

## Capital Project Request

2017-19 Biennium

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Version: BR 17-19 Agency Capital Budget Request

Report Number: CBS002

Date Run: 9/8/2016 11:52AM

Project Number: 30000009

Project Title: Heritage Barn Preservation Program

Project Class: Grant

**Description**

Starting Fiscal Year: 2016

Agency Priority: 1

**Project Summary**

The current Historic Barn Preservation Program is requesting \$515,000 for the biennium and a re-appropriation to continue the heritage barn grant program. The program is a 50-50 match between state funds and barn owners, resulting in each grant award leveraging additional private investment. Funding the program at \$500,000 for the biennium will generate at least \$1,000,000 in historic barn rehabilitation.

**Project Description****Project Description**

The current Historic Barn Preservation Program is requesting \$515,000 for the biennium and a re-appropriation of \$393,000 to continue the heritage barn grant program. The program is a 50-50 match between state funds and barn owners, resulting in each grant award leveraging additional private investment. Funding the program at \$500,000 for the biennium will generate at least \$1,000,000 in historic barn rehabilitation. Combined, this investment will assist local farmers in maintaining their agricultural livelihood, promote agri-tourism, farm-to-table trades, while preserving our rural landscapes. Based on information from past projects, the program will create/support up to 80 local jobs in the following fields: timber framing; general and finish carpentry; roofing; window rehabilitation/fabrication & installation; general contracting; painting; crane operation; structural lifting (barn-jacking for foundation work) and others.

Presently, there are over 600 barns listed on the Washington Heritage Barn Register and the agency continues to receive additional nominations from barn owners. In 2007 the legislature allocated \$500,000 to create the program. The legislature approved an additional \$300,000 for 2009-11, \$200,000 in the 2011-13 biennium, \$500,000 in the 2013-15 biennium, and \$450,000 in 15-17. Last biennium, the program received 76 applications totaling nearly \$2.1 million in requests for \$406,000 in available funds (of the \$450,000 allocated for the 2015-17 biennium, \$44,000 went to administrative costs). Only 20 grants (representing just over 25% of 76 total grant applicants) were awarded funding from the program. In turn, these funds generated an additional \$413,100 in cash and donated services identified as committed match by barn owners. Continued funding will help accommodate more and larger projects and contribute to the local economy. Through the grant program, more than \$820,000 in overall work on historic barns was implemented in the 2015-17 biennium, including essential projects such as roof replacement, foundation repair and structural stabilization measures. The funding will be used to continue to award matching grants to qualifying historic barn repair and restoration projects throughout the state. DAHP's administration of the program gives funding priority to barns that remain in active agricultural use.

The principal problem being addressed is the physical needs of historic barns in Washington State. As outlined in the *Heritage Barns: Statewide Survey and Physical Needs Assessment*, Washington's heritage barns have a variety of challenges to their continued survival such as disinvestment, weather damage, and redevelopment pressures. The survey, completed in 2008, identified as much as \$34 million in need for barn rehabilitation throughout the state. Unfortunately, as most heritage barns are owned by private owners, they are not eligible for other grant programs. Furthermore, many barns are located in areas where local jurisdictions have yet to adopt ordinances that would allow barn owners to utilize local property tax-based incentives. Facing significant maintenance costs, barn owners are often forced to demolish their barns or neglect them, opting instead for cheaper alternatives. This grant program incentivizes rehabilitation of heritage barns, meeting several of the agency's activity and statewide preservation goals. The need for a preservation grants fund that target historic barns drove the creation and continued funding of this program. Since the program's establishment, approximately \$1,785,000 invested by the state in grant funds have been utilized on 85 projects in 30 counties statewide, resulting in over \$4 million dollars in historic barn rehabilitation. To date, the program has generated approximately \$205,000 in sales tax revenue, with approximately \$61,000 in additional sales tax revenue anticipated for projects receiving funding in the 2015-17 biennium.

Continued funding of this grant program would increase the number of historic barn rehabilitation projects in the state, ensure the survival of heritage barns, assist the agricultural community, fosters tourism in rural counties, boosts local economies, and increases the heritage resource inventory of the state. Funding will create work for local companies; use local labor; promote preservation and sustainable practices; reduce waste from demolition; and maintain intact agricultural landscapes that is critical to attract tourism. It is important to note that the Heritage Barn Grant program benefits privately-owned, working barns (58 of 66 grants made to date have gone to working farms). Barns benefitted by the program are actively used for farm use such as storing crops, equipment, or animals. Several have been converted by family-owned or small businesses for new uses such as

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supply stores, wineries, stables, or events centers. In this way, the program doubles as a rural economic development program aiding small businesses/family farm operations that often do not have easy access to credit and/or large markets. Research demonstrates (see below) that historic rehabilitation projects have the added advantage over new construction by circulating more expended funds (for wages, materials, taxes) in local economies. The program also works in tandem with the state's burgeoning local farm-to-table economy providing locally grown produce and products for nearby stores, schools, restaurants, and farmer's markets. Major improvements to the State's agricultural heritage resources would be made through continued funding. Continued funding would also renew Washington's commitment to historic preservation, tourism, agricultural heritage and the farming economy. A direct result of the grant program has been an increase in agriculture-related tourism programming at the local level. County-wide barn tours and barn quilt programs have been developed by local historical societies that in turn draw artists and photographers and directly supports the State Scenic Byways program. Also several publications have been created highlighting regional barns and rural landscapes.

The Heritage Barn Grant is one of DAHP's flagship programs. It is the only source of funding available to historic barns in the state, and supports all three of the agency's goals as outlined in the 2014-19 statewide preservation plan. Failure to fund will result in the loss of valuable agricultural heritage through deferred maintenance, neglect, strong weather events, and development pressure.

**Identify the problem or opportunity addressed. Why is the request a priority? (Numbers not served, students without classrooms, budget savings, safety improvements, history, and other backup necessary to understand the need for the request.)**

The opportunity driving this request is the millions of dollars needed to properly rehabilitate the historic barns in the state. The current economic situation in rural areas has created a hardship for family farms, particularly those who strive to maintain their existing historic structures. By providing a competitive grants program, the state has managed to help owners successfully rehabilitate heritage barns, thereby assisting farmers in difficult economic times and preventing demolition and waste of existing resources.

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

The Heritage Barn program will continue over the biennium. Administration of the grants will be continued based upon successful grant administration of the program in previous biennia. All applications for funding are reviewed, scored, and ranked by the program's advisory committee. Grants are targeted to be awarded and completed within the biennia. Requests have always exceeded available funding. Funds from unrealized rehab projects are reallocated to unfunded applicants.

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

There is no other source of funding for barn owners. The impact would be an inability for the rural agricultural community to save, preserve and continue to use their heritage barns. Priority for this program has always been to working farms.

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

There are 20 grants that will possibly carry over to the 17-19 biennium

**Does the request include IT-related costs? (See the IT Appendix for guidance, and follow directions to meet the OCIO review requirement.) What alternatives were explored? Why was the recommended alternative chosen?**

No.

**Will non-state funds be used to complete the project? How much, what fund source, and could the request result in matching federal, state, local, or private funds?**

Yes. The program is a 50-50 match. Matching funds can either be direct funds or indirect funding such as volunteer labor costs and/or donated materials.

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

This project supports the agency's mission to combine historic preservation with economic development. According to the *Washington State Economic Benefits of Historic Preservation Study*, every \$1 million spent on historic rehabilitation creates 28 jobs. Funding this program will assist the agricultural economy, small local businesses and create local income multipliers by

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**355 - Department of Archaeology and Historic Preservation  
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keeping work in the affected county. The state's sustainability initiatives are also served by this program, as the grants provide incentives for farm owners to maintain existing historic buildings rather than demolish and rebuild with new non-local materials. Rehabilitation, in contrast to demolition, reduces the waste stream to landfills and promotes the recycling of existing structures. By promoting rehabilitation over demolition, the state reduces its overall carbon footprint and meets its commitment to preservation and sustainability. Historic barn rehabilitation fulfills two DAHP activities: preserving and enhancing historic places and protecting archaeological and cultural resources.

This project meets all three goals presented in the Washington State Historic Preservation Plan, including:

- Revitalize communities by actively engaging historic preservation with other forces shaping our environment.
- Engage a broad spectrum of the public in preservation by improving access to information.

· Strengthen policies and planning processes to enhance informed decision-making for managing historic and cultural resources.

This program directly fulfills the statewide strategy of improving cultural and recreational opportunities throughout the state. The agency's strategy is to preserve and protect cultural and recreational opportunities through three activities. Each of these activities is enhanced by this program:

- Preserving and enhancing historic places by preserving and rehabilitating historic barns
- Creating and managing cultural resource data through the development and maintenance of the Heritage Barn Register
- Protecting archaeological and historic resources by preventing the loss of valuable heritage resources.

Ultimately, the goal of the program is to rehabilitate barns but also to assist the agricultural community with maintaining their livelihood. Barns are the primary structures for housing animals, storing equipment, and other uses associated with the viability of an agricultural operation. For this reason grants are primarily given to barns that are integral parts of working farms.

**·For projects linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda. See Chapter 14.4 in the 2017-19 Operating Budget Instructions**

There is no link to the Puget Sound Action Agenda.

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

The grant program will directly purchase \$893,000 in repairs and rehabilitation for historic barns. As it is a matching grants program, a minimum \$893,000 in repairs and rehabilitation will be generated, creating a total construction investment of over \$1,786,000. These repairs will increase the useable life of historic barns, assist small local businesses, create local employment, improve economic vitality, fosters tourism, preserves the state's agricultural history and enhance Washington's heritage profile. In exchange for funding, the agency holds preservation easements ranging from 5-15 years for barns receiving grants, thereby protecting the State's investment. This ensures retention of the character defining features and the overall preservation of barns throughout the term of the easement.

**Location**

City: Statewide

County: Statewide

Legislative District: 098

**Project Type**

Grants

Grant Recipient Organization: 20 Barn Owners

RCW that establishes grant: 27.34

**Application process used**

There is a Heritage Barn Committee chaired by Advisory Council on Historic Preservation member Jeri Honeyford, that includes representatives from the Association of Washington Counties, Farm Bureau, Cattleman's Association, DAHP, and the Washington Association of County Officials.

**Growth Management impacts**

None. However, it can be said that the program supports local growth management goals, policies, and plans that protects prime agricultural land, open spaces, critical areas, community character and economic development.

**Funding**

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Acct Code	Account Title	Estimated Total	Expenditures		2017-19 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	3,025,000		57,000	393,000	515,000
	<b>Total</b>	<b>3,025,000</b>	<b>0</b>	<b>57,000</b>	<b>393,000</b>	<b>515,000</b>

		Future Fiscal Periods			
		2019-21	2021-23	2023-25	2025-27
057-1	State Bldg Constr-State	515,000	515,000	515,000	515,000
	<b>Total</b>	<b>515,000</b>	<b>515,000</b>	<b>515,000</b>	<b>515,000</b>

**Operating Impacts**

No Operating Impact

<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2017-19	2017-19
Agency	355	355
Version	BR-A	BR-A
Project Classification	*	All Project Classifications
Capital Project Number	30000009	30000009
Sort Order	Project Class	Project Class
Include Page Numbers	Y	Yes
For Word or Excel	Y	Y
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids