

ANALYSIS

Item 29: Department of State Lands South Slough Capacity Building

Analyst: Matt Stayner

Request: Approve, retroactively, the submission of a federal grant application in the amount of \$300,000 to the National Oceanic and Atmospheric Administration and increase Federal Funds expenditure limitation by \$100,000 for the Department of State Lands, South Slough National Estuarian Research Reserve, for capacity building activities.

Analysis: The National Oceanic and Atmospheric Administration (NOAA) made additional funding available to participating National Estuarian Research Reserves through the Infrastructure Investment and Jobs Act. This funding was initially to be provided through existing funding agreements between NOAA and the South Slough National Estuarian Research Reserve (SSNERR), therefore the Department of State Lands (DSL) did not provide a 10-day notice of its intent to apply for funding. NOAA subsequently decided to distribute the funding via a new grant program, thus requiring DSL to provide notice of intent to apply retroactively. The final grant application was submitted by DSL on August 10, 2022. Award funding is anticipated to be available by December 2022.

Capacity building funding from NOAA supports the ability of the SSNERR to plan for and develop habitat conservation and restoration project proposals as prerequisite work to apply for additional project implementation funding. SSNERR intends to use the funding over the next three years in partnership with the Wild River Lands Trust to do required planning and due diligence work on two possible land acquisition projects that are adjacent to the SSNERR to allow for future habitat and wetland restoration projects. The additional requested expenditure limitation is for anticipated expenses for the first year of the project.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board approve, retroactively, the submission of a federal grant application in the amount of \$300,000 to the National Oceanic and Atmospheric Administration and increase Federal Funds expenditure limitation by \$100,000 for the Department of State Lands, South Slough National Estuarian Research Reserve, for capacity building activities.

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Request: Retroactive authorization to apply for a National Oceanic and Atmospheric Administration non-competitive grant through the Infrastructure Investment Job Act Capacity Building Program and increase Federal Funds expenditure limitation by \$100,000 for the South Slough National Estuarine Research Reserve program.

Recommendation: Approve the request.

Discussion: The Infrastructure Investment Job Act (IIJA) through the National Oceanic Atmospheric Administration (NOAA) offered a non-competitive Capacity Building Program grant of \$300,000 to all National Estuarine Research Reserve Systems. The South Slough National Estuarine Research Reserve (Reserve) is one of those systems. The grant would disburse \$300,000 across three federal fiscal years (2022, 2023, 2024), \$100,000 for each year.

The funding would be used to conduct due diligence work including, but not limited to, property appraisals, surveys, mineral assessments, environmental site assessment, title searches and legal review in preparation of a future potential purchase of adjacent property . The funding cannot be utilized for the actual land purchase. The Reserve will be partnered with the Wild River Land Trust, located in Port Orford, Oregon, to conduct this work.

The Reserve submitted a funding proposal to NOAA on August 10, 2022, not realizing they needed to provide a 10-day notification letter to the Legislature and then seek retroactive authorization from the Legislature to apply for this non-competitive federal grant funding. On September 30, 2022 the Reserve, through the Department of State Lands (DSL), submitted a 10-day notification letter.

In addition, the Reserve is requesting an increase in Federal Funds expenditure limitation of \$100,000 to utilize the funding expected to be disbursed by December 1, 2022. DSL did submit a policy package request in their agency requested budget for the \$200,000 Federal Funds expenditure limitation.

Legal Reference: Increase the Federal Funds expenditure limitation established by chapter 607, section 3(1), Oregon Laws 2021, for the Department of State Lands, South Slough National Estuarine Research Reserve operations, by \$100,000 for the 2021-23 biennium.



Oregon

Kate Brown, Governor

Department of State Lands

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October 24, 2022

State Land Board

Senator Peter Courtney, Co-Chair
Representative Dan Rayfield, Co-Chair
Joint Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Kate Brown
Governor

Shemia Fagan
Secretary of State

Tobias Read
State Treasurer

Dear Co-Chairs:

Nature of the Request

The Oregon Department of State Lands (Department) and the South Slough National Estuarine Research Reserve (Reserve) is requesting retroactive approval to apply for and accept a non-competitive allocation of \$300,000 of federal funds from the National Oceanic and Atmospheric Administration (NOAA) through its Infrastructure Investment and Jobs Act (IIJA) Capacity-Building Program for Federal Fiscal Years 2022 through 2024.

Agency Action

The IIJA Capacity-Building funds were expected to be added to the Reserve's annual operations awards from NOAA. NOAA later determined the funds would be dispersed through a separate multi-year agreement and issued a Notice of Funding Opportunity on June 29, 2022. The Reserve submitted a funding proposal on August 10, 2022. Because this is a non-competitive funding source, we did not realize we needed to seek approval from the Legislature at that time. After communication with both our LFO and CFO Analysts we submitted a notification letter on September 30, 2022, and we are now seeking retroactive approval to apply for these funds. NOAA anticipates the funds will be available December 1, 2022.

The Reserve manages nearly 7,000 acres of natural areas along the Coos estuary on the south coast of Oregon. The Reserve was designated in 1974 as the first unit of the National Estuarine Research Reserve System (NERRS), a network of estuary habitats protected and managed for the purposes of long-term research, education, and coastal stewardship.

NOAA's IIJA Capacity-Building Program provides federal funding to the NERRS to support the ability of reserves to plan for and develop robust habitat conservation and restoration project proposals. This funding provides a maximum of \$300,000 for *each* reserve nationwide through a non-competitive process and is intended to support partnerships and community engagement in IIJA projects.

The Department is seeking the maximum allowable amount of \$300,000 to be spent across three years. There is no required match for these funds.

The Reserve will partner with the Wild River Lands Trust (WRLT) based in Port Orford to use these funds for the development of IIJA projects to benefit the Reserve and surrounding area.

The Reserve has identified two priority land acquisition projects that would benefit from this funding and the involvement of WRLT staff who have essential expertise in land conservation and acquisition projects. The priority properties are located in the South Slough watershed, adjacent to the Reserve boundary, and will protect marbled murrelet habitat and allow for future wetland restoration projects to re-establish rearing habitat for coho salmon, lamprey, and other fish and invertebrate populations. The requested funds will be used for WRLT to complete the planning, due diligence, and development of acquisition proposals. No funds will be used for the actual purchase of the properties.

These funds will also support community engagement by the Reserve and WRLT for the scoping and identification of additional projects that could be funded through other IIJA competitive grant programs.

Funds will cover staff time and expenses for WRLT to complete project scoping, planning, and due diligence across Federal Fiscal Years 2022-2024 as provided in the breakdown of cost estimates below. Due diligence includes property appraisals, surveys, mineral assessments, environmental site assessment, title search, and legal review.

FY 2022 (12/1/22 – 11/30/23)

Due diligence for 80-acre parcel	\$ 69,000
Personnel support (WRLT)	\$ 29,000
Community engagement and travel for approvals	\$ 2,000
Year 1 total	\$100,000

FY 2023 (12/1/23 – 11/30/24)

Due diligence for 54-acre parcel	\$ 46,500
Personnel support (WRLT)	\$ 51,500
Community engagement and travel for approvals	\$ 2,000
Year 2 total	\$100,000

FY 2024 (12/1/24 – 11/30/25) Year 3 total \$100,000

The funding breakdown for Year 3 is not currently known and contingent upon the information learned in Years 1 and 2. NOAA authorizes the reserve to submit a funding plan for Year 3 at a later date.

Action Requested

The Department is requesting retroactive approval to apply for \$300,000 Federal Funds of non-competitive, capacity-building funding from NOAA to support the development of proposals for competitive IIJA grant programs. The proposals developed through these capacity funds will bring additional federal dollars to Oregon to support conservation and restoration projects along Oregon’s south coast.

The Department is also requesting an increase in Federal Funds expenditure limitation of \$100,000 for the current biennium.

The Department will seek increased federal funds expenditure limitation of \$200,000 during the 2023 legislative assembly for the portion of funds that extend into the next biennium.

Legislation Affected

Chapter 607, Section 3 (1), Oregon Laws 2021.

Thank you for your interest and assistance. If you have any questions, please contact Jean Straight at 503-986-5227.

Sincerely,

A handwritten signature in black ink that reads "Vicki L. Walker". The signature is written in a cursive style with a large, looped "V" and "W".

Vicki L. Walker
Director

Cc: Matt Stayner, Legislative Fiscal Office
Michelle Lisper, DAS Chief Financial Office
Bill Ryan, Deputy Director – Operations