



STATE OF WASHINGTON

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October 25, 2005

TO: IAC Committee Members and Designees
FROM: Laura Eckert Johnson, Director 
PREPARED BY: Jim Fox, Special Assistant to the Director
SUBJECT: Farmland Preservation Program: Progress Report

Advisory Committee Meeting

The Farmland Preservation Program Advisory Committee held its first meeting on October 21, 2005. A list of Committee members and the summary of the meeting are attached (Attachments I and II). The Committee addressed a number of issues relating to eligibility and evaluation criteria and made the following recommendations:

1. Do not require applicant cities and counties to have an established farmland preservation program. However, in the evaluation criteria give preference to applicants with expertise in negotiating, acquiring, managing and enforcing agricultural conservation easements or with a partner or advisor (such as an established land trust) with a proven capacity in acquiring and managing less than fee land acquisitions.
2. Evaluation criteria should recognize local priorities in addition to statewide priorities. These priorities ideally would be expressed in a local farmland preservation plan or strategy.
3. Evaluate proposals using a points-based set of evaluation criteria. This provides more clarity for both landowners and applicants, and increases the objectivity and transparency of the evaluation process.
4. Allow acquisition of agricultural easements that are not in perpetuity ("term easements"). However, in the evaluation criteria give preference to perpetual easements. Minimum terms of 25 and 50 years were discussed.

Workshops

IAC staff conducted workshops in Moses Lake on November 2 and in Fife on November 3 to discuss the new Farmland Preservation and Riparian Habitat Programs established by the 2005 Legislature. Meeting invitations were sent to approximately 500 people, most of whom would be potential grant applicants in one or both of the programs or partners of potential applicants. The workshops provided advanced information on the new grant programs and provided an opportunity to get feedback on possible policies and guidelines. Attachment III provides a summary of the workshops.

Staff Recommendations

Staff recommends that the following, to be incorporated into draft WAC amendments, evaluation criteria, and program policy manuals for circulation for wide public review and comment:

- A. Advisory Committee recommendations 1-4. The minimum term for a lease or less-than-perpetual conservation easement would be 25 years.
- B. Make "farm forestry" eligible. This would include products with short rotations that are grown more like a conventional crop, such as cottonwoods and Christmas trees, and timberland that falls within the definition of "small family forest land."
- C. Give preference to proposals to preserve large blocks of contiguous or nearly contiguous farmland. However, make sure that evaluation criteria recognize that small parcels can be important in terms of agricultural and ecological values.
- D. Do not require a local (non-state, non-federal) contribution for the first grant round.
- E. Attempt to make requirements for conservation easement language, reporting, and monitoring consistent with requirements from other state and federal programs likely to be providing funding on the same parcel.
- F. Provide as much flexibility as possible for the participation and partnership of other entities such as land trusts and conservation districts. This could include providing technical assistance, assisting with landowner negotiations, conservation easement or contract development, conducting baseline condition reports, monitoring, and stewardship.

Table 1
Development of Farmland Preservation Program Policies
October 26, 2005

July 2005	<ul style="list-style-type: none"> ✓ Identify people and organizations likely to be interested ✓ Meet with representatives of Conservation Commission, Farm Bureau, American Farmland Trust, Washington State Association of Counties, ... ✓ Identify potential members of advisory committee
August	<ul style="list-style-type: none"> ✓ Establish web page with program description and, as available, documents for public comment ✓ Email announcement of new program and invite interested parties to get on mailing list ✓ Appoint Advisory Committee
September	<ul style="list-style-type: none"> ✓ IAC meeting: progress report; panel presentation; public testimony
October	<ul style="list-style-type: none"> ✓ Advisory Committee meeting: recommendations on program policies
November	<ul style="list-style-type: none"> ✓ Workshops in Moses Lake and Fife ✓ Solicit comments on proposed policies from interested parties • IAC meeting: update on proposed policies and rules; update on Advisory Committee meeting and workshops; review public comments
December	<ul style="list-style-type: none"> • Advisory Committee reviews comments on proposed program policies • File draft rule language (CR102) • Solicit public comments on draft policies, evaluation criteria, and rule(s)
January 2006	<ul style="list-style-type: none"> • Review public comments, solicit Advisory Committee comments, and develop recommendations to IAC
February	<ul style="list-style-type: none"> • IAC meeting: review public comments; conduct public hearing; adopt policy manual, rule(s) • Announce grant cycle and make application materials available • Begin application workshops around state
March	<ul style="list-style-type: none"> • Continue application workshops around state • Work with potential applicants
May	<ul style="list-style-type: none"> • Applications due
June - August	<ul style="list-style-type: none"> • Evaluate applications, develop prioritized list
September	<ul style="list-style-type: none"> • IAC meeting: presentation of proposed projects; public testimony; approve prioritized list for submission to Governor
October	<ul style="list-style-type: none"> • Submit prioritized list to Governor by November 1

Attachment I

Farmland Preservation Grant Program Advisory Committee Members

October 20, 2005

Dee Caputo

Washington State Dept. of Community, Trade and Economic Development

Fred Colvin

Thurston County farmer; SW Area Director, Washington Association of Conservation Districts

Allison Deets

Director, Skagit County Farm Legacy Program

Lee Faulconer

Washington State Dept. of Agriculture

Murray McCory

Outdoor Recreation Manager; Coordinator, Environmental Permits, Grants; Okanogan County

Kent Mullinix

Director, Institute for Rural Innovation and Stewardship, Wenatchee Valley College
Associate Professor, Department of Horticulture and Landscape Architecture, Washington State University

Dale Reiner

Snohomish County farmer; President, Snohomish County Farm Bureau

Mike Ryherd

Washington Wildlife and Recreation Coalition

Don Stuart

Pacific Northwest Field Director, American Farmland Trust

John Stuhlmiller

Washington Farm Bureau, Olympia

Stu Trefry

Washington State Conservation Commission

Attachment II

Meeting Summary

Farmland Preservation Program Advisory Committee

Olympia, Washington, October 21, 2005

Attendance: Committee members Dee Caputo, Fred Colvin, Allison Deets, Lee Faulconer, Murray McCorry, Dale Reiner, Mike Ryherd, Don Stuart, John Stuhlmiller, Stu Trefry; IAC staff Jim Fox, Kammie Bunes, Leslie Ryan-Connelly. Also attending, Bill Robinson, Mary Heinrich.

The Committee's discussion focused on eligibility and evaluation criteria and resulted in the following recommendations:

- 1. Do not require applicants to have an established farmland preservation program.** Committee members pointed out that it is important that a recipient of a farmland preservation grant have the ability to negotiate, acquire, manage and enforce agricultural conservation easements. However, the Committee recommended that we do not require a county or city have an established farmland preservation program in order to apply for a grant. All counties and cities should have an opportunity to apply for a grant as an incentive to start a program. However, it would be acceptable to award additional evaluation points for counties and cities that have an established program or have as a partner or advisor an established land trust or other entity with a proven capacity in acquiring and managing less than fee land acquisitions.
- 2. Recognize local priorities.** Evaluation criteria should recognize local priorities in addition to statewide priorities. These priorities ideally would be expressed in a local farmland preservation plan or strategy.
- 3. Use a points-based set of evaluation criteria.** The Committee has a strong preference for evaluating proposals using a points-based set of evaluation criteria. This provides more clarity for both landowners and applicants, and increases the objectivity and transparency of the evaluation process. The Committee would like IAC staff to provide a draft set of evaluation criteria that the members can respond to. It is important to retain the ability to modify the criteria over time as the program evolves.
- 4. Term vs. perpetuity:** A lively discussion about term versus perpetual agricultural conservation easements ensued. Committee members indicated that it is important to make a long-term commitment to agriculture in order to maintain the land base and supporting infrastructure. However, others noted that many landowners will not be willing to consider selling a perpetual easement, and may, in fact, prefer a lease. Minimum terms of 25 and 50 years were suggested. There was discussion about whether or not to include leases in the program and if so, their cost effectiveness. Several committee members expressed concern that leases can consume public

funds without long-term benefit. It was mentioned that the duration of the protection is a direct reflection of the landowner's level of commitment to long-term farming. The Committee discussed awarding a higher point value for easements in perpetuity, fewer points for a term easement, and even fewer points for a lease. Lease values may be difficult to determine using standard appraisal methodology.

Follow-Up

IAC staff will seek answers to the following questions that came up during the meeting:

- Is farm forestry eligible under the definition of "farm and agricultural land" in RCW 84.34.020?
- If a sponsor acquires a "term easement" on a farm, can we later give the sponsor a grant to extend the term one or more years?
- If a farm lies within two jurisdictions, for example two counties or a county and a city, does the easement have to have joint ownership?
- Is there a standardized, acceptable method of appraising leases of development rights? What is the value of a lease compared to a comparable term agricultural easement on the same property? Compared to a perpetual easement? Does the language in RCW 84.34.065 apply, or is this only for use by county assessors?

Next Steps

IAC staff will hold two workshops, one in Moses Lake on November 2 and the second in Fife on November 3. These workshops are to discuss the new Farmland Preservation Program and Riparian Habitat Program established by the 2005 Legislature. Meeting invitations have been sent to approximately 700 people, most of whom would be potential grant applicants in one or both of the programs, or partners of potential applicants. The workshop goals are to provide advanced information on the new grant programs and to get feedback on possible policies and guidelines.

The governing Board for IAC will meet on November 15 in Olympia. Staff will provide a written update to the Board in advance of that meeting, with copies to the Advisory Committee. Committee members are welcome to attend the meeting.

In the first week of November, IAC staff will circulate a draft of proposed eligibility and evaluation criteria to Advisory Committee members and individuals and organizations that have asked to receive information on the Farmland Preservation Program. Copies of comments, along with a revised draft of proposed criteria, will be sent to the Advisory Committee for additional review in late November. We anticipate a second meeting of the Advisory Committee in early or mid December, prior to circulating proposed policies and guidelines for wider public review in January and IAC Board consideration and adoption in February.

Attachment III

Summary

Moses Lake and Fife Workshops, Farmland Preservation Program Portion

November 2 and 3, 2005

A total of 42 people attended the workshops (14 in Moses Lake and 28 in Fife), including nine people from conservation districts (Asotin, Ferry, Foster Creek, Pend Oreille, Grant, King, Pierce, Mason), 11 from county government (Spokane, Okanogan, Grays Harbor, Kitsap, Thurston, Pierce, Snohomish), 1 from city government (Seattle City Light), two from state agencies (DNR, WDFW), two from federal agencies (NRCS, FSA), and 9 from land trusts (Methow Conservancy, Kittitas Conservation Trust, Columbia Land Trust, Jefferson Land Trust, The Nature Conservancy, Great Peninsula Conservancy, Cascade Land Conservancy). Some of the major comments and recommendations include:

- ▷ The pressure to convert farmland to nonagricultural uses is significant even in rural counties.
- ▷ The long delay between application and grant award (14 months) will make it difficult to hold property owner's interest and fit with the timing of other programs.
- ▷ Counties with established farmland preservation programs and experience in acquiring and managing conservation easements will be more effective in strategically targeting preservation efforts. However, other counties want to be able to compete effectively for grants and see this as an opportunity to start a county farmland preservation program. If evaluation criteria give preference to experienced counties, it should be a small preference for the first grant round.
- ▷ Conservation districts and, in some counties, land trusts, will play a big role in informing landowners about the program and assisting the counties and cities in working with landowners and developing and negotiating easements.
- ▷ Although perpetual easements are preferable, some farmers and some cities and counties may choose not to participate if perpetual easements are required. Keep the option for term easements and leases available as the program gets started. Make the minimum term no less than 25 years, and give preference for longer terms or perpetual easements. Remember, though, that if the goal is to preserve farmland from being converted to non-agricultural use, only perpetual easements will accomplish this. If for some reason it is later not feasible to farm the land, it is still valuable as habitat and open space.
- ▷ To the extent possible, IAC farmland grants should be able to match, supplement, and/or complement grants from other sources such as Salmon Recovery Funding Board, Wetland Reserve Program, Conservation Reserve Enhancement Program, Grassland Reserve Program, and the Farm and Ranchland Protection Program.

- ▷ Any required conservation easement language, baseline conditions reports, periodic inspections and reports, etc. should be coordinated with the other programs (above) and not require duplicate efforts from the sponsor or landowner.
- ▷ Consider requiring a small contribution from the sponsor towards the match. This may serve as an incentive for counties to enact the Conservation Futures Tax to provide a match for farmland preservation. However, at this time many counties do not have any local resources to apply to the program.
- ▷ To preserve a viable agricultural industry in an area, it is important to preserve large blocks of contiguous or nearly contiguous farmland. However, don't forget that there can be some small "islands" of farmland that are important in terms of agricultural and ecological values.
- ▷ Consider making "farm forestry" eligible. This would include products with short rotations that are grown more like a conventional crop, such as cottonwoods and Christmas trees. Also consider making small family forest land eligible.
- ▷ When evaluating the economic viability of a farm, do not consider only the current conditions; look at future trends.
- ▷ Provide as much flexibility as possible for the participation and partnership of other entities such as land trusts and conservation districts. This could include providing technical assistance, assisting with landowner negotiations, conservation easement or contract development, conducting baseline condition reports, monitoring, and stewardship.
- ▷ Be flexible in what types of plans are allowed to demonstrate the need for farmland preservation and restoration/enhancement. Do not require applicants to have to produce a new plan just in order to qualify for a grant.
- ▷ There is a need for funding for stewardship of preserved lands and management and enforcement of easements and leases.