

7

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL 117567

AN ORDINANCE relating to the Cedar River Watershed; authorizing five years of ecological thinning, in accordance with the Cedar River Watershed Habitat Conservation Plan, in Sections 8, 9, 13, 21, 22, 23, and 28, Township 22, North, Range 7, East, W.M., Sections 26, 27, 34, and 35, Township 22, North, Range 8, East, W.M., Sections 29, 30, 31, and 32, Township 22, North, Range 9, East, W.M., and Sections 10, 11, 14, and 15, Township 21, North, Range 10, East, W.M.; declaring the logs resulting from ecological thinning to be surplus to the City's needs; authorizing the sale of such logs pursuant to applicable City contracting and surplus property sale procedures; and directing deposit of the proceeds therefrom to the Water Fund for the purposes of the Habitat Conservation Plan implementation.

WHEREAS, in 1999, following several years of technical studies, negotiations with federal and state agencies and review by public groups and individuals, the City Council adopted Resolution 29977 authorizing the Mayor to submit the Final Habitat Conservation Plan (HCP) and other related documents for federal review and issuance of an "incidental take permit" under the federal Endangered Species Act, and to execute on behalf of the City the HCP and related agreements, which together establish the City's long-term commitments regarding watershed habitat protection and mitigation for impacts resulting from the presence and operation of certain City-owned facilities; and

WHEREAS, the HCP describes, among other subjects, the City's planned forest management practices, including the use of ecological thinning to accelerate development of old-growth conditions, improve habitat for species dependent on older forest, and control risks of catastrophic events in certain existing densely-stocked second-growth stands; and

WHEREAS, in 2000, the City received the incidental take permit and executed the HCP and related agreements; and



1 WHEREAS, in 2002, the City Council passed Ordinance 121040, which clarified certain
2 differences between the forest management policies contained in the Secondary Use
3 Policies (adopted by Ordinance 114632) and those contained in the HCP; prohibited the
4 harvesting of trees for commercial purposes on City-owned land within the Watershed;
5 authorized the cutting of trees for certain limited non-commercial reasons, including
6 ecological thinning; provided limited authority for the sale of logs resulting from such
7 non-commercial cutting; and dedicated the proceeds from such sales for the purpose of
8 offsetting the costs of the HCP; and

9 WHEREAS, in 2002 and 2005, the City Council passed Ordinances 121039 and 121793,
10 respectively, which authorized two ecological thinning projects under the HCP, which
11 were completed in 2003 and 2008; and

12 WHEREAS, following field surveys and other technical considerations, Seattle Public Utilities
13 staff have recommended additional ecological thinning to meet HCP commitments
14 located in Sections 8, 9, 13, 21, 22, 23, and 28, Township 22, North, Range 7, East,
15 W.M., Sections 26, 27, 34, and 35, Township 22, North, Range 8, East, W.M., Sections
16 29, 30, 31, and 32, Township 22, North, Range 9, East, W.M., and Sections 10, 11, 14
17 and 15, Township 21, North, Range 10, East, W.M.; and consisting of approximately
18 2800 acres of second-growth forest, of which approximately 500 acres will receive
19 ecological thinning treatment between 2013 and 2017; and

20 WHEREAS, this ecological thinning over five years is estimated to result in up to 6,000,000
21 board feet of merchantable logs, among the vegetation that would be cut; NOW,
22 THEREFORE,

23 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

24 Section 1. The Director of Seattle Public Utilities is hereby authorized to contract,
25 pursuant to applicable City contracting or surplus property sale procedures for the service of
26 ecological thinning of second-growth forest stands located in Sections 8, 9, 13, 21, 22, 23, and
27 28, Township 22, North, Range 7, East, W.M., Sections 26, 27, 34, and 35, Township 22, North,
28 Range 8, East, W.M., Sections 29, 30, 31, and 32, Township 22, North, Range 9, East, W.M.,
and Sections 10, 11, 14, and 15, Township 21, North, Range 10, East, W.M.; and consisting of
approximately 2800 acres of second-growth forest, of which approximately 500 acres will
receive ecological thinning treatment under the principles and procedures described in the Cedar



1 River Watershed Habitat Conservation Plan (HCP), which contract may provide for the sale and
2 removal of merchantable logs down as a result of ecological thinning. The Director of Seattle
3 Public Utilities shall, no later than March 31 of each year, submit to the Mayor and City Council
4 a report for the previous calendar year describing the timber volumes sold and the proceeds
5 derived from sales authorized by this section, an estimate on what tree cutting is anticipated in
6 the next year, and an analysis of the cumulative effects of these projects. A public hearing
7 having been held, the logs resulting from ecological thinning authorized by this ordinance are
8 hereby declared to be surplus to the City's needs. The Director of Seattle Public Utilities is
9 further authorized to conduct all related monitoring, surveys, and other such activities as may be
10 required by the City's commitments in the HCP and by applicable permit requirements.

11 Section 2. All proceeds from the sale of logs authorized by Section 1 of this ordinance
12 shall be deposited in the Water Fund (43000) and further dedicated for the exclusive purpose of
13 offsetting the costs of implementing the HCP, including the projects, programs and activities
14 described in the HCP documents and those that educate the public about them.



1 Section 3. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the ____ day of _____, 2012, and
5 signed by me in open session in authentication of its passage this
6 ____ day of _____, 2012.

7
8
9 _____
10 President _____ of the City Council

11 Approved by me this ____ day of _____, 2012.

12
13 _____
14 Michael McGinn, Mayor

15
16 Filed by me this ____ day of _____, 2012.

17
18 _____
19 Monica Martinez Simmons, City Clerk

20 (Seal)



FISCAL NOTE FOR NON-CAPITAL PROJECTS

| Department: | Contact Person/Phone: | CBO Analyst/Phone: |
|--------------------------|------------------------------|---------------------------|
| Seattle Public Utilities | Amy LaBarge/ 3-9777 | Karl Stickel/ 4-8085 |

Legislation Title:

AN ORDINANCE relating to the Cedar River Watershed; authorizing five years of ecological thinning, in accordance with the Cedar River Watershed Habitat Conservation Plan, in Sections 8, 9, 13, 21, 22, 23, and 28, Township 22, North, Range 7, East, W.M., Sections 26, 27, 34, and 35, Township 22, North, Range 8, East, W.M., Sections 29, 30, 31, and 32, Township 22, North, Range 9, East, W.M., and Sections 10, 11, 14, and 15, Township 21, North, Range 10, East, W.M.; declaring the logs resulting from ecological thinning to be surplus to the City's needs; authorizing the sale of such logs pursuant to applicable City contracting and surplus property sale procedures; and directing deposit of the proceeds therefrom to the Water Fund for the purposes of the Habitat Conservation Plan implementation.

Summary of the Legislation:

This ordinance authorizes the sale of surplus timber from ecological thinning conducted under the Cedar River Watershed Habitat Conservation Plan (HCP). The ecological thinning would occur from 2013-2017, involving approximately 500 acres, within a larger planning area of 2800 acres of second-growth forest. Up to 6,000,000 board feet of merchantable logs are expected to be among the vegetation that would be cut. The ordinance declares these logs to be surplus, authorizes their sale, and directs the deposit of the sale proceeds to the Water Fund for the purpose of offsetting costs of the HCP.

Background:

In December of 2002, the City adopted Ordinance 121040, to reflect the HCP decision prohibiting commercial timber harvest in the watershed and authorizing limited non-commercial timber harvesting, including ecological thinning. The ordinance allows for the sale of merchantable logs up to 250,000 board feet without additional ordinance authority, provided the proceeds be deposited in the Water Fund and dedicated for the exclusive purpose of offsetting the costs of implementing the HCP. Subsequently, two ordinances 121039 and 121793, authorized two ecological thinning projects, which were completed in 2003 and 2008, respectively. This ordinance seeks authority for five additional years (2013-2017) of ecological thinning and associated sale of surplus timber, to increase efficiency in project planning and implementation to meet ecological objectives and HCP commitments.

Please check one of the following:

This legislation does not have any financial implications.



X This legislation has financial implications.

Appropriations:

| Fund Name and Number | Department | Budget Control Level* | 2012 Appropriation | 2013 Anticipated Appropriation |
|----------------------|------------|-----------------------|--------------------|--------------------------------|
| | | | None | None |
| TOTAL | | | | |

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

Ecological thinning conducted pursuant to this ordinance would begin in 2013 and continue through the fall of 2017. Because of the seasonal nature of the work due to winter weather conditions in the watershed, activities must be confined to relatively short operating seasons. Planning will occur in winter and spring, with implementation in summer and fall. Existing appropriations in the 2013-2014 budget and spending plan will cover planning costs, including staff time for administering the ecological thinning contracts. The specific activity is C100027, in the Water Fund's Habitat Conservation Plan sub-BCL (C160).

Anticipated Revenue/Reimbursement Resulting from this Legislation:

| Fund Name and Number | Department | Revenue Source | 2012 Revenue | 2013 Revenue |
|----------------------|--------------------------|---|--------------|------------------|
| Water Fund (43000) | Seattle Public Utilities | Sale of surplus logs from ecological thinning | | TBD -- See below |
| TOTAL | | | | TBD |

Revenue/Reimbursement Notes:

SPU estimates up to 6,000,000 board feet of merchantable logs will be declared surplus and sold as a result of ecological thinning from 2013-2017. Proceeds from the sales will depend on timber quality and volume at each site; bids received and market conditions at the time of implementation. Proceeds from the sale of these logs could range from \$10,000 to over \$100,000 per year, after logging costs, depending on the factors just mentioned.

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?**
 No

b) **What is the financial cost of not implementing the legislation?**

Not implementing the legislation would impair multi-year plans for ecological thinning, which is an important element of the forest restoration commitments the City made in the HCP. Multi-party agreements associated with the HCP provide the City with certainty on a number of key issues related to its water supply operations on the Cedar River. Failure to meet HCP commitments, such as ecological thinning, would put us out of compliance



with the permit conditions and may have ecological and financial costs. Finally, without this legislation SPU would lose the opportunity to receive potential revenue from sale of surplus logs to offset HCP costs.

c) Does this legislation affect any departments besides the originating department?

No

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

One option would be to request ordinance authority for each ecological thinning project over the next several years. This option would impede SPU's ability to meet HCP commitments. A second option would be to conduct small ecological thinning projects under Ordinance 121040, which limits annual sale of timber to 250,000 board feet. This option would not allow SPU to meet its HCP commitments. A third option could be to fall the trees but not remove them from the site. This alternative would meet only a limited array of ecological objectives and would increase financial costs for subsequent thinning, potentially increase the likelihood of forest insect outbreaks, and impede movement of certain wildlife species.

e) Is a public hearing required for this legislation?

Yes, a public hearing is required to authorize sale of surplus property over \$50,000 in value and is proposed to be held in conjunction with City Council committee consideration of this ordinance.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No, not for this legislation, but a public notice would be required for contract advertisements to implement ecological thinning if the legislation is approved.

g) Does this legislation affect a piece of property?

Yes. See attached map.

h) Other Issues:

Ecological thinning is intended to improve habitat conditions for species listed in the HCP and is designed to meet those objectives. Additional benefits of ecological thinning is the maintenance and improvement of forest health such that the forests are resilient to climate change and continue to protect the high quality drinking water supply function of the Cedar River Watershed.

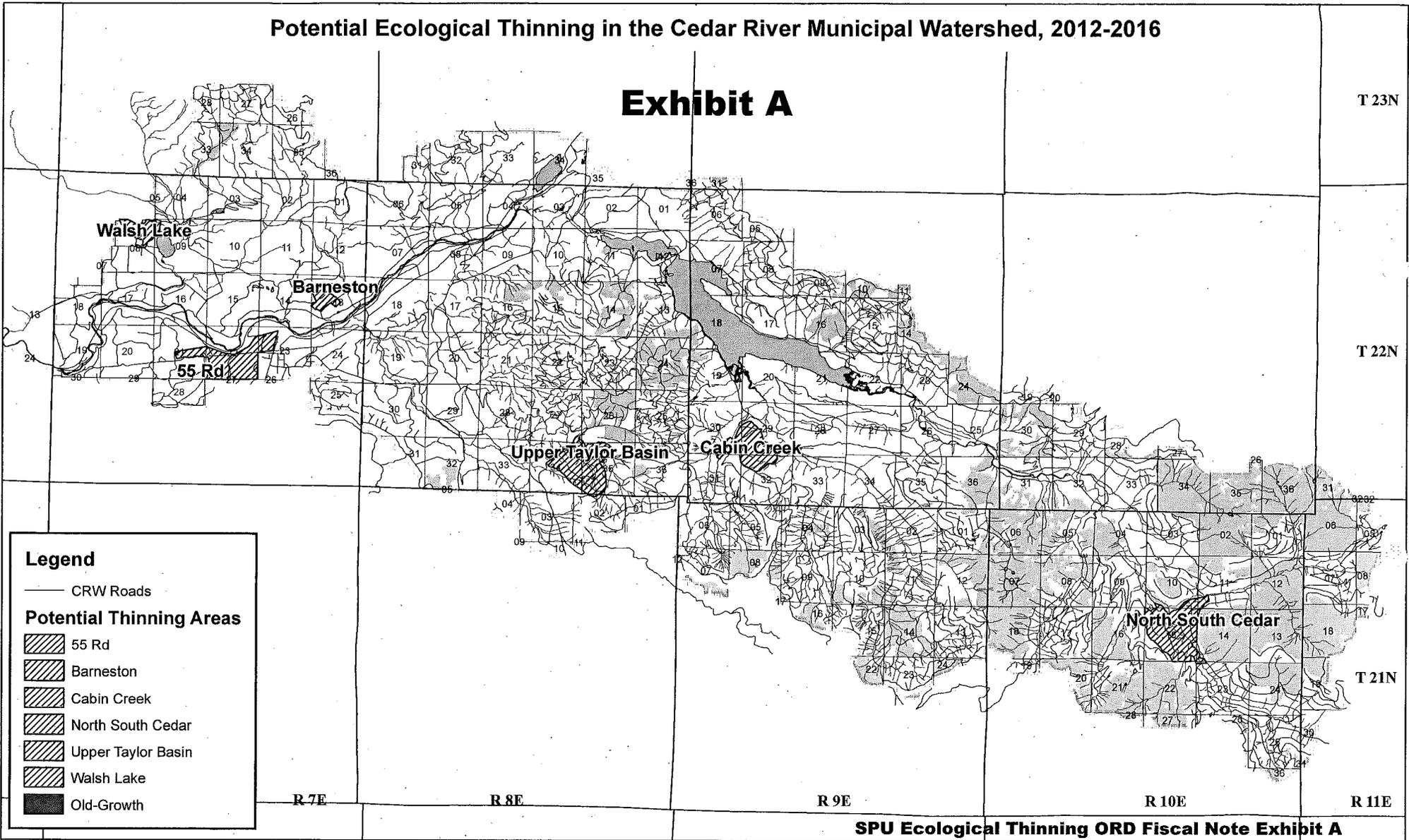
List attachments to the fiscal note below:

Exhibit A - Map of potential ecological thinning areas 2012-2016.



Potential Ecological Thinning in the Cedar River Municipal Watershed, 2012-2016

Exhibit A



T 23N

T 22N

T 21N

R 7E

R 8E

R 9E

R 10E

R 11E

SPU Ecological Thinning ORD Fiscal Note Exhibit A



City of Seattle
Office of the Mayor

July 24, 2012

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill that would authorize ecological thinning as part of the City of Seattle's Habitat Conservation Plan (HCP) for the Cedar River Municipal Watershed. This legislation would also allow Seattle Public Utilities to sell logs from the ecological thinning operation as surplus property and deposit any net proceeds to the Water Fund.

The Cedar River Watershed provides 70% of Seattle's water. Forests in this watershed protect the water supply and provide critical habitat to species listed as threatened or endangered under the Endangered Species Act. However, the dense, second-growth forests can be improved greatly with active restoration, therefore providing more habitat to these at-risk species and many others. The City's HCP forest restoration objectives are to promote the development of old-growth forest conditions, improve habitat for wildlife and fish, and increase resilience to disturbance. To meet these objectives, the City conducts ecological thinning, resulting in marketable timber that can be sold to offset costs of HCP implementation.

The implementation of ecological thinning under the HCP is important for improving habitat and protecting water supply source. Thank you for your consideration of this legislation. Should you have questions, please contact Amy LaBarge at 733-9777.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

