

# City of Portsmouth

*Department of Public Works*



## MEMORANDUM

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TO: KAREN CONARD, CITY MANAGER

CC: BRIAN GOETZ, DEPUTY DIRECTOR OF PUBLIC WORKS

FROM: AL PRATT, WATER RESOURCE MANAGER

DATE: APRIL 28, 2020

SUBJECT: BELLAMY SOURCE PROTECTION EASEMENT – DUFFY PROPERTY

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The City's Water Division has been actively identifying and protecting properties adjacent to the City's surface water supply, the Bellamy Reservoir (see attached map). The City has partnered with Southeast Land Trust (SELT) for the negotiation, due diligence, installment payments of the Purchase Price, and completion of a conservation easement on an approximately 107-acre portion of the Property owned by Mary Ellen Duffy ('Duffy Property' on the attached map) in order to benefit the protection of one of the City's primary water supplies.

The Property was appraised by McManus & Nault Appraisal Company, Inc. in 2019. A conceptual build-out analysis was also performed to assist with the valuation. Their analysis resulted in development potential for between 6 and 13 house lots on the property. The estimated value of the whole parcel without an easement was \$730,000. The value of this parcel was also appraised with an easement on all but 5 acres that will remain as a buildable lot, and this amount was estimated as \$200,000. Thus, the value of the conservation easement was identified to be \$530,000.

In addition to the value of the conservation easement of \$530,000, there are costs for the property survey, conservation easement preparation, an environmental site assessment and baseline documentation that are estimated by Southeast Land Trust as \$44,300. The total cost for the acquisition of the conservation easement on 107 acres is \$574,300. Grant funding for up to \$287,000 from the NH Drinking Water and Groundwater Trust Fund (DWGTF) has been approved by the DWGTF Advisory Commission (see attached letter) leaving a balance of \$287,300 to be paid for by the Water Fund. In order to meet the total appropriation of \$574,300 for the purchase of the easement, a supplemental appropriation from the Water Fund using \$287,300 from unrestricted net position and a grant of up to \$287,000 from the NH Drinking Water and Groundwater Trust Fund for a total of \$574,300 would need to be approved by the City Council following a public hearing.

The subject parcel is ranked as the second most valuable parcel with respect to protection of the Bellamy Reservoir based on an assessment of abutting parcels ('Duffy Property' on the attached map). The parcels on this map are ranked based on parcel size, percent wetlands, development potential, slope, length of shoreline, proximity to water supply intake, and aesthetics. This ranking approach is intended to assist with the prioritization of protection efforts as they pertain to the land surrounding the reservoir. Development has the potential to greatly affect surface water quality through direct impacts of chemical runoff, septic system leachate, and stormwater sediment loading, and indirect affects in terms of higher nutrient loading which can cause an increased likelihood of harmful algal blooms and impacts to dissolved oxygen concentrations. For these reasons, efforts to protect land that has the greatest potential to impact water quality, such as Ms. Duffy's property, is important for the long-term management of the Portsmouth water supply.

City Staff recommends the City Council take the following actions:

- 1) Execute a Purchase and Sale Agreement for the purchase of the 107-acre conservation easement on land owned by Mary Ellen Duffy in Madbury;
- 2) Refer the acquisition of the 107-acre conservation easement to the Portsmouth Planning Board for a recommendation back to the City Council;
- 3) Enter into Grant Agreement with the State of New Hampshire to accept up to \$287,000 from the NH Drinking Water and Groundwater Trust Fund to be use towards the purchase of this conservation easement; and
- 4) Establish a public hearing date for a supplemental appropriation for the purchase of the conservation easement through the allocation of funds from the water enterprise fund net position and the DWGTF grant.

The next step in this process will be to finalize the Agreement and it will then be put before the City Council for a vote. A separate two-thirds vote of the City Council following a public hearing will be needed in order to utilize water enterprise fund net position for this purpose.

**PROPOSED MOTION:**

- 1) *Move to authorize the City Manager to negotiate and execute a Purchase & Sale Agreement for the purchase of a conservation easement on the subject parcel in a substantially similar form to the attached agreement;*
- 2) *Move to refer the acquisition of the 107-acre conservation easement on the subject parcel to the Portsmouth Planning Board for a recommendation back to the City Council;*
- 3) *Move to authorize the City Manager to enter into a Grant Agreement to accept up to \$287,000 from the State of New Hampshire's Drinking Water and Groundwater Trust Fund's Land Conservation Grant and Loan Program to be used toward this purchase; and*
- 4) *Move to establish a public hearing for June 1, 2020 for the supplemental appropriation to utilize \$574,300 from the water enterprise fund net position with*

*the understanding that up to \$287,000 will be reimbursed by the New Hampshire Drinking Water and Groundwater Trust Fund.*

# Bellamy Reservoir Protected Land Near Reservoir



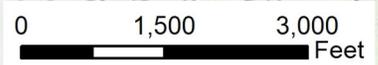
**BELLAMY RESERVOIR**

**Proposed Easement  
City of Portsmouth in 2020**

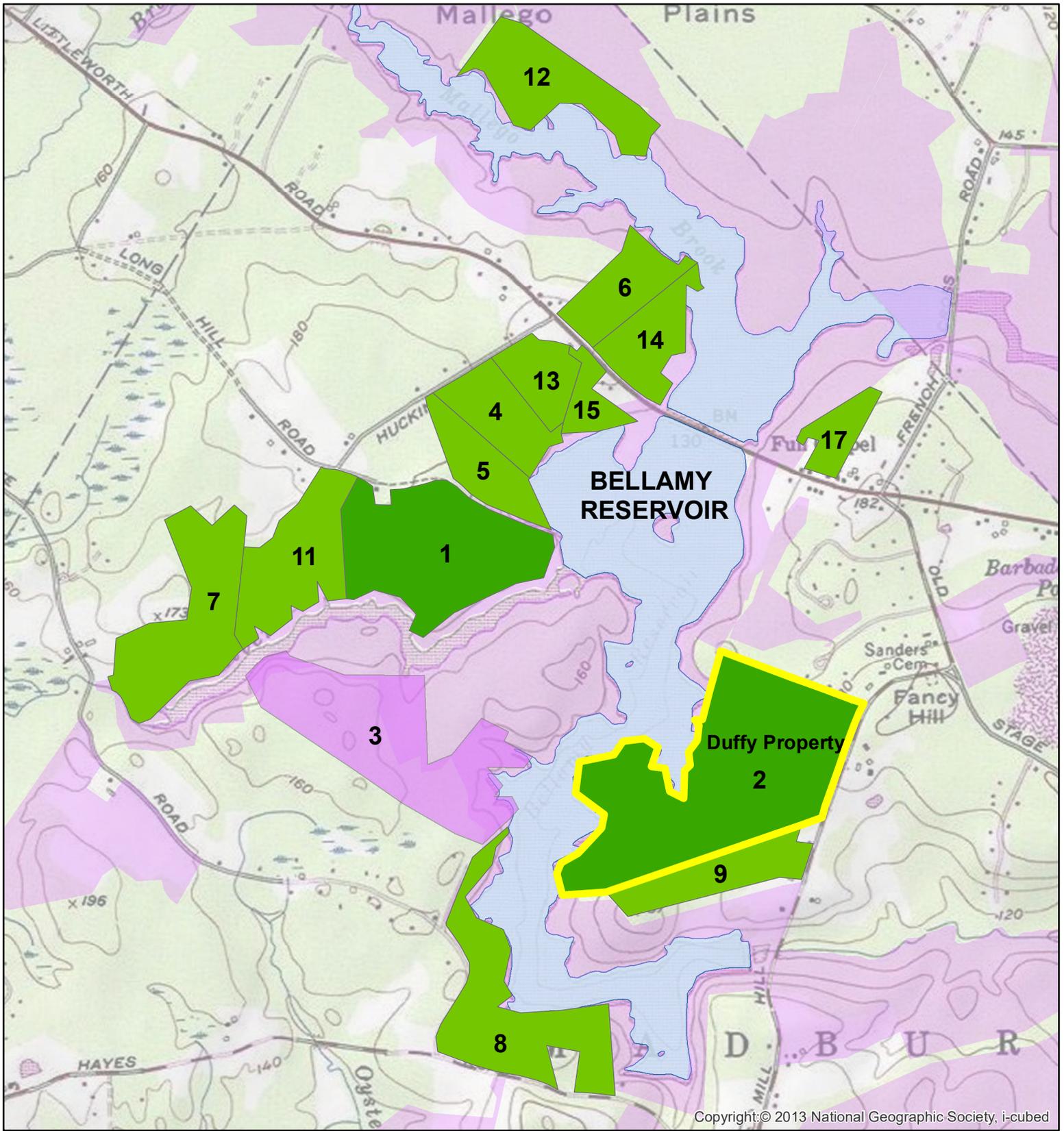
**Easement purchased by  
City of Portsmouth in 2018**

**Legend**

- Watershed Boundary
- Bellamy Reservoir
- Duffy Property (Proposed Easement)
- Property Owned By Municipality
- Property Under Easement Protections



April 2020



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**Legend**

- Duffy Property (Proposed Easement)
- Target Parcels for Protection**
- Rank - Labeled by Priority**
- 1 - 2
- 4 - 17
- Protected in 2018
- Protected Land
- BellamyReservoir



**Bellamy Reservoir  
Key Parcels  
For Source Protection**

