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INTRODUCTION

Washington farm families play an important role in our state's economy, in our rural communities, and in the quality of all of our lives. These farmers are doing more with their land than ever before. A few key statistics illustrate this change:

- In 2007, agricultural output in Washington rose 20 percent, from \$6.8 billion in 2006 to \$8.2 billion.
- In 2007 animal agriculture revenue increased 23.6 percent, from \$1.6 billion in 2006 to \$2 billion.
- Between Washington, Oregon, California and Idaho, Washington had the largest increase in crop revenue, increasing 21 percent, from \$4.4 billion in 2006 to \$5.3 billion in 2007.
- Washington farmers more than doubled their net farm income. Net farm income increased 133 percent, from \$1 billion to more than \$2.4 billion.

However, overall farm numbers are down in Washington. Development pressures and rising land values make it more and more difficult for Washington's farms to survive.

Between 1997 and 2007, Washington lost over 5,000 farms totaling 460,000 acres. Of those 4,000 farms, 3,000 were family farms. More than 3,000 of the total farms lost were between 1-50 acres.

In the Puget Sound basin, between 1991 and 2001, 190 square miles of forest land was converted to other uses, equaling 2.3 percent of the remaining forests. This loss of productive agriculture and forest land jeopardizes the future of farming and forestry in Washington.

In 2007, Governor Christine Gregoire and the state Legislature recognized that we are losing critical farmland across our state. They realized this wasn't only a loss of land, but also a loss of a way of life, a loss of our rural character, and a loss of key element of our state's economy – agriculture. The Office of Farmland Preservation (OFP) was created to address this threat.¹

“Given the social economic and environmental values these working lands provide, it is a priority for the state to focus attention, provide options and explore ways we can grow while preserving our working agricultural and forest economies.”

Governor Christine Gregoire

“The Next Washington”

¹ See generally the OFP statute at 89.10 RCW.

The Office was established within the Washington State Conservation Commission and was assigned a number of tasks, including:

- providing input to the Commission on conservation easements;
- create and support a farmland preservation task force established in statute;
- provide an analysis of the major factors that have led to past declines in the amount and use of agricultural lands in Washington;
- develop model programs and tools, including innovative incentives, for landowners;
- provide technical assistance to localities as they develop and implement programs and tools for the retention of agricultural lands;
- develop a grant process for locals to receive grants for farmland retention programs;
- provide analysis and recommendations on the development of a farm transition program; and,
- serve as a clearinghouse for incentive programs.

In the first year, the OFP has set the course for a strong and firmly established farmland preservation program in the state. First year accomplishments include:

- Distributing \$200,000 in farmland preservation grants to eight counties.
- Establishing the Farmland Preservation Task Force that traveled to six regions of the state, meeting with farmers, ranchers and local citizens to get their input on farmland preservation, resulting in key recommendations found in this report.
- Funded a farm transition conference in Skagit County.
- Developed and is distributing a farmland preservation newsletter to over 2000 recipients across the state.
- Created the OFP web site, which includes farmland preservation information on contacts for every county in the state.

More detailed information on the accomplishments over the past year can be found in the report. Also included is a review of what other states are doing in their farmland preservation programs. This information provides some important ideas and new thinking that can be considered for our state.

Key elements of this report are the recommendations presented to the Conservation Commission by the Farmland Preservation Task Force. The issues surrounding each recommendation are described in this report.

For 2009, the OFP will continue to work with the Farmland Preservation Task Force to implement the recommendations and provide input to the Commission. The OFP will also enhance the state clearinghouse on farmland preservation incentives. The transition program will also be developed to provide information to landowners on the various tools available to them for keeping their land in farming.

A key project in 2009 will be the development of “farmland at risk of conversion” maps. These will help guide policy efforts at the state level and farmland preservation activities at the local level, in an effort to protect the most critical and at-risk farms in the state.

OFP ACTIVITIES FOR 2008

Early Action Projects

- √ Distributed \$200,000 in farmland preservation grants to eight counties
- √ Funded an Open Space Tax Act report used to develop policy
- √ Developed research on other states' structure for easements

OFP

- √ Initiated state-wide discussions on farmland preservation
- √ Presentation to State Planning Association on farmland preservation
- √ Assisted landowners with questions about preservation
- √ Recommended funding levels for the Conservation Easement Account
- √ Provided analysis to Task Force on emerging and existing issues
- √ Participated in a national conference on farm transition
- √ Participated in a national conference on farm preservation
- √ Researched land use issues including permitting
- √ Worked with University of Washington develop land use models

Transition

- √ Funded a farm transition program in Skagit County
- √ Researched transition programs from different states

Farmland Preservation Task Force

- √ Held six meetings and tours throughout the state
- √ Heard from stakeholders on preservation
- √ Developed recommendations targeting farmland preservation
- √ Officially endorsed a mixed use facility in Okanogan County

Outreach and Publications

- √ Developed a monthly Farmland Preservation Newsletter
- √ Web page development to host clearinghouse and farmland information
- √ Distributed publications to over 2000 individuals
- √ Created a new display which travelled to numerous functions
- √ Expanded communication efforts by implementing the OFP-News listserv
- √ Developed an informational one page color handout on OFP
- √ Partnered with Farming and the Environment at annual awards ceremony
- √ Referenced in numerous statewide media publications
- √ Participated in a public radio series on the status of farming in our state

OFP PROJECTED ACTIVITIES FOR 2009

Early Action Projects

- √ Report on University of Washington's mapping work for OFP
- √ Identify indicators for farmland preservation success

OFP

- √ Assist counties in their comprehensive planning
- √ Create a purchase of agricultural easement checklist
- √ Develop a model policy for state farmland preservation
- √ Initiate an agricultural strategic plan model
- √ Work on increasing matching funds for federal grant dollars
- √ Continue work raised in Task Force recommendations
- √ Produce a researched product illustrating two farms and their challenges
- √ Assist landowners

Farmland Preservation Task Force

- √ Meet quarterly for general business and tours
- √ Form sub-committee on developing an easement model
- √ Form sub-committee to initiate a model statewide farm transition program

Transition

- √ Develop an ongoing farm transition program with stakeholder input
- √ Form a statewide transition network

Clearinghouse

- √ Continue to integrate all land programs onto OFP webpage as resource

Outreach and Publications

- √ Assist counties in their comprehensive planning
- √ Continue monthly publication of Farmland Preservation Newsletter
- √ Distribute the travelling OFP display
- √ Expand OFP-News Listserv
- √ Continue public and media outreach
- √ Revamp OFP one pager
- √ Partner with agricultural groups to promote preservation

VARIOUS ONGOING PROCESSES RELATING TO FARMLAND PRESERVATION

Over the past two years there have been several stakeholder processes examining the subject of agricultural activity in Washington. Although some of these discussions are more broad than just farmland preservation, the subjects they cover have implications for the long-term viability of agriculture, and therefore also have implications for maintaining farms as working farms and preserving farmland.

Office of Farmland Preservation

In 2007, Governor Gregoire signed into law SSB 5108 which created the Office of Farmland Preservation and established the Farmland Preservation Task Force. The Office was created within the Washington State Conservation Commission to support the retention of farmland and the viability of farming for future generations.

With input from the Task Force, the Office has been working to provide an analysis of factors that have led to past declines in amount and use of agricultural lands and also to provide recommendations to the Task Force for consideration.

Office of Farmland Preservation Task Force

Established in 2007 through SSB 5108, the Task Force was created to provide policy input to the Office of Farmland Preservation as it pursues several farmland-preservation goals outlined by lawmakers.

Comprised of farmers, legislators, county commissioners, and agency representatives, the Task Force is considering several recommendations as a first step towards preventing loss of farmland. As issues arise, the Task Force is poised to take action to collaboratively address what they believe is important in the prevention of farm loss.

The mission of the Task Force as decided by its members is to promote the vitality of farming, farmers, and ranchers by ensuring that we will continue to have productive agricultural lands in Washington State. They will achieve this through policy recommendations to the Governor, the

Legislature, the Office of Farmland Preservation and others and by enlisting public support. Programs will be voluntary, recognize local priorities, and provide for economic incentives.

During 2008, the Task Force has held public meetings throughout the state taking input from stakeholders, interested parties and the public. Based on the meetings and tours, the Task Force will be able to develop recommendations that fit their mission and intent of the legislature.

Future of Farming

The Washington State Department of Agriculture (WSDA) Future of Farming project will develop a strategic plan to guide decision makers as they work to support the continued economic viability of the state's \$34 billion food and agriculture industry. The goal of the project is to pass on a vibrant farm economy to the next generation of Washington producers.

A project steering committee representing a broad cross-section of the industry has met to develop a framework for prioritizing discussions. As opportunities and challenges are identified, private and public sector economists, agronomists, educators and other specialists will provide detailed input where appropriate.

During the spring and summer of 2008, listening sessions with farmers, food processors and other members of the public were held throughout the state. Based on this input and other information the steering committee will develop a report and recommendations that will be delivered to the Washington State Legislature in 2008. The strategies identified in the report will be structured to assist the Legislature and other governments to enact policies that benefit agriculture. The 2007 Legislature provided funding for the project.

Ruckelshaus Center - 5248 Process

The William D. Ruckelshaus Center, a joint service of the Washington State University and the University of Washington, has been asked by the Governor and the Washington State Legislature to assist in resolving conflicts surrounding agricultural activities and the development and implementation of critical areas protections of the Growth Management Act (GMA). Controversy over agricultural and other land use issues played out strongly in the Initiative 933 campaign in 2007 and also within the 2007 legislative session and resulted in SSB 5248, which has been signed into law.

SSB 5248 directs the Center to work and consult with agricultural, environmental, tribal and local government interests to develop potential solutions for effective policies and practices that ensure protection of environmentally sensitive areas in ways that support the preservation of farm lands and a strong farm economy.

In accordance with SSB 5248, the Center will carry out a two-phased approach. The first phase will include initial stakeholder input and fact finding efforts, followed by a second phase that includes arranging and facilitating discussions between parties with the objective of developing policy recommendations to bring forward to the Governor and Legislature. In conjunction with these discussions, the Center will bring its research and analytical capabilities to bear in supporting the development of recommendations. The Center issued a progress report to the legislature in December, 2007 and will prepare another progress report in December, 2008. A final report will be issued in September, 2009.

TRANSITION

“Provide analysis and recommendations as to the continued development and implementation of the farm transition program...” RCW 89.10.010(g)

Developing and implementing an effective farm transition program is critical in preserving farmland for future generations. Considerable effort can be put into preserving the land but if there's no one to work the land, then the efforts have not been successful. Farmland preservation requires a focus on creating and enhancing opportunities for farmers to continue to work the land.

Because transferring the farm can be an emotional topic for farmers, transition planning is oftentimes delayed until it's too late. A successful transition program requires an acknowledgement of the emotional connection to the land and work with the landowner to help them plan for the future.

The OFP transition program will focus on educating landowners on the various transition options, educating the professionals who work with farmers on transition issues (bankers, attorneys, financial planners) as to the tools available to the landowner to keep the land as a farm, and identifying potential purchasers and individuals interested in entering farming.

STATE TRANSITION PROGRAM UPDATES

In the summer of 2008, OFP staff reported on the efforts of several states that have successful programs and described in general how they function.

WASHINGTON

Washington currently has a FarmLink program in King and Snohomish counties linking willing buyers and sellers. Since 2002, over 800 individuals have requested information, enrolled in the program, and/or participated in one of nearly 30 educational workshops. To date Washington FarmLink has helped keep over 300 acres in agricultural production.

The Washington Department of Natural Resources (DNR) has partnered with Oregon State University to bring to Washington a transition program focused more on forest landowners called “Ties to the Land.”

In the fall of 2008, DNR teamed up with Underwood Conservation District to bring this program to South Central Washington. 16 participants, primarily forest owners, came to the two day meeting representing about 7 families. Feedback was tremendously positive with active participation from those in attendance.

DNR also put on a meeting in Dayton with the local extension agent. That meeting had 27 people attend. The families present mostly owned large tracts of land with both agriculture and forest. Again, this was widely viewed as a success.

More meetings are scheduled in 2009 for Lewis County and potentially Clallam County, working with the Clallam Conservation District.

OTHER STATE TRANSITION PROGRAMS

VIRGINIA

Virginia Farmland Preservation coordinator reported that the Virginia Department of Agriculture is now the administrator of FarmLink programs in the state. FarmLink is associated with government in some states, universities in some states and non-profit organizations in others. Washington FarmLink is sponsored by King and Snohomish Counties and operated in partnership with Cascade Harvest Coalition.

Virginia also has a FarmLink database. It cost \$8,500 to have an IT contractor set it up. It was called “a glorified Craigslist.” It currently has 182 seekers of land owners.

NEBRASKA

They are doing farm and ranch legal and financial clinics. They are doing case studies on the treatment of heirs to farm property. Their focus is to create “equity, not equality” in that treatment. The years an heir has been working in the farming business should be calculated somehow, so that heir is treated differently than another heir who has not worked in the business. They also work to get the older generation of farmers to define what “retirement” means to them.

OHIO

They have been facilitating “speed dating” workshops, where older farmers meet younger would-be farmers for short periods. Recently these workshops have led to two “matches”, which result in the younger farmers keeping the land in production.

ILLINOIS

They have become involved with “Annie’s Project.” This is networking just for farm women. One participant said “Mom’s going to end up with the farm anyway.” There was a lot of enthusiasm among attendees for this program.

MISSOURI

They have a mediation program to settle disputes between landowners. Few attorneys specialize in this area. They got the Missouri Bar involved. This led to mention of the Coalition of Agricultural Mediation Programs, or CAMP. Iowa has an extensive section of law on agricultural disputes and mediation.

CALIFORNIA

They host three regional conferences. They have forms for model lease agreements in their publication “Farmers’ Guide to Securing Land.” However, they are somewhat nervous about being accused of practicing law without a license. They also host “mixers” where land owners meet would-be farmers.

They have an easement program that they feel is innovative because it requires active farming of the land. It is a first with public funds in the state. The speaker called it “complicated.”

They are finding that part of the real estate foreclosure situation in California is bankers stuck with farmland they don't want.

OFP AND FARM TRANSITION WORKSHOPS

In anticipation of developing the OFP transition program, WSCC staff attended a national conference on farm transition and heard from several mediators and facilitators of transition programs from across the country. One successful approach to initiating a farm transition program is the development of a series of transition workshops for landowners, professionals, and new farmers. The OFP provided funding for one transition workshop in the Skagit County area and is planning at least two conferences in other locations in the state in 2009.

The program will also bring together interested stakeholders to discuss what they would like to see in a program and meld their collective experience towards a common goal. Participants will include representatives from the Department of Revenue, Washington State University, Farm Credit, Washington Farm Bureau, Washington Cattleman's, Washington Dairy Federation, Washington Realtors, attorneys and estate tax experts.

The role of conservation districts statewide in the implementation will be central to the success of hosting or facilitating transition workshops across the state. Conservation districts are in a unique position to offer support and education to land managers across the state. Many landowners already seek out the assistance of their local conservation district and the trust element that already exists between the two entities.

As evidenced by the success of the workshop hosted in part by the Underwood Conservation District in Southwest Washington, the potential exists for all districts to annually or semi annually host and facilitate a transition workshop.

MODEL PDR PROGRAM

Purchase of Development Rights

Under a Purchase of Development Rights (PDR) program, a landowner voluntarily sells his/her rights to develop a parcel of land typically to a public agency or qualified conservation organization. The landowner retains all other ownership rights attached to the land, and a conservation easement is placed on the land and recorded on the title. The buyer (often a local unit of government or land trust) essentially purchases the right to develop the land and extinguishes that right permanently, thereby assuring that development will not occur on that particular property. In placing such an easement on their farm and/or forest land, participating landowners often take the proceeds from sale of the development rights to invest in their farming operations or retire from the business, and may allow another farmer to purchase the land at lower rates (i.e. rates devoid of development rights).

According to the December 2008 William D. Ruckelshaus Center Report Number 2 submitted to the Governor, there are approximately 92,000 acres protected by conservation easements in Washington representing around 2000 individual easements. Those 2000 easements are held by a myriad of entities including state, county, and private non profits for a total of 31 holders. Only a small portion of the 92,000 acres under easement exist to protect commercial agriculture, the vast majority of easements exist to protect critical areas and their functions.²

To effectively preserve working lands, the farm business has to be profitable. Profitable lands provide all the incentive a land manager needs to stay in production. PDRs offer that potential. The best uses of PDRs and easements are in making the farm business equitable and profitable, ensuring continued operation. Easements and PDRs can permanently protect farmland from non-farm development and significantly reduce transfer taxes in cases where the market value of the land is much greater than its restricted value as is often the case in areas in and near major populations. Easements also keep the land, in most cases, in private ownership and on local tax rolls. They are also flexible documents that can be tailored to meet the goals of individual farmers and ranchers and the entity holding the easement specific to their properties. Most importantly, they can be a useful tool in transferring land to a new generation of producers.

There are drawbacks to easements and PDRs as well. When you begin discussing the conditions of the easement, often times the holders of the easement are geared towards retiring the rights to develop and plans on holding the easement in perpetuity. This adds to the difficult decisions families and land owners must make when working to determine what is right for them and their family. PDRs and easements do not ensure that the land will continue to be farm ground.

Differing from permanent restrictions, *term* easements impose restrictions for a specified number of years. Regardless of the duration of the easement, the agreement is legally binding on future landowners for the agreed upon time period. At the time of sale, it may be difficult to find subsequent landowners to purchase the land and uphold the easement terms.

² William D. Ruckelshaus Center: Report Number 2, December 1, 2008

An easement can be modified or terminated by a court if the land or the neighborhood changes and the conservation objectives of the easement become impossible to achieve. Easements can also be terminated by eminent domain proceedings.

MODEL PROGRAM FOR STATE AGENCIES AND LOCAL JURISDICTIONS

In 2009, OFP staff will be working with other stakeholders to develop a model PDR program for state agencies and local jurisdictions. The primary focus of the model program will be to establish criteria and a decision making structure that will allow for targeted PDR acquisitions. This will ensure that the farms on which a PDR is secured will be those that are most likely to be successful long-term.

MAPPING FARMLANDS AT RISK

Lands at Risk

One challenge to the preservation of farmland is understanding which lands are most at risk of conversion. Mapping that identifies where prime agricultural lands currently exist with the ability to query and understand the relationship those parcels have to land use/zoning maps and growth trends in relation will help in developing strategies to preserve the prime agricultural lands.

The Office of Farmland Preservation, through the State Conservation Commission, initiated and funded a farmland mapping project in cooperation with the University of Washington College of Forestry to develop the system to identify these lands.

The Washington State Parcel Database, housed at the University of Washington's College of Forest Resources (CFR) is maintained by staff of the Rural Technology Initiative (RTI). RTI Staff have developed relationships with Washington's thirty-nine counties and land management agencies to collect and normalize their parcel GIS data into a single dataset in a common statewide format that will be updated annually.

Using the Statewide Parcel Database as a foundation, research staff has constructed the Washington State Forestland Database. By generating forest land cover from satellite imagery and using land use information and assessed land values from the database, forested lands can be identified and categorized into ownership categories such as public, conservation, tribal, industrial and other private. In addition, the Forestland Database contains information about relevant physical and political features such as parcel, contiguous tract, owner and forest acres, regulatory buffer acres, slope information, stream and road density/length and a conversion potential metric calculated as the difference between current use and highest-and-best use land values.

A similar database will be constructed with existing information for agriculture lands. This database will enable a new understanding of agricultural change in Washington similar to the Forestland Database. It will also allow the OFP to target farmland preservation strategies to those lands most at risk of conversion.

WSPCC has contracted with the University of Washington to provide a series of maps specific to agriculture lands. UW will present as maps and data by state sub-regions:

- Acres in agricultural use as identified by assessor data.
- Acres in Agriculture classified under current use (RCW 84.34) as identified by assessor data.
- Acres in agriculture use, but NOT in current use tax status
- Acres in agriculture-related use as identified by assessor data.

This information and the overall data may possibly be overlaid with the WSDA Crop Mapping efforts which identify crop types on agricultural lands state wide. WSDA has developed an agricultural land use geodatabase to assess the effects of agricultural production on Washington's natural resources. The geodatabase can store, query, and manipulate geographic information used to identify agriculture land use in Washington. WSDA has been collecting crop data for over 4 years in a GIS format. Data is gathered using a combination of field surveys and aerial photography.

OFP GRANTS – STATUS REPORT AND SUGGESTED NEXT STEPS

“Provide technical assistance to localities as they develop and implement programs, mechanisms, and tools to encourage the retention of agricultural lands;

“Develop a grant process and an eligibility certification process for localities to receive grants for local programs and tools to retain agricultural lands for agricultural production;...”³

In 2007, the Recreation and Conservation Office (RCO) identified \$200,000 in grant money from the farmland preservation portion of the Washington Wildlife and Recreation Program funding for grants to local governments for farmland preservation activities. Eight counties began or further developed farmland preservation programs this past year with grants of \$25,000 each.

Kittitas, Clark, Clallam, Jefferson, Whatcom, Thurston, San Juan and Klickitat Counties were the recipients of the grants. Activities funded occurred in calendar year 2008. Those activities varied under the terms of individual county proposals that were approved following a competitive application and evaluation process. Activities eligible for funding under the program included assessing community interest in farmland preservation, developing priorities for farmland to be preserved, writing a county farmland preservation strategy or establishing a local process for identifying high priority farms to protect.

Overall, the response and effort put forth by the counties has been extremely positive. Several counties were able to establish and facilitate important conversations in the community about what preservation may look like in their area. Feedback from the entities involved illustrates the importance of preserving farmland and how each individual county uniquely adapted their grant money for the needs of the county in whole. Below are updates and status reports from the eight counties. For a complete report on activities please contact OFP staff.

A key “lesson learned” from the process is counties are facing very difficult financial decisions for all the services they provide. Farmland preservation activities at the local level may suffer not because of lack of interest but because other issues such as criminal justice, transportation and social services are a higher priority. In the future the farmland preservation grants should be available to entities other than counties, such as conservation districts or non-governmental organizations, who would then work with the counties to implement the activities covered by the grant.

³ RCW 89.10.010(3)(e-f)

RESULTS FROM COUNTY OFP GRANTS

To date, the follow county recipients have reported results. All county grant results are due to be completed by March 2009.

Clallam County

Trust for Public Land (TPL) convened a meeting with a coalition of local groups to discuss the content of the Clallam County conservation finance survey, and prepare a draft of the survey for review. A review of TDR programs from around the state was initiated. The coalition conducted an initial review of the county comprehensive plan and zoning code for sections that address agricultural activities and prepared an action plan to address these codes. Information was obtained from the North Olympic Land Trust indicating land already preserved through conservation easements for processing into the GIS database. GIS information was also obtained from the Clallam Conservation District identifying locations of farmland and farming activities to help develop a land data base that will identify key at risk farms.

Clark County

An agricultural preservation advisory committee was organized. Seven meetings of the advisory committee were convened and the group developed an initial list of farm issues to be discussed by the committee. The committee heard a presentation by a conservation consultant entitled "Clark County Farm Designation and Protection Programs" as well as a presentation on "Land Use Planning and Agricultural Land: The Oregon Perspective." With this information, the Committee commenced discussion of geographical areas of long term agricultural interest in the county and began identifying strategies to protect these areas.

Jefferson County

Jefferson used their grant to review risk management materials from USDA regarding succession planning models, collected workshop curricula from Arizona, Washington, Oregon and New York: adapted it to local needs and established a series of transition workshops taking place over a 3 week time period with a final meeting in mid fall. Including a meeting with a regional expert attorney on estate planning for rural landowners. The attorney presented on trusts, wills, business structures, and the tax implications of conservation easements. The final workshop was attended by 21 people and was the best attended. Entitled Farm Leases: Windfall or Pitfall. WA Farm Link presented numerous options and discussed advantages and challenges associated with the various leases. This was seen as an extremely successful event and Jefferson LandWorks Collaborative will continue to be involved in helping to facilitate farmland leases.

They also worked with WA FarmLink to have lease templates available for landowners. Visited each potential lease site to assess its suitability and to actively recruit new growers interested in these parcels. Generated a list of 9 potential sites available for lease.

To garner more accurate crop and land use data, they conducted phone surveys of all local farms obtaining accurate information on location, size, crops, and contact information. They worked closely with landowners and presented LandWorks to several local groups including the Jefferson County Association of Realtors. Updated brochure and website to allow greater visibility of work for landowners and general public.

Visited several farms and met with additional landowners individually. In some cases, the landowner becomes a “client” of LandWorks, in which case our member organizations work closely with them on some combination of our services: business planning, financing, easements, training, and more. Other outreach efforts include e-newsletters entitled “Farmer Talk”; providing water rights information to farmers; planned a continuing education course in conjunction with the local community college that will provide credited, technical assistance to growers in winter quarter 2009; Created and mailed a survey of meat producers in Jefferson and Clallam counties to assess interest in local meat processing; executed the annual Farm Summit in conjunction with WSU Cooperative Extension bringing together 40 farmers to discuss their shared issues, needs and how organizations can better serve them; participated in the steering committee for a newly formed seed growers cooperative.

Klickitat County

Klickitat County contracted with the American Farmland Trust (AFT) who made an initial assessment of potential issues and prepared a working discussion paper on "Options and Issues for Protecting Agricultural Lands in Klickitat County" along with supporting materials. Public meeting notices of six community meetings conducted by AFT were distributed. All meeting notices were published in the local paper and county planning staff contacted forty-five landowners by written correspondence or phone calls to invite to the meetings. AFT created and followed an outreach plan for the broad distribution of notice of the six public meetings. During the meetings AFT presented various tools used for farmland preservation; the presentation was followed by a facilitated in-depth discussions that focused on community vision of farming in the County in the future, impediments to maintaining farmland in farm use, and possible solutions. Twenty-two recommendations were developed in the document "Keeping Farmland Available for Klickitat County Agriculture: Report to the Klickitat County Commission" This was distributed to the Klickitat County Commission in December of 2008. Report can be found here: <http://www.farmland.org/programs/states/WA/Klickitat-County-Papers.asp>

San Juan County

The county Agricultural Resources Committee (ARC) is the lead, with help from San Juan Conservation District, San Juan County Land Bank, and San Juan Preservation Trust on this grant. In compliance with the grant, ARC submitted several articles to the local media; produced and distributed an information card; displayed advertisements regarding conservation easements, agricultural land designation, and farm planning; held several public town hall meetings; began an inventory of farmland; developed an ‘early warning system’ in conjunction with the San Juan County Assessor; met with community groups; contacted individual landowners; assessed funding needs for conservation easements, and; reported on the outcomes of these efforts.

Thurston County

County staff has been working with the county Ag Advisory Committee to develop an agriculture strategy for the county. As part of this effort, the County and the Committee held a workshop with members of the community, providing an opportunity for county residents to learn about the need for, and explore strategies to conserving working lands. Allow land owners to express desires for specific requirements and benefits to be included in a conservation plan. The county Ag Advisory Committee has committed to pursue a parallel process to advocate for farm and working lands conservation. This workshop was held and the information from the public was incorporated into the Ag Advisory Committee consideration of a county agriculture strategy. The Committee is continuing work on the proposed Ag strategy and when completed it will be presented to the County Commissioners.

Whatcom County

The Whatcom County grant looked to enhance and support a coordinated approach to the preservation of agricultural land by creating community support for agricultural preservation initiatives. Staff examined several identified questions in the development of four white papers.

The first paper examined how the current PDR program in Whatcom County functions and how much more agricultural land needs to be targeted for protection in order to meet the originally stated goals of the program. The paper reviewed targeted areas and assessed PDR program accomplishments against stated protection goals. The paper concluded that the program has succeeded in its operation as a voluntary program to protect farmland. Eleven completed PDR transactions have been completed and prevents any activities that would preclude ongoing farm operations.

For the second paper, Whatcom County contracted with Whatcom Farm Friends to create an outreach and public involvement plan related to the ongoing work of the agricultural program.

The third white paper was a summary report of impediments and opportunities created through various levels of regulation of the county agricultural program and includes recommendations for improving local control and revenue generation, and drafts of ordinances and zoning changes that may support.

The fourth paper examines the feasibility of a TDR program. The paper concludes that the feasibility of a successful program is low. The areas in and around Whatcom County's cities are developing at levels below what is already allowed by zoning and code and there are as many as 26,000 to 35,000 potential developable lots in the unincorporated area of the county that do not require a TDR. The feasibility of a TDR program could function as one of many tools in the toolbox.

CLEARINGHOUSE FOR INCENTIVE PROGRAMS

“Serve as a clearinghouse for incentive programs that would consolidate and disseminate information relating to conservation programs that are accessible to landowners and assist owners of agricultural lands to secure financial assistance to implement conservation easements and other projects.”⁴

Over the course of 2008, the foundation for the clearinghouse was established with the creation of the OFP web page. Staff completed the overall structure for the web page and began populating it with a wealth of information. The site can be found at <http://ofp.scc.wa.gov>. The page lists resources for each county in the state and includes information on local conservation futures programs, links to county web pages, information on local resources for farmers, ranchers and other agricultural producers, and links to other local farmland preservation programs. The web page also includes information on the latest news relating to agriculture and farmland preservation.

The Office of Farmland Preservation staff has also started a monthly farmland preservation e-newsletter that’s distributed to 2,000 email subscribers. The newsletter serves as an important link for timely information on farmland preservation.

For 2009 the OFP staff will begin to structure the web page to include information on incentive programs available state wide from federal, state and local agencies, as well as from non-profit organizations. The information will be organized in such a way that landowners anywhere in the state can access the information and tailor it to their specific needs. They will also be able to find contact information to enable them to take advantage of these programs.

Finally, in 2009 the OFP will participate with the full State Conservation Commission to explore how the existing structure of the Conservation Commission and Conservation Districts could be used to improve service delivery to landowners of information on incentive programs available to them. This approach would provide a more efficient and focused method of working with landowners to help them understand the array of incentive programs that may be available to them. The District staff could also serve as liaisons for the landowners helping them make contact with the appropriate agency for assistance.

⁴ RCW 89.10.010(i)

WHAT OTHER STATES ARE DOING ON FARMLAND PRESERVATION

Many states across America have a farm preservation program. Many differ in their approach and the programs they offer, but one of the most popular processes for preservation in the other states is a Purchase of Agricultural Conservation Easement program (PACE).

According to a study done by American Farmland Trust, as of May 2008, 27 states have a preservation program that authorizes state-level PACE programs. The following table displays the status and summarizes important information about farm and ranch land protection programs in 21 states that have funded easement acquisition. Washington is not listed as the Easement account is currently not funded.

Some programs (e.g., Delaware and Massachusetts) purchase and hold easements directly. Others also have the authority to acquire and co-hold easements with partners (e.g., county governments). Similar to Washington, a few programs (e.g., New York and Virginia) only provide grants to eligible entities to buy easements.

State	Acres Protected	Program Funds Spent to Date
California*	40,784	\$61,511,000
Colorado*	334,826	\$107,533,255
Connecticut	32,300	\$94,010,529
Delaware	85,045	\$111,628,717
Georgia	290	\$533,000
Kentucky	28,173	\$13,823,269
Maine	5,950	\$4,109,376
Maryland*	323,090	\$428,208,505
Massachusetts*	59,972	\$162,032,674
Michigan	19,065	\$26,547,672
Montana	9,923	\$888,000
New Hampshire	12,109	\$14,382,808
New Jersey*	161,281	\$647,902,318
New York*	28,138	\$70,721,783
North Carolina	4,712	\$2,504,000
Ohio	31,898	\$19,179,518
Pennsylvania*	382,845	\$630,540,464
Rhode Island	5,366	\$22,489,848
South Carolina	8,650	\$4,702,500
Utah	74,718	\$12,743,172
Vermont	124,057	\$51,450,502
STATE TOTALS	1,773,192	\$2,487,442,910

*indicates the funding sources in the next table

Funding for these programs come from many different sources. Most common though is state appropriations. A list of funding sources for the top spending states is below:

State	Funding Sources used to Date
California	Appropriations, bonds, private contributions, FPP
Colorado	Local government contributions, portion of lottery proceeds, FPP
Maryland	Agricultural transfer tax, bonds, local government contributions, private contributions, real estate transfer tax, FPP Bonds, local government contributions, private contributions, real estate transfer tax
Massachusetts	Appropriations, bonds, local government contributions, private contributions, transportation funding, FPP
New Jersey	Appropriations, bonds, local government contributions, portion of state sales and use tax, private/foundation contributions, sale of fee-simple purchased properties, FPP
New York	Bonds, local government contributions, real estate transfer tax, FPP
Pennsylvania	Appropriations, bonds, cigarette tax, interest on securities, local government contributions, FPP

STATE FARMLAND PRESERVATION PROGRAMS

California

The California Farmland Conservancy Program (CFCP) seeks to encourage the long-term, private stewardship of agricultural lands through the voluntary use of agricultural conservation easements. The CFCP provides grant funding for projects which use and support agricultural conservation easements for protection of agricultural lands.

Colorado

Since 1994 when Great Outdoors Colorado (GOCO) awarded its first grants, through FY 2008, GOCO has committed approximately \$578 million for more than 2,800 projects throughout the state. GOCO dollars are helping to: protect more than 850,000 acres of open space in perpetuity: Land along river corridors and in mountain valleys; land for wildlife habitat; agricultural lands; land in the heart of cities; land that separates communities; and land that buffers state and local parks from encroaching development.

Connecticut

The Connecticut Department of Agriculture preserves farmland by acquiring development rights to agricultural properties. The farms remain in private ownership and continue to pay local property taxes. A permanent restriction on nonagricultural uses is placed on these properties. The program

is voluntary on the part of the applicant. As of January 3, 2007, the Farmland Preservation Program has preserved 31,782 acres on the 228 farms. More than half of these acres are classified as prime and important farmland soils. The goals and reasons for Farmland Preservation remain unchanged. A goal of preserving 130,000 acres, with 85,000 acres of cropland continues to be in effect for the Department of Agriculture.

Delaware

The Delaware Agricultural Lands Preservation Foundation preserves farms - the cornerstone of rural Delaware. The Foundation preserves historic structures, wildlife habitats, important environmental features, wetlands, and forests, as well as setting aside, permanently, the critical farmland for future generations of Delawareans. The program is voluntary. Delaware's farmland preservation program has two major components Agricultural Preservation Districts and Agricultural Conservation Easements.

Kentucky

The Kentucky General Assembly in 1994 established the Purchase of Agricultural Conservation Easement Corporation and authorized the state to purchase agricultural conservation easements in order to ensure that lands currently in agricultural use will continue to remain available for agriculture and not be converted to other uses.

The PACE Corporation has purchased agricultural conservation easements on 88 farms totaling 20,927 acres for \$17,873,444. The easement costs have averaged \$854 per acre. The farm size has averaged 238 acres. In addition, 34 easements on 4,638 acres have been donated to the program, bringing the total inventory to 122 farms containing 25,565 acres.

Since the inception of the program, the Department has received 816 applications from 75 counties statewide totaling over 160,000 acres. A total of 667 applications are currently pending for a total of over 129,000 acres with an estimated easement value of over \$100 million.

Maine

Technical assistance is provided to farmland owners who are interested in applying for the state's purchase of development rights funds through the Land for Maine's Future program.

The Land for Maine's Future Program (LMFP) was enacted in 1987 to acquire land and interests in lands (easements) to protect important conservation areas, water access, outdoor recreation, fish and wildlife habitat, and farmland. The program requires a fifty-cent match for every dollar requested.

Maryland

The Maryland Agricultural Land Preservation Foundation (MALPF) was established by the Maryland General Assembly in 1977 and is part of the Maryland Department of Agriculture. The Foundation purchases agricultural preservation easements that forever restrict development on prime farmland and woodland.

During its 25th year of preserving agricultural land, MALPF will have helped landowners permanently protect from development more than 250,000 acres on almost 2,000 farms. The Foundation has preserved farmland in all of Maryland's 23 counties. Today, the Foundation manages a public investment of over \$333 million in permanently preserved land. The Maryland Agricultural Land Preservation Program is one of the most successful programs of its kind in the nation. Maryland has preserved in perpetuity more agricultural land than any other state in the country.

Massachusetts

The Agricultural Preservation Restriction (APR) Program is a voluntary program which is intended to offer a non-development alternative to farmers and other owners of "prime" and "state important" agricultural land who are faced with a decision regarding future use and disposition of their farms. Towards this end, the program offers to pay farmland owners the difference between the "fair market value" and the "agricultural value" of their farmland in exchange for a permanent deed restriction which precludes any use of the property that will have a negative impact on its agricultural viability.

Massachusetts' APR program, begun as an act of the Legislature in 1979, was the first in our nation and has since been a model upon which many other states have built their programs. As of 2008 the Massachusetts APR program has permanently protected over 725 farms and a total land area of over 61,855 acres. The primary purpose of the APR program is to preserve and protect agricultural land, including designated farmland soils, which are a finite natural resource, from being built upon for non-agricultural purposes or used for any activity detrimental to agriculture and to maintain APR land values at a level that can be supported by the land's agricultural uses and potential.

Michigan

The Michigan Farmland and Open Space Preservation office works with four farmland preservation efforts which are detailed below.

1. Local Purchase of Development Rights (PDR)

This program was established in 2000 and is intended to provide grants to local purchase of development rights programs. The funding source for this program is a recapture of benefits from participants in the program described below in #2. They have had two grant cycles with local entities. The amount they had available was limited to \$1.3 million in 2005 and \$1.48 million in 2007. They had received requests for \$26 million in those two years so the demand exists for this type of program. In general permanent conservation easements are expensive and can be complicated for a local unit of government to complete. They frequently take more time than the local government expects. Those communities that have been the most successful have designated a staff person to complete the work.

The Michigan local grant program is somewhat unique in that grants are not made for specific parcels but are granted to pre-approved programs. It is also not an entitlement program so these local governments must compete for the funds. Their Board spent considerable time coming up with a scoring system for these state funds that creates incentives for the local units of government to plan for farmland preservation as well as to create incentives for local governments to recognize

and encourage farming in their communities. In addition the program creates incentives for intergovernmental cooperation.

Purchase of development rights is relatively expensive. Under their state, direct purchase of development rights program (which no longer is funded - item #3 below) they purchased the development rights on 69 farms for about 15,000 acres at a cost of \$30 million.

2. PA 116 (Temporary conservation easements)

Since 1974 the State has administered a program where landowners restrict their land to agricultural use in exchange for exemptions from special assessments and in exchange for receiving a tax credit through their state income tax. The tax credit is calculated based on the relationship between the landowner's income and the landowner's property taxes. If their income is low they would typically receive a credit. If their property taxes are high they would typically receive a tax credit.

Currently they hold 41,000 Agreements or contracts with landowners. Last year the state issued credit checks for about \$36 million to the farming community. This program protects about 3.3 million acres of farm ground. When land comes out of the program it is required to repay the tax credits received during the last seven years of the Agreement. These funds are used by the Michigan Agricultural preservation fund to make grants to local PDR programs (Item #1).

3. State Purchase of Development Rights Program

As indicated previously, they no longer directly purchase development rights on farmland under this program since funds for this program have now been directed to the Michigan Agricultural Preservation Fund. However under this program they purchased 69 permanent conservation easements. This initial state program helped to establish the locally run programs. Once the state purchased development rights in a community there was a greater understanding of the process and greater acceptance to establish a locally run program. In some states such as New Jersey all conservation easements are purchased and owned by the state. In others such as Pennsylvania, block grants are made to counties with local programs. There are advantages and disadvantages to each method. For example, if the program is a direct purchase through the state, there is consistency in the execution and enforcement of the conservation easements. On the other hand, local programs may have a better sense as to which parcels to preserve. The ability to execute the local programs varies depending on the proficiency of the program.

4. Donation of Conservation Easements

An unexpected off shoot of the purchase program has been the donation of conservation easements on farmland. They currently hold 21 of these conservation easements and are working on an additional four. Improved tax incentives at the federal level have been of some use (although they expire December 31, 2009). The key factor in obtaining these donations has been the state direct purchase program which established a track record for those considering donation. Part of the reason they are seeing farmland donated conservation easements is because most conservancies are not ready to acquire a conservation easement on working lands such as farmlands. In Michigan the perception that open space land is the only option available for conservation easements is changing and more conservancies seem willing to embrace protection of working lands.

Montana

The Montana Agricultural Heritage Program was created in 1999 to help stem the loss of critical farm, ranch, and forest land to development. The program received an initial allocation of \$1 million from the general fund. A citizen commission oversees the acquisition of conservation easements from willing sellers and donors. In its first year of operation, the commission approved eight landowner grant applications totaling \$888,000. This figure was matched by \$6.36 million from various federal, local, and private sources, including the participating landowners. These easements have preserved 9,923 acres of agricultural land.

New Jersey

The State Agriculture Development Committee (SADC) leads in the preservation of New Jersey's farmland and promotes innovative approaches to maintaining the viability of agriculture having preserved more than 170,000 acres of farmland preserved statewide.

The SADC administers the Farmland Preservation Program, providing grants to counties, municipalities and nonprofit groups to fund the purchase of development easements on farmland; directly purchasing farms and development easements from landowners; and offering grants to landowners in the program to fund up to 50 percent of the cost of soil and water conservation projects. It also administers the Right to Farm Program, oversees the Transfer of Development Rights Bank, and operates the Farm Link Program, which helps connect farm owners with farmers seeking access to farmland and farming opportunities.

The SADC consists of 11 members – six citizens appointed by the Governor with the advice and consent of the Senate, and five ex-officio members. Four of the citizen members must be actively engaged in farming, and the other two represent the general public.

New York

Through the New York Agriculture and Markets Law, the Commissioner of Agriculture is authorized to administer two matching grant programs focused on farmland protection. One assists county governments in developing agricultural and farmland protection plans to maintain the economic viability of the State's agricultural industry and its supporting land base. Since the inception of this program in 1994, the Department has awarded over \$2 million to 48 counties across the State.

The other program assists local governments in implementing their farmland protection plans and has focused on preserving the land base by purchasing the development rights on farms using a conservation easement. The purchase of development rights (PDR) can help where the benefits and protections available through agricultural districting and other planning tools may not be sufficient to overcome local development pressure and other issues affecting farmland. Since the inception of this program in 1996, the Department has awarded nearly \$80 million to protect approximately 36,000 acres on 200 farms in 18 counties.

In 2004, a total of 43 municipalities requested more than \$86 million under this highly competitive grants program, and a total of \$12.5 million in Environmental Protection Fund resources were awarded to 15 municipalities to purchase the development rights on 20 farms. This continues a

trend of rapidly escalating interest in the use of conservation easements among municipalities and farm owners to protect farmland since this grants program was initiated.

North Carolina

Since 2002, North Carolina has lost more than 6,000 farms and 300,000 acres of farmland. This puts North Carolina in the position of leading the nation in farm loss.

Preserving working family farms is one of North Carolina Agriculture Commissioner's top priorities. In March 2005, the General Assembly passed House Bill 607 establishing the Agricultural Development and Farmland Preservation Trust Fund. The purpose of the fund is to support the farming, forestry, and horticulture communities within the agriculture industry by:

- Supporting the purchase of agricultural conservation easements (on farm, forest, and horticulture lands), including transaction costs.
- Funding Public and private enterprise programs that will promote profitable and sustainable family farms through assistance to farmers in developing and implementing plans for the production of food, fiber, and value-added products, agritourism activities, marketing and sales of agricultural products produced on the farm, and other agriculturally related business activities.
- Funding conservation agreements (on farm, forest, and horticulture lands) targeted at the active production of food, fiber and other agricultural products.

Ohio

The Ohio Office of Farmland Preservation educates the public about the importance of saving farmland. The office also assists farmers and local officials with their farmland protection efforts and hosts an annual farmland preservation summit.

The office implements the Clean Ohio Agricultural Easement Purchase Program, the Ohio Agricultural Easement Donation Program, and provides technical assistance to communities implementing the Agricultural Security Area program.

Clean Ohio Agricultural Easement Purchase Program (AEPP)

Of the \$400 million Clean Ohio Fund, \$25 million was set aside to purchase agricultural easements on productive farmland from willing landowners. Over a span of seven years, approximately \$3.12 million was provided each year to purchase agricultural easements. Since the AEPP's inception in 2002, the department's Office of Farmland Preservation has received more than 1,800 Clean Ohio AEPP applications. Due to limited funding, the department has preserved only 135 of those farms, totaling 26,813 acres. Following this year's round of funding, the \$25 million allocation from the Clean Ohio Fund will be depleted. The Governor and the General Assembly's Bipartisan Economic Stimulus Package, a \$1.57 billion investment in Ohio's economy and infrastructure that will create tens of thousands of new jobs, includes a \$400-million bond renewal for the Clean Ohio Fund. If passed, this money will not only help preserve farmland but will also preserve green space, develop recreational trails, and clean up brownfield sites.

Ohio Agricultural Easement Donation Program (AEDP)

Since 1999, the department has accepted the donation of agricultural easements from landowners who wish to protect their farm and keep it in agricultural production. Donations are evaluated individually, because certain legal requirements must be met in order for an easement to be granted. More than 4,400 acres have been preserved through the donation program.

Agricultural Security Area (ASA)

This program authorizes one or more landowners of at least 500 acres of contiguous farmland to request enrollment into an ASA for a 10-year period. This voluntary request is made through boards of township trustees and county commissioners. ASAs provide certain benefits to farmers that include protecting the land from non-agricultural development, maintaining a critical mass of land to help keep farming viable, and possibly providing tax exemptions on new real property. The department's Office of Farmland Preservation provides technical assistance to farmers and local officials in creating an ASA program. Since the creation of this program in 2005, there have been more than 17,800 acres enrolled in the ASA program.

Pennsylvania

Pennsylvania's state-level Easement Purchase Program has protected more farmland than any other state-level Purchase of Agricultural Conservation Easement (PACE) program in the country.

The Pennsylvania Bureau of Farmland Preservation oversees the Commonwealth's program to purchase agricultural easements and administers legislative programs designed to preserve farmland through the State Agricultural Preservation Board.

Agricultural Security Areas (ASAs) are a tool for strengthening and protecting their quality farmland from the urbanization of rural areas. Key features of the program are:

- Voluntary for farmers. Petitions are submitted to township supervisors by the farmers to create the ASA. They are reviewed every seven years; however, new parcels of farmland may be added to an established ASA at any time.
- A minimum of 250 acres from among all the participating farmers is required.
- An ASA may include non-adjacent farmland parcels of at least ten acres or be able to produce \$2000 annually from the sale of agricultural products.
- Participants receive special consideration regarding:
 - Local ordinances affecting farming activities.
 - Nuisance complaints.
 - And review of farmland condemnation by state and local government agencies.

An ASA qualifies land for consideration under the Easement Purchase Program at the landowner's request, if the ASA has at least 500 acres enrolled.

The Pennsylvania Agricultural Conservation Easement Purchase Program was developed in 1988 to help slow the loss of prime farmland to non-agricultural uses. The program enables state, county and local governments to purchase conservation easements (sometimes called development rights) from owners of quality farmland. The first easements were purchased in 1989. Counties

participating in the program have appointed agricultural land preservation boards with a state board created to oversee this program. The state board is responsible for distribution of state funds, approval and monitoring of county programs and specific easement purchases.

Rhode Island

The Rhode Island State Land Conservation and Acquisition Program operates to identify, assess, acquire and protect lands consistent with the Department's responsibility to provide recreational lands, protect farmland, and save environmentally sensitive open space for Rhode Island's future generations. This office also coordinates land acquisition with other state, federal and non-profit land acquisition programs and leverages funding from these various sources. The land protection team works to acquire land consistent with state regulations for the acquisition of property, and to develop funding sources for these acquisitions.

Vermont

Vermont Housing and Conservation Board (VHCB) make loans and grants to nonprofit organizations, municipalities and state agencies for the acquisition of land and for the purchase of conservation easements. All conservation projects are protected in perpetuity by conservation easements recorded in the land records which travel with the land upon resale. The conservation easements are co-held by the applicant organization or a sponsoring organization, VHCB, and, in the case of farmland conservation projects, by the Vermont Department of Agriculture, Food & Markets.

The VHCB Farmland Preservation Program is focused on retaining the state's quality agricultural land base in strong farming regions of the state. The purchase of conservation easements on farmland preserves Vermont's working landscape--the open farm fields, woodlands and farmsteads that comprise the third largest sector in the state's economy and draw the visitors that make tourism the largest sector. Because of the Board's investment in conservation easements, Vermont's most productive farmland will remain undeveloped and the best soils will remain available for farming in the future. In Vermont, 251 farms comprising more than 83,000 acres of agricultural land have been conserved with VHCB funds since 1987.

Virginia

In 2001, the Virginia General Assembly established the Office of Farmland Preservation within the Virginia Department of Agriculture and Consumer Services to help reverse the trend of farm loss. The General Assembly charged the Office with four important missions:

- To work with other governmental and private organizations to help establish local purchase of development rights (PDR) programs by creating model policies and practices, establishing criteria to certify programs as eligible to receive funds from public sources, and determining methods and sources of funding for localities to purchase agricultural conservation easements
- To create programs to educate the public about the importance of farmland preservation
- To help farmers with farmland preservation efforts
- To administer the Virginia Farm Link program

FARMLAND PRESERVATION TASK FORCE BACKGROUND

When creating the Office of Farmland Preservation the Legislature also established the Farmland Preservation Task Force.⁵ The Task Force is assigned the role of providing guidance to the OFP on conservation easements, and providing input to the OFP on the Office's analysis of the major factors that have led to the past declines of agricultural lands in the state.⁶

The 18 member task force was appointed by the Governor in October of 2007 and consists of six farmer representatives from each region in the state, four legislators, two county commissioners, and a representative of the Washington Association of Conservation Districts, three state agency representatives and two non voting members representing the USDA-NRCS and Community Trade and Economic Development.

Member	Affiliation
Mary Margaret Haugen	State Senator
Jim Honeyford	State Senator
Joel Kretz	State Representative
Larry Springer	State Representative
Jacob Anderson	South Central Farmer Representative
Sheryl Cox	South East Farmer Representative
Jeff Emtman	North East Farmer Representative
Bob Hart, Chair	North West Farmer Representative
Greg Schoenbachler	South West Farmer Representative
Richard Thomason	North Central Farmer Representative
Rudy Plager	Adams County Commissioner
Don Munks	Skagit County Commissioner
Lynn Bahrych	Washington State Conservation Commission
Lee Faulconer	WA State Dept of Agriculture
John Mankowski	Governors Executive Policy
Roylene Rides at the Door	USDA-NRCS
Dee Caputo	Community Trade and Economic Development
Fred Colvin	WA Association of Conservation Districts

⁵ RCW 89.10.020

⁶ RCW 89.10.010(3)(a) and (c).

WORK OF THE TASK FORCE

FACTORS CONTRIBUTING TO THE LOSS OF FARMLAND

Part of the charge to the Office of Farmland Preservation is to identify the factors contributing to the loss of farmland in the state and to make recommendations on how to reverse the trend:

RCW 89.10.010(c)

With input from the task force created in section 3 of this act, provide an analysis of the major factors that have led to past declines in the amount and use of agricultural lands in Washington and of the factors that will likely affect retention and economic viability of these lands into the future including, but not limited to, pressures to convert land to nonagricultural uses, loss of processing plants and markets, loss of profitability, productivity, and competitive advantage, urban sprawl, water availability and quality, restrictions on agricultural land use, and conversion to recreational or other uses;

The meetings and field trips for the Task Force were designed to address the factors leading to the decline of farmland and develop recommendations to stem this loss. The general issues covered included:

- Water
- Regulations
- Management of State Lands
- Land Use, Permitting, and Open Space Taxation
- Marketing and Agricultural Infrastructure

For each general issue area, the Task Force members were briefed on the background of the issue so each member was working from the same base of information. The members then discussed the issue, providing perspective on their own experiences with the issue or adding a local perspective on how the issue works on the ground for the farmer. The recommendations in this report are based on these discussions.

REVIEW OF TASK FORCE MEETINGS AND ACCOMPLISHMENTS FOR 2007-2008

The OFP Task Force held its first meeting in December of 2007 in Olympia. The Chair of the Conservation Commission, Mr. Bill Boyum, and the Commission's Executive Director, Mr. Mark Clark, outlined the legislative mandate that created the Task Force within the auspices of the Conservation Commission:

RCW 89.10.005

The legislature finds that there is a finite quantity of high quality agricultural land and that often this agricultural land is mistakenly viewed as an expendable resource. The legislature finds that the retention of agricultural land is desirable, not only to produce food, livestock, and other agricultural products, but also to maintain our state economy and preferable environmental conditions. For these reasons, and because it is essential that agricultural production be sufficient to meet the needs of our growing population, commitment to the retention of agricultural land should be reflected at the state policy level by the creation of an office of farmland preservation to support the retention of farmland and the viability of farming for future generations.

Along with other state and federal agency representatives, Director Valora Loveland of the Department of Agriculture encouraged the Task Force to discover ways of sustaining the state's farms and farm families. She challenged the Task Force and its partners to achieve the goal of "no net loss of farmland." She also invited the Task Force to work closely with her agency in its "Future of Farming" project. This project will develop a strategic plan to guide decision makers in preserving the state's most valuable industry, its thirty-four billion dollar agriculture and food production industry.

To facilitate a close working relationship, Mr. Bob Hart, the Chair of the Task Force, was selected to serve on the Future of Farming committee. Mr. Lee Falconer, Special Assistant with the Department of Agriculture and its representative on the Conservation Commission, also serves on both committees. Mr. Hart and Mr. Falconer provided excellent communication between the Task Force and the Future of Farming committee throughout 2008.

During its first year, the Task Force held meetings on alternate months in six agricultural regions throughout the state. The Task Force toured farms in the Mt. Vernon area of Skagit County, Walla Walla County, Klickitat County, and in the greater Spokane area of Spokane County. The Task Force concluded the year with a meeting in Wenatchee in Chelan County.

The two-day public meeting format included touring several representative farms followed by a full day meeting. Both events were open to the public and had great public involvement. In each of the six meetings, key farmland preservation issues were addressed by experts to provide the Task Force with a common baseline of knowledge.

From surveys sent to the 47 statewide conservation districts and from farmers interviewed on the farm tours, the Task Force identified these contributing factors to the loss of farmland:

- Cost of land
- Market pressures to sell for residential development
- Public agency purchase of agricultural land for open space/wildlife habitat
- Water availability and stability of sources
- Inadequate markets for farm products
- Oppressive regulations
- Inadequate or unreliable labor
- Shrinking size of farms
- Loss of infrastructure such as cold storage and slaughter facilities
- Lack of transitional planning for the next generation
- Land use regulations
- Various tax uncertainties

During the course of the year, the Task Force heard presentations from experts, notably Mr. Don Stuart of the American Farmland Trust, on Purchase of Agricultural Conservation Easements (PACE); Mr. Bob Rose, former director of Skagitians to Preserve Farmland, on the Open Space Taxation program; Mr. Brian Underhill, director of British Columbia's Agricultural Land Commission, on their Agricultural Reserve program; Mr. David Brown, of NRCS, on USDA's Federal Farmland Preservation programs; and Gerald Anhorn along with Greg Farrens of the Walla Walla Community College on fundamentals of water rights.

During the six regional meetings, numerous other expert speakers provided information on each of the issues listed above that threaten Washington's agricultural industry.

The farm tours provided on-the-ground education to the Task Force, illustrating both successful and unsuccessful farming activities. One successful farm, the Sakuma Brothers Farms in Skagit Valley, produces a range of berries and other high-value crops using a community-based labor force including an education component for local schools.

Also in the Skagit Valley, the Task Force learned how foreign-grown produce is supplanting local products, such as cucumbers. Cucumbers that used to be raised in the Skagit Valley on a large scale for a major pickle producer are now purchased in India. To compete with cheaper, imported pickles, Pleasant Valley Farm has diversified to products such as gourmet sauerkraut.

In Walla Walla, the Task Force saw first-hand the conversion pressures that are turning third-generation onion farms into one-acre home sites. In Goldendale, the Task Force heard from farmers who are designing a new land use program to preserve their way of life for future generations. Instead of selling their farms to residential developers, they have designed a land use program that they believe will allow them to continue farming sustainably.

In Bingen Washington, the Dickey Farms demonstrated a diversified approach using small-acreage row crops, a guest worker program, and a vegetable, grain, and feed "farm stand" on the main highway through town. Their farm stand now accounts for 40% of the farms' gross receipts. In

Trout Lake, the Task force toured an organic dairy, learning about the challenges the Organic Valley Dairy faces from the rising cost of feed.

In Spokane, the Emtman Brothers Farm provided a bright spot of exemplary stewardship. With 10,000 acres of grass and wheat using the latest no-till drills, they save fuel and reduce soil erosion while producing high quality grass-fed beef to local markets. In Peone Prairie, in Mead, just outside of Spokane, the Task Force learned how a local farmer has adjusted to the subdivision of large farms into 10 and 20-acre residential parcels by growing and harvesting hay on these smaller parcels and selling the hay in smaller round bales for local livestock owners.

SUMMARY OF RECOMMENDATIONS

The following is a summary of the Task Force recommendations. A complete description of the work of the Task Force and the issues can be found in Appendix C.

WATER ISSUES

The Task Force discussed the importance of water to agriculture and working lands and adopted as a fundamental principle the statement that *“adequate and consistent water is essential for the preservation of agriculture and farmland.”*

As our state has moved into this new millennium, the impact water has on lands continues to be magnified. Washington State has gone through a period of rapid growth and development. That growth has occurred not only in the wet climates of Western Washington, but also in the drier climates east of the Cascades. Municipalities and local governments have been active to bring water to their communities to meet the demands of a growing population. The Task Force identified two issues that stood out as being instrumental in continuing economically viable working lands operations: transfer of water rights out of basin and water relinquishment.

The transfer of water rights out of basin presents a threat to continued farm production in basins where water is critical for agricultural production. Once a water right is separated from the land it’s unlikely that a new right can be obtained. If the right is moved out of basin the result is a reduction of the available water in the originating basin impacting long-term agricultural production in that area.

Water relinquishment limits the ability of the farmer to manage their water in a manner that meets their crop needs as well as water conservation goals. The potential exists through relinquishment laws that water use may be used inefficiently to stem the potential of losing the water right in light of the “use it or lose it” law.

The Task Force also discussed the question of why the protected water cannot be issued to new water right applications if the use is centered on agriculture.

RECOMMENDATION: WATER RIGHT TRANSFERS

A water right is the right of the holder and may be sold only for agriculture use.

RECOMMENDATION: RELINQUISHMENT

To encourage the wise use of water, relinquishment laws need to be modified. The holder of the right should not lose the right or a portion of the right through non-use for a period of time. The water right holder should not be punished for conserving or non-use for a period time.

EASEMENTS, TRANSFER OF DEVELOPMENT RIGHTS

Easements are a popular method for preserving land for a variety of characteristics including habitat, open space and production agriculture. Land trusts are the primary entity involved in the preservation of these lands. The Recreation and Conservation Office (RCO) was recently allocated \$9 million for farmland preservation grants for the acquisition of interests in viable farmland. The RCO ranked and funded several important projects across the state in their 2008 grant cycle.

Transfer of Development Right⁷ (TDR) programs can be another tool to provide additional revenue to farmland owners while allowing the farmers to remain in production. TDRs may also advance mutual county goals of preserving and enhancing agricultural lands while meeting development and density objectives within urban growth areas. However, the programs can be complex. Landowners, both farmers and developers, need to be aware that they exist and are available to them.

RECOMMENDATION: CONSERVATION EASEMENTS

The Farmland Preservation Task Force would, through the OFP and Commission, provide input on the policy framework for developing the ranking criteria used by RCO or other groups evaluating and ranking farmland preservation projects.

RECOMMENDATION: TRANSFER OF DEVELOPMENT RIGHTS

The Farmland Preservation Task Force recognizes that TDRs are a possible tool in the preservation of working farmlands if strategies for indentifying receiving areas can be developed.

⁷ A "transfers of development rights" (TDR) is a market-based technique that encourages the voluntary transfer of growth from a place where a community would like to encourage less development, referred to as a sending area, to a place where a community would like to encourage more development, referred to as a receiving area. In a typical TDR transaction, conservation-oriented, permanent deed restrictions are placed on sending area properties to ensure that the land will be used only for approved activities such as farming, forest management, conservation, or passive recreation. Under this technique, the costs of purchasing the recorded development restrictions are borne by the developers who receive a "building credit" or "bonus." In return, developers may use this building credit or bonus to obtain or enhance development rights in the receiving area. Typically, the end result of this process is that a rural or natural area (e.g., agricultural, forest, or open space land) is preserved through permanent restrictions on development, while the receiving area is subject to increased development and/or population density as the result of changes in zoning requirements.

STATE LAND MANAGERS

Several state agencies are owners and managers of thousands of acres of agricultural land. During field tours around the state, Task Force members observed several instances where acquisition or management of state lands had major impacts on working lands in the area. Farmers commented that when an agency seeks to acquire property, other farmers who also might want to purchase the land are put at a disadvantage because the agency has “deeper pockets” for the purchase price. Also, there are issues in many areas around the state with the management of the lands with respect to weed control and wildlife management and the consequent impacts on neighboring farmland.

RECOMMENDATIONS: AGENCY LAND MANAGERS

Private ownership of lands is the preferred alternative to state agency farmland acquisition. State agency acquisition of agricultural lands should be put on hold unless these agencies have developed and adopted land acquisition and management plans that follow farmland preservation strategies.

Possible strategies include:

- Development of an Agriculture Impact Statement for agency land management activities. Whenever a state agency proposes to acquire any interest in property (fee simple or easement, or other), or when an agency proposes to become a lessee or lesser, that agency must complete an Agriculture Impact Statement (AIS) and submit the AIS to the State Conservation Commission for review and comment. The agency must then address the WSCC comments provided in response to the AIS prior to making the final determination on the acquisition. The WSCC should also submit a report to the Governor and Legislature once every two years on the results of agency acquisitions and their impact on agricultural production.
- Agencies should be required to complete an AIS whenever an agency undertakes an activity that requires the agency to complete a SEPA analysis. The AIS would be submitted to the WSCC for review and comment.
- State agencies should be encouraged to develop voluntary public access agreements and habitat easements to achieve their goals with landowners for recreational activities such as hunting and fishing and providing the landowner with alternative revenue streams.
- Interagency coordination of long-range land acquisition, disposal and management plans will include local governments and agricultural interests to ensure the long-range plans are connected to those interests.
- WDFW wildlife management plans should consider the impact of wildlife on agricultural activities and implement strategies to address these impacts.

OPEN SPACE TAX PROGRAM

The Farmland Preservation Task Force requested a review of the Washington State Open Space Taxation Act (chapter 84.34 RCW) as part of its work plan for 2008. Staff and Task Force members have received numerous communications and inquiries about how the law works, why lands are included or excluded from preferential Current Use tax classification, and how the law could be improved or amended to further the goals of protecting farmland and enhancing the future of farming in our state. Out of those discussions and the report, several recommendations were adopted.

DEFINITION OF FARMLAND AND COMMERCIAL AGRICULTURE

Issue: Land not currently in production due to conservation practices may be interpreted to not be in compliance with current use standards.

Recommendation: The DOR WAC definition of “commercial agricultural purposes” should consider current agricultural and conservation practices. (20% Rule)

RELATIONSHIP OF THE GROWTH MANAGEMENT ACT (RCW 36.70A) AND THE OPEN SPACE TAXATION ACT (RCW 84.34)?

Issue: The regulatory framework of GMA, with its recognition of incentives and non-regulatory approaches, and the incentive framework of the current use tax law need to be integrated.

Recommendation: The Office of Farmland Preservation should investigate the extent to which the open space tax laws and the Growth Management Act are working to preserve farmland and identify any inconsistencies or areas where coordination could be improved.

THE DEFINITION OF “OWNERSHIP” FOR A COMMERCIAL FARMING OPERATION

Issue: Currently, adjacent parcels each with different owners are evaluated individually for Open Space Tax eligibility. This approach can be a disadvantage where the parcels are owned separately but the agricultural activity across all parcels is managed as a single operation. For example, a 60 acre farm made up of a number parcels of less than 20 acres each held by family members with the parcels recorded under different names would not be considered a farm of over 20 acres for current use farm and agricultural classification and would thereby be required to enroll each parcel individually and meet the income requirements.

Also, it is a common farming practice in many areas of the state for a farmer to own multiple parcels in a county, such parcels not adjacent to each other. These parcels would be treated individually rather than as part of a larger operation and add complexity in the land management for the farmer to meet the Open Space Tax requirements for each individual parcel.

Recommendations:

Concept 1: Relevant statutes (e.g. RCW 84.34.020) should be changed to allow the aggregation of contiguous properties to qualify as commercial farming for open space purposes.

Concept 2: There should be more flexibility in parcel ownership requirements to allow multiple owners to group their parcels together to benefit from open space designation, consistent with other agricultural production requirements in such a designation.

COMMERCIAL AGRICULTURE

Issue: The Board of Tax Appeals found it is regular practice for a farmer to allow his land to lie fallow every other year, and therefore the Board did not read the requirement for “continuous and regular” to mean that the land had to be farmed each year.

Recommendation: Department of Revenue regulations should be clarified to reflect the language of the Board of Tax Appeals decision⁸ that landowners of parcels greater than 20 acres are not required to demonstrate income, and the rules should identify how to show that the land has been in productive agriculture on a “continuous and regular” basis.

20-ACRE LIMITATION

Issue: Many of the properties being removed from current use are properties under 20 acres. A review of small parcel for performance may alleviate pressure on assessors to verify small properties.

Recommendation: The OFP should engage in a review of criteria for determining small farm performance and methods to check farm income to maintain the open space tax benefits.

⁸ The open space statute defines “farm and agricultural land” to mean, in part: “(a) Any parcel of land that is twenty or more acres or multiple parcels of land that are contiguous and total twenty or more acres devoted primarily to the production of livestock or agricultural commodities for commercial purposes.” A question has been raised as to what is meant by “commercial purposes”.

The Board of Tax Appeals in Peak v. Dossett (BTA Docket No. 58738) dealt with this issue by looking at income and intent of the landowner. At issue in this case was pasture ground that had been infested with Scotch broom and no grazing lease or haying income had been generated from the property for the three year period during which the broom was eradicated. The assessor had withdrawn the land from current use classification because there was no income. The board observed that “because the statute does not provide an income requirement for parcels over 20 acres, the regulations also do not provide an income requirement for parcels over 20 acres.” Therefore, the Legislature did not intend a specific income requirement to apply to parcels over 20 acres. The requirement is not for income, but that the land is “devoted primarily to the production of livestock or agricultural commodities for commercial purposes.”

FINANCIAL INCENTIVES OF THE OPEN SPACE PROGRAM

Issue: Even though a property is enrolled in current use, agricultural improvements outside of a staging area such as fence, barn, and fruit trees are assessed at the highest and best use. This can serve as a disincentive for landowners to make necessary improvements to buildings and fences if these improvements will be assessed at a higher value.

Recommendation:

Concept 1: Structure current use tax to reflect actual cost of services and encourage agricultural investments.

Concept 2: The current use tax system should be structured to include agricultural improvements.

AGRICULTURAL PERMITTING

A building permit is required for structures built for agricultural purposes in some counties in Washington. Building codes are applied to the structure and in some cases a fee may be charged for the permit. Building codes can sometimes be onerous when the agricultural structure is of a simple construction and used for a limited purpose, such as hay storage, because standards relating to occupancy of the building are applied rather than a lesser standard for storage or other similar purposes.

Washington currently does not have a state-wide agricultural exemption on agriculture structures. Washington does have an exemption for temporary growing structures used for commercial production of horticultural plants (RCW 19.27.065). However, this is limited to structures with the roof and sides covered in a flexible synthetic material. Adding to the issue is the wide range of agriculture structure permit costs county by county. In the Northwest, both Oregon and Idaho exempt agricultural buildings from building codes and permitting.

RECOMMENDATIONS: AGRICULTURAL PERMITTING

Concept 1: Enact a new state-wide exemption for agricultural structures with clear criteria for receiving the exemption. The Task Force recommends establishing an educational program to distinguish between commercial agricultural structures and non-commercial agricultural structures.

Concept 2: The OFP should examine the possibility of an “Agricultural Permit Fee Schedule” and permitting time line that would apply to building agricultural structures and other activities that occur on agricultural lands.

Right to Farm

The Washington Right to Farm Act provides that certain agricultural activities and forest practices are, if consistent with good practices and established prior to surrounding non-agricultural and non-forestry activities, presumed to be reasonable, and therefore have some protection from being prohibited in a nuisance lawsuit (RCW 7.48.300-320).

A survey of the 39 Washington counties reveals that many (29) have adopted the Right to Farm Act in one shape or another. While several counties name the Right to Farm Act outright in their code, others are simply included in their Critical Areas Ordinance or nuisance statutes or comprehensive plans. Several counties remarked that they are considering provisions similar to Right to Farm or that they are unsure how effective the Right to Farm Act may actually be. While some counties offer minor protections such as exemptions from noise ordinances, other counties seek stronger protections than the Right to Farm Act.

RECOMMENDATIONS: RIGHT TO FARM

Concept 1: The Task Force recommends an education and outreach component for counties to implement to educate new landowners on rural living.

Concept 2: The Task Force recommends that all counties should have a right-to-farm ordinance. OFP staff should develop a model right-to-farm ordinance that would be presented to counties for their consideration.

Mapping

One challenge to the preservation of farmland is understanding what lands are most at risk of conversion. Mapping that identifies where prime agricultural lands currently exist with the ability to query and understand the relationship those parcels have to land use/zoning maps and growth trends will help in developing strategies to preserve the prime agricultural lands.

The Washington State Parcel Database is housed at the University of Washington's College of Forest Resources (CFR), maintained by staff of the Rural Technology Initiative (RTI). RTI Staff have developed relationships with Washington's thirty-nine counties and land management agencies to collect and normalize their parcel GIS data into a single dataset in a common statewide format.

This database may prove to be an extremely effective tool in assessing risks to farmlands across the state and allow users to identify specific areas at risk of conversion out of farmland. Such an approach will support policy and planning activities to address these risks, and may prove effective in leveraging funds from both state and federal sources.

RECOMMENDATION: MAPPING

The Task Force recommends continued funding for the mapping project to develop the system as a useful and ongoing tool for the identification of prime agricultural lands at risk of conversion.

Increase Urban Density

The Task Force discussed the link between increasing urban density and a successful TDR program as it relates to preserving working farmlands. Under GMA, cities and counties are required to identify areas of increased urban density. TDR programs identify rural areas in a county from which development rights are purchased and those rights are transferred into urban areas as increased density. In order for this approach to work, urban areas must be willing to accept and allow for these increased densities.

RECOMMENDATION: INCREASING URBAN DENSITY

Local jurisdictions should review their zoning regulations to develop programs to allow for greater density within the UGA and link these densities to preserving more farmland.

Marketing and Agriculture Infrastructure

Opening new markets and opportunities are critical to the successful operations of Washington farmers. Key to this goal is the infrastructure to process the crops in an efficient and economical manner to remain competitive on the open market.

One of the biggest factors leading to the reduction of farmland is the loss of support infrastructure that is required for agriculture to prosper and survive. Not only does infrastructure provide a place for farmers to process their crops, but also provides jobs to local communities. As technology continues to lead the way for efficient handling of product, the demand for skilled jobs increases, which in turn provides better working family wages. The impacts of the creation and retrofitting of support infrastructure and the loss of support infrastructure resonate even today.

RECOMMENDATIONS: MARKETING

Concept 1: The Task Force supports marketing strategies that support the preservation of working farms and utilizes the ongoing work of organizations around the state.

Concept 2: The OFP and Conservation Commission should explore opportunities to support local agriculture product processing so that the necessary infrastructure is in place to maintain viable agriculture across the state.

Regulations Impacting Farm Activities

Regulations on working lands managers have been identified as an element critical to farmland preservation. A producer is able to manage his operation more effectively and efficiently if some of the many regulations are coordinated or made more understandable. The Task Force is concerned about how producers are expected to understand the litany of federal/state/local regulations that may or may not be applicable to their operation. In discussion on this issue, an anecdotal story was communicated that even the agency charged with enforcing and ensuring compliance was not in full understanding of what regulations were in effect. The point being that with multiple agencies at multiple jurisdictions, a small producer would be hard pressed to keep up with all regulatory requirements. Also, regulations are infrequently evaluated to determine if they are still needed, if they are resulting in the desired outcome, or how they may or may not conflict with subsequent regulations.

RECOMMENDATIONS: REGULATIONS

Concept 1: A study should be conducted to evaluate regulations impacting farms, looking at various farm operations by type and size, physical location, and crop types. The study should examine either hypothetical farms or actual farms if willing landowners are found.

Concept 2: A more detailed examination of existing rules and regulations affecting farm owners should be undertaken and rules or regulations found to be burdensome should be revised or eliminated. Some existing rules and regulations that should be examined include: labor laws relating to agricultural laborers; state and local taxation reporting requirements; business licensing requirements.

APPENDIX A: OVERVIEW OF MEETINGS AND TOURS

Background on Meetings

The primary purposes of the Task Force meetings are twofold: conduct field trips to see issues on-the-ground and discuss key issues relating to the loss of farmland in the state. Meetings were held around the state in six regions of the state including Olympia, Mt. Vernon, Walla Walla, Goldendale, Spokane and Wenatchee. Field trips were arranged to highlight key farmland preservation issues in the local area. OFP staff captured the issues discussed on the field trips for later discussion at the Task Force meetings.

At the Task Force meetings, issues were arranged so members would receive a background briefing providing a common baseline of understanding of the issue, followed by discussion. It is from these discussions that staff identified potential recommendations for the Task Force's consideration.

The following is a brief overview of the meetings and field trips and the issues discussed.

DECEMBER 2007

Task Force Meeting

The December meeting marked the first gathering of the newly created Farmland Preservation Task Force. Task Force members introduced themselves and described their interest in preserving farmland. Members heard comments from guests in attendance to the challenges ahead. Task Force members learned they would be taking tours of each region of the state to talk to various landowners and to get their input. They agreed this would allow them to get the best overview of what is going on in each county and put together a synopsis of the counties.

Members also heard from the Washington State Department of Agriculture (WSDA) director Valoria Loveland, who expressed the need to come up with ideas on how we can preserve farmlands and figure out how to not lose more farmland in our state. "It's a hard task, good luck and work hard!"

The Task Force also went through the Powers and Duties of the Task Force as defined in RCW 89.10. Members were also introduced to an important function being undertaken by WSDA, the Future of Farming. The Future of Farming project will develop a strategic plan to guide decision makers as they work to support the continued economic viability of the state's \$34 billion food and agriculture industry. The goal of the project is to pass on a vibrant farm economy to the next generation of Washington producers.

At the conclusion of their initial meeting, the Task Force selected its chair by electing northwest farmer representative Bob Hart.

Field Trip

The December meeting of the Task Force was an orientation meeting. No field trip was held.

FEBRUARY 2008

Task Force Meeting - Lacey

The February meeting discussed several issues of importance as the Task Force moves forward. There was much discussion on the technical aspect of governing the task force in the event that the Chair was not able to attend or if there was in fact a quorum. A suggestion was made that members take a consensus vote with those present to decide who will be the acting chair. Members also agreed that it is important for the scheduled meetings to take place whether or not members are present.

Members began discussions on a mission statement. The Task Force established a sub-committee to work together on composing the mission statement.

The Task Force also received feedback from the survey sent to all 47 conservation districts with their indentified factors leading to the loss of farmland. The main concerns expressed were: cost of property, economics, regulations, labor, size of operations, development pressures, transition, land use and water.

The Task Force also viewed a collection of definitions of agricultural lands from the RCW.

The Task Force was given a report by Don Stuart with American Farmland Trust on farmland preservation from an economic perspective. He highlighted the cycle of farm loss in three points. Rising land prices increase the annual investment carrying costs, making remaining farms less profitable. Also investment in competitive farm business improvements dries up in the face of non-farm land markets. Finally, communities may back away from investments in the future of agriculture.

The Task Force was then given background information on the merits of a Purchase of Agricultural Conservation Easement (PACE) program. PACE is a voluntary program that purchases development rights for the future protection of land for agriculture. The net effect for farmers would keep farm business intact while being fully compensated for its value. It also provides capital need for business investments.

Presenting to the members was a representative from Clark County speaking on behalf of the Clark County Legacy Lands Program. The program works with public agencies, non-profit conservation organizations, private landowners and the community to establish, restore, and maintain an interconnected system of parks, natural areas, trails and open spaces.

Field Trip

Country Green Turf Farms, Lacey, WA

Country Green Turf Farms owners Jeff Van Lierop explained to the group how he switched from food farming to sod farming when the processing plants in Thurston County closed down.

Silver Springs Cattle Co., Tenino, WA

Greg Schoenbachler, cattle rancher and Task Force member, discussed how he started a yard waste compost industry to help support his family's farm.

Colvin Family Ranch, Tenino, WA

Fred Colvin, tour leader and Task Force member, discussed how his family's cattle ranch has benefited from enrolling in the Grassland Reserve Program sponsored by NRCS.

APRIL 2008

Task Force Meeting – Mt. Vernon

Members had the opportunity to hear from representatives from the Skagit County Farmland Legacy Program. The program is a county initiative that purchases agricultural easements on Skagit farmland, and works to support policies, programs, and plans that enhance the local agricultural industry.

The Skagit County Farmland Legacy Program is responsible for administering the Skagit County Conservation Futures Program, which purchases permanent conservation easements on agricultural land and other land of strategic significance. The Skagit County Farmland Legacy Program also serves as staff and manager of the Agricultural Advisory Board, a citizen advisory board to the County Commissioners on agricultural issues and the nexus between the County and the agricultural community.

The Sub-committee formed in February brought forward three mission statements. Members voted and approved the following mission statement:

Our mission is to promote the vitality of farming, farmers, and ranchers by ensuring that we will continue to have productive agricultural lands in Washington state. We will achieve this through policy recommendations to the Governor, the Legislature, the Office of Farmland Preservation and others and by enlisting public support. Programs will be voluntary, recognize local priorities, and provide for economic incentives.

Members heard from a representative of the Western Washington Agriculture Association, a grower based organization. The Task Force learned of the efforts to restore the Skagit Delta and what that means to growers.

Another educational opportunity occurred when members heard from the Provincial Agricultural Land Commission in British Columbia. The Agricultural Land Commission is an independent provincial agency responsible for administering the Agricultural Land Reserve – British Columbia's

land use zone in favor of agriculture. The Agricultural Land Reserve is a provincial land use zone in which agriculture is recognized as the priority use and nonfarm uses are highly regulated.

Also on the agenda was a presentation from Commission staff on the list of agricultural definitions from various sources and how it could help define farmland or farmland preservation.

Members also heard from Snohomish County with an update on the Snohomish County Agriculture Initiative.

Field Trip – Skagit County

Danny Miller Farm to discuss Farmland Legacy Program

Sakuma Brothers Farms to discuss vertical integration

Richard Sakuma of Sakuma Brothers Farms explains the opportunities and challenges of growing berries in Skagit County.

Snow Goose Reserve to discuss Ag land conversion to habitat

Pleasant Valley Farms

The Farmland Preservation Task Force toured Pleasant Valley Farm to learn about the sauerkraut, pickle, and relish industry. Craig Staffanson, president, explained how local farm products are used in the various pickling processes.

JUNE 2008

Task Force Meeting – Walla Walla

The June Task Force meeting was held in Walla Walla. There were several presentations on the issue of water. Walla Walla Community College staff gave a Water Rights 101 presentation on water rights in Washington. Task Force members also heard from the Columbia Snake River Irrigators. Members were also informed about the Conservation Commissions work in obtaining comprehensive land use mapping from the University of Washington.

Task Force members were briefed on the outcome of a report filed by member Fred Colvin on Open Space. Two issues in the tax law were highlighted as needing a closer look. First is the contiguous acres issue and second is the commercial agricultural purposes section as it pertains to livestock.

Members were also briefed on the Future of Farming Program the Washington State Department of Agriculture is working on.

Field Trip - Walla Walla

Strawberry Canyon Lodge, Mill Creek, WA

Nelson Irrigation Corporation, Walla Walla, WA

A stop at Nelson's Irrigation Corp. highlighted the advancements in irrigation technology.

Walla Walla Wine Incubator Facility Walla Walla, WA

The Task Force toured North Star Winery and Trio Vintners, both small-scale operations. North Star takes advantage of a mobile bottling facility in the region. Trio Vintners is assisted by the Port of Walla Walla's wine incubation facility. After an initial period of using the start-up facility, the winery will be on its own.

Cavalli's Onions Acres Walla Walla, WA

At Cavalli's Onion Farm, the group discussed the problems caused by urban development encroaching on farm land.

Craig Christensen's Walla Walla, WA

Craig Christensen explained the challenges he faces with the loss of local vegetable processing plants. Craig also discussed right-to-farm laws.

AUGUST 2008

Task Force Meeting - Goldendale

At their August meeting in Goldendale, Task Force members were presented Executive Order 80-01 by Governor Dixie Lee Ray which is still in effect. The Executive Order directed that:

Every state department, commission, board or other agency of state government making decisions affecting the siting of energy facilities, disposal facilities, transportation systems or utility corridors and agencies making decisions on environmental and/or land use permits, shall consider farmland preservation when making decisions and, in addition, give due regard to local government planning, zoning, or other local government agricultural land protection programs. [Executive Order 80-01]

A motion passed for Commission staff to evaluate the Executive Order and determine if the concept of some form of process for consideration of impacts to farmland preservation from various activities has merit, and if so, staff is to develop recommendations for the Task Force's consideration on the best approach to accomplish this process.

Members also were presented with a GMA 101. The GMA requires state and local governments to manage Washington's growth by identifying and protecting critical areas and natural resource lands, designating urban growth areas, preparing comprehensive plans and implementing them through capital investments and development regulations. This approach to growth management is unique among states.

Task Force member Jacob Anderson shared with the task force a proposed Klickitat Farmland Preservation Zone he has been working on for his home county of Klickitat. As he moves this forward through the local county process, the Task Force passed a motion for the task force to send a letter to the Klickitat County Commissioners letting them know the task force would like to express their support for the proposed Preservation Zone concept as a useful tool to address the preservation of agricultural lands, and would encourage their consideration of the concept to see if it would be appropriate in the Klickitat County to protect and preserve agricultural land and viable agricultural activities.

As a follow up to a previous meeting, the Task Force was given a presentation by Bob Rose on the Open Space Taxation program. Open Space is a reduction in property valuation and can reduce property taxes significantly. As part of his presentation, Task Force members were introduced to possible recommendations which could be moved forward for consideration of the Legislature.

Senator Jim Honeyford, task force member, gave an update on the 4 corners meeting on water issues. Items discussed were water, funding, infrastructure needs, storage, tracking adjudications, and how to avoid drying up NE Washington. The 4 corners group will narrow those items down and choose top 3 to bring forward for legislation.

Also speaking on water issues were representatives from the Farm Bureau and the Department of Ecology. David Brown USDA/NRCS presented on Federal Farmland Preservation Programs and Don Stuart, American Farmland Trust, led a discussion on criteria for state grants to local Purchase of Development Rights programs.

Field Trip – Goldendale

Amery Farm, Lyle, WA

Prior to discussion about the proposed Farmland Preservation Zone, Tom Amery gave a history of the farm and how it was he came into ownership of the acreage. The property was purchased in 1976 at a time when there were 13 full time farmers in the area. Tom and his wife Gail raised cattle in Canada but came south to the U.S. to explore farm properties. They purchased the property from some brothers who worked the land and became only the third owners in a 150 year period.

The main discussion centered on the proposed Farmland Preservation Zone. Tom & Gail Amery along with their children Cindy, Sally and James, talked to us about how and why they would like to preserve their farm for the next generation; they communicated how they feel the zone will facilitate this. The family was concerned about the legacy of the farm. They want to see the 2000 acres continue for future generations of the Amery family. As Tom and Gail transition out of full time farming and pass it down, they feel the proposed zone would help them preserve the integrity of the land base while allowing them to portion parcels for private sale to help in their retirement. The family is very supportive of keeping the farm going because as the Amery's son James remarked, once a farm is divided, it is never going to go back to the way it was. He wants to hold onto their farmland. A question that led to their concern dealt with how they thought purchase of development rights might protect the farmland. They appreciate the concept but in their situation, they lose some control of the property even though it is "preserved".

Dickey Farms, Bingen, WA

Dickey Farms was homesteaded in 1867 as Henderson/Warner farms. It became Dickey Farms in 1921 and now spans seven generations, over 141 years. Dickey Farms grows on approximately 72 acres along the Columbia River in Klickitat County. The crops harvested are numerous including over a dozen row crops and several varieties of tree fruit. Dickey Farms is located in the heart of Bingen, WA on the north side of the Columbia River. While Bingen (pop. 680) is not a large community, it is limited in space due to geography restrictions.

Farm manager Stan Dickey spoke to tour participants about the guest worker program, farming next to urban development, the diversification of Dickey Farms, and labor regulatory concerns.

Dickey Farms also uses the H-2A Guest Worker Program. The H-2A program allows farmers to recruit workers from foreign countries if they can prove a shortage of legal, local workers exists. Similar programs exist for the hospitality and high-tech industries who struggle to find workers.

The program is supposed to provide a stable work force for the agriculture industry by requiring the workers to work at one farm. Through this program he has been able to bring up nine workers from Mexico. He tasked his foreman to find trusted workers to come north for the season. The H-2A guest worker program requires the farmer to provide transportation for the workers, as well as visa fees and housing. The government sets the minimum wage, now \$9.94, which tops the state minimum wage. Guest workers do not have taxes taken from that wage, although domestic workers picking alongside them would.

Dickey Farms is located in the heart of this community occupying some of the best prime farmland in Klickitat County. Pressure to sell is a constant and Stan Dickey told of his situation when he sold a parcel of his property to a developer. He reinvested that money into property further east in the County and essentially lost his investment through bad timing and the market. He sold that land and tried to re-coup his losses. This experience soured his taste for development. However, it opened the door to diversification of the family business.

In 2004, Dickey Farms built a 10,000 square foot year round feed, grain, and vegetable stand. The new building as of his talk accounted for 40% of their overall gross and is seeing 15% growth with the stand. He anticipates it accounting for a majority of his gross within a year or two. He remarked that this has been the best investment he has made as it not only adds to his bottom line, but creates employment opportunities in his community.

Stan also communicated his concerns with the numerous regulations coming down from the state and federal government. He showed the group a box full of binders containing regulations he must comply with and remarked specifically how the newly enacted heat stress rule is impacting his operation. It has forced him to shut down operations on the farm when the temperatures get to 89 degrees.

Dickey Farms is a certified in the Good Agricultural Practices (GAPs). GAPs describes a set of principles that, when applied to the production of fresh fruits and vegetables, help to minimize the risk of microbial contamination of fresh produce destined for human consumption. By applying GAPs to all aspects of crop production, producers can help to guarantee a clean, safe product to consumers.

Kreps Ranch, White Salmon, WA

Keith and Kelly Kreps talked with the group about grazing cattle on private, state & federal lands. They also talked about the costs of building and maintaining fences. Also discussed were impacts of rural development and their ranch.

The Kreps Ranch covers roughly 10,000 acres. The family manages around 7,000 of those acres. As part of their operation, they grow dry land and irrigated alfalfa and manage timber lands for grazing and sustainable harvesting. Some of the challenges they face are wildlife forage on their property accounting for roughly \$50,000 in damages, bureaucracy and poor returns.

The Kreps Ranch manages their timber land for grazing. They have utilized selective forestry married with an aerial grass seeding program to produce higher forage yields per square acre. This has created optimal grazing and pressure from wildlife, namely elk, as they move down from higher elevations and out of area clear cuts.

The Kreps' face many challenges as they work to maintain a lifestyle for future generations. Many new regulations and zoning requirements have interrupted their operations to the point where they collectively decided to subdivide a portion of their property into two acre home lots to cover the rising taxes and costs. This diversification in their operations has allowed them to move forward.

The Kreps Ranch is faced with local, state, and federal issues. Namely the Columbia River Gorge National Scenic Area which has affected 2,000 acres of their property, the state Special Management Area, the Growth Management Act, the state Instream Flows requirements, and the federal Wild and Scenic Rivers Act impacting the White Salmon river which flows through their property.

Organic Valley Dairy, Trout Lake, WA

Monte Pearson led the group on a talking history of his operation. He talked about the transition costs to organic, the costs of production in organic, and his nutrient management program. Monte has seen his base costs rise as the cost of feed has in some cases more than doubled.

OCTOBER 2008**Task Force Meeting - Spokane**

Task Force members, at their Spokane meeting began with an update from WSDA on the Future of Farming (FOF). They are continuing to compile information collected from the various focus groups that were held throughout the state earlier this year.

A report from commission staff on staff involvement in a national farm transition program spurred discussion that a good option may be to reach out and educate farmers on transition programs and to utilize the network and facilitators at Washington State University Cooperative Extensions. Another type of program discussed is attorney's that are skilled to practice law in our state of Washington state that can help put these programs together that is legal within Washington state law.

Community Trade and Economic Development (CTED) presented to the Task Force on the Transfer of Development rights which are under Chapter 43.362 RCW. Final recommendations are due to Legislature and Governor by December 1, 2008.

OFD staff gave a report on the legislatures work session on agricultural building permit fees and provided an analysis of permit costs around all 39 counties.

At the request of the Task Force WSDA introduced their international and domestic marketing programs.

Commission staff led a discussion on land use mapping and reported the work of the Commission and the University of Washington in regards to their GIS layering maps.

A motion was passed in support of continuing the mapping project with the University of Washington with additional focus on the agricultural element. This project would have the endorsement of the Farmland Preservation Task Force.

A briefing was made on the Conservation Easement Account. WSCC requested approximately 15 million dollar budget request to help fund the Account. The funding of the account would provide grant funds to local government, conservation districts, and eligible nonprofit organizations to acquire easements in farmland for the purposes of maintaining these lands as working farms or forest.

Members also heard from the WDFW Land Division managers about the ongoing efforts the agency is making regarding land acquisition and management.

Field Trip - Spokane

Vinegar Flats/Latah Creek, Spokane, WA

Vinegar Flats is an area just south of downtown Spokane along Latah Creek. This is a growing area in Spokane County with Class I soils with very strong development pressure. The City of Spokane is trying to raise funds to buy development rights on the 134 acres of truck farms and nurseries. A city planner from the City of Spokane was onboard the bus to discuss the challenges and opportunities this area is facing. During the 2008 Washington Wildlife and Recreation Program (WWRP) grant process, two proposals were submitted to be funded from the Farmland Preservation account within the Recreation and Conservation Office (RCO).

The City of Spokane is investigating opportunities to preserve the agricultural lands designated in their Comprehensive Plan in the Vinegar Flats area of the Latah Creek neighborhood. This area is beginning to come under pressures to convert the agricultural lands to residential development. This area is unique in that it is the only land in the city that is specifically zoned for agriculture. The Residential Agriculture (RA) zone includes prime agriculture land historically used for farming comprised of 54 parcels in 27 different property ownerships. The RA zone has the same development rights as their Residential Single Family (RSF) zone of 10 residential units per acre. This was allowed until the City of Spokane could determine a way to either purchase the development right or find a better tool to keep the property in agricultural uses. The goal is to preserve this land as a sustainable agricultural use.

Emtman Brothers Farm, Valleyford, WA

Emtman Brothers Farms was selected as the 2007 Vim Wright Stewardship Award winner an award given to farmers displaying exemplary stewardship among Washington farmers.

The Emtman farm is located south of Spokane in an area zoned one house per twenty acres. From where they farm, the visual presence of the encroaching home sites is very apparent.

All of their 10,000 acres of grass and wheat are seeded using the latest no-till drills that allow them to seed a new crop with minimal disturbance to the ground. With the ability of the drill to place the seed and fertilizer in just one pass over the field directly through the stubble from the previous crop, they are experiencing dramatic reductions in the amount of fuel being used.

The Emtman's began raising beef cattle on their farm in 1998 as a way to utilize the grass straw from the Kentucky Blue Grass fields that they were no longer burning after harvest. They began marketing their beef to local restaurants and selling directly to the public at the farm. Totally grass fed on their own fields and with no growth hormones or antibiotics used, the beef is in high demand in the local area. The Emtman's also direct market their oats, hay, barley and other specialty crops and are part of the Shepherd's Grain organization that supplies bread products made from wheat grown on local farms to local restaurants and grocery stores.

Also as part of their diversified operation, the Emtman's have converted one of their farm shops into a store for beef sales and a demonstration floor for high end barbeques. Also of interest is their in-store meat locker, allowing customers quick access to quality beef.

Many of the areas new residents are not farmers and seek farmers to farm their land. Often this results in a tax exemption for the residents and allows farmers to manage the land.

However, the Emtman's are not set up to farm the smaller acreages that are occurring as land is sold and developed. The main complaint however from the farming operations was the aerial crop dusting which appears to be sunsetting in the immediate area.

Peone Prairie, Mead, WA

Task Force members had the opportunity to hear from local farmer Greg Riddle and the unique operation he manages and farms.

Located northeast of the City of Spokane, Peone Prairie is an area of prime farmland that is quickly being lost to residential development. There is tremendous development pressure being exerted on the landowners in this area and every year more and more farmers are dividing their acreage to accommodate the growing demand from non farming residents. Peone Prairie covers roughly a 6 mile by 6 mile area and is primarily zoned agriculture. This is unique and prime farmland with class I soils.

Mr. Riddle primarily manages and harvests hay from the surrounding area. While he owns 30 acres he farms over 700 for 23-25 landowners. What he has established is a synergistic relationship with the landowners as his farming benefits them by keeping them qualified in the Open Space Taxation program and he benefits by maintaining a thriving business. Mr. Riddle has found creative ways to market his crops and benefit area residents and area business.

In the fall, Mr. Riddle provides straw for displays at local grocery stores and in the spring, participates in the Model School program whereby his farm plays host to hundred of elementary students as they experience a farm atmosphere for the first time. Over the years, Riddle Farms has hosted over 25,000 school age kids.

To remain competitive and able to maintain his livelihood, Mr. Riddle has moved from square bales which are more labor intensive to round bales which allow him to do most of the work himself. In an effort to market his product to a specialized client base, Mr. Riddle is baling smaller round bales at 450lbs for residents who do not have the mechanization to move full 700lb bales. Generally these are landowners that own small tractors.

APPENDIX B: REGIONAL REPORTS

OFP TASK FORCE – SOUTH WEST REGION REPORT

CLARK, COWLITZ, GRAYS HARBOR, LEWIS, MASON, PACIFIC, THURSTON, WAHKIAKUM COUNTIES

GMA STATUS:

Note: Not all counties are required to plan under the Growth Management Act (GMA). When the GMA was passed, the law used a population and population growth trigger to require certain counties to plan. Other counties could “opt-in” to GMA planning by majority vote of the county commissioners. All counties in Washington (whether or not they are planning under GMA) must adopt critical area ordinances (CAOs) and all counties must designate agricultural, mineral, and forest lands of long term commercial significance. Counties planning under the GMA are considered “fully planning” because they are implementing all elements of the act. Counties planning only their CAOs and resource lands are considered to be “partially planning”.

All counties must review and, if necessary, update their CAOs, resource land designations, comprehensive plan, and development regulations. Since all counties have completed their initial planning, they are now in the process of updating these documents. The statute identifies a schedule by which various counties must update, but due to controversy surrounding the costs associated with these updates, the legislature amended the statute and allowed jurisdictions to extend the timeline for updates.

Clark County: Update completed in 2007. The Board of Clark County Commissioners adopted changes to the Comprehensive Growth Management Plan following an in-depth examination that began in 2005. The county has now conducted a systematic and rigorous examination of demographic trends, public finance, development patterns, and environmental constraints. The outcomes include a capital facilities plan and overall plan to manage growth in a way that honors local values and priorities.

Clark County is appealing to Superior Court to defend changes to urban growth boundaries approved by the Board of Clark County Commissioners in 2007.

The appeal was filed June 12, 2008, in Clark County. It seeks to overturn a recent decision and order from the Western Washington Growth Management Hearings Board (WWGMHB). The state board found that the county did not comply with the state's Growth Management Act when bringing lands previously designated for agricultural uses into urban growth areas.

The county's appeal is aimed at retaining those lands within urban growth areas. If the appeal is not successful, those areas will revert to resource land designations in place before 2007, unless they have already been annexed to a city and are now within city limits.

Cowlitz County: Currently updating their Critical Areas Ordinance and development regulations per the Growth Management Act (GMA), Revised Code of Washington (RCW) 36.70A.

Grays Harbor County: Currently updating their Critical Areas Ordinance. The first draft was made available and public comments were taken. The purpose of the draft code is to identify critical protection areas and to supplement the existing development regulations contained in Grays Harbor County Code as a method of providing for the protection of these areas without violating any citizen's constitutional property rights.

Lewis County: Lewis County is required to conduct land use planning under the GMA. Under the GMA, Lewis County must develop a comprehensive plan and development regulations administering countywide land use controls. Lewis County adopted its comprehensive plan in 1999 and amended it in 2002.

In 2000, the comprehensive plan was appealed. The appellants stated that the comprehensive plan was not compliant with the Growth Management Act because Lewis County had not designated enough Agricultural Resource Lands (ARLs) of Long-Term Commercial Significance in its comprehensive plan and zoning maps, and that the criteria for determining ARLs were insufficient.

In February 2004, the WWGMHB sided with the appellant and issued an Order of Invalidity, instructing the County to develop adequate criteria for designating ARLs and amend the maps to include those properties that met the criteria.

The Invalidity Order covers approximately 161,000 acres in Lewis County. It places a moratorium on all new development other than a single family residence or associated outbuilding and a boundary line adjustment. Pre-existing uses may expand, but any new uses not specifically allowed by the Invalidity Order cannot be permitted. This means that all non-exempt projects, such as subdivisions or non-residential uses, cannot be applied for until the Invalidity Order is lifted.

The issue was reviewed by a Technical Advisory Committee, made up of interested Lewis County residents, and is currently being reviewed by the Planning Commission. The Planning Commission and staff have completed a number of studies and studied the ARL issue thoroughly, with the intent to better shape the designation criteria for ARLs and formulate a recommendation to the Board of County Commissioners.

Once the Commissioners adopt an ordinance to amend the comprehensive plan and county codes, the County will take the issue before the WWGMHB in hopes that the WWGMHB will lift the Invalidity Order. Until that happens, the County cannot accept applications for uses or actions other than those allowed in the Invalidity Order.

Mason County: Update completed in 2005. Mason County has a Planning Advisory Commission. A seven member citizen board appointed to advise the Board of Commissioners on policy related to the county comprehensive plan and on land use issues. The Planning Advisory Commission members help set the long-term direction or vision for the community's future. The Planning Advisory Commission considers and make recommendations on many issues, including amendments to the Mason County Comprehensive Plan, Shoreline Master Program, and land use regulations. The commission meets monthly.

Pacific County: Update not complete, eligible for 3 year extension.

Thurston County: The Thurston County Planning Commission consists of nine citizen members. They must be residents of Thurston County with two members representing and residing within each of the three districts in Thurston County. The Board of Commissioners is responsible for appointing the Planning Commission for six year terms.

The Thurston County Planning Commission acts in an advisory capacity to the Board of County Commissioners. It conducts work that is requested and authorized by the Board of County Commissioners. One topic on their October 15th meeting is Open Space Applications. The Commission holds public hearings and is assisted by staff of the County Development Services Department.

Wahkiakum County: Update not complete, eligible for 3 year extension.

LAND TRUSTS IN THE REGION:

Clark County: The **Columbia Land Trust** works exclusively with willing landowners to find ways to conserve forever the scenic and natural values of the land and water. Landowners donate the development rights or full ownership of their land to the Land Trust. Columbia Land Trust manages the land under a stewardship plan and, if necessary, will legally defend its conservation values.

Cowlitz County: See Clark County for details on the **Columbia Land Trust**.

The **Rocky Mountain Elk Foundation** has worked across the nation to protect and enhance over 5.4 million acres. They have been active in Washington protecting and enhancing lands in Cowlitz along the Toutle River conserving over two thousand acres of elk habitat.

Grays Harbor County: Active in Grays Harbor and Lewis Counties is the **Chehalis River Basin Land Trust**. A not-for-profit corporation established in 1994 to provide a means for citizens to conserve, protect and restore ecologically significant lands within the Chehalis River Basin.

Since 1989, **Capitol Land Trust** has been instrumental in permanently conserving 2,917 acres. They are currently pursuing the conservation of an additional 2,500 acres. The trust has conserved farmland in several projects.

Lewis County: See Grays Harbor for details on the **Chehalis River Basin Land Trust**.

Mason County: See Grays Harbor for details on the **Capitol Land Trust**.

Pacific County: See Clark County for details on the **Columbia Land Trust**.

Thurston County: Since 1989, the **Nisqually Land Trust** has acquired, for permanent protection, nearly 1700 acres of superior wildlife habitat--from threatened old-growth forest near the Nisqually River's source to critical salmon habitat near its delta. These lands have been acquired through grants, mitigation funds, donations, and funds raised by special events such as their annual auction.

See Grays Harbor for details on the **Chehalis River Basin Land Trust**.

See Grays Harbor for details on the **Capitol Land Trust**.

Wahkiakum County: See Clark County for details on the **Columbia Land Trust**.

CURRENT USE VALUATIONS

2007 Valuation of Current Use Land by County Agricultural, Timber, and Open Space Lands Approved for Current Use Assessment

County	Acres	True and Fair	Current Use	Difference \$
		Value \$	Value \$	
Clark	72,472	\$ 813,917,500	\$ 16,790,270	\$ 797,127,230
Cowlitz	19,071	\$ 105,187,460	\$ 12,986,890	\$ 92,200,570
Grays Harbor	24,597	\$ 52,136,939	\$ 15,993,459	\$ 36,143,480
Lewis	86,589	\$ 417,297,901	\$ 37,428,733	\$ 379,869,168
Mason	15,430	\$ 102,121,140	\$ 10,397,765	\$ 91,723,375
Pacific	40,334	\$ 68,063,700	\$ 11,485,838	\$ 56,577,862
Thurston	40,780	\$ 329,851,350	\$ 21,316,090	\$ 308,535,260
Wahkiakum	10,689	\$ 47,156,280	\$ 8,514,920	\$ 38,641,360

CONSERVATION FUTURES PROGRAMS:

The conservation futures tax is a local option property tax assessed at the county level, at a maximum rate of 6.25 cents per \$1,000 of assessed value. Revenue from the tax may be used to purchase or acquire development rights for open space, agricultural, and timber lands.

Clark County: Clark has levied a futures tax since 1985 and is expected to generate \$591,726 in 2008 levying 4.89 cents per thousand. Since its enactment, the Conservation Futures Open Space Program has helped acquire over 3,800 acres of high-quality shorelines, greenways, open space, and fish and wildlife habitat. Acquisitions include property on almost every major lake and river system in the county, and such notable sites as Camp Currie, Eagle Island, Frenchman's Bar and Lucia Falls. These sites not only protect critical fish and wildlife habitat and preserve our forests and shorelands, they provide excellent opportunities for hiking, fishing, swimming, picnicking, canoeing, kayaking and wildlife viewing.

Cowlitz County: No Conservation Futures Levy.

Grays Harbor County: No Conservation Futures Levy.

Lewis County: No Conservation Futures Levy.

Mason County: No Conservation Futures Levy.

Pacific County: No Conservation Futures Levy.

Thurston County: Thurston levies 3.6 cents per thousand, expected to generate \$1.05 million in 2008. Monies have been used for numerous projects since its inception in 1990. More recently though the county has been discussing the role of futures dollars for the Purchase of Development Rights (PDRs). At the July 2, 2008 planning commission meeting, the County noted that it could purchase TDRs and bank them for purchase by developers. Realtors could earn a commission and provide an incentive to advertise and market a PDR program. Conservation futures monies could be used for PDRs

Wahkiakum County: No Conservation Futures Levy.

RIGHT-TO-FARM

South West Region Right to Farm			
County	RTF "Yes"	RTF "No"	County Code/Chapter
Clark	Yes		Chapter 9.26
Cowlitz		No	Noise Ord. Chapter 10.25.050 (E)
Grays Harbor		No	Considering
Lewis	Yes		Chapter 17.40
Mason	Yes		
Pacific		No	
Thurston	Yes		Chapter 20.61
Wahkiakum	Yes		CAO 131-00 Sec. 22

Appendix B

	Clark	Cowlitz	Grays Harbor	Lewis	Mason	Pacific	Thurston	Wahkiakum
Major Crops	Broilers, Raspberries, Strawberries	Broilers, Raspberries, Hay	Milk Cows, Aquaculture, Cranberries	Broilers, Blueberries, Christmas Trees	Cattle, Aquaculture, Christmas Trees	Cattle, Milk Cows, Cranberries	Nursery/Greenhouse, Broilers, Eggs	Cattle, Hay, Berries
Number of Farms 2002	1596	532	510	1,402	320	341	1155	125
1997	1765	561	558	1,613	334	336	1372	132
Farm Acres 2002	70,694	39,582	53,594	130,950	21,641	51,824	74,442	12,386
1997	82,666	37,698	50,545	134,185	22,241	45,401	66,341	12,790
Farms by size: 1-9 acres	471	109	71	166	122	44	334	10
10-49 acres	793	242	214	646	130	149	544	44
50-179 acres	264	132	173	426	48	103	190	56
180-499 acres	51	40	34	132	13	28	63	12
500-999 acres	14	6	10	19	3	8	17	3
1000 acres or more	3	3	8	13	4	9	7	0
Market value of ag products sold (\$1,000)	54,409	30,560	30,015	89,450	52,008	30,667	114,675	2,979
Average per farm (dollars)	34,091	57,443	58,853	63,802	162,524	89,932	99,286	23,830
Farms by value of sales								
Less than \$2,500	931	335	251	738	144	132	681	75
\$2,500-4,999	203	59	59	175	39	28	138	13
5,000-9,999	157	47	57	151	34	28	98	7
10,000-24,999	135	26	56	120	47	53	102	11
25,000-49,999	41	19	39	67	17	41	35	8
50,000-99,999	35	5	13	32	14	27	30	4
100,000 or more	94	41	35	119	25	32	71	7
Net cash farm income								
Farms	1595	526	511	1,401	321	350	1154	126
\$1,000	4,648	8,900	1,565	24,103	30,269	9,361	15,873	698
Avg per farm dollars	2,914	16,920	3,062	17,204	94,296	26,745	13,755	5,541
Principal operator occupation Farming	740	284	256	810	153	190	584	58
Other	856	248	254	592	167	151	571	67

OFF TASK FORCE – NORTH WEST REGION REPORT

CLALLAM, ISLAND, JEFFERSON, KING, KITSAP, PIERCE, SAN JUAN, SKAGIT,
SNOHOMISH, AND WHATCOM COUNTIES

GMA STATUS:

Note: *Not all counties are required to plan under the Growth Management Act (GMA). When the GMA was passed, the law used a population and population growth trigger to require certain counties to plan. Other counties could “opt-in” to GMA planning by majority vote of the county commissioners. All counties in Washington (whether or not they are planning under GMA) must adopt critical area ordinances (CAOs) and all counties must designate agricultural, mineral, and forest lands of long term commercial significance. Counties planning under the GMA are considered “fully planning” because they are implementing all elements of the act. Counties planning only their CAOs and resource lands are considered to be “partially planning”.*

All counties must review and, if necessary, update their CAOs, resource land designations, comprehensive plan, and development regulations. Since all counties have completed their initial planning, they are now in the process of updating these documents. The statute identifies a schedule by which various counties must update, but due to controversy surrounding the costs associated with these updates, the legislature amended the statute and allowed jurisdictions to extend the timeline for updates.

Clallam County:

Under State law, every county is required to review its prior plans and development regulations adopted under GMA every seven years. The Hearings Boards have ruled that persons challenging the County’s GMA adoptions can ‘reach back’ or reopen much of what the County previously adopted. In addition, and since the time that Clallam County adopted its plans and regulations in 1995, and then amended after 2004, there have been a number of Legislative amendments to the Growth Management Act, and a number of Hearings Board and appellate court rulings on GMA laws. Consequently, what the County adopted in 1995, and revisited beginning in 2004, was subject to a host of new laws and new legal decisions, and to new challenges.

Further, not all of the County’s plans and regulations were challenged in this most recent Hearings Board case. Hearings Boards may only review and overturn those portions of the plans and regulations which are expressly appealed by individuals or organizations. Many of Clallam County’s rural and urban growth area (UGA) plans and regulations were either not challenged or were unsuccessfully challenged. Some of these unchallenged and ‘compliant’ zones and codes may seem to be similar to those zones and codes found noncompliant or invalid. However, only those plans and codes found non-compliant or invalid will need to be amended to comply with the Hearing Board’s orders, while unchallenged plans and codes will remain on-the-books, unchanged.

In 2007, the County took two actions to complete the required GMA seven year review of its comprehensive plan and development actions.

First, the County adopted Resolution 77 which contained findings and conclusions affirming that the County had completed its review and update of its Countywide Comprehensive Plan, Regional Comprehensive Plan, and development regulations for continued compliance with GMA standards and policies.

And secondly, the County adopted Ordinance 827 which amended Clallam County Code, Chapter 31.07, Countywide Comprehensive Plan to formally identify certain areas as LAMIRDs (local areas of more intensive rural development).

Futurewise and non-profit, Dry Creek Coalition (DCC) appealed Resolution No. 77 and Ordinance 827 to the Western Washington Growth Management Hearings Board (WWGMHB). Futurewise and DCC claimed that certain areas of the County's Comprehensive Plan and Development Regulations were not in compliance with the Growth Management Act.

The WWGMHB heard the case in 2008 under the title WWGMHB No. 07-2-0018c: *Dry Creek Coalition and Futurewise v. Clallam County*, and issued two decisions, in which it ordered Clallam County to change portions of its Plan and Code.

The Board of County Commissioners (BOCC) has responded to the WWGMHB Decisions and Orders. The BOCC has adopted interim controls in areas affected by the rulings of invalidity in the following Decisions and Orders by the WWGMHB. The BOCC has appealed the WWGMHB's decision to the courts. BOCC has directed staff to continue working to achieve compliance with the GMA.

On September 24, 2008, the Clallam County Planning Commission finalized its recommendations to be forwarded to the Clallam County Board of Commissioners for final action, following a public hearing. The Planning Commission recommendations govern proposed compliance responses by the County to the WWGMHB Final Order and Decision [*Futurewise & Dry Creek Coalition vs. Clallam County, WWGMHB No. 07-2-0018c*] that found portions of Clallam County's Comprehensive Plan and Development Regulations as non-compliant and/or invalid with the state Growth Management Act (GMA), RCW 36.70A.

Island County:

Critical Areas for agriculture was completed during the fall of 2006 but is currently on hold pending a lawsuit filed by WEAN (Whidbey Environmental Action Network) in Thurston County.

ISLAND COUNTY VISION STATEMENT – 2006 Comp Plan

Farming plays a very important role in Island County, even though many farms are small in scale.

Large or small, throughout both islands, all farms in Island County, including tree farms, have unique value by contributing to the County's rural character.

Though it is hard to describe in words, "rural character" is a crucial element of the County's economy and culture -- and one of the few things virtually all residents agree is essential to the quality of life here. Rural character not only makes people "feel good" about the place where they live and provides a cultural connection to the County's past -- it also has a very clear dollars-and-cents benefit. Rural character (which would not exist without the County's farms and forests) is the basis for the County's important tourist industry. It is also a magnet for retirees and their dollars, as

well as for businesses that consider locating here to provide a higher quality of life for their employees.

For all these reasons, it is important as a matter of policy for the County to help keep farmers here farming, including those on limited acreage, especially in the face of growing pressures for residential and commercial development. Tax incentives, extension programs and “Right-to-

Farm” measures help. So too does a regulatory approach that protects the environment as mandated by the State’s Growth Management Act, but does so in fair, science-based ways that are flexible as the law allows, and that give farmers as much say as possible in the management of their lands.

Under zoning standards only farmland in the ag tax program is classified by the County as “commercial”. However, both commercial and noncommercial farming play an important role in preserving the rural character of Island County. Commercial farming can be either of long-term or local commercial significance to County residents. Noncommercial farming, including raising of livestock, continues to be a wide spread activity of local importance in the rural area of the County, providing a cultural connection to both the historic past and future of Island County.

Jefferson County:

In June 2006, DCD proposed a set of amendments to the environmentally sensitive “critical areas” provisions in the UDC in response to a legal settlement agreement. In August 2006, the Planning Commission established a Critical Areas Committee of Planning Commissioners and an Advisory Group of representative stakeholders.

The Committee completed its work in March 2007; the Planning Commission approved proposed code language in January 2008, and made their official recommendation to the Board of County Commissioners (BoCC) in February 2008. The Board of County Commissioners (BoCC) for Jefferson County adopted Ordinance #03-0317-08 on March 17, 2008, thereby enacting the Unified Development Code (UDC) amendment Title 18.22 Jefferson County Code for Critical Areas. This ordinance rescinds Title 18.15, formerly titled Environmentally Sensitive Areas. The Critical Areas Ordinance #03-0317-08 does not change any existing exemptions to agricultural activities.

King County:

Currently updating the King County Comprehensive Plan. Several changes throughout including Chapter 3 - Rural Legacy and Natural Resources Lands.

Kitsap County:

In 2006, Kitsap County adopted the Rural Wooded Incentive and Transfer of Development Rights Programs as part of the 10-Year Update to the Kitsap County Comprehensive Plan. Subsequently, these amendments were appealed to the Central Puget Sound Growth Management Hearings Board (Hearings Board) case No. *Suquamish II case No. 07-3-0019c*. In August 2007, the Hearings Board order determined the programs were partially invalid and non-compliant with the Growth Management Act (GMA). In response, the Board of County Commissioners approved a modified ordinance that clarifies the Comprehensive Plan policies of programs overall intent of the TDR

program; and the removal of the 40-Year deed restriction for property development right reuse to perpetuity.

Pierce County:

The Pierce County budget for 2007 established and funded a **Farming Assistance, Revitalization, and Marketing (FARM) program**. Managed out of the **WSU Pierce County Extension** office, the FARM program will be an umbrella organization to funnel all agricultural related issues, programs and communications and act as a coordinating office connecting farmers to other agencies/organizations and the public for the preservation and promotion of the long-term viability of farming. The program will provide technical, regulatory and marketing assistance to farmers, promote the benefits of consuming locally grown produce, and act as coordinating office connecting farmers with other local farming support agencies and organizations.

The FARM Board will play a significant role in implementing the Pierce County Agriculture Strategic Plan, a plan that outlines in detail strategies to make the local agricultural industry more competitive. Strategies include a Purchase/Transfer of Development Rights program, public outreach and education efforts, and the creation of a Food Policy program.

San Juan County:

The new San Juan County Comprehensive Plan was first adopted on December 20, 1998. Latest revisions are as of April 4, 2008.

San Juan County Comp Plan land use section has a goal for agriculture to ensure the conservation of agricultural resource lands of long-term commercial significance for existing and future generations, and protect these lands from interference by adjacent uses which may affect the continued use of these lands for production of food and agricultural products.

Comp Plan Policies:

(1) Lands in agricultural use which are characterized by the following criteria may be designated as Agricultural Resource Lands:

i. Areas in parcels of ten acres or larger with USDA-San Juan County *Soil Survey* Class II, III, and IV soils and other soil classes with demonstrated agricultural productivity.

ii. Lands which meet the criteria in a. above which are under conservation easement for agricultural use or which are enrolled in the Open Space-Agriculture taxation program.

(2) Limit conversion of Agricultural Resource Lands to permanent non-farm uses through implementation of a purchase or transfer of development rights program, special tax assessment programs, conservation easements, and the formulation of site design standards for residential land divisions, including standards for planned unit developments.

(3) Allow cottage enterprises that do not interfere with agricultural use, and allow agriculture-related activities such as processing and limited retailing facilities for locally grown products on farm sites and within agricultural areas consistent with allowances in State law for accessory uses in agricultural resource lands.

(4) Allow farm labor housing and *farm stay accommodations* subject to specific performance standards on Agricultural Resource Lands.

(5) Limit the location of utility lines and facilities, new roads and road realignments, access routes and other non-agricultural public and private facilities, to the least disruptive locations within agricultural areas.

Skagit County:

The Skagit County Comprehensive Plan is fully reviewed every 7 years, but interim changes may be considered annually.

One of the proposed amendments consists of two citizen-initiated map-amendment proposals; nine county-initiated map-amendment proposals; the Alger subarea plan; and several county-initiated Comprehensive Plan text amendments.

Snohomish County:

GMA plan update completed in 2004. The County's Unified Development Code, established in 2002, is now undergoing a substantive review and update. **The Rural Lands Planning Project (RLPP)** is an outgrowth of discussions at earlier UDC Forums when Rural Cluster Subdivision (RCS) Code revisions were the area of focus. The county heard citizens express opinions and concerns that went beyond the scope of rural cluster subdivision regulations and included broader issues – such as increasing rural residential densities, diminishing rural character, increased traffic, and changes in water quality and quantity. The comprehensive Rural Lands Planning Project will consider these issues, and also zoning, land use, and development standards.

Rural lands are those lands that have not been designated as urban growth areas or natural resource lands. They do not include incorporated towns or cities but can include existing communities that have not been incorporated.

The purpose of this update is to ensure that the county's polices and regulations for the use and development of the rural lands accurately reflect the values and expectations of today's county residents.

Whatcom County:

Update completed in 2004. Currently involved in long range planning under "Whatcom 2031." Whatcom 2031 is their review and update of the Comprehensive Plan and 10-year review of their Urban Growth Areas (UGAs), a requirement of the Growth Management Act. During the next three years they will be working with Whatcom County residents to establish a vision for the next 20 years, review and revise urban growth areas, work on coordination of growth management plans with cities and construct a strategy for achieving that vision. The comprehensive plan serves as the policy foundation for growth and development for the next twenty years.

LAND TRUSTS IN THE REGION:

Clallam County:

North Olympic Land Trust protects more than 1,300 acres of land with including farmland. Fertile farmland and sustainable timberland contribute to the local economy and also enhance the area's beauty.

For the past eight years, Friends of the Fields (FOF), in partnership with the North Olympic Land Trust and members of the community, has worked to preserve and protect Clallam County's agricultural lands. In that time, FOF has preserved 146 acres.

Island County:

For more than 20 years the **Whidbey Camano Land Trust** has protected the islands' natural and rural areas by working with private landowners, community groups and public agencies.

Up for possible funding and ranked third in the RCO Farmland Preservation Grant rankings is a project between Island County and the land trust to acquire and co-hold a conservation easement on 65 acres of prime farmland actively farmed for over a century and highly productive for a wide variety of crops. Acquisition will protect one of the most productive and fertile agricultural properties in Island County and help ensure the future viability of agriculture in Ebey's Reserve. The threat of conversion from agriculture to residential development is real and imminent.

Jefferson County:

Jefferson Land Trust is a private, non-profit, grass-roots organization. Their mission is to help the community to preserve open space, working lands and habitat in Jefferson County on the Olympic Peninsula of Washington.

Up for possible funding and ranked sixth in the RCO Farmland Preservation Grant rankings is a project between Jefferson County and Jefferson Land Trust. Both are seeking funds for the acquisition of a conservation easement on the 33-acre Finnriver Farm, located in the fertile, agriculturally zoned Center Valley. The easement will be co-held between the County and Land Trust.

King County:

Cascade Land Conservancy's (CLC) approach to preserving farmland has largely focused on protecting the agricultural land base through working with Local and County Governments to develop viable Purchase of Development Rights and Transfer of Development Rights programs.

The non-profit **PCC Farmland Trust** works to secure and preserve farmland in Washington State and move it into organic production. It is believed to be the only 501(c)(3) land trust in the United States dedicated to organic farmland preservation.

In 2006, PCC Farmland Trust preserved their third farm. The Ames Creek Farm is in the fertile Snoqualmie River Valley near Ames Creek. Adjacent to Ames Creek and the Snoqualmie River, this fertile flood plain is home to an important salmon habitat and may be a site for future salmon

habitat restoration projects. It primarily has been pastureland over the last 40 years and fallow for the past two years.

Kitsap County:

The **Bainbridge Island Land Trust** was started in 1989.

The trust holds 43 conservation easements (39 private and 4 public) on over 728 acres. Another 395 acres have been preserved through acquisition efforts with trust assistance. The Land Trust owns approximately 43 acres.

The Great Peninsula Conservancy is a private nonprofit land trust dedicated to protecting the rural landscapes, natural habitat and open spaces of our region in Kitsap County.

The Conservancy protects wildlife habitats and provides opportunities for people to enjoy these places forever. Their work is supported by voluntary donations and grants from those committed to preservation of open space, clean water and wild creatures.

Pierce County:

The Great Peninsula Conservancy also works in Pierce County.

Cascade Land Conservancy's (CLC) approach to preserving farmland has largely focused on protecting the agricultural land base through working with Local and County Governments to develop viable Purchase of Development Rights and Transfer of Development Rights programs.

South Prairie Creek is the most important salmon-bearing stream in Pierce County. Cascade Land Conservancy, on behalf of Pierce County, acquired 20 acres of abandoned railroad right-of-way along South Prairie Creek. The property is a mix of wetlands, pasture and riparian vegetation, and is in close proximity to the proposed Foothills Trail extension. Conservation of this property protects critical habitat for wildlife as well as threatened and endangered salmon species.

The non-profit **PCC Farmland Trust** works to secure and preserve farmland in Washington State and move it into organic production. It is believed to be the only 501(c)(3) land trust in the United States dedicated to organic farmland preservation.

Orting Valley Farm, a 100-acre former dairy farm, is PCC Farmland Trust's newest project, located in the south Puyallup Valley, south of the City of Orting. The farm is bordered by the Puyallup River on the west, a tributary to the Carbon River on the east, and is separated by Orville Road.

PCC Farmland Trust will hold the organic agricultural easements on the property and farmers will own their property. The price of the parcels will be reduced with funds from the Washington State Wildlife and Recreation Program—Farmland Preservation and Pierce County Conservation Futures, making the land more affordable for farmers.

San Juan County:

The **San Juan Preservation Trust** serves landowners who wish to protect the special features of their lands through voluntary private action. They offer the community the opportunity to create a legacy of unique natural areas and open spaces for future generations.

They are the oldest land trust in the state of Washington, founded in 1979. Number of conservation easements held: 203; Acres of land in conservation easements: 12,275 acres; Number of preserves (lands owned by the SJPT): 39; Acres of land in preserves: 882 acres

Lummi Island Heritage Trust is a nonprofit organization dedicated to conserving Lummi Island's farmland, forestland, open space, and undeveloped shorelines.

Lummi Island Heritage Trust, the San Juan Preservation Trust, and the Washington Department of Fish and Wildlife succeeded in permanently protecting the 435 acre Baker Ranch on the west side of Lummi Island. This conservation partnership raised the \$3.67 million necessary to complete the project with the help of Heritage Trust and Preservation Trust members, state and federal grants, and a league of private donors.

The Baker Ranch was one of the largest and most visible unprotected shoreline properties in the San Juan Islands. The Ranch includes a diverse mix of old growth and mature forest, grassy balds, wetlands, farmland, and over one mile of saltwater shoreline. As of July 18, 2007, conservation easements limit residential use of the 435 acre property to one house and one guest house and ensure permanent protection of the land's natural values. The San Juan Preservation Trust holds conservation easements on 355 acres of the Ranch and the Department of Fish and Wildlife holds a conservation easement on the remainder of the property.

Skagit County:

Skagitonians to Preserve Farmland (SPF) is working to preserve Skagit Valley as a working agricultural region and landscape by protecting farmland through acquisition of permanent property restrictions and by promoting and supporting farming as an economically viable way of life.

Also they are working to ensure that Skagit farming remains a permanent part of the region's identity for the benefit of: Local farmers and residents whose livelihoods depend on the land; Puget Sound citizens and visitors who enjoy the natural beauty of a pastoral landscape; waterfowl, raptors, salmon, and other wildlife that depend on the managed farm landscape as habitat.

To assure the long-term protection of this regional asset, SPF operates as a land trust, as an advocate for farmland protection, and as an education and community-building organization.

As a Land Trust, SPF's vision is to permanently secure the critical mass of farmland in the Valley. The most cost-effective way to protect farmland is to acquire rights for development (by purchase or donation) from willing landowners before they become too expensive.

Skagit Land Trust acquires land for protection through purchase or gifts of land and by assisting landowners and other conservation groups and agencies to protect land.

Some of the Trust's most successful projects have protected habitat areas across private ownership boundaries, helping residents, ranchers, and farmers.

Whatcom Land Trust (See Whatcom County below)

Snohomish County:

Also at work in Snohomish County is Cascade Land Conservancy. In Snohomish County CLC has conserved **11,049 acres through 26 projects.**

Whatcom County:

Whatcom Land Trust has been very active since 1986 conserving 9,250 acres with several hundred of those acres being farmland. They work with local landowners to help protect the natural values and resources of their property. They use a variety of flexible tools to meet a landowner's goals. As a qualified nonprofit organization, Whatcom Land Trust accepts gifts of easements for conservation purposes. The partnership with Whatcom County's agricultural preservation initiative has thus far resulted in the permanent protection of 370 acres, while the Land Trust holds an additional 185 acres of private farmland under conservation easement.

Up for possible funding and ranked fourth in the RCO Farmland Preservation Grant rankings is a project to help the Whatcom County Purchase of Development Rights program preserve approximately 270 acres of farmland through permanent conservation easements on 2 farms.

CONSERVATION FUTURES PROGRAMS:

The conservation futures tax is a local option property tax assessed at the county level, at a maximum rate of 6.25 cents per \$1,000 of assessed value. Revenue from the tax may be used to purchase or acquire development rights for open space, agricultural, and timber lands.

Clallam County: Clallam County does not have a Conservation Futures Program.

Island County: Island County does have a Conservation Futures Program and levies 4.3 cents per \$1000. In 2008, the revenue levied is expected to total \$619,298.

Jefferson County: Levies 4.9 cents per thousand, up from 4.7 in 2007. Jefferson County figures to levy \$191,652. In 2007, Jefferson County approved the use of \$230,000 towards the Glendale Farm project. Jefferson Land Trust is the sponsor of this project to retain a historic 180-acre farm in agricultural production just south of Chimacum, WA. The farm is currently producing organic beef on prime agricultural soils, about 160 acres are in open pasture, with an additional 20 acres of forest.

King County: King levies 4.6 cents per \$1000 assessed valuation and expects to generate \$15.75 million in 2008. Begun in 1979, the Conservation Futures program has been very successful in preserving not only farmland, but open space in general. One project worth noting which will go before the King County Council is the Historic Green Agricultural Production District (APD). This project will purchase development rights on 15 acres of farmland land with prime agricultural soils, to help preserve farming in the lower Green River valley between Auburn and Kent.

Kitsap County: Kitsap County levies 3.51 cents per 1000 assessed valuation and is expected to generate \$1.15 million in 2008. In 1991 the Board of County Commissioners enacted a Conservation Futures Levy and the County began an aggressive acquisition program, using the levy fund to purchase valued open space and park lands throughout the County. By 1994 the County

park system consisted of 1,251.7 acres with just one conservation futures property (Guillemot Cove) having been acquired.

By 2000, the park system had grown to 2,093.7 acres, the difference being Conservation Futures purchases. The County's 2000 Open Space Plan prioritized purchasing regional and waterfront park sites, and over 3,500 acres of land have been acquired by the County over the past six years. Most of that acreage is concentrated in large "Heritage Park" sites in North, Central and South Kitsap County (North Kitsap Heritage Park, Illahee Forest Preserve Heritage Park, Coulter Creek Heritage Park and Banner Forest). The remainder is waterfront property or important habitat lands purchased for preservation.

Pierce County: Pierce County assesses at 3.92 cents per \$1000 and since 1991 has used the funds to on almost 90 projects. As recently as 2004, Pierce County purchased the development rights on Solar Farms, a 96 acre farm, for \$450,000. In the current cycle of projects, there are two which address farmland. Both projects are still in the early stages.

San Juan County: San Juan County has been very proactive in preserving lands. Through their Land Bank Program. The purpose of the San Juan County citizens conservation Land Bank is to preserve in perpetuity areas in the County that have environmental, agricultural, aesthetic, cultural, scientific, historic, scenic or low-intensity recreational value, and to protect existing and future sources of potable water.

One of the pending projects is Coffelt's Farm on Orcas Island. This property consists of approximately 165 acres and is adjacent to the Land Bank's Turtleback Mountain Preserve to the west and Fowler's Pond Preserve to the north. It is largely open fields with some forested and wetland areas. There are two current residences and multiple farm buildings. Acquisition of this property will serve to help maintain agriculture on Orcas Island. The fee purchase will allow the Land Bank to lease the property for agriculture. Additionally, fee ownership will allow opportunities for public access, including a potential connector between Turtleback and Fowler's Pond and for environmental and agricultural education programs.

Skagit County: Skagit County levies a futures tax of 4.29 cents per thousand and is expected to generate \$694,340 in 2008. Skagit County is fortunate to have a strong futures program and the Skagit County Farmland Legacy Program. The Farmland Legacy Program is a county initiative that purchases agricultural easements on Skagit farmland, and works to support policies, programs, and plans that enhance the local agricultural industry.

The Skagit County Farmland Legacy Program is responsible for administering the Skagit County Conservation Futures Program, which purchases permanent conservation easements on agricultural land and other land of strategic significance.

Skagit County's Farmland Legacy Program ranks second among agricultural easement programs in Washington state in the number of acres acquired, following only King County. With 73,000 acres cultivated in a water-rich coastal area, Skagit is one of the state's leading agricultural counties.

Up for funding and ranked first in the RCO Farmland Preservation Grant Rankings is a project in Skagit County. The Smith Farm Project would enable the Skagit County Farmland Legacy Program to purchase development rights and place a permanent easement on 8 parcels, totaling 266.92 acres, of regionally and internationally important farmland. This project leverages local

conservation futures funds to protect these priority parcels identified by the Farmland Legacy Program.

Snohomish County: Snohomish County has had a futures tax since 1997 and currently levies at 3.18 cents per thousand, down from 3.6 in 2007. Total revenues from the tax are expected to be \$3.156 million in 2008.

In October of 2008, Snohomish County preserved more than 50 acres of farmland in the Tualco Valley near Monroe through its Purchase of Development Rights pilot program. In particular, the county has successfully purchased permanent conservation easements restricting future development on 52 acres of land owned by long-time Snohomish County farmers.

Whatcom County: Since 2001, Whatcom County has levied a futures tax. Current rates are 4.3 cents per thousand expecting to generate \$938,823 in 2008. From early 2004 through the end of 2008, Whatcom County will have preserved more than 640 acres of farmland through its Purchase of Development Rights program. These 640 acres represent 11 different transactions, and retirement of an estimated 83 development rights through permanent conservation easements. The PDR program is a partnership between the USDA Farm and Ranch Lands Protection Program (which provides 50% match funding for the easement value), and the Whatcom Land Trust (which monitors and enforces the easements).

Whatcom County has identified a critical mass of 100,000 acres of farmland that is targeted for protection due to the increasing pressures of development.

RIGHT-TO-FARM

North West Region Right to Farm			
County	RTF "Yes"	RTF "No"	County Code/Chapter
Clallam	Yes		Chapter 31.02.120
Island	Yes		Chapter 6.25
Jefferson	Yes		Chapter 18.15.095
King		No - Noise Ord.	Chapter 12.94.010 (G) - Noise Ord.
Kitsap		No	
Pierce	Yes		Chapter 18I.35
San Juan	Yes		Chapter 18.30.050 (B)
Skagit	Yes		Chapter 14.38
Snohomish	Yes		Chapter 30.32B.220
Whatcom	Yes		Chapter 14.02

CURRENT USE VALUATION

2007 Valuation of Current Use Land by County				
Agricultural, Timber, and Open Space Lands				
Approved for Current Use Assessment				
		True and Fair	Current Use	
County	Acres	Value \$	Value \$	Difference \$
Clallam	30,541	\$373,680,432	\$65,654,083	\$308,026,349
Island	17,048	\$255,026,595	\$9,100,428	\$245,926,167
Jefferson	8,489	\$77,900,135	\$7,891,475	\$70,008,660
King	40,303	\$865,192,645	\$201,555,278	\$663,637,367
Kitsap	6,784	\$239,351,430	\$81,844,980	\$157,506,450
Pierce	44,622	\$765,599,300	\$122,760,658	\$642,838,642
San Juan	17,545	\$390,896,020	\$92,847,520	\$298,048,500
Skagit	105,279	\$687,166,100	\$186,288,334	\$500,877,766
Snohomish	62,322	\$900,105,000	\$152,132,200	\$747,972,800
Whatcom	111,268	\$1,185,553,150	\$183,936,980	\$1,001,616,170

Appendix B

	Clallam	Island	Jefferson	King	Kitsap	Pierce	San Juan	Skagit	Snohomish	Whatcom
Major Crops	Cattle, Hay, Aquaculture	Cattle, Hay, Milk Cows	Cattle, Hay, Aquaculture	Nursery/ Greenhouse, Milk Cows, Cattle	Blueberries, Christmas Trees, Aquaculture	Fryers, Raspberries, Strawberries	Cattle, Hay, Sheep	Milk Cows, Nursery/ Greenhouse, Potatoes	Milk Cows, Nursery/ Greenhouse, Fryers	Milk Cow, Raspberries, Cattle
Number of Farms 2002	455	348	207	1,548	587	1,474	225	872	1,574	1,485
1997	461	389	212	1,817	641	1,616	232	999	1,819	1,679
Farm Acres 2002	22,372	15,018	12,274	41,769	16,094	57,224	17,145	113,821	68,612	148,027
1997	24,426	19,408	15,958	52,257	24,209	61,689	18,843	101,785	72,882	113,797
Farms by size: 1-9 acres	134	97	49	660	291	527	32	164	534	287
10-49 acres	204	172	99	705	235	662	119	357	738	636
50-179 acres	86	65	36	146	54	237	52	222	225	374
180-499 acres	28	12	22	33	4	38	18	86	56	152
500-999 acres	3	1	1	4	1	7	2	21	20	25
1000 acres or more	0	1	0	0	2	3	2	22	1	11
Market value of ag products sold (\$1,000)	17,768	9,801	6,672	120,055	30,713	94,170	3,114	217,384	126,947	287,860
Average per farm (dollars)	39,050	28,165	32,232	77,555	52,322	63,887	13,838	249,294	80,653	193,845
Farms by value of sales										
Less than \$2,500	242	180	89	836	350	895	81	345	831	591
\$2,500-4,999	46	50	36	178	84	155	52	69	173	117
5,000-9,999	64	48	23	154	64	132	21	79	150	127
10,000-24,999	47	30	22	125	41	115	43	98	143	117
25,000-49,999	16	18	18	79	17	51	21	42	76	109
50,000-99,999	7	6	5	46	4	38	3	55	66	57
100,000 or more	33	16	14	130	27	88	4	184	135	367
Net cash farm income Farms										
\$1,000	454	350	208	1,548	587	1,478	224	876	1,572	1,483
Avg per farm dollars	1,442	-1,492	1,223	29,270	3,408	21,934	-2,294	59,651	16,693	82,566
	3,176	-4,263	5,881	18,909	5,805	14,840	-10,240	68,095	10,619	55,675
Principal operator occupation										
Farming	218	212	119	823	316	778	115	531	821	805
Other	237	136	88	725	271	696	110	341	753	680

OFP TASK FORCE – SOUTH EAST REGION REPORT

ASOTIN, COLUMBIA, GARFIELD, WALLA WALLA, AND WHITMAN COUNTIES

GMA STATUS:

NOTE: *Not all counties are required to plan under the Growth Management Act (GMA). When the GMA was passed, the law used a population and population growth trigger to require certain counties to plan. Other counties could “opt-in” to GMA planning by majority vote of the county commissioners. All counties in Washington (whether or not they are planning under GMA) must adopt critical areas ordinances (CAOs) and all counties must designate agricultural, mineral, and forest lands of long-term commercial significance. Counties planning under the GMA are considered “fully planning” because they are implementing all elements of the act. Counties planning only their CAOs and resource lands are considered to be “partially planning”.*

Columbia, Garfield, and Walla Walla counties were not required to plan but each chose to “opt-in” to the GMA, and they are fully planning under the act. Asotin and Whitman counties are partially planning under the GMA, and are only implementing the CAO and resource land designations.

All counties must review and, if necessary, update their CAOs, resource land designations, comprehensive plan, and development regulations. Since all counties have completed their initial planning, they are now in the process of updating these documents. The statute identifies a schedule by which various counties must update, but due to controversy surrounding the costs associated with these updates, the legislature amended the statute and allowed jurisdictions to extend the timeline for updates. Some in the SE region have chosen to do so.

Asotin: Partially planning and they are invoking its legislative extension option.

Columbia: Fully planning and nearly completed their update work. Changed development directors midcourse in the update process and the new director repeated a few steps to assure continuity. The county collaborated with the city of Dayton, where the update work has been completed.

Garfield: The County completed the update to their comprehensive plan on April 21, 2008. In the middle of the plan adoption hearing late last fall, the county commissioners realized from testimony given by residents that new, not fully anticipated pressures were surfacing from wind power generation sources. They imposed a moratorium that goes through mid-summer, and applied for and received an Emerging Issues Grant (EIG) to prepare development regulation tools and enhance the comprehensive plan with policies to address this topic. The county has completed a draft of their updated development regs that include new permitting procedures for wind power and alternative energy facilities. The draft update has been sent to CTED for review.

Walla Walla - Walla Walla County has adopted both their comprehensive plan update and the development regs update. Their updated Critical Areas Ordinance is in progress, due Dec. 2008. The county has restrictive zoning designed to protect some very valuable agricultural soils with

higher rainfall. This zoning is called Exclusive Agriculture zone and has a 120 acre minimum lot size.

Whitman - Not been engaged in update work as a result of the legislative extension; a partially planning county with only CAO work to complete. Many of the small towns have undertaken and some have completed their update work.

CONSERVATION FUTURES PROGRAMS:

No counties in this region currently have a conservation futures program.

LAND TRUSTS IN THE REGION:

Asotin: Based in Moscow, Idaho the **Palouse Land Trust** is active in both Asotin and Whitman counties. They are an all volunteer Land Trust without permanent staff and were incorporated in 1995. All of their easements to date, which emphasize Palouse prairie remnants and open space are in North Idaho. They own two land parcels, but their emphasis is on easements.

The **Rocky Mountain Elk Foundation** has worked across the nation to protect and enhance over 5.4 million acres. They have been active in Washington protecting and enhancing lands in Asotin along the South Fork Asotin Creek, conserving 8,500 acres of elk habitat. Also in Asotin along Lice Creek the Foundation in 1989 protected 200 acres.

Walla Walla: Blue Mountain Land Trust works to preserve working farm land and habitat protection in the southeast region of the state. They currently have two easements protecting 50 acres of agricultural land and are working on 5 others that will protect 500-600 acres of agricultural land as well as a 2500 acre ranchland project in Oregon. They are also working with a landowner in Asotin County to protect 1,100 acres of open space currently in CRP. Blue Mountain Land Trust also offers legal tools and some financial incentives to permanently preserve agricultural ground while keeping land in private ownership.

The Bennington Place, in the Walla Walla Valley, was purchased by the PCC Farmland Trust in 2003, and has since been leased and farmed by a nearby fourth generation farmer and became certified organic in early 2005. Joel and Cynthia Huesby operate as Thundering Hooves, raising pastured, organic livestock and poultry in an open, natural and low-stress environment. These 174 acres rise from the Oregon border southwest of Walla Walla to a rise looking east across the valley to the Blue Mountains. The land has ample water, an intermittent pond for migratory waterfowl and a well-kept house and outbuildings.

Whitman: Palouse Land Trust (See Asotin)

CURRENT USE VALUATIONS

2007 Valuation of Current Use Land by County				
Agricultural, Timber, and Open Space Lands				
Approved for Current Use Assessment				
		True and Fair	Current Use	
County	Acres	Value \$	Value \$	Difference \$
Asotin	274,600	\$33,722,515	\$14,321,887	\$19,400,628
Columbia	314,639	\$165,282,299	\$75,158,062	\$90,124,237
Garfield	319,243	\$143,003,893	\$71,851,379	\$71,152,514
Walla Walla	709,398	\$520,409,922	\$230,241,872	\$290,168,050
Whitman	1,242,303	\$931,466,320	\$435,909,190	\$495,557,130

RIGHT TO FARM

South East Region Right to Farm			
County	RTF "Yes"	RTF "No"	County Code/Chapter
Asotin		No	
Benton	Yes		Chapter 14.05
Columbia	Yes		
Garfield	Yes		Chapter 1.05 (66)
Walla Walla	Yes		Chapter 8.40
Whitman	Yes		Ordinance - 044668

SUMMARY OF KEY FARM FACTS FROM THE SOUTHEAST REGION OF OFP

	Asotin	Columbia	Garfield	Walla Walla	Whitman
Major Crops	Cattle, Hay, Wheat	Lentils, Dry Peas, Wheat	Barley, Wheat, Cattle	Cattle, Wheat, Potatoes	Wheat, Barley, Peas & Lentils
Number of Farms	180	255	198	890	1,087
2002	180	246	220	960	1,188
1997					
Farm Acres	280,393	294,661	312,425	700,560	1,328,337
2002	315,913	320,630	331,806	751,069	1,366,109
1997					
Farms by size:					
1-9 acres	31	25	14	176	47
10-49 acres	23	38	22	246	110
50-179 acres	21	39	21	127	138
180-499 acres	13	45	20	90	158
500-999 acres	14	34	28	51	160
1000 acres or more	78	74	93	200	474
Market value of ag products sold (\$1,000)	9,086	26,516	19,778	339,093	162,631
Average per farm (dollars)	50,479	103,985	99,887	381,004	149,614
Farms by value of sales					
Less than \$2,500	74	97	63	340	268
\$2,500-4,999	17	17	10	72	47
5,000-9,999	11	18	7	57	39
10,000-24,999	19	23	12	68	70
25,000-49,999	12	18	24	42	84
50,000-99,999	16	19	24	58	104
100,000 or more	31	63	58	253	475
Net cash farm income					
Farms	179	257	197	889	1,086
\$1,000	3,130	10,125	6,071	82,021	53,255
Avg per farm dollars	17,485	39,399	30,189	92,262	49,037
Principal operator occupation					
Farming	99	178	118	504	828
Other	81	77	80	386	259

OFP TASK FORCE – SOUTH CENTRAL REGION REPORT

BENTON, FRANKLIN, KITTITAS, KLICKITAT, SKAMANIA, AND YAKIMA COUNTIES

GMA STATUS:

Note: Not all counties are required to plan under the Growth Management Act (GMA). When the GMA was passed, the law used a population and population growth trigger to require certain counties to plan. Other counties could “opt-in” to GMA planning by majority vote of the county commissioners. All counties in Washington (whether or not they are planning under GMA) must adopt critical area ordinances (CAOs) and all counties must designate agricultural, mineral, and forest lands of long term commercial significance. Counties planning under the GMA are considered “fully planning” because they are implementing all elements of the act. Counties planning only their CAOs and resource lands are considered to be “partially planning”.

Benton, Franklin, and Kittitas were not required to plan but each chose to “opt-in” to the GMA, and they are fully planning under the act. Klickitat and Skamania counties are partially planning under the GMA, and are only implementing the CAO and resource land designations.

All counties must review and, if necessary, update their CAOs, resource land designations, comprehensive plan, and development regulations. Since all counties have completed their initial planning, they are now in the process of updating these documents. The statute identifies a schedule by which various counties must update, but due to controversy surrounding the costs associated with these updates, the legislature amended the statute and allowed jurisdictions to extend the timeline for updates. Some in the SC region have chosen to do so.

Benton – In 2006, Benton County updated its comprehensive plan to comply with the GMA. Updates to the County's Comprehensive Plan are scheduled to occur every seven years. Planning staff is currently preparing development regulations to be consistent with the newly adopted Plan for adoption. Michael Shuttleworth is the acting Interim Planning Manager in Benton County

Franklin – Partially planning under the GMA, Franklin County completed their update in June 2005.

Kittitas - Kittitas County commissioners agreed in May to delay considering major changes to the county's comprehensive land-use plan until legal challenges to major aspects of the plan are completed. Put on hold by commissioners were recommendations by a county-appointed land-use committee that would significantly change rural land designations and zoning throughout the county.

County government, construction trade groups, and a number of developers, landowners and builders have filed court appeals challenging aspects of rulings that have been rendered against the Kittitas County's comprehensive plan and development regulations by the Eastern Washington Growth Management Hearings Board.

As part of the legal process, the parties have received court-approved stays, or legal holds, on the enforcement of parts of the state growth board's ruling until their appeals have been completed. Kittitas County planning officials speculate that a state Court of Appeals decision on the issues could come in six months, but it was likely they would be further appealed to the state Supreme Court, which could mean two years before a final decision.

Klickitat - In lieu of planning under GMA, the County adopted a Critical Areas Ordinance and Floodplain Ordinance, in addition to the established Shoreline Master Plan. The County is considering a Farmland Preservation Zone and Farmland Preservation Program for Klickitat County.

Skamania - Skamania is a partially planning county under the GMA and was one of the 2005 counties to receive a legislative extension on their planning. Currently their plan is scheduled for completion by the end of 2008.

20% of Skamania County lies within the Columbia River Gorge National Scenic Area. That 20% represents 80% of the County's private land ownership.

Overseeing the land use within the Scenic Area is the Columbia River Gorge Commission. The Commission was established in 1987 to develop and implement policies and programs that protect and enhance the scenic, natural, cultural and recreational resources of the Gorge, while encouraging growth within existing urban areas of the Gorge and allowing development outside urban areas consistent with resource protection. The Commission is a regional body representing federal, state, and local interests. The Commission has 13 members: three appointed by each of the governors of Oregon and Washington, one appointed by each of the six Gorge counties, and one (non-voting) representative from the U.S. Forest Service.

Agriculture lands are regulated by the Scenic Area General Management Area. The zoning laws were last reviewed in 2004 with Ag lands getting minor adjustments. The next review will be in 2012. Counties within the Scenic Area can adopt their own planning ordinances as long as they are consistent with the Commissions plan. Skamania has adopted the Commissions recommendations.

Yakima - Fully planning under GMA. Completed update and review in 2007.

The Yakima Valley Audubon Society, along with the state Fish & Wildlife Department (WDFW), the Yakama Nation, Futurewise (a statewide environmental nonprofit), the Upper Wenas Preservation Association and Wes Hazen (an Upper Wenas property owner) have all formally appealed Yakima County's adoption of its amended Critical Areas Ordinance to the Eastern Washington Growth Management Hearings Board. The Petitioners contend the County ordinance does not conform to state law because it fails to protect fish and wildlife habitat and it fails to establish adequate buffers between development and streams.

Also filing against the County with the Eastern Washington Growth Management Hearings Board is the Yakima County Farm Bureau along with the Yakima County Cattleman's Association and local farmer Larry Dykes.

One issue is the County's update of their CAO. Among their concerns is language removed that acted as a blanket of exemption for existing agriculture. The language removed said that existing agriculture is mostly exempt from CAO, and what was replaced was a lengthy process to achieve the exemption. For those farmers who have CAO on their properties and now farm on those areas, or

have an existing operation, they now have a regulatory burden placed upon them and have to physically go down and apply for an exemption, for a fee, in order to comply with the ordinance. There is discussion as to potential frequency this would be under the newly adopted CAO.

Both Petitions for Review were filed with the Eastern Washington Growth Management Hearings Board in February of 2008 and no hearing schedule has been set.

LAND TRUSTS IN THE REGION:

Kittitas County: The **Cascade Land Conservancy (CLC)** has actively conserved 4,585 acres through seven projects. One project in particular, the Teanaway Farm, preserved 80 acres of working farmland and timberland. CLC holds a conservation easement on the 80 acre farm which permanently protects this working land from being developed. CLC continues to identify and pursue projects in Kittitas County and the greater region.

The **Rocky Mountain Elk Foundation** has worked across the nation to protect and enhance over 5.4 million acres. They have been active in Washington protecting and enhancing lands in Kittitas and Yakima counties through several projects totaling over 23,800 acres.

The **Chelan-Douglas Land Trust** currently owns over 2,400 acres of land and holds conservation easements on nearly 2,200 acres among Kittitas and other counties. These numbers will likely grow substantially in the next few years as they continue to identify lands important for conservation.

The mission of the **Kittitas Conservation Trust** is to protect a legacy of fish and wildlife habitat, open space, and aquatic resources in the Upper Yakima River Basin and help restore natural habitat.

The Trust identifies land and water rights that have high conservation value, and then works with willing landowners to acquire land, conservation easements, or water rights that will increase instream flows. The Trust's primary objective is to protect riparian lands from being fragmented and developed. Funding for their acquisition and restoration projects comes from a variety of public and private sources.

Kittitas Conservation Trust is the Grantee of seven conservation easements on-site of the Suncadia Master Plan Resort. The total protected area of those conservation easements is about 3,700 acres. The Cle Elum River Corridor Conservation Easement protects 1,230 acres along both banks of six river miles of the Cle Elum River between I-90 and Lake Cle Elum.

Klickitat and Skamania Counties: The **Columbia Land Trust**, through several projects, has conserved several key properties along the eastern cascade region. Totaling over 1,600 acres, the Columbia Land Trust has made protection in the eastern cascade region a top priority.

The Columbia Land Trust works exclusively with willing landowners to find ways to conserve forever the scenic and natural values of the land and water. Landowners donate the development rights or full ownership of their land to the Land Trust. Columbia Land Trust manages the land under a stewardship plan and, if necessary, will legally defend its conservation values. Columbia Land Trust also identifies priority conservation lands to purchase. Using financial contributions from private donors, the Land Trust acquires lands with significant scenic, recreation, or habitat qualities.

The **Chenoweth Forest and Farm Conservancy** consists of 203 acres of forest land and open space located within the Columbia River Gorge National Scenic Area located in Skamania County. An all volunteer staff is committed to the Conservancy mission. Projects are planned for the next four years that will accelerate some forest areas toward mature ecological function, and in other forest areas will demonstrate sustainable silvicultural practices while protecting natural ecosystems. Other projects will develop and demonstrate perpetual organic agriculture while still others will provide a campground and walking trail setting where people can experience the wonder of the natural world.

Yakima County: The **Cowiche Canyon Conservancy** has been instrumental in the preservation of key lands. The 2,000 acre public access Cowiche Canyon preserve is located about 5 miles west of the city of Yakima in the foothills between West Valley, and Naches Heights.

Along with their work in Cowiche Canyon, the Cowiche Canyon Conservancy purchased the 1,700 acre Snow Mountain Ranch. Located about 10 miles west of Yakima, the Snow Mountain Ranch was purchased in Late January 2005. Snow Mountain Ranch is now open to the public and offers the visitor recreation opportunities not available at the Cowiche Canyon preserve.

The **Yakima Greenway Foundation** was formed in 1980 as a private, nonprofit land trust. Its mission is to conserve, enhance and maintain the Yakima Greenway as a continuing living resource for future generations.

The Greenway now stretches from Selah Gap to Union Gap, and west along the Naches River. Over ten miles of paved pathway connect parks, river access landings, nature trails, fishing lakes, and protected natural areas. State and federal grants, along with local matching money, helped build many of the parks and pathways.

Benton and Franklin Counties: The **Tapteal Greenway** has been working to conserve some of the remaining natural areas along the lower Yakima River.

The Chamna Natural Preserve is the largest of these areas with over 500 acres of open space set aside for muscle powered recreation. Chamna is a City of Richland property. Tapteal owns 7 acres at the Tapteal Bend area that is in the process of becoming an environmental education park. Returning the Bend to a native plant sanctuary and engineering the river banks to stop erosion is in progress at this time.

They are also working to preserve the Amon Basin which drains into the Yakima River. McDonald ridge high above the Horn Rapids Park reach is also part of large conservation plan upstream of Horn Rapids park. They are constantly working to preserve these riparian and shrub steppe lands that adorn the lower Yakima River.

Their largest project, the Amon Basin Community Project Phase One and Two have set aside 100 acres of riparian and shrub steppe along the West Fork of Amon Creek as a preserve for non-motorized use.

CONSERVATION FUTURES PROGRAMS:

The conservation futures tax is a local option property tax assessed at the county level, at a maximum rate of 6.25 cents per \$1,000 of assessed value. Revenue from the tax may be used to purchase or acquire development rights for open space, agricultural, and timber lands.

No counties in this region currently have a conservation futures program.

CURRENT USE VALUATIONS

2007 Valuation of Current Use Land by County

Agricultural, Timber, and Open Space Lands				
Approved for Current Use Assessment				
County	Acres	True and Fair		Difference \$
		Value \$	Current Use Value \$	
Benton	592,202	\$ 492,538,720	\$ 200,684,000	\$ 291,854,720
Franklin	595,632	\$ 684,854,900	\$ 329,392,300	\$ 355,462,600
Kittitas	190,515	\$ 547,511,110	\$ 64,229,993	\$ 483,281,117
Klickitat	531,595	\$ 419,690,800	\$ 54,713,800	\$ 364,977,000
Skamania	4,403	\$ 31,282,515	\$ 4,201,292	\$ 27,081,223
Yakima	392,315	\$ 594,744,500	\$ 248,622,034	\$ 346,122,466

RIGHT-TO-FARM

South Central Region Right to Farm			
County	RTF "Yes"	RTF "No"	County Code/Chapter
Franklin	Yes		Chapter 5.12
Kittitas	Yes		Chapter 17.74
Klickitat	Yes		Ord. 0-60595
Skamania	Yes		Ord. 2006-15
Yakima	Yes		Chapter 6.22

SUMMARY OF KEY FARM FACTS FROM THE SOUTH CENTRAL REGION OF OFP

Major Crops	Benton	Franklin	Kittitas	Klickitat	Skamania	Yakima	
	Apples, Potatoes, Grapes	Potatoes, Hay, Cherries	Hay, Cattle, Apples	Grapes, Pears, Peaches	Pears, Cattle, Apples	Apples, Milk Cows, Cattle	
Number of Farms	2002 1997	1,313 1,570	943 1,075	931 1,008	702 715	99 97	3,730 4,377
Farm Acres	2002 1997	607,693 634,428	684,875 581,674	230,646 187,881	606,794 592,887	5,712 5,022	1,678,984 1,718,596
Farms by size:							
1-9 acres	445	152	120	53	13	895	
10-49 acres	519	190	357	201	47	1,587	
50-179 acres	168	131	222	171	35	765	
180-499 acres	78	197	146	99	4	269	
500-999 acres	22	123	46	62	-	120	
1000 acres or more	81	150	40	116	-	94	
Market value of ag products sold (\$1,000)	400,571	350,483	56,364	52,426	11,528	843,871	
Average per farm (dollars)	305,080	371,688	60,542	74,680	116,446	226,239	
Farms by value of sales							
Less than \$2,500	514	253	348	321	50	1,049	
\$2,500-4,999	138	43	76	65	10	308	
5,000-9,999	162	50	119	69	10	322	
10,000-24,999	130	42	107	78	15	431	
25,000-49,999	73	67	89	47	4	398	
50,000-99,999	52	73	66	46	4	364	
100,000 or more	244	415	126	76	6	858	
Net cash farm income							
Farms	1,314	948	931	701	100	3,745	
\$1,000	110,957	88,144	7,647	12,158	6,759	150,974	
Avg per farm dollars	84,442	92,979	8,213	17,344	67,593	40,313	
Principal operator occupation							
Farming	683	705	443	377	54	2,340	
Other	630	238	448	325	45	1,390	

OFP TASK FORCE – NORTH EAST REGION REPORT

FERRY, LINCOLN, PEND OREILLE, SPOKANE AND STEVENS COUNTIES

GMA STATUS:

Note: Not all counties are required to plan under the Growth Management Act (GMA). When the GMA was passed, the law used a population and population growth trigger to require certain counties to plan. Other counties could “opt-in” to GMA planning by majority vote of the county commissioners. All counties in Washington (whether or not they are planning under GMA) must adopt critical area ordinances (CAOs) and all counties must designate agricultural, mineral, and forest lands of long term commercial significance. Counties planning under the GMA are considered “fully planning” because they are implementing all elements of the act. Counties planning only their CAOs and resource lands are considered to be “partially planning”.

All counties must review and, if necessary, update their CAOs, resource land designations, comprehensive plan, and development regulations. Since all counties have completed their initial planning, they are now in the process of updating these documents. The statute identifies a schedule by which various counties must update, but due to controversy surrounding the costs associated with these updates, the legislature amended the statute and allowed jurisdictions to extend the timeline for updates.

Ferry, Pend Oreille, and Stevens counties were not required to plan but each chose to “opt-in” to the GMA, and they are fully planning under the act. Lincoln County is partially planning under the GMA, and is only implementing the CAO and resource land designations.

All counties must review and, if necessary, update their CAOs, resource land designations, comprehensive plan, and development regulations. Since all counties have completed their initial planning, they are now in the process of updating these documents. The statute identifies a schedule by which various counties must update, but due to controversy surrounding the costs associated with these updates, the legislature amended the statute and allowed jurisdictions to extend the timeline for updates.

Ferry County: Ferry County is fully planning under the GMA. Ferry County is still working on appeals. They currently have a public hearing set for September 15th with possible action taken on September 22nd on a draft Development Regulations Ordinance, a draft Critical Areas Ordinance, and an update on a small portion on the Comprehensive Plan. They will still be found out of compliance with agricultural land, as they are still working on designating ag land of long term commercial significance.

Lincoln County: Partially planning under the GMA, Lincoln County completed their update in June 2005.

Pend Oreille County: Pend Oreille County approved their Comp Plan in Oct '05 and has been doing annual updates. They anticipate another update beginning in October. The main reason for updates is six year capital facility projects and road plans. They are starting work on UGA planning ordinances with the cities and towns in the county hoping to complete this effort in the next year.

The greatest challenge Pend Oreille officials mentioned are the Growth Management Hearings Boards.

Spokane County: Spokane County adopted a GMA compliant Comprehensive Plan in November of 2001 and said plan was subsequently implemented with adoption of phased revisions to the Spokane County Zoning Code with the last revision effective June 1, 2004. As part of their extensive planning process in adopting a GMA compliant plan, they designated resource lands consistent with GMA guidelines and the RCW's and now have implemented regulations to protect resource lands including a Large Tract Agricultural Zone, Small Tract Agricultural Zone, Forest Lands Zone, and a Mineral Lands Zone. They have also adopted a Critical Areas Ordinance per GMA and have a previously adopted Shorelines Management Program in place

Stevens County: At this point in time we have adopted Critical Areas Regulations, Comprehensive Plan and Development Regulations. However, all of them are under appeal. The Comprehensive Plan and Development Regulations are still at the GMA Hearing Board level. We recently lost at the Court of Appeals level with the Critical Areas Regulations.

As far as challenges, Stevens County mentioned the recent Supreme Court decision finding that the Critical Areas Regulations do not apply to areas under the jurisdiction of the Shoreline Master Program.

LAND TRUSTS IN THE REGION:

Inland Northwest Land Trust (INLT) works in **Lincoln, Pend Oreille, Spokane, and Stevens** counties. INLT works with willing private landowners to protect the region's natural lands, waters, and working farms and forests for the benefit of wildlife, our community, and future generations. Since 1991, INLT has helped protect over 5,500 acres in Lincoln, Pend Oreille, Spokane, and Stevens counties, plus more than 2,000 acres in northern Idaho.

Recently, INLT accepted a donated conservation easement to protect over 600 acres near Newport, WA. The easement preserves working forest as well as 15 acres of wetlands along the Little Spokane River near its headwaters. The landowners are working with NRCS under EQIP to promote good forest management and to improve wildlife habitat. The easement has both conservation and education purposes. The landowners plan to donate the land to Whitworth University for their environmental studies program.

INLT also worked with WDFW and the local Audubon Society to purchase 277 acres of migratory bird habitat in Lincoln County. INLT raised money to purchase Reardan's Audubon Lake and held it until WDFW could purchase it with WWRP funds.

Pend Oreille County: Inland Northwest Land Trust (See Above)

The Rocky Mountain Elk Foundation (RMEF) has an active chapter in Newport (actually Cusick) and also a chapter in Colville. The main purpose of the chapters is fundraising through annual Big Game Banquets and other activities. Volunteers also help with projects on the ground, when possible. RMEF works closely with the USFS in these areas by helping to fund projects like pre-scribed burns, noxious weed control and re-seeding.

Spokane County: Inland Northwest Land Trust (See Above)

Stevens County: Inland Norwest Land Trust (See Above)

Ferry County: No active land trusts.

CURRENT USE VALUATIONS

2007 Valuation of Current Use Land by County				
Agricultural, Timber, and Open Space Lands				
Approved for Current Use Assessment				
		True and Fair	Current Use	
County	Acres	Value	Value	Difference
Ferry	47,974	60,363,519	2,897,801	57,465,718
Lincoln	1,242,117	466,017,610	227,495,170	238,522,440
Pend	27,637	50,407,885	2,576,760	47,831,125
Oreille				
Spokane	541,355	827,844,740	71,291,003	756,553,737
Stevens	81,863	105,273,906	19,079,138	86,194,768

CONSERVATION FUTURES PROGRAMS:

The conservation futures tax is a local option property tax assessed at the county level, at a maximum rate of 6.25 cents per \$1,000 of assessed value. Revenue from the tax may be used to purchase or acquire development rights for open space, agricultural, and timber lands.

Ferry and Spokane Counties both have a conservation levy. In 2008 Ferry County levied the full 6.25 cents per \$1,000 of assessed value which is expected to generate roughly \$25,501. Also in 2008, Spokane County will levy at 4.39 cents per \$1,000 of assessed value and generate roughly \$1,157,703.

In 2005, the Legislature passed SB 1631 (Using revenues under the county conservation futures levy). This measure made several changes to how counties could designate and use their Conservation Futures money. As part of the bill, the County legislative authority could authorize prior to July 2008, a ballot proposition that asks County voters to determine whether or not the County may make a one time emergency reallocation of unspent conservation futures funds to pay for other County government purposes. This provision applies only to counties with population densities of fewer than four persons per square mile and requires that specified procedures be followed pertaining to the submission of the ballot proposition to the voters. Ferry County had a \$233,000 fund balance in its Conservation Fund at the end of 2004. These funds combined with any additional unspent annual tax revenue (\$23,000 per year) could be used for other governmental purposes on a one time basis if approved by the voters.

In February of 2006, Ferry County had a special election in which Proposition 1 was on the ballot. This Proposition asked if unspent Conservation Futures funds could be used as a onetime emergency reallocation to pay for other County government purposes.

The measure passed 1,242 to 1,038.

In 1994, Spokane County Commissioners adopted the Conservation Futures program for 3 years to protect threatened areas including, agricultural and farm land within the county boundaries. In 1997, citizens voted to support the continuation of the program for an additional 5 years. When the Conservation Futures program was on the ballot in 2002, Spokane County voters again supported a second 5-year extension of the program implemented by the Board of County Commissioners. In 2007, voters approved by 63% to extend the Conservation Futures program, this time without a sunset.

To date, the Spokane Conservation Futures program has protected 4,500 acres at a price tag of \$14.5 million with about \$5 million of that from grants.

RIGHT TO FARM

North East Region Right to Farm			
County	RTF "Yes"	RTF "No"	County Code/Chapter
Ferry		No	
Lincoln	Yes		Chapter 5.12
Pend Oreille		No - Noise Ord.	Ordinance 2005-2 - Noise Ord.
Spokane		No - Noise Ord.	Chapter 6.12.020 - Noise Ord.
Stevens	Yes*		Chapter 83.199

*** Stevens County:** Stevens County Code Title 3 (Sec. 3.04.030) provides a process to acknowledge ongoing resource activities on adjoining properties when a development application is received. Approval of any division of land, building or development permit shall be conditioned on execution of the Resource Lands Acknowledgement (RLA). Development permits for the use of property located adjacent to lands designated and zoned

Agriculture, Forest or Mineral Resource may be conditioned to ensure that the use of such lands does not interfere with the continuation of such resource activities provided that they are conducted in the usual and accustomed manner, consistent with County regulations, and in accordance with best management practices. Stevens County shall not be subject to liability for any action, error or omission of any person subject to the requirements of the RLA.

“NOTICE: Portions of Stevens County are characterized by ongoing resource activities, including farming, ranching, tree growing and harvesting, and the extraction of sand, gravel and other minerals. These activities are part of Stevens County’s history, and it is the policy of the County to encourage their continuation. Your property is located within 300 feet of property designated, zoned and/or currently used for resource activities (agriculture, forestry, or mineral extraction). A variety of legally permitted activities occurring on such lands may cause inconvenience or discomforts. These may include but are not limited to noise, odors, fumes, dust, smoke, vibration, truck traffic, the operation of machinery, the storage and disposal of manure, the application by spraying or otherwise of chemical or organic fertilizers, soil amendments, herbicides and pesticides.”

SUMMARY OF KEY FARM FACTS FROM THE NORTH EAST REGION OF OFP

	Ferry	Lincoln	Pend Oreille	Spokane	Stevens
Major Crops	Cattle, Hay Sheep	Wheat, Barley, Hay	Hay, Cattle, Nursery/Greenhouse	Hay, Barley, Kentucky Bluegrass	Hay, Cattle, Milk Cows
Number of Farms 2002	207	747	263	2,225	1,269
1997	216	836	319	2,340	1,371
Farm Acres 2002	799,435	1,233,377	61,239	643,377	528,402
1997	813,223	1,403,973	35,873	639,034	543,438
Farms by size: 1-9 acres	4	24	11	267	51
10-49 acres	41	70	90	894	387
50-179 acres	58	83	89	507	409
180-499 acres	57	113	48	288	262
500-999 acres	23	80	14	119	94
1000 acres or more	24	377	11	150	66
Market value of ag products sold (\$1,000)	4,346	93,555	3,366	93,583	28,245
Average per farm (dollars)	20,997	125,241	12,798	42,181	22,258
Farms by value of sales					
Less than \$2,500	106	201	141	1,169	660
\$2,500-4,999	24	20	32	219	124
5,000-9,999	21	30	32	207	127
10,000-24,999	20	63	28	228	161
25,000-49,999	17	58	13	91	90
50,000-99,999	7	91	8	94	53
100,000 or more	12	284	9	217	54
Net cash farm income					
Farms	205	745	263	2,222	1,265
\$1,000	-765	31,037	1,038	24,533	7,441
Avg per farm dollars	-3734	41,660	3,949	11,041	5,882
Principal operator occupation					
Farming	107	570	146	1,116	732
Other	100	177	117	1,109	537

OFP TASK FORCE – NORTH CENTRAL REGION REPORT

ADAMS, CHELAN, DOUGLAS, GRANT, AND OKANOGAN COUNTIES

GMA STATUS:

Note: Not all counties are required to plan under the Growth Management Act (GMA). When the GMA was passed, the law used a population and population growth trigger to require certain counties to plan. Other counties could “opt-in” to GMA planning by majority vote of the county commissioners. All counties in Washington (whether or not they are planning under GMA) must adopt critical area ordinances (CAOs) and all counties must designate agricultural, mineral, and forest lands of long term commercial significance. Counties planning under the GMA are considered “fully planning” because they are implementing all elements of the act. Counties planning only their CAOs and resource lands are considered to be “partially planning”.

All counties must review and, if necessary, update their CAOs, resource land designations, comprehensive plan, and development regulations. Since all counties have completed their initial planning, they are now in the process of updating these documents. The statute identifies a schedule by which various counties must update, but due to controversy surrounding the costs associated with these updates, the legislature amended the statute and allowed jurisdictions to extend the timeline for updates.

Adams County: Update not complete, eligible for 3 year extension. In September of 2008 Adams County adopted Ordinance 0-02-08 repealing Chapter 18.06 "Critical Areas and Natural Resource Lands" and adopting a new chapter 18.06 "Critical Areas and Natural Resource Lands".

Chelan County: Update completed in 2006. The county is proposing to create a review committee that will look at all applications for agriculture tourism and work with the applicants and neighbors to mitigate any potential conflicts before a permit is issued. Also of interest to agriculture is the recent application of a Planned Unit Development application in March of 2008. The proposed project (Tuscan Village) consists of a mixed-use development that includes approximately 3 acres of commercial, 544 residential units, trails, amenities, and approximately 97 acres of commercial agricultural operations on approximately 300 acres to create a village conceptual development.

The Tuscan Village is envisioned as a rural residential community and world class spa resort with an Italian Tuscany theme expressed through its architecture and environmental design. Tuscan Village would be situated on 273 acres of land on the south shore of Lake Chelan. 90 acres would remain in vineyards. In addition to providing an amenity for property owners, the vineyards would support the growing market for “ag-tourism.”

Douglas County: Update not complete, eligible for 3 year extension. The Douglas County Board of Commissioners and the Douglas County Planning Commission agreed that an objective, independent analysis should be undertaken of the codes that have been adopted that allow certain development activities within designated agriculture resource areas. This study was determined necessary before the county could consider adoption of a resolution defining compliance with the

Growth Management Act, which has required a general review and update of the county's comprehensive plan. Documents are available from the Chelan County website.

Grant County: Update completed in 2006. In September of 2008, the Board of County Commissioner held a public hearing in accordance with Chapter 25.12 of the Grant County Unified Development Code to consider proposed amendments to the Grant County Comprehensive Plan. Proposed amendments considered for adoption include several site-specific land use designation changes. Examples include six property owners looking to downzone from Ag to Rural Resource lands one acre and two acre minimums. The Commissioners approved all the downzone requests.

Grant County is in the process of a significant overhaul of their Development Codes, and one of the things they hope to establish is some framework for a TDR program, that way some of the agricultural lands that exist can still provide a 'value' to the owner that might be higher than agricultural land values, and the county can still preserve their agricultural lands. County staff noted that these programs can be complicated and very costly to implement.

Okanogan County: In the process of updating their Comprehensive Plan.

LAND TRUSTS IN THE REGION:

Adams County: Inland Northwest Land Trust works with willing private landowners to protect the region's natural lands, waters, and working farms and forests for the benefit of wildlife, their community, and future generations. To be efficient and effective in the larger inland area, they focus their efforts on the "Wild Lifelines", places that nourish wildlife and preserve clean air, clean water, and scenic beauty of the region.

Chelan and Douglas County: Working in both Chelan and Douglas counties is the Chelan Douglas Land Trust. Their mission is to conserve land, water, and a way of life through voluntary land agreements, education, partnerships, stewardship, and well planned growth. One of their focus areas is on Working Landscapes described as productive, profitable and sustainable farms and forests.

Okanogan County: The Methow Conservancy is a nonprofit organization dedicated to inspiring people to care for the land of the Methow Valley. Their conservation tools include conservation easements which have protected 5,646 acres and 18.3 miles of critical riparian shoreline habitat along the Methow River and its tributaries. Their easements help families keep their farms and ranches and protect the open space and scenic views that regularly draw tens of thousands of visitors to the Valley. They also host a monthly natural history lecture series and provide field trip opportunities to raise awareness about conservation issues.

The Okanogan Valley Land Council (OVLC) protects the Okanogan's open spaces and working lands. They accept and manage conservation easements received from private land owners; engage the public in land conservation issues, projects, and education; and help owners preserve family lands for future generations. OVLC is the primary land trust in the Eastern Okanogan and Western Ferry counties for protecting farms and ranches and preserving open spaces and wildlife habitat.

CURRENT USE VALUATIONS

2007 Valuation of Current Use Land by County				
Agricultural, Timber, and Open Space Lands				
Approved for Current Use Assessment				
County	Acres	True and Fair		Current Use
		Value \$	Value \$	Difference \$
Adams	1,075,760	\$ 537,228,300	\$ 233,070,500	\$ 304,157,800
Chelan	33,116	\$ 71,456,417	\$ 18,009,358	\$ 53,447,059
Douglas	894,198	\$ 399,295,100	\$ 149,992,680	\$ 249,302,420
Grant	1,038,035	\$ 1,001,787,953	\$ 445,603,393	\$ 556,184,560
Okanogan	559,162	\$ 637,369,500	\$ 55,017,765	\$ 582,351,735

CONSERVATION FUTURES PROGRAMS:

The conservation futures tax is a local option property tax assessed at the county level, at a maximum rate of 6.25 cents per \$1,000 of assessed value. Revenue from the tax may be used to purchase or acquire development rights for open space, agricultural, and timber lands.

No counties in the North Central region have futures programs.

RIGHT-TO-FARM

North Central Region Right to Farm			
County	RTF "Yes"	RTF "No"	County Code/Chapter
Adams	Yes		Chapter 5.24
Chelan	Yes		Chapter 5.36
Douglas	Yes		Chapter 5.08
Grant	Yes		Chapter 23.04.080
Okanogan	Yes		Chapter 5.28

SUMMARY OF KEY FARM FACTS FROM THE NORTHCENTRAL REGION OF OFP

	Adams	Chelan	Douglas	Grant	Okanogan
Major Crops	Wheat, Potatoes, Onions	Apples, Cherries, Pears	Apples, Pears, Peaches	Apples, Potatoes, Sweet Corn	Apples, Cattle, Pears
Number of Farms 2002	717	1193	947	1,801	1486
1997	760	1334	1035	2,111	1619
Farm Acres 2002	1,067,079	112,023	878,867	1,074,074	1,241,316
1997	1,143,572	131,200	954,327	1,133,477	1,186,353
Farms by size: 1-9 acres	57	308	224	248	215
10-49 acres	57	516	249	335	519
50-179 acres	122	285	177	393	373
180-499 acres	121	53	61	338	157
500-999 acres	101	18	51	231	79
1000 acres or more	259	13	185	256	143
Market value of ag products sold (\$1,000)	202,854	169,406	124,348	881,756	137,418
Average per farm (dollars)	39,050	142,000	131,308	489,592	92,475
Farms by value of sales					
Less than \$2,500	224	231	261	418	508
\$2,500-4,999	34	52	40	84	138
5,000-9,999	25	63	61	80	155
10,000-24,999	61	146	97	140	184
25,000-49,999	55	146	104	123	109
50,000-99,999	65	156	112	174	124
100,000 or more	253	417	272	782	268
Net cash farm income					
Farms	712	1196	949	1,804	1487
\$1,000	37,843	38,120	29,345	178,779	66,467
Avg per farm dollars	53,150	31,873	30,922	99,101	22,507
Principal operator occupation					
Farming	506	825	665	1282	882
Other	211	368	282	519	604

APPENDIX C: ISSUES AND RECOMMENDATIONS

WATER ISSUES

The Task Force discussed the importance of water to agriculture and working lands and adopted as a fundamental principle the statement that *“adequate and consistent water is essential for the preservation of agriculture and farmland.”*

As our state has moved into this new millennium, the impact water has on lands continues to be magnified. Washington State has gone through a period of rapid growth and development. That growth has occurred not only in the wet climates of Western Washington, but also in the drier climates east of the Cascades. Municipalities and local governments have been active to bring water to their communities to meet the demands of a growing population. The Task Force identified two issues that stood out as being instrumental in continuing economically viable working lands operations: transfer of water rights out of basin and water relinquishment.

Water Transfers

Water lost through water right transfers will impact agricultural production in Washington state.

State law permits water rights or portions of water rights to be transferred to other uses or places if the transfer can be made without detriment or injury to existing rights. If the transfer involves surface water supplied by an irrigation district and the transferred water remains in the district, it needs to be approved only by the irrigation district. Other transfers must be approved by the Department of Ecology (DOE).

A new development is occurring in water rights: the out of basin transfer of water rights to purchasers hundreds of miles downriver.

State regulators have been signing off on buyer's request to transfer the rights to the water and let it flow downriver. Concerns have been raised about the impact this type of transfer might have on local regions agriculture and economy.

The 2008 Legislature appropriated \$150,000 to look into the challenge of water rights being transferred out of basin. The study was an independent analysis of legislative options, including potential mitigation actions and “third party effects” of transfers. In short, the study focuses on the economical impacts to rural locals when water is transferred out of basin for a higher and better use. Recommendations from the study include a statutory requirement for revegetation of the land for which the right was attached; a statutory requirement that property tax revenues lost due to the change be offset by annual payments to local governments for up to 20 years; and a statutory requirement for general public interest review of proposed changes of water rights similar to what currently exists for new appropriations of water.

ISSUE FOR FARMLAND PRESERVATION: WATER TRANSFERS

The transfer of water rights out of basin presents a threat to continued farm production in basins where water is critical for agricultural production. Once a water right is separated from the land it's unlikely that a new right can be obtained. If the right is moved out of basin the result is a reduction of the available water in the originating basin impacting long-term agricultural production in that area.

Another perspective is a water right is a property right of the individual and can be sold and transferred as any other property right.

What is the impact on property values when that property loses the water right? What are the impacts on local county tax rolls from loss of and gain of a water right?

RECOMMENDATION: WATER TRANSFERS

A water right is the right of the holder and may be sold only for agriculture use.

Water Issue: RELINQUISHMENT

The Task Force has identified water relinquishment as a critical issue for preserving farmland. Relinquishment occurs when a person, who does not beneficially use his or her water right, or a portion thereof, relinquishes that portion of the water right for the voluntary failure to continuously use the water for five or more consecutive years unless sufficient cause is shown.

From an agriculture standpoint, this can have a significant impact if a water right holder feels they are not using the full portion of their right. Variations in cropping patterns, weather conditions and agricultural markets influence individual water right holder's decisions regarding their use of water. Water right holders may make decisions that result in the reduction of water use for short or long periods of time, which in turn, according to statute, subjects them to the "use it or lose it" doctrine of western water law.

The relinquishment statute is counterproductive to conservation. Landowners that make significant investments in upgrading their conveyance system generally have the effect of conserving water. In many cases, the prohibitive cost of upgrading infrastructure for many water right holders has them seeking out cost sharing money from state and local agencies. While this is good for the landowner, the water savings are generally "protected" through instream flows.

The 2007-2008 legislature attempted to clarify this through HB 1938 (Concerning the relinquishment of a water right) and HB 3072 (Eliminating the partial relinquishment of water rights).

HB 3072 would have had the effect that an owner of a water right does not relinquish his or her claim on the water if he or she continues to use at least a portion of the water for the established purpose of use. Similarly, HB 1938 provides that an owner of a water right does not relinquish his or her claim on the water if he or she continues to use at least a portion of the water for the established purpose of use.

Also of interest is the look back period that the managing water agency must conform to should a water right be examined for relinquishment. Currently it stands at five years, but recent legislation introduced would have expanded that look back period to 15 years.

Introduced in 2007, SB 5877 (Clarifying when a water right is relinquished) would have created an exemption from relinquishment of water rights where there was full or partial relinquishment prior to 15 years preceding a request to change, transfer, or amend a water right.

ISSUE FOR FARMLAND PRESERVATION: RELINQUISHMENT

Relinquishment limits the ability of the farmer to manage their water in a manner that meets their crop needs as well as water conservation goals. Farmers will sometimes use water inefficiently out of a fear that they risk losing their water right if they don't use it.

Discussion in the task force has questioned why the protected water cannot be issued to new water right applications if the use is centered on agriculture.

RECOMMENDATIONS: RELINQUISHMENT

To encourage the wise use of water, relinquishment laws need to be modified. The holder of the right should not lose the right or a portion of the right through non-use for a period of time. The water right holder should not be punished for conserving or non-use for a period time.

EASEMENTS, PURCHASE OF DEVELOPMENT RIGHTS, TRANSFER OF DEVELOPMENT RIGHTS

CONSERVATION EASEMENTS

Easements are a popular method for preserving land for a variety of characteristics including habitat, open space and production agriculture. Land trusts are the primary entity involved in the preservation of these lands. The Recreation and Conservation Office (RCO) was recently allocated \$9 million for farmland preservation grants for the acquisition of interests in viable farmland. The RCO ranked and funded several important projects across the state in their 2008 grant cycle.

Although the Conservation Easement Account was established by the legislature in the Washington State Conservation Commission's statute (RCW 89.08.540), the legislature has never funded the account. The funding of the account would provide grant funds to local governments, conservation districts, and eligible non-profit organizations to acquire easements in farmland for the purposes of maintaining these lands as working farms or forests.

The funding of the Conservation Easement Account implements the agency goal of "a future that ensures sufficient quantities of quality working agricultural lands in Washington State", and supports the agency strategy of "growing grants to local governments and broaden the scope of entities that could use the funds for local programs".

ISSUE FOR FARMLAND PRESERVATION: CONSERVATION EASEMENTS

This funding of the Conservation Easement Account would provide an additional tool and option for farmland owners who want to stay in agricultural production but need additional resources by giving them value for their land. The project would also provide an additional, non-regulatory tool for the preservation of working farm and forest land. Currently, other easement programs require a wildlife or habitat benefit as part of the acquisition. It is anticipated that the grant criteria for this project will focus on maintaining working, viable farm and forestry operations so that we secure not only the land, but also the livelihood that depends on the land.

RECOMMENDATION: CONSERVATION EASEMENTS

The Farmland Preservation Task Force would, through the OFP and Commission, provide input on the policy framework for developing the ranking criteria used by RCO or other groups evaluating and ranking farmland preservation projects.

Transfer of Development Rights

Transfer of Development Right¹ (TDR) programs can be another tool to provide additional revenue to farmland owners while allowing the farmers to remain in production. TDRs may also advance mutual county goals of preserving and enhancing agricultural lands while meeting development and density objectives within urban growth areas. However, the programs can be complex. Landowners, both farmers and developers, need to be aware that they exist and are available to them.

Another approach to development rights is to allow for the sale of the development rights to a third party who can then use the right to develop on another parcel. This is called a Transfer of Development Rights or TDR. Several counties in Washington have existing TDR programs specifically intended to provide an additional tool for counties and landowners to preserve farmland. Here's how they work:

A county designates two areas within the county, a "sending area" and a "receiving area". The "sending area" is the part of the county where the development rights can be purchased. This is typically rural and agricultural land. The "receiving area" is the area into which the development rights can be transferred. Under a TDR program, a developer who has property within the receiving area can develop to a greater density if development rights are purchased from a landowner in the sending area.

Currently there are TDR programs in Clallam, King, Skagit, Snohomish, Thurston, Walla Walla, and Whatcom counties. The development rights to be transferred may only be transferred within the boundaries of the county. The state Department of Community, Trade and Economic Development (CTED) is conducting a study of four counties (Pierce, King, Snohomish and Kitsap) to determine the viability of a TDR program that would allow the transfer of development rights between the counties, not just within the counties in the region. The study will be completed in December 2008. CTED staff briefed the Task Force on the study at the Task Force meeting in Spokane.

ISSUE FOR FARMLAND PRESERVATION: TDR PROGRAMS

TDR programs can be another tool to provide additional revenue to farmland owners while allowing the farmers to remain in production. TDRs may also advance mutual county goals of

¹ A "transfers of development rights" (TDR) is a market-based technique that encourages the voluntary transfer of growth from a place where a community would like to encourage less development, referred to as a sending area, to a place where a community would like to encourage more development, referred to as a receiving area. In a typical TDR transaction, conservation-oriented, permanent deed restrictions are placed on sending area properties to ensure that the land will be used only for approved activities such as farming, forest management, conservation, or passive recreation. Under this technique, the costs of purchasing the recorded development restrictions are borne by the developers who receive a "building credit" or "bonus." In return, developers may use this building credit or bonus to obtain or enhance development rights in the receiving area. Typically, the end result of this process is that a rural or natural area (e.g., agricultural, forest, or open space land) is preserved through permanent restrictions on development, while the receiving area is subject to increased development and/or population density as the result of changes in zoning requirements.

preserving and enhancing agricultural lands while meeting development and density objectives within urban growth areas. But the programs can be complex and landowners, both farmers and developers, need to be aware that they exist and are available to them.

After the CTED presentation to the Task Force, some members raised questions as to whether experiences with existing TDR programs in faster growing counties, predominantly on the west side of the state, are applicable to east side counties.

RECOMMENDATION: TRANSFER OF DEVELOPMENT RIGHTS

The Farmland Preservation Task Force recognizes that TDRs are a possible tool in the preservation of working farmlands if strategies for indentifying receiving areas can be developed.

MANAGEMENT OF STATE LANDS

State Land Management

Several state agencies are owners and managers of thousands of acres of land across the state. In their field trips around the state, Task Force members observed several instances where acquisition or management of state lands had implications on working farms in the area. For example, some farmers believe that when an agency seeks to acquire property, other farmers who also might want to purchase the land are put at a disadvantage because the agency has “deeper pockets” for the purchase price. Also, there are issues in many areas around the state with the management of the lands with respect to weed control and wildlife management, and the consequent impacts on neighboring farmland.

The Task Force was briefed on the land management activities of various agencies, including:

Washington Department of Fish and Wildlife (WDFW)

As of January 1, 2008, WDFW manages 806,701 acres statewide. They currently own a total of 549,164 acres in wildlife areas, fishing access sites, fish hatcheries, and administrative sites. WDFW also manages 257,536 acres under agreements with DNR, Bureau of Reclamation, and the U.S. Fish and Wildlife Service. Compared to the last tally in 2004, total acreage owned is about 38,000 acres higher and the total acreage managed is about 59,000 acres lower. That reflects new acquisitions and relinquishment of DNR-leased lands, some of which will be acquired in the ongoing WDFW-DNR land exchange.

Approximately 20,098 acres of WDFW-owned lands had an agriculture reservation that was established at the time of acquisition. Many of these reservations were for a limited number of years, usually five, then the reserved right expired. WDFW currently has 79,856 acres under grazing permits and 14,506 acres under agricultural leases.

Ongoing at this time is a pilot grazing program that was initiated between WDFW and the WA Cattlemen’s Association. The availability of public lands for livestock grazing has the potential to improve the economic viability of private ranching lands. This makes private lands less susceptible

to conversion for commercial/residential development, thereby protecting these ecosystems and ensuring sustainable environments.

Department of Natural Resources (DNR)

DNR manages more than 5.3 million acres of state-owned forest, range, commercial, agricultural, and aquatic lands. Of these acres, there are agriculture and grazing leases on just over 1 million acres. This number is expected to rise because of large land exchanges DNR has been involved in and new opportunities to develop land. DNR has not purchased any agricultural lands for the last 2-3 years. About 10,000 acres of leased dry-land wheat farms are currently enrolled in DNR's "no-till" program.

Breakdown of DNR Ag/Grazing lands with acreage:

492,000	Grazing
305,000	Range permits (grazing on forested land)
96,500	Dryland grain crops
30,000	Irrigated row crops
14,500	Orchards and vineyards

Washington State Department of Transportation (WSDOT)

Mitigation sites are selected as part of the project development process. Site selection depends on the impacts that WSDOT expects as part of their project. Mitigation is required by local, state and federal environmental laws. If a selected environmental site is in agricultural use or is zoned agricultural, WSDOT must notify the governor's office staff before they proceed with condemnation (letter from the Governor directing this [attached]). In the past couple of years, there has been a greater effort to avoid agricultural lands. WSDOT Real Estate Manager can recall only one site that WSDOT acquired in that time period. WSDOT staff did not know the current use of this land.

ISSUE FOR FARMLAND PRESERVATION: STATE LAND MANAGEMENT

State lands can have significant impact on neighboring private lands depending on how the agencies manage their lands. For example, farmers in Skagit County have raised concerns regarding WDFW management of their lands for habitat values. The farmers contend that wildlife attracted to state lands will inevitably migrate to private lands creating problems for farmers. In eastern Washington concerns have been raised regarding invasive weeds on state lands and the lack of fencing or other harvest management strategies to address elk and deer populations.

PARTNERING WITH STATE LAND MANAGERS

The Task Force began discussions about the potential of WDFW leasing agricultural land for public hunting access. The idea was generated to provide some positive income to working land managers with state tax dollars, while in return granting public access to hunters. The amount of lands available for hunting is shrinking rapidly as development encroaches on hunting lands across the state.

According to surveys conducted by WDFW, hunters believe that private lands are important to wildlife and to outdoor recreation. Hunters agree that maintaining the economic viability of farming and timber production, and controlling urban sprawl, is vital for conserving the agricultural and rural landscape so important to wildlife. Hunters also support private lands programs that provide incentives, including access fees to landowners in exchange for improvements of wildlife habitat and access onto their lands for outdoor recreation.

WDFW currently manages two hunter access programs, the Private Lands Program and the Landowner Hunting Permit Program (WAC 232-28-295) that address wildlife habitat and hunter access to private land.

The WDFW Private Lands Program provides incentives to private landowners through technical assistance, implementation of habitat enhancement strategies, and hunter management assistance. Landowners agree to open their lands for recreational opportunity in exchange for materials and help planting and developing habitat. The Department provides free signs and assists the landowner in posting their lands as “feel free to hunt” or “hunt by written permission.”

The final draft of WDFW’s 2009-2015 Game Management Plan was released in July of 2008. Included in the Game Management Plan are comments from the public and response from WDFW concerning Objective 5 (Increase lands available for hunter access to 1.5 million acres). This would be accomplished by better publicizing current programs, maintain a task group of stakeholders to support and monitor recommendations including landowner needs, target private lands that surround state land and work with the manager to improve access, increase public education, and evaluate the current programs and make adjustments.

Public comments are generally supportive of Objective 5. The Department remains committed to working with landowners and hunters to address access issues. Adding new options to the Department’s access program, in coordination with hunters and landowners, will be considered.

The Game Management Plan also recognizes the importance of farmland in relation to habitat by saying that *“farmlands are highly valued wildlife habitats for which the landowner is not often recognized.”* Game species such as pheasants, quail, deer, and waterfowl are attracted to private lands for their abundance of food and water.

As many crop farmers know, upland birds such as Pheasant and Quail are attracted to private lands due to cover and water availability. Objective 104 in the Game Management Plan is to increase the quantity and quality of pheasant habitat in select WDFW districts within identified key pheasant management areas by 2014 through the Pheasant Focus Area identified in southeastern Washington. The first strategy is to purchase high priority pheasant habitat acreage.

As far back as the 1940s, WDFW acquired various properties in Western Washington specifically for pheasant. Those properties are currently being disposed of because they are no longer

providing their intended purpose of wild pheasant management. Strings on the cash that's generated from those sales stipulate that it must be put back to use for its original intent - pheasant or upland game birds. There are also some small isolated properties in eastern Washington WDFW is disposing of that were purchased for game birds. WDFW believes that the state owning small isolated parcels in fee title is not the future of pheasant management. The future is working cooperatively with private landowners on CRP enhancement, and easements or other type agreements.

ISSUE FOR FARMLAND PRESERVATION: PARTNERING WITH STATE MANAGERS

State land management agencies develop long-range land acquisition and management plans that could have implications for farmland preservation. The agency plans determine where they will be considering acquisition and the land management policies determine the degree to which invasive species and wildlife will be managed. If these plans are developed without consideration of local farmland preservation needs and strategies, the agency activities could be at cross-purposes with local farmland preservation efforts. For example, an agency may seek to acquire land for habitat values but that land might be a critical piece of a local agricultural strategic plan and the locals think the property is important to maintain a level of crop production in the region. The proposed habitat management might be at odds with managing the land for agricultural production.

RECOMMENDATIONS: PARTNERING WITH STATE MANAGERS

Private ownership of lands is the preferred alternative to state agency farmland acquisition. State agency acquisition of agricultural lands should be put on hold unless these agencies have developed and adopted land acquisition and management plans that follow farmland preservation strategies.

Possible strategies include:

- Development of an Agriculture Impact Statement for agency land management activities. Whenever a state agency proposes to acquire any interest in property (fee simple or easement, or other), or when an agency proposes to become a lessee or lessor, that agency must complete an Agriculture Impact Statement (AIS) and submit the AIS to the State Conservation Commission for review and comment. The agency must then address the WSCC comments provided in response to the AIS prior to making the final determination on the acquisition. The WSCC should also submit a report to the Governor and Legislature once every two years on the results of agency acquisitions and their impact on agricultural production.
- Agencies should be required to complete an AIS whenever an agency undertakes an activity that requires the agency to complete a SEPA analysis. The AIS would be submitted to the WSCC for review and comment.
- State agencies should be encouraged to develop voluntary public access agreements and habitat easements to achieve their goals with landowners for recreational activities such as hunting and fishing and providing the landowner with alternative revenue streams.
- Interagency coordination of long-range land acquisition, disposal and management plans will include local governments and agricultural interests to ensure the long-range plans are connected to those interests.

- WDFW wildlife management plans should consider the impact of wildlife on agricultural activities and implement strategies to address these impacts.

OPEN SPACE TAXATION

OPEN SPACE TAXATION

The Farmland Preservation Task Force requested a review of the Washington State Open Space Taxation Act (chapter 84.34 RCW) as part of its work plan for 2008. Staff and Task Force members have received numerous communications and inquiries about how the law works, why lands are included or excluded from preferential Current Use tax classification, and how the law could be improved or amended to further the goals of protecting farmland and enhancing the future of farming in our state. Out of those discussions and the report, several recommendations were adopted.

BACKGROUND

Real property in Washington is taxed based on the assessed value of the land. The assessed value is based on the “highest and best use” of the property as compared to other similar properties. This method of valuation is intended to capture the value of the potential use of the property. In the 1960’s there was a realization that the “highest and best use” valuation method had a negative impact on the preservation of agricultural land. Resource lands, such as agriculture and forest lands, are particularly vulnerable to the higher valuation method since these lands could usually be developed to other, more valuable activities, such as commercial or residential development. As a result, resource land owners saw increasing property tax assessments as the population in Washington continued to grow, putting pressure on the resource lands to be developed. Many resource land owners could no longer afford the higher property taxes and were selling their land for development. This led to an acceleration of the loss of farmland to development.

In response to the loss of farmland, the concept of “current use” valuation was considered as a way of reducing tax pressures on resource land owners by assessing the land at a resource land rate. Under the “current use” method, the assessed value of the property based on how the property is currently being used rather than what the potential use might be. Depending on how the property is being used, the current use method may lead to a lower valuation than if it were assessed at the “highest and best use”. This would lead to a lower property tax bill.

As a result of these considerations, the Open Space Taxation Act was enacted in 1970 with the following purpose:

"It is in the best interest of the state to maintain, preserve, conserve and otherwise continue in existence, adequate open-space lands for the production of food and fiber and forest crops and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of the state and its citizens. The Legislature further declares that assessment practices must be so designed as to permit the continued availability of open-space lands for these purposes, and it is the intent of this chapter, so to provide. The Legislature further declares its intent that farm and agricultural lands shall be valued on the basis of their value for use as authorized by section 11 of article 7 of the Constitution of the state of Washington."

Under the act there are three classifications of land: Farm and Agricultural Land; Open Space Land (including farm and agricultural conservation land); and Timber Land. Recent reports from the Washington Department of Revenue (DOR) indicate that from 1975 to 2007, over 98% of the lands enrolled in the current use program have been in the Farm and Agricultural classification as opposed to the Timber or Open Space classifications. For the past twenty years, a stable land base of more than 11 million acres of land has been classified as farm and agricultural land.

Over the years the implementation of the open space law has brought to light some issues that may undermine the original purpose of the act to preserve farmland. For example, although land classified as open space reduces the property tax for the parcels, it does not reduce the overall revenue collected by counties from property tax assessments. The revenue not collected from the open space parcels is merely spread-out among the other parcels in the county. Economists refer to such a transfer of tax burden as a “tax shift.” In the case of the open space agricultural land, this tax shift achieves the public benefits of maintaining land in an undeveloped condition and, in the case of farmland, productive condition. The property owner, in exchange for a significant tax advantage, must maintain the land in agricultural production and is effectively promising the county to manage his/her land for commercial agricultural purposes.

There is, however, a continuing concern by those charged with implementing the law, that these tax shifts reflect the intent of the law and do not become a means to achieve individual benefit at the expense of other land owning taxpayers. For all land classified under chapter 84.34 RCW, the assessor is required to annually note on the assessment roll and tax roll the land’s: true and fair value (market) and current use value.² County assessors are also responsible for implementing the open space tax program at the local level. To address the concern that landowners are not taking advantage of the open space designation unfairly and to the detriment of other landowners who are impacted by the tax shift effect, assessors are careful to scrutinize the enrolled lands to ensure they continue to meet the three criteria for open space designation.

To take advantage of the open space designation, the landowner must meet three criteria:

1. *The land must meet the statutory definition of farm and agricultural land, or open space land.*
2. *There must be 20 or more acres, or contiguous acres.*
3. *The land must be in commercial agricultural production.*

Farm and Agricultural Lands Defined

The Current Use statutes define two major categories of farm and agricultural land:

- 1) *Farm and agricultural land (RCW84.34.020(2))*
- 2) *Open space/farm and agricultural conservation land. (RCW 84.34.020(1)(c) and 84.34.020(8))*

² RCW 84.34.035

FARM AND AGRICULTURAL LAND

The primary category of “farm and agricultural land” is defined as any parcel of land that is 20 or more acres or multiple parcels of land that are contiguous and total 20 or more acres.³ The property must be devoted primarily to the production of livestock or agricultural commodities for commercial purposes. Enrollment of farmland in a federal Conservation Reserve Program (CRP) is also considered “farm and agricultural land” under this statute. If they meet certain income criteria, farmed properties smaller than 20 acres can also be considered “farm and agricultural land.” These parcels are required to produce income in the form of “cash;” that is, a monetary profit from cash income, not from barter or trade.⁴

The assessor of the county in which the land is located is the designated authority who determines eligibility for classification as “farm and agricultural land” within the current use program.⁵ No explicit evaluation of the consequences of the tax shift of classifying land as “farm and agricultural land” is required if a parcel meets the size, intent, and/or income requirements of the law.

Most counties now require a substantial application fee, a showing of proof of income for three of the past five years using the IRS Schedule F (Farm Income), and other relevant information. Some counties also require owners to submit a farm economic plan to show intent to meet income requirements rather than proposing it as a speculative activity. This raises the confidence level of the assessor when classifying parcels as farm and agricultural land under chapter 84.34 RCW.

Land Parcels 20 acres or larger

Both the statute and the state Department of Revenue rules define “commercial agricultural purposes” to mean that the land was used, prior to the date of application for classification as farm and agricultural land and on an going basis, for farming and that the owner or lessee *intends to make a profit* from their activities.⁶ (Emphasis added.) The rule stipulates that “an owner must engage in commercial agricultural activities on the land to demonstrate a commercial agricultural purpose.” Those activities are listed as:

1. raising, harvesting, and selling lawful crops;
2. feeding, breeding, managing, and selling of livestock, poultry, fur bearing animals, or honeybees, or any products thereof;
3. dairying or selling of dairy products;
4. aquaculture;
5. horticulture;
6. participating in a government-funded crop reduction or acreage set-aside program; or
7. cultivating Christmas trees or short rotation hardwoods.

³ RCW 84.34.020(2)

⁴ WAC 458-30-200

⁵ RCW 84.34.035

⁶ RCW 84.34.020(2) and WAC 458-30-200

Farm and agricultural land also includes the land on which farm worker housing and the principal residence of the farm operator are located, if the housing is “integral to the use of classified land for agricultural purposes.” If the owner or lessee operates the farm on contiguous parcels, the land would also be classified as “farm and agricultural land.”⁷

Other types of land uses are also classified as “farm and agricultural land,” including areas used for the production, preparation, or sale of agricultural products “in conjunction with the lands producing such products” and other “incidental purposes compatible with agricultural purposes,” such as wetland preservation. The incidental uses must not exceed 20% of the classified farm and agricultural land. Additionally, any parcel of land 1 to 5 acres, that is not contiguous but integral to the farming operations may also qualify for classification as farm and agricultural land.⁸ The value of buildings and other improvements are valued separately from the land by the assessor based on their true and fair value.

RCW 84.34.020(6) defines the term “contiguous” as “land adjoining other land and touching other property held by the same ownership. Land divided by a public road, but otherwise an integral part of a farming operation, shall be considered contiguous. This term is also defined by rule as land owned “by the same owner” or “held under the same ownership.” If the land is an integral part of the farming operations, it is considered contiguous even though it may be separated by a public road, right of way, railroad, or a waterway.⁹ “Owner” is statutorily defined to mean “the party or parties having the fee interest in land¹⁰. It is also defined by rule to mean “any person(s) having a fee interest in a parcel of land.”¹¹

Land Parcels less than 20 acres but larger than 5 acres

The requirement for properties between 5 and 20 acres to qualify for classification as farm and agricultural is based on two factors: 1) the land must be “devoted primarily to agricultural uses;” and 2) the property must produce a stipulated annual income. The income requirement was in the original law enacted in 1973 and was subsequently revised in 1992 (when other revisions were also made to chapter 84.34.RCW). The income production requirements have remained at the same level since that date.¹² The provision allowing a reduced tax valuation for the owner’s or farm operator’s house and related farm worker’s housing does not apply to parcels of classified farm and agricultural land smaller than 20 acres.

Presently, parcels that are less than 20 acres but more than 5 acres are required to produce a gross income of \$200 per acre per year for three of the five calendar years preceding the date of application for classification as farm and agricultural land. The same income requirements then apply for on-going classified farm operations.

Land Parcels 5 acres or smaller

Similar income requirements apply to smaller parcels that are less than five acres and devoted primarily to agricultural uses.¹³ Any parcel of land of less than 5 acres must have produced a gross

⁷ RCW 84.34.020(2)(e)

⁸ RCW 84.34.020(2)(d).

⁹ WAC 458-30-200 (2)(n)

¹⁰ RCW 84.34.020(5)

¹¹ WAC 458-30-200(2)(cc)(i)

¹² RCW 84.34.020(2)(b)

¹³ RCW 84.34.020(2)(c)

income, as of January 1, 1993, of \$1,500 per year for three of the five years preceding the date of application for classification as farm and agricultural land..

OPEN SPACE/FARM AND AGRICULTURAL CONSERVATION LAND

In 1992, the Legislature amended chapter 84.34 RCW to include a new category of “farm and agricultural conservation land under the “open space” classification in the current use program.”¹⁴ . A different set of criteria and application procedures are used for conservation farmland, as discussed above. (RCW 84.34.037) Instead of the assessor, the “county legislative authority” reviews and approves these parcels for classification as open space land in a manner much like a comprehensive plan amendment. The criteria for approval include “benefits to the general welfare of preserving the current-use of the property” and, significantly, “the resulting revenue loss or tax shift.”

There are two categories of “farm conservation” lands: (a) "land previously classified under farm and agriculture classification that no longer meets the criteria and is reclassified under open-space land;" or (b) "traditional farmland" that was never classified, that has *not been irrevocably devoted to a use inconsistent with agricultural uses, and that has a high potential for returning to commercial agriculture.*"¹⁵

WAC 458-30-242(4) provides an example of each type of farm and agricultural conservation land. “Previously classified” land, for instance, might be a small farm inherited by the wife of the farmer who worked the ground. She cannot farm the land to meet the continuing income requirements and requests that it be re-classified as “open space agricultural conservation land” to retain the reduced current use valuation and tax benefits. Her application must be reviewed and approved by the county legislative authority.

The second example is a 50-acre parcel that was never classified as “farm and agricultural land” under chapter 84.34 RCW though it has historically been used for raising a variety of livestock. It is productive land but, for whatever reason, the property was never classified within the current use program. County Commissioners could choose to classify this land because it has not been “irrevocably dedicated to a use inconsistent with agricultural uses and the land has a high potential for returning to commercial agricultural.”

This 1992 amendment is based on the legislative intent to “maintain, preserve and conserve” land for the production of food and fiber. The Legislature recognized the shift from classified farm and agricultural land to open space by farmers who are no longer farming, but who want to keep the land available for farming in the future. Based on a local legislative determination, these properties could serve as a “land bank” that might be available for future commercial agriculture. But there's not a lot said in statute or in rule regarding this new sub-classification of farm and agricultural conservation land. An agricultural county might view these parcels as providing a buffer for years when markets are good and land is in short supply. Alternatively, in an urbanizing county, the land could be seen as potentially available for open space use with little appreciation of its potential utility for farming.

There are no definitions or standards regarding how long lands can stay in this sub-classification of open space land. Under the current statutes and regulations, there is no requirement that an

¹⁴ RCW 84.34.020(1)

¹⁵ RCW 84.34.020(8)

owner or operator of such land provide a farm plan or meet any income requirements for these lands. In a sense the lands become “a black hole.” Some have suggested that before lands can receive this reduced valuation leading to preferential tax treatment, the Assessor should be directed to require a plan of action that would outline when the land should return to agricultural production. Currently, there are no consequences for classifying land in the “open space farm and agricultural conservation land,” except a lower current use valuation and reduced tax payments.

ISSUE FOR FARMLAND PRESERVATION: OPEN SPACE TAX PROGRAM

What is farmland and what is commercial agriculture?

As noted, the Open Space Taxation Act (RCW 84.34) relies on the definition of agriculture included in that law as well as the definitions provided by the Department of Revenue (DOR) in WAC 438-30-200. Other Washington laws incorporate alternative definitions of agriculture including the Growth Management Act (GMA) and the Right to Farm Act. Different laws are designed to address different objectives and as a result, they each define agriculture differently. Varying definitions could create conflicting implementation of these laws by the agencies with authority for the programs leading to confusion for the landowner. More importantly, as the nature of farming evolves, previous definitions may limit or constrain opportunities that may now be considered as “commercial agriculture.” For example, the DOR has interpreted the definition of “commercial agricultural purposes” to include “feeding, breeding, managing, and selling of livestock” and has declared that all four criteria must be met. This interpretation has led to the removal of some landowners from the open space/agriculture tax program particularly those who operate horse boarding facilities because that activity does not meet each item on that list. Some have questioned whether this result is consistent with the purpose of agricultural land protection under the open space statute.

Both the open space law and the GMA seek to maintain farmland for commercial agricultural purposes. However these laws take differing approaches to this goal. The open space law focuses on costs to landowners of property taxes and how those costs could influence landowner decisions on whether to stay in production.

The GMA is a land use planning statute that supports agricultural lands by requiring counties to designate and protect “agricultural lands of long-term commercial significance”. This designation is to be made by looking at a number of factors including soils, historic agricultural activity, and local agriculture infrastructure that supports commercial production. From a state policy perspective, reducing ambiguity and finding a resolution to these two goals may be important to assure both the activity of farming and the maintenance of the land base necessary to support that activity.

RECOMMENDATION: FARMLAND AND COMMERCIAL AGRICULTURE

The DOR WAC definition of “commercial agricultural purposes” should consider current agricultural and conservation practices. (20% Rule)

What is the relationship of the Growth Management Act (RCW 36.70A) and the Open Space Taxation Act (RCW 84.34)?

The interaction of zoning and comprehensive plan designations, coupled with current use tax status for commercially viable farmland, is a key policy intersection that will have significant consequences in attempts to stabilize the agricultural land base, particularly in areas of urban growth. The requirement of GMA that local governments designate “agricultural lands of long-term commercial significance” provides the regulatory stability that was not present when the open space taxation law was passed. In spite of this requirement, these designations can also be changed with Comprehensive Plan amendments and revision of Urban Growth Area (UGA) boundaries or changes in zoning definitions for allowable uses of agricultural land. The complementary nature of these two keys laws needs to be more fully recognized and integrated to reach the desired outcome of stability for the land base for farming.

In order to achieve the policy goals of retaining and conserving a commercially significant land base for ongoing agriculture in our state, those administering the GMA (planners) and those administering the current use tax law (assessors) require a mutual understanding of the common purposes of each law. The regulatory framework of GMA, with its recognition of incentives and non-regulatory approaches, and the incentive framework of the current use tax law need to be integrated and resolved with the future of farming and its required land base in mind.

RECOMMENDATIONS: GMA AND OPEN SPACE RELATIONSHIP

The Office of Farmland Preservation should investigate the extent to which the open space tax laws and the Growth Management Act are working to preserve farmland and identify any inconsistencies or areas where coordination could be improved.

What is the definition of “ownership” for a commercial farming operation?

The definition of “ownership” and the difficulties that have arisen when one farm operation consists of multiple properties that are not registered on the county records under exactly the same name is another apparent area of tension. The definition of “owner” under current law is “the party or parties having the fee interest in land...” (RCW 84.34.020(2)(5) and in regulation as, “any person having a fee interest in a parcel of land...” WAC 458-30-200(2)(c)(i). Direction from the DOR is that ownership documentation requires the recorded name on the title of property be exactly the same for the parcel to be considered a contiguous part of an agricultural operation.

Generally the ownership issue seems to be a problem on farms of less than 20 acres. For instance, a 60 acre farm made up of a number parcels of less than 20 acres each that is held by family members with the parcels recorded under different names would not be considered a farm of over 20 acres for current use farm and agricultural classification. The Assessor's office lists them as separate parcels. Some farms have lost their open- space tax status because the county took the position that neither the acreage nor the income could be aggregated. It would appear that this very narrow definition of ownership works against the concept of aggregating properties to form a more manageable working unit for commercial farming purposes, independent of underlying ownership.

California has a similar 10-year enrollment current use farmland program known as the Williamson Act. It requires an “agricultural preserve” zone of 100 acres or more to receive preferential tax treatment. However, if they are judged strategic by the local government, units smaller than 100

aces can be approved for enrollment. The 100 acres can be the result of combining two or more parcels “if they are contiguous or in common ownership.” Specifically, “property owners with less than 100 acres may combine with neighbors to form preserves provided the properties are contiguous.”

RECOMMENDATIONS: DEFINITION OF OWNERSHIP FOR A COMMERCIAL FARMING OPERATION

Concept 1: Relevant statutes (e.g. RCW 84.34.020) should be changed to allow the aggregation of contiguous properties to qualify as commercial farming for open space purposes.

Concept 2: There should be more flexibility in parcel ownership requirements to allow multiple owners to group their parcels together to benefit from open space designation, consistent with other agricultural production requirements in such a designation.

What is considered commercial agriculture?

The open space statute defines “farm and agricultural land” to mean, in part: “(a) Any parcel of land that is twenty or more acres or multiple parcels of land that are contiguous and total twenty or more acres devoted primarily to the production of livestock or agricultural commodities for commercial purposes.” A question has been raised as to what is meant by “commercial purposes”.

The Board of Tax Appeals in Peak v. Dossett (BTA Docket No. 58738) dealt with this issue by looking at income and intent of the landowner. At issue in this case was pasture ground that had been infested with Scotch broom and no grazing lease or haying income had been generated from the property for the three year period during which the broom was eradicated. The assessor had withdrawn the land from current use classification because there was no income. The board observed that “because the statute does not provide an income requirement for parcels over 20 acres, the regulations also do not provide an income requirement for parcels over 20 acres.” Therefore, the Legislature did not intend a specific income requirement to apply to parcels over 20 acres. The requirement is not for income, but that the land is “devoted primarily to the production of livestock or agricultural commodities for commercial purposes.”

To qualify, the owner must demonstrate use “on a continuous and regular basis, prior to and subsequent to application for classification, that demonstrates that the owner or lessee intends to obtain through lawful means, a monetary profit from cash income received...” In other words, the owner must demonstrate a continuous and regular use of the property that demonstrates his intent to obtain cash profit from the farm and the agricultural property. The BTA opinion stated that for a farmer to allow his land to lie fallow every other year may be normal farming practice, and therefore it did not read the requirement for “continuous and regular” to mean that the land had to be farmed each year. The BTA indicated that “this interpretation leads to conservation of farmland, which was the intent of the Legislature,” and that “each case must rest on its own facts.”

RECOMMENDATION: DEFINITION OF COMMERCIAL AGRICULTURE

Department of Revenue regulations should be clarified to reflect the language of the Board of Tax Appeals decision that landowners of parcels greater than 20 acres are not required to demonstrate income, and the rules should identify how to show that the land has been in productive agriculture on a “continuous and regular” basis.

Should there be a 20-acre limitation?

Most of the reported problems center on lands of less than 20 acres and their removal by the Assessor from current use status. As noted above, some of these situations may be the result of new owners not understanding the associated income requirements of his/her property and fact that the property must be “devoted primarily to agriculture.” Alternatively, an older owner may have reached a point at which it is not possible for him/her to produce the revenue he did when he was younger. If a key purpose of the open space tax statute is to support commercial agriculture, a fundamental question is whether the 20 acre limitation accurately reflects the changing nature of agriculture. Today, a viable commercial agricultural operation could be maintained on less than 20 acres. The statutory definition could exclude those areas from benefiting from the open space tax provisions.

Particularly in urbanizing areas, off-farm income is an important component of the viability of smaller farms, in conjunction with low land taxes, as a means to keep land in agricultural production. The lower level of taxes keeps the operating overhead low. One example was presented in the Tacoma area of a 16- acre farm with a house on 4.8 acres with a tax burden of about \$7,000 a year. The remaining 11 acres are taxed at about \$200 a year. The intent of the law is being met by keeping the land available as an integral part of the farming operation.

Questions about meeting the intent to show income are especially acute in quickly urbanizing counties where the tax advantage for farming a “rural estate” is quite significant given the differential between market value and current use value. Context, performance, intent and forthrightness all form a complex political stew with landowners who have the capacity to hire lawyers, accountants and other professionals to help them achieve attractive tax breaks.

Some speculators seek out classified Current-Use property, purchase the property after signing a “Notice of Continuance” and then do the least they must to continue to qualify. It is difficult to prevent the scenario of neighbors selling each other lambs or cattle to meet income requirements. What is bona fide commercial farming activity? As one commentator put it, “in some jurisdictions, it may prove to be political suicide to pull speculative property out of Current-Use.”

Various assessors believe that the modest income requirements, though set in 1973 and revised upward in 1993, are still “about right.” From their perspective, raising the income requirement would probably force people out of the program. The fundamental question, however, is how to assure that the income production requirements are met and met in a way that supports commercial farming on that property and in the surrounding community. Abuses of the program, intentional or not, further raise the Assessors concerns that a property is used, in fact, for farming and not just as a “hobby.” This is particularly difficult judgment as some “hobby farms” find a niche product or process (such as goat cheese or lavender) that can become a commercial enterprise and form the basis for an expanding interest in farming.

Some counties are now charging an up-front application fee and require a showing of three years' previous farm income plus an action plan for the succeeding three to five year period. They are also making it clear at the time of application that there is on-going review to assure compliance. One major concern is how to minimize the monitoring and enforcement costs for local Assessors. Another is how to assess the consequence of properties of less than 20 acres in size receiving a special tax advantage when the surrounding zoning may not be supportive of farming in the future. The relationship of the GMA and the Open Space Tax Act on properties of less than 20 acres requires serious focus and attention.

RECOMMENDATIONS: 20 ACRE LIMITATIONS

The OFP should engage in a review of criteria for determining small farm performance and methods to check farm income to maintain the open space tax benefits.

Maintaining the financial incentives of the open space program.

Landowners who remove property from open space are subject to a payment of 7 years back taxes with simple interest (1% per month or 12% per year) and a potential 20% penalty. The penalty is intended to be a disincentive to remove the property from productive agriculture. The landowner is responsible for paying the penalty and back taxes. The payback requirement is triggered by either the voluntary removal of the land from the program, or the sale or transfer of the property to another person. Funds raised through the penalty are directed to the county general fund.

In California, land enrolled in Williamson Act agricultural districts of 100 acres or more, if dedicated to farming for a 20-year period (instead of the standard 10- year commitment), is taxed at 65% of current use value. The State of California reimburses counties for lost income from this increased tax deferment. This approach could be adopted in Washington to encourage landowners to retain land in the open space program.

As a further incentive, the removal penalty could be re-structured so that the longer land stayed in the current use program, the lower the amount of additional tax and penalty would have to be paid. Alternatively, if a land was removed or withdrawn prematurely from the current use program, there would have to be fairly stiff penalties.

An additional change to consider would be to make a buyer, who is converting the land to a "higher and better use," liable for paying the additional tax, interest, and/or penalty. Right now, the farm operator or/seller has to pay these charges at the time of transfer or sale. Often these costs are not made apparent or known until after a sale price has been struck. If the buyer had to pay, they would make their offer to the seller knowing that cost. This could result in a fairer price to the seller and a more appropriate allocation of the costs for conversion.

RECOMMENDATIONS: FINANCIAL INCENTIVES OF THE OPEN SPACE PROGRAM

Concept 1: Structure current use tax to reflect actual cost of services and encourage agricultural investments.

Concept 2: The current use tax system should be structured to include agricultural improvements.

AGRICULTURAL PERMITTING

In some counties in the state, a building permit is required for structures built for agricultural purposes. For these permits, building codes are applied to the structure and in some cases a fee may be charged for the permit. Building codes can sometimes be onerous when the agricultural structure is of a simple construction and used for a limited purpose, such as hay storage.

Washington currently does not have a state-wide agricultural exemption on agriculture structures. Washington does have an exemption for temporary growing structures used for commercial production of horticultural plants.¹⁶ However, this is limited to structures with the roof and sides covered in a flexible synthetic material. Permit fees also vary greatly by county across the state.

In the Northwest, both Oregon and Idaho exempt agricultural buildings from building codes and permitting. Oregon has a state-wide exemption for buildings used exclusively for agriculture. To qualify, the applicant must be willing to designate the building as agricultural, and sign a form stating there will never be more than nine people in the building at one time.

Oregon

Oregon has a state-wide exemption for buildings used exclusively for agriculture. To qualify, the applicant must be willing to designate the building as agricultural, and sign a form stating there will never be more than nine people in the building at one time.

A qualifying building does not need a building permit, though there may be a nominal fee (approx. \$25) for processing. Additional fees may be assessed for special circumstances such as if the building is on a floodplain.

If the building does not meet the agricultural exemption (e.g. ten or more workers are in the building at any time), then a fee will apply and vary as in Washington.

In Lane County, structures that meet the definition of “agricultural building”¹⁷ or “equine facility”¹⁸ are exempt from the Oregon Structural Specialty Code, and do not need a building permit. However, a land use permit is required. The land use permit is issued in a scheduled meeting where a planner will ensure all land use requirements are being met. Such requirements include, but are not limited to, road and property line setbacks, floodplain restrictions, riparian setbacks and appropriate sanitation setbacks.

Permit seekers need to complete a land use application entitled “Agricultural Building Exemption Certification” and schedule a permit application. During the scheduled meeting, if their proposal, for any reason, does not meet the standards for an “agricultural building” or “equine facility”, they will not be granted an exemption, and will be asked to submit an application for a building permit.

¹⁶ (RCW 19.27.065)

¹⁷ **FARM AGRICULTURAL BUILDING** is a structure located on a farm and used in the operation of such farm for all the uses listed above and for the storage, maintenance or repair of farm machinery and equipment.

¹⁸ **EQUINE FACILITY** is a building located on a farm and used by the farm owner or the public for stabling or training equines, for riding lessons and training clinics.

Idaho

Idaho has an exemption for agricultural buildings. Section 39-4116(4) of the Idaho Building Code states that agricultural buildings are exempt from building codes and rules.

Blaine County in central Idaho does not require a building permit, but does require a setback permit obtained through the building department if the agricultural building is located in an agricultural zoning district. Agricultural buildings do require building permits when located in residential zoning districts in Blaine County.

Bonner County has no building department at all, and thus required no building permits. Instead, the county requires a Building Location Permit of \$125, plus any additional fees for things like setbacks and erosion control.

State law limits the additional fees such that they may not exceed the actual cost to the state for administration. These fees are usually \$125 or less.

Valley County has a special \$5 permit.

Washington

Some counties in Washington have chosen to exempt agricultural structures for personal use. One county (Pacific) exempts all agricultural structures regardless of use.

WAC 197-11-800(1)(b)(ii) allows agricultural structures of up to 10,000 square feet to be exempt from SEPA.

WAC 197-11-800(1)(c)(ii) allows local jurisdictions to raise that limit to as high as 30,000 square feet.

During the 2008 legislative session, SSB 6609 (Specialty agricultural structures) was introduced to address the issue of agricultural permitting. Specialty agricultural buildings constructed on a commercial agricultural operation require a permit and are subject to setback requirements established by local jurisdiction and utility easements. SSB 6609 would have set a dollar amount of a permit fee for a specialty agricultural building to not exceed \$75. The bill did not pass.

During the Interim, Washington State Senate staff conducted a survey of the border counties with a hypothetical structure and asked the counties to respond with permitting. Commission staff continued the survey with the remaining counties and also inquired the frequency with which agricultural structure permits are issued or expected to be issued. A broad response gives perspective to the variance of permitting fees in Washington.

At their September 2008 Legislative Assembly, the Senate committee on Governmental Operations and Elections held a work session on agricultural structures. The hearing was not to move a bill or make a recommendation, rather to hear from interested parties. The committee members were presented by Senate staff with several possible options for discussion.

1. Expand the current exemption for “temporary growing structures” in RCW 19.27.065 to include all agricultural buildings. The current exemption for temporary growing structures only applies to commercial production of horticultural plants.

2. Enact a new state-wide exemption for agricultural structures, with clear criteria for receiving the exemption.
3. Enact a new state-wide exemption for commercially related agricultural structures.
4. Authorize rulemaking authority for the Building Code Council or another entity to create a preemptive statewide fee schedule. This is contrary to current state law which allows cities, counties and towns to amend the state building code and charge different fees. This fee schedule could be exhaustive, or limited to agricultural buildings.

Other Ag Permits

While much of the focus has been on structure fees, other agricultural activities requiring permitting i.e. grading, SEPA, and Shorelines have considerable fees associated as well. OFP staff met with Natural Resource Conservation Staff (NRCS) to discuss their experience with permitting and what the producers are concerned with. Three examples outside the window of agricultural structures are presented below.

Grading permit for a large liquid manure storage facility on an existing dairy:

A local dairy farmer had asked for NRCS to design an earthen liquid manure storage facility. The design was completed and the customer applied for his grading permit. There were some outstanding permit violations on the parcel and the landowner was slow in resolving with the County. In the end, a year and a half later, the customer was looking at nearly \$17,000 for the grading permit fees alone for the construction of the earthen liquid manure storage facility. The customer expressed concern at the cost and in the end the County had reduced the fee to approximately \$1,600. The difference between the two numbers reflects the overall rise in permit fee costs in a several year period. The County opted to use the fee schedule that was in place at the time the customer had originally applied. The County did an excellent job handling this situation but overall high permit fees can be a significant deterrent to clean up existing water quality problems.

Grading and building permit for a dry manure storage facility in a wetland buffer:

NRCS had a customer who wanted to install a dry manure storage facility but most of the farm was located within the wetland buffer. This was an existing farm with an existing water quality problem that the customer wanted to clean up. Because the structure was to be located within the inner most 50% of the wetland buffer, the customer would have needed to go through the Hearing Examiner process and pay an extra \$3,000-\$4,000 in fees and the outcome of the Hearing Examiner's decision is less than certain and the customer did not want to gamble. There was not a good option to locate the structure outside of the inner most 50% of the wetland buffer. If the structure could have been located within the outer most 50% of the wetland buffer, then there would be no need for a Hearing Examiner and that could be an administrative decision. In the end, the customer decided not to install the structure because of the cost, the degree of uncertainty, and the process overall. This scenario occurs frequently where structures need to be installed within either the inner most 50% or the outer most 50% of the wetland buffer. The cost if it is within the inner most 50% appears to be a deterrent. The administrative process that typically occurs when a customer wants to build a structure in the outer most 50% of the buffer does cost less but still customers reaction seems to be the same.

Grading and building permit for a dry manure facility on an existing dairy:

NRCS had a customer who wanted to construct an addition onto an existing dry manure storage facility. The addition would provide the needed additional manure storage and would require filling about ten square feet of an isolated degraded wetland that was significantly less than a half an acre. There was no other suitable location. The County had finished the process quickly and did a super job. The County made a determination, after looking at the wetlands report, that the wetland was not of jurisdictional size and issued the building permit. But the customer had to go through the Corps of Engineers to get a determination and a nationwide permit. The Corps took a full 10 months and finally issued a nationwide permit for the project. The customer was ready to give up many times during the 10 month period and said that he would never build a building again. In this case the very complicated federal permit process was a deterrent. In the 10 month time period that it took to get the Corps permit, the customer's contractor gave up and went elsewhere. The customer could not find a contractor who could build a wooden structure but was able to find a contractor who could install a steel building. The unfortunate thing is that the County Building Permit is for a wooded structure and the customer must resubmit a set of building plans for a steel structure and an additional \$200 for the County permit fees.

ISSUE FOR FARMLAND PRESERVATION: PERMITTING

For several years, producers have been calling attention to the length and cost they are accumulating when it comes to construction of new agricultural structures. Producers cited the lack of continuity across the state in permitting of agricultural structures. Out of 39 counties, 8 either fully or partially exempt agricultural structures from permit fees. The rest of the counties vary considerably on permit costs. Geographically, there appears to be no pattern of fees nor is there a rural/urban variation.

RECOMMENDATIONS: AGRICULTURAL PERMITTING

Concept 1: Enact a new state-wide exemption for agricultural structures, with clear criteria for receiving the exemption. The Task Force recommends establishment of an educational program to distinguish between commercial agricultural structures and agricultural structures.

Concept 2: The OFP should examine the possibility of an "Agricultural Permit Fee Schedule" and permitting time line that would apply to building structures and other activities that occur on agricultural lands.

RIGHT TO FARM

In a nuisance lawsuit, a plaintiff may sue a defendant property owner based on the claim that the defendant makes unreasonable use of his or her property to the detriment of the plaintiff's property. A plaintiff may, for example, seek to prevent or limit noise or odors.

The Washington Right to Farm Act provides that certain agricultural activities and forest practices are, if consistent with good practices and established prior to surrounding nonagricultural and non-forestry activities, presumed to be reasonable, and therefore have some protection from being prohibited in a nuisance lawsuit.

A survey of the 39 Washington counties reveals that many (29) have adopted the Right to Farm Act in one shape or another. (See reverse for details) While several counties name the Right to Farm Act outright in their code, others are simply included in their Critical Areas Ordinance or nuisance statutes or comprehensive plans. Several counties remarked that they are considering provisions similar to Right to Farm or that they are unsure how effective the Right to Farm Act may actually be. While some counties offer minor protections such as exemptions from noise ordinances, other counties seek stronger protections than the Right to Farm Act.

The 2007 Legislature made changes to the Right to Farm Act. In response to court rulings that said changes in agricultural uses were new uses, not protected by the Right to Farm Act, EHB 1648 (Increasing protections for agricultural operations, activities, and practices) was drafted and signed into law in 2007.

The intent of this legislation was to enhance the protection of agricultural activities from nuisance lawsuits. The existing definition of "agricultural activity" was broadened to include: (1) beekeeping for production of agricultural or apicultural products, and (2) the use of new practices and equipment consistent with technological development in the agricultural industry. The existing definition of "agricultural activity" was further clarified to state that "conversion from one agricultural activity to another" includes a change in the type of plant related farm product being produced.

RCW 36.70A.060 of the Growth Management Act states that counties planning under GMA, in addition to designating and protecting ag lands, must:

(b) ... require that all plats, short plats, development permits, and building permits issued for development activities on, or within five hundred feet of, lands designated as agricultural lands, forest lands, or mineral resource lands, contain a notice that the subject property is within or near designated agricultural lands, forest lands, or mineral resource lands on which a variety of commercial activities may occur that are not compatible with residential development for certain periods of limited duration. The notice for mineral resource lands shall also inform that an application might be made for mining-related activities, including mining, extraction, washing, crushing, stockpiling, blasting, transporting, and recycling of minerals.

ISSUE FOR FARMLAND PRESERVATION: RIGHT TO FARM

One highly potential threat to farmland is encroachment. With encroachment comes the potential for nuisance complaints from neighbors that may not have realized what living in a farm setting fully entails. Many counties have information available to educate new rural landowners with what they are likely to expect with their farming neighbors.

RECOMMENDATIONS: RIGHT TO FARM

Concept 1: The Task Force recommends an education and outreach component for counties to implement to educate new landowners on rural living.

Concept 2: The Task Force recommends that all counties should have a right-to-farm ordinance. OFP staff should develop a model right-to-farm ordinance that would be presented to counties for their consideration.

MAPPING

One challenge to the preservation of farmland is in understanding what lands are most at risk of conversion. Mapping that identifies where prime agricultural lands currently exist with the ability to query and understand the relationship those parcels have to land use/zoning maps and growth trends will help in developing strategies to preserve the prime agricultural lands.

The Washington State Parcel Database is housed at the University of Washington's College of Forest Resources (CFR), maintained by staff of the Rural Technology Initiative (RTI). RTI Staff have developed relationships with Washington's thirty-nine counties and land management agencies to collect and normalize their parcel GIS data into a single dataset in a common statewide format that will be updated annually.

Using the Statewide Parcel Database as a foundation, research staff will be able to construct the Washington State Forestland Database. By generating forest land cover from satellite imagery and using land use information and assessed land values from the database, forested lands can be identified and categorized into ownership categories such as public, conservation, tribal, industrial and other private. In addition, the Forestland Database will contain information about relevant physical and political features such as parcel, contiguous tract, owner and forest acres, regulatory buffer acres, slope information, stream and road density/length and a conversion potential metric calculated as the difference between current use and highest-and-best use land values.

The Forestland Database will be updated annually (in tandem with the Statewide Parcel Database) with land cover information generated every other year. The Forestland Database will enable a new understanding of forestland change in Washington State by quantifying conversion, trends in fragmentation, shifting ownership, generalized forest land cover change and various other metrics.

A similar database could be constructed with existing information for agriculture. This database as well would enable a new understanding of agricultural change in Washington similar to the Forestland Database.

WSSC has contracted with the University of Washington to provide a series of maps specific to agriculture lands. UW will present as maps and data by state sub-regions:

- Acres in agricultural use as identified by assessor data.
- Acres in Agriculture classified under current use (RCW 84.34) as identified by assessor data.
- Acres in agriculture use, but NOT in current use tax status
- Acres in agriculture-related use as identified by assessor data.

This information and the overall data may possibly be overlaid with the WSDA Crop Mapping efforts which identify crop types on agricultural lands state wide. WSDA has developed an agricultural land use geodatabase to assess the effects of agricultural production on Washington's natural resources. The geodatabase can store, query, and manipulate geographic information used to identify agriculture land use in Washington. WSDA has been collecting crop data for over 4 years in a GIS format. Data is gathered using a combination of field surveys and aerial photography.

ISSUE FOR FARMLAND PRESERVATION: MAPPING

The project has been funded through federal funds which have recently concluded. They have submitted a budget request to the Climate Action Team to continue the work of the Washington State Parcel Database project.

This database may prove to be an extremely effective tool in assessing risk of farmlands across the state and allow users to identify areas at risk of conversion out of farmland. Visually and with data to support, this may prove effective in leveraging funds from both state and federal sources for targeting working lands at risk.

RECOMMENDATION: MAPPING

The Task Force recommends continued funding for the mapping project to develop the system as a useful and ongoing tool for the identification of prime agricultural lands at risk of conversion.

INCREASE URBAN DENSITY

The Task Force discussed the link between increasing urban density and a successful TDR program as it relates to preserving working farmlands. Under GMA, cities and counties are required to identify areas of increased urban density. TDR programs identify rural areas in a county from which development rights are purchased and those rights are transferred into urban areas as increased density. In order for this approach to work, urban areas must be willing to accept and allow for these increased densities.

RECOMMENDATION: INCREASING URBAN DENSITY

Local jurisdictions should review their zoning regulations to develop programs to allow for greater density within the UGA and link these densities to preserving more farmland.

MARKETING AND AGRICULTURE INFRASTRUCTURE

MARKETING

Opening new markets and opportunities are critical to the successful operations of Washington farmers. Critical to this goal is the infrastructure to process the crops in an efficient and economical manner to keep competitive on the open market.

Infrastructure

One of the biggest factors leading to the reduction of farmland is the loss of support infrastructure that is required for agriculture to prosper and survive. Not only does infrastructure provide a place for farmers to process their crops, but also provides jobs to local communities. As technology continues to lead the way for efficient handling of product, the demand for skilled jobs increases, which in turn provides better working family wages. The impacts of the creation and retrofitting of support infrastructure and the loss of support infrastructure resonate even today.

WSDA Marketing

Opening new markets to producers is the goal of the Washington State Department of Agriculture (WSDA). WSDA's International Marketing Program assists Washington companies to export food and agricultural products. They work closely with the U.S. Department of Agriculture to promote exports, and with the Governor's Office and industry to resolve foreign trade barriers.

Through their Small Farm and Direct Marketing Program WSDA works with farmers, farmers markets, chefs and non-profit organizations to connect consumers directly to farmers who sell fresh, local products. They partner with public and private organizations to increase the economic viability of family farms and strengthen Washington's local food systems.

Also of importance is WSDA's "From the Heart of Washington," a public awareness campaign designed to increase consumer demand for Washington state food and agricultural products.

Local Farms – Healthy Kids Act

In 2008, the Local Farms – Healthy Kids Act was enacted. The Act establishes Washington as a national leader in promoting local food policy. By increasing the amount of Washington-grown food consumed through schools, food banks and farmers markets, this Act will help keep working farms working.

The Act is intended to strengthen links between state agriculture and state food procurement to expand local markets, improve nutrition, and benefit the environment. The Act creates four programs:

Farm-to-School Program; administered by the state Department of Agriculture (WSDA);

Facilitate increased procurement of Washington-grown foods by public schools

Washington Grown Fresh Fruit and Vegetable Grant Program; administered by the Office of the Superintendent of Public Instruction (OSPI);

Grants available through OSPI's Child Nutrition Services to purchase snacks of Washington-grown fresh fruit and vegetables. Priority goes to K-8 schools with 50% or more students eligible for Free and Reduced Price Meals.

Farmers Market Technology Improvement Pilot Program; administered by the Department of Social and Health Services (DSHS)

The Farmers Market Technology Improvement Pilot Program was created to assist farmers markets to develop the capability to accept wireless electronic payment cards. The program is intended to increase access to fresh fruits, vegetables, and quality meat and dairy for state residents and to increase the number of food stamp recipients using food stamp benefits through electronic benefits transfer at farmers markets.

Farmers to Food Banks Pilot Program; administered by Community Trade and Economic Development (CTED).

The program is designed to provide a source of wholesome, fresh products grown in Washington State to food bank clients around the state, in areas both rural and urban. It created a competitive selection process allowing non-profit 501 (c) 3 organizations that were in the business of providing social services to propose innovative strategies for using the program's funds to create partnerships between local agriculture and emergency feeding providers.

Farmers Markets

Farmers markets have long been an outlet for producers to directly market to consumers. In the recent past, farmers markets have been flourishing, a product of consumers demand for fresh local produce. Across the state there are well over a hundred farmers markets. These markets are becoming critical to the success of small farm producers. A resurgence of farmers markets is one face of a widespread grassroots movement to revitalize small-scale, community-based agriculture as an alternative to an increasingly globally organized food supply.

Benefits of Diversifying

As evidenced by the Task Force tour to Dickey Farms in Bingen, diversifying can have a major economical impact on a farms bottom line. Dickey Farms has established itself in nearby Portland with weekly shipments of produce, and also the 2004 addition of a 10,000 square foot year round feed, grain, and vegetable stand that accounted for 40% of their overall gross and sees 15% annual growth.

Community Supported Agriculture - CSA

CSA consists of a community of individuals who pledge support to a farm operation so that the farmland becomes the community's farm, with the growers and consumers providing support and sharing the risks and benefits of food production. By direct sales to community members, who have provided the farmer with working capital in advance, growers receive better prices for their crops, gain some financial security, and are relieved of much of the burden of marketing.

Puget Sound Fresh

Puget Sound Fresh is a consumer education and product identification program. Puget Sound Fresh educates consumers in 12 Western Washington counties¹⁹ about the health and environmental benefits of buying and eating locally grown.

As part of the program, locally grown products are labeled with a Puget Sound Fresh sticker or banner. Other farm products not considered “fresh” can be labeled with the “Puget Sound Grown” logo. This includes wines grown and produced in the Puget Sound Appellation, Christmas Trees, the growing variety of nursery products and more. The logo was also designed to be customized, providing the opportunity to more specifically brand a farm, community or geographic area within the larger Puget Sound region. The Puget Sound Fresh Select Kitsap logo was the first to be developed and marketed.

The program encourages area grocery stores, farmers markets, restaurants and other retailers to source and promote local produce and farm products by using the Puget Sound Fresh logo. Currently, nearly 90 farmers markets in the region sell “Puget Sound Fresh” products. Local grocery stores featuring Puget Sound Fresh include PCC Natural Markets, Metropolitan Market, Central Co-op's Madison Market, Safeway, QFC, Whole Foods and Haggen/Top Foods.

LIVESTOCK

Washington small livestock producers are limited in their ability to direct market due to the limited number of USDA meat facilities in the state. There is a large void between livestock producers, meat processors and consumers who want the ability to purchase locally raised meat products. Some of the questions being asked are whether livestock producers have adequate places to market their cattle or other species of livestock. Is the State of Washington losing its critical infrastructure that is needed to support livestock producers?

The state does not have a state meat inspection program that is equivalent to the USDA meat inspection program. For this reason, meat products processed by custom meat processors cannot be provided to the general public. They are only allowed to be processed for the actual owners of the animal.

In the fall of 2008, the Senate Agriculture and Rural Development Committee held a work session on encouraging local processing of meat products. Committee members heard from the recently formed Puget Sound Meat Producers Cooperative. The Puget Sound Meat Producers Cooperative has proposed a Mobile Slaughtering Unit to serve beef, pork, sheep/lamb, and goat producers in a six-county region of southern Puget Sound: King, Kitsap, Lewis, Mason, Pierce and Thurston Counties. The Cooperative emphasizes the importance of producers being able to effectively and efficiently get the livestock inspected and slaughtered. Currently, producers need to transport livestock to USDA-inspected slaughter facilities in Oregon or the Tri-Cities, and then back to their hometowns.

Another issue facing livestock producers is the dwindling numbers of livestock markets in the state. In the past two years, the state has lost three public livestock markets, bringing the number down to six statewide. This raises questions about the future viability of the livestock industry with the

¹⁹ Clallam, Jefferson, Mason, Kitsap, Thurston, Pierce, King, Island, San Juan, Snohomish, Skagit and Whatcom.

declining number of public livestock markets and slaughtering plants in the state. If there is no viable option to raise crops on ag lands or if the land is only suited for pasture or forage production, livestock then becomes the last viable use. If the livestock marketing infrastructure is lost, what are the consequences?

ISSUE FOR FARMLAND PRESERVATION: MARKETING

Marketing to farmers and consumers is critical to the success of new farmers and existing farmers. Local groups such as the Northwest Agriculture Business (NWAB) which is funded by five counties and the state legislature, encompasses Island, San Juan, Skagit, Snohomish and Whatcom counties in NW Washington actively promoting local producers.

The mission of the NWAB is preserving farmland through economics – making farming in the region more economically viable and achieving more acres of preserved and working farm land. They are achieving this by working with farmers/producers, providing business training, producing Value-Added products, creating market opportunities, assisting and developing connections to the market, and collaborating with other groups, agencies, and interested parties.

The Task Force might consider recommending this model state wide through regional agricultural business centers.

RECOMMENDATIONS: MARKETING

Concept 1: The Task Force supports marketing strategies that support the preservation of working farms and utilizes the ongoing work of organizations around the state.

Concept 2: The OFP and Conservation Commission should explore opportunities to support local agriculture product processing so that the necessary infrastructure is in place to maintain viable agriculture across the state.

REGULATIONS IMPACTING FARM ACTIVITIES

Regulations on working lands managers have been identified as an element critical to farmland preservation. A producer is able to manage his operation more effectively and efficiently if some of the many regulations are coordinated or made more understandable. The Task Force is concerned about how producers are expected to understand the litany of federal/state/local regulations that may or may not be applicable to their operation. In discussion on this issue, an anecdotal story was communicated that even the agency charged with enforcing and ensuring compliance was not in full understanding of what regulations were in effect. The point being that with multiple agencies at multiple jurisdictions, a small producer would be hard pressed to keep up with all regulatory requirements. Also, regulations are infrequently evaluated to determine if they are still needed, if they are resulting in the desired outcome, or how they may or may not conflict with subsequent regulations.

RECOMMENDATIONS: REGULATIONS

Concept 1: A study should be conducted to evaluate regulations impacting farms, looking at various farm operations by type and size, physical location, and crop types. The study should examine either hypothetical farms or actual farms if willing landowners are found.

Concept 2: A more detailed examination of existing rules and regulations affecting farm owners should be undertaken and rules or regulations found to be burdensome should be revised or eliminated. Some existing rules and regulations that should be examined include: labor laws relating to agricultural laborers; state and local taxation reporting requirements; business licensing requirements.