

Reducing Pressures on Puget Sound from Land Development

(Draft, September 29, 2011)

A1. Focus land development away from ecologically important and sensitive areas

A2. Permanently protect the intact areas of the Puget Sound ecosystem that still function well.

A3. Protect and steward ecologically sensitive rural and resource lands.

A4. Encourage compact regional growth patterns and create dense, attractive and mixed-use and transit-oriented communities.

The Challenge

Land cover and land development is an essential indicator of ecosystem health because of its importance for both terrestrial and aquatic ecosystem processes and habitats. Due to land conversion from growth and development pressures, many Puget Sound habitats have been reduced in size, diminished in quality, been fragmented and the ecosystem processes (e.g., water quality, flow and retention) that form and sustain these habitats have been degraded and disrupted. During the past 50 years, Puget Sound lost at least two thirds of its remaining old growth forest, more than 90 percent of its native prairies and 80 percent of its saltwater and freshwater marshes (PSP Topic Forum Discussion Paper, Habitat and Land Use, 2008).

Essential to our ability to protect resources will be encouraging density in urban areas, protecting rural working lands, and avoiding sprawl. Population growth and residential and commercial development are elements of a healthy economy and are not per se what threatens Puget Sound health and recovery, but rather *where* and *how* the growth and development occur does result in adverse pressures on ecosystem functions.

Tools to protect key ecosystem processes include regulatory programs, acquisition programs, outright purchase of property, partial acquisition of development rights or conservation easements, and conservation leasing. Special designations such as Wilderness, Wild and Scenic Rivers, and Outstanding Water Resources can be used to ensure protection happens. Acquiring development rights from highly productive working resource lands, such as farms and forests, is an effective way to protect ecosystem

processes/structures while ensuring long-term productivity of working landscapes and rural communities.

Strategies for reducing pressures from Land Development include efforts to: focus land development away from ecologically important and sensitive areas; protect and steward ecologically sensitive rural and resource lands; and encourage compact regional growth patterns and create dense and attractive communities.

Relationship to Recovery Targets

As of September 2011, the Partnership's Leadership Council has not yet adopted Land Cover and Land Development recovery targets. The Partnership identified the need for a land cover dashboard indicator and target and a land development pressure reduction indicator and target. A suite of indicators and associated recovery targets are currently being developed by a technical team and vetted by a Land Cover and Land Development Interdisciplinary Team (IDT) in preparation for greater input and a decision by the Leadership Council in October 2011. In addition, to more accurately capture the complexity of land development and the impact of Puget Sound recovery efforts, the technical team and Land Cover and Land Development IDT anticipates making a recommendation to the Leadership Council to initiate creation of a suite of sub-indicators for land development.

Broadly speaking, the indicators are collectively trying to measure the where, how, and the extent of land development and conversion. The technical team anticipates proposing one land cover indicator and target and several pressure reduction indicators and targets for Leadership Council consideration and adoption.

The proposed indicators are:

- Land cover dashboard indicator: Area of non-federal forested land-cover converted to development and miles of restored vegetation in riparian corridors.
- Pressure reduction indicator 1: Change from vegetated to developed land cover on indicator land base of ecologically functional lands under high pressure from development
- Pressure reduction indicator 2: Proportion of basin-wide population growth occurring within Urban Growth Areas (UGAs)
- Pressure reduction indicator 3: Rate of change in population growth relative to the rate of change of impervious surface

A1. Focus land development away from ecologically important and sensitive areas.

Protecting high quality ecological areas is less expensive and more effective than trying to repair or restore damaged areas. In an effort to maintain a balance of development and protection, the sub-strategies recognize that population growth is an integral part of the regional economy, but aim to focus land development away from areas in the Puget Sound that are ecologically vulnerable and important to maintain. In the near term, the sub-strategies focus on identifying what ecologically important lands are

and where they are located in Puget Sound, making this information available to local jurisdictions, and equipping them with information they need to make decisions consistent with the overall strategy of focusing development away from ecologically sensitive areas.

A1.1 Identify and prioritize areas that should be protected or restored and those that are best suitable for (low impact) development.

Ongoing Programs

1. A1.1 Ongoing Program 1: Ecology and WDFW complete the Puget Sound Basin Characterization by 2012.

Performance Measure: Puget Sound Basin Characterization complete or not by 2012

The Puget Sound Basin Characterization's (PSBC) assessment of Water Flow, Water Quality and Biodiversity importance of Puget Sound Basin lands and waters is a primary tool used to identify ecologically sensitive areas. This assessment is a key step for identifying which areas are appropriate targets for low-impact development, and those which should be protected from development. Gathering and analyzing the information in the Characterization will provide an essential first step toward focusing land development in appropriate areas, away from ecologically important and sensitive areas and the results are used in several of the strategies in A1, A2, A3, and A4. The Characterization incorporates many of the same data sets used in related regional analyses conducted by Department of Natural Resources (Aquatic Landscape Prioritization), The Nature Conservancy, Washington Biodiversity Council, and Washington Habitat Connectivity Working Group and is therefore an important and appropriate tool for identifying ecologically important lands for the purposes of this effort.

The Puget Sound Basin Characterization is a set of spatially explicit assessments that provide information for regional, county, municipal, and watershed-based planning. It is a coarse-scale decision-support tool that will enable better land use decisions and more effective protection, restoration, and conservation of our region's ecologically sensitive areas. The assessments cover the entire contributing drainage area of Puget Sound and represent the physical, chemical, hydrologic, wildlife, and human attributes of this landscape that support and interact with the structure and function of ecosystems in Puget Sound. Although based on generalized data, they provide a regional-scale perspective on the spatial distribution of these attributes and impacts that is not generally provided by other available tools. The intended audience is local planners and watershed managers, tribes, the Puget Sound Partnership and other state agencies, city and county governments, and other resource managers including non-governmental organizations.

The Characterization is a decision-support tool, not a decision-making tool. It is structured to provide an overview of likely conditions, problems, and opportunities based on GIS information, organized and analyzed in accord with well-established scientific principles. These analyses can be refined to help support a variety of actions, such as final decisions on priority efforts, designations of changed Urban Growth Areas, or specific on-the-ground actions, typically requiring further levels of local data and information and expertise not provided by the regional-scale maps or tables.

2. A1.1 Ongoing Program 2: DNR, in consultation with Ecology, WDFW, and Tribes, will continue to process stream typing updates for streams in the Puget Sound basin through 2013.

Performance measure: None

Stream typing maps were developed and are maintained by DNR for purposes of implementing the Forest Practices Act and Rules. The maps classify streams and other water bodies in terms of whether or not they are used by fish, and perennial or seasonal flow. They are provided as a starting point to help forest landowners identify and type streams on their property. Forest landowners are required to determine, in the field, the water types within their harvest area and include them on their forest practice application. While some local government entities (LGE) also use these maps for land use regulation, DNR does not require their use nor do they maintain the maps specifically for LGEs.

The stream typing maps are updated through a concurrence process managed by DNR. Water types can be updated by following a specified protocol and the priority for water type updates is streams and other water bodies on forestland subject to the Forest Practices Act and Rules.

Near-Term Actions

A1.1 NTA 1: **The Partnership will convene an interagency workgroup by 2012, that will by 2013, prepare regional ecosystem protection standards with a decision-making framework.**

Performance measure: Status of standard development and status of decision making framework.

Regional ecosystem protection standards with a decision-making framework are needed to guide protection and restoration decisions in marine, freshwater and terrestrial areas. A system of recommended standards should be designed to apply regionally and sub-regionally in Puget Sound, bring consistency to protection decision-making across the region, and build on existing decision-making tools as much as possible.

These standards should include a description of the conditions where protection (through impact avoidance) is absolutely necessary to prevent disruption of ecosystem processes in the marine, freshwater, and terrestrial areas. Tribal, local and regional government's protection and restoration plans, priorities and strategies should rely on and incorporate these standards as minimum protection standards using local and site-specific information, as appropriate.

A1.1 NTA 2: **The Puget Sound Institute, in coordination with Ecology, Commerce, and WDFW, will develop a tool to improve and support spatial landscape data collection, sharing and analysis among local and tribal jurisdictions, state and federal agencies, NGOs and others by 2012, in order to better inform the identification of sensitive areas and areas suitable for development.**

Performance metric: Status of data sharing tool development

Science Actions/Needs:

- Continue to collect, refine, analyze, integrate and overlay landscape characterization information and data using information from existing assessments, and local and regional work including PSNERP, Salmon recovery plans, Aquatic Landscape Prioritization, local assessments and shoreline inventories, WDFW priority habitats and other sources.

A1.2 Local plans, regulations and policies are consistent with protection and recovery targets for Puget Sound.

Land use planning typically occurs on a jurisdiction-by-jurisdiction basis, with some coordination across cities and counties through countywide planning policies and occasionally on a multi-county scale through broader regional initiatives. Typically, a number of jurisdictions are involved in making land use and development decisions that affect a single ecosystem or watershed. Through this strategy and the corresponding sub-strategies, the Action Agenda is working to encourage local plans, regulations and policies to be defined within a holistic watershed-based planning framework. This sub-strategy has the explicit purpose of incorporating relevant ecological, planning and land development information into local decision-making processes.

Ongoing Programs

There are two main legislative acts that govern planning and land developing in the Puget Sound region, they are: the Growth Management Act and the Shoreline Management Act. This Action Agenda builds off of these programs and identifies actions intended to accelerate, focus, and/or address gaps.

The Growth Management Act (GMA) mandates that local jurisdictions complete, update, or revise Comprehensive Plans, Shoreline Management Plans, Critical Areas Ordinances and other development regulations and functional plans to manage growth, protect rural character and the environment. This act helps ensure that land development throughout the Puget Sound basin is planned in a way to minimize negative impacts on surrounding ecosystems from new development, which helps prepare the way for progress toward protection and recovery targets for the Sound. The GMA requires jurisdictions to consider water quality and quantity when developing and implementing planning goals, and to consider drainage, flooding, and stormwater runoff as an element of local comprehensive plans. The GMA also requires that local development regulations incorporate corrective measures and mitigation for stormwater problems.

Washington's [Shoreline Management Act](#) prevents uncoordinated and piecemeal development of the state's shorelines. By enabling better management and planning of development in shoreline areas, the Act helps to protect the health of the Puget Sound and supports progress toward recovery targets. The Act emphasizes accommodation of appropriate uses that require a shoreline location, protection of shoreline environmental resources and protection of the public's right to access and use the shorelines.¹

Currently, Ecology and Commerce provide ongoing technical assistance and financial incentives to local jurisdictions to develop and adopt planning goals and policies that incorporate ecosystem characterization information and protection strategies. These goals and policies encourage compact growth patterns, density, redevelopment and rural lands protection. Ecology and Commerce are also

¹ http://www.ecy.wa.gov/programs/sea/sma/st_guide/intro.html

collecting permitting and planning data from local governments to compare planned growth with watershed characterization information.

Near-Term Actions

A1.2 NTA 1: Ecology and Commerce will provide easy web access to the Puget Sound Basin Characterization results and other landscape data, information and analysis by 2012.

Performance Measure: By 2012 PSBC data is available to all local governments

A1.2 NTA 2: Ecology and Commerce will create an interagency Watershed Technical Assistance Team to help local and regional entities access and use the results of the Puget Sound Ecosystem Characterization project by 2012.

Performance Measure: By 2012 Watershed Technical Assistance Team established

A1.2 NTA 3: By 2013, Ecology and Commerce will develop and distribute a set of local model planning land development and growth policies and goals that are consistent with protection and recovery targets and the Growth Management and Shoreline Management Acts, and DNR's Aquatic Lands Habitat Conservation Plan when approved by the National Marine Fisheries Service.

Performance Measure: By 2013 Model growth policies are distributed to local governments

A1.2 NTA 4: By 2013, Ecology and Commerce will conduct an analysis and assessment of GMA Comprehensive plans, Shoreline Master Programs and development regulations. The analysis and assessment will focus on analyzing how jurisdictions are incorporating ecosystem characterization information and methods, and related protection strategies, and encouraging compact growth patterns, increased density, redevelopment and rural lands protection.

Performance Measure: Assessment Criteria developed by 2Q 2012 and Assessment complete by 2Q 2013.

A1.2 NTA 5: By 2012, Ecology and Commerce will work with local governments to identify the 5 primary barriers to incorporating policies consistent with implementation of the Action Agenda and identify assistance needed to overcome these barriers.

Performance Measure: By 2012, 5 barriers & assistance needed are identified for all jurisdictions

A1.2 NTA 6: The Partnership, in collaboration with the Association of Washington Cities (AWC) and the Washington State Association of Counties (WSAC), will work with the legislature to redirect existing funding or increase funding to state agencies to increase technical assistance to local governments by 2013.

Performance Measure: By 2013, funding for technical assistance has increased

A1.2 NTA 7: State and Federal grant programs prioritize projects consistent with PS ecosystem recovery and those that encourage compact growth patterns, density and redevelopment and rural lands protection by 2013.

Performance Measure:

A1.3 Improve local governments ability and willingness to implement, monitor and enforce plans, regulations and permits that are consistent with protection and recovery targets for Puget Sound.

Local governments operate in a highly dynamic environment with various levels of laws and regulations governing planning for land development. They must balance economic and ecological pressures along with adherence to local, regional and State laws and regulations. Further, local conditions, demographics, and preferences factor into local land use decisions. In our resource-constrained environment, the ability and willingness of local governments to implement and support the land cover and land development strategies is both the single most important success factor and also the most challenging. This sub-strategy is aimed at identifying and providing incentives to local jurisdictions for implementing, monitoring, and enforcing regulations and permits that are consistent with the broader recovery targets for Puget Sound.

Near-Term Actions

A1.3 NTA 1: By 2013, Commerce will coordinate broad stakeholder discussion of ways to promote state funding for GMA comprehensive plan implementation rather than only and required plan updates of plans and development regulations.

Performance Measure: Priorities are identified for state funding of local planning and provided to the Legislature for consideration in the 2013 session.

A1.3 NTA 2: State agencies will work with stakeholders to request the Legislature increase state financial support to local governments for plan and regulatory implementation, enforcement, management, training, and education by 2013.

Performance Measure: State financial support to local governments for plan and regulatory implementation, enforcement, management, training, and education will have increased by 2013.

A1.3 NTA 3: [Who? Possibly the Association of WA Cities?] will provide bi-annual BMP workshops and compliance training for local government code enforcement staff by 2013.

Performance Measure: 4 workshops by 2013

A1.4 Strengthen and streamline existing local, state, federal permitting programs.

Local, state and federal permitting programs all affect the type and kind of impact land development can have on the Puget Sound region. Identifying ways to strengthen and streamline elements of these permitting processes by making permitting decisions more predictable and efficient and by making sure

that information on where ecologically sensitive lands are located is considered, could help direct development in the region to areas that are more ecologically resilient and encourage dense, compact growth patterns.

Near-Term Actions

A1.4 NTA 1: [Who] will convene a workgroup, by 2012, that will, by 2013, conduct a cumulative effects assessment of the 'no net loss policy' in producing net gain toward the recovery targets and articulate how cumulative effects assessment could be integrated into existing programs.

Performance Measure: Workgroup convened by 2012, assessment complete by 2013

A2. Permanently Protect the Intact Areas of the Puget Sound Ecosystem that still function well.

One of the primary strategies for the Action Agenda is protection of ecologically sensitive or vulnerable lands in the Puget Sound region. This series of sub-strategies is aimed at different facets of ecological protection. Protection in this context means identifying pieces of land that are of high ecological value and protecting them from development or further development.

A2.1 Obtain Full or Partial Property Interests for Lands at Risk of Conversion or Impacts from Human Activities.

There are a significant number of private and public land protection programs and mechanisms. Local, State, Federal, and Private acquisition grant programs, land banks, and land conservancies use land protection mechanisms such as fee simple acquisitions, conservation easements and leases. For the purposes of Puget Sound recovery and the Action Agenda the preservation of intact, well-functioning land is a key strategy. The main challenges within the sub-strategy of protection through acquisition of property interests are ensuring sufficient land protection resources and implementing funding strategies that prioritize ecologically important lands.

Ongoing Programs

In 2007, the Washington State Legislature created the Habitat and Recreation Lands Coordinating Group (lands group) to improve the visibility and coordination of state habitat and recreation land purchases and disposals. The lands group is comprised of representatives from state natural resource agencies, non-profit organizations, local governments, legislators, private interests, and others. This group uses an established process for making state habitat and recreation land purchases and disposals more visible and coordinated. The process has three components:

1. The Annual State Land Acquisition Coordinating Forum brings together State agencies, local governments, non-government organizations, landowners, Tribes, and citizens to learn about and share ideas on proposals for State habitat and recreation land purchases and disposals.
2. The Biennial State Land Acquisition Forecast Report gives information about the State land purchases and disposals that are being planned around the state.

3. The Biennial State Land Acquisition Monitoring Report shows whether State agencies achieved their initial acquisition project objectives.

The Washington State Recreation and Conservation Office (RCO) provides staff support to the lands group and also supports several grant programs that support the protection of habitat and recreation lands. In 2009, using the authority of the Partnership's fiscal accountability legislation (RCW 90.71.340), the RCO, the Partnership staff, stakeholders, and the 2 RCO funding boards (Recreation and Conservation Funding Board and Salmon Recovery Funding Board) identified policies to align the grant processes with the 2008 Action Agenda. This work resulted in the following changes to 3 of the largest RCO grant programs:

- Prohibit funding for any project designed to address the restoration of Puget Sound if that project is in conflict with the Action Agenda (effective January 1, 2010); (ALEA, Surfboard, WWRP Habitat Conservation Account)
- Consider whether projects are referenced in the Action Agenda (ALEA, Surfboard, and WWRP Habitat Conservation Account)

Near-Term Actions

A2.1 NTA 1: To protect areas of ecological importance to Puget Sound Recovery, by 2014, the RCO and the PSP will revise as necessary the Recreation and Conservation Funding Board and Salmon Recovery Funding Board policies so that, for acquisitions within the Puget Sound Basin, the Aquatic Lands Enhancement Account, Washington Wildlife and Recreation Program Habitat Conservation Account, and Salmon Recovery Funding Board grant programs include 1) a clear method for identifying whether a project is in conflict with the Action Agenda and 2) a clear method, within selection criteria, for identifying whether a project is referenced in the Action Agenda.

Performance Measure: PSP and the Recreation and Conservation Office will revise the Conservation Funding Board and Salmon Recovery Funding Board policies to ensure they are not in conflict with the Action Agenda.

A2.1 NTA 2: PSP will convene a task force to develop a funding mechanism to rapidly acquire properties with high ecological value and imminent risk of conversion by 2012.

Performance Measure: PSP convenes a task force by 2012

A2.1 NTA 3: DNR will work with Congress to encourage passage of the Community Forestry Conservation Act (HR 1982), which would enable non-profit conservation organizations to use bonds to purchase private working forests for long-term environmental and economic sustainable management by 2013.

Performance Measure: The Community Forestry Conservation Act (HR 1982) is passed by 2013

A2.1 NTA 4: American Farmland Trust will identify farmlands with high ecological value and at imminent risk of conversion by 2013.

Performance Measure: Farmlands with high ecological value and at imminent risk of conversion are identified by 2013.

A2.2 Use Special designations to protect intact areas

Using special designations, e.g., the Wilderness Act and the Wild and Scenic Rivers Act to protect high priority lands is an important tool for Puget Sound recovery. The 2008 Action Agenda included an action to advocate for proposed Wilderness designations, specifically, supporting the Alpine Lakes Wilderness addition and the Pratt River Wild and Scenic designation.

Near Term Actions

No near term actions identified

A3. Protect and Steward Ecologically Sensitive Rural and Resource Lands.

Private forest and agricultural lands provide critical fish and wildlife habitat and other ecosystem functions, especially in highly productive lower elevation riparian areas. These lands are, however, are at significant risk of conversion to non-farm and forest uses, particularly residential and commercial development.

According to the Washington State Forestland Database, developed by the University of Washington Rural Technology Initiative (RTI), about 972,000 acres of private forestland in western Washington are threatened with conversion. Population pressures, changing forest ownership patterns and the desire for rural housing sites are fragmenting once continuous forests into smaller tracts that are economically and environmentally unsustainable. The potential risk of private forestland conversion is highest in the Puget Sound region. Forest conversion would not only adversely affect the local timber industry, it would eliminate major opportunities to leverage forest carbon sequestration to address climate change and also negatively affect biodiversity, fisheries resources and open space.²

In 1950, there were about 1.4 million acres of farmland in the region. Today, less than 600,000 acres remain a 58% loss. If this rate of loss continues, we would lose the last acre of farmland in seven of the Puget Sound counties by 2050 and the last acre in 2065.

Analyses indicate that an acre converted from agricultural to urban development produces ten to fifteen times the runoff and runoff-borne pollutants, including far higher concentrations of heavy metals, petroleum and other key pollutants. Many salmon-bearing rivers and streams traverse farmland and

² *Retention of High-Valued Forest Lands at Risk of Conversion to Non-Forest Uses in Washington State, Final Report*, Prepared for the Washington State Legislature and Washington Department of Natural Resources by the College of Forest Resources, University of Washington, March 25, 2009

many intact habitats and restoration prospects are found on farms. Farmland promotes aquifer recharge and uses far less water than an equivalent area of urban development.³

Development in rural areas presents a particularly concerning pressure on the ecosystem because it is in those rural areas (including both forested and agricultural lands) where high-quality habitat and significant ecological processes remain partially or largely intact. Rural area forest cover and agricultural land is being converted to housing and other uses in 5-acre and smaller patchwork patterns. The network of infrastructure (primarily roads, but also other utilities) constructed to serve such development further fragments the landscape, and interrupts or modifies the delivery, movement and storage of water, sediment, woody debris and nutrients and impairs functions of wildlife habitats for feeding, breeding, rearing, migrating, for numerous species.

A3.1 Create and offer an expanded, integrated suite of incentives and market-based programs that make voluntary stewardship and conservation of private forest and agricultural lands practical and economically rewarding.⁴

There are numerous incentive programs available for landowners to encourage stewardship and conservation. However, they are not well coordinated, the eligibility requirements may not address the resource impacts, lack adequate funding, tend to be opportunistic rather than strategic, and are not being fully utilized or targeted at most important lands. The strategies contained in this Action Agenda support the prioritization of incentive programs toward the highest-priority ecologically sensitive and important lands.

Programs include the Designated Forest Land and Open Space Tax Program as well as the Forest Riparian Easement Program, Riparian Open Space Program, the Family Forest Fish Passage Program and the newly established voluntary stewardship program established by HB 1886 in the 2011 legislative session, among others. There are also numerous federal incentive programs offered through NRCS and other federal programs.

The Washington Department of Natural Resources (DNR) offers and administers a variety of landowner assistance programs targeted primarily at private forest landowners. The Forest Stewardship Program is a nationwide program which provides advice and assistance to help family forest owners manage their lands. The program is cooperatively funded by the USDA Forest Services and state forestry agencies and offers stewardship assistance, technical assistance, educational materials and financial/cost-share assistance. At the DNR, the Forest Stewardship Program is administered by the [Small Forest Landowner Office \(SFLO\)](#).

The Voluntary Stewardship Program at the Washington State Conservation Commission, created in 2011, requires counties across the state to either opt into the program or resume the process of updating their critical areas on agricultural lands under existing GMA processes. Counties who opt in must designate their priority watershed, then designate a lead agency to coordinate other local entities toward developing a work plan, which identifies critical areas on agricultural lands as well as an outreach plan to offer landowners incentives to protect critical areas. These coordinated efforts will enable

³ Dennis Canty, Pacific Northwest Director, American Farmland Trust, Comment Letter to PSP, August 2011

⁴ This sub-strategy, its NTAs and the major activities and milestones are adapted from *Washington Biodiversity Conservation Strategy, Sustaining our Natural Heritage for Future Generations*, Washington Biodiversity Council, December 2007.

resources to be targeted toward the most ecologically important areas, improving the efficient application of these incentives.

The USDA offers programs to support the conservation of private forest and agricultural lands through economic incentives and market-based programs. The Conservation Reserve Enhancement Program (CREP), administered by the Farm Services Agency and the Washington State Conservation Commission, is a voluntary land retirement program that helps agricultural producers protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water. The Environmental Quality Incentives Program (EQUIP) is a voluntary program that provides financial and technical assistance to agricultural producers through contracts up to a maximum term of ten years in length. EQUIP provides financial assistance to help plan and implement conservation practices that address natural resource concerns and for opportunities to improve soil, water, plant, animal, air and related resources on agricultural land and non-industrial private forestland.

There also a wide variety of financial incentive-based programs for private forest and agricultural landowners in Washington administered through other state agencies. For example, the Conservation Reserve Enhancement Program offered by the Farm Service Agency focuses on improving the water quality of streams that provide habitat for endangered salmon by planting trees along riparian buffers. Natural Resources Conservation Service's Environmental Quality Incentive Program provides technical assistance and funding for conservation practices on private, non-industrial forests or agricultural land anywhere in the State.⁵ Washington Department of Fish and Wildlife also administers a financial incentive program for private landowners called the Landowner Incentive Program (LIP). LIP is a competitive grant program to provide financial assistance to private landowners for the protection and restoration of habitat to benefit species-at-risk on privately owned lands. Funds are a direct appropriation from Congress that are passed through the US Fish and Wildlife Service (USFWS) to state fish and wildlife agencies in a nationally competitive process. Currently, there are no funds for LIP.

Near-Term Actions

A.3.1 NTA 1: By 4Q 2012, DNR and the Conservation Commission will develop criteria and direct stewardship funding, consistent with current statutory and regulatory requirements, to ecologically important areas as defined by the Puget Sound Basin Ecosystem Characterization and other assessment and characterization information.

Performance Measure: By 4Q 2012 the criteria to direct stewardship funding to ecologically important areas are created

A3.1 NTA 2: By 2012, the Conservation Commission will assess existing stewardship incentive programs to identify changes to better include underserved landowners, including small farmers and owners of non-working rural lands.

Performance Measure: By 2012, assessment of existing stewardship incentive programs and identification of changes are complete

⁵ <http://www.cfr.washington.edu/nwef/documents/ForestIncentivePrograms.pdf>

A3.1 NTA 3: By 2012, the Conservation Commission will work to enhance use of all USDA conservation and habitat restoration program funding, i.e., CREP and EQUIP, which are currently underused by and not tailored for western Washington growers.

Performance Measure:

A3.1 NTA 4: By 2012, the Conservation Commission will work with other entities including WSU Extension, Conservation Districts, UW Sea Grant and counties, to improve and expand public recognition for voluntary private sector stewardship of lands.

Performance Measure:

A3.2 Create a Comprehensive Conservation and Ecosystem Services Market focused on resource lands for the Puget Sound Region.

A common theme among five reports⁶ addressing the preservation, conservation and stewardship of important resource and habitat lands is consideration of ecosystem markets for farm and forest land services as a mechanism for conserving and stewarding these valuable lands at high-risk of conversion by keeping them economically viable. The Washington Conservation Markets Study, issued by the Washington Conservation Commission in response to SSB 6805 (2008), specifically evaluated the feasibility of conservation markets in Washington to pay farmers and foresters for environmental benefits from conservation projects on their land and concluded “Private farms and forests could supply substantial conservation gains in Washington.” and that “conservation actions on private farms and forests can be a viable, sustainable and cost-effective way to achieve a wide variety of environmental goals.”

Various ecosystem markets or “conservation banking” services, that are either topical or geographically limiting, are beginning to emerge in Washington, including markets for wetlands, carbon credits, biodiversity conservation and development rights. Currently, however, these markets are uncoordinated and operate with different procedures and by various organizations - at least eight state agencies have conservation markets within their purview - and some centralized organization and management of these markets may be beneficial.

Near-Term Actions

A3.2 NTA 1: [Who] will establish a center for state efforts to organize and stimulate conservation markets for resource lands by 2013.⁷

Performance Measure: By 2013, a center is established.

⁶ The Washington Conservation Markets Study (2009), issued by the Washington Conservation Commission; Washington Biodiversity Conservation Strategy, Sustaining our Natural Heritage for Future Generations, Washington Biodiversity Council, (December 2007); and Retention of High-Valued Forest Lands at Risk of Conversion to Non-Forest Uses in Washington State, College of Forest Resources, UW (March 2009); The Cascade Land Conservancy’s Cascade Agenda (2005) and the Olympic Agenda (2011).

⁷ The actions under this sub-strategy are adapted from the recommendations of The Washington Conservation Markets Study (2009).

A3.2 NTA 2: DNR will support pilot market transactions for delivery of watershed services from private forest landowners to downstream water beneficiaries in at least the Snohomish and Nisqually watersheds.

Performance Measure: A pilot market for delivery of watershed services from private forest landowners will exist in Snohomish and Nisqually watersheds.

A3.3 **Develop a comprehensive strategy for retaining economically viable and long-term successful working forestlands through a collaborative process.**

The key recommendation from by the 2008 NW Environmental Forum on protecting Washington forests led by the UW College of Forestry is the establishment of a legislatively appointed Task Force to direct and produce an overall plan for integrating Washington’s complex and various regulatory, tax and forest land protection initiatives.

Near-Term Actions

A3.3 NTA 1: By 3Q 2013, DNR will identify and lead a collaborative process to develop a comprehensive strategy for retaining economically viable and long-term successful working forestlands.

Performance Measure: In 3Q 2013 DNR will have initiated a collaborative process

A3.3 NTA 2: DNR will incorporate analysis of third party certification standards when DNR recalculates the sustainable harvest on state trust lands in 2014.

Performance Measure: The analysis of third party certification standards will be incorporated into sustainable harvest on state trust lands in 2014.

A3.3 NTA 3: [Who] will work to amend the Open Space Tax Program to improve incentives for small landowners and to reduce tax and administrative burden on working farm and forest landowners.

Performance Measure:

A4. Encourage compact regional growth patterns and create dense, attractive and mixed-use and transit-oriented communities.

Encouraging compact urban patterns would direct development away from working farms and forestlands and protect food and fiber production, wildlife habitat, ecosystem functions and water quality. Compact development patterns reduce impervious cover that leads to run-off pollution, and decrease shoreline development that leads to erosion and habitat destruction. Finally, compact development is more energy efficient, reducing energy-related pollution including green house gas emissions.

A4.1 Create a sub-regional network of regional alliances and multi-county scenario visions or plans.

Regional planning alliances similar to the Puget Sound Regional Council, Thurston Regional Planning Council or Skagit Alternative Futures could plan for growth and corresponding infrastructure needs and concurrent ecosystem protection and recovery strategies at scales that are more efficient and provide more opportunity for examining and optimizing future planning scenarios and alternatives that reduce sprawl, increase density in urban areas and promote and plan for regional transit solutions. For example, they could tackle issues related to which jurisdictions or portions of jurisdictions are best suited to accommodate projected growth, develop regional economic development strategies which could allow for revenue sharing and minimization of competition among local governments, address inequities of tax structure that occurs with new development (e.g. fiscal zoning) and annexation issues.

Regional alliances could be created anew by willing jurisdictions and existing sub-regional alliances could be broadened or strengthened. In particular, Regional Transportation Planning Organizations could strengthen their required regional land use plans to do integrated land use planning across the jurisdictions.

Near-Term Actions

A4.1 NTA 1: Commerce will launch a regional program similar to the federal sustainable communities program by 2013.

The program would provide funding, incentives, and assistance to local governments to create new alliances, or support existing regional alliances that undertake integrated and sophisticated regional planning to guide state, metropolitan, and local investments in ecosystem protection, land use, transportation and housing, as well as to challenge localities to undertake zoning and land use reforms.

Incentives for participation could include expert policy institutes, training, technical assistance and additional funding and/or extra points when applying for federal or state Puget Sound funds. Program should define desired outcomes, for example, a regional capital facilities plan, a regional economic development strategy or regional transit solutions that encourage transit-oriented communities.

Major Activities or Milestones:

- Convene stakeholder group to plan program, incentives, and desired outcomes.
- Identify funding sources.
- Develop and issue RFPs.
- Award grants.
- Implement ongoing policy institutes and training programs.

A4.2 Provide the necessary infrastructure and incentives within urban growth areas to accommodate new and re-development.

Barriers to achieving dense and vital urban centers can include various things like restrictive development regulations, environmental constraints, legacy pollution, land ownership patterns,

inadequate infrastructure, lack of coordination between cities and special purpose governments, lack of urban amenities, lack of grocery stores, lack of schools, public perceptions and fear of political risks.

Infrastructure gaps remain a hurdle to allowing additional population, whether it is water supply, sewer treatment capacity, or transportation improvements. Beyond such functional infrastructure, investments in urban amenities and recreational facilities can also make a large difference in how cities attract additional population and private investment. Infrastructure is expensive and is a growing concern as cities address both existing and planned future development.⁸

Near-Term Actions

A4.2 NTA 1: **The Partnership, in collaboration with Commerce, will secure legislative authority for tax increment financing for local governments to finance infrastructure improvements within designated areas by 2013.**

Performance Measure: By 2013, tax increment financing for local governments to finance infrastructure improvements within designated areas will be secured by legislative authority.

A4.3 **Enhance and expand the benefits of living in compact communities to increase consumer demand for them.**

Near-Term Actions

No near-term action identified yet.

⁸ Doug Peters, Commerce, Comment Letter to PSP, August 2011