

SUMMARY

PDR Oversight Committee Meeting 5280 Northwest Rd Bellingham, WA

June 1, 2005

Members present: Rod Erickson, Jim Dykstra, Barbara Dykes, Veronica Wisniewski; Staff: Kraig Olason, Jason Faith; Guests: John Gillies, USDA

1. Public Comments.

There were not public comments.

2. Review of Minutes.

The minutes for the 04/06/05 meeting were reviewed. Veronica motioned to approve the minutes. Barbara seconded the motion. The minutes were approved as written.

3. Handout of proposals for appraisal work.

Kraig provided copies of the three proposals he received for his public request for appraisal work related to the PDR program. Kraig also provided a summary table that outlined the cost, expected timeframe, qualifications, experience, and depth of staffing for each appraisal company that submitted a proposal. A discussion of the qualifications of each company began.

The committee agreed that Columbia Valuation group could provide quality appraisals because they have multiple staff able to work on the projects, they have previous experience in Whatcom County and with subdivision valuation, could finish the work by mid-October, and offered the most competitive price.

The committee agreed that Northwest Valuation would be more limited in providing quality appraisals because this company has had limited experience in Whatcom County and with agricultural related appraisals. Also, only one staff member would be able to work on the six potential appraisals, which put into question the timeframe in which the work would be completed. Furthermore the price range proposed by Northwest Valuation was a little more than Columbia.

The committee agreed that Eastman Company has the local experience and staff members necessary to provide quality appraisals, but expressed their concern for the high cost and longer timeframe expected for the work.

Barbara motioned to enter into a contract for appraisal work with Columbia Valuation Group, based on their experience, number of staff, proposed cost and time frame. Jim Dykstra seconded the motion. All were in favor of the motion, none opposed.

4. NRCS response to Farm & Ranchland Protection Program (FRPP) grant application.

Kraig provided a copy of a letter from Ron Shavlik stating that the NRCS will provide \$336,372 to the PDR program to help purchase conservation easements on the Alamwala, Fenton, and Joneli properties. He also stated that he has requested an additional \$65,000 to cover the requested amount for the three properties. Ron further stated that NRCS did not want to provide FRPP funds for the Holz property because a house is being built on the property.

Related to the Holz property, Kraig provided a copy of an e-mail from Ron Shavlik in response to Kraig's inquiry into NRCS providing some guidance as to what type of house, if any, could be allowed on potential PDR Program purchase properties, and if there are any implications for properties with existing houses.

Ron's response was that his preference is to use USDA funds to purchase conservation easements on farms that already have a house, barn, and agricultural infrastructure in place. Furthermore, he prefers not to carve out portions of a farm for future building, especially if there is only a house proposed for the site with no additional farm buildings.

Kraig stated that this would mean that future PDR program purchases will need to be considered more strictly if a house is being considered to be built on the property.

5. Letter from Kevin McAuliffe regarding Paul appraisal review.

Kraig provided a copy of a letter from Kevin McAuliffe discussing his work in reviewing the Paul appraisal done by Tom Follis. The letter stated that the methodology used by Follis is essentially correct for the appraisal, though he could not comment on the comparisons and land values used in that appraisal. He further stated that since there are too many assumptions in work such as this, and based on the scope of the review request there is no way he could provide other values without doing another appraisal.

Kraig stated that we know the core of the appraisal is correct, but there is enough reason to suspect that the values of the Follis appraisal are questionable. Therefore, Kraig recommended that the committee consider having another appraisal done, either paid in full by the PDR Program or split the cost with the Pauls. Rod asked if the Pauls are willing to pay for another appraisal. Kraig stated that they were. Rod further stated that it is not the fault of the Pauls that a bad appraisal was done. John however pointed out that this situation is precedent setting, and that the PDR Program's policies are clear about disputed appraisals (Owners disputing an appraisal may commission another appraisal, at their own expense. Program Guidelines; Step 14, pg.11). The PDR Administrator and PDR Committee members agreed that the appraisal did not truly reflect the property's development right value, therefore, justifying cost sharing with the Pauls to have another appraisal done.

Veronica motioned to split the cost of another appraisal with the Pauls. Jim seconded the motion. All were in favor of the motion, none opposed.

Discussion of dealing with additional development rights.

Kraig stated that another issue is how to deal with any additional development rights a property owner may have, as in the case of Paul Dairy and Alamawala. Each of them own parcels over 30 acres (2 parcels over 50 acres and a 60 acre parcel, respectively), which according to WA States water rights law would limit them to a six-pack well. This means that no matter how big the parcel is or the number allowed by zoning, the maximum allowable developments would be limited to six. This means that the Paul's would lose ten development rights and Alamwala would lose six. Kraig further stated that maybe the extra development rights could be used in the Transfer of Development Rights (TDR) program, which would allow the owners to get maximum value from their land, thereby enhancing the potential for participation with the PDR Program.

Barbara stated that Tom Niemann from Snohomish County already dealt with this situation. She further stated that she thought NRCS would not allow their funds to be used in conjunction with a TDR program. John stated he agreed, that in the view of NRCS, their funds have purchased all of the development rights and that no extra rights are reserved for trade.

A discussion of the issues, problems, and respective concerns regarding extra development rights and the TDR program began. The committee seemed divided about this idea and its implications.

Veronica stated that the question remains as to whether NRCS will go for it or not. Kraig stated that he would talk with Tom Niemann to see what he knows.

The Committee members determined that they would not consider retaining development rights for Rounds' 2 & 3 applicants and wait for a formal response from NRCS for future consideration.

6. Letter to Parks Department Director.

Kraig provided a copy of the letter written to the Mike McFarlane, Director of the Parks Department, which outlined some questions and concerns of the PDR Committee about where the Parks and Open Space (POS) Plan update was headed.

Kraig stated that the Mike does not have any answers to the questions and concerns raised in the letter, yet. He also stated that Mike will have a meeting with the POS Plan consultants and other departments and interest groups who use the Conservation Futures Funds to discuss the PDR Committee's letter.

Next meeting will be August 3, 8:30 am at Conservation District office.

Signed,

**Rod Erickson, Chair
PDR Oversight Committee**