

**Gorse Action Group**  
**Donut Hole Meeting**  
**Tuesday, August 16, 2016**

Alexis Brickner – Gorse Action Group  
Jim Seeley – Wild Rivers Coast Alliance  
Marie Simonds – Wild Rivers Coast Alliance  
John Sweet – Coos County  
Mike Murphy – Coos County Emergency Services  
Matt Winkel – City of Bandon  
Heidi McGowan – Oregon Solutions  
Ken Nice – Bandon Dunes Golf Resort  
Lanny Boston – Bandon Fire Chief  
Mary Schamehorn – Mayor of Bandon  
Sherr Laier – Oregon Parks and Recreation  
Michelle Martin – Neighbor Works Umpqua  
Merten – Neighbor Works Umpqua  
Bob Johnson – Bandon Dunes Golf Resort (real estate consultant)  
Kirk Johnson – Property owner in Donut Hole

Jim reviewed the history of the donut hole, the project idea, and the Gorse Action Group.

Heidi discussed the Oregon Solutions Project (OS). An OS project helps communities solve problems through assessment and recommends to the Governor that a project should be part of Oregon Solutions. This will bring together partners to brainstorm solutions to the problem. This process results in a Declaration of Cooperation where all partners commit to involvement and then OS backs out and lets the community take over. Jim first made the connection of GAG and OS, and then to the donut hole. There is potential to make GAG and the donut hole an OS project or just the donut hole as it represents a multi-layered problem.

The donut hole is an area of unincorporated Coos County in the middle of the city of Bandon. This excludes it from city ordinances. It consists of 252 acres and over 150 landowners.

Mayor Schamehorn mentioned that there have been several annexing attempts that did not work because residents do not want to deal with the city. Portions of the donut hole could be annexed, however.

Bob Johnson asked how the donut hole occurred in the first place. Matt Winkel explained how properties expanded on Beach Loop and Seabird Drives due to several massive efforts to get more city property. People within the donut hole want to remain in the county. Were the hold to get closed in, city would have ability to annex it in. Property tax impact is not significant, neutral at best. Bob asked if it was necessary for the gorse problem to be part of the city or can we approach it independently? Mayor Schamehorn mentioned that there is the city ordinance so that could be part of the solution however

that has caused a huge cost to the Bandon swimming pool group. Enforcing gorse control can be expensive for the city, too. Jim noted that WRCA and Mike Keizer (of Bandon Dunes) are prepared to fund a lot of the gorse control work. The GAG is putting together demonstration projects and would like to include a portion of the donut hole and wrap it around to Coquille Point, Madison Avenue, and Pacific View Living Center. This would be a high visibility project that would show gorse control across land ownerships and terrain types.

Kirk Johnson, donut hole landowner, reviewed his experience with gorse control on his property. Gorse on his property was covering an unknown wetland that they were trying to find for delineation. Kirk cleared gorse and got in trouble with ACOE for encroaching on wetlands. Now the 30 acres of gorse has grown back. Jim suggested including ACOE in this discussion.

Jim introduced Michelle and Merten of Neighbor Works Umpqua. Merten described the need for housing in southern Oregon from Ashland to Gold Beach to Coos Bay. Neighbor Works Umpqua offers a model that has worked in areas of higher costs which is a community land trust. In Ashland, they were able to build homes that cost around \$165,000 which is very affordable. Rather than buying the underlying land, you buy the structure. The land is in a stewardship model, secured in a land trust in perpetuity. Neighborworks Umpqua would hold that trust. This keeps costs down and removes the speculative value of land and housing. The cost of construction of the house is the same everywhere but it's the underlying land value that drives costs up. This model would free up rentals and promotes home ownership, not the rental business.

The land trust would buy subdivision pieces that would have 10 structures on them apiece. Houses would get constructed and sold to homeowners. Bob asked about increasing appreciation value. Merten explained that there is some covenant attached to the house in the paperwork. Houses can only be sold to income eligible homeowner and the trust can only benefit from 25% of the value. The house will increase in value but not as fast as the market and the 25% take to the trust keeps the appreciated value lower. There are models of this process all over the country, generally in higher cost areas (Ashland, San Juan Islands, etc.).

Mike asked what happens with inheritance? Merten answered that the house passes to the heir. Mary asked if there was time limit for the resident to stay there. This is a model that can be defined by the community – what the appreciation values are and the income eligible levels. The City of Ashland defines the maximum cost of the homes. Jim asked if this would depress the value of neighboring houses. Merten explained that it wouldn't really because it is available to a certain buyer – the lower income home buyer. He said it has not been seen in other areas of the country and that these neighborhoods have been very well.

Sherri asked if the homeowner can do what they want with the property and what the restrictions might be. Merten said there are some very loose guidelines on what they can do within their defined boundary of the lot that their house is on. Matt asked what

happened in the market value went down, what does that loss look like to the landowner. Merten replied that the landowner loses that value.

Merten explained that this could be a great opportunity to address two major issues: gorse and affordable housing. This could solve two problems at once that provide a long-term value in terms of environment, public safety, and housing.

Bob Johnson stated that the biggest challenge will be the 150 landowners and suggested that the group identify a smaller area to begin with. Mary asked what a good size would be for a pilot area. Merten suggested 15-20 acres.

Jim suggested the group start with the gorse problem to bring landowners together. Jim has spoken with several landowners who have shown interest. Sherri suggested using a replacement crop after gorse removal and said that the group should be prepared for several years of follow up control and maintenance.

Jim said that the next step is to determine the strategies and ideas that are doable. He asked for commitment from the group as this will be a team effort. All present agreed to committing to tackling this problem.