

Item Title: Interlocal Agreement with Granville County and the City of Raleigh for Land Protection

Specific Action Requested:

That the Board of Commissioners approves and authorizes the County Manager to sign an interlocal agreement in a form substantially similar to that attached hereto with Granville County and the City of Raleigh for the future protection of 1,083 acres of open space on Smith Creek in Granville County, subject to final terms and conditions acceptable to the County Attorney.

Item Summary:

Purpose: Formalize long-term land protection for land outside Wake County purchased with Wake County's Open Space Funds for the protection of water quality in Wake County.

Background: At its January 16, 2018 meeting, the Board of Commissioners (BOC) approved a funding agreement with the City of Raleigh (City) for the acquisition of 1,083 acres of open space on Smith Creek in Granville County and appropriated \$1,300,000 in open space funds from the Little River Reimbursement Fund for the acquisition. The BOC conditioned approval on negotiation of conservation agreements with other stakeholders to ensure the property would be perpetually maintained in conservation. At the time of approval, it was anticipated that Wake County would enter into a conservation easement with the Tar River Land Conservancy (TRLC) encumbering the portion of the property located in Wake County.

Survey work has now been completed which indicates the entire 1,083-acre assemblage is located in Granville County. Granville County has agreed to accept and hold a conservation easement from TRLC over the subject property. As such, Wake County will not hold a conservation easement on a portion of the subject property as originally planned. As a way to further protect the County's funding commitment and investment in this project, the County Attorney, has recommended that in lieu of seeking approval from Granville County to hold an overlapping conservation easement, that an Interlocal Agreement (ILA) be entered into with Granville County governing their responsibilities in the oversight and enforcement of the conservation covenants placed on the subject property. Likewise, the City of Raleigh has interests akin to Wake County and has requested to be included as an ILA party. The ILA also provides for the recapture of the Wake County and City of Raleigh funding commitments, or a portion thereof, in the event the conservation easement is terminated, or the subject property is condemned or sold. To establish privity of contract with TRLC, as owner of the subject property, TRLC has been added as a party to the funding

agreement approved by the BOC in January of this year; said funding agreement cross references provisions in the ILA and the conservation easements that will encumber the subject property.

Board Goal: Growth and Sustainability – Establish a deliberate and realistic approach to address growth and mobility while preserving our environment and healthy communities.

Fiscal Impact: The agreement does not change the original funding agreement, or the current appropriation of \$1.3 million.

Additional Information:

This acquisition originally came in through the FY 2015 Open Space Request for Proposals cycle from The Conservation Fund (TCF) who submitted a partnership request of behalf of the City to help acquire the Beaverdam Lake - Smith Creek open space. The acquisition was comprised of three tracts of land currently owned by Creedmoor Investments, LLC totaling 1,083 acres.

The City, in a letter dated October 24, 2017, requested \$1,300,000 for the overall acquisition of 1,083 acres. The acquisition would be funded and completed in two phases:

| | Acres / Phase | Clean Water Management Trust Fund Funds | Raleigh Watershed Protection Funds (FY 18) | Wake County Open Space Program | Granville County | Total Cost / Phase |
|-------------------|---------------------|--|--|--|---------------------|--------------------------|
| Totals | 1,083 | \$3,260,833 | \$3,489,000 | \$1,300,000 | \$250,000 | \$8,299,833 |
| Percentage | | 39% | 42% | 16% | 3% | 100% |

The source of the County's funding is the Little River Reimbursement Fund, which is funding from the City of Raleigh to reimburse the County for the land acquisition of the future Little River Reservoir. The use of these funds is restricted by an Interlocal Agreement between the County and City and "shall be used for water quality improvement purposes, water supply planning studies and watershed and water quality protection, including the preservation of open space." Properties acquired with these funds "will be located in the Swift Creek, Falls Lake or Little River water supply watersheds." The subject property is located in the Falls Lake watershed.

The property will be owned and managed by the Tar River Land Conservancy (TRLC). TRLC preserves the natural and cultural resources of the Tar River Basin and surrounding areas by working in partnership with private landowners, public agencies and others to protect rural landscapes and riparian corridors. TRLC's service area includes Person, Granville, Vance, Franklin, Warren, Halifax, Nash and Edgecombe Counties.

In addition to TRLC ownership, the State of North Carolina's Clean Water Management Trust Fund will hold conservation easements over approximately 40% of the property, mostly along the riparian corridors. Granville County will hold an additional conservation easement over the entire 1,083 acres. The funding stakeholders have worked cooperatively to negotiate and revise the conservation easements, Funding Agreement and ILA to adequately recognize the interest and funding commitment of each stakeholder and to ensure the property will be maintained for conservation purposes in perpetuity. Subject to final approval of all closing documents and the agreements between the parties, it is anticipated that TRLC will acquire the subject property on or before October 31, 2018.

Attachments:

1. Minutes of January 16, 2018 Wake County Board of Commissioners meeting
2. Draft Interlocal Agreement