



San Juan County Conservation Land Bank
PROPOSED
First Amended 2022 Expenditure and Acquisition Plan

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I.A. Conservation Area Fund 1021				
2021 Revised Budget and		12/7/2021		Proposed
Proposed Amended 2022 Budget		Adopted	Proposed	Amended
	2021 Actual	2022 Budget	Amendments	2022 Budget
Revenue				-
Beginning Operating Cash	5,321,935	2,542,316	5,007,884	7,550,200
Property Tax Revenue	338,540	336,540		336,540
1% RE Excise Tax (gross)	6,725,012	4,000,000		4,000,000
Land Bank 1% REET to General Fund	(67,249)	(40,000)		(40,000)
Federal Grants				-
State Grants	740,525	250,000		250,000
Payment In-Lieu of Property Tax (DNR)	163	200		200
Investment Interest	4,059	4,000		4,000
Donations from Private Sources	722,516	2,500	1,500,000	1,502,500
Miscellaneous revenue & refunds				-
Sale of Land	847,977	356,250		356,250
Interfund Loan from Stewardship Fund			3,000,000	3,000,000
Total Revenue	14,700,728	7,451,807	9,507,884	16,959,691
Revenue net of Reserves & Loan Proceeds	9,311,543	4,909,490		6,409,490
				-
Expenditures				-
Restricted Acquisition Reserves	7,550,200	2,309,121	958	2,310,079
Administrative Expenses	264,304	279,431		279,431
IT Services	14,144	26,707		26,707
GIS Services	6,935	6,669		6,669
Acquisition Costs	3,441,630	594,995	9,544,426	10,139,421
Stew Loan & Bond Repayment	1,302,201	1,648,358		1,648,358
Interest on Interfund Loans fr LB Stew	6,450	37,500	(37,500)	-
Transfers to Stewardship	2,114,863	2,549,025		2,549,025
Total Expenditures	14,700,728	7,451,807	9,507,884	16,959,691
Expenditures net of Reserves	7,150,527	5,142,685		14,649,611
Admin percentage of net revenue	3.06%	6.37%		4.88%
Amendments to Revenue reflect:	1st Amendment Beginning Cash adjustment			
	Donations from Private Sources to reflect SJPT Glenwood CE			
	Loan from Stewardship Endowment Fund for Glenwood purchase			
Amendments to Expenditures reflect:	1st Amendment Ending Cash adjustment			
	Acquisition Cost increase:			
	Higgins	2,564,426		
	Glenwood Inn	6,580,000		
	Hauschka	400,000		
		<u>9,544,426</u>		
	Removal of the Intest payment from CAF for 2022			

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		12/7/2021 Adopted 2022 Budget	Proposed Amendments	Proposed Amended 2022 Budget
I. B. Conservation Area Fund Detail of Acquisition Projects				
District One				
Hauschka Prohaska/Cady Mt. (1.6m over 4 year note)				
	down payment		400,000	400,000
District Two				
Coho Preserve acquisition of water right				
	purchase price	250,000		250,000
Glenwood Inn				
	Purchase price & closing cost		6,580,000	6,580,000
District Three				
RR Bar Ranch Conservation Easement				
	Final payment on Note	150,000		150,000
Robinson (Hunter Bay) Conservation Easement				
	Purchase Price	125,000		125,000
Higgins (Watmough Bay)				
	Purchase Price & Closing costs		2,564,426	2,564,426
	Sub-total Acquisition Costs	525,000	9,544,426	10,069,426
	Other Acquisition Costs	69,995		69,995
	Total Acquisition Costs	594,995	9,544,426	10,139,421
2022 1st Amendment:				
	Hauska down payment			
	Glenwood Inn potential purchase			
	Higgins actual purchase price			

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II.A. Stewardship and Management Fund 1031				
2021 Revised Budget and		12/7/2021		Proposed
Proposed Amended 2022 Budget		Adopted	Proposed	Amended
	2021 Actual	2022 budget	Amendments	2022 Budget
Beginning Operating Cash	858,526	1,275,664	392,680	1,668,344
Beginning Endowment Funds	4,624,055	2,135,005	3,000,156	5,135,161
Grant Revenue	34,941	170,641		170,641
Sale of Plant Materials	17,573	12,000		12,000
Judgments & Settlements		-		-
Investment Interest	4,656	2,000		2,000
Interest on Interfund Loan to CAF	6,450	37,500	(37,500)	-
Lease Income	32,043	27,400		27,400
Sale of Surplus	637	-		-
Private Gifts, Bequests	2,915	2,500		2,500
Sales Tax Remittances	1,363	600		600
Interfund Loan Principal from CAF	565,000	1,000,000		1,000,000
Endowment transfer Conservation Area Fund	500,000	500,000		500,000
Operations transfers Conservation Area Fund	1,614,863	2,049,025		2,049,025
Total Revenue	8,263,024	7,212,335	3,355,336	10,567,671
Operating Revenue net of reserves	2,780,441	3,801,666	(37,500)	3,764,166
Expenditures				
Ending Operating Cash	1,668,344	1,275,664	392,680	1,668,344
Ending Endowment Funds	5,135,161	3,674,505	(37,344)	3,637,161
Administrative & Stewardship Management	979,647	1,092,391	3,000,000	4,092,391
Information Technology Services	55,042	52,533		52,533
GIS Services	6,934	6,668		6,668
Management & Maintenance	345,742	637,574		637,574
Site Enhancement	72,154	473,000		473,000
Total Expenditures	8,263,024	7,212,335	3,355,336	10,567,671
Operating Expenditures net of reserves	1,459,519	2,262,166		5,262,166
Revenue in excess of expenditures	1,320,922	1,539,500		(1,498,000)
Amendments to Revenue reflect:				
1st Amendment to adjust Beginning Cash and Endowment Funds				
remove interest from the CAF loan for 2022				
Amendments to Expenditures reflect:				
1st Amendment to adjust Restricted Reserves and Endowment Funds				
increase the Administrative & Stewardship Management to include the loan to CAF				

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PROJECT SUMMARY

PROJECT TITLE: HAUSCHKA PARCELS
PROPOSED ACQUISITION: ACQUISITION OF FEE TITLE INTEREST
OWNER: STEPHEN AND SARAH HAUSCHKA

PROPERTY DESCRIPTION

Location: San Juan Island; 1) Prohaska Road parcel, south of Mt. Grant; 2) Cady Mountain parcel, the summit of the mountain.

General Description: 1) The 40-acre Prohaska Road parcel is bounded on its north side by Mt. Grant Preserve, and on its west and south sides by the Town of Friday Harbor Trout Lake property; 2) The 40-acre parcel at the summit of Cady Mountain adjoins the Land Bank Preserve to the east and a 10-acre parcel of the Preserve to the south, currently only connected by a corner.

BACKGROUND

The Land Bank has worked toward this acquisition for over a decade, with on-going conversations with the seller, site visits, and ultimately negotiations. These efforts preceded the original 2015 Mt. Grant acquisition. Once Mt. Grant was established, the Hauschka Prohaska Road parcel became even more important, particularly as a buffer to development.

The Cady Mountain parcel has been of keen interest to the Land Bank since the establishment of Cady Mountain Preserve in 2002, and the beginning of our Garry oak savannah restoration work. The parcel is hugely significant to that work, and perhaps equally as a key destination point for visitors to the Preserve.

CONSERVATION VALUES OF THE PROPERTY

Prohaska Road Parcel

This 40-acre parcel features 80 to 100-year-old Douglas fir-dominated forest and slopes gently upward toward Mt. Grant Preserve. There is also a seasonal creek stretching from its northwest to southeast corners. If developed, up to eight homesites could be created bound on Mt. Grant and the Town's Trout Lake property.

The property has a small cabin and two Texmo buildings which may be utilized as caretaker or conservation corps crew housing options. It connects directly to the public Prohaska Road at its southeastern corner. The current owners have allowed public access to the property for some time, and it does provide an alternate access to Mt. Grant. However, there are complications

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with the connection to the existing preserve due to restrictions in the easement for the main entrance road from West Valley Road.

Cady Mountain Parcel

This 40-acre parcel contains significant Garry oaks and savannah as well as old growth Douglas-firs. Also, a wetland area at its north west corner adjoins the existing Land Bank Cady Mountain Preserve. Acquisition of this property would be a key addition to the Land Bank's ongoing Garry oak restoration efforts.

The open areas at the summit afford spectacular views to the south and east and create a natural destination point from the Land Bank's proposed trailhead along Three Corner Lake Road.

If left unprotected, property could be subdivided into four lots.

ACQUISITION DETAIL

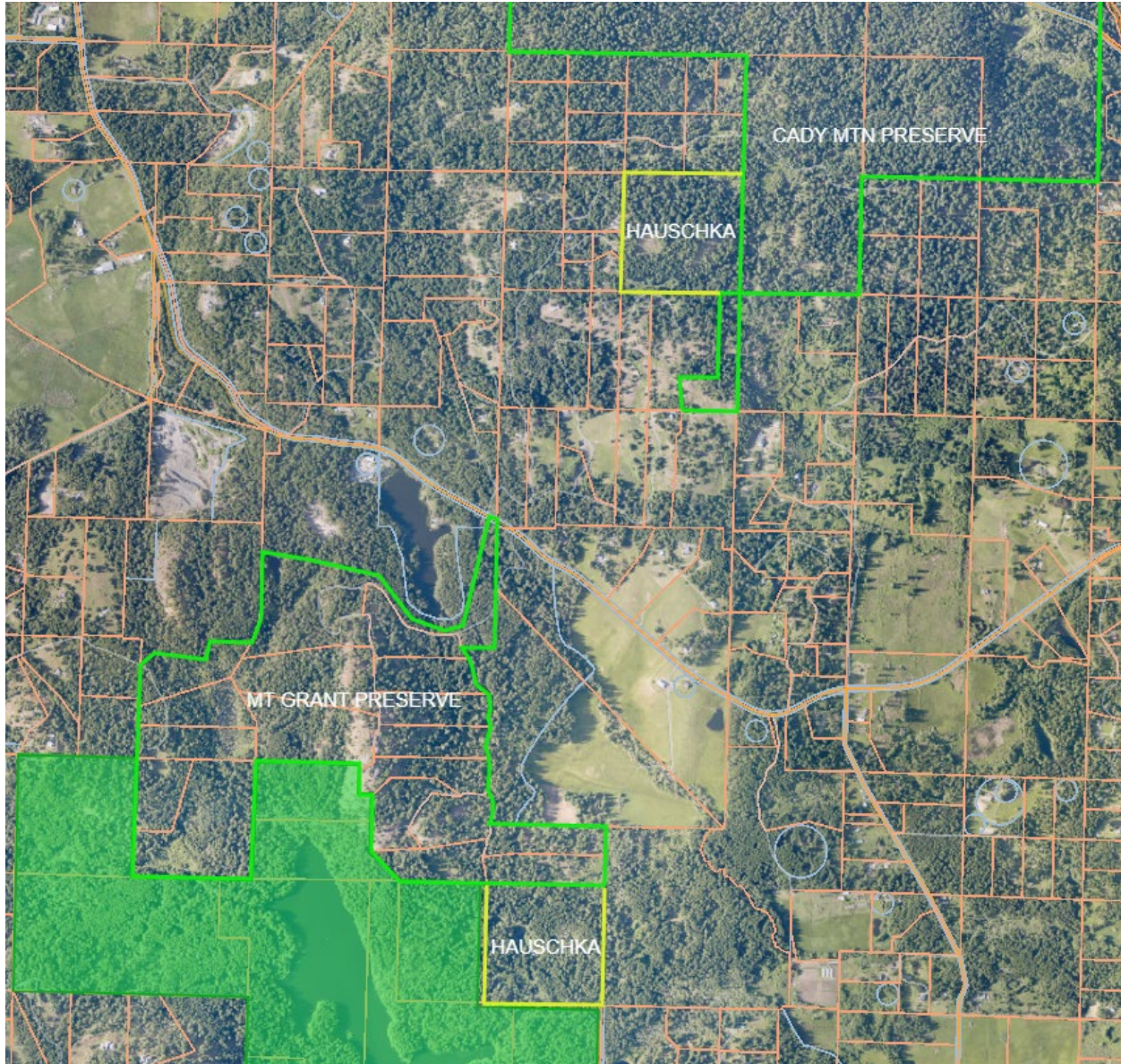
The Land Bank intends to partner with the San Juan Preservation Trust (SJPT) on both parcels, with SJPT contributing up to 50% of the purchase price for conservation easements. Staff are currently working on this agreement with the Preservation Trust. At present, the Land Bank Commission is recommending proceeding with the acquisitions regardless of the outcome of the partnership arrangement with SJPT.

- A. Acquisition Costs: The purchase price for each parcel is \$800,000 (\$1.6M total) which is anticipated to be at or below appraised value. The Hauschka's have offered to seller-finance the sale at 5% interest and the Land Bank is recommending an initial down payment of \$200,000 (\$400,000 total) on each parcel with the remainder to be paid off in three years. Should the Preservation Trust purchase conservation easements, these time periods would be condensed accordingly.
- B. Management Costs: Initial site stabilization costs would be relatively low for both parcels. Cady Mountain would be accessed by trail only from the existing preserve. A driveway, trails and limited parking already exist on the Prohaska parcel. Maintaining the infrastructure on this latter parcel will likely cost \$10,000 annually. Land management and restoration costs for both parcels are estimated at \$5,000 annually combined.

MANAGEMENT PLAN

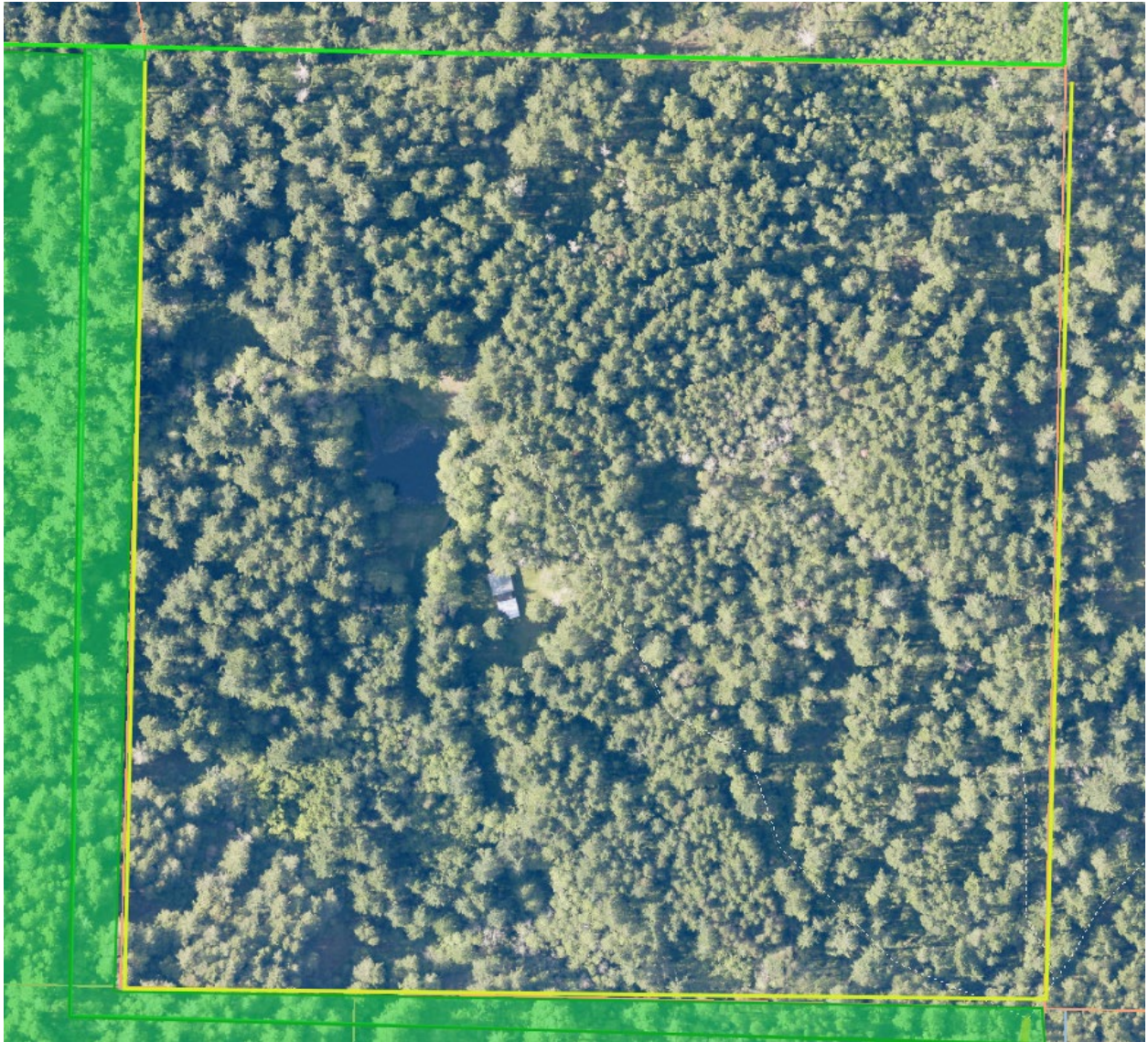
The Land Bank will incorporate both parcels into the management plans for Mt. Grant and Cady Mountain Preserves.

CONTEXT MAP FOR BOTH HAUSCHKA PARCELS



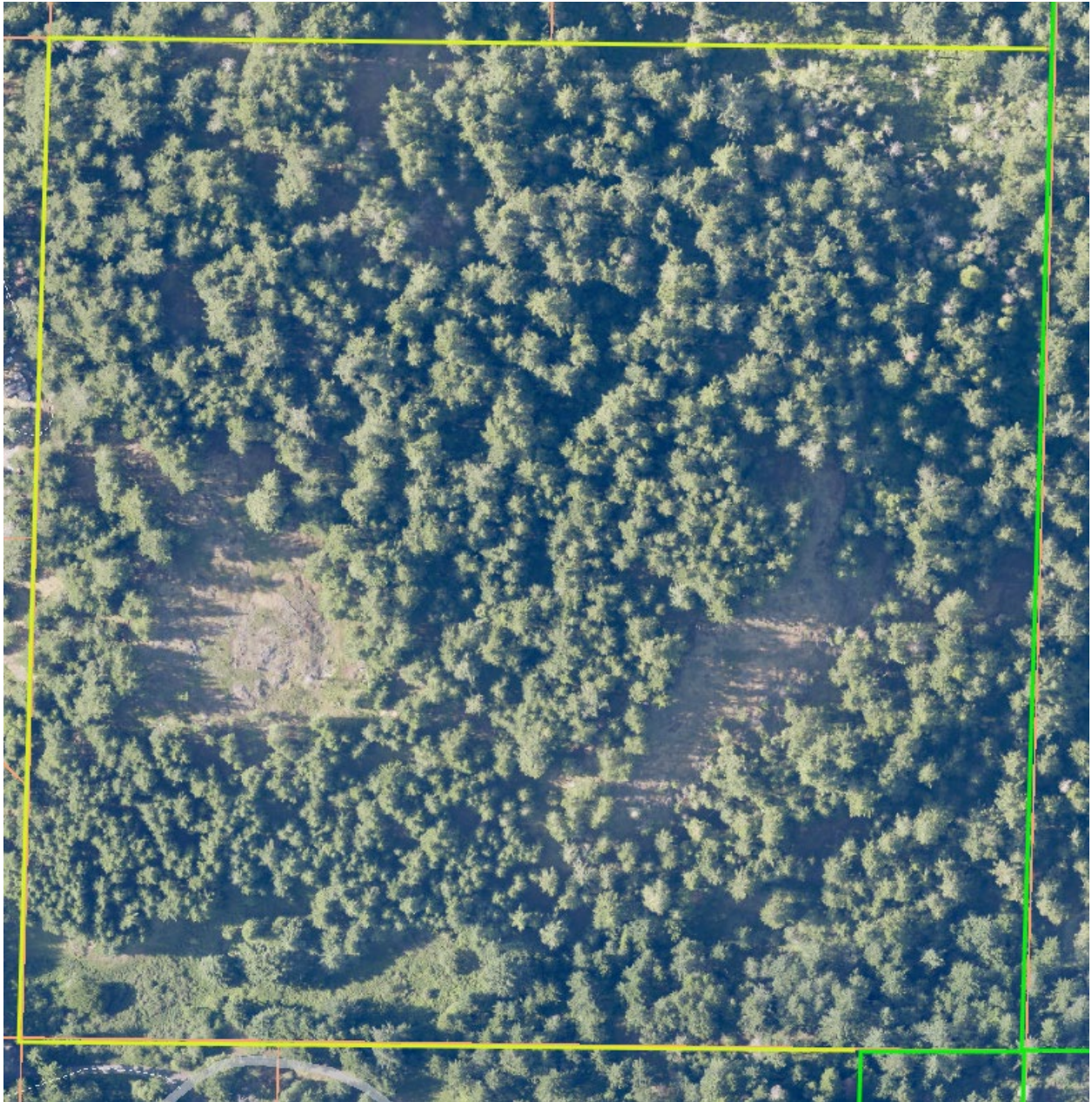
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AERIAL MAP OF THE HAUSCHKA PROHASKA ROAD PARCEL



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AERIAL MAP OF THE HAUSCHKA CADY MOUNTAIN PARCEL



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PROJECT SUMMARY

PROJECT TITLE: MCPEAKE (GLENWOOD INN)
PROPOSED ACQUISITION: ACQUISITION OF FEE TITLE INTEREST
OWNER: ESTATE OF DAVID AND LINA MCPEAKE

PROPERTY DESCRIPTION

Location: North Shore, Orcas Island

General Description: This roughly 58-acre property on the north shore has extensive high bluff and beach with an access road. The upland is largely forested with approximately six acres cleared. There are also a number of older structures formerly utilized for accommodating guests at the Inn.

CONSERVATION VALUES OF THE PROPERTY

The Glenwood Inn parcel features roughly 1/3 mile of shoreline, largely backed by high bluffs. This shoreform and location are high protection priorities for salmon recovery.

Aesthetically, the site offers unparalleled views of Potos, Sucia, and Matia Islands, with the Canadian Gulf islands to the northwest. Mount Baker is visible as well to the far east southeast. Directly east are the cliffs of Point Doughty.

This is the largest parcel remaining in the immediate Eastsound area with the exception of Camp Orkila which is just to the south. Left unprotected, the site could be developed into as many as 11 homesites along the shoreline.

The upland area has significant cultural resources, being close to the approximate location of the historic Coast Salish village of T'qwá:leqs.

The site offers tremendous potential for access to one of the most dramatic beaches in the archipelago. In addition to the 1/3 mile on the property, there is tideland access to the Point Doughty Natural Area Preserve, managed by the Washington Department of Natural Resources. This area is currently only accessible from the water. Together, these properties would roughly double the amount of shore available for public access on the island. A County road connects directly to the south property line.

In addition, the site offers the possibility of serving as a base for kayakers overnighing to the outer islands.

PARTNERS

The Land Bank would partner with the San Juan Preservation Trust (SJPT) on the proposed purchase, with each paying 50% and the Trust retaining a conservation easement on the property. The Preservation Trust would also work to secure stewardship funding for the project.

COSTS

- A. Acquisition Costs: The purchase price for this acquisition is anticipated to be roughly \$6,350,000.

The Land Bank would make the initial purchase with the Preservation Trust purchasing a conservation easement within 3 years under a contractual agreement.

- B. Management Costs: There would be significant cost associated with removal of the derelict structures on site, potentially in the \$250,000 range. Further site stabilization to allow public access (parking, trail enhancement, etc.), might approach an additional \$85,000. With this in mind, the Preservation Trust is applying for a Puget Sound Action and Recovery Fund grant which will include money for demolition and removal of structures on the shoreline.

MANAGEMENT PLAN

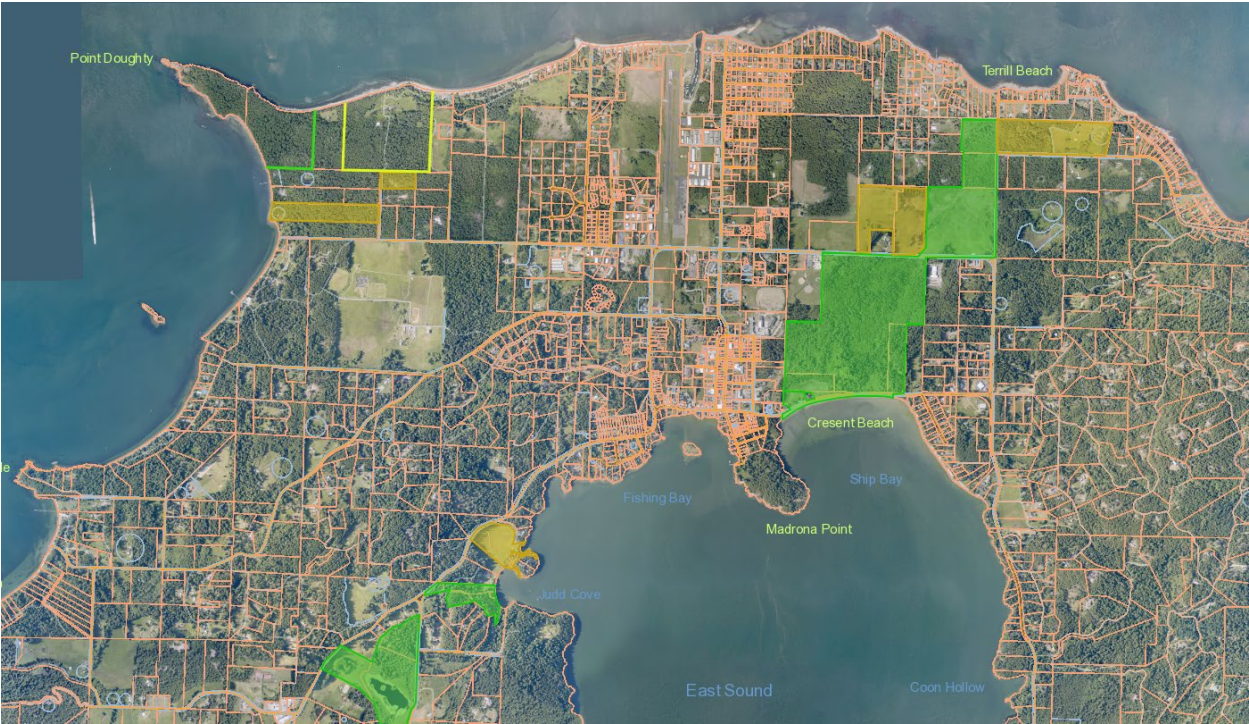
The Land Bank will initiate a management plan process in the first year of ownership. Given the level of interest in public access, an interim plan may be the best course, to allow some limited use while working through the details of the full plan.

AERIAL MAP OF THE MCKPEAKE (GLENWOOD) PROPERTY



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CONTEXT MAPS OF THE MCKPEAKE (GLENWOOD) INN PROPERTY



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AERIAL PHOTO OF THE MCKPEAKE (GLENWOOD) INN PROPERTY



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PROJECT SUMMARY

PROJECT TITLE: HIGGINS PROPERTY (WATMOUGH BAY)

PROPOSED ACQUISITION: ACQUISITION OF FEE TITLE INTEREST

OWNER: ESTATE OF GENE AND CAROL HIGGINS

PROPERTY DESCRIPTION:

Location: Watmough Bay, Lopez Island

General Description: This roughly 11.5-acre property is at the mouth of Watmough Bay with shoreline extending to the Rosario Strait. It is directly across from Boulder Island, part of the San Juan Islands National Wildlife Refuge.

CONSERVATION VALUES OF THE PROPERTY

The Higgins tract features roughly 1/3 mile of shoreline, including two pocket beaches. It is adjacent to conservation easement-protected property on both sides and connected to the Land Bank's existing Watmough Bay (Meng parcel). This is the last remaining unprotected property on the shore of Watmough Bay.

The shoreline is within a high priority area for salmon recovery, and it is the last remaining link of a 1.67-mile protected shoreline stretching from the north side of Watmough Bay to the Rosario Strait.

The upland area has significant cultural resources, including aboriginal shell midden and one of the first homesteads of European Americans. The existing house is the oldest on Lopez, constructed in the early 1870s, and a portion of the original orchard and other feature are still intact.

The property is also accessible from the Watmough Bay trailhead within the San Juan Islands National Monument. This proximity to conserved land, low bank waterfront, and sensational views of the Bay to the west and Mt. Baker and the mainland to the east make this property extremely attractive for public access.

PARTNERS

The Land Bank will purchase the property with the intent of reselling to the Bureau of Land Management (BLM) for inclusion in the San Juan Islands National Monument. Staff have confirmed that the property meets the prerequisites for acquisition by BLM, but the agency will not have funding for 3-5 years. It may be that the non-profit The Conservation Fund would step in as an intermediary buyer. It is also possible that BLM might decline purchasing the property,

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in which case the Land Bank would pursue sale of a conservation easement to the San Juan Preservation Trust.

COSTS

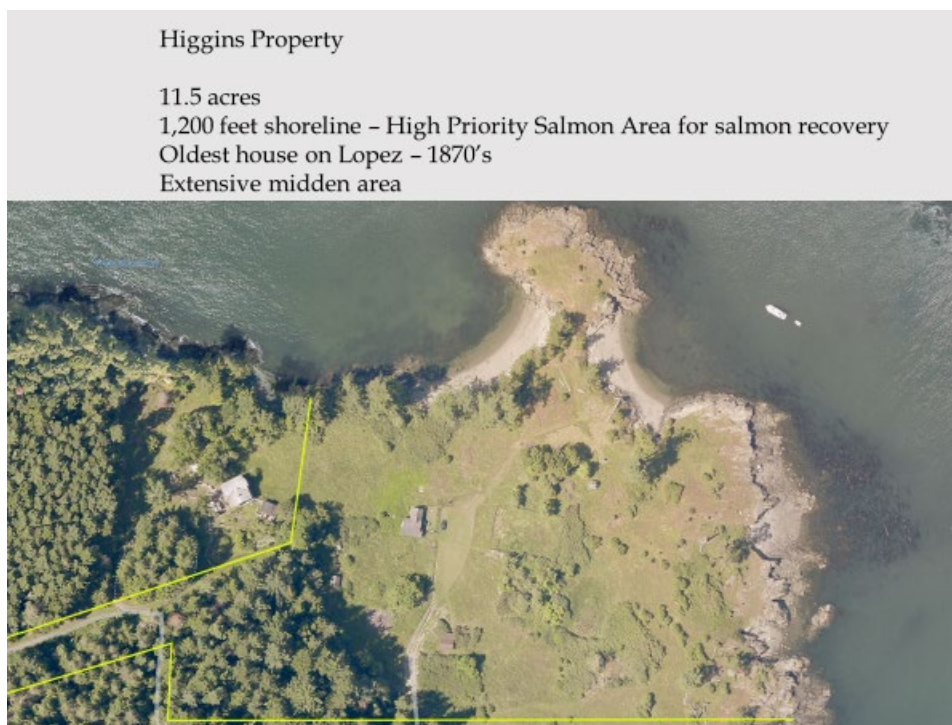
A. Acquisition Costs: The purchase price for this acquisition will be \$2,540,000 as supported by appraisal. The Land Bank has agreed to pay \$1.5 million at closing with SJPT reimbursing the County in 2022. An additional \$30,000 in transaction, appraisal and escrow fees is also likely to be incurred at closing.

B. Ownership Costs: Roughly \$15,000 for site enhancement to allow public access and annual maintenance costs of \$10,000 - \$15,000, depending on the condition of the structure and potential uses.

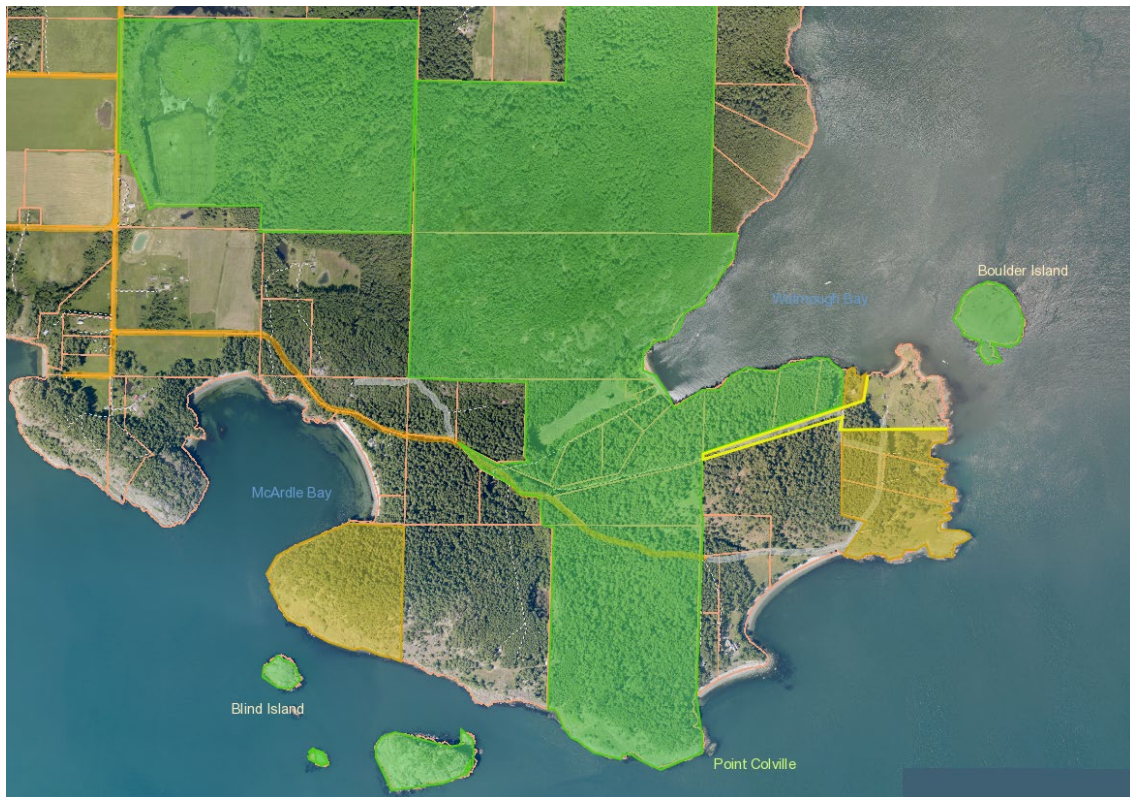
MANAGEMENT PLAN

The Land Bank will initiate a management plan process in the first year of ownership. Given the level of interest in public access, an interim plan may be the best course, to allow some limited use while working through the details of the full plan.

AERIAL MAP OF THE HIGGINS PROPERTY



CONTEXT MAP OF THE HIGGINS PROPERTY



AERIAL PHOTO OF THE HIGGINS PROPERTY

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