A. **Site Characteristics & Context**

The parcel under consideration totals 45.79 acres with 43.79 acres proposed for the open space –open space tax program. There is a single family home, a family member unit, and some accessory structures on the property. Both residential structures sit on one-acre home sites proposed to be excluded from designation. This property was previously in the Open Space-Agricultural tax program administered by the Assessor’s office. Unfortunately, the applicant was not able to meet the minimum income requirements to remain in that program. However, they do qualify for the open space-open space tax program. The property owners are applying for a high priority classification of Farm and Agricultural Conservation Land (FACL) with no public access. The zoning of the site is Rural Residential/Resource 1 unit per 5 acres (RRR 1/5). All surrounding parcels are also zoned RRR 1/5. The City of Yelm Urban Growth Area is located approximately one-quarter mile to the north of the subject property, as the crow flies.
B. Public Benefit Rating System
1. For which Priority Resources categories does the property qualify?
   - Farm and Agriculture Conservation Land (FACL)
2. Which public access category has the property owner agreed to?
   - No public access
3. Does a conservation easement or historic easement apply to the property?
   - No conservation or historic easements
4. Summary of Public Benefit rating:

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
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</thead>
<tbody>
<tr>
<td>Farm and Agriculture Conservation</td>
<td>3</td>
</tr>
<tr>
<td>Land</td>
<td></td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3</strong></td>
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5. Estimated tax shift:
The property is eligible for 3 points under the Thurston County Public Benefit Rating System, qualifying the property for a 50% reduction in market value. This represents a smaller tax shift than is currently provided under the Assessor’s Agricultural classification, meaning there will be a net gain in total property tax collected by Thurston County.

C. Additional Considerations
1. Does the property meet the definition of open space?
   Yes, minimum eligibility requirements ensure that only properties meeting 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?
   Protecting this property from further development will prevent further potential storm water runoff from impervious surfaces and potential septic tank problems associated with development, and contribute to the protection of natural resources onsite. The management of the property as open space is consistent with other properties in the area.

D. Recommendation
Staff recommends approval of classification of 43.79 acres owned by Willoughby Inc./Keith Schmidt as open-space land for current use assessment.

Attachments: 1. Master Application and Open Space Application
             2. Conservation plan
             3. Site map
             4. Aerial photo
MASTER APPLICATION

Project: 2014108211 In Date: 11/26/2014
14 127931 VA Open Space
Sub: Open Space-Open Space
Work:
Site: 11511 HARRIS RD SE YELM WA 98597
Parcel: 22732230000
Sanitarian: 4
Applicant: KEITH O SCHMIDT
Owner: WILLOUGHBY INC
Owner: KEITH O SCHMIDT

The Master Application is required for all projects and shall accompany a project-specific supplemental application(s). The Master Application may not be submitted alone.

Property Tax Parcel Number(s): 22732230000

Subdivision Name (if applicable): ____________________________ Lot #: ____________________________

Property Address: 11511 Harris Rd SE City: Yelm State: WA Zip Code: 98597

Directions to the Property:
From Yelm City Center go east on Highway 507 to the Bald Hill Road, turn right, after railroad tracks turn right onto Harris Road, SE. Go to the end of the road and continue straight to brick gate.

Property Access Issues (locked gate, code required, dogs or other animals): ☐ No ☒ Yes
If yes, Describe: Dogs and gate that is difficult to open

OWNER IS RESPONSIBLE FOR SECURING ANIMALS BEFORE SITE VISIT.

DESCRIPTION OF PROJECT PROPOSAL
Maintain property in the agricultural classification that it has been in for over 20 years to continue the production of hay and future production of hops by the tenant farmer Pam Skillman.

Revised 10-27-14 Form No. MA001
**Property Owner(s):** Keith Schmidt  
Mailing Address: PO Box 713  
City: Spanaway  
State: WA  
Zip Code: 98387  
Phone #:  
Cell #: 801-209-6564  
Signature:*  
Date: November 03, 2014

**Applicant (if different than owner):** Pam Skillman  
Mailing Address: 11511 Harris Road, SE  
City: Yelm  
State: WA  
Zip Code: 98597  
Phone #: (253) 606-8657  
Cell #:  
Signature:*  
Date: 11-20-14

**Point of Contact:** Pam Skillman  
Mailing Address: 11511 Harris Road, SE  
City: Yelm  
State: WA  
Zip Code: 98597  
Phone #: (253) 606-8657  
Cell #:  
Signature:*  
Date: 11-20-14

**BILLING INVOICES**  
The base application fee charged at the time of application covers base hours listed on the fee schedule. When the base hours by a Department are used, a monthly billing invoice will be generated for additional hours at the hourly rate listed on the fee schedule. Should review of the project exceed the base hours allotted, billing invoices shall be mailed to:  

- [ ] Owner  
- [x] Applicant  
- [ ] Point of Contact

*Application is hereby made for a permit or permits to authorize the activities described herein. I certify that I am familiar with the information contained in the application and that to the best of my knowledge and belief, such information is true, complete, and accurate. I further certify that I possess the authority to undertake the proposed activities. I hereby grant to the agencies to which this application is made or forwarded, the right to enter the above-described location to inspect the proposed, in-progress or completed work. I agree to start work only after all necessary permits/approvals have been received.
### Additional Property Owners:

<table>
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<tr>
<th>Property Owner(s):</th>
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</tr>
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<td>State: WA</td>
<td>Zip Code: 98387</td>
</tr>
<tr>
<td>Phone #:</td>
<td>Ext.</td>
<td>Fax #:</td>
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<tr>
<td>Cell #:</td>
<td>801 209 6514</td>
<td>E-mail:</td>
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<tr>
<td>Signature:</td>
<td>*</td>
<td>Date: 11/20/14</td>
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</tbody>
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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)  Willoughby, Inc. a Wyoming Corporation and
                            Keith O. Schmidt, a single man
Mailing Address  PO Box 713
                Spanaway, WA 98387
Day Phone Number(s)  

Tax Parcel Number(s)  22732230000

General Location of Property

11511 Harris Rd., SE  Yelm, WA

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

2. Total Acreage of Property  45.79

3. Acreage to be Enrolled in Open Space Program  40

4. What is the Property Currently Used for?  Agricultural, Residentential SFD

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:
8. **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)).
6. Do you propose to apply a conservation easement or historic easement to your property?

☐ Yes (type: ____________)  Does one exist now? ☐ Yes (type: ____________) 
☒ No  ☐ No

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

7. 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
g. Removal of land classified as farm & agricultural land under RCW 84.34.020(2)(e) (farm homesite).

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: November 04
OWNERS: ______________________________

______________________________
Willoughby, WA

SUBSCRIBED and SWORN to before me this ___ day of November, 2014.

______________________________
Notary Public in and for the State of Washington, residing in Thurston County
Conservation Proposal for Parcel 2273223000 also known as
11511 Harris Road SE., Yelm, WA 98597

The 45 plus acres is located less than a mile from the Yelm City boundary has been under agricultural open space for decades. Approximately 20 acres of the property have been in pasture/grazing land and 15 acres have been used in hay production. Though not a commercial enterprise yet, the property should remain in an agricultural designation as it has been historically.

Over the decades the property has supported cattle, horses, goats, sheep, and chickens. The 1942 US Department of the Interior Geological Survey Map shows Harris Road (thought no name is given to the road on the map) ending at the property. According to verbal history, the property had been used as a livery stable. The original barn, believed to be built in 1902, is still in use. Most recently the property has been used for hay production for local use.

Currently the property is used for grazing pasture. With the Yelm Creek running through the western portion of the property, grass hay production is substantial. With constant maintenance of brush growth and soil erosion control, the land has been, and will be productive.

The current plan for the property is organic hop production and breeding. Western Washington was one of the major hop producers in the 1800’s and today the State of Washington is one of the country’s top hop producers. According to the AOHG (American Organic Hop Grower Association) organic hop production and research will become more widespread as hops are removed from USDA’s organic exemption list, which is likely to increase demand. Organic hop production may need to focus on avoiding large-scale mono-crop systems to help alleviate pest and disease impact. This situation makes a small farm with hop breeding of area specific tolerant crops viable.

The breeding plan includes approximately 2 acres located on the southwest edge of the property near the existing barn area. Male and female rhizomes of Cascade, Mt. Hood, Willamette and US Tettnanger varieties will be available for planting in March 2015. Each variety will be reviewed to identify the best variety for our area. After determining the best varieties during the 2016 to 2017 growing season, approximately 10 to 12 additional acres centrally located on the property will be planted for hop production.

The balance of land, approximately 23 acres, will continue to provide grass hay and grazing as well as grape production from a small existing vineyard.

This Conservation Proposal is respectfully submitted for your consideration and approval of keeping the Harris Road property in agricultural conservation.

Sincerely,

Pam Skillman