



October 2, 2020

Director Jenifer Scoggin
Office of State Lands and Investments
Herschler Building, Suite W103
122 W. 25th Street
Cheyenne, WY 82002

Dear Director Scoggin,

On behalf of the undersigned groups, we would like to thank you for the opportunity to weigh in on the recent call for proposals for Teton County State Lands parcels. We appreciate that, pursuant to the requirements of 2020's [House Enrolled Act No. 83](#), the Office of State Lands and Investments is charged with soliciting and reviewing proposals for these parcels. We also understand the vital and specific role that your office plays in raising revenue for the state, and specifically for funding Wyoming's education system. Because of the recent structural budget and revenue shortfalls, state trust parcels within Teton County are now in the spotlight.

The recommendations and information we provide within this letter are meant to suggest win-win solutions for these parcels — preserving the high natural resource value of key parcels to support long-term solutions that can bring in substantial revenue; creating sustainable short-term revenue streams in the shorter term; and avoiding costly externalities from development that would burden state and local taxpayers.

Natural resource values associated with Teton County state lands

In general, there are two types of parcels being considered in the development proposal parcel list: lands with contiguous boundaries with adjacent federal lands and parcels that are surrounded by private lands. In the following list, we will break down each parcel by its local and/or regional value.

Generally, for those parcels that are adjacent to other public lands, we support developing a schedule for transferring those lands from the State of Wyoming to the appropriate adjacent federal land

management agency. This would keep these lands open to the public and free from future development that would create irreparable harm to the environment and community.

For parcels that are primarily surrounded by private lands and that have development potential, any future development should consider the conservation value of these lands and adhere to the [Teton County Comprehensive Plan](#) and [Land Development Regulations](#). Some of the most critical and diverse wildlife habitats in Teton County fall on private lands, which make up only 3% of the county. The state lands in Teton County are disproportionately important to wildlife and ecosystem function and in turn support the quality of life and tourism industry here. All of these lands are important to common wildlife species such as bald eagles, moose, elk, and some are more important to federally threatened species including grizzly bears and the Canada lynx.¹ These parcels also support water conservation and riparian habitat at the headwaters of the Wild and Scenic Snake River.

Parcels bordering federal public lands

We recommend that the following parcels be sold to the USFS and incorporated into the Bridger-Teton National Forest.

Full sections:

- ***T40N R116W Sec. 36, Game Creek:*** This undeveloped section is surrounded on three sides by the Bridger-Teton National Forest (BTNF) and is crucial big game winter range. The Gros Ventre Wilderness boundary is approximately one mile east of this parcel. This property is vulnerable to wildfire as demonstrated by the two evacuations of nearby Game Creek subdivision in 2016 and 2020. Winter-range closures should be extended onto state lands in the interim on any recreational development.
- ***T40N R117W Sec. 36, Munger Mountain:*** This section has boundaries on two sides with the BTNF and is immediately adjacent to the Snake River corridor. Annually, elk migrate to the South Park Wildlife Habitat Management Area through this section. This area is important parturition habitat for big game. The adjacent BTNF lands have high recreational value, but have also been managed seasonally to protect wintering big game. Any recreational development proposals should maintain seasonal restrictions to protect wildlife.
- ***T41N R116W Sec. 36, Crystal Butte:*** This parcel is immediately adjacent to the Town of Jackson and the National Elk Refuge. It is fully landlocked within the BTNF and the Gros

¹ As a source of information on these conservation values, please review the Focal Species Habitat Mapping Project and Addendum.

Ventre Wilderness. It also is within crucial big game winter range and has recreational user impacts that should be seasonally restricted to be consistent with adjacent federal lands.

- **T42N R115W Sec. 36, Flat Creek:** This section is fully landlocked within the BTNF and is adjacent to the Gros Ventre Wilderness. It also is within crucial big game winter range and is important to elk and bison wintering on the National Elk Refuge.. These lands should be seasonally restricted to recreational uses, consistent with adjacent federal lands

Additional parcels:

- **T41N R117W Sec. 33, Indian Paintbrush:** This timbered parcel is adjacent to the BTNF and Palisades Wilderness Study Area. These lands should be sold to the USFS and incorporated into the BTNF. These low elevation lands at the base of the Teton Range are important habitat for moose and forest birds. See [analysis](#) of Teton to Snake Habitat Treatment.
- **T42N R117 W Sec. 26, 35, Teton Village parcels:** These parcels border the BTNF and may provide recreational access to the BTNF lands adjacent to the Jackson Hole Mountain Resort (JHMR). These lands should remain open to the public with recreation associated with JHMR. These low elevation lands at the base of the Teton Range are important habitat to moose and forest birds. See [analysis](#) of Teton to Snake Habitat Treatment.

We recommend that the following parcels be sold to Grand Teton National Park.

- **T43N R115W Sec. 36, Kelly Section:** For decades there have been attempts to transfer this parcel to GTNP. It is entirely within the boundary of within GTNP and is bordered by BTNF to the east and Elk Refuge to the south. A segment of the Path of the Pronghorn, the only federally designated migration corridor, is located on this parcel. The land is crucial big game winter range and hosts wintering herds of elk and bighorn sheep. The parcel also contains a scenic easement as part of the establishment of the Gros Ventre Road. That road crosses the state land in Grand Teton to reach Forest Service and private property in the Gros Ventre River drainage east of the park. A transfer of these lands to GTNP is the best outcome for all parties involved.
- **T42N R116W Sec. 20, Grand Teton National Park/Snake River:** This small parcel borders GTNP and falls within the Snake River riparian corridor. This is a critical movement corridor for a variety of species and crucial winter range for moose. This parcel should be transferred to GTNP.

We recommend the following parcels should be sold or exchanged within the ongoing negotiations with Teton County and the Bureau of Land Management:

- **T40N R117W Sec. 14, T41N R117W Sec. 35, Snake River BLM:** These two parcels abut Bureau of Land Management parcels that are currently under discussion for transfer of ownership. These lands should be included in that same [process](#). Both of the adjacent parcels are planned for future fee-simple ownership by Teton County with concurrent conservation easement deed restrictions reflecting the values of the 2004 Record of Decision protecting open space, wildlife habitat and recreation.

Parcels surrounded by private lands

- **T42N R117W Sec. 36, 390 Section:** This section lies in important migration corridors for ungulates and today primarily serves as open space grazing lands. These lands provide awe-inspiring views and currently meet goals in Teton County’s comprehensive plan for wildlife permeability and viewsheds. This section is surrounded by private land and has development potential. However, it would be best for our community and the resource values for development to be limited by conservation easement.
- **T41N R116W Sec. 08, West Gros Ventre Butte:** This parcel is entirely surrounded by private land. Any future development must adhere to Teton County Master Plan and Land Development Regulations.
- **T41N R116W Sec. 28, 29, 32, 33, East Gros Ventre Butte:** These parcels are all on steep slopes adjacent to the Budge landslide. They also fall into crucial mule deer winter range, with documented movements to Grand Teton National Park. This habitat should remain undeveloped with seasonally restricted use on recreation. We encourage the Office of State Lands to consider transferring these lands to the Wyoming Game and Fish Commission to be managed for wildlife habitat.
- **T40N R116W Sec. 06, Elementary School/Recreation Lands:** This parcel falls within the Town of Jackson, is surrounded by development, and is currently supporting our state’s education system by hosting a school and recreational fields, and therefore should remain unchanged.

Conservation friendly revenue generation options

We appreciate the constitutionally-mandated role of Wyoming’s state trust lands to provide funding to support our state’s education system. We also understand that the more permanent solutions proposed for many of the parcels above will take time to negotiate and implement. In the meantime, ensuring that the natural resource values of these parcels remain intact will preserve OSLI’s ability to pursue these longer term resolutions. Further, parcels with high natural resource value that will

remain in state ownership need reasonable avenues to raise revenue for schools. We suggest that OSLI consider creatively formulated proposals that test out new approaches for monetizing these lands while protecting the natural resource values that they have long supported. Additionally, each of these lease options could serve as a sustainable stream of income rather than providing a one-time boost.

We suggest the following starting points for potential revenue-generation options for these lands. In order to protect existing resource values (including important winter habitat and local water quality), appropriate siting and consultation with the Wyoming Game and Fish Department, Department of Environmental Quality, and county and local authorities must be a priority. Consideration of current resource values, land uses, and the broader landscape in which any given parcel is situated is also critical for ensuring that any of these lease opportunities could be successfully implemented.

- **Maintain grazing access and leases.** There are currently six grazing leases active on Teton County state lands parcels. Well-managed grazing is a wildlife-compatible use for these parcels, and supports the maintenance of legacy agricultural operations in Teton County. We recommend that grazing uses be maintained on these parcels for existing lessees.
- **Leases for appropriately-sited recreational trails (both permanent and seasonal).** Recreational trails must be sited outside of critical wildlife habitat and in areas that will not otherwise degrade the character or function of the local ecosystem. If these parameters are met, this use can be compatible with natural resource values. If this option is made available, stakeholders ranging from Nordic ski enthusiasts to mountain bikers may be able to organize to raise funds and purchase a trail lease.
- **Leases for guiding and touring rights.** As “ecotourism” has exploded and the popularity of both Grand Teton and Yellowstone National Parks has only grown, local guiding companies have only seen increases in business. Exclusive guide access to local ecotourism companies could provide another conservation-friendly lease option.
- **Leases for short-term primitive lodging operations.** Seasonal, semi-permanent lodging options, e.g. “glamping” operations that use wall tents or yurts, have also increased in popularity in recent years. Nitrates from wastewater are rising throughout Teton County² and pose serious public health risks if not managed properly; wastewater management is especially important to consider for operations using this model, as well as for any other development option that produces large amounts of wastewater.
- **Conservation leasing.** Finally, we support State Lands in accepting leases explicitly designed to monetize the conservation of natural resources on these parcels. We believe that especially for parcels with high natural resource value, there could be considerable interest in this option, especially offered in tandem with some of the lease options presented above.

² Koshmrl, Mike. (2020, Jan. 8). [Nitrates rising: a concerning groundwater pollutant climbs in some JH reaches.](#) *Jackson Hole News&Guide*.

We offer these solutions as potential mechanisms to preserve natural resource value on the most ecologically critical state lands parcels within the county. On parcels with lower habitat value, we suggest, before wholesale development, the state consider appropriately sited affordable housing proposals that could provide much-needed housing for educators and state employees. This would support local schools and serve as a cost saving measure to state agencies. All of these proposals should be extremely site-specific and well-coordinated with the relevant agencies (DEQ, WGFD) to ensure negative resource impacts are avoided.

State Lands parcels have important economic impacts and revenue implications

In weighing what solutions will be the best and most beneficial revenue generation opportunities for the state, we believe it is important to consider that these state lands are already serving important, if indirect, revenue-generating functions. State lands in Teton County are part of an important landscape-level mosaic of resources that supports a thriving tourism economy, a hunting and fishing economy that generates hundreds of millions of dollars in economic impact, and critical ecosystem services whose benefits are hard to quantify, but implicate Blue Ribbon trout fisheries, drinking water, big game winter ranges, and more.

Additionally, it is important to consider the potential costly impacts of developing these lands for taxpayers and the state³. Teton County provides lucrative opportunities for real estate developers, but the entire valley is also facing massive drinking water quality challenges due to inadequate infrastructure and poor siting of septic systems. Hoback Junction is currently without safe drinking water, and it may cost as much as \$13 million to find a new source. Meanwhile, roadway improvements necessary to meet the increasing stress on infrastructure are growing increasingly costly. Taxpayers recently approved \$8.5 million in roadway improvements near a local school, and WYDOT just completed its costliest project ever to widen South Highway 89 to meet growing traffic demands. These examples highlight that inappropriate commercial development of lands within Teton County — an area only growing *more* attractive to developers — could backfire and ultimately cost the state and local communities more than any revenue raised for schools in the short term.

Support for county engagement, working group, and public process

We support the Teton County Board of County Commissioners' desire and effort to partner with OSLI in future management of these parcels. We also applaud their efforts to engage local stakeholders with expertise in real estate, ranching, economic development and other fields to ensure that future investments in state lands will protect their current economic contributions while creating an enhanced and durable revenue stream. We believe that this partnership and the process

³ For more on these impacts, please see Appendix A.

of soliciting input would reflect Teton County's desire to both prioritize local control for local state lands, and contribute to the rest of the state.

The public has a strong interest in being engaged on the future of state lands parcels in Teton County. We hope that county-level engagement will provide transparency about the decision-making around proposals for these lands, as well as create some additional clarity around the overall timeline and process. In general, members of the public will want to have a clear understanding of how decisions will be made about the future of these lands — for example, whether cost-benefit analyses will be conducted for any commercial development permitted. To date, members of the public have had little information about the timeline and goals of the proposal solicitation. We hope that increased engagement and transparency will help drive durable, win-win solutions for these lands.

Long term: Permanent solutions and funding

As conservation not-for-profit organizations, we are hardly in a position to propose our direct purchase of any of these lands. However, we work closely with the federal land management agencies as they prioritize federal funding priorities for land acquisition and clean-up of boundaries. These lands listed above that border existing federal jurisdictions will continue to best support our community and the State of Wyoming if they remain in public ownership and are transferred to the appropriate adjacent agency. And there is a funding mechanism that is currently well-funded, thanks to the Great American Outdoors Act ([S. 3442](#)), to help make this a reality. We urge the State Board of Land Commissioners to work with the BTNF and GTNP, as well as with the Wyoming delegation, local NGOs, and local elected officials, to create a prioritized list of lands and schedule use of these funds. This ensures that these lands provide revenue to the state over time, rather than in one lump sum. These lands almost certainly will continue to appreciate in value and their conversion to federal lands could potentially function similarly to an amortized schedule of future income to the state.

For those lands that are not adjacent to federal lands, there still are tremendous conservation values that may be impacted by future development. Our county has a number of tools that could be used to maintain these values and provide revenue to the state. The Teton County Scenic Preserve Trust is a local tool through local government to purchase, hold, and administer conservation easements. The Jackson Hole Land Trust has also done a remarkable job protecting lands in the Jackson area and should be consulted on any sale to private landowners. Other partners such as the Conservation Fund, Trust For Public Lands, and the Grand Teton National Park Foundation have all been integral in protecting public lands and finding solutions for transfer of lands to public agencies.⁴

Conclusion

⁴ For other available tools: <https://www.uwyo.edu/toolkit/ltcpinwy/table2.html>

Thank you for the opportunity to weigh in on the future of Teton County state lands. Ultimately, we understand that state lands serve a unique and critical niche in our state that is distinct from federal public lands in that they must generate revenue. However, like in Teton County, state lands parcels around Wyoming also provide critical natural resources that support our economy in other ways — through providing habitat for valuable game species, providing supporting ecosystem services key to our water quality, by supporting legacy agricultural land uses, and more.

A number of our groups have diverse memberships both in Teton County and statewide. Based on feedback from the public, it is clear to us that there could be considerable interest in conservation-friendly alternative lease arrangements on parcels around the state. We would encourage OSLI to look at the Teton County proposal solicitation and vetting process as an opportunity to expand the variety of monetization options that can be offered on state trust lands. This approach will help diversify the ways in which your office can meet the constitutional obligations of OSLI while also protecting the resource-derived economic value of these parcels.

We look forward to continuing the conversation as this process moves forward!

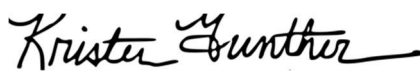
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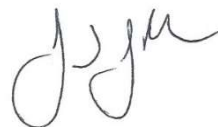
Chris Colligan
Wildlife Program Coordinator
Greater Yellowstone Coalition



Brooke Sausser
Community Planning Manager
Jackson Hole Conservation Alliance



Kristen Gunther
Conservation Advocate
Wyoming Outdoor Council



Jared Baecker
Executive Director
Snake River Fund

Appendix A

Memo on the economic value of state trust lands in Teton County

Teton County contains 4,600 acres of state trust lands parcels, with the 18 parcels ranging in size from 23 acres to full 640-acre sections. If managed so as not to diminish their current economic value, state trust lands can continue supporting the local economy while enhancing support for public schools and institutions statewide in difficult budgetary times.

State trust lands are important to our local economy

Although it is impossible to parse out the value of any individual parcel, state trust lands are an integral part of a larger landscaping underpinning a booming economy. State trust lands provide a working landscape for ranchers while protecting the open space and wildlife habitat fundamental to an economy based on tourism, outdoor recreation, and real estate. State trust lands are already part of a landscape that, by industry, yields the following benefits:

- ❖ Real estate: Buyers paid an average of \$2.62M for a regular home in 2019, with the market topping out at \$80M for a single-family home.ⁱ Luxury home sales (often in rural areas) make up only 27% of overall sales, yet they've already produced 67% of total dollar volume this year.ⁱⁱ To see the value of open space: a 100 acre lot proximate to the Munger Mountain state trust land parcel is [currently listed](#) for \$18M.
- ❖ National parks: 7.4M visitors to National Park System lands statewide generated 12,300 jobs, \$359M in labor income, and \$1.1B in economic output.ⁱⁱⁱ Teton County is an important gateway to the two most popular NPS destinations in the state.
- ❖ Hunting: Big game is big money – hunters and anglers generated over \$300M in total economic impact, with \$28M for state and local taxes. Nonresident hunters who use outfitters and guides spend 178% more annually than resident hunters.^{iv} Out of state hunters hunt here for the big game supported by our open spaces.
- ❖ Outdoor recreation: The outdoor economy statewide generates \$514M in tax revenue and \$5.6B in consumer spending. Outdoor recreation also provides more jobs than oil, gas, mining, and extraction combined.^v
- ❖ Agriculture: Agriculture provides \$4.2B in economic contributions to the state while accounting for \$1B in labor income.^{vi} In 2017, Wyoming farms and ranches earned more than \$29M in agritourism and outdoor recreation, more than double the amount generated in 2012.^{vii}
- ❖ Ecosystem services: Although difficult to assign a monetary value to critical ecosystem functions such as water purification, pollination, or nutrient cycling, some research estimates

that as much as \$900 in public benefit is generated every year per acre of forestland conserved.^{viii} Overall, conservation easements in Wyoming provide an *outsized* benefit (acre to acre) when it comes to protecting Blue Ribbon Trout fisheries, sensitive drinking water sources, big game winter ranges, and big game migration corridors so essential to the economy.^{ix}

The cascading costs of land development gone wrong

Land development in Teton County is a lucrative venture for private developers. Our land use plan and zoning code ensures that development on private property protects private property rights while ensuring that costs aren't externalized to public infrastructure or public taxpayers. Still, private ventures often needlessly and unfairly impact the public purse or individual residents. For example:

- ❖ Hoback Junction residents [no longer have access to clean drinking water](#), due to poor infrastructure planning and irresponsible siting of septic systems – and Hoback is the tip of the iceberg of a [valley-wide wastewater problem](#). Teton County Commission has allocated \$500k to complete a county wastewater management plan, but Hoback residents are still faced with a \$13M hurdle to find a new drinking water source.^x
- ❖ Local taxpayers recently approved an [\\$8.5M measure for road improvements](#) near a school because infrastructure (built years earlier) wasn't constructed to safe standards.
- ❖ After private development on a steep slope resulted in landslide, the Town of Jackson [paid \\$250k as part of a settlement](#).
- ❖ Widening South Highway 89 in Teton County is the [Wyoming Department of Transportation's costliest project yet](#), even as it has already increased local traffic,^{xi} increasing the future need for more road improvements. High-density residential or commercial development in rural areas could increase wear and tear on existing assets, while creating the need for additional investments.

If managed well, state trust lands can benefit our local *and* state economy

State trust lands as currently managed are already crucial to Teton County's economy. If developed with respect to the context of the local economy – namely, a reliance on a healthy landscape and small-town character – these lands can maintain their local benefits, even as they are better managed to bring benefits to the entire state.

ⁱ Viehman, David, Viehman, Devon, & L. Smith. (2019). [Jackson Hole real estate report](#).

ⁱⁱ Viehman, David, Viehman, Devon, & L. Smith. (2020). [Jackson Hole luxury report. Volume 8. Edition 2](#).

ⁱⁱⁱ Thomas, Catherine Cullinane & L. Koontz. (2019). [National park visitor spending effects](#).

^{iv} Southwick Associates. (2017). [Economic contributions of big game hunting in Wyoming](#).

^v [Outdoor Industry Association Report](#).

^{vi} Taylor, D., R. Coupal and T. Foulke. 2017. "The economic importance of Wyoming agricultural production." Department of Agricultural Economics, University of Wyoming.

^{vii} Brandt, Rhonda. (2019). [Wyoming agriculture: growing for the future.](#)

^{viii} Taylor, D.T., J. Lavato, J. Sargent-Michaud, and D. Stevens. 2011. "Economic contributions of the Wyoming Wildlife and Natural Resource Trust." William D. Ruckelshaus Institute of Environment and Natural Resources, University of Wyoming, B-1230.

^{ix} Korfanta, Nicole, Rashford, Benjamin, Pocewicz, Amy, Schacht, Eric, Alley, Bo, and Jame Luchsinger. (2018). [Wyoming conservation easements: lands, services, and economic benefits.](#) Ruckelshaus Institute, University of Wyoming.

^{x x} Nelson Engineering. (2006). [Hoback Junction Water Supply Study, Level 1.](#)

^{xi} Charlier Associates presentation to Jackson Town Council and Teton County Board of County Commissioners, November 4, 2019.