

Review of Fuel Tax Refunds for Nonhighway or Off-Road Use of Gasoline

DRAFT 5.2

Joint Transportation Committee

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Prepared by

Joint Transportation Committee

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Thanks are due to the many individuals in both the public and private sectors who contributed to this study. The list below includes those individuals who participated in one or more meetings. Many others no doubt have participated within their organizations, reviewing drafts, collecting data, and compiling lists of unmet needs.

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Okanogan-Wenatchee National Forest – Randy McLandress, Brenda Yankoviak
Pacific NW Four Wheel Drive Association -- Arlene Brooks
Recreational Boating Association of Washington – Steve Greaves, Ed Jennerich, Doug Levy
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Washington Off-Highway Vehicle Association – Tod Petersen, Byron Stuck
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Washington State Snowmobile Association – Terry Kohl, Wayne Mohler
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Nonhighway and Off-Road Vehicle Fuel Tax Refunds

The Legislature directed the Joint Transportation Committee (JTC) in ESSB 6381 (2010) to review fuel tax refunds for nonhighway or off-road use of gasoline and diesel fuels, and to provide an overview of the off-road programs; analyze historical funding and expenditures; outline how funds are distributed; and document future identified off-road, snowmobile and marine funding needs. A final report is due December 31, 2010.

In 2007, the Joint Legislative Audit and Review Committee (JLARC) undertook a study of tax preferences, including refunded fuel tax for nonhighway use. JLARC recommended that the Legislature review its policy of restricting the amount of fuel taxes that may be refunded to programs for off-road recreational users of motor vehicle fuel, in an effort to maintain equity in the treatment of fuel taxes. A summary of JLARC's 2007 study and recommendations can be found in Appendix A. A 2010 JLARC study examined the funding and organization of recreational boating activities in Washington, and can be found at www.jlarc.leg.wa.gov.

The 2010 JTC review considered refunds of fuel taxes paid on marine fuels, and by off-road vehicles and snowmobiles. These refunds are allocated among six accounts and distributed among five state agencies, as shown below. In addition, Department of Licensing processes refunds to certain claimants.

Marine fuel tax refunds (RCW 79A.25)

- Marine Fuel Tax Refund Account (Department of Licensing)
- Coastal Protection Fund (Department of Ecology)
- Recreation Resource Account (Recreation and Conservation Office - RCO)

Off-road vehicle fuel tax refunds (RCW 46.09)

- ORV and Nonhighway Vehicle Account – ORV Account (Departments of Natural Resources, and Fish and Wildlife, and the State Parks and Recreation Commission)
- Nonhighway and Off-road Vehicle Activities Program Account -- NOVA account (RCO)

Snowmobile fuel tax refunds (RCW 46.10)

- Snowmobile Account (State Parks)

NOTE TO READERS: *This study is not an exhaustive survey of recreation needs in Washington. Rather, it explains existing programs and funding streams associated with nonhighway fuel tax refunds, and illustrates additional need that exists. The study relies on information supplied by state agencies, local governments, and a stakeholder group representing boaters, snowmobilers, off-road enthusiasts, local governments, the U.S. Forest Service, and others. While state agencies and stakeholders supplied fairly comprehensive lists of needs, federal and local government responses were limited. For example, only two cities and no counties submitted boating infrastructure projects, and only the Okanogan-Wenatchee National Forest submitted a list of NOVA project needs. In the opinion of the study authors, the limited response should not be viewed as a lack of need, but more likely as a lack of staff time or ability to respond to the information request.*

EXECUTIVE SUMMARY

This review considered nonhighway tax refunds of fuel taxes paid on marine fuels, and by off-road vehicles and snowmobiles. These three revenue sources are allocated among six accounts, and distributed among five state agencies: the Department of Ecology (Ecology), the Washington Department of Fish and Wildlife (WDFW), the Department of Natural Resources (DNR), the Recreation and Conservation Office (RCO) and the State Parks and Recreation Commission (State Parks).

Refunds are Less than Fuel Tax Rates

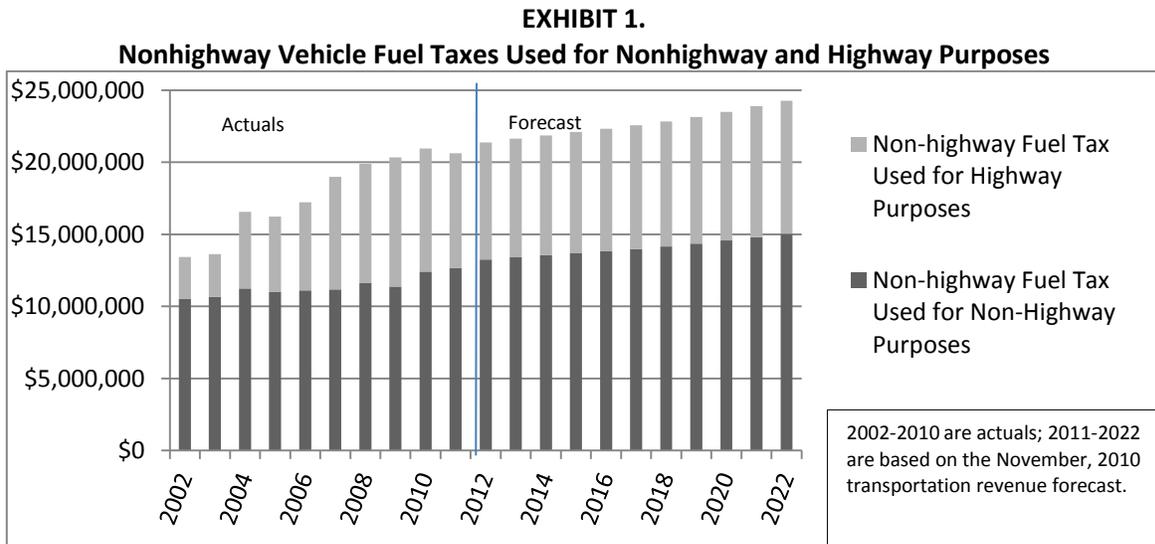
Nonhighway and off-road fuel tax refunds are calculated using a lower fuel tax rate than actual motor vehicle fuel tax rates. As a result, some fuel taxes paid by nonhighway and off-road vehicle users are incorporated into the state’s transportation budget and used for highway purposes.

In 1990, the fuel tax was increased to 23 cents per gallon, and the Legislature limited refunds to off-road and nonhighway users to 18 cents per gallon.

In 2003 when the fuel tax was increased to 28 cents, the refund rate was increased by a penny per gallon per biennium, ending at 23 cents per gallon after July 1, 2011. In doing so, the Legislature decided to use five cents worth of fuel tax paid by nonhighway and off-road users for road, bridge and ferry projects and other highway purposes funded in the 2003 “Nickel Package”.

In 2005, when the 9.5 cent fuel tax increase was approved, the Legislature left refunds at 23 cents, and used the full 9.5 cents for state and local highway projects, operating funds for state transportation agencies, and other highway purposes.

The chart below shows nonhighway vehicle fuel taxes used for highway and nonhighway purposes. For example, in 2010, 22 cents was used for nonhighway purposes (\$12.4 million) and \$15.5 cents was used for highway purposes (\$8.7 million).



Uses of Nonhighway Fuel Tax Refunds

The five agencies receiving nonhighway fuel tax refunds use the revenue for various nonhighway purposes. Most of the revenue is allocated to the following four agencies:

- The Department of Natural Resources (DNR) receives 36% of off-road vehicle fuel tax refunds, and uses the revenue as a primary funding source for their recreation program. In 2009-11, DNR also received a \$871,000 appropriation from the NOVA Account to address ORV safety, liability and recreation concerns. In 2009-11, refunds accounted for 84% of DNR's \$5.1 million recreation budget.
- The Recreation and Conservation Office (RCO) receives fuel tax refunds from two sources – off-road vehicle fuels and marine fuels. ORV refunds are deposited in the NOVA Account, and used to develop and manage ORV, non-motorized and nonhighway road recreation facilities, and enforcement and education. In 2007-09, ORV fuel tax refunds provided 66.8% of the revenue in the NOVA Account, or \$6.4 million. Marine fuel refunds are deposited in the Recreation Resource Account and used for watercraft recreation (\$10.2 million in 2007-09). Both are administered by the Recreation and Conservation Funding Board.
- The State Parks and Recreation Commission manages the Snowmobile Account, using the refunds primarily for trail grooming, and snow removal and sanitation (\$1.9 million in 2007-09). Fuel tax refunds provided 47% of the revenue in the account in 2007-09. State Parks also receives 2% of ORV refunds, used are used to support the Riverside ORV area in Spokane (\$237,000 in 2007-09).
- The Department of Fish and Wildlife (WDFW) receives 3.5% of ORV refunds and uses them primarily for road and parking lot maintenance (\$412,000 in 2007-09). They have received some NOVA grants in the past for trail development, as well as RCO boating facilities grants.

The fifth agency, the Department of Ecology receives a penny of each marine fuel tax refund for the Coastal Protection Program. Refunds generate \$21,000/biennium on average.

Past Unmet Need

State agencies were asked to compile evidence of past unmet need. This was defined as eligible projects and services that went unfunded due to lack of revenue. Below summarizes the past unmet need identified by the state agencies. The detailed list of past unmet need can be found in Appendix G, Project List Appendix.

Marine fuel tax refunds

RCO's Boating Facilities Program. Since 2002, 38% of eligible projects (29 projects) were not funded due to insufficient revenue. Unfunded projects include 19 local boating facilities projects worth \$6.2 million and 10 state boating facilities projects worth \$3.9 million.

Off-road fuel tax refunds

DNR's Recreation Program. In the past 20 years, DNR's Recreation Program has increasingly relied on grants and volunteers to keep recreation trails and facilities open. Today volunteer hours are the equivalent of 44 FTEs. In addition, DNR identifies the following four categories of historically underfunded need:

- **Resource damage** results from lack of funding to maintain existing facilities, and unauthorized user-built trails that pose threats to water quality and public safety. DNR says an estimated 6,000 to 8,000 miles of unauthorized user-built trails on DNR-managed trust lands have caused tens of millions of dollars of environmental cost to natural resources, habitats, wildlife and state trust assets.

- **Safety.** Until 2008, DNR depended on \$3 million/biennium in NOVA grants to fund maintenance and enforcement at larger recreational areas. In 2008, the Legislature redirected these funds to State Parks. This plus a reduction in state general fund appropriations led DNR to reduce services to 30% of DNR recreational facilities and eliminate five education and enforcement wardens stationed at the most frequently-used facilities.
- **Maintenance** at DNR recreational sites has declined considerably from the early 1990s. Most facilities no longer receive routine maintenance.
- **New construction.** DNR has \$4 million in deferred maintenance on recreation sites, and has not built any new facilities or trails since the early 1980s.

RCO's NOVA Program. Since 2002, 34% of eligible projects (55 projects worth \$5.8 million) were not funded due to insufficient revenue. These include non-highway road, off-road, non-motorized, maintenance and operations, and education and enforcement projects.

State Parks' ORV Program. Originally the Riverside ORV Area was fully supported by fuel tax refunds. However, revenues have declined and inflation has increased costs, leading to cutbacks. Staffing was reduced and a reduction in operating hours is currently under consideration.

Snowmobile fuel tax refunds

State Parks' Snowmobile Program. State Parks identified three types of unmet need: trail grooming, equipment purchases, and part-time staff to monitor snowmobile site conditions. They estimated unmet need ranging from \$13,930 in 2007 to \$630,720 in 2009. Over the four-year period, 38% of the unmet need was in deferred equipment purchases, and 60% was in trail grooming.

Future Need

State agencies and stakeholders were asked to provide estimates of future capital and operating needs funded from marine, off-road and snowmobile fuel tax refunds, summarized below. The detailed list of future need can be found in Appendix G, Project List Appendix.

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EXHIBIT 2.

Future Need for Activities Funded from Marine, ORV and Snowmobile Fuel Tax Refunds

| FUTURE NEED, ACTIVITIES FUNDED FROM MARINE FUEL TAX REFUNDS | | |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| | Operating need | Capital need (10 years) |
| Department of Fish and Wildlife | \$1.2 million/biennium for parking lot maintenance and staff to maintain access sites | \$19 million for access and boat ramps, gates, toilets, parking lots, fishing piers, flood damage repair. |
| State Parks | | \$30.3 million for maintenance, buoys, piers, launches, floats, sewer pump-out stations |
| Ports | | \$8.8 million for boat ramp expansions, sewer pump-out stations, boat launches, docks, restrooms, moorage facilities. |
| 2 Cities | | Bremerton Boat Ramp (\$417,600); Castle Rock Boat Launch (\$412,500) |

| FUTURE NEED, ACTIVITIES FUNDED FROM OFF-ROAD FUEL TAX REFUNDS | | |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Operating need | Capital need (10 years) |
| Department of Fish and Wildlife | \$2.2 million/biennium to maintain access sites, roads and parking lots | \$4.5 million for toilets, access gates, parking lot and flood repair, of which \$3.4 million could also be funded from marine fuel tax refunds |
| Department of Natural Resources | \$15.1 million/biennium for maintenance, education and enforcement, safety, grant and volunteer management | \$141.5 million to renovate trails and facilities, develop 15 new recreation areas, renew expiring recreation leases from trust lands, and replace deferred infrastructure |
| Okanogan-Wenatchee National Forest | | \$5 million to maintain motorized trail systems, develop new horse camp, implement forest-wide travel plan, and install road and trail signs. |
| Pacific NW Four Wheel Drive Association | | Trail repair, building reconstruction, creating new recreation opportunities, and parking lot, toilet and campground improvements in 18 sites across the state. |
| Back Country Horsemen | | 300 projects including road improvements, trail, bridge, fence, gate and parking lot construction, signage and maintenance |

| FUTURE NEED, ACTIVITIES FUNDED FROM SNOWMOBILE FUEL TAX REFUNDS | | |
|------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------|
| | Operating need (10 years) | Capital need (10 years) |
| State Parks | \$9.7 million for trail grooming, education and enforcement, site monitoring, mapping | \$1.8 million for equipment and sno parks |

Potential Distributions if Refunds were Increased

The following table shows how much revenue will be distributed to the three recreation accounts in the next five biennia under current law (23 cents -- gray table), and if that amount were increased by a penny, a nickel, and 14.5 cents. For example, if 24 cents were distributed in 2011-13, the Marine Refund Account would gain \$543,000; the ORV and NOVA Accounts would gain \$529,000; and the Snowmobile Account would gain \$86,000.

All revenue from the fuel tax increases in 2003 (5 cents) and 2005 (9.5 cents) are currently committed to planned transportation projects and expenditures. Increasing refunds to the recreation accounts without a corresponding increase in fuel taxes would remove funding from transportation projects and activities.

**EXHIBIT 3.
Potential Distributions if Refunds were Increased**

**Distributions Based on the June 2010 Transportation Revenue Forecast
(Dollars in Millions)**

| <u>Existing 23 Cents (as of 7/1/11)</u> | 2011-13 | 2013-15 | 2015-17 | 2017-19 | 2019-21 | Total |
|------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Marine Refund Account | \$12.500 | \$12.777 | \$13.039 | \$13.357 | \$13.780 | \$65.453 |
| Outdoor Recreation Vehicle Accounts | \$12.174 | \$12.441 | \$12.693 | \$13.000 | \$13.409 | \$63.717 |
| Snowmobile Account | \$1.988 | \$2.040 | \$2.091 | \$2.140 | \$2.183 | \$10.442 |
| Total | \$26.662 | \$27.258 | \$27.823 | \$28.497 | \$29.372 | \$139.612 |

| <u>Add 1 cent -- refund 24 cents</u> | 2011-13 | 2013-15 | 2015-17 | 2017-19 | 2019-21 | Total |
|---------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Marine Refund Account | \$0.543 | \$0.556 | \$0.567 | \$0.581 | \$0.599 | \$2.846 |
| ORV and NOVA Accounts | \$0.529 | \$0.541 | \$0.552 | \$0.565 | \$0.583 | \$2.770 |
| Snowmobile Account | \$0.086 | \$0.089 | \$0.091 | \$0.093 | \$0.095 | \$0.454 |
| Total | \$1.159 | \$1.185 | \$1.210 | \$1.239 | \$1.277 | \$6.070 |

| <u>Add 5 cents -- refund 28 cents</u> | 2011-13 | 2013-15 | 2015-17 | 2017-19 | 2019-21 | Total |
|----------------------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Marine Refund Account | \$2.717 | \$2.778 | \$2.835 | \$2.904 | \$2.996 | \$14.229 |
| ORV and NOVA Accounts | \$2.647 | \$2.705 | \$2.759 | \$2.826 | \$2.915 | \$13.852 |
| Snowmobile Account | \$0.432 | \$0.443 | \$0.455 | \$0.465 | \$0.475 | \$2.270 |
| Total | \$5.796 | \$5.926 | \$6.048 | \$6.195 | \$6.385 | \$30.350 |

| <u>Add 14.5 cents -- refund 37.5 cents</u> | 2011-13 | 2013-15 | 2015-17 | 2017-19 | 2019-21 | Total |
|---------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Marine Refund Account | \$7.880 | \$8.055 | \$8.220 | \$8.421 | \$8.687 | \$41.264 |
| ORV and NOVA Accounts | \$7.675 | \$7.843 | \$8.002 | \$8.196 | \$8.453 | \$40.169 |
| Snowmobile Account | \$1.253 | \$1.286 | \$1.318 | \$1.349 | \$1.376 | \$6.583 |
| Total | \$16.809 | \$17.184 | \$17.541 | \$17.965 | \$18.517 | \$88.016 |

| <u>Increase for the Off-Road Accounts</u> | 2011-13 | 2013-15 | 2015-17 | 2017-19 | 2019-21 | Total |
|--------------------------------------------------|----------------|----------------|----------------|----------------|----------------|--------------|
| 1 Cent Increase | \$1.159 | \$1.185 | \$1.210 | \$1.239 | \$1.277 | \$6.070 |
| 5 Cent Increase | \$5.796 | \$5.926 | \$6.048 | \$6.195 | \$6.385 | \$30.350 |
| 14.5 Cent Increase | \$16.809 | \$17.184 | \$17.541 | \$17.965 | \$18.517 | \$88.016 |

**Review of
Fuel Tax Refunds
for Nonhighway or
Off-Road Use of Gasoline**

DRAFT FINAL REPORT

Nonhighway and Off-Road Vehicle Fuel Tax Refunds

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The 2010 JTC review considered refunds of fuel taxes paid on marine fuels, and by off-road vehicles and snowmobiles. These refunds are allocated among six accounts and distributed among five state agencies, as shown below. In addition, Department of Licensing processes refunds to certain claimants.

EXHIBIT 4. Summary of Nonhighway and Off-Road Vehicle Fuel Tax Refunds by Account and State Agency

Marine fuel tax refunds (RCW 79A.25)

- Marine Fuel Tax Refund Account (Department of Licensing)
- Coastal Protection Fund (Department of Ecology)
- Recreation Resource Account (Recreation and Conservation Office - RCO)

Off-road vehicle fuel tax refunds (RCW 46.09)

- ORV and Nonhighway Vehicle Account – ORV Account (Departments of Natural Resources, and Fish and Wildlife, and the State Parks and Recreation Commission)
- Nonhighway and Off-road Vehicle Activities Program Account -- NOVA account (RCO)

Snowmobile fuel tax refunds (RCW 46.10)

- Snowmobile Account (State Parks)

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REVENUE

The nonhighway and off-road vehicle fuel tax refunds under review in this study come from three sources: marine fuel tax refunds, off-road vehicle fuel tax refunds, and snowmobile fuel tax refunds.

Marine fuel tax refunds (RCW 79A.25)

RCW 79A.25.030 states that 1% of gross motor vehicle fuel tax revenue collected annually is the amount paid by marine fuel users. The equivalent of 22 cents per gallon of marine fuel is transferred to the Recreation Resource Account, for administration by the Recreation and Conservation Funding Board to benefit watercraft recreational.

In FY 2009, 6% of the total amount transferred to the Marine Fuel Tax Refund Account and Recreation Resource Account was refunded to individuals applying for refunds.

As necessary, funds are transferred from the Recreation Resource Account to the Marine Fuel Tax Refund Account to pay marine fuel tax refunds. Individuals may apply for a personal refund of the fuel tax paid on marine fuel.

A penny per gallon of each marine use refund claim is transferred to the Department of Ecology's Coastal Protection Fund to restore natural resources.

The balance of the 1% up to the 37.5 cents per gallon fuel tax rate remains in the Motor Vehicle Account, for further distribution.

Off-road vehicle fuel tax refunds (RCW 46.09)

RCW 46.09 states that 1% of net¹ fuel tax is paid by off-road vehicle users. Almost no individual refunds are made². A portion of that 1% equivalent to 22 cents per gallon of off-road vehicle fuel tax is divided between two accounts:

- Off-Road Vehicle and Nonhighway Vehicle Account, (41.5%), for the development and maintenance of nonhighway roads and recreation facilities, administered by the Department of Natural Resources, Washington Department of Fish & Wildlife, and the State Parks and Recreation Commission
- NOVA Account -- Nonhighway and Off-Road Vehicle Activities Program Account (58.5%), for the development and management of ORV, non-motorized and nonhighway road recreation facilities, and administered by the Recreation and Conservation Office's Recreation and Conservation Funding Board.

On July 1, 2011, the amount distributed to the various recreation accounts will increase from the equivalent of 22 cents to 23 cents per gallon.

The balance of the 1% up to 37.5 cents per gallon fuel tax rate remains in the Motor Vehicle Account, for further distribution.

Snowmobile fuel tax refunds (RCW 46.10)

RCW 46.10.170 directs the Department of Licensing to determine the fuel tax paid on snowmobile fuel. The determination is made by multiplying the number of registered snowmobiles by 135 gallons as the average yearly fuel used, and a fuel tax rate of 22 cents per gallon. This amount less 3% for administrative costs is transferred to the Snowmobile Account administered by the State Parks and Recreation Commission.

No individual refunds are made.

¹ The off-road vehicle refund transfer is based on fuel taxes less nonhighway and tribal refunds and administrative costs.

² Refunds are allowed only if the ORV is used as non-highway equipment, for example, as business equipment or a farm implement used to feed animals or check a ranch. In these cases, the ORV owner does not register the vehicle with DOL and may seek refund of 100% of the fuel tax. No refunds are allowed for ORVs registered with DOL.

The balance of the fuel tax estimated for snowmobile use, up to 37.5 cents per gallon fuel tax rate, remains in the Motor Vehicle Account, for further distribution.

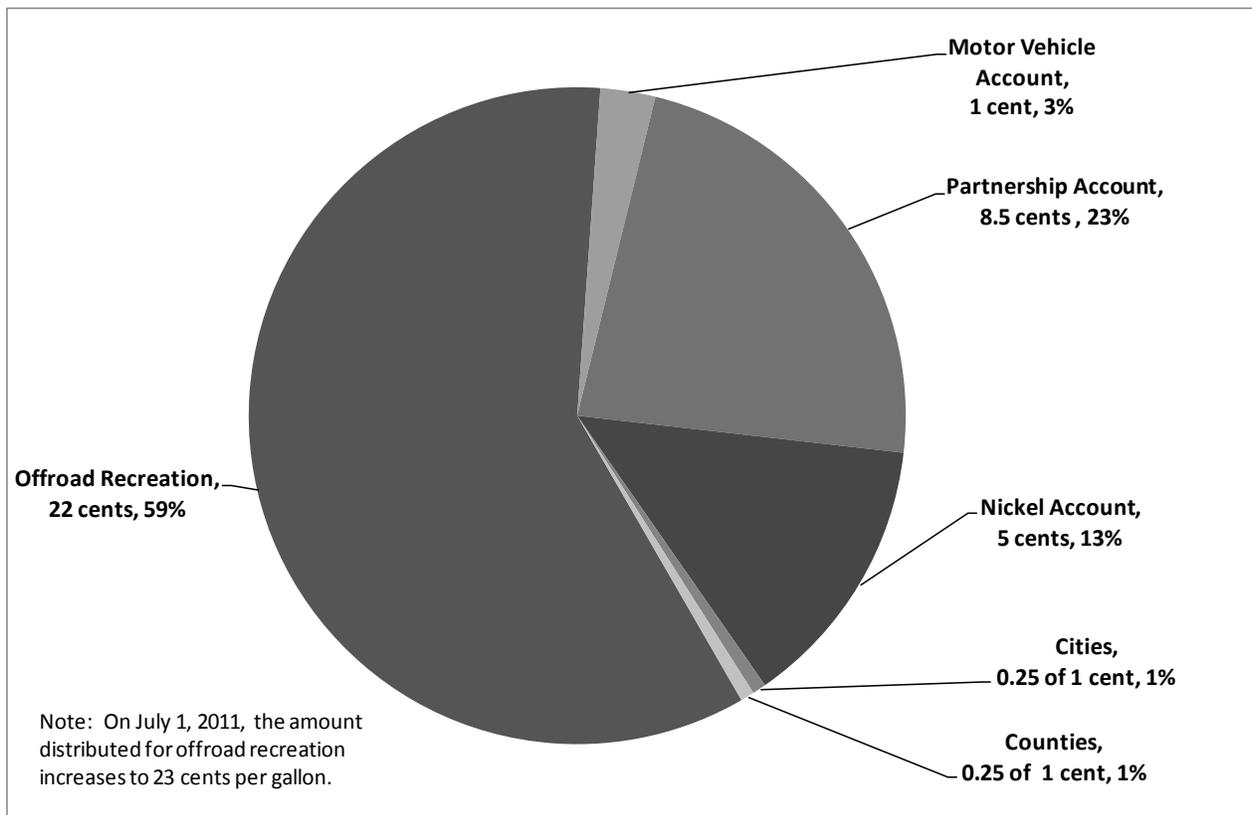
Refunds are less than actual motor vehicle fuel tax rates

Nonhighway and off-road fuel tax refunds are calculated using a lower fuel tax rate than actual motor vehicle fuel tax rates. As a result, some fuel taxes paid by nonhighway and off-road vehicle users are incorporated into the state’s transportation budget and used for highway purposes. This is the case for the two fuel tax increases enacted in 2003 – the “Nickel Package” and 2005 – the 9.5 cent “Transportation Partnership Act”.

- In 1990, the fuel tax was increased to 23 cents per gallon, and the Legislature limited refunds to off-road and nonhighway users to 18 cents per gallon.
- In 2003 when the fuel tax was increased to 28 cents, the refund rate was increased by a penny per gallon per biennium, ending at 23 cents per gallon after July 1, 2011. In doing so, the Legislature decided to use five cents worth of fuel tax paid by nonhighway and off-road users for road, bridge and ferry projects and other highway purposes funded in the 2003 “Nickel Package”.
- In 2005, when the 9.5 cent fuel tax increase was approved, the Legislature left refunds at 23 cents, and used the full 9.5 cents for state and local highway projects, operating funds for state transportation agencies, and other highway purposes. The motor vehicle fuel tax is currently 37.5 cents per gallon.

The chart below shows the distribution of the current 37.5 cent gas tax.

**EXHIBIT 5.
FY 2011 -- 37.5 Cent Fuel Tax Distribution**



The table below shows fuel tax rates, allocations and revenue from 2002 – 2012.

**EXHIBIT 6.
State Fuel Tax Allocations (per gallon of gasoline)**

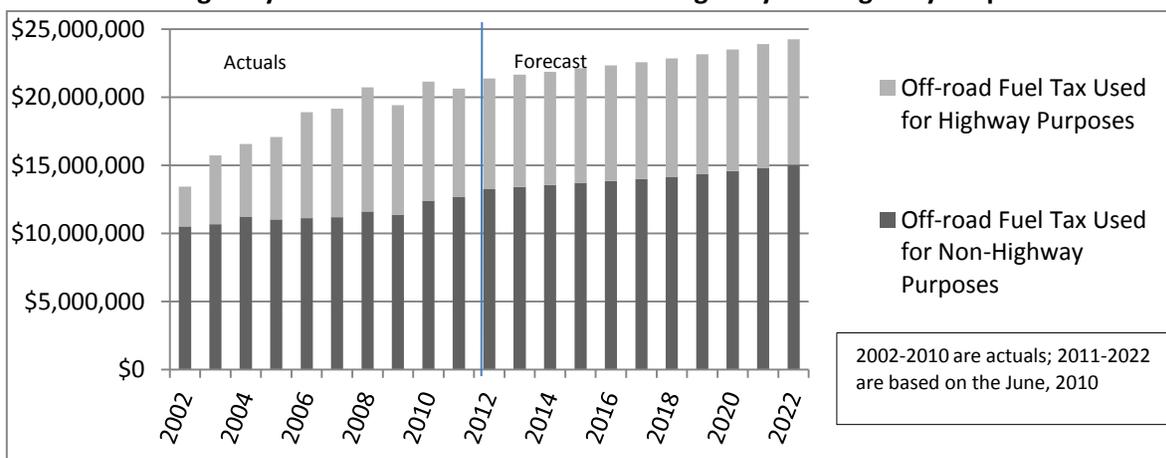
| Year | Total State Fuel Tax Rate RCW 82.36.025 | State Fuel Tax Rate Used for Nonhighway Purposes | State Fuel Tax Revenue Used for Nonhighway Purposes ¹ | State Fuel Tax Paid by Nonhighway Users and Used for Highway Purposes | State Fuel Tax Revenue paid by Nonhighway Users, Used for Highway Purposes ³ |
|------|--------------------------------------------|--------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 2002 | \$0.23 | \$0.18 | \$10,507,179 | \$0.05 | \$2,918,661 |
| 2003 | \$0.23 | \$0.18 | \$10,663,757 | \$0.05 | \$2,962,154 |
| 2004 | \$0.28 ² | \$0.19 | \$11,240,723 | \$0.09 | \$5,324,553 |
| 2005 | \$0.28 | \$0.19 | \$11,018,609 | \$0.09 | \$5,219,341 |
| 2006 | \$0.31 | \$0.20 | \$11,108,810 | \$0.11 | \$6,109,461 |
| 2007 | \$0.34 | \$0.20 | \$11,174,016 | \$0.14 | \$7,821,811 |
| 2008 | \$0.36 | \$0.21 | \$11,608,082 | \$0.15 | \$8,291,487 |
| 2009 | \$0.375 | \$0.21 | \$11,382,819 | \$0.165 | \$8,943,644 |
| 2010 | \$0.375 | \$0.22 | \$12,401,181 | \$0.155 | \$8,556,211 |
| 2011 | \$0.375 | \$0.22 | \$12,631,600 | \$0.155 | \$8,899,536 |
| 2012 | \$0.375 | \$0.23 | \$13,247,200 | \$0.145 | \$8,351,496 |

(1) Nonhighway purposes include refunds of taxes paid on marine fuels, RCW 79A.25; refunds of taxes paid on fuel used for off-road vehicles, RCW 46.09; and refund of taxes paid on fuel used by snowmobiles, RCW 46.10
 (2) RCW 82.36.025(2) requires this \$0.05 to expire “when the bonds issued for transportation projects 2003 are retired.” The last bonds are forecasted to be sold during the 2023-25 biennium, to be paid off in 2053.
 (3) The past and future off-road fuel tax revenue used for highway purposes is calculated by legislative staff working on the study. The state fuel tax rate used for highway purposes is calculated by estimating the number of fuel gallons refunded as compared to the fuel tax rate in effect at the time.

Revenue for nonhighway and highway purposes

The chart below shows nonhighway vehicle fuel taxes used for nonhighway and highway purposes. For example, in 2010, 22 cents was used for nonhighway purposes (\$12.4 million), and 15.5 cents was used for highway purposes (\$8.7 million).

**EXHIBIT 7.
Nonhighway Vehicle Fuel Taxes Used for Nonhighway and Highway Purposes**



The chart above illustrates total revenues from all three revenue sources. The two graphs below break out the revenue by the three revenue sources, showing historical account distributions, and forecasted account distributions, based on the November, 2010 revenue forecast.

EXHIBIT 8.
Historical Nonhighway Fuel Tax Refund Account Distributions, 1999-2010³

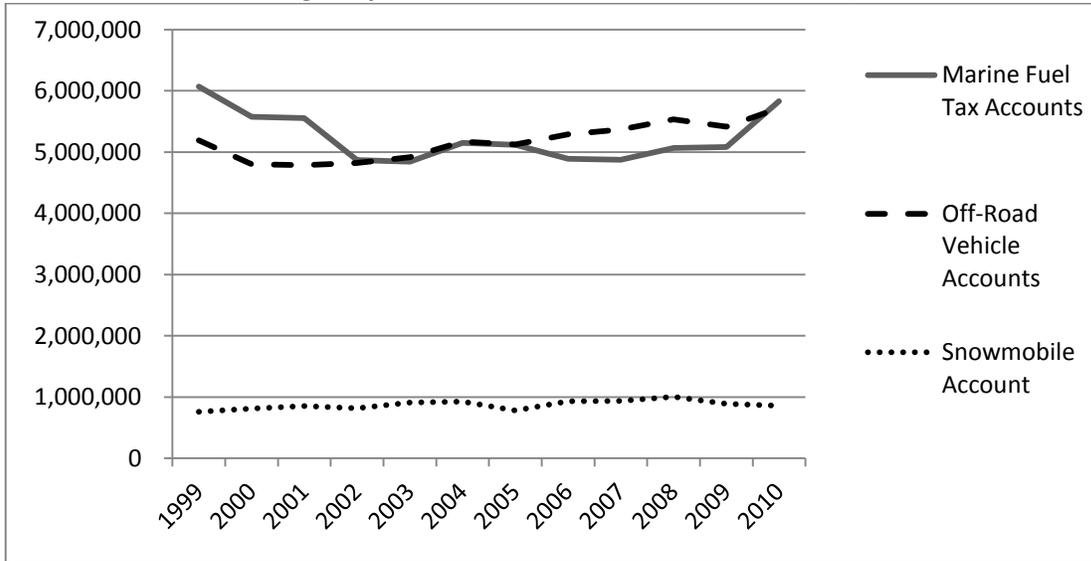
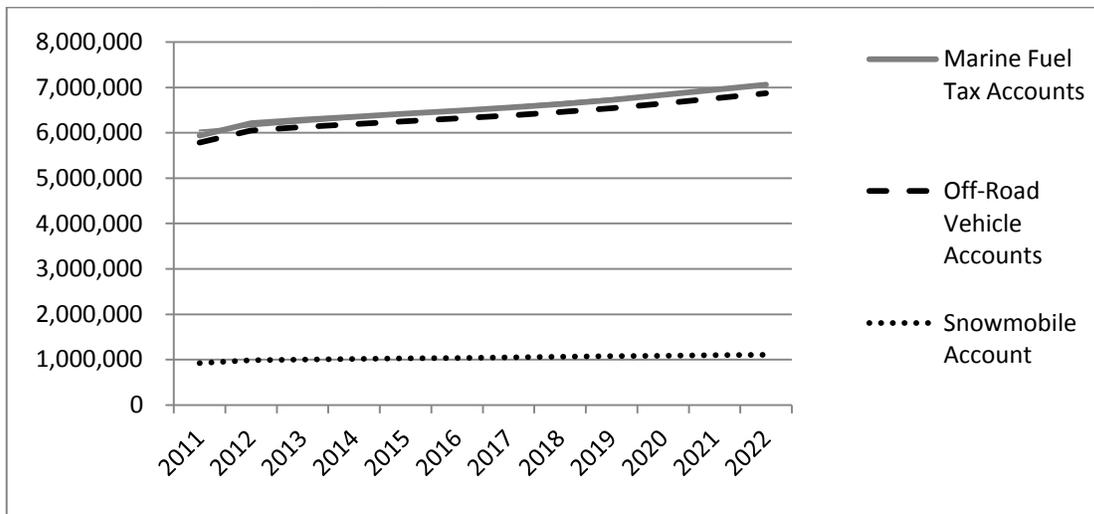


EXHIBIT 9.
Forecasted Nonhighway Fuel Tax Refund Account Distributions, 2011 – 2022



The Marine Fuel Tax Account is higher than the Off-road Vehicle Account in future forecasts even though both allocation percentages equal one percent. This is due to differences in administering the funds: the off-road vehicle fuel allocation is based on net gas tax less non-highway refunds, tribal refunds and administrative costs, while the marine fuel tax is based on the gross fuel tax amount.

³ The data used to generate Exhibit 8 can be found in Appendix B.

PROGRAM OVERVIEWS

DEPARTMENT OF ECOLOGY

MARINE FUEL TAX REFUNDS (RCW 79A.25)

The Department of Ecology receives 1 cent per gallon of each marine use refund claim for deposit in the Coastal Protection Fund to restore natural resources.

Program Description

The Legislature established the Coastal Protection Fund (CPF) as part of the Oil and Hazardous Substance Spill Prevention and Response Act for environmental restoration and enhancement projects; investigations of the long-term effects of oil spills; and developing and implementing an aquatic land computer geographic information system. Funds may also be allocated for research and development regarding the causes, effects, and removal of oil spill pollution.

Average Funds Available per Biennium

Funding sources for the CPF include penalties, damages and charges assessed to spillers, compensation for damages, and an amount equal to 1 cent per gallon from each marine use tax refund claim. It is difficult to predict fund balances in the CPF; damage and penalty assessments can range from hundreds of dollars up to millions of dollars, and it is hard to know when spills will occur.

The fuel tax refunds are a small portion of total funds available in the Coastal Protection Fund. They average about \$21,000 a biennium, compared to biennial spending from the fund ranging from \$121,410 spending-to-date in the current 2009-11 biennium, to \$1,236,600 in the 2007-09 biennium.

**EXHIBIT 10.
Coastal Protection Fund Allocation, 2003-2010**

| Fiscal Year | # of Claims | Refundable Gallons | Gross Refunds | Use Tax | Coastal Protection | Net Refunds |
|-----------------------|-------------|--------------------|---------------|-----------|--------------------|-------------|
| FY 2003 | 1967 | 1,150,789 | \$265,859 | \$92,022 | \$11,508 | \$162,329 |
| FY 2004 | 2168 | 1,192,878 | \$311,273 | \$109,245 | \$11,930 | \$190,098 |
| FY 2005 | 2184 | 1,173,208 | \$328,504 | \$150,950 | \$11,732 | \$165,822 |
| FY 2006 | 2270 | 1,185,157 | \$352,587 | \$183,668 | \$11,852 | \$157,067 |
| FY 2007 | 2138 | 1,018,180 | \$335,190 | \$202,203 | \$10,182 | \$122,806 |
| FY 2008 | 1856 | 912,999 | \$321,106 | \$169,289 | \$9,130 | \$142,867 |
| FY 2009 | 1788 | 793,962 | \$292,851 | \$176,503 | \$7,940 | \$108,408 |
| FY 2010 | 1681 | 779,276 | \$292,254 | \$125,602 | \$7,793 | \$158,860 |
| 8-year annual average | 2007 | \$1,025,806 | \$312,453 | \$151,185 | \$10,258 | \$151,032 |

Note: Marine Fuel Refunds reported above are only related to gasoline.
Refunds for diesel fuel do not have a specific classification code that would identify marine fuel refunds.

Source: Fuel Tax Refund System Fuel Tax Summary by Major Occupation Code.
Class = M, Description = Marine

Funding and decision-making criteria

The Coastal Protection Fund Steering Committee decides how the fund is used. RCW 90.48.400 (3) defines membership of the committee as representatives from Ecology, WDFW, DNR and State Parks, each agency appointing their own representative. The CPF is used for

- Environmental restoration and enhancement projects;
- Investigations of the long-term effects of oil spills;
- Developing and implementing an aquatic land computer geographic information system; and
- Research and development regarding the causes, effects, and removal of oil spill pollution.

After a major spill, the Committee looks at ways to use the fund for restoration and enhancement activities in the affected area. The Committee also oversees the selected restoration and enhancement projects.

Types of Investments

**Exhibit 11.
Sample projects funded from the Coastal Protection Fund**

Fuel tax refunds are a small portion of total funds available in the Coastal Protection Fund. They average \$21,000 a biennium, compared to biennial spending from the fund ranging from \$121,410 spending-to-date in the current 2009-11 biennium, to \$1,236,600 in the 2007-09 biennium. The bulk of the funding comes from penalties, damages and assessments levied against oil spillers.

(complete list at <http://www.ecy.wa.gov/programs/spills/restoration/restorationprojects/cptrestorationprojects.html>)

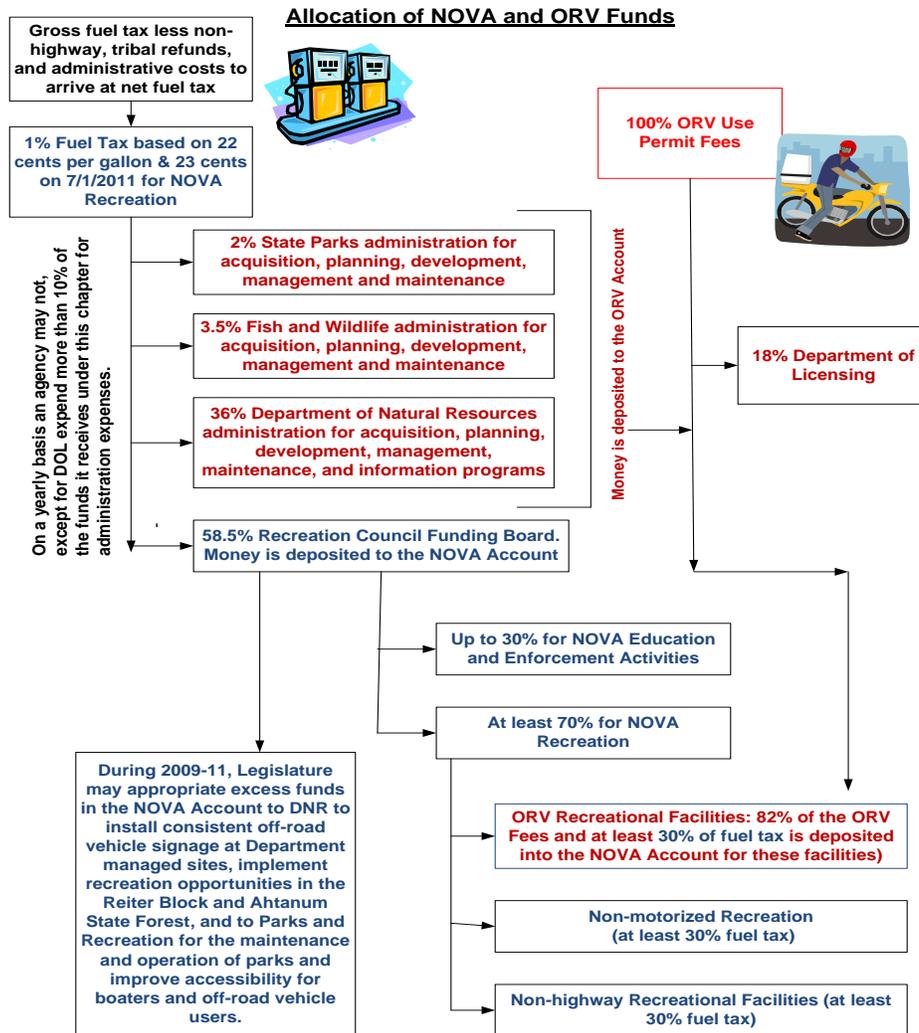
| Year | Amount | Sample projects |
|-------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Thru 6/1/10 | \$66,500 | \$30,000 to remove culverts and bulkheads on Mudd Bay |
| 2009 | \$54,910 | \$19,550 partial funding to remove spoils berm to reconnect Chimacum Creek to floodplain |
| 2008 | \$80,600 | \$13,500 partial funding to acquire 40 acres of high quality off-channel wetland habitat on Goldsborough Creek near Shelton; \$20,000 partial funding to begin weed control and revegetation along 1.35 miles of marine riparian shoreline in Maury Island Marine Park. |
| 2007 | \$1,156,000 | \$500,000 acquisition of 78 acre Haynie Creek/Fenton Pond Tract in the Drayton Harbor watershed; \$5,000 to remove rip-rap along 400 ft of shoreline in Eld Inlet |
| 2006 | \$356,065 | \$8,000 to re-establish stream channel within a tributary to Perry Creek, allowing unimpeded fish passage to one mile of excellent habitat; \$36,000 to DNR to develop and distribute a GIS dataset that identifies uses of state-owned aquatic lands |
| 2005 | \$420,169 | \$35,000 to replace a fish blocking culvert on Blacksmith Lake Creek; \$29,400 to remove creosote-laden wood materials from Lake Hancock. |
| 2004 | \$160,741 | \$11,000 matching funds to enhance and restore native fish habitat in Yelm Creek; \$40,000 matching fund to remove 5 culvert barriers to salmonid migration within the Minter Creek Watershed on the Key Peninsula |
| 2002 | \$281,500 | \$159,000 partial funding to acquire and protect 25 acres at the head of Seabeck Bay |
| 2001 | \$240,000 | \$110,000 for park improvements related to Lewis and Clark Bicentennial commemoration in Sacajawea State Park; \$130,000 partial funding to restore and enhance wetlands along the Walla Walla River in the Wallula National Wildlife Refuge. |

WASHINGTON DEPARTMENT OF FISH AND WILDLIFE

OFF-ROAD VEHICLE FUEL TAX REFUNDS (RCW 46.09) MARINE FUEL TAX REFUNDS (RCW 79A.25)

The Washington Department of Fish and Wildlife (WDFW) receives NOVA fuel tax refunds from three sources: a 3.5% direct revenue stream of off-road vehicle fuel tax refunds, grants from the NOVA Account and Boating Facilities Grants.

EXHIBIT 12.



Program Description

The WDFW manages 18 wildlife areas throughout the state that comprise 900,000 acres of land for fish and wildlife and for a wide range of public recreational opportunities. In addition, WDFW manages the largest water access program in the state with over 650 access sites that function as gateways to vast areas of public waters including rivers, lakes and marine areas. In many instances, these sites provide the only public access available to Washington State waters. WDFW also manages over 1,300 miles of non-highway roads for public access.

WDFW estimates that the public makes 14 million visits to these lands each year. WDFW public lands provide recreation opportunities including hunting, fishing, wildlife viewing, hiking, bicycling, camping and picnicking. Other uses include rock climbing, hang gliding, geocaching, boating, rafting, etc.

Responsible management of these lands and facilities allow safe recreational opportunities while protecting habitat quality for fish and wildlife. The challenge to manage these lands for recreation continues to grow as access opportunities diminish and as Washington’s population increases.

NOVA Funds Available per Biennium and WDFW Use of NOVA Funds

WDFW receives 3.5% of off-road vehicle fuel taxes. The table below shows a ten-year history of biennial appropriations. Ninety-four percent is used for road and parking lot maintenance with the remaining six percent used for enforcement of ORV users and other users of recreational facilities.

**EXHIBIT 13.
WDFW NOVA Direct Appropriation**

| Biennium | 3.5% ORV Revenue |
|----------|------------------|
| 2001-03 | \$474,629 |
| 2003-05 | \$506,000 |
| 2005-07 | \$392,000 |
| 2007-09 | \$412,000 |
| 2009-11 | \$413,000 |

Expenditures from fuel tax funds are restricted to WDFW roads and access parking areas that are not directly serviced by a publicly-funded road such as a state highway, county, or city road system. WDFW has no secure funding stream for other roads or access parking area maintenance on areas that are not eligible for NOVA funds. Road and parking area conditions often deteriorate to a point where damage becomes more significant and capital funds are then needed to renovate the road, parking lot, or other recreational facility.

Investment criteria

Fuel tax funds are allocated to road and parking lot maintenance based on the greatest need determined by the number of users and condition of the road or parking lot. Wildlife area plans also identify road and parking lot maintenance needs. Each wildlife area management plan includes input from a Citizens Advisory Group (CAG) to capture public values and input toward WDFW land management.

NOVA grants

WDFW receives a limited number of NOVA grants to fund recreational development projects on wildlife areas.

**EXHIBIT 14.
WDFW NOVA Grant History**

| Fiscal Year Awarded | Project Name | NOVA Grant Funds | Match Funds |
|---------------------|-----------------------------------------|------------------|-------------|
| 2005 | Conners Lake to Forde Lake Trail | \$100,000 | \$30,000 |
| 2006 | Forde Lake to Blue Lake Trail | \$100,000 | \$30,000 |
| 2006 | Sprague Lake Trail | \$61,319 | \$64,681 |
| 2009 | Scotch Creek Coulee Trail System | \$86,756 | \$20,000 |
| 2009 | Whatcom Wildlife Area ADA Dock Planning | \$100,000 | \$0 |

Marine Fuel Tax Funds Available per Biennium and WDFW Use of Funds

WDFW competes for and receives marine fuel tax funds through Boating Facility Program (BFP) grants. WDFW has received an average of \$921,000 each of the last five biennia for a total of \$4,605,000. Examples of completed projects in this category include boat ramp replacements, new restroom facilities, fences, gates, signs, kiosks, paved access roads and parking lots, etc.

**EXHIBIT 15.
WDFW Projects Funded from NOVA's Boating Facilities Program
2001 - 2009**

|  WASHINGTON STATE Recreation and Conservation Office | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------|------------------|
| Project Funding By Program | | | |
| Project Name | This Program Amt | Sponsor Amt | Total Amt |
| Lake Terrell Boat Dock | 84,658 | | 84,658 |
| Lake Kapowsin Boat Launch | 718,978 | | 718,978 |
| Sunland Public Boat Launch | 112,103 | 54,967 | 167,070 |
| Kenmore Park/Fish & Wildlife Boat Launch | 74,726 | | 74,726 |
| Point Whitney Boat Access | 57,962 | | 57,962 |
| Riverfront Park Boat Launch Improvement | 21,509 | | 21,509 |
| Port of Manchester Boating Access Ph 3 | 225,910 | | 225,910 |
| Palmer Lake Boat Ramp | 139,325 | | 139,325 |
| Paterson Boat Launch | 62,654 | | 62,654 |
| Big Lake Boat Launch | 186,815 | | 186,815 |
| Misery Point Launch Planning | 191,550 | | 191,550 |
| Long Lake Public Access | 50,927 | | 50,927 |
| Pleasant Harbor Phase I | 639,740 | | 639,740 |
| Silver Lake Public Access 04 | 48,585 | | 48,585 |
| Waitts Lake Public Access | 296,712 | | 296,712 |
| Silver Lake Public Access Phase 2 | 301,842 | | 301,842 |
| Point No Point Boat Launch Planning | 250,000 | 50,000 | 300,000 |
| Pleasant Harbor Boat Launch Phase 2 | 352,554 | | 352,554 |
| Eloika Lake Public Access | 305,755 | | 305,755 |
| Jameson Lake Boat Launch | 185,000 | | 185,000 |
| Sidley Lake Boat Launch | 102,500 | | 102,500 |
| Modrow Boat Launch | 195,196 | | 195,196 |
| | 4,605,000 | 104,967 | 4,709,967 |
| Grand Total: 22 Projects | 4,605,000 | 104,967 | 4,709,967 |

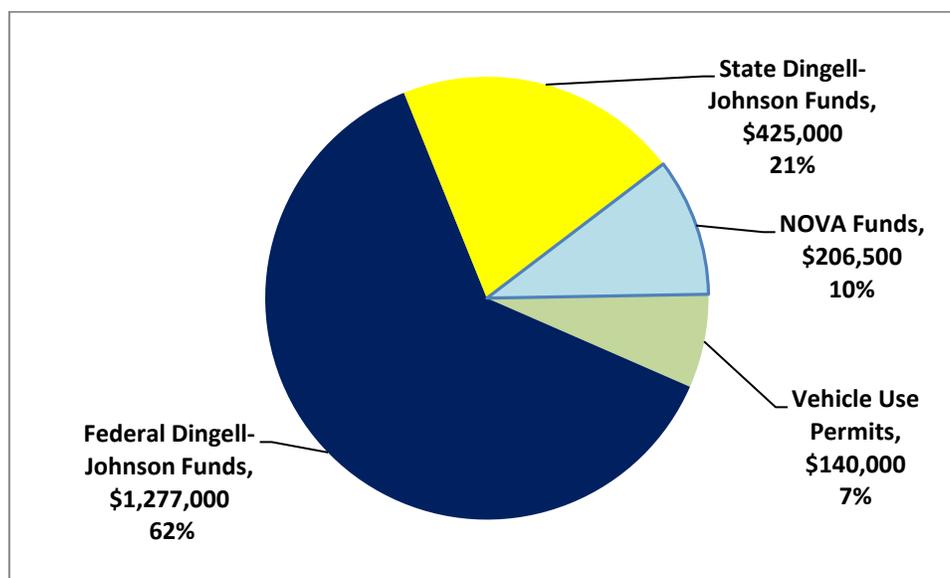
Other Recreation Funding and Uses

Additional funds used to maintain recreational opportunities on WDFW lands are limited.

Opportunities on wildlife areas are primarily primitive supporting many forms of dispersed recreation. Recreational facilities are limited to parking lots, roads, 21 designated primitive campgrounds, interpretive points and limited trails. There are no specific recreation funds for wildlife area recreational facilities other than NOVA funds. Limited state and federal funds allow very basic operation and maintenance of lands which includes maintenance of fences, gates, signs, water control structures, irrigation structures; weed control; etc.

WDFW's most significant recreation funding is provided through federal Dingell-Johnson (DJ) funds, which requires a 25% state match, and which is used to maintain the over 650 water access sites throughout the state. The fiscal year 2010 DJ contract provided \$1,703,542 for this purpose. Dedicated revenue from the sale of Vehicle Use Permits (VUP) also supports operation and maintenance of access sites. Approximately \$140,000 is received each year.

EXHIBIT 16.
Annual Operation and Maintenance Funding On WDFW Water Access Sites
Total = \$2,048,500



WDFW employs eleven full-time Access Area Managers and Assistants to manage and maintain the water access area sites. Program management is provided at the regional level by Lands Supervisors and Lands Agents and at the statewide level by the Statewide Access Area Coordinator.

Maintenance activities at various sites include restroom cleaning and repair, toilet pumping, fence repair, boat ramp maintenance and repair, grading and graveling roads and parking areas, litter and weed control, sign and kiosk repair, landscaping and drainage projects.

In addition to operating funds, varying levels of state capital funds are also used to address major renovations at access sites. This includes Boating Facilities Program grant dollars described above, Washington Wildlife and Recreation Program State Lands Development (WWRP SLD) grant dollars, and state capital budget dollars.

WWRP State Lands Development (SLD) Funds: WDFW has received an average of \$730,000 each of the past three biennia in the WWRP SLD funding category for a total of approximately \$2,190,000. These are capital budget dollars. Examples of completed projects in this category include trail developments, fishing floats, boat launch improvements, parking lot improvements, kiosks, signs, and ADA parking and pathway construction. These projects would also be eligible for funding from fuel tax refunds.

DEPARTMENT OF LICENSING

MARINE FUEL TAX REFUNDS (RCW 79A.25)

Program Description

RCW 79A.25 provides for refunds to individuals of taxes paid on marine fuel.

To obtain refunds, individuals contact Department of Licensing (DOL), and complete a fuel tax refund permit application, which includes the vessel's registration number or out-of-state vessel registration form. Once DOL verifies the information, a permit number is issued and a refund account is created for that customer. The customer then receives claim forms with the permit number from DOL to use for submitting marine fuel refund claims along with receipts for processing by DOL. Customers may request marine fuel refunds for fuel purchases made within the previous thirteen months, so long as the total requested gross refund is at least \$20.

The motor vehicle fuel tax is collected at the terminal rack and taxes are paid electronically to DOL and deposited to the Motor Vehicle Fund. On a quarterly basis (or as needed), DOL submits a journal voucher to transfer funds to the Marine Fuel Refund Account to pay refund claims. The amount of the transfer varies upon season and the amount of refunds claimed.

While the fuel tax is refunded, the customer must instead pay the sales/use tax on fuel purchased, and the 1 cent per gallon coastal protection fee.

Average Refunds per Biennium

Over the past eight years, the average total marine fuel refund was \$312,453 per year less use taxes (\$151,185) and coastal protection fee (\$10,258 per year). This means on average a net of \$151,032 was refunded to customers.

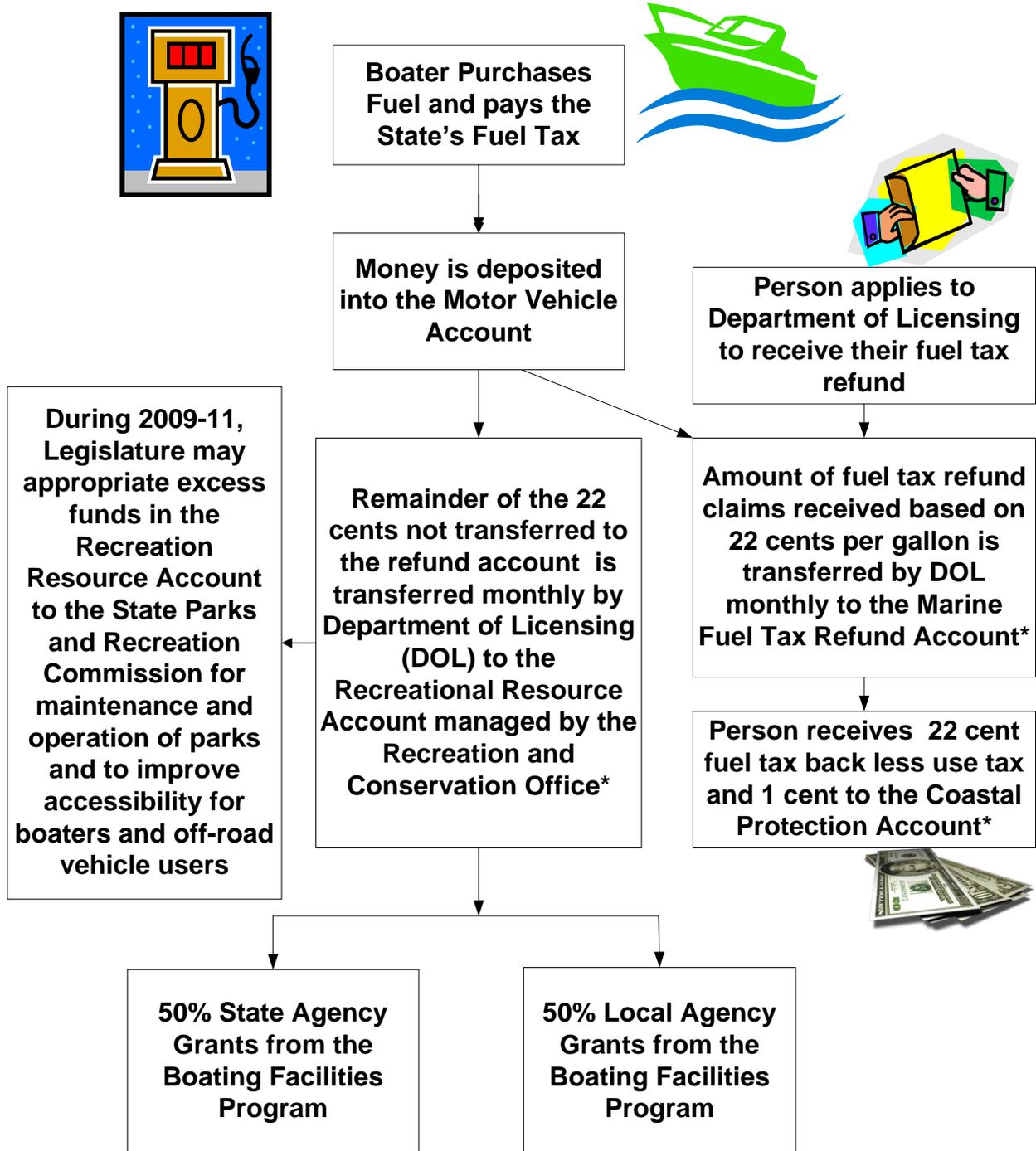
**EXHIBIT 17.
Marine Fuel Tax Claims and Refunds, 2003 – 2010**

| Fiscal Year | # of Claims | Refundable Gallons | Gross Refunds | Use Tax | Coastal Protection | Net Refunds |
|-----------------------|--------------------|---------------------------|----------------------|----------------|---------------------------|--------------------|
| FY 2003 | 1967 | 1,150,789 | \$265,859 | \$92,022 | \$11,508 | \$162,329 |
| FY 2004 | 2168 | 1,192,878 | \$311,273 | \$109,245 | \$11,930 | \$190,098 |
| FY 2005 | 2184 | 1,173,208 | \$328,504 | \$150,950 | \$11,732 | \$165,822 |
| FY 2006 | 2270 | 1,185,157 | \$352,587 | \$183,668 | \$11,852 | \$157,067 |
| FY 2007 | 2138 | 1,018,180 | \$335,190 | \$202,203 | \$10,182 | \$122,806 |
| FY 2008 | 1856 | 912,999 | \$321,106 | \$169,289 | \$9,130 | \$142,867 |
| FY 2009 | 1788 | 793,962 | \$292,851 | \$176,503 | \$7,940 | \$108,408 |
| FY 2010 | 1681 | 779,276 | \$292,254 | \$125,602 | \$7,793 | \$158,860 |
| 8-year annual average | 2007 | \$1,025,806 | \$312,453 | \$151,185 | \$10,258 | \$151,032 |

Note: Marine Fuel Refunds reported above are only related to gasoline.
Refunds for diesel fuel do not have a specific classification code that would identify marine fuel refunds.

Source: Fuel Tax Refund System Fuel Tax Summary by Major Occupation Code.
Class = M, Description = Marine

Marine Fuel Tax Refund Process



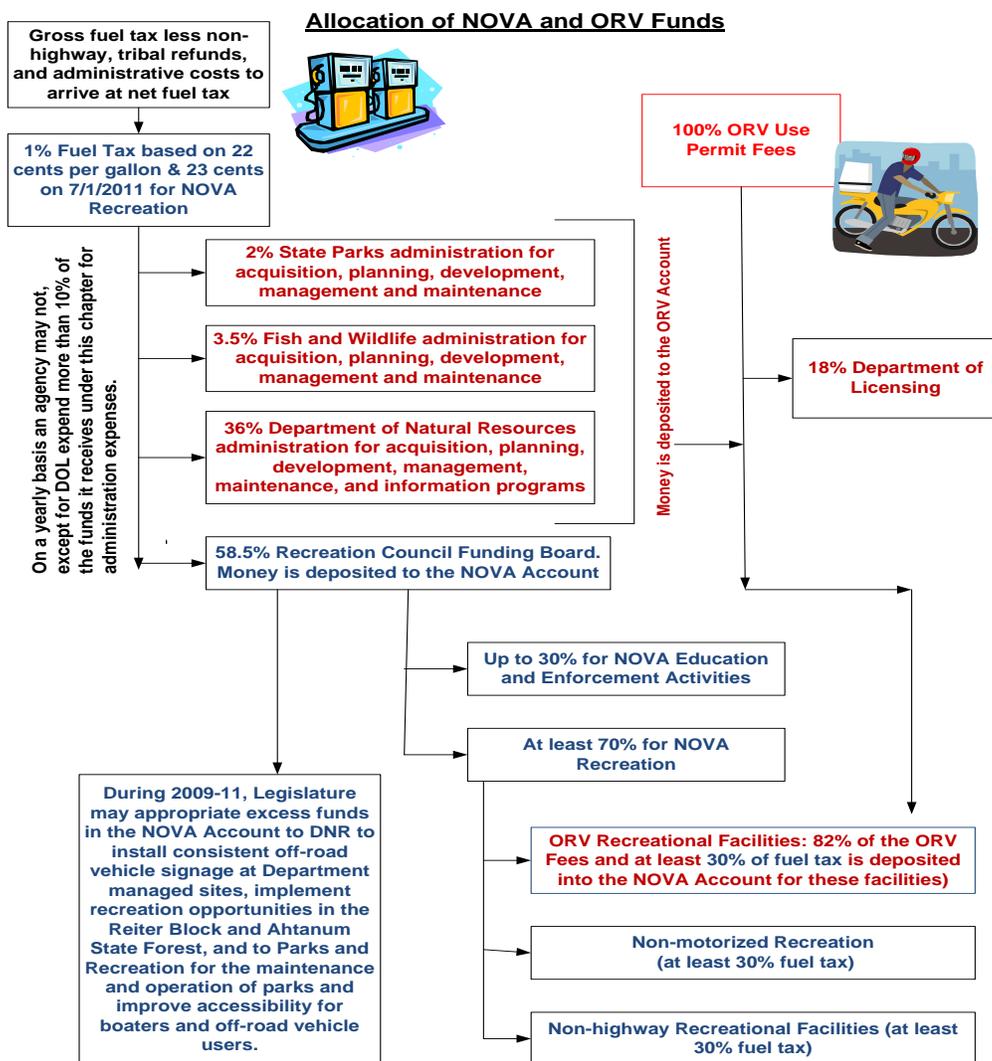
Note * Refund rate per gallon will increase to 23 cents per gallon on July 1, 2011

DEPARTMENT OF NATURAL RESOURCES

OFF-ROAD VEHICLE FUEL TAX REFUNDS (RCW 46.09)

The Department of Natural Resources receives fuel tax refunds from two sources: a direct revenue stream of 36% of ORV fuel tax refunds, and grants from the NOVA Account, which is also funded with ORV fuel tax refunds. Before 2008, DNR typically received NOVA grants of about \$3 million each biennium.

EXHIBIT 19.



Program Description

The Department of Natural Resources (DNR) manages 5.6 million acres of state-owned uplands and aquatic lands. Most of these state trust lands are accessible to the public for a wide range of recreational activities. DNR estimates that the recreating public makes 11 million visits to these lands each year.

RCW 79.10.100, adopted in 1979, is the state Multiple Use Act, which required DNR to provide recreation opportunities where they are compatible with trust obligations. Where recreation is incompatible with trust

obligations, the trust must be compensated for the encumbered trust land’s full market value in order for that recreation use to be permitted.

State trust lands provide recreation opportunities, such as camping and picnicking, at 143 trailheads, campgrounds, and day use areas. DNR-managed lands also attract dispersed recreation activities, including hunting, fishing, berry picking, geocaching, horseback riding, hiking, kayaking, kite boarding, mountain biking, snowshoeing, target shooting, trail running, and other activities.

DNR manages more than 1,000 miles of designated trails for motorized and non-motorized recreation, more miles of trails than any other state land manager or recreation provider. DNR also manages 12,000 miles of nonhighway forest management roads that the public can access for dispersed recreation activities.

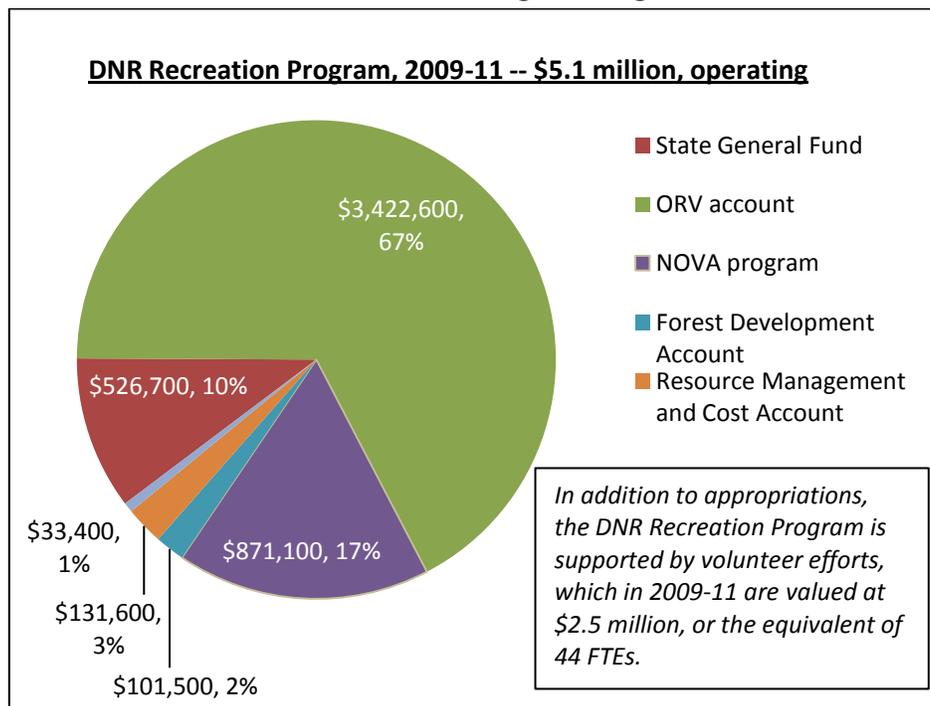
Throughout the state, pressures from increased use of public lands and competition for finite space in which to recreate, create a number of challenges. Key concerns include public safety, environmental health, liability, unauthorized trail building, and harm to water quality.

Average Funds Available per Biennium

DNR’s Recreation Program funding comes from a variety of sources. In 2009-11, 84% of the \$5.1 million operating budget comes from fuel tax refunds. This section deals specifically with funding from fuel tax refunds from the ORV Account and the NOVA Account.

Expenditures from fuel tax refunds are restricted to those recreational facilities and trails that are not directly serviced by a publicly-funded road such as a state highway, county, or city road system. For example, recreation facilities such as Mt Si, Lake Spokane, and McLane Creek cannot be supported with funds from the fuel tax refund because they are accessed by a publicly-funded road system. These sites depend largely on funding from the State General Fund.

**EXHIBIT 20.
DNR Recreation Program Budget**



Funding from the ORV and NOVA Accounts

In the 2009-11 biennium, 84 percent of DNR’s funding to manage 143 recreation facilities and over 1,000 miles trails came from fuel tax refunds.

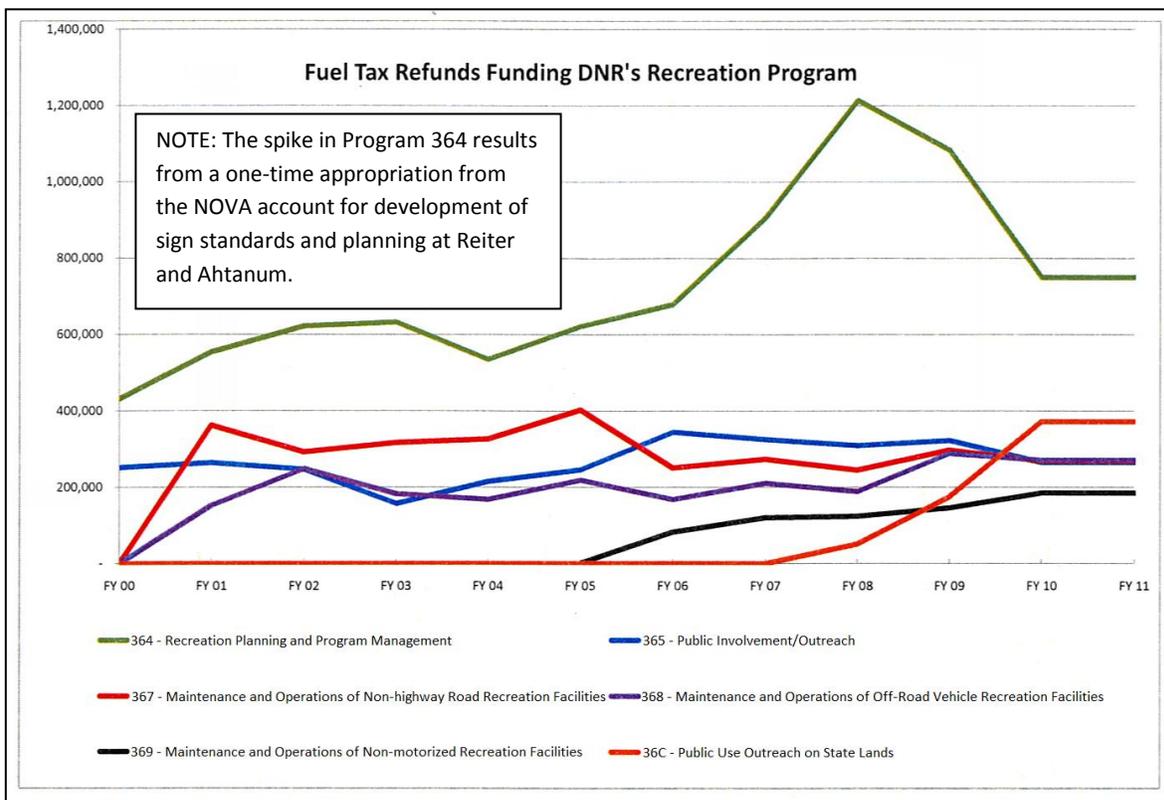
- **Off Road Vehicle and Nonhighway (ORV) Account**—Funds flow into the ORV Account based on the formula outlined in RCW 46.09. This amounted to \$4.4 million for 2009-11. Of this amount, \$3,422,600 supports DNR’s Recreation Program. This funding can only be used to support NOVA-eligible recreation facilities and trails on DNR-managed trust lands (Figure 1 in Appendix C). The ORV Account funds operating costs for 111 of DNR’s recreation facilities, plus 828 miles of trails. The State General Fund supports the other 32 recreation facilities.
- **NOVA Account**—The Legislature appropriated \$871,000 to DNR in 2009-11 to install ORV signs for safety and liability concerns and to implement the Reiter and Ahtanum recreation plans.

Until 2008, DNR received an average of \$3 million each biennium from the Recreation and Conservation Office’s (RCO) NOVA grant program. These grants funded the maintenance and enforcement at DNR’s larger recreational areas such as Tiger Mountain, Capitol State Forest, Tahuya State Forest, Walker Valley Trailhead, and the Blanchard Forest Block.

In 2008, however, the Legislature redirected RCO’s NOVA grant program funding to State Parks. In addition, DNR’s Recreation Program general fund allotment was reduced from \$1.1 million to \$526,700. As a result of these two reductions totaling \$3.6 million, DNR reduced services to 48 of the agency’s recreational facilities (30 percent).

EXHIBIT 21.

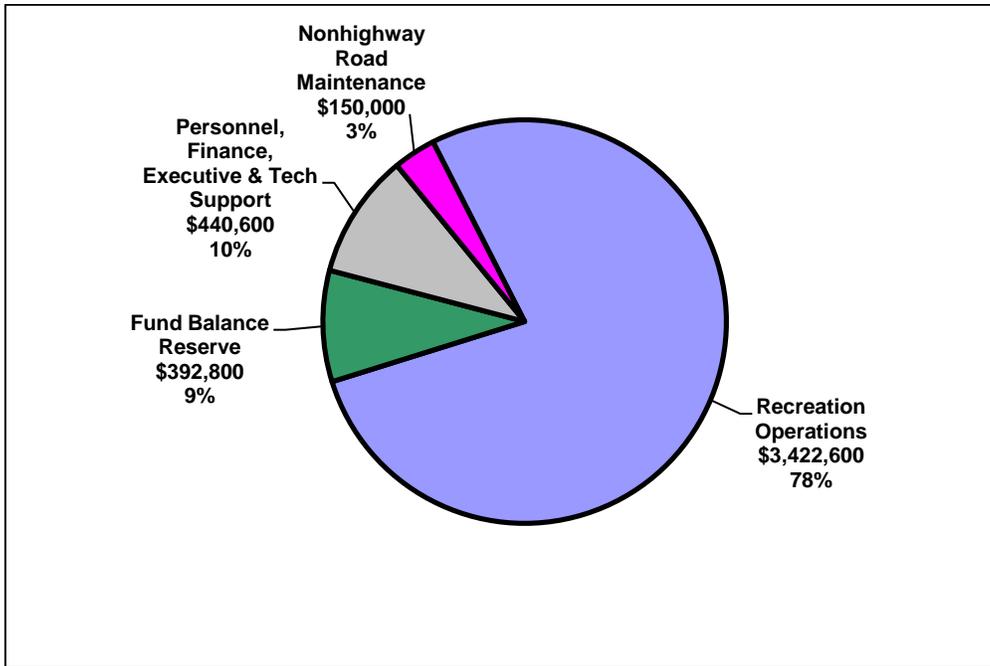
Fuel Tax Refunds Funding DNR’s Recreation Program, 2000 – 2011



2009-11 ORV Account
36% DNR Appropriation (\$4.4 million)

DNR receives \$4.4 million from their 36% share of refunds of taxes paid by off-road vehicle users. \$3,422,600 supports DNR’s Recreation Program. The remaining \$983,400 is used for nonhighway road maintenance, administrative overhead, and a fund balance reserve.

EXHIBIT 22.
Allocation of DNR’s 36% Revenue Stream from ORV Account, 2009-11



Types of investments in 2009-11

All fuel tax refunds that DNR receives fund operational support of existing or planned recreational facilities and trails. Fuel tax refunds do not fund capital projects. The types of investments funded from the three fund sources specified below include the following:

- **ORV Account** (\$4.4 million)—The ORV Account pays for 20 full time equivalent (FTE) positions, who support 111 NOVA-eligible recreational facilities and 828 miles of designated recreational trails. Approximately \$150,000 is for maintenance of 12,000 miles of forest roads that the public can access for dispersed recreation activities.
- **NOVA Account** (\$871,000)—The Legislature made a direct appropriation out of the NOVA Account to DNR, and for the following three purposes:
 - **Implementation of DNR’s Sign Plan**, specifically ORV signage (\$271,000) – These funds are being used to install signs at 6 of the department’s largest ORV facilities (Reiter, Ahtanum, Yacolt, Elbe, Sadie Creek and Little Pend Oreille State Forest) -- \$100,000 for signs and \$171,000 for staff, travel and equipment.

- **Implementation of Reiter Foothills Recreation Plan (between Gold Bar and Index)** (\$300,000). Pays for staff time to work with volunteers in restoring the damage caused by decades of unauthorized motorized use; designing a sustainable trail system with the help of volunteers; obtaining permits; and construction. DNR estimates a cost of \$6 million to fully develop Reiter as a recreation area, which will include a campground, trailheads, and more than 50 miles of motorized and non-motorized trails.
- **Implementation of Ahtanum Recreation Plan (west of Yakima)** (\$300,000). Pays for staff time to work with volunteers to design and construct sustainable motorized and non-motorized trail systems, trailheads, and campgrounds. DNR estimates a cost of \$4 million to fully develop Ahtanum, which will include campgrounds, trailheads and a motorized and non-motorized trail system.
- **NOVA grants**—Prior to 2008, DNR’s Recreation Program received an average of \$3 million per biennium in NOVA grants. These grant funds are no longer available to the program. However, DNR is still managing 34 active NOVA grant projects funded from previous biennia, all of which are nearing completion (Figure 2 in Appendix C). Most of the 15 FTEs supported from this NOVA grant (recreation crews and law enforcement) were laid off or put on reduced hours. This funding reduction, together with the loss of more than half of the state general fund appropriation (\$578,100), resulted in DNR reducing services to 48 of the agency’s recreation facilities (30 percent).

The NOVA grant funds were invested in maintenance, volunteer recruitment and support including the Forest Watch program, staff support to the Sustainable Recreation Work Group, managing more than \$1 million in FEMA projects to fix trails and facilities damaged in storms, conducting ORV safety summits, and other uses.

Investment criteria

Fuel tax refunds are the primary funding source for the Recreation Program’s operating budget. The program uses the following criteria to make funding decisions.

Does the funding request:

- Support designated trail systems and associated facilities?
- Support trails and facilities that are heavily used by a variety of users and are close to population centers?
- Support trails and facilities that are in the same geographical area?
- Support facilities that have a lower cost to maintain?

Funding is distributed based on the cost of maintaining the recreational facilities and trails within each of DNR’s six regions, following an allocation developed on historical spending patterns, and statutory funding restrictions.

Historical funding and expenditures

Funding from the ORV fuel tax is the only reliable source of funding for DNR's recreation program (for those facilities and trails not accessed by a publically funded road system). Other sources of funding come from the state general fund (which was cut by 52% last biennium, to \$526,700) and grants. Grants, by their nature, are not a reliable source of on-going operational funds. Grant sources include the federal Recreational Trails Program, and the Washington Wildlife and Recreation Program (WWRP). In 2003, grant funding totaled \$500,000 from NOVA. In 2009, grants totaled \$1.9 million (from NOVA and federal grants).

Compounding the funding challenge is an overall increase in recreational use on DNR-managed lands and a diminishing amount of privately-managed lands to meet the demands of increased use. In addition, there is added pressure from new forms of outdoor recreation and technologies, as well as increased sales of outdoor equipment and off-road vehicles. The graph below demonstrates how DNR's recreation program has relied increasingly on grants and volunteers to keep recreation trails and facilities open.

EXHIBIT 23.
DNR Recreation Program Funding 1990-2009 (adjusted for inflation)
Non-grant funding includes the ORV Account and state general fund

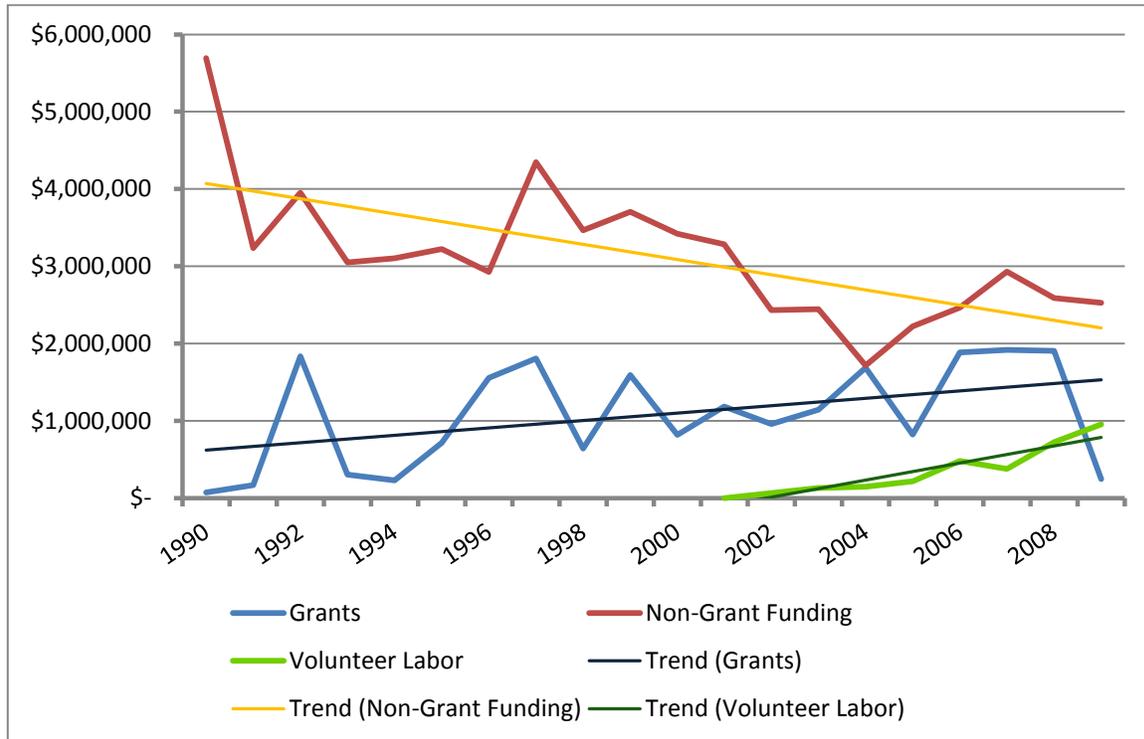


EXHIBIT 24.
DNR'S Recreation Program, Fuel Tax Refund Expenditures
1999 - 2011

| | 1999-01 | 2001-03 | 2003-05 | 2005-07 | 2007-09 | 2009-11 |
|------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| DNR's 36% distribution from ORV account -- refunds from off-road vehicles (46.09) | | | | | | |
| 364- Recreation Planning and Program Management | 985,542 | 1,255,241 | 1,156,268 | 1,586,199 | 2,297,235 | 1,491,188 |
| 365- Public Involvement/Outreach | 515,090 | 403,528 | 460,009 | 668,943 | 630,692 | 525,888 |
| 367- Maintenance and Operations of Non-highway Road Recreation Facilities | 362,226 | 609,318 | 729,106 | 524,618 | 542,266 | 519,731 |
| 368- Maintenance and Operations of Off-Road Vehicle Recreation Facilities | 152,190 | 431,059 | 386,110 | 378,182 | 476,125 | 530,676 |
| 369- Maintenance and Operations of Non-motorized Recreation Facilities | | | | 201,893 | 270,143 | 355,117 |
| SUBTOTAL | 2,015,048 | 2,699,146 | 2,731,493 | 3,359,835 | 4,216,461 | 3,422,600 |
| 36C (NOVA grants)- Public Use Outreach on State Lands | | | | | 225,540 | 743,832 |
| TOTAL | 2,015,048 | 2,699,146 | 2,731,493 | 3,359,835 | 4,442,001 | 4,166,432 |

364 Recreation Planning and Program Management

All time, related travel, and goods and services associated with recreation planning, program management, grant coordination and implementation of public use policy for ORV funded facilities and trails.

365 Public Involvement/Outreach

All time, related travel and goods and services associated with the recreation program's volunteer coordination, or public involvement and outreach efforts, such as coordinating and attending focus/user group meetings, conducting public meetings, preparing information for trail/site maps and brochures, etc.

367 Maintenance and Operations of Non-highway Road Recreation Facilities

All time, related travel, equipment rental, and other goods and services associated with routine maintenance and operations of developed trails, trailheads, campgrounds, and day-use areas that meet the criteria of a non-highway road recreation facility as defined in RCW 46.09.

368 Maintenance and Operations of Off-Road Vehicle Recreation Facilities

All time, related travel, equipment rental, and other goods and services associated with routine maintenance and operations of developed trails, trailheads, campgrounds, and ORV-use areas that meet the criteria of an off-road vehicle recreation facility as defined in RCW 46.09.

369 Maintenance and Operations of Nonmotorized Recreation Facilities

All time, related travel, equipment rental, and other goods and services associated with routine maintenance and operations of developed trails, trailheads, campgrounds, and day-use areas that meet the criteria of a nonmotorized recreation facility as defined in RCW 46.09.

36C Public Use Outreach on State Lands

All activities associated with the implementation of the Reiter and Ahtanum landscape plans and installation of signs to support ORV facilities.

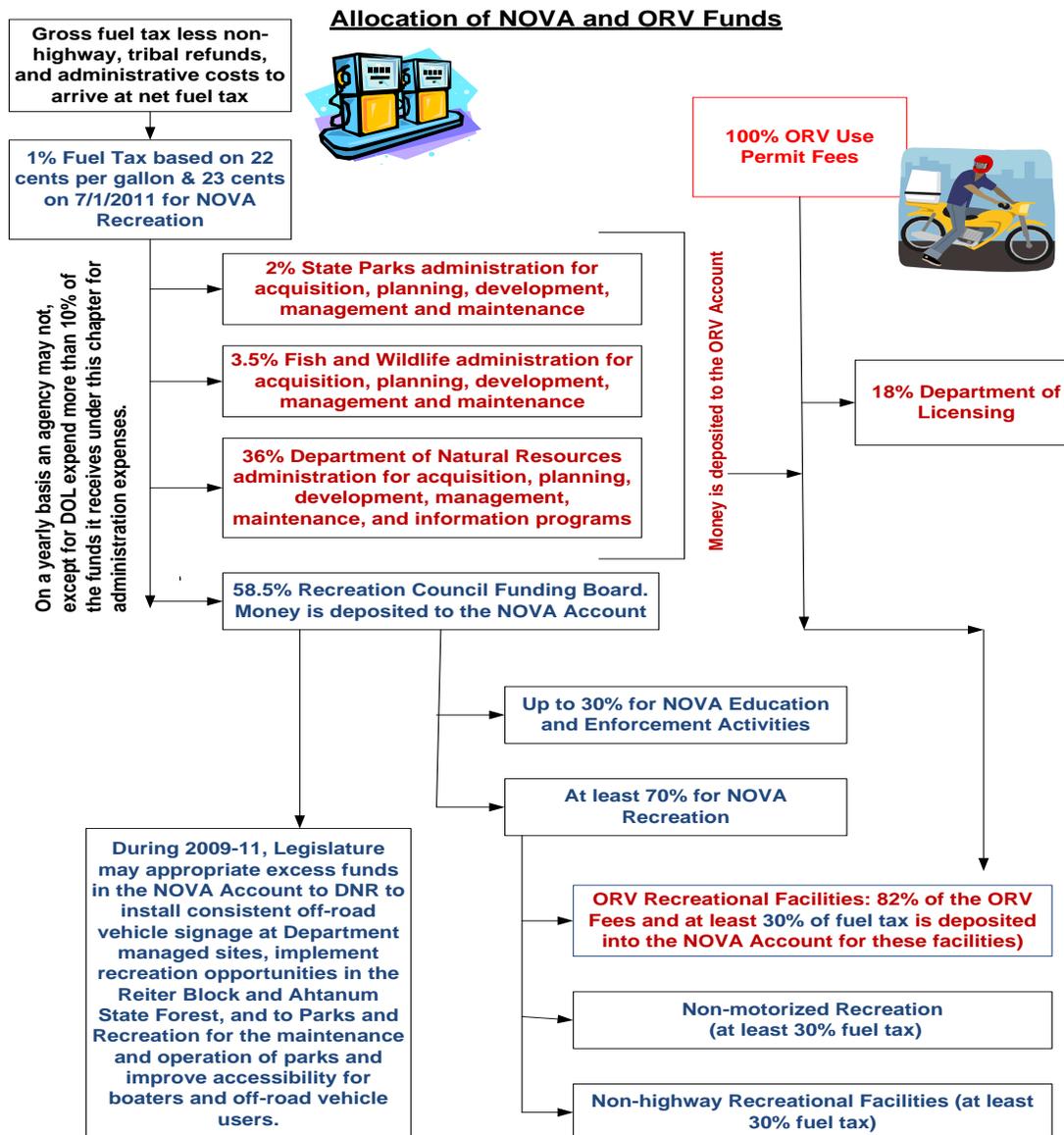
RECREATION AND CONSERVATION OFFICE

OFF-ROAD VEHICLE FUEL TAX REFUNDS (RCW 46.09)

MARINE FUEL TAX REFUNDS (RCW 79A.25)

The Recreation and Conservation Office receives fuel tax refunds from two funding sources – off-road vehicles, which are deposited in the Nonhighway and Off-Road Vehicle Activities Program Account (NOVA Account) , and used for the development and management of ORV, non-motorized and nonhighway road recreation facilities and education and enforcement; and marine fuels, which are deposited in the Recreation Resource Account and used for watercraft recreation. Both are administered by the Recreation and Conservation Funding Board.

**EXHIBIT 25.
Allocation of NOVA and ORV Funds**



RECREATION AND CONSERVATION OFFICE NOVA PROGRAM

Program Description

In 1972, the Legislature set aside one percent of the State's gasoline fuel tax to provide funding for the Nonhighway and Off-Road Vehicle Activities (NOVA) Program. This legislation was amended several times, notably in 1986, in part to provide funding for non-motorized trail activities. The NOVA Program provides funding assistance for programs that support motorized, non-motorized, and nonhighway recreation. Those eligible to apply for funding include federal, state tribal and local governments, and some non-governmental organizations.

Activities supported by the Program range from the development of trails to off-road vehicle parks. The NOVA grant funds are available in four categories:

Nonhighway road

- Boating (examples include canoeing and kayaking)
- Camping, sightseeing, fishing, hunting and picnicking
- Driving for pleasure

Non-motorized

- Cross-country skiing
- Hiking
- Horseback riding
- Mountain biking
- Snowshoeing

Off- road vehicle

- All terrain vehicle riding
- Four-wheel driving
- Off-road motorcycle riding

Education and enforcement

Recreation and Conservation Funding Board

The Recreation and Conservation Funding Board (RCFB) is charged with allocating NOVA Program funds. It was created in 1964 by a vote of the citizens of the State of Washington (Initiative 215, codified in RCW 79A.25.110). The Board consists of the Commissioner of Public Lands, the Director of Parks and Recreation, and the Director of Fish and Wildlife or their designees, and, by appointment of the Governor with the advice and consent of the Senate, five members from the public who have demonstrated interest in and knowledge of outdoor recreation and conservation. The Board maintains a statewide NOVA plan which is updated at least every third biennium and used by all participating agencies to guide the distribution and expenditure of funds.

The funding available to the Board after administrative expenses is distributed at least once a year in accordance with RCW 46.09.170(2)(d)(ii)(A).

Advisory Committee Members

In accordance with RCW 46.09.280, the Board established the Nonhighway and Off-road Vehicle Activities Advisory Committee. The Committee is composed of governmental representatives, land managers, and a proportional representation of persons with recreational experience.

Revenues

The NOVA Program receives funds from two accounts: the NOVA Account and the ORV Account. The revenue for the accounts is derived from the following resources:

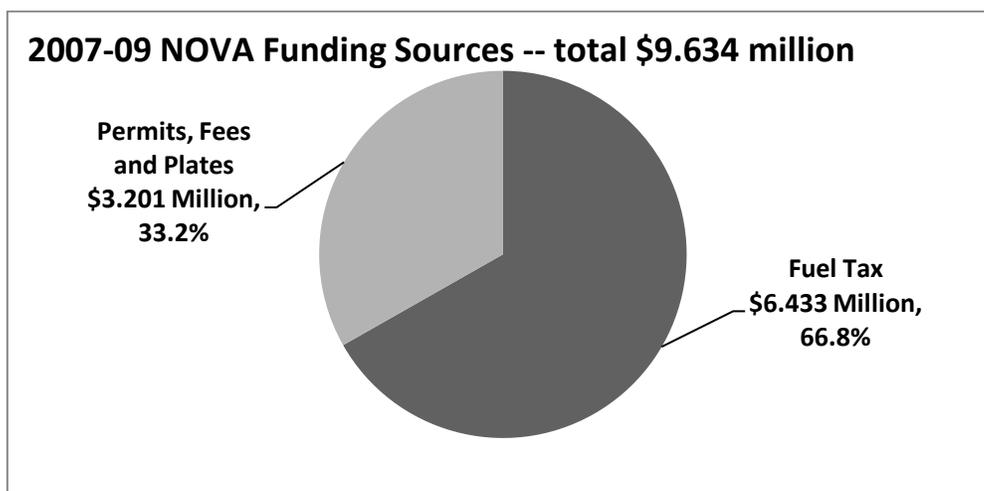
- Off-road vehicle fuel tax refund, equivalent to 1% of the fuel tax revenues currently calculated at 22 cents/gallon
- Use permits
- Dealer fees
- ORV dealer number plates

RCW 46.09.170 directs the fuel tax revenue to the accounts with 58.5% to the NOVA Account administered by the Recreation and Conservation Board and 41.5% to the ORV Account administered by the Department of Fish and Wildlife, Department of Natural Resources and the Parks and Recreation Commission. This section discusses the NOVA Account administered by RCO.

NOVA Revenue

- Fuel Tax -- 58.5% of the off-road vehicle fuel tax refund
- Use Permits -- Annual use permit required for the operation of an off-road vehicle with an original or renewal of \$18. Transfer fee of \$5 and a 7 day use permit is \$7.
- Dealer Fees -- \$25 per year
- ORV dealer plates -- Customer or dealer must display a dealer plate when being operated

EXHIBIT 26.
NOVA Funding Sources, 2007-09



Types of Investments

NOVA Account

Projects assisted with NOVA funds are generally divided into the following categories. Up to 10% of the funds may be used by the agencies to cover administration costs.

- Planning activities
 - Comprehensive plans
 - Construction drawings
 - Environmental assessments
 - Feasibility and preconstruction studies
 - Route surveys
 - Site master plans
- Land acquisition projects
- Development projects
 - Trails
 - Trail heads
 - Access roads
 - Sanitary facilities
 - Signs and informational bulletin boards
 - Picnic and camping areas
 - Wildlife viewing facilities
 - Utilities, including water, electric, and phone service
 - Renovation of existing facilities
 - ORV sport park facilities
- Maintenance and Operation Projects
 - Open ORV riding areas
 - Trails
 - Trailheads, day use areas, and campgrounds
 - ORV sports parks and ORV intensive use areas
 - Support structures and facilities
 - Snow removal and trail grooming for non-snowmobile recreation
- Education and enforcement grants are available to law enforcement agencies for
 - Resolution of conflicts and complaints
 - Issuing warnings and citations to violators
 - Protection of resources and facilities
 - Vandalism prevention
 - Public outreach

Project Selection

RCO Project Staff - Each applicant is assigned an RCO grants manager, whose job is to assist with the application and evaluation process, and monitor the funded projects.

NOVA Advisory Committee - The NOVA Advisory Committee is composed of recreationists and agency staff to assist RCO by providing recommendations regarding the technical merits of grant proposals and to rank grant requests.

Project Review - The grant applications are sent to the NOVA Advisory Committee. Members provide feedback regarding the proposal such as proposal clarity, objectives, costs, benefits, and any changes that should be made to the proposals.

Project Evaluation - The evaluations provide a basis for funding recommendations. The applicants respond to evaluation criteria. The specifics include: (1) The need for the project, (2) Benefits of the project, (3) Technical merits of the project, (4) The degree to which the project meets the policies of the NOVA plan.

The RCO Director uses the resulting ranked list of projects as the foundation for funding recommendations to the RCFB's Board.

RCFB Project Funding Meeting - At the meeting RCO staff summarizes all of the funding applications. The RCFB project funding decisions are presented in the public meeting.

**RECREATION AND CONSERVATION OFFICE
BOATING FACILITIES PROGRAM**

Program Description

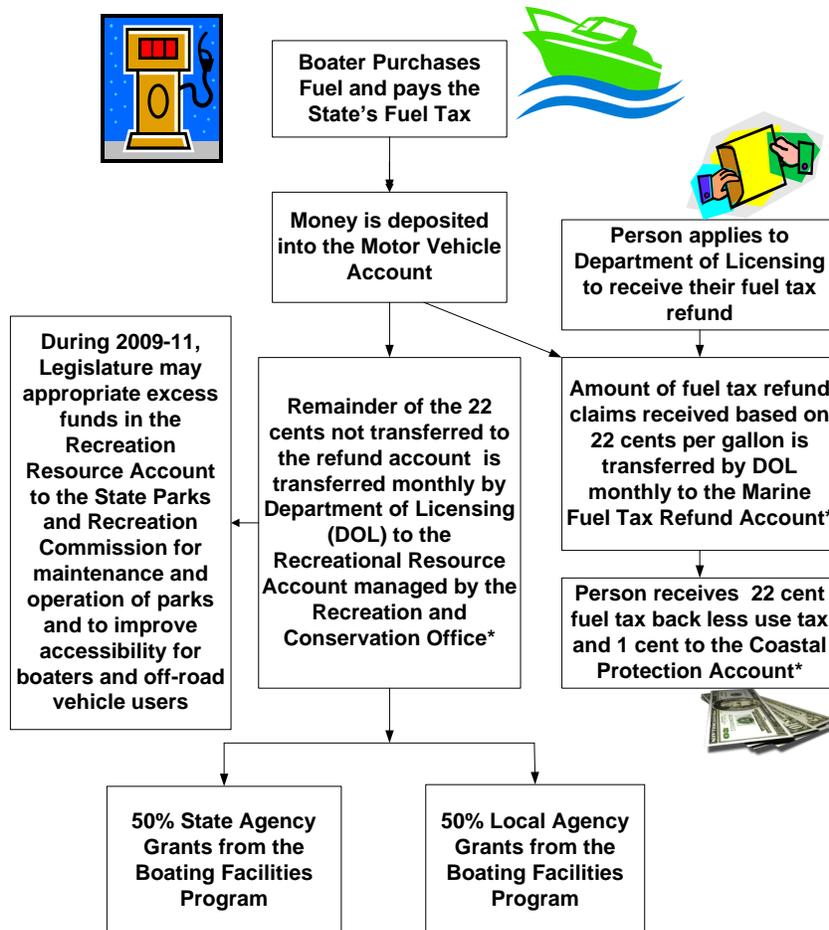
The Boating Facilities Program was created in 1964, when the State's citizens voted for Initiative 215, agreeing to tax themselves to provide money to improve the State's marine recreation land.

The Recreation Resource Account is managed by the Recreation and Conservation office as a grant program entitled the Boating Facilities Program. Funding from the Boating Facilities Program is intended to facilitate physical access to the water for recreational boating. The program provides capital funding to help pay for land and facilities needed to provide public access to the waters of the State.

The grant funds are evenly split between state agencies (50%) and local agencies (50%).

**EXHIBIT 27.
Marine Fuel Tax Refund Process**

Marine Fuel Tax Refund Process



Note * Refund rate per gallon will increase to 23 cents per gallon on July 1, 2011

Recreation and Conservation Funding Board

The Recreation and Conservation Funding Board (RCFB) is charged with allocating Boating Facilities Program funds. It was created in 1964 by Initiative 215. The Board consists of the Commissioner of Public Lands, the Director of Parks and Recreation, and the Director of Fish and Wildlife or their designees, and, by appointment of the Governor with the advice and consent of the Senate, five members from the public who have demonstrated interest in and knowledge of outdoor recreation and conservation.

Boating Facilities Grant Program Revenues

The funding source comes from a portion of the gas tax paid by boaters. The present rate used is 1% of the State's fuel tax computed using a rate of 22 cents per gallon; the rate increases to 23 cents per gallon July 1, 2011. The Director of Department of Licensing (DOL) has the responsibility to ask the State Treasurer to transfer 1% of the State's motor vehicle fuel tax to the Marine Fuel Tax Refund Account. DOL pays refunds to eligible boaters who submit an application for a refund of at least \$20. After the time limit of thirteen months has passed, the State takes the unclaimed refunds and transfers the funds to the Recreation Resource Account based on the 22 cents; any remaining funds are transferred to the Motor Vehicle Account.

2007-09 Revenues

Marine Fuel Tax -- \$10.2 million

Eligible Types of Investments

The Boating Facilities Program funds projects to acquire, develop, and renovate facilities for motorized boats and other watercraft, including:

- Acquisition
- Development
- Renovation
- Planning
- Moorage floats, fixed docks, and buoys for guest boaters
- Parking and staging areas
- Launching ramps
- Permits
- Sewage pump out stations and porta-potty dump stations
- Restrooms
- Showers
- Picnic facilities
- Marine parks
- Dredging, and
- Other boating amenities

Property acquired, developed, or renovated with Boating Facilities Program grants must be kept for public outdoor recreation use in perpetuity.

Grants are capped at \$1 million for development, acquisition and combination projects. Of this amount, no more than \$200,000 or 20% of the construction cost cap may be used for planning, which includes architecture, engineering, environmental review and permitting.

Grant applications are accepted annually for local agency projects and in even years for state agency projects.

Ineligible Projects

The following projects are not eligible for Boating Facilities Grants:

- Any facility for leased, exclusive use, or long-term moorage
- Any facility used primarily for commercial use or commercial needs
- Maintenance dredging
- Concession buildings or space
- Fuel sales equipment including piping, fuel pumps, and storage tanks
- Mobile vessel transporters
- Projects on waters where fuel powered boats are prohibited
- Those waters where the area is primarily used for non-motor vehicle fueled powered watercraft such as canoes, or kayaks
- Master plans or feasibility studies

Entities Eligible to Apply for Grants

Only the following public agencies are eligible to apply for grants from the Boating Facilities Program:

- Local agencies
- Park and recreation districts
- Public utility districts
- Port districts
- Native American Tribes
- State agencies

Match Requirements

State agency applicants do not need to provide a match. Local agencies and special purpose districts must provide a 25 percent match for each project. At least 10 percent of the total project cost must be from a non-state, non-federal contribution. Tribes must also provide a 25 percent match. The match may include:

- Appropriations or cash
- Bonds
- Donations of cash, land, labor, equipment, and materials
- Federal, state, local or private grants, and
- Applicant's labor, equipment, and materials

Project Selection

Grant applications are reviewed by the RCO staff for technical completeness and consistency with the applicant's current recreation plan. The project then goes through a peer-review process.

Written grant applications and verbal presentations by applicants are evaluated by a standing program advisory committee team of experts from state and local agencies and the general public using a series of prepared questions. The evaluation questions are designed to assess the overall value of the project to the recreational boating public.

The evaluators give each project a numeric score for each question. Scores from all of the evaluators are combined to produce a single score for each project. The projects are then ranked within each funding category base on this score.

The ranked list of scored projects is considered by the Recreation and Conservation Funding Board in a public meeting where testimony from project sponsors and the general public is received. Based on the project ranking scores, public testimony, and other policy assessments, the Board establishes the final ranked list of projects.

The list of projects is then sent to the Governor's office for review and transmitted to the Legislature for inclusion in the state's capital budget.

The RCO reimburses the agencies for the eligible expenses, and monitors the progress of funded project to ensure they remain consistent with the original proposal.

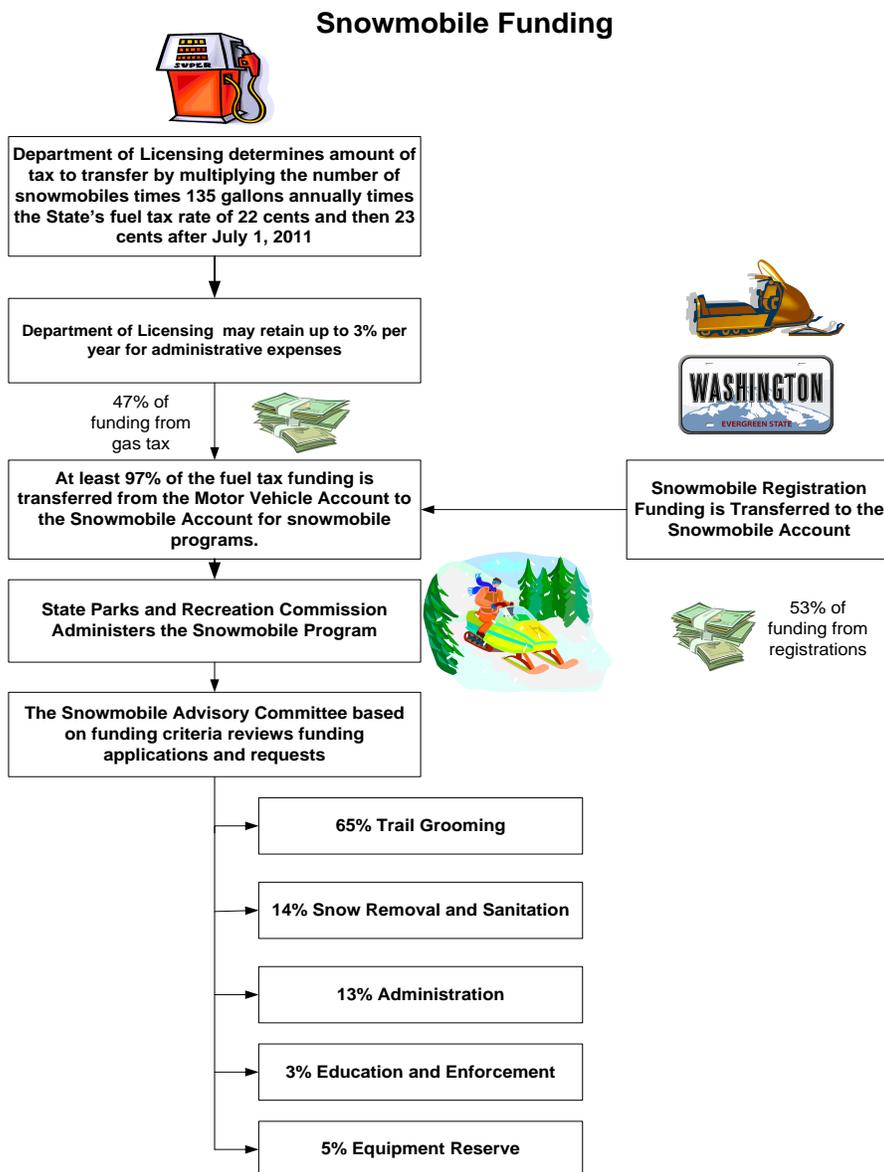
STATE PARKS AND RECREATION COMMISSION

SNOWMOBILE FUEL TAX REFUNDS (RCW 46.10)

OFF-ROAD VEHICLE FUEL TAX REFUNDS (RCW 46.09)

The State Parks and Recreation Commission receives fuel tax refunds from two sources: snowmobiles and off-road vehicles. Rather than making refunds to individuals, the Department of Licensing calculates how much fuel is used by snowmobiles, estimated at 135 gallons/year times the number of registered snowmobiles, and a fuel tax rate of 22 cents. This money is transferred to the Snowmobile Account administered by the State Parks and Recreation Commission for snowmobile purposes. The Commission also receives 2% of refunds from off-road vehicle fuel taxes, and uses it for the Riverside ORV Area in Spokane.

EXHIBIT 28.
Snowmobile Funding



STATE PARKS AND RECREATION COMMISSION SNOWMOBILE PROGRAM

Program Description

The snowmobile program operated by the State Parks and Recreation Commission spends about \$2 million a year on trail grooming, snow removal from sno-park parking lots, equipment, and snowmobile education and safety programs.

The program stems from statutory requirements directing the State Parks and Recreation Commission to develop a Winter Recreation Program to open winter recreation opportunities across the state for all types of outdoor fun in the snow.

The development of State Parks' initial winter recreation program evolved over a period of about ten years. In 1966, the Commission allowed motorized snow vehicles in designated areas of Lake Wenatchee, Mount Spokane, and Pearygin Lake State Parks on a one-year trial basis. This authorization was continued in 1967 and also expanded to include specified areas in Alta Lake, Brooks Memorial, Fields Spring, Lake Wenatchee, and Riverside State Parks.

In February, 1970, the Commission initiated a project to define the problems and areas of concerns created by snowmobile use, aided by the volunteer efforts of an *ad hoc* task force. The report investigated nine primary aspects of snowmobiling: the industry; users; recreational and environmental effects; safety; facilities; regulations; enforcement; legislation; and financing. The resulting report was entitled "Snowmobiling in Washington State" dated November, 1970, and served as the basis of the Washington State Snowmobile Act of 1971.

The Commission implemented the Snowmobile Act by entering into agreements with other agencies, organizations and individuals to remove snow from parking areas; groom trails, provide sanitation, education and enforcement, and to certify volunteer instructors to provide safety training classes. A staff position of Snowmobile Coordinator was also established and the distribution of brochures containing snowmobile regulations commenced.

Average Funds Available Per Year

The snowmobile program is funded from two sources: snowmobile registration fees (52% of funds) and a percentage of the state gasoline tax attributable to snowmobile fuel use (48% of funds). From 2005 through 2009, snowmobile program funds averaged just under two million dollars (\$1,982,126) per year, of which an average of \$907,013 was from gas tax refunds.

EXHIBIT 29.
2007-09 Snowmobile Account Funding

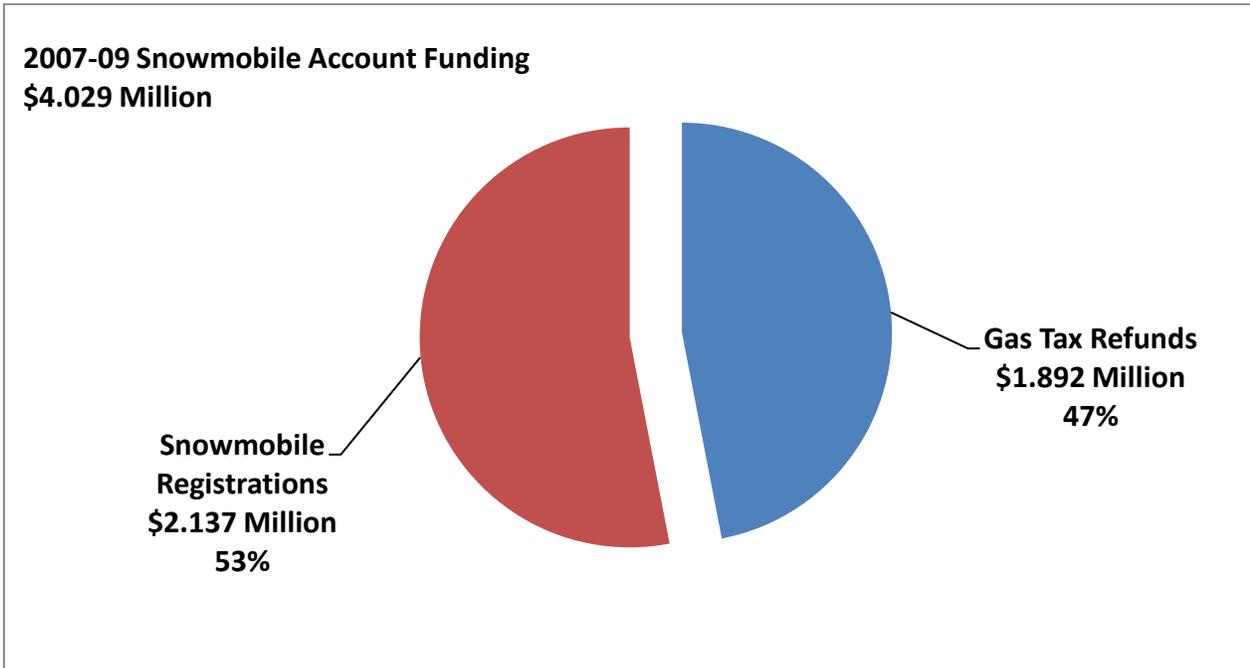
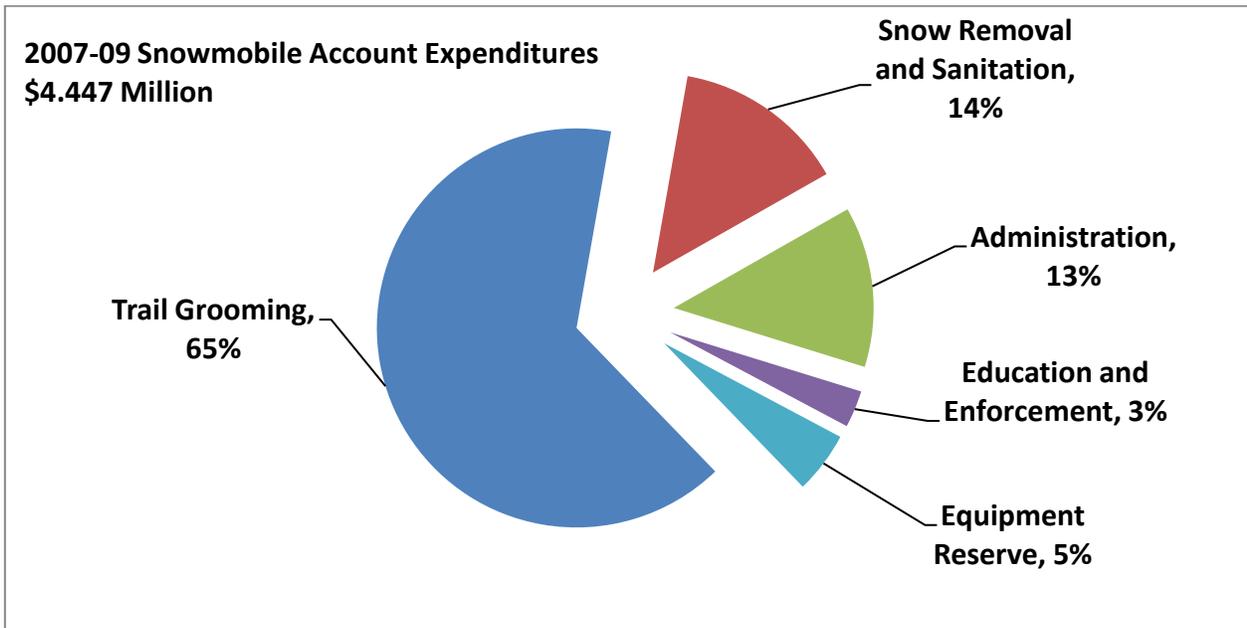


EXHIBIT 30.
2007-09 Snowmobile Account Expenditures



Types of Investments

The snowmobile program contracts with public agencies and private contractors for snow removal from roads and parking areas known as sno-parks, trail grooming, sanitation facilities, and education and law enforcement. Although most costs for the program are operating costs, capital costs are also incurred from time to time by construction of storage buildings for grooming equipment and the purchase of grooming equipment. The snowmobile funding is configured in Operating and Equipment categories rather than Operating and Capital.

The priorities for the distribution of snowmobile funds are established in WAC 352-48-060:

- Administration of a statewide snowmobile program which includes safety, education, and information programs;
- Operation and maintenance of major trail grooming equipment;
- Operation and maintenance of snowmobile trails, use areas, parking areas, and other facilities which include an emergency reserve and an enforcement program;
- Replacement of equipment which supports snowmobile programs;
- Acquisition and development of new snowmobile facilities and equipment; and
- Support of special snowmobile programs.

How Projects are Solicited and Selected

Local grooming councils, snowmobile clubs and individual volunteers are invited to submit applications for funding each year. These applications are reviewed by a statutorily-created Advisory Committee, which prioritizes projects and makes funding recommendations which are then forwarded to State Parks for final approval. Generally, State Parks accepts recommendations regarding funding priority without change. However, the Commission retains the final approval of expenditures. Staff may recommend changes or additions to the Advisory Committee for their consideration when advisable. Notification of timelines for applications is accomplished through the State Parks website, Twitter, program history, news releases and the Washington State Snowmobile Association.

Snowmobile Advisory Committee

In accordance with RCW 46.10.220(3) the snowmobile advisory committee consists of:

- Six interested snowmobilers, appointed by the Commission; each member is a resident of one of the six geographical areas throughout this state where snowmobile activity occurs, as defined by the Commission;
- Three representatives of the non-snowmobiling public, appointed by the Commission; and
- One representative each of the Department of Natural Resources, the Department of Fish and Wildlife, and the Washington State Association of Counties, appointed by the director of the department or association.

Decision-Making for Project Funding

The Snowmobile Advisory Committee meets twice each calendar year. The Advisory Committee's role is advisory to the Parks and Recreation Commission. Meetings are held to generate funding recommendations, rather than make final decisions. While their recommendations are taken very seriously, the final decision is made by the Commission.

At the summer meeting the Committee discusses funding and future planning of program activities. The Committee applies the above funding criteria to the funding applications that have been submitted. Maintaining existing or on-going projects has a higher priority than funding a new site. This is because much effort goes into establishing a site, including landowner agreements and other investments, so maintaining the existing system is deemed the most efficient method of stretching scarce resources. However, if funding is available, there are opportunities for program growth and expansion, and new or used equipment replacement purchase. In recent years, there has not been enough money to expand the system.

The Advisory Committee scores applications for new or expanded programs and votes on spending any additional funding, such as safety funding to the Northwest Weather and Avalanche Center. On-going projects (existing snow-parks and trail systems funded in the past) are funded first. Currently there are 80 existing snowmobile snow-parks and associated trail systems statewide. The number of on-going projects each year remains fairly consistent.

New or expanded projects are only considered when sufficient funding is available. When budget shortfalls are experienced, proposed new or expanded projects are “frozen” and on-going projects may experience budget reductions such as has been the case over the past two fiscal years. Frozen projects retain a “place holder” status for consideration during future fiscal years if funding is available. Since the program operates on the past season’s revenues, the Advisory Committee knows in advance how much funding is available and can be appropriated for the coming season.

At the winter meeting, the Committee reviews the conditions of the current season and budget expenditures and discusses policy questions and agency operating procedures. Only emergency and update funding issues are discussed, which might concern state-owned equipment breakdown requiring repair, or a funded site that must be closed due to logging so funding becomes available for other sites.

EXHIBIT 31.
Snowmobile Program Expenditures, 1999 - 2009

| STATE PARKS AND RECREATION COMMISSION <i>Revenues and Spending for Snowmobile Program</i> | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue | 1999-01 | 2001-03 | 2003-05 | 2005-07 | 2007-09 |
| Registration revenue | \$1,317,233 | \$1,657,957 | \$2,182,821 | \$2,163,885 | \$2,082,320 |
| Fuel Tax | \$1,661,826 | \$1,723,536 | \$1,702,015 | \$1,865,819 | \$1,890,761 |
| Total Revenue | \$2,979,059 | \$3,381,493 | \$3,884,836 | \$4,029,704 | \$3,973,081 |
| <u>Actual Snowmobile Program Budget</u> | | | | | |
| Grooming Budget | | | \$3,093,268 | \$3,308,505 | \$3,221,937 |
| Fixed Costs (administration, sanitation, law enforcement, snow removal, equipment) | | | \$666,377 | \$1,281,750 | \$1,544,921 |
| Total Budget | | | \$3,759,645 | \$4,590,255 | \$4,766,858 |
| Grooming as Percentage of Total Budget | | | 82% | 72% | 68% |
| Grooming Cost Per Mile | | | \$19.27 | \$19.61 | \$22.68 |
| Expected Grooming Miles (budgeted) | | | 160,538 | 168,712 | 142,052 |
| <p><i>Note on cost per grooming mile : The large increase in 2009 was due to a \$10 per hour increase given to contractors to account for higher diesel fuel prices. Also, increased cost since 2004 is related to increased use of private contractors and public agencies.</i></p> <p><i>Note on Fuel Tax Revenue: The fuel tax estimates vary slightly from those shown on page 18 due to the timing of collections and transfers from the Motor Vehicle Account to the Snowmobile Account. According to RCW 46.10.170, at least once a biennium, the Director of Licensing must request the State Treasurer to transfer the funds from the Motor Vehicle Fund to the Snowmobile Account. The revenue forecasts are based on a <u>fiscal year</u>, while the transfer calculation is calculated on a <u>calendar year</u>.</i></p> | | | | | |

**STATE PARKS AND RECREATION COMMISSION
ORV PARK PROGRAM**

Program Description

State Parks administers 2% of the funds credited to the ORV Account for the acquisition, planning, development, maintenance, and management of ORV, non-motorized, and nonhighway road recreation facilities. State Parks utilizes those account funds for maintenance and operation of the Riverside ORV Area located within Riverside State Park in Spokane. This is the only ORV park located in a state park, and the only facility eligible for these funds.

This 608 acre Riverside ORV Area includes a 516 acre riding area and 92 acres of buffer, administrative, and support facilities. The Riverside ORV Area is open to the general public for ORV and ATV riding. It provides an alternative to trespassing onto private land, and damage to public lands caused by riding in inappropriate areas. Over time, the Riverside ORV Area has changed from an unruly place to a place of family recreation. Currently, the Riverside ORV Area is supported by four organized user groups that donate time and materials to its care. Organized events include an annual “Kids Days”.

Annual attendance in the Riverside ORV Area is growing:

**EXHIBIT 32.
Riverside ORV Area Annual Attendance**

| Riverside ORV Area Annual Attendance | |
|-------------------------------------------------|--------|
| 2003 | 57,000 |
| 2004 | 49,000 |
| 2005 | 53,000 |
| 2006 | 51,000 |
| 2007 | 69,000 |
| 2008 | 61,000 |
| 2009 | 82,000 |

Average Funds Per Year

During the 2007-09 biennium, fuel tax refunds for the program averaged \$118,577 per year and represented 98 percent of the total funding available for the program. The remaining two percent came from general fund-state and state parks funds. In years past, the Riverside ORV Area also received NOVA grant funds.

Facilities Capital Investments

- Late 70's Riding area, ranger residence, small shop, restroom, unpaved parking area, and fencing to designate riding area, and some vegetation protection.
- Mid-90's (Using NOVA Grant) added small day use area with picnic sites, lawn, picnic shelter, parking lot upgrades and paving, restroom improvements, domestic water well renovation, and ATV safety training area. A Park Ranger and local dealers, all certified trainers, provided ATV safety courses three times a month during the summer. With account reductions and associated ranger position

reductions, State Parks has not participated in this activity since 2007. Dealer trainers continue to provide this service as they are able.

Mid-2000's Rock crawling area established, utilizing volunteer funding and labor. A children's riding area was designed, but a NOVA grant application to build it was withdrawn due to insufficient account funds to support the operation and maintenance of the completed project.

Operating Investments

Riverside ORV Area users have expressed a desire for on-site management presence to provide public safety, emergency response services, grounds care, and facilities maintenance and cleaning. These activities include staff's focus on fence maintenance and replacement to protect adjacent private properties and sensitive areas within the riding area, establishment and maintenance of emergency response access, and noxious weed control within the ORV area.

Funding Criteria and Decision-Making

Riverside State Park staff meet with the organized user groups at least once a year to discuss upcoming special activity events and operational considerations. In addition, a representative of ORV user groups generally sits on the Riverside State Park informal advisory committee that meets at the request of the Park Manager to provide input on needs and priorities.

EXHIBIT 33.
State Parks' Expenditures of 2% ORV Account Revenue Stream, 2000 - 2009

| STATE PARKS 2% OFF-ROAD VEHICLE ACCOUNT EXPENDITURES | | | | | | |
|-------------------------------------------------------------|----------------------|------------------------|-----------------------|-----------------------|--------------------|---------------------------------------------|
| | Appropriation | Salary/Benefits | Other Expenses | Indirect Costs | Total Costs | State General Fund and Parks Support |
| 1999-01 | \$264,000 | \$189,652 | \$49,016 | \$23,865 | \$262,533 | |
| 2001-03 | \$273,711 | \$202,674 | \$57,535 | \$25,100 | \$285,309 | \$11,589 |
| 2003-05 | \$285,000 | \$206,019 | \$42,771 | \$47,700 | \$296,490 | \$11,490 |
| 2005-07 | \$220,000 | \$176,186 | \$38,612 | \$39,700 | \$254,498 | \$34,498 |
| 2007-09 | \$232,000 | \$176,591 | \$11,992 | \$48,570 | \$237,153 | \$5,153 |

UNMET NEED

Agencies and stakeholders were asked to document unmet need in programs funded from these nonhighway and off-road fuel tax dollars.

NOTE TO READERS: This study is not an exhaustive survey of recreation needs in Washington. Rather, it explains existing programs and funding streams associated with nonhighway fuel tax refunds, and illustrates additional need that exists. To identify future off-road, snowmobile and marine funding needs, JTC staff worked closely with state agencies and a stakeholder group representing boaters, snowmobilers, off-road enthusiasts, local governments, the U.S. Forest Service, and others. While responses from the state agencies and stakeholder organizations were fairly comprehensive, those from local governments and the Forest Service were much more limited. For example, only two cities and no counties submitted boating infrastructure projects, and only the Okanogan-Wenatchee National Forest submitted a list of NOVA project needs. In the opinion of the study authors, these limited responses should not be viewed as a lack of need but more likely as a lack of staff time or ability to respond to the information request.

PAST UNMET NEED

Agencies looked back 10 years to identify historical funding and expenditures. They sought to document, to the extent possible, any worthy projects and services left unfunded due to lack of fuel tax revenue.

FUTURE NEED

Agencies and stakeholders identified future needs in activities funded from these nonhighway and off-road fuel tax dollars. In some cases, agencies worked closely with their stakeholders to identify needs and develop projects lists. In some cases, stakeholders worked within their organizations to identify needs. The following lists of unmet needs are organized by the revenue source, and are color-coded to help guide the reader:

Marine fuel tax refunds

Off-road fuel tax refunds

Snowmobile fuel tax

Each of the following sections describing unmet need starts with a summary of the need, and then is followed with detail by agency or stakeholder group.

SUMMARY: UNMET NEED IN ACTIVITIES FUNDED FROM MARINE FUEL TAX REFUNDS

STATE AGENCIES

Department of Fish and Wildlife

- \$1.2 million in unmet operating needs each biennium for parking lot maintenance and additional staffing to adequately maintain access sites
- \$15.6 million in capital needs for access and boat ramps, gates, toilet replacements, parking lot improvements and fishing piers
- \$3.4 million in capital needs that could be funded from ORV or Marine Fuel tax refunds, including access gates and ramps, toilets, flood damage repair.

Recreation and Conservation Office

- RCO provided evidence of past unmet need: since 2003, 19 ranked and scored projects worth \$6.2 million in the local boating facilities program were unfunded due to insufficient revenue; in 2006 and 2008, 10 projects worth \$3.9 million in the state boating facilities program were unfunded due to insufficient revenue.
- Other evidence of unmet need may be inferred from statistics showing growth in the number of recreational boats in Washington – a 7.7% increase in between 2003 and 2008.

State Parks

- \$30.3 million in projects needed across the state, including maintenance; new buoys, piers, launches and floats; and sewer pump-out stations

LOCAL GOVERNMENTS

Cities *

- Bremerton proposes a \$417,600 need to repair the Lions Park Boat Ramp.
- Castle Rock proposes a \$412,500 need for Phase 2 of the Al Helenberg Boat Launch.

Washington Public Ports Association

- Seven ports identified \$13 million worth of projects for which \$8.8 million in fuel tax funding is needed. These include boat ramp expansions, sewer pump-out stations; boat launch replacements; dock reconfigurations; ADA restroom and shower facilities; and expanding guest moorage facilities.

** NOTE: Only two cities and no counties submitted boating facilities project lists. This limited response should not be viewed as a lack of need, but more likely as a lack of staff time or ability to respond to the information request.*

WASHINGTON DEPARTMENT OF FISH AND WILDLIFE

FUTURE NEED – WDFW OPERATING

The challenge to manage WDFW public lands for recreation continues to grow as the population continues to increase and as non-traditional recreational users continue to increase.

Additional staffing is needed to maintain the over 650 access sites statewide. With eleven access area managers to maintain 650 sites, each manager must maintain approximately 60 sites. Based on the time needed to adequately maintain a site, WDFW estimates a need for seven more FTEs. Each manager would then be responsible 27 sites, a more realistic number. An additional \$455,000/year is needed for these additional staff. WDFW estimates five managers would be funded from the boating facilities program, and two from NOVA funds.

Depending on the site, boating access or NOVA funds may be used for grading and rocking parking lots and roads. During 2007-09, the \$328,000 available allowed grading on 30% of WDFW parking lots. An additional \$656,000/biennium would properly maintain the remaining 70% of parking lots. WDFW estimates marine funds would fund 75% of the need, and NOVA the other 25%.

**EXHIBIT 34.
Marine Operating Need on WDFW Public Lands**

| <i>Information provided by the Washington Department of Fish and Wildlife (biennial need)</i> | |
|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| \$680,000 | Five additional access managers to more adequately maintain 650 access sites |
| \$490,000 | Would provide maintenance for all WDFW parking lots, rather than just 30%. |
| \$1,170,000 | Total per biennium operating need |

FUTURE NEED – WDFW CAPITAL

WDFW identified \$15.6 million in marine capital projects need. These projects include boat ramps, toilets, parking lots and gates. They address numerous complaints from the public regarding their inability to safely use these facilities.

Another \$3.4 million in capital projects could be funded either from boating facilities or NOVA funds, depending on the site. These include access gates and ramps, toilet replacements, and flood damage repair.

The complete list of projects is found in Appendix G, Project List Appendix.

**EXHIBIT 35.
Marine Capital Need on WDFW Public Lands**

| <i>Information provided by the Washington Department of Fish and Wildlife</i> | |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$15,595,000 | 91 projects including boat ramps, toilet replacements, parking lots and gates and fishing piers, addressing numerous complaints about health and safety. |
| \$3,416,000 | 38 additional similar projects that could be funded from marine or ORV refunds |
| \$19,011,000 | 129 projects future need |

RECREATION AND CONSERVATION OFFICE

BOATING FACILITIES PROGRAM PAST UNMET NEED

The RCO reviewed ranked project lists from the past 10 years, and identified projects which were scored and ranked, but which didn't receive funding because revenue was insufficient to fund them. The totals are summarized below. Actual project lists can be found in Appendix G, Project List Appendix.

EXHIBIT 36. Historical Unmet Need in Local Boating Facilities Programs

| <i>Ranked projects applying for funds for which revenue was insufficient to fund</i> | | |
|--------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------|
| Year | Amount left unfunded | Number of projects unfunded |
| 2003 | \$359,442 | 2 of 11 projects |
| 2006 | \$3,535,548 | 10 of 17 projects |
| 2007 | \$2,024,328 | 5 of 12 projects, plus one partially funded |
| 2008 | \$182,980 | One partial project of 11 |

EXHIBIT 37. Historical Unmet Need in State Boating Facilities Programs

| <i>Ranked projects applying for funds for which revenue was insufficient to fund</i> | | |
|--------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------|
| Year | Amount left unfunded | Number of projects unfunded |
| 2006 | \$736,018 | 3 of 12 projects |
| 2008 | \$3,176,258 | 7 of 12 projects, plus one partially funded |

Other evidence of unmet need for boating facilities

From RCO's 2008 Boating Programs Policy Plan

In 2008, RCO staff prepared a Boating Programs Policy Plan using data from sources including the 2007 Responsive Management study described below, Dept. of Licensing boating registration data, participation data gathered by Clearwater Research for the state comprehensive outdoor recreation plan, and boating sales data from Washington SeaGrant. The following is included in RCO's Boating Programs Policy Plan (RCO, 2009). It shows an increase in Washington State's the recreational boating fleet.

In 2003, RCO estimated that the recreational fleet was made up of just over 310,000 boats of all kinds, motor, sail, and human-powered. In 2008, the fleet was estimated to be made up of about 334,000 boats.

Using Department of Licensing registration numbers as guide, RCO estimated in 2008 that the recreational motorboat fleet has grown about 0.8% per year, with growth driven by large boats that are normally stored on the water.

**EXHIBIT 38.
Registered Boats in Washington, 2000-2008**

| Changes in the Number of Registered Boats in Washington 2000-2008 | | | | | | | | |
|-------------------------------------------------------------------|-----------|------------|------------|------------|------------|------------|----------|-------------|
| Year | Under 16' | 16' to 20' | 21' to 30' | 31' to 40' | 41' to 50' | 51' to 60' | Over 60' | Total Boats |
| 2000* | 104,049 | 106,837 | 34,912 | 9,422 | 2,885 | 493 | 325 | 258,923 |
| 2008* | 98,574 | 118,359 | 45,481 | 10,739 | 3,716 | 759 | 523 | 278,151 |
| Growth Rates | | | | | | | | |
| | -5.5% | 10.8% | 30.27% | 13.97% | 28.8% | 53.95% | 60.9% | 7.4% |
| <i>*Data from Washington State Department of Licensing</i> | | | | | | | | |

Participation in hand power boating (canoe, kayak, rowing) appears to have doubled between 2000 and 2007, from about 3% of the state’s residents to about 7% of the state’s residents, roughly 455,000 people. As a percentage alone, the growth in hand-powered boating has been faster than the state’s estimated population growth of between 0.93% and 1.9%.⁴

Survey report from Responsive Management, 2007

In 2006, the Legislature passed a budget proviso in which RCO was directed to study boater needs. Following are excerpts from the resulting report on boater needs prepared by RCO’s contractor, Responsive Management.

Providers and boaters alike consider access to be one of the central needs affecting recreational boating in Washington. Access was commonly mentioned by boaters as a constraint to their participation or as something that took away from their boating satisfaction, and it was the top item towards which they want more time and money directed. The most important issue related to access is the need for additional or improved boat launches: about three-quarters of boaters who indicated that access issues had taken away from their boating satisfaction cited boat launch ramps as the specific reason.

Both providers and boaters feel strongly that the maintenance of existing access sites and launch ramps is as important a concern as the development of new sites and launch ramps; indeed, management of existing ramps ranked ahead of the development of new launch ramps in the importance ratings in the surveys of both providers as well as boaters.

Parking at launch ramps and launch ramps themselves were the top items providers would like to see more of, followed by docks, pumpout stations, restrooms at launch ramps, courtesy tie-ups, dump stations, mooring buoys, and campsites—each item with a majority of providers saying that more are needed.

A majority of boating providers indicated that more time and money should be directed to boater safety and law enforcement. Further, the majority of all providers would like to see an increase in the law enforcement presence on Washington’s waters. Also, among boaters who consider boating programs and services in Washington to be ineffective, the top reason cited was insufficient law enforcement presence on the water.

⁴ Population estimates from Washington Office of Financial Management, www.ofm.wa.gov

Boating services providers do not always understand that RCO is prohibit by state law from using capital funds for maintenance. This results in the oversimplified belief among providers that the RCO favors new facilities over projects designed to perform maintenance, upkeep, or other improvements to existing access sites and launch ramps. As stated above in the discussion on access issues, there is a clear unmet need in Washington for improved boat launch ramps and parking opportunities, as well as numerous other repairs and additions; each of these represents an important means of providing access to Washington's waters. To this end, the data suggest that the maintenance of existing access sites and launch ramps is just as important in working to alleviate crowding issues caused by the overall deficit in access.

RCO memorandum, 2003

In 2000-01, RCO and State Parks jointly contracted with BST Associates to assess boating needs related to the Boating Infrastructure Grant program and the Clean Vessel Act pump-out grant program. An excerpt from staff analysis found the following.

In its 2001 report for the Boating Infrastructure Grant Program, BST Associates projected a statewide unconstrained need for an additional 5,066 wet moorage units, and a statewide unconstrained need for 4,082 transient spaces (floats, docks, etc) by the year 2010, using a "most likely" fleet growth rate of 1% per year. This is a 43% increase in transient facilities -- up from about 2,823 current facilities (mostly in the San Juan Islands). By unconstrained, BST means that the calculation did not take into account the day-to-day realities that include permitting, available much less affordable or suitable marine recreation land, or available money.

Big boats are projected to proliferate faster than small boats on trailers. However, if we applied the same unconstrained BST math to boat-on-trailer launch sites, we'd see the current statewide total of about 910 boat launch sites jump 43% to 1,300 or so. RCO staff used a more conservative estimate of need -- about 400 new sites on rivers, lakes, and reservoirs all over the state but mostly in the Puget Sound area. The cost to buy a small plot of land and develop a typical launch site is an average of \$750,000 to \$1 million. So the cost to develop 400 new launch sites could approach \$300 million.

Short of developing 400 new sites, much new demand probably could be absorbed by expanding parking and adding lanes at existing sites or closing underused sites and replacing them with sites that make more sense from a population-boating-fishing perspective. Renovation of sites with low estimated service lives is more economical. For example, to fix up the 150 of WDFW's launch sites in the worst shape (less than 5 years of service life estimated to remain) at an estimated average cost of \$250,000 each, the cost would be \$37.5 million.

Electronic survey of 2002 Seattle Boat Show attendees

RCO cooperated with the NW Marine Trade Association to survey attendees of the 2002 Seattle Boat Show. RCO also did a parallel survey of public facility managers such as marina directors. RCO's findings included:

When asked to respond to an open-ended question about the biggest problem faced when they go boating, respondents most often cited a shortage of adequate facilities (430 of the 1,215 responding).

STATE PARKS AND RECREATION COMMISSION

FUTURE NEED

State Parks worked with the Washington Boaters Alliance and other stakeholders to develop a list of \$30 million in unmet boating needs in state parks. This was the first time they have compiled a comprehensive list of unmet needs; in the past they relied on their annual or biennial grant cycle to develop a list of prioritized needs. Given the lack of funding, it hasn't been a priority to develop a comprehensive list that would not likely be funded.

The list (found in Appendix G, Project List Appendix) is organized by region, and is summarized below. This inventory is not a complete list. State Parks is developing a full, prioritized list of unmet boating needs using criteria to rank safety, preservation, maintenance and capacity needs.

EXHIBIT 39.

Unmet Boating Facilities Needs in State Parks

| <i>Information provided by the State Parks and Recreation Commission</i> | | |
|--------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NW Region | | |
| Maintenance | \$12.3 million | 105 floats needing piling and pier replacements at Doe Island, Fort Flagler, Mystery Bay, Cornet Bay, Reid Harbor, Malia, Rosario, Sharp's Cove, Sequim Bay, Sucia Island, Prevost Harbor and James Island |
| New Facilities | \$5 million | New buoys at Cama Beach; new piers and floats at Cama Beach and Spencer Spit; new pier and boarding floats at Saddlebag Islands; replace a historic platform at Lime Kiln; new boarding floats and bathroom facilities at Mystery Bay; new boat launch floats at Fort Flagler |
| Eastern Region | | |
| Maintenance | \$4.6 million | Boat launch renovation at Lake Chelan; ramp extension and floats at Wenatchee Confluence; new ramp at Conconully; ADA accessible ramps at Bridgeport |
| Pump-out stations | \$98,000 | Pump-out stations allow boaters to empty sanitary waste into a tank, rather than dump it illegally into the waters of the state. Pump-out locations have been identified as unmet needs in 14 areas including Columbia Point Park, Hell's Canyon Resort, Bumping Lake Marina and other locations. Federal funds may be available for 75% of the cost. \$98,000 represents the 25% state's share. The full cost is \$392,000. |
| SW Region | | |
| Maintenance | \$7.5 million | Moorage area RV camping at Beacon Rock; piling and float replacement at Blake Island; pier and float replacement at Illahee; boat launch facilities upgrade at Joemma Beach; float and piling replacement and a flushing bathroom at Penrose Point; pier demolition and replacement at Triton Cove. |
| New facilities | \$750,000 | Mooring construction at Ike Kinswa; breakwater construction at Joemma Beach; 12 new buoys to protect sensitive habitat at McMiken Island. |
| Pump-out stations | \$180,000 | Pump-out improvements are needed at Pleasant Harbor and Twanoh. |
| TOTAL | \$30.3 million | This inventory is not a complete list. State Parks is developing a full, prioritized list of unmet boating needs using criteria to rank safety, preservation, maintenance and capacity needs. |

WASHINGTON PUBLIC PORTS ASSOCIATION

FUTURE NEED

The Washington Public Ports Association surveyed their members to identify unmet boating facilities needs. Seven ports identified \$13 million worth of projects for which they would seek \$8.8 million in fuel tax funding. Ports would provide matching funds, and would operate and maintain the facilities.

**EXHIBIT 40.
Unmet Boating Facilities Needs in Public Ports**

| Project | Description | Capital Cost | Total Cost | Gas Tax Funding | Local Match |
|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------|---------------------|----------------------|
| Port of Anacortes Cap Sante Boat Haven West Basin Transient ("Guest") Moorage | Cap Sante Boat Haven, the second busiest marina in Washington, has only 30 dedicated moorage slips for guest vessels. Located in Anacortes, the marina has scrambled to find available space to accommodate more than 11,000 guest moorage requests, mostly by mooring short-term guest vessels at slips designated for permanent moorage. Vessels greater than 40 feet in length have been turned away. Project would replace two docks, expand guest moorage facilities, and upgrade fire suppression, security and utilities. | \$2.9 million, (does not include dredging costs) | \$2.9 million | \$1.45 Million | \$1.45 million |
| Port of Camas-Washougal "A" Dock Replacement | Replacement of the "A" dock, which has exceeded its 25-year working capacity. Costs will be minimized by utilizing in-house labor and cost-sharing with public works bids. | \$100,000 | \$100,000 | \$75,000 | \$25,000 |
| Port of Camas-Washougal "G" and "H" Dock Reconfiguration | Project reconfigures "G" and "H" docks to alleviate unmet demand for boats in the 30-35 foot range, many of which are sailboats (which require additional depth). The "G" dock reconfiguration will also allow additional staging space for launch ramp users. | \$504,000 | \$504,000 | \$378,000 | \$126,000 |
| Port of Edmonds ADA Restroom and Shower Facility | Replacement of an existing, non-compliant restroom, shower and laundry facility with a new ADA-compliant, energy-efficient, green-built facility. | \$440,000 | \$440,000 | \$315,000 | \$125,000 |
| Port of Kennewick Clover Island Improvement Project, North Shoreline | Construct ADA compliant restrooms and sidewalk near an existing boat launch and parking area. Project is part of a larger effort to enhance severely degraded Columbia River shoreline and provide public access for on-water and waterfront activities. | \$543,700 | \$543,700 | \$271,850 | \$271,850 |
| Port of Port Townsend Boat Ramp Expansion | Expand ramp from one lane to two lanes in primary access point to fishing grounds where Puget Sound transitions into the Strait of Juan de Fuca. | \$1 million | \$1 million | \$750,000 | \$250,000 |
| Port of Seattle Sewer Pump-out Stations | The Port of Seattle has budgeted for the installation of 3 sewer pump-outs (located at Fishermen's Terminal, Harbor Island Marina and Bell Street Marina) over the next two years at a cost of \$55,000 per pump-out. | \$165,000 | \$165,000 | \$124,000 | \$41,000 |
| Port of Seattle Shilshole Bay Green Restrooms | Replace up to 5 bathrooms with "green" facilities that would be more resource efficient and include energy efficiency measures, rain water harvesting, and water conservation measures. | \$5-7 million | \$5-7 million | \$3.75-5.25 million | \$ 1.25-1.75 million |
| Port of South Whidbey Boat Launch Replacement and Boarding Floats Installation | The Port of South Whidbey has two projects that require state matching funds. The <u>first</u> is replacement of a deteriorating launch ramp and boarding floats at Possession Beach Waterfront Park. The replacement would include removal of creosote pilings and replacement with more environmentally sensitive infrastructure. The <u>second</u> is the installation of boarding floats at the Harbor at Langley. | \$300,00 | \$300,000 | \$200,000 | \$100,000 |

CITIES

FUTURE NEED

Two cities submitted evidence of unmet boating facilities need. *In the opinion of the study authors, this limited response should not be viewed as a lack of need by other cities, but more likely as a lack of staff time or ability to respond to the information request.*

In Bremerton, the Lions Park Boat Ramp has not been operable since 2007 due to deterioration of the floating dock structure. They have proposed a redevelopment project for this saltwater boat ramp on Port Washington Narrows. It is located in East Bremerton on Lebo Boulevard. Funding partners include the Poggie Club, a local fishing organization. Total cost is \$621,000, of which \$417,600 would come from marine fuel tax refunds.

Castle Rock proposes a \$550,000 capital project, the second phase of the Al Helenberg Boat Launch. This project has opened up 20 river miles of the Cowlitz River to the users and for emergency operations as well. The cost to date is \$1.5 million with over 300 volunteer hours. Phase 2 will provide restrooms, floats (boarding, transit and canoe/kayak), lighting, security cameras, landscaping, access road paving, and parking lot improvements. The first phase was completed in 2010 with 75% of the funds coming from the RCO's boating facilities program. They are requesting \$412,500 from RCO for phase 2.

SUMMARY: UNMET NEED IN ACTIVITIES FUNDED FROM ORV FUEL TAX REFUNDS

STATE AGENCIES

Department of Fish and Wildlife

- \$2.2 million/biennium future operating need to maintain access sites, roads and parking lots, and other maintenance and education materials
- \$4.5 million future capital need for toilet replacements, access gates, parking and flood repair

Department of Natural Resources

- Evidence of past unmet need: resource damage from unauthorized user-built trails and bridges due to insufficient public recreational resources to meet demand; service reduction to 30% of DNR facilities due in part to the loss of NOVA funds; significant maintenance declines since the 1990s; and a current budget that places considerable reliance on volunteer support.
- \$15.1 million/biennium future operating need for maintenance, education and enforcement, grant management, volunteer management, safety, and public engagement.
- \$141.5 million future capital needs for trail and facility renovation, unauthorized trail and facility restoration, 15 new recreation areas, lease renewal, and infrastructure replacement.

Recreation and Conservation Office

- Evidence of past unmet need: since 2002, 34% of eligible NOVA projects worth \$5.8 million were not funded due to insufficient revenue.

State Parks

- ORV revenue stream is insufficient to fully maintain the Riverside ORV Area in Spokane.

FEDERAL AGENCIES AND STAKEHOLDER ORGANIZATIONS

Okanogan-Wenatchee National Forest

- 48 projects worth \$5 million to develop new horse camps, maintain their extensive motorized trail systems, implement a forest-wide travel plan; and install road and trail signs across the forest.

Pacific NW Four-Wheel Drive Association

- Trail repair, building reconstruction, creating new recreation opportunities, and parking lot, toilet and campground improvements.

Back Country Horsemen of Washington

- 300 projects including road improvements, trail construction or relocation; parking lot construction; bridge, fence and gate construction; culvert installation; signage; and maintenance.

WASHINGTON DEPARTMENT OF FISH AND WILDLIFE

FUTURE NEED – WDFW OPERATING

The challenge to manage WDFW public lands for recreation continues to grow as the population continues to increase and as non-traditional recreational users continue to increase.

Additional staffing is needed to maintain the over 650 access sites statewide. With eleven access area managers to maintain 650 sites, each manager must maintain approximately 60 sites. Based on the time needed to adequately maintain a site, WDFW estimates a need for seven more FTEs. Each manager would then be responsible 27 sites, a more realistic number. An additional \$455,000/year is needed for these additional staff. WDFW estimates that two managers would be funded from NOVA funds, and five from boating facilities funds.

NOVA funds are used primarily for grading and rocking parking lots and roads. During 2007-09, the \$328,000 available allowed grading on 30% of WDFW parking lots. An additional \$656,000/biennium would properly maintain the remaining 70% of parking lots. WDFW estimates 25% of the need would be funded from NOVA funds.

Current NOVA funds maintain less than 50 miles of agency roads that lead to access sites. WDFW has over 1,300 miles of agency roads providing access. A grading crew with equipment costs over \$3,000 per 10 hour day. Properly grading one mile of road takes one to three days. At one mile per day, \$780,000 per year would maintain 20% of WDFW roads annually (260 miles). This would allow all roads to be maintained on a 5-year cycle.

Funds are needed to better maintain camping areas and trails, control weeds along roads, provide information and education signs and materials, etc. A rough estimate to address these needs is \$100,000 per year.

**EXHIBIT 41.
Cost of Operating Need on WDFW Public Lands**

| OPERATING NEED ON WDFW PUBLIC LANDS <i>Information provided by the Washington Department of Fish and Wildlife (biennial need)</i> | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| \$230,000 | Two additional access managers to properly maintain access sites. |
| \$160,000 | Would provide maintenance for all parking lots. |
| \$1,560,000 | Would maintain 20% of WDFW roads leading to access sites per year, providing full coverage every five years. |
| \$200,000 | Maintain camping areas and trails, control weeds, provide information and education materials. |
| \$2,150,000 | Total per biennium operating need |

FUTURE NEED – WDFW CAPITAL

WDFW compiled a list of 142 capital projects costing nearly \$21 million, including boat ramps, toilets, parking lots and gates, and fishing piers. These projects have all receive numerous complaints from the public regarding their inability to use these facilities safely. Funding these capital improvement projects would help address public health and safety concerns on WDFW lands and facilities.

Constituents and supporters for WDFW recreational facilities include the following groups: fishers, boaters, hunters, hikers, campers, photographers, swimmers, canoeists, river rafters, jet skiers, and others. Members of the Recreational Boating Alliance include RCO, State Parks, DNR, WDFW, the Marine Trade Association, the U.S. Coast Guard, Washington Water Trails, and the Recreational Boating Association of Washington.

Some costs are driven by vandalism, defacing, littering and gang-related tagging in WDFW wildlife areas and access sites. These lands are becoming targets for illegal dumping of household garbage including appliances, toxic materials and drug paraphernalia. Such activities often destroy facilities and critical habitats creating potential health and safety issues for the recreating public.



It now costs about \$80,000 to replace an Access Area boat ramp; \$55,000 to replace a vault toilet, \$4,000 to replace a steel gate; and \$3,000 to replace a large framed metal sign.

EXHIBIT 42.

Cost of Capital Need on WDFW Public Lands

CAPITAL NEED ON WDFW PUBLIC LANDS

*Information provided by the Washington Department of Fish and Wildlife
Complete descriptions of needs and costs are found in Appendix G, Project List Appendix.*

| | |
|--------------------|--------------------------------------------------------------------------------------------------------------------------|
| \$1,075,000 | Toilet replacements, access parking and gates, flood damage repair |
| \$3,416,000 | Projects eligible for NOVA or marine funding, including access gates and ramps, toilet replacements, flood damage repair |
| \$4,491,000 | Total need |

DEPARTMENT OF NATURAL RESOURCES

PAST UNMET NEED, DNR

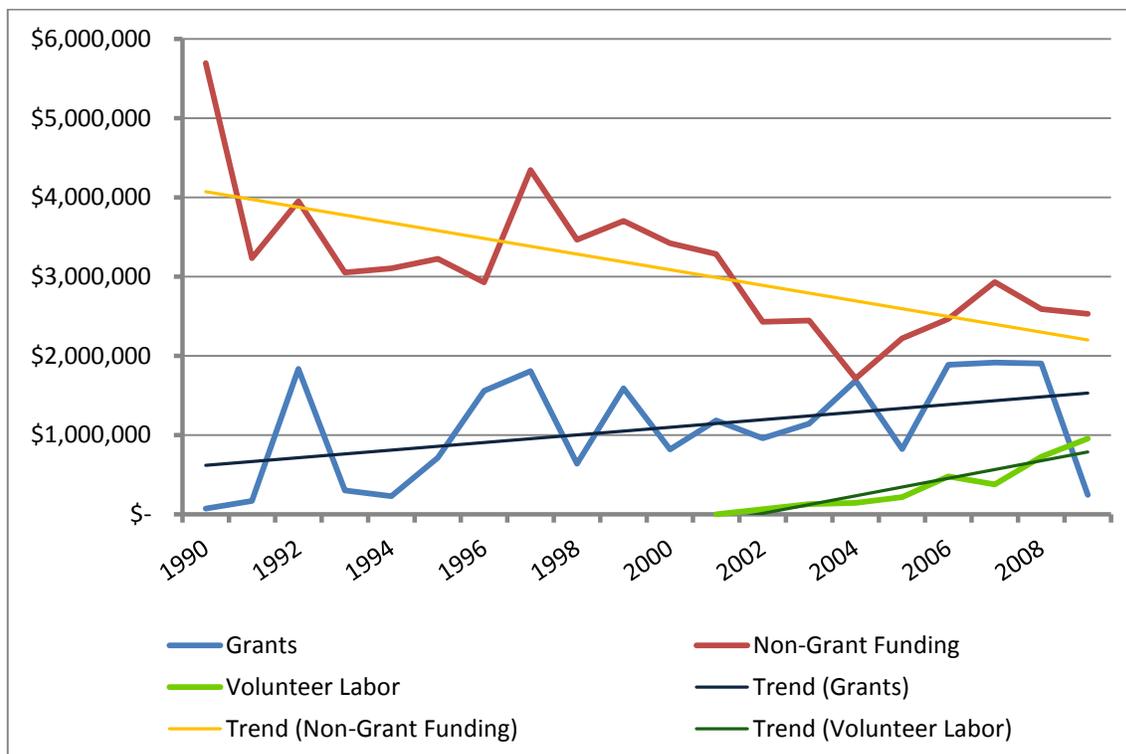
Due to the limited nature of recreation funding, DNR has traditionally developed its recreation budget based on what they thought could be funded, rather than actual need or a well-defined recreation strategy. Therefore, it was difficult to document or itemize a list of projects that didn't get completed due to a lack of funding.

ORV fuel tax revenues are the Recreation Program's most reliable funding source (for those facilities and trails not accessed by a publically-funded road system). Other sources include the state general fund (which was cut by 52% last biennium) and grants. Grants are not a reliable source of on-going operational funds. Grant sources include the federal Recreational Trails Program, and the Washington Wildlife and Recreation Program (WWRP). In 2003, grants totaled \$500,000 (NOVA). In 2009, grants totaled \$1.9 million (NOVA and federal).

Compounding the funding challenge is an increase in recreational use on DNR-managed lands and a diminishing amount of privately-managed lands to meet the demands of increased use. There is added pressure from new forms of outdoor recreation and technologies, as well as increased sales of outdoor equipment and off-road vehicles. The graph below demonstrates how DNR's Recreation Program has attempted to meet this growing need by relying increasingly on grants and volunteers to keep recreation trails and facilities open.

EXHIBIT 43.
DNR Recreation Program Funding 1990-2009
(adjusted for inflation)

Non-grant funding includes the ORV account and state general fund



DNR’s Recreation Program has identified four main categories of need that have historically been underfunded: **resource damage, safety, maintenance, and new construction.**

Resource damage—prevention and restoration (DNR)

Unmet need:

- Insufficient materials, supplies, and equipment to maintain existing facilities and trails to prevent environmental impacts and protect public safety
- Lack of adequate staffing to provide management oversight, maintenance, education and enforcement to ensure sustainable recreational opportunities
- Lack of training for recreation staff and users in the latest maintenance, education, enforcement, and development practices
- Insufficient number of trails and facilities to meet high demand from the public
- Lack of recreation planning and implementation of plans, to open new recreation areas
- Lack of staff to assess and address resource damage from unauthorized and authorized use

In the past 20 years, DNR has not constructed any new recreation trail systems or facilities, even while the demand for more places to recreate has increased. The demand for more trails has led some people to create their own unauthorized trails, when public recreation providers have been unable to meet the need. These unauthorized trails and structures (such as bridges) were built without permits or proper design to address safety and environmental impacts. Both non-motorized and motorized recreation users have contributed to the problem.

The increased unauthorized recreational use on DNR-managed lands has put considerable pressure on the natural resources and the ecosystems that support them, and poses a threat to water quality and public safety.



Erosion at Reiter Foothills Forest



User-built structures such as this log bridge at Reiter Foothills Forest with chicken wire nailed to the top present risks to public safety and potential liability issues for DNR.

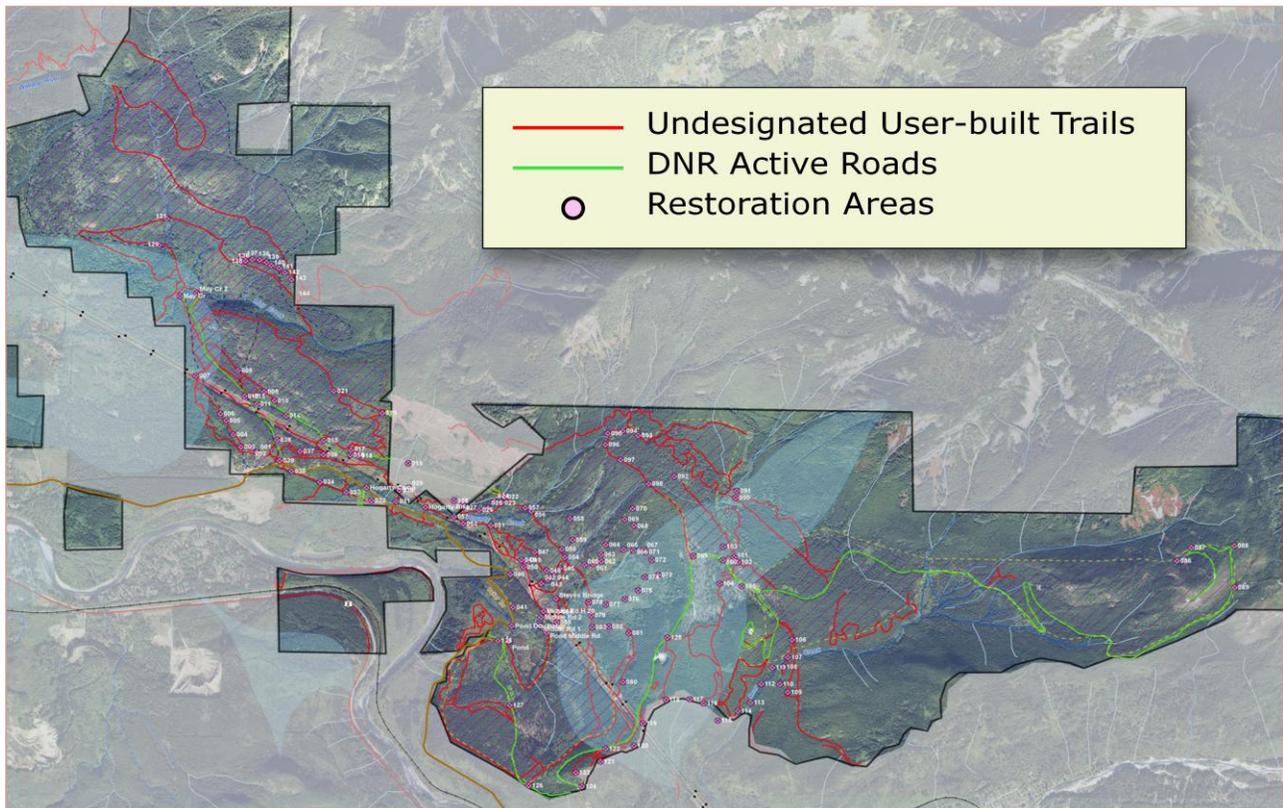


Stream damage at Reiter Foothills Forest

DNR recently inventoried all unauthorized, user-built trails in the Western Yacolt Burn Forest and Reiter Foothills Forest. The Western Yacolt Burn Forest has 49 miles of authorized trails and 170 miles of unauthorized trails. Reiter Foothills Forest has no authorized trails and 51 miles of unauthorized trails. DNR extrapolated on these two inventories and estimates that there are 6,000 to 8,000 miles of unauthorized trails on DNR-managed trust lands.

These unauthorized trail systems are not sustainable, cause public safety issues, and major damage to state trust assets. At Reiter Foothills alone DNR calculated the restoration cost to be around \$1.5 million dollars. Statewide, DNR estimates that unauthorized trail systems have led to tens of millions of dollars of environmental cost to natural resources, habitats, wildlife, and trust assets.

Areas identified for restoration in Reiter Foothills Forest.



Public safety and illegal activities (DNR)

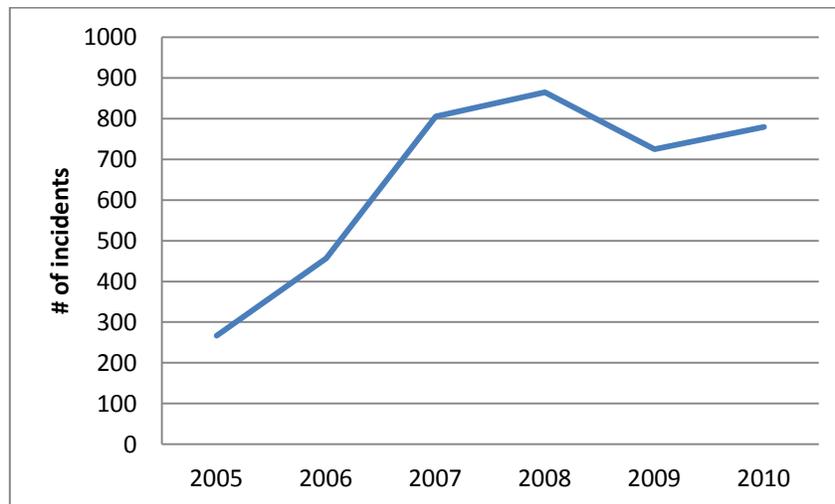
Unmet need:

- Greater enforcement presence
- Staff training
- Clear and concise signage
- Public education campaign about proper behavior, safe conduct, etc.
- Materials and supplies for Forest Watch program

DNR has seven commissioned law enforcement officers to patrol 3 million acres of state trust lands and 300,000 acres of natural areas. Nearly 82 percent of DNR’s law enforcement encounters are recreation related. The remaining time is spent dealing with theft of special forest products and timber, and trespass. Nineteen of DNR’s recreation field staff have authority to write citations; this role is just one part of their overall duties. Before the loss of the \$3 million NOVA grant funding, DNR funded an additional five education and enforcement wardens who were stationed at some of the most frequently used facilities.

The following graph demonstrates an increasing number of recreational related incidents on DNR- managed lands. An “incident” is any time a DNR officer or employee responds to an illegal activity such as garbage dumping, shooting signs, stealing firewood etc. Each response is electronically recorded and tracked. The graph below demonstrates two things: DNR is doing a better job of tracking and a growing number of people abusing state trust lands.

**EXHIBIT 44.
DNR Recreation-Related Safety and Enforcement Incidents**



Due to the low number of law enforcement officers, DNR focuses law enforcement efforts in the areas that experience the most traffic and illegal activity. Their efforts are supplemented by citizen volunteers in the Forest Watch program who patrol DNR-managed lands. Their role is to educate the public about appropriate behavior and to report any suspicious activities to law enforcement.

Unauthorized, user-built trails pose a significant threat to the environmental health of DNR-managed lands. In addition, these trails and structures also pose a threat to public safety and create liability issues for DNR.

Maintenance and operational investments (DNR)

Unmet need:

- Skilled, trained labor to perform the work
- Demand for more trails and facilities
- Materials, supplies, and equipment
- Planning

Most of DNR's existing facilities were built in the late 1960s through the early 1980s. Little has been done to restore or replace facilities since then. The facilities are outdated and many are in desperate need of renovation. Since the early 1980s, the Recreation Program's budget has gradually diminished. In 1990, the program had adequate funding and 30 permanent FTEs, plus seasonal staff, to maintain the 143 recreational facilities and more than 1,000 miles of trails the agency manages. At that time, DNR did not use volunteers or grants to maintain recreation trails and facilities.

Today, the Recreation Program's 2009-11 budget counts on 90,000 volunteer hours a year (the equivalent of 44 FTEs) and \$1.5 million in grants to maintain the same number of recreation facilities and miles of trails. To keep facilities open, DNR has had to lower the level of maintenance and service due to reduced state general funds and the fact that the ORV account does not keep pace with inflation. The funding pressures are augmented by an escalating public demand on the same amount of recreation trails and facilities that existed 20 years ago.

While volunteers provide a great deal of help on DNR-managed lands, they are limited in what they can do and how much time that they can provide. Volunteers cannot manage facilities, represent DNR at user group meetings, answer complaints, develop and manage contracts, provide enforcement, or lead planning efforts, for example.

DNR's maintenance schedule is based on three levels: Level 3 is regular maintenance; Level 1 is limited maintenance and repairs; and Level 2 falls somewhere in between. In the early 1990s, the Recreation Program was able to maintain most of DNR's recreation facilities at a Level 3. In 2000, DNR was down to a mix of level 2 and 3. By 2006, DNR was mostly at Level 2. Today, DNR operates primarily at Level 1.

In 2009, DNR had to further reduce services at or close many of recreation facilities when their general fund budget was cut and they lost access to NOVA grant funding.

New construction -- capital investments (DNR)

Unmet need:

- New recreation facilities and trail systems to meet demand
- Renovation of facilities that are more than 40 years old and do not meet users' needs or current environmental standards
- \$4 million in deferred maintenance
- Acquisition funds to pay for leases of 39 recreation facilities that have expired or are about to expire

DNR has not built any new facilities or trails since the early 1980s due to funding constraints. Yet in the past 30 years, there have been significant changes in the types of outdoor recreation activities and equipment that are stressing facilities and trail systems that were not designed for the new uses and levels of users. For example, mountain bikes were just starting to come on the scene in the 1970s, and their popularity began to

climb 20 years ago. The state's growing population, adding more visitors to the outdoors, has created more demand for areas to recreate.

Over the same timeframe, the Recreation Program's operating and capital budgets have been reduced by about 50 percent (see graph on p. 13). As a result, DNR has had to forego replacing worn-out structures, such as bridges and outhouses. They have not been able to update facilities to sustainably accommodate current types of equipment and user experiences. In addition, a majority of the facilities do not meet current environmental standards. For example, a large number of campgrounds are located within riparian areas.

DNR recently inventoried all user-built trails in the Western Yacolt State Forest and Reiter Foothill Forest. The Western Yacolt State Forest had 49 miles of authorized recreation trails and 170 miles of unauthorized trails and the Reiter Foothills Forest had no authorized trails and 51 miles of unauthorized trails. Based on the results of these two inventories, DNR estimates there are 6,000 to 8,000 miles of unauthorized trails on DNR managed trust lands.

FUTURE NEED, DNR

DNR developed this list of future needs using input from many sources:

- DNR field staff
- Public opinion through the work of the [Sustainable Recreation Work Group](#)
- Statewide recreational organizations (Washington Trails Association, Evergreen Mountain Bike Alliance, Backcountry Horseman of Washington, Washington Off Highway Vehicle Association, Pacific Northwest 4x4 Association and Washington Snowmobile Association).
- Email request to subscribers to DNR's Recreation E-News (2,700 subscribers).

The estimate of needs over the next ten years includes \$75.2 million in operating needs and \$141.5 million in capital needs as summarized below.

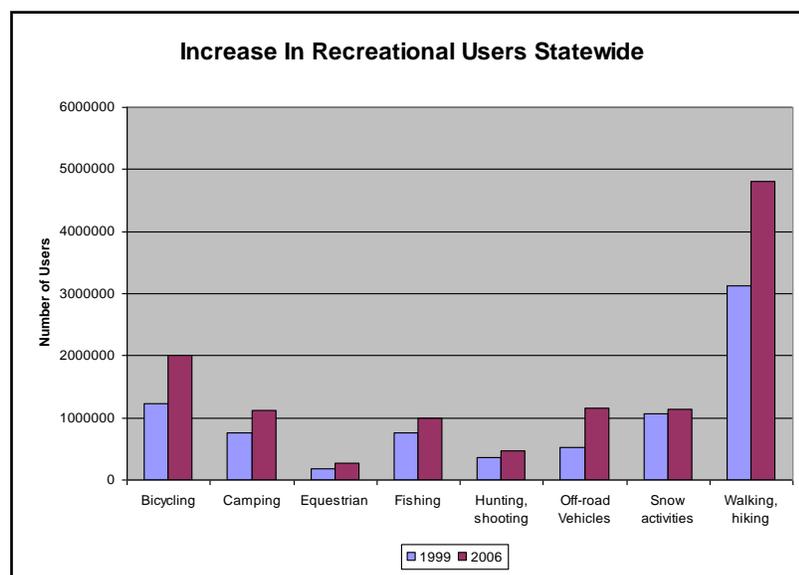
Recreation on lands managed by the Washington State Department of Natural Resources (DNR) has dramatically changed in the last 40 years since the 1979 legislation that has become known as the "multiple use act." ([RCW 79.10.100, Part 2](#)) When DNR began building its recreational facilities and trails in the 1960s, the majority of outdoor recreation activities included fishing, hiking, horseback riding, swimming, picnicking, hunting and other activities. Today, the most popular outdoor activities include mountain biking, camping, and motorized trail use (motorcycles, ATVs, 4x4s). Activities such as paragliding, paintball, and mountain biking did not even occur on DNR-managed lands until well after the 1960s.

In addition to these changes in recreation trends, the state's population has nearly doubled in the last 40 years from 3.3 million to 6.5 million. As a result, there has been a dramatic increase in the number of visitors to DNR-managed lands. Washington's population is projected to increase by 25 percent increase in the next 21 years. This is likely to lead to substantial growth in the demand for outdoor recreational opportunities on DNR-managed lands in the coming decades.

EXHIBIT 45.

Growing Demand for Recreational Access

Source: Recreation and Conservation Office Survey, 2008



DNR faces a considerable challenge in meeting both the needs of increased use and the changing types of activities with the same facilities and trails built 40 years ago. As the gap continues to grow between the increased demand for outdoor recreation opportunities and DNR's limited resources, so too will the negative impacts of recreation on the environment and public safety.

Trust lands and public lands

The uplands DNR manages are not "public lands" per se. Instead, these lands are federally-granted trust lands and state forest lands, which DNR manages in trust for the benefit of various state institutions and counties.

The "multiple use act" directs DNR to provide recreation opportunities where they are compatible with trust obligations. Where recreation is incompatible with trust obligations, the respective trust must be compensated for the encumbered trust land's full market value in order for that recreation use to be permitted. Incompatibility is defined as any use that restricts to a significant degree DNR's ability to generate revenue from the land. For example, campgrounds and trailheads on state trust lands have a lease arrangement so the trust can be properly compensated. Most trails are compatible and do not require compensation because they can be moved to avoid conflict with management activities that generate revenue for the trusts.

The other land bases that DNR manages (aquatic, natural areas) are "public lands," but they each have restrictions on their use. For aquatic lands, the public has a right to use Washington State's aquatic lands for a variety of purposes, including navigation, conducting commerce, commercial fishing, and recreational activities such as fishing, boating, swimming and water skiing.

Under the state's Aquatic Lands Act and the public trust doctrine, DNR must manage state-owned aquatic lands to provide a balance of public benefits to the people of Washington. These benefits include direct public use and access, fostering water-dependent uses, environmental protection, and renewable resources. For example, to encourage landowners to provide public access to state tidelands property, landowners can get a reduction in the lease fee in exchange.

DNR manages natural areas to protect ecologically significant areas and to preserve our state's natural heritage. The state Legislature established two types of natural areas: Natural Area Preserves (NAP) and Natural Resources Conservation Areas (NRCA). NAPs provide the highest level of protection for the most sensitive native ecosystems and rare plant and animal species. Limited public use is allowed on NAP lands for scientific and educational purposes on a case-by-case basis. NRCAs help to preserve outstanding scenic and ecological values. NRCAs allow for low impact recreational uses as long as those uses do not adversely affect the value of the resources, are appropriate to maintaining the site in a relatively unmodified natural setting, and do not detract from long-term ecological processes. Hiking and viewing wildlife and scenery qualify as low-impact activities.

EXHIBIT 46.

Operating and Capital Recreation Need on DNR Public Lands

| RECREATION NEED ON DNR PUBLIC LANDS, 2010 - 2020 <i>Information provided by the Department of Natural Resources</i> | | |
|-------------------------------------------------------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OPERATING NEEDS --\$75.2 million | | |
| Volunteer management | \$2.6 million | DNR's recreation program relies heavily on volunteers to keep recreation areas clean, safe and environmentally healthy. In 2009, volunteers contributed 60,000 hours; they are on track to reach 90,000 hours in 2010. Funds are needed to appropriately manage this volunteer program, estimated at \$510,000 per biennium. This includes staff labor to oversee volunteers, L&I industrial insurance premiums, training, volunteer badges, safety and protection equipment, and volunteer appreciation supplies. |
| Grant management | \$4.7 million | DNR currently submits 20-30 state and federal grant applications a year, and would like to double that number to support implementation of the recreation plans, construction, maintenance, and other uses. \$4.7 million represents the additional staff time needed to apply for and manage the grants. DNR believes this \$4.7 million expenditure could result in \$19 million more grants for the recreation program. |
| Routine maintenance | \$36 million | Opening new recreation areas will require maintenance for those areas. If 15 new recreational areas are opened as described above, the routine maintenance (staff time and goods and services) will total \$240,000 per recreation area per year, or \$36 million. Annual maintenance costs include up to \$5,000 for trailheads; up to \$10,000 for campgrounds, and up to \$5,000 for trails. |
| Education and enforcement | \$30 million | DNR is currently unable to actively manage public use of its lands to the same level as state or national parks due to their limited education and enforcement presence --7 law enforcement officers for the entire state. They are proposing a \$3 million annual investment in law enforcement officers, trail wardens, and a volunteer-based forest watch program across the state. |
| Communications and public involvement | \$960,000 | Since January, 2009, in response to stakeholder requests, DNR has ramped up its communications and public involvement efforts. To sustain this effort into the future will require \$96,000 a year. Improvements underway include increased public involvement efforts, updated maps and brochures, website and social media outreach, and public surveys. |
| Safety/Liability | \$1 million | In response to safety concerns on DNR recreation lands, the Legislature appropriated \$250,000 in 2007-09 and again in 2009-11 for sign installation on ORV trails and facilities. DNR estimates that same level of funding will be needed over the next five biennia to finish signing all recreational trails, facilities and areas of dispersed recreation. Once installed, the on-going cost of monitoring and maintaining the signs will be \$200,000/biennium. |

RECREATION NEED ON DNR PUBLIC LANDS, 2010 - 2020

Information provided by the Department of Natural Resources

CAPITAL DEVELOPMENT \$141.5 million

| | | |
|---------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Renovation of existing trails and facilities | \$23.4 million | <p>Many DNR facilities were built in the 1960s, 70s and 80s, and while they met the environmental standards of the day, they do not meet current standards. 78 campgrounds are located within riparian areas or FEMA flood zones. DNR proposes to renovate half of them to address environmental and safety concerns. Renovation will cost on average \$600,000 per facility, or \$23.4 million over the next 20 years.</p> <p>Some trail systems need to be relocated to more sustainable locations. Constructing new trails costs \$78,000 per mile, on average, and decommissioning old, inappropriately placed trails costs \$12,000 per mile. These costs are not included in the above figure.</p> |
| Restoration of unauthorized trails and facilities | \$18.0 million | <p>There are at least 6 times the number of miles of unauthorized recreation trails (6,000 – 8,000 miles) located on DNR-managed land compared with authorized trails. Many such trails result in damage to the natural resources and ecosystems. DNR estimates it will cost \$18 million to address the unacceptable environmental impacts and health and safety issues on the 60 most-used unauthorized trails and facilities. (\$300,000 per landscape X 60 landscapes).</p> |
| New development | \$99.1 million | <p>In order to give the public recreational access to state trust lands, DNR must develop recreation plans for each recreation area. Only 14 of 74 recreation areas currently have updated recreation plans. DNR proposes to develop three recreation plans per biennium @ \$250,000 per plan (\$3.75 million total).</p> <p>Implementation of the plans (trailheads, campgrounds, trail system) is estimated to cost \$6.15 million/plan X 15 plans (\$92.25 million.)</p> <p>On-going management and maintenance is \$205,000/area X 15 areas, or \$3.075 million.</p> |
| Acquisition | \$1.75 million | <p>DNR must pay lease costs for certain recreation facilities on trust lands. In the next 10 years, 70 existing recreation site leases will expire. It's estimated to cost \$1.75 million to re-lease these sites from the trusts.</p> |
| Deferred infrastructure | \$6.0 million | <p>DNR estimates over the next 10 years, the following need to be replaced: 25 bridges; 177 wooden outhouses; 311 garbage cans; 847 tables; 866 fire rings.</p> |

FUTURE NEED – DNR OPERATING

Below is the detail describing the future operating and capital need for DNR's Recreation Program, projected for the next 10 years.

Volunteer management (\$2.6 million)

DNR's recreation program relies heavily on volunteers to help keep recreation areas clean, safe, and environmentally healthy. In 2009, individuals and recreation user groups contributed more than 60,000 hours to support recreation trails, sites, and facilities. So far this year, the program has documented more than 65,000 volunteer hours and is on track to reach the goal of more than 90,000 hours by the end of the year.

Use of volunteers is important, but not free. In the next 10 years, DNR would like to develop a volunteer forest watch program that covers all 74 landscapes the public uses. Forest watch volunteers are DNR's eyes and ears in the woods. They help educate the public about safe and appropriate behavior, answer questions, and report suspicious activities to law enforcement. In addition, DNR proposes to expand the general volunteer base through ongoing recruitment, provide training, and purchase supplies.

The estimated cost to implement this volunteer program is \$2,550,000 (\$510,000/biennium x 5 biennia), and includes staff labor to oversee volunteers, L&I industrial insurance premiums, training, volunteer identification materials, safety and protection equipment, and participant recognition/appreciation supplies.

Grant Management (\$4.7 million to generate \$19 million in additional grants)

DNR's recreation program receives grants from NOVA, WWRP and RTP grant programs⁵. Typically, the program submits 20 to 30 grant applications each year and receives an average of \$1.5 to 1.9 million in grants.

DNR proposes to apply for twice as many state and federal grants to support the implementation of the proposed recreation plans, construction, maintenance, education, enforcement and funding to help restore and protect the habitats impacted by unauthorized recreational uses.

On average, DNR spends the equivalent of two staff months applying for and managing each grant each year. This includes preparation, technical support, application, implementation of Governor's executive order 05-05 addressing cultural resources, grant processing and billing, and project management and implementation.

Doubling the number of grant applications is estimated to cost \$471,480 in staff time to raise an additional \$1.9 million in grants each year.

Routine Maintenance (\$36 million)

As DNR develops new recreational facilities—as Reiter, Ahtanum and Yacolt—the agency will need funding to manage and maintain new recreational facilities. The following is a rough estimate of costs associated with maintaining various recreational facilities. These costs are low because of the amount of volunteer hours and grant funding we receive each year to support existing recreation trails and facilities.

⁵ Nonhighway and Off-road Vehicle Activities (NOVA); Washington Wildlife and Recreation Program (WWRP); and Recreational Trails Program (RTP).

The cost to open and maintain 15 new areas over the next 10 years is estimated at \$240,000 per landscape in staff time and goods and services, or a total of \$36 million (\$240,000/landscape x 15 landscapes x 10 years).

EXHIBIT 47.

DNR Annual Recreation-Related Maintenance Costs

| Annual DNR Maintenance Costs | |
|---------------------------------------------------------------------------------------------------|---------------------|
| Trailheads | \$1,000 - \$5,000* |
| Campgrounds | \$1,000 - \$10,000* |
| Trails | |
| Motorized use per mile | \$3,000 - \$5,000 |
| Non-motorized use per mile | \$700 - \$1,000 |
| <i>*Highly variable costs, in part associated with the size and type of trailhead or campsite</i> | |

Education and Enforcement

Current Education and Enforcement Presence

An education and enforcement presence on the landscape is an important element for public safety. Currently, DNR has only seven law enforcement officers in the entire state patrolling more than 5 million acres of uplands and aquatic lands. In one region, a single DNR law enforcement officer patrols nearly 900,000 acres of DNR-managed lands. The limited education and enforcement presence is one of the main reasons why DNR lacks the ability to actively manage public use of its lands to the same level as state or national parks.

Currently, DNR invests a little over \$3 million per biennium to repair facilities, educate the public regarding use of DNR-managed lands, and enforcement. The \$3 million comes from a variety of programs and funding:

- Law Enforcement staff
 - Law Enforcement Officers—\$1.5 million dollars per biennium. The majority of this funding comes from management funds with some funding from the ORV account (\$74,000/biennium) and General Fund.
 - Grant funded Education and Enforcement positions—\$616,000/ biennium from NOVA grants.
 - Winter Education and Enforcement—\$30,000, combination of general fund and management funds.
- Garbage pickup - \$550,000/biennium grant from DOE litter fund.
- Vandalism and other forms of destruction—\$287,000 from management funds.
- Education—No estimate of cost because all staff are responsible for education and reporting incidents.

Integrated Education and Enforcement (\$30 million)

An effective education and enforcement program uses a combination of formal and informal approaches. On an informal level, responsible citizens and DNR recreation staff can address improper behavior on DNR-managed lands by respectfully educating individuals. A formal approach, using trained law enforcement officers, is generally necessary for more serious cases to address improper behavior. Only through adequate communication and coordination between the two approaches can there be an effective education and enforcement presence on the landscape. This integrated approach is estimated to have an annual statewide

cost of \$3 million dollars for a total cost of \$30 million dollars over 10 years. This funding will support DNR law enforcement officers, DNR trail wardens, and a statewide forest watch program.

Communications and Public Involvement (\$960,000)

Stakeholders have been requesting that DNR's Recreation Program update its maps, provide brochures regarding DNR's recreation rules, use modern technology to stay in touch with them, and to develop a web site that is user friendly and informative. DNR's recreation communications and public involvement efforts focus largely on the following three key areas: public safety, planning and capital development efforts, and volunteering.

Since January, 2009, The Recreation Program has ramped up its communications and public involvement efforts. They currently use the following tools to communicate to and engage the public including public meetings, news releases, social media, an electronic newsletter with 2,700 subscribers, their Web site, print publications, trail maps, surveys, online forums and signage in recreation areas. To support these activities in the future, they estimate the cost will be \$96,000 per year or \$960,000 over 10 years.

Safety/Liability (\$1 million)

Safety to Individuals: Outdoor recreation provides certain inherent risks, partly because the outdoors is not an easily controlled environment. Over the last five years (2004-08) there have been 18 deaths and 21 potentially life-threatening reported accidents related to recreation on DNR-managed lands. While most of the accidents involved motorized recreation users, accidents also involved equestrian and mountain bike trail users. The reported number of accidents does not include those in which people were seriously injured, but never informed DNR.

Based on anecdotal evidence, DNR estimates that 95 percent of accidents not resulting in a fatality are never reported to DNR. Recognizing the magnitude of this issue, the 2007 Legislature provided \$250,000 for DNR to develop statewide sign standards and start installing signs. The 2009 Legislature provided another \$250,000 for sign installation on ORV trails and facilities. DNR estimates they will need the same level of funding for the next 10 years to finish signing all recreational trails, facilities, and areas of dispersed recreation. Once installed, they estimate the cost of monitoring and maintaining the signs will be \$200,000 per biennium.

Safety to Property: Property damage occurs on DNR-managed lands and neighboring lands, from shot-up signs to gates being ripped out of the ground. In 2007-09, more than a thousand incidents of property loss and vandalism occurred on DNR-managed lands. Last year DNR spent more than \$125,000 repairing damage, which is equal to the annual costs of having an enforcement officer and maintaining 30 miles of trail.

FUTURE NEED – DNR CAPITAL

Renovation of existing trails and facilities (\$23.4 million)

The majority of recreation trails and facilities managed by DNR were built prior to the early 1980s. They were built to the environmental standards of the day and designed to accommodate the uses at that time. Today standards are different, and DNR sites trails and facilities outside of riparian areas, minimizing the number of stream crossings and prohibiting wet crossings of any stream; accommodates larger trailers and vehicles; and segregates uses, such as non-motorized and motorized recreation, into separate areas.

Many of DNR's recreation facilities fail to meet current standards. 78 campgrounds are located within riparian areas or FEMA flood zones. DNR proposes to renovate or relocate 39 of these facilities to address environmental and safety concerns. On average, renovation will cost will \$600,000 per recreational facility or \$23.4 million dollars over the next 10 years.

As DNR develops recreation plans, they will relocate trails systems to more sustainable locations. Most of DNR's designated trail system originated from user-built trails that were not necessarily located in the best soils or best water crossings. Constructing new trails costs on average \$78,000 per trail mile. Decommissioning old, inappropriately placed trails costs \$12,000 per mile.

Restoration of Unauthorized Trails and Facilities (\$18 million)

DNR estimates there are 6,000 to 8,000 miles of unauthorized recreation trails on DNR-managed land, compared to 1,000 miles of authorized trails. Many unauthorized trail systems have been built and maintained by well-intentioned users. Most have been built in the wrong locations, which impact the environment, damage the trust assets (roads, timber, radio towers, etc) and natural resources, and put public safety at risk. Each year, users continue to build more unauthorized trails.

Appendix D lists of the state trust landscapes the public uses. The list identifies three levels of management:

- 14 designated areas with facilities (such as Capitol State Forest)
- 23 limited designated facilities (such as Harry Osborne State Forest)
- 37 no designated facilities (such as Reiter Foothills Forest). These undesignated areas are being used extensively without permission and oversight from DNR.

Most of the unauthorized use occurring at designated recreation areas is limited and largely under control. The landscapes with limited designated facilities have major issues with unauthorized expansion of trail systems, parking, and camping. For example, the Harry Osborne trailhead is authorized, but users have built more than 50 miles of unauthorized equestrian trails.

The list of landscapes in Appendix D also identifies the type of use that is occurring in order of the amount of use by type. For example, 20 landscapes have primary ORV uses. Out of these 20 landscapes, only seven have authorized trails and facilities. ORV use is a secondary use on an additional 24 landscapes for a total of 44 landscapes out of 74 actively being used by the ORV community.

DNR is proposing a phased approach to restoring unauthorized trails and facilities. They estimate a cost of \$18 million to address the unacceptable environmental impacts and health and safety issues on the 60 landscapes where there is considerable use but no facilities or education and enforcement programs (\$300,000/landscape x 60 landscapes = \$18 million).

New Development (\$99.1 million)

To effectively develop new trails, trailheads, and facilities that are safe and sustainable, DNR needs to undertake a comprehensive planning process similar to the recreation plans developed for Reiter Foothills Forest, Ahtanum and Yacolt State Forests. These planning processes included suitability analyses to determine the best locations from an environmental and trust perspective, and extensive public input.

DNR has completed 14 recreation plans out of the total 74 landscapes identified in Appendix D. Only the three most recent plans included suitability analyses.

DNR proposes to conduct three recreation plans per biennium and implement three plans per biennium to catch up on the unmet need. This will help direct recreational use to more sustainable and manageable landscapes.

The 15 recreation plans will cost \$3.8 million (\$250,000/plan x 15 plans). Implementation (trailhead, campground and trail system) will cost about \$92.3 million (average \$6.2 million/recreation plan x 15 recreation plans). Ongoing management, maintenance, education and enforcement costs will be \$3.1 million (\$205,000/landscape x 15 landscapes). Appendix E identifies the costs associated with planning, design, construction, management, maintenance, education, enforcement and monitoring.

Acquisition (\$1.75 million)

From the 1960s through the 1980s, DNR used grants to fund the costs to lease recreation sites from the trust. In the next 10 years, more than 70 existing recreation site leases will expire. In addition, the new sites at Reiter, Ahtanum and Yacolt will need to be leased or acquired. With the increase in property values, the cost for re-leasing these sites from the trust will be in the millions of dollars.

Trails do not need a lease because they can easily be moved, whereas the fixed facilities, such as trailheads and campgrounds, encumber the land and prevent DNR from carrying out its trust responsibilities. Appendix F is a list of the leases that will expire in the next 10 years. Using \$25,000/recreation site as an average (land value of \$2,000/acre), compensation to the trust will be approximately \$1.75 million (\$25,000/site x 70 sites) for a 30-year lease.

Deferred Infrastructure (\$6 million)

Some of the infrastructure that supports recreation trail and facilities, such as bridges and outhouses, have a life expectancy and must be replaced periodically to protect human health and the environment. DNR has delayed the replacement cycle as budgets have been reduced and costs increased.

EXHIBIT 48.

DNR Infrastructure Replacement Need

| DNR INFRASTRUCTURE REPLACEMENT NEED | | | | |
|-------------------------------------|--------------|-------------------------|----------------------------------|-------------|
| Item | Unit Cost | Replacement Cycle | Need over 10 years | Total Cost |
| Bridges | \$1,000/foot | 35 year life expectancy | Replace 25 bridges | \$875,000 |
| Outhouses | \$25,000 | | Replace 177 old wooden outhouses | \$4,425,000 |
| Garbage cans | \$60 | 10 years | Replace 311 garbage cans | \$18,660 |
| Picnic tables | \$660 | 10 years | Replace 847 tables | \$559,020 |
| Fire rings / pits | \$180 | 10 years | Replace 866 fire rings | \$155,880 |

RECREATION AND CONSERVATION OFFICE

NOVA PROGRAM

PAST UNMET NEED

RCO reviewed ranked project lists from the past 10 years, and identified those which were scored and ranked, but which didn't receive funding because of insufficient revenue. The totals are summarized below. The actual project lists can be found in Appendix G, Project List Appendix.

**EXHIBIT 49.
Unmet Need in NOVA Program, 2002 - 2009**

| HISTORICAL LIST OF UNMET NEED IN NOVA PROGRAM | | | | | | | | | |
|--------------------------------------------------------------------------------------|-----------------------------------------------|----------|-----------------------------------------------|----------|------------------------------------------------------|--------------------------------------------|-----------|---------------------------------------------------|----------|
| <i>Ranked projects applying for funds for which revenue was insufficient to fund</i> | | | | | | | | | |
| | Non Highway Road Projects unfunded | | Off-Road Vehicle Projects unfunded | | Maintenance & Operations unfunded | Non-motorized Projects unfunded | | Education and enforcement unfunded | |
| | \$ | # | \$ | # | \$ | \$ | # | \$ | # |
| 2002 | \$55,769 | 2+ of 9 | \$204,375 | 1+ of 10 | \$121,379 | | | \$80,067 | 2+ of 14 |
| 2007 | | | | | | \$739,782 | 11 of 20 | | |
| 2008 | \$505,437 | 6 of 16 | \$625,923 | 1+ of 19 | | \$178,000 | 2 of 14 | \$2,111,527 | 16 of 28 |
| 2009 | \$178,576 | 2 of 9 | | | | \$984,060 | 12+ of 22 | | |

NOTE: A "+" indicates a project that only received partial funding.

STATE PARKS AND RECREATION COMMISSION

ORV PARK PROGRAM

PAST UNMET NEED AND FUTURE NEED

Originally the Riverside ORV Area near Spokane was fully supported by the ORV Account. But as revenues have declined and inflation has increased salary and utility costs, cuts have been implemented. Affected services include some safety considerations, improvements that made the facility family-friendly, safety features in a proposed kids' riding area, and new features such as rock crawling that sought to broaden the potential user base.

When account revenue declined with fuel price increases in FY 2004, Parks augmented funding for the Riverside ORV Area from other State Parks funding sources (Parks Renewal and Stewardship Account – park fees, leases and other revenue used to augment appropriations to support the parks). But as account revenue continued to decline in FY 2006, operating cuts were needed; 0.7 of a ranger position was removed from the Riverside ORV Area. In FY 2008, the seasonal staff was eliminated. Staff was reduced from 2.3 FTEs in FY 2000 to 1.4 FTES today.

At the same time, use has increased. ORV sales are growing, recent winter conditions have extended the ORV use season to nearly year around, and other lands previously used by ORV users, including public lands, are becoming more restrictive, causing the significant attendance increased at the Area in the last three years.

As account and other State Parks revenues decline, pressure is growing on State Parks to continue to cut back services at the ORV Area. State Parks is currently considering whether to reduce operating hours at the Riverside ORV Area, to keep costs in balance with available funding.

Safety Reductions Implemented

- Plans to implement a children's riding area eliminated
- ATV safety instructor eliminated

Operating Hours Reductions Under Consideration

State Parks believes that while a reduction in operating hours may be a viable temporary cost reduction, it is counter to the original intent of the development of the area –to reduce trespassing on private land, and to prevent damage to public lands resulting from riding in inappropriate areas.

An increase of a penny per gallon in revenue credited to the ORV Account would make up 25% of today's revenue reduction compared to pre-2004 revenue levels. While it would be sufficient to stop the drain on other agency accounts supporting the ORV area, it would not be sufficient to restore services or provide service improvements.

OKANOGAN-WENATCHEE NATIONAL FOREST

FUTURE NEED

This Okanogan-Wenatchee National Forest was the only National Forest in Washington to respond to JTC's request for project need information. The Okanogan-Wenatchee National Forest receives significant support from the NOVA account. Over the past six years, the Forest's seven ranger districts have received an average of \$800,000 annually of NOVA grant funds, or a total of more than \$4.7 million. The NOVA grants were nearly 27% of the Forest's total recreation program operating budget. For some of the seven districts, however, NOVA grant funds were a much higher proportion of their annual operating budget. These districts have relied on NOVA grant funds not just to complete "value-added" projects, but to fund routine maintenance activities on trails and facilities and to hire a seasonal workforce for both maintenance and education/enforcement work.

Historically, the Forest's federal budget has fallen short of what is needed to fully maintain and/or improve their recreation facilities, programs and services. They have relied on NOVA and other state RCO grant programs to help provide facilities and services for public recreation in the Forest. Without the same level of state funding in the future, many of the trails, trailheads and campgrounds maintained in part with NOVA grant funds are likely to deteriorate and/or be closed due to lack of funding to address resource or user safety issues.

Past NOVA grant funds enabled the Okanogan-Wenatchee National Forest to complete many recreation projects:

1. Yearly maintenance of over 700 miles of Forest trails which are open to motorized travel, and over 500 miles of wilderness and non-motorized trails.
2. Assisted with the maintenance of over 100 developed campgrounds.
3. Development of 4 major trailheads and construction of 3 major trail bridges spanning rivers and streams.
4. Enabled the Forest to employ 15 seasonal uniformed patrol officers to provide education on "tread lightly -- minimum impact trail travel", and rider safety to motorized trail users. These uniformed personnel also enforce state and federal laws and regulations pertaining to motorized recreation and resource protection. This program over the years has contributed to reduced resource damage, increased rider awareness, and reduced accident rates.

The Okanogan-Wenatchee National Forest has identified 48 projects worth nearly \$5 million in future need over the next six years. The project list is found in Appendix G, Project List Appendix. This amount is similar to the amount received in the past six years. Projects include developing new horse camps, maintaining their extensive motorized trail systems, implementing a forest-wide travel plan to designate routes for motor vehicles, and installing road and trail signs across the forest.

They anticipate an additional need, however, for enforcement and education personnel to implement travel planning decisions, as well as an increasing need for maintenance and restoration or replacement of aging facilities, particularly trail bridges.

Their first priority for the use of NOVA grant funds is to continue the annual maintenance and operations of our current facilities in order to protect the vast investments the NOVA program has put into the development and redevelopment of many forest facilities over the past 30 years. Second priority is to continue providing uniformed Forest Service personnel on trails to educate trail users on resource protection, rider safety, and to enforce state and federal rules and regulations. Third priority is the development of new recreation facilities and/or redevelopment or renovation of existing facilities to meet future demands.

FOUR-WHEEL DRIVE COMMUNITY

FUTURE NEED

The Pacific NW Four-Wheel Drive Association compiled this list of unmet needs that could be funded from ORV fuel tax refunds. They believe the lack of recreation funds has created an unsafe and unhealthy environment for the four-wheel drive community. Members expressed the need for a federal and state education and enforcement program to protect existing recreation facilities; and money to add additional safe ORV trail/sites due to the increased demand of the users and general public.

DNR Walker Valley ORV (Skagit County)

- Improve parking lot
- Improve campgrounds
- Additional vault toilets (due to increase of visitors to area)
- Expand trail head parking
- Additional 4x4 trail miles (impact of over-use)
- Sustainable - matching maintenance funds
- Additional Signage
- Fencing – (trespassing issue) surrounding land owners – boundary signs
- Bridge/Culvert material – water control issues
- Sustainable Education & Enforcement program

DNR Elbe Hills ORV (Pierce County)

- Improve road access to ORV site (safety issue)
- Develop campground facility
- Develop day use area; large enough for truck and trailer parking
- Sustainable Education & Enforcement program

DNR Tahuya State Forest (Kitsap County)

- Sustainable Education & Enforcement program
- Sustainable funding to staff recreation program

DNR Sadie Creek (Clallam County)

- Develop camping area
- Develop day use area

DNR Capitol Forest, Rock Candy Mountain – (Thurston County)

- Reopen area and provide management for 4x4 opportunities

DNR Burnt Hill (Jefferson County)

- Finish recreation plan

DNR Beverly Sand Dunes (Grant County)

- Picnic facility – added tables and fire rings
- Noxious weed control

- Provide vault toilet – (health & sanitary issue)
- Develop water system (potable)

DNR Ahtanum State Forest (Yakima County)

- Road maintenance 256 miles Green Dot Road
- Equipment (mini excavator/trailer) trail maintenance
- Maintenance crew for campgrounds
- Land purchase for further recreation opportunities
- Campground development
- Sustainable Education & Enforcement program

DNR Knight Lake (Spokane County)

- Open to multiple use recreation
- Establish four wheel drive opportunities

DNR Whatcom County

- Establish four wheel drive opportunities in county
- Provide trailheads; and camping facilities

United States Forest Service (USFS) Copper City Restoration – Naches District (Yakima County)

- CXT style toilet at trail head area
- Build loop trail connecting to Granite Lake
- Signage – Interpretative/historic; Habitat
- Reconstruct last building in historic area
- Supplies needed for reconstruction of building

USFS Gifford Pinchot Adventure Trails (Skamania County)

- Construct and design four-wheel drive routes

USFS Liberty ORV Area – (Blewett Pass) (Kittitas County)

- Material for – bridge repairs
- Material to improve signage to trailheads
- Small tools for trail maintenance
- Sustainable Education & Enforcement program

USFS Naches Trail (Pierce and Kittitas Counties)

- Address trail water/drainage issues (bridging)
- Tread restoration (major)
- Signing (trail junctions – regulatory - interpretative/historic)
- Equipment rental – major trail reconstruction
- Sustainable Education & Enforcement program (Eastside and Westside)

USFS Little Rattlesnake Trail (Naches District) (Yakima County)

- Install guardian gate
- Provide vault toilet (health & sanitary issue)
- Improve and stabilize side hill (safety)
- Sustainable funding for maintenance

USFS Colville and Okanogan Counties

- Establish new trail routes/trailheads

Bureau of Land Management (BLM) Juniper Sand Dunes (Franklin County)

- Provide permanent public access to motorized area
- Provide vault toilets (health & sanitary issue)
- Signage – Identifying Fish & Wildlife habitat
- Fencing – Identifying Fish & Wildlife boundary

BLM Moses Lake Sand Dunes (Grant County)

- Pit toilets (sanitation and health issues)

BACK COUNTRY HORSEMEN OF WASHINGTON

FUTURE NEED

The Back Country Horsemen of Washington compiled a list of 300 projects across the state that they believe are needed to improve recreation opportunities in Washington. The projects are identified as located on land owned by various entities: counties, cities, Dept. of Natural Resources, Washington State Department of Fish and Wildlife, State Parks (WSP), the US Forest Service, and the National Park Service.

According to DNR, these projects generally do not duplicate what's shown in DNR's list of projects.

Projects include road improvements; trail construction, improvements, or relocation; parking construction; fence and gate construction; culvert installation; bridge construction; maintenance; signage; horse camp improvements; installation of water systems, and many more projects.

Following is the list of the first 10 of 300 projects. The rest can be found in Appendix G, Project List Appendix.

EXHIBIT 50. Back Country Horsemen of Washington List of Public Lands Recreation Needs

| NEEDED PUBLIC LANDS RECREATION PROJECTS | | | | |
|--------------------------------------------------------------|---------------|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <i>Identified by the Back Country Horsemen of Washington</i> | | | | |
| | Agency | Project name | Description of work | Location |
| 1 | BLM | Tarpiscan/South Wenatchee | Improve Road | |
| 2 | County | Olympic Discovery Trail | Construction of trail Eaglemount to Discovery Bay | Jefferson County |
| 3 | County | Jefferson County Horse Park | Site development, utilities, equestrian facilities | Jefferson County |
| 4 | County | Jefferson County Horse Park | Connecting trail to Olympic Discovery and Pacific Northwest NST | Jefferson County |
| 5 | County | Banner Forest | Add trailer parking area | Kitsap County |
| 6 | County | Newberry Hill Park | Add trailer parking area | Kitsap County |
| 7 | County | Olympic Discovery Trail – Adventure Route | Better parking of SR 112 and Dan Kelly Road, install hitch rails | Clallam County |
| 8 | County | Olympic Discovery Trail – Adventure Route | Better access/parking/equestrian facilities from Joyce | Clallam County |
| 9 | County | Olympic Discovery Trail – Adventure Route | Install hitch rails at all parking areas used to access the trail | Clallam County |
| 10 | County | Skagit County Horse Park | Parking construction (gravel, labor), equestrian facilities, informational & education kiosk, bathrooms, fencing, picnic shelter, utilities, maps, camping area with hookups, security lights | Skagit County |

SUMMARY: UNMET NEED IN ACTIVITIES FUNDED FROM SNOWMOBILE FUEL TAX REFUNDS

State Parks

- State Parks and the Washington State Snowmobile Association identified unmet need in the past four years totaling \$1.1 million. 38% of the unmet need was in deferred equipment purchases (snow plows that are past their useful life); and 60% in snowmobile trail grooming.
- State Parks has projected \$11.5 million in unmet need over the next 10 years, including \$8.8 million for trail grooming, \$1.6 million in equipment purchases, \$188,000 to upgrade sno-park staging areas, and other education, safety, mapping, and public outreach needs.

STATE PARKS AND RECREATION COMMISSION

PAST UNMET NEED, STATE PARKS SNOWMOBILE PROGRAM

State Parks identified three types of unmet needs in the snowmobile program: trail grooming, equipment purchases, and staffing.

Snowmobile trail grooming. State Parks used 2006's level of grooming as the baseline (84,706 miles), to determine unmet need in subsequent years.

Equipment purchases. The program has six snow plows, three of which are past the manufacturer's estimated useful life, and should be replaced. Their replacement was deferred in order to invest in grooming.

Staff. The Snowmobile Advisory Council recommends a part-time staff person to monitor recreation sites during the winter, to evaluate contractors' work on plowing, grooming and sanitary facility maintenance.

State Parks estimated a \$1.1 million unmet need from 2006 - 2009. Over the four-year period, 38% of the unmet need was in deferred equipment purchases, and 60% was in grooming snowmobile trails.

EXHIBIT 51.

Historical Revenues, Spending and Need in State Parks and Recreation Commission Snowmobile Program

| STATE PARKS AND RECREATION COMMISSION | | | | | |
|----------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <i>Historical Revenues, Spending and Need for Snowmobile Program</i> | | | | | |
| <i>(Please see Appendix E, Project List Appendix for spreadsheet detailing information by year, 1999-2009)</i> | | | | | |
| | 1999-01 | 2001-03 | 2003-05 | 2005-07 | 2007-09 |
| Projected Revenue | | | | | |
| Snowmobile Registrations | \$1,317,233 | \$1,657,957 | \$2,182,821 | \$2,163,885 | \$2,082,320 |
| Fuel Tax | \$1,661,826 | \$1,723,536 | \$1,702,015 | \$1,865,819 | \$1,890,761 |
| TOTAL REVENUE | \$2,979,059 | \$3,381,493 | \$3,884,836 | \$4,029,704 | \$3,975,091 |
| Projected Budget | | | | | |
| Grooming | | | \$3,093,268 | \$3,308,505 | \$3,221,937 |
| Administration, Snow Removal, Equipment and Law Enforcement | | | \$666,377 | \$1,281,750 | \$1,544,921 |
| TOTAL BUDGET | | | \$3,759,645 | \$4,590,255 | \$4,766,858 |
| Grooming Statistics | | | | | |
| Percentage of the Budget | | | 82% | 72% | 68% |
| Grooming Cost /Mile | | | \$19.26 | \$19.61 | \$22.78 |
| Expected Grooming Miles Budgeted | | | 160,538 | 168,712 | 142,051 |
| UNMET SNOWMOBILE NEEDS THROUGH 2009 | | | | | |
| Equipment | | | | \$126,029 | \$293,805 |
| Trail grooming | | | | \$13,930 | \$637,191 |
| <i>Unmet need is based on grooming at the 2006 level of 84,706 miles/year</i> | | | | | |
| Part-time field staff person to monitor site conditions | | | | | \$22,696 |
| PAST UNMET NEED, BY BIENNIUM | | | | \$139,959 | \$953,692 |
| TOTAL UNMET NEED, 2006 - 2009 | | | | | |
| \$1,093,651 | | | | | |

FUTURE NEED, STATE PARKS SNOWMOBILE PROGRAM

State Parks worked with their Snowmobile Advisory Committee and the Washington State Snowmobile Association to develop a list of future unmet need totaling \$11.5 million between 2010 and 2019.

The largest component of unmet need is the cost of keeping the groomed trail system at the 2006 size of 84,706 miles. Other costs include replacing grooming equipment, higher costs for user education and enforcement, enhanced safety education, on-site monitoring of trail grooming and conditions, updated and improved maps, conversion of seven informal staging areas into sno-parks, and work to develop area-specific plans with volunteers/users. All costs except equipment and conversion of staging areas to sno-parks are operating rather than capital. The projected costs are consistent with the Winter Recreation Strategic Plan 2008-2018, which is available at: <http://www.parks.wa.gov/winter/strategy/>

The \$11.5 million list of unmet needs is summarized below, and includes \$1.6 million for equipment, \$8.8 million for trail grooming, and \$1.1 million in other identified needs.

**EXHIBIT 52.
Future Snowmobile Needs, 2010 – 2019**

| FUTURE SNOWMOBILE NEEDS <i>by type of investment</i> 2010 – 2019 | |
|--------------------------------------------------------------------------------------|---------------------|
| <u>FUTURE NEED</u> | |
| - equipment purchases | \$1,567,085 |
| - maintain groomed miles at 2006 level of 84,700 miles | \$8,825,465 |
| - upgrade staging areas to sno-parks | \$187,725 |
| - increased cost of education and enforcement | \$315,436 |
| - provide increased safety training | \$49,000 |
| - monitor site & trail conditions during winter rec. season | \$281,461 |
| - revise snowmobile trail maps | \$45,715 |
| - develop new, more accurate trail system maps | \$100,000 |
| - develop Area Plans with stakeholders | \$30,000 |
| - survey users every five years | <u>\$100,000</u> |
| TOTAL FUTURE NEED, 2010 - 2019 | \$11,501,887 |

On the following page is a more detailed summary of projected budgets, revenue and need.

EXHIBIT 53.
Detail on Projected Revenues, Spending and Need for Snowmobile Program

| Projected Revenues, Spending and Need for Snowmobile Program | | | | | |
|----------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| <i>(Please see separate Project Lists Appendix for spreadsheet detailing projections by year, 2010 - 2020)</i> | | | | | |
| | 2009-11 | 2011-13 | 2013-15 | 2015-17 | 2017-19 |
| Projected Revenue | | | | | |
| Snowmobile Registrations | \$1,862,740 | \$2,032,340 | \$2,085,710 | \$2,137,550 | \$2,187,590 |
| Fuel Tax | \$1,764,400 | \$1,983,300 | \$2,036,000 | \$2,086,600 | \$2,135,400 |
| TOTAL REVENUE | \$3,627,140 | \$4,015,640 | \$4,121,710 | \$4,224,150 | \$4,322,990 |
| Projected Budget | | | | | |
| Grooming | \$2,925,940 | \$2,662,087 | \$2,732,404 | \$2,800,314 | \$2,865,839 |
| Administration, Snow Removal, Equipment and Law Enforcement | \$1,487,711 | \$1,353,553 | \$1,389,306 | \$1,423,836 | \$1,457,151 |
| TOTAL BUDGET | \$4,413,651 | \$4,015,640 | \$4,121,710 | \$4,224,150 | \$4,322,990 |
| Grooming Statistics | | | | | |
| Percentage of the Budget | 66% | 66% | 66% | 66% | 66% |
| Grooming Cost /Mile, 3% Inflation | \$23.82 | \$25.32 | \$26.87 | \$28.50 | \$30.23 |
| Expected Grooming Miles Budgeted | 122,858 | 105,121 | 101,706 | 98,251 | 94,779 |
| FUTURE SNOWMOBILE NEEDS, THROUGH 2019 | | | | | |
| Equipment | \$176,029 | \$376,029 | \$371,219 | \$195,190 | \$448,618 |
| Trail grooming | \$1,118,055 | \$1,628,569 | \$1,819,554 | \$2,001,857 | \$2,257,430 |
| <i>Budget is based on grooming at the 2006 level of 84,706 miles/year.</i> | | | | | |
| Upgrade sno-park staging areas | | \$70,000 | \$36,946 | \$39,196 | \$41,583 |
| Education & enforcement | \$11,683 | \$40,890 | \$64,255 | \$87,621 | \$110,987 |
| Safety training | | \$4,000 | \$10,000 | \$15,000 | \$20,000 |
| Monitor winter site conditions | \$49,841 | \$52,876 | \$56,095 | \$59,512 | \$63,137 |
| Revise trail maps | \$4,500 | \$9,409 | \$9,982 | \$10,590 | \$11,234 |
| Develop new, more accurate maps | | \$100,000 | | | |
| Develop area plans with | | \$30,000 | | | |
| Survey users | \$50,000 | | | \$50,000 | |
| PROJECTED NEED BY BIENNIUM | \$1,410,108 | \$2,311,773 | \$2,368,051 | \$2,458,966 | \$2,952,989 |
| TOTAL NEED, 2010 - 2019 | | | | \$11,501,887 | |

APPENDICES

APPENDIX A

JLARC's 2007 study of tax preferences

In 2007, the Joint Legislative Audit and Review Committee (JLARC) undertook a study of tax preferences, including a review of refunded fuel tax for nonhighway use. A copy of the full report can be found at <http://www.leg.wa.gov/JLARC/AuditAndStudyReports/2007/Documents/07-15.pdf>. Following are JLARC's findings and recommendations concerning the refunded fuel tax for nonhighway use.

Findings and Recommendations

JLARC's review of Washington's motor vehicle fuel tax refunds for nonhighway or off-road use of motor vehicle fuel evaluated the legal history, public policy objectives, economic and revenue impacts and other states' similar tax preferences. The following were determined through the JLARC audit:

Legal History and Public Policy Objectives

Washington State first imposed the motor vehicle fuel tax in 1921 on the sale of liquid fuel for use in internal combustion engines. In 1923, the tax was changed to be a tax on fuel used to operate motor vehicles upon the public highways. Tax refunds were provided for the nonhighway use of fuel, except in motor vehicles operated or intended to be operated upon the public highways.

The 18th Amendment to the State's Constitution provides that all excise taxes collected on the sale of motor vehicle fuel were to be placed in a dedicated account to be used exclusively for highway purposes. The term "highway purposes" includes refunds authorized by law.

In addition to refunds authorized for individuals who use fuel off-road, there are three "refund" programs for the benefit of recreational users of fuel off-road – marine fuel used by boaters (1964); fuel used by off-road vehicles (1971); and fuel used in snowmobiles (1971).

Taxes refunded to the recreational programs are calculated using lower than actual motor vehicle fuel tax rates. In 1990, when the motor vehicle fuel tax was raised to 23 cents per gallon, the refunds were limited to 18 cents per gallon. In 2003, the refund rate was increased by one cent per gallon per biennium, ending at 23 cents per gallon after July 1, 2011. The motor vehicle fuel tax is currently 36 cents per gallon. (EDITOR'S NOTE: The fuel tax in 2010 is 37.5 cents.)

The public objective of providing tax refunds to nonhighway users of motor vehicle fuel is one of equity. If the fuel is used on the public highways, the fuel is collected to support the public highway system; if the fuel is not used on the public highways, the tax may be refunded.

There have been two court decisions that clearly articulate the concept of equity in the motor vehicle fuel taxes. In 1939, the State Supreme Court found that there was a long established general policy that the burden of gasoline taxes should be borne exclusively by those who use the roads for motor vehicle traffic. In 2005, the Court of Appeals, Division Three, found that the framers of the 18th Amendment intended to (1) ensure that gasoline taxes paid by drivers using public highways would be used to construct and maintain those public highways, and (2) return the share of those taxes paid by drivers who expended fuel driving on roadways other than public highways.

There is some evidence that the public policy objective of equity is only partially being fulfilled. First, not all off-road users of fuel claim a refund. Second, by statute, only a portion of the fuel taxes collected on fuel used for off-road recreational purposes are refunded to the three recreational programs.

Beneficiaries

There are two sets of beneficiaries of the tax refunds:

- Direct tax refunds may be claimed by the private businesses and individuals that use fuel off-road; the primary industries include agriculture, logging and construction. In 2006, the Department of Licensing made 4,967 refunds to off-road users of fuel.
- Recreational users of fuel off-road, specifically watercraft, off-road vehicles, and snowmobiles, are also indirect beneficiaries as their tax dollars are “refunded” to special programs to develop facilities for recreation.

Economic and Revenue Impacts

Total refunds, both direct refunds to individual users and transfers to the recreational accounts, came to \$20.3 million in 2006. Fuel used in Washington, if not taxed by the motor vehicle fuel tax, is then taxed by the retail sales or use tax. Gross refunds to private businesses and individual off-road users of fuel amounted to \$9.0 million in 2006. Of this amount \$4.9 million was collected in use tax, and the net refund amount was \$4.1 million.

Refunds to the three recreational programs amounted to \$11.3 million in 2006. This amount was computed at a fuel tax rate of 20 cents per gallon when the actual fuel tax was 34 cents per gallon. At the full rate, the amount refunded would have been \$19.2 million.

There are competing uses of fuel tax revenues. The various short-term and long-term economic impacts can be described as follows:

- Short- and long-term impacts of lower costs in the agricultural, logging, and construction industries;
- Short-term impacts of recreational facilities construction and maintenance;
- Long-term impacts of additional recreational facilities;
- Short-term impacts of highway construction and maintenance; and
- Long-term impacts of an improved highway system.

The trade-offs between spending in the various sectors are probably offsetting within the amount of tax revenues being discussed.

Other States

Thirty-three states either exempt or refund fuel taxes for the private and commercial general nonhighway use of gasoline. Forty-eight states exempt or refund fuel taxes for the agricultural use of gasoline.

JLARC Recommendation

In an effort to maintain equity in the treatment of fuel taxes, the Legislature should review its policy of restricting the amount of fuel taxes that may be refunded to programs for off-road recreational users of motor vehicle fuel.

APPENDIX B – Historical account distributions

| Marine fuels (RCW 79A.25) -- State Fuel Tax Allocations (per gallon of gasoline) | | | | | | |
|----------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------|------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------|
| Year | Total State Fuel Tax Rate RCW 82.36.025 | State Fuel Tax Rate Used for Nonhighway Purposes | State Fuel Tax Revenue Used for Nonhighway Purposes ¹ | Marine Fuel tax refunds to individuals | Marine fuel tax to Recreation Resource Account, admin by RCFB for watercraft recreation | Marine Fuel tax used for highway purposes ³ |
| 2002 | \$0.23 | \$0.18 | \$4,869,600 | \$267,475 | \$4,602,125 | \$1,352,667 |
| 2003 | \$0.23 | \$0.18 | \$4,840,207 | \$265,859 | \$4,574,348 | \$1,344,502 |
| 2004 | \$0.28 ² | \$0.19 | \$5,148,827 | \$311,273 | \$4,837,554 | \$2,438,918 |
| 2005 | \$0.28 | \$0.19 | \$5,117,887 | \$328,504 | \$4,789,383 | \$2,424,262 |
| 2006 | \$0.31 | \$0.20 | \$4,891,827 | \$352,587 | \$4,539,240 | \$2,690,505 |
| 2007 | \$0.34 | \$0.20 | \$4,872,758 | \$335,190 | \$4,537,568 | \$3,410,931 |
| 2008 | \$0.36 | \$0.21 | \$5,068,359 | \$321,106 | \$4,747,253 | \$3,620,256 |
| 2009 | \$0.375 | \$0.21 | \$5,081,522 | \$292,851 | \$4,788,671 | \$3,992,624 |
| 2010 | \$0.375 | \$0.22 | \$5,829,865 | \$292,254 | \$5,537,611 | \$4,107,405 |
| 2011 | \$0.375 | \$0.22 | \$5,938,200 | \$312,453 | \$5,625,747 | \$4,183,732 |

| Off-Road Vehicles (RCW 46.09) -- State Fuel Tax Allocations (per gallon of gasoline) | | | | | | |
|--------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------|
| Year | Total State Fuel Tax Rate RCW 82.36.025 | State Fuel Tax Rate Used for Nonhighway Purposes | State Fuel Tax Revenue Used for Nonhighway Purposes ¹ | ORV refunds transferred to Off-road Vehicle and Nonhighway Vehicle Account (DNR, WDFW, Parks) -- 41.5% | ORV refunds transferred to NOVA Account, admin by RCFB 58.5% | ORV fuel tax used for highway purposes |
| 2002 | \$0.23 | \$0.18 | \$4,821,740 | \$2,001,022 | \$2,820,718 | \$1,339,372 |
| 2003 | \$0.23 | \$0.18 | \$4,915,383 | \$2,039,884 | \$2,875,499 | \$1,365,384 |
| 2004 | \$0.28 ² | \$0.19 | \$5,167,990 | \$2,144,716 | \$3,023,274 | \$2,447,995 |
| 2005 | \$0.28 | \$0.19 | \$5,121,564 | \$2,125,449 | \$2,996,115 | \$2,426,004 |
| 2006 | \$0.31 | \$0.20 | \$5,287,241 | \$2,194,205 | \$3,093,036 | \$2,907,983 |
| 2007 | \$0.34 | \$0.20 | \$5,365,673 | \$2,226,754 | \$3,138,919 | \$3,755,971 |
| 2008 | \$0.36 | \$0.21 | \$5,535,708 | \$2,297,319 | \$3,238,389 | \$3,954,077 |
| 2009 | \$0.375 | \$0.21 | \$5,413,641 | \$2,246,661 | \$3,166,980 | \$4,253,575 |
| 2010 | \$0.375 | \$0.22 | \$5,715,262 | \$2,371,834 | \$3,343,428 | \$4,026,662 |
| 2011 | \$0.375 | \$0.22 | \$5,784,800 | \$2,400,692 | \$3,384,108 | \$4,075,655 |

| Snowmobiles (RCW 46.10) -- State Fuel Tax Allocations (per gallon of gasoline) | | | | | |
|--------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------|
| Year | Total State Fuel Tax Rate RCW 82.36.025 | State Fuel Tax Rate Used for Nonhighway Purposes | State Fuel Tax Revenue Used for Nonhighway Purposes ¹ | Snowmobile refunds transferred to Snowmobile Account, admin by State Parks | Snowmobile fuel tax used for highway purposes |
| 2002 | \$0.23 | \$0.18 | \$815,839 | \$815,839 | \$226,622 |
| 2003 | \$0.23 | \$0.18 | \$908,167 | \$908,167 | \$252,269 |
| 2004 | \$0.28 ² | \$0.19 | \$923,906 | \$923,906 | \$437,640 |
| 2005 | \$0.28 | \$0.19 | \$779,158 | \$779,158 | \$369,075 |
| 2006 | \$0.31 | \$0.20 | \$929,742 | \$929,742 | \$511,358 |
| 2007 | \$0.34 | \$0.20 | \$935,585 | \$935,585 | \$654,910 |
| 2008 | \$0.36 | \$0.21 | \$1,004,015 | \$1,004,015 | \$717,154 |
| 2009 | \$0.375 | \$0.21 | \$887,656 | \$887,656 | \$697,444 |
| 2010 | \$0.375 | \$0.22 | \$856,054 | \$856,054 | \$603,129 |
| 2011 | \$0.375 | \$0.22 | \$924,800 | \$924,800 | \$651,564 |

- (1) Nonhighway purposes include refunds of taxes paid on marine fuels, RCW 79A.25; refunds of taxes paid on fuel used for off-road vehicles, RCW 46.09; and refund of taxes paid on fuel used by snowmobiles, RCW 46.10
- (2) RCW 82.36.025(2) requires this \$0.05 to expire "when the bonds issued for transportation projects 2003 are retired." The last bonds are forecasted to be sold during the 2023-25 biennium, to be paid off in 2053.
- (3) Past and future off-road fuel tax revenue used for highway purposes is calculated by legislative staff. The state fuel tax rate used for highway purposes is calculated by estimating the number of gallons refunded as compared to the fuel tax rate in effect at the time.

APPENDIX C

Figure 1. DNR’s NOVA-eligible recreation facilities and regions, organized by DNR region.

| | |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ORV (Off-road Vehicle) | Recreation facilities include but are not limited to: ORV trails, trailheads, campgrounds, ORV sports parks, and ORV use areas, designated for ORV use by the managing authority that are intended primarily for ORV recreational users. |
| NHR (Nonhighway road) | Recreation facilities are adjacent to, or accessed by, a nonhighway road and intended primarily for nonhighway road recreational users. |
| NM (Non-motorized) | Recreational trails and facilities that are adjacent to, or accessed by, a nonhighway road and intended primarily for non-motorized recreational users. |
| Other | State general funds |

| Pacific Cascade Region | Olympic Region | South Puget Sound Region |
|-----------------------------|---------------------------------|---------------------------------|
| <i>Recreation Sites</i> | <i>Recreation Sites</i> | <i>Recreation Sites</i> |
| Bradley Hills Trailhead | Foothills ORV Trailhead | Camp Spillman Campground |
| Jones Creek Trailhead | Sadie Creek Trailhead and Vista | Elbe Hills ORV Trailhead |
| Middle Waddell Campground | Copper Mine Bottom Campground | Elfendahl Trailhead |
| Middle Waddell Trailhead | Cottonwood Campground | Howell Lake Campground |
| Rock Candy Trailhead | Murdock Beach Access | Kammenga Canyon Trailhead |
| Cold Creek Campground | South Fork Hoh Campground | Mission Creek Trailhead |
| Dougan Creek Campground | Striped Peak Vista/Trailhead | Wildcat Trailhead |
| Dougan Creek Picnic Area | Upper Clearwater Campground | Aldrich Lake Campground |
| Lake Merrill Campground | Yahoo Lake Campground | Green Mountain Horse Camp |
| Margaret McKenny Campground | Little River Trailhead | Green Mountain Vista Trailhead |
| Mima Falls Campground | Bear Creek Campground | Lilliwaup Creek Campground |
| North Creek Campground | Hoh Oxbow Campground | Melbourne Lake Campground |
| Porter Creek Campground | Lyre River Campground | Mine Creek Picnic Area |
| Rock Creek Campground | Minnie Peterson Campground | Poo Poo Point Vista |
| Sherman Valley Campground | Willoughby Creek Campground | Robbins Lake Launch & Day Use |
| Snag Lake Campground | <i>Recreation Trails*</i> | Sahara Creek Camp & Trailhead |
| Western Lakes Campground | Burnt Hill (pending) | Twin Lakes Campground |
| Winston Creek Campground | Foothills (7 miles) | Beaver Creek Trailhead |
| Cold Creek Day Use | Sadie Creek (8 miles) | Fifteen Mile Trailhead+ |
| Fall Creek Campground | Striped Peak (3 miles) | Gold Creek Trailhead |
| Fall Creek Trailhead | Little River Trail (1 mile) | High Point Trailhead |
| Mima Falls Trailhead | | Memorial Trailhead |
| Mitchell Peak Trailhead | | Mount Tahoma Ski Huts/Trailhead |

| Pacific Cascade Region | Olympic Region | South Puget Sound Region |
|---------------------------------------|-------------------------|-----------------------------------|
| <i>Recreation Sites</i> | <i>Recreation Sites</i> | <i>Recreation Sites</i> |
| Tarbell Trailhead | | Paw Print Trailhead |
| Three Corner Rock Trailhead | | Tahuya River Horse Camp |
| Tunerville Campground | | Tiger Summit Trailhead |
| Wedekind+ | | <i>Little Si Trailhead</i> |
| Black River Canoe Launch | | <i>Maple Hollow Trailhead+</i> |
| Butte Creek Day Use Area | | <i>Mount Si Trailhead</i> |
| Chehalis Western Trailhead | | <i>Toonerville+</i> |
| McLane Creek Day Use Area | | <i>Recreation Trails*</i> |
| Mima Mounds | | Elbe Hills Trails (13 miles) |
| Woodland Camp & Picnic Area | | Tahuya 4 x 4 Trails (13 miles) |
| <i>Recreation Trails*</i> | | Tahuya Multiple Use Trails (170) |
| Bradley Hill Trails (4 miles) | | Green Mountain (11 miles) |
| Capitol Forest Mot. Trails (87 miles) | | Mt Tahoma Ski Trails (100 miles) |
| Yacolt Motorized Trails (14 miles) | | Nicholson Horse Trails (50 miles) |
| Capitol Forest Non-Mot. Trails (80) | | Tiger Mountain Trails (57 miles) |
| Mitchell Peak Trail (14 miles) | | MiddleFork Snoqualmie (15 miles) |
| Three Corner Rock (12 miles) | | Rattlesnake Trails (8 miles) |
| Yacolt- Non Mot. Trails (27 miles) | | Mt Si (16 miles) |
| Mima Mounds Trail (3 miles) | | |
| McLane Creek Trail (1.5 miles) | | |
| Chehalis Western Trail (5 miles) | | |
| Butte Creek Trail (1 mile) | | |

**All trail mileage is approximate ** Funding is based on allotments
+Managed by another agency or in transfer or closure status.*

Figure 1, continued

| Northwest Region | Northeast Region | Southeast Region |
|----------------------------------|--------------------------------------|------------------------------|
| <i>Recreation Sites</i> | <i>Recreation Sites</i> | <i>Recreation Sites</i> |
| Walker Valley Trailhead | Flodelle Creek Campground | Ahtanum Campground |
| Reflection Ponds Trailhead | LPO Info Site | Ahtanum Meadows Campground |
| Samish Island Day Use Area | Radar Dome Trailhead | Beverly Dunes |
| WC Dearinger Campground | Sherry Creek Campground | Bird Creek Campground |
| Ashland Lakes Trailhead | Chopaka Lake | Buck Creek Trailhead #1 |
| Beaver Plant Lake Campground | Cold Springs Camp & Trailhead | Buck Creek Trailhead #2 |
| Big Greider Lake Campground | Douglas Falls Camp & Day Use | Clover Flats Campground |
| Blanchard Hills Trailhead | North Fork Nine Mile Campground | Eagle Nest Vista Trailhead |
| Boulder Lake Campground | Rock Creek Camp & Day Use | Grey Rock Trailhead |
| Boulder Lake Trailhead | Rock Lakes Campground | Island Camp Campground |
| Cutthroat Lakes Campground | Rocky Lake Campground | Snow Cabin Campground |
| Greider Lake Trailhead | Skookum Creek Campground | Tree Phones Campground |
| Les Hilde Trailhead | Sportsman's Campground | Ahtanum Sno-mobile |
| Lily Lake Campground | Starvation Lake Campground | Indian Camp |
| Little Greider Lake Campground | Toats Coulee Campground | Recreation Trails* |
| Lizard Lake Campground | Toats Junction Campground | Ahtanum/Grey Rock (30 miles) |
| Lower Ashland Lake Campground | Williams Lake Campground | Beverly Dunes (30 acres) |
| Twin Falls Lake Campground | Dishman Hills | Milwaukee Road |
| Upper Ashland Lake Campground | Dragoon Creek | |
| Upper Blanchard Hills Trailhead | Lake Spokane | |
| Cattle Point | Lake Spokane Indian Painting | |
| Cattle Point Lighthouse | Leader Lake | |
| Cypress Head Campground | Palmer Lake | |
| Lummi Island Campground | Sheep Creek | |
| Pelican Beach Campground | Recreation Trails* | |
| Shark Reef+ | Little Pend Oreille (LPO) (30 miles) | |
| Strawberry Island Campground | Rock Lakes Trail (.5 mile) | |
| Recreation Trails* | Dishman Hills (17 miles) | |
| Walker Valley Trails (30 miles) | Douglas Falls Grange (.7 mile) | |
| Blanchard Trail System (3 miles) | LPO Snowmobile Trails (18 miles) | |
| Boulder Lake Trail (4 miles) | Narcisse Snowmobile Trails (3) | |
| Greider Ridge System (3 miles) | | |
| Les Hilde Trails (40 miles) | | |
| Mt. Pilchuck System (17 miles) | | |
| Cypress Island Trails (18 miles) | | |
| Cattle Point (.3 mile) | | |

Figure 2. Department of Natural Resources RCO Grants Active at the End of FY 2009

| | |
|------------------------------------------|----------------------------------------|
| Snoqualmie Unit Education & Enforcement | Olympic Region M & O Crew |
| Middle Fork Snoqualmie TH & Trail Design | Capitol Forest ORV Trail M & O |
| South Spillman Trailhead Design | Tahuya Weekend and Land Adjacent Noise |
| SW WA ORV Trail Maintenance | Capitol Forest NM Trail M & O |
| West Peninsula Motorized Trail Planning | Elbe Hills NM M&O |
| Tahuya/Green ORV Bridges | Capitol Forest ORV Bridges |
| Walker Valley Maintenance & Operation | Tahuya ORV Bridge Replacement |
| DNR NW E & E | Tahuya/Green ORV Trail Maintenance |
| Yakima Maintenance Crew | Snoqualmie Unit NM Trail Maintenance |
| Tahuya/Green Mtn E & E | Elbe Hills 4X4 M & O |
| DNR NW NM M & O (trails) | Walker Valley ORV Trail Improvements |
| DNR NW NM M & O (facilities) | Yacolt Burn ORV Recreation Plan |
| DNR NW NHR M & O (facilities) | Yacolt Burn NM Recreation Plan |
| Capitol Forest E&E | Yacolt & SW WA E&E |
| Capitol Forest NHR Facilities M&O | SW WA NHR Facilities M&O |
| SW WA NM Trail M&O | North Fork ORV Bridge |
| Samish Overlook Day Use | McLane Creek Nature Trail |

APPENDIX D

DNR's State Trust Landscapes

The chart below shows the type of recreation occurring on 74 landscapes over 1 million acres of DNR managed lands. DNR estimates a \$99.1 million cost to complete and implement recreation plans on 15 of these landscapes.

Key to abbreviations:

Managed Public Access (M) – Those landscapes for which DNR has an approved recreation plan. DNR receives funding from the NOVA account, support from users and grants to support public uses on these landscapes.

Undesignated Public Access (UD) – DNR does not receive any funding to maintain and manage public access within a landscape. In this vacuum, users have developed their own infrastructure to support their activity without DNR authorization.

Limited Management of Public Access (LM) – Those landscapes for which DNR has approved site specific facilities but has not developed a recreation plan. DNR receives limited funding to maintain and manage the approved facilities and use within a landscape. To meet increasing demand, the users have also developed their own infrastructure that isn't part of DNR's managed trails and sites.

| Recreation Areas | Existing Use* | | | Acres | Plan completed | Type of Use |
|-------------------------|---------------|----|----|----------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------|
| | M | LM | UD | | | |
| NE Region | | | | 295,000 | | |
| Little Pend Orielle | x | | | 16,600 | 2007 | ORV, hunting, firewood, snowmobile, hiking, horse, dispersed camping, sightseeing, shooting, gathering |
| Narcisse | | | x | 7,700 | None | Hunting, firewood, snowmobile, horse, ORV, dispersed camping, shooting, sightseeing, gathering |
| Spokane Area | | | x | 30,700 | None | ORV, hunting, firewood, fishing, snowmobile, hiking, horse, camping, dispersed camping, sightseeing, shooting, gathering |
| Colville Vicinity | | | x | 15,400 | None | ORV, hunting, firewood, fishing, snowmobile, hiking, horse, camping, dispersed camping, sightseeing, shooting, gathering |
| Wolf Creek | | x | | 12,800 | None | hunting, firewood, snowmobile, ORV, hiking, horse, camping, dispersed camping, sightseeing, fishing, gathering |
| Loup Loup | | | x | 57,600 | None | hunting, firewood, snowmobile, ORV, fishing, hiking, horse, camping, dispersed camping, sightseeing, shooting, gathering |
| Colville -remote sites | | | x | 19,200 | None | Camping, hunting, firewood, snowmobile, ORV, fishing, hiking, horse, sightseeing, shooting, gathering |
| Loomis | | | x | 135,000 | 2002 NRCA, 1996 trust plan | snowmobile, hunting, ORV, fishing, dispersed camping, hiking, horse, sightseeing, shooting, firewood |
| Northwest Region | | | | 134,400 | | |

| Recreation Areas | Existing Use* | | | Acres | Plan completed | Type of Use |
|---------------------------|---------------|----|----|----------------|------------------|--------------------------------------------------------------------------------|
| | M | LM | UD | | | |
| Islands (Cypress, etc) | | x | | 7,400 | Cypress 2006 | camping, water trail, hiking, horse, general dispersed |
| Upper Sultan Basin | X | | | 26,600 | 2007 | Hiker |
| Walker Valley | X | | | 10,200 | 1992 | ORV, some mtn bikes |
| Blanchard | | x | | 4,500 | 2006 | Hang gliding, mtn bike, hiking |
| Harry Osborne (Les Hilde) | | x | | 18,600 | None | horse, hiking |
| Alger | | | x | 5,800 | None | hiking, shooting, general dispersed |
| Cadman | | | x | 1,200 | None | general dispersed, paintball |
| Darrington | | x | | 12200 | None | Dearinger Campground, general dispersed, camping, hunting, gathering |
| Forest Glade | | | x | 1,900 | None | general dispersed, ORV |
| Lake Whatcom | | | x | 16,000 | None | general dispersed, mtn biking, hiking |
| Nooksack | | | x | 15,400 | None | general dispersed, kayak, hike, bike |
| North Fork | | | x | 19,200 | None | hiking, biking, horses, on-road ORV |
| Pilchuck | | | x | 30,100 | None | hiking, biking, horses |
| Reiter | | | x | 3,800 | None | ORV |
| Saxson Road | | | x | 2,600 | None | ORV on-road |
| Sultan River | | | x | 19,800 | None | shooting, hiking, hunting, general dispersed |
| Sumas | | | x | 11,500 | None | ORV on-road |
| Van Zandt Dike | | | x | 16,000 | None | general dispersed |
| Olympic | | | | 366,210 | | |
| North Crescent Landscape | | x | | 29,700 | 1 site out of 6 | kyaks, hikers, quads, motorcycles, horses, fishing, hunting, mt bikes, campers |
| Port Angeles | | x | | 9,200 | 1 out of 6 sites | motorcycles, quads, horse, mt bike, hiking, hunting, fishing |
| Dungeness (Sequim) | | X | | 23,200 | 2007 pending | ORV, mt bike, horse, hiking; hunting, shooting |
| NE Jefferson | | | x | 10,500 | none | Mt bikes; hiking |
| SE Jefferson | | | x | 14,500 | none | Hunting, fishing |
| OESF | | X | | 10 | none | Environmental Education |
| Clallam | | | x | 18,400 | LP; no rec plan | ORV, mt bike, horse, hiking; hunting, shooting |
| Sekiu | | | X | 10,600 | none | Hunting, fishing, hiking, beach access quads..... |
| Dickodochtedar | | | x | 27,800 | none | Hunting, fishing, quads..... |
| Sol Duc | | x | | 18,500 | none | Hunting, fishing, quads..... |
| Reade Hill | | | X | 9,000 | none | Hunting, fishing, quads..... |
| Goodman | | | X | 24,600 | none | Hunting, fishing, quads..... |
| Willy-Huel | | x | | 39,000 | none | Camping, picnicking, fishing, boating, hiking |
| Kalaloch | | x | | 18,500 | none | Camping, hiking, fishing, boat launch |
| Upper Clearwater | | x | | 57,000 | none | Camping, fishing, picnicking |
| Coppermine | | x | | 20,000 | none | Camping, Fishing |
| Queets | | | x | 22,300 | none | Camping, hunting, fishing |
| Humptulips | | | x | 13,400 | none | Camping; quads, hiking |

| Recreation Areas | Existing Use* | | | Acres | Plan completed | Type of Use |
|---------------------------------|---------------|----|----|----------------|----------------|-----------------------------------------------------------------------------------------------------------------|
| | M | LM | UD | | | |
| Pacific Cascade Region | | | | 512,300 | | |
| Capitol Forest | X-P | | X | 92,500 | 2005 | ORV, Horse, Mt bike, hiker, hunting, fishing, camping, hang gliding, shooting, sightseeing, Interpretive |
| Yacolt Burn State Forest | X-P | | X | 66,600 | None | ORV, Horse, Mt bike, hiker, hunting, fishing, camping, shooting, sightseeing, interpretive |
| Washougal/ Rock Creek | | | X | 53,000 | None | (PCT, 3 corner) camping, picnicking, swimming, hiking, dispersed ORV, destination |
| Toutle | | X | | 38,600 | None | ORV, Mt bike, hunting, fishing, hiker, horse, camping, shooting, Mt St Helens monument access, sightseeing |
| Siouxon | | | X | 32,600 | None | designated non-motorized trail, mostly undesigned motorized, hunting, fishing, shooting, gathering, sightseeing |
| Speelyia/ GM/ Davis | | | X | 26,300 | None | ORV, Mt bike, hunting, fishing, hiker, camping, shooting, dispersed horse, sightseeing |
| Pumphrey/ Lake Creek | | X | | 11,100 | None | ORV, Mt bike, hunting, shooting, camping, dispersed horse, sightseeing |
| Elochoman | | | X | 33,800 | None | ORV, Mt bike, hunting, fishing, hiker, horse, camping, shooting, sightseeing |
| Skamok/ Salmon/Radar/Nemah | | | X | 43,900 | None | Horse, Hunting, camping, Mt Bike, ORV, shooting, sightseeing |
| Doty/Browning | | x | | 28,200 | None | ORV, Mt bike, hunting, fishing, hiker, camping, shooting, dispersed horse, sightseeing |
| Lincoln/ Deep Creek/ Meskill | | | X | 17,900 | None | ORV, Mt bike, hunting, fishing, hiker, camping, shooting, dispersed horse, sightseeing |
| Winston | | | X | 16,100 | None | ORV, Mt bike, hunting, fishing, hiker, camping, shooting, dispersed horse, sightseeing |
| Harmony/Morton/ Packwood | | X | | 5,900 | None | hunting, fishing, shooting |
| Smith/Ranch/Northcft/ B.Run | | X | | 10,500 | None | hunting, fishing, shooting, horse |
| Lower Chehalis/ Harris | | X | | 35,300 | None | ORV, Mt bike, hunting, fishing, hiker, camping, shooting, dispersed horse, sightseeing |
| SOUTH PUGET SOUND REGION | | | | 212,730 | | |
| Hood Canal/ Sherwood | | | X | 31,120 | None | hunting, dispersed non motorized, camping |
| Tahuya State Forest | x | | | 23,900 | 2007 | ORV, quads, 4x4, horse, mtn. Bike, fishing, hiking, camping |
| Green Mountain (GM)/Stavis NRCA | x | | | 12,130 | None | horse(GM), hiker, mtn. Bike(GM), ORV (GM), quad (GM), pleasure driving(GM), camping(GM), vista(GM) |
| Marckworth | | | x | 16,200 | None | Day use - hunter, horse, dispersed, fishing, walking on roads |
| Tiger/ Mitchell/ Rattlesnake | X | | | 20,280 | 1990 | Day use - hike, mtn. bike, horse, paragliding, education, running, views, dog walking |
| Elbe/Tahoma | X | | X | 57,600 | 1985 | horse, 4X4, ski, hike, camping, huts, pleasure driving, vista |
| Enumclaw | | | x | 27,700 | None | Day use - Hunting, dispersed non motorized. |
| Greenway/Middle Fork/ Mt Si | X | | | 23,800 | 1997 | Day use - hike, kayak, mtn biking, pleasure driving, picnicking |

| Recreation Areas | Existing Use* | | | Acres | Plan completed | Type of Use |
|------------------------------------------|---------------|----|----|------------------|----------------|----------------------------------------------------------|
| | M | LM | UD | | | |
| SOUTHEAST REGION | | | | 366,500 | | |
| Naneum/ Colockum | | X | | 90,000 | None | Hunters,4 wheel , ORV, Horses, snowmobiles |
| Ahtanum | | | x | 70,000 | None | Hunters,4 wheel , ORV, Horses, snowmobiles |
| Wenas/ Manastash | | X | | 50,000 | None | Hunters,4 wheel , ORV, Horses, snowmobiles |
| Glenwood/Husum | | | x | 80,000 | None | snowmobile, river rafting, camping, hunting, or |
| Lt Murray | | X | | 60,000 | None | Hunters,4 wheel , ORV, Horses, snowmobiles |
| Chelan/ Wenatchee | | x | | 16,000 | None | Hunters,4 wheel , ORV, Horses, snowmobiles, hang gliding |
| Isolated sites-Beverly Dune, Indian Camp | X | | | 500 | None | ORV , Equestrian and camping |
| Total | | | | 1,887,140 | | |

APPENDIX E

DNR's costs to complete and implement a recreation plan

The following are general estimates of some of DNR's expenses for its various recreation functions. These amounts are based primarily on previous projects, including grant projects. Actual costs for each area will vary.

| DNR'S COSTS TO COMPLETE AND IMPLEMENT A RECREATION PLAN | | |
|----------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------|
| Planning Process | | |
| Average forest plan | \$250,000 | <i>Planning activities and costs vary by location, size of planning area and complexity of recreation issues</i> |
| Construction and Renovation <i>(suggested every 15 years)</i> | | |
| Trailheads (e.g. Sandhill 80 to 100 vehicles) | \$976,000 | <i>Includes parking, signs, vaulted toilets, connecting trails</i> |
| Campgrounds | | |
| Per individual campsite | \$2,500 | |
| Vaulted toilet | \$20,000 - \$30,000 | |
| Full campground (ex. 49 sites) | \$2.8 million | |
| Trails | | |
| Single track (per mile) | \$40,000 - \$60,000 | |
| Double track (per mile) | \$70,000 - \$90,000 | |
| Trail bridge | \$80,000 – \$120,000 | |
| Maintenance <i>(annual expense)</i> | | |
| Trailheads | \$1,000 - \$5,000* | <i>*Highly variable costs, in part associated with the size and type of trailhead or campsite</i> |
| Campgrounds | \$1,000 - \$10,000* | |
| Trails | | |
| Motorized use (per mile) | \$3,000 - \$5,000 | |
| Non-motorized use (per mile) | \$700 - \$1,000 | |
| Enforcement and education <i>(annual expense)</i> | | |
| Large State Forest (e.g. Capital Forest) | \$95,000 | |

APPENDIX F

DNR recreational facilities leases about to expire

In the past, DNR received grants to acquire 25-year leases. Today this is less feasible due to the increases in land values over the last 35 years. The same grant sources are still available today but are extremely competitive. DNR believes it will be more difficult to get grants to acquire sites than to build and maintain facilities.

The following facilities encumber state trust lands, for which DNR seeks \$1.75 million in trust compensation.

| Site Name | Region | Biennium Expiration date |
|--------------------------------------|--------|--------------------------|
| Yacolt- New development | PC | 09-11 |
| Grouse Vista | PC | 09-11 |
| Mitchell Peak Trailhead | PC | 09-11 |
| Rock Candy Trailhead | PC | 09-11 |
| Snag Lake | PC | 09-11 |
| Tunerville | PC | 09-11 |
| Western Lakes | PC | 09-11 |
| Little Pend Oreille Information Site | NE | 09-11 |
| Radar Dome ORV Trailhead | NE | 09-11 |
| Sherry Creek | NE | 09-11 |
| Sportsman's Camp | NE | 09-11 |
| Toats Coulee | NE | 09-11 |
| Reiter – New development | NW | 09-11 |
| Ashland Lakes Trailhead | NW | 09-11 |
| Blanchard Mtn. Trailhead | NW | 09-11 |
| Samish Island | NW | 09-11 |
| Upper Blanchard Trailhead | NW | 09-11 |
| Coppermine Bottom | OL | 09-11 |
| Foothills Trailhead | OL | 09-11 |
| Little River Trailhead | OL | 09-11 |
| Murdock Beach | OL | 09-11 |
| Sadie Creek Trailhead | OL | 09-11 |
| Willoughby Creek | OL | 09-11 |
| Ahtanum – New Development | SE | 09-11 |
| Grey Rock Trailhead | SE | 09-11 |
| Indian Camp | SE | 09-11 |
| Tahuya 4X4 Trailhead | SPS | 09-11 |
| Beaver Creek | SPS | 09-11 |
| Camp Pond | SPS | 09-11 |
| High Point Trailhead | SPS | 09-11 |
| Kammenga Canyon | SPS | 09-11 |

| Site Name | Region | Biennium Expiration date |
|---------------------------------|--------|--------------------------|
| Melbourne Lake Campground | SPS | 09-11 |
| Memorial Campground / Trailhead | SPS | 09-11 |
| Mt. Tahoma Ski Trails | SPS | 09-11 |
| Poo Poo Point | SPS | 09-11 |
| Sandhill | SPS | 09-11 |
| Cold Creek Day Use | PC | 09-11 |
| McLane Creek | PC | 09-11 |
| Mima Falls Trailhead | PC | 09-11 |
| Butte Creek | PC | 11-13 |
| Rock Creek | PC | 13-15 |
| Gold Creek Trailhead | SPS | 15-17 |
| Paw Print | SPS | 15-17 |
| Buck Creek | SE | 15-17 |
| 15 Mile Creek Education Site | SPS | 15-17 |
| Douglas Falls Grange Park | NE | 15-17 |
| Mine Creek | SPS | 15-17 |
| Twin Lakes | SPS | 15-17 |
| Tree Phones | SE | 15-17 |
| Bradley Bike Trail | PC | 15-17 |
| Jones Creek ORV Trailhead | PC | 15-17 |
| William C. Dearing | NW | 15-17 |
| Walker Valley Trailhead | NW | 15-17 |
| Tarbell Day Use Site | PC | 15-17 |
| Sherman Valley | PC | 15-17 |
| Upper Clearwater | OL | 17-19 |
| Hoh Oxbow | OL | 17-19 |
| Beverly Dunes | SE | 17-19 |
| High Hut | SPS | 17-19 |
| Snow Bowl Hut | SPS | 17-19 |
| Tiger Summit | SPS | 17-19 |
| Elfendahl Pass Staging Area | SPS | 17-19 |
| Lake Spokane Indian Painting | NE | 17-19 |
| Twin Falls Lake | NW | 17-19 |
| Cutthroat Lakes | NW | 17-19 |
| Beaver Plant Lake | NW | 17-19 |
| Lower Ashland Lake | NW | 17-19 |
| Boulder Lake Campground | NW | 17-19 |
| Upper Ashland Lake | NW | 17-19 |
| Reflection Ponds Trailhead | NW | 17-19 |