



proud past, promising future

CLARK COUNTY
WASHINGTON

AUDITOR
GREG KIMSEY

Date: September 1, 2010

To: Steve Stuart, Chair, Board of Clark County Commissioners

cc: Marc Boldt, County Commissioner
Tom Mielke, County Commissioner

From: Linda S. Bade, Operations Review Manager, Audit Services

Transmittal: Conservation Futures Land Acquisition Performance Audit Report

Clark County acquires land for many uses, including large tracks of lands for roads, parks and open space. Approximately 60 percent of all land acres held by the County is held as open space under the Conservation Futures program to protect habitat, fish and wildlife, greenspace, or recreation.

The Audit Oversight Committee authorized an audit assignment to look at the acquisition, use, and disposal of county owned lands. Given that the new department of Environmental Services is working on a database of county owned land as the first step in answering such questions, we narrowed the scope of the audit to look at Conservation lands only. Our focus is on compliance with County and other standards in acquiring open space, with a secondary objective of understanding what types of data should be collected and retained in the new database.

The County issued bonds in 1997 and 2004 financed by Conservation Futures property taxes. These funds were supported by project lists approved by the Board of County Commissioners (BOCC). The County has also taken advantage of grant opportunities, which serve to extend the dollars used to purchase lands, but which also come with their own requirements.

We reviewed twelve projects from the 1997 and 2004 BOCC approved lists. We looked further into four completed projects as case studies.

We found that in most cases we were able to obtain documentation supporting the acquisitions as being in compliance with County and grant intent and requirements. However, files did not always contain support for all aspects of the purchases, such as for appraisals, sale and purchase agreements, or approving staff reports.

As a result, we are making several recommendations designed to improve controls around the acquisition process that should serve to increase transparency, equity, and efficiencies.

We wish to thank staff throughout the county and the City of Vancouver who provided information used in this audit.

Our report is being delivered to you electronically, and will be available on the Auditor's web page at www.clark.wa.gov/auditor/audit/audreports.html.

If you have any questions, please feel free to contact the Auditor directly at extension 2078, or me in the Auditor's Office, at extension 4790.



proud past, promising future

CLARK COUNTY
WASHINGTON

AUDITOR
GREG KIMSEY

DEPARTMENT OF ENVIRONMENTAL SERVICES

Conservation Futures Land Acquisition Performance Audit

Clark County Auditor's Office
Report # 10-3

September 1, 2010



For other formats, contact the Clark County ADA Office: **Voice** (360) 397-2000;
Relay 711 or (800) 833-6388; **Fax** (360) 397-6165; **E-mail** ADA@clark.wa.gov.

Executive Summary

County management has expressed interest in issues related to land acquisitions, including questions such as “what land does the county own?”, “how is it being used?”, or “could it be sold?” While the county is in the process of developing a database of all county owned lands¹, this narrower audit of Conservation Futures lands provides management with a quick look at acquisition processes, data collected and retained, and more specifically at compliance with acquisition and contracting processes for the 1997 and 2004 approved projects.

Overall, we found the selection of conservation lands to be governed by established processes and in-line with the intent of the open space legislation. We found processes for acquisition of conservation lands follow guidance provided by Revised Code of Washington, Clark County purchasing policies, and granting agencies. Our review of project files indicates that key acquisition documentation was generally available and that contracting for services is in line with the county’s contracting procedures.

We offer recommendations designed to increase transparency and equity in acquisition processes, and provide greater efficiencies with consistent and defined processes. These recommendations include:

- Updating the Conservation Futures Program manual and including procedures for land acquisition. This provides consistency in program operations. Procedures should address
 - Selection of projects from throughout the county to provide additional equity in the process.
 - Specification of the type and amount of detail required when the purchase price exceeds or is below appraised value.
 - Identification of the types of documents to be retained and the format for retention.
- Determining applicability of RCW 18.85 regarding real estate licensing requirements for acquisition related services; and
- Reviewing RFP documentation prior to contracting for professional services as part of the acquisition process.

We observed, but did not audit, the prototype of the new GIS database for Conservation Futures. It links information from various systems – maps in GIS, parcel ownership information in Assessors/Treasurer’s systems, deeds recorded by the Auditor’s Office – as a single point of entry for better search and retrieval of data on county owned lands. **We commend** Departments for their work thus far in creating this valuable tool.

¹ The new database is based in GIS and many department staff are and have been working on this multi-layered information tool, including the new Department of Environmental Services.

Table of Contents

| | |
|---|----|
| Executive Summary | 1 |
| Table of Contents..... | 2 |
| Introduction | 3 |
| Results in Brief..... | 4 |
| Conservation Futures Land Acquisition Program..... | 5 |
| Compliance with Program Intent and Selection | 9 |
| Compliance with Legislative intent | 10 |
| Compliance with Project Selection Criteria..... | 11 |
| Compliance with Requirements to Document Purchases That Differ From Appraised or Fair Market Value | 13 |
| Compliance with Acquisition Criteria..... | 14 |
| General Legislative Guidance for Acquiring Real Estate..... | 14 |
| Additional Acquisition Guidance | 15 |
| Compliance with County Contracting Policy for Appraisals | 15 |
| Acquisition Documentation Retention | 16 |
| Database Construction | 17 |
| Conclusions | 18 |
| Appendix A: Reporting Methodology..... | 20 |
| Appendix B: Project Characteristics..... | 22 |
| Appendix C: Updated Acquisition Protocol | 25 |
| Appendix D: Four Case Studies..... | 26 |
| Salmon Creek Forested Uplands | 26 |
| Whipple Creek..... | 28 |
| Eagle Island | 30 |
| Camp Currie | 32 |
| Appendix E: Management Comments | 37 |

Introduction

For several years, Clark County management has expressed interest in issues related to the acquisition, use, and disposal of county owned lands. Some concerns were expressed related to specific types of lands and whether lands held, but not used, could be sold, especially in light of current economic difficulties. Other questions asked were more basic, such as:

- What land does the county own?
- Why was land acquired?
- How is it being used?
- Are there costs involved in holding this land?
- Was the land suitable for the purpose acquired?
- Are changes needed to assure legal compliance and protection of public interest (removal of encumbrances before the County takes possession)?
- Is the County retaining an asset it does not need?

A performance audit addressing how county lands are acquired, held, and sold was developed, approved by the Audit Oversight Committee, and added to the audit work plan. As planning for this audit began, the new county Department of Environmental Services was created and charged with developing a database for all county held lands to form the basis for answering some of these questions. Given this department initiative, a broad-based audit of all county owned land would contain some duplication and might be more efficiently performed when the database is complete.

Instead, we decided to narrow the scope of the audit to looking at a discrete but smaller part of County owned land – the Conservation Futures program. The audit focus was to determine whether the County has a process in place to identify and prioritize land for possible Conservation Futures acquisition, and whether acquisitions have been in compliance with the legislative intent of the statute, applicable policies, and contracting procedures.

We took the opportunity to look at the database being developed to better understand what information is being accumulated and compare that to what we examined in performing this audit for Conservation Futures.

Our work was limited to those projects approved by the Board of County Commissioners (Board) in 1997 and 2004.

See appendix A for additional details on audit methodology.

Results in Brief

Overall, we conclude that the selection of conservation land for acquisition is governed by established processes and in-line with the intent of the open space legislation. We found acquisition of conservation lands followed guidance provided by Revised Code of Washington, Clark County purchasing policies, and granting agencies requirements.

Our review of project files indicated that key acquisition documentation was generally available and that contracting for services has been in line with the county's contracting procedures.

We offer recommendations designed to increase transparency and equity in acquisitions, and provide greater efficiencies with consistent and defined processes. These recommendations include:

- Updating the Conservation Futures Program manual and including procedures for land acquisition. This provides consistency in program operations. Procedures should address
 - Selection of projects from throughout the county to provide additional equity in the process;
 - Specification of the type and amount of detail required when the purchase price exceeds or is below appraised value; and
 - Identification of the types of documents to be retained and the format for retention.
- Determining applicability of RCW 18.85 regarding real estate licensing requirements for acquisition related services; and
- Reviewing RFP documentation prior to contracting for professional services as part of the acquisition process.

Conservation Futures Land Acquisition Program

The Washington State Legislature adopted authorizing legislation for Conservation Futures programs in 1971 in recognition that open space lands “constitute important assets to existing and impending urban and metropolitan development, at the same time that they would continue to contribute to the welfare and well-being of the citizens of the state as a whole.”² Legislation also authorized County Boards of Commissioners to institute a Conservation Futures tax levy by resolution; the Clark County Board adopted a Conservation Futures levy in 1985.

From 1985 to 1997, the Clark County Department of Public Works, Parks and Recreation Division, managed the Conservation Futures Program. In December 1996, the Clark County Board of Commissioners and the City of Vancouver adopted the Interlocal Parks Agreement that consolidated the City of Vancouver Parks and Recreation Department and the Clark County Parks and Recreation Division. Responsibility for managing the program shifted to the Clark-Vancouver Parks and Recreation Department under the direct supervision of the County’s Public Works Director.

In August 2006, the Board of Commissioners created the Conservation Lands Program Manager position to manage the program, filling the position in October 2006. In April 2008, the Board adopted a new interlocal Parks Agreement with the City of Vancouver articulating the new structure for management of the Conservation Futures Program. This position is now part of the new Department of Environmental Services.

A Board-appointed evaluation committee evaluates all submitted proposals and recommends Conservation projects to the Board for acquisition. The committees recommended, and the Board approved, 19 projects for acquisition in 1997 and 12 projects in 2004³.

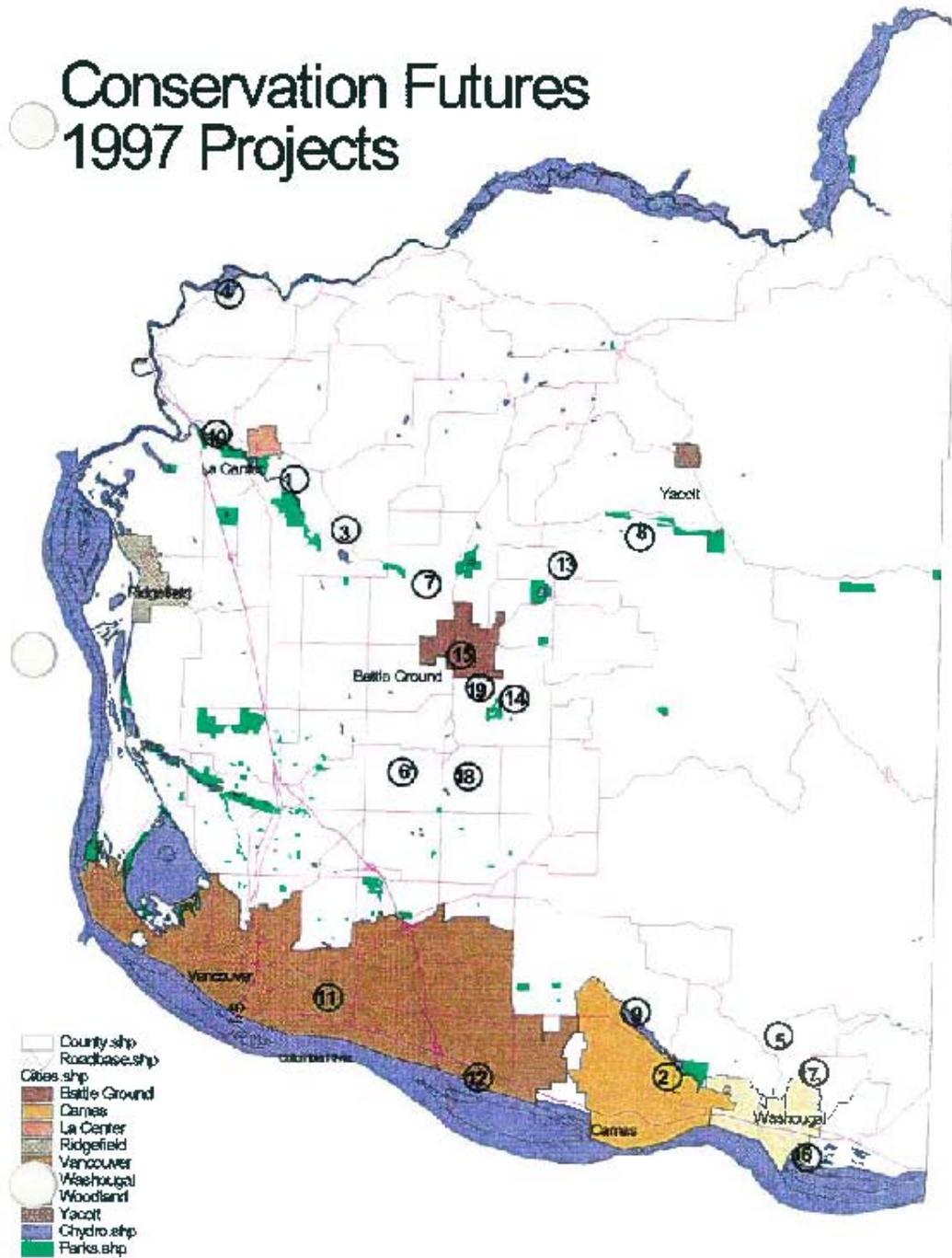
The following table lists those approved projects in 1997 and 2004 with their sponsor and completed dates. Some acquisitions involved multiple properties covering more than one year. The status “complete date” is based on the last year in which properties were acquired for the project.

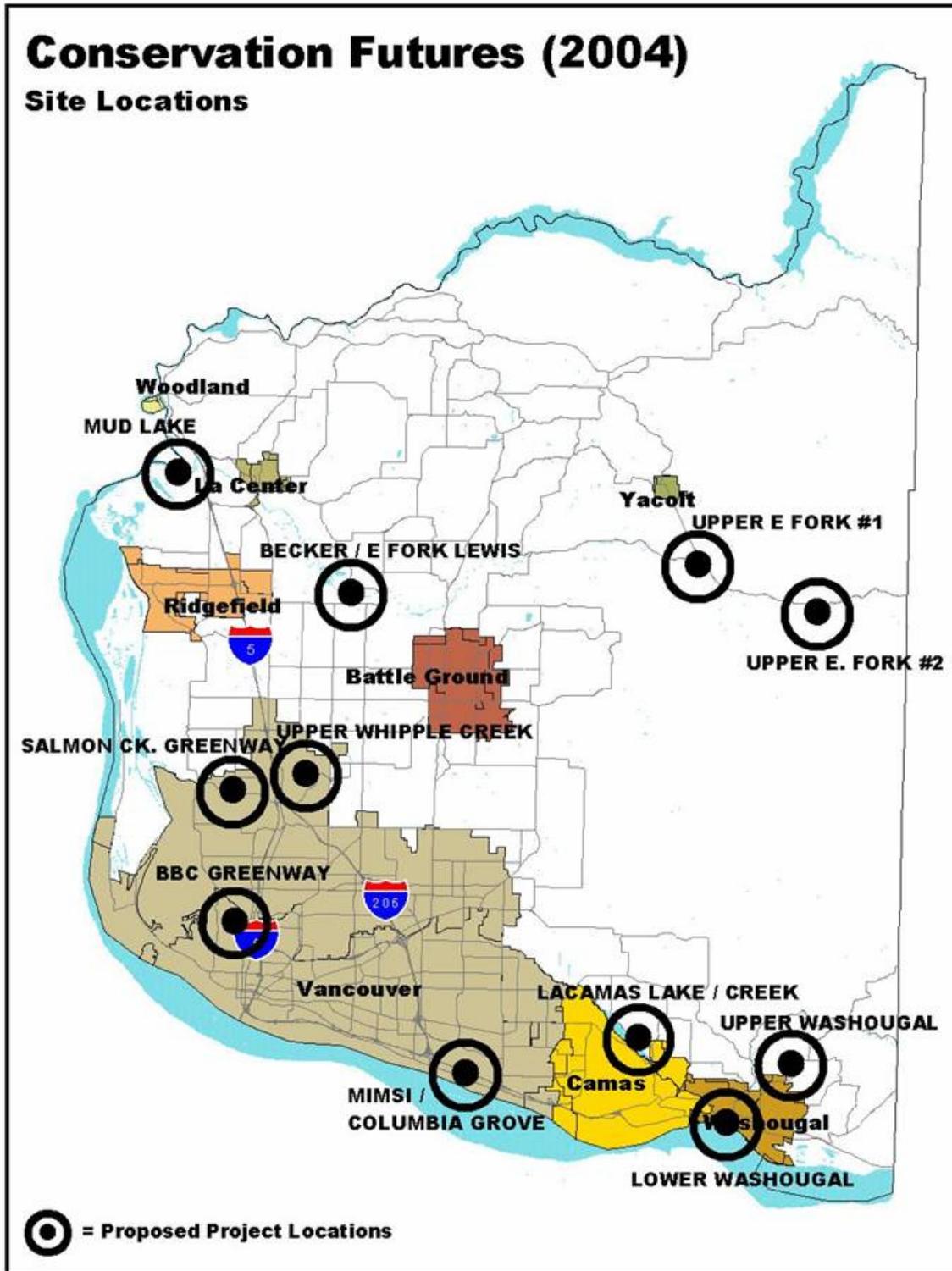
² Open Space, Agricultural, Timber Lands – Current Use – Conservation Futures RCW 84.34.200

³ The Board approved 12 additional projects in July 2010; they did not authorize bonding at that time. These projects were not reviewed for this report. However, in reviewing the staff report and resolution for this group of projects, we noted that each step of the process (see page 10) was documented in the staff report requesting Board approval of the new project list.

| Current Status of 1997 and 2004 Approved Projects | | | |
|--|------------------------------------|-------------------|---|
| Project Title/Description | Project Sponsor | Authorized | Project Status |
| La Center Bottoms | Clark County | 1997 | Complete 1999 |
| Fallen Leaf Lake | Columbia Land Trust | 1997 | Complete 2001 |
| Eagle Island | Clark County | 1997 | Complete 1997 |
| Lower East Fork: Woodside | Clark County | 1997 | Owner Declined |
| Washougal River | Clark County | 1997 | Complete 2003 |
| Brush Prairie | Clark County | 1997 | Complete 2000 |
| Lower Daybreak (Lower East Fork Daybreak to Lewisville) | Clark County | 1997 | Complete 2002, replacement EFL |
| Upper East Fork Lewis River Greenway | Clark County | 1997 | Complete 1998 |
| Camp Currie | Clark County | 1997 | Complete 1998 |
| Paradise Bluffs (Lower East Fork I-5 to LaCenter) | Clark County | 1997 | Complete 1998 |
| Burnt Bridge Creek Lettuce Fields | City of Vancouver | 1997 | Complete 1999 |
| East Biddle Lake | Columbia Land Trust | 1997 | Complete 2003 |
| Lewis and Clark Regional Trail Corridor | Clark County | 1997 | Complete 2000 |
| Salmon Creek Forested Uplands | City of Battle Ground/Clark County | 1997 | Complete 2009 |
| The Oaks (The Oaks Preservation Wetlands) | City of Battle Ground | 1997 | Complete 1999 |
| Kerr Property/Campen Creek | City of Washougal | 1997 | Complete 1999 |
| Rolling Meadows | City of Washougal | 1997 | Complete 1999 |
| Prairie Fields | Clark County | 1997 | Owner Declined |
| Woodin Creek Greenway | City of Battle Ground | 1997 | Owner Declined |
| Main Lewis/Mud Lake | Clark County | 2004 | One Complete 2009; second negotiations in process |
| Lower East Fork Lewis Greenway | Clark County | 2004 | Complete 2006, 2007 |
| Upper East Fork Lewis #1 | Clark County | 2004 | Owner Declined |
| Upper East Fork Lewis #2 | Columbia Land Trust | 2004 | Complete 2006 |
| Washougal River Greenway (Lower) | City of Camas | 2004 | Complete 2006 |
| Upper Washougal/Little Washougal | Clark County | 2004 | Scoping in process |
| Lower Lacamas Creek/Lake | City of Camas/Clark County | 2004 | One Complete 2007; Second Negotiations in process |
| Mimsi Marsh (Columbia South Shore) | City of Vancouver | 2004 | Complete 2005 |
| Columbia Grove (Columbia South Shore) | Columbia Land Trust | 2004 | Complete 2005 |
| Burnt Bridge Creek Greenway | City of Vancouver | 2004 | Scoping in process |
| Salmon Creek Greenway | Clark County | 2004 | Scoping in process |
| Whipple Creek Urban Wildlife Habitat | Clark County | 2004 | Complete 2006 |

The following maps show the location of each project, the first for 1997 approved projects, and the second for 2004 projects.





Case Studies

We selected four of the projects from this list to review in greater depth. Each serves to demonstrate some feature of Conservation Futures acquisitions and provides specific information on the nature of the project, when it was acquired and completed, along with current use, as applicable. Funding information, including types of grants or donations received, is provided for each case study.

- The [Salmon Creek Forested Uplands](#) project was initially approved in 1997 as a Battle Ground sponsored project, and when not completed, was revised and re-submitted by Clark County in 2004 – with almost 50 percent more acreage and connectivity to other Conservation Futures lands. A waiver of retroactivity was obtained on the project that allowed the County to obtain title to the property while maintaining eligibility to qualify for grants to offset the purchase price. This project, completed in 2009, demonstrates how projects may change over time, until a successful project is developed and acquired.
- The [Whipple Creek](#) project was approved in 2004 and completed in 2006. This site was identified as one of five most important urban forests within the Urban Growth Boundary due to the unique habitat quality and diversity found on the site. Grant funding of about one-third of the purchase price of the land was obtained to offset the total amount of funding required for the purchase.
- The [Eagle Island](#) project, approved in 1997, required only five percent of the total funding from county Conservation Futures funds. This project is mainly grant funded, with a donation from a private entity. In the long-term, the State will hold title to the lands.
- The 1997 approved [Camp Currie](#) project consists of land already being used as a youth camp, along with contiguous lands, for a total of about 250 acres; it was acquired by the County in 2003. It demonstrates how the County may acquire land but not hold title, while obtaining grant funding to offset the total purchase price. Screen shots from the database under development are included to show the location of the project with additional details that are being made available for search and retrieval.

Case studies are in appendix D of this report.

Compliance with Program Intent and Selection

To determine compliance with program intent and project selection, we reviewed the authorizing legislation (RCW 84.34) and compared that to projects submitted

for, and subsequently approved by, the Board of County Commissioners. We reviewed the process followed to create the list of projects for approval and observed supporting documentation of each step in that process.

We found the projects for 1997 and 2004 were in line with the open space requirements of the legislation and that the process employed followed applicable guidance.

Compliance with Legislative intent

The legislative intent of the Conservation Lands program is to preserve "open space."

"The legislature finds that the haphazard growth and spread of urban development is encroaching upon, or eliminating, numerous open areas and spaces of varied size and character, including many devoted to agriculture, the cultivation of timber, and other productive activities, and many others having significant recreational, social, scenic, or esthetic values. Such areas and spaces, if preserved and maintained in their present open state, would constitute important assets to existing and impending urban and metropolitan development, at the same time that they would continue to contribute to the welfare and well-being of the citizens of the state as a whole. The acquisition of interests or rights in real property for the preservation of such open spaces and areas constitutes a public purpose for which public funds may properly be expended or advanced." (RCW 84.34.200)

Open space, as defined in the legislation includes "any land area, the preservation of which in its present use would

- (i) conserve and enhance natural or scenic resources;
- (ii) protect streams or water supply;
- (iii) promote conservation of soils, wetlands, beaches or tidal marshes;
- (iv) enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space; **or**
- (v) enhance recreation opportunities...⁴"

⁴ RCW 84.34.020 contains three additional components within section (b) of the open space definition, which are not actively pursued by the County. These are (vi) preserve historic sites, or (vii) preserve visual quality along highway, road, and street corridors or scenic vistas, or (viii) retain in its natural state tracts of land not less than one acre situated in an urban area and open to public use on such conditions as maybe reasonably required by the legislative body granting the open space classification..."

Analysis of Conservation Futures acquisitions found descriptions of project land acquired were reasonably consistent with one or more of the statute's open space value definitions (i) through (v), shown above. For most acquisitions, more than one open space value was achieved. Of the total projects approved in 1997 and 2004, 58 percent -- 18 projects -- involved four or five of the open space criteria.

There are 25 complete projects -- 81 percent of the total approved in 1997 and 2004. There were several acquisitions that were declined by owner or county, affecting nine of the approved projects in part or entirely.

A complete listing of each Conservation Futures land acquisition with the primary open space characteristics, as described in supporting documentation, is in appendix B to this report.

The Salmon Creek Forested Uplands project incorporates these first five open space criteria in one project. See the case study in appendix D for the project description and discussion of the characteristics meeting the open space requirements.

Compliance with Project Selection Criteria

The Conservation Futures Program's detailed procedures are contained in the 1997 "Clark County Conservation Futures" policy and procedures manual. In both 1997 and 2004 project prioritization, selection, and approval by the Board, generally followed this guidance.

- Project sponsors put together the information needed to propose and justify specific lands for acquisition, and agree to be responsible for subsequent maintenance. As allowed by legislation, project sponsors include the county and any city within the county. Non-profit nature conservancy associations, such as the Columbia Land Trust, are also allowed as sponsors. The responsibilities of the County and project sponsors are set forth in an interlocal agreement. There would not be an interlocal agreement for county-sponsored projects.
- Potential project sponsors receive notification of the County's intent to receive proposals. Conservation Futures staff conduct application process workshops for the sponsors. The workshops provide an overview of the program including a due date for applications. Project application forms are provided and the project evaluation system is described.

- Project applications are received and reviewed for statutory compliance and completeness. Conservation Futures staff conduct on-site inspections for each project proposal.
- A seven-member Board-appointed Conservation Futures Evaluation Committee reviews and rates all project proposals. The rating is based on scores assigned to a series of evaluation questions. The evaluation process results in a prioritized list of projects. After scoring all projects, the Evaluation Committee prepares final recommendations for submission to the Board of County Commissioners.
- The Board holds a public hearing to consider the Committee's recommended projects and adopts or makes modifications as desired. In 1997 and 2004, all proposals were recommended for implementation by the Evaluation Committee and the Board approved them as presented. Bonding against the tax levy was approved to provide funds for the projects in 1998 and again in 2004.

We found all Conservation Futures program projects on Board approved lists generally followed these procedures. Supporting documentation was available for each project listed, and the final Evaluation Committee report was submitted to the Board for approval. Staff reports and resolutions were obtained in support of this process.

The legislation also provides an expectation that projects will be located throughout the County to reflect the tax levy. Conservation Futures staff explained that by soliciting projects sponsored by jurisdictional units throughout the County, to include cities and non-profit conservation entities, this ensures that projects are located throughout the County, meeting the intent of the legislation. We found that project sponsorship by local jurisdictions and the non-profit Columbia Land Trust did result in projects being located throughout the County, as envisioned in the legislation. However, the county's written policies and procedures do not address this requirement of the legislation. **We recommend** that the Conservation Futures manual be updated to include reference to this legislative goal. This will provide better equity in the project selection process.

The most recent submission of conservation future projects for Board approval noted that each of these steps had been followed in the process. **We commend** the staff for their efforts at better documenting the process through to Board approval.

Compliance with Requirements to Document Purchases That Differ From Appraised or Fair Market Value

The Conservation Futures Program manual requires, as part of the interlocal agreements with project sponsors, explanations for purchases where the appraisal, or fair market value, differs from the purchase price. Amounts above the appraisal may not be considered in applications for grants from agencies such as the IAC if the differences are not supported as required. For example, the program manual requires a detailed statement when the purchase price is greater than the appraised value, explaining why the appraisal “did not reflect the true value and what steps were taken to establish the true value through acceptable appraisal techniques.” In cases where the purchase price is lower than the appraised value, the manual requires a “letter from the seller acknowledging that the seller was aware of the approved fair market value and that the seller’s decision to sell at less was made of his/her free will.”

The county’s Property Management Chapter 2.33A, provides limited guidance for acquisition of real property and does not address appraisals required or support for other than appraised values in acquisitions. It does require county real property purchases be subject to acceptance by the Board.

We reviewed eleven completed Conservation Futures acquisitions and found two where the purchase price was at appraised value; five exceeded appraised value, and four were purchased for less than appraised value. For the five that exceeded, those amounts ranged from less than one percent of the appraised value to ten percent of appraised value. For those four that were under appraised value, the range was from three to twenty percent.

While we did find some explanations regarding price difference on staff reports going to the Board, we did not find the level of detail anticipated in the program’s manual. Specifically, reports did not provide information on why the purchase price was a better reflection of the fair market value than the appraised value, as required by the manual. We found at least one letter from a seller acknowledging a less than appraised value purchase price.

It seems relevant that Staff Reports to the Board acknowledge and provide a pertinent level of detail related to the difference between purchase price and appraisal for any land acquisition. The current program manual requirements are not well defined in regard to what is required to support “a better reflection of the fair market value.” Therefore, **we recommend** that the Conservation Futures manual be updated to reflect appropriate policy for describing acquisitions where the purchase price differs from the appraised value.

Compliance with Acquisition Criteria

Land acquisition for Conservation Futures in the State of Washington is governed by more than the “open space” guidance provided in RCW 84.34, which provides the authority to expend public funds for Conservation Futures land. RCW 18.85 provides general guidance for acquiring real estate and RCW 8.26 provides guidance for acquisition of rights-of-way, eminent domain, or threats of eminent domain. Additional guidance is found in Clark County ordinance chapter 2.33A.090 and, for grant-funded acquisitions, from the State of Washington's Interagency Committee for Outdoor Recreation (IAC) policies and procedures, as found in the "Acquiring Land: Policies" manual.⁵

In addition, as part of the acquisition process, county contracting procedures are followed in acquiring real estate appraisals and for other contractual services.

General Legislative Guidance for Acquiring Real Estate

RCW 18.85 contained within Title 18 on Businesses and Professions, provides guidance related to the need for real estate licensing for individuals providing acquisition services. RCW 8.26, Title 8, provides, in part, that county employees are able to acquire rights-of-way, eminent domain, or threat of eminent domain acquisitions without licensing. However, legislation does not specifically address requirements for acquisition of Conservation Futures lands, which specifically cannot be acquired by eminent domain or the threat of eminent domain.

Under RCW 18.85, as of July 2010, anyone providing acquisition services (“real estate brokerage services”) would be required to hold a real estate license. Acquisition services would include the following:

- Listing, selling, purchasing, exchanging, optioning, leasing, renting of real estate, or any real property interest; or
- Negotiating or offering to negotiate, either directly or indirectly, the purchase, sale, exchange, lease, or rental of real estate or any real property interest; or
- Advising, counseling, or consulting buyers, sellers, landlords, or tenants in connection with a real estate transaction; or
- Collecting holding, or disbursing funds in connection with the negotiating, listing, selling, purchasing, exchanging, optioning, leasing, or renting of real estate.

⁵ Washington State's Interagency Committee for Outdoor Recreation -- or IAC -- is now the Recreation and Conservation Office, or RCO. It was the IAC at the time the selected projects reviewed for this report were acquired and grants obtained. The manual has changed over time, and is available on-line at http://www.rco.wa.gov/documents/manuals&forms/Manual_3_acq.pdf.

We did not find that either the program staff or the contracted consultant held either real estate or real estate broker licenses. Conversations with the Prosecuting Attorney's Office indicate there is a question about the county's compliance with this RCW. **We recommend** that Conservation Futures staff work in conjunction with the PA's Office to determine if this RCW requiring anyone providing property acquisition services to be licensed as a real estate broker, is applicable to the staff acquiring Conservation Future lands and if so, to take steps necessary to comply with its requirements.

Additional Acquisition Guidance

Generally, Conservation Futures land is acquired following the IAC manual requirements. This manual cites, and generally follows, the acquisition provisions and requirements of RCW 8.26.180, Eminent Domain, Relocation Assistance -- Real Property Acquisition. County staff generally follow those key steps but may not use all the forms cited in the manual unless otherwise required.

We did not find policies or procedures in the county's specific Conservation Futures program manual to govern land acquisitions.

We recommend that the Conservation Futures manual be updated to reflect the process being followed, or desired to be followed, taking into account all applicable laws, rules, regulations, and grant agency requirements. Achieving more consistency in program operations should result in more efficient and transparent operations.

Compliance with County Contracting Policy for Appraisals

Clark County Policy requires that professional services agreements (including appraiser or other professional service contracts) in amounts from \$5,000 to \$25,000 be let using the list of vendors/suppliers from the county's Vendor Registration. Contracts exceeding \$25,000 are competitively bid through the RFP/RFQ process.

Conservation Futures staff advised that the county -- specifically Public Works Real Property division -- had gone through the RFP process and established a list of qualified appraisers whose services staff could use. Purchasing noted that this process qualified appraisers for all types of appraisal services, including those required for Conservation Futures.

We reviewed twelve acquisitions to determine whether county policy had been followed in selecting appraisers. This included comparing the professional service contract amount for appraisal services to county policy and determining whether appraisers used were selected from an RFP-generated "list." Based on

our review we found the appraiser selection process by Conservation Futures staff to be in compliance with policy for all acquisitions reviewed.

However, we noted that the RFP process for appraisers is repeated after one or two years, and may result in differences in selected appraisers. Sufficient documentation of the entire RFP process must be maintained in support of that process and in line with state requirements for document retention – including the proposals received and the evaluation matrix. Currently, Purchasing maintains a copy of every RFP issued, and the remaining documentation is kept by individual contract managers. **We recommend** staff using another department's RFP approved/qualified contractors should ensure that the specific RFP process has followed appropriate procedures and sufficient supporting documentation is retained.

Recently, the Washington State Auditor's Office issued a recommendation to the county related to the retention of documentation from an RFP process; consideration of their comments should be made for any contracts supported by an RFP process, county-wide.

We noted that in 1997 the County was using an in-house appraiser to perform review appraisals – appraisals that review the initial appraisal and confirm the value. This did not initially appear to be an arm's length transaction. However, in reviewing the IAC manual, we found that a sponsor's in-house appraiser is specifically allowed to perform review appraisals. We found this to be reasonable for a review appraisal, which confirms the initial appraisal value prepared by an external appraiser.

Acquisition Documentation Retention

As part of this performance audit, we examined several files for specific acquisitions. We requested specific information, including project name, date of purchase and purchase price, appraiser, and appraisal amount, for each of the 31 approved projects. Program staff were able to compile most, but not all, of the required information for each project acquisition into a spreadsheet for our use. We selected twelve of these projects/acquisitions to determine if key documents had been retained. In several instances, documentation was missing, located elsewhere, or no longer available.

Some Conservation Futures land acquisitions were guided by a checklist, or protocol, that listed the steps in the process, and were found in the acquisition folder. Often the checklist was annotated as each item has been completed or addressed. We updated such a checklist (see [appendix C](#)) to include items necessary from the inception of the acquisition process through to obtaining the deed for the acquisition.

To bring better organization to the entire process – and improve consistency and transparency of operations -- **we recommend** staff update the file organizational structure to ensure key documents are drafted, created or obtained in an orderly fashion. The updated manual, with acquisition procedures in place, can help guide the organizational structure, along with something like the checklist of key protocols steps, mentioned above.

Deeds, titles, and other legal documents of ownership, are designated as records requiring permanent retention on the local government records retention schedule produced by the Washington State Archives. Any documentation of land acquisition should be considered an essential record and be retained permanently. Creating a copy of the record on microfilm, or digitally scanning the record and retaining the original in a secure location, are examples of permanent retention preservation strategies. The Washington State Archives repository in Olympia can assist this process by providing safe storage for security microfilm and selected paper documents.

Records for project acquisitions have not been scanned, microfilmed, or provided to the State Archives, although staff have considered the necessity of doing so going into the future.

We recommend that Conservation Futures contact the county's Records Officer to determine the best way to meet the requirements for protecting and storing land purchase documentation in line with State Archive requirements.

We recommend that, as time and resources allow, all acquisition files be reviewed and assembled in an organized fashion to facilitate creation of electronic or other secured back-up copies as required for State Archives.

Database Construction

The Department of Environmental Services is charged with developing a database of all county owned lands. During the course of this audit, we observed the prototype of a new GIS database for lands, linking information from various systems – maps in GIS, parcel ownership information in Assessors/Treasurer's systems, deeds recorded by the Auditor's Office – and providing a single point of entry. The new system would allow users better search and retrieval of data for any county owned lands.

The database will be able to track basic information about a property and support the ability to "group" properties into entities, such as the conservation lands system. It will also support the storage of remarks and document links at both

the parcel and group levels. The Property Information Center, developed in-house by the GIS department, is the tool that will be used to link information.

As an example, we were able to trace the Camp Currie and Eagle Island projects in GIS, seeing maps, parcels, and project phases, linked to the Property Information Center to see ownership information, including sale history.

See the Camp Currie case study in appendix D for screen shots taken from this prototype.

We commend the Department(s) and GIS on their work thus far in creating this valuable tool and look forward to the completed database for the wealth of information that will become available over the wide variety of lands owned by the County.

Conclusions

Overall, we concluded that the selection of conservation land acquisitions are governed by established processes that result in consistent evaluation and prioritization of projects. We found selected projects in-line with the intent of the open space legislation.

We found processes for acquisition of conservation lands to follow guidance provided by Revised Code of Washington (RCW), Clark County purchasing policies, and granting agencies.

Our review of project files indicated that key acquisition documentation was generally available and that contracting for appraisal services met the county's contracting procedures.

Our recommendations begin with updating the Conservation Futures manual to include procedures for land acquisition that reflect processes being followed, taking into account all applicable laws, rules, regulations, and grant agency requirements. Achieving more consistency in program operations should result in more efficient and transparent operations. The manual update should additionally address the

- (1) selection of projects from throughout the county to better comply with legislative goals for equity;
- (2) the type and amount of detail required to be disclosed to the Board when purchase price exceeds or is below appraised value for acquisition transparency; and the
- (3) type of data that needs to be retained and the format for retention to meet State Archivist requirements. This updated manual can help guide the organizational structure for land acquisition project files.

We also recommend staff work with the PA's Office to verify the need for real estate licensing for staff or contractors providing acquisition services (applicability of RCW 18.85).

We further recommend any county staff using another department's RFP approved/qualified contractors should ensure that the specific RFP process has followed appropriate procedures and sufficient supporting documentation is retained.

Environmental Services, in conjunction with the Assessor's Office GIS and other county departments, is developing a database for all county-owned lands that will provide single point entry, and better search capabilities. **We commend** these various Departments on their activities in this area and look forward to the completion of this project.

Conservation Futures management, and others involved in the various steps of the process, were provided a draft copy of this report to review prior to its issuance. The report was discussed during exit conferences held with the relevant staff. Oral comments indicated staff and management generally agreed with the conclusions and recommendations.

Written comments from both the County's Department of Environmental Services and the City's Vancouver-Clark Parks were provided and have been included in appendix H to this report.

We appreciate the time and efforts of the many staff who provided assistance in the development of this audit report, including those in the City, the Department of Environmental Services, Public Works, General Services (Purchasing and Records), as well as the Prosecuting Attorney's Office, Treasurer's Office, Assessor's/GIS Office, and the Auditor's Office.

Appendix A: Reporting Methodology

The objectives of this audit were to evaluate specific aspects of Clark County's Conservation Futures Program in compliance to related requirements. These were

(1) To determine if the County meets the intent of the open space statute (RCW 84.34) for Conservation Futures acquisitions.

(2) To determine if Conservation Futures project selection follows an established process resulting in consistent evaluation and prioritization of projects for Board approval.

(3) To determine if land acquisitions are completed in compliance with:

- any state requirements related to land acquisition by county jurisdictions;
- other applicable land acquisition policies and procedures, including those established by the State of Washington's Interagency Committee for Outdoor Recreation (IAC)⁶; and
- Clark County contracting procedures for acquisition related contracting.

Our audit was limited to reviewing Board approved Conservation Futures projects from 1997 and 2004. Approved projects were compared to the legislative intent for open space lands. We reviewed state legislation related to land acquisition and worked with the PA's Office to interpret and summarize these requirements. We tested selected project file data for completeness and compliance with procedures by comparing file documents -- including Staff Reports, correspondence, purchase and sale agreements, appraisals and review appraisals -- to purchasing procedures laid out in the program manual and county purchasing and contracting requirements.

We did not review each project case, or all files that contained data related to each project. We were unable to verify all prior year RFP-qualified contractor lists because records were not available. While we took steps to understand the financing aspects of Conservation Futures, we are not reporting on this as part of our audit work.

We took the opportunity to review the development of the lands database being constructed within GIS to better understand the types of data that would be available on land owned by the county.

⁶ The IAC provides grants for land acquisition and an established acquisition process that is followed by several other granting agencies.

Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B: Project Characteristics

Under RCW 84.34.020 (b), “open space” includes “any land area, the preservation of which in its present use would

- (i) conserve and enhance natural or scenic resources;
- (ii) protect streams or water supply;
- (iii) promote conservation of soils, wetlands, beaches or tidal marshes;
- (iv) enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space; **or**
- (v) enhance recreation opportunities...⁷”

We compared the open space characteristics to each of the approved projects from 1997 and 2004 to determine what types of characteristics were met by each project. The results are shown in the following table.

**Conservation Futures Projects Primary Open Space Characteristics
 1997 and 2004 Approved Projects**

| <i>Conservation Futures Land Acquisition Projects</i> | <i>Primary Open Space Characteristics</i> | <i>Supporting Requirements of RCW 84.34.020 (b)</i> |
|---|--|---|
| La Center Bottoms | Critical wildlife and bird habitat, recreational trails and blinds | (i) (ii) (iii) (iv) (v) |
| Fallen Leaf Lake | Forest habitat | (i) (ii) (iv) |
| Eagle Island | habitat preservation: critical habitat for threatened salmon and steelhead; habitat for bald eagle and other species | (i) (ii) |
| Lower East Fork: Woodside | Protection of riparian habitat and habitat protection | (i) (ii) (iii) (iv) (v) |
| Washougal River Greenway (Upper) | Habitat preservation; part of a greenway system | (i) (ii) (iv) (v) |
| Brush Prairie | Lauretta Norene forest preserve; Brush Prairie regional park ⁸ | (i) (iv) (v) |
| Lower Daybreak (Lower East Fork: Daybreak to Lewisville) | Critical habitat for threatened salmon and steelhead; habitat for bald eagle | (i) (ii) (iii) (iv) (v) |

⁷ RCW 84.34.020 (b) contains three additional components within section (b) of the open space definition which are not actively pursued by the County; these are (vi) preserve historic sites, or (vii) preserve visual quality along highway, road, and street corridors or scenic vistas, or (viii) retain in its natural state tracts of land not less than one acre situated in an urban area and open to public use on such conditions as maybe reasonably required by the legislative body granting the open space classification,...

⁸ Education is not in the listed definition but is helpful in applying for grants and may reflect additional values.

| Conservation Futures Land Acquisition Projects | Primary Open Space Characteristics | Supporting Requirements of RCW 84.34.020 (b) |
|---|---|---|
| | and other species; regional park and EFL regional greenway trail | |
| Upper East Fork (Upper East Fork Lewis River Greenway) | Critical habitat for threatened salmon and steelhead; Lewis & Clark regional greenway trail, Bell's Mountain trail | (i) (ii) |
| Camp Currie | Wetland riparian and forest habitat, Camp Currie youth camp, trails | (i) (ii) (iii) (iv) (v) |
| Paradise Bluffs (Lower East Fork I-5 to LaCenter) | wetland, riparian, and forest land | (i) (ii) (iii) |
| Burnt Bridge Creek Lettuce Fields | Wetland, riparian, and forest habitat; Burnt Bridge Creek Regional Greenway trail | (i) (iv) (v) |
| East Biddle Lake | Wetland, riparian, and forest habitat, Columbia Springs Environmental Education Center; trails | (i) (ii) (iii) (iv) (v) |
| Lewis and Clark Regional Trail Corridor | Lewis and Clark regional trail | (v) |
| Salmon Creek Forested Uplands | Wetland, riparian, and forest habitat; trails; Lewis & Clark regional trail | (i) (ii) (iii) (iv) (v) |
| The Oaks (The Oaks Preservation Wetlands) | Oak habitat | (i) |
| Kerr Property/Campen Creek | Some riparian, forest habitat, and upland meadows; hiking trails and play areas; part of a greenway system | (i) (ii) (iv) (v) |
| Rolling Meadows | Oak habitat; Campen Creek, City of Washougal Park | (i) (ii) (v) |
| Prairie Fields | Sports field complex | (v) |
| Woodin Creek Greenway | Riparian habitat; trails | (i) (ii) (iii) (iv) |
| Lewis River/Mud Lake | Wetland, riparian, and forest habitat; critical habitat for threatened salmon and steelhead; habitat for bald eagle and other species; land and water trails | (i) (ii) (iii) (iv) (v) |
| Lower East Fork Lewis Greenway (Woodside) | Wetland, riparian, and forest habitat; critical habitat for threatened salmon and steelhead; habitat for bald eagle and other species | (i) (ii) (iii) (v) |
| Upper East Fork Lewis River #1 | Preserves about 2,000 feet of shoreline adjacent to Moulton Falls Regional Park; steelhead habitat; trail connections view points and picnic sites. | (i) (ii) (iv) (v) |
| Upper East Fork Lewis #2 | Wetland, riparian, and forest habitat; critical habitat for threatened salmon and steelhead; habitat for bald eagle and other species; Upper East Fork Greenway | (i) (ii) (iii) (iv) |
| Washougal River Greenway (Lower) | Wetland and riparian habitat; critical habitat for threatened salmon and steelhead; Washougal River regional | (i) (ii) (iii) (iv) (v) |

| Conservation Futures Land Acquisition Projects | Primary Open Space Characteristics | Supporting Requirements of RCW 84.34.020 (b) |
|---|--|---|
| | greenway trail; water trail; City of Camas park | |
| Upper and Little Washougal Rivers | Riparian habitat and shoreline along the rivers; support salmon recovery; expand the Washougal River Greenway | (i) (ii) (iv) (v) |
| Lower Lacamas Creek/Lake | Wetland, riparian and forest habitat; trails | (i) (ii) (iii) (iv) |
| Mimsi Marsh (Columbia South Shore) | Wetland, riparian, and forest habitat | (i) (ii) (iii) (v) |
| Columbia Grove (Columbia South Shore) | Wetland, riparian and forest habitat; Columbia Springs environmental education center; trails | (i) (ii) (iii) (iv) (v) |
| Burnt Bridge Creek Greenway | Protect creek; provide fish/wildlife corridor through urban area; expand recreational opportunities along the greenway | (ii) (iii) (v) |
| Salmon Creek Greenway | Wetland, riparian, and forest habitat; trails; Lewis & Clark Regional Trail | (i) (ii) (iv) (v) |
| Whipple Creek Urban Wildlife Habitat | Wetland, riparian, and forest habitat | (i) (ii) (iii) (iv) |

Appendix C: Updated Acquisition Protocol

CONSERVATION FUTURES ACQUISITION PROCESS CHECKLIST

| Activity | Date Completed | Initials |
|--|----------------|----------|
| Title Report Ordered | | |
| Title Report Received | | |
| | | |
| Land Survey/Legal Description Ordered | | |
| Land Survey/Legal Description Received | | |
| | | |
| Appraiser Selection Method Documented | | |
| Appraiser Qualifications Documented | | |
| | | |
| Land Appraisal Ordered | | |
| Land Appraisal Received | | |
| | | |
| Timber Appraisal Ordered (as needed) | | |
| Timber Appraisal Received | | |
| | | |
| Review Appraiser Selection Method Documented | | |
| Review Appraiser Qualifications Documented | | |
| | | |
| Review Appraisal Ordered | | |
| Review Appraisal Received | | |
| | | |
| Environmental Site Assessment Ordered | | |
| Environmental Site Assessment Received | | |
| | | |
| Site/Structural Inspection Ordered | | |
| Site/Structural Inspection Received | | |
| | | |
| Offer to Purchase Mailed | | |
| | | |
| Purchase & Sale Agreement Completed | | |
| | | |
| Non-FMV Purchase Reasons Documented | | |
| | | |
| Escrow Opened | | |
| Closing Statement Received | | |
| | | |
| Deed to Seller for Signature | | |
| | | |
| Deed and Staff Report to BOCC | | |
| Deed Accepted by BOCC (Consent Agenda) | | |
| Deed Recorded | | |

Appendix D: Four Case Studies

Salmon Creek Forested Uplands

Project Approved 2004

| | |
|-------------------------------------|--------------------------------|
| Status | <i>Completed</i> |
| Year Complete/Ownership Transferred | <i>October 2009</i> |
| Appraisal Amount as of June 2004 | <i>\$ 2,065,000</i> |
| Purchase Price | <i>\$ 2,065,000</i> |
| Funding Sources | |
| Conservation Futures Funding | <i>\$ 1,665,000</i> |
| RCO – LWCF #05-1175A (approved) | <i>\$400,000</i> |
| RCO – WWRP – R #10-1214 (pending) | <i>\$1,056,720⁹</i> |

The Board of County Commissioners approved the Salmon Creek Forested Uplands project in 1997 and again in 2004. This project was originally sponsored by the City of Battle Ground in 1997. At that time, the proposal was to acquire 45.5 acres of riparian habitat and mature upland forest at the confluence of Morgan and Salmon Creek in the southeast corner of the city of Battle Ground's Urban Growth Boundary in central Clark County. Battle Ground was not able to complete the acquisition and returned the project to Clark County in 2001.

Clark County expanded the project to acquire 81.3 acres of shoreline, wetlands, riparian forests, and uplands; it includes 1/2 mile of shoreline and about 50 acres of floodplain, wetlands, and forested hillsides. Upland areas cover 30 acres and support a mixed forest of Douglas fir, cedar, maple, and alder. This project meets all five of the open space criteria used by the County.

Background

The Washington Department of Fish and Wildlife (WDFW) conducted a reconnaissance of the project site and describes the upland forest as "remarkable in its unique forest stand characteristics," and states that the "riparian areas are exceptionally intact ecologically with ample shade substrate, and combination of riffles and pools." WDFW has mapped this area as Priority Riparian Habitat, and confirmed salmon species including ESA listed Chinook, Coho, and steelhead.

According to WDFW, the site "merits being included under WDFW's Biodiversity Areas and Corridors Priority Habitats Classification." The site likely supports more than 75 bird species, based on a Vancouver Audubon site reconnaissance.

⁹ If all or a portion of this grant is approved, it would reimburse the conservation futures fund in the spring of 2011.

Along with the primary role of habitat/riparian protection, the site provides opportunities for wildlife viewing, hiking, and outdoor education.

Project Funding

The County requested and the Recreation and Conservation Office (RCO) granted a waiver of retroactivity in August 2009. The waiver enables the County to maintain grant eligibility through the RCO for up to two funding cycles; once the waiver is issued, the County may move forward with an acquisition of property using local funds. In this case, the County obtained title to the property in October 2009, but maintained eligibility to pursue additional grants. These additional grant funds were used to reimburse acquisition expenditures made using “local funds” – conservation futures revenues.

The Land and Water Conservation grant, originally applied for in 2005 and reapplied for in 2009, was executed in September 2009. The Washington Wildlife and Recreation Program (WWRP) riparian grant is pending in the current (2010) grant review cycle. This grant would contribute about half of the purchase price, as shown in the table above.

Current Use

The original intention of this project was to protect the land from residential development as the last forested corridor along Salmon Creek in the Battle Ground area. The project will preserve an intact ecosystem that includes mixed mature forest, streams, wetlands, riparian corridors, and priority fish habitat.

There are a series of informal trails throughout the property that remain available for public use.

Vancouver-Clark Parks and Recreation-managed AmeriCorps Team has been conducting site surveys that will be valuable input to the public use development process for the property. Initial plant and bird lists have been compiled. A stream survey on Morgan Creek found Coho salmon that were presumably rearing on the property. The Team also GIS-mapped the existing trail system on the west sides of the creek.

Vancouver-Clark Parks has developed two preliminary public use planning concepts for the property and has prepared a “decision-package” for the 2011-12 budget to continue to refine and implement one of the concepts.

Whipple Creek

Project Approved 2004

| | |
|-------------------------------------|----------------------|
| Status | <i>Completed</i> |
| Year Complete/Ownership Transferred | <i>December 2006</i> |
| Appraisal Amount as of June 2004 | <i>\$ 3,350,000</i> |
| Purchase Price | <i>\$ 3,350,000</i> |
| Funding Sources | |
| Conservation Futures Funding | <i>\$ 2,329,080</i> |
| WWRP Grant, 2006 | <i>\$ 1,020,920</i> |

The Board of County Commissioners approved the Whipple Creek project in 2004 as a Conservation Futures project. Sponsored by Clark County, this project comprises nearly 40 acres of riparian and upland forest along the upper Whipple Creek. The project protects one of the largest, most diverse forests still remaining in the greater Vancouver Urban area. Running along 3,000 lineal feet of waterfront, this property includes six state priority habitats – for wetlands, riparian, in-stream, logs and snags, mature forest, and urban natural open space. It meets four of the five open space criteria used by the County.

Background

The property was acquired from the Van Buren Living Trust in 2006. This site was identified as one of five most important urban forests within the Urban Growth Boundary due to the unique habitat quality and diversity found on the site.

Project Funding

The Washington Wildlife and Recreation Program (WWRP) grant is administered through the Interagency Commissioner for Outdoor Recreation (IAC), now the Recreation and Conservation Office (RCO). The program applied for this grant in 2005, requesting an amount of \$1,020,920; the grant was awarded in November 2006. This funding represents about one-third of the purchase price, stretching the County's funds for Conservation Futures land acquisitions.

Current Use

A network of primitive trails exists on the property. Access is available from residential streets located immediately east of the property. Trails appear to be used by local residents. The property was acquired primarily for its habitat values; recreational uses are expected to be limited to trails, interpretive signage, environmental education and other low impact recreational improvements.

In 2010, the Environmental Services, Clean Water Program commenced a capital improvement project that links the Van Buren Property with the three county-owned parcels immediately downstream. The primary objectives of the

project include addressing a head cut on the Van Buren parcel that threatens to disconnect Whipple Creek from its historic floodplain, diminishing riparian habitat values, and to install a series of engineered logjams across the creek and floodplain, some located on each of the four county owned parcels. The logjams will have stormwater flow control benefits, as well as diversifying in-stream and riparian habitat along Whipple Creek.

A side benefit of the Clean Water project is that the paths cleared for heavy equipment to access the properties may be converted into trails as the project is completed and the heavy equipment access paths are decommissioned and re-vegetated.

Eagle Island
Project Approved 1997

| | |
|-------------------------------------|-----------------------|
| Status | <i>Completed</i> |
| Year Complete/Ownership Transferred | <i>March 28, 2000</i> |
| Appraisal Amount | <i>\$ 972,000</i> |
| Purchase Price | <i>\$ 972,000</i> |
| Funding Sources | |
| Conservation Futures Funding | <i>\$ 50,000</i> |
| ALEA Grant, 2000 | <i>\$ 540,345</i> |
| GSRO Grant, 2001 | <i>\$ 108,649</i> |
| PacifiCorp donation | <i>\$ 400,000</i> |

The Board of County Commissioners approved the Eagle Island project in 1997 as a Conservation Futures project. Sponsored by Clark County, this project comprises nearly 279 acres and involves a large island located in the North Fork of the Lewis River, about 2 miles upriver from the City of Woodland. The project provides critical habitat for the last viable run of wild fall Chinook in the Columbia River system west of the Cascade Range. The island also provides habitat for other fish and wildlife species, including the bald eagle; it meets habitat and recreation open space criteria.

Background

The land was acquired from the River Bend Company in 2000.

Initially, Conservation Futures envisioned that the island would be preserved and enhanced as a wildlife sanctuary and outdoor classroom. Improvements would be limited to interpretive signing, nature trails, and habitat enhancement features such as off-channel rearing areas for salmon and steelhead. Many organizations strongly supported this project and planned to participate in the management and enhancement activities – including the Washington State Department of Fish and Wildlife, Fish First, Trout Unlimited, Habitat Partners, and the Eagle Island Committee.

Project Funding

This acquisition involved a multi-agency partnership, including the Washington State Department of Fish and Wildlife (WDF&W) who agreed to take long-term ownership of the property and provide long-term management and restoration of the island.

The GSRO grant was awarded in 1999 and represent just over 11 percent of the funding for the acquisition. The Aquatic Lands Enhancement Account (ALEA) grant, from the Washington State Department of Natural Resources received in

2000, represents over 55 percent of the estimated project costs. These grants allowed the County to leverage local funds to maximize acquisition efforts.

In addition to the grant funding, PacifiCorp donated \$400,000. Late in the acquisition process, PacifiCorp expressed interest in the project and approached Clark County. Project partners were consulted and approved of the partnership with PacifiCorp, accepting their donation. This donation reduced the amount of local funds required to complete the purchase by 41 percent.

Current Use

Fisheries management has been the focus of Eagle Island management since its acquisition. The Washington Department of Fish and Wildlife (WDFW) has been responsible for this. Clark County is in the process of turning over title of the Island to WDFW for long term management, as originally anticipated when the acquisition partnership formed. No public use improvements have been constructed on the island. However, there is a WDFW boat ramp in Cowlitz County immediately across the north channel of the river from which people access the island. There is also an information sign explaining the environmental and fisheries significance of the North Fork Lewis River and Eagle Island that identifies members of the acquisition partnership.

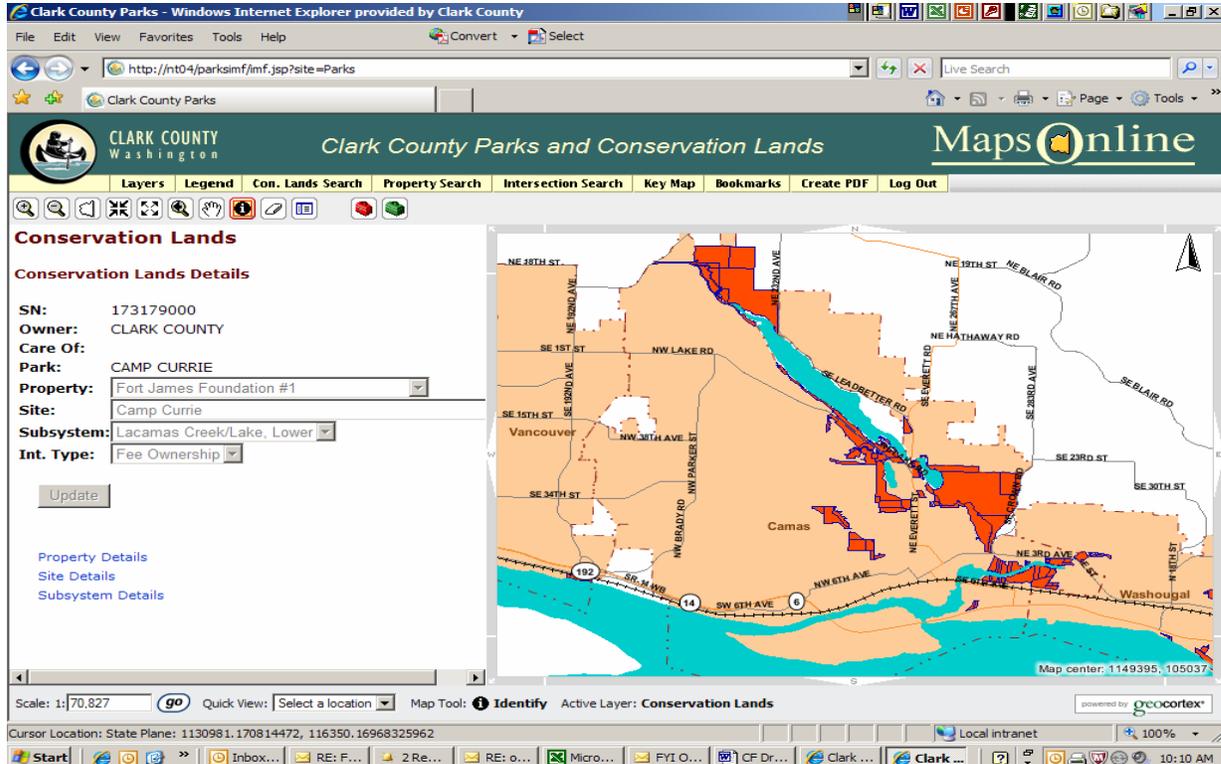
In 2008, the Lower Columbia Fish Recovery Board (LCFRB) was awarded grant funds (RCO #08-1732, \$115,528) to complete the "Eagle Island Project Identification and Design Project." The project identified fourteen potential fish habitat restoration/enhancement projects on and surrounding Eagle Island and developed 30 percent designs for three high priority projects that would improve the long-term function of off-channel habitat on and around the island. The highest priority project was taken to the 90 percent design level in order to be positioned to immediately apply for additional grant funds for construction of the project. A Technical Oversight Group including representatives from the LCFRB, Washington Department of Fish and Wildlife, Clark County, the Cowlitz Indian Tribe and PacifiCorp guided development of the LCFRB project. The project report was finalized in February 2010. It was the consensus of the Technical Oversight Group that the Cowlitz Tribe was in the strongest position to compete for grants to implement the 90 percent design project, known as "Site A."

On April 8, 2010, the Cowlitz Tribe was notified that it had successfully competed for a \$74,300 grant through PacifiCorps' Lewis River Aquatics Fund to construct the Site A project. The Tribe also submitted RCO grant #10-1054 (\$354,966 grant request) in May 2010, to the LCFRB for construction of Site A. That application is currently pending before the LCFRB and funding decisions are anticipated in December, 2010.

Camp Currie Project Approved 1997

| | |
|-------------------------------------|--------------|
| Status | Complete |
| Year Complete/Ownership Transferred | 2003 |
| Appraisal Amount | \$ 2,818,000 |
| Purchase Price | \$ 2,818,000 |
| Funding Sources | |
| Conservation Futures Funding | \$ 1,765,461 |
| IAC Grant, 1998 | \$ 500,000 |
| IAC Grant, 2001 | \$ 334,539 |
| Donation of land value by seller | \$ 218,000 |

The Board of County Commissioners approved the Camp Currie project in 1997 as a Conservation Futures project. Sponsored by Clark County, this project comprises nearly 250 acres and is located along the northeastern shore of Lacamas Creek and Lacamas Lake in Camas, Washington. The project provides riparian and forested uplands, with opportunities for picnicking, canoeing, fishing and wildlife viewing; it meets all five open space criteria used by the county, including those for habitat and recreation.

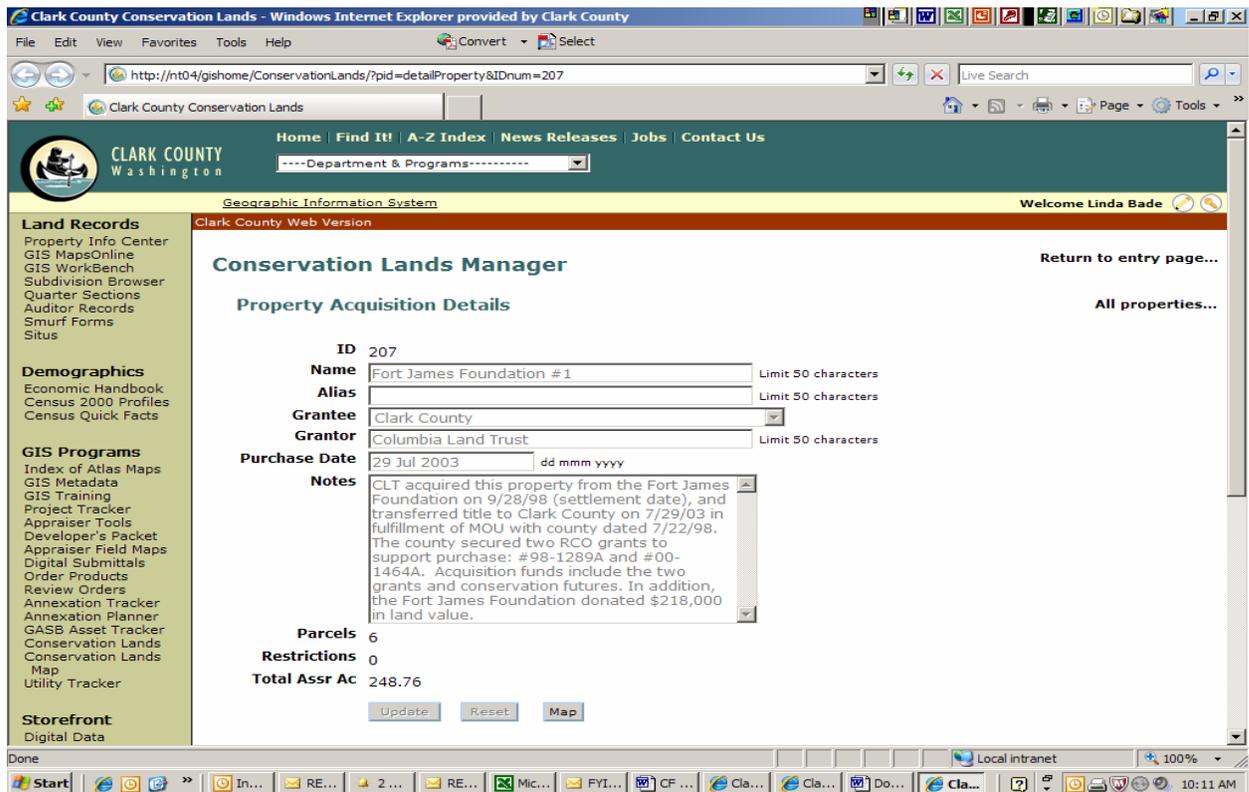


This screen shot from the database provides a map of the project lands acquired (in red). In this screen you can see each individual parcel making up the project.

Background

The land was acquired from the James River Paper Company in 1998. Approximately 27 acres of the property was already developed as a youth camp at the time of acquisition; the remainder of the property was undeveloped and thickly vegetated with Douglas fir, alder and native shrubs.

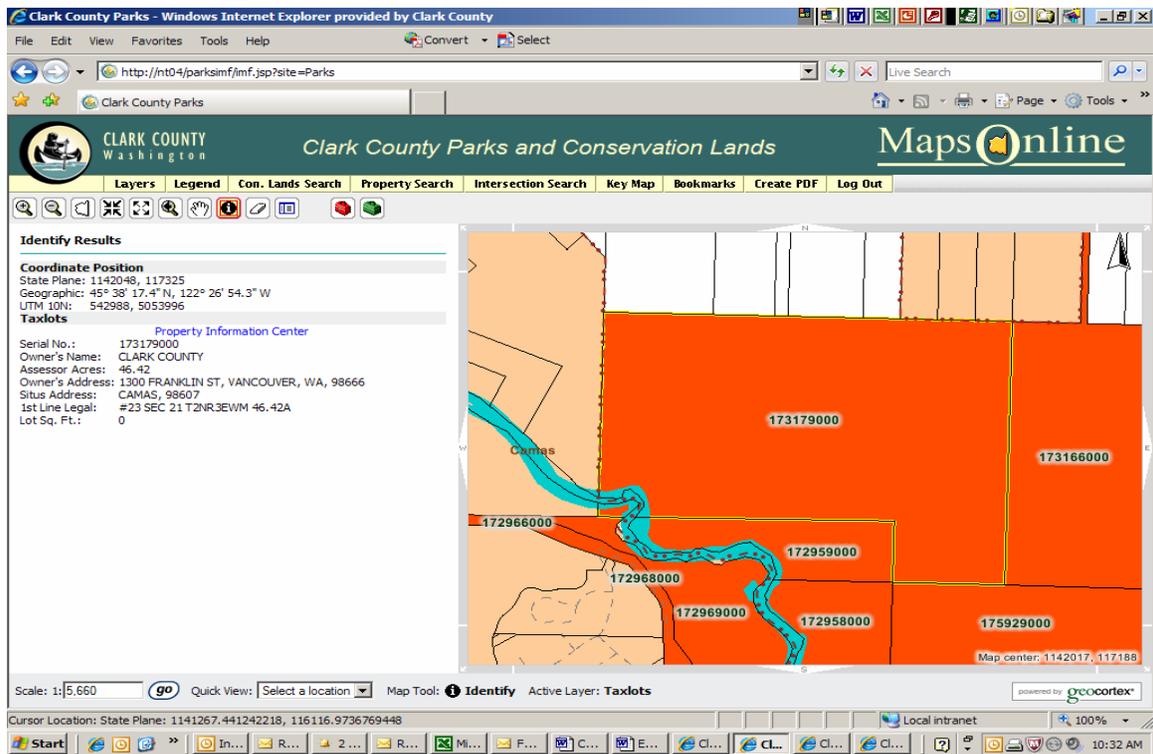
The project anticipated that in the short term the Camp would continue to be operated for youth camping purposes. The remaining acreage, outside the camp, would remain unused as open space for habitat value on an interim basis. The County will complete a master plan of the property when the resources are available to develop the site, at which time it may become a Special Use Area. The Youth Camp will continue to be the primary use of the site.



This screen shot from the database provides information on the acquisition of the property.

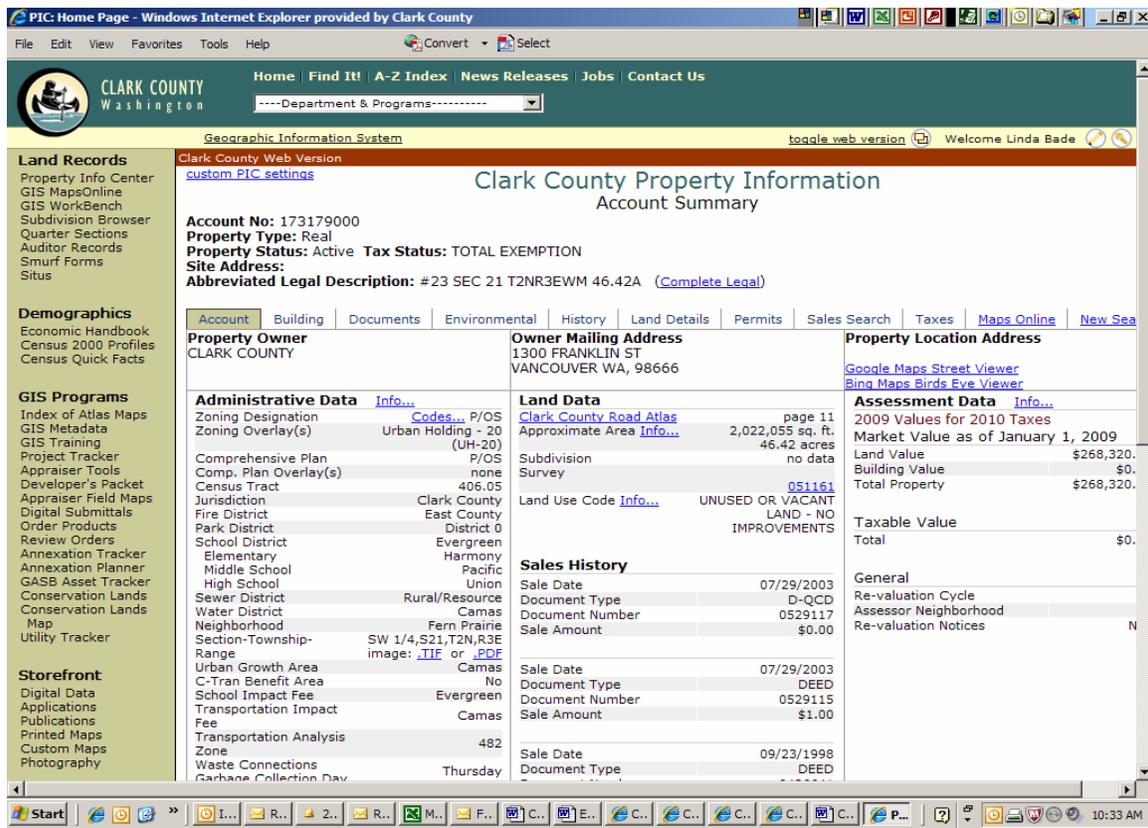
Additional details from the new system include site level detail, and links to other information – for example, the two screen shots below provide, first additional detail on the site with a link to information kept by the Treasurer’s Office, which is shown in the second screen shot.

Conservation Futures
Land Acquisition Performance Audit
September 1, 2010



A link is provided to Property Information Center data captured from a number of systems including the Assessor's and Treasurer's Offices – see the blue text line in the screen shot above.

The following screen shot is the linked Property Information Center data on this project. GIS is able to bring together data from various sources for a presentation such as this. This demonstrates just one of the linkages between various county systems and the new database.



Project Funding

The County divided this acquisition project into two phases in order to take advantage of available grant funds from the Interagency Committee for Outdoor Recreation (IAC), a Washington State Board/Agency.

In the first phase, the entire property, consisting of six parcels, was acquired using county Conservation Futures funding. Instead of the County directly taking ownership, ownership was held by the Columbia Land Trust, a non-profit organization, under a memorandum of understanding with the County dated July 22, 1998.

One of the IAC specific requirements is that the land being purchased using IAC grant funds is not already currently owned by the prospective grantee. By not taking title to the land directly, the County qualified to apply for, and subsequently received, grants from the IAC for the Camp Currie project.

The County obtained two grants to offset using county Conservation Futures funds for the purchase – the first in 1998 for \$500,000 and the second in 2001 for \$334,539. The total grant amount -- \$834,539 -- represents about 30 percent of the total purchase price.

In addition to the grants, the seller donated almost 8 percent of the purchase price value -- \$218,000 – thus further reducing the amount that the County paid with Conservation Futures funds.

Ownership/Title was transferred from the Columbia Land Trust to the County in 2003 per the terms of the memorandum of understanding.

Current Use

Prior to the County's acquisition of the site, the JD Currie Youth Camp was established on a portion of the site to provide youth and group day and overnight camp opportunities. The camp located in the southern portion of the 247 acre site. The camp was, and still is, operated by a private non-profit organization that handles reservations for those wishing to use the camp, and also takes care of day-to-day operations and maintenance of the 27-acre youth camp. The camp is under a lease agreement with Clark County that is managed by Vancouver-Clark Parks & Recreation Department. The existing youth camp is expected to be a significant use at the site for years to come.

The remainder of the property is currently undeveloped and has very limited public access. The County will eventually develop a master plan for the entire site, through a public process. That planning process will evaluate a variety of regional park uses. The master plan will also include connection with the Lacamas heritage trail network, which contemplates completion of a trail network around Lacamas Lake.

Appendix E: Management Comments

Written comments to this report were provided by both the Department of Environmental Services management and by Vancouver-Clark Parks & Recreation management. They begin on the next page.



proud past, promising future

CLARK COUNTY
WASHINGTON

DEPARTMENT OF ENVIRONMENTAL SERVICES

August 27, 2010

Linda Bade
Audit Services
Clark County Auditor's Office
1300 Franklin St., 5th Floor
PO Box 5000
Vancouver, WA 98666-5000

Subject: Environmental Services Comments on Conservation Futures Compliance Audit

Dear Linda:

Thank you for your review of the Legacy Lands/Conservation Futures Program. As we have discussed, the timing of your review is very opportune, as we have recently incorporated the Conservation Futures Program into the new Department of Environmental Services. Furthermore, changes in the laws and regulations governing the program at the state level that became effective July 1, 2010 merit the careful consideration and guidance you have provided. Most importantly, we are pleased to note that your independent recommendations support changes that Environmental Services has already initiated. We are confident that these adjustments will improve the administration and implementation of this successful community-wide program.

As documented in your report, the Conservation Futures Program has been managed by a number of entities since its inception in 1985 and the program has been successful in preserving natural resource land throughout the county. While all program activities have been carried out in conformance with requirements of the legislation, you have pointed out some areas where guidance documents, implementation and record-keeping processes could be improved. Fortunately, many Department initiatives are already underway that address several of your recommendations, including the following:

- Integration of the Legacy Lands Program into the Department of Environmental Services provides a higher level of administrative support and oversight than has been the case since 2006. This will facilitate better file management, documentation of acquisition processes and records retention.
- In 2009, the Legacy Lands Program commenced development of a comprehensive inventory of Clark County's conservation lands as defined in the Conservation Areas Acquisition Plan. This effort has now been subsumed into the larger comprehensive inventory of all county-owned lands.
- Environmental Services is currently drafting a practices manual to guide the acquisition and management of county property, including conservation lands. Your recommendations will be incorporated into this comprehensive effort.



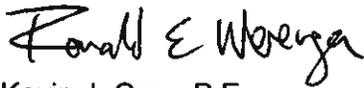
For other formats, contact the Clark County ADA Office: **Voice** (360) 397-2000;
Relay 711 or (800) 833-6388; **Fax** (360) 397-6165; **E-mail** ADA@clark.wa.gov.

- Earlier this year staff identified the need to update the Conservation Futures guidance document (1997), the Conservation Areas Acquisition Plan (1994) and other associated program documents, including procedures for implementing the program to reflect changes in state law and administrative rules, and to ensure the County's eligibility to compete for funding through competitive state and federal grant programs.

We appreciate you identifying recent changes in legislation regarding potential licensing requirements that may apply to employees and contractors involved in land acquisitions and look forward to working with the Prosecuting Attorney to understand the implications and to respond appropriately.

More detailed comments on the specific audit recommendations are attached. Thank you for taking the time to work closely with Environmental Services and Vancouver-Clark Parks and Recreation staff to learn about the complexities of the Legacy Lands/Conservation Futures Program and to put forth the concise recommendations in the audit report.

Sincerely,


Kevin J. Gray, P.E.
Environmental Services Director

Attachment to August 27, 2010, Conservation Futures Audit Comment Letter

Following are comments on specific recommendations in the Conservation Futures Compliance Audit Report:

1. **Project Selection Criteria** – The practice of the County soliciting project proposals from cities and non-profit conservation organizations, and the Board of Commissioners appointing a committee to review project proposals and make funding recommendations was consistently followed in 1997, 2004, and again in 2010. This is the process through which the county insures that the legislative intent of distributing conservation futures funds countywide is met. The Conservation Futures Program guidance document, August 1997, will be amended to reflect this relationship.
2. **Documenting Purchases that differ from Appraised or Fair Market Value** - Staff reports to the Board consistently indicate whether the proposed purchase price in the purchase and sale agreements vary from appraised value. There are no standards at the state or local level defining what constitutes ample detail on why the purchase price is a better reflection of fair market value. The department will work with the Prosecuting Attorney to clarify the documentation standards, and incorporate appropriate revisions into the Conservation Futures guidance document.
3. **Guidance for Acquiring Real Estate** - Through the audit period (1997 and 2004 project lists), RCW 18.85.055 was in effect and stated that “...*No person licensed under this chapter who is employed by the state and who is conducting real estate transactions on behalf of the state may hold an active (real estate) license under this chapter...*” This provision sunsetted in July 2010 and its implications are unclear. The Department will work with the Prosecuting Attorney to determine the legislative intent of RCW 18.85.011, and the sunset of RCW 18.85.055, as they apply to Conservation Futures acquisitions and incorporate appropriate revisions into the Conservation Futures guidance document. The Department has contacted a number of counties that have conservation futures levies, as well as state agencies and non-profit land conservation organizations to analyze their practices relative to the licensing question. In all cases agency/organization staff involved in conservation land acquisitions do not hold real estate brokers licenses, nor are professional services contractors required to be licensed.
4. **Guidance for Acquiring Real Estate** - The Conservation Futures Guidance document, August 1997, does not include any acquisition procedures. As indicated in the audit, in lieu of a local guidance document, staff has followed guidance provided in the RCO (formerly IAC) Acquisition Manual (Manual #3). The Department has initiated both a comprehensive county lands inventory and an analysis of the County’s property management system, including land acquisition responsibilities and key steps in the land acquisition process. It is anticipated that a land acquisition framework will be an outcome of this effort and procedures will be revised as necessary and incorporated into a new property management manual, and/or into the Conservation Futures guidance document.
5. **Contracts for Appraisal Services** - As indicated in the audit, appraisal procurement procedures have been consistently followed for Conservation Futures projects. The Department will work with the Records Office and Purchasing to identify the best records retention approach for proposals for professional appraisal services.

6. Contracts for Acquisitions Services Assistance - As indicated above, the Department will work with the Prosecuting Attorney to determine the legislative intent of RCW 18.85.011, and the sunset of RCW 18.85.055, as they apply to Conservation Futures acquisitions by the County and incorporate appropriate revisions into the guidance documents.
7. Acquisition Documentation Retention - As indicated in the audit report, acquisition process checklists and file structures have been developed for the program, but not completed or maintained consistently over time. A formal file structure, consistently followed, will facilitate efficient retrieval of property information. This is one of the objectives of the practices manual that has been initiated. The Organization of the Department of Environmental Services also provides the Conservation Futures Program with a higher level of administrative support than was previously available and this will support the objective.
8. Acquisition Documentation Retention - The Department will work with the Records Office to identify the retention requirements for specific acquisition-related documents and the best records retention approach for them.
9. Acquisition Documentation Retention - The Department agrees that creation of electronic or other secured back-up copies of files is advisable. The Department will work with the Records Office to determine the best approach for this. The availability of resources will determine whether or not to commence a process for file retention from this point forward, or whether it is feasible to include all historic conservation futures files in the effort.

MEMORANDUM

TO: Linda Bade, Clark County Audit Services

FROM: Pete Mayer, Director, Vancouver-Clark Parks & Recreation Department

DATE: August 27, 2010

SUBJECT: Conservation Futures Performance Audit, Draft Report



Thank you for the opportunity to review the draft Conservation Futures Performance Audit report. We have read the report and appreciate the opportunity to have met with you and Pat Lee to briefly provide comments and suggestions regarding the draft. The report will be an important tool in helping to highlight the many benefits and successes of this program, and can be used to strengthen the implementation and administration of the program in the years to come.

We believe the report does a very good job of: summarizing the process and procedures that have been utilized to identify priority acquisition projects, highlighting our work with local partners to secure these lands, utilizing multiple funding sources to extend the buying power of conservation futures funds, and documenting the important tasks and protocols we have utilized in the land acquisition process.

We have had sufficient input and involvement along the way so that our comments and suggestions regarding the final draft are relatively minor. I believe that the findings and recommendations highlighted in the report are fair and accurate, and that the recommended adjustments to the processes and procedures will serve to strengthen the administration and implementation of the program. Furthermore, I believe the recommendations will also benefit the county's various initiatives to: improve and streamline record keeping and document retention, accurately account for county-owned lands, develop an improved and comprehensive land management strategy, and increase process transparency and compliance with various state and local guidance.

While our department's role in the Conservation Futures Program has shifted with the creation of the Legacy Lands program, we remain committed to helping the County achieve its various open space and greenway initiatives, and the many other programs that are related to providing a healthy, livable and sustainable community. We look forward to working with the various county departments to implement the adjustments recommended in the Audit Report, and remain committed to our continued efforts to improve efficiency, effectiveness and transparency. Thank you for your and your staff's efforts regarding this important performance audit.

C: Pete Capell, Public Works
Kevin Grey, Environmental Services
Pat Lee, Legacy Lands

We create community through people, parks, programs and partnerships.

P.O. Box 1995 - Vancouver, WA 98668-1995
(360) 619-1111 - www.vanclarkparks-rec.org

