



City Council

Approval of a Resolution Declaring Select McAllister Springs Properties as Surplus

Agenda Date: 1/10/2017
Agenda Item Number: 6.A
File Number: 17-0017

Type: resolution **Version:** 1 **Status:** Passed

Title

Approval of a Resolution Declaring Select McAllister Springs Properties as Surplus

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the resolution declaring select McAllister Springs properties as surplus.

Report

Issue:

Whether to declare certain McAllister Springs properties as surplus

Staff Contact:

Rich Hoey, P.E., Public Works Director, 360.753.8495

Presenter(s):

Rich Hoey, P.E., Public Works Director

Background and Analysis:

In early 2015, the City moved its drinking water supply from McAllister Springs to the more protected McAllister Wellfield. The City took this action to comply with federal and state statutes and regulations requiring improved safety of public drinking water sources. McAllister Springs (see attached photo) had been the City's main source of drinking water since the late 1940s. Over the past two years, the McAllister Springs facilities have sat idle and are no longer in use. Under Department of Health rules, the Drinking Water Utility may no longer use the springs as a water source.

The development of the McAllister Wellfield has been a cooperative effort with the Nisqually Tribe. In May 2008, the City and Tribe entered into a historic agreement to jointly develop the Wellfield, and to permanently protect McAllister Springs. The agreement called for the City to retain ownership of the McAllister Springs properties, and for the City and Tribe to work together on access and a plan for long-term use for the properties.

The McAllister Springs properties total about 181 acres. The properties include the headwaters of McAllister (Medicine) Creek and are important historically and culturally to the Nisqually Tribe. As shown in the attached map, there are a total of 5 City-owned parcels (parcels A-E) within the McAllister Springs complex.

Since the move to the Wellfield, the majority of the McAllister Springs properties (all but Parcel B) no longer have any direct use for the Drinking Water Utility. Parcel B includes the main water transmission line from the McAllister Wellfield and remains vital for the City's Drinking Water Utility. Parcel B will be retained by the City.

The cost to maintain all of the McAllister Springs properties is high and will increase over time as facilities age and need repair. On-going costs for taxes, insurance, fire protection, and site maintenance are \$25,000 to \$30,000 per year. In addition, known facility repair costs exceed \$145,000, and are increasing. The City also has legal liabilities connected with its ownership of the properties. These costs are currently being borne by the City's utility rate payers, although McAllister Springs is no longer used as the City's drinking water source.

While the original agreement with the Nisqually Tribe in the historic 2008 Memorandum of Agreement called on the City to retain ownership of the property, the Tribe has expressed a willingness to take over ownership of the property along with all maintenance costs. The Tribe has also expressed a willingness to ensure permanent protection of the property, and is willing to provide periodic access to the City for environmental educational purposes.

Staff recommends that Council declare Parcels A, C, D and E surplus due to lack of need of these parcels by the Drinking Water Utility and high on-going costs of maintenance. Staff has not identified any other viable use for the City that would be consistent with the 2008 Memorandum of Agreement with the Nisqually Tribe. Staff recommends Council exclude Parcel B given the Utility's need to access and maintain the McAllister Wellfield water supply pipeline.

If the City Council chooses to surplus the property, staff recommends scheduling a public hearing for January 24, 2017, to consider the disposition of the property following the required statutory notice period of at least ten days.

Neighborhood/Community Interests (if known):

The City no longer uses McAllister Springs as a water supply, yet maintenance of the buildings and grounds is currently being borne by the City's water utility rate payers. Over the years, many residents and school groups have toured McAllister Springs for environmental education purposes. There is interest in maintaining access to the property for this type of environmental education.

Options:

1. Declare the McAllister Springs Parcels A, C, D and E as surplus. The City Council may then consider future options for the properties that reduce or eliminate cost burden to utility rate payers.
2. Maintain all McAllister Springs properties as a Drinking Water Utility asset. The Drinking Water Utility will continue to bear the costs and liabilities associated with the properties.

Financial Impact:

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The Drinking Water Utility currently bears the costs of maintaining the McAllister Springs property and facilities.

Attachments:

1. Resolution
2. Map of McAllister Springs properties
3. Photo of McAllister Springs