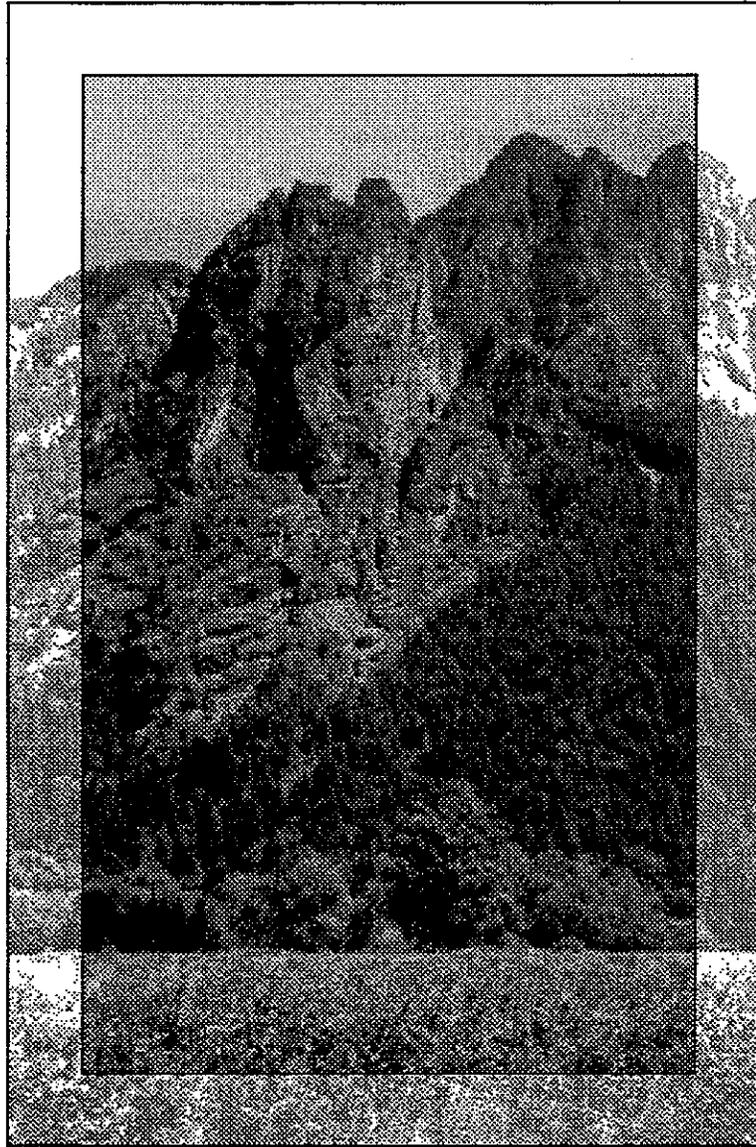
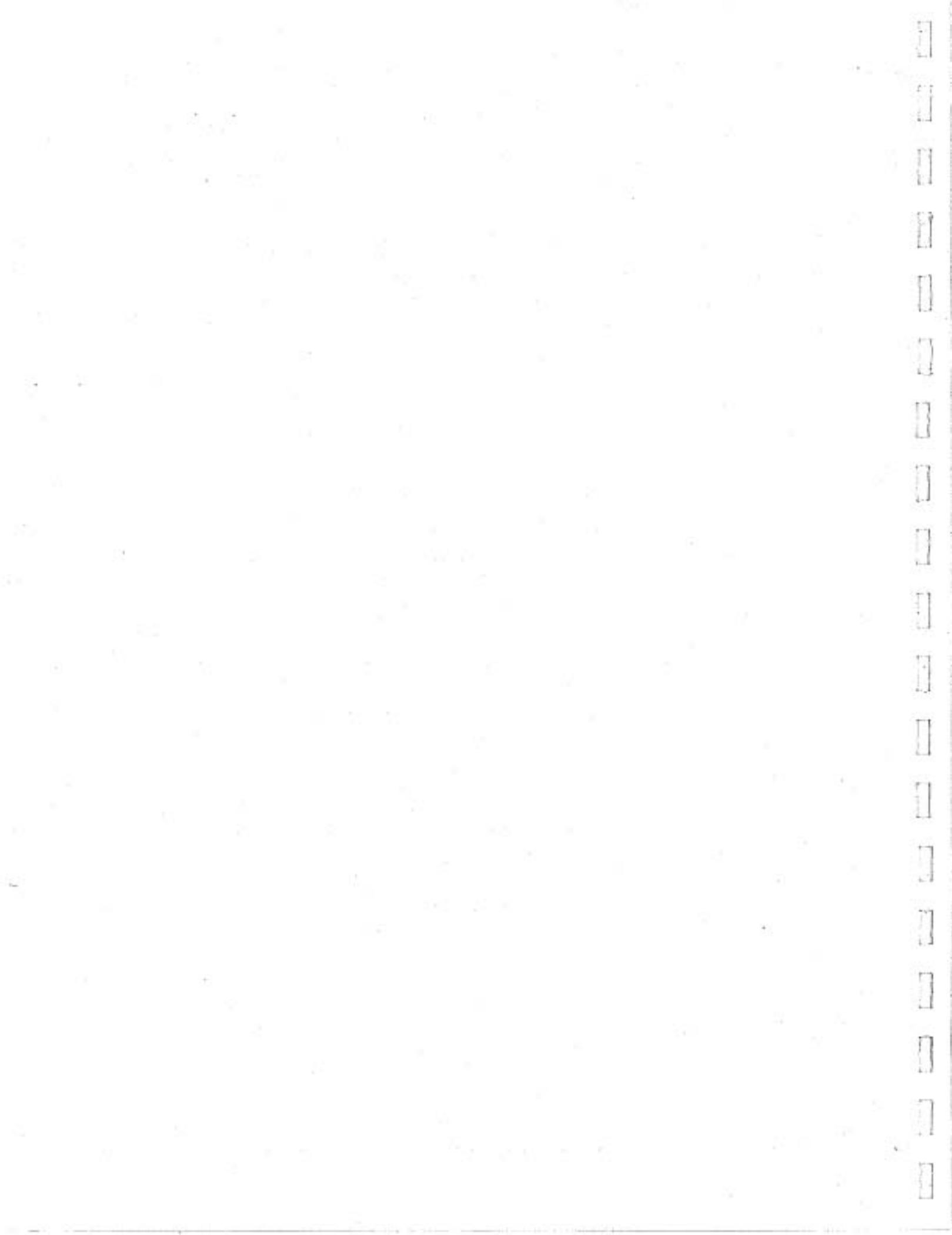


Implementation



Chapter Seven





Chapter 7

Implementation

The consultant team believes that the incentives recommended in this report represent a comprehensive and coherent strategy to preserve the farms and forests of King County. The challenge of successfully implementing these programs will be significant, especially in this period of resource constraints. For this reason, the team is recommending that implementation of these recommendations be phased over a three-year period. Preliminary timelines for implementation are provided at the end of this chapter.

The team believes it will be possible for the County to minimize the financial impact of these recommendations by incorporating many of the work items proposed into the workplans of existing County staff, by changing the nature of existing positions, and by placing a new emphasis on farm and forestry concerns in the way in which the County conducts its routine affairs. Nevertheless, **new funding will be required to implement these programs. The lions share of that funding will be provided from the funds available through the Arts and Natural Resources Initiative, which we have recommended be dedicated to the following purposes:**

Recommended Allocations

The team and the advisory committees recommend that Arts and Natural Resources funding be allocated as follows:

Farm Preservation Strategies:	Total: \$4.4 million
<i>(includes \$1.4 million from the Farmland Preservation Program)</i>	
Acquisition of Development Rights	\$3.0 million
Program Development:	
• Farm Link Program	\$3 million
• Agricultural Research Endowment	\$4 million
• Farmers' Marketing Association Start up	\$4 million
• Revolving loan fund for small farmers	\$3 million
Forestry Preservation Strategies:	Total: \$3.0 million
Acquisition Pilot Program	\$2.5 million
Program Development	\$.5 million

In addition, several County revenue sources deposited into the current expenses fund are generated from resource-based activities or have some other significant nexus to forest lands. These particular revenue sources warrant consideration for allocation to the forest incentive programs. Some share of these revenues could be presented to the County Council for its consideration as support for the incentive programs which it adopts.

1. Private Timber Harvest Tax

See the discussion in Chapter 6 on the timber excise tax for an explanation of this revenue source. Historically, this revenue source produces from approximately \$300,000 to \$500,000. If the County exempts or offsets this tax for landowners who sign a Forestry Commitment Agreement, this revenue would produce from \$260,000 to \$440,000.

2. Re-forestation Tax

The County receives a modest revenue for the timber harvested from re-forested lands in a manner similar to the private harvest tax. In 1991, the County's share of this tax was in the \$10,000 range.

3. State DNR Timber Sales from County Trust Lands

The County receives revenues, net administration costs, from the sale of timber on lands held in trust for the County by the State Department of Natural Resources. For the most part, these lands were acquired by the County earlier in this century as tax foreclosures. Similar to the Timber Excise Tax, the County Trust Land revenue is allocated across all jurisdictions in the County. The County's share is distributed to a number of funds, with the current expense fund receiving somewhat less than half of the total annual allocation. The revenue fluctuates according to the amount of timber harvested and the strength of the market. The current expense fund historically has received between \$75,000 and \$225,000 annually.

4. Bureau of Land Management Revenues

The County receives a modest revenue in lieu of property taxes for land owned by the Bureau of Land Management. The revenue stream is rather constant, with a yearly income of about \$34,000.

5. Back Taxes and Penalties from Properties in the Current Use Program

Lands that benefit from reduced property taxes by enrolling in the Current Use Program are required upon withdrawal to repay the deferred taxes with interest and, under certain circumstances, pay penalties. A property must stay in the Current Use Program for at least a 10-year period and then must comply with a two-year withdrawal process in order to avoid liability for the withdrawal

penalty. All properties that withdraw are required to reimburse the County for the prior seven years of deferred taxes, along with interest. A property withdrawn before the 10-year anniversary or without following the two-year withdrawal process, also is required to pay a penalty of an additional 20 percent of the tax and interest charges.

The reduction in the annual taxes of properties enrolled in the Current Use Program effectively is shifted to the vast majority of the properties in King County that are taxed at their market value, reflecting "highest and best use." The County's total annual regular tax levy does not suffer a reduction. The County's regular tax levy reportedly is substantially below the limit of \$1.80/\$1,000 for all properties within its jurisdiction. Consequently, the share of the levy that is no longer supported by properties enrolled in the program simply is pro-rated across all other properties in the county. Historically, the increase in the taxes attributable to tax reductions for properties in the Current Use Tax Open Space Program is about \$0.50/year for the average valued home in King County. The deferred tax and penalties the County receives vary significantly, typically ranging from several hundred thousand dollars to close to \$700,000 in any given year.

A compelling public policy argument can be made that as these current use lands are converted to other uses, the back taxes, interest, and penalties should be devoted to forestry incentive programs. The funding provided in this manner would help to offset loss of working open space that was provided by lands when they were in the current use taxation program and were effectively subsidized by the taxpayers in exchange for these benefits. There is an appealing symmetry in the use of the revenue from those properties withdrawing from the current use taxation program to assist in the conservation of new parcels.

6. Back Taxes from the Timber Tax

The timber tax, applied to properties in the forest production district or in excess of 20 acres, is similar to the Current Use Tax program in the way it is administered and its impact on the County's overall tax base. Lands that are removed from the timber tax program are assessed 10 years of back taxes, based on the difference between today's market value of the property and the timber value of the property. The revenues from this assessment can vary widely in any one year and have ranged from under \$100,000 to \$1.2 million.

In the aggregate, these sources generate many hundreds of thousands of dollars each year. The team suggests it is entirely appropriate for King County to re-invest a small portion of these funds to protect the resources from which those revenues were derived.

Monitoring and Evaluation

The success of the strategies recommended in this report must be carefully monitored by the County to assure that they are achieving the desired results. Based on the advice of the farm and forest advisory committees and the comments received from citizens, the consultant team has designed a strategy that relies on incentives and existing regulations rather than on additional zoning actions. Should this approach fall short of achieving the objectives of preserving the land base for farming and forestry, the County must consider other action.

Therefore, the team recommends that the status of the farm and forest districts be monitored annually, on a schedule that coincides with the development of amendments to the Comprehensive Plan. Monitoring will include data on the accomplishments of the various programs recommended in this report, including the number of acres acquired, the number of acres operating under Forestry Commitment Agreements, the number of new farmers entering the Farm Link Program and other measures of the strategies' impact. The annual monitoring will also include data on the numbers of acres lost to conversion, and any other negative developments which may warrant the attention of the elected officials. In the event the County determines that the strategies are failing to adequately protect the farm and forest land base, and the practices of farming and forestry, additional measures should be initiated.

The team recommends that annual monitoring begin in 1996, with reports to the agriculture and forestry commissions and to elected officials on the key indicators described above. It will likely take the County five years to assess the effectiveness of this package of incentives. Therefore, it is also recommended that King County continue to monitor the loss of rural farm and forest lands. If, during any two-year period, or at the end of five years, King County is continuing to lose large amounts of resource lands to commercial or residential development, then the County should consider adoption of additional zoning measures.

The decision to take additional regulatory action should be made by the elected officials on the basis of an agreed-upon "trigger" if the incentive strategies fail to slow the rate of conversion of rural farm and forest lands below an agreed-upon level established by the County.

The consultant team, the advisory committees, and the overwhelming majority of citizens who have participated in this effort firmly believe in the concepts that form the basis for this report. We believe that a comprehensive incentive strategy of the kind proposed in this report holds the best promise for preserving the rural farms and forests that are so crucial to the future of our region.

Table 7-1

**Commencement of Development and Implementation of the Strategy
to Preserve Farm Lands and Farming**

STRATEGY	1996	1997	1998
I. BARRIER: HIGH COST OF LAND			
1. Acquire Development Rights			
2. Lease County-Owned Land to Farmers			
3. Develop FarmLink Program			
4. Utilize Clustering, TDR's, Bonus Densities			
5. New Public Funding Initiative			
II. BARRIER: LOW PROFITABILITY OF FARMS			
6. Flexibility in Commercial Uses in APD's			
7. Expand Tax Incentives			
8. Cost Sharing Program for Environmental Regulations			
9. Health Insurance for Farmers			
III. BARRIER: INSUFFICIENT TECHNICAL ASSISTANCE			
10. Cooperative Extension Agents			
11. Technical Assistance Endowment			
12. Mentoring Program			
13. Training for New Farmers			
14. Revolving Loan Fund for Farmers			
15. Farmbudsman Program			
16. Demonstration Farm			
IV. BARRIER: MARKETING & PROMOTION			
17. Independent Farm Market Association			
18. King County Fresh Logo			
19. Farm Report			
20. Collect Information About Co-ops and Associations			
21. Assist in Preserving Sites for Farm Markets			

Table 7-1

STRATEGY	1996	1997	1998
22. Support Community Supported Agriculture			
V. BARRIER: REGULATORY REQUIREMENTS			
23. Regulatory Reform for Farm-related Structures			
24. Temporary Farm Worker Housing			
25. Agriculture Commission Review Regulations			
VI. BARRIER: POPULATION GROWTH & CONFLICT WITH FARMERS			
26. Right to Farm Legislation			
27. Farm Tour Program			

Table 7-2
Commencement of Development and Implementation of the Strategy to
Preserve Forests and Forestry

Strategy	Dept	Commence 1996	Commence 1997	Commence 1998
Strategies To Encourage The Business Of Forestry				
1. Develop Forestry Commitment Agreement (Part of Timber, Fish, Wildlife (TFW) Project)	DNR			
2. Right to forest program 2a) Right to forest law 2b) Signage and notification 2c) Staff education 2d) Public education	DNR			
3. Encourage public respect for forest lands				
4. Guarantee regulatory certainty	DNR			
5. Modify existing regulation	DNR			
6. Establish Friend of the Forest program	DNR			
7. Establish Rural Forest Commission	DNR			
8. Provide Estate Tax Relief	DNR			
9. Maximize the benefits of the CUT program 9a) Reduce tax on properties with conservation commitment 9b) Extend Outreach 9c) Equalize benefits between Open Space and Forest CUT	DNR			
10. Off-set or exempt the timber excise tax				
11. Conduct and compile research				
12. Provide technical training				
13. Establish Rural Forest Resource and Reclamation Trust Fund				
13a) Reclamation of Underproductive Lands				
13b) Emergency Needs, Forest Enhancement and Equipment Acquisitions				
14. Provide access and boundary adjustment support 14a) Access for logging 14b) Boundary adjustment				

Table 7-2

Strategy	Dept	Commence 1996	Commence 1997	Commence 1998
Strategies To Preserve The Forest Land Base in King County's Rural Area				
15. Forest Conservation Incentive Program 15a) Clustered homestead 15b) Transferable development right 15c) Integrated approach 15d) Annual monitoring	DDES			
16. Pilot acquisition program	DNR			
17. Develop acquisition funding sources 17a) Voter Approved 17b) Land Exchanges 17c) Biosolids 17d) Mitigation Banking	?			
18. Pilot program to increase earning potential of critical properties				
19. Create a forest link program	DNR	<i>Part of Farm Program</i>		
20. Target compatible uses for forest lands				
Implementing and Operating Funding Sources:				
NRI		\$500,000		
Current Resource Revenues (see report)		\$570,000 or more		