

Dugualla Bay Preserve – Salmon Habitat Restoration Project Proposal

Description of the Original Project

In 2009, the Whidbey Camano Land Trust (WCLT) acquired the Dugualla Bay Preserve (Preserve) with the following goal: "...to protect degraded habitat (diked land on Skagit Bay) from development with the near-term goal to restore habitat for salmon by restoring habitat functions." With the first part of the goal complete, WCLT is now partnering with the Washington State Department of Transportation (WSDOT) to implement the near-term goal of restoring salmon habitat functions on the property.

Description of Proposed Restoration Project, including Conversion and Remediation

The proposed estuarine restoration project will breach an existing dike along the Skagit Bay shoreline and restore tidal exchange to approximately 23 acres of land behind the dike. The completed project will restore estuarine habitat conditions that will directly benefit juvenile salmonids in Skagit Bay. To address flooding concerns beyond the project, WSDOT will construct a setback dike under an adjacent county road (Dike Road), which will require encroachment onto approximately 0.45 acres of the Preserve property for the slope of the dike. Additionally, WSDOT will require a temporary (~8 year) construction easement over the whole of the Preserve property to construct the project and satisfy regulatory requirements.

Property Exchange Proposal

- 1) Convert (encumber) approximately 0.45 acres of the Preserve with permanent slope easement for setback dike.

The majority of the setback dike will be constructed on existing Island County right of way. However, the height and width requirements for the dike result in its encroachment onto the Preserve site. With existing wetlands occurring on both sides of the proposed setback dike, the proposed dike alignment minimizes overall wetland and property impacts. Total avoidance was not possible due to dike design requirements and the constraints of the site.

The permanent slope easement on the Preserve site has been valued at:

$$(19,431 \text{ sq. ft.}) \times (\$0.08 / \text{sq. ft.}) \times (25\%) \sim \$389$$

- 2) Encumber Preserve with temporary (approximately 8 years) construction easement for WSDOT to construct the project and fulfill regulatory requirements.

WSDOT will contract for the construction of the setback dike, site grading, and initial revegetation, and will have regulatory requirements for approximately eight years to ensure project success. Given the legal obligations and substantial cost associated with this project, it is critical for WSDOT to have legal property rights (e.g. temporary construction easement) for this work.

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This temporary construction easement has been valued at:

$$(1,433,990 \text{ sq. ft.}) \times (\$0.08/\text{sq. ft.}) \times (7\%) \times 8 \text{ years} \sim \underline{\$64,300 \text{ (rounded)}}$$

- 3) Replace encumbered property with a 3.92 acre parcel adjoining the Preserve and two flood easements (Flood Easement 1 and Flood Easement 2).

WSDOT recently purchased a parcel adjoining the Preserve to expand the habitat value of the overall salmon habitat restoration project. The property is currently developable for a single family home site. The current condition of the property is sparse forest, with invasive species present. The restoration plan for the site includes invasive species control and additional planting with native forest species. The exchange property will enhance the overall habitat value of the restoration project by providing forested edge habitat and precluding development adjacent to the restored estuary. Additionally, WSDOT acquired two flood easements (Flood Easement 1 and Flood Easement 2) adjacent to the Dugualla Bay Preserve that will become inundated with saltwater once the restoration project is constructed. WSDOT is proposing to transfer the newly acquired property, as well as the two flood easements, to WCLT in exchange for the two encumbrances described above.

The exchange property has been valued at (and purchased in 2013 for): \$60,000

Flood easement #1 has been valued at: \$3,500

Flood easement #2 has been valued at: \$3,400

Total exchange value: \$66,900

Appraisals for these valuations are provided as attachments.

Public Involvement

WSDOT has engaged in extensive public outreach for this project including the circulation of SEPA documents, an open house, and regulatory approval processes, including the following:

- 1) October 25, 2012 - WSDOT issued a State Environmental Policy Act (SEPA) Determination of Nonsignificance (DNS) for this project, including the Dugualla Bay mitigation site.

SEPA DNS Legal AD published in local newspapers including:

- October 30, 2012 - Stanwood Camano News
- October 31, 2012 - Everett Herald
- November 3, 2012 - Whidbey Island News

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- 2) November 20, 2012 - SEPA Notice of Action Taken (NAT) issued. Signs posted at Preserve site on Monday, November 26, 2012.

SEPA NAT Legal AD published twice in local newspapers including:

- November 27, 2012, December 4, 2012 - Stanwood Camano News
- November 27, 2012, December 4, 2012 - Everett Herald
- November 3, 2012 - Whidbey Island News

- 3) December 13, 2012, 5:30-8:00 p.m. - WSDOT held a public open house at Coupeville High School (501 Main Street South) covering the work at the Preserve. Fliers announcing the open house were mailed to landowners within 300 feet of the Preserve.
- 4) The U.S. Army Corps of Engineers and the Washington State Department of Ecology issued a 30-day joint public notice for the project on February 25, 2013, inviting comments from members of the public, tribes, and interested parties. Similarly, through the Island County permitting process, signs were posted at the project site alerting members of the public to the proposed project, and inviting comments.