



## City Council

### Approval of Agreement with Nisqually Tribe to Purchase Conservation Easement for Groundwater Protection

**Agenda Date:** 3/17/2015  
**Agenda Item Number:** 4.B  
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#### **Title**

Approval of Agreement with Nisqually Tribe to Purchase Conservation Easement for Groundwater Protection

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to authorize the Mayor to sign a Grant Deed of Conservation Easement with the Nisqually Indian Tribe and authorize the City Manager to sign necessary closing documents including an addendum to a purchase and sale agreement.

#### **Report**

##### **Issue:**

Whether to purchase an interest in real property consisting of a conservation easement.

##### **Staff Contact:**

Rich Hoey, P.E., Public Works Director

##### **Presenter(s):**

None.

#### **Background and Analysis:**

The City's Drinking Water Utility has long had an active Groundwater Protection Program focused on protecting the City's drinking water supply. Acquisition of property and/or conservation easements within established Drinking Water Protection Areas (DWPAs) has been one of the strategies implemented by the utility over the years. A key DWPA is associated with the City's newly constructed McAllister Wellfield (see map - Attachment 1).

In 2012-13, the City participated in a Watershed Services Transaction Demonstration Project (Project) coordinated by the Department of Natural Resources (DNR) and involving the Nisqually Land Trust. The Project explored opportunities to retain forest lands to protect groundwater. A key

area of emphasis was property surrounding Lake St. Clair, south of the McAllister Wellfield in rural Thurston County.

In January 2015, the Nisqually Land Trust (NLT) entered into a purchase and sale agreement with the Lacey Rotary to purchase five forested parcels along Lake St. Clair (Attachment 2). The five parcels total approximately 40 acres of land. Rather than proceed with a purchase directly, the NLT intends to assign its rights for purchase of four of the parcels to the Nisqually Indian Tribe and one parcel to Andrew Lench, an adjacent property owner. The subject properties are shown on the attached map (Attachment 3). Parcel #1 (15 land acres) is being purchased by Mr. Lench and parcels 2-5 are being purchased by the Tribe (totaling 24.5 land acres).

The NLT's conditions for assigning purchase rights are outlined in the attached Addendum and Assignment of Real Estate Purchase Agreement (Attachment 4). One key condition is that the Nisqually Tribe must grant, upon closing, a conservation easement to the City of Olympia for parcels 2-4 (approximately 23 land acres).

In accordance with the Addendum, and in consideration for the conservation easement, the City would pay \$50,000 towards the Tribe's purchase price of the three parcels. The conservation easement (shown as Attachment 5) would restrict development and other impactful practices on the site and provide for protection of water quality and other ecological functions in perpetuity. This conservation easement provides value to the Drinking Water Utility since all three parcels are located within the McAllister Wellfield DWPA. The Tribe intends to keep parcel #5 separate from the easement for development of a future park.

The Addendum also outlines the potential for Andrew Lench to donate to the City, at no cost, a similar conservation easement (substantially in the form of Attachment 6) for parcel #1. This donation would be a future transaction, subject to City Council approval.

**Neighborhood/Community Interests (if known):**

Although the Utility Advisory Committee has not reviewed this specific transaction, the UAC has historically been supportive of land/easement purchases for groundwater protection.

The purchase of the conservation easement accomplishes groundwater protection functions at a fraction of the cost of full purchase of the property. In addition, this cooperative partnership with the Nisqually Indian Tribe furthers our mutual commitment towards environmental stewardship made in the historic 2008 Memorandum of Agreement regarding water supply.

**Options:**

1. Approve the acquisition of the conservation easement. This will allow approximately 23 acres of forested property within the McAllister Wellfield Groundwater Protection Area to be permanently protected.
2. Do not approve the acquisition of the conservation easement.

**Financial Impact:**

The cost of the conservation easement is \$50,000 (plus a \$2,500 transaction fee to the NLT) to be funded by the Drinking Water Utility. Sufficient funding exists in the Drinking Water Utility Capital Budget, Groundwater Protection Program, to cover the cost of the easement and transaction fee.

**Attachment(s):**

MAP of DPWA's

Purchase and Sale Agreement

Map of Parcels

Addendum

Conservation Easement

2015 NLT-Lench Family Conservation Easement