



KING COUNTY

LAND CONSERVATION ADVISORY GROUP

Phase 1 Report

January 2017





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Executive Summary

Executive Constantine has proposed a countywide initiative to “finish the job of protecting our great places forever.” The Land Conservation and Preservation Initiative (“Initiative”) sets forth the goal of conserving and preserving remaining high conservation value lands throughout King County within the next 30 years. Five categories of land are targeted: natural areas, farmland, forests, river valley and nearshore lands, and trail corridor connections. The Initiative calls for preserving such lands in cities as well as rural and urban unincorporated areas of the County.

The Advisory Group was convened by the Executive in September 2016 and tasked with reviewing and proposing refinements to the Initiative. The Advisory Group endorses the Initiative, recommends some adjustments to the proposed scope, and requests that the County undertake a second phase of work. The Advisory Group requests to be reconvened in the fall of 2017 so it can issue a final set of recommendations before the end of 2017. Final endorsement of the Initiative is dependent upon the Advisory Group’s review of the Phase 2 work and further deliberation on the issues noted in this report.

The Advisory Group’s main Phase 1 recommendations include:

- Adding a sixth category of lands to the Initiative: *urban green space*. This category should be generally consistent with the County’s five land categories identified above and should be defined through work with cities and historically underserved communities in the next several months before the Advisory Group is reconvened.
- Working with cities to complete a list of urban priority lands and trails in the next six months, and to ensure ongoing funding is available to cities to preserve both high value conservation lands and urban green space that cities may identify later.
- Working to better define and quantify the interest of some cities in finding revenue sources for restoration of urban green spaces already in public ownership, as well as city needs for park land maintenance dollars.
- Incorporating equity and social justice considerations into the Initiative, including addressing disparities that exist amongst some communities regarding access and proximity to open space and green space, and working with historically underserved communities to identify the types of urban green spaces that they value most.
- Refining cost assumptions with respect to the 66,000 acres of identified King County priority land, and the acreage yet to be identified inside cities.
- Working to better describe and effectively communicate the broad range of environmental, human health, community resilience and economic prosperity benefits that could be derived from this Initiative.

- Ensuring that acceleration of funding is available so that quick action can be taken to preserve lands under threat of development.
- Developing a strategy that will ensure both success of the Initiative as refined over the next several months, and renewal of the current County Parks Levy.
- Leaving four potential public funding sources on the table for now, pending further work to refine the scope and cost of the Initiative. Of the four public funding options discussed, the Advisory Group is most strongly supportive of Conservation Futures Tax. The group expressed a lesser degree of support for new real estate excise tax authority, another property tax levy or general obligation bonds as Initiative funding sources.
- Doing additional work to test the assumptions about the role of private funding in supporting the Initiative.
- Proceeding with a sense of urgency, as development pressures continue to grow.

The Advisory Group requests work proceed over the next several months, with the County working in concert with cities and other stakeholders, to address the items outlined above, in order that the Advisory Group may be reconvened early in the third quarter of 2017 to review the results of this work and issue a final report and recommendations before the end of 2017.

The Advisory Group believes that by preserving the remaining natural areas and open spaces in our rural and urban areas, ensuring accessible green spaces in every community, strengthening our region's commitment to preserve working farms and forests, and completing our trail networks, we can ensure King County remains one of the best places in which to live and work for generations to come.

TABLE OF CONTENTS

<u>Topic</u>	<u>Page</u>
Executive Summary	i
Table of Contents	iii
Report Body	1
I. The Land Conservation and Preservation Initiative	1
A. Summary of the Advisory Group Process and Mission	3
B. Our Support for the Goals of the Initiative	6
i. The Vision	6
ii. Benefits of the Initiative	7
iii. Inclusion of Lands Inside Cities	7
iv. Equity and Social Justice	9
v. Buildable Lands and Affordability Issues	9
vi. Phase 2 Work to be Completed Before Fall 2017	9
vii. Urgency	9
II. Recommended Refinements to the Work Plan	10
A. The County Proposal for Unincorporated Areas	10
i. Proposed Scope	10
ii. Costs	13
iii. Existing Revenues	13
iv. Additional Steps Needed	14
B. Conservation Lands Inside Cities	14
C. Equity and Social Justice Considerations	15
D. Implications for the County's Parks Levy	17
E. Private Funding Sources	18
F. Public Funding	20
i. Conservation Futures Tax (CFT)	21
ii. REET	21
iii. Property Tax Lid Lift	21
iv. General Obligation Bonds	22
v. Next Steps	22
III. Building the Overall Package	22
A. The Proposed Scope and Urban Green Space	22
B. Overall. Funding Requirements and City Priorities	22
C. Acceleration Strategies	24
D. Public and Private Funding	24
E. Interplay with Parks Levy	25
F. Equity Considerations	25
G. Metrics	25
IV. Conclusion: Phase 2 Work, Timeline and Next Steps	25
<u>Exhibits:</u>	
A. King County Land Conservation Advisory Group Members	27
B. King County Executive's Land Conservation Work Plan: Summary	28
C. High Level Map showing location of County Priority Lands	30
D. Phase 2 Work Plan	31
E. Glossary	32

<u>Figures and Tables:</u>	<u>Page</u>
Figure 1: Overview of the Land Conservation and Preservation Initiative	2
Figure 2: Current Public Funding and the “Funding Gap”	4
Figure 3: Benefits of the Land Conservation Initiative	8
Figure 4: Acquisition in Fee versus Easement	11
Figure 5: Lands Remaining in Current Use Taxation (CUT)	11
Figure 6: Range of Operations and Maintenance (O &M) Costs and Levels	12
Figure 7: Structure of Current King County Parks Levy	18
Figure 8: Possible Private Financing Mechanisms	19
Table 1: Public Funding Options Summary	23

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The residents of King County have a long record of supporting bold initiatives to advance the quality of life in our region—from the Forward Thrust bond program of the 1960s, to the Farmlands Preservation Program of the 1980s, the Open Space Bonds effort of the late 1980s and early 1990s, and the series of regional parks levies beginning in 2002 that helped grow the County Parks system into the State’s second largest park system. More recently, County voters approved the Best Starts for Kids initiative and a third phase of growth in our regional transit system. As a region, we have repeatedly approved measures to ensure our growing population can enjoy the spectacular natural setting that has drawn so many of us here over the decades.

Building on this heritage, Executive Constantine has now offered up another bold initiative, one that will, in his words, “finish the job of protecting our great places forever.” Having deliberated for the last four months upon this vision and the work plan to accomplish it, we issue this report endorsing the goals of the Executive’s Land Conservation and Preservation Initiative, recommending some changes and refinements to it, and requesting that the County undertake a phase of interim work in order that we may issue a final set of recommendations with respect to the Initiative in the fall of 2017.

I. THE LAND CONSERVATION AND PRESERVATION INITIATIVE

The Executive transmitted the “Land Conservation and Preservation Work Plan” to the County Council in March 2016, in response to Council Motion 14458 asking the Executive to develop and transmit a work plan for implementing a program to protect and conserve high value land and water resources throughout the County. That Motion, unanimously adopted in November 2015, states in part: *“It is the policy of the county to ensure that King County remains one of the greenest metropolitan areas in the world by protecting and conserving land and water resources that will enhance our quality of life, strengthen our region’s economy, enhance biodiversity, provide recreational opportunities and promote sustainable forestry and farming and locally grown food.”* The Council’s Transportation Economy and Environment Committee received a briefing on the Executive’s work plan in spring of 2016.

The Work Plan sets forth the goal of conserving and preserving remaining high conservation value lands throughout King County within the next 30 years, in both unincorporated areas and in cities. High conservation value lands are defined as:

- Lands with important natural or scenic resources, such as forests, streams, rivers, wetlands, soils, nearshore resources, beaches, and other types of fish and wildlife habitat;

- Lands that are important for species and biological diversity and important to support and recover threatened and endangered species;
- Lands that are important for habitat restoration or flood hazard reduction projects;
- Lands providing passive recreation or regional trail opportunities;
- Timberland or agricultural lands supporting commercial production.

Based on this definition¹, the County has presented five categories of lands to be conserved or preserved: natural lands; farmland; forests; river valley and nearshore lands; and trail corridor connections. See Figure 1.²

Figure 1. Overview of the Land Conservation and Preservation Initiative



Source: King County.

In the last several years, the County has undertaken an intensive effort to identify, parcel-by-parcel, lands in the unincorporated area (and a few parcels inside cities) to “protect our great places forever,” resulting in a list of over 5,500 parcels totaling approximately 66,000 acres.

¹ See Exhibit E for a glossary of terms used in this report.

² Throughout this report, we incorporate work products from the County that help illustrate the Initiative.

The County has developed a range of estimates for what it would cost to acquire, or otherwise protect and maintain, these “*County priority lands*.” The range of estimates is based on varying assumptions about: (1) how much land is acquired in fee versus easement; (2) how much land now in the Current Use Taxation Program³ must be acquired (in fee or easement) to ensure its continued protection; and (3) what level of maintenance funding is needed for County-acquired parcels. For the *County priority lands*, the cost for this 30-year effort is estimated by the County at \$1.5 to \$1.8 billion. This cost estimate *excludes* the cost of lands that cities target for preservation.

The work plan for the Initiative includes the goal of identifying high value conservation lands within cities for preservation. The work with cities has begun, but is far from complete.

The County has catalogued existing funding available to support the Initiative. A tally of projected funding available from these existing sources over the next 30 years (after deducting existing commitments to which such funds are applied), results in an estimated “*funding gap*” of \$223 million to \$533 million (again, excluding the cost of yet to be identified city lands and excluding existing city funding available to acquire city lands). See **Figure 2**. The County has identified a range of potential funding options to fill this gap, including both public and private sources. See **Table 1**.

A summary of the Land Conservation and Preservation Initiative (“Initiative”) as presented to us is reproduced at **Exhibit B**. **Exhibit C** maps the location of the County priority lands at a high level.

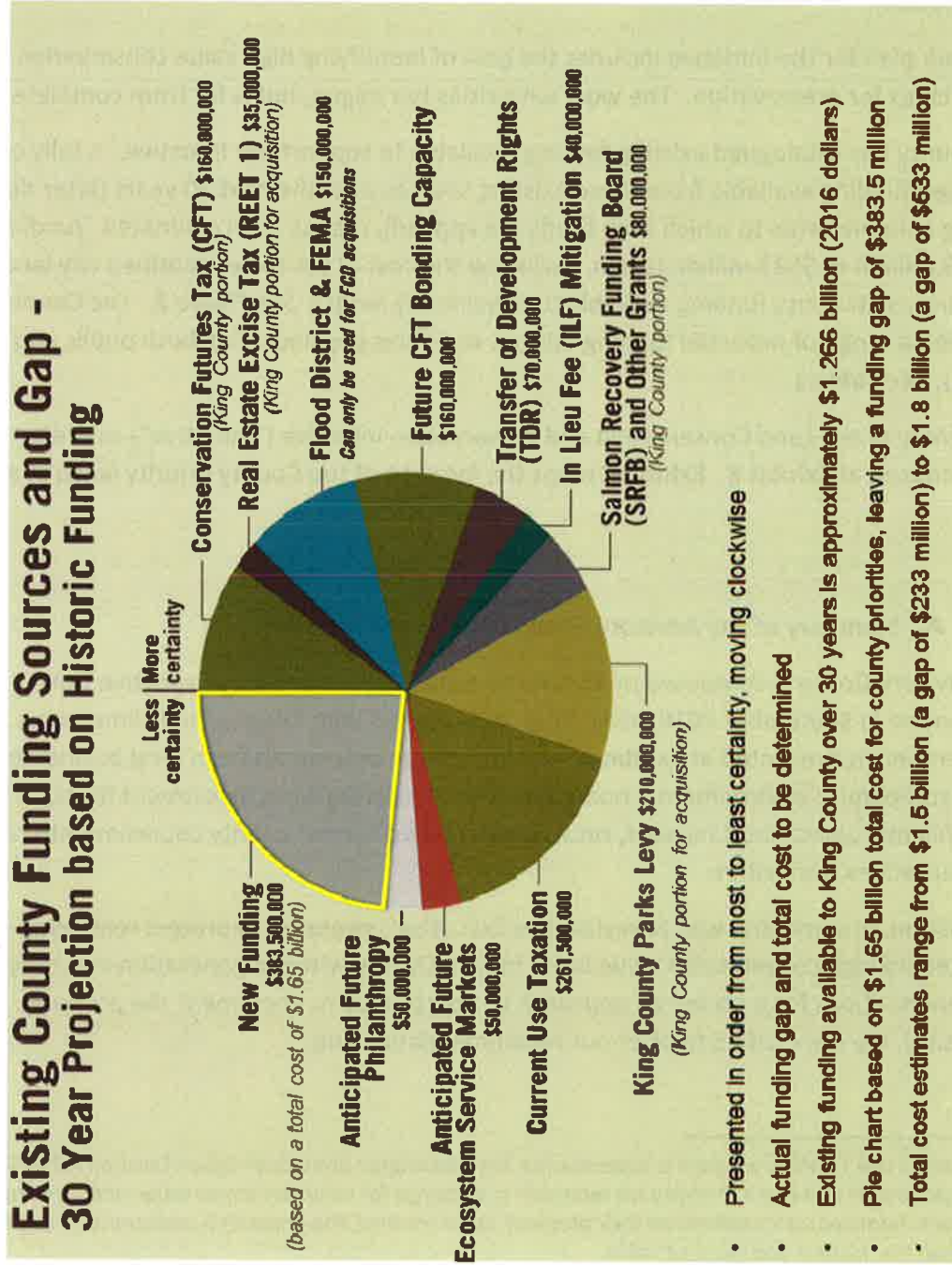
A. Summary of the Advisory Group Process and Mission

The Advisory Group is composed of 25 County residents convened by Executive Dow Constantine in September 2016, after close consultation with County Councilmembers. A list of our members is presented at **Exhibit A**, and includes professionals from local businesses, real estate companies, environmental non-government organizations, investment firms, as well as local philanthropists, local farmers, rural foresters, two former county councilmembers and five representatives from cities.

Our mission, in summary, was to review the Executive’s proposal to protect remaining unprotected high conservation value lands in King County within a generation and make recommendations for a preferred approach or approaches to implement the proposal. More specifically, we were asked to offer our recommendations on:

³ The Current Use Taxation program is authorized by the Washington State Open Space Taxation Act (1970; RCW 84.34). Landowners receive a property tax reduction in exchange for voluntary preservation and stewardship of open space, farmland, or forestland on their property. Once enrolled, the property is assessed at a ‘current use’ rather than the ‘highest and best use’ value

Figure 2. Current Public Funding and the “Funding Gap”



Source: King County

- Any refinements proposed to the Executive's proposal
- The expected benefits of, and challenges associated with, implementation of the proposal, in particular considering the health and quality of life for County residents and equity and social justice considerations
- A preferred timeline for implementation, including consideration of options to accelerate the pace of land acquisition
- The amount of private funding that can reasonably be anticipated
- Strategies for engaging private, nonprofit and NGO agencies in King County with similar land conservation goals and programs to integrate and leverage efforts where appropriate
- Preferred public funding option(s)
- Implementation strategies How high conservation value lands within cities should be addressed
- Implications for the County's Parks Levy, which is up for renewal in 2019

We met nine times between September 2016 and January 2017. The Executive appointed former County Councilmember Larry Phillips and Tukwila City Councilmember De'Sean Quinn to serve as our Co-Chairs. We were supported by County staff and an independent facilitator. All our meetings were open to the public, and our meeting materials were posted online. Over the course of our work, the County also conducted three public meetings on the Initiative, in addition to holding many additional meetings with cities and other stakeholders.

We began our work by hearing from Executive Constantine about why this Initiative is important to him. We then heard from County staff about the process they went through to identify the County priority lands, their assumptions regarding their cost of these lands, and funding that is currently available for this purpose. The Director of the County Office of Performance, Strategy and Budget identified for us a range of public funding options that could fill the funding gap.

We heard from a variety of subject matter experts, including medical professionals studying the health benefits of green space, leaders from local philanthropic organizations and nonprofit agencies working to engage private markets in preservation of land.

The County and Forterra partnered on a poll seeking information on how people perceive the values and benefits of land conservation. The poll results were shared with us, together with results from polling commissioned by Forterra on Puget Sound area resident attitudes about growth and the environment. (A summary of the County poll results can be found at <http://your.kingcounty.gov/dnrp/library/water-and-land/land-conservation/meeting-12-14-16/presentation-polling-summary.pdf>.)

At our last four meetings, we discussed the components of the mission statement and provided our thoughts and direction to the facilitator and staff team, who prepared this report on our behalf and at our direction.

B. Our Support for the Initiative

i. The Vision

We endorse the vision and the Initiative as presented by the Executive. It describes a level of aspiration appropriate and necessary to keep King County sustainable and inclusive in the 21st century and beyond. It represents a generational effort to help preserve the foundation of why we live here and why we hope our children will want to live here.

Identifying and preserving open spaces – from pockets of green space in urban areas, to our working farms and forests, to the last best wild and natural areas of our County – advances the health and quality of life of each and every resident of King County. Many of us were drawn here by the mountains, forests and waters that magnificently frame our communities – and we stay here because of them. We understand that our beautiful natural environment is not only something we enjoy personally: it also directly benefits our economy, drawing new people and employers to the region.

We share the Executive's vision of a region where we, and the generations beyond us, live in sustainable neighborhoods in vibrant communities, with myriad local natural areas and green spaces to enjoy. The vision reinforces our region's long commitment to preserving working farms and forests. It helps implement our commitment to salmon recovery and species diversity in our natural areas. It promotes a thriving economy and the competitiveness of local businesses by making this a place people want to live, and that businesses will want to call home. It seeks to improve equity across all communities in access to natural areas and green spaces. It furthers our commitment to addressing the impacts of climate change locally. We believe it can also be the launching platform for broader, regional preservation and conservation work with our neighboring Puget Sound counties.

One of the points that arose early in our dialogue was that accomplishing a regional environmental vision is complex. We seek to protect a priceless environmental heritage that is overlain by dozens of jurisdictions that are home to nearly two million people. We want to do this in a way that will continue to grow jobs and opportunity for residents, maintain livable and affordable neighborhoods and diverse communities, while promoting equity and social justice. We believe we must embrace this complexity in order to succeed.

As our population grows, the need to preserve open space and urban green spaces becomes ever more important. New tools need to be developed to enable preservation. *The time to act is now, before these last precious wild areas and green spaces are lost to us forever.*

As noted above, the Advisory Group endorses the Initiative. However, a few of our members prefer to reserve judgment as to any specific measure or final implementation plan for the Initiative pending assessment of the work and information gathered over the next several months—particularly the work to engage the cities and to understand both city priorities and the overall cost of the Initiative once city priorities are included.

ii. Benefits of the Initiative

The range of benefits from the Initiative is extremely far-reaching—from the obvious environmental preservation considerations, to advancing the health and wellness of residents, improving social equity, and strengthening our economy. **Figure 3** presents a table developed by County staff at our direction that provides a high-level mapping of these benefits. Benefits will vary depending on the location and type of land being preserved, and our success in identifying and implementing strategies to promote social equity and health. In some places, we see an opportunity to focus on climate change goals. In still others, we can save wetland areas and protect communities from flooding.

We call attention to the growing body of evidence around the health benefits of having access to green space. While in some ways intuitive, it is affirming to see the early data on these health benefits, and we find this one of many compelling reasons to pursue this Initiative. The issue of health benefits also reinforces the need to incorporate cities in this initiative, given existing disparities in green space access.

iii. Inclusion of Lands Inside Cities

Eighty three percent (83%) of the population of King County lives inside cities.⁴ Lands inside cities comprise approximately one-fifth of the total acreage in the County.⁵ Protecting high conservation value lands and urban green spaces within cities is essential to achieving the vision and benefits of the Initiative and the support and active engagement of local city government is similarly essential. Cities are necessary partners in the success of this Initiative.

We hope and expect that cities will identify all of the important urban incorporated lands of high conservation value for preservation or conservation through this Initiative. We recognize that the types of land and the conservation opportunities inside cities may differ from those in the rural area and that cities have additional needs and priorities that come with higher density and urban spaces, as made clear by the city representatives of the Advisory Group. In recognition of this, we recommend adding an “urban green space” category to the Initiative, and working with the cities in coming months to more clearly define this additional dimension to the Initiative. The goal is to reach an alignment with these partner agencies so that they can broadly support the Initiative.

It is important to acknowledge that work by cities to identify conservation lands and define urban green spaces is just getting underway – and is a significant task.

⁴ Washington State Office of Financial Management, 2016 official population counts.

⁵ Percentage of approximate area based on political boundaries and excluding Puget Sound and Lake Washington. Data source: King County GIS.

Figure 3. Benefits of the Land Conservation Initiative



iv. Equity and Social Justice

We strongly endorse the incorporation of equity and social justice principles into this Initiative. We must act to ensure the results of the Initiative are as holistic as our vision. This will require full engagement of cities, as well as working with underserved communities. The County must reach out to historically underserved groups, communities of color and low income residents, as well as organizations that work with these communities, to identify the best approaches to improve stewardship of, and access to, green space in their local communities—to learn from them what they value and want to see happen where they live.

County staff presented data to us showing disparities in access and proximity to open spaces and trails in multiple communities and neighborhoods throughout the County, particularly in urban areas. The County's analysis is a work in progress. We ask that the County continue to explore social equity in relationship to open space, green space and conservation and report back to us on how this information can be incorporated into the Initiative. We encourage the County and cities to engage together on ways to reduce and eliminate those disparities through this Initiative, by ensuring we are identifying green spaces and conservation priorities to protect in these communities and neighborhoods.

v. Buildable Lands and Affordability Issues

This Initiative does not exist in a vacuum. Local governments and the people they serve face many competing challenges. One challenge in particular that we call out for Phase 2 interim work relates to housing affordability and the related issue of buildable lands. Based on the information provided to us, preservation of the *County priority lands* located in rural areas will have a minimal impact on the inventory of buildable lands in King County. But the city lands have yet to be identified, and whether there is any significant impact on overall buildable lands or affordability to be expected from preserving such lands has yet to be quantified. We will want to review the results of a full examination of housing affordability and buildable lands impacts in the final Initiative scope.

vi. Phase 2 Work to be Completed Before Fall 2017

As outlined above and throughout this report, there is important work to be done in the next six months in order for us to develop a set of final recommendations on how we think the County should proceed. Work with cities is particularly critical. For this reason, we ask to be reconvened for a "Phase 2 effort" early in the third quarter of 2017. We expand further on the scope of the Phase 2 work plan later in this report. The work plan for Phase 2, outlining the areas of inquiry and a general timeline, is set forth at **Exhibit D**.

vii. Urgency

There is urgency to this work. Our population is growing and we want our cities and neighborhoods to remain vibrant and livable. Every day, we are at risk of losing our remaining

green spaces to development. So, while we are asking for an interim phase of work, it is very important that we maintain momentum.

II. RECOMMENDED REFINEMENTS TO THE WORK PLAN

The County has presented a thoughtful and well researched approach to preserving high conservation value lands in unincorporated areas, and the County is pursuing work with cities to complete the picture. As stated, we endorse the vision and the Initiative, but some of the Advisory Group members will need to see additional information before supporting implementation. In this section of the report, we offer our recommended refinements to the Initiative scope and work plan presented by the County.

A. The County Proposal for Unincorporated Areas

The County has identified five categories of lands as having high conservation value. **Exhibit B** outlines the scope of the Initiative with respect to unincorporated area acquisitions—the “County priority lands.” A handful of these County priority lands are located in urban areas and cities. (Not included in the “County priority lands” are some lands which, although important for conservation, due to their location are more appropriately protected by the federal or state government, city utilities, or a land trust.)

The cost of acquiring County priority lands hinges upon three major assumptions:

- How much land is acquired in **fee versus easement**;
- How much land, if any, is assumed to be permanently preserved through the **Current Use Taxation** Program; and
- What level of **maintenance funding** is determined to be appropriate for parcels acquired.

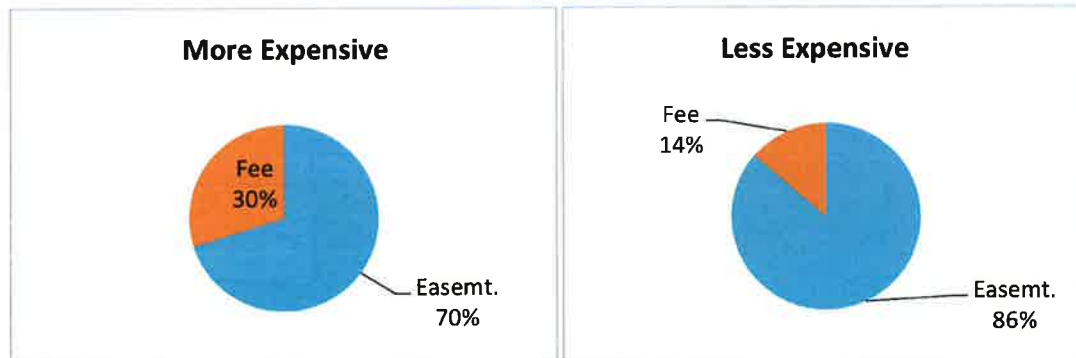
Figures 4, 5 and 6 outline the range of assumptions presented to us on these three issues. As noted above, the estimated total cost of acquiring these County Priority Lands in fee or easement ranges from \$1.5 to \$1.8 billion, depending on these assumptions. City lands will add to the total cost and city lands are as yet unidentified. Cities also have some dedicated resources to bring to bear in support of the Initiative.

i. Proposed Scope

We support the approach of identifying County Priority lands based on the five categories identified in the Initiative. We believe the County has appropriately defined the five land categories and the criteria for selecting high priority conservation lands within each category. More work needs to be done in the next several months to refine the cost assumptions.

Figure 4. Acquisition in Fee versus Easement

Costs to protect land will vary based on how much is acquired in fee (title held by County—higher cost) versus parcels being protected through restrictive easements being placed on the land by agreement with the owner (lower cost). Cost estimates presented ranged from protecting 14-30% in fee, resulting in a range of \$170 million in land acquisition costs between those two endpoints.



Source: King County.

Figure 5. Lands Remaining in Current Use Taxation (CUT)

Of the 66,000 acres of targeted King County priorities, 62% (40,500 acres) is enrolled in CUT. The remaining 38% (25,500 acres) is not enrolled in CUT. If a parcel stays in CUT forever, it is assumed to be adequately protected. So the question is how much land do we think will stay in the program? The following table lists various percentages of CUT-enrolled land that could be left in CUT (thus not acquired) and indicates the corresponding amount of acreage we would need to acquire to preserve all 66,000 acres.

% of CUT-enrolled parcels retained in CUT – instead of acquired	...results in total acres to be acquired (in Fee or Easement)*
0% remains in CUT	66,000 acres
33% remains in CUT	52,700 acres
50% remains in CUT	46,000 acres
66% remains in CUT	39,400 acres

*including CUT and non-CUT parcels.

Source: King County.

Figure 6. Range of Operations & Maintenance (O&M) Costs and Levels

The County presented four potential levels of O & M funding for care of parcels of land that are acquired and held by the County for preservation/conservation. Numbers show **30-year O & M costs**.

Option	What is funded in this Option				30-year cost
A	Current Parks Levy level of maintenance funding for new property acquisitions (2 entry level field staff added annually).				\$140 million
B	"	+ Direct costs (vehicles, materials)			\$172 million
C	"	"	+ Fully funded field staff (range of tasks)		\$225 million
D	"	"	"	+ Supervision and Support funding	\$255 million

Source: King County Parks Division analysis and estimate. Assumes 50% of CUT-enrolled parcels are not acquired and approximately 76% of acquired parcels are preserved through easement.

One scope adjustment we recommend with respect to County priority lands relates to historic barns. The Initiative proposes the preservation of 174 historically significant barns, with \$11M - \$22M for that purpose. The Advisory Group supports the preservation of historically significant barns. They are an iconic part of the rich agricultural heritage of our region—and also support the day-to-day work of farmers and ranchers. We asked staff to provide us information on what sources of funding currently are in place to preserve historic barns. Two programs were identified: (1) the County's Barn Again Historic Barn Preservation Program, relaunched in 2016, and (2) the 4Culture Landmarks Capital Grant Program. These programs are important, but do not provide sufficient resources to ensure preservation of historically significant barns. Indeed, as a region we have done well in preserving agricultural land, but we have not done as well in protecting the viability of farming as a livelihood in King County. That said, we do not recommend including historic barn preservation funding in the Initiative. We do not see a strong nexus between barn preservation and land conservation. We believe it is important to stay focused on land acquisition and preservation for the Initiative to succeed. But, mindful of the importance of these structures, we strongly urge the County and state to expand resources available for historic barn preservation.

ii. Costs

Overall, the County's approach to developing a cost estimate for preservation of County priority lands seems sound to us. However, the range of the cost estimate is fairly wide, and we hope it can be narrowed over the next several months. For the subset of parcels where there is still a question of whether fee or easement is the best approach, we encourage the County to undertake additional parcel-by-parcel work to assess the best way of preserving these lands.

Similarly, we agree it is important to further analyze whether properties now enrolled in the Current Use Taxation (CUT) program will remain so enrolled. Lands in this program are more likely to be conserved – through continued private stewardship – without any additional County expenditure. Historically, over 95% of parcels enrolled in CUT have remained in CUT. But as development pressure grows, we agree it is realistic to expect CUT retention levels to drop. We are not in a position to second-guess the County's range of assumptions on CUT retention.

We encourage the County to look into the issue of CUT preservation assumptions further in the coming months—to create a refined proposal about when and where parcels should be prioritized for acquisition or easement protection in the face of this uncertainty. It may also be helpful for the County to further explore whether adjustments to the CUT program (by new legislation at the state level) could increase the likelihood of properties joining and remaining in the program.

In terms of the range of maintenance funding levels identified by the County for lands acquired through this Initiative, we strongly agree maintenance funding must be included in the Initiative. Acquired lands will not retain their conservation value without maintenance. The public will—and, we believe, should—demand assurance of adequate maintenance funding as part of this Initiative. We cannot say what the correct level of funding is for maintenance. However, we agree that the County should examine whether additional funding options are available and report back to the Advisory Group on this issue when we reconvene this fall.

A perhaps obvious but important point around costs: we are exploring a 30-year land acquisition and preservation program. Cost estimates made now will not translate to reality with precision over time. Some identified parcels may never become available; others could be added to the list over time. Revenue assumptions should incorporate this variability.

iii. Existing Revenues

The array of existing funding available to support the Initiative is impressive, but insufficient. (See **Figure 2**). There may be some competing demands for some of these funds, which we have not explored in depth. And we are not sanguine about the future for federal environmental grant funding. This Initiative may be even more important if federal funding for conservation is reduced. The likelihood of such a decrease should be figured into the future funding picture.

Overall, however, we are starting from a very positive position in terms of available public funding.

iv. Additional Steps Needed

In addition to the Phase 2 work identified below, we emphasize the challenge of communicating the goals and benefits of this Initiative in the most effective way possible to the public. The labels applied to the lands to be protected are important, and the County-proposed labels may not resonate as well as other possible terms. Holistically describing the benefits of the Initiative is also critical to building support for it. And this means reaching out beyond the traditional constituencies of outdoor enthusiasts and environmental advocates. It means also ensuring we communicate benefits to all residents, historically underserved communities, as well as the business community, in ways that resonate with them. Work should continue over the next several months to develop a thoughtful and effective public outreach strategy.

B. Conservation Lands Inside Cities

As stated previously, protecting high value conservation lands and urban green space within cities is essential to achieving the vision and benefits of the Initiative, and the support and active engagement of cities is similarly essential. On a practical level, the County will need to demonstrate benefits in urban areas to secure voter support for any regional funding source to implement the Initiative.

The County began outreach to cities on the Initiative several months ago, and work has begun in earnest. Just as the County has spent the last many months developing the data on unincorporated lands to conserve, we similarly expect it will take considerable time and effort for cities to develop their own list of conservation priority lands.

In terms of environmental benefits, the five categories of land identified by the County are relevant to city acquisitions, and we strongly encourage cities to identify such lands within their respective borders.

We endorse adding a sixth category of “urban green space” to the scope of the Initiative to address urban green space opportunities that exist within cities that are different than the five categories the County developed. The definition of this category should be developed through work with cities and urban community groups in the coming months. We anticipate that the “urban green space” category will be broader and more flexible than the other five categories, but generally consistent with them. For example, cities may be seeking to expand areas where “P-Patches” or community gardens can be established. Outreach around equity and social justice (discussed in the next section of this report) may suggest other ideas for inclusion in the “urban green space” category. It is important that the County, community stakeholders and cities work together in this outreach effort.

In the course of our deliberations, members of the Advisory Group representing cities also made clear that for some cities, acquiring new land may be a lower priority than redeveloping or restoring land already in public ownership. The extent to which these different priorities can be accommodated within this Initiative—or a companion effort, perhaps the County Parks Levy renewal—needs to be explored.

In sum, City lands must be identified. The level of development threat is likely high for in-city lands, so there is real urgency to this work. After identifying priority urban parcels, cost-effective preservation strategies for each parcel must be identified, and the extent of existing City resources that can be applied in support of the effort must also be considered. All this work then needs to be evaluated against whatever regional funding source or sources are selected to support the Initiative, and how those regional funding sources can or cannot be applied in support of proposed City land preservation priorities.

Fortunately, most cities have already responded to the County's request for direct, one-on-one engagement on the Initiative. However, this work will not be completed for several months at best—indeed, engaging all 39 cities in the level of detailed analysis already completed by King County for unincorporated lands could take years, and we cannot wait that long. So there is a balance to be struck here between perfect knowledge and action.

A mid-2017 target date should be established by the County for completing work with cities so that the Initiative can be finally scoped and we can proceed towards funding and implementation. Given the amount of work yet to be done in cities, it seems appropriate to us to plan for an initial round of specific in-city acquisitions and also ensure an ongoing funding stream is available for in-city acquisitions over time as information is developed. Work will also be needed to clarify the process and priorities for allocating any future funding stream.

C. Equity and Social Justice Considerations

The County's work plan for the Initiative notes the importance of incorporating equity and social justice considerations. We agree. There are serious inequities in our County between communities, including inequities related to access and proximity to open space and green space.

Several years ago, the County launched an equity and social justice initiative, and the County has a policy goal of incorporating equity and social justice into all its programs. The County defines "equity" or "social equity" as *full and equal access to opportunities, power and resources so all people may achieve their full potential*. "Social justice" is defined as having aspects including *legal, political, economic and environmental* considerations – *requiring the*

*fair distribution of and access to public goods, institutional resources and life opportunities for all people.*⁶

The County presented to us some intriguing work overlaying GIS data on income, health and other metrics of disadvantaged and underserved communities compared to open space access. The preliminary data identifies areas in King County where there are higher levels of diversity, environmentally related health concerns, lower incomes, and more limited access to open space. Staff stressed that this data is a work in progress and plan to refine the mapping as work proceeds. Even at this draft stage, however, the data illustrates to us that the Initiative provides an important opportunity to address equity and social justice.

We see a clear nexus between the benefits of this Initiative and improved equity and social justice outcomes in our County. Incorporating equity and social justice considerations into the Initiative would also make this effort more appealing to our broader community and potentially, private funders: all communities will be asked to support this Initiative in terms of contributing towards the public funding—and they should all see some benefit from it.

This does not mean shifting the primary focus of the Initiative away from preserving high value conservation lands. Rather, it means applying an additional lens to the prioritization process, particularly, though not exclusively, in urban areas. The nexus between conservation and social equity varies by the type and location of land. A small pocket of urban green space may not present the same level of habitat-related conservation value as a rural parcel, but could strongly advance social equity and human health goals in a disadvantaged community. Conversely, a rural parcel providing significant habitat benefits may rate extremely high in terms of conservation value but provide little direct opportunity to advance social equity goals. In our view, the Initiative should include preservation of *both types of parcels*.

Specific goals should be identified within the Initiative for addressing known inequities in access and proximity to open space and green space. These goals should be established in close coordination with cities and with organizations working to advance equity and social justice in underserved and disadvantaged communities. Desired outcomes may differ across different communities.

In the next several months, the County should engage directly with underserved and disadvantaged communities, with community groups working on social equity issues, and with cities, to identify parameters of urban green space that can advance equity and social justice. Specifically, the work should try to identify the specific actions and priorities within the scope of a land conservation initiative that can improve equity and social justice outcomes. This work should also consider ways to effectively communicate the value of the Initiative to underserved and disadvantaged communities.

⁶ Definitions in King County Equity and Social Justice Strategic Plan.

D. Implications for the County's Parks Levy

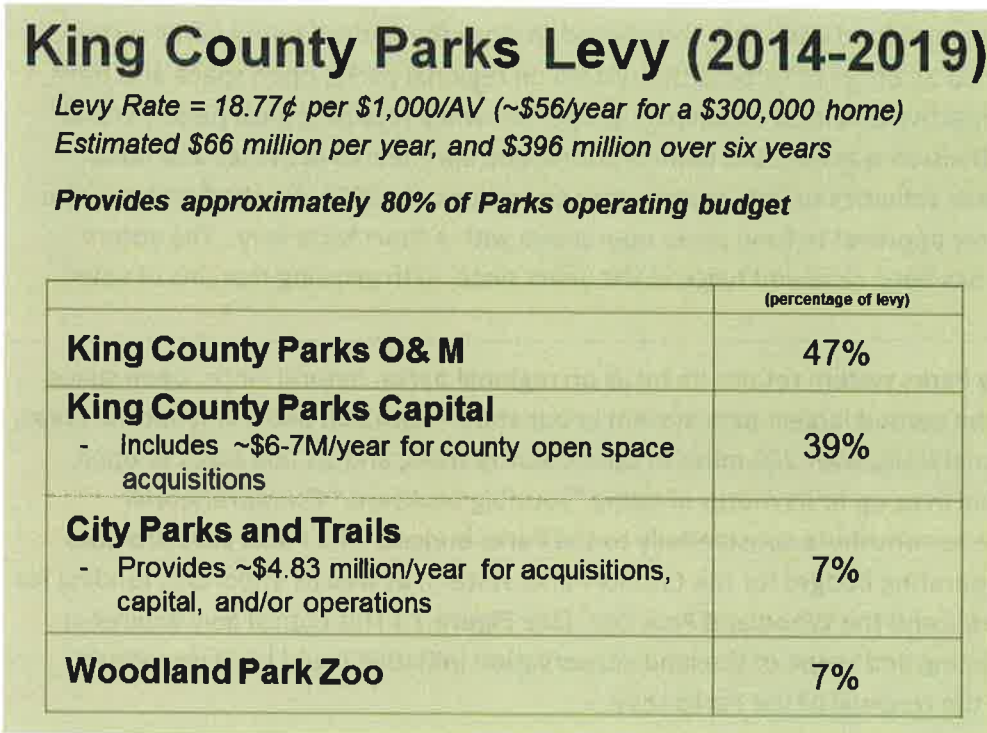
In 2001, facing a general fund crisis that threatened to close the entire County Parks system, the County launched an effort to refocus the system on regional parks, open space and trails, shifting away from active and local urban park properties while retaining local parks in rural areas. The Parks Division was directed to incorporate entrepreneurial activities and build revenues from these activities to help sustain park operations. In 2002, for the first time, the County sought voter approval to fund parks operations with a short term levy. The voters agreed. That levy has been renewed twice in the years since, with growing margins of voter support.

Today, the County Parks system retains its focus on regional parks, natural lands, open space and trails, and is the second largest park system in our state—with 200 parks and natural areas, 175 miles of regional trails, over 200 miles of back-country trails, and 28,000 acres of open space. It more than lives up to its motto of being “your big backyard.” Entrepreneurial revenues continue to contribute substantially to the Parks budget. The Parks Levy provides over 80% of the operating budget for the County Parks system, as well as important funding for all city parks systems and the Woodland Park Zoo. (See **Figure 7**.) This critical levy expires in 2019. Thus, the timing and scope of the land conservation Initiative could have important repercussions for the renewal of the Parks Levy.

It is vitally important that the Parks Levy be renewed. The land conservation Initiative must be pursued in a manner that does not undercut the ability to renew the Parks Levy. The constituencies for the Parks Levy and this Initiative overlap, but are not identical: a well-designed and transparent strategy is needed to ensure approval of both efforts. Additional work by the County, and others, should explore whether linking both measures on the ballot – or separating them by a year or more – is more likely to be successful.

Parks Levy revenues are extremely flexible as to how they can be used. We recommend that the County explore how the Parks Levy renewal can help address issues raised by cities in our processes that cannot be served by other funding sources. For example, if projects to restore urban park lands to a more natural and usable condition, or significantly expanded maintenance and operations funding, become priorities as the Initiative is further developed – and the funding source chosen for the Initiative could not fund those efforts – we should explore whether it makes sense to allow cities (or the County) to switch out allocations between Levy and Initiative funding sources. Similarly, it may make sense to increase operation and maintenance funding allocations within the Parks Levy.

Figure 7. Structure of Current King County Parks Levy



Source: King County.

E. Private Funding Sources

Just as entrepreneurial revenues have been important to funding the County Parks system, the County is proposing employing non-traditional sources to support the land conservation Initiative. Some of this involves expansion of existing County programs—transfer of development rights and “in-lieu fee mitigation.”⁷ In addition, the County has reached out to firms, foundations and individuals in the private sector to explore other ways in which private sector funding could help fund the Initiative. The private funding approaches being explored include philanthropy, capital investment (although likely at a lower than market rate of return in exchange for an environmentally beneficial outcome) and private lending to help accelerate the pace of acquisition. Including private funding would reduce the overall need for public financing of the Initiative. **Figure 8** summarizes some of the types of private funding being examined.

⁷ The Transfer of Development Rights (TDR) program enables purchase of unused development rights from rural areas and subsequent sale of the development rights to urban developers who can build higher density projects. The In Lieu Fee (ILF) mitigation program enables developers whose projects create an environmental impact to pay a fee to King County in lieu of completing their own offset project; King County then uses the money to restore habitat (and a portion of fees can be used to acquire new restoration sites or protect intact habitat).

Figure 8: Possible Private Financing Mechanisms

Possible Private Financing Mechanisms

Note: below, "KC" is used to mean King County or its conservation partners; see Appendix for detailed definitions

Acceleration Only

- **"Land banking"** of a priority parcel (buy-and-hold for KC) by a conservation investor
- **Private market loans** to KC

Sources of Additional Permanent Capital (that "fills the gap")

Develop new sources:

- **Philanthropic acquisitions** of priority lands
- **Corporate acquisitions** of priority lands with commitment to long-term sustainable use
- **Low-interest loans** (by foundations, to land investors) with **conservation requirements attached**
- **Revenues from compatible commercial uses** of KC-owned lands
- **Environmental markets:**
 - **Carbon credits**
 - **New environmental markets** – e.g., water quality, storm-water, etc.

Grow existing sources:

- **Transferrable Development Rights**
- **Wetland mitigation** (in lieu fee and banks)

Source: King County.

The County funding source "wheel" (**Figure 2**) shows that these private funding sources are estimated to contribute \$100 million towards the land conservation Initiative – \$50 million from philanthropy and an equal amount from "future ecosystem service markets."

Is this realistic? After hearing from a panel of impressive individuals leading the way on these strategies in the Northwest, we cannot say for certain. Some of those on the panel observed that the County's target for private funding seems realistic. However, this is largely uncharted territory. Ecosystem markets are in their infancy, though there are some specific successes to point to in our region – including the 2015 Microsoft purchase of carbon credits totaling 37,800 metric tons CO₂ equivalent from the Nisqually Land Trust on a 520-acre property in the Mount Rainier Gateway Reserve.⁸ Private funding mechanisms could be a catalyst for innovation, and could be an important means of accelerating the availability of monies for acquisition (eventually repaid with public dollars). In some instances, private sector actors may have a

⁸ <http://nisquallylandtrust.org/nisqually-land-trust-makes-news-and-history/> and TJ DiCaprio, pers. Comm. Jan 2017.

greater ability to respond quickly and effectively in a fast-changing real estate market, as compared to government agencies. It seems less likely to us that private funding sources will generate substantial dollars to “fill the gap” – and if so, the amount of public funding required will increase correspondingly. The apparent lead time to develop new sources of private funding (i.e. years, not months) also conflicts with the urgency we feel to act to preserve lands that may be lost forever to development.

Members of the Advisory Group have noted that nationally, the scale of private philanthropic contributions to environmental causes is quite small compared to the contributions of public funding. In sum, private funding is a plus, but public funding is the key to success or failure of the Initiative.

With all this in mind, we nevertheless support the County’s work to incorporate private funding mechanisms into the Initiative. It is important to be able to tell the public we are pursuing this opportunity.

One area where success is more clearly within our grasp is the transfer of development rights (TDR) program. We support the County’s efforts to expand this program through additional city partnerships. There are only four cities which currently have TDR agreements with the County: these agreements can not only reduce the cost of land preservation, they also directly mitigate concerns about the loss of buildable lands as areas are preserved—while keeping the land in private ownership.

We also encourage the County to work over the next several months with experts from private funding markets to develop a proposed plan for engaging private capital in support of the Initiative and to develop a better sense of the long-term capacity here. It may be useful to convene another panel of experts in this inquiry. The County should also explore the potential for a land conservation pilot project using private funding.

F. Public Funding

In addition to the idea of private funding contributions, the County has presented four options for public funding to “fill the gap” between existing County funding sources and the cost of the Initiative. We reviewed the capacities and implications of these various sources over several meetings. All four options would require countywide voter support, and the proceeds of all four would be remitted to the County for allocation regionally. Three of the options are property tax based. The four options are:

- Restoring the existing Conservation Futures Tax (CFT) to its maximum levy rate of 6.25 cents per \$1,000 of assessed value
- Establishing an additional Real Estate Excise Tax— “REET 3”
- Seeking a property tax lid lift

- Seeking approval to issue general obligation bonds

The four options are summarized in **Table 1**.

As between the four options, the Advisory Group most strongly supports the idea of using the **Conservation Futures Tax (CFT)** to fund the land conservation Initiative. That said, at this time, we would leave all four funding sources on the table for further consideration.

i. Conservation Futures Tax (CFT)

In King County, CFT was initially enacted by the King County Council in 1982 at the statutory maximum rate of 6.25 cents per \$1000 of assessed value. CFT has been a quiet success for decades, and has been extensively – and successfully – used by both the County and cities. The allocation process in place is well understood and has stood the test of time. Because allocation is built around a grant process, it can address emergent needs over time.

As a result of state laws limiting the growth of property tax revenues year-to-year, over time the effective rate of the CFT levy has fallen to 4.45 cents per \$1,000 of assessed value. For the land conservation Initiative, we would be asking voters to simply restore the levy to its initially authorized rate. Restoring CFT to the original 6.25 cent rate would generate substantial funding, particularly if a second lift was voted upon to again restore the tax rate mid-way through the 30-year Initiative. One downside of this source is that it may not be able to be applied in support of some of the broader interests of cities, and that it is not used for maintenance funding by County policy (though limited use for maintenance—up to 15% of total revenues generated – is allowed by state statute). This points out the importance of considering ways to coordinate the Parks Levy renewal with the funding of the Initiative, and also the need to consider adjusting the County's policy on limiting CFT use for maintenance and operations expenditures.

ii. REET 3

REET 3 has some supporters within the Advisory Group, but also raises some concerns. It has tremendous fund-raising capacity and is arguably the most progressive tax option presented. However, it may be a bigger political hurdle to secure approval than the other options. Limitations on the use of REET 3 dollars raise similar concerns as for CFT: some types of city projects may not be funded with REET 3.

iii. Property Tax Lid Lift

Property Tax Lid Lifts are routinely sought by local governments, given the limitations on growth of property tax revenues. On balance, we are less enthusiastic about this funding source than others. It is familiar to people, and the monies generated can be used more flexibly than any other source. However, we have some concern about voter fatigue with this source.

The existing County Parks Levy is a property tax levy lid lift. We think the County should explore whether adjustments to the next Parks Levy would be appropriate to help address city priorities relative to this Initiative, as well as other Initiative items that could not be funded by CFT or REET.

iv. General Obligation Bonds

General Obligation Bonds require 60% voter approval and validation, and the proceeds cannot be used for maintenance. Those are important limitations which make us not strongly favor this option. Again, however, we would leave it on the table for now.

v. Next Steps

In the next year, polling to further test the level of voter support for these various options should be pursued. We understand there are limitations on what polling the County can fund, so it may be advisable to reach out to nongovernmental groups for assistance here. Refining how cities would like to engage in this Initiative may also impact the choice of funding, given statutory limitations on how these various revenues may be applied.

III. BUILDING THE OVERALL PACKAGE

We summarize below the key components of the overall package we believe are needed for the Initiative, if it proceeds, to be successful.

A. The Proposed Scope and Urban Green Space

We support conserving the five categories of land identified by the County. The County priority lands inventory has been thoughtfully and comprehensively developed. However, it is important that the preservation of high conservation value lands in both unincorporated and incorporated areas be accomplished through this Initiative. Urban area high conservation value lands must be identified. And, as discussed above, we are convinced that it is appropriate to add a more flexible category of “urban green space” to the Initiative to address the variety of city open space priorities. The scope of this urban green space category should be consistent with the open and green space preservation goals of the overall Initiative, but should ultimately be refined and determined through working with cities over the next several months.

B. Overall Funding Requirements and City Priorities

As noted, the Initiative must include identification and preservation of high value conservation lands within cities. However, these lands have yet to be identified, and work is also only beginning towards defining “urban green space” priorities. Urban lands tend to be more expensive than rural lands. So the price tag for the Initiative cannot be reasonably developed without more work with cities.

Table 1: Public Funding Options Summary

Source	Implementation Mechanics	Revenue Generated	Potential Cost for \$416,000 AV home
Conservation Futures Tax (CFT)	50% voter approval; No minimum voter turnout. Originally authorized at 6.25¢, has eroded to about 4.45¢ today.	Lift to 6.25¢ creates \$340M new funding over 30 yrs. With 2 nd lid lift to restore to 6.25¢ 15 years out, add \$290M more to total \$630M .	Increase of \$7.50 per year (from \$18.50 per year to \$26 per year) on a \$416K home.
REET 3	50% voter approval; no minimum voter turnout. Can be authorized at rate of up to 1%. It is a tax on the property buyer. Both REET 1 and 2 are in effect in King County; these are taxes on the property seller.	A 0.10% tax (1/10th of maximum) would generate \$1.8B over 30 years. A 0.021% tax generates \$386M over 30 years.	At 0.10%, buyer pays \$416 on a \$416K transaction; \$10,000 on \$10M transaction. At 0.021%, buyer pays \$87 on \$416K transaction; \$2,100 on \$10M transaction.
Property Tax Lid Lift	50% voter approval; no minimum voter turnout. This is the County Parks Levy mechanism (levy expires 2019; authorized in 2014 at rate of 18.77¢ per \$1,000 of assessed value.) Structure can vary as to years imposed, rate imposed. A King County property tax levy lid lift could reduce the taxing capacity of junior taxing districts such as parks districts.	Options here could include: <ul style="list-style-type: none"> • A shorter term, higher tax rate levy. <ul style="list-style-type: none"> ○ More money available for acceleration. ○ Higher rate costs property owners more per year, for a shorter duration ○ Levies of up to 6 years can include inflation adjustor (exempting receipts from 1%/year growth limit) • A longer-term, lower tax rate levy. <ul style="list-style-type: none"> ○ Cannot bond against a levy longer than 9 years – limits money available to accelerate purchases ○ Lower rate costs property owners less in any single year. 	In 2016, a Countywide 1¢ property tax levy generates \$4.3M, and costs \$4.16 per year for a median homeowner (home value of \$416,000). The following scenarios raise \$385 million in 6 or 9 years: A 12.5¢, 6-year levy costing \$52 a year on a \$416K home. An 8¢, 9-year levy costing \$33 a year on a \$416K home.
General Obligation Bonds	60% voter approval Validation requirement	Assuming 20-year bonds, \$385M could be raised at annual avg. homeowner cost of about \$22 (2016)	A 15-year bond at 2.8% costs \$27 a year on a \$416K home. A 20-year bond at 3.0% costs \$22 a year on a \$416K home.

Source: King County.

That said, given the urgency of acting to preserve lands, it is important to push forward on planning sooner rather than later. We have asked to be reconvened early in the fall of 2017 in order that we may issue final recommendations before the end of the year. Thus, the challenge in the next six months will be for the cities to develop a list of known high priority lands to protect, and to work with the County to identify a principled basis by which to size a revenue stream to secure both these lands and additional as-yet unidentified in-city purchases and “urban green space” priorities.

C. Acceleration Strategies

Another implication of the urgency here is that there must be an acceleration strategy for funding. It is critically important to front-load some funding to protect as many lands as possible before they are developed and lost forever. The most likely tactics here would be bonding of certain public funding sources or possibly the use of private market strategies (advance funding for purchase, to be repaid over time by public funds).

At the same time, however, all identified parcels will not necessarily be available in the next few years—and not all parcels will be identified, particularly within cities. Therefore, there must also be a revenue stream to acquire or otherwise preserve land as it is identified or becomes available over time.

D. Public and Private Funding

A variety of regional public funding sources are already in place to support a significant portion of the Initiative. Just how large that portion is depends upon the size of the cities’ priority lands component—and what city funds are applied to support those acquisitions. In any event, however, there is a sizeable funding gap to achieve the vision.

We believe that the region must approve both new public funding of some sort, as well as support efforts to secure private funding to fill the gap. Given national data on environmental philanthropy, and the relatively nascent state of privately funded environmental markets, we agree that new public funding is much more important for “filling the gap” than private funding. Private funding should be further explored, but seems more likely to us at this point to assist with acceleration strategies.

Of the public funding options identified by the County, we most strongly support Conservation Futures Tax as a funding source. However, a final decision should be made only after additional work is done to identify city lands in coordination with cities and communities, including the scope of the urban green space category, and also after a strategy to address the County Parks Levy is developed.

E. Interplay with Parks Levy

Continued operation of the County Parks system is dependent on periodic renewal of a regional property tax levy. The Parks Levy, which also allocates millions of dollars each year to city park systems, expires in 2019. We must be mindful not to focus on winning the battle at risk of losing the war: implementing the Initiative cannot undercut the ability to preserve County Parks system funding. The timing of the two measures – the Initiative funding source potentially on the ballot in 2018, with the Parks Levy following the next year— needs to be carefully considered and coordinated. We think it is possible that a complementary strategy can be developed between the two efforts. The County should explore whether city funding issues related to the Initiative can be integrated to advantage with the Parks Levy renewal. City representatives on the Advisory Group note the importance of adequate maintenance and operations funding for local systems, as well as urban green spaces – these might not be fully funded by some of the public funding options we considered for the Initiative. This creates an opportunity for the Parks Levy to be scoped in support of the Initiative.

F. Equity and Social Justice Considerations

It is important to incorporate equity and social justice considerations into the Initiative. More work with historically underserved and disadvantaged communities needs to be done in the next several months to determine how to fully incorporate a social equity perspective to the selection of lands to be preserved, and also how the “urban green space” category should be defined.

G. Metrics

Metrics for the success of this Initiative should be developed. The County and cities need to be able to tell the public what they will achieve with any new funding. A review of proposed metrics could be a part of the Phase 2 work of the Advisory Group. We encourage King County to work with other agencies and researchers in developing these metrics.

IV. CONCLUSION: PHASE 2 WORK, TIMELINE AND NEXT STEPS

The Executive has laid out a bold vision in the Initiative, and we endorse that vision. By “finishing the job” of preserving the last best places in King County, we will further invest in our growth management vision of ensuring vibrant communities and a sustainable economy while our population continues to grow—and ensure a healthy ecosystem and access to beautiful green spaces for all residents for generations to come.

This report offers the County Executive and County Council our recommendations and refinements with respect to the Initiative and supporting work plan. We believe that it is necessary to take time to pursue several paths of inquiry before finalizing the action plan for the Initiative. We therefore respectfully ask to be reconvened in early fall of 2017. As outlined in this report, issues that we believe must to be addressed in a “Phase 2” effort include:

- **City engagement** to identify city land conservation priorities, expand upon the definition of the urban green space category we propose, explore funding options.
- **Community engagement**, particularly around equity and social justice issues, to ensure that benefits of the initiative can be broadly realized and we can further take the opportunity to address open space deficiencies in underserved communities.
- **Equity mapping analysis** to support equity and social justice goals—identify how and where we can address limited green space in underserved communities through the Initiative.
- **Explore private funding opportunities** and test expectations for how private funding can support the Initiative.
- **Planning for next Parks Levy cycle** to develop a preferred strategy that can ensure the County parks system stays open and explore ways in which the levy renewal may be integrated with the Initiative.
- **Update cost modeling incorporating city priorities** so that we can most accurately size the funding gap, including consideration of revised scope and the need for some degree of funding acceleration.
- **Buildable Lands Impact Analysis** incorporating data on city-identified lands.
- **Model potential funding packages** considering the full projected cost over time.
- **Develop targets and metrics of success** to ensure accountability to the voters and confirm the goals to be accomplished.

These tasks and others are all included in **Exhibit D**, the Phase 2 Work Plan. There is a substantial amount of work to be accomplished in a relatively short period of time. Given the urgency of the mission, we strongly urge the support of the County and cities to pursue these tasks collaboratively over the next several months, in order that we may be reconvened early in the third quarter of 2017 to review the results of this work. Our goal is to provide the Executive our final recommendations before the end of 2017.

In closing, we thank the Executive for convening us, and for the outstanding work of the County staff in support of our efforts. We are inspired by the vision that Executive Constantine has set forth and by the Council’s policy support for this effort. We look forward to hearing their feedback on this Report, and to later reconvening in 2017 to finish our part in this effort to “finish the job.” By preserving the remaining wild areas and green spaces in our rural and urban areas, ensuring urban green spaces in every community, and expanding upon our region’s commitment to preserving working farms and forests, we can ensure King County remains one of the best places in to live and work for generations to come.

Exhibit A: King County Land Conservation Advisory Group Members & Support Staff

Advisory Group Members

Larry Phillips – Co-Chair, former King County Councilmember and State Legislator

De'Sean Quinn – Co-Chair, Tukwila Councilmember and Forterra Board Member

Christopher Williams, Seattle Parks and Recreation Department

Lylianna Allala, Seattle Parks District Oversight Committee

Marc Berejka, REI

Tom Dean, Vashon-Maury Island Land Trust

Tamara "TJ" DiCaprio, Microsoft

Patti Dill

Gene Duvernoy/Leda Chahim, Forterra

Jon Hoekstra, Mountains to Sound Greenway Trust

Greg Johnson, Wright Runstad & Company

Martha Kongsgaard, formerly of Puget Sound Partnership Leadership Council

Leann Krainick, King County Agriculture Commission

Paul Kundtz, Trust for Public Land

Terry Lavender, Conservation Futures Citizens Oversight Committee

Hank Margeson, Redmond City Council representing Sound Cities Association

James McNeal, Bothell City Council

Louise Miller, former State Representative and King County Councilmember

Michael Orbino, John L. Scott Real Estate

Alanna Peterson, Washington Trails Association, Pacifica Law Group LLP

Steve Shestag, The Boeing Company

Vandana Slatter, former member, Bellevue City Council

Mike Stevens/Mo McBroom, The Nature Conservancy

Nate Veranth, King County Rural Forest Commission

Steve Whitney, Bullitt Foundation

Support Staff

Advisory Group Facilitator:

Karen Reed, Karen Reed Consulting LLC

King County Department of Natural Resources & Parks (DNRP) staff:

Christie True, Director

Bob Burns, Deputy Director

Michael Murphy, Transfer of Development Rights & In-Lieu Fee Mitigation Program Mgr.

Ingrid Lundin, Natural Lands Planner

Charlie Governali, Land Conservation Project Manager

Exhibit B

King County Executive's Land Conservation Work Plan: Summary

November 2016

(Note: This document was shared with all Cities in November 2016)

King County Executive Dow Constantine is considering a new land conservation effort to protect the remaining high conservation value lands in King County within a generation. Executive Constantine submitted a Land Conservation & Preservation Work Plan to King County Council in March 2016. An advisory group has been convened to review the work plan. King County is meeting with cities to integrate city priorities, in order to complete the vision for conservation across the entire county. *Finishing the Job of Conservation in King County*



King County's landscape is spectacular – from Puget Sound, through a thriving metropolis and quiet rural communities, abundant farms and working forests, to the Cascade Mountains. Our landscape gives King County a competitive economic advantage in the global marketplace. People want to live here and businesses want to be here, in part because of the natural beauty and accessible open space. As one of the fastest growing large counties in the U.S., King County's population of 2 million people is expected to increase by 25 percent by 2040.

Residents in our region have made significant investments in open space and trails, but there is more work to do to finish the job of conservation and keep our environment, communities, and economy healthy. For King County to thrive we need to keep our natural lands and river corridors intact, maintain viable working resource lands, and preserve great places for people to explore, relax and stay connected to the natural world. We must act quickly to protect our most-important remaining conservation lands before prices escalate and we lose opportunities to development.

Land Conservation & Preservation Work Plan

The Land Conservation & Preservation Work Plan includes an initial analysis of conservation opportunities, available revenues, and new funding possibilities. The work plan focused on five main conservation categories:

- *Natural Areas* (land acquired in fee or easement that preserves natural ecosystems for fish & wildlife habitat, provides nature-based/passive recreation, completes corridors of public land ownership, buffers natural and developed landscapes)
- *Forests* (land often acquired in easement that supports working forests, holds the line against sprawl, supports wildlife habitat, protects water quality, helps respond to a changing climate)
- *Farmland* (land acquired in easement which preserves local food production, farm economies and affordability, in Agricultural Production District or rural areas)
- *River Corridors* (land acquired along rivers in rural and urban areas to help protect communities from floods and repetitive losses, which also support natural watershed functions)

- *Regional Trails* (completing existing and planned corridors for shared-use, non-motorized trails, providing mobility and recreation opportunities, spanning urban and rural King County)

Next Steps

Moving forward, near-term actions identified in the plan include:

- Refine the analysis of lands the County seeks to protect.
- Identify existing and new revenue streams to support conservation acquisitions.
- Look for opportunities to forge public and private partnerships.
- Collaborate with cities in King County to identify their priorities for conserving land.
- Provide opportunities for public engagement and input.
- Convene an Advisory Group to provide input on the County's overall land conservation goal; input and recommendations on financial strategies; and approaches and timing considerations for achieving the goal. The Advisory Group will issue a report to the Executive in early 2017.

Initial analysis focused on conservation priorities that King County would lead, and revenues available to King County. Approximately 66,000 acres of land has been identified by King County for conservation, primarily in the rural area of King County.

The work plan recognizes that it is vital for the county and cities to work together to identify city priorities, in order to identify regionally important conservation lands across King County. The county is actively meeting with cities to determine how to integrate city conservation priorities into the picture of conservation across King County. Urban land is important to help meet not only regional conservation goals, but also to help support health and social equity among all residents of the county.

Filling the Funding Gap

The total cost to conserve the current scope of lands (66,000 acres) is on the order of \$1.5-\$1.8 billion. Approximately \$1.27 billion in existing revenues is estimated to be available to King County to fund these acquisitions over the next 30 years. The estimated funding gap identified at this point in time is on the order of \$300-500 million. As city lands are added, costs to protect these lands will rise, but available revenues will also rise as revenues available to cities are taken into account.

Potential funding sources were identified in the work plan that could generate additional funds for land conservation. Most of these would require a countywide vote to authorize:

- a county bond
- property tax levy lid lift
- increase in the conservation futures tax to the fully authorized amount
- REET (Real Estate Excise Tax) 3

Other options the Executive has proposed are expanding philanthropy and new ecosystem markets to secure private funding for land conservation.

Websites: Work Plan: <http://kingcounty.gov/land-conservation>

Advisory Group: <http://www.kingcounty.gov/conservation-advisory-group>

Exhibit C: High Level Map showing location of County Priority Lands

Conservation Priorities

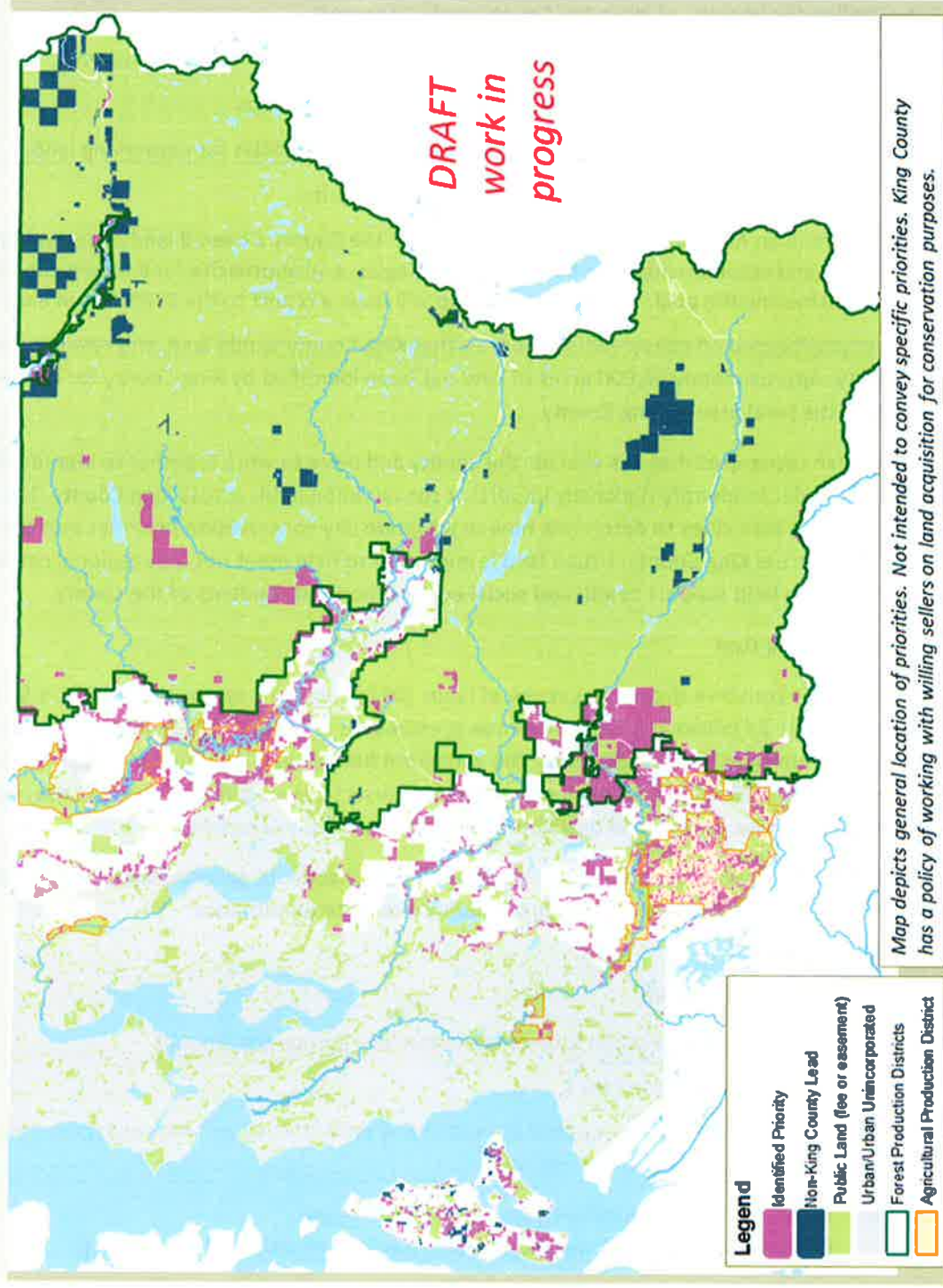


Exhibit D: Phase 2 Work Tasks

TASK	January	Feb.	March	April	May	June	July	August	Sept.	October	Nov.	Dec.
1. Phase 1 Wrap-up Report submittal, briefings, etc.												
2. City Engagement Meet w/ cities-land priorities & feedback Report back to cities re discussions												
3. Equity Mapping Finalize model Work with cities in priority areas												
4. Community Engagement ID key questions & refine messaging Conduct outreach, with cities where applicable Assemble and aggregate input												
5. Explore Private \$ Opportunities Property-specific product sheets Outreach; advance partnerships												
6. Buildable Lands Impact Assessment Update assessment model Meet with development community												
7. Planning for Parks Levy Plan ahead for levy renewal												
8. Update Cost Model Refine county priorities; CUT; etc. Integrate city priorities into model												
9. Model Funding Packages Update funding model Re-evaluate funding gap & options												
10. Develop Targets/Metrics Develop metrics												
11. Track Regional/Nat'l Issues Track trends in conservation funding												
12. Plan for Phase 2 Advisory Group Status emails every 1-2 months Phase 2 Advisory Group meetings												

Exhibit E

Glossary

Current Use Taxation Program: There are four current use taxation programs in King County that offer an incentive (a property tax reduction) to landowners to voluntarily preserve open space, farmland or forestland on their property. Once enrolled, a participating property is assessed at a “current use” value, which is lower than the “highest and best use” assessment value that would otherwise apply to the property. These programs encourage the conservation of natural resources in King County by conserving its land and water resources, which include important wildlife habitat, wetland and streams, working forests and productive farmlands. The programs encourage long-term enrollment by applying a penalty to properties that withdraw (guided by state statute, often including repayment of seven years of back taxes).⁹

Equity, or Social Equity: Full and equal access to opportunities, power and resources so that all people may achieve their full potential and thrive.¹⁰

Farmland: Agricultural lands that have long-term significance for the commercial production of food or other agricultural products.¹¹ Agricultural products include, but are not limited to: horticultural, viticultural, floricultural, vegetable, fruit, berry, grain, hops, hay, straw, turf, sod, seed, and apiary products; feed or forage for livestock; Christmas trees; hybrid cottonwood and similar hardwood trees grown as crops and harvested within twenty years of planting; and livestock, including both the animals themselves and animal products including, but not limited to, meat, upland finfish, poultry and poultry products, and dairy products.¹²

Green Space: A term related to ‘open space’ as defined below. Considered by the Advisory Group in the context of “urban green space” which would generally refer to passive-use open space lands of various purposes located in urban settings. Term is to be further defined through Phase 2 work.

High Conservation Value Lands may include:

- Lands with important natural or scenic resources, such as forests, streams, rivers, wetlands, soils, nearshore resources, beaches, and other types of fish and wildlife habitat;
- Lands that are important for species and biological diversity and important to support and recover threatened and endangered species;
- Lands that are important for habitat restoration or flood hazard reduction projects;
- Lands providing passive recreation or regional trail opportunities;
- Timberland or agricultural lands supporting commercial production.

Natural Areas: Natural areas are those properties in the county’s natural lands inventory whose primary purpose is to conserve and restore ecological value. They may not be completely natural and undisturbed but may be important in preserving rare or vanishing flora, fauna, geological sites or features of scientific, traditional, cultural, or educational value. These sites may allow public use that

⁹ <http://www.kingcounty.gov/services/environment/stewardship/sustainable-building/resource-protection-incentives.aspx>

¹⁰ Definitions in King County Equity and Social Justice Strategic Plan.

¹¹ King County 2016 Comprehensive Plan, from the Glossary definition of Resource Lands, Designated

¹² King County 2016 Comprehensive Plan, Glossary – Agricultural Products

does not harm the ecological resources of the site. Also referred to as Ecological Lands or Ecological sites.¹³

Open Space: "Open space land" means "open space land" as now defined in RCW 84.34.020(1) and "open space use" means any of the uses provided in such definition.¹⁴ RCW 84.34.020 (1): (1) "Open space land" means (a) any land area so designated by an official comprehensive land use plan adopted by any city or county and zoned accordingly, or (b) any land area, the preservation of which in its present use would (i) conserve and enhance natural or scenic resources, or (ii) protect streams or water supply, or (iii) promote conservation of soils, wetlands, beaches or tidal marshes, or (iv) enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space, or (v) enhance recreation opportunities, or (vi) preserve historic sites, or (vii) preserve visual quality along highway, road, and street corridors or scenic vistas, or (viii) retain in its natural state tracts of land not less than one acre situated in an urban area and open to public use on such conditions as may be reasonably required by the legislative body granting the open space classification, or (c) any land meeting the definition of farm and agricultural conservation land under subsection (8) of this section.

Parks Levy: The King County Parks, Trails, and Open Space Replacement Levy, approved by King County voters on August 6, 2013. The measure will generate an estimated \$66 million per year from 2014 through 2019 through a CPI-indexed property tax levy lid lift of up to 18.77 cents per \$1,000 of assessed value. The Parks Levy replaced two earlier countywide parks levies, the King County Parks Levy and the Open Space and Trails Levy, which expired at the end of 2013.¹⁵

Social Equity: See "Equity"

Social Justice: All aspects of justice – including legal, political, economic and environmental – and requires the fair distribution of and access to public goods, institutional resources and life opportunities for all people.¹⁶

Regional Trails: Regional trails are nonmotorized facilities and may be paved or soft-surface (gravel) or a combination of both. Regional trails provide both recreational opportunities and mobility options, connecting users with dedicated nonmotorized routes to parks, work, school and other destinations. Trails can be used for walking, jogging, cycling, skating, and, where appropriate, horseback riding.¹⁷

Working Forests: Working forests are lands with important ecological value for the retention and infiltration of stormwater for the elimination of runoff and replenishment of groundwater, as a source of water for rivers and streams that support fish populations, for providing fish and wildlife habitat, improving air quality, reducing wildfire risk, sequestering and storing carbon dioxide and helping mitigate the impacts of climate change. Working forests can also provide economic value, both as a source of revenue generated from harvesting timber and other forest products and as a recreation

¹³ King County 2016 Comprehensive Plan, Glossary

¹⁴ King County Code 26.04.020 (L)

¹⁵ <http://kingcounty.gov/services/parks-recreation/parks/about/levy.aspx>

¹⁶ Definitions in King County Equity and Social Justice Strategic Plan.

¹⁷ King County Open Space Plan 2016 Update, page 25

destination.¹⁸ Also, Working forests include forest lands that have long-term significance for the commercial production of timber.¹⁹

¹⁸ King County Open Space Plan 2016 Update, page 27-28

¹⁹ King County 2016 Comprehensive Plan, from the Glossary definition of Resource Lands, Designated.



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