Submitted to the Washington State Legislature

Toward a Coordination Strategy for Habitat and Recreation Land Acquisitions in Washington State

Final Report

By The Interagency Committee for Outdoor Recreation

June 30, 2005

Interagency Committee for Outdoor Recreation

Interagency Committee for Outdoor Recreation

Our Mission

Provide leadership and funding to help our partners protect and enhance Washington's natural and recreational resources for the health and well-being of current and future generations.

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Introduction

Substitute Senate Bill 6242

On March 11, 2004, just minutes before midnight, the Washington House of Representatives passed Substitute Senate Bill 6242 (SSB 6242) - "An Act relating to establishing a statewide strategy for land acquisitions and disposal" - as its last act of the session. Just as it had in the Senate a month earlier, the bill passed unanimously.

SSB 6242 contained several directives for the Interagency Committee for Outdoor Recreation (IAC) to address in a report due back to the Legislature by June 30, 2005:

1. Complete an inventory of state agency habitat and recreation land transactions dating back to 1980.
2. Develop recommendations for a statewide strategy for coordination of state agency acquisitions.
3. Specify how to provide a central, interagency point of coordination to ensure that state agency acquisitions are consistent with the statewide priorities, policies and goals of a statewide coordination strategy.
4. Examine alternatives for compensating local governments for lost tax revenues due to state acquisitions of habitat and recreation land.
5. Consider options for a no net gain policy in counties with large portions of existing public habitat and recreation land.

Two recurring themes are present in SSB 6242, coordination and taxes. The coordination theme is focused on the activities of state agencies, and can be characterized by questions like: Are state agencies acquiring habitat and recreation lands for a strategic reason, and not just as opportunities arise? Are agencies talking to each other? Agency land transactions sometimes occur without much public awareness, so is there some way to make these transactions more "transparent"? Are agencies duplicating one another's roles, or do the habitat and recreation land programs within the different agencies have distinct purposes that complement one another?

The tax theme concerns the possible impacts that state acquisitions of habitat and recreation lands have on local governments. The requirements to provide alternatives for compensating local governments, and to develop options for a no net gain policy, fall into this category.

Achieving Coordination through Improved Communication and Transparency

Efforts to describe the actual land acquisition processes of the three key agencies – the Department of Natural Resources (DNR), the Parks and Recreation Commission (Parks) and the Department of Fish and Wildlife WDFW - proved more challenging than initially expected. Reliance on published information often falls short of understanding actual practices. There are essentially two reasons for this. First, policies, criteria, standard practices and the like are often dispersed throughout different agency manuals, plans, etc. Second, in some cases, the agency's standard practices, such as routine public notice or outreach, are not necessarily contained in a policy, but occur nonetheless.

If it were easier to access information about state agency habitat and recreation land acquisition programs, would there be as much concern about this issue? Is it possible that the "problem" with state agency acquisition programs is not really one of coordination, but of poor transparency?

One measure this report takes to advance these questions a little further is to provide information on what the agencies do now, or what they are planning to implement in the near future. Case studies by Parks and DNR, and a description of the draft Lands 20/20 approach recently developed by WDFW, are included to provide some context.[1] In asking the agencies to provide this information, the goal was to give them the opportunity to explain their programs and their approaches to subjects like planning and public outreach.

There was general agreement that recommendations that would contribute to making the activities of agencies more transparent to citizens and elected officials would be a good thing. There was also general agreement that increasing communication between the agencies would increase the likelihood of better coordination. To accomplish this, final recommendations are included to improve communication and transparency between the agencies themselves, as well as between the agencies and their constituents.

[1] Available in Appendices "B," "C," and "D."

Agency Profiles

There are some who see the ownership of lands by several different state natural resource agencies as confusing and inefficient. A look at the different missions of the agencies and their legislative mandate helps explain why we have several different agencies acquiring conservation and recreation properties around the state.

First, however, it is worth addressing the question of why agencies acquire land at all, given that there is extensive public land already. Upon closer examination, it becomes evident public lands as a whole do not address many of the current needs for conservation or recreation. For example, much of the public land is federal forestland above 3,000 feet. While these lands provide recreation and habitat for species that occur in forests above 3,000 feet, they do not address the needs of fish and wildlife that occur elsewhere in Washington, nor do they address the need for different types of recreation. Most importantly, lands managed by Parks, DNR or WDFW are dedicated to be managed for those purposes in perpetuity to ensure sustainable fish, wildlife, plants and diverse recreational opportunities for generations to come. Additions to these existing holdings are based on needs expressed by the public and state and federal legal requirements to protect threatened and endangered fish, wildlife and plants.

- **Agency/Program Backgrounds and Mandates**

Our current portfolio of state habitat and recreation lands represents a mosaic ranging from those that are the most pristine, to lands that are used for intense recreation. The agencies that manage the lands are themselves part of a state agency mosaic, with each having a management mandate that - while sometimes sharing some of the goals and objectives of the other agencies - gives it a unique mission.

Parks

The creation of the Washington State Board of Park Commissioners in 1913 marked the first small step toward our present state parks system. Prior to receiving the John R. Jackson House and Chuckanut (now Larrabee) State Parks in 1915, Washington had no state-owned parks. Both parks were donations. Today, Parks owns and manages 120 state parks, providing a range of amenities from boating and recreation, to cultural, historical and natural sites.

The central element of State Parks' mission that sets it apart from other agencies is the focus on ***the management of people***[2] in their interactions with the full range of natural, historic, and developed landscapes. Lands owned and managed as state parks are generally on the recreational end of the spectrum, with improved campgrounds, cultural and historic sites and structures as their most visible niche. Acting through the Parks and Recreation Commission, State Parks receives its authority to acquire land at RCW 79A.05.030.[3]

[2] See 79A.05.305.

WDFW

In 1939 the then Department of Game, now known as the Department of Fish and Wildlife (WDFW), began acquiring the 14,000 acre Sinlahekin Wildlife Area. As an important winter range for mule deer and habitat for a number of other species, the Sinlahekin purchase is a reflection of WDFW's two primary mandates to provide ***hunting and fishing opportunities***[4] and to ***protect fish and wildlife.***[5] In addition to the regulatory function that WDFW has in protecting fish and wildlife, under the authority of the Fish & Wildlife Commission, WDFW is authorized to acquire critical habitat in RCW 77.12.037.[6] WDFW is charged with sustaining all wildlife species other than plants, including invertebrates, fish and marine invertebrates, amphibians and reptiles, birds and mammals.

The challenge of WDFW's dual mandate becomes clearer on considering the sheer number of plans that are required to not only foster fishing and hunting, but to protect over 800 species as well. The agency's Habitat Conservation and Recreation Plan 2004 - 2010 lists 45 Species Recovery Plans, 24 Management Recommendations for Priority Habitats and Species, and 21 Wildlife Area Plans (11 in draft).[7] In addition, WDFW publishes Game and Commercial Species Management Plans, multi-species plans, and mitigation plans. Last, it must be noted that many of the habitats and species under the agency's purview are not yet covered by plans for lack of time and resource to assess those species, so there will no doubt be many more to come. The same is true in the area of recreation, where WDFW is drafting a Recreational Access Plan.[8] WDFW owns about 500,000 acres and manages an additional 300,000. The department also either owns or manages about 600 water access sites, generally ranging from one to five acres in size.

DNR Natural Area Preserves

This program was established in 1972, and Sand and Goose islands followed in1973. These islands, which are actually migrating sand spits in Grays Harbor, provide an important ecosystem function along our coastal shoreline, including serving as stopovers for migratory birds. These first entrants into the Natural Area Preserves (NAP) Program were not purchases. Rather, they were state-owned aquatic lands that were withdrawn from leasing by Order of the Commissioner of Public Lands and placed under the management of the NAP Program. Since 1973, however, the NAP Program has acquired about 31,000 acres, much of it through purchases from private landowners. DNR manages 49 Natural Areas across the state. The primary mission of the NAP Program is to acquire and protect lands of statewide ecological significance, with the

[3] "By majority vote of its authorized membership select and purchase or obtain options upon, lease, or otherwise acquire for and in the name of the state such tracts of land, including shore and tide lands, for park and parkway purposes as it deems proper."

[4] "The Commission, director, and the department shall preserve, protect, perpetuate and manage the wildlife, food fish, game fish, and shellfish in state waters and offshore waters." [RCW 77.04.012]

[5] "The Commission shall attempt to maximize the public recreational game fishing and hunting opportunities of all citizens, including juvenile, disabled and senior citizens." [RCW 77.04.012]

[6] "The commission may acquire by gift, easement, purchase, lease or condemnation lands, buildings, water rights, rights of way, or other necessary property, and construct and maintain necessary facilities for purposes consistent with this Title."

[7] Habitat Conservation and Recreation Plan 2004 – 2010, Appendix 7. pp. 1-3.

[8] Ibid, p.8.

goal of preserving and protecting the lands.[9] In comparison to Parks and WDFW, a key distinguishing element of the NAP Program mission is the focus on animals and plant species and/or ecosystem functions. This aspect of the NAP Program is not explicit in the other agencies' missions. While all the agencies have the goal of preserving the lands they manage for the benefit of future generations, the emphasis on preservation and protection that is inherent in the NAP Program is a much more central part of its mission.[10]

NAPs are to be managed as "living museums."[11] Representing some of the rarest, vanishing, or threatened plant and animal species and/or ecosystems, the primary human interface with NAPs is in the form of research and education. Public recreation, such as fishing or hiking, is the rare exception.

DNR Natural Resources Conservation Areas

Created in 1987, the Natural Resources Conservation Areas (NRCA) designation represents the most recent addition to the state's habitat and recreation lands portfolio. The first sites designated as NRCAs by the Legislature were Cypress Island in Skagit County, Dishman Hills in Spokane County, Mount Si in King County, and Woodard Bay in Thurston County. Today there are 28 NRCAs across the state, totaling about 86,550 acres of conservation areas in Washington. The mission of the NRCA program is similar to the NAP Program, but the NRCA statute distinguishes the NRCA program by emphasizing its role in ***conservation***.[12] Perhaps the best way to define conservation in the present context is to point out the differences between the mandates of the NAP and NRCA programs. An important distinction between the programs is that NRCAs are more accessible to the public than NAPs. Limited forms of recreation are permissible, so long as they do not interfere with the program's primary emphasis of conserving the lands in its care.

NRCAs also are broader in mandate than NAPs, and may include areas on the basis of outstanding natural beauty, statewide geologic or archaeological significance, or environmentally significant sites that are threatened due to the potential to convert them to other uses. Because of its broader scope, the NRCA program is able to protect lands of statewide significance that might not qualify for inclusion in the NAP Program.

Agency Resources and Expertise

- **Staff**

Just as each of the agencies has a different mission to acquire and manage lands, they also have professional staff who bring a particular expertise to that agency, one that will not generally be emphasized in the other agencies. While there are certainly fish or wildlife biologists who work in different state agencies, the WDFW is the locus of the great majority of these professions. It is their professional backgrounds, as well as their first hand knowledge acquired through field work, that is brought to bear in WDFW's management of the lands it owns. In like manner, the DNR's Natural Areas Program has a staff of scientists and natural area managers whose educational and professional backgrounds are more likely to include the study of plants and ecological processes. Parks' staff are more likely to possess expertise in cultural and historic resources, or in providing recreational accommodations and other services.

[9] "It is, therefore, the public policy of the state of Washington to secure for the people of present and future generations the benefit of and enduring resource of natural areas by establishing a system of natural areas preserves, and to provide for the protection of these natural areas." RCW 79.70.010.

[10] This is best expressed in the text of the Natural Areas Preserve Act itself, at RCW. 79.70.010: "All areas within the state, except those which are expressly dedicated by law for preservation and protection in their natural condition, are subject to alteration by human activity. Natural lands, together with the plants and animals living thereon in natural ecological systems, are valuable for the purposes of scientific research, teaching, as habitats of rare and vanishing species, as places of natural historic and natural interest and scenic beauty, and as living museums of the original heritage of the state."

[11] RCW 79.70.010.

[12] "The legislature finds that: (1) There is an increasing and continuing need by the people of Washington for certain areas of the state to be conserved, in rural as well as urban settings, for the benefit of present and future generations;…" [RCW79.71.010]

- **Resources**

In the case of WDFW and DNR in particular, there are two important resources that complement their land management activities. These resources are DNR's *Natural Heritage Program* and WDFW's *Priority Habitats and Species Program.*

The Natural Heritage Program was created by the Legislature in 1981 as an amendment to the Natural Areas Preserve Act to provide an objective, science-based approach to the process of identifying sites for the Natural Areas Program.

Housed within the Natural Heritage Program is the *Natural Heritage Inventory System.* The inventory contains more than 7,600 locations of priority species and ecosystems across Washington.[13] While the inventory is used to help identify candidates for the Natural Areas Program, it is a resource of statewide significance that is used by other agencies, nonprofits, and local governments. Because the database documents geographic areas (known as "element occurrences") that are known to contain rare or threatened plants or ecosystems, it is useful as a tool for conservation planning, and is an integral part of the Natural Areas Program's site selection process.

WDFW maintains the *Priority Habitats and Species* database. Established in 1989, it has a similar application to the Natural Heritage Inventory System, but the focus is on critical habitats that support fish and wildlife, as well as threatened and endangered species. As a planning tool, the Priority Habitats and Species database can supply useful information to land use planners and regulatory agencies. As a tool for planning acquisition priorities it can be useful, but because it is based on "point observations," i.e. individual observations of species or habitats by observers in the field, it is less powerful as a tool for defining larger geographic areas that may be the best candidates for acquisition.

[13] 2003 Natural Heritage Plan, p.34

The Inventory

Inventory Background

With the "1999 Public and Tribal Lands Inventory" as a starting point, SSB 6242 tasked the IAC to prepare a report that includes an inventory of habitat and recreation land acquisitions and disposals (hereafter "transactions") dating back to 1980.[14]

The specific elements that are required in the inventory are habitat and recreational land transactions since 1980 by state agencies, to include:

- Fee simple
- Less than fee simple if the interest is greater than 50 years
- Acquisitions by local governments that were funded by state agencies
- Trades between public and private entities
- Gifts
- Principal use of acquired parcel
- Funding source
- Form of appropriation
- Information from local governments on land trusts
- Location (county)
- Unanticipated receipts

Compiling the information for the inventory proved challenging. Some of the information required to be in the inventory was not tracked by any of the state agencies in their land transaction databases. For example, agencies do not necessarily track fund source details for a given transaction, even though they might have extensive detail on the acreage or boundaries involved in the same transaction. Transactions that involved unanticipated receipts[15] are another example of the kind of information that agencies would not normally document in a database.

Some of the information needed for the inventory, such as funding source, or the primary use of the parcel, was available from one or sometimes two of the agencies, but not from all three. In some of these cases, agency staff had to go back through old files to provide information, which proved to be time consuming. For those data elements that were not documented, this inventory had to rely on the institutional memory of staff who could recall the details of particular transactions. An example of this was the efforts of Parks staff to complete all the information in the funding source column of the database by consulting with staff who have been in the agency long enough to remember the transactions.

Despite the need for educated guesswork in compiling some of the data, the information the inventory generated is consistent with what we know

[14] See Appendix "F" for a more detailed explanation of what data were collected for the inventory.

[15] For those not familiar with "unanticipated receipts," the term refers to agency requests for spending authority at a time when the legislature is not in session. Unanticipated receipts do not go through a full legislative review process. Though there is usually contact with one or more key legislators, the Office of Financial Management is the primary approval authority for unanticipated receipts.

from other sources. For example, the percentage of acquisitions funded by the Washington Wildlife and Recreation Program (WWRP), as reported by the agencies, is consistent with the information kept by the IAC's database. Information on the amount of acres acquired by the agencies is consistent with the information from the 1999 Public and Tribal Lands Inventory.

This project developed a shared-relational database specifically for the inventory. The database contains about 2,700 transactions, and can generate a variety of reports, ranging from reports on the activities of individual agencies, to the history of state agency (or state agency funded) habitat and recreation land acquisitions by county.[16]

Just as the process of researching each agency's acquisition policies and procedures revealed areas where improved communication and transparency could promote better coordination among the agencies, so did the process of developing the acquisition inventory.

Following are two areas where improvements would further coordination through improved communication and transparency. These are developed more fully in the final recommendations section of this report:

1. *Agencies should standardize the data elements they track for habitat and recreation land transactions.*
2. *Agencies should regularly share habitat and recreation land transaction data, and the data should be maintained in a manner that allows for consolidated analysis and reporting.*

Implementing these recommendations also will further SSB 6242's goal of providing a central, interagency point of coordination.

Highlights of the Inventory

The following table and pie charts provide a profile of all the habitat and recreation land acquisitions contained in the SSB 6242 database.[17] These numbers represent net amounts, representing all acquisitions, disposals, gifts, and exchanges.

SSB 6242 Database - All Acquisitions Since 1980 (net)

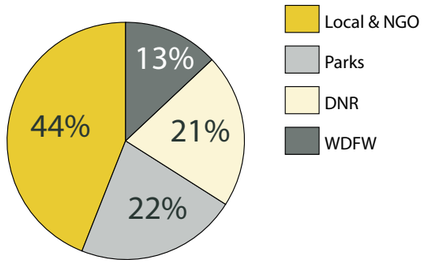
	Cost of Acquisitions	Acres Acquired
WDFW	$101,880,226	141,982
DNR	$159,527,943	86,945
Parks	$172,442,589	29,072
Subtotal for Agencies	**$433,850,758**	**257,999**[18]
Local Govt. & NGOs	$333,711,468	46,603
TOTAL	**$767,562,226**	**304,602**

[16] See Appendix "E" for this report

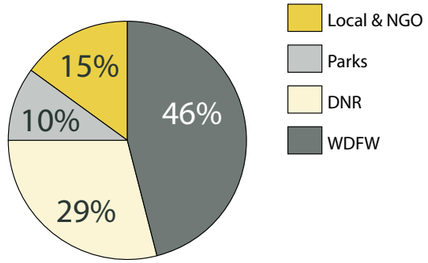
[17] This table represents all transactions for state agencies back to 1980, but the information for local governments and nongovernmental organizations represents only those acquisitions that used IAC grant funds.

[18] It is important to note that the acres reported here represent a combination of private acres acquired by the agencies, plus public lands that were transferred into habitat and recreation management status from other uses. Since its inception in 1990, DNR's Trust Land Transfer Program has been the source of at least one-third of the lands acquired by state agencies for habitat and recreation purposes. Refer to pages 10-11 of this report for more discussion of this issue. Please refer to Appendix "L" for an explanation of the Trust Land Transfer program.

Acquisition Costs Since 1980



Acres Acquired Since 1980



A comparison of the relative percent of costs to acquire land to the amount of land acquired shows that while local governments and non-government organizations (NGOs) represent 44 percent of the costs of land acquisition, they represent only 15 percent of the acreage acquired. This is not surprising, given that land acquired in urban areas will nearly always have a higher value.

Perhaps the more interesting statistic is that WDFW acquisitions represent 46 percent of the total acreage since 1980, but only 13 percent of the cost. This amounts to a net cost of $718 per acre for the lands WDFW has acquired since 1980. Though only useful for the purposes of assessing general tax impacts - and not specific acquisitions - the low cost of lands acquired by WDFW seems to indicate the agency is acquiring properties that are not prime real estate from the point of view of tax revenues or development values.

The following table shows how DNR, Parks and WDFW's habitat and recreation land transactions break down over specific time periods:

Acquisition Trends of DNR, Parks and WDFW in Acres

	1980-1990	1990-1995	1995-2000	2000-2005
WDFW	**16,459**	**54,799**	34,968	35,757
DNR	9,617	**43,387**	**3,047**	30,374
Parks	2,980	**19,438**	9,555	**-2,900**

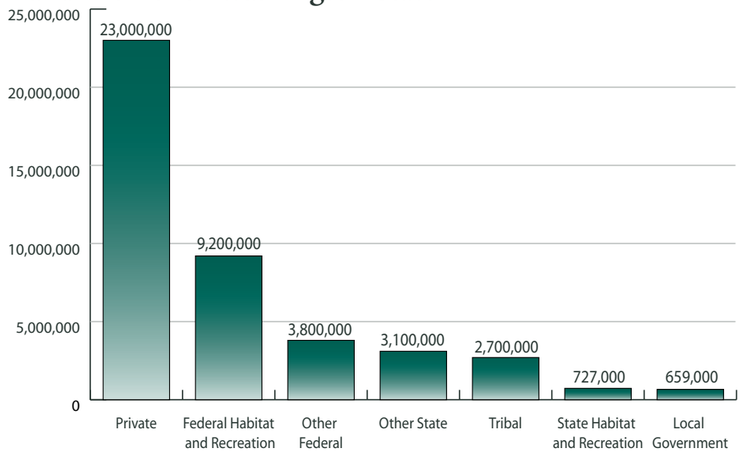
The above table shows that the period between 1990 and 1995 was by far the period when the agencies acquired the most habitat and recreation lands. This is not surprising in that it coincides with the establishment of the WWRP, which has been the primary source of grant funding for habitat and recreation land acquisitions since 1990. An interesting statistic here is the net loss of land by Parks since 2000.[19]

Comparison of Inventory to Other Trends and Statistics

Though statistics from the inventory (and other sources, such as *The 1999 Public and Tribal Lands Inventory*) are interesting, they are not very useful without context provided through comparison with other trends and statistics.

Knowing not only how much state-owned habitat and recreation land currently exists, but determining how much growth in habitat and recreation lands has occurred compared to other trends (such as population growth), provides guidance in developing some of the recommendations that are made later in this report.

Land Profile for Washington State[20]



The above table is a summary of the public and private lands in Washington State (uplands). The total land area of Washington State is 43,271,000 acres. As a percent of land area, private ownership is roughly 53 percent. Tribal lands represent 6 percent. All public lands combined (federal, state, and local) represent roughly 40 percent, totaling approximately 17.5 million acres.

Of the 17.5 million acres in public ownership, 13 million, or 74 percent, are owned by the federal government. State-owned lands represent roughly 3,800,000 acres, or approximately 22 percent of all lands in public ownership, or approximately 9 percent of all lands public and private.

[19] The reduction in the Parks land base does not mean that the land was placed into a use other than recreation. The inventory shows that most of the Parks disposals in the last 5 years were transfers to the Army Corps of Engineers. These lands are still being managed as parks.

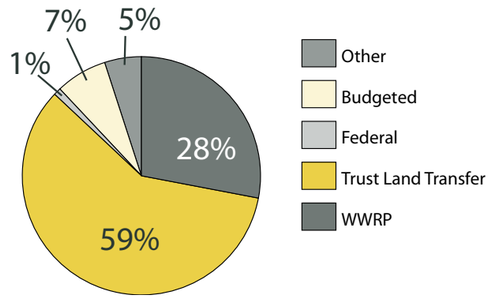
[20] With the exception of the numbers for "State Habitat and Recreation" and "Local Government," which were derived from the SSB 6242 Inventory, the other numbers were obtained from the "1999 Public and Tribal Lands Inventory." These numbers represent uplands only. The state also owns approximately 2.4 million acres of aquatic lands. The rows for "Other Federal" and "Other State" represent lands whose primary purpose is not habitat or recreation, including State-Owned Trust Lands, infrastructure, etc.

Separating out state-owned lands that are not managed primarily for habitat or recreation,[21] the combined amount of habitat and recreation lands of DNR, Parks and WDFW in 2005 is 726,750[22] acres, representing roughly 1.7 percent of the land area of Washington State.

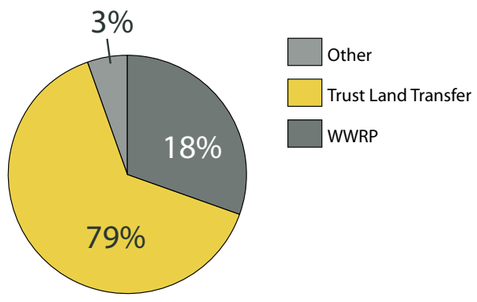
Expansion of Habitat and Recreation Lands

Combined, DNR, Parks and WDFW have added 258,000 habitat and recreation acres since 1980. However, the inventory indicates that – at least since 1990 – a high percentage of those lands were obtained through DNR's Trust Land Transfer Program[23]. In other words, as the following charts illustrate, while state-owned lands that are managed for habitat and recreation have expanded, the percentage of those lands that were already in public ownership is high.

Parks Habitat and Recreation Land Funding Sources 1990-2005



DNR Habitat and Recreation Land Funding Sources 1990-2005



The above pie charts show that since its inception in 1989, the Trust Land Transfer Program has funded about 60 and 80 percent of Park and DNR habitat and recreation land acquisitions, respectively. For Parks this means a minimum of about 15,600 of the 26,000 acres it has obtained since 1990 have actually been transfers of public lands. For DNR, this means a *minimum* of about 61,400 of the 76,800 acres it has obtained

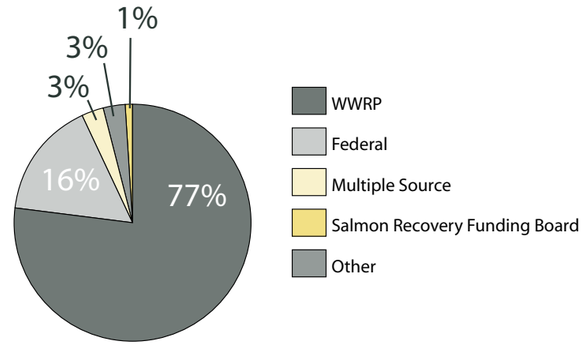
[21] The vast majority of these lands are Trust Lands managed by DNR. The primary purpose of the Trust Lands is to generate revenue for the trust beneficiaries through resource production & extraction and leasing. Trust Lands are managed for multiple uses, and they are a major source of habitat and recreation throughout the state. However, because they are not managed primarily for these purposes, they are not considered habitat and recreation lands for reporting purposes in this report.

[22] This number was obtained from the agencies, then cross-referenced and verified by comparing the SSB 6242 Inventory numbers for acquisitions since 2000 with the data for state habitat and recreation lands from the 1999 Public and Tribal Lands Inventory.

[23] See Appendix "L" for a description of the Trust Land Transfer Program.

since 1980 have been through the transfer of public land.[24] Of the three agencies, WDFW has historically not used the Trust Land Transfer Program as a source for acquisitions.

WDFW Habitat and Recreation Land Funding Sources 1990-2005



Though the above funding percentages do not give direct confirmation that WDFW has primarily acquired private lands since 1990, the high percentage of WWRP and federal funding, and the absence of Trust Land Transfer funding, indicate this is likely. Further investigation and refinement of the 6242 Inventory Database would be required to obtain a firm number of acres of private versus public land acquired by WDFW.

Combining WDFW's acquisition statistics with DNR and Parks, a very conservative estimate is that at least one-third of all habitat and recreation lands acquired by the three agencies since 1990 have been public lands that have been transferred to them for habitat and recreation purposes.

Using the conservative estimate that one third of the lands obtained for habitat and recreation since 1990 have actually been transfers of public land yields an estimate that since 1990 the state has acquired approximately 153,000 acres of private land. Assuming all the lands acquired between 1980 and 1990 were in private ownership (29,000 acres) [25] would result in an estimate of 182,000 acres of private lands acquired by the state for habitat and recreation management purposes between 1980 and 2005. This represents approximately the same area as Wahkiakum County, but less than one-half of one percent of the land area of Washington State as a whole.

[24] Minimum is emphasized here because this statistic focuses only on DNR trust lands that have been transferred to other agencies or programs.

[25] This is not likely. However, the intention here is to present the highest range estimate of state expansion of habitat and recreation lands through the purchase of private land.

Future Projections of Habitat and Recreation Land Acquisitions

Between 1990 and 2003, Washington State's population has increased from 4,866,692 to 6,131,445, or approximately 26 percent.[26]

The estimate for Washington State's population in the year 2025 currently stands at 7,808,000, which would represent approximately a 27 percent increase from the state's 2003 population.

In 2003, IAC published estimates of future trends. Of 22 major activity areas from walking-hiking to boating and RV camping, 20 were projected to grow from a low of 5% to a high of 42% over ten years.[27]

Without additional land or facilities, these outdoor pursuits could be reasonably expected to experience increasingly crowded sites and increasingly under-maintained facilities as more people and more activities are "squeezed" into the same number of acres.

Public recreation demand statewide is so great that IAC has found that recreation managers must frequently ration access. This is done with tools including reservation systems, catch limits, party-size restrictions, permits, licenses, fees, and facility scheduling.[28]

Summary

Information derived from the Inventory and other sources shows that state-owned habitat and recreation lands comprise a small percentage of habitat and recreation lands as a whole, and a very small percentage of the state's land base.

To the degree that the demand and need for habitat and recreation lands are positively correlated to population growth, there will be a greater demand and need for habitat and recreation lands in the future. With respect to recreation, population growth is much easier to correlate with future demand, and all indications are that there will be continued demand for access to recreational opportunities throughout the state.

[26] Population figures obtained from U.S. Census Bureau

[27] Estimates of Future Participation in Outdoor Recreation in Washington State, IAC, 2003.

[28] An Assessment of Outdoor Recreation in Washington State, IAC, 2002

June 2005 – Toward A Coordination Strategy for Habitat & Land Acquisitions In Washington State

The Scope of Coordination

Deciding on the appropriate scope of coordination proved to be the biggest challenge posed by SSB 6242. Possible approaches range from those very limited in scope to those that are very comprehensive. More limited approaches have the advantage of being less disruptive, less costly, and quicker to implement. However, if the approach is too limited it may not accomplish the objectives of SSB 6242. More comprehensive approaches might accomplish all the objectives of SSB 6242, but could also be too disruptive or too costly to implement. The challenge in arriving at a recommended approach was to find a balance.

The IAC Board was presented with four coordination options before choosing a recommended approach. The options ranged from least to most comprehensive.

Ultimately, the Board chose a coordination option that has three key features:

1. To focus on a strategy that coordinates the habitat and recreation land acquisitions of DNR, Parks, and WDFW.
2. To focus on acquisitions funded through state and federal grant programs, and
3. To limit the focus to state acquisitions of private lands.

This particular option represents neither the least, nor the most, comprehensive approach the Legislature could take toward coordinating state habitat and recreation land acquisition and disposal programs. The Board did find potential future merit in the highly comprehensive approach taken by Florida, which is discussed later in this report.

The IAC's choice to focus the scope of coordination reflects its understanding that the approach offers many advantages in carrying out the thrust of SSB 6242 in a cost effective, comprehensive and realistic manner.

The recommended scope will achieve the following:

1. This approach is consistent with the intent of SSB 6242 to focus on the expansion of state-owned habitat and recreation land. A recurring theme of SSB 6242 is the potential impacts on local government when private lands are transferred into tax-exempt status of state ownership. In other words, the emphasis of SSB 6242 is with the expansion of state-owned habitat and recreation lands.
2. Another recurring theme of SSB 6242 is the desire for the Legislature to have greater involvement with acquisitions, and this approach will provide for that. Though 96 percent

of the state grant-funded acquisitions are presently occurring through the WWRP program, which already has a "built in" process for legislative involvement, acquisitions that occur with federal grants currently provide no assured method of legislative involvement. Though it is not envisioned that the state could impose a "WWRP-type" process on federal grant applications, any measures that would improve coordination and transparency of federal grants would be a step further in the direction of increased legislative awareness and involvement.

3. Combined with the improved communication and transparency measures in the Final Recommendations, this approach is consistent with the goal of SSB 6242 to provide better interagency coordination.
4. By focusing the coordination, at least initially, to DNR, Parks and WDFW, many of the recommendations of this report will be easier to implement. If proven successful, measures to improve communication and transparency among these three agencies could be expanded at a later time.
5. Selecting this scope of coordination allows for the possibility of an incremental approach to developing a statewide coordinated strategy. Nothing in this particular scope would preclude moving to a more comprehensive approach at a later date. In fact, it could be viewed as the most pragmatic, stepwise approach toward addressing what are complicated issues associated with increased coordination.

Some Issues Related to Coordination

Given the scope-of-coordination focus, information from the SSB 6242 Inventory was useful in helping to narrow down areas for improving coordination between the agencies. By looking first at the state funding sources for acquisitions, the database provided the information identifying the WWRP as a potential *de facto* statewide coordination strategy. This section first presents grant funding statistics obtained from the database, then reviews the planning requirements of WWRP.

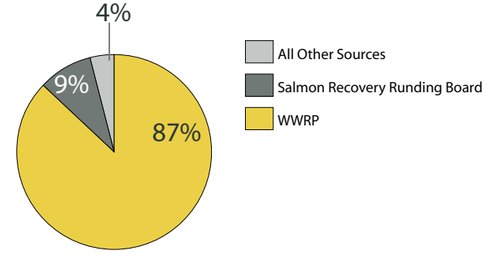
• Grant Funding Statistics

Nearly all Washington State grant-funded programs that provide for habitat and recreation acquisition are administered by the IAC, but since 1990 WWRP is by far the biggest source.

IAC-Administered Grant Funded Habitat and Recreation Land Acquisitions 1980 - 2005[29]

Grant Program[30]	Amount Expended 1980-1989	No. Acres Acquired 1980-1989	Amount Expended (Incl. match) 1990 - present	No. Acres Acquired 1990-present	TOTAL $ (Incl. match)	TOTAL Acres
WWRP	$0	0	$426,602,416	127,083	$426,602,416	127,083
SRFB	0	0	43,263,392	14,070	43,263,392	14,070
LWCF	2,432,556	3,148	7,729,002	380	10,161,558	3,528
ALEA	1,411,306	870	4,332,700	1,057	5,744,006	1,927
NOVA	0	0	259,050	40	259,050	40
BFP	3,244,843	914	6,440,523	317	9,685,366	1,231
FARR	0	0	70,000	160	70,000	160
YAF	0	0	1,200,000	11	1,200,000	11

All IAC Administered Habitat and Recreation Land Funding 1990-Present



After WWRP, only Salmon Recovery Funding Board (SRFB) grants

[29] These amounts represent the actual costs of acquisitions. Because grants typically require a match, the actual grant amounts are less. A realistic estimate of WWRP grant dollars used for acquisitions is approximately 50% of the cost, or approximately $213 million. The estimate for SRFB grant dollars is approximately 85% of the cost, or approximately $37 million.

[30] WWRP=Washington Wildlife and Recreation Program, SRFB=Salmon Recovery Funding Board, LWCF=Land and Water Conservation Fund, ALEA=Aquatic Lands Enhancement Account, NOVA=Nonhighway and Off-Road Vehicle Activities Program, BFP=Boating Facilities Program, FARR=Firearms and Archery Range Recreation Program, YAF=Youth Athletic Facilities Account Program.

represent a significant percentage in the overall amount of grant-funded acquisitions. However, less than 1% of SRFB grants are obtained by state agencies to fund land acquisitions – the vast majority of acquisitions through SRFB grants are by local governments or nongovernmental organizations.[31]

Subtracting the non-state agency acquisitions funded by SRFB grants, since 1990 nearly 96% of state agency acquisitions have been funded in part by WWRP.[32]

• Planning Through WWRP

One of the WWRP program's two primary goals is "…to assist with the rapid acquisition of the most significant lands for wildlife conservation and outdoor recreation purposes before they are converted to other uses."[33] Chapter 79A.15 RCW authorizes the IAC Board to adopt rules for establishing acquisition policies and priorities for both habitat conservation and recreation proposals. Manual #2 – Planning Policies, establishes the following planning requirements for all WWRP proposals, including acquisitions:

Goals and Objectives: A statement of the applicant's long range goals and a list of objectives that describe specific actions aimed at achieving each goal.

Description of Current Conditions: A description of agency authorities, the physical setting, and sphere of influence or service area. Includes recreational use information and an evaluation of existing opportunities, including opportunities that are managed by agencies other than the applicant.

Demand and Need: An explanation of why actions are necessary and establishment of priorities for these actions.

Public Involvement: A description of how the planning process gave the public ample opportunity to be involved in development of the plan.

Capital Improvement Program: A current capital improvement program that covers a period of at least six years.

Official Adoption: Evidence that the document has been approved by the authority most appropriate to the plan's scope.

State agencies are required to update their plans a minimum of once every six years. The process used by IAC to approve the plans is self-certification. In other words, the agencies are responsible for certifying that their plans meet the minimum planning criteria, and the self-certification form is submitted to IAC following adoption of the plan by the agency.

[31] The above funding percentages for grant sources other than WWRP represent the percent of funding where WWRP was not used as matching funds. The WWRP percentages represent any acquisitions that may have a combination of WWRP and federal funds. The point here is that any grant that receives WWRP funding must meet the WWRP planning requirements.

[32] Per 77.85 RCW, the SRFB funding process is based on locally-derived priorities for projects to accomplish steps in salmon recovery. Any property purchase grant reflects the local lead entity's high ranked priority process, including full review through the citizen review committee under RCW 77.85.050(1)(b). The SRFB does not re-order the local priority list, RCW 77.85.130, nor does it give preference for acquisition projects over other types of local high-ranked project proposals.

[33] RCW 79A.15.005

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Choosing Projects

Chapter 79A.15 RCW establishes minimum criteria for prioritizing proposed WWRP acquisitions. Following is a partial list of those criteria:

Habitat Conservation	Recreation Trails[34]
Community support	Community support
Immediacy of threat to the site	Immediacy of threat to the site
Uniqueness of the site	Linkage between communities
Diversity of species using the site	Linkage between trails
Quality of the habitat	Existing or potential usage
Long-term viability of the site	
Presence of threatened or endangered species	

Though fulfilling the planning requirements establishes eligibility for WWRP grants, individual grant applications are subjected to further evaluation criteria. For each grant category within the WWRP program (e.g. Critical Habitat, Natural Areas, State Parks), IAC has developed an evaluation score sheet to assist in ranking proposals. The score sheets reflect both the IAC Board's policies and the criteria found in Chapter 79A.15 RCW. The following is an example of the evaluation criteria for WWRP Critical Habitat proposals:

WWRP Critical Habitat Evaluation Summary

Criteria	Evaluation Elements	Possible Points
Project Introduction	• Locate the project on statewide, vicinity, and site maps • Brief summary of the project (goals and objective(s) statement)	Not scored
Ecological and Biological Characteristics	• The bigger picture • Uniqueness/significance of the site • Fish and wildlife species and or communities	20
Species and Communities with Special Status	• Threat to species/communities • Importance of acquisitions • Ecological roles • Taxonomic distinctness • Rarity	10
Manageability and Viability	• Immediacy of threat to site • Long-term viability • Enhancement of existing protected land	15
Public Benefit	• Project support • Educational and/or scientific value	5
	Total Points Possible	50

Many of the evaluation elements are designed to reward those proposals that are supported by prior planning, regional significance, and comparative need. For example, for this particular evaluation, the elements "The Bigger Picture," "Uniqueness/Significance of the Site,"

[34] Similar criteria are used for water access proposals.

and "Importance of Habitat Acquisition to Species/ Community Protection or Recovery," all emphasize how a proposal should be placed in the context of a broader, statewide focus.

The Bigger Picture: How is this project supported by a current plan (i.e. species management population plan, local, watershed, statewide, agency, or conservation)? What is the status of the plan? What process was used to identify this project as a priority? What specific role does this project play in a broader watershed or landscape picture? Is it part of a phased project? Is it a stand-alone site/habitat?

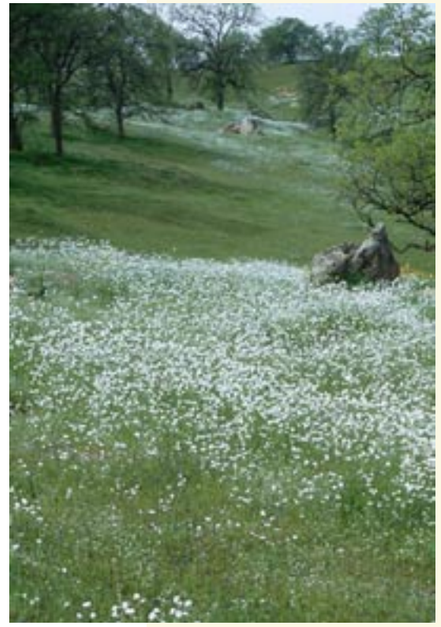
Uniqueness/Significance of the Site: Explain how the site is unique or significant on a global, regional, state, ecosystem, and/or watershed level. How unique is the site in relation to habitat quality, connectivity, diversity, rarity? How is the site important in providing critical habitat or biological function for wildlife species/communities? How does this site compare to others of the same type?

Importance of Habitat Acquisition to Species/Community Protection or Recovery: Describe the relative importance of habitat acquisition when compared to other protection or recovery tasks such as habitat restoration, captive breeding, translocation, regulatory protection, etc. Describe the distribution or range and, if known, the abundance of the species or community. Identify any recovery plans, conservation strategies or similar plans that include reference to this site.

- **Coordination Provided by the WWRP**

Relative to the requirements of SSB 6242, the above criteria set the context for a broader, coordinated approach to habitat and recreation land acquisitions. Because the majority of state acquisitions are funded through the WWRP program, and because these proposals are reviewed using the above criteria, agencies are required to address issues such as the regional significance of a proposal, or the role the acquisition would play "in a broader watershed or landscape picture," or the "the importance of habitat acquisition when compared to other protection or recovery tasks." In short, WWRP requirements ask the applicant to demonstrate the need for a proposed acquisition in a statewide context, where need is ranked according to the regional significance of the proposal, and comparative need is based on whether there are already sites performing the same function elsewhere in the state, etc.

Another aspect of the WWRP program that provides for a significant measure of coordination is the grant selection process. With the exception of projects funded through the State Parks category, all grant applications are reviewed and ranked by a panel of experts, including representatives from WDFW and DNR. (The State Parks category proposals are reviewed by a panel of experts and State Parks staff). Through these processes, projects are selected for funding according to how well they compete against other projects on a statewide scale.



Once projects are ranked by the panel, they are submitted to the IAC Board, which then submits the ranked list to the Governor. By statute, the Governor may not add projects to the list, but does have the authority to delete projects. Following approval of the list by the Governor, it is submitted in the Capital Budget Request to the Legislature for review and approval. The Legislature may also delete (but cannot add) projects from the list.

The requirement to submit the ranked WWRP list to the Governor and the Legislature helps insure that future acquisition projects are known in advance. Since WWRP acquisitions represent 96% of the land acquired by state agencies for habitat and recreation, most of those acquisitions are accomplished through a transparent process.

- **Areas Where WWRP May Not Provide Adequate Coordination**

Though the planning requirements of WWRP ask for the regional significance, relative statewide importance, etc. of a particular proposal, *there is not specifically a requirement to incorporate information from other agencies, let alone federal agencies, land trusts, etc. in the analysis of a particular acquisition.* Though this may in fact happen, the extent to which the demonstration of demand and need for an agency's proposal is informed by the land holdings of other agencies is not a required outcome of the WWRP planning requirements.

The grant evaluation process does ensure some measure of interagency coordination, because WWRP evaluation panel experts include representation of state agencies. However, if the intent of SSB 6242 is a broad cross section of interagency coordination, the presence of WDFW and DNR on panels related to habitat conservation grants, and only Parks on panels related to State Parks grants, may not provide the degree of coordination desirable. To the extent that SSB 6242 would like to see the acquisition decisions of State Parks, WDFW, and DNR coordinated with one another, and perhaps with other agencies, nongovernmental organizations, etc., the current process for coordinating through WWRP may not be sufficient.

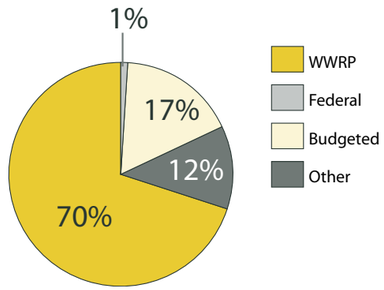
Though WWRP imposes general criteria requiring agencies to assess land acquisition proposals from a statewide perspective, there is no requirement for agencies to use the same criteria for what constitutes, for example, "regional significance". Agencies are individually responsible for establishing this level of criteria, and there is no formal assurance the criteria used by individual agencies will result in an overall acquisition strategy that would provide the best conservation or recreation value and, by extension, result in the wisest expenditure of state funds.

- **Coordinating Federal Grants**

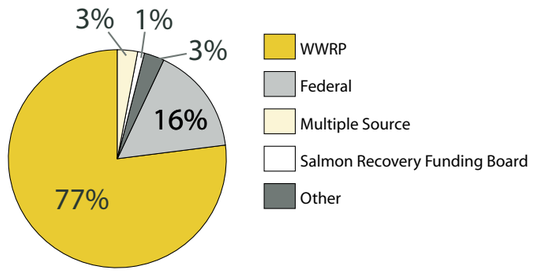
Though 96% of the IAC administered grants for habitat and recreation state agency land acquisitions are awarded through the WWRP program, this does not account for those acquisitions funded by other means. Federal grants are sometimes also used to acquire lands, and acquisitions that occur through these funding sources are not bound by WWRP planning requirements. Though all grants have their own requirements for the demonstration of need, there is no guarantee that federal grants will use the same criteria for funding, or result in acquisition decisions that are consistent with a coordinated strategy.

The following charts show the percentages of funding for each of the state agencies' habitat and recreation land acquisitions since 1980, including acquisitions funded by federal programs.[35]

State Parks - State and Federally Funded Habitat and Recreation Land Acquisitions 1990-2005

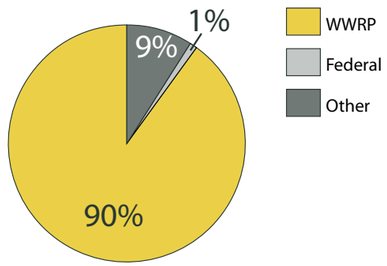


WDFW - State and Federally Funded Habitat and Recreation Land Acquisitions 1990-2005



[35] These numbers were derived from the SSB 6242 Inventory. The percentages for federal grants represent only those acquisitions that did not have any state grant matching funds. Many acquisitions use a combination of state and federal grants.

DNR - State and Federally Funded Habitat and Recreation Land Acquisitions 1990-2005



Based on the current statistics, including federal grants in the scope of coordination would appear to primarily impact WDFW. Approximately 16 percent of their acquisitions were funded through federal grants alone. Because federally-funded acquisitions are the most likely to occur "outside" state processes, such as the WWRP planning and approval process, keeping other agencies, the Legislature and other interested parties apprised of federal grant proposals would improve the quality of planning and coordination between the agencies.

WDFW's Federally-Funded Acquisitions 1990-2005[36]

Agency	Cost of Acquisition	Acres
BPA	$1,765,700	5,052
USFWS	5,743,569	3,175
Navy	4,082,568	1,036
ACOE	4,369,586	12,947
Totals	$15,961,423	22,210

[36] Again, these numbers represent those acquisitions where federal grants were used without any state grant matching funds.

Discussion of Other Comprehensive Approaches

IAC found the concepts of other states' comprehensive need-based acquisition strategies worthy of discussion as an example of the costs and/or advantages other states have experienced. One reason for this is the more comprehensive approaches discussed below would further one goal of SSB 6242 that is not a feature of this report's recommended approach, and that is the ability to make prioritized acquisition decisions based on a comprehensive assessment of the state's needs.

Florida as a Case Study

For examples of comprehensive planning at the state level, following is a case study of the programs implemented by Florida, followed by a discussion of efforts currently underway in Washington. This case study should provide a better understanding of the types of tools and the degree of coordination required to launch a comprehensive, needs-based habitat and recreation land acquisition strategy.

Florida's experience is that a comprehensive approach is valuable, but also costly. Making habitat and recreation land acquisitions *completely objective and predictable* is not a realistic expectation. After 10 years of experience, the Florida Advisory Council's December 2000 report states:

"Selecting land for purchase by the state is not a science and requires some subjectivity."

"There is no single 'best' land to preserve."

"The state has divided the land acquisition dollars among a number of agencies….In a perfect world, one would hope that each agency's desired parcels of land would overlap and point to the same property. Indeed, substantial overlap among the programs does occur. But because the missions differ, agencies can and do buy different tracts of land for different reasons."[37]

• Florida Forever

The Florida Forever program is the outgrowth of several earlier efforts, spanning a period of 15 years. The first such effort, begun in 1990, was the *"Closing the Gaps Project."* As the lead organization for the project, the Florida Fish & Wildlife Commission completed an ambitious 246-page report identifying all the habitat areas in Florida that would need to be protected to ensure that the state's biodiversity is maintained.[38] Employing a computerized GIS system, the project mapped the entire state to identify strategic habitat conservation areas. The estimated cost of this mapping project was $1.2 million.

In 1995 the Florida Legislature amended Florida statutes to incorporate greenways into the responsibilities of the Department of Environmental Protection, and established the *Florida Greenways Council.* At an estimated cost of $1 million, and with a deadline of 1999, the "*Statewide Greenways Planning Project*" was initiated as a joint effort between the Department of Environmental Protection and the University of Florida, with guidance from the Florida Greenways Commission, the Florida Greenways Coordinating Council, and the Florida Recreational Trails Council. In general, the purpose of the Greenways Planning Project was to plan for both habitat and recreational needs. According to the final report, "The [Greenways] Commission's over-riding recommendation and intent was that Florida should make a concerted effort <u>now</u> to create a Statewide System of Greenways linking existing and proposed conservation lands and trails."[39] At 323 pages, the final report included statewide, GIS-based maps and recommendations for biking, hiking, multi-use and paddling trails.

The Ecological Network is the foundation of the Florida Forever acquisition project. Both the Closing the Gaps Project and the Greenways Planning Project appear to have been data sources for The Ecological Network, which represents a refinement of the previous two efforts. As a comprehensive assessment of the state's significant ecosystems and habitats, it provides an overarching planning framework within which a statewide, interagency conservation and acquisition strategy can emerge.

The Ecological Network covers the following areas:

- Ecological communities
- Strategic habitat conservation areas
- Biodiversity hotspots
- Areas of conservation interest
- Potential natural areas
- Land use
- Existing and proposed conservation lands
- Roadless areas
- Road densities
- Aquatic preserves
- Outstanding Florida waters
- Shellfish harvesting waters
- Wild and scenic rivers
- National estuarine research reserves
- Coastal barrier lands
- 100 year floodplains
- Significant aquifer recharge areas

[37] Report of the Florida Forever Advisory Council, December 2000, pp.2-3

[38] James Cox, Randy Kuntz, Maureen MacLaughlin, Terry Gilbert: "Closing the Gaps in Florida's Wildlife Habitat Conservation System," 1994.

[39] Phase II Final Report Statewide Greenways System Planning Project, p.7.

The Ecological Network employed a four-step GIS decision support model to identify and prioritize conservation lands. Step one was to combine GIS layers such as habitats for focal species, priority ecological communities, wetlands, etc., to produce a map with multiple overlays. Second, from the composite map, "ecological hubs" were selected based upon their high ecological integrity potential, according to criteria such as no intensive land uses, no high road densities, no areas with potential for edge effects (i.e. more than 180 meters from urban land uses), and greater in size than 2,000 hectares. Third, linkages were identified between ecological hubs to create connectivity. Last, the hubs and linkages were combined to create the Ecological Network.

Upon completion, the Ecological Network amounted to approximately 23 million acres, representing 57.5 percent of the state. Twelve million of the acres identified were already public lands, or lands protected by non-governmental organizations such as The Nature Conservancy. Approximately 11 million acres were in private ownership. Presumably, these 11 million acres would be the subset of the Ecological Network that is the focus of the Florida Forever acquisition program.

Figure 1 - The Ecological Network as it appears on the web.

"Florida Forever" is the acquisition arm of the Ecological Network. Begun as a 10-year program in 2001, with a $3 billion budget, the program is specifically geared toward land and water resource acquisition. Florida Forever is a continuation of a similar, previous 10-year $3.2 billion effort, known as Preservation 2000. The program is funded through bonds, which were authorized by an act of the Florida Legislature in 1999.

The implementation of the Florida Forever program is accomplished through a division of responsibilities among state agencies and programs. The Department of Environmental Protection is charged with the overall administration of the program. The Department of State Lands performs all the functions related to land acquisition, from initial negotiation to obtaining title. The Florida Natural Areas Inventory provides scientific data, and technical decision making tools.

Other areas of interest as they relate to SSB 6242 are the provisions for Payments in Lieu of Taxes (PILT), required public meetings, and provisions for allowing private citizens to have their properties removed from the proposed acquisitions list.

Florida's PILT program reserves money from the Conservation and Recreation Lands Trust Fund to pay for "all actual tax losses," in counties with a population of 150,000 or fewer. Compensation is based on the actual amount of taxes paid on the property for the previous three years.[40]

Before making recommendations to the Governor, the Acquisition and Restoration Council is required to hold at least one public meeting on a proposed purchase "in areas of the state where major portions of such

[40] FS 259.032(12).

land are situated." A report of the public meeting is required along with the Council's recommendation.[41]

Within 90 days of receiving a certified letter from the owner of a property who objects to being included in an acquisition list, "where such property is a project or part of a project which has not been listed for purchase in the current year's land acquisition work plan," the property must be deleted from the list.[42]

The Florida Forever program employs a *Conservation Needs Assessment* to prioritize acquisitions. Developed by the Florida Natural Areas Inventory, the Conservation Needs Assessment is intended as the primary tool to assist the Florida Acquisition and Restoration Council in setting priorities and recommending acquisitions to the Governor. The first Assessment, published in December 2003, is a combined technical report, and an Arcview map comprised of 14 data layers. The Assessment is structured to reflect the 34 performance measures approved by the Florida Advisory Council and adopted into statute by the Florida Legislature. Up to 5 percent of available funds in any given year can be allocated to the Natural Areas Inventory "to be used for the initiation and maintenance of a natural areas inventory to aid in the identification of areas to be acquired…."[43]

Two aspects of the Florida Forever project particularly significant to issues raised by SSB 6242 are the *Florida Forever 5-year plan*, and the *Priority Projects List*. By statute, the Acquisition and Restoration Council, acting on behalf of the Board of Trustees, must "develop and execute a 5-year plan to conserve, restore, and protect environmentally endangered lands, ecosystems, lands necessary for outdoor recreational needs, and other lands…This plan shall be kept current through continual reevaluation and revision"[44] The 5-year plan sets the longer-term context for acquisition planning. An iterative document that is updated annually, the 5-year plan contains a comprehensive narrative summary of the state's proposed acquisition areas, as well as a prioritized list of future acquisitions.

The Priority Projects List is a short-term acquisition priorities list reflecting proposed acquisitions for the upcoming year.[45] Again, by statute, acquisitions should occur, to the greatest extent practicable, in the order of priority that they appear in the priorities list.[46]

Another feature of the Florida Forever program is the *Forever Status Reports,* available on the Florida Forever web site. The status reports, which are in essence financial statements, are broken down by state agency. They detail appropriations, expenditures, acres acquired, anticipated acquisitions, and cash needs.[47] The status reports are generated by the *Land Management Uniform Accounting Council*, comprised of the Directors of the Divisions of State Lands, Recreation and Parks, the Office of Coastal and Aquatic Managed Areas, and the Office of Greenways and Trails.

[41] FS 259.07.

[42] FS 259.032(15).

[43] FS 259.032(5)

[44] FS 259.04(1)(a).

[45] See Appendix "J"

[46] FS 259.04(1)(c).

[47] See Appendix "K"

Washington State

• Local Efforts

The Trust for Public Land and King County have been engaged in a partnership to complete a "Greenprint" for the entire 2,130 square miles of King County. According to a recent article on the project, the Greenprint provides many of the benefits that are also the goals of SSB 6242, including the following:

- **Identifies lands whose protection could meet multiple conservation priorities, including recreation, watershed protection, habitat preservation, and flood control.**
- **Offers an objective way to evaluate land for protection, helping diverse community members reach common ground on conservation priorities.**
- **Compares existing parks with current population and projected growth to reveal current and future park needs.**
- **"Living" computer models can be updated easily as data changes.**
- **Makes the case for conservation funding by providing a scientific, credible basis or evaluating lands to be conserved.**
- **Key step in a suite of conservation services that leads to conservation funding options and transactions to protect priority properties.**[48]
- **Statewide efforts.**

Though there is not presently a comprehensive statewide strategy for acquisition of habitat and recreation lands, there are many efforts underway by entities, both public and private, in the areas of habitat and recreation planning, restoration, land assessments, and a variety of other activities that could be useful in developing an acquisition strategy for Washington.

The problem confronting Washington is figuring out how to first identify, then to combine, the information from all these efforts. Across the state, integration of planning efforts is the exception, and not the rule. Generally, there is no single repository for the information, where, for example, the knowledge gained from salmon recovery planning can be combined with information concerning fish, wildlife and plant habitat obtained from other efforts. There is not a database to incorporate recreation or wildlife information as *one layer* in a multi-layered, multi-species, statewide composite of information. And there is not a common planning framework – some entities use WRIAs, some use ecoregions, and others use jurisdictional boundaries.

[48] "Conservation by Computer," by Sandra Tassel, Land & People, v.17, no.1, p.14.

The question before Washington, relative to issues posed by SSB 6242, is "how do we combine this information and these resources, and what would be involved?" Figuring out how the following activities should "fit together" might be the best approach toward a future, more comprehensive recreation and conservation strategy.

• The Washington State Biodiversity Strategy

One promising initiative underway is the Washington State Biodiversity Strategy, headed by the Washington State Biodiversity Council. Established by Governor's Executive Order No. 04-02, the Biodiversity Council was one of the recommendations of the Washington Biodiversity Strategy Report, published October 1, 2003.

The Biodiversity Strategy Report was mandated by Engrossed Substitute Senate Bill 6400 (ESSB 6400), which was passed by the Washington Legislature in 2002. The Strategy Report contains 22 recommendations to improve biodiversity in Washington. Many of these recommendations resonate with the issues raised by SSB 6242, as well as the examples of other states' comprehensive strategies that have been examined previously:

1. *Create a 30-year vision that includes benchmarks for conserving Washington's biodiversity.* In addition to a public education strategy, the vision will include the following "statewide and ecoregional priorities and benchmarks for conservation of land and water:"
   a. Representative examples of all distinct native communities.
   b. Maintain ecological and evolutionary processes.
   c. Maintain viable populations of native plants and animals and other essential elements of biodiversity.
   d. Identify blocks of natural habitat, including aquatic and marine habitat, large enough to be resilient.

The elements of the 30-year vision listed above are similar to the initial assessment completed by Florida. Biodiversity assessments were an integral piece in developing a map of habitat and recreation lands, which in turn facilitated the development of a comprehensive strategy. Inclusion of these priorities and benchmarks sets the tone for future work.

2. *Use science-based ecoregional assessments to identify conservation priorities.* Two key features of this recommendation are the use of ecoregions as a statewide planning framework, and the development of conservation priorities. The development of conservation priorities is an essential component in developing a meaningful acquisition strategy.
3. *Encourage state agencies to be more responsive to biodiversity*

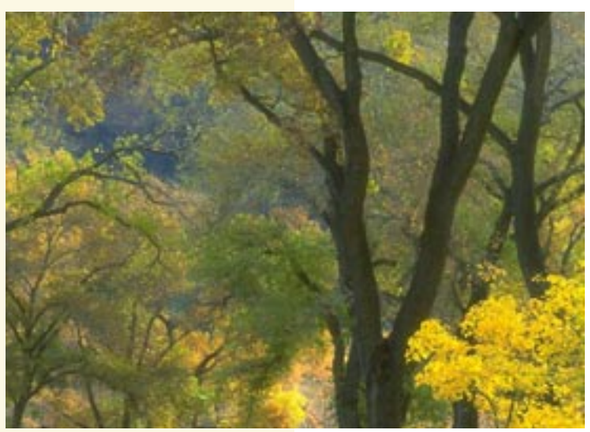
conservation. This recommendation calls for agencies to continue participating in the development of a biodiversity strategy, as well as to incorporate important components into their land management planning.

4. *Maintain a technical subcommittee to contribute to and report on data improvement priorities.* Of particular interest is the role of this subcommittee in developing "uniform definitions and mapping classifications."
5. *Develop good scientific data and mapping products for all levels of planning.* Self explanatory as an essential component of a coordinated strategy.

While the Biodiversity Strategy will accomplish many worthy objectives, it is only one among many efforts that, if integrated, might accomplish much toward achieving a comprehensive, needs-based land acquisition strategy in the future. Some of the other efforts that should be considered for integration into an overall strategy would be:

- **Washington GAP Analysis**
- **DNR, WDFW & The Nature Conservancy – Ecoregional Assessments**
- **The Natural Resources Data Portal**
- **2514 Watershed Planning**
- **BPA subbasin planning**
- **Salmon Recovery efforts at all levels**
- **The Washington Natural Heritage Plan**

Finding the linkages between these and similar efforts is the biggest challenge to developing a comprehensive acquisition strategy for Washington State.



Tax Studies

Section 2(b)(iii) of SSB 6242 requires an analysis of alternatives "to compensate local governments by spreading statewide the impact of lost tax revenues from acquisitions of property for habitat and recreation."

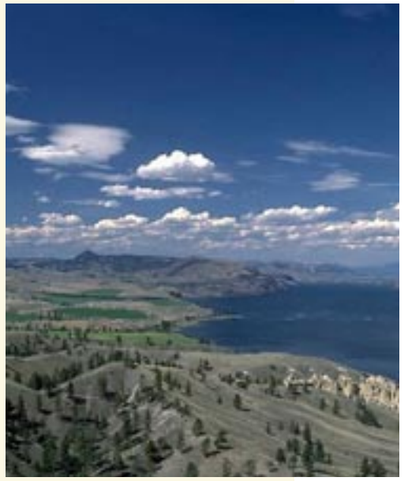
For this section of the report, two consultants with expertise in Washington tax law and economic analysis were hired to address the issues related to habitat and recreation acquisitions.[49] The scope of work for the consultants was developed in consultation with a subcommittee comprised of two County Commissioners, a representative from The Nature Conservancy, a representative from the Washington Association of County Officials, and an IAC staff member with a background in tax research.

It was decided that some of the broader issues of state ownership of habitat and recreation land needed to be addressed first, with a goal of providing a clearer picture of both their positive and negative impacts on local economies. The issues were presented to the subcommittee as a set of competing viewpoints, with complicating factors:

"One Viewpoint…

Those who believe that tax-exempt lands are an economic liability, also argue that their local communities should be compensated for the impacts. After all, a property that is owned by the state, for the benefit of citizens of the state as a whole, should be the economic responsibility of all the citizens for whom the property is dedicated, and not just the ones who happen to live next to it. Tax exemptions reduce a stream of revenue not only to county governments but other types of taxing districts as well (e.g. school districts). In some cases, property taxes must be increased on the remaining private sector to offset the impacts of lost tax revenues from public ownership. Some also maintain there is an opportunity cost to the local community. They point to lands in public ownership that would have yielded even more property tax revenues had they been developed into residential or commercial properties. Local communities often complain of the indirect costs as well, such as the need for more law enforcement and rescue operations. Another contention is that public land is not properly maintained, causing increased costs to local governments and adjacent private landowners. For example, landowners who are required to control noxious weeds on their properties complain that their time and expense is increased because adjacent state lands are not maintained.

[49] Their final reports are in Appendices "H" & "I"



Another Viewpoint…

Proponents of public land point to several studies that demonstrate how public lands generate revenue in ways other than taxes. They point to the revenues generated by tourists who spend money in restaurants, gas stations, outfitters, or motels. Some studies indicate that these revenues outweigh the revenues that could be gained through property taxes. Public lands can become magnets that attract certain kinds of businesses, such as resorts; they may also attract certain types of housing in the area, such as upscale retirement housing. In some cases, public lands may generate employment for the local community. Finally, there are some agencies, such as the WDFW, that remit Payments in Lieu of Taxes (PILT) to local governments specifically to offset the impacts of lost property tax revenues.

Complicating Factors…

The economic impact of public land ownership is clearly a complicated issue. Some issues, like tourist spending, may be a factor in some situations and not in others. Some lands may be remote and undesirable for development, while others may not. Some lands may have maintenance issues that others don't. Or there may be other reasons that are not directly generated by the issue of public ownership, but affect it. For example, if the current economic picture of a particular county is poor, even the slightest loss of property tax revenue could be more of an issue than at a different time, or under different circumstances. A county that has seen a significant portion of its operating budget reduced because it now receives only a fraction of the revenues it once received from timber sales on county-owned properties may view another tax-exempt property acquisition as an unwelcome hit to an already over strained budget.

For public land ownership it appears that few (if any) of the pros are always a pro, or cons always a con. For example, while one might be able to demonstrate that a particular public property – say a state park – is bringing in lots of tourism revenues, a county commissioner might point out that those are mostly sales tax revenues that go into the city's tax base, not the county's. In other words, the park may be both a cost and a benefit, depending on how its impacts are distributed in the local economy; impacts that are determined in part by factors like existing tax laws. As another example, in some cases it appears that providing services to privately developed land can cost local governments more than what they receive through property tax revenues."

Based on the above characterization of the issues related to state-owned, tax-exempt habitat and recreation lands, several more specific issues were identified for the consultants to address in their reports. Part I, completed by Mr. Don Burrows, the former Director of the Washington State Department of Revenue, was to focus specifically on Washington tax law, and to address the following questions:

1. What is the general economic picture for local governments right now, and how does that relate to the issue of public land ownership?
2. Are there factors that are distinctive to Washington tax laws that result in hardships for local governments when the state purchases land, including (but not limited to):
   a. Whether the sales tax benefits of tourism are generally realized at the county level of government.
   b. Whether existing restrictions on tax collection, such as the one percent limit on property tax increases, is making the loss of tax revenues through state land acquisition a more critical issue.
3. If it is determined that state land acquisitions are having a negative economic impact on local governments, how can the burden of these lost property tax revenues be distributed so that those burdens are shared by the people of the state as a whole, rather than by a single county?

Part II of the tax and economic issues analysis was completed by Mr. Roger Mann, Ph.D., a consulting economist from Davis, California with experience in Washington State. The goal of Part II of the study was to address the larger issue of the economic impacts related to state-owned habitat and recreation lands:

1. Lost property tax revenues to local governments can be quantified. Is this adequate to determine the impacts of public land ownership on local government?
2. If the answer to question number 1 is no, what other factors must be taken into account?
3. If there is not a single answer to whether public land ownership has a positive or negative economic impact on local government:
   a) What factors should be taken into consideration when assessing the impacts of a particular acquisition, and
   b) What method should be used to calculate the impacts of a particular public acquisition, using the factors identified in a).
4. Are some types of public land more likely to negatively impact the local economy than others? For example, does a nature preserve have different impacts than a state park?
5. Is it possible that public land ownership in counties that already have large portions of public land will always result in a negative economic impact? In other words, could there be a threshold (i.e. percentage of public land ownership) that, once crossed, is always bad for the local economy?
6. What factors should be taken into account when assessing the potential economic impacts of a public land acquisition?
7. Can models be developed for determining the impacts of public land acquisition that could be used as a tool for determining when compensation to a local government is appropriate?

Summary of Findings

• Burrows & Associates

Because the Burrows & Associates report is most directly related to the tax issues posed by SSB 6242, only those findings are summarized here. The full reports of both consultants are included as appendices to this report. The Burrows study finds that local governments are experiencing critical revenue problems, but state-owned habitat and recreation lands are a very small contributor. Removing habitat and recreation land from the tax rolls does not generally result in a reduction of a county's tax base. This is because the lost tax revenues are mostly shifted to other taxpayers in the county. So, while county tax revenues are usually not impacted, individual taxpayers within the county could experience some increase in tax rates. The amount of this tax shift, however, would be small relative to many other kinds of exemptions affecting county tax revenues that are borne by property taxpayers. In addition, the original value of the lands that are acquired for habitat and recreation (especially habitat) is generally low, resulting in generally smaller shifts – or impacts – to other taxpayers.[50] The Burrows report estimates the annual incremental property tax revenue impact of habitat and recreation land acquisitions represents approximately five one thousandths of one percent of state and local property tax revenues.

The Burrows report also found that there is no direct correlation between the amount of habitat and recreation land within a particular county and the county's tax base. Though one might expect that a county with a large percentage of tax-exempt, state or federally owned habitat and recreation land would have a smaller tax base, this is generally not the case. The average tax base for all Washington counties is $3,856, while the average tax base for counties with 50 percent or more habitat or recreation lands is $4,224.[51] Following are the six areas that were the focus of the Burrows report, with a summary of findings for each area.

Spreading Statewide the Tax Impacts of Habitat and Recreation Land Acquisition

1. Spreading the burden of local governments' lost revenues statewide through adjustments in property tax rates in other taxing jurisdictions is not permitted under Washington's Constitution except for that portion of the property tax levied by the state government.
2. Therefore, the only feasible way of spreading the burden of lost revenues statewide is for the state to make direct in lieu of tax payments (PILT) to the affected local governments. Alternative ways for determining the amount of the in lieu payments include:
   a. The actual tax loss.
   b. An amount equal to the taxes that would be paid under the current use assessment law.
   c. A flat amount per acre.
   d. A "net tax lost" amount.

[50] This particular point is not made by the Burrows report, but comes from the SSB 6242 Inventory. As noted on p. 15 of this report, since 1980 WDFW has paid an average of $718 per acre for the lands it has acquired. This is evidence that the tax value of the lands was low to begin with.

[51] See Table 7 of Burrows Report, Appendix H, p.19. Note, however, that not all counties with a larger percentage of habitat and recreation lands also have high tax bases. Okanogan County's tax base of $2,598 is considerably below the Washington average of $3,856.

Fiscal Condition of Local Governments

1. Counties and other local governments are facing critical revenue problems. Two ways for the legislature to help local governments are:
   a. Amend the one percent property tax limit law.
   b. Provide equalization grants to local governments with low tax bases.

Impact of Public Land Ownership on County Revenue Bases

1. Counties with a large percentage of public land ownership do not tend to have restricted tax bases.
2. On average, these counties have larger property and sales tax bases than counties with low percentages of public land ownership.

Impact of Acquisitions of Habitat and Recreation Land

1. The direct property tax impact of these acquisitions is minimal on most affected local governments.
2. On the basis of an estimated $30 million per year in acquisitions, the total state and local property impact would be $351,000, or 0.0005 percent of total property tax revenue.
3. The percentage impact on the taxes of smaller taxing districts in the affected area could be 0.1 percent or higher.
4. Approximately 90 percent of the revenue impact of habitat and recreation land acquisitions is passed on (shifted) to other taxpayers.

No Net Gain Options

Section 2(b)(iv) of SSB 6242 mandates the development of options for a no net gain policy of state-owned habitat and recreation lands in "counties with large portions of existing public habitat and recreation land." While "large portions" was not defined in the bill, recent legislation has used a threshold of counties with less than 30 percent of their land in private ownership.[52] According to information from the 1999 Public and Tribal Lands Inventory, the following six counties meet the threshold of having less than 30 percent privately-owned land.[53]

County	Percent Private	Percent Federal	Percent State	Percent Tribal
Chelan	19	78	3	0
Ferry	16	36	3	45
Jefferson	21	62	17	0
Okanogan	29	46	11	14
Skamania	14	78	8	0
Yakima	25	25	8	42

Two no net gain options were considered by the IAC Board, but neither approach is recommended. The first option would prohibit agencies from acquiring any land at all in counties with large portions of public land (presumably the six counties referenced above). Under this option, state ownership would essentially be frozen.

Second, there is the option that would allow the state to acquire land, but only if the state is able to find another parcel of public land that can be transferred into private ownership, thus resulting in no net gain (in acres).

The IAC Board does not recommend either of these two options for two reasons. First, such a blanket restriction would run counter to existing agency mandates to use acquisitions as a management tool. And in some cases there may be other factors, such as the requirement to protect endangered species, which could make it necessary to acquire land. Second, analysis from the inventory and other statistical trends indicates a growing demand and need for habitat and recreation lands in the future.

Even though IAC recommends against prohibiting state agencies from being allowed to carry out their mandates, including by expanding their ownership of habitat and recreation lands, it does not mean agencies should not be required to at least first *seek out alternatives to expansion* in those counties with a high percentage of public land. It may be possible to minimize the expansion of state-owned habitat and recreation lands by looking for creative ways to reposition public lands through creative exchanges at both the state and federal level. This is referred to hereafter as the ***limited no net gain option***.

[52] ESSB5396, passed in the 2005 legislative session.

[53] For a detailed report of state-owned habitat and recreation acres, sorted both by agency and the county location, see Appendix "E".

The public land base in Washington, including federal and state lands managed not only for habitat and recreation, but for forestry, grazing, and a variety of other uses, is about 17 million acres. Subtracting out the acres already managed for either habitat or recreation leaves about 7 million acres of public land.

This 7 million acres could be the starting point for agencies when they have identified a need for additional habitat or recreation lands in a particular area. By looking first to see whether there are state or federal lands available for acquisition, it is possible that agencies could accomplish their goals of providing recreation or protecting habitat without expanding public land. Also, even when private land is purchased, it may be possible to offset the expansion of state-owned land by creative three-way land exchanges, where there is zero net gain of public land acreage.

As noted previously, the Trust Land Transfer Program has become a major source of habitat and recreation lands for Parks and for DNR's Natural Area Preserves and Natural Resource Conservation Areas. In some cases, ties between the Trust Land Transfer Program and WDFW could be strengthened, which could result in more repositioning of public land, rather than the acquisition of private land.

Another area that merits further investigation is whether there are opportunities to achieve mutual objectives between agencies as DNR continues to find management efficiencies in "blocking up" its trust lands. Many areas of trust land ownership are in a checkerboard arrangement, due to the granting of sections 16 and 36 within each township at statehood. Though it ultimately was not funded in the 2005 legislative session, DNR and WDFW had proposed an exchange that would have provided WDFW with habitat lands, DNR with forestlands, and would have created overall management efficiencies.[54]

- **SSB 5914**

An example of a type of tool that could facilitate a limited no net gain approach to state acquisitions is Substitute Senate Bill 5914, passed by the Legislature in 2005 (C271, L05).

Prior to SSB 5914, transfers to the federal government of properties that were acquired with Salmon Recovery Funding Board (SRFB) grants were generally not possible. This was because of the deed restrictions placed on SRFB acquisitions (known as a "deed of right"), which the federal government could not accept. SSB 5914 allows for more flexibility in revising or removing deed restrictions from SRFB funded properties to help facilitate exchanges. Implicit in SSB 5914's approach is the requirement for suitable parcels for the complex land swaps involved.

[54] See Appendix "G" for a description of the proposal.

- **Challenges**

A challenge to implementing this limited no net gain option is having ready access to information about public lands that might be available for purchase or exchange. At the state level, fostering more communication between agencies, which is one of the recommendations of this report, could assist.

Obtaining information about available federal lands is possible through information provided by the federal General Services Administration, which administers the sale of all federal surplus property. However, a more active approach might be required to develop a good inventory of lands, and this should involve seeking partnerships with federal land management agencies such as the Forest Service and Bureau of Land Management. Whether the state or federal agencies have the staff resources to accomplish and sustain such partnerships is unknown.

Final Recommendations

- **Improving Coordination**
  1. *Develop language to amend land management plans and policies* to include a requirement to incorporate a statewide perspective into acquisition planning, including a commitment to interagency planning and coordination. This should reflect a qualitative as well as quantitative perspective.
  2. *Develop and convene an annual forum* for agencies to meet to discuss their proposed acquisitions and disposals. Nonprofits and local government should be invited to participate.
  3. *The Board of the Interagency Committee for Outdoor Recreation* should revisit the IAC and WWRP planning requirements to determine whether state agency coordination could be improved by modifying those requirements.
  4. *The Board of the Interagency Committee for Outdoor Recreation* should develop options for coordination of habitat and recreation land acquisition processes which use federal grant funds.
- **Improving Communication and Transparency**
  5. *Develop standards for producing a biennial forecast* of acquisitions and disposals.
  6. *Establish procedures for submitting any biennial acquisition and disposal plans* for inclusion into a "Statewide Habitat and Recreation Lands" web site or some other centralized, easily accessible forum.
- **Improving Documentation**
  7. *Develop a recommended standard for GIS-based documentation* for all future acquisitions.
  8. *Standardize acquisition record keeping ("acquisition data")* to ensure that each agency documents the same information when it acquires or disposes of property.
  9. *Identify a preferred process for centralizing acquisition data,* and establish procedures and timelines for submission of data to a statewide habitat and recreation lands "database." Consider whether to expand on the existing SSB 6242 database, or whether to use other repositories, such as the statewide Natural Resources Data Portal, which is currently under development.

- **Working toward "No Net Gain"**

  10. Identify and commence a dialogue with key state and federal partners to develop an inventory of potential public lands for transfer into habitat and recreation land management status. The purpose of this task would be to begin the discussion of the "limited no net gain option."

- **Long-term Planning**

  11. *Develop an approach for monitoring the success of acquisitions.*

  12. Develop a strategic approach for *identifying* the most appropriate habitat and recreation lands to meet the future needs of the state. The forecast of future needs should not focus only on the amount of land but also the habitat type and quality of the lands that best achieve the goals of the agencies and the state as a whole. Conservation land acquisitions should be coordinated with the guidelines of the Washington Biodiversity Council, the WDFW Comprehensive Wildlife Conservation Strategy, and other efforts referenced earlier in this report. Recreation lands should be coordinated with local and state planning processes and needs assessments.

June 2005 – Toward A Coordination Strategy for Habitat & Land Acquisitions In Washington State