



October 30, 2020

Governor Jay Inslee
 Office of the Governor
 PO Box 40002
 Olympia, WA 98504-0002

RE: Project Funding for Trust Land Transfer (TLT) Program in Upcoming Governor’s Budget

Dear Governor Inslee:

The 37 undersigned conservation, recreation and wildlife organizations strongly urge you to include funding for the **Trust Land Transfer (TLT) program** in the Governor’s budget in order to complete three high priority projects – **Devils Lake, Morning Star and Cascade River** – detailed below. Trust Land Transfer addresses many of your priority issues, including carbon sequestration, outdoor recreation, salmon and orca recovery, and a strong shellfish industry – it deserves your full support.

The Department of Natural Resources (DNR) manages more than 3 million acres of state trust forest, agricultural, range, and commercial properties that earn income to fund schools, universities, capitol buildings, and other state institutions and help fund local services in many counties. We understand that DNR strives to improve returns from state trust lands; however, not all trust lands are best suited for income production.

Some trust lands also provide important habitat for fish and wildlife, recreation and educational opportunities for the general public, and older forests on Trust Lands are increasingly recognized for their important role in carbon sequestration. These lands may also possess low potential for income production due to factors such as critical fish and wildlife habitat, public use demands, environmental and social concerns, steep slopes, poor or unstable soils and other issues that complicate income production.

The TLT program is DNR’s essential tool to retain high priority conservation lands in protected public ownership while maintaining and improving economic returns to trust beneficiaries. The trust beneficiaries are compensated for the assessed value of the land at the time of transfer. The timber funds go directly to the school trust beneficiary and the underlying land values go to purchase more productive lands to be managed for greater returns in the future.

Since its inception in 1989, the TLT program has preserved more than 128,000 acres of state land for fish and wildlife habitat, recreation, education, and other community uses. In doing so, DNR has also sustained and

improved potential future economic returns for schools and state and local governments. The legislature has historically shown strong support for this conservation tool, investing over \$880 million in TLT over 30 years.

Unfortunately, DNR did not propose a TLT project list this year due to a perceived lack of support by the legislature, although DNR recognizes TLT as a much-needed asset management tool. We stand committed to highlight the importance of this program to the legislature and urge the Governor's office to propose funding to accomplish three high priority projects and keep the program alive and running for the 2021-23 session. We are asking for your support for these three projects because we believe they align with your values.

1. **Devils Lake** - The proposed TLT lands are 370 acres of School Trust lands within the Devils Lake Natural Resource Conservation Area (NRCA) managed by the Department of Natural Resources and located in east Jefferson County on the Olympic Peninsula. The Devils Lake addition was on DNR's proposed TLT project list in 2017-19 and 2019-21 but has not yet been funded. The area includes one mile of intact forested shoreline on steep slopes along Dabob Bay that provides diverse wildlife habitat and helps protect the water quality and shellfish industry. The proposed acreage also includes older forests classified by DNR as a globally imperiled forest plant community. When DNR proposed the Devils Lake NRCA for expansion in 2016 to include this area, the project received broad support at public hearings from private citizens, shellfish businesses, Tribes, and county government. DNR's 2019-21 budget request for Devils Lake TLT project was \$5.2 M, of which \$4.1 M was based on estimated timber value and would be a direct reimbursement to the General School Construction budget. The remaining \$1.1 M was land value that would go into DNR's property replacement account to purchase productive timberland for the School Trust.
2. **Morning Star** - The proposed TLT lands are 1,090 acres of Common School and State Forest Trust lands within the Morning Star Natural Resource Conservation Area (NRCA) managed by the Department of Natural Resources located in Snohomish County. The Morning Star addition was on DNR's proposed TLT project list in 2019-21 but has not yet been funded. The area is near Spada Lake, which is a key drinking water source for Snohomish County. The property contains uncommon forest and wildlife, including old growth forests. DNR's 2019-21 budget request for Morning Star TLT project was \$3.2 M, of which \$3.04 M was based on estimated timber value and would be a direct reimbursement to the general School Construction budget. The remaining \$160,000 was land value that would go into DNR's property replacement account to purchase productive timberland for the School Trust.
3. **Cascade River** - The Cascade River TLT project includes approximately 1,200 acres on both sides of the Cascade River above Marblemount. It contains timber that is difficult to manage due to steep and rocky terrain and habitat for multiple endangered species, including chinook salmon. The Cascade River is a sought-after destination for whitewater kayakers and has been designated a Wild and Scenic River. Seattle City Light has agreed to receive the land should funding be secured and will be an excellent partner in protecting the ecological and recreational resources of the land. The timber and land values for this project are not yet available.

The role of state forests in fighting climate change, providing outdoor recreation for an increasing population, and protecting endangered wildlife habitat, grows in importance every year as does the demand for TLT program. With TLT, we are protecting the places that Washingtonians love while preserving the revenue stream that pays for necessary services. The TLT program is unique in that it allows DNR to reposition its Trust assets for better economic return while also preserving some of the valued landscapes in the state. Keeping this program alive and functional is critical for the future of conservation in Washington.

We urge you to include these three TLT projects in the Governor's budget for the 2021 legislative session.

Sincerely,

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Executive Director
Washington Wild

Peter Bahls
Executive Director
Northwest Watershed Institute

Lee First
Waterkeeper
Twin Harbors Waterkeeper

Robert Kaye
Chair, Conservation Committee
North Cascades Audubon Society

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Rick McGuire
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Cc: David Postman, Chief of Staff, Office of the Governor
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State Representative Steve Tharinger