

FUNDING SOURCE EVALUATION

SUMMARY

Implementation of a management plan will require a coordinated and cooperative approach to funding. Given the size and complexity of the project and land use options, potential funding will likely not come from a single entity, but from a variety of Federal, state and other sources and will depend on whether project proponents are seeking money for acquisition, restoration or long-term management.

Several Federal agencies such as FEMA and the ACOE have programs that focus on flood reduction and the elimination of repetitive costs and should be considered for land acquisition. ACOE and NRCS have programs that fund mitigation activities which would coincide with any restoration activities. Agencies such as the USFS could be employed to play a role in long term Management.

There are a number of state programs available for land acquisition, restoration projects and monitoring. WDFW and WA State parks may be viable funding sources for land acquisition as well as possible stewards for long term management.

Seattle City Light and Puget Sound Energy have hydro facilities in the Skagit Watershed and have mitigation money available through their dam relicensing programs which could be explored for land acquisition. Watershed groups and local matching funds such as the Salmon Funding Recovery Board (SRFB) could be potential funding sources for restoration activities. The Nature Conservancy and Groups such as Ducks Unlimited are often searching for additional lands for various conservation efforts and could provide long-term stewardship for parts of Cockreham Island.

INTRODUCTION

Implementation of the plan will require cooperation and funding from a broad spectrum of interest groups. These organizations, whether agencies, non-governmental organizations (NGO) or other groups have different missions, whether to acquire, restore or manage land. Therefore partnerships can be thought of as falling into three categories based on the need for: 1) acquisition of property, 2) restoration or development of the land and 3) long-term management and stewardship.

Potential partners are listed below in each of these three categories and assigned to the different alternatives: River Process (RP), Agricultural Conservation (AC), and Public Access (PA). Some are relevant to all activities (ALL).

Land Acquisition:

Federal:

- US Forest Service – Wild & Scenic Rivers Program (RP)
- US Army Corp of Engineers – Flood mitigation or reduction (ALL)
- Federal Emergency Management Agency – Flood Buy-out (ALL)
- US Department of Agriculture – NRCS and other Farm bill programs (RP, AC)

State:

- WA Department of Fish and Wildlife (RP, PA)
- WA State Parks (RP, PA)

Skagit County:

- Public Works (ALL)
- Parks & Recreation (RP, PA)
- Farmland Legacy Program (AC)

Other:

Seattle City Light (ALL)
Puget Sound Energy (ALL)
Dike Districts
Ducks Unlimited (RP, PA)
Rocky Mountain Elk Foundation (PA)
The Nature Conservancy (ALL)
The Trust for Public Land (ALL)
Skagitonians to Preserve Farmland (AC)
Skagit Land Trust (RP, AC)

Restoration/ Development Actions:

Federal:

US Army Corp of Engineers – Flood mitigation or reduction* (ALL)
US Department of Agriculture – NRCS and other Farm bill programs* (RP, AC)

State:

WA Department of Fish and Wildlife * (RP, PA)
Conservation District (ALL)

Skagit County:

Public Works* (ALL)

Other:

Seattle City Light* (ALL)
Puget Sound Energy* (ALL)
Ducks Unlimited* (RP, PA)
Rocky Mountain Elk Foundation* (PA)
The Nature Conservancy* (ALL)
Skagit River System Cooperative (RP)
Skagit Fisheries Enhancement Group (RP)

Long-Term Management and Stewardship:

Federal:

US Forest Service – Wild & Scenic Rivers Program* (RP)

State:

WA Department of Fish and Wildlife ** (RP, PA)
WA State Parks * (RP, PA)

Skagit County:

Public Works** (ALL)
Parks & Recreation* (RP, PA)

Other:

Seattle City Light** (ALL)
Puget Sound Energy** (ALL)
Ducks Unlimited** (RP, PA)
Rocky Mountain Elk Foundation** (RP, PA)
The Nature Conservancy** (ALL)
Skagitonians to Preserve Farmland* (AC)
Skagit Land Trust* (RP, AC)

* Listed in two categories

** Listed in all three categories

Based on a limited amount of research, some of the most viable funding sources are discussed in more detail below. The emphasis is on Federal programs because these generally have a larger granting ability, or they pass money through to state and local agencies. This section provides an overview of potential sources of funding available for watershed improvements including instream, wetland, fisheries, and upland related projects. Funding assistance can be in the form of grants or financial partnering. Most grants are obtained through an application process. Applications are competitively scored and ranked unless otherwise indicated. As a general rule, most grants and funding pay for “on-the-ground” projects, public education, or inventory and monitoring. The following discussion is organized under the agency the funding is dispersed through, a description of the program, matching stipulations, and how to obtain additional information.

FEDERAL FUNDING SOURCES

Federal Emergency Management Agency

Pre-Disaster Mitigation (PDM) Program:

The intent of this national program is to provide a consistent source of funding to State, Tribal and local governments for pre-disaster mitigation planning and projects primarily addressing natural hazards. National Flood Insurance Program (NFIP) repetitive flood loss properties are a priority. There is a \$3M cap on the Federal share per project for mitigation projects and no cap for mitigation planning. There is a 75% Federal cost-share with that share increasing to 90% under certain circumstances. PDM guidance documents are available on the FEMA website: <http://portal.fema.gov.FEMAE-GrantsHelpdesk>. A Benefit Cost Analysis is not required for planning activities, however it is required for mitigation projects.

U.S. Fish and Wildlife Service

The U.S. Fish and Wildlife Service provides several grant programs for the preservation and restoration of their trust species and resources. The programs listed below are broadly applicable to wetland, aquatic resource restoration, or anadromous species. To be competitive in the grant application process, projects usually must show that they will be maintained or protected in perpetuity. Non-project related grant requests (e.g., education) are not as restrictive. More information can be found at <http://www.fws.gov/grants/>.

Partners for Fish and Wildlife Program:

The Partners for Fish and Wildlife Program provides technical and financial assistance to private landowners interested in voluntarily restoring or otherwise improving native habitats for fish and wildlife on their lands. Although this program was originated for private landowners, state, tribal or local governments can also apply for this funding. This program focuses on restoring former and degraded wetlands, native grasslands, stream and riparian areas, and other habitats to conditions as natural as feasible. Under cooperative agreements, private landowners agree to maintain restoration projects, but otherwise retain full control of the land. Funded past projects include in-stream aquatic habitat improvements, fish passage, wetland restoration, and upland restoration. This funding would only apply to Federal trust species or resources (i.e., migratory birds, anadromous species, wetlands).

North American Wetlands Conservation Act Grants:

The USFWS North American Wetlands Conservation Act of 1989 provides matching grants to carry out wetlands conservation projects in the United States, Canada, and Mexico. The act was passed, in part, to support activities under the North American Waterfowl Management Plan. This plan is an international agreement between the three countries for the long-term protection of wetland/upland habitats on which waterfowl and other migratory birds in North America depend. Both the Standard (\$50,000 to 1 million)

and Small Grants (less than \$50,000) programs help deliver funding to on-the-ground projects through the protection, restoration, or enhancement of an array of wetland habitats. Anyone is eligible for this grant including for profit groups. NAWCA provides matching funds, on a 1:1 basis, to organizations and individuals who have developed partnerships to carry out wetland conservation projects in the United States, Canada and Mexico. In FY 2005, Congress appropriated \$37.5M to fund this program. For more information see <http://www.fws.gov/birdhabitat/NAWCA/>.

U.S. Environmental Protection Agency

The U.S. Environmental Protection Agency (EPA) provides funding for several grants. These grants can be overseen either by EPA and/or “passed through” for administration by non-profit agencies. EPA funded grants show a preference for empowering watershed councils, improving basin stewardship, using a watershed approach, or enacting land management policy changes even within the framework of on-the-ground restoration projects.

Watershed Assistance Grants:

Watershed Assistance Grants (WAG) are for the support of watershed partnership organizational development and long-term effectiveness. EPA provides funding, but the grant process and monetary distribution is distributed by the River Network. Only \$200,000 was available nationwide in 2002, making this a relatively small grant allotment. Examples of past projects include stakeholder workshops, building cooperation and support to protect critical lands, establishing organizational capacity watershed coalitions, and increasing involvement and community support.

Five-Star Restoration Program:

The EPA supports the Five-Star Restoration Program by providing funds to intermediary organizations such as the National Association of Service and Conservation Corps, the National Association of Counties, and the National Fish and Wildlife Foundation (NFWF), which then make subgrants that support community based wetland and riparian restoration projects. NFWF oversees the grant process for this program. Competitive projects will have a strong on-the-ground habitat restoration component that provides long-term ecological, educational, and/or socioeconomic benefits to the people and their communities. Preference is given to projects that are part of larger watershed or community stewardship efforts and include descriptions of long-term management activities. Each project would ideally involve at least five partners who are expected to contribute funding, land, technical assistance, workforce support, or other in-kind services that are equivalent to the federal contribution. Nationwide, \$500,000 was available in 2002.

Targeted Watersheds Grant Program:

The Targeted Watersheds Grant Program was established to encourage coalition-based strategies for attaining water quality standards and improving water resource protection and restoration on a watershed level. This is a competitive grant process in which EPA will select up to 20 watersheds in which to award grants under this program. Watersheds will be nominated and selected based on a submitted watershed plan. The evaluation criteria will focus on the overall watershed plan and not the proposed projects. Scoring criteria includes funding match percentages, inter-state or inter-tribal, plan feasibility, results orientation, demonstrated ability on previous projects, accountability, innovation, and support of stakeholders. Each year the goals of the program remain the same, though each year the Agency will have a particular emphasis to attract certain types of projects.

Section 104(b)(3) – Wetland Program Development Grants:

The Wetland Program Development Grants (WPDGs) program provides financial assistance for wetland protection and enhancement. Proposals must clearly demonstrate a direct link to improving the ability of

the state, tribe, local government or national non-profit, non-governmental organization to protect, restore, and/or manage its wetlands resources. Proposals must be for projects that can be completed within a clearly defined time frame – preferably one to two years. Every year the Request for Proposals (RFP) identify priority-funding areas. Although proposals are accepted if they meet the minimum requirements, proposals are more competitive if they address the priority areas.

Smart Growth Initiative:

The EPA has initiated this program to encourage “smart growth.” Specifically the program assists local agencies in redeveloping current land (e.g., Brownfields) and protecting open space. In 2002, \$400,000 dollars was awarded nationwide for cities that incorporated smart growth into redevelopment.

National Fish and Wildlife Federation

The National Fish and Wildlife Federation (NFWF) is a non-profit organization established by Congress in 1984 and dedicated to the conservation of fish, wildlife, and plants, and the habitat on which they depend. NFWF serves as a central mediator by creating and facilitating partnerships between the public and private sectors. NFWF has several grant programs with application criteria ranging from specific locations or topics to more general areas.

General Challenge Grants:

The NFWF operates a program that awards competitive grants to federal, tribal, state, and local governments, educational institutions, and non-profit conservation organizations. Challenge grants are awarded to projects that address priority actions promoting fish and wildlife conservation and the habitats on which they depend; involve other conservation and community interests; leverage available funding; and evaluate project outcomes.

Bring Back the Natives:

Bring Back the Natives (BBN) is a grant program overseen by NFWF. This program supports on-the-ground habitat restoration projects that benefit native aquatic species in their historic range. BBN projects generally involve riparian habitat restoration, moving streams towards stability, and supporting native aquatic communities. Funding is provided by the Bureau of Land Management, Bureau of Reclamation, U.S. Fish and Wildlife Service, USDA Forest Service, and National Fish and Wildlife Foundation, and Trout Unlimited. Successful projects will address land management practices to eliminate causes of habitat degradation; have multiple species and resource benefits; demonstrate a direct benefit to native fish and aquatic communities; or are innovative projects that develop new technology that can be shared with others.

The Native Plant Conservation Initiative (NPCI):

The Native Plant Conservation Initiative (NPCI) supports on-the ground conservation projects that protect, enhance, and/or restore native plant communities on public and private land. Projects typically fall into one of three categories and may contain elements of each: protection and restoration, information and education, and inventory and assessment. Applicants are encouraged, when appropriate, to include a pollinator component in their project. NPCI is part of the Plant Conservation Alliance (PCA), a cooperative program created in partnership with more than 150 nongovernmental organizations and federal agencies. PCA provides a framework and strategy for linking resources and expertise in developing a coordinated national approach to the conservation of native plants.

Migratory Bird Conservancy Grants:

NFWF oversees a program aimed at habitat conservation and management projects to be funded through the Migratory Bird Conservancy (MBC). The MBC is a bird conservation grant fund supported by donations from birding businesses and their customers, and matched by NFWF. The MBC (through

NFWF) will fund projects that directly address conservation of priority bird habitats in the Western Hemisphere. Acquisition, restoration, and improved management of habitats are program priorities. Education, research, and monitoring will be considered only as components of actual habitat conservation projects.

The National Resources Conservation Service

The National Resource Conservation Service (NRCS) allots money to every state NRCS office for distribution to voluntary projects within the state. Authority for the programs come from the 2002 Farm Bill. For FY 2006, the Farm Bill Conservation Program allocated \$33M to Washington State. As a general rule, the local NRCS officer should be involved in project development and planning. There is a 75% cost share for projects. More information is available at: <http://www.nrcs.usda.gov/programs/farbill/2002/>

Watershed Protection and Flood Prevention Program:

Watershed Protection and Flood Prevention Program, also known as the “Small Watershed Program” or the “PL 566 Program,” provides technical and financial assistance to address resource and related economic problems on a watershed basis. Projects related to watershed protection, flood prevention, water supply, water quality, erosion and sediment control, wetland creation and restoration, fish and wildlife habitat enhancement, and public recreation are eligible for assistance. Technical and financial assistance is also available for planning and installation of improvements that protect, develop, and use land and water resources in small watersheds. State and local agencies, municipality or tribal entity can apply for this grant. Planning studies are awarded if done within the framework of watershed councils.

Wetlands Reserve Enhancement Program (WREP):

This voluntary program provides landowners with financial incentives to restore and protect wetlands in exchange for retiring marginal agricultural land or agriculturally degraded wetlands. Landowners may sell a conservation easement or enter into a cost-share restoration agreement. Landowners voluntarily limit future use of the land, but retain private ownership. Landowners and the Natural Resources Conservation Service develop a plan for the restoration and maintenance of the wetland. Any state, local, tribal, individual or partnership can apply.

Wildlife Habitat Incentives Program (WHIP):

The Wildlife Habitat Incentives Program (WHIP) is a voluntary program for people who want to develop and improve wildlife habitat on private lands. It provides both technical assistance and cost sharing to help establish and improve fish and wildlife habitat. Participants work with the state NRCS office to prepare a wildlife habitat development plan in consultation with a local conservation district. The plan describes the landowner’s goals for improving wildlife habitat, includes a list of practices and a schedule for installing them, and details the steps necessary to maintain the habitat for the life of the agreement.

U.S. Forest Service

Wild & Scenic Rivers Program:

Given the location of the site in relation to the Skagit Wild and Scenic River System the U.S. Forest Service would logically be considered a contributor. In the past they have purchased parcels of land within the river corridor. Recently, they have had a policy of only considering purchase of lands within the Wild & Scenic corridor that were within National Forests. Currently they are under tight fiscal restraints and are not considering any purchases. In the future there may be opportunities.

The National Oceanic and Atmospheric Administration (NOAA)

The National Oceanic and Atmospheric Administration provides funding for several grants, however most apply to marine improvements and commercial fisheries. For the grant presented below, applications are typically accepted in the spring for use of that fiscal year.

Community-Based Restoration Program:

The Community-Based Restoration Program provides funds for small, locally driven habitat restoration projects that foster natural resource stewardship within communities. The program emphasizes the use of a grassroots approach to restoring fishery habitat across coastal America. The program's objective is to bring together citizen groups, public and nonprofit organizations, industry, businesses, students, landowners, and local government, state and federal agencies to implement habitat restoration projects to benefit living marine resources. Projects might include restoring wetlands, and other coastal habitats; improving fish passage and habitat quality for anadromous species; restoring oyster reefs, removing exotic vegetation, and replanting with native species; removing dams; and similar projects to restore habitat or improve habitat quality for populations of marine organisms. Partnerships are sought at the national and local level to contribute funding, land, technical assistance, workforce support, or other in-kind services.

U.S. Army Corps of Engineers

The U.S. Army Corps of Engineers (Corps) provides financial assistance under what is termed the Continuing Authorities Program (CAP). A request is made to the CAP program manager and a committee reviews the request and decides whether to proceed with the project. If a project is "picked-up" by the Corps, a project manager is then assigned to work with the municipality/ community on the project.

Section 14 - Emergency Streambank and Shoreline Protection Section of the Flood Control Act provides authority for the Corps to plan and construct emergency stream bank and shoreline protection projects to protect endangered highways, highway bridge approaches, public facilities such as water and sewer lines, churches, public and private nonprofit schools and hospitals, and other nonprofit public facilities. The planning and design analysis would be conducted at federal expense, and would evaluate the alternatives, select one, and develop project design data including plans and specifications. An Environmental Assessment would also be completed.

Section 205 - Flood Damage Reduction Projects Section of the Flood Control Act provides authority for the Corps to plan and construct small flood damage reduction projects that have not already been specifically authorized by Congress. A project is accepted for construction only after detailed investigation shows engineering feasibility, environmental acceptability, and economic justification. This funding can be used for structural (e.g., dams, levees) or non-structural (e.g., flood proofing) flooding solutions. After a state or local agency requests a potential project, the Corps will conduct a feasibility study if it appears the problem may have a federal interest and if funds are available. In the feasibility study, the costs, benefits, and environmental impacts are evaluated, and a preferred solution is identified.

Section 206-Aquatic Ecosystem Restoration Section of the Water Resources Development Act provides authority for the Corps to restore aquatic ecosystems. A project is accepted for construction after a detailed planning study shows it is technically feasible, environmentally acceptable, and provides cost effective environmental benefits. The Corps does restoration projects in areas that affect water, such as rivers, lakes and wetlands. Projects are evaluated based on the benefit to the environment through restoring, improving, or protecting aquatic habitat for plants, fish and wildlife.

Section 1135- Project Modifications to Improve the Environment Section of the 1986 Water Resources Development Act provides the authority to modify existing Corps projects to restore the environment and construct new projects to restore areas degraded by Corps projects. A project is accepted for construction only after a detailed planning study shows it is technically feasible, environmentally acceptable, and provides cost effective environmental benefits. The Corps does environmental restoration in areas that require modification to the hydrologic regime (e.g. lakes, rivers, wetlands).

Federal Highway Administration (FHWA)

The Federal Highway Administration's funding typically is provided through partnerships with state Departments of Transportation. However, most coordination of transportation projects is done with state and local agencies.

Transportation Equity Act for the 21st Century Funding Programs:

The Transportation Equity Act for the 21st Century (TEA-21) funds numerous transportation programs to improve the nation's transportation infrastructure, enhance economic growth, and protect the environment. Through increased funding to the Surface Transportation Program and the National Highway System, TEA-21 allows for more environmental projects. States may spend up to 20 percent of their STP dollars (used for transportation facility reconstruction, rehabilitation, resurfacing, or restoration projects) for environmental restoration and pollution abatement projects. Additionally, each state sets aside 10 percent of STP funds for transportation enhancement projects, which can include acquisition of conservation and scenic easements, wetland mitigation, and pollution abatement, as well as scenic beautification, pedestrian and bicycle trails, archaeological planning, and historic preservation. These varied project types can be used to protect source water areas during construction of transportation corridors.

Department of the Interior, National Park Service

The Department of the Interior under the National Park Service provides funding to states for the preservation of open space. State park and recreation departments oversee the administration of funds.

Land and Water Conservation Fund:

The Land and Water Conservation Fund (LWCF) uses offshore oil leasing revenues to support the creation of state and local park and recreation areas that guarantee perpetual public outdoor recreation opportunities. LWCF grant funds may be used for state planning and for the acquisition and development of state and local facilities that provide active and/or passive recreation opportunities. Recreation enhancement may be accomplished through the preservation of open space, estuaries, forests, wildlife and natural resource area. Properties that use this funding for acquisition are termed 6(f) properties.

STATE AND LOCAL FUNDING SOURCES

The Office of the Interagency Committee

The Office of the Interagency Committee creates and maintains opportunities for recreation, protects the best of the state's wild lands, and contributes to the state's efforts to recover salmon. The agency supports four citizen boards: Interagency Committee for Outdoor Recreation (IAC), Salmon Recovery Funding Board (SRFB), Governor's Forum on Monitoring Salmon Recovery and Watershed Health, and the Washington Biodiversity Council. The Office of the Interagency Committee manages 10 grant programs. In 2004, the boards gave out \$93M in grants for 432 projects. Several of the more relevant programs are discussed below. For detailed information on the programs, visit the web site: <http://www.iac.wa.gov/>.

Aquatic Lands Enhancement Account (ALEA):

The ALEA grant program provides support for the purchase, improvement, or protection of aquatic lands for public purposes and for providing and improving access to such lands. The program is guided by the need to re-establish self-sustaining ecological functions, providing or restoring public access to the water and increasing public awareness of aquatic lands as a finite resource. Any division of local or state government or Tribe is eligible to apply. Federal agencies, nonprofit organizations and private entities are not eligible, but are encouraged to partner with an eligible entity. For FY 2005, \$5M in grants were approved.

Washington Wildlife and Recreation Program (WWRP):

WWRP provides funding for local and state parks, water access sites, trails, critical habitat, natural areas, and urban wildlife habitat. Eligible grant recipients include municipal subdivisions, state agencies and Tribes. At least 50% matching funds or in-kind contributions is required. \$48M in park, trail and habitat projects were funded in 2005.

Riparian Habitat Protection Grant Program:

In 2005, the Washington State Legislature established a new statewide riparian habitat grant program. The program is aimed at protecting, enhancing and restoring habitat state agencies, local governments and lead entities created under the Salmon Recovery Act. The program will fund interests in property, enhancing or restoring property, extend the duration of leases for areas enrolled in the CREP.

Salmon Recovery Funding Board:

In 1999, the Washington State Legislature created the Salmon Recovery Funding Board to administer state and federal funds to protect and restore salmon habitat. This was done in response to the listing of several Pacific wild salmon stocks under ESA. Since 2000, the Board has awarded \$195.4M in grants for 592 projects. Projects funded by the board include: habitat protection and restoration, watershed assessments, feasibility studies and monitoring. Since its inception 9 years ago, the Skagit Watershed Council, being the Lead Entity, has brought \$15M into the Skagit for salmon recovery through the SRFB program.

Department of Ecology

In 1986 the Washington State Legislature established the Water Quality Account that funds a variety of programs related to water quality, which includes the Centennial Clean Water Program. Ecology's Water Quality Program administers the Centennial program with the goal of distributing funds among the state's highest priority water quality protection and water pollution control needs. The Centennial Program provides grants to local governments and Tribes to finance the planning, implementation design, acquisition, construction and improvement of water facilities and pollution control related activities. For detailed information on the programs, visit the web site: <http://www.ecy.wa.gov/programs/wq>.

Puget Sound Energy

Puget Sound Energy has two dams on the Baker River system. It has been developing information and mitigation plans for its dam relicensing process over the past four years. Many individuals from agencies, Tribes and other groups have been involved in various Resource Groups that have participated in the development of the mitigation plan. The Riparian Habitat Fund has \$8.3M devoted to the acquisition and restoration of fish and wildlife benefits. At this time, \$300K is expected to be spent in 2006, \$2M in 2008 and the remainder over time. The money will be released once the license is issued (at this time it has not been issued). Any expenditure of money from this fund would have to be approved by the Aquatic and Terrestrial Resources Groups. It is felt that the Middle Skagit is a target Reach for funds because this is close to project effects.