COMMISSIONER'S ORDER

NUMBER 202319

STATE OF WASHINGTON

DEPARTMENT OF NATURAL RESOURCES

Hilary S. Franz, Commissioner of Public Lands

COMMISSIONER'S ORDER

WHEREAS, the Washington State Legislature, through Chapter 79.10 RCW, Multiple Use Act, directs the Department of Natural Resources (Department) to provide recreational opportunities where it is in the best interest of the state and the general welfare of citizens thereof, and is consistent with the applicable provisions of the trust lands involved.

WHEREAS, the Department through the Policy for Sustainable Forests acknowledges recreation on forested state trust land is an important component of the quality of life in Washington State.

WHEREAS, the maintenance, and operation of the trail or facility will be paid for with funds other than from the management account, such as Recreation and Conservation Office Grants.

WHEREAS, the Department has determined the location, design and/or use of the facility will encumber the ability of the Department to meet the trust obligations in the management of trust land and compensation is needed in order to satisfy the trust obligations.

WHEREAS, the affected trust(s) will be compensated in the amount of \$5,843, based on a fair market value appraisal by a licensed appraiser(s) (see Exhibit C, C-1), pursuant to Chapter 79.10 RCW, to satisfy the trust obligations.

WHEREAS, the compensation to the affected trust(s) will be paid through funds from the Recreation Program Capital Appropriation.

WHEREAS, the recreational use, maintenance, and operation of the facility will occur in such a manner that the trust obligations will remain satisfied.

THEREFORE, effective \(\) \(

Dated this 5th day of December, 2023.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Commissioner of Public Lands

EXHIBIT A Vicinity Map

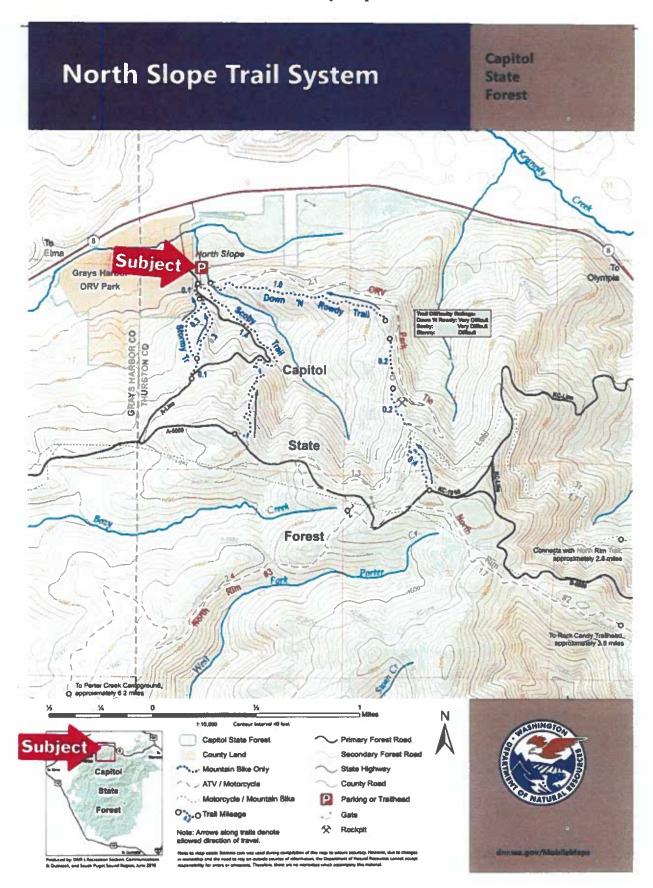


EXHIBIT A-1 Site Map

NORTH SLOPE TRAILHEAD LEASE

SECTION 16, T. 18N. R. 4W., WM THURSTON COUNTY

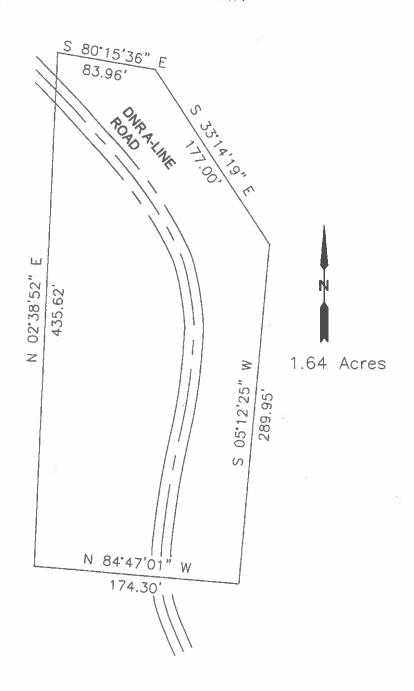


EXHIBIT B Legal Description

NORTH SLOPE LEASE SEC. 15, T.18N., R.4W., W.M. MASON COUNTY

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 18 NORTH, RANGE 4 WEST, WILLAMETTE MERIDIAN, THURSTON COUNTY, STATE OF WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER; THENCE SOUTH 02°38′52″ WEST A DISTANCE OF 173.04 FEET TO THE POINT OF THE BEGINNING OF THIS DESCRIPTION; THENCE SOUTH 80°15′56″ EAST A DISTANCE OF 83.96 FEET; THENCE SOUTH 33°14′19″ EAST A DISTANCE OF 177.00 FEET; THENCE SOUTH 05°12′25″ WEST A DISTANCE OF 289.95 FEET; THENCE NORTH 84°47′01″ WEST A DISTANCE OF 174.30 FEET; THENCE NORTH 02°38′52″ EAST A DISTANCE OF 435.62 FEET TO THE POINT OF BEGINNING AND THE END OF THIS DESCRIPTION.

CONTAINING 1.64 ACRES MORE OR LESS

BEARINGS AND DISTANCES IN THIS LEGAL DESCRIPTION ARE BASED ON THE WASHINGTON COORDINATE SYSTEM, SOUTH ZONE, NORTH AMERICAN DATUM 83-2011 EPOCH 2010.

Land Surveyor 3 State Land Survey Office Engineering Division

PO Box 47030

Olympia, WA 98504-7030

EXHIBIT C

Appraisal Report

NORTHSLOPE TRAILHEAD CONTROL & TENURE (C & T) VALUATION. DNR FILE NO. 2023-018

Property Identification

Property Owner: Washington Dept. of Natural Resources (Site Owner) C & T (Lessee): Washington State Recreation & Conservation Office (RCO)

A 1.64-Acre Portion of the NE 1/4 of the NW 1/4 of Section 16,

Township 18N, Range 4W, WM, Thurston County, Washington

Tax Parcel ID: 1.64 Acre Portion of 14816210000.

Improvements: Not part of the C & T agreement under consideration.

Tree proceeds sold separately and also not part of this assignment

C & T "Lessor": WA Dept. of Natural Resources C & T "Lessee": RCO (C & T = Control & Tenure)

Current Fee Simple

Location:

\$7,700 (1.64 Acres) Land Value:

Net Present Value of

Future C & T Cash Flows: \$5,843 (35-year term, 1.64 acres. See Page 10)

General USPAP Considerations

John R. Wooden, MAI Appraiser:

WA State Certified General Appraiser. Lic. # 1100725

Parcel Identification:

See next two pages.

Location:

See next two pages.

Date of Value:

August 29, 2023 (Date of Property Inspection)

Date of Report Issue: Client:

August 31, 2023 DNR

Intended Users:

DNR & RCO

Intended Use

of Appraisal:

Establish net present value of a 35-year C & T agreement.

Purpose of Appraisal: Determine C & T Market Value.

Limited Scope of Work: This is an abbreviated but USPAP compliant report. Subject underlying land value is low on a per acre basis. The leased area is also small, containing only 1.64 acres. It is inappropriate to allocate significant appraiser time/resources to the calculation of a C & T agreement when so few dollars are involved. As a result, I have researched appropriate land sales for this assignment, but I have only viewed them through aerial photography and listing broker photographs. Verifications were limited to the public record. The subject 1.64 acres have been viewed by John Wooden. The land sales analysis is abbreviated as presented later in this report.

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EXHIBIT C-1 Appraisal Report

NORTHSLOPE TRAILHEAD CONTROL & TENURE (C & T) VALUATION. <u>DNR FILE NO. 2023-018</u>

The net present value of the above cash flows requires the application of an appropriate discount rate. That discount rate is the sum of the current return on the land (previously calculated at 4.25%), plus the annual average appreciation rate of 3.0%. The resulting discount rate is therefore 7.25%.

Applying the 7.25% discount rate to the above cash flows results in a net present value of \$5,843. This DCF calculation is summarized in Addenda A.

1.64 Ac. Fee Simple Land Value (Page 8): \$7,700

NPV Paid to DNR for 35-year C & T Agreement: \$5,843

Value Difference:

\$1,857*

*At the expiration of the 35-year term, the value of the land reverts to DNR. The net present value of that future reversionary land value is \$1,857.

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