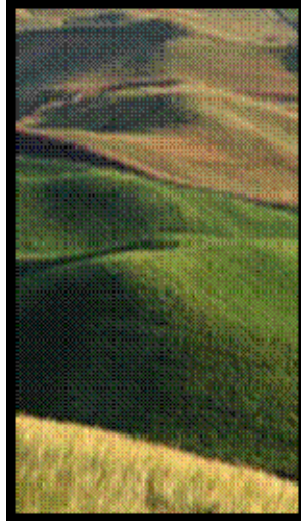


Douglas County Agricultural Tools Project Summary



Alliance Consulting Group, Inc
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INTRODUCTION

In an effort to understand the impacts of recent legislative changes relating to land division tools that are allowed in designated agricultural resource lands, and the potential impact to those areas, Douglas County has compiled the following report. The report examines amendments made to the County's Comprehensive Plan and to the Douglas County Code, particularly those that govern land divisions allowed within designated agricultural resource lands: Family Farm Support Divisions, Farmstead Preservation Divisions, Limited Land Segregations and Cluster Divisions. Additionally, the report provides an inventory of actual land divisions that have occurred as authorized by these tools, and identifies the resulting effects of the legislative changes on the landscape. As Appendices, the report includes a summary of each individual land division application (Appendix A), the complete original applications (Appendix B) and a detailed summary of the legislative changes (Appendix C).

SUMMARY OF LEGISLATIVE CHANGES

The Douglas County Board of Commissioners, through various public planning processes, have adopted governing documents and regulations pursuant to the requirements of the Washington State Growth Management Act. The County's first GMA-Comprehensive Plan was adopted in late 1995, followed by the adoption of implementing regulations in late 1997. Since that time, various amendments to these documents have occurred, consistent with the County and State procedural requirements. The following is a specific review of changes to the Douglas County Comprehensive Plan between 1995 and 2006, and to the various Development Regulations between 1997 and 2006, specifically as these amendments relate to land divisions that are authorized in designated agricultural resource lands. A detailed summary of amendments is located in Appendix C.

Comprehensive Plan...

The first GMA comprehensive plan for Douglas County was adopted in November of 1995. This plan had a focus on preserving agricultural resource lands, particularly as expressed in Chapter 2: Agricultural Resource Element and in Chapter 3: Rural Land Use and Housing. Within Chapter 2, the focus was on preserving and maintaining the agricultural industries of the County, including dryland crops, rangeland operations and irrigated agriculture. There were three agricultural land use designations, Dryland Agricultural, Commercial Irrigated Agricultural and River-Related Irrigated Agricultural. These three designations covered "...*those areas that are not currently designated as either a potential development area or rural service center, nor those areas within an established Urban Growth Area...*" (policy, page 26), which had the effect of covering nearly 95% of the County's land base with designated commercially significant agricultural resource lands.

As part of this significant resource land designation, the plan also recognized the importance of accommodating the needs of the agriculturalist, including the need for land transfers and land divisions that would accommodate and promote the continuation of the family farm. In Chapter 2, there are specific implementation criteria for land transfers, "...*between farmers solely for the purpose of agricultural activities...*" and "...*to accommodate the continuation of the*

family farm...” The following implementation criteria are established in Chapter 2 for the Family Farm Support Divisions (page 29):

Land divisions for the purpose of establishing new residential units for employees/owners/operators of a family farm will be conducted through an administrative review process to certify that any parcel created for a new, residential building lot will be used solely by persons working on and/or owning the farm operation.

Family Farm divisions will be large enough to accommodate on-site sewage disposal and domestic water, and will have access to a public right-of-way in a way which does not create safety hazards on that public right-of-way.

In Chapter 3: Rural Land Use and Housing Element, there was a detailed description of how the County would balance the preservation of important agricultural uses with future development, including tourist and recreational activities. The stated intent (Introduction, page 31) was to maintain traditional uses and patterns of development, but to accommodate those future uses through innovative tools such as cluster developments, rural service centers, and Master Planned Resort facilities. The plan identified specific areas of the County for Master Planned Resorts and Rural Service Centers, and allowed cluster developments anywhere, provided specific criteria to preserve agricultural resource lands were met. These criteria for cluster developments included the following ideas:

- There was a minimum area needed to do a cluster development, dependant on the different types of resource land within the County;
- There was a maximum lot size within the cluster development;
- Access to public roads was required;
- Water had to be available, and community systems were encouraged;
- Soils had to support septic systems;
- 50% to 80% of any resource land activity was preserved, and any required buffers had to occur on the development parcels, not the resource land;
- Only one cluster development was allowed out of a parent parcel in a 5 year period, although development could be phased in;
- Needed improvements were paid for by the development

Provisions other than those governing cluster developments were also clearly defined for exempt land divisions, short plats and large lot plats. For example, the plan indicated that, with one very limited exception, any division of land that created lots less than 160 acres would be required to go through a review process. There was also a specific policy identifying “*farmstead preservation land divisions*” as appropriate developments that were intended to preserve an existing homestead housing unit that was no longer needed for the farming operation, provided it, “...is determined that there actually is or was a unit on-site”. When taken together, and when supported through the goals, policies and implementation criteria, there was clear direction that agricultural resource lands were a predominant land use in the County, they were to be prioritized very highly for protection, and some compatible development alternatives were allowed.

The 1995 Comprehensive Plan was challenged to the Eastern Washington Growth Management Hearings Board (EWGMHB), in part, to address the inclusion of cluster subdivisions within agricultural resource areas. In a final decision by the Eastern Washington Growth Management Hearing Board, December 10, 1996, it was determined that *“the density of cluster developments allowed by Douglas County outside UGAs and within agricultural resource lands designation areas is incompatible with agricultural use and would be urban in nature and should be prohibited outside the UGA. RCW 36.70A.110(1) and RCW 36.70A.020(8). This section of the Plan is remanded to prohibit clustering, an urban or rural use, from occurring on agriculture or other resource lands. The DCCP further needs to include a maximum residential density for rural non-resource lands.”* The Board indicated that cluster developments were only appropriate on lands not designated for agricultural, mineral or forest resource lands (it is noted that in the session immediately following the EWGMHB decision, the statute was amended to indicate that innovative techniques, including clustering, could be done in agricultural resource lands).

As a result of the Hearings Board decision, significant portions of the text in Chapter 3, specifically related to cluster subdivisions, was removed from the comprehensive plan. Furthermore, “Rural Service Center” policies were restated to focus growth in areas with existing facilities and services; and maximum lot sizes of 2.5 acres were removed. The remaining provisions, including those regarding the 160 acre exempt land division threshold and the provisions benefiting agriculturalists (family farm support divisions, farmstead preservations and large lot subdivisions) remained intact.

These amendments to the comprehensive plan remained in effect until 2001 when several changes occurred. The changes targeted two main themes: providing a distinction between agricultural resource lands and rural lands, particularly in the dryland and rangeland areas of the County, and adding language clarifying how rural development would proceed, including adding cluster development opportunities, although only in the newly identified rural areas (not in resource areas). To implement the distinction between long-term commercially significant agricultural lands and rural areas, the 2001 amendments created three new rural land use designations- Rural Resource 2, Rural Resource 5 and Rangeland Conservation, which were then mapped based on the new criteria. This reduced the overall area in the County that was designated as agricultural resource land, and identified areas that provided for a variety of rural densities throughout the County.

In Chapter 3, clarifying text was added to the Rural Service Center subsection to be consistent with changes to the state law related to rural lands. Language was added to specifically allow cluster developments in rural areas. The language discussing cluster developments was largely broad in context, primarily because the detailed, prescriptive language in the original adopted plan had been deleted in response to the initial EWGMHB decision disallowing cluster developments in resource areas. Additionally, language that had encouraged non-agriculture land divisions to be clustered to preserve resource lands, and that had prohibited large lot recreational subdivisions (identified in the plan as lots between 5 and 20 acres in size) were removed. With regard to exempt land divisions, the amendments deleted all references to the 160 acre exemption level, adding instead a single policy in the Rural Development subsection stating that Douglas County requires a review process for all land divisions. During

this process, the language regarding family farm support divisions, ag-to-ag transfers and farmstead preservations was left unchanged.

As part of the then-required GMA deadline of September 1, 2002 for jurisdictions to review and update their comprehensive plans and development regulations, the County spent approximately 18 months, from mid-2001 through 2002, revising, reformatting and updating the comprehensive plan. Although the plan was substantially restructured and reformatted, the provisions governing family farm support divisions, ag-to-ag transfers and farmstead preservations were again left intact. Language was added regarding cluster developments and the ability to transfer housing densities from resource areas to rural areas where the reserve parcel was used for either agriculture or critical area purpose.

A new rural land use category was identified, Rural Recreation; the Rangeland Conservation designation was changed to Rural Resource 20; and, changes to be made to the land use designations map, further implementing the newer rural land use designations. Also within the new Rural Lands Element, a policy was added stating that land divisions creating parcels larger than 20 acres in size should be exempt from the platting process. Generally, the goals and policies in the Resource Lands Element were largely unchanged- emphasizing the importance of maintaining and preserving resource lands. However, this amendment process specifically allowed cluster developments to occur in resource lands, and established criteria for doing so. The following policy is also added through this amendment process:

“Allow for the clustering of existing lots through the exempt parcel transfer process and establish a limited lot segregation process for use in circumstances where the construction of a residence will not affect neighboring agricultural operations.”

Amendments in 2005 included the deletion of many policies and criteria that were added to the Resource Lands Element regarding cluster developments and the limited lot segregation process that were developed during the previous process completed in January of 2003. It is not clear from the text of the plan, nor from the adopting Resolution, why these changes were being made, although there were a number of public workshops, meetings and hearings.

Development Regulations...

Amendments to the Comprehensive Plan are implemented through the governing development regulations, in particular the zoning code. Douglas County first adopted a series of interim development regulations between June, 1996 and December of 1997 when the final development regulations to implement the comprehensive plan were adopted. These initial regulations authorized the ag-to-ag transfers, family farm support divisions and farmstead preservation divisions (in most but not all agricultural zones), were consistent with the policies in the comprehensive plan that focused these tools on assisting the agriculturalist. Additionally, the first interim regulations included allowances for cluster developments consistent with the initial criteria of the plan that was subsequently deleted to comply with the EWGMHB decision.

The December 1997 adoption of final implementation regulations specifically addressed the comprehensive plan as it had been amended in response to the EWGMHB decision. The

Subdivision title was amended to require any land division creating lots less than 160 acres (or ¼ section) to go through a review process. Title 18 Zoning was completely re-adopted, and included numerous criteria governing ag-to-ag transfers (solely for ag purposes, no new residential lots); family farm support divisions (with a notarized statement that the purpose was either for someone who would own or operate the farm, or so the existing owner could retain the home but sell the resource land); and, farmstead preservation divisions (with a notarized statement and documentation that there is or was a dwelling unit on-site). The degree to which each of these tools was allowed in the different zones appears to have been dependant, in part, on the density allowed in the zone: where there was a higher density allowed (e.g. one unit per 5 acres or one unit per 20 acres) fewer of these tools were available, thereby reducing the opportunity for higher density than what was intended in each zone. For example, in the AC-10 Commercial Agriculture zone, ag-to-ag transfers and family farm support divisions were allowed, but farmstead preservations were not. Conversely, in the A-D Dryland Agriculture zone (one unit per 20 acres) ag-to-ag transfers, family farm support divisions and farmstead preservation divisions were allowed. It is important to note that in all instances, these uses were listed under the broad category of “*agriculture support activities*”, again consistent with the policies of the plan that provide these opportunities for the agriculturalist.

Changes to the development regulations that were accomplished in January of 2000 focused primarily on issues not related to the agricultural tools, although language was added to the farmstead preservation divisions to clarify that it had to be demonstrated that an existing residential structure had to be in place prior to December 16, 1997, the date the final implementation regulations were adopted.

The next set of amendments to development regulations occurred in January of 2003, in conjunction with the substantial comprehensive plan update described above. This set of changes added a definition and criteria (within the subsection titled “Agricultural support”) for “*limited land segregations*”, defined as,

“...shall mean the creation of a lot, typically between one and three acres in size, through the short subdivision process where only one such lot is created not more frequently than once every five (5) years from each original parcel of record.”

The criteria adopted made specific reference to ensure that the land segregation would not affect neighboring agricultural operations, and further restricted these segregations to creating only 2 lots, one between 1 and 3 acres and one at least 70% of the size of the original parcel. This process was allowed to occur once in a five year timeframe.

Changes to the other, existing agricultural support tools were generally minor, for example allowing family farm support and farmstead preservation divisions to create a parcel less than one acre if consistent with soil suitability for septic tanks and drainfields.

The most notable changes that occurred during this amendment process were provisions related to cluster developments and the ability to complete a boundary line adjustment process in rural and agricultural areas that resulted in those existing lots being less than the minimum lot size required in the zone. The cluster development provisions appear consistent with the more

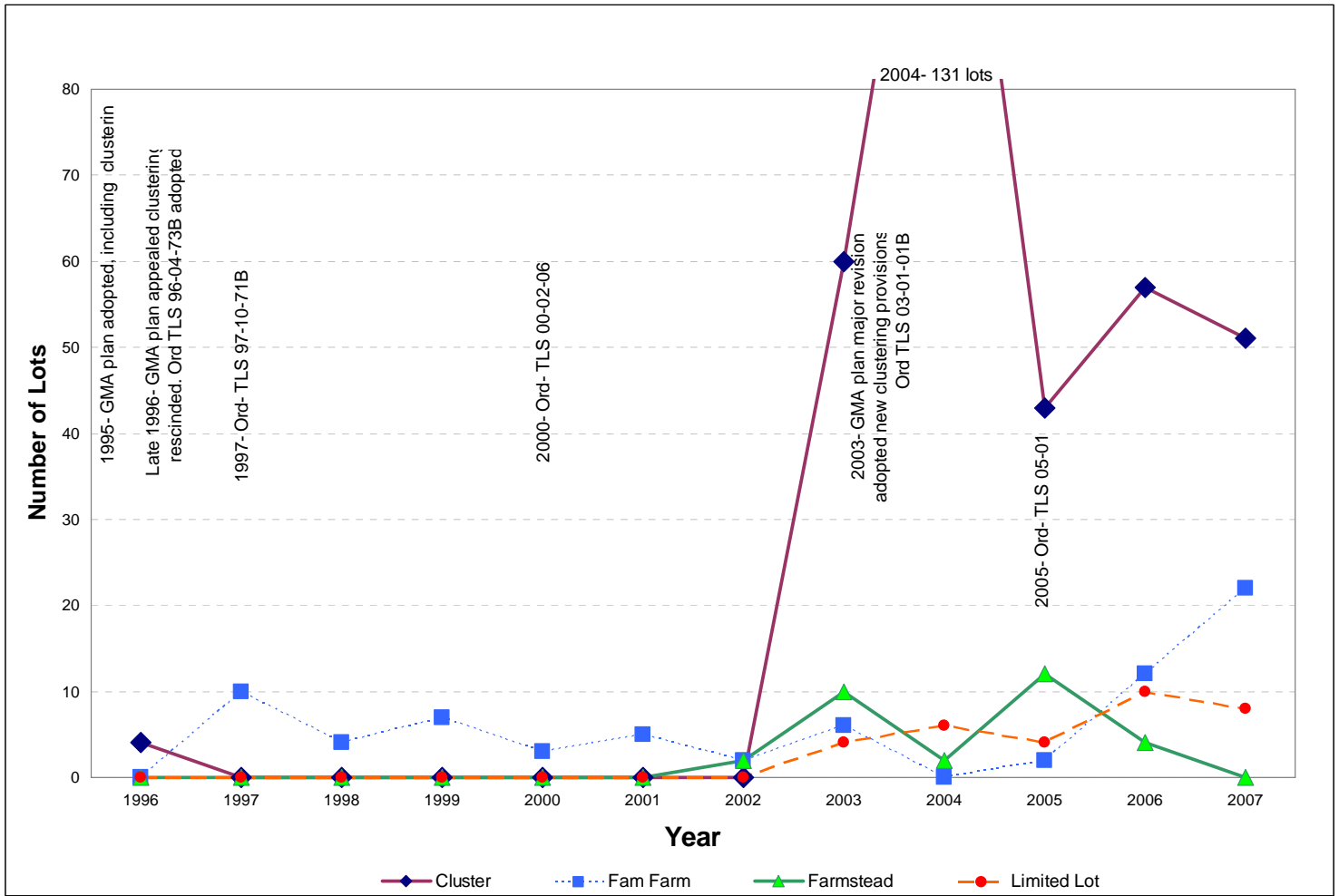
general goals and policies of the comprehensive plan amendments identified, requiring a “reserve lot” that is at least 70% of the area of the parent parcel, requiring that the small lots created be at least ½ acre in rural areas and 1 acre in agricultural area, and requiring the maximum density in the cluster division be the same as the underlying zoning district. Numerous provisions were also included regarding the nature of the reserve lot, requiring that it be contiguous, that there be a management plan identifying the designated functions of that area as well as a management scheme to preserve that function, among other criteria.

The provisions related to clustering of existing lots appear to be geared toward minimizing impacts on surrounding resource activities, including provisions that the smaller lots created be no more than three acres in size and that existing lots be considered buildable lots as they existed before the clustering. It states that the number of lots created through this process cannot be increased, consistent with statutory requirements regarding boundary line adjustments. Although it is not clear in the cluster development provisions, the criteria for clustering of existing lots clearly states that the large remaining lot may be further divided while classified as rural or agricultural, provided that division is done in a manner consistent with the County Code.

During this amendment process, the agricultural support tools, including the limited land segregations, were added to all of the different rural and agricultural zoning districts (except in the Rural Resource 2 zone, only ag-to-ag transfers were allowed), where previously there had been a sliding scale application of these tools, based on the allowed density within the different zones. For example, in the AC-5 zone, where only ag-to-ag transfers were allowed (no new residential uses), this amendment authorized limited land segregations, family farm support divisions and farmstead preservation divisions. Additionally, the cluster development tool and the clustering of existing lots were authorized in all of the rural and agricultural zones, except that cluster developments were not allowed in the Rural Recreation zone. Furthermore, within the density standard subsection in each of the Rural Resource 2, 5 and 20 zones, cluster developments were allowed to have a 50% increase in overall density.

Amendments in January of 2005 appear to be geared, in part, to amending provisions for the clustering of existing lots, cluster developments and limited land segregations that, when applied cumulatively to a single parcel, could result in an increase in density above that allowed in the underlying zoning district. In all three sections, language was added clarifying that, generally, these tools could not be used cumulatively, and that the large reserve lot could not be further divided, particularly where that re-division would result in greater densities than what the original parent parcel would have supported, based on the zoning district.

Chart I. New lots by permit type and by year



LAND DIVISIONS SUMMARY

In order to understand the impacts of the legislative amendments, an analysis was conducted to detail the land division types, date of changes, the number of lots, lot sizes, land uses and zoning. Data was compiled from the Douglas County Assessor’s database, Douglas County zoning and parcel GIS datasets, Natural Resources Conservation Service 2006 aerial photo (GIS), and the original applications for property divisions. The data presented may vary slightly due to the re-division or consumption of lots during land divisions. All analysis includes finalized and pending applications.

Lots by Type of Division and Year

By reviewing the types of land divisions made, it is possible to determine various impacts on agricultural land. A review of lots created shows that the inclusion of cluster land divisions greatly impacted the overall number of lots created and proposed. The cluster land division provisions were adopted in 2003, that same year Twin W Orchards used the cluster land division to create 52 lots. The following year Twin W Orchards created an additional 18 lots and Beebe Ranch created 107 lots. During 2005 Twin W Orchards cluster divisions/re-divisions

created an additional 19 lots. Table 1 summarizes lot creation by year and type, Chart 1 graphically displays the raw data.

Table 1. Summary of all types of lots final and in process

Type of Land Division	Original number of lots	Number of Lots by Year											TOTAL	
		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		2007
Cluster	56	4							60	131	43	57	51	346
Family Farm	27		10	4	7	3	5	2	6		2	12	22	73
Farmstead	16							2	10	2	12	4		30
Limited Lot Segregation	16								4	6	4	10	8	32
Total	115	4	10	4	7	3	5	4	80	139	61	83	81	481

Status of Applications

As of June 1, 2007, sixty-six applications were processed under agricultural tools land divisions. Nineteen had received preliminary approval, sixteen were being processed and two applications had been withdrawn. Table 2 depicts applications in process and/or approved year and type of land division. There are no pending applications prior to 2002.

Table 2. Summary of permits in process including preliminary approval

Type of Land Division	Number of lots by year					
	2002	2003	2004	2005	2006	2007
Cluster			1	5	3	3
Family Farm				1	2	6
Farmstead	1	2	1	3		
Limited Lot Segregation		2		1	5	4
Total	1	4	2	10	10	13

Type of Division by Zoning

The various types of land divisions create different impacts. Larger reserve areas help ensure that agricultural land resources are being preserved while smaller lots effect agricultural viability. Table 3 details the various types of land divisions: family farm, farmstead preservation and limited lot segregation as “other – land divisions” and cluster land divisions separately. Of particular interest is the average size of the main/reserve lot for “other – land

divisions” at 107 acres versus 33 acres for cluster divisions. A similar trend occurs when reviewing the size of small lots - 6.6 acres for “other – land divisions” versus 1.0 acre for cluster divisions. Tables 3, depicts by year, the number lots, the size and average lots sizes for the reserve/main lot and smaller lots. Table 4 depicts the average lots size by year for cluster and all other land division types.

Table 3. Summary and averages of lots recorded/approved and on GIS.

Year	Main/Reserve						Small Lots					
	Number		Acres		Avg lot size		Number		Acres		Avg lot size	
	Other	Cluster	Other	Cluster	Other	Cluster	Other	Cluster	Other	Cluster	Other	Cluster
1996	-	1	-	50.1	-	50.1	-	3	-	2.9	-	0.95
1997	5	-	786.7	-	157.4	-	5	-	31.2	-	6.2	-
1998	1	-	27.2	-	27.2	-	3	-	22.55	-	7.5	-
1999	1	-	168.1	-	168.1	-	4	-	53.88	-	13.5	-
2000	1	-	156.2	-	156.2	-	2	-	11	-	5.5	-
2001	2	-	647.0	-	323.5	-	3	-	3.77	-	1.3	-
2002	1	-	52.4	-	647.0	-	1	16	2.52	15.9	2.5	1.0
2003	5	7	726.4	116.5	10.5	16.6	6	45	97.81	56.9	16.3	1.3
2004	4	5	20.1	408.1	181.6	81.6	3	122	10.4	102.3	3.5	0.8
2005	6	11	751.2	208.6	3.4	19.0	5	14	11.16	16.7	2.2	1.2
2006	6	-	78.4	-	125.2	-	7	-	11.89	-	1.7	-
2007												
TOTAL	32	24	3413.9	783.2	106.7	32.6	39	200	256.2	194.6	6.6	1.0

Land use designations and boundaries have changed during the study period. Several important changes include the re-designation of Irrigated Agriculture to Rural Resource 5 (RR-5) and A-D to Rural Resource 20 (RR-20). The following are based on 2007 zoning designations.

Table 4. Type of land division by current zoning and number of lots.

Type of Division	Zoning	Number of Lots
Cluster	Commercial Agriculture: AC-10	6
Cluster	Rural Resource: RR-2	6
Cluster	Rural Resource: RR-20	2
Cluster	Rural Resource: RR-5	213
Cluster	Rural Service Center: RSC	4
Existing Lot Clustering	AC-10, REC OVERLAY	18
Family Farm Support	AC-10	30
Family Farm Support	AC-5	3
Family Farm Support	Agricultural Designated: A-D	8
Family Farm Support	RR-20	5
Family Farm Support	RR-5	2
Farmstead Preservation	AC-10	13
Farmstead Preservation	AC-5	2
Farmstead Preservation	A-D	8
Farmstead Preservation	RR-5	2
Limited Lot Segregation	AC-10	13
Limited Lot Segregation	AC-5	3
Limited Lot Segregation	RR-20	4
Limited Lot Segregation	RR-5	1
Total		343

Chart 6. New lots by zoning and type of land division.

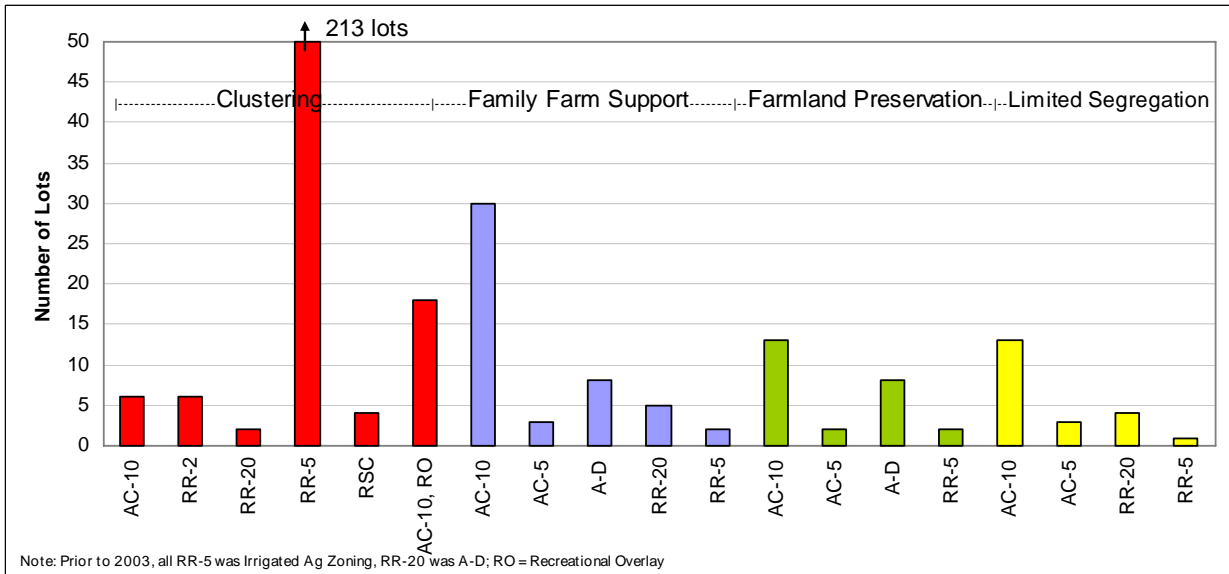
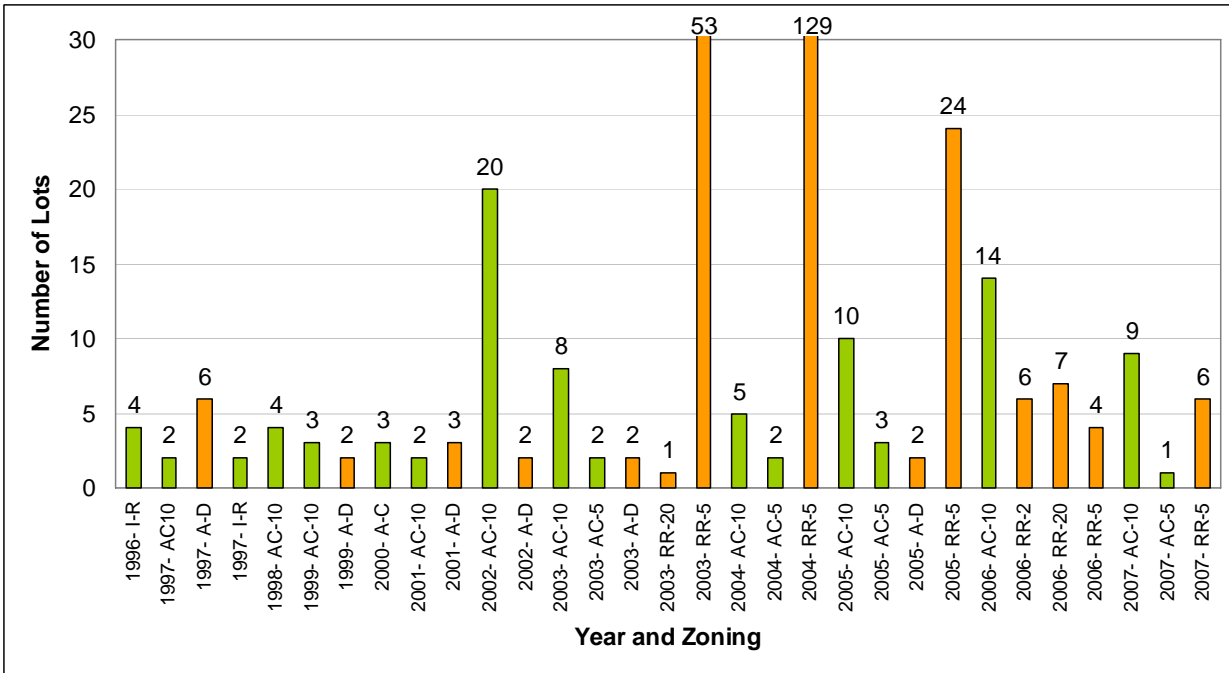


Chart 7. Lots by Year and Zoning Designation.



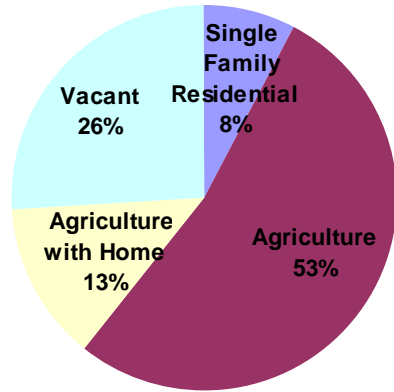
LAND USES

The effect of agricultural land divisions has resulted in an increase in the number of lots throughout the County without a corresponding increase in building. A general pattern of

orchard land being vacated and subdivided without conversion into built lots indicates possible land speculation. Ownership patterns show that many land divisions resulted in retention of ownership within the same family. While this general pattern is seen throughout Douglas County it is helpful to review various regions of the County and the impact of agricultural land divisions.

Pangborn Area Lots

Pangborn is southwest of East Wenatchee, near the Pangborn airport and the Ravenridge golf course. The Ravenridge subdivision within this area converted agriculture orchard land into eight single family lots, a golf course (approximately 115 ac), two commercial (clubhouse and restaurant) lots, one large active agricultural lot with a resident and six vacant lots. These are consistent with the type of development within the area, as determined by 2006 aerial photo, and summarized in the following pie chart.



Single Family Residential: 21 lots (80 ac)
 Agriculture: 26 lots (535 ac)
 Agriculture with home: 8 lots (136 ac)
 Vacant : 4 lots (264 ac)

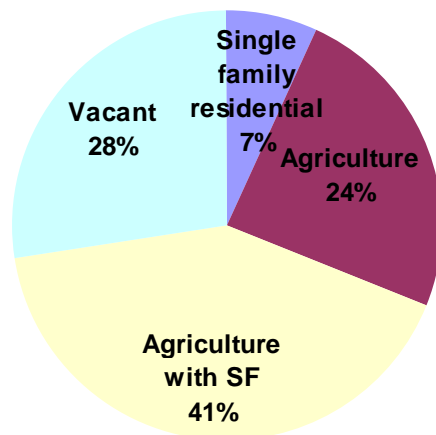
The Pangborn area, with some exceptions, had multiple land divisions resulting in increasingly smaller lots. Many of these, large/reserve lots are smaller than what would be expected economically viable for continued

agricultural practices, and is more susceptible to encroachment from surrounding residential development. With the exception of one large lot on the east side, all land divisions have occurred in irrigated agricultural land designation.

Columbia River Lots

Columbia River lots have seen a large conversion from agricultural land to vacant and residential agriculture. For example, Twin W Orchards was agriculture orchard land has been subdivided into 81 lots- all but 8 are currently vacant. Similarly, Beebe Ranches was an agricultural orchard use prior to land division. It now consists of vacant smaller lots and a vacant parent parcel approximately 356 acres. The rest of the divisions along the river are comprised of:

Single Family Residential: 2 lots (7 ac)
 Agriculture: 7 lots (82 ac)

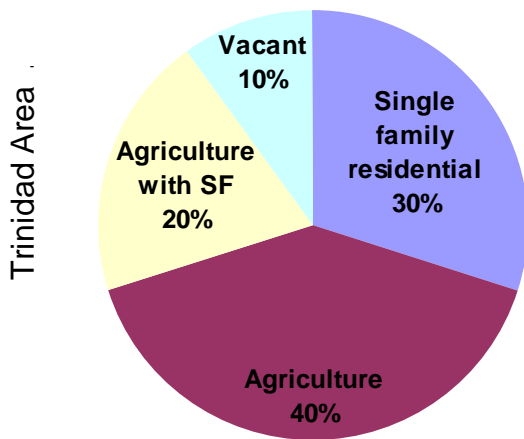


Agriculture with SF: 12 lots (268 ac)

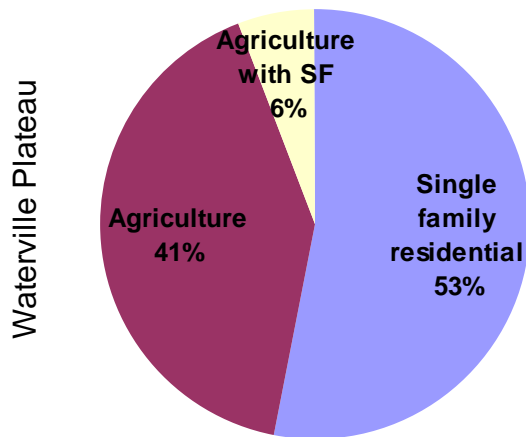
Vacant: 8 lots (437 ac) – this includes one lot on 340 acres with a home

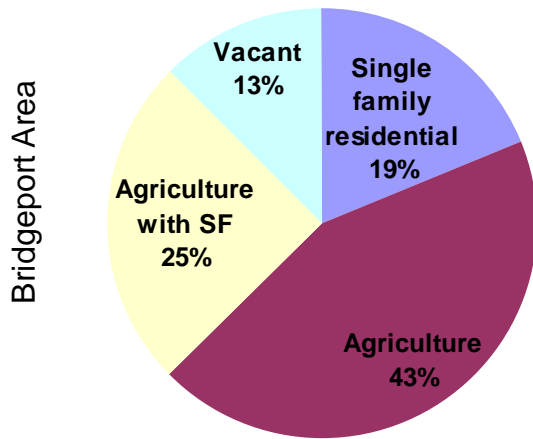
Community Area Lots

Near developed communities, the pattern of agricultural land division shows an increase in the number of developed building sites, generally single family homes, or lands remaining in active agricultural production. These developments seem to reflect the surrounding communities need for residential land outside the community and the demand for productive agricultural lands. One exception is in the Bridgeport area where several lots were divided among family and corporate farm owners.



Generally, the Waterville Plateau and Trinidad land divisions would appear to meet the intent of agricultural land division with most of the small residential lots consisting of existing residential homes being separated from the larger agricultural acreage. This type of land division preserves agricultural uses while providing secondary residential homes, primarily for family members. In the remaining applications there is a mix of land divisions resulting various lots sizes. Most parcels appear to have been divided into equal parcel sizes or to separate a residential home.





FINDINGS

The amendments to the Comprehensive Plan occurred through a public process which provided a foundation for changes to the development regulations. The development regulations changes, when viewed independently, appear consistent with the direction of the comprehensive plan to preserve and maintain agricultural uses as an important component of the County's growth and development.

However, perhaps as the 2005 amendments seem to recognize, when taken in total and applied cumulatively, the changes to the development tools allowed in the rural and agricultural areas have had a direct impact on the landscape. To better identify and understand those impacts, the detailed analysis showed where various land divisions had a cumulative effect on agricultural land. Particularly, the Beebe Ranches and Twin W Orchards land divisions, the two of the largest areas along the Columbia River, were divided using 20 acre exempt lot divisions initially prior to the change in zoning from irrigated agriculture to Rural Resource 5. Once the adoption of clustering provisions occurred, multiple applications were submitted and all orchards removed.