

# Dryden Pit Property – Budget Proviso Sale

July 1, 2011 Report to the Legislature

**ESHB 1175, Transportation Budget, Section 213 (4) and Section 809 (2) states:**

“By July 1, 2011, and annually thereafter until the entire Dryden pit property has been transferred, the department shall submit a status report regarding the transaction to the chairs of the legislative transportation committees.”

Following is the July 1, 2011 status report for the Dryden pit property addressing the transfer of the Dryden Pit site from the Washington State Department of Transportation to the Washington State Department of Fish and Wildlife.

## **Background:**

The 2009 Legislature directed (ESSB 5352, Section 215 (3)) the Washington State Department of Transportation (WSDOT) to convey the Dryden Pit site (IC 2-04-00103) owned by the department to the Washington State Department of Fish and Wildlife (WDFW). The 2010 Legislature slightly modified the language (ESSB 6381, Section 215(2)), but basically reaffirmed that direction. The 2010 modification clarified the following:

- 1) WSDOT was not responsible for any costs associated with the cleanup or transfer of the property.
- 2) The site was to be conveyed “as is” for an adjusted fair market value reflecting site conditions.

The 2011 Legislature again reaffirmed its intent (ESHB 1175, Section 213 (4) and Section 809 (2)) for WSDOT to sell this site to WDFW. WDFW does not have any funding of its own to acquire the site. WDFW plans to develop a portion of the site for recreation and fisheries enhancements / mitigation. Currently WDFW is continuing to work on a partnership with the Bonneville Power Administration (BPA) and the Yakama Nation (YN) to acquire the site that will result in a significant portion of the site ultimately being sold to the Yakama Nation (YN) for a project that would enhance fisheries in Peshastin Creek and the Wenatchee River. BPA and YN would like to acquire approximately 75% of the site from WDFW. WDFW has also opened discussions with other potential partners, including the local sportsman association and fishing associations. The Dryden Gun Club is directly adjacent to the pit site and overshot from shooting events has been found in the pit site. As a consequence steel and lead shot is scattered across a portion of the pit floor. The Gun Club has been asked to contain any shot on its own property.

## **Accomplishments over the past year:**

- The various easements and deeds addressing Chelan PUD facilities in the pit have been completed and conveyed.
- Preliminary boundary surveying of the site has been completed by the YN.
- BPA/YN- Hired a consulting firm, Hart Crowser to do a comprehensive site assessment for hazardous materials and remediation alternatives. Their report will be finalized by the end of June, 2011.
- The YN has hired a Wenatchee law firm that specializes in land transactions to put together a set of agreements which may enable the sale to progress along the lines of the original partnership that was explored by WDFW. It appears they are exploring a simultaneous closing.
- YN has applied for a water withdrawal permit at the site that would enable development of the proposed salmon rearing facility.
- YN hired an appraiser to assess the value of the 2 WDFW parcels of interest, the YN parcel of interest and the entire property. This appraisal needs to be reviewed and confirmed through each agency's process.

## **Issues that remain:**

1. The details of how to ensure the legislative intent is satisfied, directing WSDOT to sell the entire site to WDFW, given that WDFW is relying on being able to sell a significant portion of the site to the YN have yet to be fully resolved.
2. Agreement on an adjusted fair market value reflecting site conditions.
3. The origin and availability of funds for the purchase of the site by WDFW is not known and could cause a delay in releasing the title, especially with regard to that portion of the site that will be retained by WDFW. BPA and YN have funds to purchase the parcel that they are interested in.
4. In addition to the steel and lead shot that is scattered across a portion of the pit floor, there are high levels of contaminants that are commonly found in the surrounding areas. A rough estimate of \$250,000 to \$400,000 was given in the form of three cleanup alternatives. The cleanup costs will be further refined once it's determined what the cleanup standard will be for the site.
5. Preventing future casino development on the property.

## **Current Status:**

At the June 29, 2011 meeting, Sen. Linda Evans Parlette told attendees the sale would not go through without the support of the Chelan County Commissioners. Keith Goehner, a County Commissioner from the area, was also in attendance and echoed what Senator Parlette said. There are considerable concerns that a casino may end up on the property. A representative from the BPA said the Yakamas would need to sign a MOU or a MOA that they would not use the property for a casino because of the BPA funding to purchase the site. Apparently, this is standard operating procedure for the BPA.

**Current Status (continued):**

The Yakama appraisal done by Auble and Associates in Spokane came in at \$355,000 for the entire site. Appraisal is written as:

- 1) one parcel consisting of 24.83 acres (\$355,000); and
- 2) three separate parcels consisting of:
  - a) 1.6 acres (\$80,000);
  - b) 4.3 acres (\$140,000);
  - c) 18.7 acres (\$263,000).

Based on our current understanding of the issues and entities involved in completing this transaction, if funding were available immediately, the conveyance of the Dryden Pit Site to WDFW would likely occur no earlier than late 2012.

WSDOT will continue proactively managing the necessary activities it has control over and communicate updates as appropriate.

The next meeting is tentatively set up for late September 2011.

For further details and additional information, please contact Dan Sarles, North Central Regional Administrator, (509) 667-3001.