CONSERVATION FUTURES (CFT) 2015 ANNUAL COLLECTIONS
APPLICATION FOR FUNDS

PROJECT NAME: Issaquah Creek Conservation 2015

Applicant Jurisdiction(s): King County

Open Space System: Middle Issaquah Creek Natural Area
(Name of larger connected system, if any, such as Cedar River Greenway, Mountains to Sound, a Regional Trail, etc.)

Acquisition Project Size: 44 acres (2 properties)
(Size in acres and proposed number of parcel(s) if a multi-parcel proposal)

CFT Application Amount: $400,000
(Dollar amount of CFT grant requested)

Type of Acquisition(s): ☒ Fee Title ☐ Conservation Easement ☐ Other:

CONTACT INFORMATION
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Title: Senior Watershed Steward Fax: 206 296 0192
Address: 201 S. Jackson St., Suite 600 Email: tom.beavers@kingcounty.gov
Seattle, WA 98104 Date: March 10, 2014

PROJECT SUMMARY:
(In the space below, provide a brief but comprehensive description of the project. This should include the overall watershed, reach, trail or open space system if appropriate and specific targeted parcels and how they are significant individually and as part of an overall system.)

This project proposes to purchase a 14 acre and 30 acre property along Issaquah Creek to protect aquatic and riparian habitat and to help implement the WRIA 8 Salmon Conservation Plan and the Issaquah Creek Basin Plan. The CFT Citizens Committee recommended funding to acquire the 14 acre property in 2010, but King County was unable to reach an agreement on value with the property owner. The funds were spent on other acquisition priorities along Issaquah Creek, including purchase of the Bonomi Conservation Easement and the 34 acre Dunn property. Now, the owner of the 14 acre property is working with his bank on a short sale. The owner has hired a real estate agent. King County staff have been communicating with the realtor and bank about a potential sale of the property. The owner and the bank are highly motivated to sell.

The 30 acre property is owned by WA DNR, and King County has signed a 50 year lease with the State. King County has an option to purchase the property in fee on January 1, 2015, and the County has indicated that it intends to purchase it in fee at the earliest opportunity. There is a grazing lease on the property between WA DNR and the Bonomi family. This grazing lease expires at the end of 2014. Beginning in 2015, King County
will enter into a 10 year grazing lease with the Bonomi family, which owns 120 acres of adjacent farm. The stream buffers along Holder Creek will increase to approximately 165 feet from the very narrow buffers that currently exist (some less than 25 feet) with the new grazing lease. The grazing leasee is likely to strongly object to the larger stream buffers. King County ownership will give the County more clout in managing the property. If the County still has the lease with the State DNR, King County would have to coordinate construction of the fence with the State. King County will be constructing a new fence with these wider buffers to keep the beef cattle out of the buffers. Management of the property, including the grazing lease will become much easier if the property is owned in fee by King County and administered by King County Parks. With fee ownership, the County would not need to coordinate with the State and there would be less confusion with the grazing leasee.

These projects will contribute to the protection of water quantity, water quality, and aquatic habitat in the Issaquah Creek drainage basin. Issaquah Creek supports ESA-listed Chinook, char, sockeye, coho, kokanee, and cutthroat, and it is a WRIA 8 core area for Chinook production. The project reach is part of a wildlife corridor that incorporated Tiger Mountain and Squak Mountain State Forests, Taylor Mountain Forest and connect to the City of Seattle watershed.

This stream reach, identified as Reach 12 in the WRIA 8 Salmon Conservation Plan, stretches from the confluence of Carey and Holder Creeks downstream to where Issaquah Creek crosses the Cedar Grove Road. Acquisition of this property is identified as Projects # I 249 and I 250 in the Salmon Conservation Plan. Further, they are on the 3 year implementation list, and it is a Tier I project. Further, this application targets properties identified in the Waterways 2000 report.

1. OPEN SPACE RESOURCES
Please review the attached evaluation criteria. For the proposed acquisition parcel(s), please mark those criteria that apply and thoroughly, yet succinctly, describe in the space below how the proposed acquisition satisfies each marked criteria. Please clearly describe how these criteria might be met at a landscape level, and how they apply to individual parcels. If restoration is part of the plan, please briefly describe the current condition and the hoped for restored condition that is the goal of the acquisition.

- A. Wildlife habitat or rare plant reserve
- B. Salmon habitat and aquatic resources
- C. Scenic resources
- D. Community separator
- E. Historic/cultural resources
- F. Urban passive-use natural area/greenbelt
- G. Park/open space or natural corridor addition
- H. Passive recreation opportunity/unmet needs

Wildlife Habitat or Rare Plant Reserve – High – This reach of Issaquah Creek is identified as part of a Wildlife Network in the King County Comprehensive Plan (2004). The parcels provide a link in the wildlife corridor that incorporates Tiger Mountain and Squak Mountain State Forests, Taylor Mountain Forest, the City of Seattle Watershed and other protected forests in the Issaquah and surrounding drainage basins. The target properties provide diverse and complex riparian habitat. The suite of vegetation communities across the landscape provides a wide variety of habitats for many species, including black bear, elk, deer, cougar, bobcat, bald eagles, herons osprey woodpeckers, and several amphibians. These attributes make this a high value resource for Wildlife habitat.

Salmon habitat and aquatic resources – High – These properties are identified on the 3 year list of the WRIA 8 Salmon Conservation Plan for acquisition protection. They are identified as Projects I249 and I 250. According to the Salmon Conservation Plan, these projects have a High Benefit to Chinook and High Ease of Implementation. They are Tier I acquisitions in the Salmon Conservation Plan. Chinook spawn in the creek where these acquisitions are located.

Scenic resources – High - This reach provides an opportunity to view and protect a view of the Issaquah Creek corridor from the Issaquah-Hobart Road.
Park/open space or natural corridor addition – High - The target parcels provide an area of open space that is surround by the 14,500 acre Tiger Mountain State Forest to the northeast, Taylor Mountain Forest to the southwest and Squak Mountain State park and Cougar Mountain to the northwest. By virtue of its size, current level of functionality, and threat of development, these acquisitions will be a highly significant addition to the open space system. It adds significantly to the current Middle Issaquah Creek Natural Area. These acquisitions also provide a vital link the Wildlife Network identified in the King County Comprehensive Plan. The property has public access off of 252nd Ave SE, and the Issaquah-Hobart Road. Both properties would be open to public access. On the State DNR property, the area within the fenced buffer area would be open to the public. Longer term, when the grazing lease expires, the entire property would be open to the public and greater stream buffers would be restored.

2. ADDITIONAL FACTORS
For the proposed acquisition parcel(s), please mark all criteria that apply and thoroughly, yet succinctly, describe in the space below how the proposed acquisition satisfies each marked criteria.

☐ A. Educational/interpretive opportunity
☐ B. Threat of loss of open space resources
☐ C. Ownership complexity/willing seller(s)/ownership interest proposed
☐ D. Partnerships - Describe any public or private partnerships that will enhance this project
☐ E. Is the property identified in an adopted park, open space, comprehensive, or community plan?
☐ F. Transferable Development Credits (TDC) participation

Education/interpretive opportunity – This project rates high because several community groups including Issaquah Basin Action Team, Issaquah Alps, Cascade Land Conservancy, Backcountry Horsemen, Friends of Issaquah Creek Salmon hatchery, Save Lake Sammamish, Friends of Taylor Mountain and Mountains to Sound Greenway Trust have been active with stewardship and education activities throughout the Issaquah Creek Watershed basin. King County has been proactive with several community groups in the Basin and it works closely with the City of Issaquah and community groups to provide organized stewardship and education opportunities. As these properties are restored, there are many education and interpretative opportunities available.

Threat of loss of open space resources – One of the primary acquisition properties is owned by a bank that wants to divest itself of this property. The County has been trying to purchase this property for the past 5 years. The CFT Citizens Committee awarded this property funds in 2010, but the County was unable to reach an agreement on value with the property owner. The owner has quit making payments on the property, and the bank wants to sell it. If this property is not purchased by the County for conservation, it will be sold to a private party and many of the open space resources will likely be adversely impacted or lost altogether including wildlife habitat, salmon habitat and aquatic resources, scenic resources, open space, and natural corridor resources.

Since the existing grazing lease expires on the State DNR property at the end of 2014, King County has the opportunity to significantly increase the stream buffers along Holder Creek from less than 25 feet to 165 feet. This will be easier for the County to accomplish if the property is owned, in fee, by King County.

Ownership complexity/willing sellers(s)/ownership interest proposed – One of the primary acquisition properties is owned by a bank. King County staff have been contacting the bank weekly to get updates on when the property will hit the market. Further, the bank has been informed that the County is interested in purchasing it. The bank has not been able to tell King County staff when the property will become available on the market because of Property Title issues, but it is believed it will be within the next year.

Since the existing grazing lease expires on the State DNR property at the end of 2014, King County has the opportunity to significantly increase the stream buffers along Holder Creek from less than 25 feet to 165 feet. This will be easier for the County to accomplish if the property is owned, in fee, by King County.
Partnerships – Describe any public or private partnerships that will enhance this project - On the Hazan property, King County is not interested in the single family home or barn/garage. Following purchase, the County will consider subdividing the property and selling a small lot with the house and barn/garage. Sale proceeds would be distributed back to the funders. The subdivision process is expected to take a year.

Following purchase, the aquatic and riparian habitat on the properties can be restored and enhanced. King County’s Water and Land Resources Division (WLRD), King County Parks, and Friends of the Cedar River Watershed have partnered on Cedar River and Issaquah Creek restoration/habitat enhancement projects. “Friends” provide the volunteers, Parks provides planting plans, technical expertise, and site maintenance, and WLRD provides funding for plants and materials. The primary acquisition properties have great potential for volunteer projects, given their location and close proximity to a County road.

Is the property identified in an adopted park, open space, comprehensive, or community plan? The Issaquah Creek basin was recommended as one of the highest aquatic resource basins in the County by the Waterways Advisory Panel. This section of Issaquah Creek was identified as a Regionally Significant Resource Area (p 3-7) in the Issaquah Creek Final Basin and Non-point Action Plan (1996). Further, this reach was identified as a high priority acquisition site (Chapter 12, page 13) WRIA 8 Chinook Salmon Conservation Plan (2005) and as part of a Wildlife Network (ch 4, Environment) in the King County Comprehensive Plan (2004).

3. STEWARDSHIP AND MAINTENANCE
How will the property be stewarded and maintained? Does the property lend itself to volunteer stewardship opportunities? How will ongoing stewardship and maintenance efforts be funded?

King County’s plan for providing site stewardship will be based on standards and protocols commonly accepted and followed by resource planners and land mangers charged with managing natural areas whose primary purpose and use is fish and wildlife habitat preservation. Basic site information will be gathered and incorporated into site management activities for both short and longer-term stewardship of the site. Depending on actual needs, funding for stewardship, maintenance or restoration will come from different sources, such as Surface Water Stewardship funds, but not from county general fund sources. Stewardship and Maintenance will be provided by King County Parks.

4. PROJECT BUDGET

<table>
<thead>
<tr>
<th>1) TOTAL CFT APPLICATION AMOUNT</th>
<th>CFT: $400,000</th>
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<tbody>
<tr>
<td>2) TOTAL PEL APPLICATION AMOUNT</td>
<td>PEL: $400,000</td>
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*Allowable CFT acquisition costs (Ordinance 14714): The disbursement of funds shall be made only for capital project expenditures that include costs of acquiring real property, including interests in real property, and the following costs: the cost of related relocation of eligible occupants, cost of appraisal, cost of appraisal review, costs of title insurance, closing costs, pro rata real estate taxes, recording fees, compensating tax, hazardous waste substances reports, directly related staff costs and related legal and administrative costs, but shall not include the cost of preparing applications for conservation futures funds.

* King County projects only, if applicable.

Estimation of property value:
Briefly note how land values have been estimated (i.e., appraisal, property tax assessment, asking price, letter of value or other means).

Land value and project costs have been estimated for the State DNR and Hazan properties based on 2010 appraisals and costs of similar properties in the area.
<table>
<thead>
<tr>
<th>PROJECT COSTS</th>
<th>ESTIMATED DOLLAR AMOUNT OR RANGE</th>
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<tbody>
<tr>
<td></td>
<td>Hazan</td>
</tr>
<tr>
<td>Total property interest value</td>
<td>$520,000</td>
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<tr>
<td>Title and appraisal work</td>
<td>$10,000</td>
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<tr>
<td>Closing, fees, taxes</td>
<td>$2,500</td>
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<tr>
<td>Relocation</td>
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<tr>
<td>Hazardous waste reports</td>
<td>$2,500</td>
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<tr>
<td>Directly related staff,</td>
<td>$25,000</td>
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<tr>
<td>administration and legal costs</td>
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<tr>
<td>Total Project Costs (CFT and</td>
<td>$560,000</td>
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<tr>
<td>other funds)</td>
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<tr>
<td>Total Project Costs</td>
<td>$1,710,000</td>
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</tbody>
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*Note: The Cathay Bank properties are already funded by $450,000 CFT and PEL funds allocated in 2013 and by an additional $150,000 recommended by the Citizens Committee in March 2014 during the re-allocation process. These Cathay Bank properties are being shown as total project costs, but the Cathay Bank properties are not described in this application since the funding has been secured.

<table>
<thead>
<tr>
<th>MATCHING FUNDS: Existing Sources</th>
<th>DATE (Expended or Committed)</th>
<th>DOLLAR AMOUNT (Expended or Committed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative Watershed Mgmt. grant (Flood Control Dist.) for Hazan property</td>
<td>Anticipated, Sept. 2014</td>
<td>$280,000</td>
</tr>
<tr>
<td>Total CFT Funds Previously Received This Project</td>
<td>$450k allocated 2013; $180k recommended by Citizens Committee March 2014</td>
<td>$630,000</td>
</tr>
<tr>
<td>Total Matching Funds and Past CFT Funds Currently Identified</td>
<td></td>
<td>$910,000</td>
</tr>
<tr>
<td>Unidentified Remaining Match Need</td>
<td>none</td>
<td></td>
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Unidentified remaining match need: What funds are anticipated and what is the time frame? Please briefly discuss how the unidentified remaining match need above will be met.

5. IN–KIND CONTRIBUTIONS FROM PARTNERSHIPS

<table>
<thead>
<tr>
<th>Brief Activity Description</th>
<th>Dollar Value of In-kind Contribution</th>
<th>Status (Completed or Proposed)</th>
<th>Activity Date Range (Completion Date or Proposed Completion Date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
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