TO: City Council

FROM: Paul Simmons, City Administrator, and Sharon Lumbantobing, Deputy Community Development Director

DATE: October 20, 2026

SUBJECT: Purchase and Sale Agreement with Puget Western for Habitat Conservation Land

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1) Recommended Action:

Approve and authorize the Mayor to sign a purchase and sale contract with Puget Western, Inc. in substantially similar form as approved by the City Attorney; and further authorize the Mayor to complete the purchase and sign all necessary closing documents if all conditions are met.

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2) Background:

The intent of the purchase and sale contract with Puget Western, Inc. is for the City to acquire Olympia pocket gopher conservation credits from a U.S. Fish and Wildlife Service (USFWS) approved Habitat Conservation Plan (HCP) to be used either for covered activities under the Bush Prairie HCP, for projects that would require a separate take approval from USFWS, or for sale to City partners for their projects.

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3) Policy Support:

Comprehensive Plan Conservation Element Goal C-1: Support active measures to protect and enhance Tumwater's natural environment.

Comprehensive Plan Conservation Element Policy C-15.2: Protect, preserve, and restore habitats for species identified as endangered, threatened, or sensitive by the State or federal government, giving special consideration to measures necessary to preserve or enhance suitable habitat.

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4) Alternatives:

- ❑ None.

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5) Fiscal Notes:

The purchase and sale will be funded through the sale of bonds, with the annual debt payments estimated to be $754,516 over 30 years. The total cost of the purchase is $12 million which includes the land, endowment, and the Habitat Conservation Plan (HCP). By purchasing the entire HCP, we have immediate access to the mitigation credits that can be used internally or sold to developers. If the City sells credits, the proceeds would be used to help make the debt payments.

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6) Attachments:

A. Staff Report
B. Puget Western Purchase and Sale Contract
C. Presentation