

**Criteria for De-designation of Commercial Forests**  
**FOREST LANDS ADVISORY COMMITTEE**

The purpose of these Criterion is a tool to be used by the proponent and Kittitas County COMMUNITY DEVELOPMENT SERVICES and their designated advisory committee to evaluate parcels within the commercial forest zone proposed for de-designation.

The following six criteria are ranked in order of importance or value. The proponent and Community Development Services should address each criteria item in as much detail as possible.

All criteria are inter-connected and a de-designation decision should be based on the cumulative influence-of all six criteria.

**LONG TERM ECONOMIC CONDITIONS**

The original Commercial Forest zone was created during an era of strong local and regional markets for traditional solid wood products from forest lands Kittitas County. There was a large, viable industrial forest land base and an active National Forest timber sale program. Further, many of the Non-Industrial Private Forest ownerships were intact and contributing to the supply side of the log markets. This created a large annual supply of logs for the wood basket of local and regional manufacturing. The Commercial Forest zone created in 1993 was driven by ownership objectives at that time. There have been significant changes in land ownership and manufacturing infrastructure since the CF-80 zone was created.

The de-designation discussion should evaluate the following inter-related factors:

The current log market situation:

Location of manufacturing mills for various log products.

Delivered prices by type of log product

Current delivered log production costs:

Type of log product available from Commercial Forest (i.e. spp, size)

Logging costs

Transportation costs

Land holding and administrative costs

Cost impact of Forest Practices – F & F rules.

The discussion should recognize the cyclical nature of traditional log markets and, based on best available information, attempt to predict the future markets for log products available now and in the future from Commercial Forest lands.

**LAND VALUES UNDER ALTERNATIVE USES**

Rural land values including rural forested land values have increased dramatically since the Commercial Forest zone was created in 1993. These value increases have been driven by a high market demand for smaller parcels for use as rural residential, 2<sup>nd</sup> home site, or simply as an investment. Current markets far exceed traditional resource land values.

The de-designation discussion should evaluate the following:

Site-productive. Meaning the ability of the land to produce marketable wood products in an economical time frame.

The demand for smaller parcels may be alleviated by creative land use planning and zoning including, for example, Conservation Villages and innovative planning within UGA's.

### OWNERSHIP GOALS AND OBJECTIVES

The Commercial Forest ownership pattern should be evaluated on a County wide basis.

The de-designation discussion should consider:

Federal public and State public lands have differing ownership objectives from private Commercial Forest

Large private landowners have different objectives than small landowners and large landowners with small parcels.

Land trusts may have different ownership objectives from any of the above.

### LAND USE AND SETTLEMENT PATTERNS

Commercial Forest being considered for de-designation should consider:

Demand for smaller rural properties. For example high demand or otherwise.

Proximity to urban, suburban, and rural settlements.

“Proximity” should be evaluated in terms of:

Adjacency or distance from existing development(s).

Topography.

Operational impacts on commercial forestry.

### AVAILABILITY OF PUBLIC SERVICES

Current and future status of infrastructure.

The de-designation discussion should consider:

Location in relation to:

Public roads or potentially public roads.

Fire District.

Location in relation to Wildland Urban Interfface boundary.

Within or potentially included in a Community Wildfire Protection Plan.

Public schools.

Water available or potentially available

Waste water treatment

### HISTORY

This last criteria is intended to not only recognize the change in circumstances since the original Commercial Forest zone created in 1993, but also continuing changes:

Kittitas County land use patterns and land use planning;

Legislative land use direction (TDR's for example);

Changes in GMA: RCW and WAC

Recognize the evolving regulatory changes affecting the management of State and private forest land:

State Forest & Fish Law, 1999

State Hydraulics Code

Clean Water Act: State & Fed

ESA: Fed and State(Endangered

SMA: State

Also the De-designation decision should recognize the status of management on National Forest Land. E.g. Overstocked, unhealthy, high fire risk stands of commercial trees.

## “Long Term Economic Conditions”

### Justification for de-designation of “Commercial Forest Lands of Long Significance”

The forest industry in Kittitas County has experienced a substantial economic down turn for the past 15+ years. This occurred primarily due to the Endangered Species Act and its effect on state forest practices, imposing regulations to protect listed species and their habitats on Federal, State and Private forest lands. Backed by the increasing use of citizen suits under the ESA and other federal environmental statutes, these regulations resulted in the removal of most of the federal timber from the market place. This in turn increased the demand for logs off of private forest land. Increases in private harvests over the past decade helped to offset some of the decline in federal harvests, but the capacity to maintain higher harvest levels on private forest lands on a sustainable basis peaked, causing local mills to seek logs at greater distances. With the lack of local supply, increased transportation, and manufacturing costs, the mills had no choice but to shut down. The loss of six mills since 1990 in Klickitat, Chelan, and Yakima counties has resulted in reduced market competition and increased haul distances for logs. Unlike the West side of the State, private forests in Kittitas County have a different species mix and size of timber that is less desirable to West side mills. The confluence of these factors has devastated the timber industry in Kittitas County. Without the local milling infrastructure, and a short-term and long-term inventory consisting only of low value logs, participants in the timber industry in Kittitas County cannot compete in the log market when most of the milling capacity is in the Western part of the State with its own abundant supply of relatively cheap timber.

The long term economic condition has changed for Kittitas County forest landowners, and without higher log prices (which is not realistic given the competition internationally and from the West side of the state), or local manufacturing facilities (which is also not realistic given the costs to construct or retrofit a mill and the lack of local timber inventory), the long-term viability of the industry will not improve. Because of the historical decline of the timber industry in Kittitas County and lack of any future viability, we must consider other incentives and alternatives to keep working forests viable.

It is very clear that the Legislature under the statutory and regulatory sections of the Growth Management Act stated that counties should consider land characteristics and economic factors when designating commercial forest lands. Under the GMA and its guidelines, lands could hardly be economically and practically managed for commercial timber production if long-term conditions, such as mill closures, unforeseen regulatory encumbrances, and international competition rendered such production economically unfeasible. A change in circumstances has occurred within Kittitas County.