

ISLAND COUNTY COMMISSIONERS - MINUTES OF MEETING

SPECIAL SESSION – APRIL 10, 1998 - GMA WORKSHOP

The Board of Island County Commissioners met in Special Session on April 10, 1998, beginning at 9:00 a.m. in the Commissioners Hearing Room, Coupeville, Wa. The purpose of the special session was to provide an opportunity in joint workshop for the Board to meet with the Planning Director and staff, Island County Planning Commission, and Keith Dearborn, to: (1) discuss Resource Lands and receive a presentation/recommendation from Don Meehan, WSU Cooperative Extension, on what actions the County can take to make the Resource Land zoning category more attractive to farmers and foresters; (2) review comment letters relating to Agriculture and Forest Lands; and (3) receive RAIDS and Rural Residential Land Capacity Analysis. The comment period ended yesterday; the County received 320 comment letters [green sheets] on the Plan, about 50% property specific.

Attendance:

Board of County Commissioners: Wm. L. McDowell, Chairman, Mike Shelton, Member and Tom Shaughnessy, Member.

Planning Commission: Present were Commissioners Rufus Rose, Linda Moore, Sheilah Crider, Bill Vincent, Tom Olsen, and Anne Pringle. Commissioners Richard Hart and Jo Ann Silvers were absent.

Consultant: Keith Dearborn; Emil King

Staff: Don Meehan; Donna Keeler; Matt Nash; Erika Jensen; Jeff Tate; Debby Ross

Others Present: Approximately 14 people were in the audience [Attendance list on file].

Handouts:

- List of Five Policy Issues Related to Resource Lands
- Packet of comment letters – ag and forestry lands

(Camano Map posted; one map for each sub-area, and identified on the map specific properties that farmers or foresters have raised issues about)

- RAIDS and Rural Residential Land Capacity Analysis Report
- Summary of all RAID Comments Received to Date

IMPROVING FARM PROFITABILITY - Don Meehan - [overhead presentation – Improving Farm profitability – to be duplicated and copy provided for the Record].

Mr. Meehan shared different ideas he had working on the issue of improving farm profitability; the reality is it has to be profitable for farmers, as it is the farmers who preserve the farm. The open space tax program has had one of the largest positive impacts on farm profitability. The TDR program was instituted in 1984 but never functioned well because the demand was absent, the end result of the 1984 Comp Plan process was down-zoning. He did not think that a lot of the ag or forest landowners at the time really understood what that meant, but over time, land values decreased. Anyone with a large commercial agriculture operation needs land value because that is how they get their loans. Loss of asset flexibility is another factor. The Agriculture and Forestry Protection Ordinance is very important. Past efforts have generally focussed on preserving land in open space and not preserving the agricultural industry.

The cost of operating a farm has risen significantly over the last 20 years while the value of the farm product decreased, and regulatory costs have risen [i.e. dairy farmers – SB 6161 on dairy waste management]. The farming

infrastructure in Island County has weakened and continues to do so. Farmers are forced to go off island for equipment parts and general farm supplies. Shipping costs of the product have gone up, a lot of which has to do with the fact that roads here are jammed and hard to get on and off the island. There are fewer and fewer farm neighbors to rely on for support and help. The return on investment for farming is very poor. Farming is also one of the most dangerous industries in the nation.

To improve farm profitability [focus on commercial ag zone or resource ag] he suggested discussing things such as: a guaranteed farm loan program; fee waiver program; fast-track permit program; open space rent program; water for ag program. The existing proposal in the draft Plan for people in commercial ag zone allows one development site per 40 acres every 5 years. One of the things he thought a fundamental piece to that is that the entire land they own should be considered developable to allow some flexibility. Another fundamental piece would be to create a farm development plan, which would be a legal contract between the county and the farmer; would meet the goals of GMA; customized for the land and the needs of the farmer, maximizing ag profitability and farm asset flexibility; and the plan would last for the lifetime of the comprehensive plan with revision capability favoring the farm operator. The plan is more than just conceptual and shows how the earned development potential can be used on their farm. The plan would be approved by the legislative body of the County, and identifies specific actions the County can take to enhance and strengthen ag production capability of the farm, such as road improvements, weed control, managing surface water.

He also suggested that the County needed to team up with local banks to guarantee low interest loans for farm operators, such a program to be funded through a special open space tax. Farmers now are looking at interest rates of 8.5 to 9% for land acquisition, higher than what a single family homeowner pays. Other ideas he suggested: instituting a fee waiver program; fast track permit program; open space rent program [scenic view tax] and a water-for-ag program, including agreements between the county and a city or town for the capture and relocation of surface water or other water suitable for irrigation purposes. Another suggestion was to give agricultural water rights preference over all others.

With regard to soil types, Mr. Meehan indicated that soils in Island County were not as good as soils in the Skagit Valley. Soils on the Prairie are probably the most productive in Island County. Once off the Prairie, the soils are the type that need a lot of good management. He thought that soil maps should be taken with a huge grain of salt because it is the farmer who farms the land that knows what a soil can and cannot do. Prime soil identifiers are being used for the commercial ag classification, but those are from the 1940's and cannot be relied on [on a farm by farm basis].

COMMENTS; QUESTIONS; DISCUSSION

Wilbur Bishop, Sherman Farms, commented that as far as farm profitability, for the Sherman Farms operation, the largest asset is land (60%); followed closely by cattle, and then machinery. The farmer tries not to borrow against it but there are some loans, 90% of the borrowed money is on the land value. Sherman Farms he thought unique in that they have no loans on their cattle. Farming is fairly marginal. The farmer has no control over many things, for example, market, availability of grains and hay, weather and taxes. Soils on the Prairie are good but only so much can be done if there is no economical way of watering. He saw with some of Mr. Meehan's ideas a possibility of helping out.

Out of the menu of items all were worth looking into but what stood out would be the farm unit plan, and he asked that the County give them the opportunity to develop such a plan, included would be, for example, some Rural Residential property, 13 next to the Town, let them do low density residential development and annex into the Town, a buffer between the more dense part of town and the rural town; at the bottom of the Prairie, a retention pond so the water does not just go out into the Sound and give Shermans the right to use that water to irrigate, opportunity to plant trees around the pond and have it a wildlife area too. Other ideas would be increase the trail system as part of the farm plan. Mr. Bishop has submitted a conceptual idea of a farm plan. He requested that the County consider adding this idea to the Comp Plan.

As far as making a distinction between commercial ag (40), Mr. Bishop personally thought 40 a good number. For someone to have a farm plan, his suggestion was that a certain percentage must be in commercial ag, at least 50%. He was also agreeable that the plan would need to be approved by the County Commissioners.

Mr. Dearborn has been talking with WSU about working with the farmers and asked that WSU provide technical assistance to the Planning Commission.

Ray Gabelein, Jr., raised on a farm on South Whidbey, believed Don Meehan had some good ideas. His advice was that the County do everything it can to help farmers. The County will never regulate farmers into farming, and in the end, he thought it would take a lot of financial support from the County as a whole.

Mr. Rose made reference to the Joe Long farm in South Whidbey: it has lots of bottom land that stays wet past planting time, and over time, regulations limited farmers' ability in the Maxwellton Valley to drain the land had a negative impact.

Don Meehan thought that in general was probably a fair statement. Over time, he did not see a lot of effort going into opening up the drainage systems to keep the bottom lands drier in order to be farmed.

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John Graham, who was a member of the Heritage Lands Task Force, representing The Coalition and CSD, South Whidbey, thought Mr. Meehan's presentation excellent. The water for ag program he thought a good idea but would be difficult to get first preference for water rights for farmers. The open space rent program, scenic views tax he suggested were already in place, in the form of the TDR/PRD program, a perfect time to revive it and greatly simplify the process. Fast track permitting and fee waivers, he agreed should be considered. A farm development plan he agreed was an important consideration. However, as proposed the 1 acre split off per 40 acres every 5 years, in his view and the view of the Coalition, would never pass the Growth Management Hearing Board. The Coalition thinks the split off program is an absolute non-starter, and TDRs should be used instead. Generally, the Coalition is very supportive of the kinds of things Mr. Meehan talked about. The Coalition and CSD has talked about the key being improving profitability of the farm.

Keith Dearborn explained the purpose of the farm development plan was to identify the areas on the farm where the 1 acre option could be used; it is a master plan for that farm and commits it for 20 years.

Don Meehan made the point that if a farmer is in financial straits, people need to keep in mind that short-platting or any minimal development takes money, and a farmer in that position would be hard-pressed to be able to do that. He saw a potential in the community for higher density development to be done where the farmer ultimately puts up the land, and realizes significant financial benefits at higher density under the farm plan. Mr. Meehan did not want to rule out higher density. The idea of the farm plan is to identify those lands on the farm where development could take place.

Charlie Stromberg, Coalition, South Whidbey, congratulated Mr. Meehan on the presentation, talking about good sound economics and very creative ideas. Re-use of water is a great idea, storage ponds would work in a number of different ways. The farm unit plan was intriguing. It may be that the importance of large parcels of farms to do plans would be treated with an adequate amount of attention, and he liked the idea.

REVIEW OF INDIVIDUAL PARCELS

[Map posted on the wall. Green sheet comments organized sub-area by sub-area. Maps will become a part of the record and available next week.]

A hand out was provided containing comment letters relating to Agriculture Lands and Forest Lands. Mr. Nash reviewed the organization of the package provided, with cover sheet for each area. He provided a copy for the record of the questionnaire, cover letter and maps sent to all the resource and rural ag landowners. Almost 100% of the resource farm property owners, Mr. Dearborn, County Commissioners and members of the Planning Commission met with individually, and information was provided at this time to supplement the written information based upon individual discussions with farmers.

COMMENT LETTERS – CAMANO ISLAND

Barry Flener - forest land issue [property pointed out on the map posted] Mr. Nash commented that no substantive reasoning provided for Mr. Flener's property not to be zoned forest management. It meets the designation criteria established in the draft plan. Surrounded on at least three sides by rural residential lands and on that basis, Mr. Flener believed both should be zoned RR. Mr. Flener states that the property is split zoned today, 7 acres RR and 3 acres forest. The property is two contiguous 10 acre parcels.

Mr. Dearborn pointed out the question this raises is if Mr. Flener sells one of the 10 acre parcels and no longer has the 20 acre size, would the property remain in the zone or effectively would be removing himself from the sale of his existing parcels. Mr. Dearborn gave a quick summary as an example of what the benefits of staying in or going out of the classification would be for someone in a sale decision. A 20 acre property, i.e. Flener property, would receive one acre home site every ten years that would not count against the zoning density. It would not cause the property owner to lose eligibility for open space taxation, but may cause loss of eligibility for the commercial forest tax program, but could possibly go to the open timber program or County in its Public Benefit Rating System may decide to allow giving high priority to these properties for open space-open space tax benefit.

According to Mr. Nash's understanding of the process, removal of the one acre would be noted by the Assessor's Office, who would remove the remaining 19 acres from the classified or designated forest, but could then be eligible for open space forest tax classification. However, important to note that the open space tax classification does not make the property eligible for rural forest zoning.

Chairman McDowell thought it would be important for that 19 acres to stay in the classification, if requested by the property owner, i.e. better to have 19 acres as opposed to none.

Mr. Dearborn thought that as long as this property owner retains the designated forest or commercial forest tax classification, he remains in the rural forest zone. Unless the County changes its criteria, nothing can be done about that. Once the owner sells a piece the owner potentially is no longer eligible for that tax classification and would automatically revert to rural designation. The only way the owner can get into the RR classification is if he pulls his land out of the program.

Commissioner Shaughnessy thought in this case it would seem as though the property owner was being penalized because he is in the tax classification. Mr. Dearborn verified and agreed with Mr. Shaughnessy that the classification this owner is in, there is zero penalty to go in the forest designation and the owner has the option at any time to come out of that designation, on paying back taxes or the penalty. Under the new proposal, Mr. Dearborn pointed out that that the property owner has complete control which zone he is in.

Commissioner Shelton agreed he too would prefer this property to remain in the tax program but if the owner does not want to do so, should have to pay the appropriate taxes to withdraw.

Van Johnson - Ag Issue [identified on the map] The owner is asking a number of questions without requesting re-designation. The property consists of 34 acres in one tax parcel and 18 acres in another and the entire property is in Rural Ag. With that many acres, Mr. Dearborn noted that the owner, when the Plan goes into effect, will have at least two 1-acre home sites that could be used on the property, or withdraw it from the Ag tax program and would automatically revert to Rural Residential [1 for 5]. This property clearly meets designation criteria because of being over 20 acres in size and has lands in the Ag tax program. Property owner comment Item #3 appears to be a misstatement of fact and there will be a comment letter back to the owner to clear that up.

Danielson Farms [shown on the map – large resource ag zone block] Mr. Dearborn read very carefully the transcript and material submitted and did not see any defensible basis to classify this property in the Resource Ag category. The owner requests Rural Ag category which he is eligible for. Based on the record, Mr. Dearborn recommended the property be classified Rural Ag rather than Resource Ag. Soils information provided by the property owner alone are sufficient to treat the property as Rural Ag.

Mr. Dearborn hoped the farm development plan idea could be used on an optional basis for people with large farms that end up in rural ag because they too would like to have that same kind of opportunity and it would make sense to develop a master plan for the property as well. From an economic standpoint, the owner indicated he and his brother are both in their mid-50's and plan to retire in the near future; have no children that plan to continue the farm operation; and provided sufficient evidence to show, supported by experts, that if the farm were put up for sale it would not sell as a dairy farm.

And, Commissioner Shaughnessy noted also the economic liability of keeping it as a dairy farm.

Edward Babcock

Mr. Dearborn stated that in 1984 this property was zoned Rural Residential; on Mr. Babcock's notification to the County that it had been mis-zoned, the County reclassified the property to agriculture. The map shows the Babcock property Rural Residential again and it appears the property probably meets criteria for Rural Ag . Mr. Babcock's questions relate to how to use the one acre option, and raises some issues that need to be reviewed for next week in terms of the circumstances that are being created for some of the landowners. This property is in the tax program, over 20 acres in size; the County mapping was not correct and should have included the property in the Rural Ag classification, and Mr. Dearborn recommended that be done.

Rufus Rose expressed his belief that it is wrong and an error for Island County to use the tax program as a basis for zoning, something that in time will have the unintended consequence of driving people out of these incentive programs as the value of their land gets higher and higher and the benefit of having deferred tax becomes less and less. Planning Commission members Crider and Pringle agreed.

Member Bill Vincent disagreed. He saw nothing wrong, illegal or immoral with the approach.

Mr. Dearborn reminded that all that is being done is carrying out the tentative decision unanimously recommended by the Planning Commission and decided by the Board to use these criteria for making the designations.

And Commissioner Shelton pointed out that no landowner was being forced to stay in the tax program, and saw no basis for Mr. Vincent's argument. To Commissioner Shaughnessy, the real point was that the County was not establishing any new penalties, and again, the owner has the option.

Mr. Dearborn made the point too that all of the lands zoned today as Agriculture were designated in 1992 as lands of long term commercial significance. The Growth Board invalidated a provision that allowed people to come out of that zone by taking their lands out of the tax program. The County is not designating those people Ag land of long term commercial significance, and are restoring their ability to come out of the program.

Linn Emrich [Emrich property shown on the map]

Mr. Emrich presented several issues in his comment letter. All of his farm operation is done by a tenant, all on the tideland portion of the property [all reclaimed tidelands]. As a policy issue Mr. Dearborn thought it tenuous to unreasonable to designate properties that are simply being farmed on a lease.

Commissioner Shelton pointed out that there is a lot of prime agricultural lands being farmed on Ebey's Prairie by people who do not own the land.

Mr. Dearborn noted that Emrich's lands are being farmed by a farmer from Snohomish County on a year to year lease. The farmer lost the last crop believed due to salt conditions in the soil. Emrich indicates he has absolutely no assurance he has a lease even for next year, and cannot look 20 years' out. The tenant has also indicated that due to traffic on the State highway and other factors, he cannot provide Emrich any assurance he can maintain the lease on the property on anything more than a yearly basis. With facts presented by the property owner it would be very difficult to include the bottomland in Resource Ag category; it would naturally go into Rural Ag because it is in the tax

program.

As Mr. Nash noted on the map, the bluff height varies from zero to about 75'. He verified that the upland portion of Emrich's property was also Resource Ag. Several parcels are exclusively tidelands; the government lot extends from the tidelands all the way up the bluff and a considerable distance back from the bluff. It looks like the upland portion has been hayed occasionally, but Mr. Nash thought probably not more than once a year.

Mr. Vincent was aware that haying had been done more just to cut the weeds down [mowed and left for wildlife and is in the ag tax program]. Mr. Emrich had a soils analysis included in the paperwork.

Mr. Dearborn thought all of the property had to be classified in Rural Ag.

Charles Cole [pointed out on the map]

The Cole property is zoned Rural Ag; property owner requests Rural Residential, on the basis of views, proximity to Stanwood, soils not appropriate to agriculture. The property meets the designation criteria and Mr. Dearborn stated that the property is in the same position as Flener on forestry. If the owner takes the property out of the tax program, it would go into Rural Residential.

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Chuck Anderson [pointed out on the map displayed]

This property is located on the other side of the highway from Lynn Emrich, and has both bottom land and upland, with the same kind of factual situation as Emrich, different parcel configurations. The bottomland is leased on a year to year lease. The western most portion is partially forested though it is all in the Ag tax program, and the owner does some timber harvest occasionally. Topographically it is similar to the Emrich property too. Concern is that factually this property is in much the same condition that the Emrich property. Staff did not treat this as a request to convert to Rural Ag. The owner believes that if he can keep the bottomland in Ag and be able to cluster development on the hillside, much like Emrich, it would make sense. Mr. Emrich has not requested a withdrawal from Resource Ag category, but Mr. Dearborn was not sure the property met the classification criteria for Resource Ag.

Because Rural Ag category implications to the owner would be no different, but would provide more options, Commissioner Shaughnessy felt that this property should be Rural Ag. Mr. Vincent stated that in a telephone call from Mr. Anderson, his desire was to Rural Ag because he did not believe there was any flexibility for him in Resource Ag.

Consensus: Property to be in Rural Ag.

Royce Natoli [shown on the map – square piece in the middle, highlighted] Property owner comments are more in the form of questions than a request. The property is in Rural Ag and qualifies for the Rural Ag classification. Owners have a partially-wooded, partial meadow home-stead and Rural Ag provides the options desired by the property owner. As far as whether the Assessor treats the actual creation of the lot as a conversion for Ag purposes, Mr. Nash did not think the Assessor would make that change until there actually was a change in use on the land no longer appropriate for the Ag designation.

Horst Stach [also shown on the map]

The property owner has not asked for anything specific.

Richard Wright [location as on the map]

The property owner requests Resource Ag classification, but the property is not 20 acres in size and does not meet the criteria. The property is classified as Rural Residential right now.

Mr. Rose thought this raised an interesting question. The County has agreed that property owners can voluntarily

down-zone their property and the County is also considering enforcing very strict right to farm and right to forest rules and in that line, he wondered what burden that would place on Mr. Wright's neighbors if allowed to voluntarily opt in a designation which may restrict their ability.

Mr. Dearborn thought that since the property was less than 20 acres it could not, even if the property owner desired, be in Rural Ag category.

Consensus: Remain as is, in the Rural Residential zone, and able to stay in the tax program.

COMMENT LETTERS – CENTRAL WHIDBEY - AG

Sherman Farms [*written comments handed out at this time, received yesterday but did not get included in the original hand-out packet earlier*]

Don Sherman, representing Sherman Farms, provided comments for each of the parcels the Farm owns. Sherman Farms has 555 acres designated in the one-in-forty designation, the bulk of which is in the Reserve. As far as the designation criteria, permitted and conditional uses, all the things in the Plan in order for this to be agreeable to Sherman Farms, need to stay as part of the Plan. Sherman Farms believe the farm plan is a good concept and they would like to see language pertaining to that written into the Plan. More than likely, Mr. Sherman thought there would have to be some type of baseline or traditional type of zoning in the interim. Sherman Farms is not asking for any specific change, other than to accept the way it is reads right now; a change from that would be unacceptable.

For one of the parcels the proposed zoning is Rural Forest, and Mr. Sherman did not think it met the Rural Forest criteria. That is the parcel for which he is acting as an agent on behalf of his Uncle, Al Sherman, and his Father, Roger Sherman, the owners of two individual limited liability companies. These companies were created as an estate planning tool and intent on those properties is to use them to fulfill obligations to other members of the family.

Lot line adjustments were made recently so the current parcel numbers on the map are not current. They believe the designation there is Rural Forest and request Rural Residential or Rural Forest if the rezone option is not changed. That property is in designated forest tax program at the current time. The Rural Residential zone is consistent with the development pattern that has taken place in that area. The densities the Ag zones have are transferable within an entity or ownership to other approved sites for use outside of the Ag zone. They would want the parcels to be identified parcels for transfer. A parcel or two [as listed in the written submittal] is Rural Residential land, not contiguous, and they would like the opportunity within the entity or ownership to be able to transfer those.

It seemed to Commissioner Shelton that if the County is truly interested in preserving prime farm land and providing development potential, why would the County not want them to take that development potential away from the Ag land that is trying to be preserved. He did not believe anyone would object to the transfer of development rights within the same ownership. Mr. Dearborn pointed out that the County's proposal now does not say that.

Commissioner Vincent thought it was included as long as it is in one continuous ownership the person had the right to move around on that same piece of property.

The question Mr. Dearborn posed was: "what if the Sherman-Smith or Bishop family bought a parcel of Rural Residential property 15 years' from now -- could they transfer their rights to a parcel to be used in the future?"

Commissioner Moore believed there would be a problem with doing it into the future and her inclination was to limit it to ownership on the date of Plan adoption.

From the conversation, Mr. Dearborn saw the need to draft an amendment to create more flexibility to allow it to non-contiguous properties in an ownership that exists on the date of adoption.

Chairman McDowell added that the ownership had to be broad enough to allow not just the Shermans but those other entities that own the property [the two other parcels mentioned but are not owned by Don Sherman].

This brought another question up: in the case of Engles being able to transfer from one Engle sibling to another the development rights, so if they are leasing and operating the whole farm unit, do they necessarily have to be in the ownership.

Consensus: commonality of ownership; work on the definition for next week.

Don Meehan was not sure he agreed with limiting a farm operation from acquiring land in the Residential or Rural Residential Zone to exercise their TDRs [to save the farm property].

Commissioner Moore agreed in that circumstance it would make sense. She liked the idea to make it part of the farm plan and to add land to the farm plan, the property owner would petition to do so, reviewed for consistency with the purpose of making the farm profitable.

As far as addressing the Rural Residential lands Shermans propose to use as residentially zoned land at a later time, Mr. Dearborn clarified that unless they can be defined as a RAID with a logical outer boundary based predominately on a pattern of existing development, they lose residential zoning.

Ms. Crider recalled 4-having heard 4 or 5 years' ago a discussion why Sherman Farms sold the rights to the 250 acres of the Prairie, which was with the hope someday expansion of Coupeville would allow them to do Residential zoning on this 28 acres. For the record, she stated that lots in Coupeville at this time are selling for close to at least \$55,000 an acre, even rounded to \$50,000 would result in having just taken \$4,900,000 away from Sherman Farms which cuts heavily into their profitability and viability.

Commissioner Shelton made the point that it was though no action Island County had taken; it was the Growth Management Hearings Board who invalidated the Residential zone. And, the Chairman stated the obvious: zoning from Olympia does not work.

Mr. Dearborn confirmed that the Record would include all the changes which result in severe downzones from the proposed Plan.

Don Sherman continued with his comments relating to the next section of their property, that being Rural Ag, for which they have two parcels designated for a total of 89 acres. The zone is acceptable provided conditions exist as listed in the submittal, stressing the important one is rezone capability on those lands they do not feel have long term commercial significance on their farm. They would like to continue in the tax program but it is not profitable land. He provided letters addressing the Rural Residential lands, along with comments pertaining to their Residential zoned land.

Wilbur Bishop addressed his property, included in the above that Mr. Sherman mentioned, which was zoned Residential now going to Resource land, but would not meet the 40 acre requirement. He is concerned about being able to use the one acre off the 40 every five years if he desires, and is asking that it go to Rural Residential. As far as ownership, he owns 50% of Sherman Farms, Inc., and would like to be able to use the one acre split off every five years on the property owned by Wilbur and Karen Bishop. In terms of parcel size, Mr. Dearborn clarified that the property, 13.1 acres, would not fall under either Rural Ag or Resource Ag.

Ray Gabelein and Curt Youderian Property There are three parcels for a total of 65 acres, currently zoned Rural Ag and proposed for designation as Rural Ag and not split zoned.

Ray Gabelein, Jr., half owner of the property with Curt Youderian, turned in a letter regarding subject property yesterday. They have for about two years tried to accomplish a surface mine project and have applied for a rezone. The property is currently split-zoned Rural Residential and Agriculture, and for a surface mine, has to be in one zone classification. Property owners request that the property all be zoned Rural Residential in order to accomplish the next

step, use approval for a surface mine. [refer to the mineral resource overlay map]. The property is located adjacent to OLF Field in the noise zone, and has good access to State Highway. Forty-six soil logs were dug verifying sand and gravel existing on the property. It is not economically viable to continue the ag practice. It is leased to Shermans who cut some hay, but for farming, would require a tremendous amount of water and fertilizer for a decent hay crop. Title 16 and 17, Mineral Resource Lands, are to be protected, but it does not appear that has been included in the Plan.

Mr. Dearborn confirmed Rural Residential is the only zone where surface mining is permitted and it is a conditional use requiring use approval. Island County has been told that DNR will submit a letter to advise where DNR believes the County is deficient in the Plan for not addressing mineral lands.

Commissioner Shelton saw the value in identifying mineral resource lands in the County, which in Island County, is sand and gravel. For the future of the County, it is an important mineral resource. Because of the GMHB Invalidation Order, the County cannot accomplish the rezone even though it is a split-zoned parcel, but could designate the property as Rural Residential in the new Plan.

Mr. Dearborn thought the simplest solution as an interim for Island County would be to permit these mineral operations in Ag and Forest as well as the Rural Residential using the process now in place. DNR believes there are significant mineral deposits, sand and gravel, underlying both the Ag and Forest zone designations as well as the Rural zone designation. If the property owners take the land out of the tax program it will automatically revert to Rural Residential if the new Plan is adopted and goes through all of the appeal process. The other option would be for the County to make mineral extraction a use that is allowed in the Ag zone.

Mr. Gabelein had some concern as to why the County had accepted their application for a rezone in December, 1997, if the Growth Board ruled it could not be done. Mr. Dearborn explained that staff's interpretation at the time was that the invalidation did not apply to split zoned properties.

Frank Vande Werfhorst [property location pointed out on the map]

The 35-acre parcel is in the Ag tax program, proposed under the Plan to be zoned Rural Ag, the soils are not 50% prime soils. The answer to this property is the same as others in the tax program.

Bell Property [location shown]

Property owner requests Resource Ag, and is proposed under the Plan as Rural Ag. Approximate size of parcels involved is 80 acres.

Commissioner Shaughnessy wanted to make sure the property owner is aware of all consequences before the change is made. Mr. Nash verified that when he sent the questionnaire, survey and forms, he also included excerpts from the draft Plan, designation criteria and goals and policies. Mrs. Crider agreed to call Mr. Bell to make absolutely sure he understood the consequences of his request.

Earle Darst

Mr. Nash pointed out the property actually is owned and the title held by Farm Service Agency. The property is in the Rural Ag category and the tax program. Mr. Darst wants the property to be in the Rural Residential zone.

Bob and Cheryl Engle [properties shown on the map]

This property in the draft Plan is proposed as Rural Ag. A letter received from the property owners notes that Wilbur Sherman, Cheryl's father, developed Cathedral Drive, a row of 11 to 15 houses along the waterfront. The remaining parcel is a piece of beautiful view property.

Commissioner Shelton's opinion was that when talking about property outside a RAID, it was not possible to allow Residential as the property owners desire.

From his review, Mr. Dearborn believed it would be hard to call this parcel a logical outer boundary. Mr. Nash clarified that this parcel did not encompass the development, but was adjacent to it.

William Engle

The property in the draft Plan is proposed as Resource Ag. The land is leased by Len Engle and Engle Farms and the property meets the Resource Ag classification by soil and size. The owner has not disputed that portion of it and has not addressed any questions about soil in his letter. The owner does not want the property in Resource Ag. Engles Farm is in Chapter 11 and the owner has no intention of farming the property. The 80 acres this represents is located just past the Coupeville Jr.-Sr. High School, outside Town limits immediately on the left bordering the Farm. This property has been in the family for six generations; the first three chose to farm, the last three chose not to farm it themselves and leased it out.

Commissioner Shelton commented that it had been determined that the County must identify Ag lands of long term commercial significance, and the Chairman questioned: should leased lands be classified as Ag?

Mr. Dearborn advised there was nothing in the law addressing that question. In reviewing the specific parcels Engles own, he found that the proposal for the farm management plan might offer opportunities and more flexibility than Rural Residential or Rural Ag. There may be some options in the Plan with one acre units that may provide what the owner is looking for in terms of potential.

COMMENT LETTERS - SOUTH WHIDBEY-Forest Issues

Jack Sikma Property [shown on the map and on screen, 4 parcels]

Ownership designated in this category because it is in the tax program over 20 acres in size. The property owner's question was if he sold a five acre parcel would he still be in the forest designation. Mr. Dearborn did not believe Mr. Sikma would remain eligible for the tax program, and did not recall this type situation was thought of when working on the criteria; it seemed to him an odd parcel to treat as Rural Forest ownership in terms of its size and configuration. Mr. Nash clarified that the property was an island surrounded to the east with Freeland RAID, to the north, south and west, Rural Residential; therefore, there was some question whether the land could be managed and used for commercial forest production.

Mr. Nash brought up the question that the middle five acres were sold, would that rezone the property owner, but Mr. Dearborn confirmed that nothing in Title 17 now would allow that to happen. The Board this morning agreed in those circumstances make sure it does happen if the property owner wishes to do that; but that means that a portion Title 17 needs to be redrafted to permit that to occur.

Frei Family Farm

Erika Jensen stated that one of the parcels was shown as 40 acre Rural Ag, but she had received information that it had been segregated into a 19.8 and a 20-acre parcel and only half of the 40 acres is in open ag.

Jeannie Hunsinger, on behalf of the Frei family, clarified the parcel in question was her brother's farm, originally 40 acres split-zoned; 19 acres under Rural Ag and .8 under no deferred tax program where his home is and the back 20 under open timber tax program. He segregated it recently; the 19.8 on the east and two 10's on the west. When it came out it was zoned Rural Ag, and property owners indicate that is under the designation criteria improperly zoned. Her brother is not opposed to the Rural Ag designation on the 20 and sees no reason to split that; the back would fall into the Rural Residential criteria. The two 10's in the back are in the open timber classification. [Parcel Numbers [old] R3 30 29 067-1980 and 1981. The 19.8 acres that border Saratoga Road is in open ag except for .8 of an acre where the home is located. The correct designation is half in Rural Ag category and half in the Rural Residential category.

The second part of the Frei request related to a parcel Mr. Nash indicated the zoning atlas noted to be Rural Forest, but it is less than 20 acres. This is a mapping error that needs to be corrected to Rural Residential. Attached with the comments from the property owner were some other comments that did not deal with the specific issues for today.

Harry Case

The parcel consists of about 165 acres currently in open space timber program undeveloped for the most part and the property is zoned Rural Residential. Based on his comments, it appears Mr. Case is not concerned with proposed zoning and intends to keep the property as is.

Ron & Roerbertha Everist

The property was partially zoned Residential and proposed to be zoned Rural Forest, and is in the tax program and over 20 acres in size. One parcel will go from Residential to Rural Residential and the other two from Residential to Rural Forest. Property is extremely steep.

Eddie C. Key and Theresa Holmes [mid South Whidbey]

Property owner submitted information showing the property had been removed from the tax classification March, 1997. This property should be zoned Rural Residential.

Gary Whitcomb [marked on the map]

Twenty acre parcel in Rural Forest and owners do not want that designation. A portion of the property is in designated forest, but the property is over 20 acres in size. Consensus: more research needed in this case.

COMMENT LETTERS - SOUTH WHIDBEY-Agriculture

Ray Gabelein Sr. Property

Specific parcel numbers were not provided. All the land is in Rural Ag and the property owners have no problem with that designation, and are also in a RAID [Rural Ag island in the Useless Bay-Bayview RAID]. Property owners own considerable amounts of the rural lands around Deer Lagoon and are willing to place a conservation easement, and Commissioner Shelton hoped the people who own lands behind Shore Avenue would be willing to do so as well on all the lowland. They are supportive of the TDR program.

Vanderpol Property [location pointed out on the map, Maxwellton Road]

One of the property owner's concerns was a portion of the farm that the Assessor will not allow to be taxed in the Open Ag program [small parcel where the home is]. The tax burden as a result of that is almost as much as the profits they make from the rest of the property. There is a separate tax parcel, a waterfront lot and the rest of the farm on the other side of the road. This needs to be verified, however, with further information for Tuesday. One question is: if they have property that does not qualify for the open ag tax program would they be eligible for the open space open space tax program?

Mr. Nash said the owner had lands proposed to be in the Resource Ag category, and also lands proposed to be in the Rural Forest category. The lands proposed to be in the Rural Forest category are in the ag tax program, mis-mapped as Rural Forest; boundary line adjustments have not been reflected in the maps. The maps need to be corrected.

Mr. Dearborn recalled that Larry Kwarsick asked Gene Duvernoy, as a part of the Public Benefit Rating System, to evaluate the question of being able to supplement the ag tax program with the open space tax program, and will come back with recommendations on that.

Follow-on: Staff verify for Tuesday's meeting where the 1.42 acres is.

COMMENT LETTERS - NORTH WHIDBEY-Agriculture

Marvin Kofoed

This property is Rural Ag and the owner does not object to that designation, but did note he may not be able to survive in Rural Ag.

Fakkema Farms

The Fakkemas thought the farm management plan idea was a very good idea because they have property mix zoned in several categories, and also own Rural Residential property separated from the farm property and want to make sure they have opportunity to use the one-acre options and transfer them to the Rural Residential property. The larger issue Mr. Dearborn observed was that the property does not qualify on the prime soils criteria [some, but not meet 50% requirement prime soils]. The entire farm unit is not underlain by prime soils, but they have 80 contiguous acres; each 40 is underlain by 50% prime soils [outlined by Mr. Nash on the map].

Chairman McDowell stated that the Fakkemas verbally requested property classification as s Resource Ag; later when looking at Resource Ag versus Rural Ag and realizing they would not meet that criteria for the entire farm, they have indicted their preference as Rural Ag.

The problem, as explained by Mr. Dearborn, was with taking a farm unit and having a piece in the middle in the Resource Ag category and the other piece in the Rural Ag category, which would result in a longer term zoning management problem. It is better to have them in a uniform classification. The factual circumstance different here is that if the Oak Harbor UGA were expanded the County could not designate this property Agriculture, rather potentially designated for urban use. Recognizing that circumstance, the owners asked to be designated Rural Residential or to be assured that the UGA will not expand into their farm. If the UGA were expanded and that land stayed agriculture the County or City would have to either grant TDRs or buy the development rights to keep it in the UGA under GMA. The distinction here is that this is in the expansion area being reserved for Oak Harbor. This property would be Rural Residential, remain in the open space tax program.

Mr. Nash noted, however, that in other areas of the county, if there is a parcel as part of a farm unit and that parcel is underlain by prime soil 50% it has been shown as Resource AG. If that farm unit has another parcel not underlain by 50% prime soils it has been shown as Rural Ag. His point was that if they are different parcels, criteria would be applied parcel by parcel.

Follow-on: (1) Question needs answering: If the County were to determine the Fakkema's two 80's should be Rural Ag, what impact would that have on the others? (2) Factual information needed from Fakkemas whether the two 40's in fact meet prime soil designation in terms of at least 50%. If not, it would not seem logical to include them in the Resource designation--what impact does that have on the other designations already been reviewed. (3) Staff and Mr. Dearborn to bring back information on all the farms that fit in the category similar to Fakkemas to review for consistency.

Note - Farm Management Plans. FM Plans will be done in Phase B. Guidance is needed from the Planning Commission and Board on ideas Don Meehan has raised.

Case Farm

Property consists of about 90 acres, presently proposed for Resource Agriculture even though one of the largest dairies in the County, also has a Christmas tree farm; property owner requests Rural Ag.

Valdez Property

Property is 110 acres. The owner does not have much for water, soil, market and not much of a place to purchase needed supplies and feed, and does not believe the property should be in Resource Ag. Requests Rural Ag.

Goodwin Property

Property is about 35 to 50 acres, classified as Rural Ag and the property in the tax program. Owner requests Rural Residential zoning.

Muzzall Farms

Parcel zoned Rural Residential, across the street from the Penn Cove RAID. This is not a request regarding Rural or Resource Ag land. It is adjacent land they own, zoned Residential and the owners hope this particular parcel will eventually be a parcel they could use for residential use.

Follow-on: treat as a boundary line adjustment on the RAID.

COMMENT LETTERS - CENTRAL WHIDBEY-Forest

Stephen Lea Property

Property is close to the Admiral's Cove area. There is some waterfront property very high bank with house and runs cattle on some land. A large portion is proposed for Rural Ag and some proposed for Rural Forest, all consistent with the designation criteria., and the property is in the tax program. Property owner is almost asking to be Rural Residential, at a minimum. The property abuts Admiral's Cove on one side. Although there may be a logic for including it in a RAID, Mr. Dearborn reminded about logical outer boundaries, which in this case he thought would pose a difficult case.

Brian Bird Property

A portion of the land was already in Rural Residential and removed others from the forest tax program [prior to date of December 31, 1997]. This will require a map correction to remove portions of his land from the Rural Forest category and place them in the Rural Residential category.

RAIDS AND RURAL RESIDENTIAL LAND CAPACITY ANALYSIS

[Report handed-out as well as on record. A more elaborate analysis has been done]

With last week's information from Health and Public Works, Emil King and staff generated the report presented today and Mr. King explained the meaning of the information contained in the report: Table 4, page 8, is a table compilation of information from Health, Public Works and Planning, showing how much of each RAID was covered by a critical area or archeologically significant area. The second column represented the percent of the total acres in the first column that are covered by critical areas or archeologically significant areas. Explanations are included in the text of the report.

Columns three, four and five represent a count of how many parcels in the third column are less than 1.5 acres; fourth column, how many are 1.5-4.5 acres and how many are greater than 4.5 acres. In all cases, these were the RAID boundaries as originally proposed in the Plan without any adjustments.

Column six was the minimum residential parcel size based on calculating the average parcel size of each RAID and then applying some frequency distributions. This column reflects zoning density that would be permitted within that RAID; for parcels larger the zoning potential would be based on this density.

The next column showed the estimated percent of buildable lots as a percentage of the existing unimproved lots. That number applies to parcels under 1.5 acres in size. The next column dealt with problems the Health Department identified, such as sea water intrusion. The next three columns dealt with drainage, slope stability and access. Final column are notes. Tables on pages 5-7, Calculation of Net Potentially Buildable Parcels. Table 1 dealt with Island County; Table 2 is the same analysis with Camano Island separated out; Table 3 is the same analysis with Whidbey Island. Table 1 upper portion deals with residential lands and the lower portion with rural residential. Residential lands have been separated into three parcel sizes to help figure out development limitations on those parcels. The definition used for land supply is the total amount of land within that district. The term "gross potential buildable parcels" is defined as the sum of undeveloped parcels and a gross calculation of new parcels which could be conceivably created under proposed land use plan". The gross potential calculation is an intermediate number and does not yet take into account the development limitations. For residential parcels less than 1.5 acres the average parcel size within those is

about ½ an acre. As an assumption, most of those under 1.5 acres probably are not going to be developed any further so the gross potential is the undeveloped parcels.

The development limitation of 70% takes into account an average of about 50% limitation that the Health Department cited and also an increase of about 20% for critical areas. The same approach was done under the Rural Residential parcels less than 1-1/2 acres in size and also for less than 9. On average, based on Mr. Nash's analysis, RAIDS are covered by about 40% critical areas.

The residential parcels [RAIDS] [most dense case] between 1.5 and 4.5 acres – gross potential parcels for that is calculated assuming that parcels in that category will have some subdivision potential – gross potential 3,169, reduced by a slightly lower development limitation = net buildable parcels of 1585. The analysis for greater than 4.5 is exactly the same only the development limitation number is 30% instead of 50% for purpose of the analysis. For Column H.6 – in the Residential zone the net potential buildable parcels: 7,300 parcels. If all of those developed with a home and 2-1/2 people living in them the population capacity for the Residential zone would be a little over 18,000 people.

Mr. Dearborn pointed out that the Cities already did an analysis within the UGAs and the County focused on Residential and Rural Residential categories to understand capacities. In looking at carrying capacity, by 2020 the County will be close to 70% of the ultimate ability to accommodate population growth given the densities and development constraints. Affordability issue is one the County needs to be particularly concerned about as time goes on because there is not near as much development capacity as it might appear.

Mr. King noted two corrections in the tables: column F, lines 11 & 12, the land supply is divided by 4.5 acres, not 5 acres. The reason for using 4.5 is to reflect the opportunity of a 10% bonus in the rural residential zone which is currently allowed.

Mr. Dearborn reviewed some numbers to put what Emil King provided in context [hand-outs provided]. For the total County, the Rural Residential zone represents a little less than half of the total county, and the Residential zone another 11%, and the balance committed to other uses, such as resource uses, public lands, city UGAs and Non-Residential. Of most concern is the Non-Residential category because the Plan suggests that for the next 20 years, the County will use the existing Non-Residential land supply that has been developed as the land supply for all commercial needs. Average lot size today on Camano Island in the Residential zone is ¾ of an acre and for the County as a whole, 2/3 of an acre. The average in the Rural Residential zone on Camano is 2.7 acres, and in the County as a whole 3.5 acres. There are some large parcels and on Camano, average 40 acres in size, and for the County as a whole, a little over 34 acres. The parcelization pattern is quite small compared to a lot of other counties. Average development limitations today in the Residential zone with the undeveloped parcels were around 50%, and in the Rural zone, more constrained on Camano, less on the County as a whole, but around 27% to 40%.

Mr. Dearborn referenced [on overhead projector] the summary of the numbers that are in the report; the buildable lot need, based on 25% market factor for Camano which is 4650 over the 20 year period ; 15,000 for the County as a whole; total supply shown, which if to occur, utilization would be around ¾ of ultimate capacity by 2020. This indicated a need to return to the affordability question because this shows serious problems with affordability. In terms of theoretical capacity by 2020 the County will be around 80% of total potential capacity to accommodate population growth given the assumptions, assuming every lot was developed.

One of the things reviewed [overhead review] was further down-zoning, and Mr. Dearborn noted that one of the places where additional down-zoning might be done that would have an affect on capacity would be in the rural residential land. Parcels were reviewed over 20 acres in size and the overhead showed the statistics of those parcels. Total acreage of the Rural Residential zone on Camano in parcels over 20 acres is 1700, representing 12% of Camano Island. The County as a whole of the Rural Residential zone - the acreage over 20 acres represents 22%. On Camano 44 lots in the Rural Residential zone over 20 acres; county-wide 426, representing less than 1% on Camano of lots in Rural Residential, and approximately 2% in the County as a whole. This shows a random pattern on Camano of parcels over 20 acres in size. The same analysis is being done for Whidbey and will be ready next week. Most of the review and use of these numbers will occur when approaching the housing issue.

Looking at the possibility of eliminating some RAIDS on South Camano, Commissioner Shaughnessy asked if there

would be any recalculating.

Mr. Dearborn indicated it would not make any difference [refer to page 7 or 5] shifting property from a RAID to Rural Residential. Where it has a potential affect is on Whidbey – to cut back on the RAIDS would take out 614 potential building sites if every lot developed to the maximum potential given constraints, and 1364 lots in the parcels over 4-1/2 acres, a 2,000 lot capacity would be eliminated by taking all of the RAIDS on Whidbey shrinking them to existing 1-1/2 acre lots or smaller. On Camano, shrinking all the RAIDS to just the lots less than 1.5 acres, would be essentially be 2600 lots in terms of development potential. A good share of that development potential is in the larger RAIDS on Camano and Mr. Dearborn's judgment was, that was not a consequential number. On Camano the Rural Residential zone, given lot creation potential is less than in the Residential zone. Revising the RAID boundaries, other than changes in RAID boundaries, the overall RAID boundary reductions or elimination's suggested by Health, are advisable. Beyond that [page 8] in terms of development potential, a few RAIDS come up as having essentially less than 10 buildable lots with this analysis [as identified in the far-right hand column]. Many of those correspond to areas of known seawater intrusion.

Bonnie View on Whidbey is defined as essentially the built environment, with a small bit of additional development potential [15 buildable lots not built on already]. Because it has less than 15 buildable lots should not be a reason necessarily to take it out of the RAID category.

Cornet Bay – all parcels are less than 1-1/2 acres in size and no seawater intrusion problem or other issues and there appears to be no further subdivision potential. Commissioner Shelton questioned why that should remain designated as a RAID. Ms. Moore agreed – why designate it as a RAID. If Cornet Bay is taken out of the RAID category, Mr. Dearborn explained that it would only be on paper making it look different.

Lost Lake, Camano Island, has a modest critical area problem but a very significant health review problem [20% buildability from health review of the 472 lots, 221 acres]. Chairman McDowell questioned why it would be eliminated as a RAID. The Chairman summarized what he believed was the criteria: if excess lots are less than 1.5 leave out of the RAID; if lots are larger than 1.5, that is a reason to leave them ion absent salt water intrusion areas. As far as Deception Pass [page 9] all less than 1.5 acres but absolutely no comments about any drainage or water problems, so that area would not be pulled out in his view.

Mr. Dearborn suggested that when going through the analysis, because an area has no parcels over 1.5 acre in size, if it is an area with little or no critical area constraints, the County might want to think about leaving it in. For next week, will provide more detail on the parcel size for places like Deception Pass. What the Health Department is saying on North Gate Terrace is about half of the undeveloped lots might be able to get perc and water.

If one looks at Cornet Bay RAID, Shillelagh Estates is 2.5 acre parcels [coming off HW 20 on the south side] with 6 or 7 parcels between there and where Cornet Bay PRD actually starts above the marina, and Ms. Crider suggested getting a good map and going back to review whether or not Shillelagh Estates should be included in the Cornet Bay RAID.

Rufus Rose, in response to some people who perceive too many RAIDS are proposed, pointed out that in fact, totaling up the number as close to 70, dividing that into 500 or 600 plats, comes to a small fraction of the intensely developed places identified as RAIDS – down in maybe the 15% category.

Commissioner Shelton's opinion was the advantage of designating a RAID had to assume that somehow there is some development potential that can be directed there.

Follow-on: Mr. Dearborn and staff for next week will go back through and look at parcels less than 1-1/2 acres in size and ask the question, "what is the pattern of lot size?", to give a feeling for development potential vs. existing lots and focus on those that have low critical area identifications.

A summary of all RAID comments received to date was distributed at this time, in preparation of another meeting on the subject.

The workshop adjourned at 3:00 p.m.

BOARD OF COUNTY COMMISSIONERS
ISLAND COUNTY, WASHINGTON

Wm. L. McDowell, Chairman

Mike Shelton, Member

Tom Shaughnessy, Member

Attest:

Margaret Rosenkranz, Clerk of the Board