



STATE OF WASHINGTON

RECREATION AND CONSERVATION OFFICE

October 12, 2007

Topic #5: WWRP Farmland Preservation Program – Policy Issues

Prepared By: Jim Fox

Presented By: Marguerite Austin

Approved by the Director: 

Proposed Action: Decision

Summary

On August 27, Recreation and Conservation Office staff requested comment from interested parties on whether or not to change the \$750,000 grant request limit for Farmland Preservation Program grants and whether to change the way that the duration of an agricultural conservation easement or lease is scored in the grant evaluation process. This memorandum summarizes the proposed options and comments, and outlines staff's recommendation for modifications to existing program policies.

Staff Recommendation

Staff recommends increasing the maximum grant request limit to \$1,000,000 for the Farmland Preservation Program.

Staff also recommends that the decision to modify the scoring range for the duration of leases and easements be delayed until the first Recreation and Conservation Funding Board (RCFB) meeting in 2008.

Background

In 2005, the Washington Wildlife and Recreation Program (WWRP) was broadened to include the Farmland Preservation Program (FPP). The purpose of the FPP is to provide grants to acquire development rights on high priority farmland through the acquisition of agricultural conservation easements or leases.

Grant Request Limits

The maximum FPP grant request allowed is currently \$750,000*. In 2006 (the first year of FPP), the list of applications included 10 projects totaling approximately \$4.4 million

* Grant recipients must provide a cash or in-kind match equal to or greater than the grant amount.



in grant requests. The maximum amount was requested for two projects only. In the current 2007 FPP grant cycle there are 16 applications requesting a total of \$6.9 million. Two of the applicants are seeking grants at the \$750,000 limit.

Duration of Easements and Leases

Leases and "term" agricultural conservation easements with durations of no less than 25 years are eligible for FPP funding. However, the RCFB has indicated a preference for acquiring farmland development rights in perpetuity and has adopted a policy requiring longer terms to receive additional points in the scoring process, with perpetual easements receiving 10 points out of a total possible score of 125.

Analysis – Grant Request Limits

Below are the three options considered by staff and submitted for public comment.

Option 1: Increase the grant limit to \$1,000,000

Pros	Cons
Adjusts for increasing land prices.	Fewer projects would be funded if large grants are awarded.
Allows larger projects. In some cases, preserving large farms or ranches may be more beneficial than preserving a number of smaller properties.	Some applicants may not be able to take advantage of the larger limit due to the difficulty of providing a 50% match.
	Of the 26 applications received so far in the FPP, only four have requested the current maximum limit of \$750,000.

Option 2: Eliminate the grant limit

Pros	Cons
Adjusts for increasing land prices.	Fewer projects would be funded if large grants are awarded.
Allows larger projects. In some cases, preserving large farms or ranches may be more beneficial than preserving a number of smaller properties.	Some applicants may not be able to take advantage of the larger limit due to the difficulty of raising the 50% match.
Increases the likelihood of expending all grant funds within a single cycle.	Of the 26 applications received so far in the FPP, only four have requested the current maximum limit.

Option 3: No change; retain the current limit of \$750,000

Pros	Cons
Of the 26 applications received in two grant cycles, only four have requested the current maximum limit.	Does not achieve the advantages listed for Options 1 and 2 above.

This is a new program, retaining the current limit allows more time to evaluate the current guidelines.	Does not anticipate the likelihood of larger projects as the program becomes better known and attracts a larger pool of applicants.
Ensures funds are distributed among a larger pool of grantees.	Increases the possibility of unobligated funds remaining in the Farmland Preservation Account if there are insufficient requests for the funding available.

Stakeholders' comments generally favored Option 1, increasing the FPP grant limit to \$1,000,000 in recognition of rising property values.

On October 5, the Farmland Preservation Advisory Committee met to evaluate the 2007 FPP grant projects and to discuss modifications to the program. After discussing staff's proposal for increasing the maximum grant request, they recommended that the Board consider increasing the limit to no more than \$1,000,000. The primary considerations members wanted to convey to the Board are that a modest increase (as opposed to a larger increase or eliminating the limit entirely):

- Allows more time to assess program needs and trends.
- Allows for funding of more projects (higher limits may reduce the number of projects funded).
- Helps ensure that funds are available for distribution statewide.
- Is appropriate when considering escalating property values.
- Minimizes the challenge of "small" inexpensive projects competing with "large" expensive projects.

Analysis - Duration of Easements and Leases

Stakeholders were asked to comment on two questions regarding evaluation of the duration of easements and leases. The questions are listed below.

(**Question 1:** Should the point value for easements in perpetuity be increased and if so to what amount?

Comments heavily favored increasing the number of points for an easement acquired in perpetuity.

(**Question 2:** Should the number of points awarded for a term easement or for a lease be left up to the discretion of the evaluators, or should there be a specific formula?

Comments heavily favored establishing standardized point values for easements or leases with shorter durations.

Staff was prepared to recommend adding an evaluation question that standardized and increased points for projects that involved purchase of perpetual property rights. Following consultation with the Farmland Preservation Advisory Committee on October 5, however, staff recommends that the decision on this issue be delayed until the first RCFB meeting in 2008. The reason for the delay is that a preliminary assessment of the 2007 evaluation process indicates:

- The evaluation instrument also needs modification to ensure farmland projects that support livestock compete equally with projects that focus on crop production.
- The advisory committee recommends that additional points be given for the community values criterion in order to make this question more useful in the process.
- The environmental values criterion needs to be modified to ensure applicants specifically focus on how the *grant project* will enhance environmental values.

Additional time will allow the advisory committee and staff to review the entire evaluation instrument and solicit additional public comment on proposed changes.

Next Steps

Public comments on the proposed options referenced above were distributed to the Board at the September 14 RCFB meeting. Comments received by October 25 on staff's recommendation as presented in this memorandum will be distributed to the Board electronically in advance of the November meeting.

If the Board approves an increase in the maximum grant request limit, staff will update Manual #10f, *WWRP Farmland Preservation Program: Policies and Project Selection*, and send out notices to potential applicants and other interested parties. Any adopted change will affect grant requests beginning with the 2008 grant cycle.

In addition, if staff's recommendation to delay modification of the evaluation instrument is approved, staff will work with the advisory committee to draft changes to the evaluation criteria. Staff will seek additional stakeholder comment on proposed changes and prepare a recommendation for consideration at the Board's first meeting in 2008.

Attachment

Resolution 2007-22

RESOLUTION #2007-22
Washington Wildlife and Recreation Program
Farmland Preservation Program Policy Revision – Grant Limits

WHEREAS, Chapter 79A.15 RCW established the Washington Wildlife and Recreation Program (WWRP) and authorized the Recreation and Conservation Funding Board (RCFB) to adopt policies and rules for the program; and

WHEREAS, in 2006 the RCFB adopted a policy that provides for a maximum grant request limit of \$750,000 for Farmland Preservation Program projects; and

WHEREAS, the costs of property acquisition and restoration are increasing; and

WHEREAS, the RCFB desires to incorporate a revision to the WWRP policy manual regarding grant request limits for the Farmland Preservation Program that will help address the issue of escalating property values and restoration costs; and

WHEREAS, the proposed revision has been made available for review and comment by individuals and organizations that have expressed an interest in WWRP and farmland preservation; and

WHEREAS, final adoption of this policy revision will be incorporated into Manual 10f: *WWRP: Farmland Preservation Program: Policies and Project Selection*;

NOW, THEREFORE BE IT RESOLVED, that the maximum grant request limit for the Farmland Preservation Program be increased to \$1,000,000; and

BE IT FURTHER RESOLVED, that the Recreation and Conservation Office staff is directed to take the necessary steps for implementation of this revision beginning with the 2008 grant cycle.

Resolution moved by: _____

Resolution seconded by: _____

Adopted/Defeated/Deferred (underline one)

Date: November 1, 2007