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Letter from SAEDAT Co-Chairs

February 7, 2007

County Executive Aaron Reardon
Snohomish County
3000 Rockefeller Avenue
Everett, WA 98201

Dear County Executive Reardon,

As Co-Chairs of the Snohomish County Agricultural Economic Development Action Team, SAEDAT, we would like to thank you for the opportunity to recommend specific and important strategies to enhance and revitalize our local agriculture economic sector.

When you first asked us to serve, we whole heartedly accepted, recognizing that our agricultural heritage was being lost and with it, the ability of our farmers to profitably operate, and equally important, feed our local communities.

The SAEDAT committee convened for 15 months. The 50+ members came from a diverse cross section of farmers, feed, seed and fertilizer dealers, agricultural bankers, local and state officials and WSU extension staff. This group was divided into three subcommittees: Land Base, Marketing and Innovation, and Infrastructure and Finance. The committees met monthly and reported back to the entire committee every two months.

The SAEDAT committees have taken the important ideas generated by the Agricultural Economic Action Plan from the first Focus on Farming Conference and developed them into a workable blueprint for success.

We believe the SAEDAT committees have captured, crystallized and developed several key strategies that will reestablish, reinvigorate and enhance farms and the farmers that live on the land now and into the next century.

All of the strategies brought forth from the SAEDAT committee have provided vision and direction for agriculture. The strategies will need leadership to implement them. We recognize that preserving and enhancing agriculture is a difficult task given the diversity and breadth of Snohomish County's agricultural community. Nonetheless, these strategies are workable and doable and their importance is undeniable for the future of our local farming communities.

On behalf of the SAEDAT committee members, we respectively submit our final report *to revitalize and enhance Snohomish County Agriculture for the next 100 years.*

Sincerely,

Cliff Bailey, Co-Chair
Bailand Farms
Retired Dairy Farmer
Snohomish, Washington

Tristan Klesick, Co-Chair
Klesick Family Farm
Tired Farmer
Stanwood, Washington

Introduction

In November of 2004, Snohomish County Executive Aaron Reardon convened the first Focus on Farming Conference at the Evergreen State Fairgrounds. The purpose was to hear directly from the farmers about the opportunities and obstacles for Snohomish County agriculture. Over 350 people attended the conference and a wealth of information was gathered from the agriculture community.

When the comments from the conference were sorted and analyzed, it was apparent they fit into four distinct categories: 1) Regulatory Reform, 2) Economic Development, 3) Outreach and Education, and 4) Cultural Heritage. With this information, a team of 11 farmers worked with County Executive Aaron Reardon to create the Snohomish County Agriculture Action Plan. It was released on March 17, 2005.

At Executive Reardon's direction, the Snohomish County Agricultural Economic Development Action Team (SAEDAT) was formed. With a range of agricultural disciplines between them, the team was to review the Action Plan and recommend feasible implementation strategies for economic development.

SAEDAT involved more than 50 individuals under the leadership of Co-Chairs Cliff Bailey and Tristan Klesick. The work was distributed among three committees in October 2005: Infrastructure, chaired by Don Bailey; Land Base, chaired by Carolyn Henri; and Marketing and Innovation, chaired by Carol Krause. Committees met at least once per month, with some committees meeting more often. SAEDAT members participated in at least one committee each.

A leadership team met monthly to review each committee's efforts and plan the bi-monthly SAEDAT meetings. The leadership team members were Co-Chairs Bailey and Klesick, the three committee chairs, as well as John Roney, Snohomish County Agriculture Coordinator; Curt Moulton, WSU Extension County Director; and Kay Haaland, a WSU Extension faculty member based in Mount Vernon. Haaland served as lead facilitator and developed the processes used for issue analysis, deliberation and decision-making. All committee strategies were agreed on by consensus prior to being presented at the SAEDAT meetings. All the strategies recommended in this report were agreed upon by consensus of the SAEDAT members.

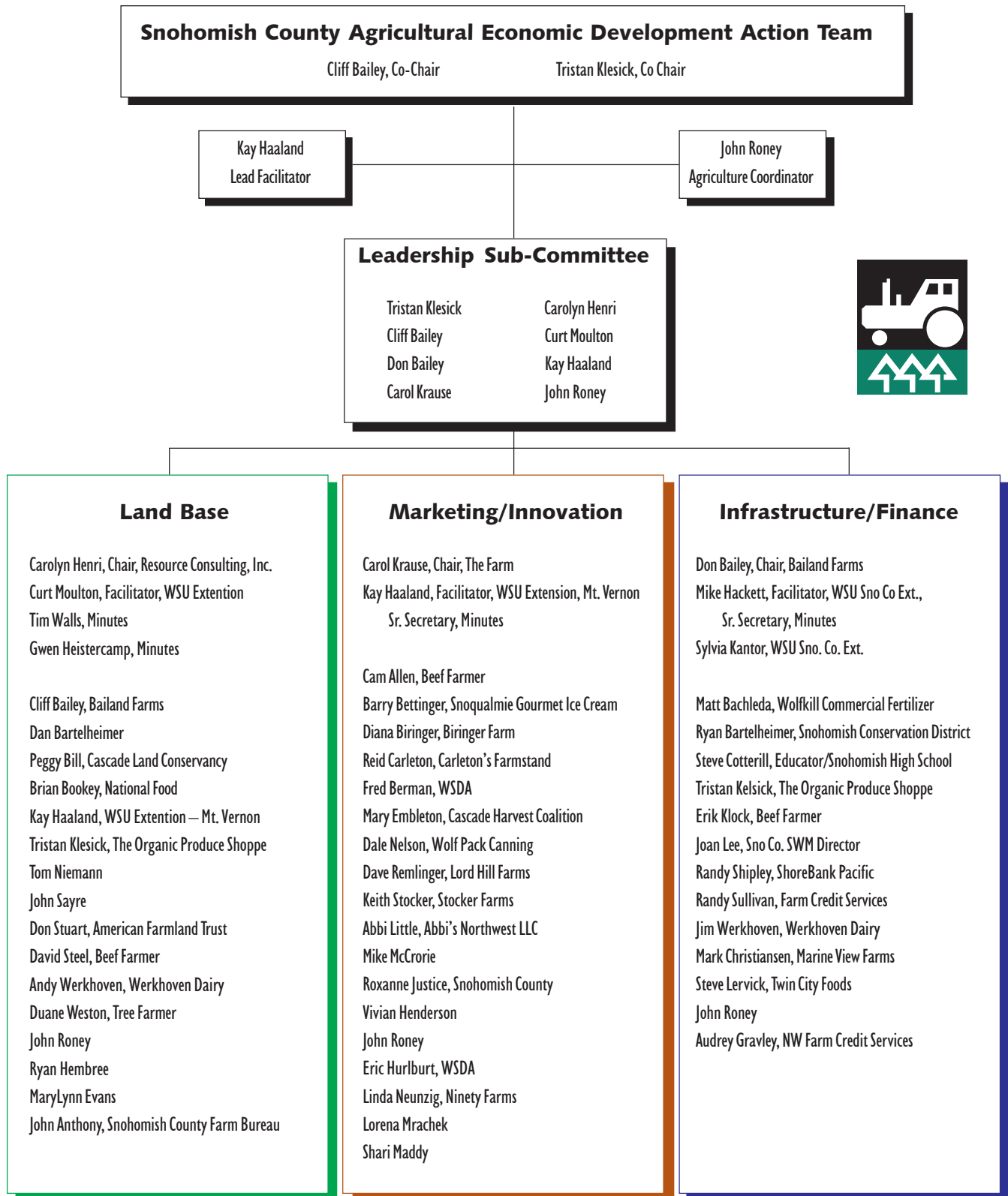
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This process was a huge commitment on the part of the agriculture community members who participated in it. They have reported that they learned a great deal about restoring agriculture's viability and sustainability as a business sector of the Snohomish County economy. They believe these strategies, as they are implemented, will give our farmers more options for profit and productivity, and minimize some of the risks they face.

As the strategies are implemented, the Snohomish County Agricultural Advisory Board will review them and provide recommendations as needed. It has been anticipated that because of projected costs, not all strategies will be implemented at once, and some will be developed over a period of several years.

These strategies clearly show that there is much that can be done to revitalize agriculture in Snohomish County. The responsibility for implementing these strategies lies in many hands, including farmers, business, and policy makers at all three levels of government.

SAEDAT Committee



"Revitalizing Agriculture and Securing Our Local Food Supply for the Next 100 Years"

Land Base Committee Summary

Strategy Number	Issue Addressed	Strategy/Recommendation	Anticipated Results	Why It's Important	Timeline	Cost
LB-1A	Funding Snohomish County Agricultural Lands Protection Programs	Establish a dedicated fund to implement and support agricultural land preservation activities in Snohomish County. Activities could include development of PDR/TDR programs, matching funds for state and federal land protection funding programs, and development of additional ag preservation programs. Capitalization of the fund should come from bonds/levies, mitigation fees, redirection of SWM fees, use of Current Use Taxation penalties and interest payments, and use of Conservation Futures Funds. Professional polling of SC citizens should be used to gauge support for different funding mechanisms.	Will enable the county to implement a comprehensive agricultural lands protection program, using direct and leveraged funds from non-county sources.	Without protection, the agricultural land base will continue to erode. Without adequate farmlands, long term viable agriculture will not be possible in Snohomish County.	To occur during Phase III of Ag Sustainability Project; accomplish preliminary work in 2007; establish the program in 2008	\$35,000 '07-'09 budget to fund a citizen survey; fund capitalization not specified
LB-1B	Transfer of Development Rights (TDR)	Based on the ag land mapping and assessment program, establish target acreage of economically viable ag land to be preserved through TDR. Develop incentives for both farmland owners and developers; create flexibility for use with other land protection strategies such as PDRs; tie future development in urban receiving areas to TDR transactions; employ TDR as one tool among several for preservation of identified ag lands.	Permanently prevent non-farm development of up to 60,000 acres of farmlands, concentrate residential development adjacent to services, provide a source of farm income, and make farmland affordable.	TDRs provide a source of income to be re-invested in farming and discourage the isolation of ag lands into non-contiguous and economically unviable enclaves by non-farm development. A successful TDR program will fully compensate farmland owners for foregoing non-farm development options.	2.5 years to establish program, 10 additional years to achieve acreage targets.	\$50,000 '07-'09 budget, \$25,000 annually over next 10 years. Add'l: cost of TDR's (impact on housing costs)
LB-1C	Purchase of Development Rights (PDR)	Expand Snohomish County's PDR program and apply it strategically to protect most critically threatened agricultural land; Create tax incentives for landowners to opt into PDR and TDR programs; Allow use of PDR strategies in conjunction with the County's other ag preservation incentive programs, when possible, and allow opportunities to expand the amount of acreage protected under the program; consider banking of development rights retired under the PDR program for sale at a later date to avoid competition with TDR program.	Permanently protect of up to 60,000 acres of the County's ag land base, concentrate residential development adjacent to services, provide a source of farm income, and make farmland affordable.	Provides revenue to be invested in farming and discourages adjacent non-farm development. A successful PDR program will fully compensate farmland owners for foregoing non-farm development options.	2.5 years to establish program, 10 additional years to achieve acreage targets.	\$120,000 to expand program '07-'09 budget \$30 million per year every year for 10 years thereafter

Land Base Committee Summary

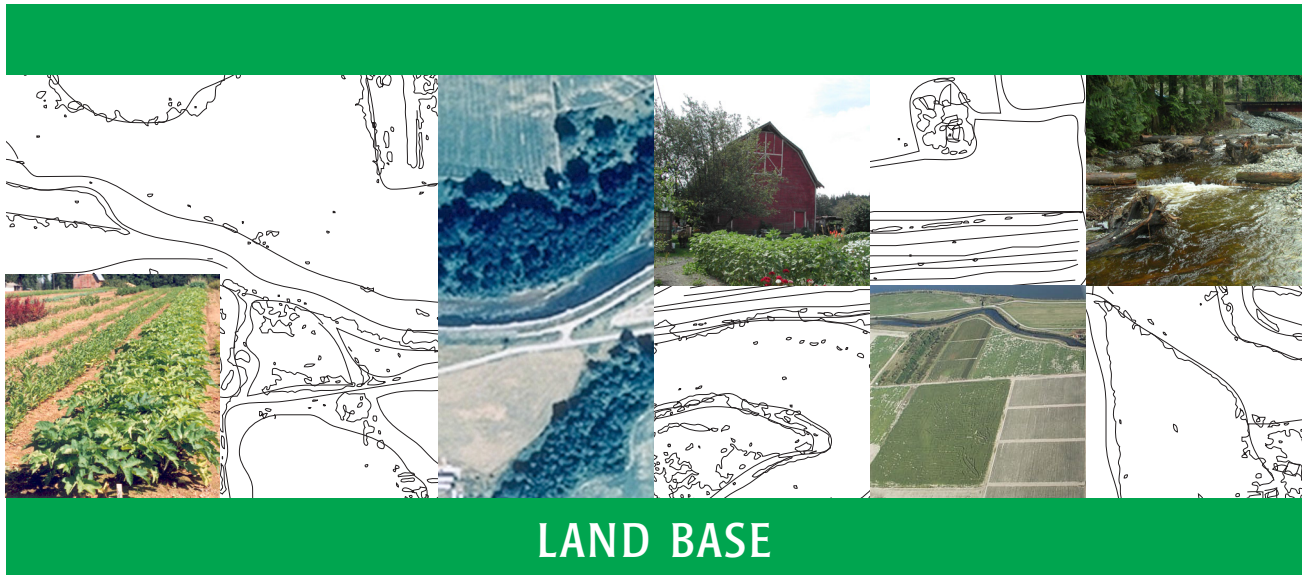
Strategy Number	Issue Addressed	Strategy/Recommendation	Anticipated Results	Why It's Important	Timeline	Cost
LB-2	Adoption of Snohomish County's Critical Areas Ordinance	Recommendation that the County Executive support adoption of Chapter 30.62A Part 600, Ag. Activities as approved by the Ag Advisory Board in Dec., 2005	A stable and reasonable regulatory environment focused on agricultural activities rather than critical areas. Eliminates redundancies.	A stable environment allows for long-range business decisions and fosters investment by farmers.	Adoption by County Council in first quarter of 2007	Cost expended by County agencies prior to 2007
LB-3	Critical Areas Ordinance: Outreach and Education	Develop series of outreach and education programs and materials centered on new CAO. Programs: Workshops and meetings on CAO and BMPs for farmers and county employees. Materials: Brochures and mailers. An agricultural ombudsman hired by PDS would provide tech support to farmers and training for county employees.	Increased knowledge and understanding of CAR and BMP by farming community, resulting in easier implementation by farmers. Increased knowledge of farm community needs by government employees.	Will clarify CAO regulations and improve implementation by farm community. Will also increase farmer understanding of how BMPs are implemented on the ground.	Entire project: mid 2007	\$140,000 '07-'09 budget (\$70,000 per year depending upon Ag Ombudsman hired as part or full-time, plus an add'l \$70,000 for a subsequent year)
LB-4	Habitat Restoration	Revise the County's habitat restoration rules to ensure that restoration does not have a negative impact on use or productivity of adjacent ag land; create oversight of restoration projects in keeping with county's farmland protection goals; prioritize habitat restoration projects based on benefits to agriculture; require mitigation for ag lands lost; and limit amount of habitat restoration on lands protected by TDR/PDR programs.	Reduction in net amount of lands removed from ag production; ensure that restoration projects do not adversely impact adjacent ag lands and drainage systems.	These measures will preserve the quality and quantity of the ag land base, which is fundamental to future economic development of agriculture in the county.	2 Years First year draft and implement new code; second year establish restoration oversight process Exec. to develop implementation strategy by mid 2008	\$200,000 '07-'09 budget for expanded program/feasibility study (\$100,000 per year)
LB-5	Farm Re-investment Incentive	Create incentives for re-investment in farming enterprises by simplification of the permit/regulatory processes related to investment and creation of investment tax incentives. Tax incentives would include elimination of sales tax on ag equipment and creation of tax credits or rebates on personal property tax and sales tax for non-equipment farm capital investments.	Preservation of farms by providing incentives for capital reinvestments that promote economic viability.	Without reinvestment, existing farm businesses will eventually close or engage in alternate non-farm uses for their ag lands.	'07 Ag Board to work with PDS on permit efficiencies and Treasurer/Assessor on tax incentives to be in place by end of 2008	\$50,000 '07-'09 budget to establish program; future costs depend on program direction and are TBD

Marketing Committee Summary

Strategy Number	Issue Addressed	Strategy/Recommendation	Anticipated Results	Why It's Important	Timeline	Cost
M-1	Establish an Agricultural Support Organization	Establish a not-for-profit organization to advocate on behalf of agriculture and to provide resources to farmers.	Providing a permanent conduit through which the ag community can proactively address issues and develop new resources will enhance the visibility and economic viability of ag.	An advocacy organization will strengthen ag by providing a unified voice for farming and focusing coordinated resources on the resolution of issues facing the ag community.	Feasibility completed by 9/07; organization operational by 6/08	\$120,000 '07-'09 budget (\$180,000 over 3 years to support development of organization) Add'l funding to come from grants and membership
M-2	Expanding Markets, Health and Wellness	Improve the economic viability of farming by expanding markets for county ag products, expanding the public visibility of ag and promoting agri-tourism. Includes a year-round farmers market, County Wellness Program, and other promotional activities.	Increased sales opportunities for farmers and an elevated public awareness of farming's contribution to the local economy.	Diverse direct local marketing and increased exports are essential to enhancing ag's economic viability.	Two years	\$100,000 per year investment in promotion of local ag products
M-3	Signage	Implement a road-side signage program that educates the public about farming activities and also directs them to opportunities to purchase ag produce and participate in agri-tourism activities.	Increased public awareness of ag's role in the economy, increased direct purchases of local ag commodities, and increased farm profitability.	Heightened public visibility for ag will promote support for ag preservation and increase farm revenues through agri-tourism.	Implementation by Dec., 2007	\$75,000

Infrastructure Committee Summary

Strategy Number	Issue Addressed	Strategy/Recommendation	Anticipated Results	Why It's Important	Timeline	Cost
I-1	Agricultural Financial Resources	Provide financial assistance to farmers to assist with business planning, financing alternatives, marketing and financial management.	Members of the ag community will be educated about new financial resources and about training opportunities in areas of business practice improvement.	Access to new resources of funding and business training will result in a more stable and profitable agricultural community, promoting ag preservation.	2007-2008 County to facilitate five sessions	\$30,000 '07-'09 budget (\$15,000 per year)
I-2	Agricultural Processing Facilities	Conduct an in-depth study to determine a strategy for developing and installing ag commodity processing facilities in Snohomish County.	Stimulate the energy and interest of producers and investors in establishing facilities for processing ag commodities in Snohomish County.	Conducting the study will strengthen confidence in the economic viability of farming in Snohomish County.	2007-2008	\$100,000 '07-'09 budget
I-3	Agriculture Sustainability	Create an ag business plan based on a unified vision of how the ag community and the general public want local agriculture to evolve over the next 100 years.	The ag business plan will provide a vehicle for implementation of the County's Agriculture Action Plan.	The shared vision of an ag business plan provides the predictability essential the long-term sustainability of agriculture.	2007-2008	\$400,000 '07-'09 budget
I-4	Floods and Drainage on Ag Lands	Implement an overall flood control and drainage plan between districts and the County Surface Water Management Division and provide funding to those districts adequate to their needs.	A master plan for flood control coordinated among all parties, including funding adequate for the districts to fulfill their obligations, will protect farmlands from excessive runoff.	Expansion and coordination of mutual resources will provide increased capacity for managing surface runoff that will provide more predictability and stability for agriculture.	Dec., 2007 County to negotiate and complete Inter-local agreements between SWM and dikeing, drainage and flood control districts throughout county	\$2 million '07-'09 budget (\$1 million per year for Inter-local program) \$30,000 for negotiation of program set-up Future costs TBD - program to be re-evaluated annually



Land Base Strategy 1A

FUNDING SNOHOMISH COUNTY'S AGRICULTURAL LANDS PROTECTION PROGRAM

The Issue

The conservation of Snohomish County's agricultural land base is key to promoting the long term viability of an agricultural economy, benefiting not only the agricultural community but all citizens in the region. To accomplish that goal, Snohomish County currently operates several pilot programs funded primarily by a variety of County and Federal programs. This patchwork of unrelated and impermanent funding sources makes it difficult to engage in the kind of long range, strategic planning that is one of the bases for viable ag land preservation. A sustained, stable and predictable funding base would allow Snohomish County to engage in strategic planning.

The Strategy

This strategy seeks to identify potential funding sources to establish a permanent, dedicated Agricultural Conservation Program. The program would be funded through the creation of a fund solely used for ag land protection. The intent of creating this special, separate fund is to ensure that the program would be sustainable over time. The program could provide resources for preserving agricultural lands through purchase of development rights, leveraging state and federal funding, and development of additional ag land conservation and preservation programs.

To develop a stable funding base, Snohomish County should determine the feasibility of a variety of options including:

- Running a ballot measure at the County and/or State level to create a bond or levy dedicated exclusively to agricultural lands preservation;
- Establishing an Agricultural Mitigation Fee (similar to an impact fee) to be invoked when an owner converts agricultural land to non-farm use;
- When penalties and interest are assessed against owners for removing lands from tax shelters based on agricultural uses, those revenues should be dedicated to the ag lands preservation fund rather than going to the County's general fund;
- Redirect a portion of County Surface Water Management fees, as appropriate, toward agricultural lands;
- Graduating Snohomish County to assessing the full allowable .0626% Conservation Futures Tax and dedicate a portion of the Conservation Futures Fund to ag land preservation; and
- Such other funding sources as may be feasible;
- Executive Reardon and staff should lobby Olympia and Washington DC for State and Federal funding of ag land protection programs.

Challenges and Solutions

It will be essential to base a strategy using these kinds of sources on polling and focus groups throughout the County to determine the most politically viable options. It will also require substantial public education and close work with elected officials at all levels to establish that any tax increases are ultimately an investment in ourselves. Staff from the Snohomish County Department of Planning and Development Services should be the lead in undertaking this strategy with assistance from stakeholders like the Farm Bureau, the Snohomish County Conservation District, Cascade Land Conservancy, the Realtors and American Farmland Trust.

Time Frame and Costs

The estimate for conducting polling and producing feasibility studies is estimated at \$35,000; the dedicated fund could or should be capitalized at \$200 million.

The implementation timeline anticipates conducting the preliminary work in 2007 and establishing the funded program in 2008 as part of Phase III of the Agriculture Sustainability Project.

Land Base Strategy 1B

TRANSFER OF DEVELOPMENT RIGHTS

The Issue

Preservation of Snohomish County's farmlands will require a multi-faceted strategy, including a permanent Transfer of Development Rights (TDR) program. A TDR program will reward farmers who forego non-farm development, providing capital for investment in new equipment or additional lands. Also, it will encourage consolidation of farmlands into economically viable holdings and discourage adjacent non-farm uses. Additional contributions include preservation of more open space and focusing new development in areas where services can be provided more economically.

The Strategy

This strategy would establish a TDR program employing market forces instead of governmental intervention to conserve farmlands. Among the key elements comprising this strategy are:

- Define an Agricultural Reserve Area (ARA) based on mapping of the County's agricultural land to be used as a TDR Sending Area (SA);
- Downzone all ARA parcels to a 25-acre minimum, allowing landowners to use current 10-acre zoning to calculate credits to be transferred to a Receiving Area. SAEDAT believes that to achieve the goal of secure, ample and contiguous ag lands, this down-zoning measure is necessary. The County Executive should explore options for achieving this downzone in an equitable manner that includes fair compensation to landowners;
- All upzones in Receiving Areas (RA) would be tied to a TDR transaction. This would be a blanket requirement for all upzones in these areas;
- Provide incentives for farmers by eliminating property taxes on lands and improvements on lands enrolled in the TDR program;
- Provide developer incentives by offering bonuses for TDR transactions in RAs;
- Combine TDRs with Purchase of Development Rights (PDRs) to further decrease density on protected lands;
- Establish a permanent County position to monitor farmland preservation programs, including TDR, and to advocate for farmers wishing to protect their lands;
- Encourage development of social service programs, such as affordable and/or senior housing, within RAs by allowing exemptions from their density requirements;
- Expand the agricultural land base by enabling agricultural lands, and those suitable for agriculture, outside of the ARA to opt into the program;
- County should not participate as a buyer/seller in the TDR program, acting only as program administrator and regulator.

Challenges and Solutions

Challenges to implementing a TDR program include farmers choosing to exercise their existing rights for non-farm development, urban landowners' existing right to develop to urban densities without an incentive or requirement to use TDRs, and uncertainty that the political will exists among elected officials to implement a strong, market-based TDR program. Lessons learned from the Arlington pilot project should be applied to establishing a permanent TDR program.

Time Frame and Costs

The time frame for establishing a TDR program is 2.5 years, with a cost estimate of \$50,000. The cost of administering the program thereafter is estimated at \$25,000 per year for 10 years. Revenue impacts of property tax incentives would need to be studied further. The program should be managed by the Office of Economic Development, with the support of stake holders including landowners in both SAs and RAs, local elected officials, farmers and their member organizations, the Cascade Land Conservancy and Futurewise.

Land Base Strategy 1C

PURCHASE OF DEVELOPMENT RIGHTS

The Issue

A Purchase of Development Rights (PDR) program should be a permanent part of the strategy to preserve Snohomish County's farmlands. Similar to a Transfer of Development Rights (TDR) program, a PDR program can provide farmers capital for investment in new equipment or additional lands, encourage consolidation of farmlands into economically viable holdings, discourage adjacent non-farm uses and preserve more open space. Used strategically, a PDR program can protect farmland at greatest risk of conversion and those near Urban Growth Areas.

The Strategy

The goal of a PDR program is conservation of the County's most threatened farmlands by purchase of development and permanent abridgement of non-farm uses. Among this strategy's key elements are:

- Define an Agricultural Reserve Area (ARA) incorporating all agricultural lands eligible for participation in the PDR and all other incentive programs;
- Downzone all ARA parcels to a 25-acre minimum, compensating landowners with PDR or TRD transactions based on current 10-acre zoning. SAEDAT believes that to achieve the goal of secure, ample and contiguous ag lands this downzoning measure is necessary. The County Executive should explore options for achieving this downzone in an equitable manner that includes fair compensation to landowners;
- Provide incentives for farmers by eliminating property taxes on lands and improvements on land enrolled in the PDR (and TDR) program;
- Enable further decreases in density by a PDR overly onto lands protected by TDRs;
- Expand the agricultural land base by enabling agricultural lands, and those suitable for agriculture, outside of the ARA to opt into the program;
- Bank development rights extinguished by PDR until the market for increased density in Receiving Areas (RAs) is more robust;
- Develop criteria for the strategic application of PDR funding to the most threatened agricultural lands.

Challenges and Solutions

The challenges to implementing a PDR program are similar to those affecting a TDR program: farmers may choose to exercise their existing rights for non-farm development, urban landowners have right to develop to urban densities without an incentive or requirement to use PDRs. In addition, an effective PDR program will be costly and there is uncertainty that the political will exists among elected officials to implement a PDR program. Lessons learned from the Tualco pilot project should be applied to establishing a permanent program.

Time Frame and Costs

The time frame for establishing a PDR program is about 2.5 years and 10 additional years to reach the target of 60,000 acres under protection using both the PDR and TDR programs. Costs are estimated at \$120 thousand during establishment and \$30 million per year for ten years thereafter. These funds could be federal, state, county, councilmatic bonds, or private funds. The program should be managed by the Office of Economic Development, with the support of stake holders including landowners in both SAs and RAs, local elected officials, farmers and their member organizations, the Cascade Land Conservancy and Futurewise.

Land Base Strategy 2

ADOPTION OF SNOHOMISH COUNTY'S CRITICAL AREAS ORDINANCE

The Issue

Land use regulations and policies have a significant impact on the viability of agriculture. When these are inconsistent from agency to agency and drafted without adequate consideration for their impact on agriculture, they discourage agricultural producers from making the long-range investment decisions in land and facilities essential to profitable farming.

The Strategy

Snohomish County's proposed "Chapter 30.62A Part 600 Agricultural Activities," as approved by the Agriculture Advisory Board, will assist substantially in establishing a stable and predictable regulatory environment. For example, it proposes regulating farming activities rather than critical areas. It also recognizes that if a desired outcome will be achieved by another agency's requirements, there is no need for Snohomish County to impose redundant regulations. Through these and its other provisions, the CAO will promote a farm-friendly environment that will provide an incentive for agricultural producers to invest in their businesses.

Challenges and Solutions

Potential impediments to implementation include environmental groups, elected officials and even farmers who do not fully understand the critical role that farm owners play in environmental protection nor the impact the regulatory environment exerts on the viability of farming. For example, at this time the Farm Bureau does not support adoption of 30.62A. Conflicting views in the environmental community and the potential regulatory difficulty of returning long-fallow agricultural land to productivity are additional potential impediments.

Snohomish County's Department of Planning and Development Services is leading the Critical Areas Ordinance update and should continue to do so, but can be assisted by a variety of organizations including the Farm Bureau, Puget Sound Fresh, the Conservation District, and fishery enhancement organizations. Existing structures including the County's public hearing process, the Agricultural Advisory Board and other farm-related organizations who can be enlisted to aid with adoption and implementation. The Agricultural Advisory Board will monitor the progress in implementing the ordinance and provide input into the process. Environmental and consumer groups should be engaged to increase their understanding of agriculture production and protection issues, creating another class of supporters.

Time Frame and Costs

While there will be costs incurred in implementing the CAO many of the costs were expended by County agencies prior to 2007. Adopting Best Management Practices (BMPs) will increase costs to farmers, and the County may encounter additional costs for implementation (e.g., educating farmers and assisting them to develop and deploy BMPs). At the same time, the County may realize savings in its legal defense costs if the new ordinance reduces conflict between agricultural needs and critical area regulation.

The anticipated schedule for Council adoption of "Chapter 30.62A Part 600 Agricultural Activities" is the first quarter of 2007.

Land Base Strategy 3

CRITICAL AREAS ORDINANCE: OUTREACH AND EDUCATION

The Issue

Successful implementation of Critical Areas Ordinance (CAO) will rely on a variety of initiatives, education being an essential one. Educating the agricultural community regarding the requirements of CAO and Best Management Practices (BMPs), as well as educating County employees charged with administration of the CAO regarding its proper management, will reduce the number of issues associated with its adoption and implementation.

The Strategy

This strategy seeks to ensure that the amount of education and training required for a successful launch of the CAO occurs; its goal is to ensure better understanding and easier implementation by farmers and better understanding and more efficient administration by County employees.

Activity directed at fulfilling this goal will be focused in three general categories:

- Production and distribution of supporting materials such as brochures, mailers, Power Point presentations, etc.;
- Sponsoring meetings and workshops on the CAO and on BMPs for both farmers and County employees; and
- Hiring of an Agriculture Ombudsman to provide technical support for farmers and training for County employees.

A strong education component will benefit the agricultural community by reducing the amount of confusion associated with implementing the CAO and providing clarity and predictability. It will benefit the public sector by providing clearly articulated and mutually agreed on expectations. Both sectors will benefit from the conduit for communication and conflict resolution provided by the ombudsman's position.

Challenges and Solutions

A potential impediment to enacting this strategy is the prevailing negative atmosphere caused by:

- Dissatisfaction with the current CAR;
- Frustration at the lengthy and often obscure process that has still not yielded an approved ordinance; and
- A lack of clarity in the regulations.

Time Frame and Costs

The anticipated costs are estimated to be \$70,000 per year to organize meetings and produce workshops. The imprecision of the estimate reflects uncertainty whether the ombudsman's position is to be funded at a Full Time Equivalency (FTE) or some fraction of an FTE. The timeline for implementation anticipates initial activity in early 2007 for activities and the ombudsman as an ongoing commitment. Potential sources of funding are from the federal Environmental Protection Agency and PDS permit fees.

Staff from Snohomish County's Department of Planning and Development (PDS) services will take the lead in managing this strategy with assistance from partners such as the Farm Bureau, WSU Cooperative Extension and the Snohomish Conservation District.

Land Base Strategy 4

HABITAT RESTORATION

The Issue

One of the threats to sustainable agriculture in Snohomish County is the loss of farmlands through their conversion to wildlife habitat conservation areas. Profitable farming requires sufficient productive and contiguous acreage. Habitat restoration can frustrate both of these requirements by removing productive lands from the agricultural land base and by adversely impacting adjacent farmlands and drainage systems.

The Strategy

The goal of this strategy is to preserve agricultural lands in commercially viable blocks without denying landowners legal use of their lands for restoration purposes. It proposes to accomplish this by:

- Develop criteria to verify that habitat conversion will not have a negative impact on the agricultural productivity or agriculture-related use of adjacent lands;
- Subject all habitat restoration projects (including state and federal projects) to a County review process that ensures consistency with agricultural lands protection goals and policies;
- For each acre of land removed from agricultural use/designation for habitat restoration purposes, permanently protect agricultural acreage (such as 4-6 acres) of equal or greater productivity in designated zones through transfer or purchase of development rights, the party responsible for the mitigation requirement is to be determined;
- Accord high priority to implementation of habitat restoration projects that benefit agriculture and non-farmed rural lands;
- Require landowners implementing habitat restoration projects to record instruments on their property titles accepting responsibility for maintaining projects in such a way that they do not damage adjacent lands;
- Permit habitat restoration on lands protected by transfers or purchases of development rights only when development rights are purchased on additional lands to mitigate for the loss of agricultural land covered by such transfers;
- Limit restoration on lands protected by transfer or purchase of development rights to a maximum of 5% of the property acreage;
- Remove federal wetland mitigation banking rules that provide incentives for converting higher quality (i.e. well drained) agricultural lands;
- Encourage property owners to convert poorly drained areas and otherwise marginally agriculturally productive areas; and
- Allow compatible uses in habitat areas, (e.g., rotational grazing, production of non-wood products, and selective harvest of vegetation).

Challenges and Solutions

Impediments to implementing this strategy include Endangered Species Act requirements placing a priority on protecting endangered species and conflicting Growth Management Act provisions protecting endangered species habitat and farmlands. If the program is enacted, income to landowners could potentially be lost from buffer programs and wetland mitigation banks.

Time Frame and Costs

The program should be managed by Snohomish County's Department of Planning and Development Services, in consultation with the Agricultural Advisory Board, and implemented within two years. Program costs are estimated at \$100,000-200,000 for a feasibility study.

Land Base Strategy 5

FARM REINVESTMENT INCENTIVE

The Issue

Farmers lack the incentive to invest in their operations when agriculture is marginally profitable and eventual sale of the farm is a possibility. This process of self-fulfilling prophecy can be mitigated or reversed by creating incentives for long-term farm capital investment.

The Strategy

This strategy proposes to create incentives for farm businesses to invest in capital improvements to ensure their ability to remain a viable part of agriculture in Snohomish County. It proposes to accomplish this through three initiatives.

- First, make capital investments in farms more attractive by simplifying, clarifying and reducing regulations and permits that pose barriers to investment. Part of this effort would include establishing a comprehensive program of construction permitting and land use regulations optimized for the specific challenges facing agriculture-related businesses throughout the county.
- Second, create tax incentives like elimination of the sales tax on purchases of farm equipment and creation of tax rebates (or credits) on personal property taxes and sales tax credits on agricultural non-equipment capital investments.
- Third, create tax deferral and forgiveness programs in areas specifically zoned for agriculture as well as areas outside such zones but where commercial farming is occurring.

Challenges and Solutions

Potential impediments to implementing this strategy are: possible alienation of non-farm segments of the community if the incentives are perceived as offering preferential treatment to agriculture, and lack of political will caused by the loss of near term tax revenues. In the medium to long term, these lost tax revenues would be offset by increased business stimulated by farm investments.

Time Frame and Costs

The regulatory and permit aspects of this strategy should be the responsibility of the Snohomish County Department of Planning and Development Services; the Snohomish County Auditor should manage the tax incentives portion of the program. These changes can be completed in approximately two years. Program implementation costs are estimated at \$50,000 for the '07-'09 budget period; future costs will depend on program direction.

Marketing Strategy 1

ESTABLISH AN AGRICULTURE SUPPORT ORGANIZATION

The Issue

Snohomish County does not have an organization or entity whose primary purpose is to support, represent, and provide a voice for the agriculture industry. Such an organization could play a significant role in working to improve agriculture's economic viability, educating consumers about the value of local food production, advocating with elected officials on behalf of agriculture, and generally promoting local agriculture.

The goal of this strategy is to create a Snohomish County-based, private sector not-for-profit organization to support and represent the agriculture industry.

The Strategy

Implementation of the strategy will entail responsibilities on the parts of both the public and private sectors. The public sector's role will be to:

- Support initial organizational start-up with staff, grant searches and grant writing;
- Support WSU Extension taking the lead to facilitate the start-up of the private sector organization;
- Explore other possible sources of long-term funding for agriculture economic development, including assessment districts;
- Provide needed information and community outreach support during the development stages of the new organization;
- Support establishing a dedicated agriculture position on the board of the private Economic Development Council;
- Provide any needed letters of support once a not-for-profit organization is established;
- Organize a County-based advisory group to establish the organization, obtain start-up funds, define the mission, establish initial goals and work plan, and hire a part-time director to carry out the plan.

The private sector's role will be to:

- Work with the County and independently to seek funds to support the organization;
- Work in the agriculture community and with agriculture supporters to gain both moral and financial support for the organization and involve others in the formation of the organization;
- Secure appointment of the director to the board of the Economic Development Council.

Challenges and Solutions

Potential barriers to implementation include development pressures on agricultural land, consumers' lack of awareness of agricultural issues and lack of political will to move the issue forward. This new organization, with the County's support, will turn the tide in these concerns.

Time Frame and Costs

The Snohomish County WSU Extension office should undertake this strategy with assistance from the SAEDAT leadership team and members of the Marketing/Innovation Committee; it should be completed by the end of 2007. Start-up costs are estimated at \$180,000 over three years.

Marketing Strategy 2

EXPANDING MARKETS, HEALTH AND WELLNESS

The Issue

The viability of Snohomish County's agriculture business can be enhanced by expanding existing markets and creating new ones for local products both locally, regionally, nationally and internationally.

The Strategy

This strategy anticipates several benefits accruing to Snohomish County agriculture and citizens. It will increase farmers' income through expanded market sales; enhance wellness and reduce health care costs for those who participate in CSA programs; and, by providing consumers with a better appreciation of local agriculture, will garner their support to keep agriculture healthy in Snohomish County. The strategy will achieve these benefits through the following six objectives:

- Objective 1: Establish a permanent public farmers market in Snohomish County;
- Objective 2: Increase markets for Snohomish County farm products outside of Snohomish County;
- Objective 3: Assist Snohomish County farmers to sell more farm products directly to local consumers, increasing their net profits while reaping the benefits of agri-tourism and a larger customer base;
- Objective 4: Develop the market opportunity provided by the portion of the County's new initiative on health and wellness that encourages consumption of locally grown food;
- Objective 5: Educate local consumers about the benefits of farm products, consequently increasing their consumption of those products;
- Objective 6: Promote and encourage the use of Snohomish County agricultural products in local institutions and venues, including municipal and county government, school districts, restaurants, community events and day camps.

Challenges and Solutions

The challenges to implementing this strategy include County leaders and employees perhaps not having enough interest to support a CSA program and public apathy in general. Limitations exist on using public resources to promote private enterprises. A marketing and promotion program will go a long way to improve this situation. Private/public partnerships can address the other concerns.

Time Frame and Costs

While some costs of the program are unknown at this time, it is recommended that \$100,000 per year be invested in the promotion of local ag products for staff time and production of educational materials (Objectives 1, 2, 3 and 5). The timeline for full implementation is the end of 2007. Agencies tasked with taking the lead on the six objectives are:

- Objective 1: Office of Economic Development;
- Objective 2: Office of Economic Development;
- Objective 3: Agriculture support organization with Cascade Harvest Coalition;
- Objective 4: Agriculture support organization;
- Objective 5: WSU Extension Snohomish County with County's Economic Development Unit;
- Objective 6: Puget Sound Fresh and new agriculture support organization.

Marketing Strategy 3

SIGNAGE

The Issue

Raising public awareness of agriculture will benefit the long term health of the industry by promoting a positive and supportive public attitude. One tool for achieving this is through educational signage that explains visible aspects of the industry to the public. A signage program can also be an effective tool for supporting agri-tourism. However, current County signage regulations do not support local agriculture and the State's regulations make it difficult to install signs on State roads.

The Strategy

The goal of this strategy is to ensure that Snohomish County has sufficient and appropriate signage to support local agriculture. The anticipated outcomes are, first, that consumers will have more sophisticated knowledge of, better appreciation for, and offer better support for the agriculture community and, second, that farmers with public on-farm activities will see increases in business. It will achieve these results through two objectives.

- Develop and implement a county roadside signage program that informs and educates motorists about specific farming activities on adjacent properties, as well as surrounding rural lands and farming communities; and
- Develop and implement a county-wide roadside signage program that directs people to agri-tourism activities and opportunities to purchase farm products directly from the farm.

Challenges and Solutions

The two principal potential barriers to implementing this strategy are conforming with the strict and limiting signage guidelines mandated by the State's Department of Transportation, and possible redirection of County funds earmarked for implementing the strategy. The State is currently supporting the agriculture industry in a variety of ways. There is an opportunity to lobby the State Legislature to relax the signage guidelines and support agriculture.

Time Frame and Costs

The timeline for implementation anticipates the program being in place by December 2007 with an estimated cost of \$75,000, depending on the quantity and costs of signs produced. The County's Department of Public Works Public Involvement and Environmental Division and WSU Extension should be partners responsible for implementing the strategy with assistance from the Agriculture Advisory Board and local farmers doing direct on-farm marketing.



Infrastructure Strategy 1

AGRICULTURAL FINANCIAL RESOURCES

The Issue

While new resources of support for agriculture, financial and otherwise, are needed, existing resources are underutilized. With proper identification and organization of these resources, and with proper instruction in accessing them, Snohomish County's agricultural community can be strengthened with little associated cost.

The Strategy

This strategy proposes to counter the perceived lack of resources for financial support of agriculture by identifying existing resources and providing training for their use. To accomplish this will require that:

- The Northwest Agriculture Business Center create a repository of information, available on-line if possible, to cross-reference available resources;
- Existing resources be used to monitor opportunities for "sponsored" financing (grants, low interest loans, etc.) to strengthen county ag-base;
- Sponsorship be requested from financial institutions and consultants to provide training opportunities in all of the above areas in conjunction with the Focus on Farming annual conference; and
- The County tax structure be reviewed to determine viability of "tax incentives" for business development and/or expansion.

Challenges and Solutions

The principal impediment to enacting this strategy is the possibility that many proposals will not meet financial institutions' "return on investment" requirements. To counter this, the agricultural community should be referred to institutions that can and do finance farm enterprises. In addition, financial institutions in general should be encouraged to provide lending agents and loan officers on staff with sufficient familiarity with agriculture to ensure balanced decisions.

Time Frame and Costs

The Northwest Agriculture Business Center should be the lead agency responsible for implementing this strategy, with support from the Snohomish County Economic Development Council and the Agriculture Advisory Board. The time frame for developing and inaugurating the program is 2007 and is estimated to cost \$30,000 during the '07-'09 budget period (\$15,000 per year). The County would facilitate five educational sessions focused on areas pertaining to finance, including assessing "tax advantage strategy" for agricultural land owners and producers.

Infrastructure Strategy 2

AGRICULTURAL PROCESSING FACILITIES

The Issue

Facilities for processing farm and off-farm agricultural commodities and transportation hubs for value-added products increase the profit margin for producers. However, Snohomish County faces a shortage of processing facilities and transportation hubs, comprising one of the principal threats to sustaining farming as a viable business. An in-depth study is needed to chart a course for developing the missing infrastructure.

The Strategy

This strategy will stimulate new energy and interest among both present and future producers and investors through three initiatives:

- Recruit at least one large central, multi-functional processing/marketing/shipping facility in the Everett area that can take advantage of the railheads, highways (I-5 & Highway 2), Paine Field airport, and the Port of Everett's facilities;
- Encourage the development of a variety of processing facilities strategically sited for the most efficient access by farms and ranches that produce similar categories of products;
- Assist individual farmers to develop their own on-farm value-added processing capabilities.

The study may be a part of a proposed comprehensive project, and/or a component of the initial undertakings by the new Northwest Agriculture Business Center. The present lack of such facilities in any of these three categories seriously retards the potential of existing farming/ranching operations and discourages the establishment of new farmers, ranchers, processors and investors.

The proposed study would also serve a critical psychological purpose. In the past two years a new spirit of hope for the future of agriculture in Snohomish County has evolved. An effort to provide the kinds of facilities discussed here would nurture and capitalize on that hope, reversing what has been the downward spiral of a business climate dominated for too long by attitudes of defeatism and of little hope.

Also favoring the success of this strategy is recent evidence of a willingness by innovative, visionary producers to explore new ways to not only survive but to expand their operations. Too, the agricultural community can look to volatile fuel markets and the public's concerns for food safety and the security of the food supply to help sustain this strategy.

Challenges and Solutions

Challenges to implementing this strategy include the possible failure of one or more of the processing concepts to provide adequate return on investment. Additionally, farmers — who are accustomed to operating independently — may be initially resistant to engaging in more cooperative models of production, processing and marketing.

Time Frame and Costs

While program costs are uncertain at this time, the project should be in place by 2008 and be managed by the County's Agriculture Coordinator with the cooperation of stakeholders like the Agricultural Advisory Board, the Farm Bureau and the Northwest Washington Agriculture Business Center. An in-depth study to determine a strategy for developing and installing ag commodity processing facilities in Snohomish County is estimated to cost \$100,000 over the '07-'09 budget period.

Infrastructure Strategy 3

AGRICULTURE SUSTAINABILITY PROJECT

The Issue

Snohomish County farmland is being converted rapidly to non-farm uses. Approximately 50% of the land farmed in 1980 has been developed. The amount of tillable acreage remaining is unclear. Also unclear is the public's support, or lack of support, to preserve farmland and a viable agriculture industry. Currently, the county has no vision and no plan for the future of a sustainable agriculture industry here.

The Strategy

The goal of this strategy is to create a precise vision of how the farming community and the general public want local agriculture to look and function 100 years from now so that a practical business plan can be put in place to achieve that vision. It would provide a road map for implementing the County's Agriculture Action Plan and, ideally, comprise a permanent aspect of a comprehensive county-wide program to sustain agriculture.

Achieving this strategy can be accomplished through three initiatives:

- Develop a comprehensive inventory of agricultural lands, to include farmable uplands, by mapping and analyzing the inventory's viability for differing types of production or other potential agriculture-related uses;
- Develop a hierarchy of community priorities (the vision-based cornerstone of the plan) on which to base land preservation efforts, and to establish working definitions of agriculture that segregate the wide array of agricultural activities into business-sector categories for which essential land base and infrastructure needs can be determined and mapped; and
- Identify tools for attaining sustainability goals, such as regulations, preservation incentives (transfer of development rights, purchase of development rights, etc.), Public Benefit Rating System (PBRS) tax benefits, landowner compensation programs, special tax programs, stewardship incentives, conservation and restoration investments, business development assistance, tax-free Renaissance Zones, and all other viable financial alternatives to incompatible land uses.

Challenges and Solutions

Potential impediments to enacting this strategy include the lack of funds to fully finance the complete county agriculture study and the chance that the plan for sustainability may identify some present business practices or regulations as hindrances to this goal, leading to resistance or to outright rejection of some or all of the study's findings.

Time Frame and Costs

Responsibility for implementing this strategy should lie with Snohomish County's Office of Economic Development with support from stakeholders including the Agriculture Advisory Board and the County Farm Bureau. The program should be in place and functioning by mid 2007 and the estimated cost is \$400,000 spread over the '07-'09 budget period.

Infrastructure Strategy 4

FLOODS AND DRAINAGE ON AGRICULTURE LANDS

The Issue

Drainage from uplands residential development degrades the productivity of farmlands in the valleys in several ways: farmers are unable to work land in a timely manner, contaminants used by homeowners reach farmlands, and flooding and erosion increase. Presently the districts and the county Surface Water Management Division (SWM) of Snohomish County's Public Works Department communicate only in times of immediate emergency and an overall coordinated, proactive flood control and drainage plan is lacking. Also, flood-fighting costs are borne by the affected districts, which have limited funding.

The Strategy

Enacting this strategy will address these issues by creating a series of inter-local agreements between the county's diking and drainage districts and SWM, and by developing funding sources to meet the often insupportable expenditures incurred by affected diking and drainage districts during and after major flood events.

The specific components of the proposal are:

- The districts will work either individually or collectively to draft and present to the Surface Water Management Division an inter-local agreement to jointly plan for flood control, to reduce or at least control surface water runoff from developing uplands, and to improve drainage on farmlands;
- All parties will cooperate to secure funding for assisting the districts as they work toward these goals, and to ensure that the necessary emergency funding is available to deal with major flood events;
- Educate developers and municipal, county and state planners about the mitigation of surface water runoff and about drainage impacts to farmlands.
- Pass the associated costs to all who would benefit so assessments per parcel could be lowered.

Challenges and Solutions

Potential impediments to implementing this strategy include the lack of existing funding, the fact that development is already in place on uplands that lacks the infrastructure necessary to contain water runoff and for which retrofitting may be impossible, and current development guidelines may lack improved runoff mitigation. Developers are likely to pass on their drainage management costs to whomever purchases the properties and additional costs necessary to implement new flood and drainage measures may need to be borne by individual landowners residing within the districts.

Time Frame and Costs

The County's Surface Water Management division should be responsible for implementing this strategy with the support of the Snohomish Conservation District, the USDA Natural Resources Conservation Service and the Washington State University Storm Water Control Education Specialist. It is anticipated that the inter-local agreements will have been executed and four workshops will have occurred by the end of 2007; securing the supplemental funding will take longer. The anticipated costs are \$30,000 for program development and \$2 million over the '07-'09 budget period (\$1 million annually) for supplemental funding for the diking and drainage districts. Future costs are to be determined; the program would be re-evaluated annually.

A 4x4 grid of 16 images. The first column contains four photographs: sunflowers, a river landscape, a cow in a field, and a hay bale. The second column contains the corresponding line-art outlines for each photograph in the first column. The third column contains four photographs: a collection of jars, a person's face in profile, a bowl of vegetables, and a landscape with a lake. The fourth column contains the corresponding line-art outlines for each photograph in the third column.

February 7, 2007