

# Agenda

September 14, 2017  
10:00 a.m. – 12:00 p.m.

Special Meeting  
Room 175, Natural Resources Building  
1111 Washington Street SE, Olympia

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**Time:** Opening sessions will begin as shown; all other times are approximate.

**Order of Presentation:** In general, each agenda item will include a presentation, followed by board discussion, and then public comment. The board makes decisions following the public comment portion of the agenda item.

**Public Comment:** To comment at the meeting, please fill out a comment card and provide it to staff. Be sure to note on the card if you are speaking about a particular agenda topic. The chair will call you to the front at the appropriate time. Public comment will be limited to three minutes per person. You may also submit written comments to the board by mailing them to RCO, Attn: Nikki Gaddis, Administrative Assistant, at the address above or to [nikki.gaddis@rco.wa.gov](mailto:nikki.gaddis@rco.wa.gov).

**Meeting Accommodations:** Persons with disabilities needing an accommodation to participate in RCO public meetings are invited to contact us via the following options: 1) Leslie Frank by phone (360) 902-0220 or email [leslie.frank@rco.wa.gov](mailto:leslie.frank@rco.wa.gov); or 2) 711 relay service. Accommodation requests should be received by September 5, 2017 to ensure availability.

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## OPENING AND WELCOME

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|-------------------|--|-----------------------|
| <b>10:00 a.m.</b> | <b>Call to Order</b> <ul style="list-style-type: none"><li>• Roll Call and Determination of Quorum</li><li>• Review and Approval of Agenda (<i>Decision</i>)</li></ul> | <i>Chair Willhite</i> |
| <b>10:05 a.m.</b> | <b>1. Consent Agenda</b> <ul style="list-style-type: none"><li>A. Approval of July 12-13, 2017 Meeting Minutes</li><li><u>Resolution 2017-28</u></li></ul>             | <i>Chair Willhite</i> |

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## BOARD BUSINESS: BRIEFING

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|-------------------|--|---|
| <b>10:10 a.m.</b> | <b>2. Overview of Available Funding and Short-term Funding Strategy</b>                              | <i>Kaleen Cottingham<br/>&amp; Mark Jarasitis</i> |
| <b>10:30 a.m.</b> | <b>3. Overview of Preliminary Strategy to Address Reduced Administrative Costs for this Biennium</b> | <i>Marguerite Austin<br/>&amp; Scott Robinson</i> |

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## BOARD BUSINESS: DECISIONS

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|-------------------|--|--------------------------|
| <b>10:45 a.m.</b> | <b>4. Options to Allow 2016 Applicants to Proceed with Certain Aspects in Light of the Capital Budget Situation</b> <p>Public comment: Please limit comments to three minutes.</p> <u>Resolution 2017-29</u> | <i>Marguerite Austin</i> |
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## BOARD BUSINESS: BRIEFING

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**11:15 a.m. 5. Results from Policy Priorities Survey**

*Wendy Brown*

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**11:45 a.m. General Public Comment:** *Please limit comments to 3 minutes.*

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**12:00 p.m. ADJOURN**

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**Recreation and Conservation Funding Board  
Resolution #2017-28  
September 14, 2017 Consent Agenda**

**BE IT RESOLVED**, that the following September 14, 2017 Consent Agenda item is approved:

A. Board Meeting Minutes

- July 12-13, 2017

Resolution moved by: \_\_\_\_\_

Resolution seconded by: \_\_\_\_\_

Adopted Date: \_\_\_\_\_

## RECREATION AND CONSERVATION FUNDING BOARD SUMMARY MINUTES

**Date:** July 12, 2017

**Place:** Educational Service District 113, Mason Room, 6005 Tyee Drive SW, Tumwater, WA 98512

### Recreation and Conservation Funding Board Members Present:

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<b>Ted Willhite, Chair</b>	Seattle	<b>Kathryn Gardow</b>	Seattle
<b>Mike Deller</b>	Mukilteo	<b>Brock Milliern</b>	Designee, Department of Natural Resources
<b>Michael Shiosaki</b>	Seattle	<b>Peter Herzog</b>	Designee, Washington State Parks
<b>Danica Ready</b>	Winthrop	<b>Joe Stohr</b>	Designee, Department of Fish and Wildlife

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**The meeting summary for July 12, 2017 was produced courtesy of Jim Reid, retreat facilitator.**

### Retreat Purpose

The Recreation and Conservation Funding Board (board) met on July 12, 2017 in a retreat/workshop format, facilitated by Jim Reid.

The purpose was to spend some time on the following goals:

- Understand how the various programs administered by the Recreation and Conservation Funding Board (board) have evolved and continue to evolve as we prepare to lead into the future.
- Discuss the impacts of changes at the federal and state levels on the land acquisitions funded by the board.
- Consider whether or not changes should be made to the various board-funded trail programs.
- Preview Recreation and Conservation Office (RCO) agency and program priorities for the upcoming biennium.

The following summarizes the key points discussed at the retreat and some proposed work to be done as a result.

### Retreat Summary

Governor Jay Inslee opened the retreat by welcoming Board members, RCO staff, and members of the public. He told us about the honor he received on behalf of the state the previous day. Washington was named by CNBC the #1 state in the United States in which to do business. The Governor cited the state's environment and recreation opportunities as key factors in this ranking.

The Governor responded to questions regarding the Paris Climate Accord from Board Chair Ted Willhite. Ted asked about how the Board could or should address climate change through its grant criteria and evaluation process. The Governor believes that there is an opportunity to raise public consciousness through the grant process, educating and engaging various interested parties who can discuss these issues and coordinate their efforts.

Replying to a question from Peter Herzog about how the Board should address the issue of public land acquisitions across the state, Governor Inslee suggested that the Board consider the future challenges of a growing population, housing and development, increased traffic, and conflicting land uses. He urged the Board to plan for the changing dynamics of the economy and the growing demand for open green space by Washington's citizens. The Governor urged the Board and staff to envision the quality of life in the

state fifty years from now. If you do, he said, you will see the need for more open space and recreation opportunities. Parks and open space are more in demand because the state's population growth in the past couple decades has been dramatic, and is expected to continue to grow at a fast rate. Governor Inslee reminded us that our state's population recently rose above seven million people, and is predicted to reach eight million sometime during the next fifteen to twenty years.

Danika Ready thanked the Governor for his support of restoration and recovery efforts after the state's recent wildfires. She asked how the Board might develop or adjust policies to address the gap between the eastern and western sides of the state, encouraging equity and access. The Governor explained that, having spent the majority of his time on east side of the state, he understands that the focus is on the economic basis of land, which can be inconsistent with the vision of public land ownership. He encouraged the Board to engage with the public often about land uses and seek consensus on land management practices, thereby promoting partnerships and developing human relationships. These, he said, are needed to reach agreements on land use policies and how to accommodate potentially conflicting uses of land to achieve mutual benefits.

Kaleen Cottingham mentioned several recreation plans that the board anticipates adopting, which will include a recreation-related video featuring the Governor. RCO staff is working with his team on the messaging.

### **Board Members' Backgrounds and Interests**

Because some Board members are new to their positions, the retreat began with the members and Kaleen Cottingham introducing themselves. They discussed their backgrounds and why they are interested in serving on the Recreation and Conservation Funding Board (RCFB). They are listed in the order that they spoke.

#### *Danica Ready, Citizen*

Her background is in climate change and science education. She's from Eastern Washington—the Methow Valley—and is a professional in the field of conservation and trails. She recreates every day given the opportunities in the Methow. She is the mother of two children.

#### *Michael Shiosaki, Citizen*

He was born and raised in Spokane and moved to the west side of the state to attend the University of Washington. His career is in parks and recreation. He is interested in issues of equity—equity between eastern and western Washington's citizens, equity among all people, and equity in the types and delivery of parks and recreation programs and services. Agencies he has worked for have been applicants and customers of RCO and its predecessor, so he has seen the RCFB from the customer's perspective.

#### *Joe Stohr, Department of Fish and Wildlife*

Joe grew up in an orchard in the Yakima area. He's the oldest of eight children. He obtained degrees in Fisheries and Health Physics, and has worked for the state for thirty-five years. As a father of three kids, he's interested in and his career has been devoted to what we can do to preserve the livability of Washington for future generations.

#### *Peter Herzog, State Parks and Recreation Commission*

A graduate of the University of Washington. He got a summer internship in a state park and fell in love with the field of parks and recreation. He likes to tinker with things (his inner engineer comes out). He is obsessed with getting people out into the natural world, which he believes is a key to solving society's problems.

### *Kaleen Cottingham, RCO Director*

She grew up in Seattle, the oldest of five siblings. She attended the University of Washington and took up environmental studies. She became interested in forestry because there was no degree in environmental studies in the 1970s. She has worked for four governors and the elected Lands Commissioner (head of the Department of Natural Resources). She is celebrating her tenth anniversary as head of the Recreation and Conservation Office.

### *Ted Willhite, Board Chair*

Born in Centralia on a small farm, he was raised by a single mom who moved the family to Seattle. He attended Whitman College and the University of Washington Law School. He's worked in the Attorney General's Office and in private practice. Ted also has served on the staff of a congressman. He serves on the Board because of his love of the outdoors, which began with Scouting. He has hiked on every continent. He seeks to give back—to give voice to animals and young people, in particular. He observed that we cannot drive anywhere in this state that the RCFB has not touched.

### *Mike Deller, Citizen*

Mike is a native of Everett. He has been in real estate, on congressional staff, worked at the Port of Everett, and then in banking. And he served as the director of the Trust For Public Lands before retiring. He enjoys the work of this Board because of the issues it addresses and because each Board members brings a unique set of skills to the Board. And he loves ribbon cuttings!

### *Kathryn Gardow, Citizen*

She loves land, the outdoors, and public service. Kathryn arrived in the state from the east coast in 1985. She has two children. She and her husband have climbed more than 200 peaks. She previously served on the Farmland Preservation Advisory Committee, which ranks the WWRP farmland grant applications.

### *Brock Milliern, Department of Natural Resources*

He intended to be a geologist when he entered the University of Washington but instead turned to recreation. He was a park ranger at Deception Pass. His goal is to run 1000 miles this year, and he is well on the way to achieving it. Today, he observed, the agency he works for, the Department of Natural Resources, is more deliberate about parklands and recreation.

## **Board's History Provides Context for Future Priorities**

To set the stage for the Board's discussion about its priorities for the next two years, Scott Robinson reviewed the accomplishments of the RCFB during the 2015-'17 biennium (*see "Accomplishments and Successes, July 12, 2017," which accompanies this document*), and Kaleen Cottingham provided a brief history of the Board.

- The Recreation and Conservation Funding Board was created fifty-two years ago by a citizen initiative.
- The RCFB began operating with no paid staff. Employees of other state agencies volunteered to staff it. Today there are fifty-five Full Time Employees (FTE).
- The Recreation and Conservation Office currently staff four boards and one office (the Governor's Salmon Recovery Office). The four boards are: Recreation and Conservation Funding Board; Salmon Recovery Funding Board; Invasive Species Council; and the Habitat and Recreation Coordinating group.
- The first grant awarded by the RCFB was for boating.

- The success of the RCFB and RCO has resulted in the agency being given more programs and grants to manage. RCO currently manages thirty-five grant programs.
- The Board is a grant-making entity with processes that are characterized by planning, openness, and accountability.
- The Board acts as an auditor by holding other state agencies accountable for the funds that the Board awards to them. The citizen members can advocate for the agencies to coordinate their policy development and implementation.

Marguerite Austin, who began working for the agency in 1988, observed that there is more emphasis today on policy and delivery of services and programs, and the Board is more deeply involved in policy issues. It also appears that there is less emphasis on strategic planning. Eric Johnson, Executive Director of the Washington Association of Counties (WSAC), who began working for the RCFB in 1989, commented that back then more state agencies were involved, including the Departments of Commerce and Transportation. This gave the impression that the state agencies dominated the Board. Eric suggested that the Board is stronger today because the citizens have a greater voice. Myra Barker commented that the RCFB faces challenges associated with land-based activities; conflicts arise when multiple users compete to use the same lands. This has prompted more citizen interest and involvement in RCFB's grant making.

Danika asked, "Where are the current gaps in resources?" Kaleen replied that RCO and RCFB faced a huge workload during the last biennium, particularly because of grant cycles and the revisions to the Washington Wildlife and Recreation Program (WWRP). She estimated that the agency may have only fifty percent of the resources needed to handle its workload. If the State Legislature does not soon approve a capital budget, RCO may have to lay off eighty-two percent of its staff. (But the agency could maintain the current staffing level for approximately ten months after the July 1<sup>st</sup> start of the 2017-'19 biennium without that budget.)

### **Board Agrees to Refresh Its Strategic Plan**

Following the brief review of the RCFB's history and recent accomplishments, the Board discussed its strategic plan. Board members agreed the plan's framework is fine. They also agreed the plan should be "lightly refreshed" to address three topics: 1) climate change; 2) farmlands and forests; and 3) programs and services for communities of need.

As a result of the discussion, Kaleen, Scott, and Wendy Brown will draft language to incorporate into the strategic plan that addresses these topics. They will identify objectives or strategies that identify intended outcomes and checklists or key performance measures to indicate success in advancing those objectives or strategies. They will circulate the proposed changes to the Board in advance of the Board's review and adoption of the changes during its October meeting.

The Board also discussed the need to be in sync with the Governor, other statewide elected officials, and state agencies, particularly on climate resiliency. The Board sees a need to communicate and coordinate with the elected officials and agencies to ensure a common direction. In addition, the Board and staff will consult the plans and studies of agencies, universities, and other key stakeholders to ensure that the RCFB's vision and goals are coordinated and compatible with those of our colleagues in parks and recreation.

### **Board Discusses Potential Priorities for 2017-'19, and Agrees to Select Them in October**

From mid-morning until late into the afternoon, the Board discussed a variety of issues that could be its priorities for the new biennium. Because there were so many issues to discuss and relatively short periods of time to discuss them, Board members concluded that they should not try to agree on priorities at this meeting. Kaleen recommended that a new survey be sent to the Board members so that they can rank the

priorities. Board members supported this proposal. At the October meeting the Board will review the survey results and reach consensus on its priorities for the biennium.

In this section are the summaries of the Board's discussion about the potential priorities. In some cases the Board reached tentative agreement on a direction or next steps, and those are highlighted.

### **Land Acquisition**

This issue was discussed during the hour before lunchtime. At the end of the day the Board circled back to touch upon it again. Kaleen advised that the Board needs to know the state's position before it can determine its role. Therefore, the Board expects to have a more informed discussion of this issue and to determine its role at its February 2018 meeting.

To help frame the discussion, Kaleen invited Eric Johnson, Executive Director of WSAC, and Tom Bugert of The Nature Conservancy, to offer perspectives about opportunities and concerns related to the acquisition of land by government to preserve open spaces and trails.

Eric outlined ideological, socio-economic, and fiscal interests and concerns. They are:

1. **Ideological:** Land stewardship versus development is not a new debate. These questions have been around for a long time: "Who should own land? How much should the federal and state governments own? What is the impact of transferring land into the public domain on resources and jobs?" As Eric said, many of the County Commissioners he works for report that their "rural residents feel as if there is a war on rural areas and citizens." Eric also cited polls indicating 75% of respondents have very strong beliefs about the issue. He surmised that a solution will depend on the 25% who take a "middle ground" position on the issue.
2. **Socio-economic:** The population of rural areas is declining with the loss of jobs. As evidence, Eric cited the dramatic reduction in the number of students attending three elementary schools in a rural county.
3. **Fiscal:** Only two sources fund county budgets; one of them is the property tax. As public agencies acquire more land, property tax revenues have declined. Shrinking budgets jeopardize services, including law enforcement, human services, and road maintenance. Eric also stated that rural elected officials and citizens believe that lands in public ownership are not being maintained' therefore, "it is fiscally irresponsible to acquire more land when we are not taking care of what we own."

To offset the decline of resources, Eric described the broad coalition that formed to keep counties "whole" as more land was taken out of private ownership. The Payment-In-Lieu-Taxes (PILT) program was the result. Thirteen counties currently receive PILT funds, and those funds have helped rural counties provide basic services.

Eric concluded his remarks by saying that "the transition from a resource-based to a tourist-based economy is a dramatic shift."

Tom argued that recreation is not "the silver bullet" that will attract tourists to rural areas and, therefore, offset the loss of property tax revenues. He also noted that the philosophy behind land acquisition, and conservation generally, is changing. Whereas once the attitude was "buy the land and shut it down so no one can use it," today landscapes covering a whole ecosystem are being acquired and restored and, in some cases, made accessible to the public. He also commented that declining timber harvests are increasing the risk of wildfires. And for citizens, there is not much distinction between federal and state

government when public agencies acquire land. So state agencies are criticized for the federal government's actions or inactions.

Tom urged the Board to consider how our society can achieve conservation goals while helping strengthen local economies and reduce the risk of wildfires. He suggested that partnerships between federal, state, and local officials, and between the public and private sectors, are the starting point.

During the ensuing discussion, the Board raised these issues:

- State agencies are now focused (evolving over the past ten years) on multi-point interests in acquisitions, e.g. future public benefit, ecosystem values, recreational benefits, etc.
- What losses or benefits are missed when land is left in public versus private ownership?
- Do the board criteria account for the value of land or services in different areas of the state when evaluating and scoring grant proposals?
- How does the Board balance responsibility and resources when it comes to acquisition policy? What role should (or can) the board take in stewardship of public lands?
- The economy has changed, continues to change, and plays a role in the sub-economies of Washington counties, whose issues are multi-factored, so while acquisition may play a role, it is not the only driver for economic hardship.
- Public access is a primary goal of the Board. How can this be maintained through acquisitions and an evolving economy? Fee simple acquisitions appear to be the ideal method for acquiring public lands.
- How can the board be transparent about the cost of acquisition?
- Can the Board help County Commissioners in their work of balancing policy and budgeting through sharing data?
- The Board can share a role in public education and engagement, speaking to the true costs and needs of acquisition, where many singular state agencies are not able to do so.

From the discussion emerged these specific ideas about how the Board might be involved in land acquisition policy discussions:

- Identify the common interests of rural and urban citizens and the variety of interest groups involved in the issue.
- Support the PILT program.
- Engage with local elected officials, community leaders, stakeholder groups, and legislators.
- Give local elected officials "cover" in promoting conservation and acquisition. One way to achieve this is to give them more complete and accurate data.
- Identify the multiple benefits of land acquisition. What are the potential economic benefits of land acquisition? What are the economic and health benefits of outdoor recreation?
- Urge that such tools as the designation of lands as "natural area preserves" and conservation easements be more fully researched and used where appropriate.
- Help address concerns about public access.
- Communicate ecosystem values more effectively. What will society value in fifty years that we could lose today if not preserved and protected?

- Determine if existing rules and regulations would preserve ecosystem functions if lands remain in private ownership. Would any be lost? If so, would additional rules and regulations preserve them under private ownership? Or would their potential loss be avoidable only if they were in public ownership?
- In urban areas, balance the need for more housing and jobs with the need to preserve lands for recreation. What is the right balance? Which are the lands that should be acquired?
- Calculate the operating impact of using land.
- Look for long-term sustainable funding. The Ruckelshaus Center is exploring this question and is supposed to issue its report in late autumn.
- Create an endowment for operations and maintenance to ensure that lands currently under public ownership are properly maintained.
- Address the perception that public lands are not well maintained. This may not be accurate.

### **State Unifying Strategy**

Leslie Connelly provided a summary of the State Comprehensive Outdoor Recreation Plan (SCORP) and grant-related plans that will support the Board's unifying strategy, as well as timelines for approval at the October meeting. She shared that today's retreat is the board's opportunity to shape the plans and the Board's unifying strategy before a formal comment period scheduled for August.

The Board discussed the following elements as part of updating SCORP and the unifying strategy and made suggestions for strengthening them:

- Maintaining and improving the mapped inventory:
  - Several data gaps exist; the inventory needs to be "scrubbed" and new information added.
  - The map could show regional, community, and local parks the RCFB has funded.
  - To provide a complete picture, show land uses in addition to ownership.
- Funding parks and trails equitability across the state, which includes public access and underserved communities.
  - What are the appropriate metrics for determining park needs in local communities?
- Conserving habitat, which is included in several state agency plans.
  - Include information about or needs for carbon sequestration, perhaps in the grant criteria as an allowable use.
- Support state plans, strategies, and initiatives:
  - Encourage best practices at state and local levels, with the goals of information sharing and public education.
- Improve program outreach:
  - Empower partners and the public via data sharing.
  - Expand use of social media platforms to encourage messaging, public awareness, connections and local support.
  - Highlight successful grants on the website three to five years after they were funded.
  - Open access to grants; share information about grants and funded sites in a way that engages youth, perhaps through social media.
- Changes to grant programs:

- The Board can review the final drafts during the public comment period in August to prepare for discussions and decisions in October.
- Revise the grant evaluation criteria for state need and include an interactive map for applicant use, including five criteria for underserved populations and known health indicators.
  - *The Board reached consensus on releasing these five indicators for public comment in August.* They are: household median income, people of color, people with disabilities, body mass index for 16-19 year olds; and mortality rate.
- Revise the Land and Water Conservation Fund criteria;
  - *The Board reached consensus on releasing the criteria for public comment in August.*
- Implement the NOVA and Boating Plan Recommendations.
  - *The Board reached consensus on releasing the criteria for public comment in August.*
- Review the matching grant policy, WWRP Urban Wildlife Habitat Category, and Matching Share Policy in Youth Athletic Facilities (YAF) program.
- Evaluate the State Recreation Trails Designation System.

## **State Trails**

Darrell Jennings provided a history and overview of trail-related grant programs, categories, criteria, and funding sources requirements that affect the Board's work and plans, as well as recent project metrics and funding trends since 1989.

In 1974, the Board's predecessors in the Interagency Committee for Outdoor Recreation developed a state trails system designation plan. It has not been updated since then. Darrell guided the Board through a review of the document and the following trails issues and questions:

- Should the goals of the RTP be modified to go beyond backcountry maintenance?
- The Advisory Committee said the RTP is valuable but not competitive because the same vendors receive the grants.
- The WWRP Advisory Committee suggested small changes in scoring criteria and the addition of a "health benefits" criteria.
- The new non-road trails designation has caused some concerns. Should we put "sideboards on the definition?"
- The number of NOVA Trails Grants applications is an administrative challenge. Because of the number received, the evaluation process takes weeks. How can we streamline the process to make it more efficient?

Scott Robinson followed up on discussions held at the May 2017 meeting regarding the statewide trails database. Scot McQueen, contracted to support this project, will have recommendations for Board consideration in October. One recommendation will be to pool funding among agencies and other partners to support a structure that shares data and is publicly accessible. The goal is to create the structure for the system first and then solicit contributions from other partners.

The board discussed the following issues and questions:

- Can the trail needs identified in SCORP be addressed through program changes or plans?
- Are there gaps in funding opportunities for trails that need to be addressed?

- Are there certain trails or activities the Board wants to prioritize or target funding to? Should we designate the “spine of the system” and set aside a percent of the funding for projects along it?
- What staff resources would be needed to update the 1974 trails system plan so that we can modernize our approach? What can be done now that will support a long-term plan?
- Are there trails of regional or statewide significance? What would the statewide designation or certification mean?
- Can we begin with already-funded trails, and use self-designation?

Following the discussion of trails, Wendy Brown summarized the results from the recent Board survey regarding policy priorities. Each member was asked to order their recreation and conservation priorities, organized into three tiers of categorized tasks. The information supports staff development of a two-year policy work plan.

Kaleen and Wendy proposed revising the survey based on the retreat’s discussions and asking each Board member to suggest what they believe should be the Board’s priorities for the biennium. Besides the topics discussed today, the survey will include the match policy and public lands policy, both of which come from the State Legislature. At the October meeting the Board will review the results and work to reach consensus on a set of priorities for the 2017-’19 biennium.

### **Final Thoughts About the Retreat**

Board members thought the retreat was very helpful, and applauded the staff for the work that went into its preparation. Board members felt the discussions allowed them to dig deeper into important issues and showed that they are becoming aligned in their interests, positions, and priorities. Board members also appreciated the opportunity to get to know and understand each other better. Many Board members commented that the discussion with Eric Johnson and Tom Bugert on land acquisition was very compelling and the most valuable discussion of the meeting. Finally, Board members thanked the staff for their “extraordinary work and support.”

## RECREATION AND CONSERVATION FUNDING BOARD SUMMARY MINUTES

**Date:** July 13, 2017

**Place:** Natural Resources Building, Room 172, 1111 Washington Street SE, Olympia, WA 98501

### Recreation and Conservation Funding Board Members Present:

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<b>Ted Willhite, Chair</b>	Seattle	<b>Kathryn Gardow</b>	Seattle
<b>Mike Deller</b>	Mukilteo	<b>Brock Milliern</b>	Designee, Department of Natural Resources
<b>Michael Shiosaki</b>	Seattle	<b>Joe Stohr</b>	Designee, Department of Fish and Wildlife
<b>Danica Ready</b>	Winthrop		

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**It is intended that this summary be used with the materials provided in advance of the meeting. The Recreation and Conservation Office (RCO) retains a recording as the formal record of the Recreation and Conservation Funding Board (board) meeting.**

TVW recorded this meeting and broadcast live on July 13, 2017. More information is available at <https://www.tvw.org/>.

### Opening and Call to Order

Chair Willhite called the meeting to order at 8:32 a.m. Staff called roll and a quorum was determined. Member Herzog was excused.

Chair Willhite welcomed board members, staff, and audience. Board members introduced themselves. Chair Willhite reminded all attendees that the meeting is being broadcast.

### Item 1: Consent Agenda

The board reviewed Resolution 2017-17, Consent Agenda, which included approval of the May 10-11, 2017 meeting minutes and three time extension requests for RCO Projects: #12-1270, #12-1429, and #12-1580A.

#### **Resolution 2017-17**

**Moved by:** Member Mike Deller

**Seconded by:** Member Michael Shiosaki

**Decision:** Approved

### Management Reports

#### Item 2: Director's Report

**Director's Report and Legislative Update:** Director Kaleen Cottingham provided an update on upcoming ribbon-cuttings for recently completed projects, encouraging board members to attend as their schedules allow. Director Cottingham updated the board on current legislative session activities, with the Legislature now in their third special session ending on July 20, 2017. She explained that the Legislature adopted the 2017-19 operating budget and re-appropriated older capital funds, allowing the agency to continue work for at least the next ten months; however, without a capital budget, the board cannot award grant funding. Should the Legislature not pass a budget by next Wednesday, July 19, the agency

will continue with their contingency planning efforts. Grant funding resolutions 2017-18 through 2017-25 were amended to approve the lists and request delegation of authority to the RCO director to issue grant awards once a budget is passed.

Director Cottingham provided further updates on the outcomes of the recent session, including the operating budget, new salmon-related projects for the agency to administer, capital fund re-appropriations, and a technical fix to the RCO Recreational Grants Program. RCO continues to monitor for updates on approval of the capital budget.

**2018 Meeting Calendar:** The board reviewed the proposed 2018 meeting dates.

<i>January 31-February 1, 2018</i>	<i>Regular Meeting</i>
<i>April 25-26, 2018</i>	<i>Regular Meeting</i>
<i>July 18-19, 2018</i>	<i>Travel Meeting, location to be determined</i>
<i>August 9, 2018</i>	<i>Conference Call regarding the budget; about two hours in the morning (the Salmon Recovery Funding Board will hold a similar conference call in the afternoon on the same day)</i>
<i>October 17-18, 2018</i>	<i>Regular Meeting</i>

**Motion:** 2018 Meeting Calendar  
**Moved by:** Member Joe Stohr  
**Seconded by:** Member Danica Ready  
**Decision:** Approved

**Grant Management Report:** Marguerite Austin, Recreation and Conservation Grants Section Manager, provided an update on the current grant round activities, staff participation in conferences and project site visits, and collaboration with state and federal grant partners. The U.S. Fish and Wildlife Service (USFWS) approved over \$2 million in grants for three projects in Washington State that support recreational boating through the Boating Infrastructure Grant (BIG) program. In other grant news, RCO accepted the first round of applications for the Forestland Preservation Program requesting about \$1.3 million; current funding expectations would allow the board to fund at least two of the four proposed projects.

### **Item 3: Follow-Up from the Board Retreat**

Director Kaleen Cottingham summarized the board discussions from the July 12, 2017 retreat, including major follow up items to re-survey the board on policy priorities, addressing climate resilience in the grant program criteria, and updates to the board strategic plan. Part of the policy changes are due to the review of the WWRP, but some are board-initiated such as the Youth Athletic Facilities (YAF) Program updates.

### **General Public Comment**

Jon Snyder, the Governor's Outdoor Recreation and Economic Development Policy Advisor, informed the board of funding received in the budget for the *No Child Left Inside* program in the amount of \$1.5 million for the 2017-19 biennium, an increase of about \$500,000 from the last biennium. The capital budget affects several programs administered by the board and it is critical that the Legislature makes progress in passing a budget. Mr. Snyder also shared news about the strong support given by Commissioner of Public Lands, Hilary Franz, and Governor Inslee for the Hanford Reach National Monument to be removed from the proposed list of changes to the national register.

## **Board Business: Grant Awards**

### **Item 4: Approve Grants for the 2017-19 Biennium**

#### *Item 4A: Washington Wildlife and Recreation Program (WWRP)*

Marguerite Austin, Recreation and Conservation Grants Section Manager, presented an overview of the WWRP program, including a brief description of the program's structure and twelve grant categories, followed by the ranked 2017-19 project lists. The board approved eleven of the WWRP ranked lists at the October 2016 meeting, in order to meet the November 1, 2016 deadline.

Ms. Austin described the funding structure, updated funding allocations to the WWRP and individual categories, and funding formulas that support the program as set forth in RCW 79A.15 for the three main WWRP accounts: Habitat Conservation, Outdoor Recreation, and Farm and Forest. The latter includes the new Forestland Preservation Category. Other recent statutory changes include adjusted funding allocations for the Local Parks, State Parks, and Urban Wildlife Habitat categories. Ms. Austin reminded the board of their decision on alternate projects, including recommendations for alternates, how to allocate funding, and the ability to move funds to other categories within the account.

Ms. Austin specified that per Washington Administrative Code (WAC), applicants must certify that they have a funding match in place. RCO notified sponsors in mid-April and May, finding that thirteen projects across the eleven categories did not certify match. Some sponsors also withdrew their applications for individual reasons. Sponsors may request waivers to extend deadlines for certifying match, in which case the RCO director would review and approve the request, bringing issues to the board as needed.

As the Legislature has not yet finalized a budget, Ms. Austin presented a revised resolution requesting that the board finalize and adopt the final ranked project lists and delegate authority to the RCO Director to award grant funding contingent upon approval of a 2017-19 state capital budget (Resolution 2017-18).

#### **Public Comment**

No public comment was received at this time.

#### **Board Discussion**

The board discussed grant program changes as they may affect sponsors or grant program staff. Ms. Austin explained that RCO provides funding scenarios for ranked lists to the Legislature to demonstrate how board decisions and changes would affect project funding. Director Cottingham reminded the board that the Legislature can remove projects from the ranked lists, but not add projects. In the recent session, the Senate removed three projects and the House removed all acquisition projects; the final approved project list will be shared with the board once a budget is passed. Ms. Austin explained that RCO's policy director, Wendy Brown, and other advocacy organizations such as the Washington Wildlife Coalition, work to inform legislators of the importance of these projects. Engagement may include taking legislators on local project tours.

#### **Resolution 2017-18**

**Moved by:** Member Michael Shiosaki

**Seconded by:** Member Kathryn Gardow

**Decision:** Approved

#### *Item 4B: Nonhighway Off-road Vehicle Activities (NOVA) Program*

Darrell Jennings, Recreation and Conservation Outdoor Grants Manager, described the goal of the NOVA program to plan, buy, develop and maintain facilities that support a range of trail and back-road related

recreation. Eligible project activities include land acquisition, planning and site design, facility construction, maintenance and operations, and education and enforcement. Mr. Jennings outlined the funding sources for the program and the distribution across the four NOVA categories: Nonhighway, Nonmotorized, Off-road Vehicle, and Education and Enforcement. The board adopted the current procedure for allocating excess NOVA funding in March 2008.

After the board approved the ranked project lists in May 2017, the NOVA advisory committees shared their recommendation to allocate awards for expenditure of funds received under RCW 46.68.045 and recommended allocation of these funds to projects in this order: 1-28, 31, 29, 32-33.

As the Legislature has not yet finalized a budget, Mr. Jennings presented a revised resolution that 1) includes the advisory committee recommendations and 2) requests that the board finalize and adopt the final ranked project lists and delegate authority to the RCO Director to award grant funding contingent upon approval of a 2017-19 state capital budget (Resolution 2017-19).

### **Public Comment**

Ted Jackson, representing the Washington ATV Association, requested approval from the board on behalf of his organization regarding the NOVA ranked lists.

#### **Resolution 2017-19**

**Moved by:** Member Brock Milliern

**Seconded by:** Member Mike Deller

**Decision:** Approved

#### *Item 4C: Recreational Trails Program (RTP)*

Darrell Jennings, Recreation and Conservation Outdoor Grants Manager, described the Recreational Trails Program (RTP), a federal-aid assistance program intended to help states create and maintain recreational trails for both motorized and nonmotorized recreational trail use. The program's goal is to reduce the backlog of deferred maintenance on recreational trails that provide a backcountry experience. As a way to distribute the funding equitably between user types, the federal program has an Assured Access Requirement. Projects are categorized into five types of uses that the trail or trails serve and each category has a minimum amount of funding it receives.

Mr. Jennings directed the board to a handout that described the funding allocations for fiscal year 2017 and fiscal year 2018 estimates. RCO anticipates that once the Fiscal Year 2018 funds are received, there will be about \$420,000 of excess motorized funding due to a lack of requests. Staff will meet with the advisory committee to receive recommendations for the board on options for utilizing excess funding.

The board adopted the preliminary ranked lists of projects in May 2017. As the Legislature has not yet finalized a budget, Mr. Jennings presented a revised resolution requesting that the board finalize and adopt the final ranked project lists and delegate authority to the RCO Director to award grant funding contingent upon approval of a 2017-19 state capital budget (Resolution 2017-20).

### **Public Comment**

**Kristen Kubitza**, Advocacy Coordinator for the Washington Trails Association, thanked the board for the opportunity to comment. She provided information about her organization, mission, and volunteer network successes. She shared that there is growing demand in the state for trails, supported by the projects proposed for funding before the board today. She spoke to the efforts of WTA to build

relationships and garner support from the public to legislators across the state. Ms. Kubitz requested approval from the board on the projects proposed on the ranked list.

**Ted Jackson**, Washington ATV Association, addressed the board regarding legislation that allowed ATVs on public roads under certain conditions, expressing his support. He additionally supported legislation that would help recreationists with disabilities on nonhighway roads for access and emergency services, requesting board support and potential funding to facilitate these efforts. Ms. Austin explained that the organization would be eligible for excess funds, according to the formula described by Mr. Jennings.

**Resolution 2017-20**

**Moved by:** Member Michael Shiosaki

**Seconded by:** Member Danica Ready

**Decision:** Approved

*Item 4D: Aquatic Lands Enhancement Account (ALEA)*

Marguerite Austin, Recreation and Conservation Grants Section Manager, presented an overview of the Aquatic Lands Enhancement Account (ALEA) including program goals, eligibility requirements, and 2016 applications received. She described the role of the Department of Natural Resources (DNR), which manages 2.6 million acres of state-owned aquatic land and generates revenue through activities such as leasing sites for marinas, public ports, restaurants, utilities, and aquaculture, and selling harvest rights for shellfish. The board approved the ALEA ranked lists at the October 2016 meeting, in order to meet the November 1, 2016 deadline.

As the Legislature has not yet finalized a budget, Ms. Austin presented a revised resolution requesting that the board finalize and adopt the final ranked project lists and delegate authority to the RCO Director to award grant funding contingent upon approval of a 2017-19 state capital budget (Resolution 2017-21).

**Public Comment**

No public comment was received at this time.

**Board Discussion**

The board discussed the top-ranked projects, specifically whether funding from projects that were not able to certify match would be allocated within the WWRP project lists. Ms. Austin explained that remaining funding would be allocated to alternate projects on the ranked lists.

**Resolution 2017-21**

**Moved by:** Member Mike Deller

**Seconded by:** Member Joe Stohr

**Decision:** Approved

*Item 4E: Firearms and Archery Range Recreation (FARR) Program*

Marguerite Austin, Recreation and Conservation Grants Section Manager, described the Firearms and Archery Range Recreation (FARR) Program's purpose and goals, funding sources, and 2016 applications received. The board approved the ranked project lists at the May 2017 meeting.

With recent license fee reductions and a coinciding lower number of applications received, staff anticipates that most projects submitted will receive funding. Should there be excess funds, staff will work with the advisory committee to provide funding recommendations for the board to consider.

As the Legislature has not yet finalized a budget, Ms. Austin presented a revised resolution requesting that the board finalize and adopt the final ranked project lists and delegate authority to the RCO Director to award grant funding contingent upon approval of a 2017-19 state capital budget (Resolution 2017-22).

#### **Public Comment**

No public comment was received at this time.

#### **Resolution 2017-22**

**Moved by:** Member Danica Ready

**Seconded by:** Member Joe Stohr

**Decision:** Approved

#### *Item 4F: Youth Athletic Facilities (YAF) Program*

Marguerite Austin, Recreation and Conservation Grants Section Manager, described the Youth Athletic Facilities (YAF) Program's purpose and goals, funding sources, and 2016 project applications received. She noted that two project sponsors did not certify match, as well as two projects that received a match waiver (both having received a WWRP grant award).

As the Legislature has not yet finalized a budget, Ms. Austin presented a revised resolution requesting that the board finalize and adopt the final ranked project lists and delegate authority to the RCO Director to award grant funding contingent upon approval of a 2017-19 state capital budget (Resolution 2017-23).

#### **Public Comment**

No public comment was received at this time.

#### **Board Discussion**

The board discussed the funding match for RCO project [16-2023D](#), from the Town of Twisp project. At the July 2016 meeting, the board adjusted the match requirements for the project, which are now waived. The project sponsor received a WWRP grant and met the adjusted match requirements, allowing the project sponsor to continue with a full scope of work.

#### **Resolution 2017-23**

**Moved by:** Member Brock Milliern

**Seconded by:** Member Michael Shiosaki

**Decision:** Approved

#### *Item 4G: Boating Facilities Program (BFP)*

Kyle Guzlas, Recreation and Conservation Outdoor Grants Manager, described the Boating Facilities Program's (BFP) purpose and goals, funding sources, and 2016 applications received in the program's two categories. The board approved the ranked project lists at the May 2017 meeting.

As the Legislature has not yet finalized a budget, Mr. Guzlas presented a revised resolution requesting that the board finalize and adopt the final ranked project lists and delegate authority to the RCO Director to award grant funding contingent upon approval of a 2017-19 state capital budget (Resolution 2017-24).

## Public Comment

**Bob Allen**, citizen of the Port of Grapeview, requested a “no fund” decision from the board regarding two projects on the ranked lists. He shared that a local group of concerned citizens question an association of former port of commissioners who have failed to conduct a transparent public process. Tension has arisen in the community regarding alleged false statements and lack of available funding for certifying match in the grant process.

Chair Willhite asked about Mr. Allen’s actions since he appeared before the board in May 2017. Mr. Allen submitted written testimony at the May meeting, as well as a letter at this time, documenting his concerns. He explained unsuccessful attempts in reaching a resolution to these issues at the local level.

Mr. Guzlas explained that for the acquisition project, the sponsor has met all of the RCO and board grant requirements. Mr. Allen contested the match funds claimed by the sponsor, describing the waivers the sponsor has received. Chair Willhite explained that further litigation of the issue would enlighten both parties, but the board is beholden to the information at hand since a lawsuit has not been filed. Ms. Austin explained the RCO requirements for certifying match and how sponsors are held to these requirements, including cases in which special permission, waivers, or exceptions may be granted. She shared that no reimbursement occurs until funding match is certified and the sponsor has made payments.

## Board Discussion

As summarized by board members, without a lawsuit filed, the board must honor that all grant application requirements have been met, the sponsor has met their requirements, and the board must follow their statutory obligation to approve the project. It is still possible that any legal action would affect this decision at a later date; the sponsor also has the ability to withdraw.

### Resolution 2017-24

**Moved by:** Member Joe Stohr  
**Seconded by:** Member Michael Shiosaki  
**Decision:** Approved

### *Item 4H: Land and Water Conservation Fund (LWCF)*

Marguerite Austin, Recreation and Conservation Grants Section Manager, described the federal Land and Water Conservation Fund (LWCF) Program’s purpose and goals, funding sources, and the applications submitted in the 2016 grant round. Of the twenty-two applications received, six were unable to certify their required match.

Administered by the National Park Service (NPS), the LWCF program remains as one of the longest standing grant programs of the board and was the initial catalyst for the board’s participation in and development of a state comprehensive outdoor recreation plan (SCORP). Ms. Austin summarized recent program changes regarding how and when to submit grant applications.

Ms. Austin shared that in federal fiscal year 2016 the program received the highest funding amount to date, nearly \$1.9 million; RCO anticipates a similar funding amount for the program in both 2017 and 2018.

As the Legislature has not yet finalized a budget, Ms. Austin presented a revised resolution requesting that the board finalize and adopt the final ranked project lists and delegate authority to the RCO Director to award grant funding contingent upon approval of a 2017-19 state capital budget. The resolution also

includes language regarding the spending authority necessary to administer the grant funds and the allocation of funds by Congress (Resolution 2017-25).

### **Board Discussion**

Director Cottingham shared that the agency is currently working with a congressional delegation due to the Department of the Interior's decision to require approval from the Secretary of the Interior for projects over \$150,000. Other congressional issues include efforts to appropriate funds for the program, in part supported by a the designation of a new funding source, the Gulf of Mexico Energy Security Act (GOMESA), from oil revenues; RCO remains hopeful that they will continue to see funding increases for the program.

### **Public Comment**

No public comment was received at this time.

#### **Resolution 2017-25**

**Moved by:** Member Joe Stohr  
**Seconded by:** Member Mike Deller  
**Decision:** Approved

Director Cottingham and Ms. Austin shared that the past grant round resulted in approximately \$500 million in funding for about 500 grant proposals, all brought before the board today for decision.

**Break: 10:35 a.m. – 10:50 a.m.**

### **Board Business: Briefings**

#### **Item 5: Boating Infrastructure Grants (BIG): Tier 2 Project Preview**

Karl Jacobs, Recreation and Conservation Outdoor Grants Manager, presented an overview of the Tier 2 applications which have been submitted for federal Boating Infrastructure Grant (BIG) program funding in federal fiscal year 2018. Mr. Jacobs briefly summarized the program criteria, eligibility requirements, funding maximums and match requirements, and the types of evaluation processes. The BIG Tier 2 projects are received on an annual cycle, evaluated by a national committee, and compete against other projects from around the country. Tier 2 funding is for projects requesting over \$200,000 up to a maximum of \$1.5 million. Funding for the BIG program comes from the federal Sport Fish Restoration and Boating Trust Fund, which includes revenue from a variety of sources including excise taxes, import duties, and gas taxes.

This year, 2017, two applications have been received totaling over \$1.74 million. Final applications were due July 5, 2017. Applications will be forwarded to the U.S. Fish and Wildlife Service by September 11, 2017 for evaluation.

Mr. Jacobs provided a summary of each project application: 1) Port of Allyn Marina Utility Installations, submitted by the Port of Allyn (RCO Project #[17-1272](#)); and 2) Point Hudson – North Jetty Replacement, submitted by the Port of Port Townsend (RCO Project #[17-1277](#)).

Mr. Jacobs responded to board questions regarding the program success, dredging requirements and protocols, and the number of applications submitted to the U.S. Fish and Wildlife Service (USFWS) to date. Of the eighteen applications submitted since 2001, twelve have been funded: three are active, seven are complete, and as mentioned in the presentation, funding was announced recently for the two submitted in the current round.

## **Item 6: Update on Remaining Washington Wildlife and Recreation Program (WWRP) Phase III Changes**

Leslie Connelly, Natural Resource Policy Specialist, updated the board on the progress made on the remaining changes to the WWRP as a result of SB 6227 and the need to extend the timeline for developing draft recommendations. Prior to soliciting formal public comment or engaging with partners, staff requested additional input from the board. At the May meeting, staff presented information about several policy items, such as multiple benefits, conservation easements versus fee title acquisitions, policies for acquisition and development projects, stewardship planning costs, and nonprofit eligibility criteria. Direction from the May meeting and public comment were received by staff, who continue to develop and draft recommendations for the board for decision at the October 2017 and January/February 2018 meetings.

## **Item 7: Summary of Draft Plan Recommendations and Strategies**

Leslie Connelly, Natural Resource Policy Specialist, summarized the board discussion from the July 12, 2017 retreat regarding the board's strategic plan and other grant program plans, to include the following points:

- State Comprehensive Outdoor Recreation Plan (SCORP)
  - Reviewing the vision statement regarding accommodating population growth, with the goal of keeping pace with increased demand and need
  - Renewing a focus on youth and highlighting youth, to include youth engagement, programs, methods for outreach and education, and encouraging youth-centered outdoor recreation opportunities; *No Child Left Inside* is included as part of the plan's youth programming
- Board's Unified Strategy
  - Highlight public parks and access while maintaining a balance in conservation efforts
  - Increasing park equity and service to underserved communities using a mapping tool, supporting the board and staff policy work through localized, current information; additional metrics include population density and park gap analysis
  - Consideration of federal lands when assessing the volume of open space accessible to the public
  - Highlight the importance of park equity, perhaps briefing the board on a 'level of service' tool, other measures and metrics taken in the past, and national standards or best practices
  - Raise awareness about climate change but do not include it in the grant evaluation criteria. Encourage project sponsors to consider the effects of climate change on local planning efforts. Coordinate with the Department of Commerce on providing tools for locals to incorporate climate change in local planning efforts.
  - Recognize the importance of relationships needed with local government, elected officials, and nonprofit organizations. Encourage applicants for grant funds to reach out beyond application minimum requirements to garner support for their project and the grant programs.
  - Improving program outreach so that more feedback is received that will support board deliberations; suggestions for this included increased social media use, such as highlighting completed projects.
  - Revisions to the grant programs including the evaluation criteria for state need, adding five criteria for underserved populations and known health indicators; moving to an adjusted median household income that covers a smaller geographic areas such as a region.

The board discussed the mapping considerations to consider when using that method to assess park equity and access for underserved communities. Gaps or 'blank spaces' on a map need to have a process for determining what need actually may be, considering a local community's needs and resources.

Regarding state need, the board discussed how the state would be divided into regions that will take into account disparate median income levels in different areas, in order to avoid disproportionate distributions and maintain fairness.

**Lunch Break: 12:00 p.m. – 1:00 p.m.**

**Item 8: Washington Wildlife and Recreation Program (WWRP) Match Waiver Policy:**  
Recommendations and Direction for Public Comment

Adam Cole, Natural Resource Policy Specialist, outlined four proposed policy options for local governments to qualify for a match reduction or waiver. He began with a summary of the Match Waiver Work Group progress to date and their process for developing the policy options, also referred to as "policy pathways."

Mr. Cole summarized the indicators and metrics used to develop the following four policy pathways: 1) Communities in Need; 2) Underserved Populations; 3) Counties in Need; and 4) Federal Disaster.

To determine these options, a measure of *median household income* was initially used; the staff memo (Item 8) is based on this metric. In the presentation, Mr. Cole explained that this metric was not found to be robust in areas with primarily college-based populations, leading them to utilize *median family income* instead. His presentation revised the policy options based on this new metric. Mr. Cole demonstrated the varied community statistics that result from the two variables, stating that the *median family income* variable results in a closer estimate of the true median income in a college-town community. He requested direction from the board on using the new variable and, if approved, he explained that the new proposals based on this variable would also be released for public comment. This metric also serves as a proxy for issues of race and ethnicity.

For the "Communities in Need" pathway, the board discussed the pros and cons of using a percentage-based threshold for determining a college community, particularly with regards to how U.S. Census data tracks permanent populations. Mr. Cole explained that one element is that 'group-housing' situations, commonly experienced in dormitories or prisons, are not counted in U.S. Census population counts. The board also discussed the potential impacts to data from migrant communities, first-generation immigrants, and the differences between median household versus median family income.

For the "Underserved Populations" pathway, the board discussed the value of using a census block group metric versus a larger or smaller jurisdiction. Mr. Cole shared the revised policy recommendation which removes the census block criteria, more closely aligning with the criteria as noted for the "Communities in Need" pathway, where the variable is based on college-populations using either median household or median family income. He demonstrated examples of cities and towns where the median income level precludes census blocks from eligibility.

Mr. Cole explained the "Counties in Need" policy pathway as outlined in the board materials, with no additional suggested changes.

The board discussed how the distributive qualities of the program may be impacted by using one variable versus another. Chair Willhite cautioned against selecting a variable that penalizes a low-income family based on their location; it is difficult to determine equity at such a broad scale. Director Cottingham

highlighted an important point from the WWRP statute, which is that it does not explain what entity or jurisdiction that is underserving a community. Mr. Cole shared that, as a first step, the work group determined that this fiscal policy is really directed towards the applicant and their capacity to raise match in a community with limited resources.

Mr. Cole explained the "Federal Disaster" policy pathway as outlined in the board materials, updated to include a per capita recommendation of \$3.61 for determining eligibility. Showing proof of economic impacts after a disaster takes time, providing a basis for the recommendation of a five-year window to request grants after a disaster takes place.

When the final policy proposals are written, Mr. Cole explained that the data sources would be cited and included as part of the policy updates.

### **Public Comment**

Andrea McNamara Doyle, Washington Wildlife and Recreation Coalition (WWRC) Executive Director, expressed support of the recommendations presented, including the recommendation to the Legislature to develop a policy for a match waiver. The WWRC is dedicated long-term to seeing the success of this policy and has already begun to educate communities across the state. As a participant on the match waiver work group, she agreed with the policy perspective of focusing on a fiscal policy that is applicant-based. She spoke to *median family income* as a robust measure and expressed support of using this as a variable. She concluded by explaining that the work group was careful to develop policies that were clear and simple for applicants and grant staff to interpret.

Chris Brong, Skamania County Commissioner representing the Washington State Association of Counties (WSAC), thanked the board for their service and inquisitive discussions. He expressed support for the four pathways and encouraged the board to accept them each as diverse options. Many communities do not have the staff capacity or resources to compete effectively or meet the match requirements; these policies acknowledge these needs and attempt to support grant distribution to communities in need and underserved communities. He commended Mr. Cole's work as facilitator and staff to the work group as he guided the group in developing these pathways.

Chair Willhite asked Ms. McNamara Doyle and Mr. Brong if they support the changes proposed as part of Mr. Cole's presentation. Ms. McNamara confirmed that she agrees that all four pathways should be included and she agrees with the majority of the changes, noting that if Mr. Cole found a way to be more consistent with college towns then all changes are acceptable. She responded to board questions about the need to define jurisdictions based on the proposed variables, explaining that expanding the state median income variable would allow for more, larger jurisdictions to be eligible.

Mr. Cole and Ms. Austin responded to board questions about sponsors meeting eligibility barriers, explaining that grant staff work with applicants to determine the most advantageous pathway and/or program.

Mr. Cole demonstrated an example of the recently approved 2017-19 WWRP ranked lists with three of the policy pathways applied. The results of the analysis showed that the majority of those sponsors who could not certify match would have been eligible for a waiver or reduced match under the proposed policy pathways.

Chair Willhite asked about whether sponsors would lack motivation to secure match if a waiver could be secured. Ms. Austin explained that most sponsors on the current list who did not certify were coming in with scopes of work that were larger than they would have been if they were seeking a reduced match. With all competitive measures, evaluation criteria, and grant requirements in place, she cautioned that the

board cannot look back retroactively on projects like this which may have been different had the planning begun at the start of the project proposal. Mr. Cole agreed that the real impact won't show up for a few cycles, but that new applicants would be encouraged by the new criteria.

The board discussed putting the four options out for public comment. Suggestions included adding context that frames the policy development process, adding options to the four pathways, and the need for further discussions on where to put the thresholds for eligibility.

The board expressed general consensus in the readiness of the proposals for public comment.

**Item 9: Youth Athletic Facilities (YAF) Policy:**  
Recommendations and Direction for Public Comment

Adam Cole, Natural Resource Policy Specialist, began with an overview of the Youth Athletic Facilities (YAF) Program's goals, eligible applicants, grant limits, and match requirements. He summarized the following recommended policy changes as detailed in the board materials:

1. Eligible Projects ("Types"): Adding "New" and "Small Communities" projects
2. Funding Allocation and Competition: Fund the "Small Communities" category
3. Grant Limits and Matching to Other RCO Grants: Changes to grant limits and matching rules
4. Matching Share Waivers and Reductions: Recommending New Criteria
5. Evaluation Criteria (minor change)

Chair Willhite expressed concerns about the increasing use of waivers and encouraged caution.

**Public Comment**

Doug Levy, Lobbyist, Maxine Whattam, Vice President, and Eric Friedli, President Elect, of the Washington Recreation and Parks Association, addressed the board. Mr. Levy thanked Director Cottingham and RCO staff for working with the WRPA on developing recommendations. He expressed that the maximum grant request of \$250,000 could be increased to \$500,000 with great success and he could provide data to support the recommendation. For the eligibility threshold, Mr. Levy suggested looking at 50-60k population limits for counties for small grants, as well as populations of as low as 5000 for small grants. He commented on the pilot category for "small communities," requesting the board to wait until there are resources that will support a scaled effort. Ms. Whattam addressed the issue of project development costs and the need to increase the maximum requests. Mr. Friedli echoed his colleagues' comments, thanking RCO staff and the board for the opportunity for public comment and participation.

Director Cottingham asked the board to consider the comment received and provide direction for public comment. Member Deller favored reducing the population threshold to 5000. He supported an increase of the maximum request, but commenting on the potential for over-competition, stated that a smaller increase initially to perhaps \$350,000 would be a better first step. The board also discussed limiting the grant sponsors to apply for one project per park.

Mr. Cole used the preliminary ranked list for the 2017-19 biennium (resolution 2016-50) to demonstrate that the higher dollar projects tend to get funded more often in the YAF program.

The board modified options 2 and 3 for grant limits and matching, to allow a maximum grant request of \$350,000 and up to a 50% match from other RCO grants. For small grants, the board directed staff to put out the option for allowing matching RCO grants only.

For match waivers and reductions, the board directed staff to put out option 1 and 3 for public comment, using all policy options (as detailed under Item 8).

**Break: 2:45 p.m. – 3:00 p.m.**

**Item 10: Compliance Issues**

*Item 10A: Conversion Request: City of Yakima, Chesterley Park (RCO #75-030A)*

Myra Barker, RCO Compliance Specialist, summarized a request from the City of Yakima for approval of the conversion of 5.59 acres at Chesterley Park. Ms. Barker began with a review of the board’s role and responsibility in the conversion process. She detailed the City’s request, in which the City plans to lease a portion of the park to a YMCA for development of an indoor aquatic facility and fitness center. The projects involved in the request received funding from both the Land and Water Conservation Fund (LWCF), state bond funds, and the Washington Wildlife and Recreation Program – Local Parks category (WWRP-LP).

The board requested information about the first appearance of this request at a previous meeting. The City opted for a different parcel due to potential public access limits that would create compliance issues and have brought the revised request to the board. The board discussed the proposed replacement property and intended use.

Scott Schafer, City of Yakima Public Works Director, responded to board questions about the property first proposed as replacement that is located within the overall SOZO Sports Complex, as well as questions about public involvement and feedback, and access since the replacement property is in a less densely populated area. He also responded to a question about the proximity to the Yakima Airport, believing the noise factors to be a non-issue. Ms. Barker confirmed that the environmental assessment, required since it was partially funded with LWCF, includes information about noise impacts and other environmental concerns.

**Public Comment**

Scott Schafer, City of Yakima Public Works Director, Cliff Moore, City of Yakima City Manager, Jeff Cutter, City of Yakima City Attorney, Mark Smith, YMCA Chair Volunteers, and Bob Romero, Yakima YMCA, Executive Director, made themselves available to the board for questions but did not provide individual comment.

**Resolution 2017-26**

**Moved by:** Member Mike Deller

**Seconded by:** Member Joe Stohr

**Decision:** Approved, Member Kathryn Gardow abstained

*Item 10B: Request for Policy Waiver: City of Bellevue, Enatai Beach Park (RCO #93-172D)*

Myra Barker, RCO Compliance Specialist, briefed the board on a request from the City of Bellevue to approve a policy waiver for a temporary closure that will exceed the 180-day limit due to Sound Transit’s seismic retrofit of the I-90 East Channel Bridge and staging for the light rail construction on I-90 that will impact a portion of the park. She explained Sound Transit’s intended staging process and potential impacts.

**Public Comment**

**Elma Borbe**, an environmental planner with Sound Transit, and **Cameron Parker**, a senior planner with Bellevue Parks and Community Services, made themselves available to the board for questions.

Ms. Borbe responded to board questions if other sites had been considered for the staging. Ms. Borbe explained there were limitations within the roadway and it could not provide the necessary area required to accommodate the staging.

Mr. Parker responded to board questions about the public comment process that the City of Bellevue conducted. Mr. Parker explained that the City and Sound Transit had done outreach in the neighborhood of the project and had briefed the Parks and Community Services Board. The public expressed concerns about traffic and noise. He shared that the key aspect was to ensure open public access to the park and to not limit recreational opportunities during the construction phases. Other public comment opportunities were available through Sound Transit East Link State Environmental Protection Act (SEPA) process and city council meetings.

### **Board Discussion**

Mr. Parker explained the proposed staging needs for the project, including the means for public access. He believes that the City is on track for construction and timely completion according to their proposed timelines.

#### **Resolution 2017-27**

**Moved by:** Member Michael Shiosaki

**Seconded by:** Member Brock Milliern

**Decision:** Approved

### **Closing**

Chair Willhite commended Wendy Loosle, Board Liaison, for her work with the board over the past three years, as this is her last meeting before she leaves the agency for a new employment opportunity.

The next meeting is scheduled for September 13-14, 2017. The board will join the Salmon Recovery Funding Board in the afternoon on September 13 for a joint discussion and potential afternoon tour. On September 14, both boards will tour projects in the Nisqually Region that have received funding through each boards' grant programs.

The meeting was adjourned at 3:33 p.m. by Chair Willhite.

Approved by:

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Theodore Willhite, Chair

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Date

## Recreation and Conservation Funding Board Briefing Memo

**Meeting Date:** September 14, 2017  
**Title:** Overview of Available Funding and Short-term Funding Strategy  
**Prepared By:** Mark Jarasitis, Chief Financial Officer and Kaleen Cottingham, Director

### Summary

The attached summary provides an overview of the Recreation and Conservation Funding Board funding currently available. This includes funding from the legislatively-adopted operating budget and the re-appropriations from prior capital budgets. It does not include any new capital funds as the Legislature has not yet adopted a 2017-19 capital budget.

### Board Action Requested

This item will be a:

- Request for Decision
- Request for Direction
- Briefing

## Funding Available

Attachment A provides budget details for Board review. Staff will provide a briefing to the Board at its September 14, 2017 meeting.

Item 2 – Attachment A

Recreation and Conservation Funding Board – Budget Detail 2017-2019 Biennium

**Operating Budget**

FTE	Funding Uses	Amount
12.0	RCFB Related Administrative Funds (including board costs)	5,049,092

**Capital Budget - Reappropriations only**

FTE	Funding Uses	Amount
17.7	RCFB Related Administrative Funds	2,281,030
	Funds Obligated in Projects:	
	Aquatic Lands Enhancement Account - ALEA	3,888,737
	Boating Facilities Program - BFP	11,452,979
	Firearms and Archery Range Recreation - FARR	417,944
	Nonhighway and Off-road Vehicle Activities - NOVA	6,277,343
	RCO Recreation Grants - RRG	22,984,378
	Recreation Trails Program - RTP	2,210,099
	Youth Athletic Facilities - YAF	4,173,141
	Boating Infrastructure Grants - BIG	1,582,508
	Land and Water Conservation Fund - LWCF	2,770,550
	Washington Wildlife and Recreation Program - WWRP	48,920,215
	<b>Total funds obligated</b>	<b>104,677,894</b>

	Funds Not yet obligated in Projects:		
	Aquatic Lands Enhancement Account - ALEA	328,263	
	Boating Facilities Program - BFP	1,420,021	
	Firearms and Archery Range Recreation - FARR	154,056	
	Nonhighway and Off-road Vehicle Activities - NOVA	124,657	
	RCO Recreation Grants - RRG	1,639,297	**
	Recreation Trails Program - RTP	162,037	**
	Youth Athletic Facilities - YAF	99,754	
	Boating Infrastructure Grants - BIG	-	
	Land and Water Conservation Fund - LWCF	-	
	Washington Wildlife and Recreation Program - WWRP	9,501,185	
	<b>Total funds not yet obligated in projects</b>	<b>13,429,270</b>	*

**Federal Authority - in reappropriations, using new 2017 federal funds**

	BIG	124,000	
	LWCF	1,509,000	
	RTP	1,214,944	**
	<b>Total federal funds available for new federal awards</b>	<b>2,847,944</b>	
FTE			
29.7	<b>Grand Total</b>	<b>128,285,230</b>	

\* Funds to be used to fund partially funded or alternate projects on the 2016 lists once the state capital budget is adopted

\*\* Funds to be awarded in the near future

## Recreation and Conservation Funding Board Briefing Memo

**Meeting Date:** September 14, 2017  
**Title:** Overview of Preliminary Strategy to Address Reduced Administrative Costs for the Biennium  
**Prepared By:** Scott Robinson, Deputy Director

### Summary

At the September 14, 2017, Recreation and Conservation Funding Board (Board) meeting, staff will present an overview of the strategies being deployed to keep operations running in light of not having an approved capital budget. Staff will also begin to share some of the questions being considered as the agency moves into the 2018 grant cycle.

### Board Action Requested

This item will be a:

- Request for Decision
- Request for Direction
- Briefing

## Background

When the Legislature left Olympia in July 2017 without passing a 2017-19 state capital budget, it not only left hundreds of the Board's projects on approved ranked lists without funding, but also left the Recreation and Conservation Office (RCO) in a difficult financial situation to be able to fund staff and operate into the biennium. In addition, the longer the delay of a capital budget, the more complicated it becomes to plan for the 2018 Board grant cycle.

## Analysis

In light of the situation RCO set-up an incident command structure, defined the problem, set goals and outlined steps forward.

<b>Problem</b>	Having no capital budget for the 17-19 biennium creates a cash shortfall of dollars needed to run the agency and support partners and programs.
<b>Goals</b>	<ul style="list-style-type: none"> <li>• Continue to fulfill RCO's Mission</li> <li>• Keep staff working</li> <li>• Be ready to roll once a capital budget is passed</li> <li>• Be creative and think outside-the-box</li> </ul>
<b>Step one:</b>	Consider the questions and concerns we need to address by program/section.

<b>Step two:</b>	Gather information, conduct research, outreach and brainstorm.
<b>Step three:</b>	Develop scenarios/strategies (with timelines) based upon questions to fulfill goals.
<b>Step four:</b>	Work through agency Boards for approval when required.
<b>Step five:</b>	Communicate strategies.
<b>Step six:</b>	Implement strategies - monitor <u>closely</u> , hit targets, and adjust when needed.

RCO staff have been meeting, and the questions being considered include:

- Should RCO skip the next grant cycle or certain grant programs if a capital budget is not passed by the end of March 2018?
- Should RCO wait to conduct the next grant cycle until after a capital budget is signed and agreements are written?
- Should RCO run a grant cycle with no project review, only evaluation?
- If RCO begins the 2018 grant cycle and a budget is passed does the agency have the capacity to write agreements and conduct the project review and evaluations at the same time?
- If a capital budget is signed 9 to 12 months later than normal what may be the impact on sponsors and applicants?

## Next Steps

Staff will discuss with the Board some of the possible scenarios that may need to be implemented in order for RCO to be successful in meeting the agency mission. Decisions that need approval will be brought back to the Board in October 2017 or January 2018 for consideration.

## Recreation and Conservation Funding Board Briefing Memo

**Meeting Date:** September 14, 2017

**Title:** Options to Allow 2016 Applicants to Proceed with Certain Aspects of Pending Projects in Light of the Capital Budget Situation

**Prepared by:** Marguerite Austin, Recreation and Conservation Section Manager

### Summary

The Washington State Legislature has not yet adopted a state capital budget for the 2017-19 biennium. This has created challenges for applicants who are waiting to implement projects that may be funded if a budget is approved. Staff is asking the Recreation and Conservation Funding Board (board) to consider expanding the list of eligible pre-agreement costs to allow applicants, at their discretion, to proceed with development and restoration activities for this biennium only.

### Board Action Requested

This item will be a:

- Request for Decision
- Request for Direction
- Briefing

**Resolution #:** 2017-29

**Purpose of Resolution:** Approve eligible pre-agreement costs for construction (development and restoration) projects.

## Background

The Recreation and Conservation Funding Board (board) adopted the final ranked lists of projects for the 2017-19 biennium per its regular approval process in July 2017. Due to a lack of an approved state capital budget, the board also delegated authority to the Recreation and Conservation Office's (RCO) Director to award grants contingent on legislative approval of funds for each of the following state grant programs:

- Aquatic Land Enhancement Account (ALEA)
- Boating Facilities Program (BFP)
- Firearms and Archery Range Recreation (FARR)
- Nonhighway and Off-road Vehicle Activities (NOVA)
- Washington Wildlife and Recreation Program (WWRP)
- Youth Athletic Facilities (YAF)

As of this writing, the Legislature has not yet adopted a state capital budget. This has presented a challenge for applicants who were planning to implement their projects starting July 1 when the new biennium would have started.

### Eligible Pre-agreement Costs

Washington Administrative Code (WAC) 286-13-085, *Retroactive, Pre-agreement, and Increased Costs*, defines which project activities the board has determined a sponsor may undertake in advance of having

a project agreement and which costs are then eligible for reimbursement should a project agreement be awarded. The WAC only permits retroactive costs for acquisition projects and allowable pre-agreement costs for development and restoration projects. The board approves the list of eligible pre-agreement costs. The WAC does not address either retroactive or pre-agreement costs for planning, education and enforcement, and maintenance and operation projects.

The board last updated the list of eligible pre-agreement costs in 1996, see Attachment B.<sup>1</sup> Since then RCO staff has expanded the list to address the Governor's Executive Order 05-05 for archeological and cultural resources, the addition of restoration as an eligible project type, and best management practices for aquatic resources. As outlined below, [Manual 3: Acquisition Projects](#), [Manual 4: Development Projects](#), and [Manual 5: Restoration Projects](#) list the retroactive and pre-agreement costs that are currently allowed:

#### *Acquisition Projects*

The Director may grant a waiver of retroactivity to applicants to purchase real property.<sup>2</sup> The waiver gives the applicant permission to buy the property before the applicant receives a grant or a project agreement from RCO. The waiver does not approve the project, however, if the project is subsequently approved and the applicant receives a grant, the allowable costs incurred would be eligible for reimbursement or use as match.

#### *Development and Restoration Projects*

Only direct architectural and engineering services, environmental site planning, permits, surveys, cultural resources investigation, and general project administration are allowable retroactive pre-agreement costs for development and restoration projects. These are necessary costs to ready a project for construction, but do not include construction or restoration work. To ensure the work is viable and current, only costs incurred up to three years before the start date of the project agreement are permissible.

#### *Non-Construction Projects*

There are no eligible pre-agreement or retroactive costs for the following non-construction project types: education and enforcement, maintenance and operation, and planning. All costs must be incurred within the "period of performance" or term of an executed project agreement.

## **Options for Considerations**

### **Option 1: Do Nothing**

This option simply means, all applicants will need to wait for legislative approval of the 2017-19 capital budget, except for acquisitions that have an approved waiver of retroactivity per existing board policy or applicants who may wish to incur eligible pre-agreement costs as outlined in RCO policy manuals.

### **Option 2: Expand the Eligible Pre-Agreement Costs for Development and Restoration Projects**

This option is provided for in WAC 286-13-085(4), which makes it clear that the board defines eligible pre-agreement costs. If this option is selected, the board would update the list of eligible pre-agreement costs for all development and restoration projects to be consistent with current practices. In addition, the board would expand the eligible pre-agreement costs for 2016 development and restoration projects to include construction activities. This means an applicant could proceed with implementation of their project, using their own resources, without the guarantee of receiving a project agreement. Taking on this risk is a decision each applicant would need to make. If the applicant is awarded a grant, the applicant could then

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<sup>1</sup> Resolution #96-10

<sup>2</sup> Washington Administrative Code 286-13-85(3)

request reimbursement of Eligible Administrative, Development, Restoration, and Mitigation Costs as described in [Manual 4, Development Projects](#) and [Manual 5, Restoration Projects](#). RCO would administer this one-time approval of construction as a pre-agreement cost through a waiver of retroactivity. Applicants would only request a waiver if they want to proceed with construction or restoration activities at their own discretion and risk. The risk to applicants is the possibility of not being reimbursed for costs incurred should the Legislature decide to not adopt a capital budget for the 2017-19 biennium or not include the particular project within the funding amount approved.

### **Non-Construction Projects**

RCO staff considered options for allowing education and enforcement, maintenance and operation, and planning projects to similarly qualify as eligible pre-agreement costs. However, with the board's WAC not addressing retroactive or pre-agreement costs for these non-construction projects, the only way to move forward with non-construction projects would be through a WAC change – either as an emergency rule or as a standard change. Upon discussion with the RCO's attorney, it became clear that the addition of these new project types to the WAC would not qualify as an emergency, leaving the standard WAC change procedure as our only option. To allow on-going education, enforcement, maintenance, operations, and planning work to continue without a break, the rule change would need to be implemented by September 30, 2017, at the latest. With the standard rule-making process requiring several months to conduct, staff has rejected this option, as it ultimately would not be beneficial to those projects.

## **Implementation Strategy**

If the board approves option 2, this would be for approval of an expanded list of eligible pre-agreement costs for 2016 development and restoration projects.

The mechanism for approval would be a special waiver of retroactivity that would expire following approval of a 2017-19 state capital budget. The waiver would not construe or represent approval of funding for the project, it would, however, allow reimbursement of eligible costs if the project is to be funded as part of the 2017-19 budget. To qualify, applicants must have met all pre-agreement requirements and be able to demonstrate a critical need to begin the project right away.

### **Waiver for Development or Restoration Projects**

Applicants must submit a waiver of retroactivity request for development or restoration for the specific pending project. The waiver request must include adequate justification for why the applicant must begin work before RCO issues a project agreement. The applicant must have:

1. Secured and documented for RCO the required control and tenure for the project area,
2. Secured all required permits for the construction or restoration activity,
3. Satisfied all of the requirements for cultural resources,
4. Completed any and all relevant environmental work,
5. Submitted plans and specifications to RCO staff for review, and
6. Met all of the criteria for RCO staff to issue a "notice to proceed" on the proposed construction or restoration activity.

If all conditions are met, RCO's Director could issue a waiver of retroactivity for a specific project and scope of work as depicted in the grant application. The applicant could use its own resources to move forward with the project proposal. No reimbursements would be made until after legislative approval of funding and full execution of an approved project agreement.

## Analysis

Below is an analysis of the two options and a discussion of the advantages and disadvantages of each. The board could choose either option.

Option 1, *Do Nothing*, is a low risk option for the board and agency. However, it means the loss of valuable time for project implementation and may result in increased costs for some project proposals. It may also mean the loss of matching resources for projects that must expend funds within a specified time frame or may result in applicants having to resubmit applications for various construction related permits.

Option 2, *Expand the Eligible Pre-Agreement Costs*, is an option only for 2016 development and restoration projects. This is potentially a riskier option, because applicants may expect this time-limited policy expansion to be available for future biennia. A more detailed list of advantages and disadvantages is outlined below. The board approved a similar policy in 2007 through an emergency [WAC revision](#) when the Legislature overlooked adoption of a LEAP<sup>3</sup> list for the Washington Wildlife and Recreation Program. The board's current WAC, revised in 2015, allows for policy changes to eligible pre-agreement costs.

### Advantages and Disadvantages

If the board selects option 2, interested applicants with pending 2016 projects would submit a request for a waiver of retroactivity for their project proposal. Approval of a waiver has several possible advantages. For example, it would:

1. Allow RCO staff to administer these waivers similar to RCO's land acquisition waivers that require submittal of a request along with required pre-agreement and post approval materials.
2. Allow applicants to bid projects now, thus increasing the possibility of lower project costs if the economy continues to grow.
3. Allow applicants to stay on track with meeting their timelines for submitting phased project proposals in 2018.
4. Allow applicants to take advantage of their current budgeting for the proposed project.
5. Allow for immediate remediation and restoration of fire-damaged habitat.
6. Allow work to be done during appropriate weather conditions (i.e., controlled burns, etc.) or during limited in-water work windows.
7. Ensure the work is done before permits expire.
8. Get some of the projects underway more quickly thus increasing the likelihood of reducing future reappropriation requests.
9. Make facilities available to the public earlier.
10. Preserve the availability of applicant staff, contractors, and various resources.
11. Reduce the time from application submittal to actual "on the ground" development or restoration. The timeframe for most projects is 14-15 months from the application deadline. It is unknown how much additional time will pass before there is budget approval for these projects.

There are some possible disadvantages to this option or issues to consider. For example:

1. RCO grants staff would need to manage projects for which there is no project agreement, legal oversight authority, budget authority, or administrative costs to manage.
2. Applicants would move forward with a project that may not receive funding if a capital budget is not approved, or does not include funding for their project.

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<sup>3</sup> Legislative Evaluation and Accountability Program Capital Documents 2007-1 and 2007-3

3. Applicants and RCO staff could find themselves in a difficult situation, if an inadvertent discovery is made while working within the waiver period (archeological find, hazardous substance issue, etc.).
4. Applicants would be taking a financial risk if the Legislature does not enact a capital budget, does not enact a capital budget that includes their project, or does not allow retroactive costs to be eligible. (Any waiver would clearly need to indicate that all risk rests with the project sponsor.)
5. If an applicant moves forward, and the project is not funded, they would not be able to apply for a future RCO grant for that project.
6. Projects would be underway with construction or other similar activities before the RCO project agreement is signed.
7. Outside of this memo, there has been no public review of this proposal.
8. There is an undetermined workload issue for RCO grants staff, which means staff may spend time working on projects that are not eventually funded.
9. There could be increased exposure of risk to RCO and the grant program through ineligible costs and project activities, contract violations, audit findings, etc. incurred without the framework of a project agreement to guide the project sponsor.

### **Strategic Plan Link**

Consideration of these policy revisions supports the board's goal to help our partners protect, restore, and develop habitat and recreation opportunities that benefit people, wildlife, and ecosystems. It also supports the board's goal to achieve a high level of accountability in managing the resources and responsibilities entrusted to us and to ensure funded projects and programs are managed efficiently.

### **Staff Recommendation**

RCO staff recommends that the board approve Option 2, which expand the eligible pre-agreement costs for development and restoration projects. This approval would allow RCO's Director to grant a waiver of retroactivity for construction projects that meet all of the requirements outlined in this memorandum.

### **Next Steps**

If approved by the board, RCO staff will notify applicants of the options available and then begin issuing waivers for 2016 applicants who meet all of the eligibility requirements.

### **Attachments**

- A. Resolution 2017-29, *Pre-Agreement and Retroactive Costs for Eligible 2016 Construction Projects*
- B. Eligible Pre-Construction Costs per Resolution 1996-10, Manual 4, Development Projects: Policies
- C. Proposed Policy for Pre-Agreement and Retroactive Costs

**Recreation and Conservation Funding Board  
Resolution 2017-29  
Pre-Agreement and Retroactive Costs for Eligible 2016 Construction Projects**

**WHEREAS**, the Recreation and Conservation Funding Board (board) has approved final ranked lists for the Aquatic Lands Enhancement Account, Boating Facilities Program, Firearms and Archery Range Recreation Program, Nonhighway and Off-road Vehicle Activities Program, Washington Wildlife and Recreation Program, and the Youth Athletic Facilities Program for funding projects in the 2017-19 biennium; and

**WHEREAS**, the projects provide for outdoor recreation and habitat conservation throughout the state, thereby supporting the board’s goal to help its partners protect, restore, and develop habitat and recreation opportunities that benefit people, wildlife, and ecosystems; and

**WHEREAS**, the Legislature has not enacted a state capital budget that includes an appropriation of funds for the board’s state grant programs for the 2017-19 biennium; and

**WHEREAS**, some applicants with projects on the board-approved ranked lists would like to proceed with the implementation phase; and

**WHEREAS**, the applicants are unable to start work as soon as might otherwise be possible due to the board’s administrative code that prohibits incurring certain costs before execution of a project agreement; and

**WHEREAS**, these applicants would like the board to broaden the eligible pre-agreement costs to include construction (development and restoration) activities; and

**WHEREAS**, these applicants are willing to assume any and all risks for incurring costs before execution of a Recreation and Conservation Office project agreement; and

**WHEREAS**, the board finds it appropriate to offer relief to those applicants with qualified projects on the final ranked lists for the 2017-19 biennium.

**NOW, THEREFORE BE IT RESOLVED**, that the Recreation and Conservation Funding Board hereby updates the standard list of eligible pre-agreement costs for all development and restoration projects; and

**BE IT FURTHER RESOLVED** that the board hereby expands the eligible pre-agreement costs for 2016 development and restoration projects to include all eligible costs as outlined in Manual 4, *Development Projects* and Manual 5, *Restoration Projects*; and

**BE IT FURTHER RESOLVED** that the board delegates authority to RCO’s Director to approve a waiver of retroactivity for 2016 development and restoration projects that meet the requirements outlined in the implementation strategy with the understanding or condition that the applicant assumes all risks in the event the project is not funded.

*Resolution moved by:* \_\_\_\_\_

*Resolution seconded by:* \_\_\_\_\_

*Adopted/Defeated/Deferred (underline one)*

*Date:* \_\_\_\_\_

## Eligible Pre-Construction Cost Manual 4, Development Projects: Policies Resolution 1996-10,

### **Eligible Pre-Construction Costs**

Although funding limits may apply, the following pre-construction costs are eligible for reimbursement after project approval.

- ▶ Site planning (includes developing environmental impact assessment)
- ▶ Boundary surveys
- ▶ Wetland delineation
- ▶ Obtaining permits
- ▶ Engineering (includes developing cost estimates, contract specifications, and construction drawings)
- ▶ Obtaining construction bids.

### **Eligible Retroactive Costs**

On award of an IAC [RCO] development grant, the pre-construction costs identified above become eligible for reimbursement. Any construction costs incurred before execution of a Project Agreement are not eligible for reimbursement.

## Proposed Policy for Eligible Pre-Agreement or Retroactive Costs

### Standard Pre-agreement Costs for Development and Restoration Projects

Pre-agreement costs are project costs incurred up to three years before the start date of the project agreement. The following activities are considered eligible, pre-agreement costs and can be performed in advance of an executed project agreement without forfeiting project or reimbursement eligibility. Upon execution of a project agreement, these costs become eligible:

- Administrative costs
- Cultural resources
- Permits

Any construction or restoration costs, incurred before execution of a project agreement are not eligible for reimbursement or use as match.

### Eligible Administrative Costs<sup>4</sup>

Administrative costs are necessary to prepare a project for construction, but do not involve direct construction activities. These activities may occur before and during actual project construction. Note: In RCO's online PRISM system, these activities are categorized as "architectural and engineering (A&E)" costs.

Administrative charges are limited to no more than 20 percent of the total construction amount. The director may approve requests for increases up to 35 percent and the board may approve increases above 35 percent. See "Cost Increases" in Section 3 for information on how to request an increase.

Costs may include:

- **Architectural and engineering**
  - Architectural and engineering services and consultants to prepare documents for obtaining bids and awarding and preparing contracts for construction, including:
    - Preparation of site plans, from schematic to final drawings, including master plans.
    - Design. Services that include normal architectural, structural, civil, mechanical, and electrical design work.
    - Consultant services, including studies and data collection surveys.
    - Specialty consultant services used in addition to basic architectural and engineering, such as expertise required to meet a special permitting requirement.

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<sup>4</sup>Recreation and Conservation Funding Board Resolution 1997-16

- **Bidding.** Services consisting of participation in pre-bid conferences, response to questions from bidders, clarification of bidding documents, attendance at bid openings, documentation and distribution of bidding results, and bid award.
- **Construction supervision,** which is the supervision and inspection services associated with a project under construction. Direct costs for the execution and construction of the project through construction contract, force-account, or volunteer services are allowed, including allowable mileage and per diem for related travel. *(Implementation phase)*
- **Environmental site planning,** including environmental impact statement costs.
- **Project administration.** Services consisting of consultation, meetings, correspondence, progress reports, design review conferences, administrative functions, and reimbursements.
- **Project closeout.** Services to close out a project once the contractor gives notice that facilities are ready for its intended use. Service may include an inspection to ensure the work complied with the contract, issuance of a list of remaining work required (punch list), final inspections, and issuance of final certificate for payment. *(Implementation phase)*
- **Record documents** (as-builts). Receive and review the contractors' marked-up field records. Supply the record documents to user agency. *(Implementation phase)*
- **Surveys** needed for architectural design, including boundary surveys, wetland delineation, geo-tech surveys, etc.

### Expanded Pre-agreement Costs for 2017-19 Development and Restoration Projects

For applicants that request and receive approval for a Waiver of Retroactivity for Development and Restoration Projects, in addition to the standard pre-agreement costs referenced above, for 2016 projects only, the list is expanded to include the following Eligible Development, Restoration, and Mitigation Costs, if applicable, based on the project type.

#### Eligible Development Costs

Development costs are for actual construction activities. These activities include costs for labor, materials, and equipment use. They start with site preparation and end with completion of the final punch list. Development costs are eligible for reimbursement only after execution of a project agreement.

- **Construction.** The direct costs associated with developing or renovating a site or facility.
- **Cultural resources.** Direct costs and activities necessary to investigate and evaluate a project's possible effect on archeological and cultural resources pursuant to Governor's Executive Order 05-05 and Section 106 of the National Historic Preservation Act. Includes survey, consultation, and reporting.
- **Demolition and site preparation,** including costs to remove structures and prepare for construction.

- **Fixed equipment**, including such typical costs as fixed, physically attached, and permanent improvements that without the site or building will not function. Fixed equipment normally is capitalized. Equipment may include items such as playgrounds, backstops, basketball standards, soccer and football goals, gangways, moveable access ramps, etc.
- **Materials testing**, if required to ensure that the components included in the project can withstand the stress and will give the structure the needed strength, toughness, flexibility, and suitability the structure likely will experience when used for its intended purpose. General testing is not allowed.
- **Mobilization and demobilization**. The costs associated with transportation of contractors' equipment and operating supplies to and from the site.
- **Permanent and temporary project signs**, including the purchase and installation of project signs.
- **Permits**, as a construction cost, including staff time to obtain permits to meet such requirements as the National Environmental Policy and State Environmental Policy Acts.
- **Project mitigation**, limited to mitigation required as a result of the approved RCO project (see eligible mitigation cost information below).

### Eligible Restoration Costs

Restoration costs are for actual construction activities. These activities include costs for labor, materials, and equipment use. They start with site preparation and end with completion of the restoration elements. Restoration costs are eligible for reimbursement only after execution of a project agreement.

- **Construction** costs directly related to the execution and construction of the project.
- **Cultural resources** direct costs and activities necessary to investigate and evaluate a project's undertaking for possible effect on archeological and cultural resources pursuant to Governor's Executive Order 05-05 and Section 106 of the National Historic Preservation Act. Includes survey, consultation, and reporting.
- **Demolition and site preparation** includes costs to remove structures and prepare for restoration.
- **Equipment**,<sup>5</sup> such as tools or machinery, frequently is required to complete a project. Generally, equipment is eligible for reimbursement only when it is critical and necessary to complete the approved scope of work. In addition, the equipment must cost more than \$250 and less than \$1,000 per item, including all applicable charges such as taxes and shipping. If the equipment exceeds that amount, it is not eligible as part of the restoration project; however, the sponsor may purchase the equipment without grant assistance and charge a use allowance for the equipment used on the project. Equipment is subject to RCO's inventory policies. (See "Treatment of Assets" in the standard terms and conditions of the project agreement).

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<sup>5</sup> Equipment means tangible property (other than land, buildings, and related improvements) with a useful life of more than 1 year that is used on a project.

- **Equipment use allowance.** RCO's *Manual 8, Reimbursements* for details.
- **Mobilization and demobilization** costs associated with transportation of contractor's equipment and operating supplies to and from the site.
- **Permanent and temporary project signs**, including the purchase and installation of project signs.
- **Permits**, as a construction cost, include staff time to obtain permits to meet such requirements as the National Environmental Policy and State Environmental Policy Acts.
- **Project mitigation** costs may be included in the scope of a RCO project if the mitigation is required as a result of the RCO grant-funded project (see "Eligible Mitigation Cost" information below).
- **Surveys** onsite staging or construction surveys

### Eligible Mitigation Costs

Mitigation costs may be eligible if the mitigation is required as a result of the grant-funded project's development impacts. Whenever possible, project sponsors are urged to mitigate in a manner that results in, or enhances, public outdoor recreation opportunities.

The maximum amount eligible for mitigation is 25 percent of the cost of the project for which mitigation is required.

Such mitigation may:

- Occur on a site separate from the assisted project.
- Involve habitat enhancement with no public recreation or access component.
- Involve the creation, enhancement, renovation, or replacement of wetlands, either on or off site.
- Involve transportation or right-of-way improvements.
- Involve landscape buffers.
- Involve the creation or inclusion of a work of art, if required by adopted policy, local ordinance, or law. The amount is limited to no more than 1 percent of the total construction cost.

Mitigation also may include acquisition of property for mitigation.<sup>6</sup> When mitigation is required for development of an RCO funded project, a portion of the RCO grant may be used to buy and develop the mitigation land. The maximum amount of the grant allowed for the mitigation (including purchase of the land and construction costs) is 25 percent of the total construction costs of the RCO funded project and associated administrative and engineering costs in the project agreement.

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<sup>6</sup>*Manual 3, Acquisition Projects*

RCO encourages the purchase and development of mitigation land that serves multiple functions such as providing habitat and recreation. Any mitigation property acquired must be included in the project agreement and included within the legal description of the recorded Deed of Right or Assignment of Rights, whichever is appropriate.

Acquisitions specifically for mitigation purposes related to impacts from other projects are not eligible for funding.

### **Special Waiver of Retroactivity for 2017-19 Construction Projects**

If an applicant wants to proceed with the implementation phase of a construction project, the applicant must submit a waiver of retroactivity request and meet all of the relevant conditions outlined in the following implementation strategy.

#### **Implementation Strategy**

##### **Waiver for Development or Restoration Projects**

Applicants must submit a Waiver of Retroactivity request for development or restoration for a specific pending project. The waiver request must include adequate justification for why the applicant must begin work before RCO issues a project agreement. The Director may approve the waiver if the applicant has met the following conditions. The applicant must have:

1. Secured and documented for RCO the required control and tenure for the project area
2. Secured all required permits for the construction or restoration activity
3. Satisfied all of the requirements for cultural resources
4. Completed any and all relevant environmental work
5. Submitted plans and specifications to RCO staff for review, and
6. Met all of the criteria for RCO staff to issue a "notice to proceed" on the proposed construction or restoration activity.

The waiver of retroactivity is specifically for the scope of work depicted in the final grant application of a 2016 project on a board-approved ranked list. The applicant may use its own resources to move forward with the project proposal. No reimbursements will be made until after Legislative approval of funding and full execution of an approved project agreement.

The special waiver of retroactivity for construction projects will expire following approval of a 2017-19 state capital budget. If the applicant begins construction or implementation of the project, it is eligible for a 2017-19 grant, but that project is no longer eligible for future grants from the Recreation and Conservation Office.

## Recreation and Conservation Funding Board Briefing Memo

### APPROVED BY RCO DIRECTOR KALEEN COTTINGHAM

**Meeting Date:** September 14, 2017

**Title:** Results from the Policy Priorities Survey

**Prepared By:** Wendy Brown, Recreation and Conservation Office Policy Director

#### Summary

The following memo summarizes the results of a survey sent to the Recreation and Conservation Funding Board and Recreation and Conservation Office staff regarding policy priorities for the upcoming 2017-2019 biennium.

#### Board Action Requested:

This item will be a:

- Request for Decision
- Request for Direction
- Briefing

### Background

At the July 12, 2017, retreat, the Recreation and Conservation Funding Board (board) discussed their policy priorities and (if any) special projects to include on the list of potential work for the upcoming 2017-2019 biennium

Recreation and Conservation Office (RCO) staff then prepared a list of potential policy issues, shared via an online survey with the board and RCO staff. Each group ranked the policy topics in order of importance, from one to eighteen. The top 10 priorities of the two groups are presented below.

### Survey Results

The topics provided in the survey for ranking included the following:

- Revise the compliance policy to allow RCO to be more responsive on minor compliance issues
- Continue developing project area mapping requirements in WAC
- Identify and implement changes to the NOVA program
- Update the allowable use policy for State Park trails
- Update the WWRP Riparian Habitat Category
- Update the WWRP Urban Wildlife Habitat Category
- Update the YAF program
- Update the sustainability and environmental stewardship criteria

- Evaluate if grant programs are effectively addressing the needs of underserved communities and communities in need
- Revise the state need evaluation question to incorporate updated demographic and other information
- Review the matching grant policy
- Determine how to address climate resiliency as part of the grant application process
- Identify the board’s role on the public land acquisition issue
- Identify the board’s role in the stewardship of public lands
- Implement actions from the State Trails Plan
- Implement actions from the State Athletic Facilities Plan
- Implement actions from the Boating Program Plan
- Update the Land and Water Conservation Fund evaluation criteria

Using weighted totals, the top 10 ranked policy topics by group are as follows:

<b>Board</b>	<b>Staff</b>	<b>All</b>
Evaluate if grant programs are effectively addressing needs of underserved communities	Revise compliance policy to allow RCO to be more responsive on minor conversion issues	Revise compliance policy to allow RCO to be more responsive on minor conversion issues
Revise compliance policy to allow RCO to be more responsive on minor conversion issues	Update the NOVA grant program to streamline, improve transparency, etc.	Update the NOVA grant program to streamline, improve transparency, etc.
Revise the state need evaluation question to incorporate update demographic measures	Continue to develop project area mapping requirements in WAC	Continue to develop project area mapping requirements in WAC
Identify the board’s role on public land acquisition	Update the sustainability and environmental stewardship criteria	Evaluate if grant programs are effectively addressing needs of underserved communities
Update the allowable use policy for State Parks trails	Update the Land and Water Conservation Fund evaluation criteria	Update the sustainability and environmental stewardship criteria
Continue to develop project area mapping requirements in WAC	Update the Riparian Habitat Category of WWRP	Update the allowable use policy for State Parks trails
Update the NOVA grant program to streamline, improve transparency, etc.	Update the allowable use policy for State Parks trails	Review the matching grant policy to identify if the current policies and practices create a barrier to the distribution of funds

Determine how to address climate resiliency as part of the grant application process	Update the Urban Wildlife Habitat Category of WWRP	Update the Urban Wildlife Habitat Category of WWRP
Update the sustainability and environmental stewardship criteria	Review the matching grant policy to identify if the current policies and practices create a barrier to the distribution of funds	Implement actions from the State Trails Plan
Review the matching grant policy to identify if the current policies and practices create a barrier to the distribution of funds	Implement actions from the State Trails Plan	Update the Riparian Habitat Category of WWRP

The color coding in the table identifies where there is overlap in priorities among board members and staff. Six of the ten top policy issues are identified as important by both groups: revising the compliance policy, updating the allowable use policy on state parks' trails, continuing work on the project area mapping requirements, updating the NOVA grant program, updating the sustainability and environmental stewardship criteria, and reviewing the match grant policy. The other top policy priorities identified by the board include evaluating if grant programs are effectively addressing the needs of underserved communities, revising the state need evaluation question, identifying the board's role on public land acquisition, and determining how to address climate resiliency in a meaningful way.

## Next Steps

Staff will present the results of the survey to the board at the September 14, 2017, meeting and then incorporate the priorities into the RCO 2017-19 policy work plan.