MEMORANDUM

TO: Thurston County Planning Commission

FROM: Olivia, Assistant Planner
       754-3355 ext. 5477

DATE: March 31, 2010

SUBJECT: Open Space –Open Space Tax Program Applications

The Open-Space Tax Act (RCW 84.34) was enacted for the purpose of maintaining, preserving, conserving, and otherwise continuing in existence open space lands for the production of food, fiber and forest crops, and to assure the use and enjoyment of natural resources, scenic beauty, and the economic well-being of the state and its citizens. What follows is a summary of the Open Space-Open Space tax program application currently under review:

Site Characteristics and Context
- 9.29 acres
- 19341 Cougar Mt Airport Rd SE, Yelm, WA 98597

Public Benefit Rating System
- Farm and Agricultural Conservation Land, 3 points
- 50%

Estimated Tax Shift
- $1,259

Recommendation
- Staff recommends approval

Attachments:
A. Application for Open Space
B. Staff Report

CC: Scott Clark, Long Range Planning Manager
    Jeff Fancher, Deputy Prosecuting Attorney
Thurston County Development Services
Open Space Classification Application
Page 1 of 4

Thurston County Development Services
2000 Lakeridge Dr. SW
Olympia, WA 98502
(360)786-5490 / (360)754-2939 (Fax)
Email: permit@co.thurston.wa.us
www.co.thurston.wa.us/permitting

OPEN SPACE CLASSIFICATION APPLICATION
FOR CURRENT USE-BASED PROPERTY TAX ASSESSMENT

IMPORTANT: Please read the Instructions, Things to Know, and Eligibility Criteria sheets before completing this form.

Name(s) of Applicant(s) Donald E. McCulloch
Mailing Address 19341 Cougar Mtn. Airstrip Road SE Yelm, WA 98597
Day Phone Number(s) (360) 894-1114
Tax Parcel Number(s) 22627410601
General Location of Property East of the north/south segment of Smith Prairie Rd.

1. Legal Interest in Property:
☐ Owner ☐ Contract Purchaser ☐ Other (Describe) __________________________

2. Total Acreage of Property 10.29 acres

3. Acreage to be Enrolled in Open Space Program 9.29 acres

4. What is the Property Currently Used for? Agriculture

5. What kind of public access do you propose? (Note: Public access is not required for program eligibility.)
☐ None
☐ Partial Access (1 point): Public access on a seasonal basis or access by members of the organization utilizing the facility.
☐ Substantial Access (2 points): Year-round access to members and available to the public upon special arrangement. Any user fees may not exceed three times the average cost for members.
☐ Unlimited Access (4 points): Year-round access to the public without special arrangement.

Please describe or explain:
6. Do you propose to apply a conservation easement or historic easement to your property?

☐ Yes (type: __________ ) Does one exist now? ☒ Yes (type: __________)

☒ No

Who will hold (or does hold) the easement?  NA

7. Is the open space area dedicated under zoning or subdivision ordinance requirements or used to achieve the maximum development potential under zoning?

☒ Yes ☒ No

8. Before completing this part of the application, use the blue "Eligibility Criteria Checklist" to determine if your property qualifies for any of the Priority Resource categories. (Property must be eligible for at least one Priority Resource and at least 3 points in order to be classified as open space.) Use the list below to indicate which Priority Resource categories you can document eligibility for. Refer to the gray "Help List" for sources of assistance, if needed.

HIGH PRIORITY RESOURCES (3 points each)

# Acres

a. Archaeological Sites

b. Farm and Agricultural Conservation Land (FACL)

c. Fish-Rearing Habitat-Ponds and Streams

d. Geological and Shoreline Features

e. Historical Sites

f. Private Recreation Areas

g. Rural Open Space Close to Urban or Growth Areas

h. Significant Wildlife Habitat Areas

i. Special Plant Sites

j. Urban or Growth Area Open Space

MEDIUM PRIORITY RESOURCES (2 points each)

# Acres

a. Public Land Buffers

b. Scenic Vista or Resources

LOW PRIORITY RESOURCES (1 point each)

# Acres

a. Resource Restoration
9. **IMPORTANT! Read all of the following information regarding tax liabilities before signing this application form.**

You will owe to the County the following additional taxes, interest and penalties when your property is removed or withdrawn from current use classification. The following is a summary of state law. Consult RCW Chapter 84.34 for details.

**STATEMENT OF ADDITIONAL TAX, INTEREST, AND PENALTY DUE UPON REMOVAL OF CLASSIFICATION:**

A. Upon removal of classification, an additional tax shall be imposed which shall be due and payable to the county treasurer 30 days after removal or upon sale or transfer, unless the new owner has signed the Notice of Continuance. The additional tax shall be the sum of the following:

   a. The difference between the property tax paid as "Open Space Land" and the amount of property tax otherwise due and payable for the last seven years had the land not been so classified; plus

   b. Interest upon the amounts of the difference (a), paid at the same statutory rate charged on delinquent property taxes.

   c. A penalty of 20% shall be applied to the additional tax if the classified land is applied to some other use except through compliance with the property owner’s request for withdrawal process, or except as a result of those conditions listed in (B) below.

B. The additional tax, interest, and penalty specified in (8A) above shall not be imposed if removal resulted solely from:

   a. Transfer to a governmental entity in exchange for other land located within the State of Washington.

   b. A taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of such power.

   c. A natural disaster such as a flood, windstorm, earthquake, or other such calamity rather than by virtue of the act of the landowner changing the use of such property.

   d. Official action by an agency of the State of Washington or by the county or city where the land is located disallows the present use of such land.

   e. Transfer of land to a church when such land would qualify for property tax exemption pursuant to RCW 84.36.020.

   f. Acquisition of property interests by State agencies or agencies or organizations qualified under RCW 84.34.210 and 64.04.130 (See RCW 84.34.108(6)(f)).

   g. Removal of land classified as farm & agricultural land under RCW 84.34.020(2)(e) (farm homesite).
1. Property will be fenced by either wood, electric or barbed wire fencing. Fencing will be inspected and repaired if necessary.

2. Access areas adjacent to the fences will be kept open for access and maintenance.

3. Pasture areas will be maintained and kept open.

4. Pastures will be maintained whether or not in use by cattle.

5. Adjacent barns and other out buildings will be maintained for current and possible future use.

6. Roads and gates will be maintained for easy access.

7. Wells and pumps will be maintained.

8. Excess slash and fallen branches will be removed periodically.

Donald E. Mc Culloch
Owner
h. Removal of land from classification after enactment of a statutory exemption that qualifies the land for exemption and receipt of notice from the owner to remove the land from classification.

i. The creation, sale, or transfer of forestry riparian easements under RCW 76.13.120.

j. The creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040.

k. The sale or transfer of land within two years after the death of the owner of at least a fifty percent interest in the land if the land has been assessed and valued as designated forest land under chapter 84.33 RCW, or classified under this chapter 84.34 RCW continuously since 1993. The date of death shown on the death certificate is the date used.

Removals and withdrawals from the program are processed by the Thurston County Assessor.

I (We) the undersigned, swear under the penalty of perjury, that I (We) am (are) the owner(s) or contract purchaser(s), of the land described above and that the above responses are made truthfully and to the best of my (our) knowledge. I (We) also understand that, should there be willful misrepresentation or willful lack of full disclosure on my (our) part, the granting authority, which may hereafter classify said land under the provisions of Chapter 84.34 RCW, may subsequently remove the classification. In addition, I (we) am (are) aware of the potential tax liability described above.

DATE: 01/20/10       OWNERS: Donald E. McCullough
                     MCCULDE62110E WDL#

SUBSCRIBED and SWORN to before me this 20th day of January, 2010.

Marilyn R. Ellingson
Notary Public in and for the State of Washington, residing in Thurston County
A. **Site Characteristics & Context**

The parcel under consideration totals 10.29 acres with 9.29 for the open space –open space tax program. The existing home site and accessory buildings occupy the remaining acres and are not part of this application. This property currently falls under the agriculture classification in the assessor’s tax program. Unfortunately, the required minimum income levels have not been met. However, the property does qualifies for a high priority classification of Farm and Agricultural Conservation Land (FACL) in the open space tax program. If approved, this property will be able to remain in agriculture use and receive a tax benefit for doing so.

The zoning of the site is RRR1/5, Rural Residential/Resource. The same is true of the properties to the east and the west. The properties to the north and south are zoned as agricultural lands of long term commercial significance.

B. **Public Benefit Rating System**

1. For which Priority Resources categories does the property qualify?
   - Farm and Agricultural Conservation Land (FACL)

2. Which public access category has the property owner agreed to?
   - None

3. Does a conservation easement or historic easement apply to the property?
   - No
4. **Summary of Public Benefit rating:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm and Agricultural Conservation Land</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

5. **Estimated tax shift:**

The property is eligible for 3 points under the Thurston County Public Benefit Rating System, qualifying for a 50% reduction in market value. The following estimate shows the existing tax shift under the Current Use-Agriculture Tax Program, the proposed tax shift under the Open Space-Open Space Program and the estimated difference:

<table>
<thead>
<tr>
<th>Open Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Value</td>
</tr>
<tr>
<td>Avg Levy Rate</td>
</tr>
<tr>
<td><strong>Current Taxes Paid</strong></td>
</tr>
</tbody>
</table>

| Land Value                              | $167,850 |
| Reduction Percent                       | 50%      |
| **Assessment With Reduction**           | $83,925  |

| Land Value                              | $167,850 |
| Reduction                               | $83,925  |
| **Land Value under Program**            | $83,925  |

| Reduced Value                           | $83,925  |
| Avg Levy Rate                           | $0.015   |
| **Tax Paid Under Program**              | $1,259   |

| Current Taxes Paid                      | $2,518   |
| Tax Paid Under Program                  | $1,259   |
| **Estimated Tax Shift**                 | $1,259   |

**Note:** These estimates are based on Thurston County Assessor averages. Actual taxes will vary from year to year as the property's base market value changes.

MC CULLOCH
C. Additional Considerations

1. *Does the property meet the definition of open space?*
   Yes, minimum eligibility requirements ensure that only properties meeting at least one of the open space classifications definitions could be classified as open space.

2. *Any other factors relevant to the application in weighing the benefits to the public?*
   This property is no longer eligible for the assessor’s tax saving program for agricultural lands due to a lower than required income from the sale the farm products. This open space tax benefit program will allow the property owner to continue farming practices and reduce the probability of becoming developed. The management of the property as open space is consistent with other properties in the area.

D. Recommendation

*Staff recommends approval of classification of 9.29 acres owned by Donald E. McCulloch as open-space land for current use assessment.*

Attachments: 1. Application form  
               2. Habitat management plan  
               3. Aerial photo
1. Property will be fenced by either wood, electric or barbed wire fencing. Fencing will be inspected and repaired if necessary.

2. Access areas adjacent to the fences will be kept open for access and maintenance.

3. Pasture areas will be maintained and kept open.

4. Pastures will be maintained whether or not in use by cattle.

5. Adjacent barns and other out buildings will be maintained for current and possible future use.

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Donald E. Mc Culloch
Owner

Marilyn R. Ellenson
Witness