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STATE OF WASHINGTON

WASHINGTON STATE PARKS AND RECREATION COMMISSION

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April 11, 2024

Item E-1: 2025-27 Capital Budget Development - Requested Action

EXECUTIVE SUMMARY: This item asks the Washington State Parks and Recreation Commission to approve budgeting assumptions, structure, and the magnitude of capital funding to help guide development of the agency's 2025-27 capital budget request. This item advances the following Commission's strategic goals: 1) Customer Experience, 2) DEI, 3) Resource Protection, 4) Workforce Development.

SIGNIFICANT BACKGROUND INFORMATION:

At the upcoming April 11, 2024, Commission meeting, staff will seek Commission approval of budgeting assumptions, structure, and the overall magnitude of **capital** funding to help guide development of the agency's 2025-27 capital budget request. Staff will also outline the current process through which the final capital budget request will be prepared for consideration by the Commission at its July 2024 meeting in Bellingham, Washington. This information is briefly summarized below.

Previous Commission Direction

Staff is guided by the principles identified in the [State Parks 2021-31 Strategic Plan](#), and [2024 Commission Priorities](#).

Budget Development Process and Timeline

Staff will continue to use a robust and inclusive process to identify and prioritize the final list of projects for its proposed 2025-2027 capital budget request once the structure and magnitude is authorized by the Commission. Thus far, Capital Program staff have led an inclusive and collaborative agency-wide process. Beginning in Summer of 2023, Capital Region Staff met individually with all 25 Park Management Areas. Using the agency's previous Ten-Year Capital Plan as a starting point, meetings included a review of all previously identified projects and vetted any newly identified capital projects on a park-by-park basis. These meetings were followed up by multiple meetings hosted by each Capital Region with Region Leadership. At these meetings, project needs were further refined and prioritized at the Region level. The Capital Program also facilitated a half-day workshop with all statewide and headquarters programs to continue to identify project needs and further vet Area and Region identified projects and priorities. Finally, the Development Division formed a Capital Budget Charter Team made up of leadership from Operations, Statewide Maintenance, Stewardship, Contracts and Procurement and Communications/Visitor Services. The Charter Team was tasked with reviewing the projects and priorities through the lens of the Commission Priorities, Strategic Plan and Directors Priorities and recommending a structure and magnitude of request.

Capital Budget Development Timeline

July 2023	Grants/Capital budget development process kick-off meeting hosted by Capital Program Manager and Parks Development Planning Manager. Participants included staff from across the agency representing Parks Development, Operations, and Stewardship. Participants discussed process, timeline, expectations, generated thoughts and ideas, alignment of timelines and meetings.
July – Sept 2023	25 meetings with individual Parks Areas to identification and prioritize projects.
Nov – Dec 2023	Region level Capital project identification. Individual Region meetings to consolidate Area project lists and prioritize at the Region level.
Jan 2024	HQ and Statewide Program project identification and prioritization. Meeting with all HQ and Statewide Programs to discuss/identify project and prioritize projects.
March 2024	Charter Team initial meeting. Discussed linkage between capital projects and strategic priorities. Developed proposed magnitude and structure recommendations for Leadership and Commission consideration.
April 2024	Commission briefing and action on recommended magnitude and structure.
May-June 2024	Charter Team meeting to prioritize full two-year proposed project list guided by Commission approved magnitude and structure. Outreach and engagement to process participants.
July 2024	Commission briefing and action on recommended two-year project list.
Aug – Sept 2024	Finalize project descriptions, C100 budget breakdowns and OFM submittals. Director approval on final budget submittal.
Sept 2024	Submit final budget to OFM.

Capital Program Development

Backlogged maintenance, increased wear and tear, and rapidly growing demand for outdoor recreation will require a significantly increased, sustained, and predictable capital investment in park facilities. To secure such an investment from the Legislature, staff recognizes that it will need to develop a credible, publicly supported plan and to make organizational and process improvements necessary to reliably implement larger capital budgets. Staff completed the development of a Capital Program Strategic Plan in December of 2023. The Plan includes deliverables and strategies that will result in a Capital Program that provides staff with the tools necessary to delivery projects effectively and efficiently, improved internal and external collaboration and partnership development to reduce the timelines for project delivery, and right sizing the staffing and structure of the program to allow for more efficiency and deliver Capital budgets of a size needed to effectively address our current needs. The 23-25 operating budget included new ongoing funding to develop a fully staffed Facilities Program and Capital project scoping team. Development division staff are currently in the process of building out and

staffing these new teams, which will lead to the development of future Capital budget requests through the creation of a Capital Improvement Plan.

Next Steps

After the Commission's April 11, 2024, meeting and decision, the Charter Team will assemble a complete, ranked, and phased project list for review by agency executives, the Commission Budget Committee, and the other commissioners. Capital program staff will then incorporate comments and suggestions from reviewers into a final staff-recommended capital budget proposal for consideration and adoption by the Commission at its July 2024 meeting. The Capital Program will also reengage with process participants to ensure process transparency across the agency.

AGENCY REQUESTED ACTION:

Assumptions

Drawing upon previous assumptions and the current budget climate, staff requests that the Commission affirm the following assumptions to guide development of the agency's Ten-Year Capital Plan, as well as the 2025-27 biennial capital budget request:

- Continuing use of previous Commission ten-year plan guidance such as the "Guiding Principles for All Projects" (From November 2017 Commission Action) (Appendix 1).
- Build upon the previous two biennial budgets and prioritize currently funded projects as the highest priority.
- Build upon the agency's existing 2021-31 Ten-Year Capital Plan, refine project scopes, identify new projects, and re-prioritize projects to reflect current needs.
- **Seek to improve facility conditions to 80% (Grade B) in ten to twenty years.**
- **Request approximately 80% preservation projects (existing infrastructure) and approximately 20% strategic new development projects.**
- Identify projects appropriate for the Legislature to fund as part of larger pools of funds.

Budget Structure

Staff requests that the Commission adopt the following structure to guide development of the 2025-2027 biennial capital budget request. Categories include:

Re-appropriations – Projects that have already been authorized by the legislature and are extending beyond the current biennium.

Currently Multiphase Projects – Projects that were phased and received design and permitting funding during the 21-23 or 23-25 biennial budgets.

New Fully Funded Projects – Projects that will result in new infrastructure or assets and are requesting full design, permitting and construction funding.

New Multiphase Projects – New projects requesting only design and permitting funding, that will need a future funding request for construction.

Minor Works Projects – Stand-alone projects that can be fully delivered for a maximum cost of \$1,500,000 per project.

Within each of the above category’s, subcategories that will guide project prioritization will include following factors:

Preservation Projects – Projects that enhance, restore, remodel, replace or upgrade existing facilities, infrastructure, or assets.

Programmatic Projects – Projects that build new infrastructure, facilities, or assets.

Shovel- Ready – Projects that were previously funded and are currently at the 60% design stage and have low to medium regulatory complexity.

Magnitude of Request

Drawing from requested capital budget assumptions, structure, and project scoping and ranking currently underway, staff has developed a request level of approximately \$120 million for consideration (below). This magnitude represents a significant portion of the approximately \$500 million total Capital and Deferred Maintenance need for the park system. **Note that the below table does not include the estimated 25-27 reappropriation and only reflects new funding requested.**

Table 1. Agency Request

Category	Preservation	Programmatic	Total	Percent
Option 3				
Existing Multiphase	\$ 35.0M	\$ 24.0M	\$ 59.0M	48.56%
New (Non-Phased)	\$ 32.0M	\$ 1.5M	\$ 33.5M	27.57%
New Multiphase	\$ 11.5M	\$ 0.5M	\$ 12.0M	9.88%
Minor Works	\$ 16.0M	\$ 1.0M	\$ 17.0M	13.99%
Total	\$ 94.5M	\$ 27.0M	\$ 121.5M	
Percent	77.8%	22.2%		

Request: This request seeks funding to initiate or complete approximately 25% of the current Agency Capital and Deferred Maintenance needs. This option will fund the construction phase of 90% of all currently funded multiphase projects. Newly funded multiphase projects would result in out-year budget commitments of approximately \$28M (for 27-29 or 29-31 consideration). Approximately 75% of funding for this option would address Capital and Deferred Maintenance needs for existing facilities, assets, and experiences, and approximately 24% would result in new facilities, assets, and experiences. See Appendix 2 for the Currently Funded Multiphase Project list and Appendix 3 for the statewide project list.

Agency Requested Action

The Agency requests that the Commission authorize development of a capital budget proposal with a total magnitude of approximately \$120 million as described above for Commission consideration. Staff believes this level represents the highest priority Capital and Deferred Maintenance needs, while recognizing the current project delivery capacity of the Agency. This option will also result in construction funding for nearly all the currently funded multiphase projects.

LEGAL AUTHORITY:

RCW 79A.05.030 Powers and Duties – Mandatory

SUPPORTING INFORMATION:

Appendix 1: Ten-Year Capital Plan – Excerpt from the Guiding Principles and Goals (From November 2017 Commission Action)

Appendix 2: Currently Funded Multiphase Projects

Appendix 3: Statewide Projects

REQUESTED ACTION OF COMMISSION:

That the Washington State Parks and Recreation Commission:

1. Approve the capital budget development assumptions, structure, and magnitude of request as recommended by staff.
2. Direct staff to prepare a list of projects within this guidance for final consideration and approval by the Commission at its scheduled July 2024 meeting.

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Reviewer(s):

Sara Thirtyacre, SEPA Review:

Following review, staff has determined that the action proposed for the Commission by staff is exempt from the State Environmental Policy Act (SEPA) pursuant to WAC 197-11-800(14)(c),(d),(g),(h) and WAC 197-11-800(17). The list of projects included in this action item are for planning consideration only. This action does not commit the agency to proceed with any specific proposal. Any future proposals may require additional SEPA review.

Dennis Tate, Fiscal Impact: The capital fiscal impacts to the agency will be known prior to budget submittal when the final project costs are confirmed. Identified operating impacts will be incorporated into the agency’s 2023-25 biennium and future operating budget requests.

Andy Woo, Assistant Attorney General: 3/20/2024

Heather Saunders, Director, Parks Development

Approved for Transmittal to Commission



Diana Dupuis, Director

APPENDIX 1
Ten-Year Capital Plan – Guiding Principles and Goals
(From November 2017 Commission Action)

Guiding Principles for All Projects

- Improve statewide facilities condition index.
- Increase operational efficiency.
- Advance universal access
- Minimize development impact and apply sustainable design strategies.
- Respond proactively to the effects of climate change.
- Protect natural features and systems.
- Value historical properties and cultural sites and treat according to adopted guidelines.
- View capital improvements from a park, area, and state perspective.
- Consider lifecycle costs and maximize value of constructed assets.
- Provide recreational experiences and amenities equitably to all state residents.¹
- Preserve and provide access to key park aesthetics .
- Maximize recreational and cultural benefits.

¹ Considerations include population size, age distribution, regional variation, ethnicity, socio-economic status, etc. Special attention should be paid to efforts at inclusivity. This means the deliberate effort in park design to ease access and promote use for a full spectrum of the state’s residents. This may include, for example, providing public transit access facilities in parks, providing facilities for varied recreation pursuits popular in different ethnic groups, and locating parks and facilities near urban population centers.

APPENDIX 2

Currently Funded Multiphase Projects

Currently Funded Multiphase projects are complex construction projects that have received pre-design, or design and permitting funding in previous biennia and have reached a critical milestone where the next phase of funding is needed to proceed with the projects. These projects are critical to both addressing agency strategy, and large reductions in our maintenance backlog.

The projects descriptions in this appendix are not intended to be a complete discussion and description of each project, but rather, a refresher on the high-level scope, and the current and next phases of the projects.

Priority Order Currently Funded Multiphase Project List

Park	Region	Project	Preliminary Cost Estimate
Wallace Falls	NW	Parking expansion	\$ 2,000,000
Sun Lakes Dry Falls	EA	Dry Falls Visitor Center Renovation	\$ 3,345,000
South Beach	SW	Administration and Maintenance Complex A&E	\$ 1,500,000
Statewide	ST	Statewide ADA	\$ 2,000,000
Nisqually	NW	Campground	\$ 16,000,000
Fort Ebey	NW	Campground Comfort Station Replacement	\$ 1,000,000
Mt Spokane	EA	Maint. Facility Relocation Phase 2 (restoration of old site).	\$ 1,200,000
Palouse to Cascades	NW	Palouse to Cascades Culvert stabilization	\$ 2,000,000
Fort Columbia	SW	Replace RBC	\$ 715,000
Blake Island	SW	Marine Area Improvements	\$ 2,475,000
Statewide	ST	Historic Facility Energy Efficiency Projects	\$ 2,500,000
Klickitat Trail	EA	Suburbia Bridge Replacement	\$ 2,000,000
Pearygin	EA	Pearygin West Campground Development	\$ 4,800,000
Ike Kinswa	SW	Bulkhead Replacement	\$ 1,200,000
Statewide	ST	Utility Infrastructure Replacement	\$ 3,500,000
Twin Harbors	SW	Campground Relocation	\$ 2,500,000
Fort Worden	SW	Housing Areas Exterior Improvements	\$ 2,000,000
Nisqually	SW	Day Use Improvements - Trail System	\$ 3,500,000
<i>Beacon Rock*</i>	<i>SW</i>	<i>Entrance Road Realignment</i>	<i>\$ 3,750,000</i>
<i>Fort Worden**</i>	<i>SW</i>	<i>Fire Alarm Upgrades</i>	<i>\$ 3,400,000</i>
<i>Millersylvania**</i>	<i>NW</i>	<i>Replace Water System</i>	<i>\$ 3,300,000</i>
<i>Ocean City**</i>	<i>SW</i>	<i>Fish Barrier Removals</i>	<i>\$ 6,500,000</i>
Total			\$ 71,185,000

* Awaiting decision on federal grant application. If successful, Capital funding requests would be reduced to approximately \$300K and priority would increase.

** Projects not planned to be construction ready by end of 23-25 biennium.

All projects, other than those with an asterisk, are included in the requested action.

Project Descriptions

1. Wallace Falls Parking Expansion: Construction phase of parking expansion project.
2. Sun Lakes Dry Falls Visitor Center: This project constructs the 21-23 designed and permitted improvements to the existing visitor's center area, including an enhanced potable water system, accessibility improvements to buildings and grounds, historic preservation of structures, and interior and exterior interpretive enhancements.
3. South Beach Administrative and Maintenance Facility: This project would provide design and permit funding for the predesign approved replacement administration and maintenance facility. The current facility is subject to significant flooding during fall and winter months.
4. Statewide ADA: This project continues the implementation of the agency's ADA transition plan to address know barriers to accessibility.
5. Nisqually New Full-service Park: This multi-phase project designs, permits and constructs a new full-service park in partnership with the Nisqually Indian Tribe. This phase involves funding the campground and sewage system.
6. Fort Ebey Campground Restroom Replacement: Construction funding for currently design/permit funded replacement of comfort station and all associated utilities.
7. Mount Spokane Maintenance Facility Relocation Phase 2: This provides funding to restore the pervious maintenance facility site as required to ensure regulatory compliance.
8. Palouse to Cascades Culvert Stabilization: This Project provides funding for the planned stabilization of the brick and concrete culverts in the Cascade Foothills section of the trail.
9. Fort Columbia Replace RBC: The project completes the upgrade of the rotating biological contactor sewage treatment system at Fort Columbia State Park.
10. Blake Island Marine Area Improvements: Funding will allow for dredging of sediment from the entrance channel and south end of Blake Island marina. Funding will also provide upgraded moorage, gangway, and access routes to comply with accessibility requirements.
11. Statewide Historic Energy Facility Projects: Funding will be used for construction of designed and permitted projects that will result from the 2024 capital supplemental project to audit energy usage of historic facilities at several parks. This project is being conducted through the Energy Savings Performance Contracting Program at DES.
12. Klickitat Trail Suburbia Bridge Replacement: The funding will supplement current grant funding to complete construction of a replacement bridge on the Klickitat Trail.
13. Pearygin Lake West Campground Development: This project constructs improvements designed and permitted in the 21-23 biennium to the west campground including camp sites, roadways, overflow parking and three comfort stations; upgrades water and electrical systems for the existing campground; and adds to domestic water reservoir

capacity. The Parks' entry roads, box culvert, comfort station and connection to the east campground was constructed in the 19-21 biennium.

14. Ike Kinswa Bulkhead Replacement: Construction funding for currently design/permit funded bulkhead replacement.
15. Statewide Utility Infrastructure Replacement: The project will continue to address the needed upgrades to utility infrastructure system wide. Individual projects will be selected through the Utility Infrastructure Capital Improvement Plan that is currently being completed by the Facilities Program. This plan builds off the system wide utility infrastructure assessment that was conducted during the 21-23 biennium.
16. Twin Harbors Campground Relocation: Design and permit funding for the predesign approved relocation of the east campground at Twin Harbors state Park.
17. Fort Worden Housing Areas Exterior: This multi-phased project constructs exterior renovations to housing areas at the park including Officers' Row, NCO Row, as well as the World War II-Era residences area.
18. Nisqually Day-use Improvements: This project constructs the preferred alternative chosen in 21-23's predesigns study of the trail system. This will include the
19. Beacon Rock Entrance Road Realignment: This phased project realigns the vehicle entrance to the camping and day-use facilities, constructs parking safety improvements, constructs two new parking lots with trail connections, and allows for safe pedestrian movements throughout the park.

APPENDIX 3

Statewide Projects

The below list represents all statewide projects proposed during the budget development process. All projects, as currently ranked, would be included in the recommended magnitude.

Statewide Project List

Project	Description	Preliminary Cost Estimate
ADA Transition Plan	Addressing known barriers included in the ADA Transition Plan	\$ 2,000,000
Restroom & Comfort Station Replacement	Pool funds used to replace approximately 10 to 15 restrooms and comfort stations per biennium.	\$ 10,000,000
Park Repaving Pool	Pool funds used to repave at least 4 Parks per biennium.	\$ 6,000,000
Historic Facility Energy Efficiency	Implement projects identified in the Historic Facilities energy audit project	\$ 2,500,000
Deferred Maintenance	Statewide Deferred Maintenance Fund	\$ 5,000,000
Utility Infrastructure Replacement	Pools funds for improving deficient utility infrastructure	\$ 3,500,000
In-Park Trail Improvements	Reconstruct/relocate existing in-park trails to achieve low maintenance and improve sustainability.	\$ 2,250,000
Forest Health Program	Forest Health Treatments	\$ 500,000
Marine Facilities	On-going funding to rebuild failing marine facilities	\$ 2,000,000
Depression Era Restoration	Moran tower sandstone replacement and mortar	\$ 1,500,000
Code Compliance	Pool funding for addressing current code compliance needs	\$ 1,500,000
Shade Tree Replacement	Replacement of danger trees removed in parks	\$ 270,000
EV Charging and Alternative Energy	Implementing first phase of projects identified through DES Energy Savings Performance Contracting Program project.	\$ 2,000,000
Total		\$ 39,020,000