



State of Washington
DEPARTMENT OF FISH AND WILDLIFE

Mailing Address: P.O. Box 43200, Olympia, WA 98504-3200 • (360) 902-2200 • TDD (360) 902-2207
Main Office Location: Natural Resources Building, 1111 Washington Street SE, Olympia, WA

June 1, 2021

The Honorable Christine Rolfes
Chair, Senate Ways and Means
303 John A. Cherberg Building
Post Office Box 40466
Olympia, WA 98504-0466

The Honorable Timm Ormsby
Chair, House Appropriations
315 John L. O'Brien Building
Post Office Box 40600
Olympia, WA 98504-0600

The Honorable Kevin Van De Wege
Chair, Senate Agriculture, Water
Natural Resources, and Parks
212 John A. Cherberg Building
Post Office Box 40424
Olympia, WA 98504

The Honorable Mike Chapman
Chair, House Rural Development,
Natural Resources, and Parks
132B Legislative Building
Post Office Box 40600
Olympia, WA 98504

Dear Chairs Rolfes, Ormsby, Van De Wege, and Chapman:

I am writing to provide you with the Washington Department of Fish and Wildlife's report to the legislature regarding potential land exchanges in the Stemilt Basin. Funding and the proviso language within the Department of Commerce requires a report to the relevant committees of the legislature per language in a 2020 operating budget proviso (SB 6168, 2020 p. 51), which reads as follows (in bold):

(50)(a) \$12,000 of the general fund—state appropriation for fiscal year 2020 and \$38,000 of the general fund—state appropriation for fiscal year 2021 are provided solely for the department to provide to Chelan county to collaborate with the department of fish and wildlife and the Stemilt partnership on the following activities:

(i) Identifying and evaluating possible land exchanges in the Stemilt basin that provide mutual benefits to outdoor recreation and the mission of a public agency; and
(ii) Completing independent appraisals of all properties that may be included in a possible land exchange by January 1, 2021.

(b) \$20,000 of the general fund—state appropriation for fiscal year 2021 is provided solely for the department to provide to the department of fish and wildlife to complete technical studies, assessments, environmental review, and due diligence for lands included in any potential exchange and for project review for near and long-term facility replacement and expansion of the mission ridge ski and board resort.

(c) The department must require the department of fish and wildlife, in collaboration with Chelan county, to submit recommendations for potential land exchange and supporting appraisals and environmental analysis to the Chelan

June 1, 2021

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county board of commissioners and the appropriate committees of the legislature by June 1, 2021.

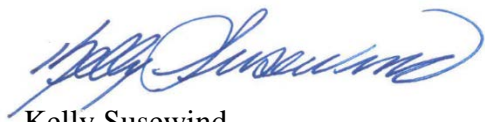
The Washington Department of Fish and Wildlife (WDFW) currently owns land adjacent to the Mission Ridge Ski and Board Resort, which is planning to expand its operations. The elk habitat value of WDFW's land adjacent to the ski resort is degraded, and an expanded, year-round ski resort is not an allowable use of the land under the U.S. Fish and Wildlife Service (USFWS) contract that funded WDFW's purchase of the property. In order to find a solution that would improve habitat for elk and allow for expansion of the ski resort, the legislature directed WDFW to undergo an appraisal and land exchange process. WDFW has since identified Department of Natural Resources (DNR) land south of the Ski Resort as potential property for an exchange, which would allow WDFW to gain valuable elk habitat and place the land where potential Ski Resort expansion may occur under DNR ownership. The potential exchange properties can be found in Appendix A; the WDFW parcels proposed for the exchange are the blue parcels inside the ski area (black line) boundary.

To date, WDFW and Chelan County have completed: a briefing for USFWS, the funding entity for the land WDFW currently owns; a letter requesting disposition instructions from USFWS (Appendix B); identification of potential DNR parcels for the exchange; title policy preliminaries, and appraisal instructions. The appraisal is now underway.

There are several outstanding items that require additional funding. The enclosed Appendix C "Stemilt WDFW Land Exchange Proviso Work Plan and Draft Budget" lists a number of tasks below a bolded black line which are currently unfunded. The Department brought this issue to the attention of local county and legislative elected officials during the 2021 Legislative Session. WDFW would require an additional \$250,000 to complete the land exchange, which includes \$200,000 for a National Environmental Policy Act Environmental Assessment or Environmental Impact Statement process.

If you have any questions or concerns about this report, please feel free to contact Tom McBride, WDFW's Legislative Director, at (360) 480-1472.

Sincerely,



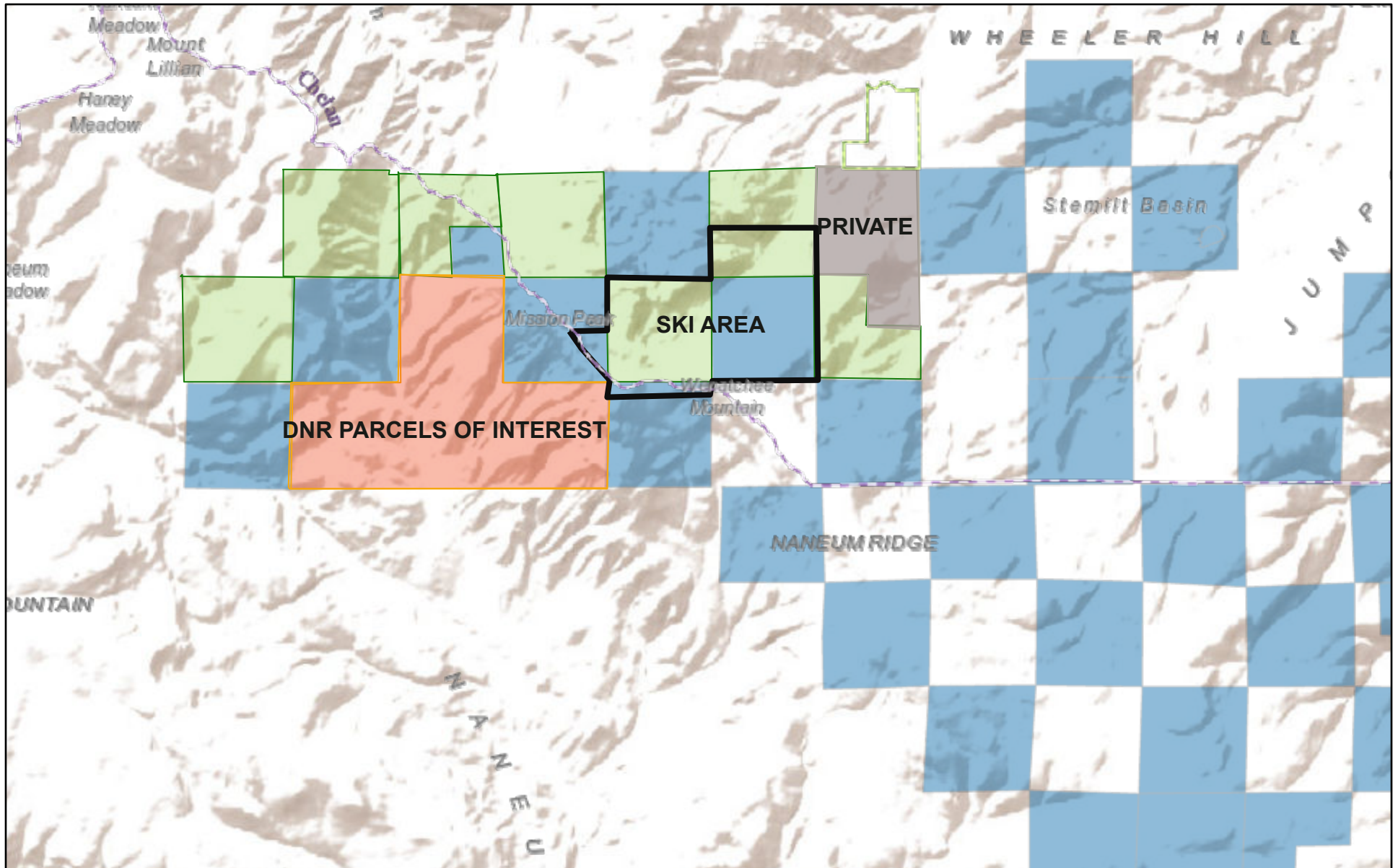
Kelly Susewind
Director

Enclosures

Appendix A

Identification of Potential DNR Parcels for the Exchange

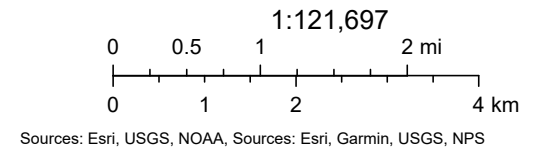
AREA MAP: WDFW OWNERSHIP IN BLUE



November 6, 2020

 Deeded Lands of WDFW

This map shows DNR parcels of interest in red, U.S. Forest Service parcels in green, the private parcels proposed for development in gray, and the ski area outlined in black. The Chelan/Kittitas county line angles NW to SE.



Appendix B

Letter Requesting Disposition Instructions from USFWS



State of Washington
DEPARTMENT OF FISH AND WILDLIFE

**Mailing Address: 600 Capitol Way N · Olympia, WA 98501-1091 · (360) 902-2200, TDD (360) 902-2207
Real Estate Services (360) 902-8150**

November 6, 2020

Heather Hollis, Wildlife Restoration Program
Wildlife and Sport Fish Restoration
U.S. Fish and Wildlife Service
911 NE 11th Avenue
Portland, Oregon 97232

Re: WSFR Grant #W-54-L-1: Colockum Wildlife Area Property Exchange of 780 Acres

Dear Ms. Hollis:

Pursuant to 2 CFR 200.311, the Washington Department of Fish and Wildlife (WDFW) is requesting disposition instructions from the U.S. Fish and Wildlife Service in order to exchange approximately 780 acres of USFWS-funded land in the Colockum Wildlife Area for parcels of equivalent value now owned by the Washington Department of Natural Resources (DNR). Maps are enclosed to illustrate the proposed exchange.

In the 1950s and 1960s, WDFW acquired land in Kittitas and Chelan counties on the western slopes of the Columbia River to form the Colockum Wildlife Area. The initial purchases were made with U.S. Fish and Wildlife Service funds granted through the Federal Aid to Wildlife Restoration Act of 1937 for the management of the Colockum elk herd, wildlife habitat, and recreational hunting. The land in this proposed exchange was part of the very first acquisition for the Colockum: 31,730 acres acquired in 1953 from Richard and Oliver Dilling. Today, the Colockum Wildlife Area includes 89,000 acres to support deer and elk with winter and summer range and migration corridors between the Wenatchee Mountains and the Columbia River.

We are proposing to acquire land that has a higher value for wildlife conservation and wildlife-oriented recreation by exchanging 780 acres of the original purchase from the Dilling brothers for property owned by DNR to the west. This proposed exchange will allow WDFW to protect important late summer habitat and bridge gaps in a critical area for elk migration. In addition, the DNR property is more remote, is undeveloped, and is situated on the sunnier south-facing slopes of Mission Ridge, providing easier access to forage for migrating elk than WDFW's property does on the ridge's north side.

The property that WDFW proposes to exchange to DNR is in the portion of the Colockum where WDFW and the U.S. Forest Service own alternate sections of land in a checkboard pattern. DNR is interested in acquiring WDFW property in this area. Beginning in the mid-1960s, the Forest Service licensed one of its sections to a private operator for use as the Mission Ridge Ski Area. The active part of the ski area is on Forest Service land, but it is surrounded by WDFW property at the top of the ski bowl and along its sides. Beginning in 1965, when skiing was a winter-only sport, WDFW agreed to a winter-only concession agreement with the ski area operator for WDFW's land surrounding the ski area.

Today, however, new year-round uses of the ski area and proposed new development on adjacent private land have us concerned that WDFW's 780 acres will no longer be able to meet the objectives for which they were purchased. Human presence in the area will soon become all-season with motorized recreational vehicles and summer sports. In addition, a new Nordic ski facility and 900 year-round homes are planned for private property to the northeast. This development will bring new users whose sports and vehicles are not compatible with wildlife conservation, hunting and other wildlife-oriented recreation. The habitat conversion associated with the planned residential development also will reduce the value of this property for wildlife conservation.

Elected officials and business interests in Wenatchee and Chelan County are generally supportive of expansion of the ski area, but there is concern about what this will mean for the elk and other wildlife. Last year, the Washington State Legislature directed Chelan County and WDFW to explore the potential for a land exchange so that WDFW would instead own land farther from the ski area.

We believe that an exchange for DNR property that lies farther away from the ski area would be very positive for wildlife and wildlife-oriented recreation. That property is better positioned to create a contiguous WDFW landscape for more efficient and effective management and it would preserve the conservation benefits intended by the original USFWS grant.

Thank you for considering this request. Should you have any questions, please do not hesitate to call or email me.

Sincerely,



Elyse Woodruff, Property Management Supervisor
elyse.woodruff@dfw.wa.gov

cc: Cynthia Wilkerson, Lands Division Manager



United States Department of the Interior

FISH AND WILDLIFE SERVICE
911 NE 11th Avenue
Portland, Oregon 97232-4181



In Reply Refer to:
FWS/R1/WSFR/W-54-L-1

November 24, 2020

Elyse Woodruff, Property Management Supervisor
Washington Department of Fish and Wildlife
600 Capitol Way N
Olympia, Washington 98501-1091

Dear Ms. Woodruff:

We received your request, dated November 6, 2020, for disposition instructions regarding disposal of approximately 780 acres of US Fish and Wildlife Service Wildlife and Sport Fish Restoration (WSFR)-funded land in the Colockum Wildlife Area (W-54-L-1) in exchange for parcels of equivalent value owned by the Washington Department of Natural Resources (DNR).

In the 1950s and 1960s, the Colockum Wildlife Area (CWA) in Kittitas and Chelan counties was established to support deer and elk winter and summer range, migration corridors, and hunting and other wildlife oriented recreational activities. The parcel proposed for divestiture in this proposed exchange was part of the first acquisition for the CWA (31,730 acres) in 1953 using funds awarded through the Federal Aid to Wildlife Restoration Act of 1937.

The subject property is in the portion of the CWA where Washington Department of Fish and Wildlife (WDFW) and the U.S. Forest Service own alternate sections of land in a checkboard pattern. In the mid-1960s, the Forest Service licensed one of its sections to a private operator for use as the Mission Ridge Ski Area. The active part of the ski area is on Forest Service land, but it is surrounded by WDFW property at the top of the ski bowl and along its sides. In 1965, when the ski area was operated as a winter-only operation, WDFW agreed to a winter-only concession agreement with the ski area operator for WDFW's land surrounding the ski area.

Today, however, there are proposed year-round uses of the ski area and proposed development on adjacent private land. This raises concerns that the subject parcel will no longer be able to meet the objectives for which the land was acquired. Human presence in the area will soon become all-season with motorized recreational vehicles and summer sports. In addition, a new Nordic ski facility and 900 year-round homes are planned for private property to the northeast. This development will bring new users whose sports and vehicles are not compatible with wildlife conservation, hunting, and other wildlife-oriented recreation.

The proposal is to sell 780 acres of the original purchase and acquire land that has a higher value for wildlife conservation and wildlife-oriented recreation. This proposed exchange will allow

INTERIOR REGION 9
COLUMBIA-PACIFIC NORTHWEST

IDAHO, MONTANA*, OREGON*, WASHINGTON

*PARTIAL

INTERIOR REGION 12
PACIFIC ISLANDS

AMERICAN SAMOA, GUAM, HAWAII, NORTHERN
MARIANA ISLANDS

WDFW to protect important late summer habitat and bridge gaps in a critical area for elk migration. In addition, the DNR property is more remote, undeveloped, and situated on the south-facing slopes of Mission Ridge; providing easier access to forage for migrating elk than WDFW's property does on the ridge's north side.

We have reviewed the material you have submitted and concur that the encroachment and proposed changes in use of the ski area hinders the continued use of the property for the purpose for which it was acquired. We understand that an exchange for DNR property that lies farther away from the ski area would be positive for wildlife and wildlife-oriented recreation. The DNR property proposed for acquisition is also better positioned to create a contiguous landscape for more efficient and effective management by your agency and it would preserve the conservation benefits intended by the original WSFR grant.

In order to carry out the disposal and subsequent acquisition, environmental compliance must be carried out. This includes: Endangered Species Act, section 7 analysis, National Historic Preservation Act, section 106 consultation, and National Environmental Policy Act review. In addition, the parcel proposed for divestiture as well as the parcel(s) proposed for acquisition must be appraised with a review of the appraisal using Yellow Book standards.

As you have found, our manual chapters require approval of your Attorney General under certain considerations to be applied in the scope of work for an appraisal. We have received the approval you provided for special instructions for the appraiser to consider the larger parcel and accept that the appraisal will include special instructions related to the larger parcel.

Once the subject transactions are completed we will also need to update the land records reconciliation.

We are willing to facilitate this effort in any way we can. Please contact Ms. Heather Hollis of my staff at (503) 231-6233 or by e-mail at heather_hollis@fws.gov for any questions related to moving forward.

Sincerely,

Kathy Hollar, Chief
Wildlife and Sport Fish Restoration Program

cc:
Cynthia Wilkerson, WDFW Lands Division Manager

Appendix C

Stemilt WDFW Land Exchange Proviso Work Plan and Draft Budget

Mission Ridge Land Exchange Proviso Work Plan and Draft Budget

Task	Cost	Who	Due Dates
Facilitation of Stemilt Land Exchange Proviso Subgroup and Stemilt Partnership	\$7,500	Chelan County	June 30, 2021
Land Exchange Alternatives Analysis - contract with Wa. Conservation Science Institute (WCSI)	\$500	Chelan County	Nov 30, 2019
Wildlife modeling and impact analysis assistance - contract with WCSI	\$16,500	Chelan County	June 30, 2021
Initial briefing for WDFW's funder USFWS by WDFW Real Estate Services (RES)	\$0	WDFW	May 15, 2020
2 CFR 200.311(c) Letter to USFWS requesting "disposition instructions" - RES	\$0	WDFW	Nov 6, 2020
Identification of potential DNR parcels, WDFW/DNR Letter of Intent	\$0	WDFW	January 30, 2021
Title policy prelim; appraisal instructions; conduct appraisal and review appraisal for WDFW parcels - contractor	\$25,500	Chelan County	April 30, 2021
Cultural resources review for WDFW parcels - contractor	\$6,000	WDFW	May 30, 2021
Cultural resources review for DNR parcels - contractor	\$6,000	WDFW	May 30, 2021
Hazardous materials assessment for DNR parcels - contractor	\$6,000	WDFW	May 30, 2021
Submit recommendations to Chelan County BOCC and Legislature Committees	\$2,000	WDFW	June 30, 2021
<i>limit of current funding</i>			
Hazardous materials assessment for WDFW parcels - contractor	\$6,000	WDFW	August 30, 2021
Title policy prelim; appraisal instructions; conduct appraisal and review appraisal for DNR parcels - contractor	\$15,000	Chelan County	October 31, 2021
WDFW/DNR Purchase and Sale Agreement negotiated and signed	\$0	WDFW	December 30, 2021
Administration of NEPA process	\$10,000	WDFW	August 30, 2022

NEPA Environmental Assessment or EIS and public comment process - contractor	\$200,000	WDFW	August 30, 2022
Review and approval by USFWS	\$0	WDFW	December 30, 2022
Review and approval by Fish and Wildlife Commission and Board of Natural Resources	\$0	WDFW	February 28, 2023
Parcel segregation - RES	\$4,000	WDFW	April 30, 2023
Preparation of deeds and closing documents; Governor's review and approval - RES	\$0	WDFW	June 15, 2023
Closing admin, costs, fees - RES	\$15,000	WDFW	June 30, 2023
Total Estimated Budget	\$320,000		

WDFW allotment to date = \$20,000; supplement needed:	\$235,000
County allotment to date = \$50,000; supplement needed:	\$15,000
Total supplemental request:	<u>\$250,000</u>