

WASHINGTON  
FORUM FOR CONSERVATION  
INCENTIVES PROCEEDINGS

**WASHINGTON**  
BIODIVERSITY COUNCIL

## Forum Organizers

Lynn Helbrecht, Executive Coordinator, Washington Biodiversity Council  
Michelle Buenzli, Port Blakely Tree Farms  
Mark Clark, Washington State Conservation Commission  
Ainsley Close, Cascade Land Conservancy  
Cheryl Hummon, Defenders of Wildlife  
Larry Nussbaum, Stewardship Partners  
Jeff Pavey, Cascade Land Conservancy  
Don Stuart, American Farmland Trust  
Sara Vickerman, Defenders of Wildlife  
Josh Weiss, Washington Forest Protection Association

## Sponsors

**We thank these sponsors for the generous financial support that made the forum possible:**

Washington Biodiversity Council  
Defenders of Wildlife  
Washington Forest Protection Association  
Washington REALTORS

## Partners and Supporters

Washington Biodiversity Council  
Defenders of Wildlife  
Washington Forest Protection Association  
Cascade Land Conservancy  
Washington REALTORS  
Stewardship Partners  
American Farmland Trust  
Parametrix, Inc.  
Washington State Conservation Commission  
Port Blakely Tree Farms

## Proceedings Editor

Sarah Gage, Project Associate, Washington Biodiversity Council

## Graphic Design

Colehour + Cohen

## Washington Biodiversity Council

1111 Washington Street SE, PO Box 40917  
Olympia, WA 98504-0917  
360-902-3000  
[www.biodiversity.wa.gov](http://www.biodiversity.wa.gov)

**Administrative services provided by the Recreation and Conservation Office.**

**NOTE:** On July 1, 2007 the name of the Interagency Committee for Outdoor Recreation changed to the *Recreation and Conservation Funding Board* and the office name changed to the *Recreation and Conservation Office*.

**WASHINGTON FORUM  
FOR CONSERVATION INCENTIVES  
January 5, 2007  
Tacoma, Washington**

***PROCEEDINGS***

**Washington Biodiversity Council  
Olympia, Washington**

# TABLE of CONTENTS

<b>Introduction to the Proceedings .....</b>	<b>1</b>
Maggie Coon, Chair, Washington Biodiversity Council	
<b>Introductory Session.....</b>	<b>5</b>
• Issues Facing Our Region–Gene Duvernoy, President, Cascade Land Conservancy	
• Overview of Conservation Incentives in Washington–Dennis Canty, Evergreen Funding Consultants	
<b>Perspectives from the Field– A Panel Presentation .....</b>	<b>9</b>
Mike Shelby, Executive Director, Western Washington Agricultural Association	
Ken Miller, Washington Farm Forestry Association	
Monty Mahan, District Manager, Pierce County Conservation District	
Sara Vickerman, Senior Director, Biodiversity Partnerships, Defenders of Wildlife	
<b>Emerging Directions .....</b>	<b>13</b>
• What to Expect in the 2007 Farm Bill–Don Stuart, Northwest States Director, American Farmland Trust .....	13
• New Tools for Development–Michelle Connor, Vice President, Cascade Agenda .....	21
• The Growth of Conservation Markets–Bettina von Hagen, Vice President, Ecotrust .....	29
<b>Breakout Group Sessions.....</b>	<b>35</b>
• Conservation Easements and Transfer of Development Rights. Charlie Raines, Cascade Land Conservancy .....	35
• Conservation Banking. Jan Cassin, Parametrix, Inc. ....	39
• Conservation Action Registry. Gina LaRocco, Defenders of Wildlife.....	45
• Regulatory Flexibility. David Burger, Stewardship Partners and Josh Weiss, Washington Forest Protection Association .....	49
• Statewide Incentives Clearinghouse. Don Stuart, American Farmland Trust.....	53
• Payments for Ecosystem Services. Denise Pranger, Northwest Natural Resource Group and Paula Swedeen, Earth Economics.....	59
• Certification Programs. Ian Hanna, Northwest Natural Resource Group and Larry Nussbaum, Stewardship Partners.....	64
• Tax Incentives. Ted Sullivan, King County Department of Natural Resources and Parks.....	68
<b>Conclusion: Continuing the Conversation .....</b>	<b>71</b>
<b>Appendix 1: Forum Attendees .....</b>	<b>73</b>
<b>Appendix 2: Key Resources.....</b>	<b>79</b>

## INTRODUCTION to the PROCEEDINGS

Stewardship is not an academic question for me because, as the owner of a small farm in Eastern Washington, I have a sense of just how hard it is to be really good at it.



### Opening Remarks

**Maggie Coon, Chair, Washington Biodiversity Council**

The first Washington Forum for Conservation Incentives gathered farmers and foresters, planners and local officials, conservationists, tribal members, and others to learn from each other and to discuss a central question: How can we create incentives that motivate individuals to become the best possible stewards of their land?

The forum was a remarkable confluence of many conversations happening all across the state. The nearly 150 attendees and the lively set of speakers and breakout sessions fostered networking and a dialogue that continues to evolve. The following document provides brief summaries of the presentations and the discussions during the day. Whether you attended the forum or not, we hope these proceedings will offer ideas and insight into how to accelerate voluntary approaches to stewardship and conservation.

The Washington Biodiversity Council was extremely pleased to host this event. The Council is a group of 23 people chartered by the governor and charged with creating a long term strategy for the conservation of Washington's remarkable diversity of life, the "web of life" that sustains us. Our very challenging task is to deliver to the governor and legislature by the end of 2007 a roadmap to accomplish this ambitious charge.

From the beginning, we as a Council have recognized the absolutely central role of conservation incentives. They are at the very heart of what we are about. We recognize that engaging private landowners and voluntary approaches will be essential to accomplishing the Biodiversity Council's mission.

The Council's membership reflects the same interests that assembled at the forum. We are landowners, natural resource managers from all levels of government, including tribal government, representatives from academia, business and environmental communities.

The forum grew out of discussions with several partners:

*American Farmland Trust* works to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment. Northwest States Director Don Stuart provided knowledge and perspective on agriculture issues for the forum as well as both speaking on a panel and leading a breakout session.

*Cascade Land Conservancy*, which envisions a region that combines spectacular landscapes, a vibrant economy, and great places to live, works to protect and steward our region's most precious resource—the land. Their participation at all stages of planning for the forum—especially that of Ainsley Close, Michelle Connor, Jeff Pavey, and Gene Duvernoy—speaks to their commitment to connect conservation to the fabric of our community.

*Defenders of Wildlife* is dedicated to the conservation of all native species of plants and animals in functioning ecosystems. The Northwest office emphasizes partnership approaches to environmental decision-making. Their programs focus on the conservation of biodiversity within the context of human activity on the landscape. Sara Vickerman, Cheryl Hummon, and Gina LaRocco provided crucial input and assistance to the forum at every stage.

*Stewardship Partners* helps private landowners restore and preserve the natural landscapes of Washington State. They do this by promoting and implementing incentive-based programs that encourage landowners to participate in fish and wildlife conservation and restoration activities while simultaneously meeting landowners' economic needs through sustainable land management. The forum benefited from the nuts-and-bolts approach and on-the-ground experience of David Burger and Larry Nussbaum.

*Washington Conservation Commission* has as its mission leading the citizens of the state in the wise stewardship, conservation, and protection of soil, water, and related natural resources on private lands. They do this by providing structure and leadership for good governance by conservation districts that provide education, technical assistance, and implementation of land management practices. They contributed their statewide and interdisciplinary perspective, which assisted mightily with outreach.

*Washington Forest Protection Association (WFPA)* works to advance the understanding and practice of sustainable forestry, as well as provide forest products and environmental benefits for the public. They accomplish this by working for balanced forest policies that encourage investment in forestland and the protection of fish, water and wildlife. WFPA's sponsorship and participation, through Biodiversity Council member Josh Weiss, was vital for initiating and implementing the forum. WFPA also secured assistance from one of its member companies, Port Blakely Tree Farms. Port Blakely staff member Michelle Buenzli provided invaluable marketing and outreach support.

The Washington Biodiversity Council's mission is: "Working to sustain and promote biodiversity as the full range of life in all its forms, explain its vital importance in Washington's economy and quality of life and encourage citizens to advance the stewardship of our natural heritage for future generations."

Part of the forum's purpose was to tap the enormous expertise of the attendees—to identify the best opportunities to improve voluntary conservation on private lands. I hope that the following summaries of the presentations and discussions that took place at the forum help to inform, intrigue, and energize you.

As you read through these pages, we invite you to join in the conversation with the wide range of people across this great state who are working to develop new approaches to conservation and to ensure we leave a legacy for our kids.



## INTRODUCTORY SESSION

We need to transform our cities, revitalize our towns, and support rural communities. This adds up to a strong economy, livable communities, and a healthy environment.

**This session profiled the role that voluntary approaches play in conservation and highlighted key issues and opportunities.**

### Issues Facing Our Region

**Gene Duvernoy, President, Cascade Land Conservancy**

Our challenge in Washington is the projected population increase in the next century: an increase to over 7 million people in the King, Kittitas, Pierce, and Snohomish four-county region, and an increase to over 20 million people statewide.

We are also seeing a shift in land use. Many acres of forests are converting from working timberland to other uses, and agricultural lands share the same fate. An example of the latter is the community of Algona, near Auburn. In 1940 it was a largely rural area, with truck farms, pasturage, and dairies. By 2000, that rich farmland hosted a major freeway, warehouses, and residential development.

Other major challenges include societal and environmental dislocations; those caused by climate change, population growth and movement, and ever more difficult and costly extraction and use of fossil fuels. In addition, the public has little appetite for increased regulation.

The Cascade Land Conservancy has used market-based strategies to conserve 135,000 acres. An outgrowth of its work has been The Cascade Agenda, a program that aims to save our landscapes and enhance our communities for future generations.

As we look 100 years forward, we are aiming for 1 million acres of private working forests and farms and 265,000 acres of parks, natural areas, and shorelines. We need to transform our cities, revitalize our towns, and support rural communities. This adds up to a strong economy, livable communities, and a healthy environment.

Incentive programs hold much promise in this new conservation model. The traditional conservation model (what you could call Conservation 1.0) held the following tenets: conservation and economy conflict; preserved land is “locked up” forever; and people and communities are the problem.



The new conservation model (Conservation 2.0) holds that: conservation is pro-business, pro-community, pro-environment; conserved land continues to contribute to the economy and the environment; and people and communities are the solution.

To save and maintain our landscapes in the King, Kittitas, Pierce, and Snohomish four-county region and statewide, we need to use value-added conservation techniques and new financing tools. We need to align regulatory and market forces.

Our region is unique. Farming, forestry, and fishing have defined this region for over 100 years. Our community is unique. We have strong cultural and historical ties between our community and the land.

With a collective statewide effort, we can advance conservation incentives. By working together, we can be part of a collaborative solution that will allow our region to grow with grace.

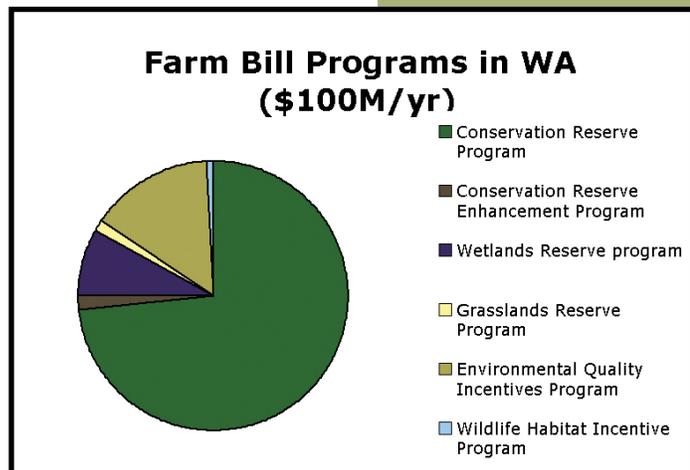
## Overview of Conservation Incentives in Washington

Dennis Canty, President, Evergreen Funding Consultants

What are conservation incentives? What programs work? How can we be more successful? These are three of the big questions that we will explore throughout this Forum.

### *What are conservation incentives?*

A good working definition is that conservation incentives are programs to encourage private landowners to undertake conservation actions on their land. They fall in four major areas: funding (as grants, loans, or payments), tax relief, advice and technical assistance, or recognition and certification. Some incentive programs are quite large. The federal Farm Bill programs are the largest of all, expending about \$100 million a year in Washington. The greatest part of that is in the Conservation Reserve Program and the Environmental Quality Incentives Program. The following pie chart illustrates annual funding of Farm Bill incentive programs in recent years.



A good working definition of conservation incentives is that they are programs to encourage private landowners to undertake conservation actions on their land.

Next in significance in size and scope are a group of tax assessment programs that reduce property taxes for landowners participating in conservation programs. Current use taxation is authorized in state law (RCW 84.34) to allow counties to assess open space, farms, and forest parcels at their current use value rather than highest and best use. In 2005, more than 50,000 parcels were enrolled across Washington State.

A variety of grant programs provide significant funding for conservation projects on private lands, including the Salmon Recovery Funding Board program, the Washington Wildlife and Recreation program, and the suite of US Fish and Wildlife Service programs aimed at implementing habitat conservation plans for endangered species. Each provides \$5-10 million per year for projects on private lands. The remainder of financial incentive programs is funded at less than \$1 million annually and provides no more than a handful of awards.

The most significant technical assistance program in the state is via the conservation districts. Staff of the 47 districts serve as the primary distribution network for information on Farm Bill programs and provide technical advice. Their activities are coordinated by the Washington Conservation Commission. Other significant technical assistance programs include those offered by Washington State Cooperative Extension, the 14 Regional Fisheries Enhancement Groups, and numerous conservation and land trust organizations in Washington.

### *What programs work and why?*

The general consensus on incentive programs is that they work wonderfully on a per-project basis but have limitations when spread across the landscape. The most durable concerns about their overall effectiveness suggest that programs aren't big enough to address the full scale of landowner needs, that better coordination is needed among programs, that application processes tend to be overly complicated, and that information about the programs can be hard to get.

Despite these limitations, there are a number of examples on a watershed scale where incentive programs seem to be working well at a per-project and landscape scale, including programs at Tenmile Creek (Whatcom County), Bear Creek (King County), and Roza Irrigation District (Yakima County).

These places share several important characteristics. First, each area shows a concentration of funding, staffing, and other resources, with a far greater commitment to success from the incentive program providers than is



common statewide. Second, each area features very strong local leadership, often a strong individual who rallies attention. Third, these successful examples tend to be in very close-knit communities, where the tradition of neighbor-to-neighbor cooperation is strongest. And finally, the more successful programs are tightly tailored to meeting direct landowner needs, whether for cost-effective irrigation solutions or a better approach to riparian zone management.

### *How can we be more successful?*

Three improvements may make incentive programs more effective in Washington. First is to get away from a grant-by-grant approach for allocating incentive money and other resources. By coordinating programs and providing incentive packages, different tools and programs can work together more seamlessly.

A second way is to make access to programs easier and to improve delivery. Getting better at providing information on programs could help demystify programs and application processes. Perhaps this could be accomplished through the clearinghouse that will be discussed later today, and by encouraging local leaders to serve as brokers

A third way is to increase our commitment to these programs, and thus increase their direct benefit to landowners. This commitment could be made by boosting funding for grants and assistance programs, accelerating development of market tools such as mitigation banking and water quality trading, encouraging the use of transfer or purchase of development rights, and strengthening Farm Bill green payments.

These are some of the basic issues and questions that arise in discussions of conservation incentives in Washington. I hope this brief introduction helps orient you for the rest of the sessions.

## PERSPECTIVES from the FIELD

**Speakers presented different perspectives on the following questions:**

1. How can we improve integration and coordination between conservation incentives?
2. How can we better address biodiversity conservation?
3. How to improve access and benefit to landowners?

### **Panelists:**

**Mike Shelby**, Western Washington Agriculture Association

**Ken Miller**, Past President, Washington Farm Forestry Association

**Monty Mahon**, Pierce County Conservation District

**Sara Vickerman**, Biodiversity Partnership, Defenders of Wildlife

### ***Question 1: How can we improve integration and coordination between conservation incentive programs?***

#### **Mike Shelby:**

- Understand what we need to solve. Framing our goals in terms of problems requiring solutions will engage the agriculturalists.
- Find out what programs are out there.
- Make the programs easier to understand for those tapping into them.
- Provide programs for the tremendous number of western Washington farms for which income from farming is not primary (a.k.a. gentleman farms).

#### **Ken Miller:**

- Foster greater public respect for timber growing and harvesting.
- Forest landowners provide much public benefit.
- State agencies need to focus less on micromanagement and more on the big picture—advocate for the economic viability that is critical to keeping private forestland forested.
- Change perception. Rural landowners don't perceive agencies as helping them stay on the land.
- Include Stewardship Foresters in conservation incentive programs; there's no current funding specifically for them and they provide integration and coordination for family forest landowners.



**Monty Mahan:**

- The biggest lack is coordinated access to information and knowledge of organizations and programs.
- We need one website and one manual for what Gene Duvernoy described in his talk as “Conservation 2.0.”

**Sara Vickerman:**

- Be clear about our goals. Biodiversity means native biodiversity of plants and animals. Preventing conversion of farm and forestland to urban development is necessary but not sufficient.
- Improve tools to figure out what conservation actions are underway. Defenders of Wildlife is currently mapping different conservation projects in the tri-state region.
- Establishing a lead conservation agency in each region might facilitate improved integration.
- Integrate conservation and economic planning. The state should help to integrate multiple activities occurring on the same lands.

***Question 2: How can we better address biodiversity conservation?*****Ken Miller:**

- Recognize that managed forests with multiple-age growth are best. These forests create far more carbon sequestration than “no-touch” forests. Over 40% of Washington’s forests are held in “no-touch” forests.
- Keep existing people in tree farming. Offer public respect for landowners who follow some of the toughest forest regulations in the world. Make regulation reasonable. Offer taxation policies that encourage forestry.
- Use incentives to change the paradigm of fear and frustration that pervades our current regulatory system and that can unintentionally speed up conversion.
- Find fair and equitable ways to face up to the economic realities of development pressures.

**Monty Mahan:**

- Recognize that even before Europeans arrived, this was a managed landscape.
- Acknowledge that there must be a diversity of habitats and that there’s lots of intrinsic value in urban farms.
- Need both working and pristine landscapes.

**Sara Vickerman:**

- Establish goals. Goal is not to maximize the number of species on particular parcels. Need a more regional and sustainable approach.
- Develop comprehensive site plans such as The Nature Conservancy's ecoregional assessments. These are the most efficient way to develop biodiversity goals.
- Cluster and concentrate incentive programs, so we can work at scale.
- Focus incentive programs and resources on areas with species at greater risk.
- Quit offering incentives that harm biodiversity. This should be in the form of a Farm Bill reauthorization that focuses on biodiversity.

**Mike Shelby:**

- Continue the shift seen in the last three years from an adversarial viewpoint of agriculture vs. conservation to collaborative efforts typified by, for example, the Puget Sound Partnership. The leaders of the Partnership's fourteen organizations signed a "no net loss of farmland goal" letter.
- Maintain protection of farmlands.

***Question 3: How to improve landowner access to and benefit from conservation incentive programs?***

**Sara Vickerman:**

- Create a clearinghouse or one-stop-shop with both resources and technical assistance. This would include a website and staff. It would need to untangle programs and have a flexible and consistent approach.
- Provide direct, flexible funding to landowners for high priority sites or projects.
- Craft tiered incentives in, for example, the Conservation Security Program in the Farm Bill.
  - Tier 1 would provide some compensation for any good biodiversity project.
  - Tier 2 would provide compensation for biodiversity projects consistent with a larger farm plan.
  - Tier 3 would provide compensation for biodiversity projects as in Tier 2 plus would address at-risk species.

**Monty Mahan:**

- Get information out at the most local level possible.
- Support landowners who help educate other landowners in their area; it is an innovative and effective model.



**Mike Shelby:**

- Create a clearinghouse.
- Take development pressure off agricultural lands by making transfer of development rights and other programs effective.
- Develop a state working lands office that would include both agricultural lands and forests.

**Ken Miller:**

- Use people closest to the landowners to deliver the program, regardless of who is sponsoring it.
- Include family forest owners in incentive programs; they are often excluded.
- Expand programs that are actually working and showing on-the-ground results, for example the Family Forest Fish Passage Program and the Conservation Reserve Enhancement Program.

***Question from audience: Who could serve as a clearinghouse?***

- An organization without regulatory baggage that can be trusted.
- In Oregon it's the Institute of Natural Resources.
- It could be Washington State University Extension.
- It should not intrude one more layer of bureaucracy.
- Is it a clearinghouse or re-organizing of existing organizations?

## EMERGING DIRECTIONS

Globalization, the federal deficit, and other factors put pressure on the Farm Bill funding, and they are a big reason for some of the possible changes that could result in decreased support for conservation programs.



**Snapshots of some important trends and new developments in the world of conservation incentives.**

### **What to expect in the 2007 Farm Bill**

**Don Stuart, Pacific Northwest Director, American Farmland Trust**

I'm not sure what's going to show up in the next Farm Bill! I'm likely not alone in that, but surprises and uncertainty are likely.

Among the sources of public funding for conservation incentives, federal farm programs in the U.S. Farm Bill are by far the most significant. And 2007 could turn out to be a watershed year. Pressures from international trading partners to reduce our farm subsidies and recent rulings in the World Trade Organization (WTO) are making it increasingly likely that Congress will be unable to fund current agricultural price support programs at past levels, which have tended to be about \$20 billion per year.

With strong budget pressures and a huge deficit, and given rising grain prices, the question for the agriculture industry has become—what will happen to this money? It is entirely possible that previous funding for the farm bill could simply drain away into addressing the deficit, and needed support for agriculture could disappear.

There are, however, huge unmet needs in agriculture that cry out for public help. American Farmland Trust concluded that we need to present a comprehensive alternative set of proposals that comply with WTO standards, that truly help agriculture, and that provide the kind of public benefits that will make the future of the farm bill much more politically sustainable.

We developed such a set of proposals that are budget neutral (can be completed within previous levels of spending) and that, we feel, would much better serve agriculture in the years to come. Our ideas for Farm Bill reform are detailed in *Farm and Food Policy for All—Farmers, Citizens, and Communities*.  
*Agenda 2007: A New Framework and Direction for U.S. Farm Policy.*

### *Change in the Farm Bill is inevitable, due to*

1. **Globalization/World Trade Organization (WTO)**
2. **Budget deficits**
3. **Poor perception of farm subsidies**
4. **Unmet needs of agriculture**
5. **Growing outside interest**

#### **1. Globalization and the World Trade Organization (WTO).**

Change is coming with or without Doha Development Round of WTO! For example, the U.S. cotton subsidy program, which is identical to all farm commodity programs, is not in compliance with WTO standards. The WTO concluded that U.S. practices are unfair to other competitors in the world market.

Countries involved can retaliate against the U.S. For example, Brazil decided to restrict trade in airplanes, airplane parts, and software. This puts agriculture at odds with some of the most powerful economic and industry forces in the U.S. (especially in the Pacific Northwest—airplanes and software).

#### **2. Budget Deficits: Future deficits will shape the new Farm Bill**

Lawmakers were looking at a projected cumulative surplus of \$5.6 trillion while writing the Farm Bill in 2002. In 2007, lawmakers will face a significantly different situation. They will be writing a Farm Bill while looking at a projected cumulative deficit of \$3.9 trillion.

The Farm Bill programs have been spending about \$20 billion per year nationwide. In Washington this amounts to about \$400 million per year—a massive amount of money to come into the state, especially for conservation programs.

The federal deficit puts pressure on this funding, and it is a big reason for some of the possible changes in the Farm Bill that could result in decreased support for conservation programs.

#### **3. Poor Perception of Subsidies**

Increased transparency (such as databases that provide detail on U.S. subsidy payments, e.g., the Environmental Working Group website) has resulted in:

- Declining public support.
  - The “Scotty Pippen” effect has influenced perspective on U.S. farm programs (Pippen was a National Basketball Association star who received subsidies; wealthy owners getting subsidies).

Among the sources of public funding for conservation incentives, federal farm programs in the U.S. Farm Bill are by far the most significant.

- Farmers and ranchers questioning the current payment structure.
  - Farmers are beginning to see what other farmers get, and they are discovering the inequities in size and scale and between crops.
- Even traditional political supporters are questioning current programs.

#### **4. Unmet Needs of Agriculture.**

The vast majority of farm support goes to a handful of commodities, representing only 30% of total agriculture sales. Non-commodity producers include: specialty crops (vegetables, fruits, nuts, wine, etc), ranchers, and direct-to-consumer producers.

Most farmers and ranchers don't get their needs met in:

- New market development
- Ability to address deteriorating infrastructure
- Research, pest management resources, etc.
- Rural development
- Environmental regulation

#### **5. Growing Outside Interest.**

New stakeholders can change the political dynamics. Advocates involved in the Farm Bill include: international development, health and nutrition, fiscal conservatives, international business, energy, rural development, environmentalists, hunting and fishing.

Even strong past supporters have questioned current farm subsidies:

“I’ve been in the unholy agricultural alliance for 33 years. I’ve voted for every damned ridiculous agricultural program and subsidy conceived by the minds of men. But I may not anymore.” -*Senator Trent Lott, July 2005*

“If we gave up 100% of subsidies, the gains politically and economically would be much greater than what we would lose.”  
-*Representative Charlie Stenholm, former House Agriculture Committee chairman, fall 2005*

It's interesting to note the significant change in Stenholm's attitude. During the 2002 Farm Bill reauthorization, he was a great champion for subsidies and government payments.

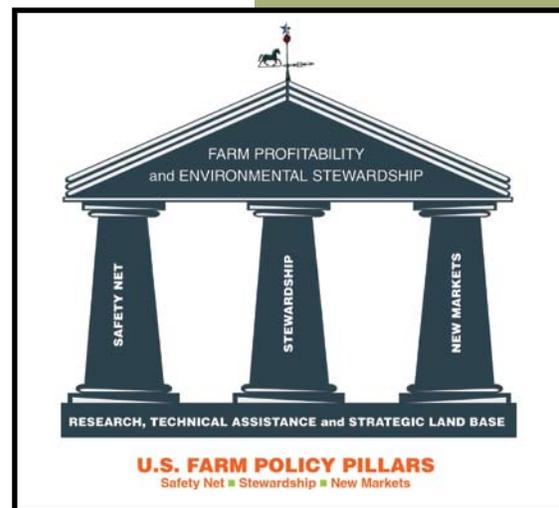


### *A new framework for U.S. Farm Policy*

American Farmland Trust (AFT) has developed and proposed this new framework:

Farm Profitability and Environmental Stewardship are supported by three pillars: Safety Net, Stewardship, and New Markets, and based on a foundation of Research, Technical Assistance, and protection of our Strategic Land Base.

1. **Safety net.** Provide farmers and ranchers with a real safety net and help them manage the risk of national disasters and dramatic swings in prices.
2. **Stewardship.** Reward and encourage environmental stewardship on farms and ranches to improve the quality of our nation's air, water and land.
3. **New Markets.** Promote new markets and products.
  - Expand opportunities for farm product profitability and facilitate entrepreneurial innovation in developing new markets.
  - Global market access.
  - Alternative energy.
  - Regional and local food systems.
4. **Foundation that supports these pillars:** 1) Maintain a strategic land base; 2) Help beginning and disadvantaged farmers; 3) Re-invigorate research; 4) Expand and improve extension and technical assistance; 5) Enhance emergency surveillance and preparedness.



### *Four major new policy proposals*

AFT's 2007 vision for change includes four policy proposals that fall within the three pillars. The four proposals are:

1. **Green Payments**
2. **Cooperative Conservation Program**
3. **Revenue Protection Program**
4. **Farm and Ranch Profitability Grants**

The proposals fit into the three pillars in these ways:

- 1. *Safety Net (Pillar One)*.** Two major recommendations: a *Green Payment* program to reward stewardship and a *Revenue Protection Program*. They are included in the Safety Net because we see green payments as an additional stream of revenue for producers based on environmental performance.
- 2. *Stewardship (Pillar Two)*.** AFT calls for doubling funding for working lands conservation programs (e.g., EQIP, FRPP, WHIP); simplification of the application process (we heard this at every farmer forum “confusion over the alphabet soup of programs”) and a *Cooperative Conservation Program* to encourage farmers and other to work together to address environmental issues.
- 3. *New Markets (Pillar Three)*.** AFT’s major recommendation is for a new *Farm and Ranch Profitability Grants Program*.

AFT has several more policy proposals including improvements to current conservation programs.

### **Pillar One: Safety Net**

#### **Green Payments—Rationale and how they fit into a safety net.**

- Enjoy broad public support. Public and farmers support rewarding farmers for their stewardship of the land.
- Considered “green box” under WTO rules, i.e., not market distorting.
- Allows farmers to “sell” environmental services much like they sell agricultural products.
  - Farmers and ranchers are good stewards of the land and should be rewarded for providing environmental benefits.
  - Farmers and ranchers produce multiple environmental benefits such as providing wildlife habitat, sequestering carbon, controlling floodwaters, recharging groundwater, increasing biodiversity, and providing open space and cleaner air and water.
  - Ideally, producers could sell their environmental services in the open market. However, in the absence of such a market, the government has a legitimate role to play.
- Provides a steady, reliable stream of revenue
  - Green payments would provide an additional revenue stream to producers, in essence allowing them to “sell” their environmental benefits much like they sell their traditional agricultural products



### Revenue Protection

This protection would supply a national-level revenue deficiency payment and an individual-level revenue insurance product. It would protect against unexpected drops in revenue (Price x Yield) that occur during the growing season.

The Integrated Farm Revenue Program (IFRP), developed by Dr. Carl Zulauf of Ohio State University, creates a safety net that protects agricultural producers against drops in *revenue* (price multiplied by yield) rather than drops in *price*, as existing programs do. This approach is similar to one considered by the Illinois Farm Bureau developed by Professor Bruce Babcock (Iowa State University).

The IFRP has two distinct components: 1) a national program that protects farmer revenue against nationwide risks; and 2) a private insurance program that protects farmer revenue against individual risk.

The government, through a national revenue deficiency program, provides a per acre payment based on projected national revenue, which would be forecast each year before planting. Under the program, the government covers nationwide drops in revenue due to natural disasters and/or price fluctuations during the course of the growing season.

By removing these market-wide risks through the national revenue deficiency program, private insurers are encouraged to protect producers against individual losses that they incur beyond the national average loss.

Compared to the status quo, this program results in a greater level of protection for risks that occur after the farmer decides to produce. It does this while minimizing the production distortions caused by false price signals. In turn, because the government is handling the systemic risk, the private insurance market can be effective at insuring revenue at the individual farm level. Under this system, farmers accept a portion of agricultural risk—just as any small business would.

This scheme doesn't apply to "non-program" crops, but it could in the future. Most sectors would do fine under this new program. Cotton and rice do worse because they are more protected than other crops under the existing system. By addressing cotton and rice many of the extreme outlays would be eliminated, and it would do away with the need for payment limitations.

## **Pillar Two: Stewardship**

AFT's conservation initiative—to allow improved stewardship—recommends:

- Double funding for working lands programs, such as EQIP, FRPP, WHIP, CSP.
- Simplify the application process.
- Make other improvements to existing conservation programs.
- Establish Cooperative Conservation partnership.

### **Cooperative Conservation—to encourage working together**

- Allow regions and groups to compete for conservation funding for major regional issues (e.g., salmon).
- Allow work to cross state boundaries.
- Encourage farmers and ranchers in an area to work together to address problems.
- Engages producers in collaborative efforts to better direct conservation assistance.
- Improves the effectiveness of existing conservation programs by focusing efforts.

Many natural resource concerns arise beyond the borders of individual farms or ranches, and solutions require collective action involving many producers and others in an area, watershed, or region. However, most agricultural conservation programs are not structured to encourage this type of cooperation.

Past attempts at targeting used a top-down approach that did not work. Local efforts that bubble up and compete for greater levels of conservation assistance are a better approach.

Locally-led, joint projects designed to address critical environmental issues can lead to innovation, build more on-the-ground support, and yield more conservation benefits.

Competitive conservation grants will improve the effectiveness of current farm conservation programs by getting the *right practices* to the *right places* at the *right time* by engaging *cooperative efforts among local producers* sufficient to improve environmental quality.



AFT's proposed Cooperative Conservation program is based on the following principles:

1. Local efforts involving multiple producers are the best means of prioritizing and addressing local conservation needs.
2. Competitive grants of conservation dollars allow the most important conservation needs to be funded.
3. Farmers working cooperatively on common problems can achieve a critical mass that increases the environmental benefits of conservation programs.
4. All federal conservation programs should work in concert to solve real problems as identified by locally-led efforts.

### **Pillar Three: New Markets and Opportunities**

AFT proposes *Farm & Ranch Profitability Grants*, a new \$1 billion state level program that provides funding for state, local and farm level programs and projects to encourage marketing strategies, new business ventures, product promotion, consumer education, and on-farm improvements.

The program would combine specialty-crop block grants and new funding for states to encourage innovative marketing strategies, new business ventures, diversification, local infrastructure and direct-to-consumer marketing opportunities.

It would offer several benefits to consumers. It would shorten the path from farm to table, promote healthier diets by expanding access to fresh food, and support farmers markets and other quality of life attributes linked to agriculture.

Such a program creates a new constituency for the Farm Bill. This will fund programs supported by specialty crop producers, farmers market and sustainable agriculture advocates, suburban and urban interests, and rural development sponsors.

“AFT’s new policy framework is the right formula for converting a potential policy train wreck into an unprecedented opportunity for a new generation of farmers and ranchers.” *-Former Secretary of Agriculture, Dan Glickman*

Why a shift to conservation in Farm Bill programs? Saving farms saves the environment. Saving the environment should also save farms.

We cannot wait to act. The huge challenge we face tomorrow will only be addressed if we act today.



## New Tools for Development

Michelle Connor, Vice President, Cascade Agenda, Cascade Land Conservancy

The Cascade Agenda is about *looking long*, 100 years forward. We began by looking back and celebrating the legacy of the 100-year-old Olmsted Plan for Seattle Parks.

The Cascade Agenda is an approach to our future with goals and strategies.

And it is about *thinking broad*, for ways to:

- Sustain a strong regional economy
- Promote livable communities
- Ensure healthy ecosystems

Government policies are colliding with the natural environment; we need to fix those issues.

The development community needs to be engaged in this discussion. The folks working on issues that face cities are an equally important part of our community. We need to find a way to allow landowners to stay on the land in the face of rising real estate values.

Landowner challenges occur in several different areas and require different responses:

CHALLENGES	PRIORITY RESPONSES
Regulatory context	Regulatory Streamlining <i>e.g., 15 year permitting</i>
Economic viability	Harness markets <i>e.g., Heart of Washington</i>
Real estate values	Connect growth to conservation

Our greatest challenge is that the Northwest is at a critical moment in its history. Growth is putting pressures on our limited land base. What will we choose?

The Central Cascade region alone will be welcoming 3.5 million more people into our communities in the next century. That's the equivalent to adding the entire population of Los Angeles or six equivalents of Seattle to the region.

We cannot wait to act. The huge challenge we face tomorrow will only be addressed if we act today. We are challenging our communities to grow with grace!

### *Turning Challenge into Opportunity*

How can we maintain our landscape in the face of:

- High real estate values
- Rapid ownership changes
- Low commodity return
- High management costs

How can we enhance our communities in the face of:

- Cities struggling to accommodate more people
- Sprawl damaging landscape
- Farmers and forest owners facing difficulties staying in business

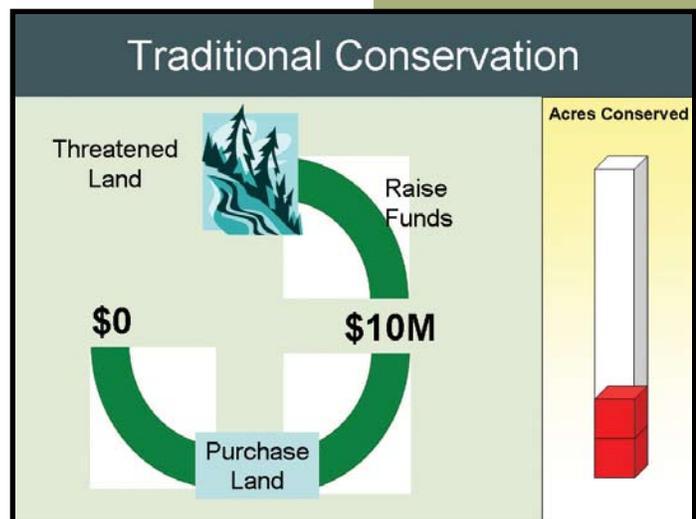
We need to turn this challenge of economic and community growth into an opportunity. We need to harness the market and welcome newcomers with good jobs and reasonably priced housing. By doing so, we can save our heritage if we do things differently.

### *Traditional and New Types of Conservation*

This is the way we are used to doing business—and as you all know it is not easy sledding.

You identify a threatened piece of property, raise the funds, purchase the land, and protect it forever. And this simply must be done for our most fragile, most beautiful properties—there are few other options. We are successful with traditional conservation methods in our region in large part due to the Washington Wildlife and Recreation Program (WWRP).

A great example in our region today has been the effort to raise millions of dollars to save Turtleback Mountain on Orcas Island. Led by the San Juan Preservation Trust, the Trust for Public Land and others, this enormous undertaking could only be accomplished with



Making great places produces conservation. It offers housing options, accommodates a growing population, serves as an economic engine, and provides life needs close by. Landscape fragmentation is in no one's interest.



great sacrifice, enormous generosity, and tremendous leadership. These are the kinds of resources that will only come together for a signature property.

But what about the landscape surrounding our greatest places: the neighborhood nooks, the local farm? What about the land closest to the cities that would be best for producing food?

We simply can't muster enough resources and will power if we always have to work against the economic engines of our regions. So—what's to be done? How do we harvest the marketplace?

Cascade Land Conservancy (CLC) and many other land trusts across the U.S. are pioneering a new type of conservation and created the prototypes. These methods should be ready for large scale production. Land trusts can be leaders in teaching communities how to make conservation a regular part of local business strategies.

***Case Study: Snoqualmie Preservation Initiative***

You may have visited Snoqualmie Falls; it is the second most popular tourist site in the state after Mount Rainier. At the falls, when you look out across the canyon you notice a pristine forest stretching north along the rim.

This pastoral landscape has been saved from development in perpetuity while adding, not subtracting, the benefit of local economic development. CLC negotiated with developers, government officials, and timber owners to better manage the way we developed this area.

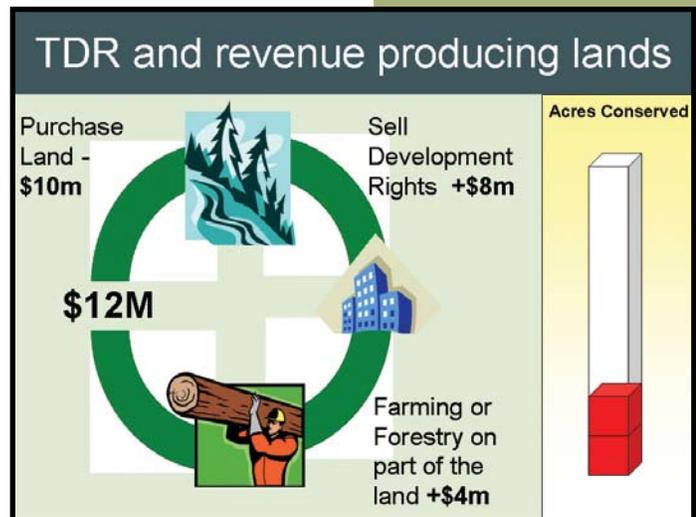
In total, we conserved 3,000 acres of forest, allowed moderately priced homes to be built in a project that otherwise would not have come on line for 20 years, maintained integrity of a unique foothills town that will be important for its long-term economic vitality, and kept nearby timberland in production.

GAVE	GOT
Advanced a delayed permit by 20 years	Preserved 145 acres worth \$13M Conserved 3,000 acre forest Moderate priced housing nearby Working timberland near mills

### *Transfer of Development Rights (TDR) and revenue producing lands*

In an idealized model:

- We might work with a landowner to find a builder to whom they could sell development rights.
- The developer pays for those development rights in order to gain flexibility or additional density at a project.
- Forestry continues on the protected property and generates additional value sufficient for a private landowner or a community forest group to buy and maintain the property.
- The working land provides a wide range of public and ecological benefits—at no additional cost.



### *Case Study: Patterson Creek Preserve*

This project is an example of taking this scenario to the next level. Land Trusts could appropriately participate in conservation development on properties that provide the context for key sensitive lands.

The Patterson Creek property (250 acres) was slated for intensive development. The property was technically developable on site—but it had many potential offsite impacts.

The county was prepared to spend over \$10 million to purchase the property. CLC suggested that they purchase enough development rights to address the offsite impacts. We recruited a developer willing to use low impact development techniques and we created a for-profit corporation.

CLC participated in the development project through the for-profit corporation. We provided the county with a portion of the revenues to reduce their initial acquisition costs and generated significant private conservation revenues. The community, the tribes, the original developer, and the folks who bought the lots were all extremely satisfied with the outcomes.

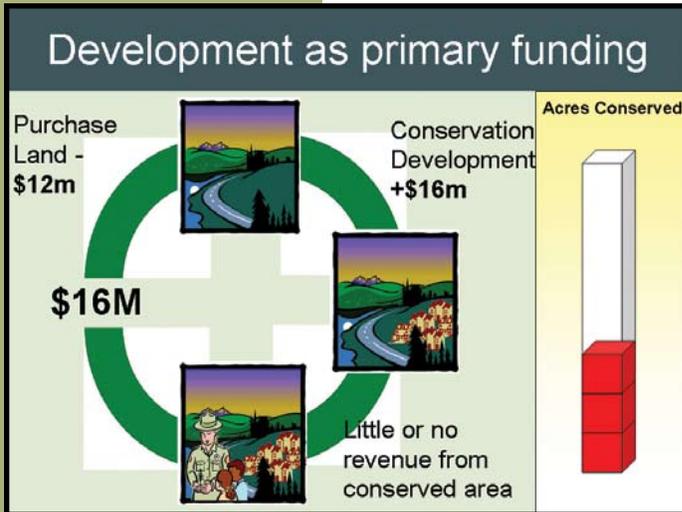
We gave up having winners and losers—we found a way to meet all parties' needs.

GAVE	GOT
Full development Full conservation	30 homes and 120 acre forest park Homeowners association pays park maintenance Public funds saved for other land Revenue generated for conservation

### *Development as primary funding*

This again is the idealized model.

It is especially appropriate for places like the central Cascades where huge swaths of land are in the path of development and are far too expensive for the public to buy and too fragmented or fragile to be worked to generate revenue.



We need to think carefully about how and where we develop on these lands. As land trusts we can be proactive about engaging the development market to shape the outcome:

- Saving the most precious places
- Maintaining intact corridors
- Creating a transition to working lands and wild places
- Providing places for people to live and work.

### *Growing smarter is conservation*

Making great places produces conservation. It offers housing options, accommodates a growing population, serves as an economic engine, and provides life needs close by.

Landscape fragmentation is in no one's interest.

One thing we realized through the Cascade Dialogues process was that our first order of business, above and beyond getting communities to accept



TDR, was to make sure our region's cities and towns work. They need to be places where people choose to live rather than places that repel people. Otherwise, the pressure to sprawl into the lands we are seeking to conserve will be overwhelming. In addition we hope to encourage those communities to take on a small increment of development rights from our region's working and natural lands.

### *We need a new point of view.*

We need a flexible approach for conserving land and accommodating growth.

Imagine an intact landscape that any of us might be working to conserve today. With our best efforts, using traditional conservation approaches, we might be able to protect a few acres, a stream corridor, a small park. But the surrounding landscape would be completely altered.

At CLC we decided that wasn't enough. We are seeking voluntary options for landowners to cluster their developments and market-based solutions to guide development and to complement limited public and philanthropic funds.

We are also looking at ways to help our towns, focusing on what we can do to make TDR work. Historically the challenge has been finding receiving areas, i.e., community places where developers want to buy development rights and where neighbors will accept them.

### *We need to invest in making great cities and towns to save forests and farms.*

The challenges for making our cities and towns work:

- Decisions are locally based processes.
- Decisions are piecemeal; often cities and surrounding counties are not cooperative.
- Decisions often become adversarial with proponents and opponents unwilling to compromise.

But if we want to protect the lands we all love, we are going to need to show our cities and towns more love too. That ranges from streets, to good design, to parks, and other amenities.

We particularly need to make sure that our parks are well cared for. The nation's population is changing. Much of our nation's future population will only be able to access the natural world we are working so hard to protect through their neighborhood park.

By working together, we can be part of the collaborative solution that will allow our region to grow with grace. This region has the know-how to do this and the resources to implement it.

We need to provide a quality experience both for people's future appreciation and investment in the lands we are seeking to secure today, and for the quality of life that those parks will provide to communities that we must challenge to live a bit closer together.



### *Transfer of Development Rights*

In TDR, development rights are severed from a property (a sending site) with an easement or deed restriction. Development rights flow from the sending site (farm or forestland) to the receiving site (usually residential development).

Money flows into the resource land to compensate the landowner for the loss of value (i.e., the development rights).

### *Advantages of TDR*

- Voluntary, non-regulatory. This avoids the issue of takings.
- Market-based. Developers carry the costs. Provides permanent preservation with low cost of implementation and little cost to taxpayers.
- Keeps working lands in private ownership. Maintains working landscape and keeps land in tax rolls.
- Landowners realize real estate value and economic benefits without developing.
- Promotes efficient development patterns and vibrant livable cities: less cost for infrastructure, less impervious surface, fewer Vehicle Miles Traveled, higher quality of life.
- Potential for landscape-scale conservation: traditional conservation tools are too expensive to have a regional impact whereas TDR can because it uses the market to create efficiencies.
- Leverages millions of private dollars.

### *Challenges of TDR*

- Zoning framework.
- Infrastructure limitations and costs.
- Complex legal framework. Need to adjust comprehensive plan and pass ordinances, need to administer development rights transfers, deed restrictions, etc.



- Market viability. Incentive for developers to purchase development rights if market will support development at densities greater than current zoning, if desire to aid in conservation of rural area, if preserved open space boosts value of neighboring development
- Publicly acceptable receiving sites
- Incentive for landowners to sell development rights: desire to keep land in the family, prevent sprawl, regulatory or economic reasons.
- Facilitation for efficient transactions. Need mechanism to ensure smooth transactions: a land trust or government agency that can broker transactions and put together creative and innovative deals.

***TDRs are not a silver bullet for landowner challenges.***

It may be useful to think of TDRs as open source software—many people needed to troubleshoot and refine this tool.

***Case Study: Black Diamond, King County***

This innovative TDR transaction involved landowners and the community. The regional leadership and community figured out where they wanted to develop permanently and laid out areas it wanted to keep protected. They allowed large scale development companies to do some projects.

The in-city TDR program protects about 800 acres while allowing new development on 329 acres. Plus 34 development rights resulted in protection for 1,600 acres and leverage of \$3.6 million in federal dollars protected about 4,000 acres.

By working together, we can be a part of the collaborative solution that will allow our region to grow with grace. This region has the know-how to do this and the resources to implement it.

With Transfer of Development Rights (TDR), development rights are severed from a property (a sending site) with an easement or deed restriction. Development rights flow from the sending site (farm or forestland) to the receiving site (usually residential development).

## The Growth of Conservation Markets

**Bettina von Hagen, Vice President, Ecotrust**

Ecotrust is a nonprofit based in Portland whose work encompasses the Pacific Northwest, including northern California and up into Alaska. It is focused on building conservation economy and has five areas of concentration: native programs, fisheries, forestry, food and farms, and citizenship (Salmon Nation).

Ecotrust is interested in working landscapes: they are good for people, pocketbooks, and landscapes. The main challenges are that owners of working lands only get compensated for goods that they produce, like trees or crops, but not for their other values: biodiversity, water, recreation, carbon sequestration.

We want to change that framework, and we need to help landowners to look at their land from this perspective. Ecosystem service markets are appealing because they bring new partners into the conservation discussion.

### *Brief history of market development*

A farm of the future, as discussed in a Scientific American article (September 2005), includes both development and conservation on the same piece of land. The farm system produces biodiversity, carbon credits, water credits, and renewable energy credits.

Farm revenue comes 70% from ecosystem service commodities and 30% from traditional commodities. Production of commodities and ecosystem services are integrated.

### *Case Study: Australia*

The water contains mineral salts, and when farmers bring the water to the surface for livestock, the salts are brought to the surface and contaminate soil and livestock. Now foresters are leasing the land, planting trees, and selling water credits downstream.

There's net product for the integrated landscape. It's richer economically than before—and that's just on the balance sheet.

### *Early ecosystem service markets:*

- Transferable fishing quotas.
- SO<sub>x</sub> & NO<sub>x</sub> trading (sulfur oxides and nitrogen oxides).
- Mitigation banking—a billion dollar business; first mitigation bank in 1982.



There's a solid history of these markets. They have been generally successful and achieved conservation objectives.

### *Early lessons*

These markets can be a tremendous win-win, but they require unique and unprecedented collaboration among industry, government, and nonprofit sectors.

Targets must be ambitious. Regulated industries have an incentive to exaggerate costs and difficulty. This was especially true in the SO<sub>x</sub> and NO<sub>x</sub> markets. There's a need to be adaptable in how targets are reached.

Impacts on social equity and local ownership will occur. Initial allocation of rights can be a very tricky business. Need to leave enough in the system for it to be robust.

Sufficient resources are required for thoughtful and efficient monitoring, compliance, and adaptive management (for example, in wetland and conservation banking).

Regulators need to work in "business time" and understand the business case for global markets. They need to be aware of how important the trading is. The more local the markets are, the more fragmented.

The industry needs to self-regulate and not "game" the system at the expense of being quick to capitalize on profits. Layering and bundling services are essential for achieving conservation objectives.

### *Components of Ecosystem Service Markets*

- Enabling legislation. Markets always exist in the context of regulation.
- Cap or floor (baseline)
- Regulated entity (buyer)
- Supplying entity (seller)
  - How the market is shaped is tremendously important. It has real outcomes in terms of conservation.
- Service area. This is also incredibly important. For example, the carbon market has exploded worldwide.
- Unit of trade. Need to develop a unit of trade, whether it's a pound of carbon or a nesting pair of spotted owls.
- Trading platform
- Enforcing agency
- Market shapers

Owners of working lands only get compensated for goods that they produce, like trees or crops, but not for the other values they provide: biodiversity, water, recreation, carbon sequestration.

Here is how these components play out in the carbon market:

Enabling legislation	Kyoto Protocol & national counterparts
Cap or floor (baseline)	1990 greenhouse gas emissions +/-
Regulated entity (buyer)	Utilities & others
Supplying entity (seller)	Clean energy, efficiency, sequestration
Service area	Global
Unit of trade	One metric ton of carbon dioxide equivalent (CO <sub>2</sub> e)
Trading platform	European Union Environmental Trading System, for example
Enforcing agency	Designated national agencies, international accord
Market shapers	Secondary markets, futures, options, verifiers, appraisers, insurers

***Great potential for ecosystem service market development in Pacific Northwest.***

- The big three are present in the Pacific Northwest: carbon, water, biodiversity.
- Pacific Northwest forests offer unique opportunities. It’s the only region in the world that grows native species on a naturally forested landscape and creates hugely valuable resources. Also present naturally are remarkable water and habitat resources. Peru, Chile, and Argentina can’t do this.
- Salmon conservation is a multi-billion dollar business and demands new innovative solutions.
- Climate change has serious implications for the Pacific Northwest.

Programs and initiatives in the region include:

- California has pioneered conservation banking and carbon registry.
- Oregon has the largest and oldest regulatory/voluntary carbon offset purchasing program in the country.
- The Willamette Partnership and Clean Water Services are pioneering water quality trading on the Willamette and Tualatin Rivers.
- Washington has conducted very innovative tradable development rights and forest conservation transactions.



### Case Study: Ecotrust Forests LLC

- \$18 million of committed funds.
- Own and manage 12,000 acres in coastal Washington and Oregon.
- Won allocation of \$50 million in New Market Tax Credits for forestland investment.
- \$700,000 investment in bridges and culverts; 5 miles of salmon habitat opened.
- Generated twice the employment of industrial forest management.

Dickey River was one of the first properties they purchased on the Olympic Peninsula. It provides so many other opportunities than just a single commodity in terms of recreation, habitat, and water, and it produces much more cash than in the early years.

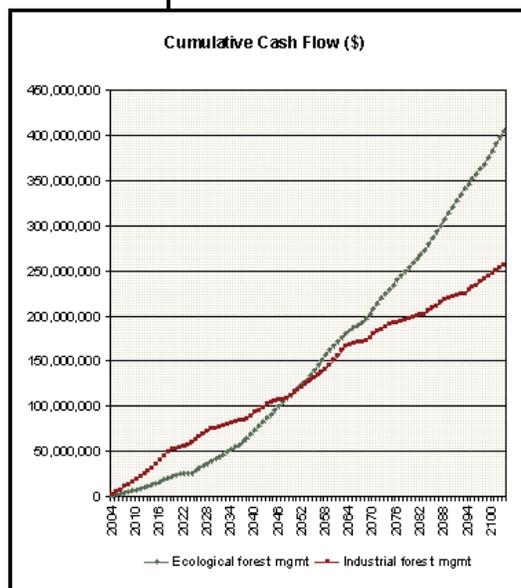
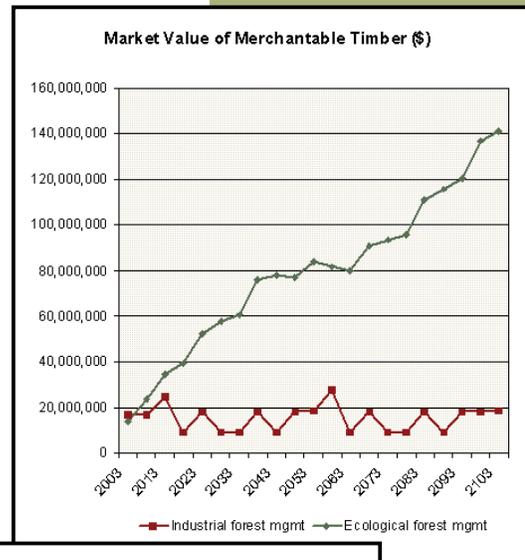
### Ecological forest management produces higher cumulative returns

Ecosystem services are key—internal rates of return for ecological forest management outperform industrial management regimes.

A study on the effects of rotation age on biodiversity and ecosystem function (Carey, Lippke and Sessions 1999, *Journal of Sustainable Forestry*) looked at vertebrate diversity, forest floor function, and ecological productivity. All three parameters had much greater values under a restorative forestry regime than under single-value forestry.

Restorative forestry was defined as management that balances wood production, timber revenues, and ecological outputs, with thinning at 15, 30, 50, and 70 years, harvest alternating at 70 and 130 years, and retention of standing trees and downed logs. Single value forestry was defined as management that maximizes economic returns, with thinning at 15 years and clear-cutting at 40 to 50 years.

They found that forest biodiversity could be maintained by rotation age.



The Pacific Northwest has great potential for ecosystem service market development because the big three are present: carbon, water, biodiversity.



### *Carbon value per acre on Pacific Northwest westside forests*

Longer rotations give greater carbon value per acre. Currently, Pacific Gas & Electric is buying carbon credits at \$9 per ton. An 80-year rotation would allow a forest to yield \$1500 per acre just on carbon value—that's not trivial for landowners!

Carbon markets are climbing, and it's projected that the carbon market will be \$60 to \$250 billion by 2008.

### **Questions to Panelists**

*Question: What do you think of each other's work and where are there opportunities for connections?*

#### **Responses:**

- *Don:* People are doing tremendous work. Michelle is talking about how we leverage more money, Bettina is talking about how we get it through the markets, and I'm talking about how to get the public behind it.
- *Bettina:* Cascade Land Conservancy is applying tools in an urban setting. The Farm Bill programs and ecosystem services markets are all a continuum in the evolution of a robust system.
- *Michelle:* Needs of landowners vary widely—we need to provide layers of opportunities.

*Question for Michelle: Transfer of development rights program sounds exciting. How do we ensure participation?*

#### **Response:**

- *Michelle:* Yes, how do we get this up to scale? How do we get TDR to be a common practice? Looking nationally, there has been very moderate success. There's very little positive reception of TDR programs because people are worried about the quality of life at receiving sites. Concern about infrastructure and resources; concern that the transportation, sidewalks, water, fire and safety services, schools, etc. won't be good enough. We need to make sure that infrastructure is part of what receiving sites get.

*Question: What is the role of non-incentive-based conservation initiatives? For example, is there a role for additional premiums from certification programs?*

#### **Responses:**

- *Bettina:* Yes, we're looking at that as well, perhaps some kind of premium certification. That would be instrumental, but it doesn't tip the balance by itself.

- *David Burger (Salmon-Safe Label Program)*: Landowners who do conservation work are able to receive the Salmon-Safe label. During a promotional campaign, the label premium was about 10-15% in Portland.
- *Don*: The marketplace and the political environment interact and can intensify each other.

***Question for Bettina: You mentioned that markets for biodiversity are challenging because biodiversity is difficult to measure; we need to identify surrogates. Can you cite other examples, and do you have recommendations?***

**Response:**

- *Bettina*: Two obvious examples are carbon and water. For example, with water temperature trading the best way to reduce water temperature is through tree planting and the shade that trees provide. Trees also improve biodiversity values.

Another example would be a package to stimulate investment in a distressed area. Financial instruments with the most potential are social equity investments and social tax credit investments. In the rural landscape these often help purchase forestland to be managed in the way I described. We may not even know what the benefits will be for the local economy (job availability, rural enterprises) that would also improve biodiversity values.

***Question: With transfer of development rights, how do we build confidence that the land will be managed correctly? Maybe neighbors aren't familiar with timber management. How do we reduce the uncertainty about what's going to happen next?***

**Response:**

- *Michelle*: My general impression is that landowners are willing to take on the risk and the uncertainty of their markets. The biggest thing is the change in the neighborhood.

Needs include: 1) getting TDR to scale, so residents know they're surrounded by working lands; 2) encouraging the environmental community to provide connection and communication so they are working in partnership with landowners and developing trust and confidence; 3) right to harvest laws—clauses in conservation easements, etc.

Pacific Northwest forests offer unique opportunities. We're the only region in the world that grows native species on a naturally forested landscape. This creates hugely valuable resources.

## BREAKOUT SESSIONS

**The objectives of the breakout sessions were to identify opportunities for expanding specific tools in Washington and to identify what is needed to move forward.**

Discussion leads provided a brief introduction to the tool or topic: what it is and how it is used. They gave examples of initiatives that are currently underway, key players, or examples. Group discussion focused on needs for moving forward, recommendations, and next steps.

Discussion leads summarized key points and recommendations from each session.

### **Session 1: Conservation Easements and Transfer of Development Rights**

**Discussion Lead: Charlie Raines, Cascade Land Conservancy**

#### *Introduction and Overview*

Conservation easements are being used to conserve biodiversity in resource, rural, and urban lands. Transfers of development rights (TDRs) can expand our ability to conserve lands where needs exceed the scale of traditional publicly funded acquisition. This session looked at existing programs, current initiatives, and new proposals and partnerships related to TDRs and examined what we need to move forward.

#### **What are TDRs? Who is using them and how are they using them?**

- TDRs take development rights off natural lands and transfer them to another area.
- The sending site is the land you want to conserve. The receiving site is where you want to develop
- Example: Cascade Lands Conservancy Snoqualmie Falls Initiative.

#### **What is a TDR bank?**

- If you buy development rights and then hold them in a “bank” they can be sold to developers who want more density for a project.
- Example: King County TDR bank



**How do you deal with the problem that cities do not always want more density because they cannot afford the necessary infrastructure, and density is seen as less desirable?**

- Need to provide incentives for receiving communities so that density is more feasible and desirable.
- Receiving sites need to be matched with Growth Management Act (GMA) plans.

**Rural Village**

Another concept is a “Rural Village” where development is allowed in a small rural area and the surrounding resource land is preserved. These villages need to meet standards over and above the standard for existing development. Water rights issues need more study and careful attention.

**Pilot projects**

Both Pierce and Snohomish Counties are moving ahead with pilot projects. It takes a while to get folks engaged on what is ahead.

*Discussion*

**Why don't have a TDR program at the state level?**

Money is needed to help develop the program. For example, there was \$3 million in the governor's budget just to address the needs of at-risk family foresters. The growth management services of Community Trade and Economic Development (CTED) are also needed.

A good example of one that works is King County's purchase of development rights program. Mark Solitto manages and administers it.

**How do we move from county programs to regional or statewide ones?**

For example, are there places that are at significant risk but do not have the resources to purchase TDRs?

- Regional TDR markets are needed because both rural and urban communities have to be in the equation. A TDR market shouldn't be limited to one municipality or county.
- This has been an issue for 30 years on the Olympic Peninsula. Farms are no longer valuable to general society because food is outsourced. The urban core should be helping farming communities.
- The only way a TDR program would work, if at all, is with a regional marketplace. A more efficient way is for the state to amend the Growth

Regional Transfer of Development Rights markets are needed because both rural and urban communities have to be in the equation. A TDR market shouldn't be limited to one municipality or county.

This is not a time to wait. If we look out 100 years we will have lost many opportunities. The only way to successfully conserve is to frontload conservation now. Both development and conservation are important values to pursue.

Management Act (GMA) and change the I-5 corridor to an urban growth area.

- Rural areas are the green belt. Tax real estate, tax storm water, rebate that to performance standards.
- The challenge is that we cannot monetize and market all the services that rural lands provide for the urban community.

***Comment:* You will get resistance from rural legislators. Urban areas want to preserve rural areas as parks. Rural legislators want working lands—not to be selling development rights.**

- TDRs are not trying to dictate how the land is used, but to keep them in their respective uses in private ownership.

***Question:* How do you determine the value of development rights?**

- Appraise the property with the development rights and without. The difference is the amount to pay for development rights.

***Question:* Who can they sell the rights to?**

- The sale must be consistent with GMA. Can get a premium for these specific rights. Additional study and work need to be done in this area. There are lots of challenges and experimentation is needed.

***Question:* Who doesn't want the density?**

- It is difficult for cities to take density. There are incentive programs to provide extra funding. Perhaps by taking on TDRs a city could be more competitive for funding.

***Question:* Rural villages—where will that happen?**

- No specific area is on the table—it's a concept. For example, could transfer a one acre lot development and cluster the development there. By marrying those two, could create a village.

***Question:* What issues need to be dealt with?**

- There are lots of sellers and no buyers.
- Perhaps a state grant program could provide dollars for infrastructure at receiving sites.



***Comment:* Places where TDRs have been most successful are places where zoning has reached its zenith, like in Breckenridge, Colorado.**

**Will this ever work for Washington?**

- Even if full capacity is not reached, investments in TDRs are worthwhile—we do need to put scarcity into the equation. Are we realizing that we have to limit ourselves yet? Government needs to create scarcity at the receiving sites.
- This is not a time to wait. If we look out 100 years we will have lost many opportunities. The only way to successfully conserve is to frontload conservation now. Both development and conservation are important values to pursue.

***Comment:* When I tried to get a discussion going around TDRs a year ago, it fell apart because the supply and demand weren't there. This was discouraging, yet people still want to do it. There is a societal willingness to go to the next step.**

- There is a clear tension between the need for scarcity and the need for equity in affordable housing. The model of Boulder, Colorado works, but median home price there is \$600,000.
- Higher density is really important for public transit to work, which in turns reduces our carbon emissions. Educating public will help create this demand.

***Comment:* We are dropping below the critical mass to keep agriculture and forestry viable. We need a toolbox to help conserve.**

- We cannot afford to wait 10 years. We're focusing on biodiversity and rural land and open space. The reality is that we have two universes: rural and urban. We are trying to transfer density to the urban from the rural.
- “People don't like ugly.” Compact urban design can help! One way to do that is to educate people on what the value and the harm is. We also need good urban design.

### ***Key Points and Recommendations***

- Need to keep farms viable even if they have sold their development rights. Build direct link to local foods.
- Need incentives for communities to accept development rights; they need to be able to afford the requisite infrastructure. Make urban places wonderful.
- Research water development rights and exempt well usage. Research what kind of impact an 80-acre subdivision has on the water, power, and infrastructure.
- Revise the GMA map? We can redraw the lines, but they must take TDRs

‘People don't like ugly.’  
Good and compact urban design can help! We need to educate people on the value and the harm of different kinds of development.

and rural areas that cannot be developed. Reduce property taxes? Can taxes be lowered to accept TDRs? Without fixing zoning, could have a larger capture of land being developed.

- TDRs must be voluntary and not mandatory

## **Session 2: Conservation Banking**

**Discussion Lead: Jan Cassin, Parametrix Inc.**

### *Introduction and Overview*

Conservation banking expands the concept originally developed with wetland mitigation banking—to offset impacts from multiple projects at a single site in advance of project impacts. Wetland mitigation banking is triggered by regulatory requirements to mitigate for unavoidable impacts to wetlands under the Clean Water Act.

Conservation banks place a dollar value on restored habitat through credits that are purchased using mitigation fees or voluntary investments. They can bring a market approach to conservation. This session reviewed what is currently underway in Washington to expand this tool and looked at how to further develop it.

### **What is conservation banking?**

- Conservation banking means protection, enhancement, or restoration of single or multiple species habitat, then taking the “credits” that are generated—i.e., the amount or ecological value of habitat protected, enhanced, or restored, banking those credits, and potentially receiving financial returns.
- Conservation banking can provide a financial incentive for initial or additional conservation measures.
- Conservation banking requires a regulatory link. People need to be required to avoid impacts and compensate for unavoidable impacts for mitigation with conservation banking to work.

A criticism of wetland mitigation banking and conservation banking is that they may help development occur; however, conservation banking programs require avoidance and minimization before banking can be used. In theory, development should not be any easier with banking than without it. Conservation banking only works if unavoidable impacts will occur, and thus it shouldn't help promote development.



### **Why conservation banking? It addresses three issues:**

- **Working lands.** Conservation banking provides significant economic incentive for people to survive on and remain on working lands. Helps promote that lifestyle.
- **Conservation funding.** Conservation banking has the potential for leveraging more funds for conservation. The current level of public and philanthropic funding does not come anywhere near what is needed to reach biodiversity conservation goals. Funding from conservation banking can be in addition.
- **Conservation goals.** Conservation banking provides a strategic approach for addressing priorities and biodiversity conservation goals as laid out by World Wildlife Fund and Defenders of Wildlife.

### **Conservation banking makes strong business and conservation sense.**

Conservation banking can combine economic concerns and environmental concerns—there's a real need for this. It can make permitting more cost-effective. Money can be spent on conservation work and not on all the bureaucratic work involved in getting permits. Conservation banking can turn a potential liability for a landowner (e.g., having endangered species on their land) into an asset. And conservation banking can lead to better ecological outcomes (e.g., siting strategically; larger sites more ecologically defensible; corridors).

### **Current status in Washington State**

- No conservation banks are established right now; some wetland mitigation banks provide habitat values and biodiversity values in addition to their wetland function.
- No legislation or specific policies that address conservation banking although local and federal legislation allow it to occur. California has specific legislation to drive conservation banking.
- Great interest in conservation banking in Washington. State and local agencies, as well as non-governmental organizations, are looking at conservation banking to better protect open space and natural habitats.
- Federal agencies are looking at making conservation banking do-able in Washington.

### **Current Status Elsewhere**

- U.S. has several hundred wetland mitigation banks. Wetland mitigation banks have been around for over 20 years.
- U.S. has 30–35 official conservation banks. Most are in California and Arizona (Conservation Biology survey).

Conservation banking expands the concept originally developed with wetland mitigation banking—to offset impacts from multiple projects at a single site in advance of project impacts.



- Oregon Department of Transportation is working to value different habitats (including wetlands) and different species. The Willamette Partnership is looking at bundling credits for water quality improvements and credits for salmon habitat enhancement or restoration.
- Oregon struggling with what combination makes for the most viable banking projects. Is it wetland mitigation alone? Is it water quality and species? When dealing with non-regulated habitats (e.g., oak woodland), there isn't a very strong driver. Little demand for people to buy species habitat unless it is required to offset impacts elsewhere. Who's going to buy credits? Where and what are the drivers?
- Australia has a highly developed system for biodiversity and conservation banking.

### *Discussion*

#### **What are related initiatives in Washington and how do we learn from or make use of them?**

- The Department of Ecology Wetland Mitigation Program has several banks approved. The program is moving from the pilot rule to a final rule.
- Washington State Department of Transportation has three mitigation programs that only deal with wetlands now. Perhaps other types of credit programs will come later.
- One or more of the existing wetland banks in Washington also provides salmon habitat enhancement, but no market for salmon credits exists right now. If that market existed, it would be an additional incentive for landowners to participate in voluntary restoration.

#### ***Comment:* There's a tension between restoration and mitigation.**

- Restoration usually results in habitat enhancement that contributes to biodiversity on the site.
- It's important not to confuse mitigation banking with restoration. Wetland banking can supplement restoration.
- Right now there's no policy to get value under the Clean Water Act from non-wetland benefits. A number of people in the state are thinking about this—looking at how wetland system restoration benefits salmon.

#### ***Question:* What about salmon recovery on mitigation sites?**

- The Shared Strategy Salmon Recovery Group is looking to see if there are ways to execute salmon recovery on mitigation sites. Currently nine wetland banks are approved in Washington. Need to streamline rules for banks; the last one took six years to permit.

- Right now there's no approved bank for salmon credit banking—no market at all. If we could set up a marketing mechanism, the potential is huge. Ten percent of total capital (\$300-400 million per year) is spent on environmental mitigation—mostly on wetlands and storm water. Salmon recovery is pretty far down on the list, but if even a bit went toward salmon, it is a huge amount of money.
- We've spent a ton of money on salmon restoration. It doesn't make sense to spend money on many small projects when they could be combined into more strategic and larger scale projects. Then projects can get wetland mitigation credits and contribute to salmon recovery too.

***Comment: It's important to balance—need a local and regional equating system.***

- There is this fear that we might have impacts to 30 wetlands in one area, and all this conservation benefit in another area, and they won't match up. There is the potential for certain areas to experience all the environmental impacts and other areas (where banks are) to have all the environmental enhancement.
- Need to find a way to keep the balance so it's not overdrawn on one end and under-drawn on another.

***Comment: The no net loss banking policy needs to be real.***

- I've seen trades in urban areas of existing protected wetlands for low value isolated wetlands without well-defined functions and values. Right now it's possible to cover a good wetland with a parking lot and a storm drain and say it won't have an impact on anything and then save a lower value wetland on the other side of the road. This is not no net loss! It just means someone didn't see the right colored toad in there.

***Comment: Grassbanking.***

- The Nature Conservancy (TNC) is promoting sustainable grazing. They allow surrounding landowners to do limited grazing on TNC land in turn for the owner doing less grazing on their own land and thus reduce impacts. Would be great to get this off the ground in eastern Washington.
- Grassbanking provides something positive for people who did not think they could participate in a program.

***Comment: Drivers are critical in Washington.***

- What are the species that will drive conservation banking? All at-risk species are under local critical areas ordinances.

Conservation banking can turn a potential liability for a landowner into an asset. And conservation banking can lead to better ecological outcomes.



- Need to look at what habitats we really need.
- Need to look at NEPA, where people are working all the time on where to buy land for what species.

**Comment: Scale is important.**

- Want to get away from parcel-by-parcel and look more at landscape scale.
- Could help landowners form an LLC with a joint development plan; land gains value through the LLC to avoid just making small developments.
- But also need programs for individual landowners.
- A key first step is to have regional goals that are tied to the different resources.

**Comment: An incentive should be positive both ways.**

- A problem with the examples is that we are giving value to destroying habitat. In a conservation banking scenario, there should be an option for those who would buy credits and not do anything with them—like a tax cut.
- Nonprofits and others who want to fund conservation can potentially participate in banking. They can buy credits generated by banks and “retire” them (i.e., these credits are not balanced by impacts but result in a net gain).

**Question: Does conservation banking only include an effort to put a price on it and sell it to someone else?**

- Not entirely. Banking is when you do conservation, restoration, enhancement, or creation, and you retain the credits for doing that in one system. You could trade these credits for a tax credit, or for recognition, or to make up for impacts somewhere else.
- When impacts occur, credits get taken out. In some cases banking could be called advance mitigation.
- The term “banking” means generating credits that you can then trade or sell. Its real power is combining what is required for mitigation of unavoidable impacts and using credits from that to conserve or to trade with someone who wants to conserve.
- Salmon restoration, for example. Accrue the credits from doing salmon restoration with private and public money. Then if someone has an unavoidable impact that needs mitigation, they can buy those credits and create funds for more restoration.

**Question: Who would be in charge of conservation banking?**

- If regulatory agencies are all different, it gets complicated. Need to make it simpler and easier to understand. Need to define who is in charge. With so many agencies involved, need to know 27 people and 27 agencies to get one project done.

- One group needs to be in charge of conservation banking—some centralized agency involved in bundling credits across multiple agencies.
- Counties might be big enough ecologically to have the resources to work with conservation banking and to work inter-jurisdictionally. Could balance regionally and get some sense of equity.

**Question: What about an accounting system for conservation banking and the pros and cons of bundling?**

- Biodiversity issues are regional, local, and land-based. Be careful how you bundle. With carbon, for example, I don't want to bundle the credits. I want to be able to sell the carbon credits separately if they are more valuable. If I'm a landowner, I want to have access to all the markets I can and get credit for all these elements. Need to think about how a landowner would want to be in the business of providing habitat.
- You want a landowner doing what's right for the ecosystem, what's site specific, but also want a landowner to consider regional goals. Then we need an accounting system that's agreed on by the various regulating agencies. So someone could sell all their credits to the wetland agencies to get the most profit or the carbon market to get the most profit. That's their choice.
- An accounting system, especially with biodiversity, gets very complex. Need protocols and framework—that would be very helpful to move conservation banking along.
- Agree, accounting system is one of the most critical things. It needs to be scientifically based and agreed upon by all involved in the trading. In Washington, different levels need to be worked on at the same time. Need to work on demonstration programs to see what the issues would be.
- People may try to game the system. Compensatory mitigation can be implemented to support and supplement conservation and conservation funding, but we need safeguards to make sure that public money allocated for conservation is not paying for required mitigation.

**Question: What about on-site vs. off-site mitigation?**

- The preference for on-site mitigation is the most durable hindrance to conservation banking.
- Larger projects, like those of the Department of Transportation, will have both off-site and on-site mitigation. Failure rates for on-site mitigation are huge: 50-80%.
- Need to institutionalize the on-site/off-site issue; need to look at a wider number of sites to gain a greater restoration strategy.

The real power of conservation banking is being able to use the required mitigation of unavoidable impacts to create and fund conservation actions.

### *Key Points and Recommendations*

- Lots of questions remain in people's minds. What exactly is conservation banking and how would it work?
- No clear home for conservation banking. Would it be housed in a regulatory agency? In some other type of organization such as a nonprofit or a public-private partnership?
- A necessary first step is regional conservation priorities for multiple resources. What habitats do we really need? How best to be site specific but meet regional goals? What regional goals can be tied to the different resources, and how assign credits to them?
- Need an accounting system to value resources, but challenges exist to valuing biodiversity. A science-based accounting system is critical; must be agreed upon by all involved in the trading.
- Bundling credits should be allowed; how to do this is a challenge.
- Need a systematic evaluation of how conservation banking could work in Washington and contribute to biodiversity conservation. Need a feasibility assessment and demonstration project to show benefits, identify challenges, and design the larger program.
- The real power of conservation banking is being able to use the required mitigation of unavoidable impacts to create and fund conservation actions.

### **Session 3: Conservation Action Registry**

**Discussion Lead: Gina LaRocco, Defenders of Wildlife**

#### *Introduction and Overview*

This session introduced the Conservation Action Registry, a project of Defenders of Wildlife and partners, which is designed to record, track, and map conservation actions. The goal of the Registry is to provide current information on conservation actions as they occur and provide such benefits as reducing redundancy and maximizing efficiency in conservation.

#### **What is the Conservation Actions Registry?**

The Conservation Actions Registry is an online, mappable database that will record and track conservation actions across the landscape that are undertaken by public and private entities. Overall, the registry will help all conservationists determine whether our collective efforts are effective in conserving fish, wildlife, habitat, and ecological processes. It also provides an effective tracking mechanism for the state wildlife action plans that were recently completed in all fifty states.



While many agencies and organizations have in-house databases that track their own respective projects, they do not provide the data in a context that is beneficial to most users and it is often technically complex. The Conservation Registry will be different because it will provide a user-friendly interface for less technical users, but it will also be a powerful analytic tool for professionals.

More details on the registry can be found at [www.conservationregistry.org](http://www.conservationregistry.org). This web address will eventually house the registry itself.

### **How will it work?**

A user may view and search any of the data at any time. To enter project data, a user will “join” the registry and receive a password. This will enable the user to enter and edit project information. Anyone can join who has a valid e-mail address.

For each project, users will be asked to enter basic geographic information, action type, goal, funding, and contact information. Certain fields will be required and others will be optional. For the registry to access complete information, it will need to harvest data from existing sources. The registry will access this information and translate it into a form that can be queried and displayed by users. For those users without an existing database, the registry will send automated requests for updates to them.

The registry will initially be launched in Oregon, Washington, and Idaho, but it is designed to expand to other states when they are interested in joining. Each state will have an administering agency to manage the overall site and technical needs. In addition, each state or organization that participates in the registry can have an individualized web portal that will be customized for the look, feel, and specific needs of the state or organization.

### **Who is involved?**

Response to this effort has been overwhelmingly favorable. Partners include state and federal agencies, conservation organizations, private landowners, and industry groups.

### **Discussion**

**Question: What oversight will there be? There could be different perspectives on what each category defines. How will it be monitored?**

- The registry will not make a judgment about what is legitimate; do not want to be in the position of deciding what is worthy of being included.

The Conservation Action Registry will provide a user-friendly interface for less technical users, but it will also be a powerful analytic tool for professionals.

The Conservation Action Registry would help small organizations and neighborhood organizations use mapping tools, which are often hard for them to afford.

- Pre-filled category titles will increase the congruity of the entries.
- The site administrator could screen entries before they are put into the database.
- Washington could decide to do batches of screening each week.
- The users themselves could be the ones to police the entries with their own feedback (Wikipedia model).

**Question: The registry is for the public too?**

- Yes.

**Question: If you are managing a 100 acre section, how does that work within this system?**

- If the property is certified then the whole parcel qualifies. Or you can have multiple projects on each property. For instance, a culvert on just a part of the property.
- The registry will try to accommodate these complexities. Also, landowners don't have to share their personal information if they do not want to.

**Question: Do you have a standard way that data will be provided? Will there be quality controls to ensure that geographical and other data will meet a quality threshold?**

- The data will be coming from existing databases, as well as individual users' data entry input.
- Accuracy and quality can be ensured through oversight or flagging of data that may not seem correct; also data will be actively updated, either through frequent harvesting of data from existing databases or through reminder emails to users.

**Comment: The Washington Conservation Commission is working on a database of all of the Washington conservation issues.**

**Question: Will the registry support interactive community building and sharing conservation project ideas?**

- The registry will include a discussion board.
- It will have a section for proposed actions.
- Project sponsors can post meeting times and work parties.

**Question: How long will it take to get to critical mass to fill the database?**

- In spring 2007 will have results from beta test. The beta test will expose others to the database and it should fill it up quickly.



- Most information will come from existing databases such as PRISM.

**Question: What about funding to keep this going?**

- Defenders of Wildlife has raised \$150,000 so far.
- All state wildlife agencies are helping. Once the registry is fully operational, state agencies will have to pay for their own administrators; probably be a part-time job.
- The registry is intended to be a national effort; this should help it get funding.
- Defenders has contracted “The Other Firm” to develop the technical aspects of the registry. It will then be passed over to a national entity.

**Comment: This would help small organizations and neighborhood organizations.**

- They wouldn't have to pay someone else to enter their information for them. They could do it themselves.
- They could make use of the mapping tool options, which are often hard for them to afford.

**Comment: Registry would help connect the dots and could provide synergy and incentives for those who are cooperating. The Washington Natural Heritage Program currently manages a database that has a different purpose.**

**Comment: Standardizing and collating the information will be difficult, as will be figuring out what information is missing.**

- In an experience with a salmon monitoring database, tried to populate the database by contacting universities and other researchers.
- Wanted to engage individuals with surveys and other tools. Lots of people did not respond.
- Instead of hand holding, organizers decided to get the information themselves. This way they made sure the data was entered correctly.
- Person-to-person meetings allowed feedback after entering the data.
- It took a lot of funding and time (three years) to assemble this salmon monitoring database in a form that was accurate. They held workshops to check this.

**Comment: Accountability and usability are keys to the success of the registry.**

The registry will support interactive community building, including a discussion board, a section for proposed actions, a calendar with stewardship opportunities and work parties.

**Comment: The forestry industry is the biggest supporter because this is a good way to get public recognition for their conservation work.**

- Can track if projects are near their priorities.
- Can determine where the money is being spent.

**Comment: Cumulative impacts and off-site impacts will be hard to determine.**

***Next Steps:***

- **Funding.** Need help funding the remaining phases of the registry's development;
- **Data.** Organizations input conservation action(s) and utilize the registry;
- **Spread the word.** Tell others about the registry or invite Defenders of Wildlife to come speak about the registry and its progress to date.

## **Session 4: Regulatory Flexibility**

**Discussion Leads: David Burger, Stewardship Partners and Josh Weiss, Washington Forest Protection Association**

### ***Introduction and Overview***

The regulatory baseline in Washington is a barrier or disincentive for many landowners who might otherwise want to take on voluntary conservation projects. Flexibility in those regulations is an underutilized tool, especially considering that it can work well and does not require major new funding. Discussion in this session reviewed existing programs and identified new opportunities to meet both conservation goals and landowner needs.

Resource managers find it frustrating when working with a landowner on a conservation project, and the landowner loses motivation because of permitting, paperwork, etc. One current program, the streamlined Joint Aquatic Resource Permit Application (JARPA) allows fast-track habitat restoration projects that open blocked salmon habitat or add large woody debris. There should be a streamlined permit process for wetland enhancement and other beneficial conservation projects. Limited money should go to on-the-ground work, not to a permitting office.

### **Examples**

- Low Impact Development (LID). Developers worked with King County to put together a streamlined permitting package as an incentive for certified Built Green housing.



- Endangered Species Act. Removing disincentives for managing lands in a manner consistent with conservation of endangered species has been utilized fairly heavily, especially in forestry in Washington.
- Alternate management plans. Small forest landowners develop and use alternate management plans to achieve the same protections with less difficulty.
- Long-term permits. A new initiative to enable landowners to receive up to a 15-year forest permit.
- Habitat Incentives Program. Passed by legislature in 1999 (RCW77.55.121), but never funded. Private landowners are allowed to enter into an agreement with Department of Fish and Wildlife and Department of Natural Resources to enhance habitat on the landowner's property for food fish, game fish, or other wildlife species. In exchange, the landowner receives state regulatory certainty in future applications for a forest practices permit.

### *Discussion*

#### **Comment: Concern about length of permitting processes—long and short.**

- Some permitting processes take a long time, but there are some where can get a permit in only 30 days.
- WDFW's Hydrologic Project Approval (HPA) is proud that 95% of permits approved within 90 days.
- Should look at both long and short permitting processes.

#### **Question: What impediments to address?**

- **Certainty.** Looking for regulatory flexibility is looking for regulatory certainty.
- **Cost.** Flexibility avenues are sometimes very costly—should look for ways to reduce cost.
- **Integration.** Need agreements to integrate regulations, so if you get a permit you don't need to go to more than one agency. Would cut out a lot of time out, give more predictability.

#### **Comment: A real challenge is that the science of buffers tends to be from relatively pristine systems.**

- Reality is that much land is not pristine. It doesn't need protection, it needs restoration. State provides zero guidelines for how that should be approached. For example, a landowner could have buffer width reduced if it were restored; could reduce the critical area.

Flexibility in regulations is an underutilized tool, especially considering that it can work well and does not require major new funding.



- State needs research on how buffers perform in non-pristine areas.
- State should provide clearer guidelines on what kind of restoration is needed under different circumstances. Having no science, no guidelines, leads to uncertainty for property owners.

***Comment: Part of the problem is there's no regulation on how to manage buffer zone.***

- If a significant portion of land is in a buffer zone, that significantly decreases the economic viability of land and can impact the owner's economic viability.
- The science is available to determine the state of a buffer zone; that could ease regulations.

***Comment: If a plan is developed in a logical and proven manner and the practices are approved, you should be able to have pre-approval for a permit.***

***Comment: Regulatory regime needs to be turned upside-down—focus on outcome.***

- Need plan that gets to the end result. Then don't need regulation, need monitoring. This would involve a major shift.
- Need collaboration and agreement between regulators and landowners. Landowners will need to see some benefit. What is the desired outcome? How can it be accomplished? There have to be benefits on both sides of the table.

***Question: Should regulatory authority be delegated?***

- Encourage state and federal agencies to delegate permitting authority of more routine things. Ask agencies to look for areas where they can delegate—this is also cost-saving.
- Common theme seems to be standardization. Different industries are held to different standards. Create a level playing field among industries.
- By delegating regulatory authority to one person rather than many, tend to lose expertise and checks and balances.
- Agencies should be able to trust themselves to do routine things.
- But this can get complicated. For example, can't expect a fish biologist to notice if there's an eagle nesting on a site.

***Comment: Have to look at the issues and needs of a particular land area.***

- We tend to focus too much on water.
- We need a holistic plan, not a "problem plan."

- But if you have a farm plan, for example, and then find an eagle nest, the plan gets overridden.

**Question: What players should be involved in this discussion and aren't?**

- Army Corps of Engineers.
- Regulatory community.
- Development community.
- Community members must be included. One of the reasons that Initiative 933 failed is that people were worried about what their neighbors might do.

**Question: What if had a room of 20 change agents (people with the ear of those who have the power to change things)?**

- Hood Canal Bridge Site Identification Team had a group like that. They developed permit and conservation plan, found a site in Port Angeles, and then ran into archeological site. Project stopped and lost millions of dollars.
- That example argues for going through the process one agency at a time.

**Comment: Considerations for defining regulatory flexibility.**

- Incentives defined as three things: money, regulatory flexibility, recognition.
- Regulatory flexibility is big thing. We're looking for something to make getting the work done palatable to a landowner or an agency.
- Need to define exactly what regulatory flexibility means. That will take work and time.
- Regulatory flexibility is not everything, everywhere, every time. Applying incentives or applying regulatory flexibility is not equal for all options. It has to fit a goal and a definition. Some places deserve more, some less.
- Regulations and disincentives are driving conversion. Need to revisit the purpose of those regulations—what do we want out of our community?

**Comment: A lot of regulatory flexibility is being able to use some common sense.**

- Need to be able to trust our regulators, need to be able to use more judgment.
- Model is highly regulatory. Somehow have to get back to the idea that two reasonable people looking at the same thing generally will reach same conclusion.

**Question: Does this group think the Biodiversity Council should make a recommendation about regulatory incentives? Should the Council suggest further work?**

- Yes. (many voices)
- One of the values of discussing the goals of regulatory flexibility is that with more discussions and more people involved there's better understanding of where it's going. Helps everybody get semi-aligned in a direction.

### *Key Points and Recommendations*

- For our purposes, regulatory flexibility is essentially removing disincentives that keep landowners from undertaking voluntary biodiversity conservation efforts.
- This subject warrants further dialogue. It is ready for more discussion and ideas and should be considered by the Biodiversity Council.
- Further dialogue needs to define goals and terms (such as “regulatory flexibility”).
- Specific ideas that could be pursued include:
  - Modifying forest practices alternate plans to allow thinning of riparian buffers to achieve biodiversity goals;
  - Allowing regulatory flexibility for farmers with approved farm plans or certified practices;
  - Streamlining the permitting process for low impact development projects and wetland restoration projects.

## **Session 5: Statewide Incentive Clearinghouse**

**Discussion Lead: Don Stuart, American Farmland Trust**

### *Introduction and Overview*

An incentive clearinghouse is a tool to simplify landowner access to stewardship and conservation incentives. A staffed clearinghouse could serve as a first point of contact with landowners and could work closely with incentive program providers to provide appropriate referrals, program marketing, and assistance to landowners. This session reviewed proposals, key considerations, and components of such a clearinghouse.

The idea of statewide clearinghouse stems from there being so many programs out there. It can be very complex for landowners to find relevant programs or to link programs together. Offering incentives as a package would benefit landowners and the environment.

- Pull programs from different places, make them accessible to landowners, and package them.



- Make incentives or an incentives package interesting and enticing to the landowner, otherwise it is hard to make incentives strategic.
- Identify the gaps, weaknesses, and lack of money by compiling all the programs in one place.

A first tool could be a database; just type up all the information, put it online, and make it available to everyone. The need for one-stop shopping has been stated over and over again.

**Example: Oregon.**

The NORPAC cooperative is a big grower/producer/food processor that grows a lot of vegetables and sells to SYSCO, the largest food service distributor in North America, and others. NORPAC came under pressure from SYSCO and other big buyers to establish stewardship guidelines. NORPAC was progressive and saw that they needed to do things to get ahead of the game, and they talked with Food Alliance, a third-party certification program.

NORPAC went to the governor's office to ask for help on a statewide information clearinghouse for sustainable agriculture—not just for NORPAC's benefit and not just focused on landowners seeking certification.

Oregon Solutions in the governor's office asked state agencies and other parties to get involved. They developed the idea and convened the parties two years ago.

The first year was all meetings and talking, identifying political and practical barriers and hurdles. They developed and signed the Declaration of Cooperation. The second year the parties developed a memorandum of understanding (MOU) that 27 parties signed. They started rolling up their sleeves to design the Oregon Sustainable Agriculture Resource Center (OSARC).

With this MOU, they formed the structure for an administrative council and steering committees. They're now figuring out what this is really going to look like.

One component will be a database. Initially some thought that OSARC might just be a database, but others realized the need for warm bodies to actually help people. They want to make sure that landowners get the assistance they need, and not all landowners have the patience or time or computer to work through a database and website.

An incentive clearinghouse is a tool to simplify landowner access to stewardship and conservation incentives.



There is also the hope that this effort will reduce complexity. A clearinghouse only manages the complexity; it does not reduce it. They are looking for opportunities to reduce the complexity over the long term. They hope that this process will eventually help identify ways to streamline.

OSARC is now starting to do web design and gather content. They are piggybacking on the web and database development efforts of the digital library at Oregon State University and building a sustainable agriculture entry point into that huge database. It will be real-time website, accessing current information (“dynamic source”). Rather than creating all new information, it will provide a structure to move around within the site and pull current information off websites in areas of interest.

OSARC has diverse involvement and support, including the private agriculture sector and several service and conservation organizations—groups that were interested in focusing on common ground regarding sustainable agriculture. The Oregon Farm Bureau was initially suspicious but is now neutral.

A lot of hard work by a broad base of people resulted in \$1 million line item in governor’s budget for OSARC. It’s now running on small grants to keep up a small staff effort until the line item is approved.

They have many great ideas, but currently don’t have enough staff time to do all the needed coordination. This Oregon clearinghouse is about sustainable agriculture, but it wouldn’t need to be about that in Washington. OSARC will include information useful to forest owners also.

### *Discussion*

#### **Question: What clearinghouses do we already have in Washington?**

- **Department of Ecology’s Shorelands and Environmental Assistance Program.** This program has helped landowners undertake complex projects, navigating the system with and for them. Has taken in different federal and state agencies. This has been very successful. A clearinghouse could be a logical extension of that office.
- **State Publics Work Board.** This program provides infrastructure funding to jurisdictions for needed improvements. Helped create the Infrastructure Assistance Coordinating Council (IACC), which brings all the programs that involve infrastructure funding to a conference.
  - These infrastructure programs include Rural Development, Department of Ecology, Public Works Board, Department of Transportation.

- IACC provides information about how to connect, receive, etc., grants, loans, technical assistance.
- Great model. People get to interact with a real person. It's a separate organization from the state. Salaries are from the state, but it also does other things.
- Infrastructure processes potentially have many ways to tie in with conserving biodiversity values.
- **Governor's Office of Regulatory Assistance.** This office is designed to be the place where people go to understand how rules, regulations, and government requirements apply to environmental permitting and business licensing. It is part of the governor's initiative to reduce the spaghetti involved in getting these permits.
- **Exploring Wetland Stewardship** is document that's a huge resource. It analyzes all the non-regulatory ways to protect and restore wetland areas, tells who to contact, when grant applications are due, and supplies other information. It has been downloaded 900 times, or people can receive a free hard copy of this 250 page notebook. See <http://www.ecy.wa.gov/biblio/96120.html>.
- **San Juan Preservation Trust booklet** is a general guide to voluntary land protection in the San Juan Islands: <http://www.sjpt.org/dfp/booklet.pdf>.

**Comment: Need a clearinghouse of the clearinghouses! It's important to identify what processes already exist and which of the many parties we need to bring together and get on board.**

**Question: What should a clearinghouse look like in Washington?**

- Forestry should be involved. We want any landowner to be able find information about programs they want to use.
- In Washington we often have great coordination but only between two departments.
- Needs to provide strategy for where to use these incentives. Each agency creates priorities differently and all are trying to get access to the same funds.
- Need two-tier approach, for trainer and trainee.
- Need high tech with light touch, especially with rural landowners.

**Comment: It's critical to have local people helping landowners access information and assistance.**

- Local trusted professionals could use the clearinghouse to help their landowners.

A staffed clearinghouse could serve as a first point of contact with landowners and could work closely with incentive program providers to provide appropriate referrals, program marketing, and assistance to landowners.



- Clearinghouse needs the warm bodies to implement it and work with landowners.
- Clearinghouse needs to utilize people most local to those we're trying to reach. Very different issues in, for example, rural areas and urban areas, upland and shoreline sites.
- Could stage free "health clinics." A group of experts go to a community, people able to walk in and define their needs. They are then referred to appropriate resources.
- Local level is best way to deliver these opportunities
- Need to have a user-friendly interface: "map my farm," "habitat-friendly spaces," etc.
- Content would need to be managed for this model to work.

***Comment:* In rural economic development, the charrette approach can increase consensus. The charrette is a technique for consulting all stakeholders to promote collaboration and joint ownership of solutions.**

***Comment:* Having well-informed landowners could give confidence to the policy community that when they fund incentives, it's not just fluff; they are getting something for the money.**

***Comment:* Need to get feedback about why people don't want to go into incentive programs like EQIP or CREP.**

***Comment:* It would be good to have two ways to access information: 1) available so I can get it when I want it, and 2) fed to me in organized timely fashion.**

***Comment:* We don't want to duplicate the Conservation Districts.**

The 47 Conservation Districts in Washington provide free local knowledge. Every landowner has access to this. Conservation Districts work with National Resource Conservation Service (NRCS) and provide funding for all different kinds of programs.

A database is being developed by the Conservation Districts for all the conservation projects being implemented. People will be able to find out what neighbors are doing, how long it took, what assistance they got, how much it cost, etc. We need to find out what's happening across the board and make sure we're not duplicating efforts.

***Comment: We need to help strengthen the mandate for the Conservation Districts to make them more effective for biodiversity conservation.***

- Conservation Districts recognize importance of biodiversity conservation and have legacy that focuses on small farm. Personnel need cross-disciplinary learning. Some staff have expertise in biodiversity, others don't. They have expertise in soil, business, etc.
- Most Conservation Districts are grant funded. This leads to focus on "Grant of the Month."

***Comment: Don't want to spend more money and get fewer applications to incentive programs.***

- Need information and assistance to be more appealing to get more applicants. Then can choose the ones that meet strategic goals the best.

***Comment: Can only help those who want the help.***

***Key Points and Recommendations***

- Need clearinghouse for the clearinghouses; need to inventory what exists and build from there.
- Need to train people supplying on-the-ground technical assistance. If they understand the programs, they'll be able to convey information to landowners.
- Building awareness is important. Always hear "I wish I knew about you." Need to expand word of mouth, advertising, accessibility.
- Need human resources at local level to implement programs.
- Could model Washington's clearinghouse after OSARC, including dynamic database (like Oregon State University's Digital Library)

A statewide Washington incentives clearinghouse:

- Must be broader than just a database or website.
- Needs to be deliverable at the local level.
- Will only be effective in concert with strong, on-the-ground technical assistance.
- Should include incentives for all landowners, not just working lands.
  - Urban and natural landscapes equally in need of attention.
  - Include developers—need to engage them in the process.

It's critical to have local people helping landowners access information and assistance.

## Session 6: Ecosystem Services Payments

Discussion Leads: Denise Pranger, Northwest Natural Resource Group and Paula Swdeen, Earth Economics

### Introduction and Overview

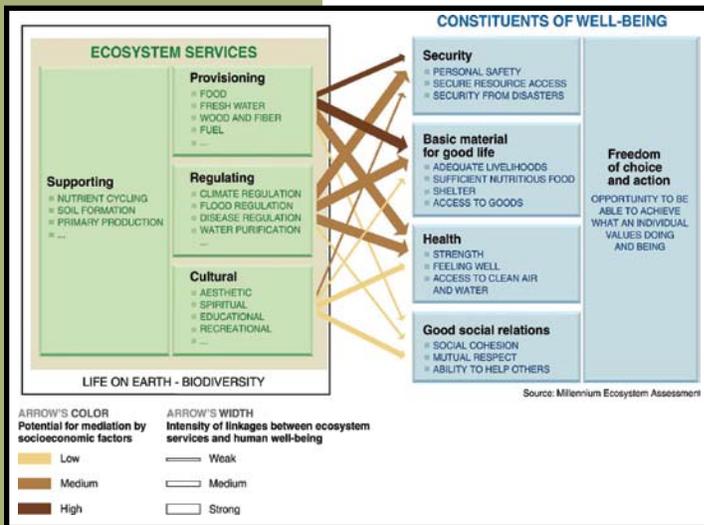
Ecosystem services are those functions that are of value to humans. They include climate regulation, purification of air and water, mitigation of floods and droughts, generation and renewal of soil and soil fertility, and many more. This session provided an overview of some example programs and explored initiatives and opportunities to expand this tool in Washington, including the work of the Northwest Natural Resource Group (NNRG).

### Payments for Ecosystem Services

These are schemes that may not evolve into full-blown markets, such

as those Bettina von Hagen talked about during the Emerging Directions session. Conservation of biodiversity is one outcome of Payments for Ecosystem Services (PES), but it may not be the motivating goal.

Ecosystem services are the benefits people obtain from ecosystems. They are supporting services that allow life to exist and that contribute to human well-being. These services can be classified as supporting, provisioning, regulating, and cultural. There is strong scientific consensus that preserving native biodiversity allows ecosystem services to continue.



The question is: how do we turn that flow of services into a tool for conservation?

Payments for Ecosystem Services programs are designed to change existing economic incentive structures away from ecosystem degradation and toward conservation and restoration through direct payment to landowners, holders, or managers.

### Examples

Costa Rica started formal payments to farmers to conserve or restore forest in specific watersheds. Payments are made for water flow used downstream, biodiversity, carbon sequestration, and soil retention.

Australia makes payments to farmers to modify farming practices and replant native shrubs. These practices reduce soil salinity and restore native biodiversity.

Kenya uses revenue sharing of national park entrance fees to enhance locals' stake in the parks. This practice turns wildlife that had been nuisance or threat into an asset and gives locals an incentive to protect, not poach, the wildlife.

Several hundred PES programs are underway in the world; most are in developing countries. PES has generated a lot of experiments.

#### **Characteristics of successful PES schemes:**

- **Goal.** Conservation goal is clearly established and agreed upon by stakeholders.
- **Clear benefit.** Moderate to high risk of losing current services, or big improvement apparent from restoration of degraded areas.
- **Scientifically valid.** Good science underlies the project.
- **Participants.** Adequate pool of potential providers and buyers.
- **Funding.** Source of funding is equitable and socially acceptable.
  - This is critical for success.
  - Funding source could be a tax, i.e., charge people who degrade or use ecosystem services.
- **Administration.** Administrative structure is appropriate to its context; must be socially and politically acceptable.
- **Additionality.** An existing situation is clearly improved by the PES scheme; improvement should go above and beyond what's already occurring.
  - Sometimes people want to be paid for what they're already doing.
- **Trust.** Service providers and buyers trust each other.
  - This trust requires reliable payments to service providers and verification that ecosystem services are being delivered.
- **Awareness.** Understanding of the economic situation of the recipients to avoid unintended consequences.

#### **Northwest Certified Forestry: An Application in Washington State**

The Northwest Natural Resource Group (NNRG) is administering Northwest Certified Forestry, an application of Forest Stewardship Council certification. This is one example of a developing PES scheme in Washington. NNRG's mission is "to promote innovative forest management strategies that improve the health of forest and freshwater ecosystems while increasing economic development in rural communities."

Ecosystem services are the benefits people obtain from ecosystems. They are supporting services that allow life to exist and that contribute to human well-being.

The problem is conversion of working forestlands to other, non-forested uses.

- Over 2 million acres have been converted since 1980
- Environmental benefits have been lost
- Natural resource-based jobs have been lost

Small forest landowners are often on the fringe of urban areas and need help to maintain their lands as forests. Working forestlands provide many ecosystem services. They maintain water quality (e.g., provide fish habitat, control erosion), they sequester carbon (Northwest forests are the most productive in the U.S.), and they harbor high levels native biodiversity.

Forest Stewardship Council (FSC) certification is market driven and voluntary. It provides third party verification of performance and annual audits. The certification employs regionally based standards and is highly trusted.

However, FSC certification isn't enough to counter conversion pressures because it only gives a 5% premium on forest products. That amount is insufficient to reduce conversion pressures. PES programs have the potential to change behavior.

FSC does have a role in PES markets. It supplies additionality (through the FSC Pacific Coast Standard), third-party verification, monitoring, and it aggregates supply

NNRG is working with FSC. Some of its current activities:

- Forest stewardship subsidies (Nisqually Basin). These are scholarships to help people get certified.
- Water quality credits (EPA internal study). The FSC forest management standard is the only non-federal standard that will meet the Clean Water Act.
- Carbon sequestration. Activities are underway in King County and western Washington.

## *Discussion*

### **Other Washington Examples**

Chelan County: A pilot project has been set up to pay orchard growers to take fruit trees out of production. It is driven by regulation of pesticides in riparian areas. Incentives have been developed to protect riparian zones. Generally there's a high level of support by growers in Washington to do this, so they can stay in farming. It's economically better but not culturally acceptable in all cases. Such a program needs to provide as much long-term certainty as possible, to keep farmers in business.



Pierce County: The Water Programs Department buys out flooded property and puts it back into the flood plain, but disincentives exist. The tax structure is such that a development, even in a flood plain, is worth more than farmland. Millions of dollars can be available when there's an emergency (flood), which dwarfs what the county can offer.

**Question: How are ecosystem values established and appraised?**

There are at least three ways to determine value of ecosystem services.

1. **Academic tools** are available for some services, but they still fall short in many areas.
2. **Opportunity cost.** Most PES schemes work on this basis (i.e., the value of the best alternative use of a resource).
  - If a landowner is doing something one way and expecting a certain rate of return, can they be offered enough return for doing something a different way, i.e., for their ecosystem services? Ecosystem services can be valued by how much it would cost to pay landowners enough to make it worth their while.
  - If a buyer has a regulatory driver that motivates them to find a cheaper way, i.e., regulation makes it cheaper to buy ecosystem services than to carry on with business as usual.
3. **Replacement cost.** That is, how much would it cost to manufacture the same service? This often works politically.

**Comments on Scale**

- A project needs to be on a big enough scale to see benefits. Washington is incredibly diverse, so a statewide program would not make sense. But something very small would not be worth the effort.
- The bigger the scale, the more controversial. Senator Swecker drafted legislation to set up ten environmental management zones in Washington that would address ecosystem services. Create trading mechanisms within the zone—both giver and receiver known, both involved in stakeholder process. There would be committee established to oversee the zones and determine how it works.
- Service or trading area. There are ecological reasons to make a trading area small and economic reasons to make it big. For example, in rural areas there is not enough economic activity to support a PES scheme. Perhaps a hybrid solution would work, so rural counties can get into the game.
- Perhaps look at it on a regional level, including Washington, Oregon, California.
- PES schemes must be organized so the scale of the ecosystem works with the scale of the market.

Payments for Ecosystem Services (PES) programs are designed to change existing economic incentive structures away from ecosystem degradation and toward conservation and restoration.



### *Possible Next Steps*

1. Decide what ecosystem types and services are a high priority for a PES program
  - Evaluate ecosystem services based on credible science.
2. Analyze land or water use patterns and driving forces of change in those ecosystems.
  - For example, look at flood storage and water retention in rural areas in the foothills. Paying people not to cut trees is cheaper than building water catchment areas.
3. Determine potential funding sources and potential providers (landowners)
  - There are a lot of sellers, not as many buyers.
  - One way to find a funding source would be to look at services we are currently degrading. For example, with water tax—we pay only to transport and treat if necessary. We don't currently pay to withdraw. We could exempt agriculture and other groups that provide ecosystem services.
4. Analyze opportunity costs for landowners of changing management practices
  - Provide as much long-term certainty as possible; need to find an economically viable solution for landowners that will allow them to stay in business.
  - Want to avoid a situation where the only ones who benefit are those who have not stewarded land on own. It would be good to have some retroactive credit for recent improvements. Should be a place in between where you can give some credit and still have incentive.
5. Determine structure of program. Would state government or a nonprofit or a board established by the legislature with broad stakeholder participation be the best home?
  - Actively involve a political leader. Otherwise, can meet all other parameters and it still might not work.
  - Most likely need legislation to establish demand and framework.
6. Conduct in an adaptive management framework
  - The bottom line is where the baseline is set.
  - We have a lot to learn!

## Session 7: Certification Programs

**Discussion Leads:** Ian Hanna, Northwest Natural Resource Group and Larry Nussbaum, Stewardship Partners.

### *Introduction and Overview*

By providing an independent “seal of approval,” labeling and certification programs help participating businesses distinguish themselves in the marketplace to appeal to the growing consumer interest in environmentally responsible products.

Certification programs reward producers for pursuing conservation activities. This session introduced current certification programs active in Washington State that address habitat and biodiversity. Current programs include Salmon-Safe and Food Alliance for agricultural products and Forest Stewardship Council and the Sustainable Forestry Initiative for forest management.

### **Forest Certification**

There are three primary forest certification programs active in Washington: American Tree Farm System, Sustainable Forestry Initiative, and Forest Stewardship Council.

All are important and bring values to the table. They have different origins and intent, sets of standards and verification systems, ranges of performance, and benefits for biodiversity.

Certification has several goals:

- Landowner recognition and planning.
- Buyer appeasement. This goal is met at a satisfactory level.
  - Buyer is assured that this product meets certain standards.
- Market differentiation. This goal is met at an exemplary level.
- Premiums and market share.
- Comprehensive audit and risk reduction.
- Marketing flexibility.
- Economic diversity and resilience.

Challenges for certification programs include reaching qualified landowners, assessment and audit costs, concentrating supply, getting to scale, misperceptions, and outdated information. Cultural, political, and competitive challenges also exist.

Opportunities for certification programs include group certification— instead of auditing each landowner every year, a sample of the group is

Certification programs reward producers for pursuing conservation activities.

All the forest certification programs active in Washington are important and bring values to the table. They have different origins and intent, sets of standards and verification systems, ranges of performance, and benefits for biodiversity.

audited. Other opportunities are bundling of benefits and going beyond wood markets. In addition, geographic focus, building broad partnerships, and public funding in recognition of public benefits could be optimized.

Examples of forest stewardship

- Selection and thinning (e.g., Evergreen Land Trust). The forest is thinned by selecting trees individually and local highline logging.
- Group selection (e.g., City of Astoria watershed).
- Variable retention (e.g., O'Neill Pine Company, Chehalis). They retain 20% of the basal area, and equipment doesn't go over the entire site.

### **Farm and Farm Products Certification**

Several certification programs are active in Washington. They include:

1. Organic certification, U.S. Department of Agriculture.
2. From the Heart of Washington, Washington Department of Agriculture.
3. Food Alliance, a nonprofit organization that operates the most comprehensive third-party certification program in North America for sustainably produced food.
4. Puget Sound Fresh, a program of Cascade Harvest Coalition, a nonprofit organization.
5. Salmon-Safe, a program of Stewardship Partners, a nonprofit organization, in partnership with Salmon-Safe in Oregon.

Washington's Salmon-Safe program was designed by Stewardship Partners based on the successful program in Oregon. Oregon Salmon-Safe has organized retail campaigns and targeted sector issues. One-third of the commercial vineyards in Oregon are certified.

Washington Salmon-Safe started in the Snoqualmie Valley two years ago and has grown to over 30 farms. The program focuses on water quality and habitat protection. It builds retail partnerships with grocery store chains (e.g., PCC Natural Markets, Whole Foods), and it promotes and markets the certification through diverse means, including radio, bus-side ads, media outreach, farmers market promotions.

A current effort is the Buy-Save campaign, which features a series of striking photographic images of agricultural products juxtaposed with images of salmon on bus-side ads.

Economic and market benefits of the Salmon-Safe label:

- Promotion and marketing. Certified products see a 15% increase in sales.



- Wholesale operations. Certification aids branding, helps retain partnerships.
- Direct marketing. Certification provides a way to tell the farmer's story, i.e., they are a local farm that cares about the environment even if they are not necessarily organic.

Environmental benefits of the Salmon-Safe label:

- Engagement. Achieving and maintaining certification engages agricultural landowners in habitat restoration.
- Implementation. The requirements of certification assist with implementing best management practices.
- Biodiversity. Efficient water use, riparian protection, and other measures increase on-farm biodiversity.

Trends and opportunities in agricultural certification include offering joint certification with organic, partnerships with local organizations and agencies, and increased promotion. Initiatives in agricultural sectors (e.g., wine industry or dairy) and increased consumer education also show promise.

Current questions and issues include:

- How to ensure that resources are available for farms to participate?
- How to incorporate certification in planning, implementation, and especially funding, for water quality and salmon recovery?
- How to recruit large buyers and processors?

### *Discussion*

#### **Question: Who set up the standards for Salmon-Safe?**

- The standards were set up for the Oregon program by the Pacific Rivers Council and a coalition of scientific experts. The standards are based largely Natural Resource Conservation Service (NRCS) and Department of Ecology (DOE) guidelines.
- The system is transparent. Individual certification information can be accessed.

#### **Question: What happens if one of the Salmon-Safe producers receives a water quality violation?**

The response is similar to that of organic certification. Annual audits would catch the violation, and it is possible to lose certification.

#### **Question: Is it difficult to get Salmon-Safe certified?**

Yes, but it's easier to get than organic certification. Stewardship Partners is trying to make the assessment process as painless as possible.

Trends and opportunities in agricultural certification include offering joint certification with organic, partnerships with local organizations and agencies, and increased promotion.

These types of certification labels provide good environmental stewardship with market and opportunity.



**Question: How do people maintain the certification?**

- Stewardship Partners checks them every year.
- Competitors provide a check for misrepresentation and outright fraud. But in reality that has never been a big problem because of the paper trail and reasonable policing.
- People are proud of what they've committed to do and will prevent cheaters.

**Question: How long does certification take? Can you be Salmon-Safe in one year?**

Yes, Salmon-Safe certifies based on the landowner's practices. If a landowner has a farm practices in place, then most likely they can come into the program.

**Question: Is there a Salmon-Safe forestry program?**

- The biggest hurdle the program has faced with forestry is getting forests to the initial level of performance.
- The first challenge is to find people at that level of performance; the next challenge is to help people achieve that level.

**Comment: We should get to a statewide recognition of efforts, including public recognition for forestry. The forest industry voluntarily doubled or tripled buffers on streams.**

**Question: What are the advertising benefits of Salmon-Safe?**

If you have two batches of carrots, they will sell for the same price. If one batch is Salmon-Safe, you will sell 15% more of them. Salmon-Safe products sell 15% more than other products.

**Question: Couldn't we end up with too many labels?**

That would be a good problem to have. These types of labels provide good environmental stewardship with market and opportunity.

**Key Points and Recommendations**

- Encourage joint certification programs.
- Increase partnership and promotion opportunities.
- Create uniform standards (e.g., buffer widths).
- Provide broader government recognition and support for certification programs, especially in forestry.
- Promote increased consumer education.

## Session 8: Tax Incentives

**Discussion Lead: Ted Sullivan,**  
**King County Department of Natural Resources and Parks**

### *Introduction and Overview*

An important conservation tool available to local government is the current use assessment program. By offering tax reductions to participating landowners, these programs promote protection and management of natural resources beyond that mandated by regulation. This session explored opportunities to expand use of this tool and ways to address current limitations and challenges.

Four Current Use Taxation (CUT) programs have been established in Washington. They are also known as Open Space programs. The programs are:

- Forest (minimum property size 20 acres)
- Timber (5–20 acres)
- Farm and Agriculture (income generated per acre must meet a minimum requirement)
- Open space (counties have different criteria)
  - Public Benefit Rating System (PBRS) exists in 17 counties. PBRS is a tax reduction program specifically directed to conservation.
  - The PBRS statute in Washington State law allows counties to provide property tax relief on a sliding scale for landowners participating in conservation actions. Participating landowners receive tax reductions of up to 90% of land value.
  - The system has minimum requirements but no minimum acreage.

CUT programs give properties a lower assessed value, which results in a property tax reduction for the landowner. Property tax reductions range from 10–90%. Open space assessments can only go as low as farm and agriculture assessments; most assessors don't go that low. In practice, counties shift tax values so they won't lose tax revenue.

### *Discussion*

#### **Limitations to tax incentive programs**

- How to stop conversion of resource lands if their development value is so much higher?
- Most properties stay in a program when they change hands, but for longer term goals need to encourage conservation easements.
- CUT is an imperfect tool. It helps encourage conservation, but it's probably not the only factor for most landowners.

Current Use Taxation (CUT) programs give properties a lower assessed value, which results in a property tax reduction for the landowner.

We need an Open Space category for wildlife and biodiversity. We need to build biodiversity into the Open Space designation more explicitly.

### **County-level issues and opportunities**

- Tax incentives should be equal across the board, but they must fit county personalities and situations. It's a paradox.
- If Open Space funding is exclusively at the county level, may be difficult for smaller counties to implement.
- How counties come up with point values for rating land is very interesting. There are maybe 6–10 values that relate to biodiversity, but it depends on the county. Those related to biodiversity are intertwined with other values (e.g., shoreline, wildlife categories, at-risk plants).
- These programs may not be powerful enough. A landowner can max out what the county can surrender.
- King County would have more enrolled landowners if there were more staff to inform landowners about programs and to help them enroll. Too few staff is a big limitation.

### **State-level issues and opportunities**

- Open space criteria are very loose at the state level.
- Forest production is one of the primary goals of the state, but the law doesn't give much guidance on harvest.

### **Landowner disincentives:**

- Back taxes. CUT properties are subject to back taxes if they are taken out of the program. Farmers can't afford to take land out because they can't pay back taxes.
- Public access. Landowners don't like the requirement for public access/recreation.
- Penalty clause and death exemption. These are big disincentives.
- Forest harvest requirement. A forest landowner may not want to harvest, but land doesn't fit open space criteria. Landowner could appeal to the Board of Equalization, but this not an attractive option. The harvest requirement becomes a disincentive.

### ***Ideas for Change:***

#### **General**

- Change dollar valuations or develop waivers based on critical area and other designations.
- Base tax incentives programs on desired outcomes. There is a public cost to them, so there should also be a public benefit.
- Communicate better with landowners and assessors. Provide outreach.



- Find out what the Open Space law has accomplished. What are the biodiversity benefits compared to development's environmental costs?
- Can we do a better selling job? Programs such as Conservation Futures are only active in some counties. How can we get more counties enrolled?

### **State level**

- Change the state law that requires payments of back taxes when buying old forests in all counties but King. Suggest moving these forestlands to Open Space status and then selling.
- Build biodiversity more explicitly into the Open Space designation. Need an Open Space category for wildlife and biodiversity.
- Give tax incentives more priority.
  - Include best management practices in Open Space/PBRS; could adopt as part of policy.
  - Provide more guidance county to county. But how could state get consistency from county to county without limiting local control?
  - Provide incentives from state to local governments so that they are willing and able to implement these landowner tax incentive programs.

### ***Key Points and Recommendations***

- Existing tax incentives may not be powerful enough to get landowners to participate.
- Present staffing levels are inadequate for full implementation.
- Encourage counties to prioritize conservation incentives.
- Develop consistency from county to county without taking away local control.
- State needs to provide incentives to counties to promote implementation.
- Monitoring needed. Determine what open space taxation has accomplished for biodiversity conservation.

## CONTINUING the CONVERSATION

“Great range of topics, participation (+150!), and diverse audience with a great amount of common ground.”

— Attendee Evaluation

“Key incentives I hear about from landowners are not just money, but... respect, trust, and appreciation of farming as a status profession. They want to be invited to the table when decisions are made about rural lands.”

— Attendee Evaluation



The Forum attracted an over-capacity crowd of nearly 150 people. Energy and excitement buzzed in the session rooms and hallways of Tacoma’s Landmark Convention Center, and in evaluations participants gave the event exceptionally high marks. Comments indicated that participants particularly appreciated the diverse audience and the opportunity to see common ground on issues.

### *What’s Next?*

Forum participants had the opportunity to fill out a questionnaire on what they would like to see happen next. Forty-one people turned in responses, and all of them were interested in participating in a follow-up meeting to discuss strategies for advancing conservation incentives and specific next steps. Topics that drew the greatest interest were Payments for Ecosystem Services, Conservation Easements and Transfer of Development Rights, and Conservation Banking, although there was strong interest in all of the tools discussed at the Forum.

The Forum was presented as a one-time event, although the tremendous response indicated clear interest in additional gatherings to continue the conversation and advance specific issues. While there is not yet a sponsor or lead for a continuing series of statewide events, Forum participants expressed interest in 1) an annual policy development workshop to develop and advance new tools and initiatives; and 2) an annual exchange between landowners and program administrators to identify areas of overlap and improvements needed.

### *The Washington Conservation Incentives Listserv*

One outcome of the forum was an online discussion group, the Washington Conservation Incentives listserv, dedicated to fostering communication about conservation incentives.

The intent of the listserv is to create an opportunity to share information about how landowner incentives and market-based programs can help achieve biodiversity conservation and the preservation of agricultural and forestry landscapes in Washington State.

Participation in the listserv is open to anybody—landowners, government officials, conservation organizations, technical assistance providers, developers, incentive funders, researchers, or others interested in this issue.

The Washington Biodiversity Council is sponsoring the listserv, in response to the tremendous interest evident at the Forum for Conservation Incentives. We hope that you will consider joining the listserv and use this service to educate and share ideas about new initiatives, programs or research, pilot projects, grant opportunities, and other relevant information.

***Questions?***

Sarah Gage with the Biodiversity Council is the listserv manager. Please direct any questions to her at (360) 902-3027, or at [sarahg@iac.wa.gov](mailto:sarahg@iac.wa.gov).

***To join:***

Send an email to Sarah [sarahg@iac.wa.gov](mailto:sarahg@iac.wa.gov), with SUBSCRIBE in the subject line.

## APPENDIX 1: FORUM ATTENDEES

*Hannah Anderson*, Rare Species Project Manager, The Nature Conservancy

*Rick Anderson*, Sr. Project Manager, HDR

*Lynn Bahrych*, Commissioner, Washington State Conservation Commission

*Cathy Baker*, Government Relations Advisor, The Nature Conservancy

*L. Katherine Baril*, Director, WSU Jefferson County Extension

*Harry Bell*, Chief Forester, Green Crow Corporation

*Kate Benkert*, Deputy Manager, Western Washington Fish & Wildlife Office, U.S. Fish and Wildlife Service

*Ken Berg*, Manager, Western Washington Fish & Wildlife Office, U.S. Fish and Wildlife Service

*Omroa Bhagwandin*, Program Manager, Washington Department of Natural Resources

*John Bolender*, District Manager, Mason Conservation District

*Brian Boyd*, Executive Director, Sequoia Foundation

*Dave Brittell*, Assistant Director, Washington Department of Fish and Wildlife

*Bob Bugert*, Eastern Washington Regional Coordinator, Governor's Salmon Recovery Office

*Bonnie Bunning*, Executive Director, Washington Department of Natural Resources

*David Burger*, Executive Director, Stewardship Partners

*Paula Burgess*, Director of North American Programs, Wild Salmon Center

*Bob Burkle*, Assistant Region 6 Habitat Program Manager, Washington Department of Fish & Wildlife

*Jodi Bush*, Fish and Wildlife Biologist, U.S. Fish and Wildlife Service

*Robert Cannon*, Natural Resource Specialist, Washington Department of Natural Resources

*Dennis Canty*, President, Evergreen Funding Consultants

*Dee Caputo*, Senior Planner, Washington State CTED

*Eric Carabba*, Property Steward, Whatcom Land Trust

*Michelle Cardinaux*, Program Manager, Tacoma Nature Center

*Susan Carlin*, Executive Director, Tri-State Steelheaders

*Jan Cassin*, Senior Scientist, Parametrix, Inc.

*Jim Cathcart*, Forest Resource Trust Manager, Oregon Department of Forestry



*Vicki Christiansen*, Executive Director of Regulatory Programs, Washington Department of Natural Resources

*Susan Cierebiej*, Fish & Wildlife Biologist, Washington Department of Fish & Wildlife

*Mark Clark*, Executive Director, Washington State Conservation Commission

*Ainsley Close*, Cascade Agenda, Cascade Land Conservancy

*Sarah Close*, Forum Volunteer

*Bobby Cochran*, Environmental Marketplace Analyst, Clean Water Services

*Fred Colvin*, President, Washington Association of Conservation Districts

*Alex Conley*, Executive Director, Yakima Basin Fish & Wildlife Recovery Board

*Michelle Connor*, Vice President, Cascade Agenda, Cascade Land Conservancy

*Maggie Coon*, Chair, Washington Biodiversity Council; Director of External Affairs, The Nature Conservancy

*Bryan Cornelius*, Natural Resources Planner, San Juan County Conservation District

*Ginna Correa*, Landowner Incentive Program Coordinator, Washington Department of Fish & Wildlife

*Joanna Crocker*, Office Manager, Stewardship Partners

*Amanda Cronin*, Project Manager, Washington Water Trust

*Hilary Culverwell*, Regional Liaison, Puget Sound Action Team

*John Daly*, Program Director, Alliance for Puget Sound Shorelines

*Marc Daudon*, Principal, Cascadia Consulting Group

*Robert Deal*, Research Forester, USDA, PNW Research Station

*Starla Delorey*, Student, Olympic College

*Jen Dial*, Project Assistant, Washington Biodiversity Council

*Dean Dougherty*, Director of Stewardship, San Juan Preservation Trust

*Gene Duvernoy*, President, Cascade Land Conservancy

*Peter Dykstra*, Washington Government Affairs/Project Manager, The Trust for Public Land

*Sean Edwards*, Stillaguamish Lead Entity Coordinator, Snohomish County Surface Water Management

*Heidi Eisenhour*, Executive Director, Jefferson Land Trust

*Tanyalee Erwin*, Research Associate, Washington State University

*Duane Evans*, Operations Manager, Port Blakely Tree Farms

*Owen Fairbank*, Board Member, Jefferson Land Trust

*Bob Fink*, Planning Manager, Mason County DCD

*Jim Fox*, Special Assistant to the Director, IAC

*Sarah Gage*, Project Associate, Washington Biodiversity Council

*Kathryn Gardow*, Executive Director, PCC Farmland Trust

*John Garner*, Education & Conservation Coordinator, Point Defiance Zoo, Northwest Trek & Tacoma Nature Center

*Juniper Garver-Hume*, Planner I, City of Shoreline

*David Gerth*, Executive Director, Kittitas Conservation Trust

*Bonnie Guyer Graham*, student, The Evergreen State College

*Linda J. Graham*, Public Affairs and Outreach Manager, Spokane Conservation District

*Joe Gross*, Owner, HR & Policy Solutions PLLC

*Justin Hall*, Executive Director, Nisqually River Foundation

*Ian Hanna*, Director, Northwest Natural Resource Group

*Jennifer Hayes*, PHS-GMA Coordinator, Washington Department of Fish and Wildlife

*Linda Heckel*, Assistant Division Manager, Forest Practices Division, Washington Department of Natural Resources

*Regan Heineke*, Intern, State Senate

*Lynn Helbrecht*, Executive Coordinator, Washington Biodiversity Council

*Sara Hemphill*, Legislative Advisor, King Conservation District

*Nicole Hill*, Project Manager, Trust For Public Land

*Joe Holtrop*, Manager, Clallam Conservation District

*Laura Hudson*, Manager, Long Range Planning, City of Vancouver, WA

*Gus Hughbanks*, State Conservationist, USDA / NRCS

*Cheryl Hummon*, Senior Conservation Incentives Specialist, Defenders of Wildlife

*Michael Jensen*, MS, MPA, University of Washington

*Cherie Kearney*, Land Protection Manager, Columbia Land Trust

*Becky Kelley*, Campaign Director, Washington Environmental Council

*Jody Kennedy*, Washington Policy Coordinator, Surfrider Foundation

*Bill Knutsen*, Supervisor, King Conservation District

*Jeanne Koening*s, Wetland Stewardship Specialist, Washington State Department of Ecology

*Gina LaRocco*, Conservation Program Associate, Defenders of Wildlife



*Al Latham*, Manager, Jefferson Co. Conservation District

*Joan Lee*, Bellevue Office Principal, Parametrix, Inc.

*Bruce Lippke*, Professor & Director, University of Washington,  
College of Forest Resources

*John Lombard*, Senior Policy Analyst, Steward and Associates

*Ingrid Lundin*, Natural Lands Planner, King County Department of Natural  
Resources & Parks

*Paula Mackrow*, Executive Director, North Olympic Salmon Coalition

*Mary Mahaffy*, Fish and Wildlife Biologist, U.S. Fish and Wildlife Service

*Monty Mahan*, District Manager, Pierce Conservation District

*John Mankowski*, Executive Policy Advisor for Natural Resources,  
Office of the Governor

*Steve Manlow*, Salmon & Watershed Program Manager, Lower Columbia  
Fish Recovery Board

*Miles Mayhew*, Senior Planner, City of Seattle

*Matt Maynard*, Wetland Biologist, Parametrix, Inc.

*Tim McBride*, Wildlife Biologist, Hancock Forest Management

*Kelly McCaffrey*, Project Manager, Washington Water Trust

*Steve McGonigal*, Executive Secretary, Washington State Noxious Weed  
Control Board

*Nan McKay*, Environmental/Sustainability Manager, The Russell Family  
Foundation

*Robert Meier*, Manager, Land Services, Rayonier

*Nora Mena*, Livestock Nutrient Management Program Manager,  
Washington Department of Agriculture

*James Michaels*, Fish and Wildlife Biologist, U.S. Fish and Wildlife Service

*Ken Miller*, Family forest landowner, Washington Farm Forestry Association

*Katherine Minsch*, Senior Planning & Development Specialist,  
Seattle Public Utilities

*Jay Mirro*, Farm Planner, King Conservation District

*Cindy Mitchell*, Director of Strategic Communications, Washington Forest  
Protection Association

*Karen Molinari*, Executive Director, Bainbridge Island Land Trust

*Stephen Morse*, Associate Planner, City of Bainbridge Island

*Tom Murley*, Environmental Specialist, Washington State Parks and Recreation

*Stephen Neuenschwander*, Senior Planner, Douglas County TLS  
*Linda Neunzig*, Project Coordinator, Snohomish County  
*Larry Nussbaum*, Program Director, Stewardship Partners  
*John Olson*, Member, Board of Directors, Cascade Land Conservancy  
*Aaron Ostrom*, Executive Director, Futurewise  
*Bill Otani*, Wildlife Biologist, USDA Forest Service  
*David Palazzi*, Environmental Planner, Washington Department of Natural Resources  
*Jason Paulsen*, Executive Director, Methow Conservancy  
*Jeff Pavey*, Public Affairs Project Manager, Cascade Land Conservancy  
*Nicole Pearce*, Stewardship Director, Jefferson Land Trust  
*Lisa Pelly*, Director, Washington Rivers Conservancy  
*Chuck Perry*, Commissioner, Washington Fish and Wildlife Commission  
*Doug Peters*, Senior Planner, Growth Management Services, CTED  
*Derek Poon*, Ecologist, Environmental Protection Agency  
*Denise Pranger*, Executive Director, Northwest Natural Resource Group  
*Marja Preston*, Associate Planner, City of Bainbridge Island  
*Steve Pruitt*, President, CROW  
*Charlie Raines*, Director of Strategies Implementation - Cascade Agenda, Cascade Land Conservancy  
*Jackie Reid*, Council Member, Washington Biodiversity Council  
*Bill Robinson*, Government Relations, The Nature Conservancy  
*Elizabeth Rodrick*, Land Conservation Manager, Washington Department of Fish & Wildlife  
*Dave Roseleip*, President, Washington Agriculture and Forestry Education Foundation  
*Roger Rosenblatt*, Professor and Vice Chair, University of Washington Medical School  
*Norm Schaaf*, Vice President/Timberlands, Merrill & Ring  
*Claire Schary*, Market Incentives Coordinator, Environmental Protection Agency - Region 10  
*Tim Scherer*, Land Use Manager - Aberdeen, Weyerhaeuser - Western Timberlands  
*Rebecca Schroeder*, student, The Evergreen State College  
*Gordon Scott*, Conservation Director, Whatcom Land Trust



*Mike Shelby*, Executive Director, Western Washington Agricultural Association  
*Shirley Solomon*, Chair, Skagit Watershed Council  
*Sarah Spaeth*, Conservation Director, Jefferson Land Trust  
*Pene Speaks*, Assistant Division Manager, Department of Natural Resources  
*Doug St. John*, Director of Marketing, Green Crow Management Services  
*John Stern*  
*Cleve Steward*, Principal, Steward and Associates  
*Don Stuart*, Northwest States Director, American Farmland Trust  
*Ted Sullivan*, PBRS and Timberland Coordinator, King County Department of Natural Resources and Parks  
*Scott Swanson*, Manager/Vice President, West Fork Timber Company  
*Dan Swecker*, State Senator, Washington State Legislature  
*Paula Swedeen*, Program Director, Earth Economics  
*Brandon Sweezea*, Long Range Planner, Island County Department of Planning and Community Development  
*Kristin Swenddal*, Assistant Manager; Aquatics, Washington State Department of Natural Resources  
*Melissa Taylor*, Senior Planner, Cowlitz-Wahkiakum Council of Governments  
*Steve Tharinger*, Clallam County Commissioner, Clallam County  
*Tawni Tidwell*, Forum Volunteer  
*Patrice Tovar*, Senior Planner, City of Kirkland  
*Stu Trefry*, Regional Manager, Washington State Conservation Commission  
*John Van't Slot*, Business Assistance Officer, Community Capital Development  
*Sara Vickerman*, Senior Director, Biodiversity Partnerships, Defenders of Wildlife  
*Ray Victorine*, Forestry Commissioner, City of Bainbridge Island  
*Bettina von Hagen*, Vice President, Ecotrust  
*Dick Wallace*, Southwest Regional Director, Washington Department of Ecology  
*Josh Weiss*, Director of Environmental Policy, Washington Forest Protection Association  
*Megan White*, Director, Environmental Services, Washington State Department of Transportation  
*Jim Wiggins*, President, Aqua-Terr Systems, Inc  
*Lenny Young*, Division Manager, Forest Practices Division, Washington Department of Natural Resources

## APPENDIX 2: KEY RESOURCES

**Washington Biodiversity Project:** [www.biodiversity.wa.gov](http://www.biodiversity.wa.gov). See especially the pages on Stewardship and Incentives: [www.biodiversity.wa.gov/stewardship/index.html](http://www.biodiversity.wa.gov/stewardship/index.html).

These pages draw heavily from *Exploring Wetlands Stewardship: A Reference Guide for Assisting Washington Landowners and Communities*, which is available from the Washington Department of Ecology at <http://www.ecy.wa.gov/biblio/96120.html>.

**Defenders of Wildlife, Biodiversity Partnership:** [www.biodiversitypartners.org](http://www.biodiversitypartners.org). Available on this website is the recent study, *Incentives for Biodiversity Conservation: An Ecological and Economic Assessment*. This book was distributed at the forum.

### Websites of partners and sponsors:

American Farmland Trust:	<a href="http://www.farmland.org">www.farmland.org</a>
Cascade Land Conservancy:	<a href="http://www.cascadeland.org">www.cascadeland.org</a>
Parametrix, Inc	<a href="http://www.parametrix.com">www.parametrix.com</a>
Port Blakely Tree Farms:	<a href="http://www.portblakely.com">www.portblakely.com</a>
Stewardship Partners:	<a href="http://www.stewardshippartners.org">www.stewardshippartners.org</a>
Washington Conservation Commission:	<a href="http://www.scc.wa.gov">www.scc.wa.gov</a>
Washington Forest Protection Association:	<a href="http://www.wfpa.org">www.wfpa.org</a>
Washington REALTORS :	<a href="http://www.warealtor.org">www.warealtor.org</a>



**WASHINGTON**  
**BIODIVERSITY COUNCIL**

1111 Washington Street SE,  
PO Box 40917  
Olympia, WA 98504-0917  
360-902-3000  
TTY: 360-902-1996  
[www.biodiversity.wa.gov](http://www.biodiversity.wa.gov)