



King County

K.C. Date Received _____

CONSERVATION FUTURES (CFT) 2017 ANNUAL COLLECTIONS APPLICATION FOR FUNDS

PROJECT NAME: Protecting KC's Last Remaining Dairy Farms (existing project)

Applicant Jurisdiction(s): King County (DNRP)

Open Space System: Enumclaw Plateau 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: 328 acres and 19 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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Date: March 9, 2016

PROJECT SUMMARY:

This 2017 proposal builds on the existing dairy farm protection project initiated and funded by CFT in 2014. This project seeks to transfer development rights and thereby permanently protect five dairies and two unprotected parcels adjoining recently protected dairies. The identified properties total 328 acres and are all located in the Enumclaw Agricultural Production District (APD).

Dairies are of considerable importance to the viability of the agricultural economy, yet 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 currently in operation in the County, versus 83 licensed dairies in 1991.

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 or leased land to keep it from being divided into large residential estates. The effort will ensure that the land and the associated agricultural infrastructure will be available for future farming, whether or not the current dairy operations continue. This multi-year, multi-property, multi-owner project will use CFT funds alongside transfer of development rights (TDR) funds to acquire farmland protection easements and development rights.

Previous CFT-funded TDR easement acquisitions have protected three dairies totaling 422 acres. This project seeks to protect up to seven *additional* property assemblages totaling 328 acres: Prijatel (66 ac), Van Hoof #1b (a 10 ac property adjacent to a prior farmland easement), Van Hoof #2 (106 ac), Van Wieringen (78 acres), Wetzel (36 ac), a property adjacent to the recently protected Reynolds farm (4 ac), and Koopman (28 ac). The total purchase price of easements to protect the identified properties is estimated at approximately \$2.5 million. See attached map for location and acreages of these farms.

1. OPEN SPACE RESOURCES

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

Wildlife habitat or rare plant reserve: Two of the dairies 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 APD include elk, marsh hawks, osprey, red tailed hawks, bald eagles, heron, coyote, deer, ducks and geese, songbirds, and amphibians.

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. Over time it is believed riparian habitat can be materially improved in the Boise Creek corridor by expanding the riparian buffer; TDR covenants allow predetermined areas to be restored allowing for future voluntary habitat restoration to occur. Negotiations with the landowners will include discussion of possible aquatic resource improvements.

Scenic Resources: All identified dairy properties located on the Enumclaw plateau provide views of Mount Rainier, the Cascade foothills, Boise Creek, 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 within the Enumclaw Plateau APD - designated resource areas of long-term commercial significance. As shown on the attached map, several of the dairies are adjacent to other preserved farmlands.

2. ADDITIONAL FACTORS

- 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 has been reduced to approximately 41,000 acres, most of which are within the designated 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 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:

King County staff have engaged these landowners and they are interested in exploring sales of development rights. This application for \$500,000 seeks to add to the existing project to ensure sufficient funding is available to close on 2-3 dairy farm transactions in 2017.

Partnerships: This project will implement and advance the partnership agreement that King County and the City of Seattle have entered 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.

TDR/FPP 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.

TDR bank funds 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, and subsequently free up future CFT funds to be used in other acquisitions. The sale of these development rights into Seattle and other cities, and the subsequent purchase/protection of additional farmland in the future with the sale proceeds will further leverage scarce CFT funding.

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?

Farms protected through this project will remain in private ownership and farmers will steward the land. County staff regularly monitor the properties to ensure that the owners are aware of and complying with the conservation easement on their property. Monitoring activities include site visits, meeting with owners, and regular drive-bys and aerial photo checks. Site visits typically occur every three to five years unless a situation warrants more frequent visits. If a conservation easement violation is noted, staff informs the owner of the violation and work with them to resolve it, with litigation as an option if necessary.

4. PROJECT BUDGET

1) TOTAL CFT APPLICATION AMOUNT ^a	CFT: \$500,000
2) TOTAL PEL APPLICATION AMOUNT ^b	PEL: \$0

^aAllowable 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, closing costs, 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.

^bKing County projects only, if applicable.

Estimation of property value: approximately \$2.5 million

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 recent appraisals and closed transactions of other dairies 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.

PROJECT COSTS	ESTIMATED DOLLAR AMOUNT OR RANGE
Total property interest value (all properties)	\$2,500,000
Title and appraisal work	\$15,000
Closing, fees, taxes	\$15,000
Relocation	\$0
Hazardous waste reports	\$0
Directly related staff, administration and legal costs	\$10,000
Total Project Costs (CFT and other funds)	\$2,540,000

MATCHING FUNDS: Existing Sources (CFT can only provide a maximum of 50% of anticipated project costs)	DATE (Expended or Committed)	DOLLAR AMOUNT (Expended or Committed)
King County’s TDR Bank	12/2016	\$863,000 <i>as match for 2016/17 acquisitions</i>
Total CFT Funds Previously Received This Project	2014 - 2016	\$1,200,000 <i>less \$837,000 on Foster, Suhoversnik and admin/transaction costs balance = \$363,000</i>
Total Matching Funds and Past CFT Funds Currently Identified		\$363,000 <i>past CFT</i> + \$863,000 TDR Bank Match <i>= \$1,226,000 match and CFT available</i>
Unidentified Remaining Match Need		\$0

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.

TDR Bank funds are expected to provide all necessary matching funds.

5. IN-KIND CONTRIBUTIONS FROM PARTNERSHIPS

Brief Activity Description	Dollar Value of In-kind Contribution	Status (Completed or Proposed)	Activity Date Range (Completion Date or Proposed Completion Date)
none			
<i>TOTAL</i>	<i>Not applicable</i>		

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.

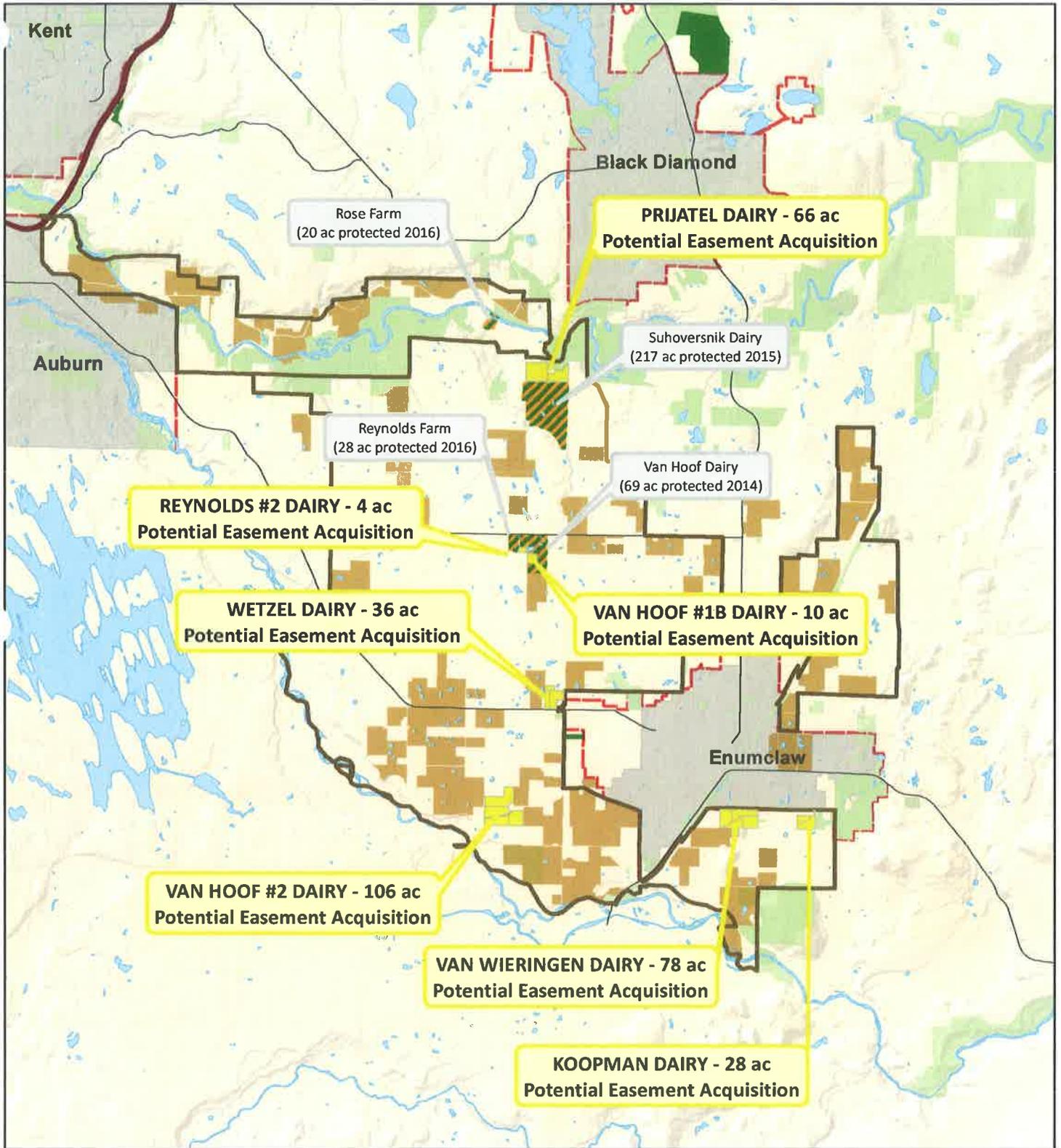
Site Map that shows the following:

- 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).*

Protecting King County's Last Remaining Dairies (CFT Application - March 2016)



LEGEND

- Dairies Pending TDR Easements
- Non-Farm TDR Easements
- TDR Protected Farms
- Urban Growth Area Boundary
- Protected Farmland
- Public Lands
- Incorporated Cities

