

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF OLYMPIA, THE DEPARTMENT OF ENTERPRISE SERVICES (DES) ACTING ON BEHALF OF THE STATE OF WASHINGTON (STATE), THE SQUAXIN ISLAND TRIBE (TRIBE), THURSTON COUNTY, THE CITY OF TUMWATER (TUMWATER), THE PORT OF OLYMPIA (PORT), AND THE LOTT CLEAN WATER ALLIANCE (LOTT) FOR THE DESCHUTES ESTUARY RESTORATION PROJECT

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, pursuant to RCW 39.34.080, each party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform: provided, that such contract shall be authorized by the governing body of each party to the contract and shall set forth its purposes, powers, rights, objectives and responsibilities of the contracting parties; and

WHEREAS, what is now Capitol Lake was originally the southern portion of the Deschutes Estuary, where freshwater from the Deschutes River and Percival Creek mixed with saltwater from Budd Inlet over extensive tidal flats. Between 1949 and 1951, the State constructed a dam at 5th Avenue in Olympia to impound the Deschutes River to create a reflecting pool for the Washington State Capitol Campus. The 5th Avenue Dam blocked saltwater from Budd Inlet and transformed the area upstream of the dam into Capitol Lake, a 260-acre freshwater lake fed by the Deschutes River. Capitol campus planners intended Capitol Lake to be part of the Washington State Capitol Campus, and it was designated a resource of the Capitol Campus under RCW 43.34.090 and RCW 79.24.710. DES (to include predecessor agencies) has had the responsibility to manage Capitol Lake throughout the lake's existence under a long-term lease agreement with the Washington State Department of Natural Resources (DNR). The Deschutes River and Estuary and Budd Inlet, together with the parks and trails that surround them, are an important visual, economic, cultural, and recreational resource for the community; and

WHEREAS, each year, the Deschutes River and Percival Creek transport an estimated 35,000 cubic yards of sediment downstream. Before construction of the 5th Avenue Dam, this sediment could move freely into Budd Inlet. With the dam in place, most of this sediment settles in Capitol Lake. The sediment captured upstream of the 5th Avenue Dam has accumulated up to 13 feet deep in some places—dramatically altering conditions; and

WHEREAS, the establishment of Capitol Lake created conditions that have resulted in chronic violations of water quality standards. Water quality monitoring began in the 1970s, and by 1985, the Thurston County Health Department permanently closed the historic swimming beach in Capitol Lake due to water quality impairments. Capitol Lake is and has been a focus of state and federal water quality improvement planning since the 1970s. The presence of the 5th Avenue Dam is the single largest contributor to dissolved oxygen depletion in Budd Inlet; and

WHEREAS, the presence and persistence of invasive species in Capitol Lake has complicated its management. Since the 1980s, the State has employed a variety of strategies to address aquatic invasive species, but today more than a dozen different plant and animal invasive species are present. In response to finding the New Zealand mudsnail in Capitol Lake in 2009, the State officially closed Capitol Lake to all active public use; and

WHEREAS, for more than 50 years, public and private entities have attempted to address these and other environmental concerns regarding Capitol Lake and the Deschutes Estuary. For a wide variety of reasons, these efforts did not result in meaningful resolution or enduring solutions; and

WHEREAS, in 2018, DES began a process to evaluate long-term management alternatives for the waterbody. To evaluate the alternatives, DES used the Environmental Impact Statement (EIS) process. Through this process, DES carefully considered comprehensive technical analyses, evaluated benefits and costs of project alternatives, solicited feedback from key stakeholders, and reviewed public comments. In 2022, DES issued a final EIS identifying the Estuary Alternative as the preferred long-term plan. The Estuary Alternative involves removal of the 5th Avenue Dam, restoration of tidal flats and marsh habitat in the 260-acre basin, construction of physical assets such as a new 5th Avenue Bridge, and long-term management of sediment naturally transported into navigational areas of Budd Inlet; and

WHEREAS, removal of the 5th Avenue Dam will also restore natural sediment transport processes. This will result in increased sediment accumulation in navigational areas of West Bay compared to existing conditions, similar to sediment processes that existed prior to dam construction. Sediment accumulation, if unaddressed, will affect commercial and recreational uses in West Bay including the marinas and, to a lesser extent, the Port vessel berths; and

WHEREAS, at the direction of the Washington State Legislature, DES convened a Funding and Governance Work Group (FGWG) comprising the Parties to explore long-term funding and governance options. The Parties considered several funding and governance options for long-term management of the restored Deschutes Estuary and reached consensus as set forth in this Agreement; and

WHEREAS, the Parties recognize that the Project will contribute to the health of Budd Inlet and the Deschutes River watershed. Estuary restoration will produce a range of ecological and economic benefits. Removing the dam, restoring tidal flows, and reintroducing native habitats will benefit ESA-listed salmon populations and the species that depend on them, including the Southern Resident killer whales. Birds, shellfish, and other native species are likely to proliferate in the estuary and become part of a more diverse ecosystem. Restoring the estuary will also help Budd Inlet meet state water quality standards, which reduces the need for more stringent regulation on other contributors; and

WHEREAS, the Project will restore public access to the water and enhance adjacent open space through new boardwalks, fishing piers, and trails. A new 5th Avenue Bridge will provide safer pedestrian and bicycle connectivity along the trail between Heritage Park and Deschutes Parkway. These new and improved amenities will benefit residents' quality of life and the experience of visitors to the region; and

WHEREAS, the Squaxin Island Tribe supports the Project, noting that restoring native habitat for fish and other culturally important species and reopening access to the water will renew cultural use of traditional lands and resources that were lost when the State built the dam; and

WHEREAS, estuary restoration will complement and enhance the value of other investments among state, tribal, and local governments, public entities, and private organizations to restore the Deschutes River watershed, improve the health of Budd Inlet, and help address flooding risk to adjacent urban infrastructure resulting from sea level rise; and

WHEREAS, the Parties agree that to be most successful, the Project must also help support a working, urban waterfront, with recreational and commercial boating. Maintaining a working waterfront and supporting boating infrastructure contributes to a dynamic, vibrant community and will produce and sustain public revenue streams from taxes and lease payments, support employment opportunities, and create public amenities that benefit all community members. The Sediment Management program set forth in this Agreement will enable the restored estuary and built environment downstream to coexist;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL DOES HEREBY RESOLVE as follows:

1. The Olympia City Council hereby approves the form of Interlocal Agreement between the City of Olympia, DES acting on behalf of the State of Washington, the Squaxin Island Tribe, Thurston County, City of Tumwater, the Port of Olympia, and LOTT for the Deschutes Estuary Restoration Project and the terms and conditions contained therein.
2. The City Manager is authorized and directed to execute on behalf of the City of Olympia the Interlocal Agreement, and any other documents necessary to execute said Agreement, and to make any amendments or minor modifications as may be required and are consistent with the intent of the Agreement, or to correct any scrivener's errors.

PASSED BY THE OLYMPIA CITY COUNCIL this _____ day of _____ 2024.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Mark Barber

CITY ATTORNEY