WASHINGTON STATE DEPARTMENT OF

Natural Resources

Peter Goldmark - Commissioner of Public Lands

Teanaway Lands Loan

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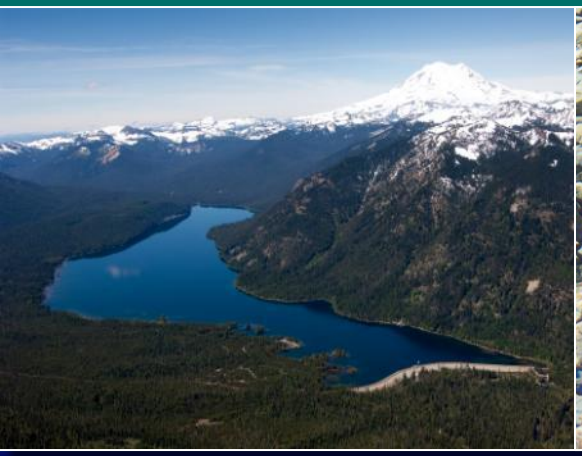
Yakima River Basin

- One of the largest agricultural production regions in the Pacific NW
- $1.8 billion in agricultural products such as apples, wine grapes, hops, and hay.
- Largely dependent on irrigated agriculture in dry and arid region
- Local fisheries once the 2nd most productive in the region for salmon and steelhead runs
- Severe water shortages for human use and instream flow since the 1970s

Yakima River Basin Integrated Plan

A diverse coalition of stakeholders and government entities united by a goal to increase water supplies in the Yakima River Basin for agriculture, municipal and domestic usage, and instream flow for fish.



YAKIMA BASIN
BUILDING A FUTURE FOR WATER, WILDLIFE & WORKING LANDS

YBIP Coalition Members and Supporters

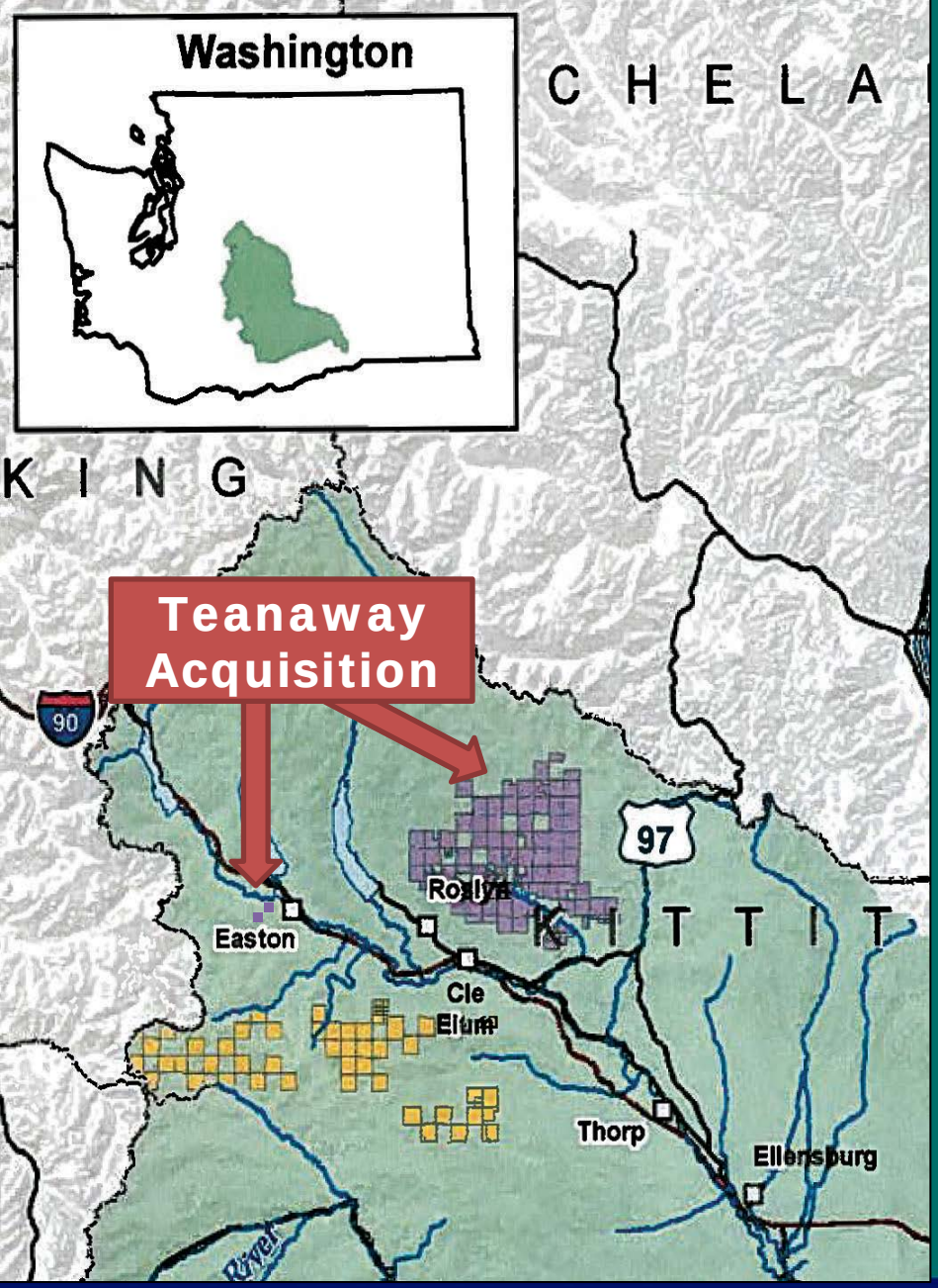
Governments: Yakama Nation, Kittitas County, Yakima County, Benton County, City of Yakima.

Federal Agencies: Bureau of Reclamation, U.S. Forest Service, Bonneville Power Association, National Oceanic and Atmospheric Administration, U.S. Fish & Wildlife.

State Agencies: Department of Ecology, Department of Fish and Wildlife, Department of Agriculture, Department of Natural Resources.

Irrigation Districts: Kennewick Irrigation District, Roza Irrigation District, Sunnyside Valley Irrigation District, Yakima – Tieton Irrigation District.

NGOs: American Rivers, Back Country Horsemen of Washington, Conservation Northwest, Mountains to Sound Greenway Trust, Forterra, National Wildlife Federation, The Nature Conservancy, The Trust for Public Land, Trout Unlimited, The Wilderness Society, Washington Environmental Council, Yakima Basin Fish & Wildlife Recovery Board, Yakima Basin Storage Alliance.



Proposed Teanaway Acquisition

- 50,000 acre commercial timber property north of Cle Elum
- Proposed to be acquired for conservation as part of YBIP
- $99 million purchase funded by 2013-2015 State Capital Budget
- Legislature envisions DNR ownership as a CFT, managed collaboratively with DFW, which will hold a Working Lands and Habitat Restoration Easement
- DNR would transfer 5,000 acres within the landscape into the Community Forest Via Trust Land Transfer

Community Forest Trust

Protect working forests with a high risk of conversion to non-forest uses, but that have important value to local communities

- Conversion of these forests represent a loss of important social and environmental services, and an erosion of timber and natural resource-based economies.
- DNR provides a tool to partner with local communities to help protect working forestlands

Community Forest Trust

	Community Forest Trust	Trust Lands	Natural Resource Conservation Areas (NRCA)
Primary Management Objective	Identified by the community	Revenue generation for trust beneficiaries	Conservation and restoration with low-impact recreation opportunities
Managed for	Local values	Trust beneficiaries	Everyone
Funding Source	State with local match. Sustainable revenue from property	Trust land management	Legislatively appropriated funds, Trust Land Transfer, and grants
Value	Community value, under pressure of development	Commercially valuable	Conservation value

Protecting Community Values: Teanaway

Acquisition of the Teanaway property would help achieve several objectives in the Yakima Basin Integrated Plan:

- Support a strong community partnership
- Protect and enhance the water supply
- Maintain working lands
- Where possible, maintain or expand recreational opportunities
- Conserve and restore vital habitat

How Teanaway is Unique

- Tremendous potential for watershed habitat restoration
- Considerable recreation value and possible growth
- Vital habitat for threatened species
- Extreme forest health issues and wildfire risk
- Working forestland at risk of conversion
- High profile project with statewide interest and funding, committed local community support

Proposed Loan

$89 million SBCA from the legislature
$10 million loan - Real Property Replacement Account

- 9% interest rate
  - 6% to beneficiaries
  - 3% appreciation of asset value
- June 30, 2025
  - YBIP Thresholds Met: Loan principle repaid in full
  - YBIP Thresholds Unmet: BNR may choose to keep Teanaway as Community Forest and have loan repaid, or transfer Teanaway to Common School Trust for revenue production or sale.

Proposed Loan of Trust Monies: General Standard of Prudent Investment

- Invest and manage funds as a prudent investor would, in the context of the trust purposes, and:
  - Exercise reasonable care, skill, and caution, in the context of the trust portfolio, with level of risk and return reasonably suited to the trust
  - In making investment decisions, meet duty to diversify unless it is not prudent to do so
  - Fulfill duties of loyalty and impartiality, act with prudence in delegating authority, and incur only reasonable costs appropriate to the investment

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