Skagit County Conservation Futures Advisory Committee Meeting Summary

November 9, 2021

Members in Attendance

Andrea Xaver Jim Glackin Owen Peth Hal Hart (ex-officio)

Margery Hite Scott DeGraw Keith Morrison Trisha Logue (ex-officio)

Members Absent

Audrey Gravley

Staff and Others in Attendance

Allen Rozema, Skagitonians to Preserve Farmland Kai Otteson, Belle Bean Services Mike See, Skagit County Public Works Ryan Jepperson, Skagit Conservation District Sarah Stoner, Skagit County Public Works

Scott called the meeting to order at 7:05 AM.

Opening Question

Scott asked members to identify what they believe is the greatest obstacle of FLP currently. The group concurred that the perceive the greatest challenge currently facing CFAC + FLP is getting applicants. Margery wanted to call out two points in the discussion: 1) that the real estate market is currently crazy, and 2) the tone of our entry to program might benefit from helping the landowner along in the process and from being as accommodating as we can be, within legal limits.

CFAC Membership

Sarah noted three upcoming CFAC term expirations: Scott DeGraw, Jim Glackin, Keith Morrison terms expire December 31, 2021. All three are willing to renew for another four-year term. Sarah will route resolutions to the Commissioners for approval.

Andrea points out her reading of the <u>CFAC ordinance 16380</u> (dated 1996) mentions members can serve no more than three consecutive terms. <u>County Code 3.18 governing the Conservation Futures fund</u> and Advisory Committee makes no such mention of term limits. It only defines a term as four years and that member "terms shall be staggered so that no more than thirty-three (33) percent of the board members' terms shall expire in any year. Sarah will clear up this term limit question with the Commissioners' office.

Andrea mentions there is also <u>Resolution 16766</u> (dated 1996), titled "APPROVAL OF THE RECOMMENDATIONS OF THE CONSERVATION FUTURES PROGRAM ADVISORY COMMITTEE AND INITIATING A PURCHASE OF DEVELOPMENT RIGHTS PROGRAM FOR FARMLAND PRESERVATION" along with the accompanying 30+ page report from the Conservation Futures Committee in 1997.

Member Updates

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Scott shared that in terms of the 'crazy Skagit market' he's gotten multiple offers for his property, as well as Andrea has also, plus the power station offer. Andrea added that her neighbor with 28 acres was offered \$699,000 with a tear-down house.

Allen noted that he's not a CFAC member but wanted to share an update. Allen has been working with Chris Boling on the pre-application FLP work. A lot certification is now complete through NW Lot Certification. Allen notes that the work of Debbie at Lot Cert NW was key in doing the heavy work of all the research to get to the lot cert. Allen estimates it cost \$500 for the lot cert. The Boling property sits south of Conway freeway interchange and west of 1-5 along Pioneer Highway. It adjoins the FLP-protected Wiley property, creating a block of 100+ acres of protected farmland.

Kai is in 'listen-only' mode until 8 AM or so, when he can report on monitoring.

October Meeting Summary

Jim made a motion to approve, Andrea seconded. All were in favor.

Marketing / Outreach

Sarah reviewed two upcoming outreach pieces.

Skagit Valley Food Co-op, 2022 Advertising

Farmland Legacy Program will run a small black and white ad in all four issues of the Food Co-op's *Natural Enquirer* newsletter which prints every 3 months at \$144 for the entire year. The ad's purpose is to increase public awareness of FLP; the local food co-op is a food/farm/preservation-positive audience to make aware of farmland preservation work in the Skagit. The group reviewed the draft and gave the thumbs up, with one comment to consider adding a phone number for FLP along with the website address. Camera-ready ad due November 19, for publication January 2022.

Annual Report 2021

Sarah reported one of her outreach goals is to produce a program report annually. She put the call out to advisory members who might be interested in working with her on the 2021 report. Andrea volunteered.

Application Development

Sarah reported that if her job is split into three main areas of focus—1. Marketing and promotion of the program; 2. Developing applications and working with owners to determine if they qualify; 3. Easement process from title report to escrow check—she's spent a majority of her time in the last month or two working with landowners inquiries on the pre-screening process (developing applications).

Program Inquiries

Jim asked about the volume of inquiries. Sarah explained further about the process of handling each inquiry, and how it leads to her learning about adjacent parcels, identifying viable parcels, and her boosting her learning curve on this.

Owen notices that three or four larger commercial farmers aren't enrolled in the program. Owen wonders what that is about. Also, he notes that some of the dairies out there aren't enrolled.

Application Process / Property Valuation Review

Scott presented to the group a need for four potential CFAC subcommittees, as detailed below, and made a call for CFAC members to sign on based on interest. Subcommittees are tasked to review specific areas related to the Farmland Legacy Program, to make recommendations and to propose changes to current policy and procedure for the Commissioners' consideration.

Easement Review Subcommittee

Members: Andrea, Keith, Owen

Purpose: 1. Review the current FLP conservation easement to identify what might be an obstacle to someone signing the Conservation Easement; recommend what might be considered for elimination, or as not relevant to conservation of the ag land; 2. Review the current FLP conservation easement from a legal standpoint to ensure that the contract is watertight and ironclad.

Discussion: Jim mentioned that Skagit Land Trust (SLT) regularly reviews their conservation easement by one of two Washington state attorneys who specialize in ag conservation easements. Margery notes that she is hesitant as a lawyer to be involved in this subcommittee if it involves legal recommendations.

Also, Margery notes that county attorney can deputize someone to do legal work on behalf of county; Trisha offered to walk Sarah through that process. Jim added that regarding SLT's past involvement with Anacortes Forest Lands, legal issues with the conservation easement are now being discovered.

Valuation Process Review Subcommittee

Members: Scott, Margery, perhaps Audrey (absent from meeting)

Purpose: make recommendations, if needed, to improve the overall valuation process (versus the appraisal process which is simply one tool for valuation. Evaluate barriers to participation: Is it our appraisal amounts that is the issue? Or do we need to have our appraisals approached differently? See below including a review of the FLP Property Ranking/Scoring Process Review—how the scoring process relates to valuation.

Discussion: Margery would like to look into additional factors that might be included in the appraisal review that don't come up on a traditional appraisal process.

Scott estimates the first two subcommittee projects' timeline about eight months.

Ranking/Scoring Process Review Subcommittee

Purpose: Review the FLP property ranking process Scott feels this is a lesser priority compared to the first two review projects listed. Allen suggests that the property ranking/scoring could be part of discussions related to valuations. The group concurs that ranking/scoring can be part of the Valuation Process Review Subcommittee.

Purchase of Non-Development Rights Properties Subcommittee

Purpose: Scott feels this is also a lesser priority for the group in terms of how much is on the CFAC's plate to address right now, as a volunteer board.

Allen adds there is 20,000+ acres in Rural Reserve (RR) zoning. With climate change and language being bandied about on "core ag areas" vs. "non-core ag areas" he states that it's making some farmers

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nervous about potential change coming down the pike. Allen would encourage FLP to consider all the land that is not zoned ag-NRL but in the face of climate change, could wipe out all the County's RR ag land. Jim concurs that's where some of the pressure and conflict lies. Andrea mentions the Nookachamps development as an example of changes put through before the Growth Management Plan came into effect. She reports that 2,500 acres of farmland used to exist in Nookachamps and now it's down to about 250 acres.

Margery sees the RR properties as more pressing. Allen suggests it might be a good idea to consider a joint meeting with Ag Advisory Board—perhaps joint concerns and pressures to address together. Allen offered to host a breakfast or a lunch in a large meeting room, like at SPF. January or February timing perhaps, when agriculture work is slower. Allen and Sarah will work on making that happen.

Hal weighed in to agree with Allen on the gentrification of Skagit County's rural areas. Hal wants to review the last few years, and report back to CFAC about the status of that for a future meeting. Planning has been so busy on the permitting side, that the department hasn't been able to stop to review the larger picture of what's been happening.

Monitoring Update

Kai of Belle Bean Services reported that they just have a few more properties to monitor before they wrap up the property reviews for 2021.

Scott asked about issues of non-compliance. Two documented properties with potential non-compliance issues received letters alerting of potential noncompliance — in both cases, it's the gradual accumulation of vehicles that's encumbering the process for ag use in terms of the volume of accumulation far beyond regular accumulation. Scott asks if we are also addressing these person-to-person, vs. having the potential noncompliance be mentioned in a letter.

One other property to discuss Kai with the group. Recently entered the program, on the corner of Avon Allen & Memorial Hwy—grown into blackberries for three or four years now, clearly out of ag use. Scott reminded the board that this particular property was one that the board went round and round about enrolling in the program. Eventually determined that there are values beyond ag noted in the conservation easement. Jim weighs in that it may be blackberries but it's not four houses!

Pending Easement / Property Updates

Sarah reviewed the status of all applications in process. The applicant queue includes 487 acres and 10 development rights.

Sarah noted a column added to the Pending Easement & Budget Information report. At the request of the group in October, the report shows appraisal amount with column added to show total paid to landowner. Completed Appraisal column is hidden; that date is tracked on Queued spreadsheet as well as Appraisal spreadsheet.

Appraisal question from October's meeting was revisited, with answers from two different sources on how long appraisals remain valid in our program. 1. Appraiser Bob Suttle's answer when asked recently is that appraisals would remain valid for six months and perhaps one year. The current cost for an appraisal review is \$2500. A second answer comes from the CFAC February 2020 minutes: "The group

discussed the shelf life of appraisals; the working policy will be that the appraisal is valid until proven otherwise."

Scott notes that in the banking world, appraisals are valid up to a year.

Financial Summary / Conservation Futures Fund

The group reviewed the status of the 2021 revenues and expenditures to-date. Total properties closed in 2021 to-date: \$1,465,000 in easement acquisitions representing 770 acres and 17 development rights.

Wrap-Up

The group discussed when we might in person. Group consensus stands that it does not look likely to meet in person as a large group anytime soon, though it may be an option to consider for the subcommittees.

The meeting adjourned at 8:55 AM

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