CONSERVATION FUTURES (CFT) 2013 ANNUAL COLLECTIONS APPLICATION FOR FUNDS

PROJECT NAME: Protecting The Last Remaining Dairies in King County

Applicant Jurisdiction(s): King County

Open Space System: Enumclaw Plateau and the Snoqualmie River Agricultural Production Districts

(Name of larger connected system, if any, such as Cedar River Greenway, Mountains to Sound, a Regional Trail, etc.)

Acquisition Project Size: 1,530 acres and 66 parcels  CFT Application Amount: $500,000

(Size in acres and proposed number of parcel(s) if a multi-parcel proposal)  (Dollar amount of CFT grant requested)

Type of Acquisition(s): ☐ Fee Title  ☒ Conservation Easement  ☒ Other: Development rights

CONTACT INFORMATION

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Address (same for both): 201 South Jackson Street, Suite 600 Seattle WA 98104  Date: March 13, 3013

PROJECT SUMMARY:

This project will preserve King County dairies and the surrounding farmland that supports them. The number of dairy farms in operation in King County has been dramatically shrinking over the last two decades; there are approximately 26 licensed dairy farms in operation in the County in 2012, versus 83 licensed dairies in 1991. We have identified ten dairies that are not already in the Farmland Preservation Program. Two are located in the Snoqualmie Valley APD and eight are located in the Enumclaw APD. Protecting the farmland, along with other efforts, such as the manure digester on the Enumclaw plateau will help ensure the future of dairy farms, a critical component of our local food supply, feeding thousands of residents with locally produced milk, cheese, and yogurt.

Dairies are some of the largest farms in the county, and most have extensive infrastructure to maintain their operations. Many of the dairies also rely on leasing additional pasture land to spread manure and grow feed. This project will remove some or all of the development rights from both dairy-owned and dairy-rented land to keep it from being divided into large residential estates. This multi-year, multi-property, multi-owner project represents a combination of FPP and TDR program efforts to accomplish preservation of farmland.

This means that instead of extinguishing development rights (as has been the case in the past in the FPP program), the development rights will be removed from the property and transferred and sold into cities, most specifically the city of Seattle, for increased urban density via the TDR program. Combining TDR and FPP efforts in this way will allow King County to: (1) increase levels of farmland protection, (2) use TDR funds as match with local CFT funds, (3) recoup and revolve CFT/TDR funds for additional farmland protection into the future, and (4) achieve strategic growth management objectives.

The initial level of funding is what is needed to complete –one or two dairy farm easement/development right acquisitions. The initial set of dairy farms that we would focus on in 2014 and 2015 are: the Keller Farm in the Snoqualmie Valley APD, and the Koopman, DeJong and Suhoversnik dairies in the Enumclaw APD.
1. OPEN SPACE RESOURCES

Please review the attached evaluation criteria. For the proposed acquisition parcel(s), please mark those criteria that apply and thoroughly, yet succinctly, describe in the space below how the proposed acquisition satisfies each marked criteria. Please clearly describe how these criteria might be met at a landscape level, and how they apply to individual parcels. If restoration is part of the plan, please briefly describe the current condition and the hoped for restored condition that is the goal of the acquisition.

☑ A. Wildlife habitat or rare plant reserve
☑ B. Salmon habitat and aquatic resources
☑ C. Scenic resources
☑ D. Community separator
☑ E. Historic/cultural resources
☑ F. Urban passive-use natural area/greenbelt
☑ G. Park/open space or natural corridor addition
☑ H. Passive recreation opportunity/unmet needs

Wildlife habitat or rare plant reserve: Two of the dairies in the Enumclaw APD contain sections of Boise Creek, which is an important tributary to the White River Basin, providing habitat and migration corridors for a wide variety of animals. Wildlife observed within the Enumclaw and Snoqualmie Valley APDs include elk, marsh hawks, osprey, red tailed hawks, bald eagles, heron, coyote, deer, ducks and geese, songbirds, and amphibians. The Snoqualmie Valley farms, as well as those on the Enumclaw plateau consists of pasture, grazed wet meadows, palustrine emergent seasonally flooded wetlands, and narrow riparian zones.

Salmon habitat and aquatic resources: Boise Creek is one of the most productive tributary salmon streams in the White River Basin for chinook, steelhead, and coho. It has been estimated that 25% of the chinook tributary spawning within the White River Basin occurs within Boise Creek based on a decade of spawning surveys by the Washington Department of Fish and Wildlife and Puyallup Tribal Fisheries. Two of the dairies on the northern end of the Enumclaw APD contain tributaries that flow directly into Newaukum Creek, which is also a productive salmonid stream and one the County has been engaged in protecting for dozens of years. The Snoqualmie APD dairies are located along the Snoqualmie River, which contains many salmonids including chinook, coho and steelhead. Over time it is believed riparian habitat can be materially improved in the Boise and Newaukum stream reaches by expanding the riparian buffer; TDR, and now FPP covenants, allow predetermined areas to be restored and therefore, present an excellent mechanism to accomplish aquatic resource protection in the future. Negotiations with the landowners will include discussion of possible aquatic resource improvements.

Scenic Resources: Almost all identified dairy properties located on the Enumclaw plateau protect and provide views of Mount Rainier, the Cascade foothills, Boise Creek, and other adjacent farmlands. The two Snoqualmie Valley properties protect and provide views of the Cascade foothills, Mount Rainier, Mount Baker, Snoqualmie River, and other adjacent farmlands. Scenic rural vistas of all identified properties are enjoyed by the traveling public from the adjoining public roads.

Community Separator: Two of the dairies adjoin the City of Enumclaw’s southern boundary. The King County Agriculture Commission previously rated them as high priority for development rights acquisition as its preservation would permanently protect it and other adjacent farmlands from encroachment by the City. All identified dairies are either within the Enumclaw Plateau Agricultural Production District or Snoqualmie Valley Agricultural Production District, County - designated resource areas of long-term commercial significance. As shown on the attached maps, several of the dairies are adjacent to other County-owned properties and all are in close proximity to other preserved farmlands.

2. ADDITIONAL FACTORS

For the proposed acquisition parcel(s), please mark all criteria that apply and thoroughly, yet succinctly, describe in the space below how the proposed acquisition satisfies each marked criteria.

☐ A. Educational/interpretive opportunity
☑ B. Threat of loss of open space resources
☐ C. Ownership complexity/willing seller(s)/ownership interest proposed
☐ D. Partnerships - Describe any public or private partnerships that will enhance this project
☐ E. Is the property identified in an adopted park, open space, comprehensive, or community plan?
☐ F. Transferable Development Credits (TDC) participation
**Threat of loss of farmland resources:** In 1959, there were approximately 100,000 acres of prime farmland in King County; however, by the late 1970's approximately half of these acres had been permanently converted to other uses. The inception of the Farmland Preservation Program (FPP) in 1979 and the implementation of a variety of County policies and initiatives since then have helped to greatly reduce the loss of farmland. However, by current estimates, the original 100,000 acres of prime farmland that existed in 1959 are now reduced to approximately 41,000 acres. Most of these prime farmlands are within the designated Agricultural Production Districts (APDs) and, although this designation offers some protection, it is frequently challenged and may not be sufficient to provide protection on a permanent basis. Purchasing the development rights allows the County to place covenants on the property which limit it to agriculture and open space uses. It also removes the property's speculative value, thereby helping to ensure that the property will remain affordable and thus available for agriculture or open space uses.

**Ownership complexity/willing seller(s)/ownership interest proposed:** The initial farms for acquisition in 2014/15 are: Keller Farm in the Snoqualmie Valley APD and the Koopman, DeJong and Suhoversnik dairies in the Enumclaw APD.

**Partnerships:** This project will implement and advance the partnership agreement that King County and the City of Seattle are entering into to allow farmland development rights to be transferred and sold into the Downtown and South Lake Union. In total 800 development rights will be permitted into the City to allow greater urban density; significant priority is given to development rights from farmlands in King County because this furthers the City’s and County’s policy goal to protect active farmland that contribute to the local food supply. Local dairies and the milk, cheese, and yogurt they produce are a critical component to the region’s food web.

**FPP/TDR Partnership:** This joint acquisition strategy is a partnership of two County programs, the Farmland Preservation Program (FPP) and the Transfer of Development Rights (TDR) Program. The FPP/TDR coordination will also showcase how levels of restrictions put into farmland conservation easements can remove the threat of development and seek to maintain land in active production. The effort will apply the understanding that in order to achieve full and complete protection of a farm operation, as envisioned by the FPP’s covenants, it may - depending on the current farmland owner - take several transactions over a period of years that add layers of increasing restrictions. This acknowledges that a first step toward full farmland protection is to remove some (but maybe not all) development rights; additional restrictions to maintain farm operations can be applied depending on the current/future landowner's willingness. This could happen early in the process, or it may take many years and involve changing ownership of intended farmland before the County is able to achieve the levels of restriction on a given property that completely reflect the current FPP covenants.

The sale of the development rights by King County into Seattle and other cities, and the subsequent purchase/protection of additional farmland, will be used as the matching value for the CFT award. This funding approach will enhance this project by assisting in the preservation of over 1,500 acres of prime farmland, subsequently freeing up future CFT funds to be used in other valuable acquisitions.

**3. STEWARDSHIP AND MAINTENANCE**

*How will the property be stewarded and maintained? Does the property lend itself to volunteer stewardship opportunities? How will ongoing stewardship and maintenance efforts be funded?*

Although the development rights are formally removed from a property, the remaining property interests are privately owned and FPP staff regularly monitors the properties to ensure that the owners are aware of the restrictive covenants that are on their property and are complying with them. Monitoring activities include site visits and meeting with the property owner as well as routinely driving by properties and checking aerial photographs of preserved properties. Site visits and meetings with property owners are generally done once every three years unless a situation warrants more frequent visits. If a covenant violation is noted, staff inform the owner of the violation and work with them to resolve it. If other means of resolving a violation are unsuccessful, the County has the option of resolving it through litigation.
Funding for staff to monitor FPP properties and perform other program management activities is included as an expense item in the County’s annual budget.

4. PROJECT BUDGET

<table>
<thead>
<tr>
<th>1) TOTAL CFT APPLICATION AMOUNT</th>
<th>CFT: $500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2) TOTAL PEL APPLICATION AMOUNT</td>
<td>PEL: $0</td>
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*Allowable CFT acquisition costs (Ordinance 14714): The disbursement of funds shall be made only for capital project expenditures that include costs of acquiring real property, including interests in real property, and the following costs: the cost of related relocation of eligible occupants, cost of appraisal, cost of appraisal review, costs of title insurance, recording fees, pro rata real estate taxes, recording fees, compensating tax, hazardous waste substances reports, directly related staff costs and related legal and administrative costs, but shall not include the cost of preparing applications for conservation futures funds.

King County projects only, if applicable.

Estimation of property value:
Briefly note how land values have been estimated (i.e., appraisal, property tax assessment, asking price, letter of value or other means).
This estimate of cost is based on a recent appraisal of the value of the development rights on a comparable property in the Enumclaw APD. The appraisal determined the “before” value of the property and the “after” value once the development rights were removed. The value of the development rights was the difference between the “before” and “after” values and provided the basis for the estimate shown below.

<table>
<thead>
<tr>
<th>PROJECT COSTS (per property that vary in size)</th>
<th>ESTIMATED DOLLAR AMOUNT OR RANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total property interest value</td>
<td>$475,000</td>
</tr>
<tr>
<td>Title and appraisal work</td>
<td>$10,000</td>
</tr>
<tr>
<td>Closing, fees, taxes</td>
<td>$5,000</td>
</tr>
<tr>
<td>Relocation</td>
<td>$0</td>
</tr>
<tr>
<td>Hazardous waste reports</td>
<td>$2,000</td>
</tr>
<tr>
<td>Directly related staff, administration and legal costs</td>
<td>$8,000</td>
</tr>
<tr>
<td>Total Project Costs (CFT and other funds)</td>
<td>$500,000</td>
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</tbody>
</table>

MATCHING FUNDS: Existing Sources
(CFT can only provide a maximum of 50% of anticipated project costs)

<table>
<thead>
<tr>
<th>DATE (Expended or Committed)</th>
<th>DOLLAR AMOUNT (Expended or Committed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer and sale of development right credits through King County’s Transfer Development Rights program 03/2013 - TDR program committed</td>
<td>$500,000 anticipated through sale of TDR credits (sales will be ongoing and reinvested into further purchase of development rights of farmland</td>
</tr>
<tr>
<td>Total CFT Funds Previously Received This Project</td>
<td>$0</td>
</tr>
<tr>
<td>Total Matching Funds and Past CFT Funds Currently Identified</td>
<td>$0</td>
</tr>
<tr>
<td>Unidentified Remaining Match Need</td>
<td>$0</td>
</tr>
</tbody>
</table>
Unidentified remaining match need: What funds are anticipated and what is the time frame?
Please briefly discuss how the unidentified remaining match need above will be met.
n/a

5. IN–KIND CONTRIBUTIONS FROM PARTNERSHIPS

<table>
<thead>
<tr>
<th>Brief Activity Description</th>
<th>Dollar Value of In-kind Contribution</th>
<th>Status (Completed or Proposed)</th>
<th>Activity Date Range (Completion Date or Proposed Completion Date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>none</td>
<td></td>
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<tr>
<td>TOTAL</td>
<td>Not applicable</td>
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6. ATTACHED MAPS (Two maps are now required: 1) site map and 2) general location map; you may also include one additional map, aerial photo or site photo) 
8 ½ x 11" maps are preferred, but 11 x 17" is acceptable if folded and hole-punched for insertion into a three-ring binder.

Site Map that shows the following:
- Each parcel proposed for acquisition in yellow or distinct shading and an indication of any parcel proposed for less than fee simple acquisition, such as a conservation easement;
- Location of any proposed development to the site such as parking, trails or other facilities;
- Location of any proposed site restoration;
- Existing adjacent public (local, state or federal) parks or open spaces labeled and shown in dark green or distinct shading.

Location Map that shows the following:
- Other permanently protected open spaces (private, non profit, institutional, etc.) shown in light green or distinct shading;
- Major water courses such as creeks, rivers, lakes or wetlands;
- Major roads, arterial roads or regional trails.
- Map scale: This map should show approximately a ten-mile radius around the proposed acquisition(s).