

Appendix D: CIP Supplemental Funding Guide

Local Funding Options

Councilmanic Bonds

Councilmanic bonds may be sold by cities without public vote. The bonds, both principal and interest, are retired with payments from existing city revenue or new general tax revenue, such as additional sales tax or real estate excise tax. The state constitution has set a maximum debt limit for councilmanic bonds of 1-½% of the value of taxable property in the city.

General Obligation Bond

http://apps.leg.wa.gov/RCW/default. aspx?cite=84.52.056

For the purposes of funding capital projects, such as land acquisitions or facility construction, cities and counties have the authority to borrow money by selling bonds. Voter-approved general obligation bonds may be sold only after receiving a 60 percent majority vote at a general or special election. If approved, an excess property tax is levied each year for the life of the bond to pay both principal and interest. The state constitution (Article VIII, Section 6) limits total debt to 5% of the total assessed value of property in the jurisdiction.

Excess Levy

http://apps.leg.wa.gov/RCW/default. aspx?cite=84.52.052

Washington law allows cities and counties, along with other specified junior taxing districts, to levy property taxes in excess of limitations imposed by statute when authorized by the voters. Levy approval requires 60 percent majority vote at a general or special election.

Regular Property Tax - Lid Lift

http://apps.leg.wa.gov/RCW/default. aspx?cite=84.55.050

Cities are authorized to impose ad valorem taxes upon real and personal property. Limitations on annual increases in tax collections, coupled with changes in property value, causes levy rates to rise or fall; however, in no case may they rise above statutory limits. Once the rate is established each year, it may not be raised without the approval of a majority of the voters. Receiving voter approval is known as a lid lift. A lid lift may be permanent or may be for a specific purpose and time period.

Sales Tax

http://apps.leg.wa.gov/RCW/default.aspx?cite=82.14

Washington law authorizes the governing bodies of cities and counties to impose sales and use taxes at a rate set by the statute to help "carry out essential county and municipal purposes." The authority is divided into two parts. Cities may impose by resolution or ordinance a sales and use tax at a rate of ½% on any taxable event within their jurisdictions. Cities may also impose an additional sales tax at a rate up to ½% on any taxable event within the city. In this case, the statute provides an electoral process for repealing the tax or altering the rate.

Impact Fees

http://apps.leg.wa.gov/RCW/default. aspx?cite=82.02.050

Impact fees are charges placed on new development as a condition of development approval to help pay for various public facilities the need for which is directly created by that new growth and development. Counties, cities, and towns may impose impact fees on residential and commercial "development activity" to help pay for certain public facility improvements, including parks, open space and recreation facilities. Funds received must be spent on approved capital projects within 10 years of collection.

Real Estate Excise Tax

http://apps.leg.wa.gov/RCW/default. aspx?cite=82.46.010

Washington law authorizes the governing bodies of counties and cities to impose excise taxes on the sale of real property within limits set by the statute. This authority may be divided into three parts relevant to park systems.

A city or county may impose a real estate excise tax (REET 1) on the sale of all real property in the city or unincorporated parts of the county, respectively, at a rate not to exceed ¼% of the selling price, to fund "local capital improvements," including parks, playgrounds, swimming pools, water systems, bridges, sewers, etc. Also, the funds must be used "primarily for financing capital projects specified in a capital facilities plan element of a comprehensive plan.

A city or county may impose a real estate excise tax on the sale of all real property in the city or unincorporated parts of the county, respectively, at a rate not to exceed ½%, in lieu of a ½% sales tax option authorized under state law. These funds are not restricted to capital projects. The statute provides for a repeal mechanism.

A city or county – in counties that are required to prepare comprehensive plans under the new Growth Management Act – are authorized to impose an additional real estate excise tax (REET 2) on all real property sales in the city or unincorporated parts of the county, respectively, at a rate not to exceed ¼%. These funds must be used "solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan."

The city share of the real estate excise tax is two one- quarter percent amounts (0.5%) that are restricted for capital projects per RCW 82.46. Revenues collected by this tax are deposited in a special capital improvement fund. Since REET collections are directly tied to the frequency and valuation of real estate transactions, this funding source is widely variable with local real estate conditions. REET 1 funds capital projects for parks.

Real Estate Excise Tax - Local Conservation Areas

http://apps.leg.wa.gov/RCW/default. aspx?cite=82.46.070

Boards of County Commissioners may impose, with majority voter approval, an excise tax on each sale of real property in the county at a rate not to exceed 1% of the selling price for the purpose of acquiring and maintaining conservation areas. The authorizing legislation defines conservation areas as "land and water that has environmental, agricultural, aesthetic, cultural, scientific, historic, scenic, or low-intensity recreational value for existing and future generations..." These areas include "open spaces, wetlands, marshes, aquifer recharge areas, shoreline areas, natural areas, and other lands and waters that are important to preserve flora and fauna."

Federal and State Grants and Conservation Programs

RCO Washington Wildlife and Recreation Program (WWRP) – Local Parks Category

https://rco.wa.gov/grant/washington-wildlife-and-recreation-program-recreation/

Application Schedule: Call for projects on a bi-annual basis (latest year was February 2026)

Table D-1: WWRP – Local Parks Category Application Schedule

Item	Month	Year
Application Opens	February (mid)	2026, 2028, 2030
Application Due	April (late)	2026, 2028, 2030
Technical Review	May-July	2026, 2028, 2030
Evaluation	August	2026, 2028, 2030
Board Approves Preliminary Ranked Lists	October (late)	2026, 2028, 2030

Grant Limits:

- Acquisition Projects: Up to $1 million.
- Development Projects: Up to $500,000.
- Combination Projects: Acquisition with either development or renovation: $1 million, of which not more than $500,000 may be for development costs.

Match Requirement: 50% contribution required for project sponsor.

Grants in this category provide for active (organized activities, higher development impact) or passive (unstructured activities, lower development impact) parks. Grants may be used to buy land or develop or renovate land or facilities for parks. A project may contain both upland and water-oriented elements. A project with a primary focus on upland recreation elements and all outdoor swimming pools will be classified as a Local Parks Category project.

Recent Local Project Examples:

- *Spokane Valley:* Balfour Playground and Spray Park (Awarded $500,000)
    - The City of Spokane Valley used this grant to continue development of the six-acre Balfour Park by building a playground and spray park in one of the most underserved areas of the community. In the first phase of development, the City added pathways, lighting, parking, public artwork, a soccer mini pitch, a Veterans Memorial and event plaza, a central plaza, and a multi-purpose building with restrooms and a police field office. This second phase added the playground and spray park, and a planned third phase included basketball and pickleball courts, a large picnic shelter, additional artwork, and an outdoor amphitheater with a covered stage.
- *Spokane:* Meadowglen Neighborhood Park Development Phase One (Awarded $500,000)
    - The Spokane Parks and Recreation Division used this grant to begin developing a neighborhood park on city land in the North Indian Trail neighborhood in northwest Spokane. The new park was planned to be within walking distance of 650 homes, with nearly half the occupants under twenty years old or sixty-five and older. This project had been a primary desire of the neighborhood for more than thirty years. Park plans included a playground, restroom, parking lot, trailhead, pickleball courts, paved pathways and nature trails, and a lawn.

Playground Upgrade Examples:

- *City of Sequim:* Building an Inclusive Playground at Margaret Kirner Park
    - The City of Sequim used this grant to design and build an inclusive playground at Margaret Kirner Park. The playground featured new play equipment including inclusive swings, a spinner, a net climber, and an interactive sound wall. The City improved the park in other ways by building a paved walking loop, adding parking for people with disabilities, building a sidewalk along the parking area, upgrading a restroom, and installing an entry gate, picnic tables, and benches. By providing a universally accessible playground, the City sought to create a space where youth of varying abilities and their caregivers could come together, play, and forge lasting connections.

- *Spokane:* Replacing the Coeur d'Alene Park Playground and Restroom
    - The Spokane Parks and Recreation Division will use this grant to design and replace the playground and restroom in the city's oldest park, Coeur d Alene Park. The park is in the Brownes Addition neighborhood, a relatively low-earning and socially vulnerable neighborhood where about 86 percent of the houses are rented. Most residents rely on the park for outdoor exercise. The historic restroom is often vandalized and closed. The City also will pave pathways to the renovated park facilities.
- *Benton City:* Installing a Splash Pad
    - Benton City used this grant to build a splash pad to provide a fun, safe, and accessible water play area for children and their families. The splash pad featured a water loop, dumping buckets, mini mushrooms, rain blasters, a water rain tunnel, and ground sprayers. Located in a sunny, semi-arid climate, Benton City previously had no parks or recreational facilities with water play and no dedicated recreational facilities for children kindergarten age and younger, despite preschoolers comprising the largest age bracket (15.9 percent) in the area.

RCO Washington Wildlife and Recreation Program (WWRP) – Trails and Water Access Categories

Grants in this category provide for projects whose primary intent is to acquire, develop, or renovate pedestrian, equestrian, bicycle, or cross-country ski trails. A project may include land and/or facilities, such as trailheads; parking; rest, picnic, or view areas; and restrooms that directly support an existing or proposed public trail. These trails and their landscapes, signs, amenities, and barriers must conform to applicable federal, state, and/or local codes and regulations. Trails funded through this program may have either hard or natural surfacing, or a combination thereof.

The intent of this funding source is to acquire, develop, or renovate statewide, regional, and community-oriented recreational trails that provide linkages between communities or other trails, or provide access to destinations of interest to recreationists. Trails in this category are routes constructed for recreational use and may be used as alternatives to other forms of transportation.

Trails in this category must be for nonmotorized use and cannot be part of a city street or county road ("roadway") such as a sidewalk or unprotected road shoulder, or any other area on the roadway such as a designated bike or combination bike and pedestrian lane.

Trails adjacent to a roadway must be separated by space and potentially physical barriers to ensure a quality recreational experience. Where a trail funded in this category is wholly or partially along a roadway, that portion of the trail along the roadway must meet one of the following criteria:

- Be separated from the roadway by a pervious strip of land no less than ten feet wide (or run length).
- If less than ten feet, be separated from a roadway by no less than three feet of pervious land as long as a contiguous barrier exists between the roadway and trail.

A circulation path or access route developed for pedestrian travel to connect elements, spaces, or facilities within a site is not a trail.

Example: Spokane Fish Lake Trail Extension (Awarded $1,000,000)

- The City of Spokane will use this grant to build about a half-mile of the Fish Lake Trail, extending it north from the Fish Lake Trailhead near Lindeke Street. This section of the trail will run parallel to Government Way and end near the High Bridge Dog Park. This first phase of construction also will connect the trail to Thorpe Road.

Example: Covington Jenkins Creek Trail Development (Awarded $2,109,000)

- The City of Covington will use this grant to buy 0.1 mile of trail easement and develop 0.8 mile of trail. This trail will run through city-owned open space and Jenkins Creek Park and connect the sidewalk along State Route 516 to Southeast 264th Place. The paved trail will be ten feet wide with two-foot gravel shoulders on either side. The City also will add signs and site furnishings, and restore habitat. The new trail will connect multiple neighborhoods, a school, a shopping center, health facilities, and a park.

Land and Water Conservation Fund (LWCF)

https://rco.wa.gov/grant/land-and-water- conservation-fund/

Grant Limits: $200,000 to $2 million.

Administrative costs are not eligible. Architecture and engineering costs for development and renovation projects are limited to 20 percent of the total development project cost.

Match Requirement: 50 Percent.

The Land and Water Conservation Fund provides funding to preserve and develop outdoor recreation resources, including parks, trails, and wildlife lands.

Typical projects include:

- Renovating community parks;
- Building skate parks, tennis courts, swimming pools, and trails;
- Protecting wildlife habitat; and
- Building athletic fields.

Example: Longview, WA: Building an Inclusive Playground in Cloney Park (Awarded $2,000,000)

- The City of Longview will use this grant to build a fully inclusive playground at Cloney Park. The playground will have smooth surfacing, wide pathways, and diverse sensory experiences. The play equipment includes specifically designed inclusive pieces for swinging, sliding, and spinning. All play elements will offer wheeled access in, on, around, below, or through. The City also will build parking and restrooms and landscape the area. The park will have a nature-based design that draws from local heritage, the Cowlitz Indian Tribe, and the lumber industry.

Youth Athletic Facilities Program (YAF)

https://rco.wa.gov/grant/youth-athletic-facilities/

Grant Limits for Large Grants (pop. over 10,000 residents): $25,000-$1.5 million.

Match Requirement: 50%.

The Youth Athletic Facilities program provides grants to buy land and develop or renovate outdoor athletic facilities such as ball fields, courts, swimming pools, mountain bike tracks, and skate parks that serve youth through the age of eighteen.

While the program focuses on youth, RCO strongly encourages grant recipients to design facilities to serve all ages and multiple activities.

An athletic facility is an outdoor facility used for playing sports or participating in competitive athletics and excludes playgrounds, tot lots, vacant lots, open or undeveloped fields, and level open space used for non-athletic play.

Example: Spokane Valley HUB - Helping Build a Synthetic Turf Field at Liberty Lake (Awarded $1,500,000)

- The Spokane Valley HUB will use this grant to design, prepare the site, and buy synthetic turf for a multiuse field in the Liberty Lake community. Spokane County lacks accessible synthetic turf fields, with only two available for public use despite a population of more than 500,000. The new field will provide year-round opportunities for field sports such as soccer, lacrosse, football, rugby, ultimate Frisbee, and t-ball.

Planning for Recreation Access (PRA)

https://rco.wa.gov/grant/plan-rec-access/

Grant Limits/ Match: No grant limits or match requirement.

Last Call for Projects was in 2022.

The Washington State Legislature created the Planning for Recreation Access program to fund planning projects in communities that lack adequate access to outdoor recreation opportunities. This program specifically focuses on diverse urban neighborhoods, small rural communities, and those that are less experienced with RCO's grant process.

Grants are used to support planning, community engagement, and collaboration between local governments, community-based organizations, and residents to define outdoor recreation needs, prioritize investments to address those needs, and prepare on-the-ground projects for RCO and other funding opportunities.

Eligible projects include all phases of planning, pre-design, and technical assistance for public outdoor recreation facilities including comprehensive plans, construction drawings, environmental assessments, feasibility and preconstruction studies, cultural resources surveys, and site master plans.

Example: North Central Washington Sports Rink and Event Center Planning an Ice Rink (Awarded $250,000)

- The North Central Washington Sports Rink and Event Center will use this grant to plan for an outdoor ice rink and supporting facilities that when built would provide opportunities for ice skating, hockey, and figure skating in the winter and pickle ball, roller hockey, and roller skating in the summer. The grant will be used to develop site assessments and construction plans, conduct surveys and support community engagement. The rink site is on Pateros School District land along the Columbia River. North central Washington has little or no outdoor opportunities for youth from November to March. The rink will offer affordable rentals, tickets and scholarships, free skating for fourth graders, field trips, discount pricing for groups, and season passes.

Example: Chelan County: Planning a Peshastin Community Park

- Chelan County, in partnership with the Peshastin Community Council, will use this grant to engage the community, evaluate outdoor recreation alternatives, and develop a preferred alternative for development of the Peshastin Mill site. The sixty-five-acre site is the former home of the Peshastin Mill. Peshastin is a rural community in the Wenatchee River valley near Dryden and midway between Leavenworth and Cashmere. A majority of its residents are low to moderate income. The community generally lacks access to parks and outdoor recreation and must drive to enjoy these opportunities. There is high community interest in evaluating alternatives for use of the land for outdoor recreation, and the landowner is supportive of these efforts.

Community Forests Program

https://rco.wa.gov/grant/community-forests- program/

The Community Forests Program gives communities a way to preserve their working forest heritage. The grant program balances the many benefits forests provide – from providing money from use of the land, to safeguarding against climate and other environmental changes, to providing opportunities for recreation, education, and cultural enrichment. As Washington's population continues to grow and forestlands are increasingly threatened by development, the Community Forests Program is a valuable tool for preserving working lands for the benefit of Washingtonians now and into the future.

No Child Left Inside (NCLI)

https://rco.wa.gov/grant/no-child-left-inside/ Washington State Parks and Recreation Commission's

No Child Left Inside (NCLI) grant program provides quality opportunities for underserved, underrepresented, and historically excluded youth to learn, play, and experience the outdoors.

The Washington State Legislature established the program in 2007 with two primary goals: to improve the overall academic performance, self-esteem, health, community involvement, and connection to nature for youth; and to empower local communities to engage youth in outdoor education and recreation experiences.

NCLI provides grants for a wide range of outdoor education and recreation activities including environmental education, leadership development, outdoor recreation and adventure, stewardship activities, and camp programs. RCO administers NCLI for the Washington State Parks and Recreation Commission.

Outdoor Learning Grants

https://rco.wa.gov/grant/outdoor-learning-grants/

The Washington State Legislature funded the Outdoor Learning Grants program, administered by the Washington Office of the Superintendent of Public Instruction, with the goal to develop and support outdoor educational experiences for students in Washington public schools.

All children deserve access to outdoor spaces where they can learn, play, and grow, but access to outdoor educational opportunities is inequitable.

From reducing stress, to improving mental and physical health, outdoor-based learning helps kids thrive. Research shows that kids who participate in outdoor educational activities are more likely to graduate, are better behaved in school, and have more relationships with peers, higher academic achievement, more critical thinking skills, and more direct experience of scientific concepts in the field. They also have better leadership and collaboration skills and a deeper engagement with learning, place, and community.

Active Transportation Infrastructure Investment Program (ATIIP)

https://www.fhwa.dot.gov/environment/bicycle_pedestrian/atiip/

Park Funding Use: Planning/Capital Improvements.

Match From Other Sources: 20% State or Local Match.

The ATIIP provides grants to states and localities to strategically invest in projects that connect active transportation networks and spines, such as safe bike paths and walking trails, while reducing carbon emissions and creating new jobs. The program will help connect people to destinations within or between communities, including schools, workplaces and other community areas. Active transportation spines can connect communities, metropolitan regions and states.

ATIIP will award two types of grants: Planning and Design grants and Construction grants. FHWA will award Planning and Design grants for eligible applicants to develop plans for active transportation networks and active transportation spines. Projects seeking Planning and Design grants must have planning and design costs of at least $100,000 to be eligible.

Transportation Alternatives (TA) Set-Aside

https://www.fhwa.dot.gov/environment/transportation_alternatives/

Park Funding Use: Planning/Capital/Maintenance.

Match From Other Sources: 20% State or Local Match.

The Bipartisan Infrastructure Law continued the Transportation Alternatives set-aside from the Surface Transportation Block Grant (STBG) program. The Transportation Alternatives (TA) program is the nation's largest dedicated source of funding for trail and active transportation projects. It provides federal funds for a variety of generally smaller-scale transportation projects such as pedestrian and bicycle facilities; construction of overlooks, and viewing areas; community improvements such as historic preservation and vegetation management; environmental mitigation related to stormwater and habitat connectivity; recreational trails; safe routes to school projects; and vulnerable road user safety assessments.

Other Methods and Funding Sources

Parks and Recreation District

http://apps.leg.wa.gov/RCW/default.aspx?cite=36.69

Park and recreation districts may be formed for the purposes of providing leisure-time activities and recreation facilities and must be initiated by petition of at least 15% percent of the registered voters within the proposed district. Upon completion of the petition process and review by county commissioners, a proposition for district formation and election of five district commissioners is submitted to the voters of the proposed district at the next general election.

Once formed, park and recreation districts retain the authority to propose a regular property tax levy, annual excess property tax levies and general obligation bonds. All three require 60% percent voter approval and 40% percent voter turnout. With voter approval, the district may levy a regular property tax not to exceed sixty cents per thousand dollars of assessed value for up to six consecutive years.

The City of Liberty Lake could potentially set up a parks district under RCW 35.61, but it would require careful consideration of the City's ability to generate sufficient revenue, public support, and whether the benefits outweigh the costs. The City would also need to follow the legal process, including gathering enough voter support and successfully passing a ballot measure.

Interagency of Inter-Local Agreements

State law provides for interagency cooperative efforts between units of government. Joint acquisition, development and/or use of park and open space facilities may be provided between Parks, Public Works and utility providers.

Business Sponsorships and Donations

Business sponsorships for programs may be available throughout the year. In-kind contributions are often received, including food, door prizes and equipment/material.

Private Grants, Donations, and Gifts

Many trusts and private foundations provide funding for park, recreation and open space projects. Grants from these sources are typically allocated through a competitive application process and vary dramatically in size based on the financial resources and funding criteria of the organization. Philanthropic giving is another source of project funding. Efforts in this area may involve cash gifts and include donations through other mechanisms such as wills or insurance policies. Community fundraising efforts can also support park, recreation or open space facilities and projects.

Acquisition Tools and Methods of Direct Purchase

Market Value Purchase

Through a written purchase and sale agreement, the city purchases land at the present market value based on an independent appraisal. Timing, payment of real estate taxes and other contingencies are negotiable.

Partial Value Purchase (or Bargain Sale)

In a bargain sale, the landowner agrees to sell for less than the property's fair market value. A landowner's decision to proceed with a bargain sale is unique and personal; landowners with a strong sense of civic pride, long community history or concerns about capital gains are possible candidates for this approach. In addition to cash proceeds upon closing, the landowner may be entitled to a charitable income tax deduction based on the difference between the land's fair market value and its sale price.

Life Estates & Bequest

In the event a landowner wishes to remain on the property for a long period of time or until death, several variations on a sale agreement exist. In a life estate agreement, the landowner may continue to live on the land by donating a remainder interest and retaining a "reserved life estate." Specifically, the landowner donates or sells the property to the city, but reserves the right for the seller or any other named person to continue to live on and use the property. When the owner or other specified person dies or releases his/her life interest, full title and control over the property will be transferred to the city. By donating a remainder interest, the landowner may be eligible for a tax deduction when the gift is made. In a bequest, the landowner designates in a will or trust document that the property is to be transferred to the city upon death. While a life estate offers the city some degree of title control during the life of the landowner, a bequest does not. Unless the intent to bequest is disclosed to and known by the city in advance, no guarantees exist with regard to the condition of the property upon transfer or to any liabilities that may exist.

Gift Deed

When a landowner wishes to bequeath their property to a public or private entity upon their death, they can record a gift deed with the county assessors office to insure their stated desire to transfer their property to the targeted beneficiary as part of their estate. The recording of the gift deed usually involves the tacit agreement of the receiving party.

Option to Purchase Agreement

This is a binding contract between a landowner and the city that would only apply according to the conditions of the option and limits the seller's power to revoke an offer. Once in place and signed, the Option Agreement may be triggered at a future, specified date or upon the completion of designated conditions. Option Agreements can be made for any time duration and can include all of the language pertinent to closing a property sale.

Right of First Refusal

In this agreement, the landowner grants the city the first chance to purchase the property once the landowner wishes to sell. The agreement does not establish the sale price for the property, and the landowner is free to refuse to sell it for the price offered by the city. This is the weakest form of agreement between an owner and a prospective buyer.

Conservation and/or Access Easements

Through a conservation easement, a landowner voluntarily agrees to sell or donate certain rights associated with his or her property (often the right to subdivide or develop), and a private organization or public agency agrees to hold the right to enforce the landowner's promise not to exercise those rights. In essence, the rights are forfeited and no longer exist. This is a legal agreement between the landowner and the city that permanently limits uses of the land in order to conserve a portion of the property for public use or protection. The landowner still owns the property, but the use of the land is restricted.

Conservation easements may result in an income tax deduction and reduced property taxes and estate taxes. Typically, this approach is used to provide

trail corridors where only a small portion of the land is needed or for the strategic protection of natural resources and habitat. Through a written purchase and sale agreement, the city purchases land at the present market value based on an independent appraisal. Timing, payment of real estate taxes and other contingencies are negotiable.

Park or Open Space Dedication Requirements

Local governments have the option to require developers to dedicate land for parks under the State Subdivision Law (Ch. 58.17 RCW) and the State Environmental Policy Act (SEPA) (Ch. 43.21C RCW). Under the subdivision law developers can be required to provide the parks/recreation improvements or pay a fee in lieu of the dedicated land and its improvements. Under the SEPA requirements, land dedication may occur as part of mitigation for a proposed development's impact.

Landowner Incentive Measures

Density Bonuses

Density bonuses are a planning tool used to encourage a variety of public land use objectives, usually in urban areas. They offer the incentive of being able to develop at densities beyond current regulations in one area, in return for concessions in another. Density bonuses are applied to a single parcel or development. An example is allowing developers of multi-family units to build at higher densities if they provide a certain number of low- income units or public open space. For density bonuses to work, market forces must support densities at a higher level than current regulations.

Transfer of Development Rights

The transfer of development rights (TDR) is an incentive-based planning tool that allows land owners to trade the right to develop property to its fullest extent in one area for the right to develop beyond existing regulations in another area. Local governments may establish the specific areas in which development may be limited or restricted and the areas in which development beyond regulation may be allowed. Usually, but not always, the "sending" and "receiving" property are under common ownership. Some programs allow for different ownership, which, in effect, establishes a market for development rights to be bought and sold.

IRC 1031 Exchange

If the landowner owns business or investment property, an IRC Section 1031 Exchange can facilitate the exchange of like-kind property solely for business or investment purposes.

No capital gain or loss is recognized under Internal Revenue Code Section 1031 (see www.irc.gov for more details). This option may be a useful tool in negotiations with an owner of investment property, especially if the tax savings offset to the owner can translate to a sale price discount for the City.

Current (Open Space) Use Taxation Programs

Property owners whose current lands are in open space, agricultural, and/or timber uses may have that land valued at their current use rather than their "highest and best" use assessment. This differential assessed value, allowed under the Washington Open Space Taxation Act (Ch.84.34 RCW) helps to preserve private properties as open space, farm or timber lands. If land is converted to other non-open space uses, the land owner is required to pay the difference between the current use annual taxes and highest/best taxes for the previous seven years. When properties are sold to a local government or conservation organization for land conservation/ preservation purposes, the required payment of seven years worth of differential tax rates is waived.

Other Land Protection Options

Land Trusts and Conservancies

Land trusts are private non-profit organizations that acquire and protect special open spaces and are traditionally not associated with any government agency. The Nisqually Land Trust is the regional land trust serving the region. These efforts primarily focus on protecting working farms, ranchlands, wildlife habitats, and other significant natural landscapes from subdivision and development. Other national organizations with local representation include the Nisqually River Council, Nature Conservancy, Trust for Public Land, and Conservation Northwest.

Regulatory Measures

A variety of regulatory measures are available to local agencies and jurisdictions. Available programs and regulations include: Critical Areas Ordinances, State Environmental Policy Act (SEPA); Shorelines Management Program; and Hydraulic Code, Washington State Department of Fisheries and Department of Wildlife.

Public/Private Utility Corridors

Utility corridors can be managed to maximize protection or enhancement of open space lands. Utilities maintain corridors for provision of services such as electricity, gas, oil, and rail travel. Some utility companies have cooperated with local governments for development of public programs such as parks and trails within utility corridors.

