



January 30, 2024

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**House Capital Budget Committee**  
 John L. O'Brien Building  
 P.O. Box 40600  
 Olympia, WA 98504-0600

Dear Capital Budget Leaders:

The 110 undersigned elected officials, local businesses and conservation, recreation, and wildlife organizations write to offer our support for the Washington State Department of Natural Resource's (DNR) trust land transfer (TLT) program and urge your funding of \$8 million in the supplemental capital budget for 6 TLT projects.

We greatly appreciated your leadership last session to revitalize the TLT program with the passage of HB 1460 and \$20 million in capital budget funding for 5 new projects. We ask that you build on that investment this session by appropriating higher-than-expected funding in the Natural Climate Solutions Account from the Climate Commitment Act's carbon auctions for TLT. While the Governor's budget recommended \$8 million in funding for the 5 TLT projects that were not funded in 2023, we instead recommend a slightly different project list to maximize carbon sequestration given existing funding from the Climate Commitment Act.

### **Growing Support for the Trust Land Transfer Program**

Since its inception in 1989, the TLT program has preserved more than 125,000 acres of state trust land for fish and wildlife habitat, recreation, education, and other community uses. Some of the state's most treasured places like Mt. Si, Blanchard Mountain, and Deception Pass State Park have benefitted from this program. TLT works by transferring economically underperforming and ecologically valuable state trust land to entities that can better manage it for conservation and recreation. The TLT program is consistent and complementary with DNR's broader efforts to generate revenue to trust beneficiaries. Legislative funding used for compensation for trust land transfers is reinvested to purchase replacement timberland at risk of conversion that are more productive and a greater capacity to sustain or improve potential economic future returns for schools and local governments.

In response to a large outpouring of public support for conservation of state lands, the 2023 legislature acted boldly to revitalize the TLT program at DNR. After 30 years of conserving treasured places, the TLT program had a strong track record but needed to be modernized to reflect increased land values and changing expectations for public land. HB 1460 made important changes to the program – making it more transparent, flexible, and responsive to the diverse needs of stakeholders like rural communities, Tribes, and the public.

TLT continues to serve as an important asset management tool for the state. Necessary reforms sharpened its focus on upgrading underperforming assets and improving financial returns over the long run. DNR is fully prepared to buy replacement land as soon as the 2023 TLT projects are complete, so state trusts will be better positioned for revenue generation, as HB 1460 dictates.

### **TLT Projects Nominated for the Next Biennium (2025-2027)**

Last session, you made it clear that trust land transfer and conservation of state lands is a priority and the public responded. Under the new TLT framework established by HB 1460, 34 applications were submitted over the summer for trust lands all over the state. Communities are seeking underutilized trust land to protect water quality, preserve open space, and restore habitat. Tribes are also seeking to reclaim land within their traditional territories. Additionally, DNR is seeking to complete the establishment and protection of several Natural Areas – examples of Washington's finest ecological communities. DNR is now undergoing the required best interest of the trust analysis on these applications to determine which projects will be considered for funding by the 2025 legislature.

However, a few of these projects are leftover from the first 30 years of the TLT program – meaning they have been repeatedly vetted by DNR and put forward to the legislature for funding and/or they would complete much larger conservation projects that have been repeatedly approved by DNR and funded by the legislature via TLT appropriations. All of these parcels are clearly under-performing economically and ecologically valuable. It is these projects that we are asking you to fund in 2024 in the supplemental capital budget – projects that have already been thoroughly vetted and just need funding for completion. A small amount of funding this session would allow new projects to fairly compete against each other on their own merits, rather than against unfinished projects that precede HB 1460.

### **Recommended TLT Projects for the 2024 Supplemental Capital Budget**

The projects put forward for your consideration this session have been in progress for some time and need only a small amount of funding to be completed. They are not starting new conservation projects – 5 of the projects would complete Natural Area boundaries that were contemplated ten years ago or more. The sixth project, Blakely Island (a transfer to San Juan County), has been proposed by DNR for funding by the legislature since at least 2019. Funding these projects

would largely clear the deck of past incomplete projects and set the stage for a clean slate of new projects considered under HB 1460.

Each of these projects are heavily forested and if permanently protected by this funding, will continue to sequester significant amounts of carbon every year. Logging these parcels would emit significant carbon emissions and DNR has already decided they are not suitable for timber production. Without TLT funding however, they will remain in perpetual limbo and beneficiaries will receive no financial benefit from these underperforming trust assets.

If the legislature chooses not to fund these projects from the Natural Climate Solutions account, we urge instead consideration for funding from the traditional bond-backed capital budget/State Building Construction account as that's been the historical source of TLT funding. However, the projects can sequester significant amounts of carbon and thus merit funding from the Natural Climate Solutions account.

Project name	Acres	County	LD	Features
Morning Star	1071	Snohomish	12	Middle to High elevation forests
Blakely Island	184	San Juan	40	Marine shoreline – transfer to San Juan County
Hamma Hamma Balds	11	Mason	35	A fragile ecosystem on oceanic basalt
Stavis Creek	6	Kitsap	35	Rare Puget Sound lowlands old growth
Trout Lake	60	Klickitat	14	Oregon spotted frog and waterfowl
Middle Fork Snoqualmie	95	King	12	Migratory elk habitat

The Trust Land Transfer Program is a win-win-win for conservation, trust beneficiaries, working forests, outdoor recreation and more. The program allows DNR to work with local communities to find solutions while staying true to its mandate to generate non-tax revenue for beneficiaries. In short, TLT addresses many of the issues legislators care about: a healthy economy, strong rural communities, outdoor recreation, clean water, wildlife and salmon habitat, working forests, and more.

Sincerely,

Dave Upthegrove  
Councilmember, District 5  
King County Council

Megan Dunn  
Council Member, District 2  
Snohomish County Council

Katie Walters  
Chair  
Kitsap County Board of Commissioners

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Deputy Mayor  
City of Bainbridge Island

Christine Rolfes  
Commissioner  
Kitsap County Board of Commissioners

Leslie Schneider  
Council Member  
City of Bainbridge Island

Charlotte Garrido  
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City of Gold Bar

Jane Fuller  
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City of Gold Bar

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