



Policy Manual

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Approved:

A handwritten signature in black ink, reading "Roxanne Miles".

Roxanne Miles, Director

Conservation Futures Administrative Guidelines

PURPOSE: The purpose of the Administrative Guidelines is to provide additional guidance and clarity on the implementation of PCC 2.96 and 2.97 with a commitment to ensure a consistent, transparent, equitable, and fiscally responsible program for Conservation Futures projects.



Pierce County
Conservation Futures



Pierce County Conservation Futures Program

Administrative Guidelines

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Disclaimer: Please note that the information contained in this manual does not supersede the statutes governing the Pierce County Conservation Futures program, and should be read in conjunction with the Pierce County Code.



CONSERVATION FUTURES PROGRAM OVERVIEW

The Conservation Futures program is a land preservation program for the protection of important open space, recreation, timber lands, wetlands, habitat areas, agricultural and farm lands within the boundaries of Pierce County. Conservation Futures funds are used to acquire land or the rights to future development of land for the benefit and enjoyment of the citizens of Pierce County. The Conservation Futures program is administered by the Pierce County government through the Parks and Recreation Services Department.

The funding for this program is authorized through the Revised Code of Washington, chapter 84.34.230, whereby a county in Washington may levy up to 6.25 cents per \$1,000 of assessed value to fund preservation of lands of public interest for future generations. The Pierce County Council (County Council) enacted the levy in 1993 and funds associated with the levy are budgeted through the Pierce County budget.

The acquisition of property interests under the Conservation Futures Program is in the public interest. In accordance with Pierce County Code, “Existing Pierce County policies and regulations, by themselves, have been ineffective in providing long-term protection of open space, wetlands, habitat areas, farm, agricultural, and timber lands, which are under the pressure of conversion and development.”

Grant Application Process

Conservation Futures grants may be sponsored and received by local governments, federal agencies, special purpose districts, Pierce County Departments and nonprofit corporations who purchase property or interest in property to the benefit of the citizens as open space, timberlands, wetlands, habitat areas, agricultural and farm lands. A project sponsor is responsible for preparing and submitting the application, hosting site visits, making a formal project presentation to the Conservation Futures and Open Space Citizens’ Advisory Board (CAB), project implementation, and all contracting, reporting, and reimbursement obligations under Pierce County Code (PCC).

Funding is available in odd-numbered calendar years. Application materials are available from Pierce County Parks and Recreation Services and are typically due in April. Sponsors present projects and host site visits in May. Applicants are strongly encouraged to discuss projects with Conservation Futures staff ahead of submission. The application period is posted on the program website, announced in local newspapers and via email, and available by contacting program staff. In May and June, the CAB meets to review and rank projects, determine recommended funding levels, and compose its overall recommendations to the County Council.

The County Council generally makes award determinations in August or September, which are finalized with the adoption of the agency budget. Funding for project implementation is not available until January of the following year. Projects are funded over a two-year period. All meetings relating to the review, ranking, and funding of Conservation Futures projects are open to the public and subject to the Washington Open Public Meetings Act. Citizens are encouraged to attend.

All projects must close within the application cycle of the approved biennium. If a project is awarded funding, then the transaction must close by the last business day in November in the year the project is budgeted. If a project cannot close within the application biennium then it must be re-submitted for a grant award in the next two-year funding cycle. It will not retain its rank or rating.



Application Review

A completed project application is submitted to Pierce County Parks and Recreation under the evaluation schedule noted above. A sponsor must demonstrate in their application that the project meets goals and eligibility for the Conservation Futures program as outlined in PCC 2.96 and 2.97. Applications are scored based on the following criteria:

1. **Conservation Values: (60% of points)** Sponsors must describe the quality and condition of up to three conservation values and demonstrate that all conservation values identified in the application are equitably conserved and enhanced with project implementation, according to Long-Term Obligations described further in this document. Projects will be scored based on the conservation values identified and how well the conservation values are protected and/or restored.
2. **Program Goals: (25% of points)** Sponsors must identify how the project meets the policies of Pierce County and its partners.
3. **Matching Funds: (15% of points):** Sponsors must provide a minimum of 10% of the purchase price of the property interest to participate in the Conservation Futures Program. Additional points are awarded for increasing the match and leveraging grant funds. Additional points are also awarded for matching funds that come from private sources.

Each project application is reviewed by the following three bodies:

- The Technical Advisory Committee (TAC) reviews project applications for eligibility, completeness, and content accuracy.
- The Conservation Futures and Open Space Citizens' Advisory Board (CAB) reviews, scores, and ranks eligible project applications. The CAB sends their recommendations and ranking to the County Council for adoption.
- The County Council reviews the recommendations of the CAB and holds a public hearing to determine which projects will be funded with Conservation Futures funds.

ADMINISTRATIVE GUIDELINES

Grant Notification and Agreement

Sponsors will be notified by staff of grant awards as soon as possible after the County Council makes their decision. Typically, the project sponsor will be asked to sign an Agreement to Fund with the County in the first quarter of the year funding is available for the project. The Agreement to Fund will include a description of the project, roles and responsibilities of the sponsor and the County, grant deliverables, requirements of the project, timelines for completion of the project, and a project budget. A term-sheet outlining required conservation restrictions and match will be included as an exhibit to the Agreement to Fund for projects that will be acquired with a conservation easement.

Grant Award Modifications

In an effort to advance as many Conservation Futures projects during a grant cycle as possible, it is critical that sponsors manage their budgets and communicate their progress on projects frequently. In general, projects are expected to follow the scope outlined in the application which was the basis for the favorable



scoring. From time to time sponsors may request a project modification from Pierce County. There are several common modifications that may be necessary to successfully complete a conservation futures project and Pierce County including the following:

1. **Reduced project size:** If the project size can be reduced while still protecting all of the conservation priorities identified in the application, the grant award will be reduced proportionately to the size of the project.
2. **Increase in project acquisition cost:** If the appraisal of the property comes in higher than anticipated in the grant application, the sponsor may request a 10% increase in the project award to complete the project or submit the project in a future funding cycle. Any award increase is dependent on the availability of uncommitted funds in the grant round.

Match Requirement

A 10% match is required for all projects. Match must be cash or the cash value of the property identified in the application, also known as a bargain sale. The percentage of match established in a sponsor's application may not be reduced at the conclusion of the project. The source of matching funds identified in the sponsor's application may change as long as new match sources are not incompatible with the conservation values identified in the application and purposes described in the Agreement to Fund.

If a sponsor is unable to provide the matching funds identified in their application and the Agreement to Fund in a timely manner, Pierce County reserves the right to withdraw Conservation Future's funding from a project. In these cases a project may be revisited later in the funding cycle if funding is available to complete the project or a project may be required to re-apply in the next grant round when readiness can be demonstrated.

Acquisition Process and Documentation

The acquisition of real property or property interests must meet the following standards to receive funding.

In many cases, Pierce County has negotiated favorable contracts for professional services on behalf of the Conservation Futures program. Prior to selection of professional services and/or vendors to complete tasks associated with a Conservation Futures project, sponsors must contact Pierce County Conservation Futures staff to determine if there is a preferred vendor and/or rate for a professional service.

Title Report and Title Insurance

Pierce County or sponsors will procure a preliminary title report early in the acquisition process for review and approval of the condition of the title. Title should be reviewed for any encumbrances that may jeopardize the purpose of the acquisition project and its use as park, open space, trail, habitat land, forestland, and farmland.

Specifically, sponsors should identify and evaluate title reports for:

- Liens and debts
- Open space classification that require compensating taxes or notice of continuation
- Surveys of boundaries or other encumbrances, identifying encroachments that need to be resolved
- Easements (e.g., utility, storm water, access, road and benefits to neighboring properties, reciprocal access easements between timber companies, etc.)



- Reservations (e.g., mineral, timber, railroad, hunting, camping, and any other reserved rights)
- As-built plans or other surveyed documents for the built environment
- Clear legal access to the subject property
- Covenants (homeowners associations, development restrictions, etc.)

If any of these encumbrances appear on title for a Conservation Futures funded project, please forward the title and an explanation of when these encumbrances can be removed or why the project is not jeopardized if these encumbrances stay on title.

An updated title report and title insurance are to be issued in conjunction with the property transaction.

Appraisal

Pierce County or sponsors must procure an independent appraisal (standard, narrative or M.A.I.) from a Washington State Certified Licensed Appraiser. No appraisal is required for properties assessed at \$25,000 or less.

The appraisal must include:

- Legal Description – Include the legal description from the preliminary title report. If only a portion of the ownership listed on the preliminary title report is to be appraised, clearly identify the area to be acquired in the property description.
- Property Description – Include the parcel number(s), acreage to be acquired and a map.
- Property Access – Describe the existing physical access to the property and the location of legal access to the public roadway, if known.
- Ownership and Occupant Information – Include any information you have about the current ownership of the property and any tenants. Note other adjacent property under the same ownership if the acquisition is for less than the entire ownership.
- Preliminary Title Report – Provide a copy of the preliminary title report with existing easements and encumbrances as an appendix.
- Identify the Client – The client must be the sponsor. It cannot include the landowner or other third party unless approved by Pierce County.
- Intended Users – The intended users must always include the client and Pierce County.
- Intended Use – The intended use must include a statement regarding the voluntary acquisition of the identified property.
- Appraisal Standards – Instruct the appraiser that the appraisal is required to comply, at a minimum, with the *Uniform Standards of Professional Appraisal Practice (USPAP)*.
- Date of Value – This typically should be the same as the date of the last property inspection unless otherwise instructed or justified.
- Encumbrances – Include encumbrances from the preliminary title report and instruct the appraiser to address whether any of the encumbrances would impact the market value of the property. If the appraiser becomes aware of unrecorded encumbrances through the course of their work, those should also be addressed as to whether they would impact the market value of the property.
- Report Format – The report format must be a self-contained appraisal report.
- Participation in the Appraisal Review Process – The appraiser should be informed that the appraisal report will be reviewed by an independent review appraiser. The appraisal contract should require that the appraiser respond to the review appraiser's inquiries and questions, and provide clarifications and corrections as necessary to enhance the credibility of the appraisal report.



The appraisal must have been completed no earlier than 1 year from the date of the Purchase and Sale Agreement and no earlier than 18 months from the date of closing.

Review Appraisal

Pierce County will complete a review appraisal for all Conservation Futures projects. When sponsors have procured an appraisal for a Conservation Futures project, that appraisal will be reviewed by Pierce County's preferred vendor at Pierce County's expense. Review appraisals should include, at a minimum, evaluation of:

- 1) Extraordinary Assumptions – The reviewer must note any extraordinary assumptions in the appraisal and make a determination as to their reasonableness.
- 2) Hypothetical Conditions – The reviewer must note any hypothetical conditions in the appraisal and make a determination as to their reasonableness.

The reviewer should develop an opinion regarding:

- The completeness of the material under review;
- The apparent adequacy and relevance of the data and the propriety of any adjustments to the data;
- The appropriateness of the appraisal methods and techniques and develop reasons for any disagreements;
- Whether the analysis, opinions, and conclusions are appropriate and reasonable and develop the reasons for any disagreements; and
- Whether the appraisal is compliant with the applicable standards, USPAP or USFLA.

The reviewer should provide a recommendation in accordance with one of the following options:

Approval – The appraisal is compliant with the applicable standards and the stated opinion of value is a reliable basis for establishing an offer of just compensation; OR

Acceptance with a Revised Value Opinion – The appraisal is compliant with the applicable standards, but the stated opinion of value is not a reliable basis for establishing an offer of just compensation. The reviewer formulates a value opinion based upon adjustments or corrections to the information and analysis contained in the appraisal and/or new information is readily available to the review appraiser within the scope of the original appraisal assignment; OR

Rejection – The appraisal is substantially not compliant to applicable standards and the reviewer is unable to formulate a revised opinion of value from the information available.



Long-Term Obligations

Restrictions on the Property

Pierce County requires all Conservation Futures properties be restricted with a covenant or conservation easement which assures the protection of conservation priorities on the property as identified in the application. The application shall contain the specific requirements and restrictions proposed for inclusion in the covenant or easement related to identified conservation values.

Given that the Conservation Futures program is funded by tax dollars, there is an expectation that projects will be consistent with municipal codes and exhibit best conservation and management practices. Applicants are requested to explain whether the project meets local Critical Areas Ordinance (CAO) for the intended use of the property. If the property does not meet the CAO currently, the applicant may outline how the project will meet CAO in the future through additional resource protections and/or restoration or explain how each identified conservation value will be protected in the future, even if those actions are less restrictive than the CAO requires. According to PCC 2.97.060 E., CAB may request further conditions be placed on the property to ensure protection of each resource, in coordination with consultation with the TAC, a resource biologist, or other professional qualified to make such an assessment.

The covenant and property restrictions shall specify that any improvements to a Conservation Futures property shall be limited to those which are passive in nature or related to agriculture or forestry; provided that if the Council has approved active recreational uses for a particular Conservation Futures property or portion thereof, the covenants and property restrictions shall specify the active recreational uses allowed.

In the case of a conservation easement where Pierce County will hold or co-hold the easement, it is customary that Conservation Futures staff will meet directly with the landowner and sponsor to discuss restrictions that will be placed on the property. Meeting with the landowner will ensure that all parties are aware of the conservation requirements.

The covenant or easement shall be recorded on the title and run with the land, in perpetuity.

Property Management Plan

Sponsors must provide a property management plan within 1 year of completing the project. The plan shall describe in detail how the property, or property right, acquired with Conservation Futures funds will be maintained or stewarded over time. The plan should implement and monitor activities that protect the conservation values on which the application was founded.

The property management plan should include:

- Long-term management goals for the property (desired future conditions)
- Restoration and development goals (if applicable or included in the application or scoring)
- Monitoring program for the property
- A description of public access opportunities on the property
- Description of the project area, including the following:
 - U.S. Geological Survey quadrant map and county assessor's parcel map
 - Map showing all human-made and natural features
 - Location of public access and use areas



- An implementation timeline and budget that also identifies the source of funding for elements of the plan.

In some cases, Conservation Futures sponsors may be required to attach a specialized management plan for a project. Examples of specialized plans might include a *Farm Management Plan* when Agricultural Land is identified as a conservation value in the Conservation Futures application and/or a *Forest Stewardship Plan* when Timber Lands or forested Fish and Wildlife Conservation Areas are identified as conservation values in the Conservation Future application. When specialized plans are required, the Agreement to Fund will provide guidance on the planning requirement.

Public Access

Regardless of whether the property is developed, all property acquired with Conservation Futures funding must be available for public use. Public access means that the general public has regular access and use of property acquired, in accordance with conservation values on the property.

Providing public access to the site does not mean that sponsors must provide developed facilities. Project sponsors have 90 days from purchase to open lands acquired with Conservation Futures grants for public access. Use of undeveloped or partially developed properties may be restricted; however, total exclusion of the general public must be avoided. Pierce County may approve a sponsor's request to limit public access on properties to protect sensitive natural areas or cultural resources.

Acknowledgement and Signage

When sponsors decide to create written materials or erect signage related to a Conservation Futures project, materials must include an acknowledgement of the Conservation Futures funding program. Conservation Futures will provide the agency with language that describes the program for consistency and accuracy.

Acknowledgement may include:

- Prominent placement of a sign on the property. The sponsor may build such signs to harmonize with an existing design standard.
- Recognition of the Conservation Futures program in any media or publication developed or modified during and after project implementation.
- Recognition at dedication ceremonies. Notify Pierce County Conservation Futures staff at least 30 days before the ceremony if you wish to have a representative of the County at the ceremony.

Income

The source of any income generated in a Conservation Futures funded project must be compatible with the funding source, restrictive covenant or conservation easement, and the Agreement to Fund. User and other fees may be charged in connection with Conservation Future's acquired properties if the fee(s) are consistent with the:

- Value of any services furnished;
- Value of any opportunities furnished; and
- Prevailing range of public fees in the state for the activity involved.

All income and/or fees (including entrance, leases, timber harvesting, farming, etc.) and total revenue may only be used to offset:



- The sponsor's matching funds.
- The expense of operation, maintenance, stewardship, and monitoring, of the property.
- Capital expenses for development or restoration on the property that is compatible with the funding source and restrictive covenant or conservation easement.

Expense Reimbursement

Generally, eligible expenses for Conservation Futures projects are incurred by Pierce County as a project is negotiated and prepared for closing. In some cases, sponsors may expend their own funds on eligible expenses prior to closing and may request reimbursement of expenses after closing.

Conservation Futures funds may be made available to the title company shortly before closing for the direct costs of property acquisition. Please discuss dates for closings with staff to help ensure that grant funds are ready and available when needed.

Eligible Expenses

The following expenses are eligible for reimbursement by the Pierce County Conservation Futures funds:

- Costs of acquiring real property, including interests in real property
- Cost of appraisal
- Cost of preliminary title reports and title insurance
- Escrow fees/ Closing Costs
- Recording fees
- Directly related employee/staff time, legal and/or attorney's fees, and administrative costs (limited to non-profit organizations and may not exceed 5% of the Conservation Future's funds invested in the project)

Staff Time for non-profit Receiving Agencies

Employee time directly related to completing the Conservation Futures project may be reported as a grant expense. The reportable amount is the employee's regular rate of pay per hour, including taxes and benefits. Taxes and benefits are eligible only if you pay them when they are due.

Overhead is also allowed as a grant expense but may not exceed 25 percent of an employee's combined salaries and benefits. For organizations that have contracted out work related to the project that would otherwise be performed by an employee or staff, overhead does not apply. Mileage may be itemized as a direct expense.

All staff time reported as a grant expense needs to be documented on a timesheet. The timesheet must meet the following standards:

- Provide for specific date, hours, and tasks completed as part of the Conservation Futures project
- Account for the total activity for which employees are compensated.
- Be signed or authorized electronically by the individual employee or by a responsible supervisor having firsthand knowledge of the activities performed by the employee.
- Be prepared at least monthly and coincide with one or more pay periods.
- Not be budget estimates or other distributions based on a percentage before the work was performed.



All reimbursable expenses must be incurred and invoiced within 45 days of closing a Conservation Futures project.

Ineligible Expenses

The cost associated with hazardous waste or environmental assessments or clean-ups, structural inspections or repairs, real-estate excise taxes, surveys, boundary line adjustments, subdivisions, initial stewardship, signs, equipment, and federal, state, and county permits necessary to complete the project are ineligible for Conservation Futures funding.

Costs billed to another funding source or agency is ineligible for Pierce County Conservation Futures funding.

Conservation Futures funds may not be used to acquire any real property or interest in real property therein through the exercise of the power of eminent domain.

Cost associated with staff time for lobbying staff or elected officials is not eligible as a grant expense.

Reimbursement requests and back up documentation may be submitted any time during the project period but no later than 45 days after closing. It is important to implement projects in as timely a manner as possible and to bill in a timely manner. Deeds and conservation easement documents must be recorded by the Pierce County Auditor's Office within 10 days of closing.

RECORDS RETENTION/ PUBLIC RECORDS ACT

The project sponsor shall retain all books, records, documents, data and other materials relevant to the agreement for a minimum of six (6) years after the completion of the project. Documents related to the expenditure of Conservation Futures funds, by way of example only, purchase and sale contracts, settlement documents, invoices, e-mails, expert reports and/or appraisals, are Public Records subject to disclosure in accordance with the Public Records Act, Ch. 42.56 RCW, if requested by a citizen or entity. All meetings and activities of the Conservation Futures Citizen Advisory Board are subject to the Open Public Meetings Act, Ch. 42.30 RCW. The public is always invited and encouraged to attend.