

Shared Conservation Strategy Document

Pierce County Strategic Conservation Partnership



December 2016

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Cover photo of the Shelstad Farm by Amelia Skinner. Provided by PCC Farmland Trust.

The members and purpose of the Strategic Conservation Partnership overlap with the former Farmland Conservation Committee (FCC). The original version of this document was prepared by the FCC in October 2015.

From November 2014 to November 2016, the SCP and its predecessor group, the FCC, were funded by The Russell Family Foundation as part of the Puyallup Watershed Initiative’s Agricultural Community of Interest (COI). This document was prepared using funds provided by the Agricultural COI and The Russell Family Foundation.

Introduction

The Strategic Conservation Partnership is a collaborative group formed by the Pierce County Agricultural Program, PCC Farmland Trust, Forterra, and the Pierce Conservation District. Group members voluntarily participate in order to collaborate on projects that accelerate and improve the pace, quality, and durability of resource land conservation activities in Pierce County with a focus on agricultural lands.

The founding principle of the SCP is that, in order to dramatically accelerate the rate of farmland protection, strategic partnerships are needed. SCP members acknowledge that no one organization or agency has the resources or capacity to protect the amount of farmland or form the strategic partnerships necessary for long-term viability of agriculture in Pierce County and the Puyallup Watershed. Therefore, collaboration between SCP members will allow for the greatest use of existing funding sources. When collaborating, SCP members can work together to meet the needs of farmers who are interested in conservation. Collaboration also allows SCP members to maximize funding sources, such as Pierce County Conservation Futures, for agricultural conservation instead of competing with each other for limited resources.

This document includes the following sections:

- The **Acreage Goal** section describes the current farmland acreage in Pierce County and details the SCP's goals, including a ten-year voluntary conservation goal.
- The **Strategies to Achieve Short- and Long-Term Goals** section describes the strategies employed by the SCP, including collaboration and integration; data-based prioritization of farmlands; assigning relationship cultivators; increasing the funding available for conservation; and aggregation.
- The **Funding Options** section describes current funding sources and potential new funding sources.
- The **Stewardship Policies** section summarizes the findings of research on stewardship and includes a set of policies for stewardship of lands or easements purchased with grant monies obtained by the SCP as a group.
- An appendix includes the SCP's **Letter of Understanding** for Agricultural Conservation Projects with Floodplains by Design Grant Funding.

Acreage Goal

There are approximately 50,000 acres of active farmland in Pierce County. These acres support 1,478 farms, 85 percent of which are less than 50 acres. Agricultural products grown on these acres sell for over \$90 million per year. Pressures on the agricultural land base are increasing at the same time that the population of the county, and therefore the number of people who could be fed by locally grown food, is increasing. The goals of the SCP are to conserve and increase the farmland acreage base in Pierce County; to protect farming as an economically viable industry in the County; and to conserve the best of the best farmland.

The SCP's **ten-year voluntary conservation goal is 6,000 acres**. Voluntary conservation includes purchase of agricultural conservation easements or acquisition of the land from willing sellers. This acreage represents the highest priority lands identified as “most suitable for current funding sources” and high priority in a GIS analysis conducted by FLO Analytics for the FCC in 2013. However, it is important to note that, while these lands are suitable for current funding sources, it is not possible to fund voluntary conservation easements for this volume of land with current funding sources alone within a 10-year time frame. Achieving this goal would represent success in leveraging current funding sources as well as success in obtaining additional funding (see the Funding section below).

Over the next ten years, the SCP will revisit the 6,000 acre goal in light of changes in the ARL designation, funding sources, and conditions in the County and revise the goal as needed.

Strategies to Achieve Short- and Long-Term Goals

The purpose of the Strategic Conservation Partnership is to accelerate and improve the pace, quality, and durability of resource land conservation activities in Pierce County, with a focus on agricultural lands. The strategies that we are pursuing to achieve this purpose include: collaboration and integration; data-based prioritization of farmlands; assigning relationship cultivators; increasing the funding available for conservation; and aggregation.

The founding principle of the SCP is that, in order to dramatically accelerate the rate of farmland protection, strategic partnerships are needed. SCP members acknowledge that no one organization or agency has the resources or capacity to protect the amount of farmland or form the strategic partnerships necessary for long-term viability of agriculture in Pierce County and the Puyallup Watershed. Therefore, **collaboration** between SCP members will allow for the greatest use of existing funding sources. When collaborating, SCP members can work together to meet the needs of farmers who are interested in conservation. Collaboration also allows SCP members to maximize funding sources, such as Pierce County Conservation Futures, for agricultural conservation instead of competing with each other for limited resources.

In addition, **integration** with additional stakeholders is necessary to leverage the regulatory landscape, agricultural infrastructure, and the existing relationships in the county. SCP members are currently working with Pierce County Surface Water Management and the Puyallup and Muckelshoot Tribe, among others, as part of the Puyallup Watershed Floodplains for the Future program in order to integrate agricultural interests with flood risk reduction and habitat restoration projects in the watershed. This effort has increased the funding available for farmland conservation and will also explore options to reduce the impacts of levee setback projects on farmland.

In order to best leverage the group's collaboration and integration, we funded a GIS-based **prioritization** of farmlands in Pierce County. Factors included in the prioritization included zoning and comprehensive plan designations; soil types and quality; parcel size; threat of conversion based on proximity to Urban Growth Areas; adjacency to other agricultural lands; and the presence of critical areas. The prioritization led to a list of Tier I and Tier II properties. Tier I properties are those highest priority properties assigned directly to a lead organization for direct relationship cultivation. Tier II properties are high priority properties that receive some form of outreach requiring lesser resources.

In order to achieve its conservation goals, the SCP must establish and build relationships with landowners. We have agreed to assign **relationship cultivators** to individual landowners in order to best use limited resources and lessen duplication of efforts; reduce confusion and frustration within the farming community; and increase the extent of outreach and focus more strategically. The primary purpose of the "relationship cultivator" is to cultivate relationships with owners of the assigned properties to promote participation in conservation easements, acquisition, or estate planning as an ambassador of the SCP.

In addition to assigning relationship cultivators to all Tier I properties, in 2015 we sent letters to all Tier II property owners explaining the work of the SCP, describing the range of conservation tools available to landowners through the SCP partners, and inviting them to contact the SCP if they were interested in conserving their farmland. Over ten landowners reached out to the SCP in response to the letter (an approximately 15% response rate), and relationship cultivators have been assigned to those properties. Those contacts resulted in half a dozen in-person conversations and/or site visits, and one high priority project funded in the 2015 Pierce County Conservation Futures grant round. The SCP plans to continue outreach to property owners under the relationship cultivator model.

In addition to maximizing existing funding sources through collaboration and prioritization, SCP members are working together to **increase funding** available for farmland conservation. SCP members have participated in the broader Puyallup Watershed Floodplains for the Future program development process, and the project proposal submitted to Ecology in September 2014 included a request for \$500,000 for agricultural conservation easements and \$450,000 for a programmatic analysis of integrated viable agricultural farmland within the footprint of a levee setback project. The Puyallup project was ranked second statewide among Floodplains by Design projects and was funded by the State Legislature. The SCP is currently using the \$500,000 to conserve priority farmland properties as well as to test the group's capacity to collaboratively increase the pace of farmland conservation as funding increases. The SCP has developed a Letter of Understanding outlining a collaborative, decision-making process that can be used to prioritize conservation projects using this funding (Appendix A). The Letter of Understanding also includes a set of stewardship policies that SCP members agree to follow for any conservation easements purchased with the grant funding. SCP members participated in development of a proposal for an additional round of Floodplains by Design funding. That proposal includes \$1.5 million in funding for agricultural conservation easements. The proposal was ranked second in the state by the Department of Ecology and will be considered by the State Legislature during the 2017 legislative session.

In addition, SCP members supported the County Transfer of Development Rights (TDR) program. The TDR program has created a mechanism that can be used to fund farmland conservation projects in the future. Two transfer of development rights conservation easements have been completed to date. The first was the result of a partnership between the County and PCC Farmland Trust and the second was the result of a collaboration between the County and Forterra; all three organizations are SCP members.

SCP members are currently exploring opportunities for **aggregation** of smaller agricultural parcels. Aggregating several adjacent properties that are owned separately represents an opportunity to prevent further fragmentation of the agricultural land base and to increase the total amount of conserved agricultural lands. Smaller parcels often get overlooked. Aggregation also makes conservation of these small parcels more suitable for funding sources. Aggregation has the potential to increase the farmland acreage that can be conserved through current funding sources.

Funding Options

Current Sources of Funding

Table 1 summarizes current sources of funding being utilized or sought in the effort to protect Pierce County farmlands.

Table 1. Current Sources of Funding for Farmland Protection

Program	Source	Notes
Farm and Ranchland Protection Program	Federal through Farm Bill	This program has been dramatically cut and is no longer a reliable funding source.
Regional Conservation Partnership Program	NRCS	An application has been submitted for \$9.8 million in funding over 5 years.
Washington Wildlife and Recreation Program – Farmland Preservation	State Legislature (biennium)	
Conservation Futures	Pierce County	Three farmland projects funded in 2015 for a total of \$970,000.
Floodplains by Design	Ecology	Funding for agricultural conservation easements can be included as part of a reach-scale or watershed-scale vision. The SCP has been successful in securing \$500,000 of funding for agricultural easements through the Floodplains by Design grant program in the 2015 State Capital Budget and has requested \$1.5 million in the 2017 State Capital Budget.
Local Transfer of Development Rights	Pierce County	Pierce County has a Transfer of Development Rights program set up that funds farmland conservation. The program currently has 81 TDR credits for sale on its market exchange. The City of Tacoma also has a TDR program. The SCP is working to expand receiving sites with additional municipalities.

Potential New Funding Sources

Table 2 summarizes potential new funding sources identified by SCP members.

Table 2. Potential New Funding Sources

Source	Notes
Private foundations	
Regional Transfer of Development Rights	Currently there is a regional TDR program for the development occurring in the South Lake Union area. While this effort will result in the likely protection of approximately 27,000 acres and Pierce County agricultural lands qualify under the program, bonuses are granted for transactions taking place in King County. Therefore, it safe to assume that King County had sufficient credits represented in its forest and agricultural areas to fill the need in South Lake Union. The program is set up to use King County credits first, but the majority of King County credits have been purchased and those that remain are more expensive. PSRC gave the four counties money to develop this program and they are

	providing momentum.
Bond	It is possible for Pierce County to put forward a bond for voter approval that could be funded by a property tax levy. A similar effort was made in King County. The county raised \$53 million in 1980s and purchased 12,600 acres of easements. King County continues to purchase easements on properties currently holding 13,200 acres of farmland easements.
One Percent Real Estate Excise Tax	All counties have the authority to utilize this taxing mechanism and while several counties have tried to get voter approval, only San Juan County has been successful. Agricultural lands are included in San Juan County's program, known as the Land Bank Tax. Over 20 years this tax has generated \$48 million dollars for San Juan County – approximately \$2 million annually.

Conclusions

The availability of funding is the biggest barrier to achieving the farmland conservation needed to protect Pierce County's agricultural land base. SCP members could move quickly to conserve significant amounts of farmland if more funding were available.

While funding programs listed in Table 1, such as Conservation Futures and the Regional Conservation Partnership Program, have funded many valuable farmland conservation projects in Pierce County, the funding they provide is not sufficient to meet the SCP's ten-year voluntary conservation goal of 6,000 acres. Funding for these programs is split across multiple conservation objectives, so farmland needs to compete with other interests. Recently, the funding levels of these programs have declined.

Nontraditional funding programs like Floodplains by Design have been more promising for farmland conservation in recent years. These funding sources require significant staff time to collaborate with other interests to integrate agricultural preservation with other interests such as habitat restoration and flood risk reduction.

Stewardship Policies

SCP members are committed to stewardship of conserved agricultural properties, which includes both monitoring and legal defense of conserved properties.

In fall of 2014, the Farmland Conservation Committee (FCC), a precursor group to the SCP, conducted research on farmland conservation easement stewardship with support from The Nature Conservancy's Floodplains by Design initiative. Key findings of the research included:

- Stewardship funding should include the funds needed to cover the costs of annual monitoring as well as legal defense of the easement in perpetuity.
- Conservation programs often focus on acquiring acquisition dollars but fail to adequately prepare for the long-term program costs.
- Annual monitoring costs vary by property and easement.
- Land trusts typically ask the landowner to make a voluntary contribution to start a stewardship endowment for the property. That can often be difficult for working landowners to provide.

All SCP members monitor their conserved properties annually. PCC Farmland Trust and Forterra set up restricted funds or endowments for each property to cover stewardship. PCC Farmland Trust is also part of an easement defense insurance program called Terra Firma which covers the legal costs of defending easements. The Pierce County Agriculture Program funds annual monitoring out of staff time. As the County program grows and includes more conserved properties, additional funding will be required for annual monitoring. Legal defense of County-held easements is provided by the County enforcement attorney.

SCP members have agreed to the following stewardship policies for lands or easements purchased with grant monies obtained by the SCP as a group:

1. Grant monies will be used to establish sustainable funding sources for legal defense and monitoring where feasible in addition to being used to purchase such lands or easements.
2. A portion of the grant monies will be provided to the land or easement holders to establish legal defense and monitoring funds where feasible.
3. The land or easement holder may choose to contract with other Strategic Conservation Partnership members or outside entities to provide monitoring where appropriate.
4. The land or easement holder will annually monitor lands or easements purchased with grant monies.
5. Land or easement holders will prepare an annual monitoring report for each property and keep a record of the report subject to Washington state public record retention laws where applicable.

The SCP has determined that there is not sufficient funding available in the current round of Floodplains by Design funding to establish sustainable funding sources for stewardship without reducing the overall number of conservation projects that can be accomplished. However, SCP members will ensure that stewardship needs will be met for this projects using match funding, private philanthropy, and staff time

resources. Long term, SCP members are pursuing opportunities for funding of stewardship, potentially including the TDR program, future Floodplains by Design grants, or other sources.

Appendices

Appendix A: Letter of Understanding – Agricultural Conservation Projects with Floodplains by Design
Grant Funding

LETTER OF UNDERSTANDING:

Strategic Conservation Partnership Members - Pierce County, PCC Farmland Trust, Forterra, and the Pierce Conservation District

Decision-Making for Agricultural Conservation Projects with Floodplains by Design Grant Funding

This Letter of Understanding (Letter) is focused on decision-making, prioritization of agricultural conservation easement and acquisition projects, and stewardship of agricultural lands and conservation easements purchased with Floodplains by Design grant monies (“grant monies”).

Purpose of the Letter: Floodplains by Design Grant Funding for Agricultural Conservation Projects

This Letter is jointly signed by Pierce County, PCC Farmland Trust, Forterra, and the Pierce Conservation District (collectively, the “Signatories”), four organizations that collaborate on conservation projects as part of the Strategic Conservation Partnership. All four organizations are stakeholders in the Floodplains for the Future Puyallup, White and Carbon Rivers project, which is funded by a Floodplains by Design grant from the Washington State Department of Ecology. The Floodplains for the Future project is a multi-benefit floodplain project designed to: reconnect floodplain areas to the river throughout the watershed; develop a monitoring network; assess the potential to integrate agriculture with levee setback projects (referred to as the Farming in the Floodplain Project); and purchase agricultural lands and conservation easements from landowners desiring to participate in the project.

While not the fiscal agent for the Floodplains for the Future project, the Signatories are the joint leads for the agricultural conservation component of the project. This Letter describes how the Signatories will decide which agricultural conservation projects will receive grant monies.

Decision-Making

1. Each organization that has signed this letter will assign a representative to participate in decision-making.
2. The representatives will meet in person to discuss proposed conservation projects, using the criteria described below.
3. The representatives will decide which projects should be funded. Decisions will be made by consensus.

Criteria:

All agricultural conservation projects receiving grant monies must be located primarily or entirely within the Puyallup Watershed. Projects will be prioritized according to the benefit they would provide to a viable agricultural industry in the Puyallup Watershed and Pierce County as a whole, using existing GIS-based prioritization. The existing prioritization identifies the farmland with the highest value to the viability of the agricultural industry and also reflects criteria relating to the ecological benefits of the property. The decision-making committee will also consider the ability of the projects to provide multiple benefits (such as ecosystem recovery and flood risk reduction).

Land and Easement Holding:

The Signatories are qualified to hold conservation easements or agricultural lands purchased with grant monies. Each agricultural property or conservation easement purchased with grant monies will be held by one of these four organizations, and it is anticipated that up to three different organizations will hold easements. Which organization will hold each particular agricultural property or easement will be determined on a property-by-property basis based on best fit and will be agreed upon by the decision-making representatives through the decision-making process described above.

Stewardship Policies:

The Signatories are committed to providing stewardship (both monitoring and legal defense) of all agricultural lands or conservation easements purchased with Floodplains by Design grant funds. Holders of lands or easements purchased with grant monies agree to the following stewardship policies:

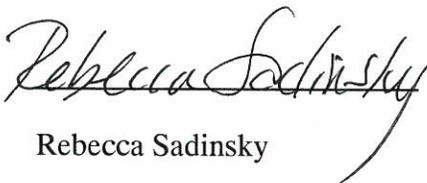
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3. The land or easement holder may choose to contract with other Strategic Conservation Partnership members or outside entities to provide monitoring where appropriate.
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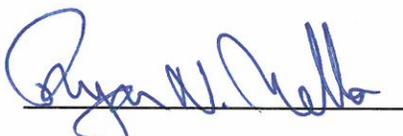
5. Land or easement holders will prepare an annual monitoring report for each property and keep a record of the report subject to Washington state public record retention laws where applicable.

Signed by:

Signature: 
Name: Dennis Hansberg
Title: Director, Planning and Land Services
Representing: Pierce County
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A.D.

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FORTERRA

