



Date: September 17, 2013
To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Subject: Watershed Protection and Community Park Development - Southview Land Purchase

Executive Summary

There are several sensitive stream areas within the Falls Lake watershed. According to the DENR/Division of Water Quality stream classification, these tributary streams are on the 303(d) list as nutrient sensitive and are a habitat for two rare aquatic species. The areas surrounding the streams are listed as priorities for protection due to their ability to help offset nutrient levels and biological impairments affecting the Falls Lake water supply. The Trust for Public Land (TPL) has identified a parcel of land off of Southview Road for watershed protection. City staff from the Departments of Parks and Recreation (DPR), Water Management (WM), General Services (Real Estate division) and Durham County staff has negotiated the proposed purchase of 134 acres with TPL (see attached map) to protect this portion of the Falls Lake watershed. Additionally, the City of Raleigh will support this purchase by contributing \$250,000.00 from its Upper Neuse Clean Water Initiative (UNCWI) and the State of North Carolina will participate by adding \$500,000.00 from the Clean Water Management Trust Fund (CWMTF).

In addition to the watershed protection benefits, this parcel can be developed jointly by the City and County as a community park, providing recreational space for an underserved area of the City and County. Currently neither the City nor County has identified any specific park development in this area in their strategic plans. Further, neither entity has appropriated or designated funding for such park development. Durham County will maintain the site until such time as a park is developed on the City's portion of the property. At that time, maintenance may be transferred to the City.

The total initial cost for the City for this parcel is \$450,000.00. It is proposed that Durham County partner with the City of Durham on this acquisition and purchase 104 acres of the parcel from the City for \$200,000.00 after the parcel is subdivided as authorized by North Carolina General Statute 160A-274. The remaining \$250,000.00 is proposed to be funded by the existing \$210,114.00 in the watershed protection fund and \$39,886.00 will be transferred from CIP fund balance to be reimbursed as fees are collected.

Recommendation

The Department recommends that the City Council:

1. Approve an option for the fee simple acquisition of +/- 134 acres of undeveloped land from the Trust for Public Land, identified as a portion of existing Parcel ID 194086, for a purchase price of \$450,000.00, with the option to be exercised only if

Durham County approves participation in the purchase and appropriates \$200,000, and;

2. Authorize the City Manager to sell under the authority of NCGS 160A-274, and either the Mayor or the City Manager to convey by deed, 104 acres of the 134 acres to Durham County for \$200,000.00, subject to an interlocal agreement that details the City-County relationship, and;

3. Adopt an Ordinance amending the Water and Wastewater Capital Improvement Project Ordinance, Fiscal Year 2013-2014, the same being Ordinance # 14465, for the purpose of adding funding in the amount of \$250,000.00 for the Watershed Protection – Southview Property project.

Background

This project provides an opportunity for watershed protection in the Falls Lake basin, while also providing a secondary benefit of securing land for a future community park in an underserved area. This acquisition would protect sensitive stream areas within the Falls Lake watershed. According to the DENR/Division of Water Quality stream classification, these tributary streams are on the 303(d) list as nutrient sensitive and are a habitat for two rare aquatic species – the Carolina darter and the four-toed salamander. Further, the areas surrounding the streams are listed as priorities for protection due to their ability to help offset nutrient levels and biological impairments affecting the Falls Lake water supply. Also, the Clean Water Management Trust Fund (CWMTF) has noted that the Southview property has two high-ranking riparian corridors along tributary streams of Lick Creek. These received scores of 3 and 4 out of a possible 5. As a benchmark, when considering projects for funding the UNCWI program scores corridors/projects receiving a score of 3 or greater as eligible for funding.

NCDENR lists 303(d) waters as category 5 impaired waters, and category 4 waters as having a TMDL approved by EPA:

Jordan Lake (Cape Fear R. Basin) Tributaries within Durham County

- New Hope Creek, N tributary, Category 4s
- Third Fork Creek, tributary into New Hope Creek, Category 4
- Northeast Creek, NE tributary, Category 4
- Little Creek, NNW tributary, Category 5
- Morgan Creek, Category 5

Falls Lake (Neuse R. Basin) Western Tributaries within Durham County

- Lick Creek, Category 5
- UT2 to Lick Creek, Category 5
- Little Lick Creek, Category 4s
- Ellerbe Creek, Category 5

Lake Michie (Neuse R. Basin)

- No tributary streams leading into Lake Michie on 303(d) list
- Flat River, Lake Michie discharge stream to Falls Lake, Category 5

Little River (Neuse R. Basin)

- No tributary streams leading into Little River on 303(d) list

The City has had a watershed protection program surrounding Lake Michie and Little River Reservoir for over 20 years, purchasing properties in the watersheds via a passive acquisition process. In order to expand the City's watershed protection program, the City Council

approved adding \$0.01 per tier to the water consumption rate. This was approved starting in the 2011-2012 fiscal year. The additional funding was targeted to purchase properties in either in the Jordan Lake or Falls Lake watersheds to create and/or expand watershed buffers.

Issues/Analysis

In September of 2009 Department of Parks and Recreation (DPR) staff began discussion with staff from the TPL about the possibility of the City's participation in the purchase of 217 acres on Southview Road in Durham at proposed total cost of \$2.5 million. Due to the watershed protection benefits, Durham County and City Water Management staff became involved in the discussions. After further evaluation by Durham County government and City department representatives staff, it was determined that the best use of City's and County's financial resources would be to pursue purchase of only the east side of the property – 134 acres.

The Trust for Public Land is acquiring the 134 acres from a private seller (Southview Developers, LLC.) using funding assistance that has been awarded from the State of North Carolina's CWMTF (\$500,000) and the City of Raleigh's Upper Neuse Clean Water Initiative (UNCWI) program (\$250,000). The City would then purchase the property from TPL for \$450,000.00 which is considerably below market value.

Of the 134 acres (see attached map):

- 104 acres of the land would be put into a permanent conservation easement to be held by the Clean Water Management Trust Fund as watershed protection for Falls Lake; that portion is proposed to be held in fee simple ownership and managed by Durham County for open space and low-impact recreation.
- The remaining 30 acres of the property would be held in fee simple ownership by the City. That portion of the site can be developed without harm to the watershed protection functions of the total acreage. As currently envisioned, the site would be available for a neighborhood park sometime in the future. This area is in need of additional parks however the City currently does not have funds for development.

Under this partnership proposal, Durham County would reimburse the City \$200,000.00 for the land purchase in exchange for the 104 acres of open space which it would manage. The remaining \$250,000.00 will be borne by the City. There is not currently funding available for the full amount of the City's participation in the land purchase from the \$0.01 watershed protection program. Supplemental funding will come from a transfer from the Water & Sewer Capital Improvement Fund; to be reimbursed through the watershed protection fees as accumulated.

Durham County has agreed to maintain the entire 134-acre site until such time as the City develops a community park on its 30 acres. At that time, ultimate maintenance of the City's parcel may become the responsibility of the City.

Alternatives

The City could choose not to participate in the land purchase. This would dissolve the potential four-party partnership and the funds from the watershed protection program would be used for other land purchases. Not acquiring the land at this time would also limit the potential for future development of a community park in this area.

Financial Impact

The City's portion of the total purchase price has been negotiated to \$450,000.00 for this parcel. Durham County will reimburse the City \$200,000.00 for the land purchase. The remaining cost will be borne by the City.

Watershed protection funds	\$210,114.00
CIP fund balance	\$ 39,886.00
Sale of land	<u>\$200,000.00</u>
	\$450,000.00

SDBE Summary

No SDBE issues are raised by this acquisition.

Attachment: Southview - Falls Lake parcel map
Southview – Location map
Ordinance # 14465