



## MEETING MINUTES

### Land Bank Commission Meeting March 15, 2019 Craft Room @ Mullis Community Senior Center San Juan Island, WA

**Commission Members in Attendance:**

Jim Skoog, District 1, position 1	Brian Wiese, at large, position 4
Sandi Friel, District 2, position 2	Doug Strandberg, at large, position 5
Miles Becker, District 3, position 3	Christa Campbell, at large, position 7

**Commission Members Absent:** VACANT, at large, position 6

**Land Bank Staff in Attendance:** Charlie Behnke, Lincoln Bormann, Judy Cumming, Peter Guillozet, Eliza Habegger, Erin Halcomb, Doug McCutchen, Eric Nelson, Kayla Seaforth, Amanda Wedow, Tanja Williamson

**Land Bank Staff Absent:** Carlton Burns

**County Council Liaison:** Bill Watson, Council Member, District 1

**Public in Attendance:** 14 members of the public were present

Topic	Key Discussion Points & Agreements	Actions and Next Steps
<u>Call to Order</u> 8:39 am	Chair, Christa Campbell, called the meeting to order.	
<u>Adoption of Minutes</u>	The February 15, 2019 minutes were reviewed. There were corrections.	Jim Skoog moved to accept the February 15, 2019, minutes as corrected. Brian Wiese seconded the motion. There was no further discussion. Motion passed unanimously.

<p><b><u>County Liaison</u></b> 8:39 am</p>	<p>County Council Member and Land Bank liaison, Bill Watson, reported Rick Hughes is still working with Hilary Franz, the Commissioner of Public Lands, to establish a date for the Lopez Hill Ribbon Cutting that fits into her calendar.</p>	
<p><b><u>Chair and Commissioner's Reports</u></b> 8:42 am</p>	<p>Doug Strandberg visited Coffelt Farm with Bill Watson and reported it was good to see the operation.</p> <p>Brian reported that he, Sandi Friel and Lincoln were also on the same farm tour and had a good discussion with Coffelt Farm Stewards (CFS).</p> <p>Jim, Brian, and Doug S. met with David Meiland, a candidate for the vacant commission seat. Jim noted that there were initially three candidates – one from Orcas and two from San Juan Island. Two dropped out due to other commitments. Jim believes David has a good, diverse background and recommends David to the Council. Doug S. and Brian agreed. David introduced himself to the rest of the council, noting he has lived on San Juan Island since 2003 and supports the Land Bank's mandate.</p> <p>.</p> <p>Sandi hosted a table at the International Women's Coalition celebration on Orcas.</p>	<p>It was the consensus of the Land Bank commission to recommend David Meiland to the County Council to fill the vacant position</p>
<p><b><u>Public Comment</u></b> 8:48 am</p> <p><b><u>Public Comment continued</u></b></p>	<p>Marcia deChadenedes from the Bureau of Land Management (BLM) thanked the Land Bank for their support and leadership in getting the San Juan Islands Specialty License plate to the legislature. Marcia reported the bill passed through the Senate and House and once in production, the \$30/plate fee will fund the San Juan Islands Youth Conservation Corps on all islands, as well as non-profit environmental, historical and agricultural organizations.</p>	

	<p>Marcia hopes the first set of plates will be available this July, and the first disbursement will be this winter.</p> <p>Amanda Azous thanked the commission for their work. She was concerned with the appointment process and felt it took a long time to find her replacement, and was happy to hear about David Meiland’s recommendation. Amanda feels someone should be appointed within one to two months of a seat opening up and that the commission chair should lead a nomination committee. Amanda suggested adding the appointment process as a retreat topic. Christa thanked Amanda for her comments, agreed that the appointment process took a long time, and noted that the Land Bank will do better.</p>	
<p><b><u>Review and discussion of 2018 Year End Land Bank Financial reports</u></b></p>	<p>Doug S. reported the 2018 Real Estate Excise Tax (REET) ended considerably above budget at \$3.8m. However, he also noted the first two months of 2019 REET revenue were lower than last year and urged the Commission to be cautious. Doug commented that lack of inventory has affected real estate sales. He suggested reviewing the \$3.2m REET budgeted for 2019 at the end of the first quarter.</p> <p>There was an increase in the Local Government Investment Pool (LGIP) interest rate from 1.2911% at the end of 2017 to 2.3780% at the end of 2018.</p> <p>The Conservation Area Fund (CAF) ended 2018 well with \$3m on hand, but Doug noted upcoming expenditures, e.g., the Taylor acquisition. He also encouraged the Commission to look at projects in the pipeline and make decisions based on the uncertainty of REET revenue.</p> <p>Judy Cumming commented that the final 2018 numbers would not be verified by the County Auditor until the end of first quarter. Judy feels confident</p>	



	<p>property by motor vehicle. Closing is set for April 8. The Land Bank will contribute \$1.85m initially with SJPT raising funds to purchase a CE for \$850k. The goal is to have everything wrapped up by year's end. Jim requested removing the giant "For sale" sign. Doug S. asked if the San Juan Island School District has been contacted. Lincoln said he is just starting that process now that walking access was possible. Jim offered to help in discussions.</p> <p><b>Adibzadeh</b> – This 20-acre parcel on Bailer Hill Road is largely an open field. It is highly visible and adjacent to False Bay Creek Preserve on one side and a 10-acre Land Bank property on the other (this property has been slated for resale with the retention of a CE). Lincoln laid out a scenario where the farmer who currently leases both parcels would purchase them and the Land Bank in turn would purchase a CE on Adibzadeh (while retaining a CE on the other). Christa asked if the seller is willing to wait while the details might be worked through. Lincoln said he believed so.</p>	<p>The commission gave their consensus for Lincoln to continue negotiations in order to keep the property from being developed and to keep farmland in San Juan Valley protected.</p>
<p><b><u>Discussion – Coffelt Farm Infrastructure Needs</u></b> 9:25am</p> <p><b><u>Discussion: Coffelt Farm Infrastructure Needs continued</u></b></p>	<p>Christa thanked everyone for caring about the community and the land and emphasized that the upcoming discussion was not about getting rid of Coffelt Farm. The discussion was about the \$1.25m request made by Coffelt Farm Stewards (CFS) for new infrastructure. If unmet, CFS would follow through on its vote to disband and relinquish management of the property under its existing lease.</p> <p>Christa broke down the request as follows:</p> <p>\$937k for a housing and education structure</p> <p>\$100k for water systems</p>	

	<p>\$100k for heavy use (manure management) area</p> <p>\$75k for fencing</p> <p>Christa asked Lincoln for a brief history for those not familiar with the history of Coffelt Farm Preserve.</p> <p>Lincoln said the Commission decided to purchase the property even though it had a CE when Sidney and Vern Coffelt informed them of their intention to retire and sell the farm. The Commission felt the farm would be divided as allowed by the CE and new owners would likely not farm the land, but instead develop it as separate estates. Instead the Commission envisioned holding and leasing the property for agriculture. The hope was that an individual or organizational farmer could succeed in a scenario where the cost of land wasn't an issue and they received the working infrastructure, animals and equipment.</p> <p>Developing a non-profit (CFS) was a model that made sense in order to fundraise for operational expenses and run the farm as a whole. Lincoln noted that CFS's tenure has been rocky with four complete Board turnovers in eight years. The current board that was formed in 2018 is now 9 months into a 2-year lease. He also said that last year at this time CFS was about to disband. Lincoln also noted the Coffelt Farm was an outlier for the Land Bank as its other Preserves were open space or had little infrastructure.</p> <p>Christa opened up public comment with the guidelines that if someone had already submitted their comments in writing to please wait and allow for new voices.</p>	
<p><b><u>Public Comment</u></b> 9:39 am</p>	<p>Of the 17 people attending the meeting, the majority shared comments regarding Coffelt Farm</p>	

<p><b><u>Public Comment continued</u></b></p>	<p>Preserve and the CFS’s request for funding.</p> <p>Topics included a more serious look at the preservation of agriculture, inadequate housing at the farm, carbon farming and regenerative farming. There was discussion regarding the informational binder CFS Treasurer, Bill Wulff, provided. Bill commented that the “funding or fold” request may seem like an ultimatum, but he believed it to be a declaration of what the farm needs.</p>	
<p><b><u>Discussion: Coffelt Farm Infrastructure Needs Continued</u></b> 10:05 am</p>	<p>Miles Becker asked what the farm looked like prior to the Land Bank purchasing it. Lincoln responded that it was a small family farm, similar to how it’s run now with three people working it year-round buoyed with help from seasonal workers. The family residence (currently held as a separate life estate) was part of the farm. Doug S. asked if the dairy was new. Lincoln said yes. He noted that a new water system was installed specifically for the dairy and \$145k had been spent on farm infrastructure since the Land Bank acquisition. He also noted that the Coffelts built a residence for their foreman.</p> <p>Christa asked each Commissioner to weigh in.</p> <p>Jim said he was confused. He missed the February meeting, and noted that reports CFS at the January meeting were positive. The sudden ultimatum of \$1.25 was very unexpected. He went on to say his takeaway from this experiment is that farming is hard and that perhaps the non-profit model is not sustainable. He also wondered what supporting the \$1.25m request would say to other county farmers.</p> <p>Doug S. stated that he did not believe this model is working. He noted the</p>	

<p><b><u>Discussion: Coffelt Farm Infrastructure Needs Continued</u></b></p>	<p>Land Bank had entered into a 2-year lease with CFS with the intention of negotiating a longer term lease. The lease had a provision for the lessee to make budget requests (including those for infrastructure improvements) to the Commission by September and that CFS had not made such a request. He also felt the ad placed in the paper by Coffelt Farm Stewards was misleading; the Land Bank has no plans to close Coffelt Farm forever.</p> <p>Sandi commented that she had been researching different models for operation of a publically-owned farm. She noted that the Coffelt Farm Purchase and Sale Agreement does call out agriculture as a conservation value, but does not require the property to be actively farmed. However, the Conservation Easement (CE) held by the SJPT requires the property to be kept in active agriculture, but does not require it to be a diversified farm. She stated that she does not believe the Land Bank would be shirking its duty if it decided not to continue farming at this scale, but agreed that in order to continue at this scale, money would need to be invested. She described a couple successful farming models with non-profits, including Lopez’s Stonecrest Farm where the lessee had an extensive farming background. Sandi acknowledged that responsibility for the current situation falls on both parties (CFS and the Commission) but was disappointed in the ad campaign as well. It was misleading, throwing the Land Bank “under the bus” stating Coffelt Farm will close forever. Sandi continued to say that the partnership between CFS and the Land Bank was crumbling with communication and compromise lacking. She concluded that she does not believe it is the Land Bank’s responsibility to pay for all of it. As a non-profit, there is the ability to</p>	
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<p><b><u>Discussion: Coffelt Farm Infrastructure Needs Continued</u></b></p>	<p>fundraise, but Sandi has seen no enthusiasm from CFS to do so. She also said CFS may end, but Coffelt Farm will not.</p> <p>Miles stated that he thinks the Land Bank needs to define what it wants for the property, not the farmer, meaning keep the farm going, but not necessarily in its current form. He noted that there is no information showing how investing the money will change what is happening now.</p> <p>Brian acknowledged the work, time and money that CFS has put forth, especially Bill and Betty. Brian is a proponent of the non-profit model and would like to see it work. He spoke with incoming CFS chair, Kathy Morris, about her visions, and would be happy to see them realized as well. He was also disappointed that the board would disband if demands weren't met. He wondered if CFS can survive as a non-profit entity considering nine months into a two year lease they are ready to quit. He doesn't believe that there is much cooperation/flexibility in the way the demand/request was put forth. He pointed out that Vern, like most farmers, had a second job while farming and that Bill and Betty have been underwriting many of the farm's expenses. Brian believes funding the fencing, water and hard use area at \$250k is fair, but not housing; it goes beyond the Land Bank's mandate.</p> <p>Christa was appreciative of the request from CFS as it brought important issues to the forefront. She was disappointed in the attack ad; instead of opening a conversation, it raised fear and anger. Christa agreed there is a need to reevaluate acquiring farmland and highlighted the importance of stewarding the land and its resources.</p> <p>There was discussion regarding partially funding the request, but no consensus to</p>	
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<p><b><u>Discussion: Coffelt Farm Infrastructure Needs Continued</u></b></p>	<p>do so. Jim said he believes that the negative ad campaign dissolved any goodwill between CFS and the Land Bank and would like a public apology from CFS before signing off on further partnerships.</p> <p>Christa emphasized no decision has been made regarding future farming models at Coffelt Farm, nor does the Commission have any interest in closing the farm. She noted there was much expertise in the room.</p> <p>Christa asked for a motion to reject the request the \$1.25M request from CFS.</p>	<p>It was moved by Jim Skoog to reject the request the \$1.25M request from CFS Motion seconded by Doug Strandberg.</p> <p>There was discussion and Brian moved to amend the motion to fund the infrastructure improvements except the housing. Sandi Friel seconded the amendment for discussion. Sandi said if farming at Coffelt continues at its current scale, the Land Bank should fund the fencing, heavy use area and water requests in the proposal. Doug S. noted the lack of commitment to the current lease and opposed Brian’s amended motion. Jim also opposed Brian’s amended motion. The amended motion was put to a vote; one for and five against. Amended motion did not pass.</p> <p>Original motion to reject the request the \$1.25M request from CFS passed unanimously.</p>
<p><b><u>Break</u></b> 11:12 am – 11:19 am</p>		
<p><b><u>Next Steps for Coffelt Farm Preserve</u></b> 11:19 am</p>	<p>Sandi suggested an immediate public response regarding the decision in order to alleviate any public fear of Coffelt Farm closing. Doug noted that there is a lease agreement in place and CFS is breaking said lease. Christa agreed a friendly letter outlining the steps in decision making would be beneficial. Lincoln added that there was not a total unwillingness to spend money on infrastructure at Coffelt Farm, but a rejection of the demands as presented.</p> <p>Brook Brouwer, director of SJ County WSU Extension, invited the Land Bank</p>	<p>Action items for April LBC meeting: 1) Lincoln will write a letter to community.</p>

	<p>to take part in an agency wide meeting April 4<sup>th</sup> at Skagit Valley College on the topic of farming models.</p> <p>Bill Watson asked the LBC and Land Bank staff to keep the County Council updated on this issue.</p>	<p>2) Charlie will reach out to CFS to help with transition. Doug said he would help.</p> <p>3) Lincoln and Charlie will attend the April 4 WSU meeting.</p> <p>4) Lincoln will bring a proposal to April meeting.</p>
<p><b><u>Directors Report continued</u></b> 11:40 am</p> <p>San Juan Island</p> <p><b><u>Directors Report continued</u></b> San Juan Island</p>	<p><b>Hauschka Property and Cady Mountain Development LLC (Buck) Property</b> – The Hauschka appraisal came back and supports the asking price of \$1.7M. Lincoln reminded the Commission that the negotiated price for Buck property was \$1.73M. Lincoln asked the Commission to make a decision regarding purchasing one or the other, or neither property. Doug S. prefers Hauschka, but doesn't believe the Land Bank can afford either one right now. Jim and Sandi agreed with Doug S. and There was discussion about conservation easements as a first option. Miles agreed being fiscally conservative was the responsible way to proceed. Brian deferred to the San Juan Island Commissioners. Doug M. stated that he believes the Buck parcel has more significance due to its connectivity to English Camp. Christa inquired about the urgency of making a decision. Lincoln said the Buck family had been patient and now needs an answer.</p>	<p>Judy will format financial projections.</p> <p>The Commission decided by consensus not to go forward with either acquisition at this time.</p>
<p><b><u>Meeting Adjourned</u></b> 11:57 am</p>	<p>Chair Christa Campbell adjourned the meeting.</p>	
<p><b>NEXT MEETING</b></p>	<p>The next LBC meeting will take place on April 19, 2019, at the Lopez Island Library, Lopez Island</p>	