To: Clark County Councilors

CC: Kathleen Otto, County Manager
    Lindsey Shafar, Senior Policy Analyst

From: Ahmad Qayoumi, Public Works Director
      Galina Burley, Parks and Lands Division Manager

Date: July 22, 2020

Subject: Heritage Farm Project Update

This memo provides an update on the progress of the Heritage Farm project since the council’s approval of the 2019 Heritage Farm Masterplan and subsequent request to develop business and marketing plans.

SUMMARY

Since council’s approval of the masterplan, the Parks and Lands Division has reached out to multiple stakeholders and formed a core group of representatives to keep moving the discussion forward. Discussions have focused on the work being done by Hansen Design, a consulting firm, retained to provide preliminary concepts for the northeast corner of the farm. The vision for this portion of the farm is to include area for flex space. The work on the business and marketing plans has not started and will require additional time, capacity and an expanded public process.

CORE GROUP

A core group comprised of many farm, local farm-related business, and non-profit interests was formed after the last work session. The core group includes community members who represent various Heritage Farm stakeholders:

- Sandy Brown
- Sue Marshall
- Heather Tischbein
- Jackie Lane
- Holly Hansen
- Kirk Gresham
- Emily Kaleel, Clark County Food Bank
- Washington State University-Extension Representative
- Ila Stanek, Hazel Dell business community representative
- Pat Lee, Parks and Lands Division, Legacy Lands Coordinator
- Galina Burley, Parks and Lands Division Manager
• Councilor Olson (unable to attend)
• Additional members TBD

The core group members mentioned earlier represent groups including the Clark County Heritage Farm Advisory Board, Heritage Farm Stakeholders Group, the Heritage Farm Foundation, the Food Bank, Friends of Clark County, Clark County Food System Council, Clark Conservation District, Clark/Cowlitz Farm Bureau, Public Health Advisory, Clark Clean Water Commission, and many others.

WORK-TO-DATE

• Staff met with the core group four times (plus with informal meetings and group emails) over the span of a couple of months.

• Staff gathered information and ideas from the core group to provide council with preliminary concepts for the northeast corner of the farm where the flex space was envisioned in the master plan.

• Staff received ideas from the Heritage Farm Advisory Board and Friends of the Heritage Farm.

• Staff met with Justin O’Dea (extension coordinator) and Kristine Perry, newly appointed Executive Director of the Washington State University Extension to discuss ideas and collaborations.

• Staff reviewed the possibility of moving some division functions to the farm admin building. At this time, the building is occupied, under a lease, by the extension and related programs.

• Hansen Design met with the core group and gathered ideas.

• Hansen Design reached out to representatives of Washington State University Extension to gather their ideas.

• Hansen Design reached out to the Clean Water Division of Clark County Public Works to get familiar with the wetlands grant and project in the northeast corner of the Heritage Farm site.

• Contract with Hansen Design was extended to August 31, 2020, to ensure the consultant is available for the work session with council; no other changes were made to the contract.

• Staff completed a high-level review of potential internal revenue ideas (ATTACHED – EXHIBIT A). Most of the ideas came from discussions with Friends of the Heritage Farm and Heritage Farm Advisory Board teams.

• Staff requested support with business planning from internal and external partners.

• Staff requested Hansen Design prepare concepts for council to review at a future work session.
• The division has one person who is allocated to support farm activities approximately 3 hours per week.

Guidance and next steps:

1. Direction on internal charges and fees to implement.
2. Timeline. Extending the project timeline to mid-2021.
4. Core groups membership - expanding diversity and perspectives.
### High Level Analysis – Potential Revenue Saving Concepts

<table>
<thead>
<tr>
<th>Revenue Increase Concept</th>
<th>Analysis</th>
<th>Potential Revenue</th>
<th>Pros</th>
<th>Cons</th>
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<tbody>
<tr>
<td>Increase Lease Rates to  $100 per acre per year. Charge for all land being used by partners.</td>
<td>Food Bank pays $750 per year for 10 acres; Partners in Careers pays $80 for 1.1 acre; WSU Extension does not pay. Many programs within WSU, including agricultural research and master gardener program (not the foundation) also cultivate land (a total of 6.58 acres including community garden but excluding administration building) and do not pay or have a lease; Northwest Queen Bee Rearing club has a 0.25 acre pollinator field, but no lease; Master Composters have .013 ac. reserved for compost demonstration, but are not paying a lease. The Master Gardener Foundation pays 15% of net proceeds from the Mother's Day plant sale as their lease rate for the 1.1-acre organic garden and their use of the greenhouses. Agricultural leases do not include irrigation, equipment use, or services provided by operations specialist.</td>
<td>$ 4,890</td>
<td>Same land lease rate for all users is equitable. Land lease rates still affordable for non-profits.</td>
<td>There should be a distinction in land lease rates for typically commercial users like the office space and the greenhouse space and a true lease of land for cultivation.</td>
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<tr>
<td>Greenhouse Lease Rates</td>
<td>Increase % of profit to lease greenhouse space; Currently 15 % of profit from the annual Mother's Day plant sale is returned by Master Gardeners Foundation netting $3,000 to $4,000 on average; and increase to 20% would result in $5,300 at the high end.</td>
<td>$ 1,300</td>
<td>82% of revenues generated by partners at the farm and remitted to county comes from this lease.</td>
<td>Very different lease structure from other partner leases at the farm. Will the foundation be able to absorb this increase given other ways they contribute to the farm?</td>
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<td>Fees for maintenance support</td>
<td>Farm Operations Specialist fully-loaded rate in 2020 is $46.30/hour; Agricultural leases would come with a suite of basic services; additional services would be charged at this rate; this can be phased over time with 25% recovery target in year one of implementation.</td>
<td>$ 24,076</td>
<td>Fair and equitable application of farm operations specialist time to each group using the farm</td>
<td>Some groups may not be able to pay for the service; more coordination of equipment, supplies, and irrigation if groups doing their own work</td>
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<td>Equipment Charges</td>
<td>Charge for use of county equipment including tractor, disc harrow, and pick-up; rates from Fleet suggest $20 per hour. This can be implemented in phases.</td>
<td>$ 10,400</td>
<td>Fair and equitable application of farm operations equipment to each group using the farm</td>
<td>Difficult to track usage; time and effort of billing for usage; some groups may not be able to pay for the service</td>
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<tr>
<td><strong>Irrigation Charges</strong></td>
<td>Charge for use of county irrigation; check market rate for irrigation water; install meters to track usage. Cheapest rate available from CPU is $1.85 per 100 cubic feet. Estimate half that cost for irrigation or $0.90 per 100 cubic feet. Average crop usage is 2-3 acre feet of water, so each acre would cost $784. Total acreage is 20 acres irrigated, so total estimated yield from irrigation charges could be $15,681.</td>
<td>$ 15,681</td>
<td>Fair and equitable application of irrigation to each group using the farm</td>
<td>Cost to install irrigation meters would be high the first year; time and effort of billing for irrigation; some groups may not be able to pay for the service</td>
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<td><strong>Increase Community Gardens</strong></td>
<td>Current space can accommodate an increase of 24 garden plots; Current rate of plots is $60; 84 current plots at $60 per plot is $5,040. Increasing to 108 plots would add $1,440. Increasing rate to 775 would add $1,620. All these funds currently go to WSU Extension. Could reduce WSU Extension general fund subsidy by this amount. Increasing beyond this number can impact other users.</td>
<td>$ 3,060</td>
<td>More community gardens would be a benefit to the community.</td>
<td>WSU Extension manages this program and may not want to increase. County capacity to manage program would be difficult; Particularly the increase in wear and tear on machinery; increase requirements for facility improvement, maintenance, and operation.</td>
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<td><strong>Charge for use of meeting rooms</strong></td>
<td>Similar to event fees below; $25 charge for outside groups using meeting space. Estimate 50 meetings per year at $25 each equals $1,250. Rentals can be included in fee reservation program.</td>
<td>$ 1,250</td>
<td>Fair and equitable approach to groups using meeting space at the farm</td>
<td>Groups may choose not to use Heritage Farm</td>
</tr>
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<td><strong>Event Fees</strong></td>
<td>Similar to meeting room charges above $25 charge for outside groups using the farm for events. Estimate 50 events per year at $25 each equal $1,250. Rentals can be included in fee reservation program.</td>
<td>$ 1,250</td>
<td>Fair and equitable approach to groups using the farm for events</td>
<td>Groups may choose not to use Heritage Farm</td>
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<td><strong>Parking Fees</strong></td>
<td>Require daily or annual parking pass to park at the farm. Volunteers do not have to pay. $3 for daily and $25 for annual passes. Estimate of visitors per year is difficult. 3,000 visitors per year at $3 per pass sold equals $9,000</td>
<td>$ 9,000</td>
<td>Reasonable user fees are a good approach</td>
<td>Currently there are few public use amenities that justify user fees</td>
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<td><strong>Incubator Farm</strong></td>
<td>Combined lease of acreage plus staff time, equipment usage, and irrigation for one annual or monthly fee. Estimate based on similar incubator farm in Portland $1300-$1900 per year over 5 years; $1500 per year average; target 10 acres leased</td>
<td>$16,000</td>
<td>Checking with East Multnomah Soil and Water Conservation District</td>
<td>Program is easily scalable and there is plenty of acreage available; manual for Headwaters incubator farm saved to Business &amp; Marketing Plan files</td>
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**Potential Total Annual Revenue** | $ 86,907 |