

Pope Divides 17,000 Acres on Paper; 'String of Pearls' Vision Intact

By Christopher Dunagan
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The action keeps options open for the county's largest landowner.

Pope Resources, the largest private landowner in Kitsap County, has divided nearly 17,000 acres of forestland into roughly 20-acre parcels — but it's only on paper.

The process, called "segregation," provides some insurance that the value of the land won't be diminished by future zoning actions taken by the county, according to Jon Rose, president of Olympic Property Group, a Pope subsidiary that manages these large tracts of land.

Rose said he still hopes to create a vast network of trails and open space throughout North Kitsap — a "string of pearls." So far, the concept fits within the county's Rural Wooded Incentive Program, a planning process that allows forest owners to create large developments in exchange for setting aside three times as much property as permanent forestland.

That incentive program is currently blocked by a moratorium imposed last year, and it is undergoing an extensive review by county planners.

In terms of private investment, Rose said it would be devastating if the county decided to create zoning that required larger than 20-acre parcels. Since the segregation into 20-acre lots was done by simply by filing a change in boundary lines, it was the prudent thing to do, Rose said.

"The 20-acre 'segs' provide us security that no matter what happens, things won't get worse than they are today," Rose said. "It's a bit of insurance to demonstrate to our board (of directors) that we are at least covering our bases while we are out developing innovative plans. The 20-acre 'segs' should not be considering as a lessening of our enthusiasm for the string of pearls."

The segregation created more than 700 lots, including 302 lots on some 6,500 acres in North Kitsap and 414 lots on some 10,000 acres in the Hood Canal region of Central Kitsap.

Rose acknowledged that land values and other conditions have reached the point that the company needs to "plan an exit out of North Kitsap" while buying land in more remote areas. The company could sell off large blocks of land, sell the newly created 20-acre parcels, or continue development of the "string of pearls" concept.

Tamara Beverage, an administrator in the Kitsap County Assessor's Office, said a market exists for 20-acre parcels of forestland. Owners of land designated for commercial forestry pay very low property taxes, based on the soil type, she said. The state gets its greatest revenue from an excess tax on the sale of trees, whenever they are harvested.

Someone buying a 20-acre parcel could transfer the land into another tax classification called "current use timberland" and continue with the tax benefits, she said. To build a house, a person could take an acre out of the forest classification, pay seven years back property taxes on that one acre, and keep paying low taxes on the remaining 19 acres.

Rose said Olympic Property Group has liquidated scattered tracts of property in recent years, earning more than \$10,000 an acre for 10- and 20-acre tracts of land.

Rose said he is more interested in innovative plans that would bring profits to the company while leaving Kitsap County with permanent forestland available for use by county residents. His "string of pearls" idea emphasizes public hiking trails, open space and wildlife corridors.

The 4,325 acres south of Port Gamble in North Kitsap (now divided into 195 lots) would be an ideal place to apply the Rural Wooded Incentive Program, Rose said.

Under that plan, about 3,000 acres would remain in permanent forest management, he said. The public would have access to trails through the area, and revenue from occasional timber sales would provide money to maintain the trails and provide high-quality land management.

The "incentive" part of the deal is that the company would be able to develop the remaining 1,000 acres with 800 homes, or four times the number allowed if one home were built on every 20-acre lot across the 4,000 acres.

County Commissioner Steve Bauer, who represents North Kitsap, remains skeptical about the Rural Wooded Incentive Program.

"I have lots of questions, and I'm uneasy about it," he said. "When I first heard about it, I didn't like it at all."

At first, it seemed as if the county were giving away the right to develop four times as many houses while the property owner was allowed to keep managing three-fourths of the land as always.

"If there is a good thing, it provides a way to keep open space and the natural environmental at a time when we can't afford to buy it," he said.

Bauer said he feels a little better about the trade-off after the county removed a provision that would have restored development rights to the entire property after 40 years. But, since the purchasers of 20 acres are likely to keep most of it in forestland for tax purposes, Bauer said he still needs to be convinced that larger tracts of forestland would provide enough benefits to make the program worthwhile.

One has to consider the community and environmental effects of building 800 homes on 1,000 acres near Port Gamble, Bauer said.

"That is a brand-new community," he said. "I don't think the GMA (Growth Management Act) ever envisioned new communities like that in a rural area. I know there are benefits we can get out of it, but we need to look carefully and see what the trade-offs are. I think this is a real significant issue for this county."

Rose envisions extra housing on a hill above Port Gamble as an extension of the existing community, where people would work, shop and play.

"People would be within a stone's throw of downtown with its post office, restaurants and community events," Rose said.

"We put everything on the table," he said. "After a year and a half of talking about this, we will test whether or not the communities involved still have enthusiasm for it."

Rose said he intends to bring forth more details in the near future.

Meanwhile, Katrina Knutson, long-range planner for Kitsap County, said she intends to hold community meetings in late spring to lay out the entire program and see what people think — assuming the county commissioners wish to move forward.

At least minor changes in the program are being considered, she said. If the effort goes forward, the moratorium would probably be extended while the planning commission and county commissioners complete their reviews by the end of the year.

