



Allyson Brooks Ph.D., Director
State Historic Preservation Officer

Mr. David Schumacher
Office of Financial Management
P.O. Box 43113
Olympia, WA 98504

Re: 2021-2023 Biennium DAHP Capital Budget

Dear Mr. Schumacher:

On behalf of the Department of Archaeology and Historic Preservation, I am respectfully submitting our proposed 2021-2023 Biennium Capital Budget.

We are recommending five decision packages for this Biennium: Main Street grants, Expansion of the Heritage Barn grant program, Historic County Courthouse grants, Historic cemetery grants and grants for historic theaters. These programs are focused on creating employment and opportunities in our rural counties.

Main Street Grants

The agency is proposing a new three million dollar grant program to assist the 65 rural Main Streets in the program with historic building capital projects. The program serves between 9-10,000 small businesses that are 60% women owned and 12% minority owned. The grants would be used by these businesses for the following: exterior renovations, façade improvement, change of use for tenants, COVID related safety improvements, and/or physical improvements to enhance business opportunities along the streetscape. The program will create labor-intensive construction jobs and create permanent employment by supporting small business' ability to remain operational and open to the public within safe public health guidelines.

Heritage Barn Grants

The current Heritage Barn Preservation Program is proposing \$1,500,000 to continue grant assistance to working farms. The program is a 50-50 match between state funds and barn owners, which results in each award leveraging additional private investment. The program assists local farmers with maintaining their agricultural livelihood while preserving the historic landscape. The program leverages and promotes local food movement and agri-tourism. Skagit County alone has a highly successful heritage barn tourism program based on the Heritage Barn Register and Preservation program. Increasing tourism in Washington State is a major focus of Results Washington Goal Council 2, Economic Development.

The program will create/support up jobs in the following fields: timber framing, general and finish carpentry, roofing, window rehabilitation/fabrication & installation, general contracting, painting, crane operation, structural lifting (barn-jacking for foundation work) and others.



Historic County Courthouse Grants

The agency is requesting \$2,932,254 for the biennium and a re-appropriation to continue support for the existing Historic County Courthouse Rehabilitation Grant program. The funds will be used for courthouse projects in Okanogan, Walla Walla, Lewis and Adams counties. The program is a match between state funds and county governments, resulting in each grant award leveraging additional investment. This program has the strong support of the Washington State Association of Counties.

These jobs will be from a variety of fields that include: plastering, plumbing, carpentry, electrical, window fabrication and installation, masonry, roofing, painting, etc.

Historic Cemetery Grants

The Historic Cemetery grant program is requesting \$515,00 for the next round of funding. In the last cycle, the agency received \$1.5 million in requests for \$500,000. This demonstrates an unmet need in the state when it comes to the maintenance of cemetery properties.

Historic Theaters

The Department of Archaeology and Historic Preservation (DAHP) is requesting \$515,000 for the biennium to create a competitive capital grants program in order to support historic theaters throughout the state of Washington. The program will serve 80 communities with historic theaters, 70% of which are in rural areas, and over half of which are in economically distressed counties. The grants will also support small business owners, which comprise 3/4 of historic theater ownership statewide. The grants would be used by these small businesses and non-profit or local government owners for the following: exterior renovations, façade improvement, change of use for tenants, COVID related safety improvements, and/or physical improvements, repair deteriorating or failing structural and mechanical / electrical / plumbing systems, conserving historic finishes, and keeping up with the demanding technological advancements of the film industry and live performance requirements. The program will create labor-intensive construction jobs and create permanent employment by supporting small business' ability to remain operational and open to the public within safe public health guidelines.

Please do not hesitate to contact me with questions or concerns at 360.586.3066 or at Allyson.brooks@dahp.wa.gov.

Sincerely,



Allyson Brooks Ph.D.
Director, State Historic Preservation Officer



**355 - Department of Archaeology and Historic Preservation
Ten Year Capital Plan by Project Class
2021-23 Biennium**

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Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS001

Date Run: 10/22/2020 11:47AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2021-23	New Approp 2021-23	Estimated 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31
0	3000021 Historic Cemetery Grant Program									
	057-1 State Bldg	500,000	249,000	110,000	141,000					
	Constr-State									
0	3000023 2019-21 Historic County Courthouse Grants Program									
	057-1 State Bldg	1,119,000		68,000	1,051,000					
	Constr-State									
0	3000024 2019-21 Heritage Barn Preservation Program									
	057-1 State Bldg	515,000		32,000	483,000					
	Constr-State									
1	4000004 21-23 Main Street Capital Grants									
	057-1 State Bldg	15,000,000				3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
	Constr-State									
2	4000005 21-23 Heritage Barn Grants									
	057-1 State Bldg	7,500,000				1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
	Constr-State									
3	4000006 21-23 Historic County Courthouse Rehabilitation Program									
	057-1 State Bldg	14,933,000				2,933,000	3,000,000	3,000,000	3,000,000	3,000,000
	Constr-State									
4	4000007 21-23 Historic Cemetery Grant Program									
	057-1 State Bldg	2,575,000				515,000	515,000	515,000	515,000	515,000
	Constr-State									
5	4000012 21-23 Historic Theater Capital Grant Program									
	057-1 State Bldg	2,575,000				515,000	515,000	515,000	515,000	515,000
	Constr-State									
Total: Grant		44,717,000	249,000	210,000	1,675,000	8,463,000	8,530,000	8,530,000	8,530,000	8,530,000

Project Class: Grant - Pass Through

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2021-23	New Approp 2021-23	Estimated 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31
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**355 - Department of Archaeology and Historic Preservation
Ten Year Capital Plan by Project Class
2021-23 Biennium**

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS001

Date Run: 10/22/2020 11:47AM

Project Class: Grant - Pass Through

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2021-23	New Approp 2021-23	Estimated 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31
0	3000022 Rehabilitation of Beverly Bridge									
	001-7 General Fund-Private/Local	429,000			429,000					
	057-1 State Bldg Constr-State	5,146,000		372,000	4,774,000					
	Project Total:	5,575,000		372,000	5,203,000					
0	4000001 2019-21 Historic Cemetery Grant Program									
	057-1 State Bldg Constr-State	515,000		100,000	415,000					
0	4000003 Ebey's National Historic Reserve									
	057-1 State Bldg Constr-State	1,000,000		189,000	811,000					
Total: Grant - Pass Through		7,090,000		661,000	6,429,000					

Total Account Summary

Account-Expenditure Authority Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2021-23	New Approp 2021-23	Estimated 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31
001-7 General Fund-Private/Local	429,000			429,000					
057-1 State Bldg Constr-State	51,378,000	249,000	871,000	7,675,000	8,463,000	8,530,000	8,530,000	8,530,000	8,530,000
Total	51,807,000	249,000	871,000	8,104,000	8,463,000	8,530,000	8,530,000	8,530,000	8,530,000

Ten Year Capital Plan by Project Class

*

Report Number: CBS001
Date Run: 10/22/2020 11:47AM

<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2021-23	2021-23
Functional Area	*	All Functional Areas
Agency	355	355
Version	AR-A	AR-A
Project Classification	*	All Project Classifications
Include Enacted	No	No
Sort Order	Project Class	Project Class
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

**355 - Department of Archaeology and Historic Preservation
Capital Project Request**

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 30000024

Project Title: 2019-21 Heritage Barn Preservation Program

Project Class: Grant

Description

Starting Fiscal Year: 2020

Agency Priority: 0

Project Summary

continuation of grants from previous biennium

Project Description

continuation of grants from previous biennium

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Grant Recipient Organization: Barn Owners

RCW that establishes grant: 27.34

Application process used

continuation of grants from previous biennium

Growth Management impacts

continuation of grants from previous biennium

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2021-23 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	515,000		32,000	483,000	
	Total	515,000	0	32,000	483,000	0
Future Fiscal Periods						
		<u>2023-25</u>	<u>2025-27</u>	<u>2027-29</u>	<u>2029-31</u>	
057-1	State Bldg Constr-State					
	Total	0	0	0	0	

Operating Impacts

No Operating Impact

355 - Department of Archaeology and Historic Preservation
Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 30000023

Project Title: 2019-21 Historic County Courthouse Grants Program

Project Class: Grant

Description

Starting Fiscal Year: 2020

Agency Priority: 0

Project Summary

Continue Grants from last biennium

Project Description

Continue Grants from last biennium

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Grant Recipient Organization: Courthouses

RCW that establishes grant: 27.34

Application process used

Continue Grants from last biennium

Growth Management impacts

Continue Grants from last biennium

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2021-23 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	1,119,000		68,000	1,051,000	
	Total	1,119,000	0	68,000	1,051,000	0
Future Fiscal Periods						
		<u>2023-25</u>	<u>2025-27</u>	<u>2027-29</u>	<u>2029-31</u>	
057-1	State Bldg Constr-State					
	Total	0	0	0	0	

Operating Impacts

No Operating Impact

SubProjects

SubProject Number: 91000011

SubProject Title: Columbia

SubProject Class: Grant

Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 30000023

Project Title: 2019-21 Historic County Courthouse Grants Program

Project Class: Grant

SubProjects

SubProject Number: 91000011

SubProject Title: Columbia

SubProject Class: Grant

Starting Fiscal Year: 2022

Agency Priority: 0

Project Summary

Continue Grants from last biennium

Project Description

Continue Grants from last biennium

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Grant Recipient Organization: Courthouses

RCW that establishes grant: 27.34

Application process used

Continue Grants from last biennium

Growth Management impacts

Continue Grants from last biennium

Operating Impacts

No Operating Impact

SubProject Number: 91000012

SubProject Title: Benton

SubProject Class: Grant

Starting Fiscal Year: 2022

Agency Priority: 0

Project Summary

continuation of grants from previous biennium

Project Description

continuation of grants from previous biennium

Location

City: Statewide

County: Statewide

Legislative District: 098

Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 30000023

Project Title: 2019-21 Historic County Courthouse Grants Program

Project Class: Grant

SubProjects

Project Type

SubProject Number: 91000012

SubProject Title: Benton

SubProject Class Grant

Project Type

Grants

Grant Recipient Organization: Courthouses

RCW that establishes grant: 27.34

Application process used

continuation of grants from previous biennium

Growth Management impacts

continuation of grants from previous biennium

Operating Impacts

No Operating Impact

SubProject Number: 91000010

SubProject Title: Courthouse Plug

SubProject Class Grant

Starting Fiscal Year: 2020

Agency Priority: 0

Project Summary

Continue Grants from last biennium

Project Description

Continue Grants from last biennium

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 30000023

Project Title: 2019-21 Historic County Courthouse Grants Program

Project Class: Grant

SubProjects

SubProject Number: 91000010

SubProject Title: Courthouse Plug

SubProject Class Grant

Grant Recipient Organization: Courthouses

RCW that establishes grant: 27.34

Application process used

Continue Grants from last biennium

Growth Management impacts

Continue Grants from last biennium

Operating Impacts

No Operating Impact

SubProject Number: 91000013

SubProject Title: Lewis

SubProject Class Grant

Starting Fiscal Year: 2022

Agency Priority: 0

Project Summary

continuation of grants from previous biennium

Project Description

continuation of grants from previous biennium

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Grant Recipient Organization: Courthouse

RCW that establishes grant: 27.34

Application process used

continuation of grants from previous biennium

Growth Management impacts

continuation of grants from previous biennium

Operating Impacts

Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 30000023

Project Title: 2019-21 Historic County Courthouse Grants Program

Project Class: Grant

SubProjects

SubProject Number: 91000013

SubProject Title: Lewis

SubProject Class Grant

No Operating Impact

SubProject Number: 91000014

SubProject Title: Klickitat

SubProject Class Grant

Starting Fiscal Year: 2022

Agency Priority: 0

Project Summary

continuation of grants from previous biennium

Project Description

continuation of grants from previous biennium

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Grant Recipient Organization: Courthouse

RCW that establishes grant: 27.34

Application process used

continuation of grants from previous biennium

Growth Management impacts

continuation of grants from previous biennium

Operating Impacts

No Operating Impact

SubProject Number: 91000015

SubProject Title: Clark

SubProject Class Grant

Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 3000023

Project Title: 2019-21 Historic County Courthouse Grants Program

Project Class: Grant

SubProjects

SubProject Number: 9100015

SubProject Title: Clark

SubProject Class: Grant

Starting Fiscal Year: 2022

Agency Priority: 0

Project Summary

continuation of grants from previous biennium

Project Description

continuation of grants from previous biennium

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Grant Recipient Organization: Courthouse

RCW that establishes grant: 27.34

Application process used

continuation of grants from previous biennium

Growth Management impacts

continuation of grants from previous biennium

Operating Impacts

No Operating Impact

SubProject Number: 9100016

SubProject Title: Jefferson

SubProject Class: Grant

Starting Fiscal Year: 2022

Agency Priority: 0

Project Summary

continuation of grants from previous biennium

Project Description

continuation of grants from previous biennium

Location

City: Statewide

County: Statewide

Legislative District: 098

Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 30000023

Project Title: 2019-21 Historic County Courthouse Grants Program

Project Class: Grant

SubProjects

Project Type

SubProject Number: 91000016

SubProject Title: Jefferson

SubProject Class Grant

Project Type

Grants

Grant Recipient Organization: Courthouses

RCW that establishes grant: 27.34

Application process used

continuation of grants from previous biennium

Growth Management impacts

continuation of grants from previous biennium

Operating Impacts

No Operating Impact

SubProject Number: 91000017

SubProject Title: Spokane

SubProject Class Grant

Starting Fiscal Year: 2022

Agency Priority: 0

Project Summary

continuation of grants from previous biennium

Project Description

continuation of grants from previous biennium

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 30000023

Project Title: 2019-21 Historic County Courthouse Grants Program

Project Class: Grant

SubProjects

SubProject Number: 91000017

SubProject Title: Spokane

SubProject Class: Grant

Grant Recipient Organization: courthouses

RCW that establishes grant: 27.34

Application process used

continuation of grants from previous biennium

Growth Management impacts

continuation of grants from previous biennium

Operating Impacts

No Operating Impact

**355 - Department of Archaeology and Historic Preservation
Capital Project Request**

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 30000021

Project Title: Historic Cemetery Grant Program

Project Class: Grant

Description

Starting Fiscal Year: 2020

Agency Priority: 0

Project Summary

Continue grants from previous biennium

Project Description

Continue grants from previous biennium

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Grant Recipient Organization: Cemetery Owners

RCW that establishes grant: 27.34

Application process used

Continue grants from previous biennium

Growth Management impacts

Continue grants from previous biennium

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2021-23 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	500,000	249,000	110,000	141,000	
	Total	500,000	249,000	110,000	141,000	0
Future Fiscal Periods						
		<u>2023-25</u>	<u>2025-27</u>	<u>2027-29</u>	<u>2029-31</u>	
057-1	State Bldg Constr-State	0	0	0	0	
	Total	0	0	0	0	

Operating Impacts

No Operating Impact

Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 40000004

Project Title: 21-23 Main Street Capital Grants

Project Class: Grant

Description

Capital Project Request

2021-23 Biennium

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Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 40000004

Project Title: 21-23 Main Street Capital Grants

Project Class: Grant

Description

Starting Fiscal Year: 2022

Agency Priority: 1

Project Summary

The Department of Archaeology and Historic Preservation (DAHP) is requesting to initiate a capital grants program for small businesses that are a part of our 65 Main Street communities, which serve between 9-10,000 small businesses that are 60% women owned and 12% minority owned. The grants would be used by these businesses for the following: exterior renovations, façade improvement, change of use for tenants, COVID related safety improvements, and/or physical improvements to enhance business opportunities along the streetscape. The program will create labor-intensive construction jobs and create permanent employment by supporting small business' ability to remain operational and open to the public within safe public health guidelines.

Project Description

Project Description: Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

1. Identify the problem or opportunity addressed. Why is the request a priority? (Provide numbers of people or communities not served, students without classroom space, operating budget savings, public safety improvements, history, or other backup necessary to understand the need for the request.) Be prepared to provide detailed cost backup.

The COVID-19 pandemic has disproportionately impacted small business. The closure and continued restricted capacity of restaurants, the closure of retail operations and physical distancing compliance needed to re-open, and the restrictions on social gatherings have placed critical pressure on small business, especially in our smaller and more rural historic downtowns. These businesses and gathering places also serve as 'Third Places' – places that promote both informal and formal gatherings for communities to connect, exchange ideas, build relationships and create a shared feeling of belonging and sense of place vital for rural areas.

Based on survey responses from small businesses in Washington's Main Street Communities, over 75% indicated that employees are at risk of unemployment and/or layoff. 91% reported loss of revenue and 36% reported added operational expenses to mitigate public health risks. 64% of respondents noted their business revenue has decreased by more than 75% since COVID-19 became a widespread concern back in March.

Small businesses operating within Main Street communities are a key economic driver for Washington State. A recent impact report analyzing economic activity identified 6,850 businesses operating within Washington's 34 designated Main Street Communities, the vast majority of which are small businesses. The report found that from 2011-2019, Main Street activities in these communities helped generate \$550.3 million in sales for district businesses, supporting 6,405 jobs at those businesses. When accounting for business-to-business transactions and employee spending, the economic impact of Main Streets includes 8,537 jobs, \$397.7 million in salaries, and \$821.7 million in sales.

Of the 65 communities participating in the WSMSp, 41 are in rural areas, defined as jurisdictions with a population of less than 50,000. 23 communities are located in counties the Washington State Employment Security Department identifies as distressed in 2019, where the three-year unemployment rate by county is at least 20% higher than the statewide average. Moreover, 1 in 4 Washington residents live within 5 miles of a designated Main Street Community.

The combination of dramatic drops in revenue, increasing operational costs to comply with physical distancing, decreased tourism, and restrictions on events that serve to draw people downtown have created unprecedented hardship for small businesses operating within Main Street communities.

Grants will assist small business and property owners with incentivizing space for small business tenants by implementing physical distancing measures and building improvements. These upgrades will help retain existing tenants or, where vacancies have occurred, attract new tenants. Grants for property owners to implement building improvements, should result in improved space without the need to sharply increase rents. Assisting small businesses with physical improvements will result in a retention of customer base and/or provide building owners the ability to incentive new businesses to use vacant space.

Capital Project Request

2021-23 Biennium

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Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 40000004

Project Title: 21-23 Main Street Capital Grants

Project Class: Grant

Description**2. What will the request produce or construct (i.e., design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request.**

The grants will provide direct support to small business owners grappling to stay in business due to the impacts of the COVID-19 pandemic. For restaurants, capacity is limited, resulting in less revenue and in turn fewer employees needed, leading to increased unemployment. Retail operations must also limit the number of people allowed in a store at one time. As small retail operations frequently occupy small spaces, this in turn limits the amount of potential sales. In some cases, circulation patterns within a store must be re-configured to accommodate physical distancing. Barriers are required, specifically at transactional areas like cash registers and service desks. The request would directly support business owners in Main Street communities to make capital improvements needed to operate their businesses in the time of COVID-19.

Grants will also be open to property owners with small business tenants. A widespread result of the pandemic is the inability of many small business tenants to pay full rent. Increasingly, business owners are making the difficult decision to close, leaving property owners with suddenly vacant storefronts. Property owners rely on rent from tenants for building upkeep and building improvements, often needed for code compliance. With tenant revenue impacted, implementing important improvements to buildings, including those to help quell the spread of COVID-19, are infeasible. With grant support, building owners can implement such improvements. For unoccupied space, such improvements will work to attract new tenants or complete tenant improvements to the space. The request would directly support owners of buildings in Main Street communities that house small businesses.

If funds for the program are allocated for the 2021-23 biennium, the call for grant applications would be issued in late summer of 2021. Business and property owners indicating an ability to complete project by June 30, 2023 would receive priority for funding.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

With small business owners facing with declining revenue and diminished clientele as a result of COVID-19, few are in a position to implement often costly requirements to ensure physical distancing in their places of business and/or physical upgrades. Without support, business owners may be forced to close. These small businesses are critical economic drivers in Washington State. In 2019, designated Main Street Communities collectively reported 533 new business starts, 78 business expansions, and 1,616 jobs created. This activity supported the rehabilitation of 266 buildings in designated Main Street communities, spurring over \$55 million in private investment and more than \$16.5 million in public investment within the collective downtown cores.

Without support to implement COVID-requirements, business owners will have to continue to limit capacity within their physical space and forego making improvements that could allow them to increase capacity (or in some cases even re-open for business). With limited capacity, owners will be forced to lay off staff due to declining demand, increasing unemployment throughout the state. Limited capacity means limited sales, which in turn means more limited sales tax revenue to the state at a time when tax revenues have been impacted sharply since March. Many business owners may be forced to close all together, in turn cutting off rent payments to building owners.

Small business plays a key role in developing a community's sense of place. Active storefronts and street activity are critical in creating welcoming communities where businesses and residents thrive. Building owners play a key role in supporting this sense of place, while also providing physical space for businesses to operate and serve as drivers of the local economy. With increased vacancies and increased deferral of rent payments due to vanishing sales, building owners may not be able to continue implementing the improvements needed for business owners to operate. The result is increased vacancy and underutilized storefronts, both of which impact the sense of place and quality of life robustly associated with our Main Street communities. This in turn creates a disincentive for new businesses to locate to the community, potentially leading to a

Capital Project Request

2021-23 Biennium

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Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 40000004

Project Title: 21-23 Main Street Capital Grants

Project Class: Grant

Description

dangerous cycle of disinvestment.

4. What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

No alternatives were explored. The alternative to providing grant support to business and property owners is the absence of grant support. This would result in more businesses being unable to operate at sustainable levels, leading to increased layoffs, closures, and suspension of critical rent payments to building owners.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc. Be prepared to provide detailed cost backup.

Collectively, the small businesses within the 65 communities participating in the Main Street program would be eligible for grant funding. One in 4 Washington residents live within 5 miles of a Main Street – nearly 2 million people. Additionally, in a typical year Main Street communities attract thousands of tourists who visit to participate in events, explore historic architecture, patronize unique retail shops, and dine at local restaurants.

Specifically, local business owners and the residents they employ along with owners of local buildings would be impacted. In 2019, 34 designated Main Street Communities represented 6,580 businesses, 65,260 employees, and \$9.7 billion in revenue. With \$3,000,000 in grant funding, it is anticipated that up to 100 grants would be awarded (assuming an average award of \$30,000). Given the anticipated requirement of a local match, the overall impact would be an infusion of construction projects and other capital expenditures within our Main Street communities to create sustainable short and long-term job creation.

6. Does this project or program leverage non-state funding? If yes, how much by source? If the other funding source requires cost share, also include the minimum state (or other) share of project cost allowable and the supporting citation or documentation.

Normally the agency would require match. But due to the economic circumstances of COVID and resulting hardship on small businesses and property owners, the agency believes that it is appropriate to waive the matching requirement.

7. Describe how this project supports the agency's strategic/master plan, contributes to statewide goals, or enables the agency to perform better. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

As one of DAHP's program areas as well as a nationally recognized economic development strategy, support for the WMSP is prominently featured in DAHP's State Historic Preservation Plan (PLAN). Just three of multiple examples from the PLAN include the following:

- Goal 1 B. of the PLAN states: ***Seek opportunities to promote the connection between historic preservation, economic recovery, climate change, and sustainability/environmental initiatives.***
- Goal 4 A Task III of the PLAN states: ***Work to implement new or enhance existing financial incentive programs to support the rehabilitation of privately owned historic buildings for affordable housing and for seismic retrofits of unreinforced masonry (URM) buildings.***
- Goal 4 A Task IV of the PLAN states: ***Disseminate the "Impact of Main Street in WA State" report and its findings to broad audiences and decision-makers and promote the Main Street program as the most effective economic development, historic preservation, and place-making tool.***

In addition to support of the State Historic Preservation Plan, this grant program is linked to the following Results WA goals: Prosperous Economy; Healthy and Safe Communities; and Sustainable Energy and Clean Environment/ This will be achieved by providing access to living wage jobs and increasing the economic security of Washingtonians. These outcomes will be reached by sustaining small/locally owned businesses, their employees, local contractors and locally sourced labor; and conserving/recycling resources through rehabilitation of historic/existing buildings rather than new construction.

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Project Title: 21-23 Main Street Capital Grants

Project Class: Grant

Description

8. Does this decision package include funding for any Information Technology related costs including hardware, software (to include cloud-based services), contracts or staff?

No, this request does not include funding for IT related costs.

9. If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 12 Puget Sound Recovery) in the 2021-23 Operating Budget Instructions.

This project is not linked to the Puget Sound Action Agenda.

10. How does this project contribute to statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

The greenest building is one that is already built. This program uses existing resources and preserves them for current and future use by promoting re-use, repairing rather than replacing building components, and making energy efficient upgrades to reduce carbon emissions. The reuse of existing buildings is inherently sustainable and aligns perfectly with the state's carbon reduction targets. Reusing existing buildings takes advantage of existing infrastructure, and the minimal use of new materials reduces emissions associated with the extraction, manufacturing and transporting of materials. Furthermore, re-using existing buildings reduces or eliminates demolition debris from landfills.

The agency was also one of the first organizations to join the internationally recognized Climate Heritage Network, which focuses on assisting **communities in tackling climate change and achieving the ambitions of the Paris Agreement by promoting a culture of reuse to reduce greenhouse gas emissions and to conserve embodied energy.**

11. Is there additional information you would like decision makers to know when evaluating this request?

None stated.

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

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Project Title: 21-23 Main Street Capital Grants

Project Class: Grant

Description

Grant Recipient Organization: Mainstreet Communities

RCW that establishes grant: None

Application process used

A process and evaluation criteria have not yet been established for this project. However, DAHP has extensive experience in evaluating applications and efficiently managing similar grant programs such as the Heritage Barn, Historic Cemetery, and Historic County Courthouse rehabilitation programs. DAHP is also administering a similar grant program using federal funds to rehabilitate historic downtown buildings in rural communities. In addition, DAHP's Main Street program managers are adept at tracking data supporting Results WA outcome measures such as job creation, new businesses, and new public/private investments. These measures are readily incorporated into project evaluation tracking outcomes.

Growth Management impacts

Goal 13 of the Growth Management Act encourages the identification and preservation of historic places. This project directly supports this statewide goal in addition to local growth management goals on economic development, downtown revitalization, preserving affordable housing, sustainability, infrastructure, and conserving natural resources. By sustaining historic downtowns and its existing infrastructure (i.e. water, sewer, transit, etc.) plus the small businesses that help drive local economies, this grant program will not only boost employment and business activity but spark sales and payroll tax revenues for local and state coffers.

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2021-23 Fiscal Period	
			Prior Biennium	Current Biennium	Reapprops	New Approps
057-1	State Bldg Constr-State	15,000,000				3,000,000
	Total	15,000,000	0	0	0	3,000,000
Future Fiscal Periods						
		2023-25	2025-27	2027-29	2029-31	
057-1	State Bldg Constr-State	3,000,000	3,000,000	3,000,000	3,000,000	
	Total	3,000,000	3,000,000	3,000,000	3,000,000	

Operating Impacts

No Operating Impact

Narrative

This is grants to main street communities and the agency will not incur any expenditures

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Project Title: 21-23 Heritage Barn Grants

Project Class: Grant

Description

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Project Number: 40000005

Project Title: 21-23 Heritage Barn Grants

Project Class: Grant

Description

Starting Fiscal Year: 2022

Agency Priority: 2

Project Summary

As Senator Jim Honeyford once stated, "you can't farm without a barn." The existing Historic Barn Preservation Program is requesting \$1,500,000 for the biennium and a re appropriation to continue the heritage barn grant program. Over 700 barns are listed on the agency's Heritage Barn Register. Previously, the program requested \$500,000 but due to the fact there has been over \$2 million in requests in multiple biennia, and there is a need to jumpstart the economy in rural areas, the agency is requesting \$1.5 million for the program. The program is recognized nationally as a historic preservation grant opportunity that is solely focused on our agricultural heritage with priority given to working farms. Due to its unique purpose, the heritage barn program received an Honor award from the National Trust for Historic Preservation in 2012.

Project Description

The heritage barn grant program is designed to help preserve Washington's agricultural heritage and landscape and our working farms/ranches. Priority for grant funding is always given to working farms, and for the repair of roofs and foundations.

The grants require a 50-50 match between state funds resulting in each grant award leveraging additional private investment. Funding the program at \$1,500,000 for the biennium will generate an equal amount in additional historic barn rehabilitation, through both local cash match and donated labor and services. It also facilitates purchases at local hardware and supply stores throughout the state.

Combined, this investment will assist local farmers in rural areas maintaining their agricultural livelihood, promote agri-tourism, and encourage farm-to-table trades while preserving our rural landscapes. Local agricultural producers, especially those who provide agricultural products to small business, restaurants, eateries, hotels and other places where food is served, have been impacted by the COVID-19 virus. Demand for dine-in restaurant/food service has diminished to the point where some produce has been given away before it spoils due to a lack of storage capacity. Based on information from past funding rounds, the program will create/support approximately 225 local jobs in the following fields: timber framing; general and finish carpentry; roofing; window rehabilitation/fabrication & installation; general contracting; painting; heavy machinery operation; structural lifting (barn-jacking for foundation work) and others.

Presently, there are 794 barns listed on the Washington Heritage Barn Register. The agency continues to receive additional nominations from barn owners, with 63 added in 2019 alone. Prior to the establishment of the Heritage Barn Register, the agency did not have a comprehensive inventory of our state's agricultural history. Information included in nominations barn owners submit has continued to inform the agency's understanding of this important resource type, filling knowledge gaps about barns and methods of construction, while adding significantly to our image archive.

In 2007 the legislature allocated \$500,000 to create the grant program. The legislature approved an additional \$300,000 for 2009-11, \$200,000 in the 2011-13 biennium, \$500,000 in the 2013-15 biennium, \$450,000 in 15-17, and \$515,000 in both 17-19 and 19-21.

1. Identify the problem or opportunity addressed. Why is the request a priority? (Provide numbers of people or communities not served, students without classroom space, operating budget savings, public safety improvements, history, or other backup necessary to understand the need for the request.) Be prepared to provide detailed cost backup.

The principal problem being addressed is the physical needs of heritage barns and farmers in Washington State. As outlined in the *Heritage Barns: Statewide Survey and Physical Needs Assessment*, Washington's heritage barns face a variety of challenges, each of which increase the collective threat to their preservation and continued use. The high cost of barn maintenance leads to disinvestment, which exacerbates the issue of deferred maintenance. This leaves barns susceptible to weather damage, especially in regions that experience high winds and heavy snow and rain. The *Heritage Barn* survey, completed in 2008, identified as much as \$34 million in need for barn rehabilitation throughout the state. Add to this the economic impact to farmers and agricultural producers brought on by COVID-19. Demand for certain products is sharply down, especially products that supply restaurants and other food-service industry and establishments. Furthermore, farmers have had

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Project Class: Grant

Description

to implement physical distancing procedures and protocols for farm labor, both in fields and in processing facilities. While these factors do not directly impact historic barns per se, diminished revenues and increased operating costs have made it even more challenging for farmers to address deferred maintenance and capital needs on historic barns.

Facing significant maintenance costs, barn owners are often forced to demolish their barns or neglect them, opting instead for cheaper alternatives. This grant program incentivizes rehabilitation of heritage barns, meeting several of the agency's activity and statewide preservation goals. The need for a preservation grants fund that targets historic barns drove the creation and continued funding of this program. Since the program's establishment, approximately \$2,607,000 invested by the state in grant funds have been utilized on 122 projects in 33 counties statewide, resulting directly in over \$6.2 million in historic barn capital investment. To date, the program has generated approximately \$448,000 in sales tax revenue.

Continued funding of this grant program would assist the agricultural community, boost local economies, ensure the survival of working farms and heritage barns, increase the number of historic barn rehabilitation projects in the state, foster tourism in rural counties, and increase the heritage resource inventory of the state.

2. What will the request produce or construct (i.e., design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request.

The request will result in direct support for rehabilitation of historic barns in the form of matching grants. Grant funds are used to address critical areas of barn repair, including essential projects such as roof replacement, foundation repair, structural stabilization, and exterior rehabilitation. At the same time, these projects retain character-defining features significant to historic barns. Because of the relatively small scale of barn rehabilitation projects, phasing projects over multiple biennia is neither time efficient nor cost effective. Often, however, grant awards to barn projects reflect only a portion of the total funds requested. In instances where partial grants are awarded, funds are allocated to support the most critical needs of the barn – repairs that allow the barn to remain in use/be put into more active use. Less critical project work elements then become the sole responsibility of the barn owner and can be made over time as personal budgets and schedules allow. If funds for the program are allocated for the 2021-23 biennium, the call for grant applications would be issued in the late summer of 2021. Barn owners indicating an ability to complete project by June 30, 2023 would receive priority for funding.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

For the 2019-21, biennium the program received 61 applications requesting over \$1.725 million in funds. With \$515,000 in funds available to distribute as grants the agency was able to award 19 grants in the current biennium, representing fewer than one-third of the 61 total grant applicants. Over the life of the program, the agency has received 519 applications. Of these, a total of 122 have been awarded funds – a success rate less than 25%. The highly competitive nature of the program speaks to the overall need of historic barns across the state as well as the desire of barn owners to actively engage in the preservation of the state's rural, agricultural heritage.

Barns that do receive funding, however, contribute significantly to the local economy. Despite fewer than one-third of applicants receiving funds in 2019-21, grants awarded this biennium are nonetheless anticipated to generate an additional \$500,000 in cash and donated services identified as committed match by barn owners. Moreover, both the 2017-19 and 2019-21 biennia witnessed an increase in the average funding request on a per project basis. As such, the trend has witnessed more barn owners asking for larger grants to complete increasingly comprehensive rehabilitation projects. Continued funding will help accommodate larger projects and subsequently contribute to the local economy. Through the grant program, just under \$1,000,000 in overall work to historic barns is expected to be implemented in the 2019-21 biennium. This follows on the heels of just under \$1.1 million in overall work to funded barns in the 2017-19 biennium. In both funding cycles, barn owners

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Project Class: Grant

Description

implemented projects essential for long-term barn preservation. The funding will be used to continue to award matching grants to qualifying historic barn repair and restoration projects throughout the state. DAHP's administration of the program gives funding priority to barns that remain in active agricultural use.

Research demonstrates that historic rehabilitation projects have a greater impact on the local economy compared to new construction. Rehabilitation work prioritizes repair over replacement. Repair work is more labor-intensive and less materials-intensive, resulting in a greater portion of overall expenditures going to contractors and craftspeople. As those working on barns are generally local, the wages from labor tend to remain in the local economy, thereby increasing the impact of the project. At a time when unemployment is at unprecedented levels resulting from the COVID-19 virus, the barn program will create jobs in the critical construction sector while also working to keep wages from this labor circulating in the local economy. Major improvements to the State's agricultural heritage resources would be made through continued funding. Continued funding would also renew Washington's commitment to historic preservation, tourism, agricultural heritage and the farming economy. A direct result of the grant program has been an increase in agriculture-related tourism programming at the local level. County-wide barn tours and barn quilt programs have been developed by local historical societies that in turn draw artists and photographers and directly supports the State Scenic Byways program. In addition, several publications have been created highlighting regional barns and rural landscapes. Such publications further highlight regional agricultural heritage, increasing tourist visitation. The program has even inspired a salvage ethic for those barns unable to be saved – rather than demolish barns sending construction debris to the landfill, a number of barn owners have worked to deconstruct their barns, allowing salvageable material to be used by other Heritage Barn owners engaged in rehabilitation work.

Barns that do not receive funding face further disinvestment and increased deferred maintenance. When unchecked, barns continue to deteriorate, making future repairs more costly and therefore less likely. When undertaken, barn rehabilitation projects do benefit the local economy. If the program were discontinued, the state would lose an increased number of historic barns and rural areas in need of local economic boosts would miss out.

4. What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated redesign, please summarize the alternatives the redesign considered. No alternatives were explored. If the program is not funded, this would end the statewide program to protect and preserve heritage barns. There would be no job creation, no local benefit, and no local or state tax revenue generated. Barns would continue to suffer from benign neglect creating greater need for funding requirements in the future.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc. Be prepared to provide detailed cost backup.

The agricultural community in rural areas, including all economically distressed counties in the state.

6. Does this project or program leverage non-state funding? If yes, how much by source? If the other funding source requires cost share, also include the minimum state (or other) share of project cost allowable and the supporting citation or documentation.

The grants require a non-state match of 50% of the project cost. Match can be direct or indirect.

7. Describe how this project supports the agency's strategic/master plan, contributes to statewide goals, or enables the agency to perform better. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

The preservation and rehabilitation of historic places is fundamental to DAHP's mission. As such, administration of the Heritage Barn grant program is an ongoing element of DAHP's annual work plan as well as the State Historic Preservation Plan (PLAN).

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Project Class: Grant

Description

For the 2021-26 planning timeframe, this program is captured in Goal 1 B. *Seek opportunities to promote the connection between historic preservation, economic recovery, climate change, and sustainability/environmental initiatives.* Also, Goal 4 A. III states: *Work to implement new or enhance existing financial incentive programs to support the rehabilitation of privately owned historic buildings.*

8. Does this decision package include funding for any Information Technology related costs including hardware, software (to include cloud-based services), contracts or staff?

No, this request does not include funding for IT related costs.

9. If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 12 Puget Sound Recovery) in the 2021-23 Operating Budget Instructions.

This project is not linked to the Puget Sound Action Agenda.

10. How does this project contribute to statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

The greenest building is one that is already built. This program uses existing resources and preserves them for current and future use by promoting re-use, repairing rather than replacing building components, and making energy efficient upgrades to reduce carbon emissions. The reuse of existing buildings is inherently sustainable and aligns perfectly with the state’s carbon reduction targets. Reusing existing buildings takes advantage of existing infrastructure, and the minimal use of new materials reduces emissions associated with the extraction, manufacturing and transporting of materials. Furthermore, re-using existing buildings reduces or eliminates demolition debris from landfills.

The agency was also one of the first organizations to join the internationally recognized Climate Heritage Network, which focuses on assisting **communities in tackling climate change and achieving the ambitions of the Paris Agreement by promoting a culture of reuse to reduce greenhouse gas emissions and to conserve embodied energy.**

11. Is there additional information you would like decision makers to know when evaluating this request?

None stated.

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Grant Recipient Organization: Barn Owners

RCW that establishes grant: 27.34

Application process used

Yes, this would use the same criteria for evaluating projects as the current barn grant program.

Growth Management impacts

Implementation of this program has, and will continue to support statewide and local growth management plans such as the State Growth Management Act goal 2 to “...Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development” and Goal 8 “...Encourage the conservation of productive forestlands and productive agricultural lands, and discourage incompatible uses.” This grant program is linked to these goals by supporting small scale and family farms in keeping historic barns in service and thereby the economic viability of working farms.

Funding

Expenditures

2021-23 Fiscal Period

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Project Title: 21-23 Heritage Barn Grants

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Funding

<u>Acct Code</u>	<u>Account Title</u>	<u>Estimated Total</u>	<u>Prior Biennium</u>	<u>Current Biennium</u>	<u>Reappropriations</u>	<u>New Appropriations</u>
057-1	State Bldg Constr-State	7,500,000				1,500,000
	Total	7,500,000	0	0	0	1,500,000

Future Fiscal Periods

	<u>2023-25</u>	<u>2025-27</u>	<u>2027-29</u>	<u>2029-31</u>
057-1 State Bldg Constr-State	1,500,000	1,500,000	1,500,000	1,500,000
Total	1,500,000	1,500,000	1,500,000	1,500,000

Operating Impacts

No Operating Impact

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Project Number: 40000006

Project Title: 21-23 Historic County Courthouse Rehabilitation Program

Project Class: Grant

Description

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Date Run: 10/22/2020 11:49AM

Project Number: 40000006

Project Title: 21-23 Historic County Courthouse Rehabilitation Program

Project Class: Grant

Description

Starting Fiscal Year: 2022

Agency Priority: 3

Project Summary

The Department of Archaeology and Historic Preservation (DAHP) is requesting \$2,932,254 for the biennium and a re-appropriation to continue support for the existing Historic County Courthouse Rehabilitation Grant program. The program is a match between state funds and county governments, resulting in each grant award leveraging additional investment. This program has the strong support of the Washington State Association of Counties.

Project Description

1. Identify the problem or opportunity addressed. Why is the request a priority? (Provide numbers of people or communities not served, students without classroom space, operating budget savings, public safety improvements, history, or other backup necessary to understand the need for the request.) Be prepared to provide detailed cost backup.

In August 2020, the Courthouse Steering Committee recommended funding to four (4) counties for the purpose of supporting historic county courthouse rehabilitation efforts in each of the four counties, respectively. Funding the program at \$2,932,254 will provide grant assistance to four (4) counties statewide, summarized in the following prioritized order:

1. Okanogan - \$265,000
 2. Walla Walla - \$897,000
 3. Lewis - \$400,000
 4. Adams - \$1,370,254
- Total: \$2,932,254

The principal problem being addressed is the physical needs of historic county courthouses in Washington State and the millions of dollars required for proper rehabilitation and restoration projects. Due to the cost and logistical challenges of historic rehabilitation, preservation is often de-incentivized and important resources like courthouses fall into disrepair. Increasingly, courthouse needs related to security and social justice require counties to find creative solutions for making courthouses safe and accessible to all. The same holds true for energy efficiency. It can be a difficult design problem to replace outdated mechanical and electrical equipment with updated, high-performing systems without impacting historic features. The courthouse grant program creates case studies in sustainability as projects improve building performance while enhancing historic and architectural character. Finally, with the onset of the COVID-19 pandemic, counties have been faced with implementing measures to ensure physical distancing for the thousands of people who use courthouse facilities each year. Many of these measures have been temporary in nature, but it is anticipated such interventions will need to be permanent, further straining county resources. As counties expend funds on measures to promote physical distancing, they have less available to address other critical capital needs associated with preservation. Compliance with multiple mandates is expensive and it is imperative that solutions are implemented in a manner compatible with the significant historic character of their courthouses. Of the four courthouse projects recommended for funding, three are located in counties defined as "distressed" by the Employment Security Department due to unemployment rates that significantly exceed the state average. This request will assist counties in being the best stewards possible of their historic courthouses.

The courthouse program also serves courthouses located in counties with smaller populations and less population density overall. These counties do not have the same presence of large corporations as more urban counties, relying instead on small business to drive the local economy. As such, they have been severely impacted by COVID-19. Furthermore, many counties in more rural areas fund capital projects through real estate excise tax revenue. With the pandemic affecting real estate activity, such revenues are less reliable. When faced with improvements to courthouse buildings, counties are often forced to focus on life safety, code compliance and, now, physical distancing measures. Projects addressing other building features – particularly character-defining features attributable to the significance of a courthouse – are omitted. Prolonged deferred maintenance of these features increases the probability they will be lost forever, impacting the historic nature of these important civic buildings. Program funding enables counties to implement cost-saving operational measures, public and life safety improvements, and security and ADA upgrades along with activity to preserve the historic nature of courthouses.

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Project Number: 40000006

Project Title: 21-23 Historic County Courthouse Rehabilitation Program

Project Class: Grant

Description

In 2005, the Legislature established the Historic County Courthouse Rehabilitation Grant program in response to a statewide survey that found 33 of the state's county courthouses to be of architectural and historic merit. Collectively, these courthouses had upwards of \$94 million in identified capital improvement needs. Much of the identified need is associated with character-defining building elements that directly contribute to the historic significance of the courthouse. This request is a priority given the multiple challenges counties face in properly stewarding their respective county courthouses.

To address this capital need, the Legislature allocated \$5 million in the 2005-07 and 2007-09 capital budgets, \$2 million in the 2009-11 budget, \$750,000 in the 2011-13 budget, \$2M again in the 2013-15 budget, \$2.5M in the 2015-17 budget, \$1.137M in the 2017-19 budget, and \$1.119M in the current 2019-21 budget. Since the program's inception, 113 applications have been submitted requesting over \$38.3 million in grant funds. Sixty-six (66) grants have been awarded to 26 counties statewide, representing an investment of more than \$19 million by the state. This investment has leveraged over \$50 million in overall capital improvements through courthouse rehabilitation projects. Sales tax revenue generated statewide through the courthouse program is estimated to be over \$4.2 million.

These courthouses represent the history of the state at the local and regional level – each one is either listed in or eligible for listing in the National Register of Historic Places and the Washington Heritage Register. The State's funding ensures that county courthouses are rehabilitated or restored using the Secretary of the Interior's Standards for the Treatment of Historic Properties and many of the projects serve to enhance ADA accessibility. By investing in the historic character of county courthouses, the State prolongs the useable life of the facility, acknowledges the rich history of local government and the role counties have played in Washington's development from a territory through statehood, saves significant buildings from demolition by neglect and reuses existing resources in a sustainable manner. Preservation and reuse of historic buildings reduces resource and material consumption, puts less waste in landfills, and consumes less energy than demolishing buildings. Investment in the continued use of civic buildings is an investment in sustainability. Historic preservation means environmental, cultural and economic benefits for Washington communities.

2. What will the request produce or construct (i.e., design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request.

The request will result in direct support for rehabilitation of historic courthouses in four (4) counties statewide in the form of matching grants. Grant funds are specifically used to retain and preserve historic, character-defining features present both on the exterior and within the interior of courthouses. Grant funds also support essential projects such as roof replacement, foundation repair, structural stabilization and seismic retrofits. Because courthouse grant requests are packaged as a discrete scope of work able to be implemented by counties within a set timeframe, phasing is not applicable within a single biennium. However, as counties are eligible to apply for grant funds in successive biennia, several counties have presented application requests as a single phase of an overall multi-phased project intended to be implemented over multiple years. In this manner, counties are able to engage in more long-range planning, spreading the cost of comprehensive rehabilitation projects over several budget cycles.

If program funds are allocated for the 2021-23 biennium, the agency anticipates preparing contract documents to be ready for execution at the start of the biennium on July 1, 2021. All counties recommended for funding have indicated an ability to complete projects by June 30, 2023.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

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Project Number: 4000006

Project Title: 21-23 Historic County Courthouse Rehabilitation Program

Project Class: Grant

Description

Continued funding of this grant program will increase the number and scale of historic county courthouse rehabilitation projects, enrich the heritage resource inventory of the state and ensure the survival of historic county courthouses. Investing in preservation projects has a significant positive impact on local economies through job creation, increased tax revenue and heritage tourism. Funding stimulates local economies, creates jobs in the construction field, increases the historic preservation profile of the state, and prevents demolition and waste. As historic preservation tends to be detailed work, the majority of the material and labor is local. Furthermore, preservation projects are typically labor intensive rather than materials intensive, resulting in a larger proportion of expenditures committed to hiring local workers than with new construction projects. This program acknowledges the importance of the history of local government in Washington.

Funding also results in increased energy efficiency for historic courthouses, enabling them to better perform in terms of energy use. While state grant funds are used specifically to preserve a building's character defining features, required local match expenditures frequently support updating mechanical, electrical and HVAC systems that are past their service life. Retrofitting existing courthouses with energy efficient systems is a far better alternative to constructing a new building. A new building, even one with the highest efficiency performance ratings possible, still consumes a tremendous amount of energy as it is being constructed. Rehabilitation of existing courthouses retains and harnesses all of the embodied energy utilized in the original construction of these courthouses, avoiding the energy costs associated with demolition and avoiding the need to add building debris resulting from demolition to already overcrowded landfills.

County investment enabling these structures to continue serving the public encourages communities at large to think creatively about the use of their historic assets in community planning and their response to sustainability goals and principles. Many of the courthouses are in downtown areas, so their continued existence is critical for the locally based surrounding businesses.

This is the only source of state funding readily available specifically for historic county courthouses. The extremely competitive Heritage Capital Project program through the Washington State Historical Society is available for courthouse projects, but competition with other arts and heritage projects makes awarding funds to courthouses difficult. A dedicated source of funding to historic county courthouses is important because of the unique nature of the historic resources and the need to ensure historic preservation standards are maintained. Failure to take action on this program would decrease the amount of rehabilitation activity on the state's 33 historic county courthouses, increase levels of deferred maintenance, impact facility operating costs as counties grapple with repairing outdated systems, and potentially result in the loss of irreplaceable historic features intrinsically connected to the significance of the building.

4. What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

Heritage Capital grants are available for county courthouses, but this grant program has been focused on historic county courthouse preservation since its inception and does not compete with other property types and uses. No other alternatives were explored. If the program is not funded, this would end the statewide program to protect and preserve county courthouses. There would be no job creation, no local benefit, and no local or state tax revenue generated. Courthouses would continue to suffer from benign neglect creating greater need for funding requirements in the future.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc. Be prepared to provide detailed cost backup.

If fully funded the program would directly support county government in four counties across the state. This in turn would impact residents of these four counties, both from the standpoint of implementing needed capital improvements to historic courthouses and by embracing and highlighting county history. In general, the program impacts the state's economy by stimulating local economic development at the county level through job creation, increased tax revenue, reduced energy consumption and increased tourism.

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Version: AR 21-23 DAHP Capital Budget Request

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Project Number: 40000006

Project Title: 21-23 Historic County Courthouse Rehabilitation Program

Project Class: Grant

Description

This project supports the agency's mission to combine historic preservation with economic development. According to the Washington State Economic Benefits of Historic Preservation Study, every \$1 million spent on historic rehabilitation creates 28 jobs. Funding this program will assist the local economy and create local income multipliers by keeping work in the affected county. Additionally, three of the four courthouses are located in communities served by DAHP's Main Street Program. Main Street focuses on historic preservation as economic development and these historic courthouses serve as anchors within the core of their respective downtowns. Preserving these buildings aligns with the work of Main Street, expanding the clientele to include not only county staff and visitors to the courthouse, but the entire downtown business/merchant core. The state's sustainability initiatives are also served by this program, as the grants provide incentives for the maintenance and increased energy efficiency of historic buildings, a green practice. Rehabilitation reduces the waste stream to landfills and promotes the recycling of existing structures. Historic county courthouse rehabilitation supports two DAHP activities: preserving and enhancing historic places and protecting archaeological and cultural resources.

6. Does this project or program leverage non-state funding? If yes, how much by source? If the other funding source requires cost share, also include the minimum state (or other) share of project cost allowable and the supporting citation or documentation.

Yes. The grants require a non-state match of up to 50% of the project cost. Match can be direct or indirect. There is no other state funding required to complete the project. Grant awards as recommended in the table provided above constitute the full scope of state funds. The program does require a match. If fully funded at \$2,932,254 the program is anticipated to leverage an additional investment of nearly \$2.85 million, for a total capital investment of over \$5.78 million to the four historic courthouses recommended to receive funding. Moreover, the program can be used in conjunction with Energy Efficiency grants through the Department of Commerce. This provides counties an opportunity to couple courthouse grants with energy efficiency grants, resulting in a more comprehensive rehabilitation project. In this way, the courthouse program facilitates the use of other state incentive programs. In every case, grants help to stimulate local government by increasing tax revenues and tourism.

7. Describe how this project supports the agency's strategic/master plan, contributes to statewide goals, or enables the agency to perform better. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This program is central to DAHP's functions and is one of the agency's flagship expenditure programs. This program complements the Heritage Barn Grants and Historic Cemetery Grants programs run by DAHP to provide the majority of preservation grant funding in the state. It supports heritage tourism within participating Main Street communities, as many county courthouses are located in communities with active Main Street programs. It will improve economic activity in many government jurisdictions and directly fulfills the statewide strategy of improving cultural and recreational opportunities throughout the state. It supports several of the agency's goals as outlined in the 2020-24 statewide preservation plan:

- Goal 1: Recognize the protection of cultural resources as key to fostering civic engagement, local identity, and community pride; and promote historic preservation as the "preferred alternative" when it comes to implementing programs, policies, and projects that shape how our communities look, feel, and change.
- Goal 2: Expand historic preservation work to a broader spectrum of places, persons, and experiences that have shaped our communities.
- Goal 4: Invest our time, expertise, and passion for preservation in the places, people, and organizations where decisions are made that affect our heritage.

8. Does this decision package include funding for any Information Technology related costs including hardware, software (to include cloud-based services), contracts or staff?

No, this request does not include funding for IT related costs.

Capital Project Request

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Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 4000006

Project Title: 21-23 Historic County Courthouse Rehabilitation Program

Project Class: Grant

Description

9. If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 12 Puget Sound Recovery) in the 2021-23 Operating Budget Instructions. This project is not linked to the Puget Sound Action Agenda.

10. How does this project contribute to statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

The greenest building is one that is already built. This program uses existing resources and preserves them for current and future use by promoting re-use, repairing rather than replacing building components, and making energy efficient upgrades to reduce carbon emissions. The reuse of existing buildings is inherently sustainable and aligns perfectly with the state's carbon reduction targets. Reusing existing buildings takes advantage of existing infrastructure, and the minimal use of new materials reduces emissions associated with the extraction, manufacturing and transporting of materials. Furthermore, re-using existing buildings reduces or eliminates demolition debris from landfills.

The agency was also one of the first organizations to join the internationally recognized Climate Heritage Network, which focuses on assisting communities in tackling climate change and achieving the ambitions of the Paris Agreement by promoting a culture of reuse to reduce greenhouse gas emissions and to conserve embodied energy.

11. Is there additional information you would like decision makers to know when evaluating this request?

This grant program is one of DAHP's flagship preservation programs. Historic preservation is a proven strategy that encourages economic growth, increases energy efficiency and reduces carbon emissions. Historic preservation supports locally based jobs and companies. It increases tax revenue for the state and local communities through local sales. Historic preservation also supports heritage tourism efforts. As historic country courthouses are located in 33 out of 39 counties, a grants program has the ability to bring local economic stimulus through preservation to almost every part of the state.

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Grant Recipient Organization: Courthouses outlined in request

RCW that establishes grant: 27.34

Application process used

Yes, this would use the same process for evaluating projects as the current courthouse grant program. In the year preceding a legislative budget session, program staff work with county officials to develop proposed scopes of work for courthouse grant applications. Following the application deadline, program staff review and process all submittals, which are then distributed to the Courthouse Steering Committee for review. The committee then convenes to make funding recommendations to the agency. These recommendations are summarized in the table at the top of this document.

Growth Management impacts

Goal 13 of the Growth Management Act encourages the identification and preservation of historic places. This project directly supports this statewide goal in addition to local growth management goals on economic development, downtown revitalization, sustainability, infrastructure, and conserving natural resources.

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2021-23 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations

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Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 40000006

Project Title: 21-23 Historic County Courthouse Rehabilitation Program

Project Class: Grant

Funding

057-1	State Bldg Constr-State	14,933,000				2,933,000
	Total	14,933,000	0	0	0	2,933,000

Future Fiscal Periods

		<u>2023-25</u>	<u>2025-27</u>	<u>2027-29</u>	<u>2029-31</u>
057-1	State Bldg Constr-State	3,000,000	3,000,000	3,000,000	3,000,000
	Total	3,000,000	3,000,000	3,000,000	3,000,000

Operating Impacts

No Operating Impact

Capital Project Request

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Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 40000007

Project Title: 21-23 Historic Cemetery Grant Program

Project Class: Grant

Description

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Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 4000007

Project Title: 21-23 Historic Cemetery Grant Program

Project Class: Grant

Description

Starting Fiscal Year: 2022

Agency Priority: 4

Project Summary

The Department of Archaeology and Historic Preservation (DAHP) is requesting \$515,000 for the biennium and a re-appropriation for continued support of the existing Historic Cemetery Program. In 2016 the legislature passed HB 2637, creating a state historic cemetery capital grant program in this agency. Grant funds support projects defined across three categories: protection & security, restoration & preservation, and interpretive displays. Funds can generally be used for construction, rehabilitation, or renovation that preserves and/or interprets the historic character, features, or materials of a decaying or abandoned cemetery. Grant requests cannot exceed \$50,000.

Project Description

1. Identify the problem or opportunity addressed. Why is the request a priority? (Provide numbers of people or communities not served, students without classroom space, operating budget savings, public safety improvements, history, or other backup necessary to understand the need for the request.) Be prepared to provide detailed cost backup.

Washington State has over 1800 historic cemeteries and burial sites. Due to burial alternatives, particularly cremation, cemeteries have seen a drastic decline in revenue across the nation and in the state of Washington. Over 80% of "burials" are cremations as opposed to in-ground interments resulting in a loss of operating revenue for existing cemeteries. The lack of operating funds has resulted in the loss of budget dollars allocated for long-term cemetery care for many small and large community cemeteries. As a result, cemeteries are struggling to maintain the condition of their cemetery. It is estimated that more than 250 cemeteries statewide have experienced fiscal issues resulting in limited care or even abandonment.

While all cemeteries face challenges, it is frequently small cemeteries in more rural areas most heavily impacted. We have seen cases, such as in Lewis County, where privately owned cemeteries are especially susceptible to abandonment, as they are no longer fiscally viable. In areas where cemetery districts are in place to manage operations, revenue streams available at the local level are not robust enough to meet capital needs. Such cemeteries often contain and honor burials of military veterans. Rural cemeteries are also subject to vandalism and trespassing. Grant funds can be used for security measures such as fencing, lighting, and cameras, thereby discouraging vandalism and decreasing the costs associated with damage from vandals.

These small grants will assist historic cemeteries with modest maintenance and preservation activities not to exceed \$50,000. There is no match required, enabling access of even the smallest historic cemeteries with relatively few burials to the program. Yet many cemetery associations and organizations rely on volunteer labor for ongoing maintenance and care. Volunteer labor is expected to be utilized in grant projects as well when appropriate. Grants can be used for construction, rehabilitation, or renovation that preserves the historic character, features or materials of the cemetery. Grant recipients must maintain the cemetery for 10 years. Privately owned cemeteries must enter into a 10-year easement ensuring public access to the cemetery. Overall, these grants will assist with protecting the integrity of the historic cemetery and funding necessary improvements and rehabilitation.

2. What will the request produce or construct (i.e., design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request.

The project is intended to benefit the public by preserving outstanding examples of the state's heritage, enabling historic cemeteries to continue to serve their communities, and honoring the military veterans buried within them. The agency received 91 applications requesting over \$3.26M in grant support for the first two funding cycles, 2017-19 and 2019-21. Of these applicants, 43 were awarded grants, with the average grant award at nearly \$21,500. With \$515,000 from the 2021-23 capital budget, the agency anticipates funding an additional 20 grant requests at comparable levels.

As a grant program that funds multiple individual projects, general phasing is not applicable. However, as grant requests may not exceed \$50,000, applicants may opt to phase projects exceeding this threshold over multiple funding cycles. Continuing the

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Project Number: 4000007

Project Title: 21-23 Historic Cemetery Grant Program

Project Class: Grant

Description

cemetery grant program allows cemetery owners and stewards to engage in more strategic long-term planning, accounting for possible grant awards as a potential source of funding for multi-year capital improvement efforts. If funds for the program are allocated for the 2021-23 biennium, the call for grant applications would be issued in the late summer of 2021. Applicants indicating an ability to complete cemetery projects by June 30, 2023 would receive priority for funding.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

This grant program would provide critical funding to communities around the state to complete projects at historic cemeteries that they would otherwise be unable to afford. As mentioned above, operating funds have declined significantly at cemeteries as a result of changing funerary and burial practices. Many cemeteries rely on volunteers and nonprofit organizations for their operation and maintenance resulting in limited budgets that can cover minimal operating expenses each year. Not taking action could result in continued decline of our historic cemeteries and ties to our heritage around the state including: further degradation of monuments and grave markers that honor our state's military veterans; increasing safety and security concerns; deferred maintenance on cemetery buildings; limited or restricted public access to burials because of safety concerns; more cemeteries abandoned because of cost; and increasing operating costs overall.

One of the primary purposes of grant funding through the Historic Cemetery Preservation Grant Program is to enable historic cemeteries to continue to provide a public benefit by serving their communities and honoring military veterans throughout Washington. Grant recipients agree to pro-actively maintain their historic cemetery for a minimum of ten years and provide access.

4. What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

In 2016, the legislature passed HB 2637, which the Governor subsequently signed into law. The statute specifically creates the historic cemetery preservation capital grant program for the express purpose of preserving outstanding examples of the state's heritage and enabling historic cemeteries to continue to serve their communities and honor military veterans buried within them. Given the specificity within the statute, no alternatives were explored.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc. Be prepared to provide detailed cost backup.

Communities statewide would benefit from the grant program. Specifically, nonprofit cemetery associations with stewardship responsibilities for cemeteries would benefit, enabling such organizations to address deferred capital needs. Local cemetery districts relying on flat revenues amidst rising costs would also be supported in their efforts to provide care and maintenance for cemeteries under their watch. Local governments, too, would benefit, as many cemeteries are under local city control. As city revenues plummet in the wake of COVID-19, the cemetery program will provide an alternative means for taking care of these resources. More broadly, everyone who visits an ancestor or loved one buried in a Washington cemetery, who is engaged in historic research and/or genealogy work, or who simply enjoys the sacred space and serenity found in burial grounds will be positively impacted by this program. In the two funding cycles since the program's creation, grant awards have been made to 23 cemeteries. It is anticipated an additional 20 or more historic cemeteries across the state would receive grant awards if funding for the program continues.

6. Does this project or program leverage non-state funding? If yes, how much by source? If the other funding source requires cost share, also include the minimum state (or other) share of project cost allowable and the supporting citation or documentation.

There is no required match of federal, state, local or private funds. Grant applicants may opt to seek additional funds from applicable federal, state, local or private funds to implement a scope of work beyond the agency's grant award and are

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Project Title: 21-23 Historic Cemetery Grant Program

Project Class: Grant

Description

encouraged to do so. Grant applicants may also utilize volunteer labor and donated services. Although there is no local match required, the program has leveraged additional local investment, with overall expenditures for all projects exceeding total grant funds awarded by approximately 15%.

7. Describe how this project supports the agency's strategic/master plan, contributes to statewide goals, or enables the agency to perform better. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This program is central to DAHP's functions and is one of the agency's flagship expenditure programs. This program complements the Heritage Barn Grants and Historic County Courthouse Rehabilitation Grants programs run by DAHP to provide the majority of preservation grant funding in the state. It will improve economic activity in many government jurisdictions and directly fulfills the statewide strategy of improving cultural and recreational opportunities throughout the state. It supports several of the agency's goals as outlined in the 2020-24 statewide preservation plan:

- Goal 1: Recognize the protection of cultural resources as key to fostering civic engagement, local identity, and community pride; and promote historic preservation as the "preferred alternative" when it comes to implementing programs, policies, and projects that shape how our communities look, feel, and change.
- Goal 2: Expand historic preservation work to a broader spectrum of places, persons, and experiences that have shaped our communities.
- Goal 4: Invest our time, expertise, and passion for preservation in the places, people, and organizations where decisions are made that affect our heritage.

8. Does this decision package include funding for any Information Technology related costs including hardware, software (to include cloud-based services), contracts or staff?

No, this request does not include funding for IT related costs.

9. If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 12 Puget Sound Recovery) in the 2021-23 Operating Budget Instructions.

This project is not linked to the Puget Sound Action Agenda.

10. How does this project contribute to statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

Repair and maintenance of cemeteries involves very low carbon-output activities, typically consisting of a lot of manual labor and limited use of motorized equipment and new materials.

11. Is there additional information you would like decision makers to know when evaluating this request?

This grant program is one of DAHP's flagship preservation programs. This is the only source of state funding readily available specifically for historic cemeteries.

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

**355 - Department of Archaeology and Historic Preservation
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Project Number: 4000007

Project Title: 21-23 Historic Cemetery Grant Program

Project Class: Grant

Description

Grant Recipient Organization: Private Historic Cemeteries

RCW that establishes grant: 27.34

Application process used

The agency is required to establish a grants review committee. The committee must have at least five members with expertise or association with historic preservation, cemetery associations, local cemetery boards, or other professional organizations that the Director finds appropriate. Grant applications are considered on the basis of the relative historical significance of the cemetery, whether the proposed project will result in lower costs of maintenance and operations, and the relative percentage of military burials in the cemetery. Additional criteria include the demonstrated urgency of the project, public access to the cemetery, and the extent to which the project leverages community and volunteer support.

Growth Management impacts

Goal 13 of the Growth Management Act encourages the identification and preservation of historic places. This project directly supports this statewide goal in addition to local growth management goals on economic development, downtown revitalization, sustainability, infrastructure, and conserving natural resources.

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2021-23 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	2,575,000				515,000
	Total	2,575,000	0	0	0	515,000
Future Fiscal Periods						
		2023-25	2025-27	2027-29	2029-31	
057-1	State Bldg Constr-State	515,000	515,000	515,000	515,000	
	Total	515,000	515,000	515,000	515,000	

Operating Impacts

No Operating Impact

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Report Number: CBS002

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Project Number: 40000012

Project Title: 21-23 Historic Theater Capital Grant Program

Project Class: Grant

Description

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Project Number: 40000012

Project Title: 21-23 Historic Theater Capital Grant Program

Project Class: Grant

Description

Starting Fiscal Year: 2022

Agency Priority: 5

Project Summary

The Department of Archaeology and Historic Preservation (DAHP) is requesting \$500,000 for the biennium to create a competitive capital grants program in order to support historic theaters throughout the state of Washington and will serve 80 communities with historic theaters, 70% of which are in rural areas, and over half of which are in economically distressed counties. The grants would be used by small businesses and non-profit or local government owners for the following: exterior renovations, façade improvement, change of use for tenants, COVID related safety improvements, and/or physical improvements, repair deteriorating or failing structural and mechanical / electrical / plumbing systems, conserving historic finishes, and keeping up with the demanding technological advancements of the film industry and live performance requirements. The program will create labor-intensive construction jobs and create permanent employment by supporting small business' ability to remain operational and open to the public within safe public health guidelines.

Project Description

1. Identify the problem or opportunity addressed. Why is the request a priority? (Provide numbers of people or communities not served, students without classroom space, operating budget savings, public safety improvements, history, or other backup necessary to understand the need for the request.) Be prepared to provide detailed cost backup.

The COVID-19 pandemic has had a devastating impact on the theaters, which have had to cease all in-person operations for several months in order to protect public health. Revenues have been reduced to a trickle, and owners and operators have been accumulating debt and have had to lay off entire staffs. Nearly every historic theater is owned or operated by a small business, a non-profit organization, or a small or rural unit of local government.

Moving forward, as these facilities are able to re-open, financial resources will be dedicated towards keeping staff employed and paying off accumulated debt rather than being utilized on often necessary and critical capital improvements, many of which had already been deferred prior to the pandemic. This delay exacerbates necessary capital improvements, driving up costs. This grant program is critical in order to alleviate financial burdens from theater owners. It would also create jobs for skilled craftspeople and generate income and tax revenue for the communities in which theaters are located.

Capital needs for historic theaters throughout the state had been identified in a Capital Needs Assessment conducted by the agency in 2008. The study, completed by Artifacts, Inc, examined 80 operating theaters built before 1957 (over fifty years old at the time) to determine issues such as required safety improvements, building system deterioration, deferred maintenance, accessibility challenges, and other code compliance. The physical needs identified in the survey at that time totaled nearly \$38 million (\$46 million in 2020 dollars when adjusted for inflation). Granted, some of these costs have been absolved by repair and preservation projects that have occurred since 2008 with and without state capital assistance, but the unaddressed preservation and maintenance that has been continually deferred has likely grown in costs to repair.

Historic theaters face a variety of challenges, each of which increase the collective threat to their preservation and continued use. The high cost of maintenance leads to disinvestment, increasing the levels of deferred maintenance. This leaves theaters susceptible to further degradation, and state investment in these community beacons is imperative to promoting public mental health and supporting ongoing job creation and employment.

Given the success of the agency's Heritage Barn Rehabilitation grant program, which offers similar support for privately owned agricultural facilities, we are confident the outcomes of this program will align with the outcomes of the barn grant program.

Furthermore, nearly 70% of the historic theaters are located in rural jurisdictions with fewer than 50,000 population, and over half are also located in economically distressed counties. Providing funding through this program would have a direct impact on rural and distressed communities.

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Project Title: 21-23 Historic Theater Capital Grant Program

Project Class: Grant

Description**2. What will the request produce or construct (i.e., design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request.**

The request will result in direct support for rehabilitation of historic theaters in the form of matching grants. Grant funds are used to address critical areas of deferred repairs, including essential projects such as roof replacement, foundation repair, structural stabilization, building systems repairs, historic interior finish material conservation, and exterior rehabilitation and restoration. At the same time, these projects retain character-defining features significant to historic theaters. Often, grant awards to theater projects reflect only a portion of the total funds requested. In instances where partial grants are awarded, funds are allocated to support the most critical needs to maintain publically accessible and safe facilities, including work that allows theaters to remain in use/be put into more active use. If funds for the program are allocated for the 2021-23 biennium, the call for grant applications would be issued in the late summer of 2021. Theater owners indicating an ability to complete project by June 30, 2023 would receive priority for funding.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

With small business owners and non-profit organizations facing declining revenue and diminished clientele as a result of COVID-19, few are in a position to implement often costly requirements to ensure physical distancing in their places of business and/or physical upgrades. Without support, theaters may be forced to close permanently. With limited capacity, revenue is minimized, which in turn means more limited sales tax revenue to the state at a time when tax revenues have been impacted sharply since March. Furthermore, events and programming associated with theater-going, whether it be for a unique event, to watch a film, or to attend a live performance, has a secondary impact on local spending by patrons. These patrons may attend the theater, but will also linger and shop in small businesses that are concentrated in and around the theater, and eat at restaurants, and patronize other downtown establishments. Without this catalyst, the domino effect of limited customers has had a negative overall impact on other small businesses that would otherwise benefit from theater patronage.

This investment into local economies will also continue to foster community social interactions, promote civic engagement, promote tourism, and continue the legacy of performing arts and community gathering for the future. Given the extended period of minimized human interaction during the pandemic, these types of venues are vital to public mental health in order to bring people together while simultaneously providing employment opportunities.

The majority of Washington's historic theaters are still used as theaters. They retain primary character defining features, both exterior and interior. These theaters operate on a shoestring. It is a struggle to run the business or nonprofit and maintain staff and audiences when admission must remain affordable and booking requirements add limitations. This grant would directly assist in keeping these theaters open by providing funds for large scale preservation issues that slip by theaters in the effort just to keep the doors open.

Not investing in historic theaters will restrict many rural and economically distressed community's ability to bring the community together and to catalyze local small business support.

4. What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

Alternatives to this program include Building for the Arts and Heritage Capital Grants, both are which are highly competitive with other property use types that do not necessarily have the same set of challenges as theaters. Both programs also require greater than a 1:1 match. While this program targets smaller theaters in rural downtowns, the existing grant programs are better

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Project Title: 21-23 Historic Theater Capital Grant Program

Project Class: Grant

Description

suited for very large theaters, which have better access to resources than a typical Main Street downtown theater. No other alternatives were explored. The alternative to providing grant support to small theater owners is the absence of grant support. This would result in more theaters being unable to operate at sustainable levels, leading to increased layoffs, and closures.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc. Be prepared to provide detailed cost backup.

Private, non-profit, and local government owners of historic theaters would be directly impacted by this request. Considering the economic impact associated with rehabilitation work, funding the program is an investment in local economies, the majority of which will boost rural and distressed areas. Theater preservation projects are by nature labor intensive, as they work to repair existing historic material rather than purchase new, pre-fabricated assemblies often shipped from out of state production facilities. As the projects are relatively small from a construction standpoint, they inevitably use small or sole-practitioner contractors. The program is also generally sustainable. Again, with repair being the focus, smaller amounts of construction debris are taken to local landfills. In short, funding will create work for local companies; use local labor; promote preservation and sustainable practices; reduce waste from demolition; and maintain intact community assets critical to attracting tourism and supporting community gatherings.

Preservation of historic theaters is a public benefit to the state. In this way, the clientele impacted by the budget request includes both residents of and visitors to Washington. Theater rehabilitation preserves our built heritage and informs a broader understanding of this significant element of our state's development.

6. Does this project or program leverage non-state funding? If yes, how much by source? If the other funding source requires cost share, also include the minimum state (or other) share of project cost allowable and the supporting citation or documentation.

Yes. Grants made through this proposed grant program are matching grants. Theater owners must provide a match of funds received. Owner match can be in the form of cash expenditures but may also be in the form of in-kind (donated) labor, goods and services. Currently, there are no existing state federal programs providing grants to private owners of theaters for rehabilitation purposes, and opportunities for those owned by non-profits or local governments are limited and highly competitive with other dissimilar property types. There may be rural economic development programs where owners could secure low-interest loans eligible to be used for business-related capital projects. Local and private funding sources, to the degree they are available, could be provided as match for state funds for this program.

7. Describe how this project supports the agency's strategic/master plan, contributes to statewide goals, or enables the agency to perform better. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

The Historic Theater Capital Grant program supports the State Historic Preservation Plan (PLAN). For the 2021-26 planning timeframe, this program is captured in Goal 1 B. *Seek opportunities to promote the connection between historic preservation, economic recovery, climate change, and sustainability/environmental initiatives.*

Also, Goal 4 A. III states: *Work to implement new or enhance existing financial incentive programs to support the rehabilitation of privately owned historic buildings.*

In addition to support of the State Historic Preservation Plan, this grant program is linked to the following Results WA goals: Prosperous Economy; Healthy and Safe Communities; and Sustainable Energy and Clean Environment/ This will be achieved by providing access to living wage jobs and increasing the economic security of Washingtonians. These outcomes will be reached by assisting the operations of small privately or publicly owned theater facilities, their staffs, local contractors and craft persons in specialized trades, and conserving/recycling resources through rehabilitation of historic buildings rather than new construction.

Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 40000012

Project Title: 21-23 Historic Theater Capital Grant Program

Project Class: Grant

Description

8. Does this decision package include funding for any Information Technology related costs including hardware, software (to include cloud-based services), contracts or staff?

No, this request does not include funding for IT related costs.

9. If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 12 Puget Sound Recovery) in the 2021-23 Operating Budget Instructions.

This project is not linked to the Puget Sound Action Agenda.

10. How does this project contribute to statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

The greenest building is one that is already built. This program uses existing resources and preserves them for current and future use by promoting re-use, repairing rather than replacing building components, and making energy efficient upgrades to reduce carbon emissions. The reuse of existing buildings is inherently sustainable and aligns perfectly with the state's carbon reduction targets. Reusing existing buildings takes advantage of existing infrastructure, and the minimal use of new materials reduces emissions associated with the extraction, manufacturing and transporting of materials. Furthermore, re-using existing buildings reduces or eliminates demolition debris from landfills.

The agency was also one of the first organizations to join the internationally recognized Climate Heritage Network, which focuses on assisting **communities in tackling climate change and achieving the ambitions of the Paris Agreement by promoting a culture of reuse to reduce greenhouse gas emissions and to conserve embodied energy.**

11. Is there additional information you would like decision makers to know when evaluating this request?

This program will help the state achieve its carbon reduction targets. The greenest building is one that is already built. This program uses existing resources and preserves them for current and future use by promoting re-use, repairing rather than replacing building components, and making energy efficient upgrades to reduce carbon emissions. The reuse of existing buildings is inherently sustainable and aligns perfectly with the state's carbon reduction targets. Furthermore, re-using existing buildings reduces or eliminates demolition debris from landfills.

Furthermore, the innovation and creativity theater owners employ to stay in business speaks volumes to their dedication to their communities. Based on ongoing discussions with small business and non-profit theater owners, the need to digitize equipment become required by the film industry in order to keep up with larger corporate theaters. Theater owners exhibited their resilience given this challenge, offering creative programming and events that were unique to their communities and created experiences unrivaled by a traditional movie-going outing. They also organized themselves to lobby the legislature to allow the sale of alcohol in their facilities in order to enhance user experience and expand their variety of programming to promote off-peak use.

There is also a reminder that there is precedent for State support of the Historic Theater grant program. In response to an economic downturn in the late 1980's the Legislature appropriated funding administered by DAHP to support the rehabilitation of historic theaters. This successful effort resulted in the revival of theater operations and programming at venues such as the Rose Theater in Port Townsend, the Ruby Theater in Chelan, and the Lincoln Theater in Mt. Vernon. All of these and other examples remain community magnets for movies, live performances, and programs that boost local economies as well as civic pride and social capital.

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 40000012

Project Title: 21-23 Historic Theater Capital Grant Program

Project Class: Grant

Description

Grant Recipient Organization: Theater Owners

RCW that establishes grant: None

Application process used

A process and evaluation criteria have not yet been established for this project. However, DAHP has extensive experience in evaluating applications and efficiently managing similar grant programs such as the Heritage Barn, Historic Cemetery, and Historic County Courthouse rehabilitation programs. We were also heavily involved in assisting the Department of Commerce create the Library Capital Improvement Program. DAHP is also administering a similar grant program using federal funds to rehabilitate historic downtown buildings in rural communities. In addition, DAHP's Main Street program managers are adept at tracking data supporting Results WA outcome measures such as job creation, new businesses, and new public/private investments. These measures are readily incorporated into project evaluation tracking outcomes. When funds are allocated to grant programs administered by DAHP, program staff distribute application information. Additional outreach efforts are handled through press releases, stories generated through media outlets and social media outreach. Workshops to assist applicants in completing application materials are held in different regions throughout the state, and can easily be offered virtually if in-person workshops are not feasible. Following the application deadline, program staff review all applications submitted to determine if they are complete. Additionally, program staff conduct an initial review of applications based on several threshold criteria. Following this review, applications are forwarded to an Advisory Committee composed on state and non-state representatives for funding recommendations. The committee reviews all forwarded applications based on criteria specified in statute. Following an in-person convening, the committee makes funding recommendations to the agency.

Growth Management impacts

Goal 13 of the Growth Management Act encourages the identification and preservation of historic places. This project directly supports this statewide goal in addition to local growth management goals on economic development, downtown revitalization, and sustainability. By rehabilitating and sustaining historic theaters, this grant program will not only boost employment and business activity but also enhance sales and payroll tax revenues for local and state coffers.

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2021-23 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	2,575,000				515,000
	Total	2,575,000	0	0	0	515,000
Future Fiscal Periods						
		2023-25	2025-27	2027-29	2029-31	
057-1	State Bldg Constr-State	515,000	515,000	515,000	515,000	
	Total	515,000	515,000	515,000	515,000	

Operating Impacts

No Operating Impact

355 - Department of Archaeology and Historic Preservation
Capital Project Request

2021-23 Biennium

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Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 40000001

Project Title: 2019-21 Historic Cemetery Grant Program

Project Class: Grant - Pass Through

Description

Starting Fiscal Year: 2020

Agency Priority: 0

Project Summary

continuation of grants from previous biennium

Project Description

continuation of grants from previous biennium

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Grant Recipient Organization: Historic Cemeteries

RCW that establishes grant: 27.34

Application process used

continuation of grants from previous biennium

Growth Management impacts

continuation of grants from previous biennium

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2021-23 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	515,000		100,000	415,000	
	Total	515,000	0	100,000	415,000	0
Future Fiscal Periods						
		<u>2023-25</u>	<u>2025-27</u>	<u>2027-29</u>	<u>2029-31</u>	
057-1	State Bldg Constr-State					
	Total	0	0	0	0	

Operating Impacts

No Operating Impact

355 - Department of Archaeology and Historic Preservation
Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 4000003

Project Title: Ebey's National Historic Reserve

Project Class: Grant - Pass Through

Description

Starting Fiscal Year: 2020

Agency Priority: 0

Project Summary

Continuation of previous project

Project Description

Continuation of previous project

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Grant Recipient Organization: Vendors on Project

RCW that establishes grant: none

Application process used

Continuation of previous project

Growth Management impacts

Continuation of previous project

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2021-23 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	1,000,000		189,000	811,000	
	Total	1,000,000	0	189,000	811,000	0
Future Fiscal Periods						
		<u>2023-25</u>	<u>2025-27</u>	<u>2027-29</u>	<u>2029-31</u>	
057-1	State Bldg Constr-State					
	Total	0	0	0	0	

Operating Impacts

No Operating Impact

Capital Project Request

2021-23 Biennium

*

Version: AR 21-23 DAHP Capital Budget Request

Report Number: CBS002

Date Run: 10/22/2020 11:49AM

Project Number: 3000022

Project Title: Rehabilitation of Beverly Bridge

Project Class: Grant - Pass Through

Description

Starting Fiscal Year: 2020

Agency Priority: 0

Project Summary

Continue Project from last biennium

Project Description

Continue Project from last biennium

Project Type

Grants

Grant Recipient Organization: Project Vendors

RCW that establishes grant: project

Application process used

Continue Project from last biennium

Growth Management impacts

Continue Project from last biennium

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2021-23 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
001-7	General Fund-Private/Local	429,000			429,000	
057-1	State Bldg Constr-State	5,146,000		372,000	4,774,000	
	Total	5,575,000	0	372,000	5,203,000	0

		Future Fiscal Periods			
		2023-25	2025-27	2027-29	2029-31
001-7	General Fund-Private/Local				
057-1	State Bldg Constr-State				
	Total	0	0	0	0

Operating Impacts

No Operating Impact

Capital Project Request

2021-23 Biennium

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<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2021-23	2021-23
Agency	355	355
Version	AR-A	AR-A
Project Classification	*	All Project Classifications
Capital Project Number	*	All Project Numbers
Sort Order	Project Class	Project Class
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids