

TO: Bill Vetter, Pierce County Council Performance Audit Committee  
FROM: The Barney & Worth Team  
CC: ARL Project Team  
DATE: July 29, 2016  
SUBJECT: *A Fresh Look at Pierce County Agriculture:*  
Preliminary Findings and Recommendations

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## Introduction

A multi-disciplinary team led by Barney & Worth, Inc. is taking *A Fresh Look at Pierce County Agriculture*. Team members have extensive skills and expertise in agricultural, scientific, land use, legal, and economic analysis. (A roster of consultant team members appears in an appendix.)

The Washington State Growth Management Act (GMA) requires counties to designate Agricultural Resource Lands (ARL), which “have long-term significance for the commercial production of food or other agricultural products”. Pierce County places a high priority on protecting commercially viable agricultural lands, and has established these criteria for Agricultural Resource Lands (ARLs):

- Located outside Urban Growth Areas (UGAs)
- Five acres or greater
- Contain 50% or more “prime farmland” soils
- Grass/legume production yield of 3.5 tons per acre or greater
- 50% of abutting parcels larger than 1 acre
- Landowner may request the designation

The consultant team has analyzed the current condition of Pierce County’s agriculture sector and evaluated the effectiveness of the County’s zoning regulations for protecting agricultural lands. The County’s current ARL criteria have been reviewed, with consideration given to alternatives that might better suit Pierce County’s agriculture sector. A series of nine technical memoranda illuminate Pierce County’s ARL designation and other aspects of farmland protections.

### The purpose of this memorandum is to:

- Summarize the results of the consultant team’s independent review of Pierce County’s criteria for designating Agricultural Resource Lands.
- Present findings regarding the effectiveness of Pierce County’s ARL criteria in protecting commercially viable agricultural lands.
- Recommend changes in Pierce County’s ARL criteria that:
  - Meet the stringent legal requirements of Washington State’s Growth Management Act; and
  - Are a good fit for the current and emerging conditions facing Pierce County’s agriculture sector, today and for the foreseeable future.



## About Pierce County Agriculture

Pierce County's agricultural sector has been a mainstay of the county's economy from the days of earliest settlement. Today, there are around 1,500 producers cultivating 48,000 to 50,000 acres with total receipts of \$90 million annually.

Agriculture is prevalent in all parts of rural Pierce County, with a wide range of crops and products. There are four primary areas for agricultural production offering markedly different growing conditions, soils, and terrain that accommodate different crops/products.

### *Puyallup/Orting Valley (37,000 acres)*

The two main river valleys in the county have rich, deep, highly productive alluvial soils. The agricultural land is intensively farmed and supports the widest range of vegetable and fruit crops grown in the county. Farm sizes vary from less than five to a few hundred acres.

### *Central/South County (149,000 acres – the largest agriculture district)*

This district is dominated by livestock production, with beef, eggs and livestock including sheep and goats. With upland elevations of 200 to 600 feet, the soils and cooler temperatures do not support production of many fruit and vegetable crops. Much of the area is forested.

### *Bonney Lake/Buckley Plateau (37,000 acres)*

Much of the agricultural land here is terraced for small and mid-size farms. While the soils support many crops found elsewhere in the county, cooler temperatures lead growers to produce feed corn, hay, silage, and berry crops including blueberries and strawberries.

### *Peninsula (66,000 acres)*

Key Peninsula and Anderson Island are characterized by small-scale vegetable and fruit farming that serves local markets, plus some livestock production. The desirability of homesites along Puget Sound, dense tree cover, and soils not well suited for crops are limitations for agricultural production.

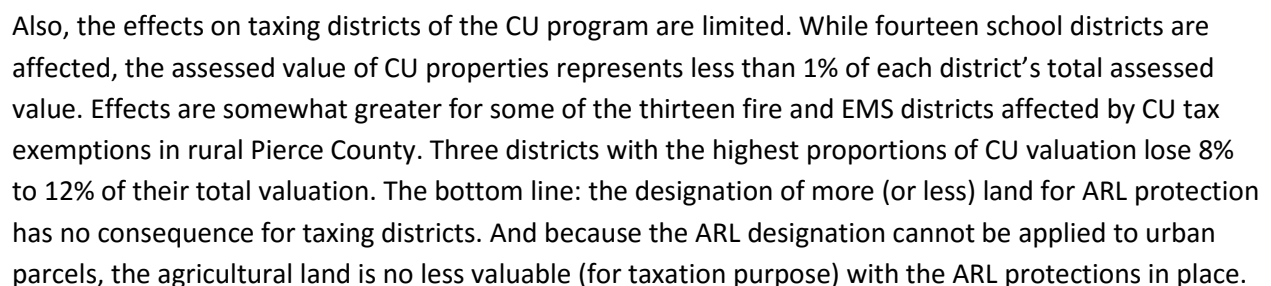
The acreage devoted to agriculture, and the income, have remained steady over the past decade. However, the typical farm is continuing to decrease in size. Census data revealed only half as many farms with sales above \$100,000 per year surviving by the end of the 2002-2012 decade.

As farms shrink – some now 5 acres or smaller – it is becoming increasingly difficult for farmers to sustain their economic viability. With profitability uncertain for agricultural operation, there's growing pressure countywide to convert farmland to other uses. Meanwhile, Pierce County's population continues to grow steadily at around 1% annually.

## Findings

The Barney & Worth team evaluated Pierce County's existing ARL designation criteria and determined they are in compliance with the Washington Growth Management Act and related decisions by the Growth Management Hearings Board. The Pierce County criteria are also similar to those adopted by other Washington counties, with only a few exceptions. There is no legal imperative at this time to make changes in Pierce County's current criteria.

Figure 1 – Pierce County Agricultural Resource Lands (ARL) – 2015



These findings are substantiated by extensive analysis documented in a series of nine technical memoranda (see box). The conclusions are further supported through involvement of key stakeholders in the local agriculture sector and other interested members of the public.



## ***A Fresh Look at Pierce County Agriculture***

### **Technical Memoranda**

1. Technical Memorandum #1 – Analysis of Pierce County’s Agriculture Sector
2. Technical Memorandum #2 – Review of Washington Growth Management Hearings Board Decisions
3. Technical Memorandum #3 – ARL Designation Criteria in Selected Counties
4. Technical Memorandum #4 – Success Factors for Pierce County Agriculture
5. Technical Memorandum #5 – Assessment of Long-Term Trends
6. Technical Memorandum #6 – Evaluation of Pierce County Zoning Regulations
7. Technical Memorandum #7 – Evaluation of Pierce County’s Current ARL Criteria
8. Technical Memorandum #8 – Impacts of Agricultural Exemptions on Taxing Districts
9. Technical Memorandum #9 – Other Approaches to Protect Agricultural Land

## **Changing Pierce County’s ARL Criteria**

While there is not a legal imperative to alter the current criteria Pierce County uses to designate Agricultural Resource Lands, other factors weigh in favor of making improvements that:

- Protect more agricultural land.
- Extend the ARL protections over wider areas.
- Tailor the ARL criteria to better reflect different conditions in the various agriculture production districts within the county.
- Update the criteria in recognition of the trend toward smaller farms.

An evaluation of Pierce County’s current ARL criteria is summarized in the accompanying table. For each criterion, the table shows whether it complies with the Growth Management Act, is used in other counties, can be evaluated using readily available data, and would be possible to vary by district. The table also provides feedback on the criteria offered by knowledgeable stakeholders.

### Evaluation of Pierce County's Current ARL Criteria

Current Pierce County ARL Designation Criteria	Complies with GMA/ WGMHB	Used in Other Counties	Data Available	Possible to Vary by District	Stakeholder Feedback
Located in a rural area (outside UGA)	✓	✓	✓		Workable – but UGA boundaries change
5 acres or Greater	✓	✓	✓	✓	Is 5 acres too small? Should contiguous parcels be considered?
Contains at least 50% prime farmland soils	✓	✓	✓	✓	No consensus on definition for prime farmland soils Greenhouses/other production doesn't require prime soils 50% is arbitrary; too high for larger sites
Grass/legume yield of 3.5 tons or more per acre	✓		✓		Arbitrary, unique, outdated, and confusing – not based on real productivity or Pierce County's typical crops. 3.5T/acre is not a high standard
50% of abutting parcels larger than 1 acre	✓	✓	✓	✓	1-acre limit seems random, too small
Landowner may request designation	✓	✓	NA	✓	"Anybody should be able to designate their land ARL"  This option is not widely known

Highlights of the consultant team's recommendations for changing Pierce County's current ARL designation criteria:

1. *Located outside urban growth boundary*

This is a statutory requirement – no change recommended

2. *Five acres or greater*

This criterion is recommended to vary by district. The 5-acre minimum parcel is the smallest limit in the state – but appropriate for current conditions in some districts including the Peninsula. For the Central/South County district, a much larger 20-acre minimum is more appropriate.

3. *Contains 50% or more “prime farmland” soils*

This criterion is recommended to be modified. State law requires ARL criteria consider prime soils. As written, however Pierce County’s criterion may unintentionally eliminate some larger, productive and worthy sites. A 100-acre parcel with only 49 acres in prime soils would be eliminated – even though its 49 acres in prime soils would be among the County’s largest prime farmland sites. To address this issue, the consultant team recommends altering the criterion to say 50%+ prime soils – or – a minimum of 20 acres.

4. *Grass/legume production yield of 3.5 acres per ton or greater*

This criterion is recommended to be dropped. Although the grass/legume standard is used across the nation as a measure of farmland productivity, it doesn’t suit Pierce County where hay and legumes are not among the leading agricultural products. This ARL criterion is unique among Washington counties, and land owners and other stakeholders in the local agriculture community remain baffled about how this became the standard that so dramatically reduces ARL-eligible land. One issue with dropping this criterion – there is no suitable substitute.

5. *50% of abutting parcels larger than 1 acre*

This criterion is recommended to be modified, and vary by district. A more typical standard in other counties is a 5-acre minimum for 50% of abutting parcels. Analysis shows Pierce County’s 1-acre minimum – the state’s smallest – contributes to the patchwork of small, separate, scattered ARL parcels. The recommended substitute criterion would increase the minimum to 50% + 20 acres in South/Central County and 5 acres in Puyallup/Orting Valleys and Bonney Lake/Buckley Plateau, while retaining the current standard for the Peninsula district.

6. *Landowner may request the designation*

Landowners who receive the CU (Current Use) tax exemption may request the ARL designation for their farmland – even if that parcel doesn’t meet the other criteria (see 2, 3, 4 and 5 above). However, this potential protection isn’t widely known or understood in the agriculture community. No change to this criterion is recommended, however there’s some potential to better achieve the objectives stated above by:

- Publicizing the opportunity for farmland owners to request the designation through Pierce County’s website and other channels.
- Mail a notice annually to all CU tax exempt property owners to inform them of their automatic eligibility for ARL zoning.
- Contact any property owners who are removed from ARL designation through implementation of these recommendations, to remind them of their right and the procedure to request the ARL designation.



## Appendix

### Expert Team



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