

# KITTITAS COUNTY COMPREHENSIVE PLAN AND ZONING PROVISIONS

## *Commercial Forest Land Use*

Commercial Forest Lands, approximately 732,000 acres, claims approximately half of the Kittitas county land area. A checkerboard pattern of private, State, and Federal land ownerships characterizes the County forests. Federal and State ownership accounts for approximately eighty two percent of the lands designated commercial forestlands in Kittitas County. Private ownership only accounts for approximately eighteen percent of commercial forestlands.

Traditionally forestlands in the County contributed regional economic value by providing employment and income from resource management, which includes: harvesting, fishing, hunting, mining, grazing and recreation. Even though revenue has diminished from forest products, it is also recognized that forestlands provide other public benefits and values such as; watersheds, wildlife and fish habitat. It is recognized that the designation “Commercial Forest Lands” has been used to encompass all forested lands that do provide a variety of public benefits including non productive and high elevation lands within ownerships.

The original Commercial Forest zone was created in 1993 during an era of strong local and regional markets for traditional solid wood products from forest lands in 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 within a 100 mile radius. The Commercial Forest zone created in 1993 was driven by ownership objectives at that time and historic land use. There have been significant changes in land ownership and manufacturing infrastructure since the Commercial Forest zone was created.

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 and placed constraints on state and private forest management for wood products. 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 seven mills since 1990 in Kittitas, Klickitat, Chelan, and Yakima counties has resulted in reduced market competition and increased haul distances for logs.

Unlike the West side of the State, forests in Kittitas County have a significant species mix and size of timber that are generally undesirable to West side mills. In addition, export restrictions on state and federal forest have limited the marketability of timber. 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 commercial timber industry in Kittitas County can no longer 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 and close proximity to a forested land base. Historically, the industry has been able to survive the cyclical down turns in log markets when there is a consistent local infra-structure to keep transportation costs down, but with the loss of the milling and manufacturing infrastructure within the region, this is no longer the case.

This significant change in circumstances within Kittitas County, the collapse of the commercial timber industry, and lack of infra-structure, other incentives and alternatives to keep working forests viable should be considered. There may be emerging markets such as carbon sequestration, Transfer of Development Rights (TDRs), bio-fuel and bio-energy production that offset the loss of the traditional log product markets, but these markets are commercially speculative, predicated upon viable working forests, and are unavailable to landowners in the immediate future. Even when such markets are developed, it is unlikely that they will generate revenue sufficient for managing and sustaining healthy, commercially viable forestlands. Moreover, landowners should not be expected to continue to manage forest lands for public benefits without compensation to offset the costs associated with managing forest lands.

It is clear that the Legislature intended that counties planning under the Growth Management Act (GMA) should consider land characteristics and economic factors when designating commercial forest lands. Under the GMA and its guidelines, lands may not 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. As stated by the Washington Supreme Court, “the GMA is not intended to trap anyone in economic failure”. *Lewis County v. Western Washington Growth Management Hearings Board*, 157 Wash.2d 488, 505 (2006) Redesignation of lands out of the Commercial Forest Land Use Designation shall occur having a one year review process from June to June, with decision made by December during the annual comp plan review. All applications must be reviewed by the Forest Lands Advisory Committee prior to review by the Planning Commission and Board of County Commissioners.

## **DESIGNATION CRITERIA**

Before land in Kittitas County is designated as commercial forest land for the purposes of the GMA, the land must be:

1. not already characterized by urban growth;
2. primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, including Christmas trees subject to the excise tax imposed under RCW 84.33.100 through 84.33.140, and
3. has long-term commercial significance, as indicated by growing capacity, productivity, soil composition of the land for long-term commercial production, proximity to population areas, and the possibility of more intense uses of the land.

In determining whether forest land is "primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production," the following factors shall be considered:

- (a) The proximity of the land to urban, suburban, and rural settlements;
- (b) surrounding parcel size and the compatibility and intensity of adjacent and nearby land uses;
- (c) long-term local economic conditions that affect the ability to manage for timber production; and
- (d) the availability of public facilities and services conducive to conversion of forest land to other uses.

In addition, the standards and criteria identified in WAC 365-190-060 shall be considered in determining which lands have long-term commercial significance.

## **REDESIGNATION CRITERIA FOR COMMERCIAL FOREST LANDS**

CTED's minimum guidelines to classify lands (Chapter 365-190 WAC) anticipates the need for flexibility and change in land designations, including Commercial Forest Lands. Before Commercial Forest lands in Kittitas County may be redesignated to another land use classification, the continued application of the designation criteria to such land shall be considered and any redesignation should be based on consistency with one or more of the following criteria:

- (i) Change in circumstances pertaining to the comprehensive plan or public policy.
- (ii) A change in circumstances beyond the control of the landowner pertaining to the subject property.

(iii) An error in designation.

(iv) New information on natural resource land or critical area status.

To further assist in the determination of whether a redesignation of Commercial Forest Land to another land use classification is warranted, the following guidelines may be considered:

- Long Term Economic Conditions;
- Compatible Land Use Alternatives;
- Ownership Goals and Objectives;
- Availability of Public Services;
- Site Productivity; and
- Change in Circumstances

The purpose of these Guidelines 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 redesignation.

Redesignation should not only recognize changes in circumstances since the original Commercial Forest zone created in 1993, but also continuing changes. GMA anticipates that the needs of landowners and local communities will change, and will require amendments to land designations. "Land use planning is a dynamic process. Procedures for designation should provide a rational and predictable basis for accommodating change." WAC 365-190-040(h).

The following Guidelines are not ranked in order of importance or value. The proponent and Community Development Services may utilize each Guideline on a case by case basis in as much detail as possible while considering the cumulative influences of all applicable criteria, standards and Guidelines.

#### **GUIDELINE NO. 1: 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 in 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 and historic land use. There have been significant changes in land ownership and manufacturing infrastructure since the CF-80 zone was created. Under this Guideline, the redesignation discussion may evaluate the following inter-related factors:

- Long Term Economic Conditions which may include:

- Milling Facilities
- Transportation
- Log Values
- Species Mix and log size
- Land holding and administrative costs
- The needs of the local forest products industry, and the availability of longterm sources of timber

For example, the reduced supply of timber reflects the current State regulatory environment for state and private lands, changes in State policies on the management and harvest of State timberlands, changes in Federal management objectives on Federal lands in response to the Endangered Species Act, Clean Water Act and National Environmental Policy Act, and changes in goals and objectives with new ownership of private lands.

## **GUIDELINE NO. 2: COMPATIBLE LAND USE ALTERNATIVES**

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. In economic terms, the ‘highest and best use’ of these lands in the current market far exceeds traditional resource land values.

Under this Guideline, the redesignation discussion may evaluate the following:

- Compatibility and intensity of adjacent and nearby land use. Land Use Plan consistent with requested redesignation, including operational impacts on adjacent commercial forest land.

Applications for redesignation from Commercial Forest should demonstrate compatible use with adjoining rural and commercial forest land use parcels. Innovative land use planning that allows for development while preserving open space should be considered favorably.

## **GUIDELINE NO. 3: OWNERSHIP GOALS AND OBJECTIVES**

The Commercial Forest ownership pattern should be evaluated on a County wide basis. Recognition should also be given to the percentage of Commercial Forestlands in Kittitas County under Federal and State ownership. It should be recognized that ownership objectives and goals vary depending on if the lands are managed by the Federal Government, small or large private, or lands administered by the State (i.e. WDNR or WDFW). Public lands are statutorily managed for various competing uses, such as recreation, public access, and timber production. Private lands are managed under the expectations and objectives of the landowner, and largely derive their operating costs from forest products. Unless private timber lands are economically viable, private landowners may be without the financial means to effectively manage their forests.

Under this Guideline, the redesignation discussion may consider:

- Regional benefits that may result from redesignation, including higher property taxes and economic stimulus

#### **GUIDELINE NO. 4: AVAILABILITY OF PUBLIC SERVICES**

Under this Guideline, the redesignation discussion may consider the availability or potential availability of public services at a level appropriate for a proposed redesignation.

- Examples are:
  - Current and future status of infrastructure.
  - Public roads or potentially public roads.
  - Fire District.
  - Location in relation to Wildland Urban Interface boundary.
  - Within or potentially included in a Community Wildfire Protection Plan.
  - Public schools.
  - Water available or potentially available
  - Waste water treatment

#### **GUIDELINE NO. 5: SITE PRODUCTIVITY**

Under this Guideline, the redesignation discussion may consider that the majority (or significant portion) of the property does not meet site class 1-4 pursuant to Department of Revenue rating system. This means the land can not produce a marketable stand of timber in at least a 100 year growth period.

#### **GUIDELINE NO. 6: CHANGE IN CIRCUMSTANCES**

Under this Guideline, the redesignation discussion may consider changes in circumstance leading to the requested redesignation of commercial forestland. While it is understood that economic changes within the local timber industry, or for a landowner based on such changes, may constitute a "change of circumstances" supporting a redesignation of commercial forestlands, those economic issues are identified as Guideline No. 1 above.

Under this Guideline, the redesignation discussion may consider:

- Change in circumstances -
  - Example changes includes:
    - Kittitas County land use patterns and land use planning;
    - Legislative land use direction (TDR's for example);
    - Changes in GMA: RCW and WAC , and KCC
    - 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 & Federal
- Endangered Species Act: Federal and State
- Shoreline Management Act: State

## **PROCESS FOR DESIGNATION AND REDESIGNATION OF COMMERCIAL FOREST LANDS**

The following procedures should be followed for Designation and Redesignation:

1. Application submitted to Community Development Services (CDS).
2. Application referred to Forest Lands Advisory Committee for review and recommendations.
3. Planning Commission conducts public hearings with Forest Lands Advisory Committee recommendations.
4. Planning Commission makes recommendations to BOCC.
5. BOCC makes final decision as part of the annual Comp Plan Amendment Process.

## **POLICIES FOR COMMERCIAL FOREST LANDS**

The following policies will guide the county in land use decisions affecting lands designated as Commercial Forest Lands:

GPO 2.130A To conserve forest lands for productive economic use by identifying and designating forestlands where the principal and preferred land use is resource management and meets the economic needs of the industry and County. The boundaries and lot size remain as designated in 1993, with modifications occurring on a case by case basis as applications for redesignation are submitted.

GPO 2.130B Create a growth management commercial forest committee comprised of persons with forest land management backgrounds in order to:

- a. Provide input to the County on an as-needed basis for issues relating to Commercial Forest Lands, including:
  1. Defining the current status of the industry;
  2. Defining the needs of the industry within Kittitas County;
  3. Defining the Region and the Regional needs as it relates to the industry within Kittitas County;
  4. Defining viability within local and regional circles (i.e. 100 miles, 200 miles, 300 miles); and
  5. How much Commercial Forest Lands are needed to support local and regional needs of the industry.

b. Assess, review, and make recommendations to the Planning Commission and Board of County Commissioners on all applications for designation and redesignation of Commercial Forest Lands in Kittitas County as provided in this Comprehensive Plan.

GPO 2.131 Forest resource lands should be classified and designated based on the criteria, guidelines, and procedures established in this Comprehensive Plan with special consideration given to the determination of whether forest resource lands considered for designation or redesignation are viable as long term commercial significant forest resource lands.

GPO 2.132 The primary land use activities in commercial forest areas are commercial forest management, forest recreation, agriculture, mineral extraction, sand and gravel operations and those uses that maintain and/or enhance the long-term management of designated commercial forest lands.

GPO 2.133 Any proposal for redesignation of commercial forestlands shall be subject to a cumulative impacts analysis, including the size and ownership of the commercial forestlands remaining in the county, the needs of the local forest products industry and impacts to those needs by the proposed redesignation, and the potential benefits that may result from the proposed redesignation including higher property taxes and economic stimulus. Redesignated lands without a development proposal shall be designated into a Rural Land Use and shall be designated into a 20 acre zone. The redesignation is intended to be a one step process, but may be accomplished as a redesignation with the option for the applicant to later submit a development proposal.

GPO 2.134 To encourage incentives and alternatives to keep working forests viable by considering when feasible emerging markets such as carbon sequestration, Transfer of Development Rights, Bio-fuel and bio-energy production that offset the loss of the traditional log and special forest product markets.

GPO 2.135 Resource activities performed in accordance with county, state and federal laws should not be subject to legal actions as public nuisances.

GPO 2.136 To support and encourage the maintenance of commercial forest lands in timber and current use property tax classifications consistent with RCW 84.28, 84.33 and 84.34.

GPO 2.137 Kittitas County recognizes Engrossed Substitute House Bill (ESHB) 2091 also known as the Forest and Fish Law. Kittitas County will support local forest landowner's seeking regulatory relief in order to help them remain economically viable.

GPO 2.138 Land use activities within or adjacent to commercial forest land should be sited and designed to minimize conflicts with forest management and other activities on commercial forestlands.



GPO 2.139 Kittitas County will encourage rural developments in the Wildland Urban Interface (WUI) and the owners of adjacent commercial forest lands to develop Community Wildfire Protection Plans (CWPPs).

GPO 2.140 Encourage clustered residential developments on adjacent non-commercial forestlands. The open space in clustered development should buffer adjacent forestland from development.

GPO 2.141 Kittitas County will advocate active management of Federal and State forest lands to create and maintain healthy, fire-safe forests.

GPO 2.142A It is the policy of the county to encourage the continuation of commercial forest management by:

- a. supporting land trades that result in consolidated forest ownerships; and
- b. working with forest managers to identify and develop other incentives for continued forestry (Ord. 93-42); and
- c. To encourage and support a local and regional infrastructure of manufacturing facilities that use wood products within an economically viable 100 mile circle.

GPO 2.142B Require that all plats, short plats, development permits, and building permits issued for development activities on, or within five hundred feet of, lands designated as agricultural lands, forest lands, or mineral resource lands, shall contain a notice that states that: "The subject property is within or near designated agricultural lands, forest lands, or mineral resource lands on which a variety of commercial activities and mineral operations may occur that are not compatible with residential development for certain periods of limited duration. Commercial natural resource activities and/or mineral operations performed in accordance with county, state and federal laws are not subject or legal action as public nuisances. (RCW 7.48.305)"