Oregon Parks and Recreation Commission

September 14, 2022

Agenda Item: 9a Action

Public Comment Allowed: Yes

Topic: Request to open, Local Government Grant Rules, Division 6

Presented by: Michele Scalise, Grants and Community Programs Manager

Katie Gauthier, Government Relations and Policy Manager

The Local Government Grant Program (LGGP) funds outdoor recreation in cities, counties and special districts with a portion of constitutionally-dedicated lottery funding. OPRD administers the grant program on an annual basis. Typically, the program awards over \$5 million annually to qualified projects, and has awarded over \$60 million in grant funding since the program began in 1999.

The grant program was created after passage of Measure 76 dedicating lottery funding to parks and natural resources. Article XV, Section 4a (3) of the Oregon Constitution requires that each biennium 12% of OPRD's portion of lottery funding be dedicated to local and regional government grants for outdoor recreation. It further requires that if lottery proceeds reach more than fifty percent above the amount deposited in the 2009-2011 biennium, the grant amount will increase to 25% of OPRD's portion of dedicated lottery funding. As lottery proceeds continue to increase, it is anticipating this point may be reached in the near future.

Staff request permission to open rulemaking for administrative rules governing the application, operation and distribution of the Local Government Grant Program to address both potential of additional funding and needs for general updates to administrative processes. A majority of the rules have not been updated for at least ten years. Proposed changes would update language and process to match current operational needs. In addition, overall grant sizes would be increased.

A Rule Advisory Committee has been convened with members from local and regional governments, grant review committee members and local government associations. The RAC discussed proposed changes and made recommendations on language and grant sizes.

Attachment A includes proposed amended rule language. If approved, staff would open rules for public comment October 1 through 31. A public hearing will also be scheduled to hear from anyone with comments, questions or suggestions for changes to the proposed rules.

Prior Action by Commission: In November 2019, the Commission adopted 736-006-0121 regarding bicycle and pedestrian projects to address requirements in HB2592 (2019).

Action Requested: Staff request permission to open rulemaking on amendments to OAR 736-006-0100 to 736-006-0150 to update Local Government Grant program rules.

Attachments: Attachment A: Marked copy of proposed rules

Prepared by: Katie Gauthier, Government Relations and Policy Manager

9ab: Attachment A: Marked Copy

Division 6

DISTRIBUTION OF STATE FUNDING ASSISTANCE TO UNITS OF LOCAL GOVERNMENT FOR PUBLIC PARKS AND RECREATION

736-006-0100

Purpose of Rule

This division establishes the procedures and standards used by the Oregon Parks and Recreation Department when distributing state monies to eligible local governments for outdoor park and recreation areas and facilities, acquisition of property for park purposes, trails, bicycle recreation opportunities, non-motorized water-based recreation, and the process for establishing the priority order in which projects shall be funded.

Statutory/Other Authority: ORS 390.180 **Statutes/Other Implemented:** ORS 390.180

History:

PRD 4-2008, f. 2-15-08, cert. ef. 3-1-08

PRD 6-2004, f. & cert. ef. 5-5-04 PRD 7-1999, f. & cert. ef. 11-23-99

736-006-0105

Statutory Authority and Procedure

ORS 390.180 requires the Director of the Oregon Parks and Recreation Department to adopt rules establishing procedures the Oregon Parks and Recreation Department shall use when the Department disburses money to local governments.

Statutory/Other Authority: ORS 390.180 **Statutes/Other Implemented:** ORS 390.180

History:

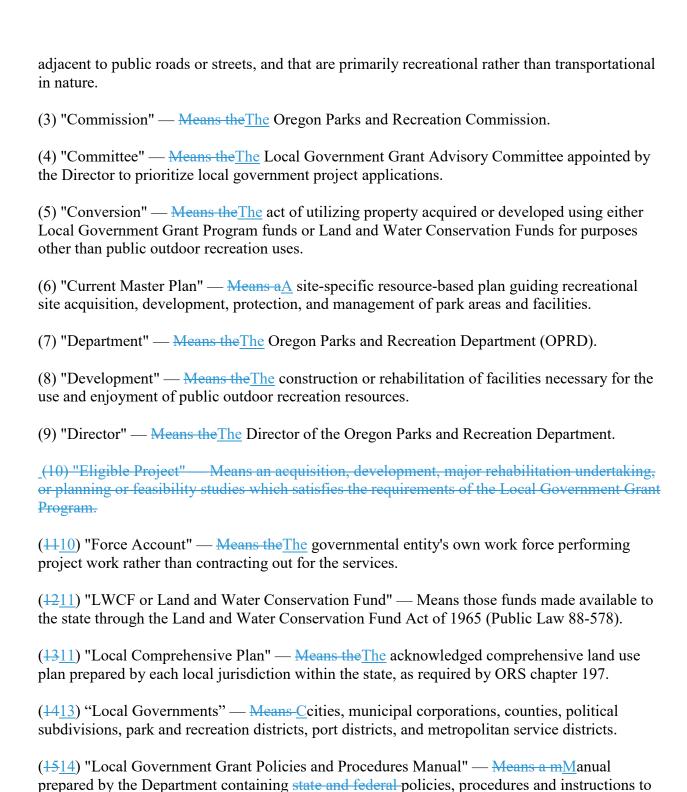
PRD 6-2004, f. & cert. ef. 5-5-04 PRD 7-1999, f. & cert. ef. 11-23-99

736-006-0110

Definitions

As used in this division, unless the context requires otherwise:

- (1) "Acquisition" Means the gaining of property rights, including but not limited to fee title or easements, for public use.
- (2) "Bicycle Recreation" Means the The use of bicycles for enjoyment, social interaction, education, or physical well-being while on recreational trails or paths that are not along or



assist local government agencies wishing to participate in the Local Government Grant Program.

(1615) "Local Government Grant Program" — Means the program and process for distributing state monies to eligible local governments for outdoor park and recreation areas and facilities

located on properties controlled or managed by the eligible local government.

(1716) "Major Rehabilitation" — Means the The repair, restoration, or reconstruction of facilities, which is necessitated by obsolescence, building code changes, accessibility standards, or normal wear and tear not attributed to lack of maintenance.

(1817) "OPRD" — Means the The Oregon Parks and Recreation Department.

(1918) "Outdoor Recreation" — Means sStructured and unstructured leisure and fitness activities that occur in open air and are not provided in a roofed and enclosed facility.

(2019) "Project" — Means the The planning or feasibility study documents or the site and associated improvements where acquisition, development, or major rehabilitation will occur.

(2120) "Project Authorization" — Means the The State/Local Agreement that authorizes the project to begin effective on or after the date signed by both the Director and Project Sponsor or their designee.

(2221) "Project Sponsor" — Means the The recipient of the grant funds and the entity responsible for implementation of the project and the maintenance and operation of the site.

(2322) "SCORP" — Means the The Statewide Comprehensive Outdoor Recreation Plan, the document used to identify and assess Oregon outdoor recreation needs. that is Oregon's basic five year plan for outdoor recreation and that provides the state with an up-to-date regional information and planning tool serving as the basis by which all Oregon recreation providers (state, federal, local, and private) catalogue and rank their recreation needs, obtain funding through partnerships and grants, and affirm their respective roles.

(2423) "State/Local Agreement" — Means the The signed agreement between the Department and Project Sponsor, which authorizes the project to begin on, or after the date signed by both the Director and the Project Sponsor and that describes the contractual relationship and responsibilities of the parties to the Project.

(2524) "Sustainability" — Means using Using, developing, protecting, and managing the resource in a manner that enables people to meet current and future generation needs from the multiple perspective of environmental, economic, and community objectives.

Statutory/Other Authority: ORS 390.180 **Statutes/Other Implemented:** ORS 390.180

History:

PRD 3-2012, f. & cert. ef. 5-11-12 PRD 5-2008, f. & cert. ef. 5-15-08 PRD 1-2008(Temp), f. 2-15-08, cert. ef. 3-1-08 thru 8-1-08

PRD 6-2004, f. & cert. ef. 5-5-04 PRD 7-1999, f. & cert. ef. 11-23-99

736-006-0115

Apportionment of Monies Between Small and Large Grants

- (1) Up to $\frac{15-20}{20}$ percent of available funds shall be set aside for small grants. Small grants are projects with a maximum \$\frac{75,000}{100,000}\$ grant request.
- (2) Other than for land acquisitions, the remainder of available funds shall be for large projects with a maximum \$750,0001,000,000 grant request.
- (3) A Project Sponsor may request grant funding for land acquisitions in an amount not to exceed \$1,000,0001,500,000.
- (4) In consultation with the Committee, the Commission and the Director may set the maximum at more or less than that above amounts based upon the availability of funds.
- (5) Based on the quality and quantity of Eligible Projects, the Committee, with concurrence of the Director, may dedicate a portion of the funds for projects expected to be completed within 12 months of grant award.
- (6) The Director may dedicate a portion of the available funds to projects located in cities or districts with populations under 25,000 and counties with populations under 50,000.

Statutory/Other Authority: ORS 390.180 **Statutes/Other Implemented:** ORS 390.180

History:

PRD 3-2012, f. & cert. ef. 5-11-12 PRD 4-2008, f. 2-15-08, cert. ef. 3-1-08 PRD 6-2004, f. & cert. ef. 5-5-04 PRD 7-1999, f. & cert. ef. 11-23-99

736-006-0121

Bicycle and Pedestrian Projects

Until January 2, 2025, the Committee shall:

- (1) Dedicate up to \$1 million per year to be awarded for bicycle and pedestrian projects that meet recreation and transportation needs, notwithstanding OAR 736-006-0125(3)(a). Bicycle and pedestrian transportation project needs may include improving walking and bicycling access in areas where no connection exists, transportation options are limited or significant safety concerns are addressed by the improvement.
- (2) Include one representative from the Oregon Bicycle and Pedestrian Advisory Committee created in ORS 362.112.
- (3) May consider adopted transportation system plans in application scoring in addition to criteria identified in 736-006-0145(5)(b).

Statutory/Other Authority: ORS 390.180

Statutes/Other Implemented: 2019 HB 2592 & ORS 390.180

History:

PRD 4-2019, adopt filed 11/25/2019, effective 11/25/2019

736-006-0125

Application Procedure

The purpose of this rule is to set forth requirements that <u>applicants</u> must <u>be met by local</u> government <u>applicants</u> in submitting an application for Local Government Grant Program funding assistance.

- (1) Eligibility for Funding Assistance. Public agencies eligible for state funding assistance are:
- (a) Cities, Municipal Corporations;
- (b) Counties, Political Subdivisions;
- (c) Park and Recreation Districts;
- (d) Port Districts;
- (e) Metropolitan Service Districts.
- (2) Matching Requirements:
- (a) Cities and districts with a population greater than 25,000 and counties with a population greater than 50,000 must provide a match of at least 50 percent of total project costs.
- (b) Cities and districts with a population between 5,000 and 25,000 and counties with a population between 30,000 and 50,000 must provide a match of at least 40 percent of total project costs.
- (c) Cities and districts with a population of less than 5,000 and counties with a population of less than 30,000 must provide a match of at least 20 percent of total project costs.
- (d) If an applicant established that a situation of extreme economic hardship impacts a project, the applicant may request that the Director authorize a reduced match down to a minimum of 20 percent of total project costs. The Director has sole discretion to authorize a reduced match under this subsection based on consideration of the applicant's request, the project, and the project's eligible match; the availability of funds; the scope and need of projects available for funding; and the urgency and statewide importance of prospective projects.
- (e) The eligible match by the Project Sponsor may include local budgeted funds, local agency labor or equipment, federal revenue sharing, other eligible grants, state and county inmate labor, donated funds, the value of private donated property, equipment, materials, labor, the value of land acquired within the past six year period, cost of appraisals, pre-development costs within the

past two year period or any combination thereof. Engineering and administration costs and costs incurred prior to the State/Local Agreement cannot exceed 15 percent of the total project costs.

- (3) Eligible Projects:
- (a) Acquisition, development, major rehabilitation, planning, or feasibility study projects that are consistent with the outdoor recreation goals and objectives contained in the SCORP, the recreation elements of local comprehensive plans and local master plans or both the outdoor recreation elements of locally adopted climate change adaptation plans. Projects may support traditional outdoor recreation settings such as parks, or funds may be provided for: projects that ensure natural and cultural resource protection while maintaining public access for recreation; projects that protect public open space; bicycle recreation; non-motorized water recreation; trails for non-motorized recreation; or emerging new outdoor recreation trends. Only outdoor park and recreation areas and facilities are eligible.
- (b) Water based outdoor recreation facilities such as short-term transient moorages and non-motorized boat and watercraft projects, trails, support facilities for non-motorized water recreation, and water access.
- (4) Planning Requirements. Project Sponsors participating in the funding assistance program must show that:
- (a) There is a current master plan in effect and that the project is consistent with the local comprehensive land use plan and SCORP,
- (b) There is not a current master plan in effect, but the project is consistent with the local comprehensive land use plan and SCORP, or
- (c) The project request is for planning assistance.
- (5) Application FormProcedure.
- (a) All applications for funding assistance for outdoor park and recreation program projects must be submitted on forms as prescribed and supplied by the Department. All applications must be consistent with the Local Government Grant Policies and Procedures Manual and contain the following information:
- (aA) Program Project narrative;
- (bB) Environmental review formassessment;
- (C) State agency review;
- (D) Maps;
- (ei) Vicinity map;

(dii) Project Park boundary map;
_(e) Civil Rights compliance;
(iii) Site plan; and
(iv) Urban growth boundary map
(E) Copy of property deed or lease or formal and binding control and tenure agreement showing cooperation with the landowner to ensure long-term use, generally not less than 25 years, of facilities for public recreation;
(gF) Preliminary plans and specifications for construction projects;
(hG) Estimate of development project costs and project construction schedule;
(i) Copy of property Purchase Agreement (for acquisitions only);
(<u>jH</u>) <u>Local/County Planning Department Certification/ReviewLand Use Compatibility Statement completed by the appropriate planning department;</u>
(I) Certification by Applicant of availability of local match;
(kJ) All required permits and certifications as identified in the Local Government Grant Policies and Procedure Manual;
(V) (I) Comment to Comment I will (Tail 1) Configuration to the Domestic that I
(K) (I) Government to Government Inquiries (Tribal) — Certification to the Department that the Project Sponsor has communicated their grant proposal to the appropriate federally recognized tribe for the review and determination of tribal interest or concern for those areas of known or suspected tribal archeological resources.
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Project Sponsor has communicated their grant proposal to the appropriate federally recognized tribe for the review and determination of tribal interest or concern for those areas of known or suspected tribal archeological resources. (m) Other documentation that may be required by the Department. (b) Additional requirements for acquisition projects: (A) Appraisal. Appraisals must conform to the Uniform Standards of Professional Appraisal Practice (USPAP); (i) Appraisal Review;

- (a) The Department shall announce through a variety of media the availability of, procedures for, deadlines and other information for applying for Local Government Grant Program assistance. Upon receipt of the application by the Department, the Department Grants Program staff shall perform a technical review of all applications and forward eligible large grant applications to the Committee. The Committee will meet to evaluate the applications and make recommendations to the Director for Commission approval. The Commission may deny any or all recommendations of the Committee.
- (b) Project Sponsors with large project grant requests may be expected to provide a presentation to the Committee under a procedure established by the Department.
- (c) Project Sponsors whose projects have been approved by the Commission and are scheduled for funding assistance must submit to the Department the following project information:
- (A) Certification by project sponsor of availability of local match;
- (B) Preliminary plans and specifications (for construction projects);
- (C) Appraisal for acquisition projects. Appraisals must conform to the Uniform Appraisal Standards for Federal Land Acquisitions;
- (D) Preliminary title report for acquisitions;
- (E) Verification that the applicant has a Compliance Plan that meets the requirements of the Americans with Disabilities Act of 1990 and its 2010 regulations.
- (d) The Department will remove those project applications from the Commission approved list that are unable to provide the required documentation required in subsection (c) of this section.
- (ec) In the event that the funding assistance available cannot fully fund the last priority project, a Project Sponsor may be given the option of reducing the scope of the project. The Department, at its discretion, may pass the available funds to another priority project or hold the remaining funds and combine them with the next planned distribution of funds.
- (f) Projects that do not receive funding assistance for the fiscal year submitted will be returned to the applicant without prejudice.
- (7) Project Agreement Administration:
- (a) A signed State/Local Agreement shall constitute project authorization. No grant funds may be disbursed without a signed State/Local Agreement from the Department.
- (b) The Project Sponsor shall have six months from the date of authorization to begin substantial work (e.g. the award of contracts or completion of at least 25 percent of the work, if done by force account). The Department may cancel a grant when the Project not conforming to this schedule, unless the Project Sponsor provides substantial justification to warrant an extension.

- (c) The Project Sponsor shall complete and bill all projects by the dates as specified in the State/Local Agreement.
- (d) The Department may inspect all projects.
- (e) Partial payments up to 90 percent of the grant amount may be <u>billed-requested</u> during the project for work completed. Final payment will be made upon certification of project completion by the Project Sponsor. Real property acquisitions may receive the full grant amount if the funds are to be dispersed in escrow for the closing of a property acquisition.
- (f) The Department may provide the Project sponsor partial payments of up to 25 percent of the grant amount after the Department issues the Notice to Proceed and in advance of work completed if a general contractor requires advanced funding prior to construction/development work or ordering materials/supplies.
- (g) Project amendments that increase the Local Government Grant award amount will generally not be allowed. <u>Project amendment requests based on extraordinary circumstances will, however, be reviewed on a case-by-case basis.</u>
- (h) Requests for time extensions must be submitted in writing and approved by the Department prior to the expiration of the approved project period as set forth in the State/Local agreement. The Project Sponsor must submit requests for time extensions to complete work to the Department in writing and must be approved prior to the expiration of the approved project period as set forth in the State/Local Agreement.
- (8) The Project Sponsor shall install and maintain throughout the life of the agreement appropriate signage for each project indicating the Oregon Parks and Recreation Department Grant Program's assistance and shall certify that signage is in place prior to requesting final payment.

Statutory/Other Authority: ORS 390.180 **Statutes/Other Implemented:** ORS 390.180

History:

PRD 3-2012, f. & cert. ef. 5-11-12 PRD 4-2008, f. 2-15-08, cert. ef. 3-1-08 PRD 6-2004, f. & cert. ef. 5-5-04

PRD 7-1999, f. & cert. ef. 11-23-99

736-006-0140

Conversion Requirements

(1) Park and recreation areas and facilities <u>developed with Local Government Grant Program</u> <u>assistance</u> must be dedicated for a minimum of 25 years for park and recreation purposes.

Property acquired with Local Government Grant Program assistance shall be retained and used for public outdoor recreation in perpetuity. Leases for federally owned property must be at least 25 years. If the current lease is within 5 years of termination, a letter of intent to renew the lease

will be required from the federal agency. Project sponsors must insure that the land within the project boundary will be used only for park and recreational purposes, Project Sponsor controls or will control the land, and that the Project Sponsor will not change the use of, sell, or otherwise dispose of land within the project boundary, except upon written State approval. If the Project Sponsor converts land within the project boundary to use for other than outdoor park and recreation purposes or disposes of such land by sale or otherwise, applicant must provide replacement property within 24 months of either the conversion or the discovery of the conversion.

- (2) If replacement property cannot be obtained within the 24 months, the Project Sponsor will provide payment of the grant program's prorated share of the current fair market value to OPRD. The prorated share is that percentage of the original grant (plus any amendments) as compared to the original project cost(s). The replacement property must be equal to the current fair market value of the converted property, as determined by an appraisal. The recreation utility of the replacement property must also be equal to that of the lands converted or disposed.
- (3) If conversion should occur through processes outside of the Project Sponsor's control such as condemnation or road placement or realignment, the Project Sponsor will be required to pass through to OPRD the prorated share of whatever consideration is provided to the Project Sponsor by the entity that caused the conversion. The monetary value of whatever consideration provided by the taking entity will normally consist of the fair market value of the property established by an appraisal.
- (4) Project Sponsors that have not addressed or submitted documentation to the Department or National Park Service (NPS) for review and approval of an active conversion through the Land and Water Conservation Fund Program or the Local Government Grant Program are not eligible to apply for Local Government Grant Program assistance.
- (5) Project Sponsors who have addressed a conversion at the local level and have submitted documentation to the Department and/or NPS for review and approval of the conversion through the Land and Water Conservation Fund Program or the Local Government Grant Program may apply for funding assistance.

Statutory/Other Authority: ORS 390.180 **Statutes/Other Implemented:** ORS 390.180

History:

PRD 4-2008, f. 2-15-08, cert. ef. 3-1-08 PRD 6-2004, f. & cert. ef. 5-5-04

736-006-0145

Local Government Grant Advisory Committee

- (1) The Committee shall be composed of ten (10) members appointed by the Director to fouryear terms and shall represent the following interests:
- (a) Counties east of the Cascade Mountains;

- (b) Counties west of the Cascade Mountains;
- (c) Cities under 15,000 people;
- (d) Cities over 15,000 people;
- (e) Park and Recreation Districts, Metropolitan Service Districts or Port Districts;
- (f) Oregon Parks and Recreation Department;
- (g) People with Disabilities; and
- (h) Three members of the public at large, with at least one member who represents the ethnic diversity of the state's population a historically underrepresented community;
- (i) The chair shall be appointed by the Director from the Committee membership, considering the recommendations of nominated and selected by the Committee.
- (2) Committee members shall be selected for each position by:
- (a) County representation shall be from lists supplied by the Oregon Parks Association and the Association of Oregon Counties;
- (b) City representation shall be from lists supplied by the Oregon Recreation and Park Association and the League of Oregon Cities;
- (c) Park and Recreation Districts, Port Districts, or Metropolitan Service Districts representation shall be from a list supplied by the Special Districts Association of Oregon;
- (d) Representatives for Public at Large, People with Disabilities, and the Department shall be selected by the Director.
- (e) The Department may consult with other appropriate organizations not otherwise listed in subsections (a) to (d) for committee membership candidates.
- (3) The travel, meals and lodging expenses of all members of the Committee will be reimbursed by the Department according to the rates established by the Department of Administrative Services and approved by the Director.
- (4) Function of Local Government Grant Advisory Committee:
- (a) The Committee shall meet upon the call of the Director. The Committee will establish a priority order of eligible local government projects for state funding assistance and provide other assistance as requested by the Department. The meeting will assure full and open project selection processes that will include an outreach to citizens of the state.

- (b) The Department will provide public notice of all projects to be presented to the Committee at least 30 days prior to their meeting.
- (5) Priority Selection Criteria. Large projects shall be prioritized by the Committee based on at least the following:
- (a) Department review and recommendations, including a technical review of each project to confirm eligibility of the local government and the proposed project.
- (b) The Committee shall score all applications using project selection criteria, including but not limited to the following:
- (A) Extent the project demonstrates user benefits, public interest and support;
- (B) Extent the project demonstrates conformance with local and state planning guidelines, the Statewide Comprehensive Outdoor Recreation Plan (SCORP) and local Park Master Plans or other locally adopted planning documents; all projects must be identified in local comprehensive plans and current master plans;
- (C) Financial considerations, including cost/benefit ratio;
- (D) Environmental <u>assessment review</u> as defined in the Local Government Grant Procedure Manual;
- (E) Extent the project increases outdoor recreation opportunity in the service area;
- (F) Extent the Project Sponsor employs the principles of sustainability in their project(s);
- (G) How well the project's design accommodates people with disabilities.
- (H) Extent the project increases outdoor recreation opportunities in small, underserved, and disadvantaged communities.
- (c) Small project requests will be scored and prioritized for funding by a committee appointed by the Director using the above criteria in subsection (b) of this section.

Statutory/Other Authority: ORS 390.180 Statutes/Other Implemented: ORS 390.180

History:

PRD 3-2012, f. & cert. ef. 5-11-12

Renumbered from 736-006-0130, PRD 6-2004, f. & cert. ef. 5-5-04

PRD 7-1999, f. & cert. ef. 11-23-99

736-006-0150

Emergency Procedure

- (1) Under certain conditions such as, but not limited to, reduction or increase of these funds, an emergency procedure for awarding or canceling grants may be initiated at the discretion of the Director.
- (2) In implementing the emergency procedure, the Director shall consider the availability of funds; the scope and need of projects available for funding; the urgency and statewide importance of prospective projects; and the need to expend additional funds that may become available in a timely manner. The Director may propose projects to the Commission for funding under this section and the Commission may waive other requirements of this rule for the purpose of obligating funds in a timely manner.

Statutory/Other Authority: ORS 390.180 **Statutes/Other Implemented:** ORS 390.180

History:

PRD 3-2012, f. & cert. ef. 5-11-12 PRD 4-2008, f. 2-15-08, cert. ef. 3-1-08 Renumbered from 736-006-0135, PRD 6-2004, f. & cert. ef. 5-5-04

PRD 7-1999, f. & cert. ef. 11-23-99