

AGENDA - SPECIAL MEETING

San Juan County Conservation Land Bank Commission (LBC)

**Members of the public may participate in person at San Juan County Parks
and Fair Office, 846 Argyle Ave, Friday Harbor, WA 98250;**

join virtually by [CLICKING HERE](#);

or call in for public access – 360-726-3293

1) +1 360-726-3293, 518779803# United States, Seattle

2) Phone Conference ID: 518 779 803#

July 28, 2022

- | | |
|---------|---|
| 8:30 am | Convene |
| 8:30 | Purpose of Meeting – North Shore (Glenwood Inn) |
| 8:35 | Chair and Commissioner Reports |
| 8:50 | Commission Discussion <ul style="list-style-type: none">• Land Bank guiding ordinances, required public processes and the Commission’s role/responsibilities with respect to acquisition and disposition of Land Bank Property• Next steps |
| 9:50 | Break |
| 10:00 | Public Comments |
| 10:30 | Future agenda items |
| 10:45 | Adjourn |

The Land Bank Commission May Add or Delete Agenda Items and Projects for Discussion. The Agenda Order is Subject to Change. You are invited to call the Land Bank office at 360-378-4402 for more details prior to the meeting. SJC Code 2.116.070 “All meetings and actions of advisory bodies and their subcommittees shall be open to the public, even where such meetings are not within the purview of the Open Public Meetings Act, Chapter 42.30 RCW, except where the meeting is properly closed for executive session, as provided in RCW 42.30.110”

ORDINANCE 21 -2008

**AN ORDINANCE AMENDING CHAPTER 16.54 OF THE SAN JUAN COUNTY CODE
REGARDING THE SAN JUAN COUNTY LAND BANK**

WHEREAS, San Juan County adopted a Home Rule Charter on November 8, 2005; and

WHEREAS, the San Juan County Council desires to assure the County Code is consistent with the Charter for San Juan County; and

WHEREAS, Chapter 16.54 of the San Juan County Code should be revised in order to be consistent with the county charter; and

WHEREAS, the Land Bank differs from other county departments, in that the expenditure and acquisition plan developed by the Land Bank Commission requires ratification by the County Council; and

WHEREAS, the acquisition plan developed by the entire Land Bank Commission considers each of the major islands and their associated islands independently; and

WHEREAS, this method of planning for acquisitions does not result in competition between the islands for Conservation Funds, but rather, use of the funds to protect land throughout San Juan County; and

WHEREAS, the Land Bank Commission requires both members who are able to share information about potential acquisitions on each island with the other members, as well as members with varying kinds of expertise in order to make wise use the of Conservation Fund; and

WHEREAS, certain changes have been recommended by the Prosecuting Attorney and others to assure that this ordinance is consistent with the Home Rule Charter; and

WHEREAS, the County Council finds that this ordinance satisfies the health, safety and public welfare of the people of San Juan County; and

WHEREAS, the County conducted a duly advertised public hearing on April 8, 2008, and has received public testimony; and

NOW, THEREFORE, BE IT ORDAINED by the County Council of San Juan County, State of Washington as follows:

Sec. 1. San Juan County code 16.54.020, Ord. 6-1999 § 1; and Ord. 142-1990 § II are each amended to read as follows:

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16.54.020 Definitions.

For the purpose of this chapter the words set out in this section shall have the following meanings:

"Acquisition" means the purchase or acceptance of a gift from a willing seller or donor of fee or less than fee interests in real property, without the exercise of eminent domain. These interests include, but are not limited to, options, rights of first refusal, conservation easements, leases, mineral rights, water rights and development rights. Nothing contained in this definition shall be construed to prevent the LBC and the property owner from jointly agreeing to seek judicial determination of property value.

"Conservation area" means land and water that have environmental, agricultural, aesthetic, cultural, scientific, historic, scenic or low-intensity recreational value for existing and future generations, and includes, but is not limited to, open spaces, wetlands, marshes, aquifer recharge areas, shoreline areas, natural areas and other lands and waters that are important to preserve flora and fauna.

"Conservation area real estate excise tax (REET)" means that tax authorized by the voters of the County (pursuant to the enablement and requirements of Chapters 82.45 and 82.46 RCW) as now enacted or subsequently amended:

1. Levied on each sale of real property in the County beginning December 6, 1990;
2. Paid by the purchaser;
3. At a rate of one percent of the selling price;
4. For a period of 24 years after December 6, 1990 and expiring with transactions after December 5, 2014;
5. Proceeds to be used exclusively for the acquisition and maintenance of real property interests in conservation areas as defined in this section.

"Director" means the lead staff person ~~hired by the board of County commissioners/land bank commission to~~ who provides professional/technical support services to the land bank commission.

"Disposal" means the sale or trade or offering for sale or trade of real property interests acquired by the land bank commission (LBC) upon a finding by the ~~board of County Council commissioners~~, after recommendation by the LBC, that the interest acquired no longer achieves or is no longer necessary to achieve the rationale/public purpose that justified its acquisition.

"Land Bank Commission" (LBC) means the advisory body which assists the Land Bank Director in the management of the Land Bank and advises the County Administrator and County Council in the selection of the Land Bank Director.

Sec. 2. San Juan County code 16.54.030, and Ord. 142-1990 § III(1) are each amended to read as follows:

16.54.030 Land bank commission – Composition.

~~Within 60 days of voter authorization of a conservation area real estate excise tax pursuant to Chapter 82.46 RCW, there shall be established a land bank commission (LBC), a citizen board appointed by the board of County Council commissioners. The LBC shall be composed of seven members; one appointed each from San Juan Island, Orcas Island and Lopez Island. The remaining four members will be each County commissioner district (three), and four appointed at large by the board of County Council and will bring a variety of complementary skills to the LBC in order that the Conservation Fund can be managed wisely for the benefit of all of San Juan County commissioners.~~

~~A. Initial appointment shall be as follows: three members appointed for four year terms; two members appointed to three year terms and two members appointed for two year terms.~~

~~B. A. Upon the expiration of initial appointments, successive appointments shall each be for a period of four years. Terms shall be staggered with three members term expiring one year, two members terms expiring the next year and two members terms expiring the third year. LBC members may be reappointed upon a majority vote of the board of County Council commissioners.~~

~~C. B. Eligibility for appointment to the LBC shall be open to residents of both the incorporated and unincorporated areas of the County. In appointing LBC members, the board of County Council commissioners shall strive to achieve a diversified and objective membership.~~

~~D. C. In the event an LBC member is absent from three consecutive meetings without prior approval from the LBC chairman, the board of County Council commissioners may remove such member and appoint a replacement to fulfill that member's unexpired term. (Ord. 142-1990 § III (1))~~

NEW SECTION. Sec. 3. A new section is added to Chapter 16.54 of the San Juan County code to read as follows:

Director appointment and termination.

A. After receiving recommendations from the Land Bank Commission, the County Administrator shall appoint a director of the Land Bank. This appointment shall be confirmed by the action of the County Council, which shall take place within 30 days.

B. It is the responsibility of the director to hire Land Bank staff in accordance with the personnel policies and procedures of the county and any other applicable laws and regulations.

C. Confirmation by the County Council of a decision by the County Administrator to terminate the director shall occur before the termination takes place.

Sec. 4. San Juan County code 16.54.040, and Ord. 142-1990 § III(2) are each amended to read as follows:

16.54.040 Land bank commission – Powers and duties.

The land bank commission shall have the following powers and duties to be performed in cooperation with, and assistance from, the Land Bank staff:

- A. To recommend to the ~~board of County Commissioners~~ Council the acquisition and/or disposal of fee and/or less-than-fee interests in conservation areas as defined in this chapter;
- B. To develop stewardship and management plans for each acquired interest not inconsistent with or detrimental to the purpose/rationale which justified its acquisition;
- C. To supervise the management of the property interests acquired;
- D. To develop annual reports of LBC activity;
- E. To recommend to the ~~board of County Commissioners~~ Council a revenue allocation formula for the long-term use of LBC funds;
- F. To recommend to the ~~board of County Commissioners~~ Council action on proposed gifts of real property, personal property or cash to be utilized for the purposes stated in this chapter;
- G. To ~~conduct~~ obtain real property appraisals;
- H. To negotiate real property purchases or trades as specified in the LBC expenditure and acquisition plan;
- I. ~~To recommend to the board of County Commissioners contracts for services;~~
- J. ~~I.~~ To recommend to the ~~board of County Commissioners~~ Council the lease of acquired real property for uses not inconsistent with or detrimental to the purpose/rationale which justified the acquisition. (Ord. 142-1990 § III (2))

Sec. 5. San Juan County code 16.54.050, and Ord. 142-1990 § III(3) are each amended to read as follows:

16.54.050 Land bank commission – Organization.

~~The board of County Commissioners shall appoint the chair of the LBC to serve for the first two years of operation (1991 to 1992). The LBC shall elect the vice chair to serve for the same period. Beginning in 1993, and each year thereafter, the LBC shall elect a chair and vice-chair. The chair and vice-chair may be re-elected upon expiration of their one-year term. In conducting its business the LBC shall follow the Uniform Business Rules, including the Rules of Procedure, unless other rules have been duly adopted by the County Council. Within 90 days of their first~~

~~meeting, the LBC shall adopt such rules and procedures as they deem necessary to accomplish their function. (Ord. 142-1990 § III (3))~~

Sec. 6. San Juan County code 16.54.060, and Ord. 142-1990 § III(4) are each amended to read as follows:

16.54.060 Land bank commission – AdministrationStaff.

~~The LBC shall recommend to the board of County commissioners candidates for the position of director. The board of County commissioners is responsible for hiring the director. The director shall serve as the primary staff to the commission and have the functions/duties described in this chapter. Revenues required to support the direct and indirect expenses of the executive director and additional staff as may be deemed necessary shall be derived solely from the conservation area fund. Nothing in this section would preclude the County from contracting with an individual or organization to provide any or all of the administrative functions of the LBC. (Ord. 142-1990 § III (4))~~

Sec. 7. San Juan County code 16.54.070, and Ord. 142-1990 § IV are each amended to read as follows:

16.54.070 Conservation area fund.

A. There shall be established in the County treasury a proprietary fund titled the "San Juan County conservation area fund." Deposited into this fund shall be all revenues that the land bank commission is authorized to receive. Interest earned from investments of this fund and proceeds from the sale of surplus lands shall remain with the fund. Examples of revenues anticipated are:

1. Real estate excise tax proceeds;
2. County conservation futures levy;
3. Donations;
4. Bond proceeds;
5. User fees;
6. Transfers from other governmental units;
7. Grants;
8. Lease fees.

B. Expenditures from the conservation area fund shall be made in accordance with the legally adopted County budget. The annual budget, submitted for public hearing, shall be based upon

recommendations of the LBC and final action of the ~~board of County Council~~ Commissioners.
Authorized expenditures for conservation area fund moneys shall be:

1. The acquisition of the types of real property interest specified in this chapter, including but not limited to costs for appraisals, site assessments and legal fees;
2. The stewardship, care, restoration and maintenance of acquired real property interests. A reserve within the conservation area fund shall be established within one year to provide funding for the maintenance of acquired real property interest in perpetuity. It is the objective of this reserve that the interest earned ~~from it~~ will fund all care and maintenance expenses upon the expiration of the REET;
3. Fund Administration. Annual administration costs of the fund shall be held to the minimum required to administer efficiently and properly the land bank but shall not exceed 10 percent of revenues received, exclusive of bond proceeds;
4. Repayment of bonds (principal and interest) issued by the County, the proceeds of which have been deposited in the conservation area fund;
5. Such other expenditures as deemed appropriate by the ~~board of County Council~~ Commissioners that further the goals and objectives of the land bank.

C. It is the intent of the County, on behalf of the land bank, to issue intermediate term bonds in order to provide revenue to take advantage of immediate conservation opportunities. ~~in a time of a rapidly appreciating real estate market and inflation. (Ord. 142-1990 § IV)~~

Sec. 8. San Juan County code 16.54.080, and Ord. 142-1990 § V are each amended to read as follows:

16.54.080 Expenditure and acquisition plan.

A. An open space and conservation plan for the County ~~is will be adopted by the former Board of County Commissioners~~ as an element of the County Comprehensive Plan. The open space plan ~~will include~~ an inventory, classification criteria and prioritized ranking of open space landscape units (i.e., natural areas, water resources, visual resources, administrative resources, agricultural, recreational and cultural resources). The open space plan ~~will also define~~ the parameters of a variety of methods for the acquisition of fee or less-than-fee interests in conservation areas as defined in this chapter (i.e., direct fee simple purchase, life estates, conservation easements, transfer of development rights, etc.).

B. Based on the criteria, rankings and "acquisition tools" as specified in the adopted open space and conservation plan, the LBC will prepare an annual acquisition program for the coming budget year specifying:

1. Recommended parcels for acquisition (including rationale for recommendation);

2. The nature of the interest(s) to be acquired;
3. The expenditure required to acquire (including administrative and overhead estimates);
4. An estimate of the annual cost of ownership of the interest acquired (i.e., maintenance, improvements, restoration, etc.); and
5. A proposed management plan.

C. The annual expenditure and acquisition plan shall be adopted by the LBC and shall be subject to ratification by the ~~board of County Council~~ council ~~commissioners~~ during the adoption of the annual budget for the County. The plan may provide for contingencies and may be amended following a public hearing by the LBC and subsequent ratification by the ~~board of County Council~~ council ~~commissioners~~.

D. Prior to any action by the LBC to adopt an annual expenditure and acquisition plan, the LBC shall hold at least one public hearing. A draft plan shall be available for public review 10 days prior to the date of any LBC public hearing.

E. The LBC may adopt their recommended annual acquisition plan by a majority vote at their next regular LBC meeting following the public hearing.

F. Notices of LBC meetings or hearings on the annual draft or final acquisition plan shall be published in the legal newspaper of the County at least 10 days prior to the meeting or hearing. (Ord. 142-1990 § V)

Sec. 9. San Juan County code 16.54.110, and Ord. 142-1990 § VIII are each amended to read as follows:

16.54.110 Council ~~Board~~ authority.

~~A.~~ The following actions of the LBC shall require ratification by the ~~board of County Council~~ council ~~commissioners~~:

1. The annual acquisition and expenditure plan;
- ~~2. The contracting for services;~~
- ~~23.~~ The receipt of gifts of real property, personal property or cash.

~~B3.~~ If the ~~board of County Council~~ council ~~commissioners~~ elects not to ratify the annual acquisition and expenditure plan, it must reject the plan in its entirety and remand it back to the LBC with specific recommendations for reconsideration. The ~~board of County Council~~ council ~~commissioners~~ shall have no authority to amend the plan. (Ord. 142-1990 § VIII)

NEW SECTION. Sec. 10. The Code Reviser is instructed to move the entire contents of Chapter 16.54 of the San Juan County Code, including but not limited to the amendments and changes set out in this ordinance, and Section 8 of Ordinance 5-2008 to a newly created chapter in Title 2 of the San Juan County Code entitled San Juan County Land Bank.

ADOPTED this 8 day of April 2008.

**COUNTY COUNCIL
SAN JUAN COUNTY, WASHINGTON**

ATTEST: Clerk of the Council

By: Signed
Valarie Graham – Deputy Clerk
Date:

REVIEWED BY COUNTY
ADMINISTRATOR

Signed
Pete Rose Date:

APPROVED AS TO FORM ONLY
RANDALL K. GAYLORD

By: Signed
Date

Signed
Howard Rosenfeld, Chair
District 3, Friday Harbor

Signed
Bob Myhr, Member
District 6, Lopez/Shaw

Signed
Kevin M. M. Ranker, Member
District 1, San Juan South

Signed
Rich Peterson, Member
District 2, San Juan North

Signed
Alan Lichter, Member
District 4, Orcas West/Waldron

Signed
Gene Knapp, Vice-Chair
District 5, Orcas East

Chapter 2.104

PROPERTY MANAGEMENT

Sections:

2.104.010 Purpose.

2.104.020 Definitions.

2.104.025 *Repealed.*

2.104.030 Inventory and inspections.

2.104.040 Disposal of surplus real and personal property.

2.104.045 Disposal of property for public benefit purposes.

2.104.050 General provisions for sale of real property.

2.104.060 General provisions for disposal of surplus County personal property.

2.104.070 Public hearing for notice of disposition of County-owned real property, personal property, or land bank property.

2.104.080 Disposition of proceeds.

2.104.090 Intergovernmental sales.

2.104.100 Sale for less than estimated market value.

2.104.110 Exchange for privately owned real property.

2.104.120 Lease or rental of real property.

2.104.130 Severability.

2.104.010 Purpose.

The purpose of this chapter, prepared in accordance with RCW 36.34.005, is to provide for the effective management and protection of all real and personal property owned by the County, including land bank property, and to ensure the valuable return from all sales, rentals, and leases of County real and/or personal property, and to provide for the disposing of all County real and/or personal property

not required for County purposes; provided, that San Juan County reserves all powers now or hereafter granted to counties by Chapter 36.34 RCW. (Ord. 3-2002 § 1)

2.104.020 Definitions.

Words and phrases which are capitalized in the text of this chapter utilize the definitions set out below. Noncapitalized words and phrases should be given their dictionary definition.

"County-owned real property" means all real property owned by the County which is not tax-titled property or land bank property.

County Real Estate Officer. The County administrator shall appoint a County real estate officer. The County real estate officer shall perform those duties with respect to the management of County-owned real property and tax-titled property as designated in this chapter or as further directed by the County administrator.

"Direct sale" means a sale made through negotiations or after a public hearing but without an oral or sealed bid, and in accordance with this chapter.

"Emergency" means an occurrence whereby County property would suffer material injury, loss, or damage by delaying action.

"Fair market value" is defined as an amount in a competitive market that a well-informed and willing buyer or tenant who desires but is not required to buy or lease would pay, and which a well-informed and willing seller or lessor who desires but is not required to sell or lease would accept, for the purpose of the purchase or use of the premises and/or personal property after due consideration of all the elements reasonably affecting the value.

"Land bank property" means real property or any interest in real property that is:

1. Acquired in whole or in part with funds pursuant to the requirements of Chapters 82.45 and 82.46 RCW (Conservation Area Real Estate Excise Tax); or
2. Under the jurisdiction of the land bank commission and held or acquired pursuant to Chapter 2.120 SJCC.

Land Bank Real Estate Officer. The land bank director, as established pursuant to SJCC 2.120.040, shall be the land bank real estate officer.

“Lease” means the rental of real property or real property interests for a period of time greater than two years.

“Public sale” means either sale by oral bids at a public auction or by award to the highest responsive and responsible bidder following an advertised call for sealed bids.

“Public benefit” means affordable housing for very low-income and low-income households as defined in RCW 43.63A.510, and related facilities that support the goals of affordable housing development in providing economic and social stability for low-income persons.

“Rent” means the rental of property for two years or less.

“Surplus property agent” shall be that person designated by the County administrator to fulfill the duties assigned in this chapter to the surplus property agent.

“Tax-titled property” shall mean all real property acquired by the County for lack of other bidders at a tax foreclosure sale.

“Worthless property” is that property which when processed in the manner most advantageous to the County cannot reasonably be sold for an amount sufficient to recoup the cost of sale or disposal. (Ord. 04-2021 § 1; Ord. 27-2007 § 1; Ord. 3-2002 § 2)

2.104.025 Real estate officer and surplus property agent.

Repealed by Ord. 27-2007. (Res. 59-2003)

2.104.030 Inventory and inspections.

A. The County real estate officer shall maintain an inventory of all real property and real property interests owned or controlled by the County including tax-titled property but not including land bank property. Such inventory shall be prepared with the assistance of elected officials and department heads with information on real property.

B. The land bank real estate officer shall maintain an inventory of all real property and real property interests owned or controlled by the County as land bank property. All duties assigned to the County real estate officer which pertain to land bank property shall be the responsibility of the land bank real estate officer. (Ord. 3-2002 § 3)

2.104.040 Disposal of surplus real and personal property.

Whenever it appears to the County council that it is in the best interest of the County to sell or otherwise dispose of real property or personal property belonging to the County, the County shall

dispose of such property in the manner provided in this chapter. Land bank property may be disposed of by sale or through a trade, only upon a recommendation of the land bank commission and ratification by the County council in accordance with the requirements of Chapter 16.54 SJCC. (Ord. 27-2007 § 3; Ord. 3-2002 § 4)

2.104.045 Disposal of property for public benefit purposes.

A. Disposal of surplus County property by transfer, lease, or other methods of disposal of such property for public benefit may be undertaken by utilizing the procedures in this section. This section provides an alternative only and does not impose any additional conditions on disposal made pursuant to other lawful authority.

B. Disposition of County surplus real property for public benefit purposes under this section may be made to a public, private, or nongovernmental body on any mutually agreeable terms and conditions, including a no-cost transfer, subject to and consistent with RCW 39.33.015, the Comprehensive Plan, and this chapter. Consideration paid to the County shall include appraisal costs, debt service, all closing costs, and any other liabilities to the County. However, such property may not be so transferred, leased, or disposed of if such transfer, lease, or disposal would violate any bond covenant or impair any contract.

C. Property disposal under this section shall be initiated through a request for proposal ("RFP") process. The housing advisory committee ("HAC") will develop RFP criteria for approval by the County council. The criteria used in evaluating responses to the RFP shall be enumerated and weighted on a property-specific basis.

D. Disposal of property under this section is subject to SJCC 2.104.070(A) and (B). Prior to execution of the sale, the County council shall adopt findings that the procedures set out in this section were followed.

E. A deed, lease, or other instrument transferring or conveying property under this section shall include a covenant or other requirement that the property shall be used for a designated public benefit purpose and appropriate remedies that apply if the recipient of the property fails or ceases to use it for the designated public benefit purpose within 30 years of conveyance. (Ord. 04-2021 § 3)

2.104.050 General provisions for sale of real property.

A. Means of Disposal. County-owned real property or land bank property may be disposed of by:

1. Trade or exchange;

2. Sales;

- a. Direct sales;
- b. Public sales through oral or sealed bids.

B. Appraisal of Real Property. Except for real property with an assessed value of less than \$100,000, prior to the disposal of any real property the respective County or land bank real estate officer shall have an appraisal prepared of the estimated fair market value for such parcel. Any property with an assessed value of less than \$100,000 may use the assessed value in lieu of an appraisal in establishing a fair market value. The County council or the land bank commission, in the case of land bank property, shall consider the appraisal and assessed value in setting the minimum acceptable price for the property.

C. Land Bank Valuation Formula. For sales of less than a fee-simple interest of land bank property, the land bank formula for valuation of a particular property interest may be used in lieu of an appraisal to calculate the fair market value of the property interest being sold and/or traded.

D. Sale Proceeds. The sale proceeds and appropriate documentation shall be provided to the San Juan County treasurer no later than 5:00 p.m. on the first regular business day following the sale. (Ord. 27-2007 § 4; Ord. 3-2002 § 5)

2.104.060 General provisions for disposal of surplus County personal property.

A. Notification Regarding Surplus Property. All County departments shall promptly advise the surplus property agent of any personal property which is surplus to the department needs and the surplus property agent, when so advised, shall:

1. Offer such property to other County departments and, if requested, shall transfer custodianship of the property to that department.
2. If no other department has a current need for said property, the surplus property agent shall review whether the following are financially advantageous:
 - a. Trade-in of the property upon acquisition of a like article;
 - b. Rent or lease to a nongovernmental agency;
 - c. Sale, rent or lease to another governmental agency;
 - d. Direct sale;
 - e. Public sale.

B. Surplus Property Agent's Duty to Determine Value of Surplus Property. Personal property which a County department has determined to be surplus shall be appraised by the surplus property agent and an estimated fair market value shall be established by the surplus property agent in exercising his or her best professional judgment making a good faith determination as to the value of the property.

C. Worthless Property. When the surplus property agent determines that the surplus personal property is worthless, the property shall be disposed of by the surplus property agent in the most cost-efficient manner. The surplus property agent shall keep a record of the nature and condition of the property and the date and means of its disposal. Publication of notice and a public hearing shall not be required for the disposal of worthless property. In the event the value at the site is less than the cost of hauling the property to another place of use or disposal, the surplus property agent may donate the property to any person or entity in the order of priority, as specified, provided a record be kept by the surplus property agent of the name and address of the recipient and the property received. In no event shall property be given to County employees or members of their families.

The order of priority is as follows:

1. Other government entities;
2. Local nonprofit organizations;
3. Thrift stores (government operated);
4. Thrift stores (privately operated);
5. Private entities;
6. Solid waste facilities.

D. Authority to Dispose of Personal Property. The surplus property agent may declare the property to be either worthless, worth less than \$2,500, or trade-in property under this section without approval of the County council.

E. Decision to Dispose of Personal Property. Periodically, the surplus property agent shall submit a list of surplus personal property to the County council and if the County council finds by resolution following a public hearing that it is in the best interests of the County to sell, rent or lease each article of personal property, the property may be sold, rented or leased as follows:

1. Under the limitations, restrictions, and in the manner provided for the sale, rent or lease of property as provided in this chapter; or
2. If the County council determines that there is no competitive local market for sale of the property, the County council may direct that the property be consigned to an auctioneer in another county to be disposed of by oral or sealed bids.

F. Direct Sales of Personal Property. When the County council has declared by resolution setting forth the facts that an emergency exists, or when the personal property to be sold is worth less than \$2,500, the surplus property agent may proceed with a direct sale of the property without a public hearing under such terms and conditions he/she deems appropriate, provided the purchase price meets or exceeds the fair market value of the property as determined in good faith by the surplus property agent. Trade-in of personal property shall be done in accordance with Chapter 36.34 RCW.

G. Title. The title to personal property owned by the County shall not be transferred until such time as the purchase price has been paid or the property has been declared to be worthless.

H. Sale Proceeds. The sale proceeds and appropriate documentation shall be provided to the San Juan County treasurer no later than 5:00 p.m. on the first regular business day following the sale. (Ord. 27-2007 § 5; Ord. 3-2002 § 6)

2.104.070 Public hearing for notice of disposition of County-owned real property, personal property, or land bank property.

A. Notice of Hearing. Notice on the proposed disposal of any County property shall be in accordance with RCW 36.34.020 and 36.34.030. A notice of intent to sell may be included with a notice of public hearing. Notice shall be published at least 10 days before the public hearing.

B. Public Hearing. The County council shall hold a public hearing on the proposal to dispose of County property in accordance with RCW 36.34.040. **In the case of land bank property a hearing shall be held only upon the recommendation of the land bank commission.** After conducting the hearing, the County council shall:

1. Determine if the sale of property shall be by direct sale or public sale;
2. Proceed with a direct sale at its sole discretion under such terms and conditions it deems appropriate, provided the purchase price either meets or exceeds the fair market value of the property or complies with the provisions of SJCC 2.104.110.

a. If the County council determines that the sale shall be by direct sale, it may then either authorize the County real estate officer or the land bank real estate officer to execute all documents, or require that they be brought back to the board as an agenda item;

3. Determine that the property shall be sold at a public sale in accordance with RCW 36.34.080.

a. If the County council decides that said property shall be sold through a public sale, either by oral or sealed bid, the County council shall set a date and it shall provide notice in accordance with RCW 36.34.090 and 36.34.100.

C. Findings and Determination. Prior to execution of the sale, the County council shall adopt findings and a determination that the procedures set out in this chapter were followed including the requirement that either:

1. The sale price reflects the fair market value of the property; or

2. The conditions set out in SJCC 2.104.110 were met. (Ord. 27-2007 § 6; Ord. 3-2002 § 7)

2.104.080 Disposition of proceeds.

Proceeds derived from the sale of County-owned real property and County-owned personal property shall be disposed of in accordance with RCW 36.34.110, 36.34.120, 36.68.010 and other applicable state laws. The County treasurer shall promptly credit to the San Juan conservation area fund all proceeds resulting from the sale of land bank real property. (Ord. 3-2002 § 8)

2.104.090 Intergovernmental sales.

Intergovernmental sales shall be in accordance with RCW 36.34.130. In addition, intergovernmental sales of land bank real property shall follow the requirements of Chapter 16.54 SJCC and shall not be for less than fair market value. (Ord. 3-2002 § 9)

2.104.100 Sale for less than estimated market value.

The County council may dispose of County-owned real property for less than fair market value, only as provided for in Chapter 36.34 RCW, for a public benefit purpose as provided in RCW 39.33.015 and this chapter, or for the necessary support of the poor and infirm. County-owned real property shall be sold or disposed of for less than fair market value for the necessary support of the poor and infirm only after a public hearing by the County council, and after a specific finding by the County council that said property is to be used for the necessary support of the poor and infirm. The title to any property transferred for the purpose of providing necessary support for the poor and infirm shall contain a reversionary clause that states that title shall revert back to San Juan County if said property is no longer used for the necessary support of the poor and infirm. The reversionary clause shall terminate

after 20 years from date of sale. In no case shall the County dispose of land bank property for less than fair market value. (Ord. 04-2021 § 2; Ord. 27-2007 § 7; Ord. 3-2002 § 10)

2.104.110 Exchange for privately owned real property.

The County council shall have the authority to exchange County-owned real property or land bank property for privately owned real property whenever it is determined by a decree of the San Juan County superior court, after publication of notice of hearing is given as directed by the court, that:

- A. The real property proposed to be exchanged is not necessary to the future foreseeable needs of the County; and
- B. The real property to be acquired by such exchange is necessary for the future foreseeable needs of the County; and
- C. The consideration received by the County is equal to the consideration given. If the value of the two properties traded is unequal, the party receiving real property of greater value must pay the difference in value in cash at the time of the exchange. The court shall make a finding as to the value of each property and the amount of cash, if any, to be paid at the time of the exchange; and
- D. The County council shall follow the procedures of Chapter 16.54 SJCC when trading land bank property. No trade can be made without a finding by the land bank commissioners that the land bank property is not necessary to meet the conservation needs of the land bank and a recommendation by the land bank commissioners that the trade is in the best interests of the land bank. (Ord. 27-2007 § 8; Ord. 3-2002 § 11)

2.104.120 Lease or rental of real property.

- A. If it appears that it is in the best interest of the County, the County may lease or rent any real property and its appurtenances. Every lease or rental of land bank property shall be made only for uses not inconsistent with or detrimental to the purpose/rationale which justified the acquisition and only upon the recommendation of the land bank commissioners.
- B. The rental of real property or real property interests for less than two years may be done by direct negotiation without publishing a notice of intent to rent or holding a public hearing, provided the rental rate reflects the fair rental value of the property. Rental agreements may be executed by the County administrator.
- C. The lease of real property may be done by direct negotiations. No lease shall be executed until after publishing a notice of intent to lease and holding a public hearing regarding the proposed lease.

Notice shall be published at least 10 days before the public hearing. Leases must either be executed by the County council or by the County administrator if so authorized by the council.

D. Fair Market Value. Prior to renting or leasing real property, the County or land bank real estate officer shall conduct, or have conducted, a market review or rental study to determine the fair rental or leasehold value of the property. The County council shall consider the results of the study in setting the terms of the lease. The County administrator shall consider the results of the study in setting the terms of a rental agreement.

E. Temporary Events. Use of County property for temporary events may be done through a license agreement or permit executed by department heads or elected officials responsible for the management of the County property. This shall include, for example, commercial use permits issued by the parks department or the land bank.

F. Proceeds. All proceeds from leases and rentals of real or personal property shall be deposited in the applicable County fund that has management responsibility over the property. Proceeds from the lease or rental of land bank real property shall be credited to the land bank's conservation area fund or stewardship fund. (Ord. 19-2010 § 1; Ord. 27-2007 § 9; Ord. 3-2002 § 12)

2.104.130 Severability.

If any provision of this chapter or its application to any person, legal entity, or circumstances is held to be invalid, the remainder of this chapter and the application of the remaining provisions to other persons or circumstance shall not be affected. (Ord. 3-2002 § 13)

The San Juan County Code is current through Ordinance 05-2022, passed May 17, 2022.

Disclaimer: The Clerk of the County Council's office has the official version of the San Juan County Code. Users should contact the Clerk of the County Council's office for ordinances passed subsequent to the ordinance cited above.

City Website: <https://www.sanjuanco.com/>

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Code Publishing Company

RCW 36.32.570 Conservation area acquisition and maintenance.

The legislative authority of each county may acquire a fee simple interest, or lesser interest, in conservation areas in the county and may maintain the conservation areas. The conservation areas may be acquired and maintained with moneys obtained from the excise tax under RCW 82.46.070, or any other moneys available for such purposes.

As used in this section, the term "conservation area" means land and water that has environmental, agricultural, aesthetic, cultural, scientific, historic, scenic, or low-intensity recreational value for existing and future generations, and includes, but is not limited to, open spaces, wetlands, marshes, aquifer recharge areas, shoreline areas, natural areas, and other lands and waters that are important to preserve flora and fauna. [1990 1st ex.s. c 5 § 2.]

Purpose—1990 1st ex.s. c 5: "The purpose of this act is to provide a mechanism for the acquisition and maintenance of conservation areas through an orderly process that is approved by the voters of a county. The authorities provided in this act are supplemental, and shall not be construed to limit otherwise existing authorities." [1990 1st ex.s. c 5 § 1.]

RCW 82.46.070 Additional excise tax—Acquisition and maintenance of conservation areas. (1) Subject to subsection (2) of this section, the legislative authority of any county may impose an additional excise tax on each sale of real property in the county at a rate not to exceed one percent of the selling price. The proceeds of the tax shall be used exclusively for the acquisition and maintenance of conservation areas.

The taxes imposed under this subsection shall be imposed in the same manner and on the same occurrences, and are subject to the same conditions, as the taxes under chapter 82.45 RCW, except:

(a) The tax shall be the obligation of the purchaser; and

(b) The tax does not apply to the acquisition of conservation areas by the county.

The county may enforce the obligation through an action of debt against the purchaser or may foreclose the lien on the property in the same manner prescribed for the foreclosure of mortgages.

The tax shall take effect thirty days after the election at which the taxes are authorized.

(2) No tax may be imposed under subsection (1) of this section unless approved by a majority of the voters of the county voting thereon for a specified period and maximum rate after:

(a) The adoption of a resolution by the county legislative authority of the county proposing this action; or

(b) The filing of a petition proposing this action with the county auditor, which petition is signed by county voters at least equal in number to ten percent of the total number of voters in the county who voted at the last preceding general election.

The ballot proposition shall be submitted to the voters of the county at the next general election occurring at least sixty days after a petition is filed, or at any special election prior to this general election that has been called for such purpose by the county legislative authority.

(3) A plan for the expenditure of the excise tax proceeds shall be prepared by the county legislative authority at least sixty days before the election if the proposal is initiated by resolution of the county legislative authority, or within six months after the tax has been authorized by the voters if the proposal is initiated by petition. Prior to the adoption of this plan, the elected officials of cities located within the county shall be consulted and a public hearing shall be held to obtain public input. The proceeds of this excise tax must be expended in conformance with this plan.

(4) As used in this section, "conservation area" has the meaning given under RCW 36.32.570. [1990 1st ex.s. c 5 § 3.]

Purpose—1990 1st ex.s. c 5: See note following RCW 36.32.570.

DATE: 7/18/2022

TO: San Juan County Council

FROM: San Juan County Land Bank Commission

RE: San Juan County Resolution No. 13-2022 To Acquire and Accept a Statutory Warranty Deed on Orcas Island for the McPeake Property

VIA EMAIL

Dear Councilmembers,

I am writing this letter on behalf of the Land Bank Commission ('Commission') which, in consensus at its July 15 monthly meeting, makes the following recommendations to the San Juan County Council to amend Resolution No. 13-2022 ('Resolution') adopted on June 14 regarding the purchase of the McPeake (aka Glenwood) Property. These recommendations concern the language inserted into the Resolution during the June 14 hearing regarding the Conservation Easement (CE) to be conveyed prior to June 30, 2025 to the San Juan Preservation Trust (SJPT).

The Commission's recommendation is that you remove the added language in the Resolution to maintain consistency with the following: (a) the Project Description included in the Land Bank's Expenditure & Acquisition Plans approved in public hearings on November 19, 2021 and on May 20, 2022; (b) the Assignment of Purchase and Sale Agreement (PSA)/Cooperative Agreement signed by the Land Bank and SJPT on May 18, 2022; (c) the North Shore Conservation Easement Project Application submitted on May 20 and June 3, 2022 to the WA State Recreation and Conservation Office in which SJPT is the Primary Sponsor and the SJC Land Bank is a Secondary Sponsor; (d) Chapter 16.54 of the San Juan County Code regarding the SJC Land Bank; and (e) RCW 82.46.070 and RCW 36.32.570 regarding the additional real estate excise tax for acquisition and maintenance of conservation areas.

Specifically, the Commission's recommendation is as follows:

Resolution 13-2022 language	LBC Commission recommendation
WHEREAS, the conservation easement will be limited to protection of the shoreline of the north shore only and is expected to restrict development in that area;	Remove this paragraph in its entirety. <i>Chair comment: Alternatively, amend the paragraph to reflect that the conservation easement will be over the entire property.</i>
WHEREAS, it is the County's intent to retain at least two development areas on the upland portion of the parcel;	Remove this paragraph in its entirety. <i>Chair comment: Alternatively, amend this paragraph to say that it is the County's intent to retain at least one residential development right on the upland portion of the parcel.</i>

To follow is a description of the ways we believe Resolution 13-2022 conflicts with the approved Land Bank Expenditure and Acquisition Plan, signed agreements with SJPT, SJPT's grant application co-sponsored by the Land Bank, and legislation regarding the Land Bank REET:

1. The Resolution states that the “conservation easement will be limited to protection of the shoreline of the north shore only and is expected to restrict development in that area”.
 - a. The McPeake Project Description included in the Land Bank’s Expenditure & Acquisition Plans approved in public hearings on November 19, 2021 and on May 20, 2022 and ratified by the County Council during the adoption of the annual budget on December 7, 2021 says that SJPT will retain a conservation easement on “the property”. There is no mention that protection will be limited to the shoreline. In fact the Project Description describes “significant cultural resources” in the upland area to be protected.
 - b. The Assignment of PSA/Cooperative Agreement signed by the Land Bank and SJPT on May 18, 2022 says the CE will be “on and over the Property to permanently protect the Property’s open space and conservation values”, that the agreement to assign the Purchase Agreement is conditioned upon the Land Bank’s willingness to sell the CE “on and over the property” and that there will be a “perpetual conservation easement over the property”.
 - c. The North Shore Conservation Easement Project Application submitted on May 20 and June 3, 2022 to the WA State Recreation and Conservation Office in which SJPT is the Primary Sponsor and the SJC Land Bank is a Secondary Sponsor states that though the PSAR grant money would be used to protect the shoreline portion of the property, “The conservation easement would include the entire parcel”.
2. The Resolution states that “it is the County’s intent to retain at least two development areas on the upland portion of the parcel.”
 - a. The North Shore Conservation Easement Project Application described above, which seeks to obtain up to \$3 million in grant money, states that Conservation Easement would extinguish 10 of the 11 development rights that come with this parcel.
 - b. The Land Bank is indeed interested in retaining one development right in order to potentially convert the existing barn building into temporary conservation worker housing, which we believe would be an allowable use under the Land Bank mandate and ordinance. But the purpose of the second residential development right that the County Council seeks to retain, in the context discussed at the June 14 hearing, is for the potential for future county employee housing. This non-conservation use not only conflicts with the Project Description, the Agreements signed with SJPT and the grant application, but according to real estate attorney and former long-time Commissioner Doug Strandberg, if acted upon, this would result in the Land Bank “using its REET funds for unauthorized purchase of land rights for the County, for a use not permitted under our ordinances and totally at odds with the Land Bank mandate”. Further, even if not acted upon, he explains that retaining that second building right would reduce the appraised value of the CE and the amount that SJPT pays for the CE, making the retention of that building right an instant misuse of Land Bank REET funds. In his opinion, the only way for a second building right to be retained and resold for non-conservation purchases without violating the ordinance and state law would be a purchase agreement signed with the County in advance of closing and a simultaneous recording of a Simple Land Division and deed at closing.

In addition to items 1 and 2 above, at the June 14 Council meeting the following language was added to the draft Resolution: “That the Director of the Land Bank is directed to negotiate the conservation easement with the SJPT as reflected above by December 31, 2022”. Though not addressed during the Commission discussion, after discussing with SJPT the Chair recommends either striking this language in its entirety or, alternatively if the Council deems a date is absolutely necessary to include here, modify the date to be June 30, 2023 which is the date SJPT – the party responsible for drafting the easement - says is more reasonable given their workload and all the steps needed to survey the property’s conservation features including preparing a Present Conditions report. However, keep in mind that if the grant is not fully funded and/or the fundraising efforts are not successful, the terms of the CE might need to be renegotiated, therefore it seems prudent to not set a deadline for the negotiation of the CE within this Resolution and, rather, let the deadline of June 30, 2025 in the Cooperative Agreement for the sale of the CE dictate the ultimate conclusion of this task.

Lastly, there has been some concern expressed that the Resolution as written and the ripples it might create could impact the success of approval of the grant application. The Chair would like to recommend that the Council consider writing a letter of support for the grant application as soon as practical.

Land Bank Commissioners are well aware of the housing crisis in San Juan County, and as we seek funding partners at the outset of evaluating an acquisition, where the Commission feels it is appropriate, we would welcome a partnership with the county or another entity with funds for housing, such as the recently completed Lopez Hill addition in concert with the Lopez Community Land Trust. That partnership and intended use of the property needs to be spelled out in the Land Bank’s Acquisition and Expenditure Plan which is approved by the Commission during a public hearing process followed by, according to SJC Code Section 16.54.110, ratification by the Council in its entirety as “the County Council shall have no authority to amend the plan”. To be clear, the law prohibits the Land Bank from acquiring land for a non-conservation purpose, but the Land Bank could purchase a conservation easement or a portion of the property suitable for conservation.

We understand that neither the Council nor the Commission had all the pertinent information and documents with regards to the intent of the Conservation Easement prior to the June 14 public hearing in which Resolution 13-2022 was adopted. Further, it appears there is some confusion over the leeway the Land Bank has in use of its REET funds and the required public process for approving and amending Land Bank projects. There were significant gaps in communication between the Land Bank, SJPT and Council, and we look forward to meeting with all parties in order to smooth the way for better communication on future projects.

Sincerely,

Sandi Friel, Chair and District 2 Commissioner
San Juan County Conservation Land Bank

cc: San Juan Preservation Trust

TRANSCRIPT EXCERPT OF 7.19.22 SJC COUNCIL DISCUSSION REGARDING GLENWOOD INN

Link to Recording: <https://media.avcaptureall.cloud/meeting/c1b550a4-af7a-4f86-86bb-e65194214428>

02:27:32.088 Time Stamp

Amy Vera: So I was asked to give an overview of this transaction. pieced it together from start to finish with the materials that I had available. I was at the June 14 Council meeting, I watched the videos from the Land Bank Commission Meetings on June 17 and July 15 and I read many of the public comments. So I'll start by saying, I know there are a lot of strong feelings about this issue and unfortunately there are also a lot of inaccurate Presumptions that have been floating around. And so what I'm presenting here is the timeline of what happened. That is based entirely on either written documents or public hearings that have video recording. So if there are questions about what we talk about here in the power point, we can drill down to the individual documents or to the specific meetings. My goal here is to work with the facts. So with that and I guess if you have questions chime in and so see if I know how to do this. Here's what we're gonna do. We're gonna talk about the timeline. Just sort of run through the history with the information that I have. There may be additional information that I do not have. But this is what I was able to gather. Then we're gonna go a little deeper into the details of the transaction talk. I think I switched those actually -- talk about the prosecutor's office involvement and then talk about where we are now. So with that here we are Glenwood Transaction. Big Picture. So this timeline starts in October 2021. I'm sure that the history of the project far proceeds that with discussions and negotiations. But your involvement as I understand it as a council started in October 2021 when you begin discussing this potential purchase purchase with the Land bank. And that's also when we have emails talking about borrowing money from the stewardship fund to the acquisition fund to finance this. And then in March of 2022 the RCO Grant pre application was submitted. In early May was the first contact the prosecutor's office had with this transaction. We received a request for review of documents which we responded to. Then in mid May the purchase and sale and cooperative agreement were signed. June 3rd the final grant application was submitted and that grant application provided that the conservation easement would cover the entire parcel and extinguish 10 of the 11 development rights. Then on June eight, Land Bank again requested PA review of some documents which we provided. This was our second involvement with this project. On June 14, you all had a council meeting which I'm sure you all remember where you passed the resolution setting out your expectation of retaining at least two development units on that parcel. Then on June 17th, the Land Bank commission had a meeting at which the the san juan preservation trust Executive director spoke and she stated that the grant application was in fact quite clear that the easement would cover the entire parcel and extinguished 10 of the 11 development rights And so there that's how we all became aware of the disconnect between the resolution and the history of the transaction. So that that was the timeline in a nutshell. And now we're going deeper into the documents So I have printed this so I don't have to stare at the screen while we talk about it. But there's a lot of words on the slides and my attempt here was to summarize for you what is

in these lengthy documents. So the RCO Grant states in many places that the conservation easement includes the entire parcel. It's gonna eliminate 10 of the development rights and foreclose the opportunity for subdivision, that there is plans for restoration of the expanded cabin footprint and the grant application states that this information has been shared and discussed at multiple land bank commission meetings and that the remaining structure is anticipated to be used for storage and office space for land bank staff. So then we have the council meeting on the 14th where we had the resolution to approve the acquisition. As you will recall, I advised you all we need to talk about the terms of this agreement. I had read the purchase and sale agreement. I now know that none of you had, I saw a disconnect between the purchase and sale agreement and what was presented to you in the resolution. I had not seen the RCO Grant application and I don't believe you had seen the RCO Grant application and that's why it was important for us to discuss that as we did. And so the slide talks about what happened at that meeting, you asked questions of your director and he responded as shown there that the easement is intended to focus on the shore line. The exact size is an open question. There will be no development in the shore line and two development rights are to be maintained outside the easement area. And it was at that meeting where you emphasized the importance of retaining development units to be sold for housing, affordable housing use. And then just a few days later was the Land Bank Commission meeting. That's when the Executive director from the San Juan Preservation Trust expressed her confusion as to why you all had acted in that way and she provided more details and said, you know, it's not clear based on what I saw that council knew fully the nature of the partnership with the San Juan Preservation Trust and that they have been working on this project for more than a year and that though there are still details to work out the basic structure of the agreement was already in place and is discussed in more detail in some of the documents that they all had and that the easement is intended to be over the entire 58 acres with only one development right retained and foreclosing the possibility of subdivision. So what went wrong? Oh and this slide just talks about the communication. So the way the system is designed is that you communicate to the Land Bank Commission through your Land Bank staff and the county, which includes council and the Land Bank Commission, communicates with the preservation trust through its staff. And the Land Bank receives legal advice and guidance by communicating with our office. So all of those things need to happen for the system to work. Here is the resolution 1322 which you passed on June 14 and it's just talking about some of the history and this slide is addressing some of the public comments we've received about how unusual that resolution process appeared to people. And so I just wanted to walk through the process of how you do most of your resolutions, your staff from whatever department comes with a a pre drafted resolution, they send it to the prosecutor's office, we provide review and comment. We're looking for the legality of it. We often make suggestions. Usually we do that in advance and then present you with the draft at your hearings. Sometimes we can't agree or we don't have all the information and then we come to you with the draft that has blanks that we all work out together then and that is what happened in this case. The Land Bank director provided me with a resolution in advance. I worked on that. I provided him comments and expressed my concerns. We talked about it in detail. And we both came on the 14th knowing that there were some blanks that we needed

to discuss as a group and fill in. And then that is in fact what we did. We all sat here just like this and worked through that concluded on the resolution and then you all voted on it. Here is the best I can tell the documents that exist on the left. We have the ones that were provided to you on June 14. It was the draft resolution. We've just discussed a staff report from Mr Borman and the statutory deed that you were approving. Not provided to you as far as I can tell is the RCO Grant application, the purchase and sale agreement and cooperative agreement or the Glenwood project proposal. Your county clerk and I have searched through your packets going back through 2021 and we don't see that that was ever presented to you. So I'm not saying that for sure. It wasn't but I certainly couldn't find it. And our office, the prosecutor's office did not know about the grant application until after the Land bank Meeting on the 17th. I had reviewed the purchase and sale agreement in the cooperative agreement and I first saw the Glenwood project proposal yesterday. And then I want to talk briefly about this RCW Because I've heard a lot of confusion about this. This is our RCW that authorizes the county to collect the taxes that support the land bank. And the last sentence there said the proceeds of the tax shall be used exclusively for the acquisition and maintenance of conservation areas. And that is of course true. And I think we all know that that has been talked about as making the resolution that you passed on the 14th somehow illegal and that is not the case. I know that the letter that you all received from the Land Bank Commission references a discussion with Attorney Doug Strandberg. I spoke with Mr Strandberg this morning and he and I are in agreement as to what this RCW means. It doesn't. His statement as he explained to me was intended was based on his understanding of what happened in this transaction and I think it's fair to say that he did not have all of the information that we have just gone over. And so it certainly is possible for the land bank to buy a larger parcel and then sell off part of that parcel to support the conservation on the remaining part of the parcel. That came out a little more awkward than I wanted. But so you can buy 58 acres if you your conservation efforts are for 24 of those acres. You could then subdivide it sell off the top part to support the conservation on the 24 that is still for the acquisition and maintenance of conservation areas. What they couldn't do is retain the full part and use part for something that wasn't conservation areas. That's certainly clear. And I don't I believe there's any disagreement about that. So then here is the prosecutor's involvement and I will say that I regret that it's even necessary to go over this. But unfortunately what I hear at the at the meetings that I'm watching and what I read in many of the correspondence is an explanation from staff that the reason that this all went quite badly is because the prosecutor's office was just provided poor services and bad advice. And so I want to be very clear about what our office has and hasn't done in this transaction. So there's a lot of words here but I'll just go over them briefly. Land bank always has assigned counsel at the PA's Office. And that has not changed. That was true in 2021. That is true in 2022. And like all county departments, the Land bank has to ask us when they want advice. I mean I think that's goes without saying we don't know that something is needed if no one tells us. And of course land transactions for the Land Bank and for any department. They're complicated. They require lots of documents and they're very serious there. It's lots of money and you want all the paperwork to be done properly and thoroughly. So it's not the sort of

thing that you do in a day, takes time. Most of us have probably bought houses or participated in other real estate deals and we know that it doesn't happen in two days. It happens over typically a month or more. So in this matter, specifically, the prosecutor's office was contacted on two occasions. The first occasion was Monday May 2 of this year. We did not receive all the documents we needed at that time we requested additional documents which were provided on 10 May. We were given a deadline of when that review needed to happen of the 13th. So three days later and we did meet that deadline. So the second time was about a month later on June 8. This time with a deadline of June 13 that was a Monday. So those days include a weekend. And was right before your meeting on the 14th. And I also as you know provided that review and appeared here on the 14th and went over that transaction with you. So this is in my opinion extremely fast. It's within five business days each time we were asked to provide services. So I just I'll leave it at that. And then finally I will say as far as the June 14 matter when we are working on a resolution with county staff and bringing it to council. We always work closely with staff in advance. We do not show up here with some sort of surprise for everyone. So that is what happened in this instance as well. I worked closely with Mr Bormann. I fully informed him of everything we were going to talk about at that council meeting on the 14th I provided him all the documents in advance. He acknowledged that he had them and that it was a good plan. So when we showed up here we had all of the same information. And then finally I will say we amended that resolution for the specific purpose of making sure that everyone in the room understood the same thing, right. And I said that and I have the quote here it's important to have this discussion now so you don't purchase the property and discover later that you, the Preservation Trust and Mr. Bormann are all of a different mind. And the reason we had that conversation is that I had talked with a couple of you and you had told me very different things. And then I had read the purchase and sale agreement and I had talked to Mr. Bormann and there were many different stories about what was happening with that transaction and it was not clear to me what your intent was. So we sat here we talked about it and I believed when we left the room that we all understood the same thing. So where are we now is San Juan County Land bank owns that property. You authorize that purchase and it has occurred. The terms of the easement still need to be finalized. There's the status of the grant which I do not know. And then you received a letter from the Land Bank commission yesterday requesting that you amend the resolution. So I suspect these are all things that you may wish to talk about and that is the end of the power point

02:43:51.000

Cindy: Well the good news is that the people of San Juan County own the Glenwood in property. Now I think the first things that we need to sort out is the county relationship with the San Juan Preservation trust and what the terms of the easements are going to be. But I don't think we can sort that out today of course because we haven't had that conversation with them and part of what we need to understand is what is the status of the grant. We certainly need to consider the people's best interest. We also need to consider the San Juan Preservation Trust's situation and I do not know what the status of the grant is. I have questions about how those grants are scored. What, where they are in the process of possibly receiving news of this grant. It seems to me it's going to be a very

different conversation with them if they receive the grant or if they don't receive the grant.

Mike Thomas: Mr Stephens, could you speak to the grant timing?

Jamie Stephens: Okay. Right now they were being ranked for the PSAR grants. It scored nine out of 11 and part of it was because it included public access and for the conservation values that we're not sure that that was a wise idea. This was covered at the Marine Salmon Recovery combination Salmon Recovery lead integrating meeting almost two weeks ago now. I did follow up, there's several steps to go through. Two of the top grants, Somebody got other funding. So that one dropped off, two of the top three had dropped off. Typically with PSAR grants you they can only fund like the top three or 4. However, with all the money this year that the or not this year, but the legislature did put against um a lot against it this year. The grant has since moved up since the other dropouts, but it still needs to go before the surfv- salmon recovery funding board who gives final approval to move forward and then the money has to be allocated in this next biennium. However with the normal amount of money that that program gets the Puget Sound Partnership is feeling fairly confident that they'll be able to fund all the projects but there's a lot of balls in the air right now. So that's where it is and won't know that until you know, sometime next spring and the contracts wouldn't come out until July at the earliest.

Cindy: Does our current situation have any bearing on this, on how the grant scores or how it will be considered? Do you know that our current situation with our conflicting resolution?

Jamie: No I don't know.

Christine: That's my question as well because I do believe that is being put out there as what they think that the you know, results is going to be of this unfortunate um circumstance, but I cannot foresee how that would have an impact on the delivery of the grant in the long run. (To Jamie) Do you have any questions?

Jamie: So Amy I'm just wondering when I read the purchase and sale agreement and the cooperative agreement. Um I didn't see anything in there about extinguishing that development rights and I didn't see anything in there about public access. That was in the grant application but not in those agreements. So well you can address that because if it's not in there it's not guaranteed.

Amy (talking, mic off, inaudible): section um so extinguishing the development rights, the whole land right purchase and sale agreement. We talked about that.

Jamie: Okay, I just want to make sure I was reading it correctly.

Amy (talking, mic off, inaudible): Yeah. Language and that's what we I mean a lot of things you want to make it means before you buy found.

So I think it's a over across and on the process signing intends to sell more conservation on and over the but that's in the background actual agreement. Conservation.

Amy (now audible): Micro wasn't on. There we go. Conservation easement on and over the property. The terms of the purchase of the conservation easement are set forth more fully in the cooperative agreement. So then you go to that - on and over the property to ensure the protection of the properties open space and conservation values. And then says the trust will prepare the easement in a standard that is acceptable to the land bank which acceptance shall not be unreasonably withheld conditioned or delayed. So you've agreed to agree and you've agreed to agree reasonably under the general understanding of this agreement. We could go into more detail about that but that's where you are.

Jamie: That's all I had this moment.

Christine: When it comes to establishing the terms of the easement post purchase, has the PA's Office been involved in that before?

Amy: In other transactions?

Christine: Well I understand that you know after this sale or purchase it is now going to take what they wanted was a year to determine sort of the terms of the easement. Is that typical?

Amy: That I cannot answer. I'm not I'm not sure what is typical. But I can say what the PA's involvement under this agreement would be that preservation trust attorney is going to prepare that easement and then they would send it to our office and we would review it and then it's not a-typical that we talk with their attorney and our attorney office.

Christine: But you do review it?

Amy: We review it. And then talk about it and then everybody agrees. I can't speak to the time frame.

Christine: Understood.

Cindy: So we've agreed to agree. The direct answer to, are we bound to an agreement at this point to extinguish any development rights is what

Amy: I think it's an open question. I mean it's it says over and across the property. It's a conversation to have with them. I think into it's a conversation to have.

Cindy: Well I guess what I'm saying is we've agreed to sell a conservation easement but haven't necessarily agreed to no development.

Amy: I don't see that in here. What I see is that you have should have highlighted this I keep losing it

Cindy: and I want to make clear I'm making taking any position on whether we should or not. I just want to know very clearly what our legal position is at the moment.

Amy: You've agreed to a perpetual conservation easement on and over the property to ensure the protection of the properties open space and conservation values. That's what you've agreed to. So the preservation trust and the county have to agree what that looks like,

Cindy: what that means. Okay. so we still have to negotiate the terms of that

Amy: with the understanding that it shall not be unreasonably withheld conditioned or delayed, so everybody should be working towards the common goal of honoring this agreement

Jamie: and that conservation easement, whatever the agreement is does not preclude development rights because I know I just remember pretty distinctly in nother cases, particularly Stuart island. There were several developments similar. There were several development rights and to get the conservation easement. That particular family wanted to at least hang on to a couple sites or something but now we're the owners.

Amy: I think the conservation easement looks however, the two parties agree that it will look.

Christine: I have another question which I actually feel as though it was answered on the 14th but I don't remember specifically the answer - what are the ramifications of the resolution and agreements being um not on the same page.

Amy: So I wish I had the resolution here to put up on the screen for you. But as you recall the part that we edited was in the recitals and the recitals are just the history and background of what you're doing. And the the point was that we all put in writing what your intentions are and that it's clear where council is coming from to avoid later confusion, which is ironic. So as we talked about on the 14th, there was no binding anybody with those recitals. It was a statement of your intentions, your action items in the recital were to authorize Lincoln to complete that sale. Which he did. There was a second one which I think was related to that. And then the deadline for the conservation easement. So those are the action items and two of them, I wish I could remember the second, I think they were both related to the purchase. So those have happened. And so the thing that is out there now that the resolution Matters about is the December 31 to finish the and so if you wanted to revisit that there's probably many ways you could do it. But what I would recommend is that you put on your agenda a new resolution for a future date and then amend this resolution with that resolution to say whatever it is you wish it to say

Christine: thank you. Do you have any further?

Cindy: I think that it's okay. So for clarity's sake, what I'm seeing here is that the next, it seems like the next conversation needs to be county to san juan preservation trust and it needs to be, we're really really

sorry if this has affected your grant application, we did not have the information available that told us that this would anyway jeopardize your ability to fund. We need to know how much weight, how damaging could this actually be to the to the grant application because it's unclear. And that would really be the only reason for haste. Other than that, my instinct is to take our time to make sure that we negotiate properly with them this time through directly and, and take into consideration their need for maybe some extra time to find funding and making sure that we're all on the same page as far as what the conservation easement looks like before we amend the resolution

Christine: Agreed.

Jamie: Right now it's not sure that that development rights has anything to do with their grant application. And the feedback that was given, it had more to do with public access, which was one of the main proponents because Orcas has so little public access. So it seems like public access is in more jeopardy than the grant is from development rights. And that was loud and clear. You can still have those conservation values there. Plus in the agreement, this isn't the sole source, this is the best source and the quickest source but The preservation trust has until 2025 I believe to come up with the money, the rest of the money. So, you know, there's a lot of ways they could go on this and I think we have to make sure that we get um, however, we amend or don't amend the resolution. I think we need to do it because everyone, at least all of us, I'm not trying to speak for you, are looking at this through a different lens now that we've got a lot more information that was not provided to begin with. And I think the same thing with the Preservation Trust is wondering why, but I think Amy has given a very good explanation of who had what information when. So I still think maybe we ought to look at that amending as Amy suggested the resolution because we need to have some agreement with the Preservation Trust.

Christine (to Cindy): That that's what you were saying

Cindy: what I was saying was the next step is to is to have a conversation with them and make sure that whatever we do to amend is after communicating with them

Christine: To get on the same page and moving forward in a way that best suits both of us. So with that, unless anybody has anything else to add, I feel really confident with where we've landed.

Cindy: I think we do need to have a conversation about who will be acting as business agent to contact the San Juan Preservation Trust and negotiate on behalf of the county.

Christine: What are your thoughts behind that?

Cindy: At this point I feel most comfortable I believe having Mr. Thomas and possibly Ms. Vera act on our behalf.

Christine (looking at Mike Thomas) Does that feel comfortable for you? Okay. And you, Jamie? Well, yes, sorry. He was looking at you

to ask if it also would be comfortable for you. I took Mike's answer as you know sort of blanket.

Amy: I'm gonna look at Randy and see if that's alright with him but

Cindy: Perhaps I should have said the PA's Office.

Christine: Sure, that could also I think shift in conversation if it needed to. Okay (looking at Jamie) and are you comfortable as well?

Jamie: Yep.

Christine: Okay with that then we will let Mr. Thomas take that next step in that direction. Okay thank you Amy.



the **SAN JUAN
PRESERVATION
TRUST**

FOR IMMEDIATE RELEASE
July 22, 2022

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Statement on Glenwood Inn Acquisition from the San Juan Preservation Trust

We're aware that the Glenwood Inn/North Shore Conservation Easement acquisition has become a subject of public discussion and confusion, especially on Orcas Island. We can't control all the rumors, but the basic facts are these:

1. First, the good news: The sale of the 58-acre North Shore parcel has closed successfully, and the people of San Juan County now own it, via the Land Bank and under the terms of its charter. The Land Bank has started work on a management plan that will, eventually, provide for public access to the property's 1,800 feet (or about one-third of a mile) of breathtaking marine shoreline. For news and details on how the Land Bank's plan is progressing, see <https://sjclandbank.org/northshore/>.
2. However, it has come to light over the course of the past month or so that members of the County Council have voiced ideas regarding their desired use of the property that conflict with the terms that we (SJPT) and the San Juan County Conservation Land Bank have agreed upon after more than a year of painstaking negotiations. At issue is the number of development rights that will be retained under the terms of a conservation easement that will, when finalized and purchased from the county by the Preservation Trust, permanently protect the property's considerable conservation values to the community.
3. Conversations between the Preservation Trust, Land Bank, and County Council are underway. We feel confident that good-faith communication between all parties will soon resolve the development-rights question. The legal negotiations and other work needed to complete the conservation easement will take longer; but here, too, we are confident of an outcome that meets all conservation and financial goals while preserving the integrity of the highly productive SJPT-Land Bank relationship that has been built over 30+ years.
4. Our complementary partnership with the Land Bank has resulted in the acquisition and protection of many iconic and beloved places in the islands, including Mount Grant and Zylstra Lake preserves on San Juan Island, Watmough Bay Preserve on Lopez Island, and Turtleback Mountain Preserve on Orcas Island. We will do our utmost to ensure that this legacy of dual-layered conservation protection continues into the future.