



ISLAND COUNTY PLANNING & COMMUNITY DEVELOPMENT

PHONE: (360) 679-7339 ■ from Camano (360) 629-4522, Ext. 7339 ■ from S. Whidbey (360) 321-5111, Ext. 7339
FAX: (360) 679-7306 ■ 1 NE 6th Street, P. O. Box 5000, Coupeville, WA 98239-5000

Internet Home Page: <http://www.islandcounty.net/planning/>

MEMORANDUM

TO: Board of Island County Commissioners

FROM: David L. Wechner, M.S. AICP Director

DATE: July 1, 2015

SUBJECT: 2015 Conservation Futures Fund – Recommendation

Background

Section 3.22A.130, Island County Code, requires that the annual recommendations of the Conservation Futures Fund Citizen Advisory Board (CAB) be reviewed by the Planning Department for consistency with the Comprehensive Plan and the Countywide Planning Policies. This review must take place prior to BICC action on proposals to be funded as part of the 2013 Conservation Futures Fund. This memorandum serves to document the review required under ICC 3.22A.130.

As part of the annual review process, the CAB is required to provide written findings and conclusions as to how its recommendations achieve consistency with adopted local comprehensive land use plans, zoning ordinances, park and growth management plans (ICC 3.22A.050 C.1).

For 2015 applications, the public hearing will be held on July 8, 2015 in the hearing room of the ICC Courthouse Annex, in Coupeville.

Standard for Review

3.22A.130 Duties of Planning

Upon receipt of the annual CAB recommendations, Planning reviews the proposed acquisition of rights or interests in real property to determine whether the acquisition would reduce the capacity of land suitable for development necessary to accommodate the allocated housing and employment growth, as adopted in the countywide planning policies. Planning submits a written report with analysis and conclusions to the Board of Commissioners prior to the Board acting upon the CAB recommendation.

Additionally, the newest selection criteria approved by the BOCC and being used in this cycle, asks Planning to ‘pre-score’ the acquisition applications for “Economic Considerations”, Criteria D. Essentially, an application that does not reduce development capacity as above scores a zero (0). An application that does reduce capacity as above scores negative points in proportion to how much the project would reduce capacity.

1. Acquisition – Dillon

The property acquisition of approximately 4.77 acres is proposed by Island County Parks and recreation on a logged and replanted parcel, adjacent to the Camano Preserve. The subject property consists of 1 tax parcel, #R23235-050-4950. The parcel is zoned Rural (R), less than the minimum lot size of 5 acres, and undeveloped. While being substandard in size, the lot division history reveals this parcel was created in 1964, so it is likely a dwelling unit could be constructed here. The property is subject to a County access easement located which essentially ‘splits’ the parcel; the easement was acquired from a previous owner to access the larger Preserve site. The position of the access easement likely reduces the value of the property for other purposes.

Acquiring the Dillon Property will provide a parking lot and trailhead to improve access to hiking, equestrian, mountain biking and hunting uses. Access and a parking area are proposed to create safer access to the Preserve, and allow greater use from more park patrons.

Analysis: The purchase of this parcel, with limited development potential, would preclude construction of (at most) one single family home. Sufficient capacity exists in the rural areas of the County to accommodate allocated housing and employment growth; the acquisition of this parcel would have virtually no effect on the buildable land supply. In public ownership it does potential *positive* impact on land values in the area, serving as an entrance to a public recreational trail system. As the application notes, the existing gravel road into the Preserve and potential for expanded parking on this parcel reduces the need to develop access and parking elsewhere that may prove more costly to construct.

Conservation easements on these properties will help accomplish goals stated in the Natural Lands Element of the County’s Comprehensive Plan, which calls for the protection of agricultural lands of significance, and important habitats including forests and wetlands. Protection of this parcel will further the following goals from the Natural Lands Element:

Goal 2 – Rural Character: To retain the county’s rural quality and character.

Goal 3 – Maintenance of Ecological Functions and Values: To maintain important ecological functions and values of natural landscapes such as wetlands, stream corridors shoreline systems and forests.

Goal 7 – Protection of Community Assets: To protect natural scenic, cultural and historic resources as community assets.

The proposed acquisition is consistent with the Capital Improvement Plan 2011-2021 for County Parks, and the Acquisition and Land Evaluation Criteria identified in the Park and Recreation Element of the Comprehensive Plan.

Conclusion: The acquisition project is generally consistent with applicable land use and environmental policies, and advances policies of the Parks and Recreation Element of the Comprehensive Plan. The 2015 request expands the ability to provide safe access for the existing park. The purchase of the property by a government agency will take it off the tax rolls, retaining the land for open space and recreational purposes. Future phases of this recreational property development may include parking, trails, and an informational kiosk regarding the Preserve.

The purchase of this parcel, with limited development potential, would preclude construction of (at most) one single family home. Sufficient housing and economic capacity in the rural areas of Camano Island exists, such that the loss of development potential on this parcel is negligible. Recommend -1 point (reduction).

2. Conservation Easement: Lone Lake Working Lands – Phase I

The Whidbey Camano Land Trust proposes to acquire two agricultural conservation easements on two parcels, totaling approximately 26.4 acres of farmland along Lone Lake’s south shoreline. These conservation easements are the first phase of a larger effort to permanently protect 112 acres of historic working lands (see location map in application) that include prime farmland soils, forest, wildlife habitat and a scenic landscape. The properties are zoned Rural Agriculture (RA); each property contains a single family home.

Analysis: The subject properties have been in agricultural use since 1887. The majority of the soils on the subject properties are classified by the United States Department of Agriculture as “prime farmland if irrigated”, consistent with the RA zoning criteria. Pastures on the three properties (included in the total-112 acre effort) are consistently rotated for grazing use and the quality of hay is high, necessary to be marketed for horse feed as well as winter feed for cattle. Past agricultural production includes beef cattle, vegetables, strawberries and chickens. With modern agricultural management, the soil profile and access to irrigation, these lands present economic opportunity in continued agriculture use. No income figures were provided with the application, but a Conservation Plan is in place, such a plan typically includes resource protection and long-term management strategies to produce income. The property is enrolled in the County’s agricultural tax program, which requires \$200/ac. of income from agricultural operations if the properties are considered separate; if their farming operation is a shared or joint venture, they need to substantiate commercial agriculture for the total: over 20 contiguous acres. The two home sites (1 acre each) are assessed at market rate.

Conservation easements on these properties will help accomplish goals stated in the Natural Lands Element of the County’s Comprehensive Plan, which calls for the protection of

agricultural lands of significance, and important habitats including forests and wetlands. Protection of this parcel will further the following goals from the Natural Lands Element:

Goal 2 – Rural Character: To retain the county’s rural quality and character.

Goal 5 – Agricultural Protection: To conserve agricultural lands for the continued profitable production of crops, timber and livestock.

Goal 7 – Protection of Community Assets: To protect natural scenic, cultural and historic resources as community assets.

The parcels are predominately open spaces; farmed lands that epitomize rural character and possess the potential for profitable production of crops and livestock. They are part of a scenic backdrop from the County Park at Lone Lake.

Conclusion: Whidbey-Camano Land Trust proposes to acquire an easement to limit development potential and preserve farmlands adjacent to other lands proposed for similar conservation efforts.

The easement acquisition project is generally consistent with applicable land use and environmental goals, and advances policies of the Land Use Element of the Comprehensive Plan, particularly measures to protect rural character by “conserving productive agricultural soils and encouraging farming operations as economically viable activity...” The 2015 request will have no effect on development potential of the properties; the allowable maximum density in the Rural Agriculture zone is one dwelling lot per minimum of 10 acres. At present, each parcel contains a single family home.

The purchase of this easement, on parcels with limited development potential, would have little economic impact as additional land from other owners would be necessary to support further development. Sufficient housing and economic capacity in the rural areas of this part of the County exists such that the loss of development potential on this parcel is negligible. Recommend 0-point, as development potential is not impacted.

3. Conservation Easement – Dugualla Bay

The proposal is to purchase conservation easements on two properties located on the north side of Dugualla Lake, located northeast of the City of Oak Harbor. The purpose of the conservation easements is to remove development rights and to keep the properties open for agricultural and other open space pursuits. The total acreage is approximately 46 acres— a 36-acre property and a 10-acre-property. There is one property located between the subject two properties that is not a part of this proposal, owned by Bonnie Newkirk.

Analysis: It is located within the Land Trust’s Dugualla Bay Protection Priority Area, is part of an important scenic view to travelers along State Highway 20 (a state scenic byway), and the project is a high protection priority for the U.S. Navy because it lies just east of a major runway at Ault Field on the main Naval Air Station base. The conservation objective of the Land Trust is

to remove development rights and the Navy objective is also to remove development rights in high noise and safety zones.

The 34-acre Burbank parcel is zoned Rural Agriculture (RA); the 10-acre Cerullo property is zoned Rural (R). Due to the aircraft accident potential zone overlay, APZ-I on Burbank and APZ-II on Cerullo, their development potential is limited. Subdivision of property in the APZ-I zone would not be allowed by County code for the Burbank property, and the Cerullo property could at most create one additional 5-acre lot.

Agricultural uses are allowed on both, though the Rural-zoned parcel allows a more diverse set of uses beyond agricultural operations, including a farm sales stand and farmer's market. Each parcel currently contains a single family home. If seasonal sales of farm produce are not restricted by the easement, and a farm stand or seasonal farmer's market is allowed on the Cerullo parcel, the economic impact of a conservation easement is reduced.

The properties are both used to grow grass hay which is reportedly of high quality with good levels of protein, which makes it highly sought by livestock owners. The application states that 4-6 crops per year are produced from the properties with very high yields. Commodity crops are grown in the area, and an existing seasonal farmer's market operates nearby, adjacent to SR20 west of these properties.

The Natural Lands Element of the Comprehensive Plan calls for the protection of agricultural lands of significance, and important habitats including forests and wetlands. Conservation easements are identified in the Comp Plan as measures to further the following goals from the Natural Lands Element:

Goal 2 – Rural Character: To retain the county's rural quality and character.

Goal 3 – Maintenance of Ecological Functions and Values: To maintain important ecological functions and values of natural landscapes such as wetlands, stream corridors shoreline systems and forests.

Goal 5 – Agricultural Protection: To conserve agricultural lands for the continued profitable production of crops, timber and livestock.

Goal 7 – Protection of Community Assets: To protect natural scenic, cultural and historic resources as community assets.

These parcels are within frequently flooded areas, and adjacent to Dugualla Lake, which provides wetland habitat.

Conclusion: Due to the high productivity of the soil (Prime Farmland), the properties are suitable for farming and may continue to provide agricultural income to the owners. The purchase of easements on these parcels with limited development potential, would preclude construction of (at most) one single family home. Sufficient housing and economic capacity in the rural areas of this portion of the County exists such that the loss of development potential on the Cerullo parcel is negligible. Recommend -1 point (reduction).

4. Conservation Easement – Fakkema Farm

Fakkema Farm is one of Whidbey Island’s last remaining large-scale, commercial farms on Whidbey Island. It includes 377 acres, and reportedly has been farmed for over 100 years. Historic uses include a large dairy operation and growing feed crops that support its nearby dairy heifer operation. The landowner also raises beef cows on the property. Forest cover is predominate in the southern portion of the property-block.

In late 2014, the landowner’s realtor approached the Whidbey Camano Land Trust (WCLT) to discuss the option of selling a conservation easement on the Farm to permanently protect the prime farmland and forest habitat. Around the same time, the landowner consulted and contracted with a development company for a residential development plan for the Farm.

Analysis: The Land Trust has sought to limit development to the least environmentally sensitive portions of the property, to protect the majority of the farmland and the most significant and intact wildlife habitat. The resulting proposal would protect 300 of the 377 acres, and limit all future development to the easternmost end of the property, near the city limits of Oak Harbor, much of it near existing development. The Land Trust estimated that 60-65 home sites may be permitted under the County’s Earned Development Unit rules. No development proposal has been submitted to the County; intensive effort and analysis would be required to assess the actual development potential, and the EDU provision of County code has rarely been used as a tool in developing lands for residential use; the WCLT estimate seems to be a reasonable estimate of potential number of units. The EDU provision of County Code is applicable in the RA and CA zones, and the density provisions that allow residential development in these agricultural zones are conditioned upon the time of commitment of conservation easement. Approximately 280 of the total acreage is in these zones, but the EDU provisions may not be used to located residences on prime soils, which covers much of the property, according to WCLT.

The affected parcels include:

- R13204-307-0770 – 20 acres zoned R*
- R13204-373-0800 – 20 acres zoned RA*
- R13204-464-2060 – 29 acres zoned RA**
- R13204-468-0840 – 37 acres zoned RA*
- R13205-280-3300 – 10 acres zoned R
- R13205-297-4630 – 20 acres zoned R
- R13205-329-1650 – 25 acres zoned R
- R13205-347-2320 – 15 acres zoned RA
- R13205-347-3300 – 30 acres zoned RA
- R13205-362-4630 – 20 acres zoned RA
- R13205-425-0340 – 9 acres zoned R
- R13205-425-0980 – 9 acres zoned R
- R13205-457-4630 – 37 acres zoned CA
- R13205-458-2010 – 37 acres zoned CA

R13205-458-3300 – 37 acres zoned CA
R13205-488-0350 – 9 acres zoned RA
R13205-488-0990 – 9 acres zoned RA

Those properties noted with asterisk are proposed to be partially (*) or wholly (**) within the area designated for future residential development.

This project would protect a large portion one of the Island's largest farmland holdings, and a wildlife corridor (both east to west and north to south) that is identified as a protection priority in the Parks and Recreation Element of the County's Comprehensive Plan.

Conservation easements on the Fakkema Farm would further the following goals in Island County's Comprehensive Plan (ICCP):

Goal 2 – Rural Character: To retain the county's rural quality and character.

Goal 5 – Agricultural Protection: To conserve agricultural lands for the continued profitable production of crops, timber and livestock.

Goal 7 – Protection of Community Assets: To protect natural scenic, cultural and historic resources as community assets.

Once operated as a large, self-supporting dairy, the Fakkema Farm contains necessary infrastructure for continued commercial farming, whether leased or owner operated. Large-scale commercial farmers on Whidbey Island rely on a combination of owned and leased land to maintain efficient and economically viable operations. When historically leased lands in a large aggregate of acreage are sold and developed, overall farm operations are put at risk as the 'critical mass' of agricultural operations needed to support the farming community as a whole is reduced. Equipment, farm tools, fencing and soil treatments, labor and other required elements of farming are less prominent, and local markets for farm products are harder to develop. It can be argued that even with general small-scale nature of most Island County farms, conservation easements placed on the largest prime working farmlands, are significant for maintaining viable and productive farm operations as a whole.

The Fakkema Farm has market accessibility and supports an array of agricultural markets, including nearby livestock operations (on and off-island) and feed mills as well as local food markets. The Farm can provide forage and grain to a growing number of small-scale operations throughout the island that are raising livestock, ranging from poultry to meat animals and dairy operations. The Farm is accessible to farmer's markets serving the Oak Harbor and Coupeville populations.

Conclusion: The purchase of this easement on 300 acres parcels while retaining development potential, would have virtually no adverse economic impact. Retaining a large tract of farm land in conservation easements preserves the economic vitality of the farm (and likely others, given its scale) in its present state; allowing clustered development preserves an area for

residential homes that will add to the housing inventory of the County when the market for such housing demands it.

Recommend 0-point, as development potential is not impacted.

Attachments:

Project Title: Dillon Property Acquisition 2015

Project Title: Lone Lake Working Lands – Phase 1

Project Title: Dugualla Lake Conservation Easement

Project Title: Fakkema Farm Conservation Easement