

## MEMORANDUM

TO: Whatcom County Executive Satpal Singh Sidhu  
CC: Whatcom County Council Members  
FROM: Whatcom County Conservation Easement Program Oversight Committee  
DATE: July 23, 2025  
SUBJECT: Promoting the Success of the Conservation Easement Program

The Conservation Easement Program Oversight Committee (CEPOC) members would like to make **three recommendations to address key challenges** preventing the Conservation Easement Program (CEP) from fulfilling its mission and implementing adopted County policies.

CEPOC will report to the County Council in August that, after adding an outreach coordinator position to the program last year, the CEP has received eleven landowners' applications for voluntary conservation easements covering approximately 2,000 acres of working farmland and forestland. If funded, these easements will double the total acreage protected by the CEP over the past 20 years and will retire roughly 90 development rights, ensuring that these farmlands and working forestlands are protected in perpetuity.

Purchasing these easements will require an estimated \$9,000,000 spread out over the next three years. This is an unprecedented demand for the CEP program (see Figure 1, below). Fortunately, in the past year, CEP staff have secured \$6,000,000 in nonlocal, matching grant funding to help pay for these easements, including two new funding sources: the USFS Forest Legacy Program and the WA Department of Ecology Puget Sound Riparian Systems Lead grant program. These grants will cover approximately 70 percent of the easement costs; however, the CEP will require an estimated \$3,000,000 from the Conservation Futures Fund (CFF) or other sources over the next three years.

One of the common concerns we hear from prospective CEP applicants is how long it takes for an easement transaction to close. CEP easements generally take two to three years to close, primarily due to the timelines required to secure nonlocal matching grants and the CEP's limited access to the CFF. In the past, the CEP has used an average of \$220,000 per year. In contrast, Skagit County's Farmland Legacy Program typically closes on Skagit working farmland easements in six months due to the Legacy Program's exclusive access to Skagit's CFF, requiring no matching funds.

As federal and state matching funding becomes more volatile and uncertain, and as real estate prices continue to rise, it will be important to have more, consistent local funding dedicated to protecting working lands and conserving lands, rivers, and shorelines that provide fish and wildlife habitat and robust recreational opportunities.

To continue building the momentum of the Whatcom CEP program, additional funding will be needed to keep up with CEP applications and to implement adopted County policies for preserving farmland, commercial forests, and important ecological areas.

**The CEPOC would like to ask the County to consider the following three recommendations:**

**1. Consider the pros and cons of establishing a real estate transfer fee fund for conservation.** The CEPOC asks that the County consider the pros and cons of a ballot measure asking voters to approve a real estate transfer fee, sometimes called REET 3, as allowed under RCW 82.46.070, for acquisition and maintenance of conservation areas. A transfer fee of up to 1.00 percent fee is allowed. As an example, a

0.25 percent transfer fee would yield considerable annual funding for easement acquisitions and other conservation priorities. This 0.25 percent rate would produce roughly \$6,000,000 to \$9,000,000 per year, based on trends from 2019 to 2024 transactions when an average of 5,600 transfers per year were not exempt from paying the existing, local REET fees. For context, a 0.25 percent fee would be \$1,250 for a \$500,000 property that is not exempt from REET, and \$2,500 for a \$1,000,000 property. This new fee for conservation will be small compared to other factors that impact the price of property transfers.

**2. Consider pros and cons of restoring the Conservation Futures Fund levy rate to the full amount allowed under RCW and WCC.** Over the last 20 years, the CFF levy rate has gone from 6.25 cents per \$1,000 in property value to 2.31 cents per \$1,000 (see Figure 2, below). In recent years, property values in Whatcom County have climbed dramatically, so the CFF simply doesn't go as far when County Public Works, County Parks, and the CEP purchase properties and conservation easements. Raising the CFF levy lid could more than double the annual revenue from roughly \$1,400,000 to \$3,800,000. For context, currently an owner of a \$600,000 home pays roughly \$14 per year into the CFF; if the full rate were to be restored, this same homeowner would pay roughly \$38 per year, for an increase of \$2 per month for conservation.

**3. Commit at least half of CFF revenue to CEP easement acquisitions.** Over the past two decades, the CEPOC has advocated for CFF dollars to be made available for CEP easements. The CEPOC would like to reiterate its support for the ongoing commitment of at least half the CFF annual revenue (approximately \$700,000 per year) for the CEP.

The CEP will continue to pursue nonlocal, matching grants from state, federal, and private sources whenever possible, and the CEP has shown remarkable success in recent years, winning multiple six- and seven-figure grants. However, the CEP cannot function properly without consistent CFF dollars and additional local funding. The CEPOC appreciates that the County administration continues to improve the coordination across County departments that use the CFF and is pursuing the enhanced integration of County-led conservation strategies (for example, CEP easements to preserve farmland can be aligned with County River & Flood efforts to limit residential development in the floodplain.)

Securing additional and consistent, voter-approved local funding will allow the CEP to play an increasingly impactful role in the County's strategic efforts to protect working lands, conserve ecologically important areas, and promote greater community resilience in the face of worsening climate change impacts.

The CEPOC members look forward to meeting with you to discuss these recommendations and to hear your ideas for how this program can be as successful as possible.

Thank you for your consideration.

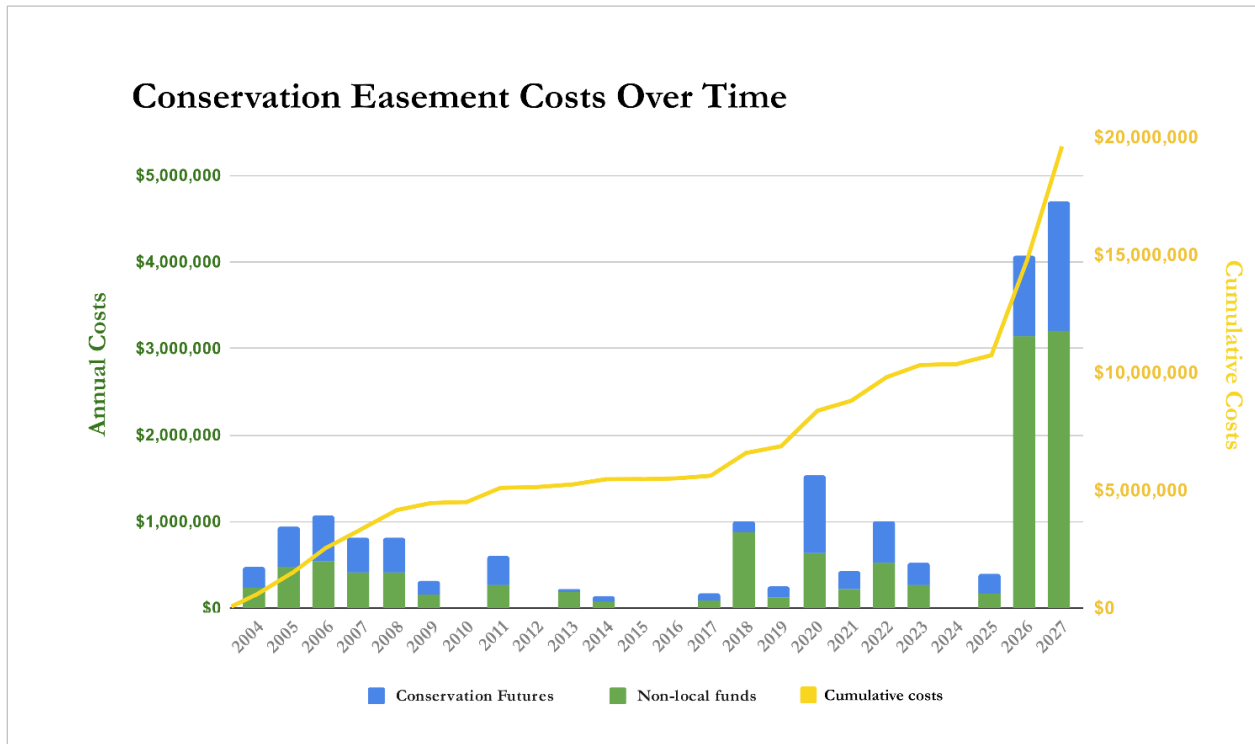
Paul Schissler, CEPOC Chair, on behalf of the Committee

**CEPOC Membership:**

Paul Schissler (Chair)  
Alison Moon (Vice Chair)  
Henry Bierlink  
Paul D'Agnolo

Mike Finger  
Alex Jeffers  
McKale Jones  
Dave Kershner

**Figure 1:**



**Figure 2:**

