



Project No. 08-2060 Lower Icicle Riparian Conservation Easement Amendment Request

Chelan-Douglas Land Trust (CDLT) requests to amend the project agreement to (1) change the site to a contiguous site owned by the same landowner, and (2) to increase the percentage scope with no increase in total funding.

The existing project ("Phase 1"):

The existing project agreement is for \$362,200, representing 27.73% of the cost of a proposed conservation easement on approximately 65 acres on Lower Icicle Creek near the confluence with the Wenatchee River, a tributary of the Columbia River. This easement was contemplated as Phase 1 of three potential phases, which would in total protect some 5,900 feet of riverbank.

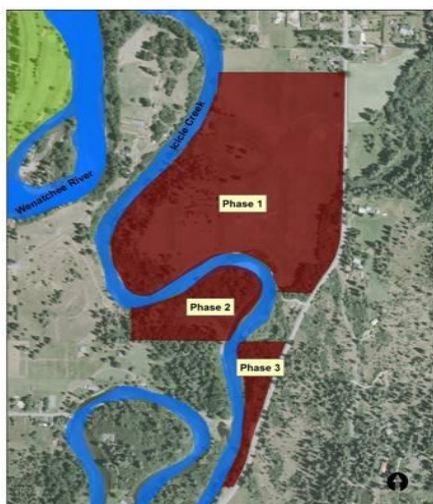
The project agreement description further states:

The Upper Columbia Recovery Plan states that "the highest priority for protecting biological productivity should be to allow unrestricted stream channel migration, complexity, and flood plain function. The principal means to meet this objective is to protect riparian habitat in Category 1 and 2 subwatersheds." Icicle Creek is a Category 2 Watershed, a Minor Spawning Area for spring Chinook salmon, a Major Spawning Area for steelhead, and a Core Area for bull trout. The Recovery Plan also sets the Tier 3 Strategy for Icicle Creek to "protect existing riparian habitat and channel migration and floodplain function" and recommends "acquire conservation easements where appropriate from Leavenworth Hatchery to the mouth." This project is in that reach and is an important corridor for migration, adult holding, juvenile rearing, and overwintering.

CDLT will achieve the same objectives on contiguous property with a smaller total project cost that can be achieved with the funds in the existing SRFB grant plus a local grant for 20% of the project cost.

The proposed amendment ("Phases 2 and 3"):

CDLT is proposing amendment to change the worksite to what had been proposed as Phases 2 and 3 (Fig. 1). These areas constitute 15± acres with 3,155 feet of riverbank. CDLT also requests to increase the SRFB funding share with the existing funds from 27.7% to 80%, with no increase in SRFB monies.



The newly targeted property:

- A. Is eligible in the same grant program, ie., SRFB;
- B. Has similar or at least equivalent salmon recovery values as the original targeted property: the Phase 2 and 3 properties have similar fish use and floodplain characteristics.
- C. Phase 2 is contiguous to Phase 1 in that it “touches” it across Icicle Creek, and Phase 3 is in the same stream reach and separated from Phase 1 only by a small lot with the home of one of the Fromm family members.

Additional Factors under Manual 7, Section 2(5)

Why the change is requested, and other alternatives considered:

The estimated project cost of the Phase 1 project was \$1,306,200, of which \$944,000 was to come from other grant sources. CDLT submitted this project under the WWRP Riparian Protection category (Proj. #10-1225), and it ranked quite well (6th out of 20 project statewide; see ranking at <http://www.rco.wa.gov/documents/rcfb/wwrp/WWRPEvaluationResultsFY2012.pdf>). The project received strong support from agencies, conservation organizations, and individuals in the Leavenworth area. However, due to the lower funding level for the WWRP programs in the next biennial budget, the project will not receive funding at this time. Phase 1 remains a high protection priority that will require a similar larger source of funding than is currently available.

Accordingly, CDLT contemplated several amendment options, and concluded that the proposed shift to the parcels originally designated as Phases 2 and 3 would be the best. Alternatives included:

1. Requesting an extension of the agreement for over 2 years from its current end date of October 31, 2011 in order to reapply to WWRP for funding in 2013. This was considered too lengthy an extension for the family, and potentially for SRFB as well.
2. Reduce the size of the Phase 1 project. CDLT still seeks to protect the entire of Phase 1, and this approach would have put it in jeopardy for partial development.
3. Request a scope change to a different property on a different tributary in the watershed. This would have been the least desirable alternative.
4. Use a small portion of the funds for CDLT’s assessment project, which was the alternate on the funding list, to assess conservation opportunities on Lower Icicle Creek.

In comparison to the other alternatives, substituting Phases 2 and 3 has the benefits of using the funds for the same habitat protection objectives, in the same reach, with the same landowner, and producing success that will help the dynamics towards future protection of Phase 1.

How the newly targeted property meets the program evaluation criteria:

Phases 2 and 3 meet the criteria in the same way that Phase 1 did: the presence of listed fish use in the reach, and protection of functional floodplain and channel migration zone. Phases 2 and 3 have more natural vegetation since they have not had the historical agricultural use (grazing) present in some of Phase 1, resulting in a simpler conservation easement.

How the amended project will affect the sponsor's ability to perform the obligations of the original contract:

The amendment would not impair CDLT's future ability to protect Phase 1, likely through new applications to SRFB and to the WWRP Riparian Protection program. CDLT will require an extension of the contract end date to June 30, 2012 (an 8 month extension) to close the transaction and deliver the documents, stewardship plan and final report to SRFB.

A determination of the newly targeted property owner's willingness to sell:

The landowners have signed a Letter of Intent, including all pertinent terms, with a proposed closing date of December 31, 2011 (Ex. A). Fromm Land Company LLC owns all of the property included in Phases 1, 2 and 3. The landowner has also agreed to pay CDLT a stewardship contribution of up to \$15,000 and certain transactional costs, including boundary line adjustment, surveying costs for ingress/egress easement and CE; title insurance and excise tax.

How the amended project will affect the sponsor's ability to spend the grant funds by the milestone dates set forth in the original agreement.

The amended project will allow CDLT to spend the grant funds in full with a modest extension of the agreement to June 30, 2012. CDLT has spent considerable time of the current contract seeking the matching WWRP funding, but the switch to Phases 2 and 3 will allow the project to move forward quickly.

That the sponsor has informed the lead entity of the scope change request.

CDLT has met with Lead Entity Coordinator Jennifer Goodridge of the Chelan County Natural Resources Department and communicated this amendment request. The lead entity with coordinate the consultation provided for in Manual 18, Appendix B.

Proposed New Budget:

Easement Acquisition	\$420,000
Incidentals	\$ 15,000
Administration (5%)	<u>\$ 21,750</u>
Total	\$ 457,750
SRFB	\$362,200 (79.12%)
Local Grant/Sponsor	\$ 95,550 (20.87%)