



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8e

ACTION ITEM

Date of Meeting March 22, 2022

DATE: February 18, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Jeff Moken, Interim Director of Aviation Business and Properties
Steve Kennard, Property Manager

SUBJECT: Request for conveyance of permanent conservation easement on Port property to the City of Auburn

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a permanent conservation easement to the City of Auburn that will convey two-thirds of an acre of Port property for a third-party stream buffer mitigation site.

JUSTIFICATION

The Port is receiving fair market value based on appraisal for the conservation easement. The function of the easement is consistent with the Port's intended use of the property. The Port benefits from cooperating with local municipalities including the City of Auburn, an important partner for managing and planning the Port's ongoing use of its holdings. Execution of the conservation easement enables economic and community development.

DETAILS

In 1998, the Port purchased approximately 100 acres in the City of Auburn to use for wetlands mitigation required for the construction of the 3rd runway. The Port used the eastern 65 acres for the required mitigation and holds the remaining 35 acres west of the mitigation site for potential use as stream and wetland mitigation or a mitigation bank available to other Port projects.

The Inland Group, a multifamily residential real estate developer, with large real estate holdings to the west of the Port's property, is realigning a City road (I Street) at the City's request to extend access to Inland's new development currently in the entitlement phase, and planned to be built to the west of the Port's 35 acres. I Street runs with a surface water conveyance known as Watercourse K, a portion of which is on the Port's property. The City of Auburn and the US Army Corps of Engineers (USACE) require Inland to purchase from the Port a conservation easement for stream buffer mitigation enabling Inland to proceed with the planned road modifications. The

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proposed easement area is about two-thirds of an acre (within the Port’s 35 acres) and runs along a portion of the Port’s west boundary from 45th St NE about 450 feet north and 60 feet wide. The easement area will be planted with native vegetation, monitored, and dedicated to the City of Auburn.

Scope of Work

Execution of permanent conservation easement.

Schedule

Q2 2022

Cost/Value Breakdown

Sale of permanent easement and reimbursement of appraisal costs will yield to the Port approximately \$140,000, which is fair market value based on appraisal.

ALTERNATIVES AND FINANCIAL IMPLICATIONS CONSIDERED

The alternative to granting the conservation easement is for the Port to refuse to grant it, with the expectation that the USACE, the City, and Inland can work out another approach to extend the public right of way. While an alternative approach is possible, it is not the preferred approach for the City. The City is an important partner for managing and planning the Port’s ongoing use of its holdings. The Port is also a member of the community and as such is responsive to the needs of the community to the extent practicable. The extension of a public right of way as designed by Inland is, according to the City, in the interest of the community.

The financial implications of using a portion of the Port’s property for a conservation easement was carefully considered in the Port’s appraisal review. The easement area valuation considers the mitigation credits that would have been created, so the expected value of the Port’s investment in the mitigation bank is retained. The easement area represents less than 2% of the available 35 acre mitigation bank land, which remains available for future mitigation or a mitigation bank.

Future Revenues and Expenses (Total cost of ownership)

There will be no future revenues or costs from the sale of this conservation easement.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 28, 2007 – With Resolution 3584 The Commission authorized a property exchange agreement in support of the City’s extension of I Street.