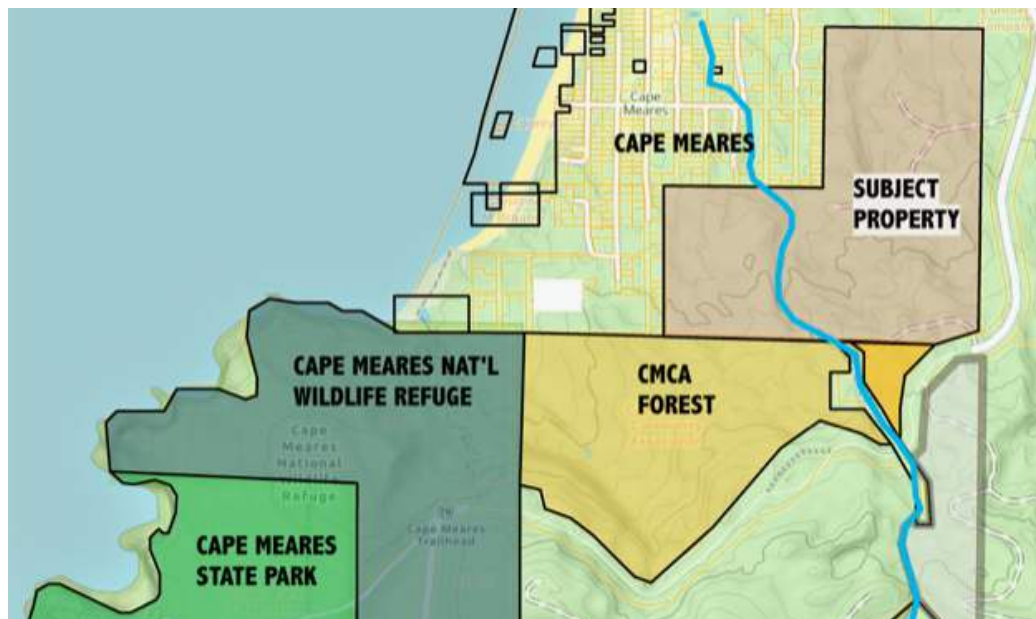


SPECIAL PROGRESS REPORT



*Watershed Conservancy Project
Final sales agreement
signed June 2023*

On June 16, 2023 the Cape Meares Community Association (CMCA) signed a final sales agreement with the Grimm family (hereinafter the “Seller”) to purchase 107 acres of forest land adjacent to our community by May 30, 2024. This sets in motion the protection of our watershed from logging and secures habitat preservation in perpetuity. The Conservation Fund (TCF) will serve as a bridge buyer. The ultimate goal is to sell both the 107 acres and our 106 acre community forest to the US Fish and Wildlife Service (hereinafter the “Refuge”) to expand the Cape Meares Wildlife Refuge boundary.





SUMMARY OF TERMS OF THE SALES AGREEMENT

- TCF as a bridge buyer will be assigned CMCA's rights to purchase the 107 acre forest parcel for the appraised value of \$395,000. TCF is a 40 year old national conservation organization that has been in the business of securing property for conservation purposes for nearly 40 years. They have invested billions of dollars and acquired over 9 million acres of such properties primarily as a bridge buyer.
- The Seller will retain the 16 residential lots at the end of 9th Street that they currently own (but had originally wanted us to buy) and a ten acre parcel of the forest property adjacent to these lots that they can sell as a homesite pending a property line adjustment approved by Tillamook County.
- TCF will also purchase our community forest (106 acres donated to CMCA in 2007 by Stimson Lumber) at its appraised value (not done yet) which will give us the funds to pay the Seller an additional \$325,000 in exchange for a restrictive covenant not to remove trees or shrubbery on seven of the ten acres the Seller will retain and a prohibition of mass clear cutting on the residential lots that they retain. This payment also secures the deal as the original price the Seller sought was far more than the appraised value of the property.
- We understand that by paying \$325,000 we are paying a premium but we have negotiated hard and offered creative solutions for over a year to reduce the price from \$2.2M to a total of \$720,000 (\$395,000 plus \$325,000). This payment assures the protection of our watershed, prevents logging, and continues to provide a beautiful place to wander. If the Cape Meares Wildlife Refuge ultimately purchases the properties we will be surrounded by a federal wildlife refuge and old growth forest. This payment also extends the closing date until May 30, 2024 and prohibits logging and use of chemicals on the land before closing.



NEXT STEPS

- CMCA will apply to Tillamook County for a property line adjustment to create the ten acre parcel and secure approval for a single family “template” dwelling on the ten acres. The county has signaled that approval is very likely but the review process can take up to a year. We will pay for a survey and county permit fees (although we are seeking a waiver of the fees from the county). We will pay for these expenses with money we have already raised.
- We will negotiate an agreement between CMCA and TCF regarding sale of the CMCA community forest to TCF. CMCA will pay a fee to the TCF for holding the land and handling the transaction.
- TCF, coordinating with the Refuge, will contract for an appraisal of the CMCA community forest and we will continue to work with the Refuge to support their process for purchase of the Seller’s property and our community forest from TCF.
- If it appears likely at some point that the sale to the Refuge will not go through we are developing a Plan B. However, all indications are that there is strong interest in this purchase primarily because the properties maybe potential restoration sites for the endangered Marbled Murrelet according to the American Bird Conservancy (report pending).
- If the Refuge moves forward to purchase the properties, they will negotiate an agreement with us regarding community access and uses. Although the Refuge has the final say, they will work with the community to reach an agreement taking into consideration historical uses.



THE BACK STORY

In October 2021 a community member noticed unusual amounts of mud in a local stream. Investigation found that logging had started on property owned by the Seller. Concerns were raised about the impact on Coleman Creek, the community's water source, and on the community. Wendy Burroughs, the President of CMCA at that time, took action and contacted the state and county and the property owners. Logging was halted and Wendy led negotiations to purchase the property from the Seller.



On September 9, 2022 an initial agreement was signed between CMCA and the Seller to purchase the property for \$2.2M (minus a charitable contribution of \$380,000) with a due diligence deadline of March 2023 (since extended several times until June 2023). A Project Team was created including Simone Goldfeder, Miriam Fultz, and the new CMCA President Beverly Stein. A Working Group of community volunteers was chartered by the CMCA Board and the Project Team started issuing twice monthly Progress Reports to ultimately over 100 donors, volunteers and interested parties and partners. (See Progress Reports and other background material on the CMCA website capemeares.org).





PROJECT TEAM AND COMMUNITY VOLUNTEERS GEAR UP

In December 2022 the Project Team entered into a Memorandum of Understanding with the North Coast Land Conservancy to advise the project. The Project Team started research on grant possibilities, possible partnerships and engaged consultants to do land value appraisals (one for the forest property and one for the residential lots), a wildlife habitat assessment, a mineral assessment, and an environmental assessment as part of CMCA's due diligence.

Outreach:

The Project Team contacted many organizations for advice, to identify potential funding opportunities and possible partnerships. Among those organizations contacted were Coalition of Oregon Land Trusts, Oceanside Water District, Oregon State Parks, Nature Conservancy, Tillamook Estuaries Project, Wetland Conservancy, EcoTrust, Pacific Forest Trust, Trust for Public Lands, NW Land Conservation Trust, Oregon Shores Conservation Coalition, Oregon Community Foundation, US Fish and Wildlife Service, Sustainable NW, Oregon Coast Trail, American Bird Conservancy, and the Department of Land Conservation Development. Narayan Lincoln and other community members guided representatives of these organizations to show them the properties and a number of community members used the *i-naturalist* app to record sightings of birds and other wildlife.

Grantmaking:

The Project Team researched numerous regional, state, and federal grant opportunities that would support land acquisition, watershed restoration and preservation, community forests, and water source protections. Due to our focus on land acquisition, two promising candidates emerged: the Land Acquisition Grant Program (Oregon Watershed Enhancement Board [OWEB]) and USDA Community Forest Grant Program. However, given the ultimate goal (expansion of the Cape Meares Wildlife Refuge through purchase of the properties), we did not pursue these opportunities as purchase of the Seller's property using either grant would have precluded purchase by the Refuge.

Pre-purchase Fundraising: The community initially raised \$25,000 for an earnest money payment but additional funds were needed for appraisals, assessments and attorney fees, and for project operations. By May 2023, we raised \$100,000 from nearly 50 individuals to cover these costs. Approximately half has been spent and the remainder will be used for the costs of surveys, county application fees, recording and escrow fees and attorney fees. Any remainder will go towards the purchase price.

In March 2023 Yellow Book (highest standard) appraisals were completed for the forest property and the residential lots. The total value of both was approximately \$500,000. Research revealed that no foundation, local, state or federal government agency or conservation organization, including TCF and the Refuge, would pay more than the Yellow Book appraised value for the properties.

On March 4, 2023 the Project Team presented a report to the community regarding the status of the project including the results of the appraisals and the results of the Habitat Assessment. (This assessment and a summary of the March 4 presentation is available on the CMCA website at capemeares.org).

NEGOTIATIONS TO REVISE SALES AGREEMENT

On February 13, 2023 the CMCA Board authorized Beverly Stein, Simone Goldfeder, Miriam Fultz, Terry Wit and Scott Gordon to serve as a negotiating team to work with our attorney Michael Kittell and TCF representative John Wros to negotiate revisions to the sales agreement.

After considering a number of options after the results of the appraisals were known, the team proposed that the Seller keep the residential lots and 5 acres of the forest property which they could sell as a homesite. CMCA would do the work to secure county approvals for a property line adjustment and template dwelling. Although originally the Seller was insistent that we buy the residential lots and all of the forest property, the Seller responded positively to this approach and agreed to the proposal with a 10 acre homesite. This reduced the appraised value to \$395,000. Further negotiations resulted in a restrictive covenant regarding logging on the residential lots and the 10 acres and agreement to extend the closing date until May 2024.

"In my mind, this sales agreement is the product of the community's incredible perseverance and creativity in pushing this transaction forward notwithstanding the long-shot odds. "

**- Michael Kittell,
CMCA Attorney**

*protecting habitat
for the Marbled
Murrelet*



STATUS OF THE EXPANSION OF THE CAPE MEARES WILDLIFE REFUGE

Our goal is for the USFWS to buy both properties from TCF. This is not a done deal but we have had encouraging communications from the Refuge leaders. The local USFWS team has unanimously agreed this purchase is a priority and they are preparing an Initial Ascertainment Report that focuses on alignment with the Refuge's Strategic Growth Policy emphasizing the potential habitat for the Marbled Murrelet. A representative of the American Bird Conservancy has toured the properties and believes there is potential for recovery of the habitat for the Murrelet which historically nested there.

For the Refuge to buy the properties they must go through a process to expand the boundaries of the current Refuge, seek priority status from regional leaders and ultimately from federal leaders. This process will take between two and four years depending on a variety of factors. TCF has experience working on land acquisitions with wildlife refuges and has already provided valuable assistance in accelerating the process with the Refuge.

After the Initial Ascertainment Report is completed the Regional Planning Team will develop a Land Protection Strategy followed by a Land Protection Plan, Conceptual Management Plan and an Environmental Assessment. At that point the Regional Realty team can start the acquisition process.

The Cape Meares Wildlife Refuge was created in 1938 as a refuge for seabirds and other marine and coastal wildlife. The long term vision of the Refuge for these properties is to have an old growth forest that provides suitable nesting habitat for endangered Marbled Murrelet. The refuge is 138 acres. Adding our properties will more than double the current size.

THANKS AND APPRECIATIONS

This report was prepared by Beverly Stein, CMCA President with assistance from Project Team Co-leaders Miriam Fultz and Simone Goldfeder. This volunteer Project Team did extensive research regarding grants, land use issues and partnerships, oversaw meeting the due diligence requirements with appraisals and assessments, and regularly communicated on progress with the community, donors and other interested parties.

We want to thank the negotiating team appointed by the CMCA Board. In addition to the Project Team members, the team included Scott Gordon and Terry Wit. Our lawyer, Michael Kittell, provided excellent advice and legal services to the project.

We appreciate the support we received from the Northwest Coalition of Land Trusts. In the initial phases of this project their advice and knowledge guided us to grant opportunities and potential partners.

The Conservation Fund's decision to become a bridge funder for the project was an essential element of our success. We thank John Wros for his advice and advocacy for the project.

Initially this project seemed to be a fantasy but people in the community stepped up to launch the project recognizing how important this preservation effort was for the community. The project would not have happened without the enthusiasm and commitment of Wendy Burroughs. She was joined by many others who volunteered or contributed funds for the earnest money payment. Without their faith in this project at the early stages we would not be where we are now.

The CMCA Board was supportive throughout the process and contributed essential early funding to the project. The CMCA Board authorized a group of community volunteers to serve as the Working Group for the project. We drew on their expertise and commitment throughout the project.

Over 50 individuals, primarily connected to Cape Meares, donated to this project with contributions ranging from \$50 to \$25,000. Without this investment this project could not have happened. This project was entirely volunteer driven and volunteers contributed hundreds of hours. We thank everyone who helped.

For questions or additional information contact Bev Stein at steinbeverly@gmail.com