be a leader in natural resource management by demonstrating environmentally sound and sustainable forest practices on County-owned open space sites that result in retention of forest cover and improved forest health. This may include adopting forest management practices that promote carbon sequestration.
- **SO-145** King County will conserve and manage forested areas for the health of the forest ecosystem and, where appropriate, as viable working resource lands.<sup>54</sup>

The 2021 30-Year Forest Plan was developed to expand and enhance forest cover in King County by 2050. Although most of the priorities and goals outlined in the 30-Year Forest Plan were developed to apply to all forestlands, regardless of ownership, several of the goals influence management of County-owned forestland, including:

<sup>&</sup>lt;sup>53</sup> King County, 2020. <a href="https://kingcounty.gov/legacy/services/environment/climate/actions-strategies/strategic-climate-action-plan.aspx">https://kingcounty.gov/legacy/services/environment/climate/actions-strategies/strategic-climate-action-plan.aspx</a>

<sup>&</sup>lt;sup>54</sup> King County, 2022.

- **Goal 1.1** Increase the amount of carbon stored in forests in King County to the greatest extent practicable while protecting biodiversity and improving forest health.
- Goal 1.2 Increase the resilience of existing forests and newly planted trees to the effects of climate change.
- Goal 2.1 Increase the area of healthy and resilient forestland.
- **Goal 5.2** Protect, increase, and improve the extent and health of forests in the headwaters of salmon streams to improve ecological function and protect water quality and quantity.
- Goal 6.1 Maintain and expand forest cover in areas identified as having poor water quality or high pollutant loads to streams and rivers, where forest cover improvement can provide benefits.
- **Goal 7.1** Maintain healthy working forests and prevent forest fragmentation and the conversion of working forests to non-forested uses.
- Goal 7.2 Increase the use of forestry practices that improve ecological functions (such as carbon sequestration, fish and wildlife habitat, and hydrologic cycling) in working forests.<sup>55</sup>

In addition to policy guidance, County-owned forestlands that are scheduled for significant timber removal are currently certified under FSC or are proposed to be certified under FSC. Certification provides important third-party oversight of timber harvests and reforestation.

Although revenue generation is never the primary objective of timber harvests on King County-owned property, these actions may still generate revenue, which is earmarked for forest management activities. Revenue from timber harvests on County-owned land, whether classified as working forestland or not, is used to maintain, manage, and further conserve forested areas.

#### **DNR and DNRP Management Summary**

These plans and policies provide clear guidance to DNR and DNRP forest managers that forestland should be managed for multiple benefits, which include endangered species recovery, improved forest and ecosystem health, enhanced resilience to climate change, passive recreation, and sustainable forest management. As trust land manager, DNR has the added fiduciary responsibility to generate revenue for the benefit of trust beneficiaries. <sup>56</sup> That additional responsibility results in DNR-managed forestlands being managed more intensively than similar forests in the DNRP inventory.

## Assessment of Potential Benefits and Risks

Many of the issues identified in section A.2 are captured in the seven priorities outlined in the 30-Year Forest Plan (climate, forest health, urban forest canopy, human health, salmon habitat, water quality, and quantity, sustainable timber). <sup>57</sup> The following discussion assesses potential benefits and risks associated with those priorities should King County assume ownership and management responsibility for forestland currently managed by DNR. DNRP also addresses equity and social justice implications, which were integrated into all seven of the priorities rather than treated separately. Financial issues are addressed in section A.4, which covers revenue from DNR management. Transfer of parcels to King County would lead to a loss of revenue from timber harvest as well as a need for funding to manage the land once it is transferred. If King County used any of the transfer tools for all or a large portion of the

<sup>&</sup>lt;sup>55</sup> King County, 2021. <a href="https://kingcounty.gov/en/legacy/services/environment/water-and-land/forestry/forest-policy/30-year-forest-plan.aspx">https://kingcounty.gov/en/legacy/services/environment/water-and-land/forestry/forest-policy/30-year-forest-plan.aspx</a>

<sup>&</sup>lt;sup>56</sup> DNR, 2006.

<sup>&</sup>lt;sup>57</sup> King County, 2021.

approximately 23,000 acres of State Forest Trust Lands, it would constitute a large increase in King County Parks' inventory, necessitating an increase in funding to manage that land.

**Climate:** Contribute to climate change mitigation by increasing carbon sequestration and storage in King County forests and increase resilience and preparedness for climate change effects on forests.

## Benefits

 Reduced removal of standing biomass; potential increase in carbon storage with extended harvest age; potential to incorporate qualified stands into King County Forest Carbon Program to generate revenue for future forestland protection; increased focus on sourcing seed from sites that represent future modeled climate.

#### Risks

Long-term reduction in carbon sequestration potential as managed forests, which capture
significant amounts of carbon during first 100 years, are replaced with reserve stands that exhibit
reduced rates of sequestration as forests mature.

**Forest Health:** Improve and restore forest health, including increasing resilience to disease, invasive species, drought, and climate change; sustaining biodiversity, improving wildlife habitat, and restoring connectivity; and maintaining or improving ecological functions.

## Benefits

 Reduction in rates of timber harvest and shift in focus towards thinning and replanting with a more diverse species mix could provide opportunities to increase species and structural diversity.

## Risks

• Reduction in rates of timber harvest may not be replaced with forest health improvement activities if King County does not have sufficient resources or staff.

**Urban Forest Canopy:** Increase tree canopy in urban areas, with a focus on areas with the lowest canopy cover and maintain and improve the health of existing urban forests. There are few DNR parcels located within the UGA (Urban Growth Area) and those that are located within UGA are often not strong candidates for harvest.

No benefits or risks were identified.

**Human Health:** Prioritize tree canopy improvements and increased access to forested spaces to improve human health outcomes and advance health equity. DNR properties are typically accessible to the public and passive recreation opportunities are similar to those found in King County-owned properties.

#### Benefits

• Strategic linkage of King County-owned properties could enhance trail connectivity and improve visitor access; access to King County-owned properties is less restricted in some cases (e.g., no passes required on any King County properties).

## Risks

None identified.

**Salmon Habitat:** Increase and improve forest cover and condition in areas where it can enhance salmon habitat. Both DNR and King County have similar goals and objectives for salmonid conservation. DNR is further required (under a 2013 federal court decision) to remove state-owned culverts that block salmon and steelhead access to upstream habitat; King County does not have a court mandate but has similar objectives and has an established fish passage restoration program.

## Benefits

 Reduced intensity of harvest may have benefits for salmon habitat, but the effects would be sitedependent.

#### Risks

None identified.

**Water Quality and Quantity:** Maintain and expand forest canopy where it provides the most benefit for improving water quality and quantity, reducing stormwater runoff, and reducing flooding.

#### Benefits

Reduced intensity of harvest may have water quality/quantity benefits; however, significant
protections for aquatic resources apply to both parties.

#### Risks

None identified.

**Sustainable Timber:** Support an ecologically sustainable and economically viable timber industry that promotes maintenance of ecological functions in working forests and local economic development.

#### Benefits

• None identified. King County would continue to harvest timber as part of forest health improvement efforts, but timber volume would be reduced.

#### Risks

• Reduced timber available to local buyers.

**Equity and Social Justice:** Fair access to opportunities and concern for the needs of individuals and communities.

#### Benefits

• Explicit mandate to provide more equitable access to lands in King County's inventory; resources allocated to enhance access and user experience.

#### Risks

• Tribes could be concerned with potential impacts of greater recreational use.

## B. Identification of Tribal Governments to be Consulted on Land Transfers (A.3)

Tribes have a vested interest in how forests are managed in the county, and King County seeks to consult with Tribes about significant changes in forest management. A transfer of land from DNR to King County using any of the methods described in section A.1. could involve a change in forest management

once the land is under King County ownership. In these cases, King County should consult with Tribes in areas in which they have cultural heritage, family legacy, Treaty rights, or the presence of or proximity to reservation land or other Tribally owned land (Table 3).

When evaluating potential land transfers, King County should consider the factors above, as well as the transfer method being used, in planning consultation with tribes. With some transfer methods, such as Trust Land Transfer, tribal consultation is led by DNR as part of the existing process. With other transfer methods, such as reconveyance, consultation should be led by the County.

Table 3. Tribal Land O	wnership in	King County.
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Tribe	Area (acres)	Location (basin where land is located)
Muckleshoot	49,600	White, Green, Cedar, Vashon Island
Snoqualmie	12,428	Snoqualmie, Sammamish
Tulalip	1,003	Skykomish
Puyallup	29	Hylebos Creek, Vashon Island
Upper Skagit	12	Snoqualmie
Shoalwater Bay	10	Sammamish
Duwamish	5	Duwamish
Cowlitz	3	Green

## C. Revenue Generated for the County over the Past Decade (A.4)

As noted above, 25 percent of the revenue produced from State Forest Transfer Lands is retained by DNR and is placed in the Forest Development Account (FDA), while beneficiaries receive the other 75 percent. In the case of revenue from King County Water Pollution District lands, the split is 31 percent/69 percent. When King County receives revenue from DNR, it is distributed based on the property tax system, with different funds within a levy district receiving allocations based on their property tax rate, while the remainder goes to county-wide funds, such as the state, the Port of Seattle, and King County funds.

Since 2014, annual revenue received by King County has ranged from just under \$1 million (in 2015) to \$4.6 million (in 2021), with an average of \$2.4 million annually and a total of \$24.2 million over the past decade, as seen in Table 4.

Of the \$24.2 million, just more than \$10 million has remained with the county. King County DNRP's Wastewater Treatment Division (WTD) received 44 percent of the revenue (\$4.6 million) that remained with the county because it was generated on King County Water Pollution Control District lands, and the majority (65 percent) of the revenue to WTD was distributed in the last three years (2021-23). Over the past decade, the County Road Fund received \$3.2 million and the General Fund received \$1.1 million. All other funds received less than \$500,000 over the same time period; the Emergency Medical Service received \$444,000, Best Starts for Kids received \$197,000, and more than a dozen other funds received amounts between \$5,000 and \$175,000.

School districts in King County collectively received \$6.1 million over the past decade, with the majority going to the Riverview School District (Duvall-Carnation) and the Issaquah School District, which received \$2.5 million and \$2.3 million, respectively. Snoqualmie Valley School District and Enumclaw

School District were next, with \$725,000 and \$619,000, respectively. The State of Washington also received \$4.6 million, which was allocated to school funds.

Fire districts in King County received \$1.6 million, with the largest allocations to Fire District 45/Duvall Fire (\$1 million) and Eastside Fire (\$536,000). Much smaller amounts went to hospitals, which together received \$379,000, while the King County Library System received \$670,000.

Table 4. Distribution of Revenue from State Forest Transfer Lands (Trust 1) and King County Water Pollution District Lands (Trust 77), 2014-2023 (rounded to the nearest \$1,000; data provided by King County Finance and Business Operations).

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	10-Yr Total
King County											
Except WTD	\$575,000	\$331,000	\$660,000	\$225,000	\$363,000	\$807,000	\$780,000	\$1,168,000	\$713,000	\$238,000	\$5,861,000
King County											
DNRP-WTD	\$709,000	\$70,000	\$40,000	\$289,000	\$89,000	\$330,000	\$51,000	\$741,000	\$1,083,000	\$1,173,000	\$4,569,000
Enumclaw											
SD	\$176,828	\$2,072	\$6,888	\$4,178	\$1,915	\$0	\$14,411	\$322,756	\$78,716	\$10,483	\$619,000
Riverview SD	\$385,019	\$76,390	\$21,082	\$16	\$183,307	\$302,389	\$736,395	\$374,550	\$264,121	\$117,533	\$2,461,000
Tahoma SD	\$0	\$0	\$2,452	\$23,245	\$3,619	\$27,353	\$2,846	\$3,702	\$3,683	\$8	\$67,000
Snoqualmie											
Valley SD	\$1,276	\$51,802	\$558,351	\$7,479	\$4,039	\$2,053	\$2,745	\$1,896	\$3,140	\$91,406	\$725,000
Issaquah SD	\$105,506	\$220,105	\$191,137	\$208,220	\$188,208	\$500,985	\$22,609	\$458,072	\$353,225	\$18,802	\$2,267,000
Eastside Fire	\$18,000	\$9,000	\$49,000	\$55,000	\$53,000	\$150,000	\$4,000	\$86,000	\$107,000	\$5,000	\$538,000
Fire District											
27/Fall City	\$3,000	\$1,000	\$1,000	\$1,000	\$0	\$5,000	\$4,000	\$5,000	\$3,000	\$2,000	\$24,892
Fire District											
45/Duvall	\$194,000	\$39,000	\$10,000	\$0	\$80,000	\$153,000	\$256,000	\$136,000	\$105,000	\$43,000	\$1,016,000
Evergreen											
Hospital	\$40,000	\$8,000	\$2,000	\$0	\$16,000	\$26,000	\$61,000	\$33,000	\$24,000	\$10,000	\$220,000
Snoqualmie											
Valley											
Hospital	\$7,000	\$10,000	\$70,000	\$7,000	\$13,000	\$2,000	\$2,000	\$5,000	\$34,000	\$9,000	\$159,000
KC Flood											
Control											
District	\$21,000	\$12,000	\$21,000	\$7,000	\$11,000	\$24,000	\$22,000	\$31,000	\$19,000	\$6,000	\$174,000
KC Library											
System	\$79,000	\$43,000	\$78,000	\$26,000	\$41,000	\$91,000	\$85,000	\$125,000	\$76,000	\$25,000	\$670,000
Issaquah	4	<b>.</b>		4							4
Library	\$2,000	\$4,000	\$3,000	\$4,000	\$4,000	\$0	\$0	\$0	\$0	\$0	\$17,000
State of											
Washington	\$347,000	\$195,000	\$357,000	\$117,000	\$292,000	\$641,000	\$709,000	\$1,081,000	\$653,000	\$216,000	\$4,610,000
Port of	4	4.4		4	4	4	4	4 - 4	4	4	
Seattle	\$30,000	\$16,000	\$28,000	\$9,000	\$14,000	\$30,000	\$28,000	\$42,000	\$26,000	\$9,000	\$232,000
Annual	\$2,695,00										
Total	0	\$1,089,000	\$2,099,000	\$983,000	\$1,356,000	\$3,091,000	\$2,781,000	\$4,615,000	\$3,546,000	\$1,973,000	\$24,223,000

## D. Potential Contribution to Key Initiatives (A.5)

Assuming ownership and management responsibility for DNR-managed trust lands has potential to align with existing County efforts, such as the SCAP and 30-Year Forest Plan, as outlined in section A.2. However, a parcel-by-parcel analysis would be required to determine whether and how much these acquisitions could make to specific goals within those plans. At the same time, many of the goals identified in those plans also could be achieved under continued DNR management, especially if King County increases cooperative management with DNR, as detailed in section A.10.

Transfer of lands to King County would be less likely to contribute to CWHH or LCI. Since the land cover is forest under either DNR or King County management, transfer would not directly contribute to efforts that focus on maintaining or increasing forest cover. In the case of CWHH, the goal of no net loss of forest cover in any King County watershed would not be affected by transfer from DNR to King County. And, in the case of the LCI, publicly owned properties were excluded from the analysis when the 65,000 acres of priority open space parcels were identified, so transfer of parcels from DNR to King County would not contribute to that goal.

## E. Location, Characteristics, and Use of County Trust Lands (A.6.a-e)

## Locations and Sizes of Parcels (A.6.a)

There are more than 100,000 acres of DNR-managed land in King County, including both trust lands and conservation lands, the majority of which are forested. More than 70 percent of trust land acres in the county are in the State Forest Transfer and the Common School trusts (further details discussed above, Table 2).

DNR-managed trust lands are concentrated in three areas in King County: a northern group of parcels, located east of Duvall near the border with Snohomish County; a central group of parcels, located on either side of I-90 from Issaquah to east of North Bend; and a southern group of parcels, located on either side of the Green River. Each of these groupings includes State Forest Trust Lands as well as lands managed on behalf of other trusts (Appendix B, Map 1). In the central group of parcels, Tiger Mountain State Forest and Raging River State Forest make up a large part of the trust land acreage (20,425 acres) and King County is a beneficiary of almost half of that area.

The <u>webmap</u> accompanying this report allows for detailed viewing of all DNR-managed parcels in King County, including details on location (watershed, proximity to the forest production district and urban growth area, proximity to King County Parks), acreage, and trust for which parcels are managed. For each parcel, it also allows for viewing of the forest composition, age layers, and completed timber harvest layer discussed below.

## Forest Types and Age Classes (A.6.b)

DNR-managed forests in King County are primarily conifer-dominated and conifer-mixed forests, with more than 70,000 acres of trust lands in these forest types (Table 5). In all three geographic groups of parcels, conifer-dominated forests make up most of the acreage. There are small extents of deciduous forests in each region, except for the southern group of parcels, which is almost entirely conifer-dominated and conifer-mixed (Appendix B, Map 2).

Table 5. Forest Composition on DNR-Managed Land (including natural areas) and DNR-Managed Trust Lands (excluding natural areas) in King County.

Forest Composition	All DNR-Managed Land (Acres)	DNR-Managed Trust Lands (Acres)
Conifer-dominated	69,595	52,126
Conifer-mixed	24,432	20,015
Deciduous-mixed	7,199	5,927
Deciduous-dominated	698	441

Forests on DNR-managed trust lands in King County are predominantly less than 80 years old, with approximately half the acreage in the 40- to 80-year age class and one-third in the less-than-40-year age class (Table 6). Older forests make up a much smaller proportion of trust lands, with 7 percent of trust lands in the 80-to-120-year age class and 2 percent in the 120+ year age class.

Of the total acreage of older forests (80 years old and greater) managed by DNR in King County, about half is on trust lands and half is in natural areas (Table 6). These older forests are more heavily concentrated in the southern group of parcels, on either side of the Green River (Appendix B, Map 3).

Table 6. DNR-Managed Land in King County by Age Class (Acres).

Age Class	All DNR-Managed	DNR-Managed	DNR-Managed	
	Land (Acres)	Trust Lands (Acres)	Natural Areas	
0-40 years	29,639	27,287	2,348	
40-80 years	58,056	44,020	14,029	
80-120 years	10,870	5,661	5,209	
120+ years	3,359	1,541	1,818	

#### Recreation and Other Non-Forestry Uses (A.6.c)

In an evaluation of the recreational benefits generated by trust lands across the state, hiking provided the greatest value, followed by hunting, and wildlife watching. <sup>58</sup> DNR-managed lands in King County include several of DNR's most well-known recreation areas. DNR manages more than 30,000 acres of natural areas in King County, including Middle Fork Snoqualmie NRCA, Mount Si NRCA, and West Tiger Mountain NRCA. <sup>59</sup> Many of the DNR-managed trust lands are also widely used for recreation, in particular Tiger Mountain State Forest and Raging River State Forest, which are regionally significant and popular for hiking, trail running, horseback riding, paragliding, and mountain biking. More than 70 percent of Tiger Mountain State Forest consists of State Forest Trust Lands (6,891 out of 9,536 acres), while 38 percent of Raging River State Forest consists of parcels in the Water Pollution Control Division Trust (2,962 out of 10,889 acres).

All of the above recreation areas are concentrated within the central group of parcels. DNR trust lands in the northern and southern group of parcels are also used for dispersed recreation. For example,

<sup>&</sup>lt;sup>58</sup> Cousins, K., Mojica, J., Madsen, T., Armistead, C., and Fletcher, A. 2020. Trust Land Performance Assessment: Non-Market Environmental Benefits and Values. Earth Economics. Tacoma, WA. 51 p. https://www.dnr.wa.gov/publications/em\_trustassessment\_nonmarket.pdf

<sup>&</sup>lt;sup>59</sup> https://www.dnr.wa.gov/tiger#TMRRRecreation

Marckworth State Forest east of Duvall does not have any developed or designated recreation sites, trails, or facilities, such as trailheads or parking areas, but is open for nonmotorized dispersed recreation, such as hiking, biking, hunting, and foraging. In the southern region, recreational access to DNR-managed parcels exists only below the gate that restricts access to the upper watershed that supplies the Howard Hanson Dam.

Other non-forestry uses of trust lands include leases, collection of specialized forest products, use for scientific studies, search and rescue training, and Tribal hunting and gathering. <sup>60</sup> According to data provided by DNR, leases on trust lands in King County include 12 commercial leases and five communication tower leases. These leases and other encumbrances remain in effect if property ownership changes.

## Logging (A.6.d)

Since 1976, just under 20,000 acres of DNR-managed trust lands in King County have been harvested. Approximately one-fourth of this acreage (4,788 acres) was harvested before 2000, while roughly 6,000 acres per decade were harvested in the 2000s and 2010s (6,158 and 5,684 acres, respectively); 2,680 acres have been harvested so far in the 2020s. DNR's Snoqualmie Unit accounted for about two-thirds of the total acreage harvested (11,397 acres), with the other third in the Black Diamond Unit (7,193 acres) (Appendix B, Map 4).

The predominant type of harvest has changed over time. Almost all clear-cut harvests were conducted prior to 2000 (totaling 3,454 acres treated), while commercial thinning, variable density thinning, and variable retention harvest (VRH) all became more frequently used starting in the late 1990s and early 2000s. The majority of the total acreage harvested by DNR was variable retention harvest, accounting for more than 10,000 acres from 1990-2024; just over one-third of the VRH acreage (3,908 acres) was harvested more recently, between 2017-2024.

Data on timber volume from harvests were only available for timber sales after 2006. As such, volume from the clear-cut harvests is unavailable (except for two in 2014 and 2015). However, between 2005 and 2024, total volume harvested was approximately 20,000 mbf (thousand board feet) for all commercial thinning, 66,000 mbf for variable thinning, and 295,000 mbf for variable retention harvests.

Since most timber sales include parcels in multiple trusts, these harvest data are not separated out by trust and include harvests on State Forest Trust Lands, as well as those on other trust lands in King County.

## Conservation and Recreation Value of Land (A.6.e)

As detailed in section A.6.a-e, DNR-managed trust lands provide both conservation and recreation value to the County and its residents. They include extensive conifer-dominated forests, including approximately 7,000 acres estimated to be over 80 years old, with those more than 120 years old under protection from harvest. They also include thousands of acres of recreation lands, including some of the most widely used recreation areas along the I-90 corridor.

<sup>&</sup>lt;sup>60</sup> https://www.dnr.wa.gov/programsservices/product-sales-and-leasing/brush-salal-and-other-forest-products; https://www.dnr.wa.gov/programs-and-services/product-sales-and-leasing/communications-towers

As described in section A.2., the conservation benefits of acquisition of DNR-managed land by King County can be evaluated in broad terms by comparing the forest management approaches of the two agencies. Similarly, the recreation benefits could be evaluated by comparing recreation opportunities, infrastructure, and staffing with those that could be provided by DNRP. However, detailed assessment of specific parcels would be needed to understand the conservation and recreation benefits of acquisition versus those that could be achieved through cooperative forest management or cooperative recreation planning. As detailed in section A.6.f, this analysis has been done for a set of parcels, while other parcels identified by DNRP as having potential require further analysis to ensure that the benefits of land transfer justify the additional cost of land management.

On parcels where benefits are found to justify the cost, Trust Land Transfer is recommended as the first-choice means of transfer where it is applicable and feasible. Reconveyance is a tool that could be explored in specific cases, in particular those where there is strong revenue potential on the identified parcels, making TLT a less applicable tool. DNRP does not recommend land exchange as a means of transfer as a general approach. There may be very specific cases in the future in which land exchange is appropriate, but those would be highly dependent upon the condition and management needs for the parcels the County would acquire and the availability of King County parcels that would be appropriate for exchange. As noted above, any King County lands with high habitat or recreational values would not be good candidates to offer in an exchange, since it would be preferable to keep them under County management, where there is no mandate to generate revenue from them. Further, any land offered by the County for exchange would need to have revenue-generating potential. Finally, direct transfer may be appropriate in some specific cases, but the use of acquisition funds for lands that are already publicly owned is unlikely to provide as many benefits as acquisition of privately owned lands, especially those that are at risk of land-use conversion.

#### F. Recommendations on Parcels to Be Prioritized for Acquisition (A.6.f-A.9)

#### Parcels to Be Prioritized for Acquisition (A.6.f), Timeframe (A.7), and Method (A.8)

DNRP evaluated the benefits of current management of State Forest Trust Lands and other DNR-Managed lands versus other potential types of management that could be carried out by the County. DNRP focused on parcels where a conservation or recreation gain could be achieved by transferring ownership to King County. While a number of parcels were identified for which a gain is possible, in most cases, further analysis would be required to assess those potential gains and determine whether they justify the added cost of managing the land. The list of parcels for which that analysis was sufficient to definitively suggest transfer to King County includes eight parcels that are currently part of an application for the Trust Land Transfer program in the 2023-25 biennium, one parcel that is expected to be part of TLF applications for the next biennium, and one parcel that could either be part of a future TLT application or could benefit from a cooperative management approach (Table 7). Each of these two parcels are adjacent to King County Parks properties, isolated from other large blocks of DNR-managed trust lands, and their limited potential for revenue generation makes them strong candidates for TLT.

Table 7. Parcels Recommended for Transfer from DNR to King County DNRP.

Parcel			General	Method &	Reason
Parcel Number	Trust	Acres	Location	Timing of	
Number			Location	Transfer	

			Middle		
					Adiacont to MICNA, stroom /fish
			Issaquah Creek		Adjacent to MICNA; stream/fish
2622060026	CETI	140	Natural Area	TLT	protection/water quality; difficult
3623069036	SFTL	14.0	(MICNA)	2025-2027	for DNR to generate revenue
			Middle		Adjacent to MICNA; stream/fish
			Issaquah Creek	TLT	protection/water quality; difficult
3623069014	CS	26.9	Natural Area	2025-2027	for DNR to generate revenue
					Provides stream/fish protection,
					water quality, mature forest along
					Carey Creek; isolated parcel and
				TLT	difficult for DNR to generate
3623069015	CS	40.1	Carey Creek	2025-2027	revenue
					Mature forest
			Middle		headwaters/protection for Issaquah
			Issaquah Creek	TLT	Creek, could eventually connect to
2623069011	SFTL	40.2	Natural Area	2025-2027	MICNA with additional acquisitions
					Mature forest
			Middle		headwaters/protection for Issaquah
			Issaquah Creek	TLT	Creek, could eventually connect to
2623069012	SFTL	40.1	Natural Area	2025-2027	MICNA with additional acquisitions
					Mature forest
			Middle		headwaters/protection for Issaquah
			Issaquah Creek	TLT	Creek, could eventually connect to
2623069013	SFTL	40.0	Natural Area	2025-2027	MICNA with additional acquisitions
					Mature forest
			Middle		headwaters/protection for Issaquah
			Issaquah Creek	TLT	Creek, could eventually connect to
2623069014	SFTL	39.8	Natural Area	2025-2027	MICNA with additional acquisitions
			Middle		Riparian forest along Issaquah Creek
			Issaquah Creek	TLT	tributary; isolated DNR parcel,
2623069021	SFTL	19.5	Natural Area	2025-2027	difficult to generate revenue
	0.72	13.3	Patterson		Expands PCNA with mature adjacent
			Creek Natural	TIT	forest protection; isolated DNR
2625069016	CS	38.4	Area	2027-2029	parcel with no legal road access
2023003010		30.4	Alea	2021-2023	Adjacent to existing Auburn
				TLT, Direct,	Narrows Natural Area; seeking to
				or	purchase additional adjacent private
				_	lands and coordinate management
			Auburn	Cooperative	_
1621050011	CEP	20.0	Auburn Narrows	Management 2027-2029	or consolidation of public ownership
1621059011	CEP	38.0	ivaliows	2027-2029	in this geography
TOTAL	l	337			

Timing of Transfer: All of those labeled as TLT 2025-2027 are part of TLT Applications that have been submitted for the 2025-2027 Biennium

Trusts: State Forest Trust Land (SFTL); Common School (CS); Charitable, Educational, Penal, and Reformatory Institutions (CEP)

In addition to these recommended parcels, it is worth noting that there are 391 acres of DNR trust lands in King County that have recently been identified for transfer out of trust status. In both cases, the parcels would remain under DNR management but would no longer generate revenue. The first is 99 acres on West Tiger Mountain, funded through Trust Land Transfer in the 2023-2025 biennium. These parcels would be transferred from trust status (State Forest Trust Land and Scientific School Trust) to the DNR Natural Areas Program. <sup>61</sup>

The second is 292 acres of structurally complex, carbon dense forest on Tiger Mountain, identified by DNR to transfer out of trusts (State Forest Trust Land, Capitol Trust, and Scientific School) and into conservation status. The transfer is supported by funding from the state Legislature through the Natural Climate Solutions program. It will remove these mature forests from harvest, with the goal of providing additional carbon sequestration and storage, habitat benefits, and enhanced recreation and provide replacement lands for the trusts.

#### Operations & Maintenance (A.9)

An addition of 337 acres, as recommended above, would increase Parks' forested inventory by just over 1 percent. King County DNRP estimates that the annual forest management costs for the identified DNR properties would average \$81/acre/year across all acres (or \$27,300 per year should all proposed lands enter Parks' inventory). This includes inventory and monitoring, invasive vegetation control and management, and staff and consultant time. Parks would also incur additional operations and maintenance costs associated with general property management.

Should these acres be transferred to Parks, there may also be an opportunity to provide additional outdoor recreation amenities, such as backcountry trails and signage. While many of the parcels on DNRP's priority list would be managed mostly for their ecological benefits, a few (in particular, the four-parcel block, including parcels 2623069011, -9012, -9013, and -9014) appear to have strong potential for more robust public recreation. A public involvement process would be needed to help DNRP identify appropriate recreational amenities, which would, in turn, inform an estimated budget.

Parcels acquired by King County would no longer generate revenue from DNR harvests but could potentially generate revenue from forest thinning projects. For the priority parcels identified above, DNRP estimates the potential to generate approximately \$20/acre/year in timber revenue profit (or \$6,740 annually should all proposed lands enter Parks' inventory). For any additional parcels considered, these numbers would depend on the age and condition of the forest, but estimates can be derived from past DNRP commercial thinning projects. In these projects, approximately one-third of the timber volume is removed, typically by cutting smaller trees and retaining larger ones. Over the last 10 years, most of these projects were on 40- to 60-year-old Douglas fir plantations and generated an average of \$1,113/acre. DNR-managed forests may be older, on average, and would have more volume and higher quality wood per acre. In the two comparable DNRP projects on 60- to 70-year-old Douglas-fir forests, commercial thinning generated an average of \$1,768/acre. The number of stands or acres where thinning would be needed would vary across locations.

Parcels acquired by King County also may have the potential to generate revenue by adding them to the King County Rural Forest Carbon Project. This project generates carbon credits through King County's

<sup>61</sup> https://www.dnr.wa.gov/sites/default/files/publications/amp tlt 2023 wtig.pdf

acquisition of properties that would have been available for commercial timber harvest or harvest in preparation for rural residential development. By acquiring and transitioning those properties to conservation management, the greenhouse gas emissions that would have occurred are avoided and the forest could continue growing and sequestering additional carbon dioxide. If King County were to acquire parcels from DNR that are projected to be used for commercial timber harvest and were instead put into conservation management by DNRP, they could be eligible to be added to the project. The number of carbon credits generated would depend on the composition, age, and condition of the forest and the area within the acquired parcels that would have been available for harvest, since stream buffers and other areas that are not legally available for harvest are excluded.

In general, parcels that are strong candidates for TLT are less likely to be eligible for inclusion in the Forest Carbon Program. These parcels are ones that do not have strong revenue-generating potential, often because there is a barrier to harvesting them due to physical, economic, or other constraints. If harvest is not allowable or feasible on the parcels, then there is no basis for generating carbon credits by deferring harvest. As such, the list of priority parcels above does not include any that would be likely to generate any revenue from carbon credits; at the same time, there would be little to no lost revenue from timber harvests. For any additional parcels considered for County acquisition, an analysis of the baseline forest management compared with management by DNRP, would be the first step in determining whether there is potential to generate carbon revenue.

## G. Recommendations for Cooperative Management with DNR (A.10)

DNR and DNRP began a series of discussions in 2023 about how to collaborate on management of DNR forests in King County. DNR noted that each choice the agency makes about forest management involves complex trade-offs, while each county has different priorities that inform which trade-offs are acceptable, and invited King County to further conversations about DNRP's priorities. <sup>62</sup> As detailed in the priorities and goals in the strategic plans discussed above, King County is focused on forest management that enhances forest carbon storage, while also providing timber and other ecosystem services. To meet these goals, King County DNRP recommends that it should work more closely with DNR to adjust management in some locations.

The first strategy for collaborative management is to reinstate regular meetings between DNR and King County to receive information on proposed or planned harvests and projected revenue. Many counties hold these meetings with DNR quarterly, while in King County these meetings were historically held annually and were widely attended. DNRP recommends quarterly meetings hosted by DNR to provide an opportunity for King County to provide input on proposed harvests, to plan for projected revenue, and to evaluate potential trade-offs.

A related strategy would be for King County Forestry staff to visit proposed harvest sites with DNR staff to conduct field assessments. This would allow both teams to discuss objectives and trade-offs to make informed decisions about which forest stands are the best candidates for harvest and which may be better deferred in order to advance County goals.

<sup>&</sup>lt;sup>62</sup> Emmons, D. 2023. Collaborative Engagement: Department of Natural Resources and King County Department of Natural Resources and Parks (DNRP). Presentation to King County DNRP Staff, 14 September 2023.

Third, King County could create a committee with representatives of each of the junior taxing districts so that they can be invited to participate in the quarterly meetings, receive information on projected revenue, and provide input. This could follow the model of Clallam County, which recently created a revenue advisory committee to give junior taxing districts the opportunity to provide input on issues that affect them.

A fourth strategy is for the King County Council to begin directing a portion of the revenue from DNR harvests of which King County is a beneficiary to the DNRP Forestry Program to support DNRP's involvement in the collaborative management described above and for forestry activities that support forest carbon storage and related goals in the SCAP and Clean Water Healthy Habitat programs. In particular, channeling timber revenue to support climate-adapted forestry has potential to enhance both climate mitigation and adaptation.

A fifth strategy is for King County DNRP and DNR to explore the potential for a joint forest carbon project. For example, during DNRP's review, some of the State Forest Transfer Land parcels near Preston were identified as ones that could be evaluated for their potential to be managed for both carbon storage and timber production, along with added recreational benefits. The area includes parcels in the 80- to 120-year age class, as well as some older than 120 years. Since King County is the beneficiary on those parcels, the area may be well-suited for piloting management changes that prioritize both carbon and timber. Better understanding about whether and how King County and DNR could collaborate to generate both carbon revenue from deferred harvest of parcels and timber revenue from thinning in this area would require additional analysis over the coming year.

## H. Recommendation on Changes to State Laws or Rules Related to Reconveyance (A.11)

DNRP has not identified any barriers in state law preventing the use of reconveyance and therefore has no recommendations for seeking statutory changes. State law allows for State Forest Trust Lands to be reconveyed by counties for public park use, allowing for use for recreation while also meeting ecological goals. Most of King County's current land acquisition is being done under the Land Conservation Initiative to meet conservation and recreation goals, with acquired land being added to King County Parks inventory. The reconveyance of any DNR land would likely be done for the same reasons and be managed in the same way. As such, current laws on reconveyance would likely support King County's desired use and management of any lands acquired from DNR through this process.

DNRP does not recommend reconveyance of any parcels at this time. However, this is due to the need to more fully evaluate whether reconveyance of any parcels would provide significant conservation and/or recreation gains that would justify the resources needed for King County Parks to manage the additional acreage. DNRP's decision is not due to any barriers imposed by the rules or laws related to reconveyance, which allow for reconveyance for park purposes and would likely be aligned with the needs of the County.

#### V. Conclusion

There are more than 100,000 acres of DNR-managed lands in King County, including both trust lands and conservation lands. Most of this acreage is forested and provides a range of benefits, including timber,

recreation, and habitat. These forests are primarily between 40 and 80 years old, but also include forests between 80 and 120 years old and are conifer-dominated. King County and junior taxing districts are the beneficiaries of almost 23,000 acres of trust land. Harvest of these forests has generated \$24.2 million over the past decade, providing revenue to King County and state school funds, as well as local school districts, fire districts, hospitals, and libraries. This understanding provides a basis for current and future decision-making about management and ownership of this land.

This analysis discussed four mechanisms to transfer DNR-managed land to King County ownership, recommended Trust Land Transfer as the first option among those mechanisms, and recommended eight parcels for transfer. While other parcels were considered, a more complete assessment of benefits and costs is needed before any are recommended for transfer.

The benefits and risks of transfer can be assessed based on the potential gains in conservation and recreation values by shifting from DNR to King County management relative to the cost to the County of assuming management of the land. This directly relates to the True North value: "We are responsible stewards." Any decisions about land transfers should be made by evaluating whether that transfer can further the goal of "protect[ing] the things that make this region special" while "demonstrat[ing] financial acumen and a commitment to controlling costs." 63

Significant work went into developing this report, including collecting and analyzing data layers that allow DNRP to better understand the forests under DNR management and the current and potential values they support. An important outcome of this work is the <a href="webmap">webmap</a> that was created, which was used to evaluate DNR-managed parcels and will continue to be a valuable resource in making future decisions that support responsible stewardship.

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<sup>63</sup> https://kingcounty.gov/en/legacy/elected/executive/constantine/initiatives/true-north

# VI. Appendices

Appendix A: Motion 16436

Appendix B: Map: WA DNR Managed Lands in King County



**Proposed No.** 2023-0314.2

## KING COUNTY

1200 King County Courthouse 516 Third Avenue Seattle, WA 98104

**Sponsors** Dembowski and Upthegrove

# Signature Report

## **Motion 16436**

1 A MOTION requesting the executive to develop and 2 transmit a study regarding state forest trust lands currently managed for King County by the Washington state 3 4 Department of Natural Resources. 5 WHEREAS, forests provide multiple benefits on both the local and global scale, 6 and 7 WHEREAS, the Intergovernmental Panel on Climate Change has stated that 8 forest management activities play a key role in the mitigation of climate change, and the 9 Washington state Legislature has found that forests are one of the most effective 10 resources that can absorb carbon dioxide from the atmosphere, and 11 WHEREAS, King County's 2020 Strategic Climate Action Plan states that there 12 are substantial carbon and climate benefits to maintaining, protecting, restoring, and 13 expanding the more than 811,000 acres of forest land in King County, and that recent 14 studies combining carbon sequestration potential and risk of loss due to wildfire, insects, 15 and disease rank the coastal and Cascade forests of Oregon and Washington among the 16 highest priority for protection, and 17 WHEREAS, in 2021, the executive developed a 30-Year Forest Plan, which lays 18 out priorities and goals associated with King County's forests, as well as strategies for 19 achieving those over the next thirty years, and

WHEREAS, in addition to greenhouse gas mitigation benefits, the 30-Year Forest
Plan states that King County's forests provide benefits to human health, salmon habitat,
and water quality and quantity, in addition to the economic benefits of sustainable timber,
and
WHEREAS, twenty-one counties deeded roughly 546,000 acres of forest lands to
the state during the 1920s and 1930s, and, in exchange, the state committed to managing
the properties as trust lands and giving most of the revenue from timber sales and other
revenue-producing activities back to the county and junior taxing districts, and
WHEREAS, the state has managed the state forest trust lands within King County
to balance economic, environmental, and recreational interests for nearly one hundred
years, and
WHEREAS, in 2023, the governor signed into law Substitute House Bill 1460,
which became Chapter 383, Laws of Washington 2023, and which established a new trust
land transfer program, through which the Washington state Department of Natural
Resources is authorized to transfer state forest trust lands to other public agencies, such
as King County, and
WHEREAS, there are other mechanisms allowable under state law with which the
state can transfer, sell, or otherwise convey state forest trust lands to local government
ownership, and
WHEREAS, today, some of the state forest trust lands in King County may better
serve the community if owned or managed by the county, and
WHEREAS, local ownership or management of state forest trust lands in King
County would enable the county to have a greater role in decision-making processes,

43 ensuring that the interests and needs of county residents are addressed to the fullest extent 44 possible, and maximizing transparency and inclusivity, and 45 WHEREAS, local ownership or management of state forest trust lands in King 46 County would also provide opportunities for enhanced collaboration between the county, 47 local governments, and community groups, fostering partnerships that support sustainable 48 forest management, economic growth, and public health, and WHEREAS, the King County's ownership or management of state forest trust 49 50 lands in King County would strengthen the county's ability to protect and enhance natural 51 resources, implement innovative forest management practices and conservation strategies 52 that combat climate change, promote outdoor recreation, provide green jobs, and foster a 53 deeper connection between the community and the land, and 54 WHEREAS, county residents may be best served by some of the state forest trust 55 lands remaining under state ownership and management as working forests, continuing to 56 provide reliable, long-term timber supply for homes, hospitals, and schools, revenue for 57 the county, and green jobs for residents; 58 NOW, THEREFORE, BE IT MOVED by the Council of King County: 59 A. The council requests that the executive develop a study for state forest trust 60 lands currently managed for King County by the Washington state Department of Natural 61 Resources ("county trust lands"). The study should include, but not be limited to, the 62 following: 63 1. A review of all methods allowable under state law for county trust lands to be 64 transferred from state ownership to county ownership, and a discussion of the specific 65 benefits and risks to King County associated with each method. The methods may

66	include, but are not limited to, reconveyance, trust land transfer, direct transfer, and land
67	exchange;
68	2. A discussion of the potential short-term and long-term benefits and risks to
69	the county of taking ownership of some or all county trust lands, including but not limited
70	to environmental, health, equity and social justice, and financial or fiscal issues;
71	3. Identification of tribal governments that, as comanagers of forest lands, shall
72	be consulted when considering transfer of lands through any of the methods identified in
73	subsection A.1. of this motion;
74	4. Information on the amount of revenue generated for the county over the past
75	decade through the Washington state Department of Natural Resources's management
76	activities;
77	5. An evaluation of whether county management of county trust lands would
78	support existing county efforts, including the Strategic Climate Action Plan, 30-Year
79	Forest Plan, Clean Water Healthy Habitat Initiative, Parks Open Space Plan, Land
80	Conservation Initiative, and salmon recovery efforts;
81	6. For each parcel or contiguous block of parcels of county trust lands:
82	a. the location of the land and size;
83	b. the forest type and age class;
84	c. identification of any recreational or other non-forestry uses currently present
85	on the land;
86	d. any available information on logging that has taken place in recent decades,
87	including dates and amounts of timber logged;

88	e. an assessment of the conservation and recreation value of land, including but
89	not limited to:
90	(1) what benefits acquisition of the land would provide to the county and its
91	residents;
92	(2) which means of transfer identified in the analysis requested by section
93	A.1. of this motion is recommended; and
94	f. a recommendation by the executive on which parcels should be prioritized
95	for acquisition;
96	7. Estimated timeframes for any transfers county trust lands identified under
97	section A.6.f. of this section;
98	8. If a land exchange method is recommended as a means of transfer, an
99	identification of what criteria the county would use to identify county-owned lands to be
100	exchanged;
101	9. An estimate of the annual operations and maintenance costs for acquired
102	county trust lands, and any other ongoing costs and lost or gained revenues associated
103	with county ownership of these lands, including the feasibility of generating revenues
104	through carbon credit sales, selective thinning for forest health, or other means;
105	10. For any county trust lands recommended to remain in state ownership, a list
106	of potential strategies for cooperatively maximizing the environmental, social, and
107	economic benefits of the forests contained therein in close collaboration with the
108	Washington state Department of Natural Resources; and
109	11. Recommendations on any changes to state laws or rules related to
110	reconveyance that would be necessary to align with the county's priorities and goals

- relating to forest conservation. Recommended changes may include, but should not be
  limited to, changes to the requirement in RCW 79.22.300 that reconveyed lands be used
  for public park purposes.
- B. The executive should electronically file the report no later than July 1, 2024, with the clerk of the council, who shall retain an electronic copy and provide an

- electronic copy to all councilmembers, the council chief of staff, and the lead staff for the
- transportation, economy and environment committee or its successor.

Motion 16436 was introduced on 9/12/2023 and passed as amended by the Metropolitan King County Council on 10/3/2023, by the following vote:

Yes: 9 - Balducci, Dembowski, Dunn, Kohl-Welles, Perry, McDermott, Upthegrove, von Reichbauer and Zahilay

KING COUNTY COUNCIL KING COUNTY, WASHINGTON

DocuSigned by:

Dave Upthegrove, Chair

ATTEST:

DocuSigned by:

Melani Hay

Melani Hay, Clerk of the Council

**Attachments:** None

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Dave Upthegrove

dave.upthegrove@kingcounty.gov

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King County Council

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Envelope Summary Events	Status	Timestamps

Envelope Summary Events	Status	Timestamps			
Envelope Sent	Hashed/Encrypted	10/5/2023 11:34:44 AM			
Certified Delivered	Security Checked	10/5/2023 12:39:25 PM			
Signing Complete	Security Checked	10/5/2023 12:39:29 PM			
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