

Memo

To: Oliver Orjiako, Community Planning Director
From: Eric Eisemann, Ridgefield Senior Planning Consultant
CC: Gordon Euler, Chris Horne, Christine Cook, Steve Stuart
Date: January 6, 2015
Re: Ridgefield Urban Growth Boundary Expansion



The purpose of this memorandum is to forward to your office a report titled "*Agricultural Resource Land Analysis of the Eighteen Parcels Adjoining the City of Ridgefield, Washington: A Determination of De-Designation Under the Washington Growth Management Act*", prepared by Mr. Bruce Prengruber, Globalwise, Inc., Vancouver, WA, dated December 2014.

The report analyzes 107.47 gross acres adjacent to the current Ridgefield Urban Growth Boundary (UGB) and City Limits zoned Agriculture-20. The report concludes that the subject parcels are not suitable for long-term commercial significance for agricultural production, are subject to intense pressure for conversion to non-agricultural use, and could be easily converted to urban use.

If the subject parcels were incorporated into the Ridgefield UGB they would be converted to residential use. The Ridgefield Urban Area Comprehensive Plan (RUACP) requires the city to plan for a minimum of 6 residential units per net acre overall. The city accomplishes this through a mix of low density (4-6 du/acre), medium density (8-16 du/acre), and mixed use (8-22 du/acre in upper stories) zoning districts. In addition, the city ensures that all lands inside the UGB receive an Urban Holding-10 zoning overlay to the base zone which cannot be removed until urban serves are available to the property.

The Clark County Vacant Buildable Lands Model (VBLM) projects that Ridgefield has 2,532.1 gross acres and 1,045.7 net acres of vacant and buildable land within its UGB. The projected housing yield is 7,257.2 dwelling units which yields an overall density of 6.94 units per net acre.¹

Within the Ridgefield UGB the subject 107.47 gross acres would develop as low density residential housing. Using the Clark County planning assumption of a 28% infrastructure deduction the subject properties would yield approximately 77.38 net acres. Application of a city RLD-4 zone to these parcels would yield approximately 309 new dwelling units – an increase of 4.2% housing units over the current VBLM projection. An application of a city RLD-6 zone would yield approximately 464 new dwelling units – an increase of 6.4% housing units over the current VBLM projection. The city has the capability and capacity to eventually serve such a minor increase in housing units.

¹ <http://gis.clark.wa.gov/vlmreports/vlm2014z/reports/rdgyield.pdf>

Agricultural Resource Land Analysis of the Eighteen Parcels Adjoining the City of Ridgefield, Washington

December 2014

A Determination of De-Designation Under the
Washington Growth Management Act

Prepared by Bruce Prenguber
Globalwise Inc., Vancouver, WA



Table of Contents

Introduction	1
Property History and Background	1
Analysis to determine if Lands are Agricultural Lands under GMA.....	8
Evaluation for De-Designation of the 18 Parcels	9
1. Are the agricultural resource lands already characterized by urban growth?.....	9
2. Are the resource lands primarily devoted to the commercial production of agricultural products?.....	10
3. Is there long-term commercial significance for agricultural production, as indicated by soil, growing capacity, productivity, and is the land near population areas or vulnerable to more intense uses?	10
Productivity for Livestock Operation.....	11
Productivity for Hay and Grain Production.....	11
4. Land-capability Classification from the U.S. Department of Agriculture	12
5. Availability of Public Facilities.....	14
6. Tax Status.....	15
7. Availability of Public Service.....	15
8. Relationship or Proximity to Urban Growth Areas.....	15
9. Predominant Parcel Size.....	16
10. Land Use Settlement Patterns and their Compatibility with Agricultural Practices	16
11. Intensity of Nearby Land Uses	16
12. History of Land Development Permits Issued Nearby	17
13. Land Values under Alternative Uses.....	17
14. Proximity of Markets.....	18
Conclusions	18
1: Professional Background, Experience and Education of Bruce Prenguber.....	20

Tables and Charts

Table 1: Legal Tax Lots Comprising the Subject Property.....	3
Figure 1: Subject Properties Showing All 18 Parcels.....	4
Figure 2: Vicinity Map of Subject Properties	5
Table 2: Surrounding Property Information	6
Figure 3: Surrounding Properties.....	7
Table 3: Approved Subdivisions Near the Subject Properties.....	17

Agricultural Resource Land Analysis of Eighteen Properties Adjoining the City of Ridgefield, Washington

A DETERMINATION OF DE-DESIGNATION UNDER THE WASHINGTON GROWTH MANAGEMENT ACT

Introduction

Properties in five limited liability companies (LLCs) are proposed for de-designation from agricultural resource land with the request that these properties be brought into the Ridgefield Urban Growth Boundary. The five LLCs contain a total of 18 separate tax lots with easements for ingress and egress. Each legal tax lot has the right to construct one house. In this report the 18 tax lots comprise what are referred to as the "18 parcels" or "subject properties." These parcels total approximately 110 acres. See Figure 1 for identification of the 18 legal lots of record and Figure 2 for the general location of this property.

The southerly land in the subject property abuts the city of Ridgefield, in line with the possible future extension of North 10th Street. The City of Ridgefield is constructing a sewer main line going west on North 10th Street along the city of Ridgefield boundary to the point where North 45th Avenue and NW 31st Avenue meet. City water is being extended north along North 45th Avenue as subdivision construction occurs. With existing and planned residential growth the water main will soon extend to the southeast corner of the subject properties.

The properties in the five LLCs are evaluated to determine if they meet the criteria of agricultural resource lands under the Washington Growth Management Act (GMA). The author of this analysis is Bruce Prenguber, an agricultural economist who was raised on a farm in Washington and has a Bachelor's of Science degree and a Master's of Science degree in Agricultural Economics. My experience comes from 39 years as a practicing economist with emphasis in agricultural economics and business. I have worked most of my professional career as a consulting economist analyzing production agriculture, food processing and food marketing. See Attachment 1 for further description of my background and professional experience.

Property History and Background

The subject property was purchased in 1972 by Milton Brown and a business partner. The sellers were John and Joyce King who previously operated a dairy. The buyers report that the dairy was failing and the property was purchased as a long term real estate investment. On or about 1979 the entire property of approximately 110 acres was divided into 18 parcels and placed so that the parcels in each LLC were non-contiguous. Milton Brown is now the sole member of the five Washington limited liability companies holding these 18 parcels (see Table 1). Seventeen of the 18 parcels range in size from 5.0 acres to 6.87 acres. The remaining parcel is 13.83 acres.

During the period 1976 to 1981 all of the parcels were placed in the current use program for farming and agriculture. In order to have some cash flow to offset expenses, the LLCs have leased the land to a farmer,

Mr. Lee Wells. Unrelated to the land lease, the original house has always been used as a residence only. The tenants of the house have never used the land for agricultural purposes.

The LLCs are notifying the county that all of the land will be removed from the current use tax program within two years or less. This has initiated the LLCs' long term plan to develop the property. Figure 1 shows the road easements that have been recorded to allow access to all 18 parcels. The property owner has the right to build a single family home on each of the 18 parcels at the present time.

Figure 2 shows the intensity of development and housing on and near the subject property. The southern boundary of the LLC properties adjoins the Ridgefield Urban Growth Boundary for a distance of one-half mile. The subject properties are less than 1.5 miles from the Ridgefield Junction at I-5. At NW 31st Street and North 10th Street, the properties are about one-half mile from the roundabout at Pioneer Street and North 45th Avenue. Near this roundabout the zoning accommodates new commercial construction.

Mr. Wells tilled land for crops on a portion of the subject properties. This has been feasible when the land was largely open fields. This is ending as the LLCs begin the development plan to build roads and prepare for developing the 18 home sites. Small tracts consisting mainly of tracts of generally less than 5 acres with home sites, roads and other residential improvements will not be suited to planting grain crops or baling hay. These two types of crops have been the crops Mr. Wells grew on the land. Additionally Mr. Wells grazed cattle on a portion of the land.

The old house on the property is currently vacant and in need of repairs. The onsite well is only capable of meeting the domestic needs of the present house. There is insufficient water supply for irrigation. The old dairy barn is in poor structural condition but is used for hay and equipment storage. The old milking parlor is unusable. Two other outbuildings near the house are only suitable for non-farm storage. Surface water from a small unnamed tributary of Allen Creek is used for livestock watering. About two-thirds of the entire property is fenced for livestock. The only other farm-related improvement is a small corral for loading cattle.

Analysis of resource land for its long term commercial significance for agriculture needs to evaluate the property characteristics that determine if continued use for farming and livestock use is feasible. The subject properties are each currently approved for five acre home sites and are mainly surrounded by suburban residential development.

**Table 1
Legal Tax Lots Comprising the Subject Property**

Lot No.	County Assessor Parcel Id. Number	LLC Ownership	Lot Size
1	213065000	RDGB Royal Farms LLC	5.09
2	213066000	RDGK Rest View Estates LLC	5.24
3	213067000	RDGM Rawhide Estates LLC	5.35
4	213068000	RDGB Royal Farms LLC	5.15
5	213069000	RDGK Rest View Estates LLC	5.05
6	213070000	RDGF River View Estates LLC	5.02
7	213071000	RDGM Rawhide Estates LLC	6.07
8	213072000	RDGB Royal Farms LLC	6.00
9	213073000	RDGM Rawhide Estates LLC	6.54
10	213074000	RDGF River View Estates LLC	6.02
11	213075000	RDGM Rawhide Estates LLC	5.00
12	213076000	RDGK Rest View Estates LLC	5.00
13	213077000	RDGM Rawhide Estates LLC	13.83
14	213078000	RDGS Real View LLC	5.87
15	213079000	RDGK Rest View Estates LLC	6.87
16	213080000	RDGF River View Estates LLC	5.04
17	213081000	RDGS Real View LLC	5.16
18	213082000	RDGM Rawhide Estates LLC	5.17
		Total Acres	107.47

Note: Lot 13 has a house.

Source: Clark County Assessor's property records.

Within the quarter section of the subject properties, there are a total of 31 separate tax lots, of which the LLCs own 18. Just south of the Ridgefield UGB where it adjoins the subject property are a cluster of many large subdivisions (see Figure2).

The character of the area to the west, north and east of the subject property is a mix of rural residences on small lots, some open space undeveloped properties and others in pasture with livestock raised for personal use. Table 2 lists the 25 properties that surround the subject properties. Incidental grazing by cattle or horses and grass hay production does not constitute commercial agricultural uses of land and are not agricultural resource lands under the definitions of the GMA. Figure 3 locates the surrounding properties that are cross references in Table 2.

Figure 1
Subject Properties Showing All 18 Parcels



Legend

- Site: Subject Properties
- Parcel boundaries
- Easements for Roads

Numbers beginning in "213" refer to County Property Id. No.

Figure 2
Vicinity Map of Subject Properties

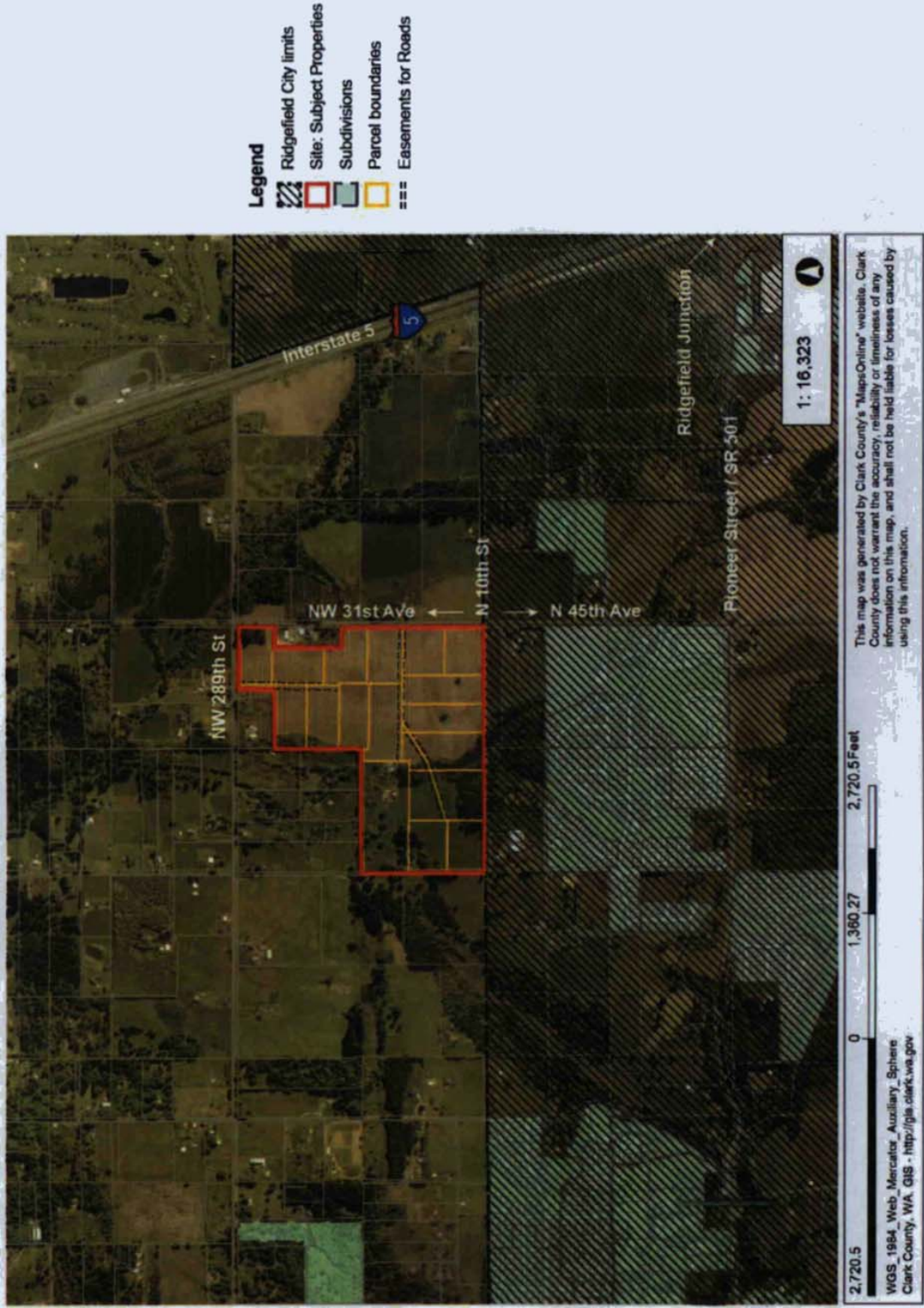


Table 2
Surrounding Property Information

Lot Id. (See Figure 3)	County Assessor Parcel Id. Number	Ownership	House on Property	Lot Size (Acres)
A	212777000	Hendrickson, Kay J.		8.00
B	213059000	Hegge Farms LLC		2.03
C	213050000	Gervais, Alan F	Yes	0.24
D	213032000	Guthrie, Joseph & Marguerite	Yes	1.73
E	212778000	Lehto, Gary N.D. & Melinca	Yes	22.00
F	212812000	Smith, Robert W et al Trustee	Yes	20.00
G	212813000	Smith, Robert W et al Trustee	Yes	20.00
H	213958000	Paper Rock LLC et al		17.67
I	213780000	Masanam, Durga P. & Radha	Yes	5.88
J	213749000	Masanam, Durga P. & Radha		0.49
K	213799000	Hancock, Scott & Essie	Yes	10.02
L	213798000	Gilbert, Brett & Lisa K. et al		6.49
M	213800000	Gilbert, Brett & Lisa K. et al	Yes	3.00
N	213713000	Stief, Daniel E. & Kathleen A.	Yes	10.13
O	213018000	Jackson, Steve & Carlson C.		20.00
P	213028000	Jackson, Steve & Carlson C.	Yes	20.00
Q	213026000	Myev, Janice E	Yes	10.05
R	213086000	Rumble, Joseph N. & Kusik, Barbara Trustees		1.82
S	213089000	Rumble, Joseph N. & Kusik, Barbara Trustees	Yes	5.00
T	213062000	Niece, Edward & Rebecca	Yes	6.59
U	213085000	Thornton, Bill & Pamela		6.59
V	213091000	Pacific Wood Treating Corp.		5.48
W	213037000	Garrett, David L.	Yes	0.49
X	213033000	Kunetz, James M & Greene, Gretchen	Yes	25.81
Y	212799000	Hendrickson, Kay J.	Yes	39.01

Source: Clark County Assessor's property records.

Figure 3
Surrounding Properties



Analysis to determine if Lands are Agricultural Lands under GMA

This report was prepared with consideration of fourteen elements that are primary factors for de-designation of resource land under the GMA. The first three are taken from the definition of agricultural resource lands in the Act:

- 1) Are the resource lands already characterized by urban growth?
- 2) Are the resource lands primarily devoted to the commercial production of agricultural products enumerated in RCW 36.70A.030 (2)?
- 3) Is there long-term commercial significance for agricultural production, as indicated by soil, growing capacity, productivity, and is the land near population areas or vulnerable to more intense uses?

The next eleven factors are enumerated in [former] WAC 365-190-050. There are:

- 4) Land-capability classification from the U.S. Department of Agriculture;
- 5) The availability of public facilities;
- 6) Tax status;
- 7) The availability of public services;
- 8) Relationship or proximity to urban growth areas;
- 9) Predominant parcel size;
- 10) Land use settlement patterns and their compatibility with agricultural practices;
- 11) Intensity of nearby land uses;
- 12) History of land development permits issued nearby;
- 13) Land values under alternative uses; and
- 14) Proximity of markets.

These fourteen elements are covered in this report. For the reasons stated herein, it is my expert opinion that the subject properties do not meet the GMA criteria for agricultural resource lands.

Conclusion of this expert analysis: the subject properties fail to meet the Growth Management Act's definition of Agricultural Resource Lands.

Agricultural land is defined by the Washington Growth Management Act as "land primarily devoted to the commercial production of horticulture, viticulture, floriculture, dairy, apiary, vegetable, or animal products or of berries, grain, hay, straw, turf, seed, Christmas trees or livestock, and that has long-term commercial significance for agricultural production" (WAC 365-190-050A). This definition states two conditions that must be met: the land is in an area used for or primarily devoted to agricultural production and the land has ongoing commercial significance for agricultural production. **In my expert opinion, the subject parcels fail to meet both the first and second elements of this definition: the parcels themselves and the surrounding properties are not devoted to agriculture as of the time of this report and they do not have significant commercial agricultural potential for the future.**

Evaluation for De-Designation of the 18 Parcels

1. Are the agricultural resource lands already characterized by urban growth?

The subject properties adjoin the UGA of Ridgefield. Over 500 new house sites within 1.5 miles of the subject properties are either built, vacant lots approved for construction, in the stage of final platting or in the land use process to be approved for residential home lots. Information about these subdivisions is presented later in this report.



This photo is looking to the southwest with the southern portion of the subject properties in the foreground. Part of the Pioneer Canyon subdivision is prominently seen. Photo taken December, 2014.

In addition, there are also 31 tax lots within the quarter section where the LLC properties are located. The average size of parcels in other ownerships in this quarter section, not counting those within the subject properties, is 3.2 acres. The 13 parcels outside the boundary of the subject properties in the quarter section range in size from 10,450 square feet to 6.59 acres. There are a total of seven homes already in the quarter section of the LLC properties.

Along NW 31st Avenue, between the subject properties and the street, there are three homes constructed on small lots. The subject properties are split in to 18 legal tax lots, each tax lot allowed to have one residential structure.

2. Are the resource lands primarily devoted to the commercial production of agricultural products?

As of now (December 31, 2014) the subject properties are no longer devoted to agriculture use. The reasons are a) in the future the land is not expected to meet the farm income requirements of the current use - agriculture program and b) the taxes due for conversion are so significant that the LLCs need to initiate their development plan. As a result there is not long term commercial capability for keeping this land in agricultural production.

The parcels in the subject properties are predominantly 5.0 to 6.9 acres. After deducting for the area needed for home sites and roads, the net remaining acreage will be 3 to 4 acres per parcel for all but one lot. This eliminates the opportunity for typical farming operations to grow grain or hay.

The LLCs would have a net loss if they continue to operate the properties with a lease to Mr. Wells. The lease income was \$4,000 for agricultural use of the properties in 2014. There is also a house on the property but it is currently vacant and in need of major repairs. The cost for improving and renting the house is immaterial to this analysis and is not considered.

The ownership costs incurred by the LLCs to hold these properties will increase dramatically to about \$26,300 per parcel for back taxes and interest due to withdrawing from the current use farm and agriculture tax program. There are no agricultural uses that will generate positive net income from the possible agricultural activities the LLCs can conduct on the properties.

Other lands in the vicinity of the subject properties are generally not used for commercial agricultural production. There is a small Christmas tree farm east of these properties, and approximately a two acre field north of the Christmas tree farm that may have grown grain this past year. One farmer to the northwest of the subject property is growing grass seed. Otherwise land use activities are not devoted to commercial agriculture.

3. Is there long-term commercial significance for agricultural production, as indicated by soil, growing capacity, productivity, and is the land near population areas or vulnerable to more intense uses?

The LLC properties are destined for more intensive, residential use because of their proximity to Ridgefield, which is experiencing rapid population growth. The properties are located within 2.5 miles of Ridgefield's city center. Most significantly the properties are located within 1.5 miles or less of five subdivisions: Green Gables, Pioneer Canyon, Laurel Heights, Discovery Ridge and Ridgefield Woods. The LLC properties are also within one mile of the Ridgefield Junction and within one-half mile of land along Pioneer Street that is considered prime commercial real estate. The subject properties are at the apex of housing development in Ridgefield, which is at the forefront of growth among the smaller cities in Clark County. The Ridgefield area is poised for sustained population growth largely because it is centrally located in relation to other population and employment centers from Woodland to Portland.

With regard to land productivity for agriculture, soils are a focus. As indicated below in element 4, a portion of the soils on the subject properties are Gee series and are classified by the U.S. Department of Agriculture (USDA) as capability class IIIe (e stands for erosive). Some soils may be considered prime if they are aided by artificial drainage. This is further discussed below.

There is one well for potable water on the LLC properties and it does not have the capability to supply irrigation water. Therefore high value crops like berry and vegetable crops are not capable of being grown.

Productivity for Livestock Operation

The productivity of the soils as measured by yields for crops that are suitable for production is not high. In discussions with Mr. Wells it is indicated that grass for pasture grazing can support about one cow-calf pair (a cow and her nursing calf) on about 2.2 acres for approximately five months per year. This is average grazing capability. At the net usable land area of three to four acres per lot on the LLC properties, each parcel could have one to two animal pairs for five to six months of the year. Note that a barn and some equipment would be needed for cattle or other livestock, a cost factor that is also unfavorable to agricultural use. Also purchased hay and or grain would be needed for winter feed which also leads to negative net income.

The lack of income from livestock production is revealed by USDA budgets for cow-calf operations in the western U.S. from 2012 to 2013 which show net losses for these operations for all years (see the following web site for details: <http://www.ers.usda.gov/data-products/commodity-costs-and-returns.aspx>). The operations analyzed in the USDA budgets have 138 cows and an annual calf crop of 104 animals which is a much larger operation than what is possible on the small subject parcels. The overhead costs of a four-head herd are very high compared to 138-head cow herd. Even when ignoring opportunity cost for labor and not allowing for any death loss the resulting net return is a loss of \$472 per calf sold.

The economic feasibility of such a small scale beef cattle operation cannot be justified on the subject properties. Cattle production also raises concern for odor, mud and other issues and increases the potential for nuisance conflicts with nearby homeowners.



*The old barn on site has not been maintained for commercial agricultural use.
Photo taken December 2014.*

Productivity for Hay and Grain Production

Grass hay production is a crop alternative that has historically been produced on the subject properties. Mr. Wells reports that the average grass hay yield is about 2.0 tons per acre. A grass hay budget from the University of Nevada has been adopted to estimate the returns from raising and selling native grass hay. At a sales price of \$90 per ton, the hay crop would have gross returns of \$180 per acre. All costs, excluding labor

would result in per acre costs of about \$207 per acre—a per acre net return of about negative \$27 per acre. At four acres of hay production per parcel this means there is a net loss of about \$108 without considering the operator's labor. It is not economically viable for a farmer to raise hay on the subject properties.

Wheat is also an alternative but grain production is not easy to grow on small acreages due to the specialized farm implements needed. Harvesting is a particular problem. Hiring third parties for custom field work is impractical and cost prohibitive for such small parcels. Common diseases like stripe and leaf rusts and powdery mildew are also leading reasons Clark County is a very minor grain production area. Other areas with lower rainfall and lower land prices are much more suited to grains crops.

The subject property is capable of producing wheat with a yield of 60 bushels per acre. Budget analysis shows that wheat production would generate an estimated net return of \$66 per acre or about \$264 per year for four acres of production. The level of revenue cannot be covered because of the equipment costs to prepare the soil plant and harvest the grain crop. Similarly growing other grains such as oats or barley is also impractical and very unlikely.

4. Land-capability Classification from the U.S. Department of Agriculture

The USDA places the predominant soils on the subject properties in the Gee series and in capability class III. Class I soils are considered the best soils and Class VIII are the worst. Class III soils are border-line prime. In the case of the subject properties, these are quality soils but not especially unique or prime. The USDA short description for Gee soils series is: "This soil is moderately well drained and easily tilled."

USDA soil surveys further indicate that the Gee soils of Clark County are almost entirely found in the area from Salmon Creek to Sara and north to the Lewis River. Most of the Gee soils were cultivated in the 1940's to 1960's when farming was much more prevalent in the area. As farming has declined while suburban expansion has occurred, the Gee series soils in the Ridgefield area are now rarely tilled and planted to crops. Currently these soils are principally used to raise hay and pasture, which are low-value crops. Historically Gee soils have supported production of high value crops, including strawberries, pole beans, potatoes, cane fruit and corn. However few little if any of these crops are now grown on Gee soils in the vicinity of the subject properties. None of these crops are known to have been grown on the subject properties for at least 50 years, if ever.

About 90 percent of the soils on the LLC properties are Gee series. Furthermore about 68 acres are classified as Gee silt loam with 0 to 8 percent slopes.

The best soils for cultivation on the subject properties are the generally flat to gentle sloped land located to the east of the tributary to Allen Creek that generally runs in a north-south direction. This encompasses the 68 acres with 0 to 8 percent slopes. Most of these soils have been improved with subsurface tile drainage installed to prevent excessive water in the plant root zone. Without this drainage system, the soils are subject to standing water in any depressions. The drainage system was installed in 2007 and has again failed in places. This condition was confirmed by Mr. Wells and observed on the property in the winter of 2014.



*Subject property in upland area with standing water in swale along NW 31st Avenue.
Photo taken November 2014.*

The need for the drainage system and its periodic replacement are indicators that the soils are only moderately productive and have crop limitations. Moreover, as the property is leased for home sites within the small parcels that have been created, there is no longer an inducement to maintain or improve the subsurface drainage system. It will be replaced with storm water control appropriate for residential development.

Soils to the west of the creek are generally wetter and poorer quality. These soils are best suited for growing grass for hay or pasture. This was documented by the review of aerial photos available from Clark County GIS that show the land in the subject properties west of the creek have not been cultivated since the 1950's except perhaps to reseed the pasture for grazing. This included the period when the property was utilized for a small dairy prior to the ownership change in 1972. Since 1988 when Mr. Wells started leasing the property this area has only been used to raise cattle.



*A portion of the subject properties west of the creek. This area has been used for grazing in the past.
Photo taken December 2014.*

5. Availability of Public Facilities

Roads

North 45th Avenue road improvements are in the latest Ridgefield Six-Year Transportation Improvement Plan. Funding is earmarked for North 45th Avenue southward at North 10th Street to South 15th Street. This starts at the southeast corner of the subject properties. The improvements will widen the road width to 46 feet, with a center turn lane of 14 feet, two travel lanes of 12 feet each and two shoulders of four feet each.

Wastewater Facilities

The Clark Regional Wastewater District is building the Discovery Corridor Wastewater Transmission System to handle the wastewater capacity requirements far into the future and accommodate the influx of anticipated new residential, commercial and industrial growth. The Pioneer Canyon Pump Station and trunk line is under construction. The pipeline construction will be completed by 2016 and is designed for the major residential and commercial expansion that is occurring in the Ridgefield area. The pump station is located approximately 650 feet from the southeast corner of the subject property that is located at the corner of NW 31st Avenue and North 10th Street.

Municipal Water

The Ridgefield Water System Plan Update of 2013 shows a project to extend municipal water service from Pioneer Avenue to North 10th St. Completion is expected by 2016. The extension of this service will bring water to a point less than one mile from the southeast corner of the subject property. As residential

development occurs closer to the subject properties, the water mains will be brought to the subject properties, at the intersection of Northwest 31st Avenue and North 10th Street.

The City is redeveloping the municipal well at Ridgefield Junction and constructing a treatment system. This investment is intended to meet the long term growth that is projected for Ridgefield in the next 15 to 20 years.

Schools

Residents in the area of the subject properties are served by the Ridgefield School District.

Parks and Trails

The City of Ridgefield has plans for two trail corridor extensions to serve new neighborhoods that are in or near the subject properties. One of these trails, Pioneer Canyon, would follow the Allen Creek tributary that extends through the subject properties. The other trail, Pioneer Ridge, would come within one-half mile of the subject properties.

New sports fields are under evaluation near Ridgefield High School. Also, Abrams Park which is Ridgefield's largest park is 2.5 miles from the subject properties.

6. Tax Status

The LLC properties are going out of current use taxation for farm and agriculture. Some of the parcels in the LLCs were placed in this program in 1976 with the remainder added to the program in 1981. The LLCs are withdrawing the properties from the current use tax program because it is doubtful the subject properties can meet the farm income requirement in the future and the plan is to develop the 18 parcels in residential development.

The best available estimate is that the withdrawal of the property from current use will require the LLCs to pay about \$474,000 in back taxes and interest. With this large tax payment, it is necessary for the LLCs to go forward with their plan for residential development of the subject properties.

7. Availability of Public Service

The LLC properties are within two miles to the Clark County Fire and Rescue Station on North 65th Avenue. The subject property is approximately 2.5 miles from downtown Ridgefield and the city police station.

There is a Public Safety Complex at 505 NW 179th Street (the Fairgrounds Station) which is the newest station for Fire District 6. It features a fire station, the West Precinct of the Clark County Sheriff's Office, the offices of the Clark County Fire Marshal and the Clark County Training Division, a joint fire and emergency medical training consortium of Clark County Fire & Rescue, Fire District 6 and the Vancouver Fire Department.

Legacy Salmon Creek Medical Center is Clark County's newest full service medical facility and is less than nine miles from the subject properties. Peace Health has recently purchased property in the Ridgefield area which is less than 2 miles from the subject properties.

Property purchased by Clark College for a future campus is also very near the subject properties – less than two miles.

8. Relationship or Proximity to Urban Growth Areas

The entire south boundary of the LLC properties adjoins the City of Ridgefield Urban Growth Boundary for a distance of one-half mile. See Figure 2.

9. Predominant Parcel Size

The subject properties total 18 tax parcels ranging in size from 5.0 acres to 13.8 acres. Most of the parcels are close to five acres in size. Each of these tax parcels can have one residence.

10. Land Use Settlement Patterns and their Compatibility with Agricultural Practices

The nearby land settlement pattern is diverse and suburban. Along NW 31st Avenue and abutting the subject properties are three lots of record, two with homes and one with general purpose buildings but no residence. The property addresses are 28502 NW 31st Avenue, 28520 NW 31st Avenue and 28522 NW 31st Avenue with lot sizes, respectively, of 1.73 acres, 10,450 square feet and 2.03 acres. See Figure 3.

In addition to the three adjoining properties mentioned above, within the Southeast Quarter of Section 17, Township 4North, Range 1East there are ten other parcels. Four of these properties have single family residences. These parcels range in size from 0.49 acres to 6.59 acres. The average lot size is 3.78 acres. None of these properties appear to have commercial farming activity occurring.



This photo shows two of three lots with frontage on NW31st Avenue. The subject properties are behind these frontage lots. Picture taken December, 2014.

11. Intensity of Nearby Land Uses

To the south of the LLC properties, which is inside the Ridgefield UGA, residential development is rapidly occurring. It is expected that new residential subdivisions will continue to move toward the current UGA boundary and adjoin the subject properties. The area to the north, east and west of the subject properties is suburban and rural residential. There is one Christmas tree farm, low-intensive livestock grazing and both treed and open land.

12. History of Land Development Permits Issued Nearby

Within one mile or less of the subject properties three major subdivisions with 429 single family residential lots are fully approved and within the City of Ridgefield. These subdivisions are Pioneer Canyon, Green Gables and Laurel Heights (see Table 3).

Table 3
Approved Subdivisions Near the Subject Properties

Subdivision Name	Recording Date	Recording Number	Number of Residential Lots
Pioneer Canyon Phase 1	10/21/09	461730	55
Pioneer Canyon Phase 2	10/30/12	4906656	<u>77</u>
			132
Green Gables PUD Phase 1	3/11/11	4749682	63
Green Gables PUD Phase 2 North	1/4/11	4732173	35
Green Gables PUD Phase 2 South	11/30/12	4916936	31
Green Gables PUD Phase 3	3/18/10	4649949	<u>120</u>
			249
Laurel Heights	6/24/14	5082130	48
			429 Total

In addition there are two more subdivisions nearing final approval that are very close to the subject properties. Discovery Ridge is an 11.75 acre subdivision with 52 single family lots that is east of N. 45th Avenue. This subdivision is in the RLD-6 zoning district and received final plat approval from the Ridgefield City Council on December 18, 2014. It is to the southeast and within one-quarter mile of the subject properties.

The other subdivision is Ridgefield Woods. This planned unit development is located south of the subject properties. This subdivision is nearing final approval and is within approximately 875 feet of the southeast corner of NW 31st Avenue and North 10th Street. Ridgefield Woods is in the LDR-7.5 zoning district and is within the City of Ridgefield. The plan is for 39 detached single family residential lots on 12.5 acres.

In total there are 520 residential lots in the above described subdivisions. All of the subdivisions are in close proximity to the subject properties. This area is already highly developed, with more single family homes sites being established.

Some of the subject properties can be considered better suited to residential development than nearby subdivisions. Several of the lots have views of Mount St. Helens. There is also a lake on the site that could be enhanced for recreational enjoyment. Some options are water activities such as canoeing and development of hiking trails.

13. Land Values under Alternative Uses

Open land of 2 to 5 acres without improvements in the vicinity of the subject properties are valued by the Clark County assessor at over \$20,000 per acre. The subject properties at fair market value are valued at approximately \$20,000 to \$28,000 per acre according to assessor's records. Development value is reflected

in these prices. It is not possible to estimate the full price a farmer would pay for this ground to farm it as there are no comparable sales. It is clear however that the nearby development has increased the value of the land well beyond the price that farmers would pay to purchase it and operate the land only for its value to produce crops.

14. Proximity of Markets

Distance to markets for agricultural products is highly variable. Mr. Wells reports that he ships cattle to Toppenish Washington for slaughter, a distance of 180 miles. At times he has shipped feeder cattle further to be fed to finished weight. Small slaughter facilities are fewer in number as food safety regulations have become increasingly strict.

Hay can be sold in rural parts of the county to rural land owners who feed a small number of cattle, sheep and other farm animals. Grain and other commodities can be sold in less-than-truckload quantities in the county or in larger quantities to grain handlers and shippers who are mainly located in Portland or further south in the Willamette Valley.

Conclusions

For many reasons the subject properties do not meet the criteria of agricultural land as defined by the GMA. The main factors are:

- The properties in the LLCs are already divided into 18 legal tax lots, with each lot allowed one housing unit. This property is clearly residential by way of the housing density already in place as well as the suburban nature of the area.
- This highest and best use for the subject properties is residential. Several of the home sites have views of Mount St. Helens. The picturesque small lake on the site can be used by residents for kayaking and canoeing. The lake would also enhance nearby hiking trails.
- The subject properties have lost their long term significance for agriculture because the parcels are too small for profitable crop farming or livestock production. As intensive residential development continues there is also incompatibility with farming. The LLCs cannot realize a positive return from leasing this land for farming to meet the requirements of current use for farming and agriculture. The LLCs are obligated to withdraw the land from current use taxation and pay back taxes and interest estimated to be \$474,000.
- Infrastructure on the properties, such as the well, barn and milking parlor is no longer useable or functional for agricultural purposes.
- Farmers cannot afford to purchase these properties and expect to receive farm income that will allow for repayment of the mortgage loan. Economic conditions have reduced the option on these properties to development.
- The subject properties are subject to intense pressure for conversion to non-agricultural use because they are adjacent to the current UGB and are very near the current residential subdivision expansion in the residential/commercial corridor between Ridgefield Junction and the downtown core area of the city.

Revision of the UGB to include the subject properties and the subsequent rezoning should not be denied on the basis that these properties are productive agricultural land resource land going forward.

This report submitted by Bruce Prenguber, President of Globalwise Inc.

Bruce Prenguber

December 31, 2014

Attachment 1: Professional Background, Experience and Education of Bruce Prenguber

Personal Profile: *I was raised on a wheat and cattle ranch in Eastern Washington where I lived until I left to attend college at age 18. As a youth I worked for my parents on our farm on the weekends and in the summer months. In the summer during my undergraduate college years I worked on diversified farms in the Yakima Valley and on Horse Heaven area where I grew up. I greatly enjoyed farm life and set my goal to have a career in agriculture. Through my education, work experience and career advancement I have achieved my goal of staying closely associated with farming and ranching through my chosen field of agricultural economics.*

Education University of Wisconsin
Madison, Wisconsin
M.S.--Agricultural Economics, 1975

Washington State University
Pullman, Washington
B.S.--Agricultural Economics, 1973

Teaching Adjunct Instructor of Economics, Washington State University-Vancouver,
WA Branch Campus, 2005

Other Activities. Member, Friends of Washington State University—School of Economic
Sciences

Professional Experience: *President, Globalwise, Inc.*

1996 -- Present

- Developed and currently manage a successful, diversified economic and marketing consulting practice with a portfolio of over 60 clients.
- Analyzed economic damages and lost earnings capacity for the clients of attorneys in the Pacific Northwest and testified in court or gave depositions as required.
- Managed projects for clients that have resulted in new business formation, on-going new product sales, based on recommendations for objective management decision-making

Executive Director, Western U.S. Agricultural Trade Association

2000 -- 2002

- Managed 13 member state export program in cooperation with private companies. Improved overall federal funding for states and companies despite declining availability of federal funding.
- Led the staff in development and implementation of a project tracking and reporting system that provided new management

information and documented credible results for the largest number of companies assisted in the history of the association.

- Evaluated and proposed projects in new federal programs that resulted in \$600,000 of new program funding to the association.
- Increased association reserve funds by 15 percent and led the Board to adopt new reserve fund investment policies.

Assistant Director, Western U.S. Agricultural Trade Association

1980 -- 2000

- Initiated and managed international market development programs in 10 countries that introduced over 100 U.S. companies to importers and distributors. These programs had sales of over \$10 million for U.S. companies.
- Managed program reviews and evaluation contracts that led to elimination of low performing activities and additional funding and management support to high success programs.

Officer and Principal, Northwest Economic Associates

1978 -- 1996

- Proposed and managed over 100 economic and marketing consulting projects with a total contract value in excess of \$2.5 million.

Selected Analyses and Project Reports

“The Washington Apple Industry: Updated Evaluation of Contributions to the State Economy and the Important Role of Exports” co-authored with Belrose, Inc. for the Washington Apple Commission, June, 2014.

“Oregon Property Tax on Machinery & Equipment: Impacts of Extending the Exemption to the Bakery and Dairy Food Processing Sectors to Boost the State Economy” for Oregon FoodPac, April, 2014.

“Analysis of Maris Farms Crop Loss Damages from Elk Intrusion” for Michael Schwartz, Law Offices of Michael Schwartz, in Administrative Appeals Hearing, Washington Department of Fish & Wildlife, hearing testimony, August 5, 2013.

“A First Look at Produce Safety Practices and Costs on Oregon’s Small and Medium Sized Fresh Fruit and Vegetable Farms” author with Amy Gilroy for the National Network of Public Health Institutes, June 2013.

“The Orting Study Area: Metrics and Economic Analysis of Organic and Sustainable Agriculture” for PCC Farmland Trust and The Trust for Public Land, February 25, 2013.

“British Columbia Apple Industry: Strategic Choices and Directions for the Next Decade” co-authored with Belrose, Inc. for the B.C. Fruit Growers’ Association, September, 2012.

- “Literature Review on Food Safety Adherence and Cost Among Small and Medium Size Produce Growers” co-authored with Oregon Public Health Institute for the National Network of Public Health Institutes, September 2012.
- “The Washington Apple Industry: Contributions to the State Economy and the Important Role of Exports” co-authored with Belrose, Inc. for the Washington Apple Commission, August 29, 2012.
- “Washington Business & Occupation Tax: Impacts of Removing the Exemption on the Food Processing Industry and State Economy” for Washington FoodPac, January 2012.
- “Apple Industry Cost and Returns Analysis for British Columbia and North Central Washington” co-author with Dr. Desmond O’Rourke for British Columbia Fruit Growers Association, July 2011.
- “Electrical Energy Efficiency and Emerging Technologies in Northwest Agriculture” co-author with Cascade Economics and MetaResource Group for Northwest Energy Efficiency Alliance, July 29, 2011.
- “Economic Feasibility of Organic Fertilizer Produced from Chicken Manure in Snohomish County, Washington” for Renewable Farming Group of Washington, June 2011.
- “Market Research and Strategic Initiatives for the Oregon Turfgrass Industry in U.S. Markets” co-authored with Dr. Don Roupe for the Oregon Seed Council, April 2011.
- “A Profile of Agriculture in the Pacific Northwest: Implications for Electric Utilities” co-author with Cascade Economics for Northwest Energy Efficiency Alliance, August 17, 2010.
- “Exploratory Market Research for the Oregon Turfgrass Industry: Phase I Report – Depth Interviews, Formal Discussions & Secondary Analysis” for Oregon Seed Council, July 2010.
- “Review of Northwest Food Processing Market Characterization Report” for The Cadmus Group, Inc., January 2010.
- “Economic Performance of the Northwest Food Processing Industry: Trends and Analysis from the Benchmark Data” for Northwest Food Processors Association, July 2009 (the 6th benchmark analysis for NWPFA dating back to 2003).
- “2009 Benchmark Analysis for the Northwest Food Processing Industry” for Northwest Food Processors Association, July 2009.
- “Assessment of Management Systems Companies Doing Business in Idaho, Montana, Oregon and Washington” for Northwest Energy Efficiency Alliance, July 2009.
- “West Coast Food Service Markets for Fresh Organic Fruits and Vegetables”, proprietary market research for a west coast organic food distributor, June 2009.
- “Hood River Working Farmland Study: Summary of Grower & Agri-Business Interviews” for Columbia Land Trust, February 2009.
- “West Coast Food Service Markets for Fresh Organic Fruits and Vegetables”, proprietary market research for a west coast organic food distributor, June 2009.
- “Market Feasibility of a Food Processing Facility in Port of Skagit (Washington State)” in association with Dr. Hector Saez, Washington State University, for Northwest Agri-Business Council and private investors, December 2008.
- “The Prospect for Expanding Portland’s Farmers Markets: Are Growers Ready to Ramp Up the Supply?” for the Office of Sustainable Development, City of Portland, Oregon, May 2008.
- “Animal Byproduct Technology Assessment and Market Analysis: Options for Oregon” co-author with consultant team for Oregon Department of Agriculture and a consortium of Oregon industries and other government agencies, Portland, Oregon September 2007.
- “Economic Impacts of Food Plant Closure: Analysis of the J. R. Simplot Plant in Hermiston, Oregon” for Oregon Food Processors Council, September, 2004.

- "Economic Impacts of Food Plant Closure: Analysis of the Pacific Coast Seafood Plant in Warrenton, Oregon" for Pacific Seafood Group, Portland, Oregon, February, 2004.
- "Economic Impacts of Food Plant Closure: Analysis of the Seneca Plant in Dayton, Washington" for Washington Food Processors Council, Olympia, Washington, September, 2003.
- "Personal Consumption Greatly Impacts Economic Damage Calculations" in Oregon Casualty Adjusters Association Newsletter, February, 2004.
- "Value-Added Agriculture and U.S. Competitiveness: A Western U.S. Viewpoint" Analysis and speech presented at the USDA Agricultural Outlook Forum 2002, February 21, 2002, Washington, D.C.
- "Crops and Marketing Opportunities For Agricultural Producers at the Former Wind River Nursery, Skamania County, Washington" analysis presented in "Wind River Nursery Site and Facility Plan" for Skamania County Wind River Redevelopment Team, Stevenson, Washington, June 1, 2000.
- "Implications of Changes in the Food Supply Chain for Small and Medium-Sized Produce Firms in the Pacific Northwest" for USDA Agricultural Marketing Service, Washington, D.C., May 2000.



globalwise inc.

marketing and economic services