Request for returned funds

Date of request: December 20, 2019

Lead Entity: Lake Washington/Cedar/Sammamish (WRIA 8)

Project Title: Bear Creek Reach 6 – Phase II Construction

PRISM #: 16-1215

Project Sponsor: Adopt a Stream Foundation

Amount being requested: $147,332 in PSAR (total cost increase is $173,332)

The above-referenced project received a $169,967 PSAR award from WRIA 8 during the 2016 grant cycle. The focus of the project is to install instream large wood and perform riparian restoration to enhance juvenile rearing and refuge habitat in this reach of Bear Creek. The grant award included $44,752 in 2015 – 2017 PSAR, with the balance ($125,215) being 2017 – 2019 PSAR. The Puget Sound Partnership and Recreation and Conservation Office previously approved a time extension for this project through June 30, 2021, due to the complexity of this effort amidst changing land ownership.

When the grant application for construction funding was submitted for this project, the sponsor was early in the design process. The WRIA 8 Project Subcommittee approved funding for construction based on the conceptual design presented at the time of application and placed a condition on the grant award for WRIA 8 Technical Committee approval of the preliminary and final designs. The preliminary design was presented to the Technical Committee in the summer of 2016, and the committee requested some fairly significant design changes intended to improve the habitat function of the project. Following revisions, the design was again reviewed by the WRIA 8 Technical Committee in early 2017. The committee approved the design as proposed at that time, while providing some additional comments for the sponsor’s consideration.

Given the nature of the comments provided by the WRIA 8 Technical Committee and the design changes requested, the cost to construct the project far surpasses the funding that was originally requested and approved. Following WRIA 8 approval of the design, the property on which the project will take place was sold. This change in ownership resulted in a pause for the project while the sponsor worked with the new landowner to obtain support for the restoration project (contributing to the lag between the design approval and this cost increase request). Additional costs are also being identified now that the project is moving through the permit process, specifically increased costs for cultural resources monitoring.

The WRIA 8 Lead Entity is supportive of the project—there was extensive involvement from the WRIA 8 Technical Committee to shape the design and habitat outcomes, and the WRIA 8 Salmon Recovery Council approved grant funding for the project. The project occurs in close proximity to other restoration projects, including a previous phase of instream restoration completed by Adopt a Stream immediately upstream of the project area and an 80-acre wetland mitigation bank and 4,000 feet of instream habitat enhancement being constructed immediately downstream in the summer of 2020. Adopt a Stream’s project will complement these other efforts and will contribute to what will be nearly one mile of restored habitat along a high priority reach of Bear Creek.

A revised budget spreadsheet accompanies this request. The funding gap currently identified is $173,332. Of this amount, $26,000 is sponsor match (the required 15%), and the PSAR cost increase request is $147,332. Some uncertainties do remain at this point:

1. The sponsor has a site visit scheduled with the Muckleshoot Indian Tribe Fisheries Division on January 6, the result of which could lead to some additional design modifications. The A&E cost increase identified in the revised budget should be sufficient to absorb any additional engineering needs, but it’s uncertain whether there may be some slight adjustments to materials costs as a result of potential design changes.
2. The cost increase request does not account for sales tax. Non-profit organizations conducting habitat restoration have typically avoided paying sales tax. However, as recently as summer 2019, the Department of Revenue began to evaluate whether non-profits providing habitat restoration services through government contracts should pay sales tax. This conversation is creating uncertainty, but until told otherwise, sales tax is excluded from the budget for this project.
3. The revised budget includes an amount for cultural resources monitoring during excavation (provided by the sponsor’s cultural resources consultant), which is being required by the Corps of Engineers for their permit. Costs could increase if there were to be a finding during excavation, but the nature of any finding may dictate whether the project continues to advance.

In order to construct this project during the fish window in the summer of 2020, funding is needed in early 2020 (1st quarter is preferable, 2nd quarter may be acceptable). The sponsor is committed to completing this project next summer, and WRIA 8 supports the cost increase.