
Minutes

Board of Natural Resources Meeting

February 5, 2019
Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT

The Honorable Hilary Franz, Washington State Commissioner of Public Lands

The Honorable Bill Peach, Commissioner, Clallam County

The Honorable Chris Reykdal, Superintendent of Public Instruction

Dan Brown, Director, School of Environmental and Forest Sciences, University of Washington – *via conference call*

BOARD MEMBERS ABSENT

André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University

JT Austin, Designee for the Honorable Jay Inslee, Washington State Governor

1 CALL TO ORDER

2 Chair Franz called the meeting to order at 9:00 AM.

3

4 All Board members introduced themselves. Chair Franz noted there was a quorum for the
5 meeting.

6

7 SAFETY REVIEW

8 Ms. Kellogg gave a safety overview and instruction on evacuating the building in case of an
9 emergency.

10

11 APPROVAL OF MINUTES

12 Chair Franz called for approval of the minutes for the January 18, 2019 Regular Board of Natural
13 Resources Meeting.

14

15 MOTION: Commissioner Peach moved to approve the minutes.

16

17 SECOND: Superintendent Reykdal seconded the motion.

18

19 ACTION: The motion carried unanimously.

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21

1 **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

2
3 Bill Turner, Division Timber Manager, Sierra Pacific, Burlington, WA, stated that the DNR's
4 timber sale is an important piece of the timber industry. He also stated that the Board should
5 approve the Michigan Trotter timber sale as it is.

6
7 Heath Heikkila, Government Affairs, AFRC, spoke about region timber sales and additional
8 opportunities to add hardwood volume. He noted there could be an opportunity for specialized
9 product region timber sales.

10
11 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

12 Matt Comisky, Washington Manager, AFRC, commented on timber sales recently pulled, which
13 results in approximately 12.5 mbf of timber not offered, and equates to lost revenue. He
14 reminded the Board that these sales are developed with no return that also diminishes the
15 revenue.

16
17 **TIMBER SALES (Action Item)**

18 **Proposed Timber Sales for March 2019 | 3 handouts, including the presentation**

19 Koshare Eagle, Assistant Division Manager, Product Sales & Leasing Division

20
21 Ms. Eagle presented the results of the January 2019 auctions. She stated that the Department
22 offered nine sales totaling 41.3 mmbf. Of those, seven sales sold totaling \$8.4 million for an
23 average of \$270 per mbf with 1.6 bidders per sale on average. Ms. Eagle noted that one delivered
24 log sale is pending until a significant sort that did receive bids in January can be reoffered. Ms.
25 Eagle also noted one sale was removed prior to auction due to a delay in obtaining an RUP with
26 the US Forest Service as a result of the recent government shutdown.

27
28 Ms. Eagle asked the Board for questions regarding the January 2019 auction results.

29 Commissioner Peach asked if the value shown in the results is stumpage or delivered.

30 Ms. Eagle advised there will be more on this topic in the next slide.

31
32 Ms. Eagle then presented the proposed sales to be offered in upcoming auctions to the Board.

33 Ms. Eagle separated the proposal into stumpage sales and delivered log sales, of which four were
34 proposed, to demonstrate the difference between the values. Delivered values do not, as yet,
35 contain costs of harvesting and removing timber whereas stumpage sales do. Combining
36 delivered values with stumpage values can cause confusion as the results inflates what will be
37 final values.

38
39 Ms. Eagle added that the market appears to be going up, and appraisal for planned sales is
40 occurring this Thursday.

41
42 Commissioner Franz asked the Board for questions regarding the proposed sales. There were
43 none.

44
45 Ms. Eagle asked for approval of the proposed sales as presented.

46
47 **MOTION:** Commissioner Peach moved to approve the proposed sales.

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2 SECOND: Superintendent Reykdal seconded the motion.

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4 ACTION: The motion carried unanimously.

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6 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

7 No public comment.

8
9 **LAND TRANSACTION (Non-action Item)**

10 **Land Bank Strategy Briefing**

11 Dave Gordon, Assistant Division Manager, Conservation, Recreation, and Transactions Division

12
13 Mr. Gordon provided a briefing on the land bank strategy process. He explained the legal
14 requirements of the land transaction resolutions, which were to follow, and provided the Board
15 with a short introduction to the Land Bank and the “Buy First” process.

16
17 The Land Bank is a tool authorized by the legislature in 1977 that ensures replacement of state
18 lands sold at auction. It utilizes a four-step “Buy-First” process.

- 19 1) DNR first purchases property and holds it in the “Land Bank” as a future trust asset.
- 20 2) Identify Surplus trust property to sell.
- 21 3) Use the land exchange process to re-assign the trust status of the surplus property and the
22 new property.
- 23 4) DNR is then free to sell the former trust land at public auction.

24
25 Commissioner Peach asked if there are limitations on which trusts are involved. Mr. Gordon
26 replied that there are no limitations on trusts involved, but there are limitations on what trusts can
27 be sold or exchanged. Discussion followed on different processes to acquire lands to put in the
28 land bank for future exchanges.

29
30 **LAND TRANSACTION (Action Items)**

31 **Fors Road Land Exchange, No. 86-097732; Resolution 1534**

32 Bob Winslow, Project Manager, Conservation, Recreation, and Transactions Division

33
34 Mr. Winslow explained that the Fors Inter-Trust Land Exchange involves DNR managed
35 properties located in Clallam and Skagit Counties, and it would change the state ownership
36 designation of these properties.

37
38 He stated that the 7.2-acre Dungeness property and the 67.63-acre Fors Road property, located in
39 Clallam County, would change from Common School Trust ownership designation to Land Bank
40 designation. The 368.05-acre Briarwood property located in Skagit County will change from
41 100% Land Bank designation to a 57.5% Common School Trust ownership interest and a 42.5%
42 Land Bank ownership interest. He specified that the exchange is an equal value land exchange
43 with the Common School Trust property worth \$570,000 and the Land Bank property worth
44 \$570,000.

45
46 He noted that during the public hearing held on Oct. 25, 2019 and the 14-day public testimony
47 period for this land exchange DNR did not receive any comments.

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2 Mr. Winslow recommended approval of Resolution 1534.

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4 MOTION: Superintendent Reykdal moved to approve Resolution 1534

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6 SECOND: Commissioner Peach seconded the motion.

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8 ACTION: The motion carried unanimously.

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10 **Fors Road Auction, No. 02-096152; Resolution 1535**

11 Bob Winslow, Project Manager, Conservation, Recreation, and Transactions Division

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13 Mr. Winslow stated that the Fors Road property was designated as Land Bank as part of BNR
14 Resolution 1534. He explained that the Fors Road property is located in Clallam County
15 southwest of Port Angeles. The 67.63-acre property is in an area of rural residential homes and
16 the appraiser determined the highest and best use of this property is timber harvest under a Class
17 4 Forest Practice application followed by development of up to six 10-acre rural residential home
18 sites. The property has easement access that ties into Fors County Road, that it is predominately
19 forested vegetation, and that utility easements and two streams encumber the property. The
20 appraisal for the property is at a value range of \$460,000 to \$510,000 and DNR recommends a
21 minimum bid price at auction of \$460,000. Mr. Winslow asked for questions.

22
23 Superintendent Reykdal asked about the structure of the power easement. Mr. Winslow replied it
24 is an upfront fee and that the easement is in effect as long a utility is in place.

25
26 Hearing no more questions, Mr. Winslow recommended approval of Resolution 1535

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28 MOTION: Superintendent Reykdal moved to approve Resolution 1535

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30 SECOND: Commissioner Peach seconded the motion.

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32 ACTION: The motion carried unanimously

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34 **Dungeness Auction, No. 02-096153; Resolution 1536**

35 Bob Winslow, Project Manager, Conservation, Recreation, and Transactions Division

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37 Mr. Winslow stated that the Dungeness property was designated as Land Bank as part of BNR
38 Resolution 1534. He explained that the Dungeness property is located in Clallam County, north
39 of Sequim, in the community of Dungeness. The 7.2-acre property is in an area of rural
40 residential homes, and the appraiser determined the highest and best use of this property to be
41 residential with the zoning permitting one home site. He stated that the property fronts onto East
42 Anderson County Road, with predominantly pasture vegetation, and the property has received
43 small lease rentals in the past for grazing and mineral exploration. The appraisal of the property
44 is at a value range of \$110,000 to \$140,000 and DNR recommends a minimum bid price at
45 auction of \$110,000.

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47 Mr. Winslow recommended approval of Resolution 1536

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2 MOTION: Superintendent Reykdal moved to approve Resolution 1536

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4 SECOND: Commissioner Peach seconded the motion.

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6 ACTION: The motion carried unanimously
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8 **PUBLIC COMMENTS FOR BOARD ON GEOGRAPHIC NAMES ACTION ITEMS**

9 **Miguel Perez-Gibson, WEC**, spoke about the naming of Howard Point in recognition of
10 Alexander and Rebecca Howard. He noted that Mrs. Howard was the first black women to own a
11 business in Olympia and described the history of the Howards.
12

13 **BOARD ON GEOGRAPHIC NAMES (Action Items)**

14 Caleb Maki, Executive Secretary, Committee on Geographic Names
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16 **Howard Point New Name Proposal**

17 Mr. Maki presented the new name proposal for Howard Point. He stated that the proposed name
18 commemorates Alexander and Rebecca Howard, African-American pioneers and business
19 owners whose home was located near the cape in the 1860s and 1870s. The Howards operated
20 the Pacific Restaurant (formerly the Pacific House), a prominent hotel in Olympia. They are
21 buried in the Masonic Cemetery about three miles south of the cape proposed to be officially
22 named Howard Point.
23

24 The Committee on Geographic Names received no comments opposing the proposed name, and
25 the Committee recommends the Board vote to approve the name "Howard Point".
26

27 MOTION: Superintendent Reykdal moved to approve Howard Point New Name Proposal

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29 SECOND: Commissioner Peach seconded the motion.

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31 ACTION: The motion carried unanimously
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33 **Littleneck Beach New Name Proposal**

34 Mr. Maki presented the new name proposal for Littleneck Beach. He stated that the proposed
35 name would reflect the population of native littleneck clams located on the beach, as
36 acknowledgement of the generations of S'Klallam ancestors who gathered clams in the location.
37 The feature is also known unofficially as the "log yard", before the Jamestown S'Klallam Tribe
38 purchased the surrounding land and began restoration efforts.
39

40 The Committee on Geographic Names received one comment opposing the proposed name,
41 stating that the site is known unofficially as "Deans Spit". After deliberation, the Committee
42 recommends the Board vote to approve the name "Littleneck Beach".
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44 MOTION: Commissioner Peach moved to approve Littleneck Beach New Name Proposal

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46 SECOND: Superintendent Reykdal seconded the motion.

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ACTION: The motion carried unanimously

PUBLIC COMMENTS FOR CHAIR REPORT

Miguel Perez-Gibson, WEC, spoke about the upcoming chair report and how he looks forward to the upcoming information.

CHAIR REPORT

Trust Land Performance Assessment Update
David Bergvall, Senior Policy and Project Manager

Mr. Bergvall presented a briefing on the Trust Performance Assessment project to the Board. In general, the briefing focused on the highlights of the guiding proviso language, the highlights from the outreach work, and the anticipated schedule of events for the project. He then reviewed each section of the proviso to inform the Board on the scope and scale of the project. He stated he plans to provide an update to the Board in spring of 2019, with additional information around the methods and definitions used for the project.

Chris asked if the entire appropriation is available or is this an initial amount. Chair Franz stated it is two-part funding, and that we are currently requesting the second part of the funding. Commissioner Peach asked when the major economic factors that drive the analysis will be available. Mr. Bergvall stated that we anticipate having those definitions signed and approved by the Agency in April.

Commissioner Peach stated he is interested in what rate is used in other reports, and what is used in this report.

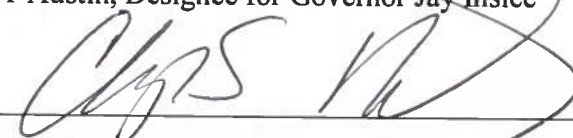
Meeting adjourned at 10:00 AM.

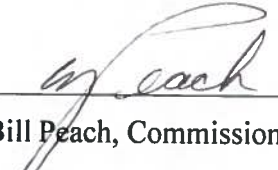
Approved this 9th day of March, 2019


Hilary S. Franz, Washington State Commissioner of Public Lands

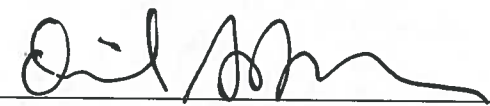
approved via conference call

JT Austin, Designee for Governor Jay Inslee


Chris Reykdal, Superintendent of Public Instruction


Bill Peach, Commissioner, Clallam County

Absent
André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University


Dan Brown, Director, School of Environmental and Forest Sciences,
University of Washington

Attest:


Tami Kellogg, Board Coordinator

