



Island County Planning and Community Development

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Memo

To: Island County Planning Commission
From: Josh Pitts, Long-Range Planner
Island County Planning & Community Development
Date: June 03, 2022
Subject: Public Benefit Rating System

Summary

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Background

The Board of Island County Commissioners has identified an update to the PBRs program as a priority and has placed it on the work plan for 2022. The update is limited to the **expansion of priority resource Rural Forest Lands/Woodlots** and the **addition of Drainage Area to the bonus system**.

The goal of a successful Public Benefit Rating System (PBRs) should be to facilitate the maintenance, preservation, and conservation of community open space resources. Periodically, the governing body should review the PBRs to either expand upon current open space resource classifications and/or identify additional open space resources that deserve contemporary attention. This memo provides a brief overview of Island County's PBRs and the application process. It then identifies two open space resources for consideration to adequately represent residents of Island County's best interest: forest land management and drainage management.

Also, via one-on-one discussions with each Island County Commissioner, it has become apparent that the Island County PBRs program can be utilized to encourage the **protection of larger, better-connected open spaces**. Thus, the creation of **an additional bonus system that incentivizes adjacent property owners** to either maintain their PBRs status or enroll in the program should be considered



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Overview of PBRS

The 1970 State Open Space Taxation Act ([RCW 84.34](#)) authorizes counties to establish a Public Benefit Rating System (PBRS) for the purpose of encouraging preservation of specified open space resources by **providing a reduction in property taxes** for private landowners within their jurisdictions. Island County has governed the state's authorization of the PBRS since 1998. Island County's PBRS Code of Ordinance is located in [Chapter 3.40](#).

The intent of the PBRS is to encourage the preservation and conservation of open spaces. Properties enrolled in the PBRS are assessed at their "current use" valuation ([3.40.010](#)). To support the PBRS, the **tax reductions from properties in the program are shifted to all other properties in Island County** ([3.40.010](#)). By applying the PBRS option, local governments can clearly define program enrollment criteria to target property selection to only those attributes most desirable for their community's needs.

PBRS Application Process

To be considered and admitted to Island County's Public Benefit Rating System (PBRS), **a property must be at least five (5) acres in size and contain at least one (1) open space priority resource** ([3.40.060](#)). Examples of open space resources include Resource and Rural Agricultural Lands, Rural Forests, Scenic Corridors, and Public Access (for a comprehensive list see [3.40.030](#)). Open space resources in Island County are ranked regarding priority; high (5 points), medium (3 points), low (1 point), and bonus system (0-5 points) ([PBRS Application](#)). The open space current use tax reduction is applicable to only that portion of the lot containing one (1) or more of the priority open space resources ([3.40.050](#)).

PBRS applications are processed as Type IV decisions in accordance with [RCW 84.34.037](#). Type IV decisions must be presented to the Board of Island County Commissioners (BOCC) at a public hearing for approval. In determining the application, the BOCC must consider the revenue loss or tax shift, and whether the parcel will conserve, protect, and/or enhance the County's natural, cultural, and/or scenic resources. However, **the BOCC is not obligated to approve PBRS applications**, even if the property clearly qualifies to be in the program. If approved and enrolled in the PBRS, property owners are required annually to submit a notarized affidavit confirming that the property is still in compliance with the conditions of the program.

It is important to note that **once land has been designated an open space resource, it shall not be applied to any other use for a period not less than ten (10) years** ([3.40.150](#)). Additionally, should a property be removed from the program either voluntarily, new ownership does not want to continue in the program, or the property is not being used in a way that is consistent with the requirements of the open space classification, the property owner is liable to pay back, up to seven of the previous years of reduced taxes, including interest, as well as a penalty.

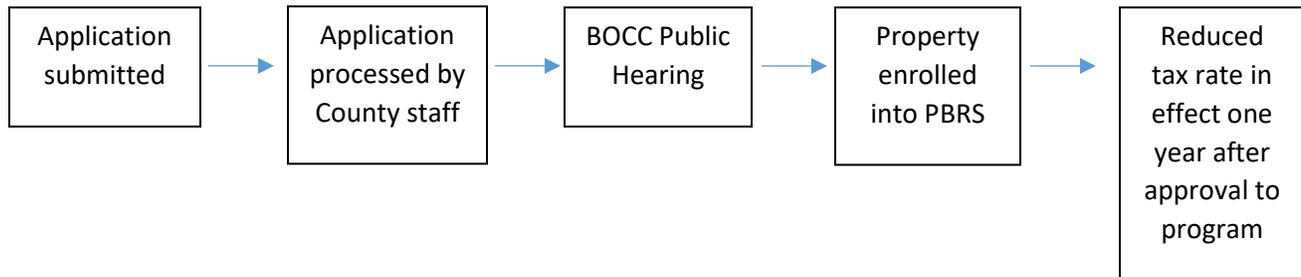


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Washington State Integrated Forest Management Plan

Currently, the only forest management program that the Island County's Public Benefit Rating System (PBRS) recognizes is Rural Forest Lands/Woodlots. Island County has designated it a high priority and allotted it five (5) points. According to the definition prescribed in [3.40.250.B](#), a "Rural forest lands/woodlots shall mean any parcel of land that is greater than two (2) acres but less than five (5) acres which is devoted primarily to the growth and harvest of forest crops for commercial purposes. A timber management plan shall be filed with the county legislative authority at the time application is made for classification as timber land pursuant to this chapter."

While Washington's Timber Land and Designated Forest Land classifications reduce taxable land values for landowners, **these designations are for lands that are primarily used for growing and harvesting timber.** The Timber Land classification requires a minimum of five (5) contiguous acres and does not include a residential home site. Additionally, only 10 percent of the land may be used for incidental uses. In response, **a number of small forest landowners in Island County have voiced concerns that the PBRS does not adequately represent their best interest in the management of their forest lands.**

Small forest landowner goals are diverse. According to the Washington State Dept. of Natural Resources (DNR), economic return and timber harvest are often low on the list of priorities. Several small forest landowners care much more about aesthetics, privacy, forest health, and other associated values. As such, Washington State has developed guidelines for an [Integrated Forest Management Plan](#) that are intended to **help small forest landowners better understand forest conditions and management needs.** These guidelines have been cooperatively developed and adopted by the Washington State Department of Natural Resources (DNR), U.S. Department of Agriculture (USDA) Forest Service and Natural Resources Conservation Service (NRCS), the Washington Tree Farm Program, and the Washington Department of Revenue (DOR). More importantly, the guidelines help small forest landowners meet the requirements for the Forest Stewardship Program, USDA Farm Bill Conservation Programs, Certified Tree Farm Program, and the Current Use Forest Property Tax Program (i.e. Timber Management Plan).



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The Forest Stewardship Program – a cooperative nationwide program – is one program that may be beneficial in satisfying the desires of the community and meeting the PBRs standards. Overseen by the USDA Forest Service and administered by DNR, the Forest Stewardship Program is intended to help landowners assess resource conditions and forest health, identify problems and opportunities, and identify management practices to achieve objectives. Similar to all programs within the Integrated Forest Management Plan, **applicants are required to develop a forest management plan that outlines and details ten (10) resource categories:**

1. Forest Health, Wildfire & Invasive Species
2. Soils
3. Water Quality, Fish Habitat & Wetlands
4. Forest Inventory/Timber/Wood Products
5. Property Access, Roads & Skid Trails
6. Wildlife
7. Protection of Special Resources & Biodiversity
8. Aesthetics & Recreation
9. Carbon Sequestration & Resilience to Climate/Weather-Related Influences
10. Special Forest Products and Agroforestry (Optional)

Once the plan meets the requirements of the desired program, an authorized Washington State DNR representative signs off on it, granting its approval. [RCW 84.34.055.2](#) states that “Features and sites may be verified by an outside expert in the field and approved by the appropriate state or local agency to be sent to the county legislative authority for final approval as open space.”

By replacing the Rural Forest Lands/Woodlots category with Washington State Integrated Forest Management Plan, small forest landowners in Island County would be able to choose a program that more adequately represents their choice of forest management practices and values. Furthermore, The Forest Stewardship Program would be verified and recognized by the state, thereby providing credibility to small forest landowners’ PBRs application.

It should be noted, that regardless of the Integrated Forest Management Plan the property owner chooses to enroll in, does not necessarily prevent the small forest from being clear-cut. There may be instances when the property owner – who is enrolled in a Forest Stewardship Program – performs an assessment of their small forest that science dictates that trees and other flora be removed due to disease, rot, etc.

Nested together under the Integrated Forest Management Plan, both the Forest Stewardship Plan and the Timber Management Plan would be designated a High Priority Resource and be allocated five (5) points.



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Drainage Area

An additional concept that Island County's Planning and Community Development team has been tasked with investigating is the creation and implementation of a Drainage/Retention Pond bonus system. **Currently, there are no priority resources in Island County's Public Benefit Rating System (PBRs) that recognizes water runoff/drainage as a priority resource.** At present, the priority resources that do acknowledge water in some capacity are areas of natural shoreline environments ([3.40.250.D](#)), wetlands ([3.40.250.E](#)), conservancy shoreline environments ([3.40.260.A](#)), flood hazard area buffers ([3.40.260.B](#)), critical aquifer recharge ([3.40.280.A.1.a](#)), and surface water quality buffer areas ([3.40.270.C](#)). **The aforementioned water priority resources have essentially been devised to protect and mitigate ecological impacts to existing water sources and their associated functions.**

A successful open space planning process should examine all the open space resources in a community to determine the importance of each type of open space to the people of the community and to identify those areas that deserve particular attention. **Residents of Island County have voiced concerns that some of their lands are being impacted by runoff caused by new development. This has greatly reduced their ability to utilize their lands as they have been used in years past, such as for agricultural practices.**

Often this type of runoff is referred to as nonpoint sources and is likely a form of pollution. **Nonpoint sources of water pollution are often diffuse and may not individually have a large impact on a local water system, but cumulatively can severely degrade water quality and the ecology of a system** as they may include pesticides, heavy metals, or other toxins. Nonpoint sources of water pollution include but are not limited to, grading and clearing of land, livestock runoff, construction activity, and impervious surfaces. Additionally, nonpoint sources of water pollution can result in algal blooms, loss of habitat, excessive weed growth, etc.

By providing a Drainage Area option for those enrolled, or wishing to enroll, in the PBRs, Island County is further protecting neighboring bodies of water and associated ecosystems. This bonus system would require an approved [Drainage Plan](#) that is in accordance with Island County Code [11.03](#).

Drainage plans can be either natural, built, or a combination of the two and can be designed to:

- Slow the erosive energy of moving water across the ground surface,
- Collect and improve water quality by trapping and filtering sediments,
- Improve stormwater collection and flood control
- Create new habitats, and
- Can be used for recreational purposes such as birdwatching.



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Furthermore, without infiltration to recharge groundwater resources, available groundwater supplies will decline. In coastal areas, such as Island County, **reduced groundwater flows can lead to saltwater intrusion into wells.**

As such, to further protect Island County's natural resources, **it may be best to permit landowners to designate portions of their land as a drainage area.** By providing an incentive to landowners - via a tax reduction - to designate portions of their land as a drainage area, Island County will continue to ensure that they are:

- Minimizing human-caused nonpoint source pollution;
- Retaining natural hydrologic functions;
- Retaining features that contribute to the function of local aquatic habitats; and
- Mitigate impacts on public recreation areas.

The Drainage Area would be integrated into the Bonus System and be allocated five (5) points.

Properties Adjacent to a Public or Current Use Classified Land

Via one-on-one discussions with each Island County Commissioner, it has become apparent that the Island County **PBRS program can be utilized to encourage the protection of larger, better-connected open spaces.** The creation of an additional bonus system that incentivizes properties owners who are adjacent to a public or current use classified land to either maintain their PBRS status or enroll in the program should be considered.

Examples of public lands are publicly owned parks, trails, forests, or lands legally required to remain in a natural state.

Current use classified lands are properties participating in a current use taxation program under [chapter 84.33](#) or [84.34](#) RCW, and include timber/forestlands, agricultural lands, and open space lands.

The PBRS program is a tool that Island County can utilize to facilitate the conservation of wildlife habitats and mitigate the effects of habitat fragmentation. Habitat fragmentation is defined as the process during which a large expanse of habitat is transformed into several smaller patches of smaller total area isolated from each other by a matrix of habitats unlike the original. As a result, habitat fragmentation leads to significant loss of species because the remaining habitats are too small or too isolated to persist.

As such, by maintaining and/or connecting Public or Current Use land:

- Wildlife habitat areas are increased,
- Opportunities for colonization are increased,
- Niche diversity is increased, and
- Ecological functions are increased.

According to [chapter 84.33](#) or [84.34](#) RCW, public roads and/or easements may separate the public land, or land in private ownership from the adjacent land.



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The Properties Adjacent to a Public or Current Use Classified Land would be integrated into the Bonus System and be based on a scaled system.

- a. Landowners not adjacent to a public or current use classified land or are not fragmented by a road and/or easement – Zero (0) points.
- b. Landowners adjacent to a public or current use classified land but are fragmented by a road and/or easement – Three (3) points.
- c. Landowners adjacent to a public or current use classified land and not fragmented by a road and/or easement – Five (5) points.

Findings & Conclusions

The purpose and intent of Island County’s Public Benefit Rating System is to “maintain, preserve, conserve, and otherwise continue in existence adequate open space lands... and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of the county and its citizens” ([3.40.020.A](#)). Every three (3) years, the planning commission should review the PBRs to either expand upon current open space resource classifications and/or identify additional open space resources that deserve contemporary attention.

- The Long-Range Planning team finds that by replacing the Rural Forest Lands/Woodlots category with Washington State Integrated Forest Management Plan, small forest landowners in Island County would be able to choose a program that more adequately represents their choice of forest management practices and values.
- The Long-Range Planning team finds that by permitting landowners to designate portions of their land as a drainage area, Island County is continuing to maintain, preserve, and conserve open space by minimizing nonpoint source pollution and retain features that contribute to the function of local habitats.
- The Long-Range Planning team finds that by creating a Properties Adjacent to a Public or Current Use Classified Land bonus system, that Island County can utilize to facilitate the conservation of wildlife habitats and mitigate the effects of habitat fragmentation.

Island County Planning and Community Development staff hereby recommend that the Island County Planning Commission consider the addition of the Forest Stewardship Program as a high priority resource. Additionally, the PCD recommends the creation of bonus system categories Drainage Area and Properties Adjacent to a Public or Current Use Classified Land.