

From: [Jose Alvarez](#)
To: [Jeffrey Delapena](#)
Cc: [Oliver Orjiako](#); [Christine Cook](#)
Subject: FW: West La Center Agricultural Analysis
Date: Tuesday, November 5, 2024 10:12:28 AM
Attachments: [West La Center Agricultural Analysis.pdf](#)
[image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)

Jeff,

Could you please add this to the index of record. Thanks



Jose Alvarez he/him/his
Program Manager II
COMMUNITY PLANNING

564.397.4898



From: Angie Merrill <amerrill@ci.lacenter.wa.us>
Sent: Tuesday, November 5, 2024 9:46 AM
To: Jose Alvarez <Jose.Alvarez@clark.wa.gov>
Cc: Ezra L. Hammer <elh@jordanramis.com>; Tracy Coleman <tcoleman@ci.lacenter.wa.us>
Subject: FW: West La Center Agricultural Analysis

EXTERNAL: This email originated from outside of Clark County. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Jose,

Per our phone conversation, I am submitting the attached Agricultural Analysis.

The City of LaCenter supports the properties for the UGA expansion.

The City of LaCenter is needing the properties for the employment allocation.

Please let me know if you need anything else.

Thank you,

Angie Merrill

Associate Planner

City of La Center

360.263.3654

amerrill@ci.lacenter.wa.us



JOHNSON
ECONOMICS



AGRICULTURAL RESOURCE LAND ANALYSIS FOR DETERMINATION OF DE-DESIGNATION IN CLARK COUNTY, WASHINGTON

PREPARED FOR
MIKE PAULETTO
OCTOBER 2024

JOHNSON ECONOMICS, LLC
621 SW Alder St, Suite 506
Portland, Oregon 97205



**JOHNSON
ECONOMICS**

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	EXECUTIVE SUMMARY	1
III.	SITE ANALYSIS.....	2
	PROPERTY BACKGROUND	2
IV.	CHARACTERIZATION OF URBAN GROWTH	5
V.	CURRENT AGRICULTURAL PRODUCTION	8
VI.	COMMERCIAL SIGNIFICANCE FOR AGRICULTURE.....	9
	LAND CAPABILITY CLASSIFICATION	9
	WATER RESOURCES	10
	AVAILABILITY OF PUBLIC FACILITIES.....	11
	AVAILABILITY OF PUBLIC SERVICES	11
	TAX STATUS	12
	PROXIMITY TO URBAN GROWTH AREAS	13
	PARCEL SIZE.....	13
	LAND USE PATTERNS & INTENSITY OF SURROUNDING LAND USE	13
	HISTORY OF PERMITS ISSUED NEARBY	13
	LAND VALUES UNDER ALTERNATIVE USES.....	14
	PROXIMITY OF MARKETS.....	15
	AGRICULTURAL PRODUCTIVITY.....	15
VII.	THE STATE OF AGRICULTURE IN CLARK COUNTY.....	17
	POPULATION & DEVELOPMENT TRENDS.....	19
VIII.	RECOMMENDATIONS.....	21



I. INTRODUCTION

JOHNSON ECONOMICS was retained by MIKE PAULETTO to evaluate a cluster of parcels in Clark County (referenced throughout as the “subject property”) under the Washington Growth Management Act (GMA) to determine if they meet the criteria of agricultural resource lands. These criteria are:

- (a) *The land is not already characterized by urban growth.*
- (b) *The land is used or capable of being used for agricultural production (based on physical characteristics).*
- (c) *The land has long-term commercial significance for agriculture (WA 365-190-050).*

The analysis will consider site-specific and broader local trends in land use, urban growth, and future potential for agricultural use as detailed in WA 365-190-050. The main components of this study are:

- *Characterization of urban growth around the subject property.*
- *Determining if the subject property is primarily devoted to commercial agriculture production.*
- *Analysis of the long-term commercial significance of agricultural production at the subject property.*
- *Review of the criteria for agricultural resource lands in the context of the subject property.*
- *Assessment of the state of agriculture in Clark County, including agricultural and urban trends.*
- *Recommendations for de-designation of the subject property.*

II. EXECUTIVE SUMMARY

The property is characterized by urban growth. It joins the La Center urban growth boundary (UGB), and 450 new homes are in the planning process within a mile of the property since 2018. Developed land close to the property is primarily residential or commercial, though immediately surrounding parcels are mostly agricultural.

Public facilities and services are generally available at the subject property. It is outside the City of La Center utility service areas, in the Rural/Resource sewer district and within the Clark Public Utility service area. Schools and emergency services are within three miles and the nearest hospital is about nine miles away.

The soils on the subject property are within a range of classifications and are suitable mainly for hay and pasture use. The site holds a consumptive water certificate that allows for irrigating 10 acres, but this is much smaller than the full property size. The productivity of most potential farm operations is below a profitable level.

The property is designated partially as agricultural land and partially as open space land under the Current Use program, a tax deferral that reduces the taxable value of each parcel. The total assessed fair market value of land in the parcels is almost \$2.5 million, much higher than the current taxable use, rendering them infeasible to purchase for anything other than development.

Land in Clark County is trending towards more residential use and less agricultural use. From 2017 to 2022, land in farms decreased by 38%. Over that same period, Clark County’s population increased by 48,000 (a 10% increase) and almost 27,000 new residential units (16,000 single-family homes) were permitted.

La Center is also trending towards more residential and commercial use and less agricultural use. From 2010 to 2022, the city’s population increased by almost 40%, and over 800 new residential units (650 single-family homes) were permitted. Furthermore, over 60,000 square feet of commercial and lodging space is in planning or under construction within a mile of the subject property, and over 1.3 million square feet of commercial and lodging space within one mile have been completed since 2019.

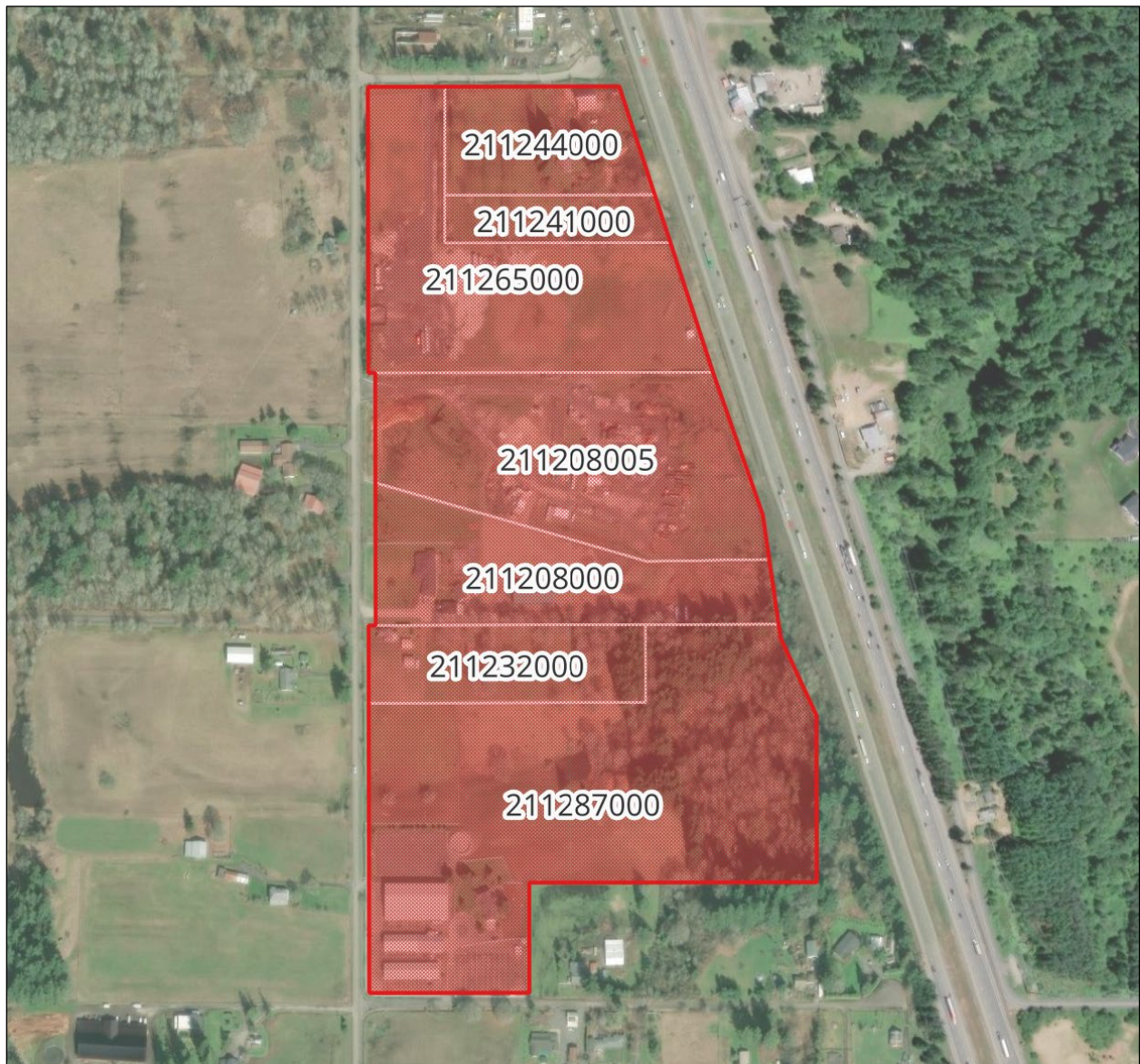
We find that the subject property does not meet the criteria of agricultural resource land as defined by the Washington Growth Management Act, and therefore, we recommend de-designation.



III. SITE ANALYSIS

The subject property is comprised of seven parcels that total 57.9 acres. The parcels are mapped with their ID numbers below. All parcels are zoned for agricultural use.

FIGURE 3.1: PARCELS CONTAINED IN THE SUBJECT PROPERTY



SOURCE: Clark County, JOHNSON ECONOMICS

PROPERTY BACKGROUND

The seven parcels that make up the subject property are owned by four different property owners. The three parcels on the north side of the property, parcels 211244000, 211241000, and 211265000. Parcel 211244000 includes a home built in the 1960s and a barn. All three are designated as Open Space Land under Clark County's Current Use tax program. The two middle parcels, 211208000 and 211208005, are currently used for landscape and equipment



storage. There is also a small area, about a quarter of an acre, of non-commercial farming. The next parcel, 211232000, includes a home and a few additional buildings. On the southernmost parcel is Emerson Equestrian, a horse boarding/training facility. This parcel is designated as agricultural land under Clark County's Current Use tax program.

The agricultural history of the subject property is somewhat unknown. According to the current property owners, the site has been hayed and used for grazing cattle in the past. Parts of the property do appear to have been hayed during the 1990s and early 2000s, according to satellite imagery. Similarly, the southernmost parcel appears to have been used for equestrian activities as early as 2009. From 2022 to 2024, two liens were filed against parcel 211265000 for commercial vehicle storage in the agricultural zoning district; these have since been released.

The images below show the street view of the subject property along Northwest 31st Ave. The first image is of the Open Space designated parcels, the second is of the landscaping business, and the last is of the horse boarding/training facility.

FIGURE 3.2: STREET VIEW OF SUBJECT PROPERTY, 2019





SOURCE: Google Earth, JOHNSON ECONOMICS

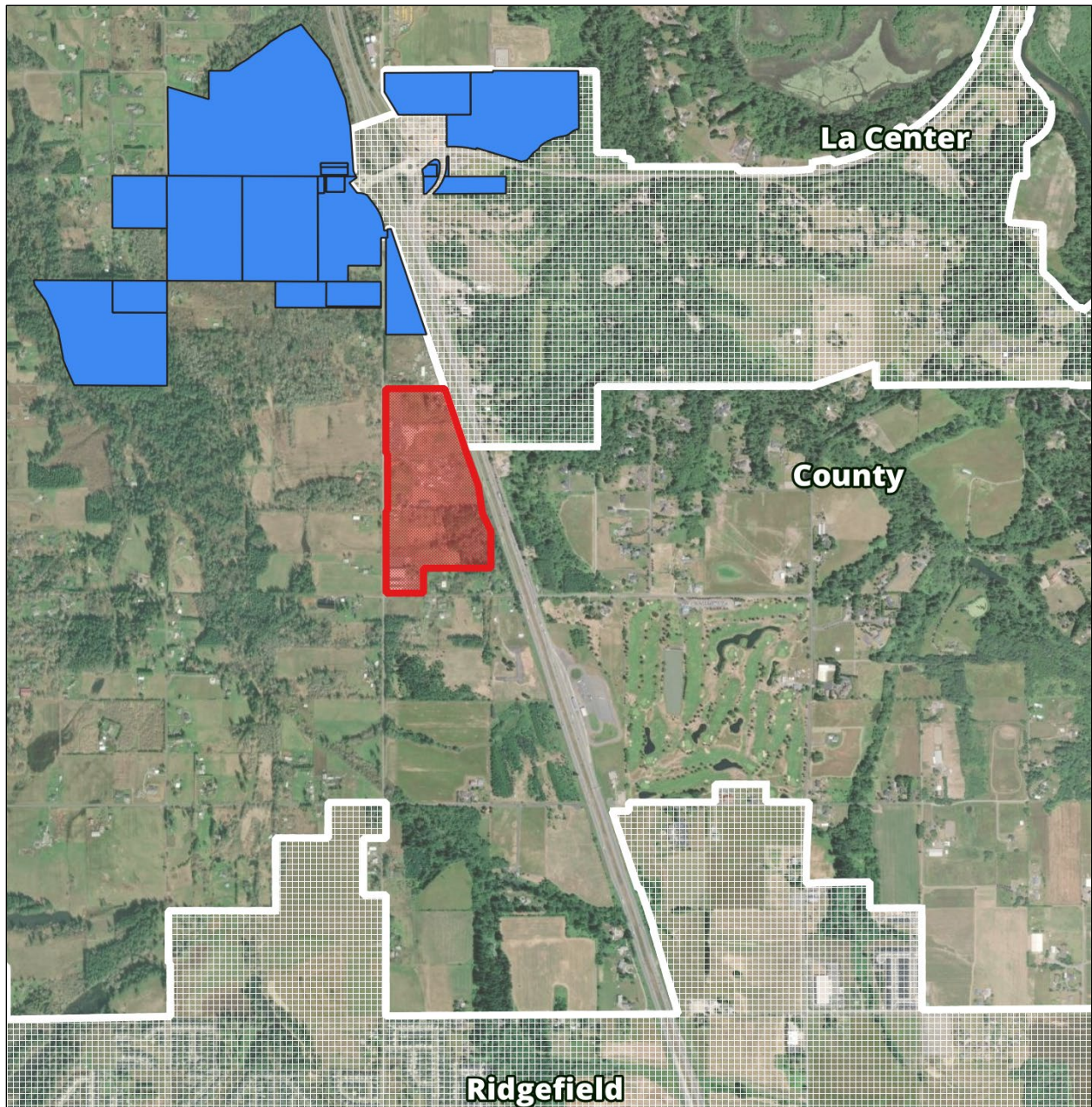
The parcels that are within the Current Use program have been included since the development of Clark County’s comprehensive plan, adopted in the 1990s. Current Use allows open space, timber, agricultural, and forest lands to be taxed at the value of their current use, rather than at their assessed value. This includes land used primarily for “equestrian-related activities,” according to Clark County. The program is a tax deferral, so if the lands are withdrawn, the owner must pay at least seven years of back taxes at the assessed value, plus interest in some cases. This is detailed later in the report.



IV. CHARACTERIZATION OF URBAN GROWTH

The subject property is adjacent to the La Center Urban Growth Boundary to the east. Ridgefield's UGB is about half a mile to the south. The parcels on the inside edges of these boundaries are primarily residential or agricultural. These boundaries were last updated in 2022, according to Clark County's GIS system. To the northwest of the site is Cowlitz Tribe trust property that includes the Ilani Resort and Casino. The freeway interchange on I-5 was reconstructed to accommodate the increase in traffic. Parcels within the Cowlitz Tribe reservation and properties in trust for future inclusion in the reservation are blue on the map below.

FIGURE 4.1: LA CENTER AND RIDGEFIELD URBAN GROWTH BOUNDARIES, TRIBAL AND TRUST PROPERTY, 2022

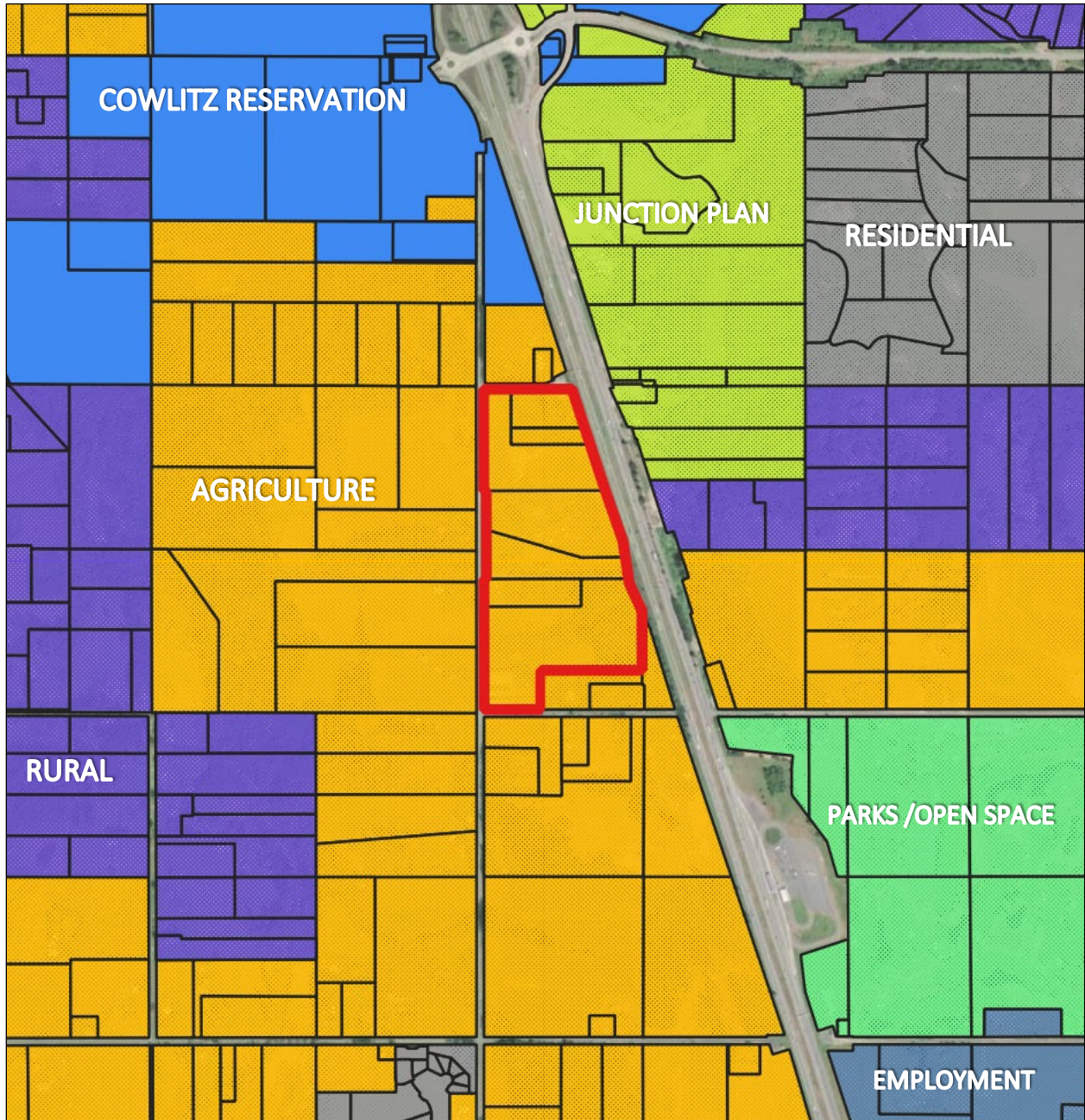


SOURCE: Clark County, JOHNSON ECONOMICS



The subject property is zoned for agricultural use. Agricultural zoning continues to the north, west, and south of the property. Farther north is the Cowlitz Tribe Reservation, which is expanding south towards the subject property and east into the City of La Center. The land to the east is rural and residential. There is also a section just northeast of the subject property that falls under the La Center Junction Plan, which is intended to promote commercial, employment, and residential mixed-use development.

FIGURE 4.2: CLARK COUNTY/CITY OF LA CENTER ZONING, SUBJECT AND SURROUNDING PROPERTIES



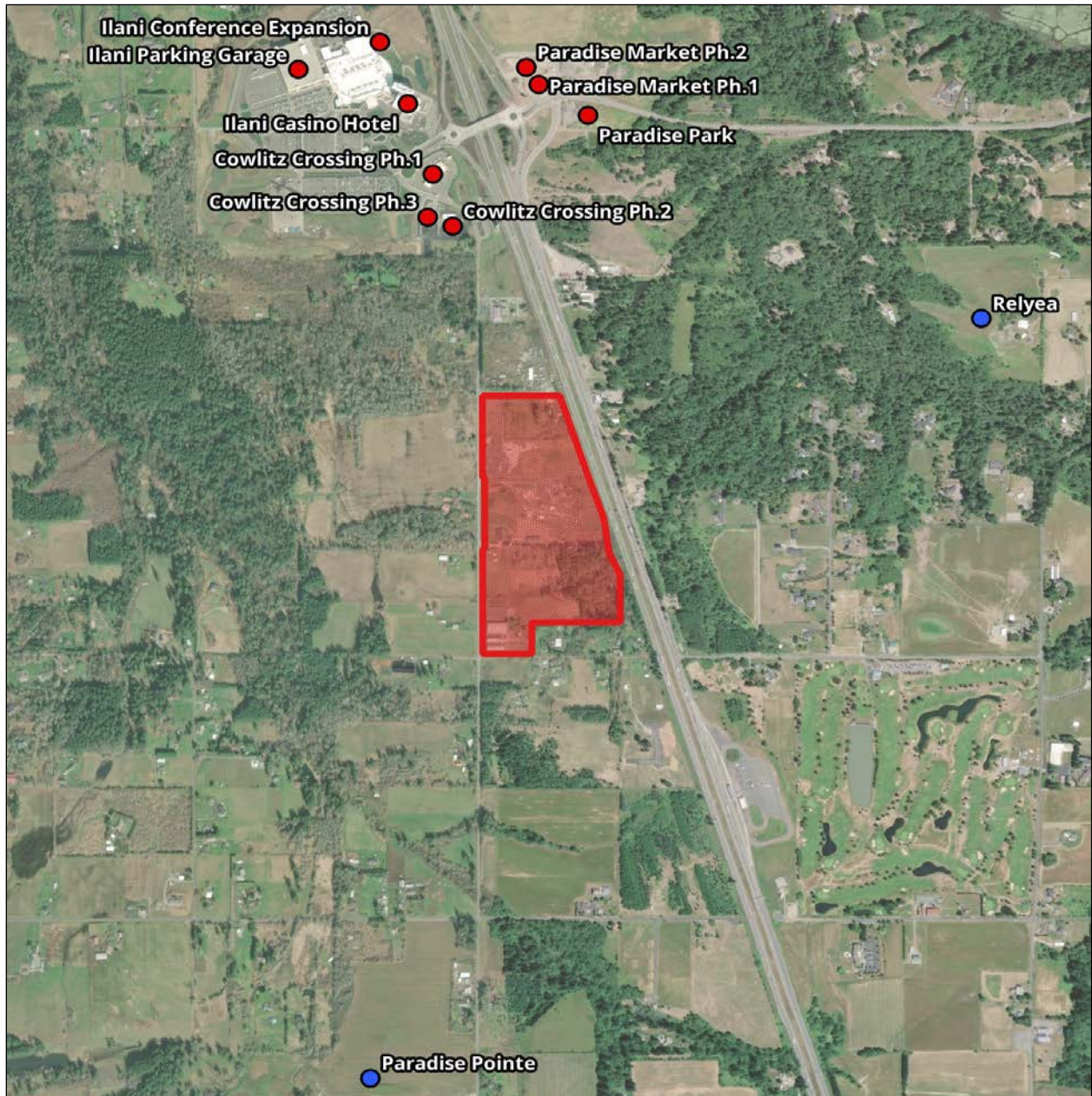
SOURCE: Clark County, JOHNSON ECONOMICS



Within a mile of the subject property, there is one subdivision under construction and one in the planning process. Paradise Pointe in Ridgefield (in some planning documents as Paradise Found) to the west of the subject site will add 296 homes once completed. To the east is Relyea Subdivision, which has been proposed with 160 homes.

There are also several commercial and lodging developments within the same radius, mostly clustered around the Interstate 5 interchange. Paradise Market, completed in 2019, includes a gas station and convenience store. From 2020 to 2023, the Ilani Casino added a parking garage, hotel, and conference expansion. Cowlitz Crossing, a small commercial center, is mostly complete, with one phase still under construction. These developments are mapped below: blue points are residential, and red points are commercial.

FIGURE 4.3: NEW DEVELOPMENTS IN PROXIMITY, 2024



SOURCE: Clark County, JOHNSON ECONOMICS



V. CURRENT AGRICULTURAL PRODUCTION

The 20-acre horse riding school is the only parcel in agricultural use at the subject property. The parcels with landscaping and equipment storage have about a quarter of an acre of berries and grapes, but those are not grown for commercial purposes.

FIGURE 5.1: STREET VIEW OF HORSE-RIDING SCHOOL, 2019



SOURCE: Google Earth, JOHNSON ECONOMICS

Within half a mile of the subject site, there are a few small farms. Immediately to the west is Northwood Stables, and south of that is Greene Jungle Farm, a small family farm that raises animals on pasture and farms a variety of produce. Millennium Farms to the east produces fruit, vegetables, and herb starts. To the south is a defunct tree farm, and several other Current Use-designated agricultural parcels that are no longer being farmed.



VI. COMMERCIAL SIGNIFICANCE FOR AGRICULTURE

LAND CAPABILITY CLASSIFICATION

Land capability classification refers to the suitability of soils for growing field crops. Class I soils are the most versatile soils and Class VIII the least. Generally, land with soil classified at IV or higher is unsuitable for most crops but may be appropriate for pasture/grazing use.

The subject property is made up of a mix of soils and land capability classifications. Most of the property area, especially in the center and on the west side, is Sara silt loam (SIB and SID), both 0-8 percent slopes and 8-20 percent slopes. There are also some areas of Gee silt loam soils (GeB and GeD) and Puyallup fine sandy loam (PuA). These soils are considered Class II, III, and IV, which, according to the Clark County Assessor, are suitable for some crops and pasture. Parts of the north and south sides are Cove silty clay loam (CvA), which is Class V, and there is a large central area of Odne silt loam (OdB), which is Class VI; these are generally not suitable for crops. The small area marked with a W indicates water.

FIGURE 6.1: USDA SOIL CLASSIFICATION, 2024



SOURCE: USDA Web Soil Survey, JOHNSON ECONOMICS



WATER RESOURCES

The subject property has one groundwater claim of record and one water right certificate. At a high level, the acreage that may be legally irrigated on the subject property (10 acres) constitutes a small portion of the entire subject property.

A water right certificate is a vested property interest, and it confirms that water appropriation under the terms set forth in the certificate was perfected in accordance with RCW 90.03. RCW 90.03.330. On the other hand, a water right claim is not a water “right.” See generally RCW 90.14. While a water right claim holder can continue to use water under a claim, a claim is not a vested right until it is confirmed through a judicial adjudication process. RCW 90.14.081. A judicial process may result in the claim being confirmed, or it may result in the claim being denied in whole or in part.

The entire place of use for the groundwater right claim is located on Parcel 211232000, and authorizes water use for domestic purposes. Note that while it is classified as a “domestic general” claim and it does not claim any irrigation, the claim form does claim water for “home and acreage.” It is not clear how a judge would interpret a claim to water for “acreage” in an adjudication process. However, based on the fact that the claimant did not claim a specific amount of acreage, a judge could find that no irrigation is authorized under the claim. Per the information in its online database, the Washington State Department of Ecology (“Ecology”) does not recognize irrigation use under this claim.

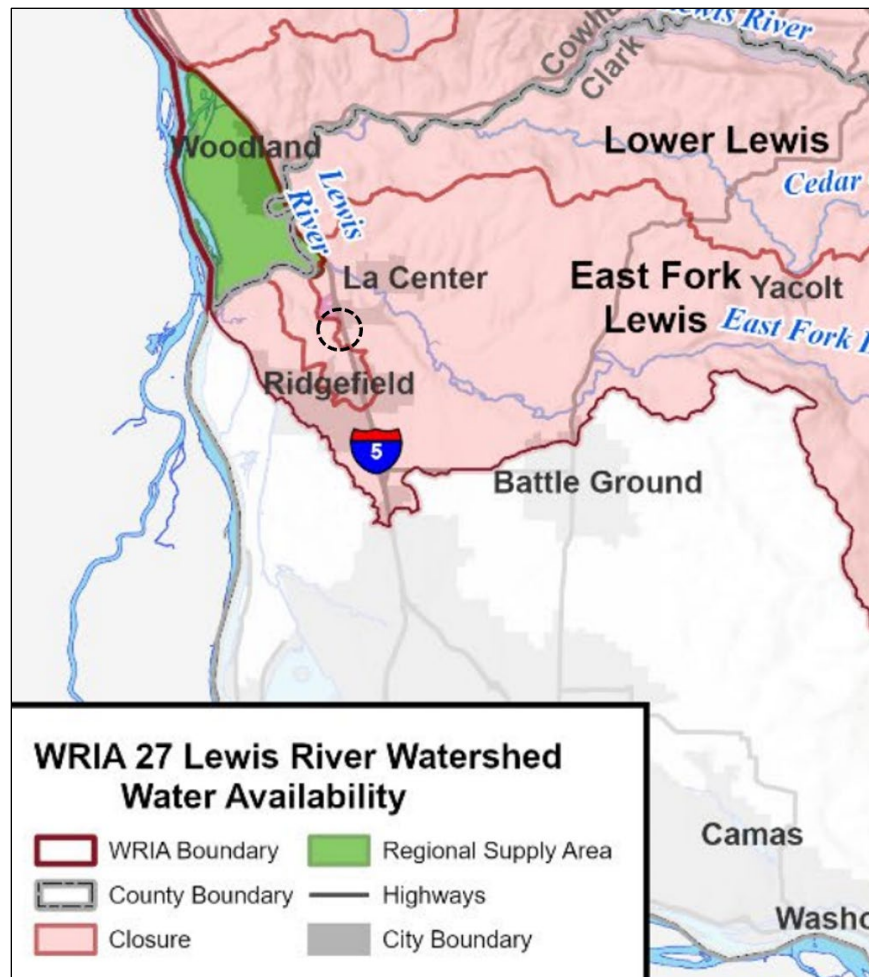
The subject property is also covered by a water right certificate: G2-21440CWRIS. The groundwater certificate has a priority date of September 7th, 1973. It authorizes 10 acres of primary irrigation as well as domestic single use year-round. Specifically, the certificate authorizes a rate of 50 gallons per minutes (“gpm”) in an amount of up to 21 acre-feet (“AF”) per year. The source for this water right is a groundwater well.

As noted above, our review shows that only 10 acres of the entire subject property is certainly authorized for irrigation. If the owner of the subject property wanted to secure a new water right for the property, it would need to consider some of the notable challenges associated with securing a new water right at this location. In Washington State, use of waters of the state for irrigation is not an exempt use of water. As such, the owner of the subject property would need to secure a new water right through a legal administrative channel in order to use water for this purpose on the subject property in an amount beyond the amount authorized on the certificate. The subject property is located in Water Resource Inventory Area (“WRIA”) 27. Ecology has made clear that acquiring new water rights in most of WRIA 27 will be “a very difficult and expensive process.” See “WRIA 27 Lewis Watershed Water Availability.” WAC 173-527 establishes an instream flow right for WRIA 27 and outlines standards that Ecology must implement to protect this instream flow right from impairment by any new water rights or water right transfers. WAC 173-527-060(3). WAC 173-527-070(1) establishes surface water closures in the WRIA, shown in Figure 1 below. Further, pursuant to WAC 172-527-070(2), Ecology has determined that based upon the basin hydrogeology, future groundwater withdrawals have a “high” likelihood of affecting the surface waters that are closed to new appropriations under WAC 173-528-070(1). As such, the basin is closed to new groundwater rights that would affect closed surface waters unless (1) an applicant can prove that closed surface waters will not be impaired or (2) the applicant prepares a mitigation plan. WA 173-527-080. Both of these processes require significant time and expertise to complete. The final option to obtain a more robust irrigation supply for the subject property would be to transfer a water right certificate that is not subject to relinquishment to the subject property. Such a transfer will still be subject to the WRIA 27 rules, and it would be prohibited from impairing instream flows. WAC 173-528-060. The subject property is not within a regional supply area for future groundwater withdrawals under WAC 173-527-090, and no water is reserved for irrigation use in the East Fork Lewis River Subbasin of the Lower Lewis River Subbasin pursuant to WAC 173-527-110.

As a final note, it is impossible to predict the outcome of an administrative process to apply for a new water right or transfer an existing water right. However, a prospective applicant for either of these two processes on the subject property should be aware of the limitations discussed here.



FIGURE 6.2: LEWIS RIVER WATERSHED WATER AVAILABILITY, 2023



SOURCE: WA Department of Ecology

AVAILABILITY OF PUBLIC FACILITIES

To the west of the subject property is Northwest 31st Avenue, which has two travel lanes, each about 11 feet wide. These are separated by a double yellow line or a broken yellow center line. There are no bike lanes or sidewalks. The posted speed limit is 40 miles per hour, and the closest intersection, Northwest 299th Street and Northwest 31st Avenue on the southwest corner, is controlled with one stop sign on Northwest 299th Street.

The subject property is currently under the jurisdiction of the Rural/Resource Sewer District, and about 1.5 miles southwest of the La Center Sewer District. Water is provided by Clark Public Utilities, as it is throughout the City of La Center.

AVAILABILITY OF PUBLIC SERVICES

The subject property is about a mile and a half northwest of the Clark-Cowlitz Fire Rescue Station 21, within the Clark-Cowlitz Fire District. It is about two and half miles southwest of the La Center Police Department. The nearest medical center with an emergency department is Legacy Salmon Creek Medical Center, about nine miles to the south of the subject property. There is a primary and urgent care clinic about two miles southeast of the subject property in Ridgefield, on Pioneer Street.

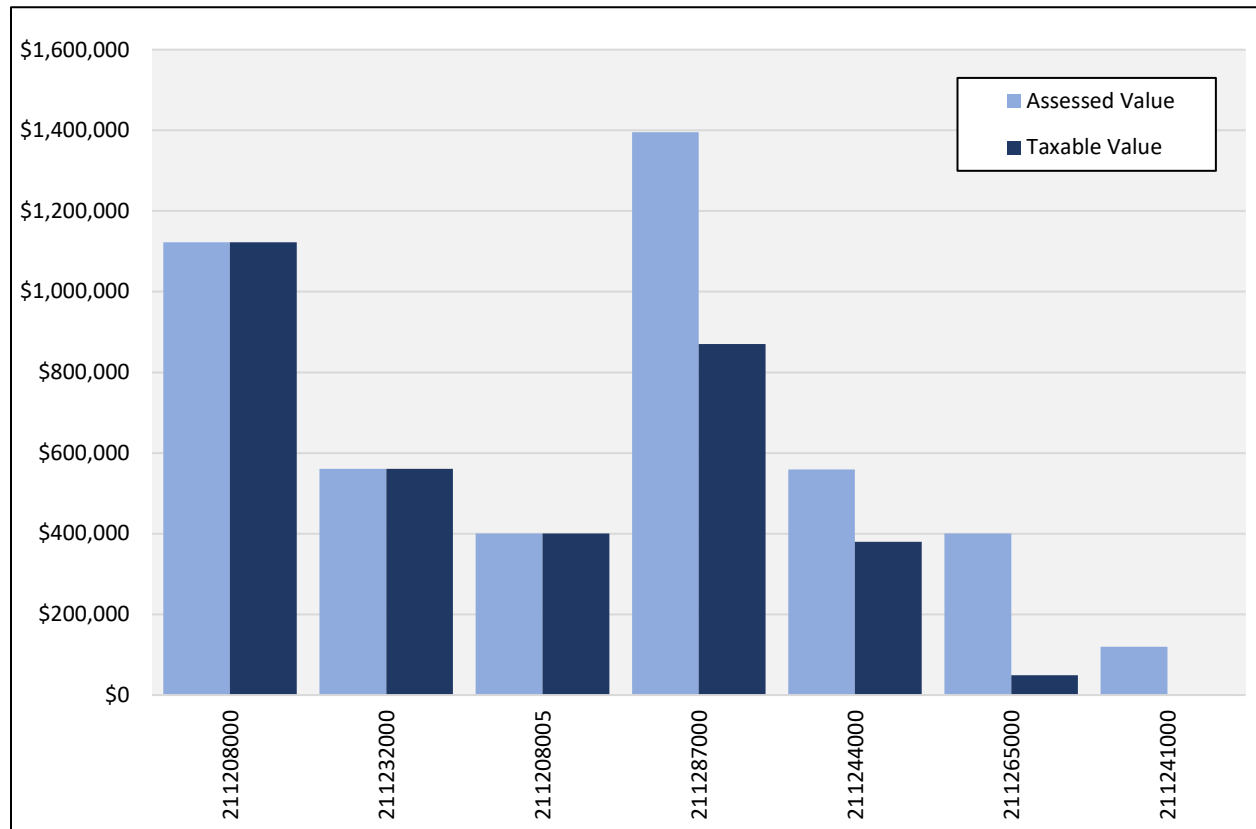


The subject property is in the Ridgefield School District, about three miles northeast of Union Ridge Elementary School. However, the district is set to begin construction on a new elementary school on a large lot two miles southeast of the subject property, if voters approve the construction cost. The property is just over three miles from Ridgefield High School and View Ridge Middle School.

TAX STATUS

Four out of the seven parcels that make up the subject property are designated under the Current Use program as agricultural or open space lands, so they are taxed at a reduced value from their assessed market value. The graph below illustrates the difference between the assessed value and the taxable value under this program.

FIGURE 6.3: ASSESSED VALUE AND TAXABLE VALUE OF SUBJECT PARCELS, 2024



SOURCE: Clark County Assessor, JOHNSON ECONOMICS

The basic definition of farm and agricultural land under Current Use is:

“any parcel of land or contiguous parcels of land that are 20 or more acres: (i) devoted primarily to the production of livestock or agricultural commodities, for commercial purposes; (ii) enrolled in the federal conservation reserve program or its successor administered by the United States Department of Agriculture; or (iii) other similar commercial activities as may be established by rule... ‘Commercial agricultural purposes’ means the use of land on a continuous and regular basis, prior to and subsequent to application for classification or reclassification that demonstrates that the owner or lessee is engaged in and intends to obtain through lawful means, a monetary profit from cash income by producing an agricultural product” (RCW Chapter 84.34 and 84.33).



Additionally, the most applicable definition of open space land under Current Use is:

“any land that meets the definition of farm and agricultural conservation land. ‘Farm and agricultural conservation land’ is either; (i) land that was previously classified as farm and agricultural land under RCW 84.34.020(2) that no longer meets the criteria and is reclassified as open space under RCW 84.34.020(1); or (ii) land that is traditional farmland that is not classified under chapter 84.33 or 84.34 RCW, that has not been irrevocably devoted to a use inconsistent” (RCW Chapter 84.34 and 84.33).

While the agricultural and open space parcels currently meet these requirements, if the parcels are sold for non-agricultural use, they will need to be withdrawn from the program. According to Clark County Assessor records, the parcels have been designated under Current Use since at least 2006, so removing them from the program would incur only back taxes and interest and no additional penalties. Upon withdrawal from Current Use, we estimate the additional back taxes plus interest to total around \$131,000.

PROXIMITY TO URBAN GROWTH AREAS

The subject property is adjacent to the Ridgefield Urban Growth Boundary. It is within one mile of two residential projects that were under construction or in the planning process, which will add over 450 new homes once complete.

Additionally, there are multiple commercial and lodging developments within a mile of the subject property, on the Cowlitz Tribe reservation. The tribe intends to continue commercial development on the land east and south of the Ilani Casino, some of which was recently incorporated from the City of La Center and placed into the tribal trust. The closest part of this land is less than 0.2 miles from the subject property. This demonstrates proximity to urban growth areas.

PARCEL SIZE

The largest parcel, which is the only one in agricultural use, is 20 acres. The parcels with landscape and equipment storage are 6.7 and 10.9 acres, the open space parcels are 2 to 10 acres, and the small parcel with a home is 4 acres. These are significantly larger than residential parcels in subdivisions around the site, which range from 0.14 to 0.2 acres. Commercial and industrial parcels to the north and south range from 1-69 acres; parcels at the subject property fall within this range.

LAND USE PATTERNS & INTENSITY OF SURROUNDING LAND USE

There are a few small farms to the south, east, and west of the subject property. To the north is the Cowlitz Tribe reservation, which contains the Ilani Casino and several small commercial buildings. Tribal land less than 0.2 miles north of the property is intended for future commercial development. To the southwest is a 296-lot subdivision, Paradise Pointe, which is under construction as of October 2024. Farther to the east and south are commercial and industrial centers – many permitted and built within the last 5 years.

New residential development is taking place primarily to the east and south, inside the Ridgefield UGA. As the nearby cities grow, new residential subdivisions will move towards the current UGA boundary and potentially even adjoin the subject property. Agricultural use of the subject property would stand in contrast to anticipated land use patterns of surrounding areas.

HISTORY OF PERMITS ISSUED NEARBY

Since 2018, one subdivision permit has been issued within one mile of the subject property. Paradise Pointe in Ridgefield (in some planning documents as Paradise Found) will add 296 new homes to the area. Relyea Subdivision is pre-application, with 160 units proposed. Nine commercial building permits have been issued since 2018, leading to over 1,330,000 completed square feet of commercial and lodging space. There are still 4,500 square feet under



construction, and 58,000 SF in land use review. Permits issued nearby indicate strongly that the subject property is characterized by urban growth.

FIGURE 6.4: RESIDENTIAL AND COMMERCIAL BUILDING PERMITS ISSUED SINCE 2017

#	Project Name	Address	Type	Status	Permit Year	Units
1	Relyea Subdivision	31008-12 NW Spencer Rd	Single-Family	Pre-App	N/A	160
2	Paradise Found/Paradise Pointe	N 11th-13th; 35th-Royle Rd	Single-Family	Under Constr.	2024	296
Total Residential Units						456
#	Project Name	Address	Type	Status	Permit Year	SF
3	Paradise Market Ph 1	32022 NW Paradise Park Rd	Commercial	Complete	2019	4,500
4	Paradise Market Ph 2	32022 NW Paradise Park Rd	Commercial/lodging	Complete	2019	81,900
5	Ilani Casino Parking Garage	1 Cowlitz Way	Lodging	Complete	2020	978,000
6	Ilani Casino Hotel	1 Cowlitz Way	Lodging	Complete	2022	250,000
7	Ilani Conference Expansion	1 Cowlitz Way	Lodging	Complete	2023	14,300
8	Cowlitz Crossing Ph 1	31801 NW 31st Ave	Commercial	Complete	2019	5,500
9	Cowlitz Crossing Ph 2	31420 NW 31st Ave	Commercial	Complete	2022	5,000
10	Cowlitz Crossing Ph 3	31420 NW 31st Ave	Commercial	Under Constr.	2023	4,500
11	Paradise Park	NW Paradise Park Rd/La Center Rd	Commercial/lodging	Land Use Review	N/A	58,100
Total SF						1,401,800

SOURCE: CoStar, Ridgefield Planning Department, Google Earth, local media, JOHNSON ECONOMICS

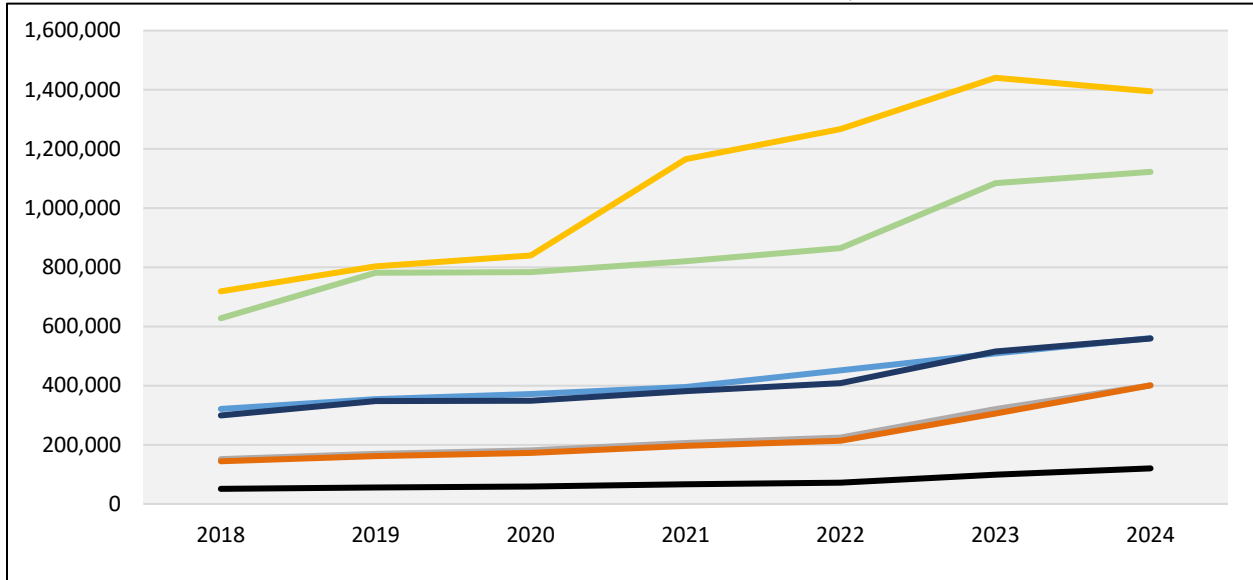
LAND VALUES UNDER ALTERNATIVE USES

Four parcels are designated under Current Use as Open Space or Farm & Agriculture land. These parcels have assessed values of \$120,000 to \$1,400,000, while their taxable values range from \$722 to \$870,000. Per parcel, on average, these taxable values are 27% of assessed values. The three other parcels are taxed at their market values, which range from \$400,000 to \$1,120,000.

The assessed prices reflect development values and are much higher than what a farmer would reasonably pay to use the land for agricultural production. Assessed land values have also increased significantly over the last few years. The graph below shows the assessed value over time for each parcel. From 2018 to 2024, assessed values increased by 75-180%.



FIGURE 6.5: ASSESSED LAND VALUE OF SUBJECT PARCELS, 2018-2024



SOURCE: Clark County Assessor, JOHNSON ECONOMICS

PROXIMITY OF MARKETS

Horse boarding/training requires land area that is less available in areas heavily characterized by urban growth, such as the Portland Metro Area. As such, the market for horse boarding/training can be geographically large. The closest horse boarding to downtown Portland is 13.7 miles, or a 21-minute drive if roads are clear. Emerson Equestrian at the subject property is 25.2 miles from downtown Portland, which is about 32 minutes with clear roads, and about 17.6 miles from downtown Vancouver, or a 20-minute drive. Given this, we estimate the market proximity to be 20 to 25 miles.

With hay or livestock production (more on this following), distance to markets can be variable. Hay is possible to sell locally, in rural areas of the county, to farmers with small numbers of animals. Larger amounts may be sold farther into the Willamette Valley, but this is less likely at the subject property. Commercial cattle slaughter facilities are farther and fewer in number as food safety regulations become stricter.

AGRICULTURAL PRODUCTIVITY

The USDA does not estimate budgets for equine operations, and the state-specific economic analyses that are available are quite dated. Thus, we will estimate productivity for horse boarding/training in general terms.

The Indiana Agricultural Statistics Service published equine budget estimates for operations with five or more horses most recently in 2001 (Washington and Oregon do not publish equine operations data with the USDA). The average income (revenue) per operation was \$15,000, while total expenses were \$24,000; this gives a net loss of \$9,000. To put this into a larger context, the USDA Net Farm Income Forecast charts total U.S. farm income, expenses, and net income from 2004 to 2024 (forecasted values). From 2004 to 2024, gross income and production expenses each grew by about \$1.5 billion from 2004 to 2024, while net farm income remained almost the same across that period. In other words, while revenue and expenses have both increased, farmers are not seeing an increase in their net income, or profit. Anecdotally, farmers in the Ridgefield area have described this phenomenon of rising costs of equipment, labor, and other resources without an increase in profit. It is likely that Emerson Equestrian has experienced this to some degree, even if the facility is making a positive profit. Additionally, with any agricultural operation involving animals comes concerns for mud, odor, and groundwater pollution. These may cause conflicts with nearby residential and commercial areas.



Hay farming and livestock operations are also possible options for farming at the subject property, given land capability and water availability. Higher value crops such as vegetables and berries would require higher quality soils and more water than is available. In Washington State, the average hay crop in 2022 yielded 3.1 to 5.2 tons per acre. County level data is not available, but a 2015 report to de-designate a property in Clark County estimated a yield of 2.0 tons per acre, so we estimate that actual productivity is at the lower end of the state average. The USDA Washington-Oregon Hay Report for early July 2024 estimates sale prices of \$250-300 per ton for good to premium quality hays. As of October 2024, sale prices are somewhat lower at \$150-280 per ton, but we will use July prices as a high estimate. From these we estimate maximum hay crop revenue to be \$1,300-1,560 per acre. There are about 27.5 acres across the entire property that appear useable for haying, aside from Emerson Equestrian, which would add about 8 acres. If we assume exclusive hay production, selling all that is produced, maximum revenue is \$35,750 to \$42,900 yearly (\$46,150 to \$55,380 with the Emerson Equestrian parcel). This figure only includes sales and does not consider any costs, which include labor, equipment, land preparation and fertilizer as well as transaction costs. A combination of the horse boarding/training facility and haying may be more profitable than either alone.

The second possible use of the subject property is pasture grazing. We use cow-calf pairs as an example. A single cow-calf pair needs about two acres for grazing, and a barn and equipment would also be needed. With the same assumptions as haying, up to 14 calf-cow pairs could be supported on the subject property (18 with the parcel containing the horse facility). The operations analyzed in USDA budgets have 138 cows and an annual calf crop of 104, which is considered small scale, but is more than twice as large as what is possible on the subject property. The USDA budget estimates the net value per calf sold at a loss of \$359, removing this as a profitable option. Additionally, with cattle production comes concerns for mud, odor, groundwater pollution, and nuisance conflicts with nearby residential and commercial areas.

The most significant cost associated with agricultural use of the subject properties, however, is the cost of buying or renting the land. The assessed market value of land in the subject property is almost \$2.5 million (this excludes the value of all buildings). While there are no comparable farm sales in the area, it is very unlikely that a farmer would pay that much for a small-scale farming operation.



VII. THE STATE OF AGRICULTURE IN CLARK COUNTY

The Washington GMA specifies that a countywide analysis must be conducted in order for cities and counties to de-designate natural resource lands (including agricultural lands) within the county. This Comprehensive Plan is required by the Washington GMA to be updated by the end of 2025, after its last update in 2016. In lieu of this full countywide analysis, we include a summary of the state of agriculture and urban development in Clark County.

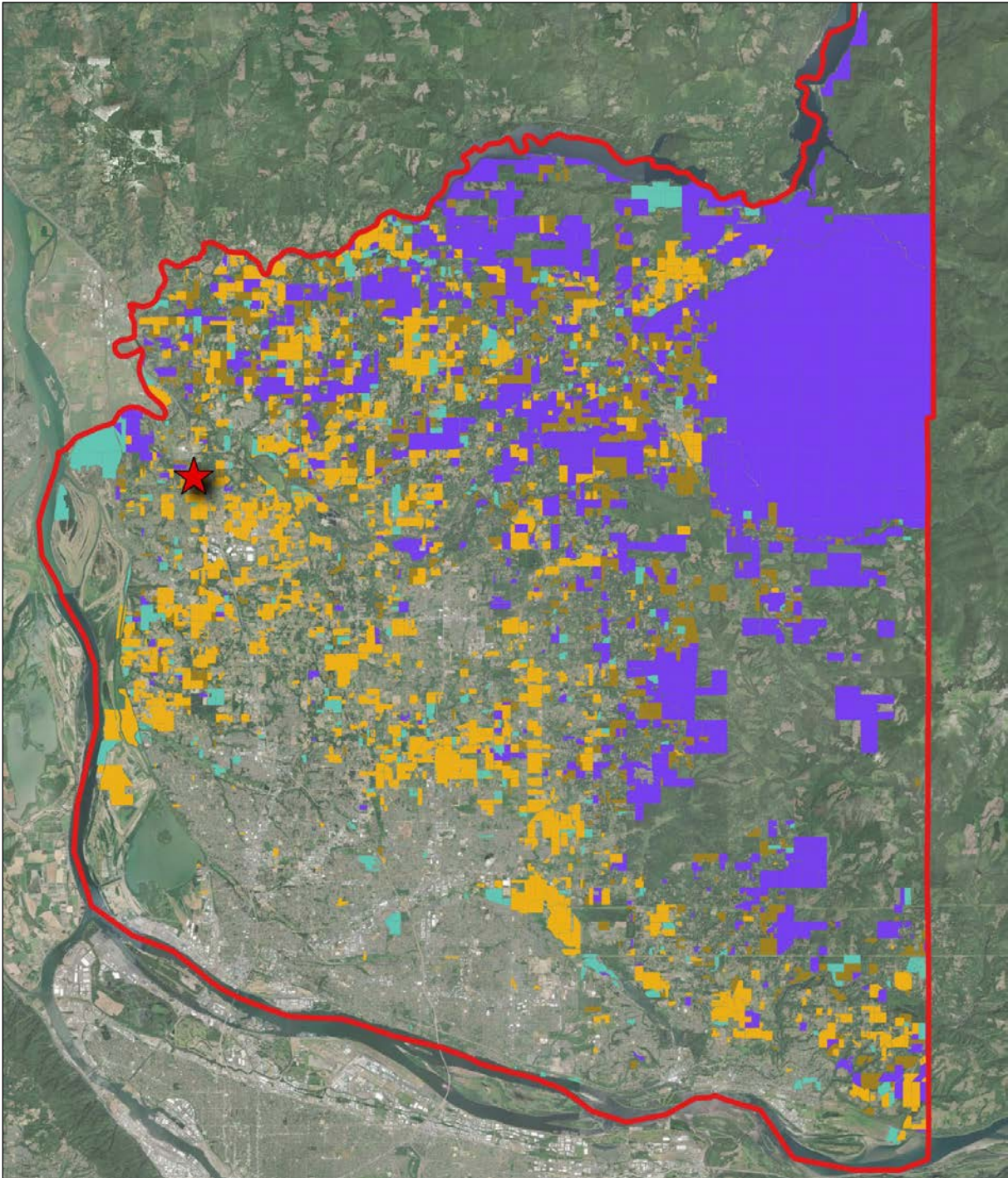
As of 2022, there were just over 1,900 farms in Clark County, according to the USDA. This includes 56,000 total acres, down 38% from 2017, when there were over 90,000 acres of land in farms. However, the number of farms in the county only decreased by 3%, suggesting that either a few large farms have ceased operations or that many farms have decreased in size.

On average, farms in Clark County are primarily small in size and scale: almost 70% of farms make less than \$5,000 in sales, and almost 90% of farms are smaller than 50 acres. Average farm-related income increased 132% from 2017 to 2022, but average net cash farm income is still negative at -\$230. The most produced crops in Clark County, by acreage, are hay (13,500 acres), Christmas trees (910 acres) and berries (855 acres).

Natural resource lands in Clark County are designated under the Current Use program, as described earlier in this report. About 36% of the county's land by area is classified under this program. Of the total land in Current Use, 25% is agricultural land (yellow), and the rest is open space (teal), designated forest land (purple), or timber land (brown). The subject property includes about 0.05% of the total Current Use designated agricultural land area and 0.2% of the total Current Use designated open space land area in Clark County.



FIGURE 7.1: CLARK COUNTY LAND UNDER CURRENT USE, 2024



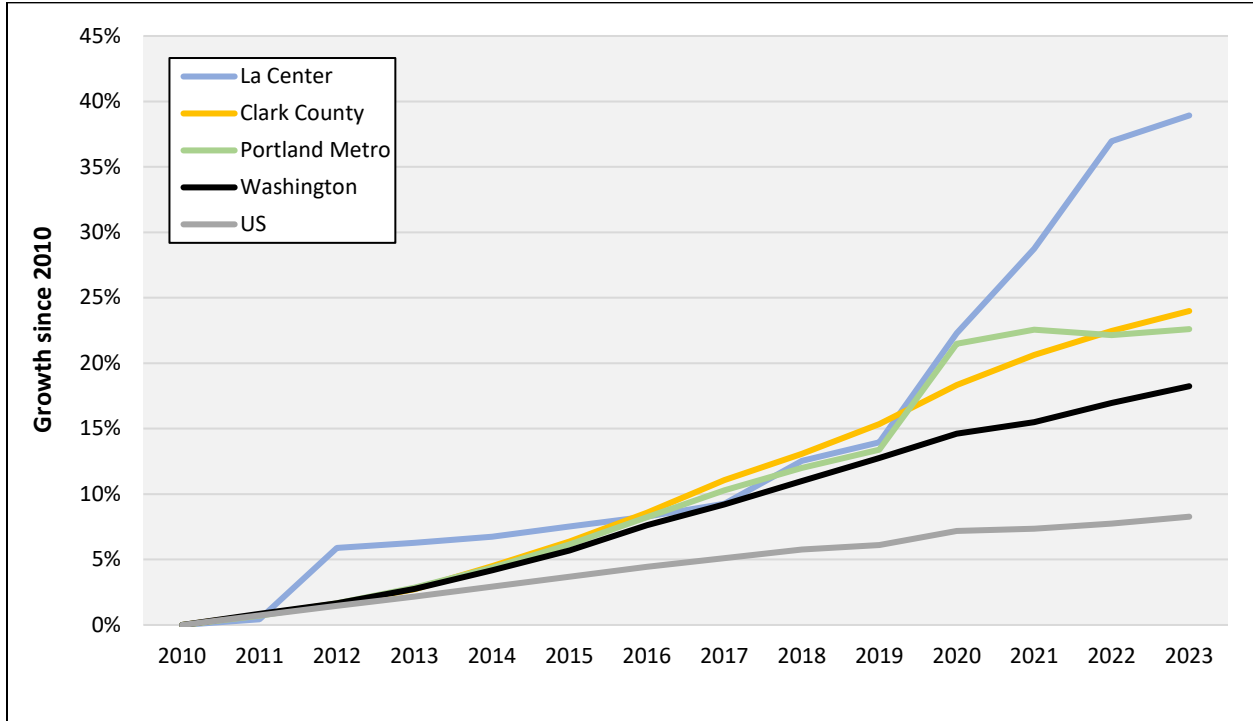
SOURCE: Clark County, JOHNSON ECONOMICS



POPULATION & DEVELOPMENT TRENDS

The county has seen population growth of almost 25% since 2010, which is equivalent to just over 100,000 people. Over that same period, La Center saw a 39% increase in population, just over 1,000 people. Much of this—almost 700—was just since 2019.

FIGURE 7.2: POPULATION GROWTH SINCE 2010, GEOGRAPHIC COMPARISON



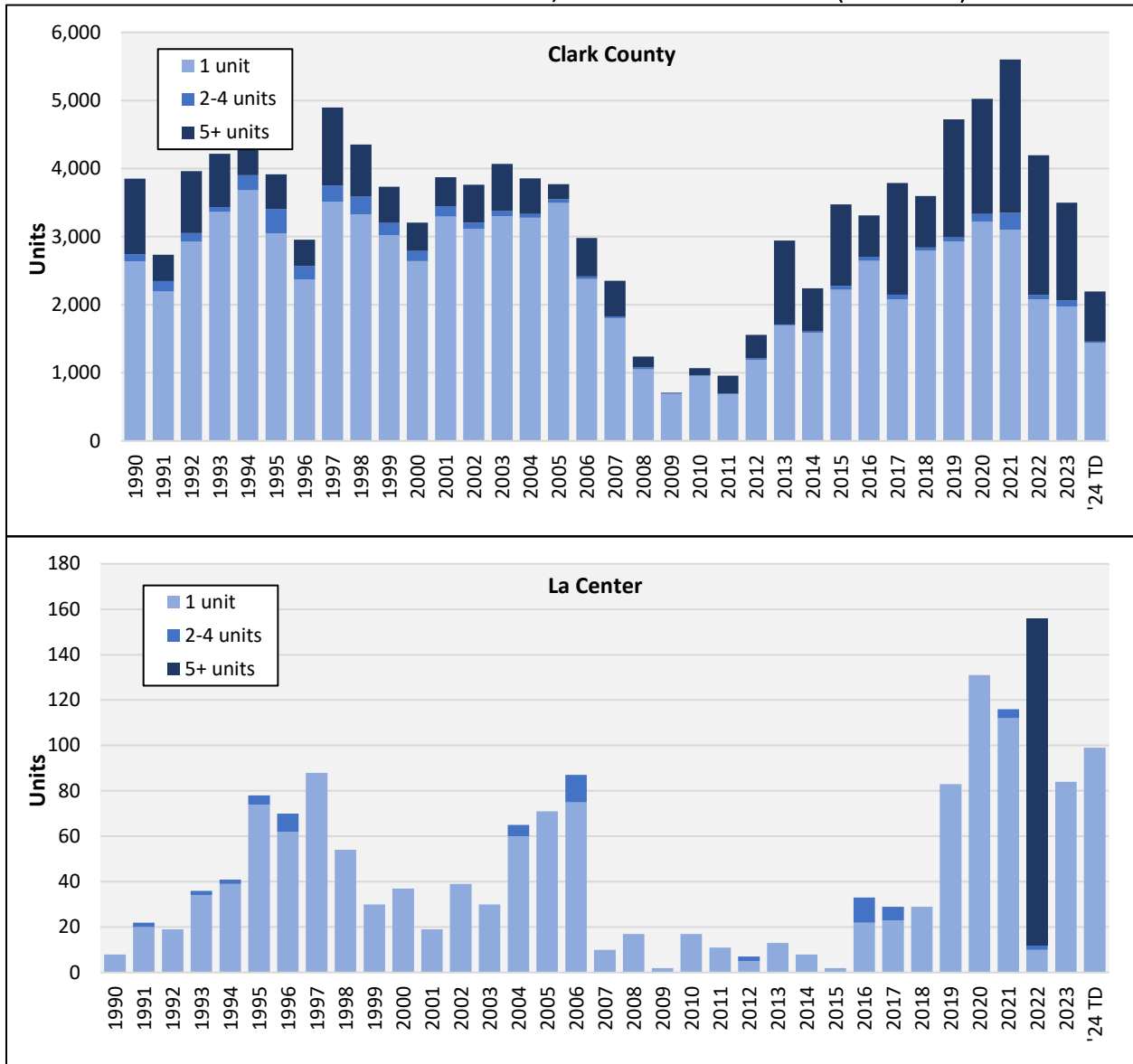
SOURCE: U.S. Census Bureau, Portland State University, WA Office of Financial Management, JOHNSON ECONOMICS

The increasing population in the county indicates a need for more housing, especially in fast-growing areas such as La Center and Ridgefield. Recent housing construction in Clark County has roughly been on par with the 1990s, when the county experienced a suburban boom. However, the share of multifamily units has increased considerably, while single-family construction is below the 1990s level.

The pattern is different in La Center, which saw consistent development through the mid-2000s. Residential development then dropped very low through 2018. Then, units permitted almost tripled the next year and have since stayed high. New homes in La Center are mostly single-family, though one large apartment project was completed in 2018.



FIGURE 7.3: RESIDENTIAL BUILDING PERMITS, CLARK COUNTY & LA CENTER (1990-2024)



SOURCE: U.S. Department of Housing & Urban Development, City of La Center, Johnson Economics

As La Center continues to develop, and as the city’s population continues to grow at rates above Portland’s and the broader metro area’s, more land will be needed for residential and commercial use. The city will not be able to plan for large new subdivisions or commercial centers without de-designating some of its agricultural land.



VIII. RECOMMENDATIONS

Based on our findings, it is our opinion that the subject property does not meet the criteria of agricultural land as laid out in the Washington Growth Management Act. It is therefore recommended for de-designation:

- The property has characteristics conducive to urban growth. It is adjacent to the La Center UGB and in proximity to multiple new subdivisions and commercial sites. The La Center/Ridgefield area is fast-growing, characterized by a lack of residential and commercial land; La Center's population has grown by almost 40% since 2010 and Ridgefield has grown even faster. The GMA requirement for designation as agricultural land is that "the land is not already characterized by urban growth;" the property fails to meet this requirement.
- While a part of the subject property is current in agricultural use, meeting the second GMA requirement of "the land is used or capable of being used for agricultural production," most of the property is no longer being farmed, commercially or otherwise. Several agricultural parcels around the subject site have also slowed or ceased farming altogether in recent years, including one parcel that was previously a tree farm.
- Most of the property no longer has "long-term commercial significance for agriculture," which is the third requirement in the GMA. The market value of this land for residential or commercial use is far higher than its assessed value for agricultural use. The values of these parcels reflect development values and are much higher than what a farmer would reasonably pay to use the land for farming. The potential profit from producing hay or grazing cattle is low or negative. The horse boarding/training facility, Emerson Equestrian, does have some commercial significance for agriculture in terms of use and potential profit, but over the long term, it is likely that the pressure of urban growth will reduce this commercial significance.