

**U.S. DEPARTMENT OF THE INTERIOR  
NATIONAL PARK SERVICE**

**LAND AND WATER CONSERVATION FUND  
STATE ASSISTANCE PROGRAM**



**FEDERAL FINANCIAL ASSISTANCE MANUAL  
Volume 71**

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## TABLE OF CONTENTS

<b>PREFACE .....</b>	<b>iii</b>
A. Background.....	iv
B. Program Information.....	iv
<b>CHAPTER 1 - GENERAL PROGRAM INFORMATION.....</b>	<b>1</b>
A. Program Summary .....	1
B. Outdoor Recreation Legacy Partnership Program .....	3
C. State Apportionment Formula and Special Reapportionment .....	3
D. Program Review of State LWCF Program Administration .....	6
E. Annual Report.....	7
<b>CHAPTER 2- STATEWIDE COMPREHENSIVE OUTDOOR RECREATION PLAN AND OPEN PROJECT SELECTION PROCESS.....</b>	<b>8</b>
A. State Plan Preparation, Procedures, and Eligibility .....	8
B. Open Project Selection Process .....	11
C. Financial Assistance for SCORP and OPSP Development and Maintenance .....	14
<b>CHAPTER 3 - ACQUISITION AND DEVELOPMENT PROJECT ELIGIBILITY .....</b>	<b>21</b>
A. General Project Criteria .....	21
B. Criteria for Acquisition.....	24
C. Criteria for Development .....	27
<b>CHAPTER 4 - PROPOSALS, ENVIRONMENTAL REVIEW AND FEDERAL COMPLIANCE 40</b>	
A. Proposal Development and Screening for Environmental Impacts .....	40
B. National Environmental Policy Act.....	41
C. National Historic Preservation Act, Section 106 Process .....	49
D. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 .....	55
E. Equal Employment Opportunity Contract Compliance .....	64
F. National Flood Insurance Program .....	64
G. Civil Rights.....	66
H. Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms .....	67
<b>CHAPTER 5 - COST PRINCIPLES .....</b>	<b>68</b>
A. General Cost Principles .....	68
B. Sponsor Financial Obligations.....	71
C. Allowable Costs.....	73
<b>CHAPTER 6 - APPLICATION AND EVALUATION PROCEDURES .....</b>	<b>78</b>
A. Prerequisites for Applying .....	78
B. Application Process .....	78
C. NPS Review Process.....	81
D. Amending Existing Projects .....	83
E. Withdrawal or Changes in Project Application .....	84
F. Project Numbering System .....	84
<b>CHAPTER 7 - PROJECT ADMINISTRATION AND FINANCIAL MANAGEMENT .....</b>	<b>86</b>
A. General Administrative Requirements.....	86
B. Procurement Standards .....	90
C. LWCF Acknowledgement Signs .....	90
D. Performance/Financial Management and Reporting.....	92
E. Payments.....	94
F. Audits.....	94
G. Project Termination/Grant Closeout.....	95

<b>CHAPTER 8 - POST-COMPLETION AND STEWARDSHIP.....</b>	<b>98</b>
A. Purpose .....	98
B. Operation and Maintenance .....	98
C. Post-Completion Inspections and Reporting .....	99
D. Availability to Users .....	100
E. Leasing and Concession Operations Within an LWCF Boundary Area.....	101
F. Conversions of Use.....	102
G. Underground Utility Easements and Rights-of-Way .....	111
H. Commercial Signage within LWCF Boundary Areas.....	111
I. Proposals to Construct Public Facilities.....	112
J. Pre-existing Buildings within LWCF Boundary Areas .....	113
K. Requests for Temporary Non-Conforming Uses within LWCF Boundary Areas .....	114
L. Sheltering Facilities within LWCF-assisted Areas .....	115
M. Obsolete Facilities.....	115
N. Significant Change of Use .....	116
O. Remedies for Failure to Comply with Federal Laws and Regulations .....	117

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**PREFACE**

This manual sets forth the administrative procedures and requirements for Land and Water Conservation Fund (LWCF) federal assistance (Catalog of Federal Domestic Assistance #15.916) to the States by the U.S. Department of the Interior (DOI), National Park Service (NPS). It supersedes the program's existing administrative procedures as detailed in the LWCF State Assistance Program Federal Financial Assistance Manual (Volume 70) and is intended to serve as a basic reference for those who are engaged in the administrative, financial management and stewardship responsibilities of the LWCF State Assistance Program.

It is the responsibility of the State, as primary grant recipient, to comply with these requirements and all terms and conditions of the grant agreement. The State's responsibility cannot be delegated nor transferred.

Participation in the LWCF State Assistance Program is deemed to constitute a public trust. As such, participants are responsible for the efficient and effective management of funds in accordance with the approved budgets, for promptly completing grant assisted activities in a diligent and professional manner, and for monitoring and reporting performance.

The procedures and requirements contained herein are subject to applicable federal laws and regulations, and any changes made to these laws and regulations subsequent to the publication of this manual. Project sponsors should understand and adhere the most current implementing regulations and guidance at the time of application for LWCF funding as outlined in the grant agreement. In the event that these procedures and requirements conflict with applicable federal laws, regulations, and policies, the following order of precedence will prevail:

1. Federal Law
2. The Code of Federal Regulations
3. Terms and Conditions of Grant Award
4. Land and Water Conservation Fund State Assistance Program Manual

The State bears primary responsibility for the administration and success of each grant, including performance by third parties under subawards made by the State for accomplishing non-construction and construction project objectives. The provisions included herein shall also be applied by the State to subrecipients and contractors performing work under the LWCF State Assistance Program.

This edition of the LWCF State Assistance Program Manual supersedes all previous editions and amendments through Volume 70 (effective January 17, 2021). Subsequent updates shall be distinguished by the effective date denoted within the footer appearing at the bottom of each chapter page. The Manual in effect at the time a grant is awarded governs the project except for post-completion requirements. A current version of the Manual can be found at the LWCF Website: [https://www.nps.gov/subjects/lwcf/upload/lwcf\\_manual.pdf](https://www.nps.gov/subjects/lwcf/upload/lwcf_manual.pdf).

## **A. Background**

The LWCF State Assistance Program was established by the LWCF Act of 1965 (Public Law 88-578) and is enacted as positive law at 54 U.S.C. § 200301 et seq. (hereinafter, “the LWCF Act”). Its purpose is to stimulate a nationwide action program to assist in preserving, developing, and assuring accessibility to all citizens of the United States of present and future generations, and visitors who are lawfully present within the boundaries of the United States, such quality and quantity of outdoor recreation resources as may be available and are necessary and desirable for individual active participation in such recreation; and to strengthen the health and vitality of U.S. citizens. The program provides matching grants to States and through States to local units of government, for the acquisition and development of public outdoor recreation sites and facilities. Grant funds are also available, to States only, for fulfilling the comprehensive outdoor recreation planning requirements of the program.

The LWCF program was administered by the Bureau of Outdoor Recreation from its beginning in 1965 to 1978, when the Heritage Conservation and Recreation Service (HCRS) was created. HCRS then administered the program until 1981 when the program was transferred to the NPS.

From 1965 through Fiscal Year 2021, over \$5.1 billion has been apportioned to the 50 States, the District of Columbia, American Samoa, Guam, Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands for planning, acquisition, and development of outdoor recreation resources in the United States. More than 44,000 projects have been approved to assist State and local efforts to acquire land and develop facilities for public outdoor recreation purposes. The federal investment has been matched by State and local contributions for a total LWCF grant investment of over \$10.2 billion. An LWCF-assisted park is located in more than 98 percent of counties in the United States.

The income for the LWCF is provided largely from Outer Continental Shelf mineral receipts. In 2020, the Great American Outdoors Act (Public Law 116-152) made annual disbursement from the LWCF mandatory (i.e., not subject to further Congressional appropriation). Amounts for State Assistance from the LWCF are supplemented by a mandatory amount set aside each year in a special Treasury account from other qualified off-shore revenues pursuant to the Gulf of Mexico Energy Security Act of 2006 (Public Law 109-432).

## **B. Program Information**

LWCF grants are provided to the States, and through the States to local governmental jurisdictions, on a matching basis for up to fifty percent (50%) of the total project-related allowable costs for the acquisition of land and the development of facilities for public outdoor

recreation and for fulfilling the program's planning requirements. Grants to eligible insular areas (American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands) shall be for 100% assistance. Allocations to the State Assistance Program from the LWCF may be made annually by Congress to the Secretary of the Interior, who apportions the funds to the States. Payments for all projects are made to the State agency that is authorized to accept and administer funds paid for approved projects. Local units of government participate in the program as subrecipients of the State with the State retaining primary grant compliance responsibility. Each State must have a "State Liaison Officer" (SLO) appointed by the governor or designated by the State legislature to administer the LWCF program at the State level.

Information about the LWCF State Assistance Program, including contact information for the NPS, can be found on the Web at [www.nps.gov/lwcf](http://www.nps.gov/lwcf) or contact [lwcf.grants@nps.gov](mailto:lwcf.grants@nps.gov)

## CHAPTER 1 - GENERAL PROGRAM INFORMATION

### A. Program Summary

1. Purpose. The Land and Water Conservation Fund (LWCF) Act of 1965 (see Public Law 88- 578, 78 Stat 897) was enacted "...to assist in preserving, developing, and assuring accessibility to all citizens of the United States of America of present and future generations and visitors who are lawfully present within the boundaries of the United States of America such quality and quantity of outdoor recreation resources as may be available and are necessary and desirable for individual active participation in such recreation and to strengthen the health and vitality of the citizens of the United States by (1) providing funds for and authorizing federal assistance to the States in planning, acquisition, and development of needed land and water areas and facilities and (2) providing funds for the federal acquisition and development of certain lands and other areas."

Reflecting the goals of the LWCF Act, the goals of the LWCF State Assistance Program are to:

- a. Meet State and locally identified public outdoor recreation resource needs to strengthen the health and vitality of the American People.
- b. Increase the number of protected State and local outdoor recreation resources and to ensure their availability for public use in perpetuity.
- c. Encourage sound planning and long-term partnerships to expand the quantity and to ensure the quality of needed State and local outdoor recreation resources.

The LWCF State Assistance Program provides matching grants to States, and through the States to local governments, for the acquisition and development of public outdoor recreation areas and facilities. Planning grants are also available to the States to assist in the development of Statewide Comprehensive Outdoor Recreation Plans (SCORP).

2. Delegation of authority. The LWCF Act authorizes the Secretary of the Interior to provide financial assistance to States for outdoor recreation purposes. Except for the apportionment of funds among the States, this authority has been delegated to the Director of the NPS.
3. Appointment of State Liaison Officer and alternate. To be eligible for assistance under the LWCF Act, the governor of each State shall designate in writing a State official, by name or position, to serve as its SLO who has authority to accept and administer funds for purposes of the LWCF Program and to perform the other functions set forth in this Manual. The designation of the SLO may also be accomplished by state statute. To facilitate the administration of the LWCF Program, a concurrent designation (either by the governor or state statute) of an alternate(s) to act on behalf of the SLO is strongly encouraged.

Any SLO (and alternate) letter should be sent to the NPS LWCF Washington Office. If the SLO and alternate are gubernatorially appointed, a new governor, upon taking office, shall re-designate in writing the sitting SLO and alternate, or appoint new officials to represent and act for the State in dealing with the LWCF program. If State statute designates the SLO (and alternate) by position, then the incumbent shall send the letter upon assuming the responsibilities of the position.

4. Apportionment of funds. LWCF monies are apportioned to the States by the Secretary of the Interior each fiscal year in accordance with the apportionment formula contained in the LWCF Act. This formula includes a factor for equal distribution of a portion of the funds among the States, as well as factors for distribution on the basis of population and need. Funds are apportioned to the individual States, the District of Columbia, American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands, which are collectively referred to as "the States" for the purposes of this program. Funds may be made available through the States to political subdivisions of the State and other appropriate public agencies, including recognized Indian tribes, which qualify for LWCF assistance.
5. State planning and project selection requirements. To be eligible for LWCF assistance for acquisition and development grants, each State shall prepare a SCORP and update it at least once every five years. A SCORP program evaluates the demand and supply of public outdoor recreation resources throughout a State; identifies capital investment priorities for acquiring, developing, and protecting all types of outdoor recreation resources; assures continuing opportunity for local units of government and private citizens to take part in planning for Statewide outdoor recreation; and coordinates all outdoor recreation programs throughout the State.

Each State shall develop an Open Project Selection Process (OPSP) that provides objective criteria and standards for grant selection that are explicitly based on each State's priority needs for the acquisition and development of outdoor recreation resources as identified in the SCORP. The OPSP is the connection between the SCORP and the use of LWCF grants to assist State efforts in meeting high priority outdoor recreation resource needs. Planning grants and technical assistance are available through the LWCF program to help the States develop and update their SCORP planning process.

6. Acquisition and development grants. LWCF assistance may be available 1) to acquire lands and waters or interests in lands and water for public outdoor recreation, and 2) to develop basic outdoor recreation facilities to serve the general public. To be eligible for assistance, projects must be in accordance with the SCORP, be sponsored by a governmental agency, and meet other State and federal requirements.
7. Basis for assistance. LWCF assistance is provided on a matching basis, up to 50%, to individual projects that are submitted through the SLO to the NPS for approval. Project costs shall be determined in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. Part 200 and this Manual. All claims shall be subject to verification by federal audit.



In accordance with Section 601 of Public Law 96-205, as amended (48 U.S.C. 1469a(d)), LWCF grants shall be made available on a 100% basis to the Insular Areas participating in the LWCF program (i.e., American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands).

8. Program administration. The SLO is responsible for administration of the LWCF Program in his/her State. This includes: implementation of an ongoing SCORP planning process; evaluation and selection of projects in accordance with an OPSP; assuring compliance of projects with the requirements of this Manual and published regulations; preparation and submission of applications and amendments; financial management of apportionments and individual grant awards; inspection of project sites to insure proper completion, operations, maintenance, stewardship of LWCF-assisted areas; and other functions necessary for proper program administration and management.
9. Conversion policy. The LWCF Act requires the States to operate and maintain by acceptable standards the properties or facilities acquired or developed for public outdoor recreation use. Further, Section 6(f)(3) of the LWCF Act (now codified at 54 U.S.C. § 200305(f)(3)) and its implementing regulations at 36 C.F.R. Part 59 requires that no property acquired or developed with LWCF assistance shall be converted to other than public outdoor recreation uses without the approval of the Secretary of the Interior, and only if the Secretary finds it to be in accordance with the then existing SCORP and only upon such conditions as the Secretary deems necessary to assure the substitution of other recreation properties of at least equal fair market value and of reasonably equivalent usefulness and location. Parks or recreation areas acquired or developed with LWCF assistance (in whole or part) are now referred to as “LWCF-assisted areas” and/or “LWCF boundary areas.”

## **B. Outdoor Recreation Legacy Partnership Program**

In 2014, in coordination with Congress, the NPS created the Outdoor Recreation Legacy Partnership (ORLP) Program, a competitive grant program administered under the authority of the LWCF Act. NPS designed the ORLP with input from Congressional Committee staff, the States, and other interested parties. As designed, the goal of the ORLP Program is to provide new or significantly improve recreation opportunities for economically-disadvantaged communities in larger urbanized areas (as designated by the Census Bureau) that are under-served in terms of parks and other outdoor recreation resources. With Congressional support, the NPS has funded and issued grants pursuant to the ORLP each year. ORLP grants are selected through an NPS-lead national competition following a solicitation and nomination by the States, and such grants do not count against State apportionments, discussed below.

## **C. State Apportionment Formula and Special Reapportionment**

1. Apportionment percentage to States. The LWCF Act creates a fund consisting of certain earmarked revenues from which money is made available for public outdoor recreation purposes. Through Fiscal Year 2020, LWCF monies were allocated via Congressional appropriation. With the enactment of the Great American Outdoors Act (Public Law 116-

152) in August 2020, allocation became mandatory at the full authorized level of \$900 million per year, although Congress stipulated a final say in the amounts directed to each program or activity supported by the LWCF. The John D. Dingell, Jr. Conservation, Management, and Recreation Act (Public Law 116-9), enacted in 2019, made the LWCF Act permanent and further provided that of the total amount made available, not less than 40 percent shall be allocated for State purposes. However, the supplemental amounts made available to the Program via the Gulf of Mexico Energy Security Act may be considered in calculating the 40 percent share.

2. The amount apportioned is essentially a reserve. Apportionment of funds to the States does not confer absolute entitlement to such funds. The apportionment is evidence of a commitment by the Federal Government to withhold from other uses a specified amount for a State for a given period of time. To receive apportioned funds, the States must (a) prepare and maintain a SCORP that has been found by the NPS to be adequate for the purposes of the Act; (b) submit and receive approval of projects requiring the use of apportioned funds; and (c) request the Federal Government to obligate apportioned funds for use on approved projects.
3. Basis for apportionment. Apportionment of funds to the States is made by the Secretary of the Interior in accordance with the legislative mandate stated in the LWCF Act (54 U.S.C. § 200305(b)). The amount apportioned to each State is the amount of new authority for obligation each State will have in the fiscal year unless Congress or the President decides later to defer or rescind some portion of the amount.
4. Certificate of apportionment. The Secretary will notify each State of its apportionment.
5. Reports on status of State apportionment. The NPS will periodically notify each State of the status of each fiscal year's apportionment. This financial report shall include for each fiscal year: the total amount of current apportionments (including adjustments), the total obligations, and the total expenditures. The report will also notify the State of the balance remaining available in each apportionment. The State is expected to maintain its own accounting records on the status of apportionments.
6. Availability of State apportionment. The funds apportioned to a State will remain available for obligation during the fiscal year that notification is given and for two fiscal years thereafter. In accordance with 54 U.S.C. 200305(b)(4), any portion of an apportionment that remains unobligated at the expiration of this three-year period is lost to the State and shall be reapportioned by the Secretary in accordance with 54 U.S.C. 200305(b)(2), without regard to the ten percent limitation to an individual State specified in this subsection.
7. Disposition of unexpended project balances into a Special Reapportionment Account. Funds obligated for an approved project will remain available for expenditure by the project sponsor until the project is completed, has expired, is withdrawn, or is terminated.

Should total expenditures be less than the obligated amount or should the project be withdrawn or terminated, the unexpended balance will revert to the State's "special reappropriation account" (SRA). This special account containing previously apportioned and obligated but unexpended funds does not confer entitlement to such funds by the State. The Secretary may, at his/her discretion, reappropriate such unexpended balances back to the respective State from which it came on the basis of need. The determination of need for each State will be based on its efficient management of LWCF obligations and expenditures, demonstrated need for additional funding, and satisfactory compliance with all LWCF program requirements.

The State must request SRA funds from the NPS within six (6) months from the end of the fiscal year in which the reappropriation funds become available (i.e., by March 31 of the following year). States must submit their SRA requests in sufficient time to allow for the request to be reviewed and processed by this date. The NPS will only process State requests for SRA funds when:

- a. a State has obligated all of its available regular apportioned LWCF funds for the year in which the monies were deobligated, or
- b. a State certifies that it has identified eligible projects/amendments for LWCF assistance that remain unfunded and those projects/amendments will fully obligate the available regular apportioned LWCF funds as well as the SRA funds being requested. Actionable projects and amendments must be submitted to NPS for review and processing as soon as possible to ensure that NPS has sufficient time to obligate funds by the end of the current fiscal year (September 30). Projects for funding that are not complete and fully documented will be returned to the State. A State may request less than the full amount in its SRA account and may add SRA funds to any remaining available regular apportionment to fund a project or project amendment.

Any SRA funds not requested from NPS within six (6) months from the end of the fiscal year in which the funds became available or any funds reappropriated but not obligated by the end of that fiscal year will be treated similarly to funds unobligated at the expiration of the three-year period.

A State may not make more than one SRA request every three months. Requests for SRA amounts of less than \$5,000 shall not be processed except in March for the balance carried over from the previous fiscal year. Exceptions to the minimal request limitation may be allowed only when the moneys will be immediately applied to an approvable grant application in the hands of the NPS for which available funds are insufficient to cover the costs of the project.

The procedure and timeframes for requesting SRA funds will be communicated to the States annually and will include a review of each State's identification and justification of need for SRA funds and State compliance with all LWCF program requirements. Upon NPS approval, a Certificate of Reappropriation will be issued to the State.

## **D. Program Review of State LWCF Program Administration**

1. Purpose. In accordance with the LWCF Act at 54 U.S.C. § 200305(g) and 54 U.S.C. § 200305(h), the NPS is responsible for continually monitoring each State's effectiveness in administering the LWCF program.

While the review of a State's program is an on-going process, it is measured over a five-year period with NPS visits during that time to the State offices. The State visit represents not only a fact-finding mission, but an opportunity to address those problems, concerns, and issues involving the State's program.

In assessing the present status of a State's LWCF program administration, it provides a basis for improving overall coordination between the State and NPS; insures that program administration is being carried out consistent with program laws, regulations, and policies; and identifies areas where improvements must be made. The State program reviews provide an opportunity to improve program accountability and lessen vulnerability to waste, fraud, and abuse.

At a minimum, a program review must be conducted every five years at the State office in the form of a Program Review Report as described in Section D.4 below.

2. State review participants. The NPS review team may be any combination of a team leader, State's project officer, a secondary project officer, a review appraiser and/or any other person deemed appropriate by the review coordinator. State participants should include the SLO, ASLO(s), SHPO, grant and planning staffs, finance staff, appraisal staff, and any other appropriate persons with connectivity to the State's LWCF program administration.
3. Scope of the State reviews. The visit to the State office provides the opportunity for the NPS to:
  - a. Discuss the resolution of issues noted in the previous program review report
  - b. Discuss new issues and/or non-compliance affecting program administration
  - c. Gain insight into State systems and operations
  - d. Provide technical assistance
  - e. Review randomly selected LWCF project files for program compliance
  - f. Review the adequacy of randomly selected LWCF associated appraisal documents
  - g. Discuss any new or proposed legislation affecting the LWCF program
  - h. Review key SCORP, OPSP, and eligibility items

- i. Assess whether adequate staff exist to administer the LWCF program
  - j. Review obligation and expenditure rates
  - k. Discuss coordination between the state grant staff and the SHPO
  - l. Review State's application of indirect cost rates
  - m. Discuss or review SLO/ASLO designations, on-site inspection agreements, waivers, conversions, environmental review process, administrative and financial project close out, and any other relevant LWCF administration matters
4. Report. At a minimum, the report shall contain a discussion of the following items:
- a. Status report on previous recommendations.
  - b. Major problem/opportunity areas identified prior to and during the State visit.
  - c. Recommendations for improvements with timeframe for State resolution.
  - d. Follow-up actions to be undertaken by NPS.
5. Distribution of the final report. The report of findings shall be transmitted under a cover letter to the governor with courtesy copies provided to the SLO and ASLO(s) for use and dissemination. A copy of the report and correspondence to the governor shall be sent to the NPS LWCF Washington Office.
6. State visits. NPS visits to state offices shall be conducted at least annually, when possible. Visits may pertain to officially addressing the status of program review findings; to provide the opportunity for face-to-face communication on program administration, training, and current issues; and to provide direct technical assistance.

## **E. Annual Report**

When staffing resources permit it, on an annual basis the NPS will produce a report on the fiscal year performance and accomplishments of the LWCF State Assistance Program. States assist in its production by providing State-specific program accomplishments, testimonials, and images. A supply of the report is distributed to the States and is posted on the LWCF State Assistance Program Website. A limited number of hard copies are available to interested parties upon request until supplies are exhausted.

## CHAPTER 2- STATEWIDE COMPREHENSIVE OUTDOOR RECREATION PLAN AND OPEN PROJECT SELECTION PROCESS

### A. State Plan Preparation, Procedures, and Eligibility

1. Purpose. This section explains the objectives, eligibility requirements, and guidelines for the preparation of SCORPs and the NPS review and approval process. The SCORP is required by the LWCF Act (54 U.S.C. § 200305(d)).

The guidelines are based on provisions of the LWCF Act, related federal statutes, and determinations of the NPS regarding planning considerations essential for effective administration of the LWCF program.

The governors and/or the officially designated SLOs are the officials authorized to act for the State, as specified under the various provisions of the LWCF Act.

2. Requirements. The LWCF Act at 54 U.S.C. § 200305(d) requires a SCORP from each State prior to consideration by the Secretary of the Interior for financial assistance for acquisition and development projects.

The LWCF Act explicitly requires the SCORP to include the following:

- a. The name of the State agency that will have the authority to represent and act for the State in dealing with the Secretary for purposes of 54 U.S.C. § 200305;
- b. An evaluation of the demand for and supply of outdoor recreation resources and facilities in the State;
- c. A program for the implementation of the plan;
- d. Certification by the governor that ample opportunity for public participation has taken place in plan development; and
- e. Other necessary information as may be determined by the Secretary.

The SCORP shall take into account relevant federal resources and programs and shall be correlated so far as practicable with other State, regional and local plans.

3. Goals and objectives of the SCORP. The goals of the SCORP and its associated planning process are to direct each State's use of its LWCF apportionment.

The objectives of the SCORP and its associated planning process are to:

- a. Fulfill the purposes of the LWCF Act;
- b. Provide each State the maximum opportunity and flexibility to develop and implement its plan;

- c. Describe the role of the LWCF in the State's provision of outdoor recreation resources and the State's policies for use of its LWCF apportionment;
- d. Provide a basis for determining each State's LWCF eligibility; and
- e. Ensure relevant, influential and timely planning for the State's use of its LWCF apportionment.

Each State is encouraged to conduct outdoor recreation planning beyond the minimum required to maintain LWCF eligibility. Under Section 8(a) of Public Law 90-543, as amended, and Section 11(a) of Public Law 90-542, as amended, respectively, the Secretary is directed to encourage States to consider in their plans the needs and opportunities for establishing recreation and historic trails, and wild, scenic and recreational river areas. In addition, the SCORP must contain a wetlands component pursuant to Section 303 of the Emergency Wetlands Resources Act of 1986 (see item 4.e below).

4. SCORP requirements. The minimum requirements are:
  - a. The plan must describe the process and methodology(s) chosen by the State to meet the guidelines as set forth in this section.
  - b. The planning process must include ample opportunity for public participation involving all segments of the State's population.
  - c. The plan must be comprehensive. The plan will be considered comprehensive if it:
    - (1) Identifies outdoor recreation issues of Statewide importance based upon, but not limited to, input from the public participation program. The plan must also identify those issues the State will address through the LWCF and those issues which may be addressed by other means;
    - (2) Evaluates demand, i.e., public outdoor recreation preferences, but not necessarily through quantitative Statewide surveys or analyses; and
    - (3) Evaluates the supply of outdoor recreation resources and facilities, but not necessarily through quantitative Statewide inventories.
  - d. The plan must have an implementation program that identifies the State's strategies, priorities, and actions for the obligation of its LWCF apportionment. The implementation program must be of sufficient detail for use in developing project selection criteria for the State's OPSP so projects submitted to the NPS for LWCF funding will implement the SCORP.
  - e. The plan must contain or reference a wetlands priority component consistent with Section 303 of the Emergency Wetlands Resources Act of 1986. At a minimum, the wetlands priority component must:

- (1) Be consistent with the National Wetlands Priority Conservation Plan, prepared by the U.S. Fish and Wildlife Service;
  - (2) Provide evidence of consultation with the State agency responsible for fish and wildlife resources;
  - (3) Contain a listing of those wetland types that should receive priority for acquisition; and
  - (4) Consider outdoor recreation opportunities associated with its wetlands resources for meeting the State's public outdoor recreation needs.
- f. In accordance with 54 U.S.C. § 200305(d)(1)(D), the Secretary may determine other necessary information the plan should contain, which will be conveyed through other means such as the annual apportionment letter.
- g. The plan may consist of a single document or may be comprised of multiple documents as long as the guidelines as set forth in this section are met.
5. SCORP cooperation. An effective working partnership between each State and the NPS is necessary to consult and coordinate on such elements as scheduling, planning methodology(ies), public participation, and any NPS assistance needed by the State. Each State is strongly encouraged to consult and coordinate with the NPS on a regular basis, especially at the start of its planning cycle, to ensure that the planning process and its products are mutually acceptable.
6. Submission of SCORP documentation. The minimum documentation required to be submitted by each State to NPS as evidence of conformance with this chapter is a new or updated SCORP. The SCORP must be approved by and contain a certification by the governor that ample opportunity for public participation has taken place in the plan's development. The State must submit three (3) copies of the SCORP to the NPS. States are encouraged to post the SCORP on the agency's website and use other means as appropriate to make it available to the public.

Amendments to the SCORP may be submitted at any time. Amendments will follow the same review and approval procedures as new plans.

7. State LWCF eligibility related to planning. Each State will be deemed eligible to participate in the LWCF State Assistance Program when its SCORP meets the requirements of the LWCF Act. The Act requires an adequate and approved SCORP prior to the consideration by the Secretary of financial assistance for acquisition or development projects.

The State must produce a SCORP at least once every five (5) years and implement its recommendations through the OPSP in order to maintain the State's eligibility to participate in the LWCF Program. The State must develop the SCORP in accordance with



this Chapter and submit a draft for NPS review. The NPS approval of a formal SCORP submission must occur prior to the expiration of the State's current SCORP to maintain LWCF eligibility.

Should the State fail to meet this deadline or if NPS finds that the pending SCORP currently under review is inadequate, the NPS will provide written notification to the SLO that the State must correct the identified deficiencies within ninety (90) days following the last SCORP's expiration date, during which time NPS approval of acquisition and development projects may continue. However, if the State fails to take corrective action within the 90 days, the NPS will suspend the State's eligibility.

The State may appeal a finding that a pending SCORP is inadequate to the NPS Director, along with appropriate justification, within 30 days following the receipt of the 90-day notice. Appeals will be considered by the Director prior to the termination of the 90-day notice of the State's eligibility. Once the Director's decision is made, it will be articulated to the State with clear stipulations on how to move forward. The decision of the Director will be final.

8. NPS actions during periods of state ineligibility. During a period of state ineligibility, the following apply:
  - a. Requests for project approval received by the NPS, but not acted upon prior to the State's loss of eligibility, will be returned to the State as inactionable. The State may not submit projects to the NPS during a period of ineligibility.
  - b. Only requests for time extensions, deobligations, reimbursements, changes in scope, and project completions will be acted upon during a State's period of ineligibility. Amendments to increase funds will not be acted upon during this period.
  - c. Waivers of retroactivity will not be granted.

## **B. Open Project Selection Process**

1. Purpose. The purpose of this section is to establish requirements for the States to develop and conduct an OPSP that will better assure equal opportunity for all eligible project sponsors and all sectors of the general public to participate in the benefits of the LWCF State Assistance Program, and to enable the States to affirmatively address and meet priority recreation needs. OPSPs shall perform two essential functions:
  - a. Establish a public notification process, LWCF application assistance, and review systems that assure equitable opportunities for participation in grant funding by all potentially eligible applicants.
  - b. Provide objective criteria and standards for project selection that are explicitly based on each State's priority needs for recreation land acquisition and outdoor recreation development as identified in the SCORP. While it is recognized the SCORP may cover

policy, legislative, management, and other matters that go beyond priorities for capital funding and activities eligible for LWCF assistance, the OPSP supplies the most visible connection between a State's planning efforts and its use of LWCF grants to meet some of the high priority needs identified through its SCORP program.

2. Goals. The OPSP developed by each State shall be designed to accomplish the following goals:
  - a. Provide for public knowledge of and participation in the formulation and application of the project selection process used by the State in allocating LWCF assistance;
  - b. Ensure all potential state and local applicants are aware of the availability of and process for obtaining LWCF assistance, and provide opportunities for all eligible agencies to submit project applications and have them considered on an equitable basis;
  - c. Provide a measurable link, through published selection criteria, to the specific outdoor recreation needs and priorities identified in SCORP policies and implementation programs; and
  - d. Assure the distribution of LWCF assistance is accomplished in a non-discriminatory manner, especially with regards to minority, elderly, disabled, and other underserved populations and ensure a fair and equitable evaluation of all applications for LWCF assistance.
3. Requirements for an OPSP. Each State shall, as a condition of eligibility to receive LWCF assistance, implement an OPSP that has the following components:
  - a. Priority rating system. Each State shall develop a priority rating system for selecting projects that ensures the fair and equitable evaluation of all projects and at a minimum:
    - (1) Places the strongest possible emphasis on project selection criteria that conforms directly to explicit priority needs identified by the SCORP process. Because compatibility of projects funded with SCORP priorities is the primary measure of responsive planning and selection processes, SCORP-related criteria should be heavily-weighted to ensure that a) the rank ordering of projects closely reflects their response to plan-identified needs, and b) no project without measurable links to SCORP-identified priorities will be funded (see Section 2.c above).
    - (2) Encourages public participation in the formulation of grant proposals at the project sponsor level.
    - (3) Recognizes the need for accessibility of proposed projects, to the greatest extent practicable, to all segments of the public including minority populations, the elderly, individuals with disabilities, and other underserved populations.

- (4) Requires project conformance to LWCF eligibility and evaluation criteria in Chapter 3, Sections B and C.
- b. Project selection process. Each State shall develop a project selection process that evaluates and selects projects on the basis of quality and conformance with its priority rating system. The practice of dividing a State's apportionment between State and local projects may continue at the State's option. In this case, the State's project selection process may involve a single competition among all State and local projects, or distinct processes and competitions for each of the two categories (i.e., State projects and local projects). The distribution of a State's apportionment strictly on the basis of geography or location of political subdivisions is prohibited.
  - c. Amendments to add funds to existing projects. A State may honor requests to amend grants to increase the cost of a State or locally sponsored project, including the federal share, without further OPSP competition only if the State has proposed, and the NPS approved, guidelines that are incorporated in the OPSP to cover this contingency. If no procedure is established, cost increase projects must undergo OPSP competition to be amended for additional funding.
  - d. Recurring funding cycle. Each State shall institute a recurring funding cycle to regularize the timing for receiving, evaluating, and selecting project proposals. The funding cycle must occur at least once every two (2) years and may occur at any other regular interval within the fiscal year as determined by the State. States shall clearly explain the funding cycle to potential applicants, especially for a two-year call for applications. All applications submitted to NPS must have competed in such a funding cycle, and documentation of a project's ranking in such regular competitions must be available in state files.
  - e. Applicant notification. Each State shall inform all potential LWCF applicants about the availability of LWCF funding through direct contact with all potential sponsors or indirectly through State and local organizations. The information supplied shall include the types of areas and facilities eligible for funding, a statement of the State's overall objectives for use of funds under the LWCF grants program, guidance on how to apply for LWCF assistance, and an explanation of how the State's OPSP works. Each State should also have available for review by potential applicants a list of the criteria it will use in selecting projects for priority funding during the current funding cycle.
  - f. Program assistance. Each State shall, to the extent practicable, provide assistance to any potential project sponsor who requests assistance with project formulation, proposal preparation in obtaining the non-federal matching share, and other matters necessary for participation with the program.
  - g. Underserved populations. Each State shall encourage projects which directly benefit minority and other underserved populations in the State. This may be accomplished through the SCORP planning process, and shall, at a minimum, reflect efforts to encourage applications from communities with significant minority and other

underserved populations. Since social conditions vary from State to State, the design of the approach may be determined by each State.

- h. Advisory boards. The use of advisory boards, commissions, or committees to assist States in the selection of proposals to receive the available LWCF monies is encouraged but not required. If advisory boards, commissions, or committees are utilized by a State, they must include representation of minorities to the extent that such representation reasonably reflects the ratio of minority to non-minority populations in the State.
4. Public participation. Public participation programs developed by each State in accordance with SCORP requirements shall include provisions for insuring that the preparation and revision of project selection processes and priority rating systems are subject to public review and comment (including minority participation in this process) prior to their implementation. Use of public meetings and review by special interest groups, advisory committees, and park/recreation boards, commissions, or committees to assist in development of selection processes are encouraged.
5. NPS approval. New or revised OPSPs must be submitted to the NPS for review, evaluation, and approval before their use in state grant competitions.
6. Process review and updating. To ensure continuing close ties between a State's SCORP program and its OPSP, States must review its project selection criteria each time that a new or amended SCORP is approved by the NPS. States must submit to the NPS a revised set of OPSP criteria that conform to any changes in SCORP priorities or submit an appropriate certification that no such revisions are necessary. The NPS will evaluate such revised submissions or certifications in the same manner as original submissions and will ensure accurate conformity to the SCORP and to the objectivity and public participation objectives of this section, before approving their use for LWCF project selection.

State implementation of OPSPs will also be reviewed as part of the NPS' periodic state program review process, to determine each State's effectiveness in meeting the goals and requirements of this section. Failure by a State to keep its selection process active and up-to-date in relation to changing needs or conditions identified through its SCORP program may result in that State's loss of eligibility for participation in the LWCF Program.

### **C. Financial Assistance for SCORP and OPSP Development and Maintenance**

1. Purpose. The purpose of this section is to specify objectives and requirements governing use of planning grants from the LWCF. Such grants are to be used for developing and maintaining a SCORP or OPSP as a decision-making tool.
2. Use of LWCF planning grants. LWCF planning grants may be used for expenses reasonably related to development and maintenance of a SCORP (including an OPSP). This may include grants generally for the process of developing or updating a SCORP;

administrative expenses related to developing or maintaining the SCORP including State personnel costs; for more specific projects such as solving a problem identified in the last approved SCORP effort that addresses an outdoor recreation challenge or opportunity of Statewide importance; or developing new data and decision tools identified as essential to completion of an upcoming SCORP. Grants for maintenance of the SCORP may also include projects for the development and maintenance of records to track previously accomplished recreation development and acquisition projects.

3. Pre-application consultation. All planning grants should be the result of joint consultations between the NPS and the State on priority needs, within the context of a State's continuing and systematic outdoor recreation planning process.
4. Eligible applicants. Only the SLO is eligible to apply for planning assistance from LWCF. Responsibility for executing a planning project or a portion thereof may be performed by State personnel funded through a planning grant or subcontracted to an appropriate non-federal governmental agency (general purpose or special purpose government unit) or to another public or private planning organization. In all cases, however, the State is obligated to supervise and to be responsible for all work performed, and must be directly involved in production of the final products of the grant and in the development of any policies or action options expected to result from project work.
5. Eligible planning projects. To be eligible for Fund assistance, a planning grant project must have a clearly defined objective and end product that addresses needs, problems, or issues identified in a State's currently approved SCORP of Statewide importance, or is otherwise essential, in the judgment of the State and the NPS, to production of an upcoming SCORP. It may be explicitly identified as part of a future planning program contained in the current SCORP or be logically implied, in the judgment of the NPS reviewers, by discussions of planning needs in such current SCORP documents; or respond to a specific planning deficiency identified by NPS as part of its periodic review of a State's planning program and state SCORP submissions.
  - a. Project assistance may include SCORP administrative expenses, surveys, planning studies, data collection and analysis, public participation efforts, and other activities related to production of a SCORP.
  - b. Management studies related to improved Statewide financing, operation, maintenance, stewardship, or other use of administrative resources to sustain outdoor recreation resources, including evaluation of the overall capabilities of State and local governments to fully protect and utilize their outdoor recreation investments, may be funded when clearly related to a State's overall SCORP program and to meeting the requirements of the LWCF Act for continued operation and maintenance of all Fund-assisted areas and facilities.
  - c. Studies of natural, ecological, or recreational resource areas, demonstration studies and topics of Statewide significance or national concern related to public outdoor recreation are also eligible. These studies must meet the following criteria:

- (1) The proposal must address a priority problem of statewide significance identified in approved SCORP documents or be essential for the development of decision-making information for an upcoming SCORP. The study must go beyond "basic research" or simple data collection to provide information likely to be used for State or local decision-making on outdoor recreation issues and programs, so it may provide specific recommendations for inclusion in the State's published SCORP.
  - (2) The proposal must include a justification indicating how the study would contribute to the State's overall SCORP program and future SCORP submissions. The proposal must also include evidence that the study will further the overall purposes of the SCORP process and must include an assessment of whether the monetary, personnel and other resources devoted to the study will contribute to and not detract from the accomplishment of other high priority planning objectives identified in SCORP submissions or in the NPS' reviews of a State's continuing planning process.
  - (3) The study should include a public participation program through which concerned public and private agencies or organizations and interested citizens can be kept informed of, and allowed to comment on, study objectives and results.
  - (4) Responsibility for the overall project, as well as its different elements, must be clearly identified if more than one agency is to be involved.
  - (5) When public land protection measures are proposed, the study must include an examination of the feasibility of any alternatives to fee simple acquisition of the resources to be protected.
- d. Studies or other investigations that are primarily aimed at promoting tourism, other state and local economic activities, or the promotion of private recreation expenditures through recreation development are not eligible for planning grant assistance. However, studies aimed at analyzing or documenting the contributions of outdoor recreation resources to a State's economy or environment or at improving State decisions on the appropriate public and private roles in the management of various recreation resources may be eligible for funding when they meet other appropriate criteria for eligibility as outlined elsewhere in this section.
  - e. Detailed plans for capital projects, sketch or site plans, individual area master plans, economic feasibility studies, landscape designs, or architectural and engineering studies are not eligible for planning grant assistance. However, such work may be eligible as part of a development grant.
  - f. Planning proposals must take into account past studies of the same or similar resources or programs to ensure that the proposed efforts do not duplicate earlier research. They must consider any relevant federal resources, plans, or programs and be correlated, so far as practicable with other state, regional and local plans.

- g. Two or more planning projects may be carried out concurrently provided they do not duplicate one another. Work items funded under an LWCF planning grant must not overlap with work items assisted by another LWCF grant, or financially assisted under other federal programs, or otherwise accomplished with federal personnel or resources.
  - h. When a grant proposal involves funding of outdoor recreation planning elements as part of a larger "consolidated and simplified" state planning process as authorized by Executive Order 12372 Intergovernmental Review of Federal Programs, the State must provide particular assurance that the LWCF grant will be used for direct support of outdoor recreation planning work items and not, either directly or indirectly, of non-recreation planning items, such as housing, transportation, or general economic development.
  - i. Planning grants may not encompass any costs for acquisition of land or interests in land or for development of new facilities. Nor may land acquisition or development costs be used as any part of a grantee's matching share of eligible planning costs.
6. Available funding. Up to 50% of the total cost of an eligible planning project is available to a State, on a reimbursement basis, from its LWCF apportionment account. However, grants to the Insular Areas shall be made available on a 100% basis. The Federal share of a planning grant shall not exceed ten percent of a State's annual apportionment or \$250,000, whichever is less.
  7. Allowable costs. Project costs incurred to sustain an ongoing outdoor recreation planning process are available as part of an approved planning project. These include personnel costs; the preparation, publishing and distribution of appropriate documents, such as core SCORP and OPSP documents; supplemental recreation policy or action plans; and related studies. Costs of data collection and processing, public participation activities, special studies, etc. are also eligible for assistance. Contracted professional services for eligible planning activities may be allowed if overall responsibility for planning policies and action recommendations is clearly retained by the SLO or designated state agency. All contracts awarded by a grantee must be in accordance with the procurement standards and procedures at 2 C.F.R. Part 200, §§ 317-327 (see Chapter 7). If the State has a negotiated indirect cost rate agreement (NICRA) applicable to the project's costs, then indirect expenses may also be allowable.
  8. Length of project period. Planning projects should normally cover a period of two years or less to ensure timely completion and close-out of complex work efforts and reduce audit problems. In no case should a single planning grant include elements from more than one complete SCORP cycle, except where costs of publication and distribution of a SCORP document from a previous cycle may be reasonably included as a public participation element in the next SCORP cycle.
  9. Acknowledgement of assistance. When assistance from the LWCF is provided for a project, the resulting document shall include the following acknowledgement:

"The preparation (updating, revision) of this plan (study, analysis, etc.) was financed in part through a planning grant from the National Park Service, United States Department of the Interior, under the provisions of the Land and Water Conservation Fund Act of 1965 (Public Law 88-578) as amended."

This statement may be expanded at the State's discretion to reflect the manner in which the non-federal share of the total cost was financed.

10. Executive Order 12372 intergovernmental review. For those States participating in the intergovernmental review process, a copy of the planning grant application must be submitted to a State's Single Point of Contact (SPOC) or State Clearinghouse in accordance with the intergovernmental review requirements of Executive Order 12372.

Submissions to the SPOC should normally consist of copies of the material to be provided to the NPS in the application package, including a notice of intent describing the project purpose, scope, cost, and beneficiaries to allow the SPOC to provide potentially interested agencies with an opportunity to comment on the proposed effort. States are responsible for considering SPOC comments prior to submitting the planning grant formal application to NPS in order to address comments as appropriate.

LWCF planning grant applications should include assurances that the recreation planning objectives and products of the grant are in accordance with comprehensive state planning goals, as determined by the Governor or state agency designated to coordinate overall planning.

11. Project application. The standard federal forms used for non-construction assistance programs (SF-424, SF-424A, and SF-424B) are required when applying for LWCF planning assistance. They must be accompanied by the required documentation as follows:
  - a. Project narrative. For planning grants, States must submit a detailed narrative attachment which covers the following items:
    - (1) Identification of the objectives of the grant, with reference to planning needs identified in existing SCORP documents or other justification in terms of the project's compatibility with overall SCORP program priorities.
    - (2) The planning products that will result and how they will contribute to maintenance of the SCORP program, and, if appropriate, the relationship of a new proposal to other planning grants received by a State.
    - (3) The general approach to be used, including a schedule of key events, the breadth of study coverage, and cost estimates for each work item indicating how funds will be used by object class (personnel, travel, equipment, consultant contracts, etc.).
    - (4) A discussion of the personnel, organizations or outside consultants that may be used to implement the project, with an explanation of any special knowledge or expertise which they will provide.



- b. Application and Revision (A&R) Form.
  - c. Description and Notification Form (DNF)
12. NPS review. Project applications will be reviewed by the NPS to determine if all planning assistance requirements have been met. This evaluation will focus on the following specific criteria:
- a. The project must be an integral part of the SCORP process and clearly essential to maintenance of the SCORP as a decision-making or management tool. If need for the project is not explicitly identified in current SCORP documents, there must be mutual agreement between the NPS and the State on the priority need for the project effort as part of a State's overall recreation planning program.
  - b. Timing, scope, costs, and methodology of the project must be appropriate to the planning benefits received and complementary to any other planning efforts needed to address identified deficiencies in a State's overall planning program.
  - c. Project work elements must be clearly identified with reasonable scheduling, staffing, and cost estimates assigned to each element.
  - d. Grant products such as published plans, studies, new policies or procedures to be adopted, reports, evaluations, or other documents must be explicitly identified.
  - e. Both the agency requesting the assistance and the project itself must be eligible for planning assistance from the LWCF.
  - f. The requirements of Executive Order 12372 relating to review and comment by a participating State clearinghouse must have been completed if applicable.
  - g. There must be no duplication of federal assistance for work items funded under the project.
13. Amendments. Changes that materially alter the scope, change the cost, and/or change the completion time of a project must be approved by the NPS. When a State wishes to modify its project, it should discuss the proposed changes with the NPS prior to submitting the request. Amendments will be reviewed and processed following the same procedures used for a complete planning project. Only those changes considered to be major and substantive will be required to receive E.O. 12372 clearinghouse review if applicable.
14. Financial procedures. Adequate financial records must be maintained to support all the costs involved in a project. A documentation "trail" adequate to withstand audit should be maintained. Generally accepted accounting and auditing principles will apply to project records, accounts, and documentation. Such records must be in accordance with the principles established in 2 C.F.R. Part 200 for prevention of fraud, waste, and abuse in federal programs. The State should pay particular attention to maintaining good records of

in-house personnel costs attributable to the planning grant. Time distribution records must be maintained for each individual for whom LWCF grant costs are to be claimed. Careful records of time spent on planning-related work are especially important when the personnel are splitting their time with other LWCF duties or work on non-LWCF programs.

To guard against fraud, waste and abuse or possible disallowance of legitimate grant costs, it is recommended that grantees establish a separate tracking account for each planning grant. No grantee reimbursement requests or electronic transfer of funds can be made without NPS review of a progress report covering expenditures and accomplishments under the grant for the requested reimbursement. Requests for reimbursement or electronic transfer of funds may only be made for definable products or completion of distinct planning elements.

15. Reimbursements. The NPS will place a financial hold on all planning grants at the time of NPS project approval. States must obtain NPS approval of their progress report BEFORE requesting payment through the Automated Standard Application for Payments (ASAP) system. Each ASAP drawdown for planning grants must be preceded by a reimbursement request (SF-270 Request for Reimbursement for Non-construction Grants) and a progress report (see next item) for NPS review. Upon approval, the NPS will provide the State with an email authorizing a drawdown for the approved reimbursement amount.
16. Progress reports. Progress reports are due annually and with each payment request (see above). Progress reports shall include:
  - a. A list of the major work elements agreed to in the grant scope and a narrative description of the status of work for each, including actual or projected completion dates.
  - b. Identification of any elements that are behind schedule and why.
  - c. Estimated costs incurred during the billing period for each work item.
  - d. Total costs incurred and total costs previously billed for all parts of the project to date.
  - e. If applicable, evaluations of the success or failure to date of the planning approaches used and of any effects of project work to date on state policies or improved management of state programs.

## CHAPTER 3 - ACQUISITION AND DEVELOPMENT PROJECT ELIGIBILITY

### A. General Project Criteria

1. Purpose. The LWCF Act authorizes the Secretary of the Interior to provide financial assistance to States for the acquisition and/or development of public outdoor recreation areas and facilities found to be in accordance with the SCORP. States are encouraged to share the benefits derived from the LWCF program among all State and local agencies responsible for providing public outdoor recreation opportunities.
2. Project sponsors. Only the designated State lead agency may apply directly to the NPS for LWCF assistance. However, funds may be made available through the State to political subdivisions of the State and other appropriate public agencies. Proposed projects may be sponsored by a State agency or a public agency of a subordinate unit of government. All eligible project sponsors, including those that have other than public outdoor recreation purposes, must be able to commit its resources to the perpetual stewardship of the Fund-assisted public outdoor recreation area pursuant to the LWCF Act at 54 U.S.C. § 200305(f)(3).

All project proposals submitted to the NPS must be recommended by the SLO. No grant or contract may be awarded to any recipient or subrecipient, or contractor of any recipient or subrecipient, who has been debarred or suspended under 2 C.F.R. Part 180.

3. Relation to SCORP. Only project proposals in accordance with the SCORP, reviewed through the OPSP, and recommended by the SLO may be considered. Project proposals may be submitted for approval only during the time in which the State sustains its eligibility for participation in the LWCF program. Projects received during a period of ineligibility will be returned to the State as inactionable. This does not mean that the projects have been disapproved nor prevents them from being resubmitted by the State as soon as eligibility has been regained.
4. Project proposals. The State has the initial prerogative and responsibility for determining the scope and effort involved in a project proposal. A project can be designed as follows:
  - 1) acquisition and/or development work at one site, or 2) acquisition and/or development work, sponsored by a single State agency or local unit of government, at several sites.Project sponsors must complete an LWCF-assisted project as quickly as possible, and, except in the most unusual circumstances, within the NPS approved project period.
5. Types of projects.
  - a. Acquisition. These include the acquisition of land and waters or partial rights to them. There must also be public access, however, access may be controlled, but not prohibited (see Chapter 8.B).

- b. Development. These include the development of certain outdoor recreation activities and support facilities needed by the public for recreation use of an area.
  - c. Combination. When it is advantageous to do so, a State may submit projects that combine acquisition and development.
6. Multiple-purpose projects. Multiple-purpose projects that involve uses other than outdoor recreation may be eligible for assistance under the Act as long as the resulting LWCF boundary area can incorporate a viable public outdoor recreation area that includes the Fund-assisted project and the outdoor resource it complements, such as a Fund-assisted picnic area and a new public reservoir. The State must include a careful and complete justification and explanation with each proposal. Two general types of multiple-purpose projects are eligible for assistance:
- a. Projects in which a specifically designated portion of the multiple-purpose area or facility will be used primarily for outdoor recreation and/or outdoor recreation support, such as picnicking facilities adjacent to a new public reservoir. Fund assistance is limited to the designated outdoor recreation area and/or facility and support facility.
  - b. Projects that will provide identifiable outdoor recreation benefits as a whole as opposed to specific segments of it. For example, a water impoundment that will be constructed primarily for flood control might also have important recreation benefits. In such a case, at the discretion of NPS, assistance would be made available only for the portion of the cost, on a pro rata basis, of the facility that is clearly attributable to outdoor recreation above and beyond the facility's cost for its non-recreation function. The conversion provisions of the LWCF Act will be applied to the entire viable outdoor recreation area regardless of the prorated basis of federal assistance to include the entire multi-purpose facility unless a smaller self-contained management unit is identified at project approval.

The proposal must fully disclose the nature and extent of other uses and the relationship of the proposed outdoor recreation project to the total area and development.

7. Assistance from other agencies. Project proposals submitted to the NPS for LWCF assistance may also be submitted to other non-federal public agencies. Per 54 U.S.C. § 200305(f)(1), no other federal financial assistance can be included in a project to be funded by LWCF. However, the State or local matching share of an LWCF project may consist of other federal financial assistance if the statutory provisions of the subsequent federal grants program explicitly allows recipients to use such assistance to match LWCF funds (see Chapter 5.A.5). The LWCF application to NPS must describe any financial assistance from other federal programs associated with the project, whether or not intended to serve as financial match to LWCF funds.
8. Project sponsor ownership and control of property. The project sponsor must possess sufficient title and adequate legal control of the property to be within the LWCF boundary area in order to provide reasonable assurances that a conversion pursuant to the LWCF Act

(54 U.S.C. § 200305(f)(3)) will not occur without its knowledge, state review, and NPS decision. Such assurances are contained in the LWCF General Provisions attached to each grant agreement.

9. Reserved rights. The project sponsor is responsible for being knowledgeable about all outstanding rights and interests held by others on lands to be included within the LWCF boundary area of a proposed LWCF project. Reversionary rights and outstanding interests, should they occur or be exercised, that results in private and/or non-recreation activities within the LWCF boundary area and/or results in activities that impact the public outdoor recreation utility of the area, would trigger a conversion. In this case, the project sponsor would be required to provide suitable replacement property unless such activities qualify as exceptions as set forth in Chapter 8 (e.g., underground utilities and temporary non-conforming uses).

The State will consider proposals to place property with outstanding rights or interests held by others within an LWCF boundary area only when it is assured that the possibility of the reversionary interest or outstanding rights being exercised is remote and/or the project sponsor is fully aware of its responsibility to replace these lands in accordance with the conversion provisions of the LWCF Act should the outstanding rights, if exercised, result in a conversion. Prior to submitting the formal project application, States are encouraged to consult with NPS on complex property ownership and control issues.

In the A&R Form, the sponsor must describe all easements, rights-of-way, leases, subsurface rights (e.g. mineral), reversionary interests, and any other agreements that convey rights to non-public and/or non-recreation interests to access or use the area proposed within the LWCF boundary area. An application should contain an opinion from appropriate counsel stating the local sponsor has the authority to enter into a grant contract that requires the provision of replacement land if the outstanding rights or reversionary interests are exercised in such a manner that results in a conversion. If a local sponsor has no such authority, and the State does not agree to replace the property at its expense, then the project is not eligible for LWCF assistance.

When at the time of project application it is known that outstanding property rights held by others are or will be exercised in the foreseeable future and impact only a portion of the proposed LWCF boundary area, the impacted area and access to it must be clearly excluded on the LWCF boundary map and accompanied by an explanation of why it is not intended to be subject to the conversion provisions of the LWCF Act. The remaining project area must meet all LWCF program criteria for eligibility and be a viable public outdoor recreation area per Chapter 6.B.5.

Copies of the property deed(s), leases, easements, and other appropriate documents must be on file at the State level and available for federal inspection.

10. Use of existing public land for matching purposes. Existing government-owned lands cannot be used as a part of the non-federal matching share of a project unless such land is to be acquired by the sponsoring agency from another agency and there is a statutory

requirement that the selling agency be reimbursed for the value of the property. Further, property cannot be "donated" between a State and its political subdivisions to serve as a match for grant assistance.

## **B. Criteria for Acquisition**

1. Eligible types of projects. Acquisition of lands, wetlands, and waters for public outdoor recreation, including new areas or additions to existing parks, forests, wildlife management areas, beaches, and other similar areas dedicated to outdoor recreation, as well as physical connections among them (e.g., trails, waterways, land between recreation areas, wildlife habitat corridors) may be eligible for assistance. Acquisition can be by fee simple title or lesser rights if they will insure the desired public use without diminishing the control and tenure of the project sponsor's ability to enforce the provisions of the LWCF Act. Areas acquired may serve a wide variety of public outdoor recreation activities including but not limited to: walking and driving for pleasure, sightseeing, swimming and other water sports, fishing, picnicking, nature study, boating, hunting and shooting, camping, horseback riding, bicycling, snowmobiling, skiing, and other outdoor sports and activities.

Natural areas and preserves may be acquired only if the site will be developed and open to the general public for outdoor recreation use.

2. Means of acquisition. Acquisition of lands and waters, or interests therein, may be accomplished through purchase, transfer, or by gift. Acquisition through the exercise of the right of eminent domain is allowable only with agreement from the property owner (such as actions needed to quiet title or to allow a court to set the value of a property).
3. Acquisition of existing structures and impoundments. Because of its statutory emphasis on public outdoor recreation, LWCF funding may be used to acquire a structure only if it will be used to support or is necessary to achieve the outdoor recreation goal for the site (e.g., a garage or storage building that can be converted to an operation and maintenance shed). States are encouraged to consult with the NPS regarding the eligibility of a structure for acquisition assistance prior to application submission. The A&R Form must describe all existing improvements on properties to be acquired and their proposed use(s).
4. Acquisition of lesser interests. Proposed acquisitions of interests in lands and waters of less than fee simple title, including leasehold interests, are not eligible unless such lesser rights (e.g., permanent recreation use easements or similar devices) will ensure the desired perpetual public access and use pursuant to the LWCF Act.
5. Acquisition involving compatible resource management practices. Acquisition of land upon which the project sponsor proposes compatible natural resource management practices may be allowed as long as the type and extent of the activity is limited to that necessary to support and maintain the intended outdoor recreation activity. Examples include timber management, habitat improvement, grazing, and agricultural uses for wildlife management (not including commercial agriculture). These may be carried out concurrently within the recreation area if they are clearly described in the project proposal,

are compatible with and secondary to the proposed outdoor recreation use(s), and are approved by the NPS.

6. Acquisition involving properties with third-party reservations and rights. Acquisition of land with reservations or rights held by third parties is permissible only if it is determined that the proposed public outdoor recreation purposes would not be affected. The project sponsor shall describe all outstanding rights and interests held by others on the A&R Form and identify them on the LWCF boundary area map. If public outdoor recreation is impacted when any rights and interests are exercised, a conversion under the LWCF Act will occur. See Chapter 3.A.8 for further guidance.
7. Acquisition for delayed outdoor recreation development.
  - a. General. LWCF assistance may be available to acquire property for which development of outdoor recreation facilities is planned at a future date. In the interim, between acquisition and development, the property should be open for those public recreation purposes that the land is capable of supporting, or that can be achieved with minimum public investment. Non-recreation activities such as agriculture occurring on the property at the time of acquisition may continue for up to three (3) years. In these situations, the NPS will place a financial hold on the project precluding reimbursement until the non-recreation use is terminated.
  - b. Procedures. If planned development for public outdoor recreation will be delayed for up to three years from the date of acquisition, the project sponsor shall include the following information in the project application:
    - (1) Why immediate acquisition of the property is necessary.
    - (2) What facilities will be developed and when such development will occur.
    - (3) What, if any, non-recreation uses will continue on the property and when such non-recreation uses will be terminated.
    - (4) The type of public outdoor recreation access and use that will be provided during the interim period.
    - (5) Assurance that any income received by the project sponsor for the non-recreation activities will be used in accordance with the provisions of Chapter 7.A.7.
    - (6) Assurance that the site will be available for public outdoor recreation use and any non-recreation activity will be terminated within 3 years from the date of acquisition.
  - c. Extension of the 3-year limit. Where public access for recreation purposes will be provided during the interim period, the continuation of a non-recreation activity beyond the 3-year limit may be extended by the NPS. The State must submit a written

request and justification for such an extension to NPS before the end of the initial 3-year period. This request should include: 1) a full description of the property's current public outdoor recreation resources and the public's current ability to use the property; and 2) an update of the project sponsor's plans and schedule for developing outdoor recreation facilities on the property. In granting such an exception, NPS recognizes that certain non-recreation activities are compatible with limited public outdoor recreation use of the property.

However, if an extension of the 3-year limit is granted, the project sponsor still cannot be reimbursed until all non-recreation activities have ceased. The NPS shall not grant an extension of the 3-year limit if public access to the new outdoor recreation area is not available and the NPS will proceed to terminate the project for cause or convenience (see Chapter 7.G).

8. Uniform relocation and acquisition. All acquisitions with LWCF assistance must be conducted in accordance with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Public Law 91-646). See Chapter 4 for further guidance.
9. Acquisitions that will not be assisted.
  - a. Acquisition of historic sites and structures will not receive LWCF assistance. Exceptions may be made only when it is clearly demonstrated that the acquisition is primarily for outdoor recreation purposes and the historic aspects are secondary to the primary recreation purposes. This exclusion need not prevent the consideration by States and the NPS of projects calling for acquisition of real property interests contiguous to or near historic sites and structures that meet priority outdoor recreation needs. Compliance with the National Historic Preservation Act of 1966 (54 U.S.C. § 300101 et seq.) is required for all acquisitions (see Chapter 4.C).
  - b. Acquisition of museums and sites to be used for museums or primarily for archeological excavations will not receive LWCF assistance.
  - c. Acquisition of land to help meet a public school's minimum site size requirement as established by State or local regulations will not receive LWCF assistance.
  - d. Acquisition of areas and facilities designed to be used primarily for semi-professional and professional arts and athletics will not receive LWCF assistance.
  - e. Acquisition of lands, areas, and facilities to be used solely for preservation or production of wildlife; other wildlife areas that exclude the public; and fish hatcheries will not receive LWCF assistance. However, such areas and facilities may be eligible if they will be open to the public for compatible recreation uses and development.
  - f. Acquisition of areas to be used mainly for the construction of indoor facilities will not receive LWCF assistance. Also prohibited are areas where existing indoor recreation



facilities, if left in place, will not leave sufficient area at the site for the development of outdoor recreation facilities to justify the cost of the acquisition.

- g. Acquisition of areas with railroad "hardware," trestles, stations, yards, and the like will not receive LWCF assistance if they are to be used to support commercial train operations.
- h. Acquisition of sites containing lodges, hotels, motels, restaurants, and similar elaborate indoor facilities that are to be operated by the project sponsor or a concessionaire to provide food and/or sleeping quarters will not receive LWCF assistance.
- i. Acquisition of agricultural land primarily for preservation in agricultural purposes will not receive LWCF assistance.
- j. Acquisition of federal surplus property will not receive LWCF assistance unless legislatively authorized in a specific situation.

### **C. Criteria for Development**

1. Eligible types of projects. LWCF financial assistance may be available for most types of facilities needed for the use and enjoyment of outdoor recreation areas. The LWCF Act specifies that development projects may consist of basic outdoor recreation facilities to serve the general public provided the funding of such a project is in the public interest and in accordance with the SCORP. In addition, development projects are subject to all other conditions, policies, and regulations of the LWCF program, provisions of this Manual, and those guidelines that may be developed by the NPS.
  - a. Definition of eligible project scope. A development project may consist of one improvement or a group of related improvements designed to provide basic facilities for outdoor recreation, including facilities for access, safety, security, health, and protection of the area, as well as those required for the outdoor recreation use of the area. Furthermore, a project may consist of the complete or partial development of one area, such as a state park or a city playground, or it may consist of multiple sites such as a series of developments on a number of geographically separated areas under the same project sponsor such as picnic facilities in a number of parks, or the construction of fishing piers on a number of lakes in the State. In all cases, the project must be a logical unit of work to be accomplished within a specific time frame.

Ineligible facilities to be funded through sources other than the LWCF program may be included in the LWCF boundary area so long as they do not constitute a conversion and they qualify as an eligible public facility (see Chapter 8.I).

Funding of development project proposals may cover construction, renovation, site planning, demolition, site preparation, architectural services, and similar activities essential for the proper conduct of the project.

- b. Development project design requirements. Plans for the development of land and/or facilities should be based on the needs of the public, the expected use, and the type and character of the project area. Facilities should be attractive for public use and generally be consistent with the environment. Plans and specifications for improvements and/or facilities should be in accordance with established engineering and architectural practices. Emphasis should be given to the health and safety of users, accessibility to the general public, and the protection of the recreation and natural values of the area. All facilities developed with assistance from the Fund must be designed in conformance with the appropriate current design standards for the Architectural Barriers Act of 1968 (Public Law 90-480); Section 504 of the Rehabilitation Act of 1973, as amended; and the Americans with Disabilities Act.
2. Ownership and control of project lands. Facilities may be developed on land and water owned in fee simple by the participating agency or where ownership of less-than-fee interests such as easements provides permanent control of the property commensurate with the proposed development. All less-than-fee interests must be described in the A&R Form and indicated on the LWCF boundary area map.

No approval will be given for the development of facilities on leased land except for property either:

- a. Leased from the Federal Government for a term not less than 25 years at the time the grant is awarded that is not revocable at will; or
  - b. Leased from one public agency to another for 25 years or more, provided that safeguards are included to adequately ensure the perpetual use requirement contained in the LWCF Act. Such safeguards will include joint sponsorship of the proposed project and a written agreement stipulating the lessor land-owning agency will assume compliance responsibility for the LWCF boundary area in the event of default by the lessee or expiration of the lease, and these assurances are explicitly reflected in the project agreement. See Chapter 3.A.8 on project sponsor ownership and control of property.
3. Development project selection. In selecting development projects for submission to the NPS, the State should carefully review and evaluate project applications to filter out ineligible proposals and make a special effort to eliminate questionable, elaborate, or borderline projects that raise serious questions concerning the project's cost, use, priority, competition with the private sector, or inclusion of ineligible facility types.
  - a. Development project criteria. In evaluating development project proposals, the State and the NPS should give special attention to the degree to which the project is in keeping with the intent of the LWCF Act. The following questions should be used as a general guide in evaluating a questionable, elaborate, or borderline proposal. Essentially, to be eligible, one must be able to conclude that LWCF funds are being used "in the public interest" and "in accordance with the State comprehensive plan" for the development of "basic outdoor recreation facilities to serve the general public" (54

U.S.C. § 200305). The NPS reserves the right to request from the State a written justification of eligibility if in its judgment one is considered necessary.

A development project will be considered questionable, elaborate, or borderline with respect to the basic intent of the LWCF Act if serious questions arise concerning the following eligibility issues and their interrelationships:

- (1) Project Cost. Consideration should be given to the degree to which a significant portion of the State's annual apportionment is requested for one project, for one project sponsor, or for one facility that does not serve the full range of the general public. Does the project require only a reasonable portion of the State's LWCF monies rather than a significant portion that will preclude the funding of more urgent recreation needs? Does the cost of a facility significantly exceed the comparable price for similar facilities? Is the project's cost comparable to other facilities of its type and justifiable in terms of the quantity and quality of recreation the facility will provide?
- (2) Population served. Consideration should be given to the degree to which participation is limited by a facility's single purpose, short season, cost of equipment, fee for participation, or its limited accessibility to the general public. Will the project serve a reasonably large number of people in its service area? Will it provide close-to-home recreation and be accessible by public transportation? Will the project serve a wide range of recreation interests and abilities including the elderly and individuals with disabilities as well as the more active and highly skilled recreationists?
- (3) SCORP priority. Does the project meet priority recreation needs as defined in the SCORP? Consideration should be given to a project's priority in the SCORP, especially when the need for a particular facility is not fully supported.
- (4) Competition with the private sector. Consideration should be given to the degree to which the private sector is already providing similar facilities of the type and quality needed to meet identified recreation demands, and the user fee is low enough to undercut private business, or the income is sufficient to justify private investment, or the facility is located in a tourist market area. Can it be shown that the project does not compete unfairly with the private sector?
- (5) Eligibility of facility types. Consideration should be given to the degree to which the project involves questionable support, spectator or exhibit facilities or does not clearly comply with the other eligibility criteria. Does the project involve only LWCF-eligible outdoor recreation facilities?
- (6) Fees. Does the project establish a reasonable fee structure that allows for broad public participation, perhaps by including free days or reduced rate days if necessary? Is project income to the sponsor being directed to recreational purposes?

- (7) Applicant's performance history. The past history of the applicant for 1) adequately completing or carrying out previous federally-assisted projects, 2) protecting existing recreation resources, 3) operating and maintaining areas to acceptable standards, and 4) guiding new developments and preserving lands for open space and outdoor recreation purposes through the use of zoning and other rules, regulations and authorities will be considered.

Grants may not be awarded to any recipient, nor shall any recipient or subrecipient make any award or permit (subgrant or contract) to any party, that is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension."

- b. Boat and fishing access facilities. For boat and fishing access facilities and related support facilities that are eligible for funding under both LWCF and the Dingell-Johnson (D-J) Act (also known as the Federal Aid in Sport Fish Restoration Act and "Wallop-Breaux"), as amended, LWCF funding will not be provided for such facilities unless the SLO has undertaken an effort to coordinate all requests for such facilities with the State official designated to administer D-J projects. Any application for LWCF assistance for these facilities must include a statement from the SLO certifying such coordination has taken place. The result of such effort would be that the application would be directed or redirected toward whichever program is deemed more appropriate for assisting the specific project considering cost, availability of funds, other project components, and additional factors deemed pertinent. D-J funds may not be used in meeting the State matching share requirement of LWCF.
4. Eligible recreation facilities. Development projects eligible for LWCF assistance may include but are not limited to the following facility types:
- a. Sports and playfields. LWCF assistance may be available for fields, courts and other outdoor spaces used in competitive and individual sports. This includes fields for baseball, softball, soccer and football, tennis courts, playgrounds and tot lots, golf courses, rifle/pistol ranges, trap/skeet fields, archery ranges, rodeo arenas, inline hockey rinks, skate parks, running tracks, and other similar facilities.
- b. Picnic facilities. LWCF assistance may be available for tables, fireplaces, shelters, and other facilities related to family or group picnic sites.
- c. Trails. LWCF assistance may be available for the development of land or water-based trails primarily for outdoor recreation activities such as nature walks, hiking, bicycling, horseback riding, paddling, exercising, and off-road vehicles. The trails can connect parks with communities or other parks, be within parks, or serve as stand-alone recreation features. Trail projects can also include supporting features such as trailheads, overlooks, and turnouts.
- d. Swimming facilities. LWCF assistance may be available for swimming beaches, outdoor pools, wave-making pools, wading pools, spray pools, lifeguard towers, bathhouses and other similar facilities.

e. Boating facilities. LWCF assistance may be available for most facilities related to motor boating, sailing, canoeing, kayaking, sculling and other boating activities. These facilities include, but are not limited to, docks, berths, floating berths secured by buoys or similar services, launching ramps, breakwaters, mechanical launching devices, boat lifts, boat storage, sewage pump-out facilities, fuel depots, water and sewer hookups, restrooms, showers, electricity and parking areas. Assistance will not be provided for operational equipment or supplies such as buoys, ropes, life jackets, or boats. Public marinas are also eligible for assistance and are subject to the following provisions regardless of when LWCF assistance was provided:

- (1) An equitable method of allocating berth space shall be used in all marinas. Allocation methods shall include: a) annual or multi-year lotteries, b) posted waiting lists where berth space is filled in the order of receipt of applications, or c) another method selected by the applicant that responds to local conditions and equitably allocates space among all parties on an annual or multi-year basis. In each instance, adequate public notice shall be provided announcing the availability of berth space and describing application procedures. The project sponsor shall determine the most equitable method under which leaseholders may compete for future berth space vacancies. For new marinas the project narrative shall describe the allocation system to be used.
- (2) Commercial charter fishing or sightseeing boats are permissible marina leaseholders due to their potential for expanding public waterfront access. However, these users should not occupy a significant number of marina berths, so project sponsors should establish reasonable limits on the number of berth spaces provided for such users.

New marinas receiving LWCF assistance shall also be subject to the following provisions:

- (3) Berth lease terms shall not be transferable to any other party.
  - (4) Berth space for transient boaters shall be provided.
  - (5) Marinas located in urban areas shall include specific design provisions for non-boater public access. To expand water-based recreation opportunities such access may be provided in the form of walkways, observation points, fishing piers and/or related facilities. Limited access to the actual marina berths may be retained.
- f. Fishing/hunting facilities. LWCF assistance may be available for areas and facilities that will provide opportunities for public fishing and hunting. This includes facilities and activities such as fishing piers, access points, fish hatcheries, tree stands, blinds, initial clearing and planting of food and cover, stream improvements, and other habitat improvements. In developing and evaluating facilities focused on preservation or production of game or fish, such as a game refuges/sanctuaries or fish hatcheries, such areas and facilities will be eligible only if they are or will be open to the public for general compatible outdoor recreation.

- g. Public target range facilities. LWCF assistance may be available for outdoor target ranges such as archery, rifle, handgun, skeet, and trap facilities. For target range facilities that are eligible for funding under both LWCF and the Pittman-Robertson Act (also known as the Federal Aid in Wildlife Restoration Act of 1937, as amended), LWCF funding will not be provided unless the SLO has undertaken an effort to coordinate all requests for such facilities with the State official designated to administer Pittman-Robertson projects.
- h. Winter sports facilities. LWCF assistance may be available for facilities such as: ski trails, jumps, lifts, slopes and permanent snowmaking equipment used in downhill skiing, cross country skiing, tobogganing, sledding, snowmobiling, and other winter sports. Outdoor ice skating and ice hockey rinks are also eligible.
- i. Camping facilities. LWCF assistance may be available for tables, fireplaces, restrooms, information stations, snack bars, utility outlets and other facilities needed for camping by tent, trailer, or camper. Cabins or group camps of simple basic design and accessible to the general public in an equitable manner are eligible. Group camps designated for specific groups or for which specific groups will be given priority access are not eligible for LWCF assistance (Chapter 8.B). Lodges, motels, and luxury cabins are not eligible for LWCF assistance.
- j. Exhibit facilities. LWCF assistance may be available for outdoor exhibit or interpretive facilities that provide opportunities for the observation or interpretation of natural resources located on the recreation site or in its immediate surrounding areas. This includes small demonstration farms, arboretums, outdoor aquariums, outdoor nature exhibits, nature interpretive centers, and other similar facilities. However, exhibit areas will not be assisted if they function primarily for academic, historic, economic, entertainment or other non-recreational purposes. This restriction includes convention facilities, livestock and produce exhibits, commemorative exhibits, fairgrounds, archeological research sites, and other non-recreational facilities. The development of nature and geological interpretive facilities that go beyond interpreting the project site and its immediate surrounding area are not eligible for assistance.
- k. Spectator facilities. LWCF assistance may be available for amphitheaters, bandstands, and modest seating areas related to playfields and other eligible facilities, provided the facility is not designed primarily for professional or semiprofessional arts or athletics, or intercollegiate or interscholastic sports. Seating provisions to accommodate persons with disabilities should be provided. Assistance is not available solely to increase seating capacity for a limited number of special events.
- l. Community gardens. LWCF assistance may be available for land preparation, perimeter fencing, storage bins and sheds, irrigation systems, benches, walkways, parking areas, and restrooms for a community garden. To be eligible, community gardening must be clearly identified in the SCORP as a needed outdoor recreation activity and must be accessible to the general public in an equitable manner. However, LWCF assistance is not available for garden supplies such as fertilizer, seeds, tools, or water hoses, nor gardens planned as commercial enterprises.

- m. Renovated facilities. LWCF assistance may be available for extensive renovation or redevelopment to bring a facility up to standards of quality and attractiveness suitable for public use, if the facility or area has deteriorated to the point where its usefulness is impaired, or outmoded, or where it needs to be upgraded to meet public health and safety laws or requirements. However, such renovation is not eligible if the facility's deterioration is due to inadequate maintenance during the reasonable life of the facility.
- n. Professional facilities. Areas and facilities designed primarily for semi-professional or professional arts or athletics, such as professional type outdoor theaters, professional rodeo arenas and other similar facilities are not eligible for LWCF assistance.
- o. Accessible facilities. LWCF assistance may be available for the adaptation of new or existing outdoor recreation facilities and support facilities for use by persons with disabilities. However, outdoor recreation facilities to be used exclusively by disabled persons are not eligible unless such facilities are available to the general public or are part of an outdoor recreation area that serves the general public.
- p. Mobile recreation units. Mobile recreation units including playmobiles, skatemobiles, swimmobiles, show wagons, puppet wagons, and porta-bleachers are not eligible for LWCF assistance.
- q. Zoo facilities. Outdoor display facilities at zoological parks are eligible to receive LWCF assistance provided they portray a natural environmental setting serving the animal's physical, social, psychological and environmental needs, and is compatible with the activities of the recreationist. Traditional outdoor caging facilities and animal pens are not eligible although Fund assistance can contribute to the renovation of such facilities to achieve a more natural environmental setting as described above. Basic winter/adverse weather housing quarters that are separate and distinct from enclosed viewing and display areas and used in direct support of outdoor displays may also receive assistance. Support facilities to serve the needs of the recreationist, such as walkways, landscaping, comfort facilities, parking, etc. are also eligible. Other enclosed or sheltered facilities such as veterinary facilities, indoor displays and employee housing are not eligible for LWCF assistance.

##### 5. Guidelines for eligible support facilities

- a. Support facilities. LWCF assistance may be available for support facilities needed by the public for outdoor recreation use of an area, such as roads, parking areas, utilities, sanitation systems, restroom buildings, simple cabins or trail hostels, warming huts, shelters, visitor information centers, kiosks, interpretive centers, bathhouses, permanent spectator seating, walkways, wayfinding/directional signage, pavilions, snack bar stands, and equipment rental spaces. When appropriate, support facilities may be sheltered from the elements by providing a simple roof or cover. Informational materials and leaflets are not eligible.

- b. Operation and maintenance facilities. Facilities that support the operation and maintenance of the recreation resource on which they are located, such as maintenance buildings, storage areas, and administrative offices are eligible. Regional and area wide maintenance facilities are eligible provided the project sponsor agrees to include those park and recreation areas served by the maintenance facility in the scope of the project agreement and under the conversion provisions of the LWCF Act. Employee residences and furnishings are not eligible.
- c. Dams. LWCF assistance may be available to restore or preserve existing dams and other impoundments if the primary purpose is to provide public outdoor recreation such as swimming, fishing, and boating. Dam removal may also be eligible if used to enhance recreation (such as to open up a river or increase safety for aquatic recreation uses) and there is an associated recreation area that can be put within an LWCF boundary area.
- d. Erosion Control/Shoreline Stabilization. Within recreation areas, facilities or infrastructure needed to help preserve an existing LWCF-assisted area or recreation improvements from being lost due to erosion may be eligible for assistance. Techniques using plants, natural stone, sand fill, and other organic materials are preferred. Beach nourishment is not eligible. Development proposals must be for the benefit and enhancement of areas suitable for recreation, with the goal of increasing resiliency to maintain or enhance appropriate recreation opportunities in these areas. The costs of the stabilization will be matchable as part of a development project only if the project includes actual recreation development of at least equal cost.
- e. Beautification. The beautification of an outdoor recreation area may be eligible provided it is not part of a regular maintenance program and the site's condition is not due to inadequate maintenance. This includes: landscaping to provide a more attractive environment; the clearing or restoration of areas that have been damaged by natural disasters; the screening, removal, relocation or burial of overhead power lines; and the dredging and restoration of publicly-owned recreation lakes or boat basins and measures necessary to mitigate negative environmental impacts.
- f. Indoor facilities. LWCF assistance will not be provided for support facilities or portions thereof that contribute primarily to public indoor activities such as: meeting rooms; auditoriums; libraries; study areas; restaurants; lodges; motels; luxury cabins; furnishings; food preparation equipment; kitchens; and equipment sales areas. Bathhouses, public restrooms, maintenance sheds, etc., are potentially eligible for LWCF assistance since their basic function is to provide support for outdoor recreation facilities.
- g. Pro rata basis. Support facilities that exclusively serve ineligible facilities are not eligible. However, if support facilities will serve both eligible and ineligible facilities, as may be the case with roads and sewers, assistance may be provided on a pro rata basis for that portion of the support facility that will serve the eligible facilities, provided that the eligible facilities are subject to the conversion provisions of the LWCF Act.



- h. Roads. Roads constructed outside the boundaries of the recreation area or park are not eligible unless:
  - (1) They are, in fact, access roads to a designated park and recreation area and not part of a state, county or local road system extending beyond or through the boundaries of the area.
  - (2) The access corridor is owned or adequately controlled by the agency sponsoring or administering the park or recreation area and included within the project's LWCF boundary area.
  - (3) The principal objective is to serve the park and visitors. Any use or service to private parties must clearly be incidental to the primary use of the access road for recreation purposes in which case assistance may be granted on a pro rata basis. Roads designed to serve undesignated recreation areas or federal areas are not eligible.
- i. Equipment. Equipment required to make a recreation facility initially operational, and certain supplies and materials specifically required under State Health Department regulations may be eligible for assistance.
- j. Safety. Projects to increase safety in parks may be eligible for assistance. Facility-related security improvements within or along public parks and recreation areas can include infrastructure such as entrance kiosks, gates, fencing, communication utilities (phone lines, cell towers, etc.), fire suppression, and lighting. This does not include non-fixed safety related equipment such as security cameras.
- k. Must serve viable outdoor recreation area. Development projects in new or previously undeveloped recreation areas may not consist solely of support facilities, unless they are required for proper and safe use of an existing viable outdoor recreation area that does not require additional outdoor recreation facilities (such as construction of restrooms at a public nature study area), or unless necessary outdoor recreation facilities are being developed concurrently with the LWCF assisted support facilities, or unless necessary outdoor recreation facilities will be developed within a reasonable period of time. In the latter two cases, the project agreement must include a provision that the non-LWCF assisted outdoor recreation facilities are to be completed within a certain time frame agreeable to the NPS, and if they are not, the LWCF monies will be refunded.
- l. Energy conservation elements. LWCF assistance may be available to install energy efficiency improvements or alternative energy sources to support an outdoor recreation area. This includes but is not limited to solar energy systems, earth berms, window shading devices, energy lock doors, sodium vapor lights, insulation, windmills, on-site waterpower systems, bioconversion systems, and other energy efficient design methods and materials. Converting an existing power system to a more efficient system is also allowable.

6. Facility location requirements. Development projects may be located on lands and waters owned by (or leased to, in accordance with Chapter 3.C.2) the project sponsor that ensures perpetual public use. For outdoor recreation projects located in certain multi-purpose sites, however, the following conditions also apply:

a. Public school grounds. Public outdoor recreation areas and facilities for coordinated use by the general public and by public schools, including colleges and universities, are eligible for LWCF assistance provided such facilities are not part of the normal and usual program and responsibility of the educational institution. Stadiums, stadium-like seating, and portable bleachers are not eligible for LWCF assistance. Facilities needed to solely meet the physical education and athletic program requirements of a school may not receive LWCF assistance. This policy does not preclude exclusive school use of certain facilities such as athletic fields, tennis courts, and swimming pools, at certain times for instruction or competition, provided the public outdoor recreation use remains primary, and there is adequate public access at other times.

The grant application must include a schedule of the time the facility will be available to the public. Additionally, adequate signs must be installed at the site, prior to final payment on the project, indicating when the outdoor recreation facilities are available to the general public. Adequate documentation must be provided in the LWCF application that indicates awareness of an agreement to the provisions of the LWCF Act by the school entity sponsoring the project.

b. Tourist areas. Public outdoor recreation and support facilities may be located in primary or potential tourist market areas, provided their primary purpose is for public outdoor recreation as opposed to entertainment or economic development, and provided they do not create unfair competition with the private sector.

c. Historic sites. Outdoor recreation and support facilities may be located on historic sites or in conjunction with historic structures. This includes picnic areas, walkways, and trails on a historic property as well as visitor centers oriented to the outdoor facilities and environment. However, the restoration or preservation of historic structures is not eligible. In all cases, the project must be in accordance with the National Historic Preservation Act of 1966 (see Chapter 4.C).

d. Utility sites. Assuming grantees possess adequate control and tenure of land and there is specific agreement from the utility company, outdoor recreation and support facilities may be located on utility company lands such as rights-of-way, reservoir lands, etc. unless the recreation resource management plan of the utility's license application filed with the Federal Energy Regulatory Commission indicates the facilities are to be provided at the sole expense of the licensee.

7. Guidelines for eligible sheltered facilities. In accordance with the LWCF Act at 54 U.S.C. 200305(e)(3), States meeting cold climate criteria (see paragraph (d) below) may be able to use LWCF assistance to construct a shelter to partially or completely enclose swimming pools or ice skating rinks only, to protect them against cold weather conditions and thereby significantly increase the recreation opportunities provided:

- a. Funding limitation. A qualified State may use up to 10 percent of its annual apportionment for eligible sheltered facilities. The amount to be charged against this allowance will be computed based upon the Fund assistance provided for the entire enclosed facility, rather than the Fund assistance provided only for the shelter.

If a State does not use the entire 10 percent of its fully obligated fiscal year apportionment for sheltered facilities, the remaining balance may be credited to subsequent apportionment allowances. For example, where only 5 percent of a fully obligated fiscal year apportionment has been used, the subsequent fiscal year apportionment allowance would be 10 percent plus the 5 percent balance carried over from the previous fiscal year. A credit may be carried for two subsequent fiscal years.

If a Fund-assisted swimming pool or ice-skating rink without a shelter is developed under a project approved after September 28, 1976, and a separate project is later submitted to shelter the pool or rink, the combined amount of Fund assistance provided for both the facility and its shelter will be credited against available allowances. If the Fund-assisted pool or rink was developed under a project approved prior to September 28, 1976, and a separate project is later submitted to shelter the facility, only the Fund assistance provided for the shelter will be credited against available allowances.

Also, Fund assistance may be used to develop a shelter for a swimming pool or ice-skating rink that was not constructed with Fund assistance. In this case, only the cost of the shelter will be credited against available allowances.

- b. Use of non-federal funds for the shelter. State or local project sponsors may use their own funds to shelter existing or proposed Fund-assisted swimming pools or ice-skating rinks that are consistent with the requirements described below. In such cases, Fund assistance provided to develop the pool or rink will not be credited against available allowances. Proposals to shelter eligible facilities with state or local funds will be approved by the SLO and the appropriate NPS Region office.

Where the State or locally funded shelter is constructed concurrently with the Fund-assisted facility, the total project cost included in the grant agreement will be that cost attributable to the pool or rink facility only. LWCF assistance will only be used to fund outdoor recreation facilities. Fund monies will not be used to cost share in indoor facilities such as recreation centers. Engineering cost estimates and contract specifications must separate the shelter costs from other project development costs. When sheltering is to occur concurrently with the construction of the funded facility, the NPS shall review the plans and cost accounts to ensure that LWCF monies are not used in the sheltering.

Project sponsors may, without the use of LWCF monies, construct public indoor facilities on a Fund assisted site when such facilities are compatible with the outdoor recreation use of the site. NPS approval of such public facilities must be obtained prior to construction in accordance with the procedures contained in Chapter 8.I.

- c. Shelter requirements. Any facility assisted from or eligible for assistance from the LWCF and within an LWCF boundary area may be sheltered or enclosed at the project sponsor's expense. New sheltered facilities may also be constructed at the project sponsor's expense with NPS approval, regardless of prevailing climatic conditions. To be considered by NPS, a proposal to shelter or enclose a facility must:
- (1) Be transmitted to the NPS by the SLO conveying the State's support of the proposal;
  - (2) Include a completed Compliance & Stewardship Form (C&S Form) (see Chapter 4) providing:
    - an explanation of the recreation uses that could typically occur outdoors with recreation use clearly being the overall primary function;
    - an explanation of how the proposal will not substantially diminish the outdoor recreation values of a site;
    - an explanation of how the proposed sheltered facility will be compatible and significantly supportive of the outdoor recreation resources present and/or planned;
    - an explanation how the proposal will benefit the total park's outdoor recreation use;
    - the environmental resources survey and selection of the appropriate NEPA pathway per the C&S Form. If the proposal is not eligible for a categorical exclusion (CE), the State/sponsor must produce an environmental assessment and make it available for public comment per the LWCF NEPA process (see Chapter 4).
    - assurance that the facility will be under the control of the public agency which sponsors and administers the original park areas. However, operation of such facilities may be carried out by a contractor or concessionaire provided that sufficient controls are maintained by the sponsoring agency through a management contract or concession agreement to ensure the maintenance of public recreation values and access by the general public.
- d. Cold climatic criteria. Sheltered ice skating rinks may be developed in communities where the mean annual total snowfall is at least 24 inches or the normal daily mean temperature for the coldest winter month is 30 degrees or less. Sheltered swimming pools may be developed in communities where the normal daily mean temperature for the month of June is 72 degrees or less. The official references for making these determinations are the average temperature and the snowfall tables found in Comparative Climatic Data for the United States published by the National Oceanic and Atmospheric Administration, U.S. Department of Commerce. If climatic data is

not published for the community in which the project is located, the project sponsor should contact the NOAA National Centers for Environmental Information (NCEI) to obtain the required data. The NCEI will be able to provide a mean annual total snowfall figure, and figures for the normal daily mean temperature, based on data collected at the closest official weather recording station. A copy of the cold climatic data used to make the determination of eligibility shall be included with all project applications. A project sponsor eligible under the original climatic criteria, based on data available as of September 26, 1976, would not become ineligible in a subsequent year solely on the basis of a change in the data.

## **CHAPTER 4 - PROPOSALS, ENVIRONMENTAL REVIEW AND FEDERAL COMPLIANCE**

### **A. Proposal Development and Screening for Environmental Impacts**

States are responsible for ensuring, on behalf of the NPS, that proposals submitted to the NPS for federal decision, including new applications and amendments for post-completion compliance and stewardship, are developed in accordance with all applicable federal, State, and local laws and regulations. This chapter presents the major federal laws and executive orders that govern the way proposals must be developed for federal review and decision. The LWCF General Provisions shall be attached to each LWCF grant agreement and amendment. States are encouraged to consult with the NPS during the proposal development process for guidance on the compliance requirements in this chapter.

The federal legislation that coordinates the consideration of the potential for impacts to the human environment as a result of a federal action is the National Environmental Policy Act (NEPA) of 1969, as amended (42 U.S.C. §§ 4321-4347). The federal legislation that requires consideration of effects of federal undertakings on historic properties is Section 106 of the National Historic Preservation Act (NHPA) of 1966 (54 U.S.C. § 300101 et seq.), as amended, and implemented in Advisory Council on Historic Preservation (ACHP) regulations at 36 C.F.R. Part 800. The NEPA and NHPA Section 106 serve a similar purpose: helping Federal decision-makers understand the potential consequences of their proposed actions to make informed choices.

As described in the next section, the NEPA process coordinates compliance with applicable related federal, State, and local environmental requirements. To facilitate and document this coordination, States must ensure that the A&R Form (new grants and amendments) or C&S Form (post-grant completion compliance) is completed and accompanies each LWCF proposal submitted for federal review and decision.

The A&R and C&S Forms contain a narrative section to identify and provide descriptive information about the proposal to the federal decision-maker.

The Environmental Resources Survey (ERS; formerly the environmental screening form or ESF) portion of both forms helps support a chosen NEPA “pathway” and must be completed before final action can be taken by the NPS. States/project sponsors should use the A&R or C&S Form as early as possible in the State/local project planning process. The ERS helps administratively document a CE recommendation or the necessity of further environmental review through an Environmental Assessment (EA) or Environmental Impact Statement (EIS). In the latter case, the EA (or EIS) must accompany the State’s LWCF proposal submission to the NPS. The ERS can also be used to document previously conducted yet still valid environmental analysis.

Upon the State’s submission of the completed proposal with the applicable form and the completed environmental documentation as necessary, the NPS will undertake an independent review of the final proposal and supporting documentation and take action as appropriate.

## **B. National Environmental Policy Act**

1. Authorities and guidance. NEPA requires all federal agencies to consider the environmental impacts of proposed federal actions and alternatives on the human environment. NEPA is a procedural statute; it does not mandate a substantive result. Rather, the goal of NEPA is to ensure public participation and informed decision making. NEPA requires all federal agencies to: 1) analyze the impacts of and alternatives to proposed “major federal actions”; 2) use the analysis in deciding whether to proceed with the proposed actions; and, 3) involve the interested and affected public before any decision affecting the human environment is made.

Federal actions are defined as projects, activities, or programs funded in whole or in part under the direct or indirect jurisdiction of a federal agency, including those carried out by or on behalf of a federal agency; those carried out with federal financial assistance; those requiring a federal permit, license, or approval; and those subject to State or local regulation administered pursuant to a delegation or approval by a federal agency. The LWCF is a federal assistance program and thus all NPS LWCF decisions are subject to the provisions of NEPA and associated guidance found in:

- a. The Council on Environmental Quality (CEQ) Regulations for Implementing NEPA, 40 C.F.R. Parts 1500-1508;
  - b. Forty Most Asked Questions Concerning CEQ's National Environmental Policy Act Regulations, CEQ;
  - c. DOI NEPA regulations, 43 C.F.R. Part 46;
  - d. DOI policy and procedures for implementing NEPA (Departmental Manual Series 31, Part 516, Chapter 12);
  - e. NPS Director’s Order #12, “Conservation Planning, Environmental Impact Analysis, and Decision Making.” and National Park Service NEPA Handbook (2015); and,
  - f. NPS, LWCF Program Manual, Chapter 4 (this chapter), including the A&R and the C&S Forms.
2. Compliance coordination. For LWCF proposals, the NEPA process coordinates compliance with related federal, State, and local environmental requirements as applicable. At a minimum, compliance by the State/project sponsor with the following federal laws and executive orders shall be coordinated during the NEPA process and should be integrated into the NEPA document:
    - a. NHPA Section 106. Section 106 of the NHPA (54 U.S.C. § 306108) requires federal agencies to consider the effects of their undertakings on historic properties and to provide the ACHP with a reasonable opportunity to review and comment on them. The Section 106 process must be completed before the NPS can finalize its NEPA compliance. If the project sponsor has prepared an EA or an EIS, a summary of the

process, any mitigation measures, and findings developed as part of the Section 106 consultation process must be included in the final EA or EIS document before the NPS can sign a finding of no significant impact (FONSI) or a record of decision (ROD). See Section C of this chapter for further guidance on the Section 106 process.

- b. Section 7 of the Endangered Species Act (ESA). The ESA (16 U.S.C. §1531 et seq.) requires a federal agency to consult with the U.S. Fish and Wildlife Service (USFWS) or the National Marine Fisheries Service (NMFS) on “any action authorized, funded, or carried out by such agency” that may affect endangered or threatened species or that may result in the destruction or adverse modification of critical habitat. Thus, consistent with ESA Section 7(a)(2) the NPS must ensure that any funding authorized for LWCF purposes is not likely to result in jeopardy or adverse modification. Implementing regulations for inter-agency coordination are available at 50 C.F.R. Part 402; the Endangered Species Act Consultation Handbook (1998) (available on the Web) also provides guidance.

The State/project sponsor is responsible for beginning the process and providing associated documentation to the NPS with the grant application package. The USFWS IPaC system can generate an official species and critical habitat list that may be within the “action area,” defined in ESA implementing regulations as the “area to be affected directly or indirectly by the Federal action and not merely the immediate area involved in the action”. This list is considered official correspondence from the USFWS, so if there are no listed species or critical habitat in the action area that list can be used to demonstrate that the action will have no effect on listed species or critical habitat, and compliance with the ESA is complete. However, because IPaC does not address species for which NMFS has sole jurisdiction, further research may be required.

For projects involving in-water work along the coast (including the Gulf of Mexico and Puget Sound) and in streams or rivers with the potential to affect anadromous fish, the applicant should also check the NMFS’s Essential Fish Habitat database to see whether there are specific species or habitat under NMFS’s jurisdiction within the project area. When consulting this resource, it is important to note that there are some regions of the country for which an alternate database address is provided and should be used instead.

If there are ESA-listed species and/or critical habitat that may be affected by the project (i.e., within the “action area”), the State/project sponsor should coordinate with the NPS about next steps required for consultation with the USFWS and/or NMFS, including whether adverse effects to the species and/or critical habitat seem likely or not. If an EA or an EIS is required for the project, the EA/EIS may provide sufficient information to serve as the NPS’s request to initiate formal consultation pursuant to the ESA implementing regulations at 50 C.F.R. § 402.14(c), provided it is determined that the action “may affect” a listed species and/or critical habitat. If a separate information package is prepared pursuant to 50 C.F.R. § 402.14(c), it must be part of any NEPA document.



- c. Floodplain Management and Wetland Protection, Executive Orders 11988 and 11990. Executive Orders 11988 and 11990 direct the federal agency to avoid, to the extent possible, the long- and short-term adverse impacts associated with modifying or occupying floodplains and wetlands. They also require the federal agency to avoid direct or indirect support of floodplain or wetland development whenever there is a practical alternative. For LWCF purposes, the State/project sponsor must comply with this executive order. If implementing the LWCF project would result in an adverse impact to a federal or State regulated floodplain or wetland, a statement of findings must be included in the EA or EIS documenting the State/local sponsor's coordination efforts with responsible State and federal authorities; a description of affected floodplain and wetland resources; alternatives considered to developing in the floodplain and/or wetland; and actions to avoid, minimize and/or mitigate impacts.
  - d. Environmental Justice in Minority and Low-Income Populations, Executive Order 12898. Executive Order 12898 directs federal agencies to assess whether their actions have disproportionately high and adverse human health or environmental effects on minority and low-income populations. For LWCF purposes, States/project sponsors must specifically analyze and evaluate the impact of the LWCF proposal on minority and low-income populations and communities, as well as the equity of the distribution of the benefits and risks of the decision in the NEPA document. If it does not apply, this should be noted in the "issues dismissed" section of the NEPA document.
  - e. Secretary's Order 3175 and ECM 95-2. Secretary's Order 3175 and ECM 95-2 require bureaus to explicitly address environmental impacts of their proposed actions on Indian Trust Resources in any environmental document.
  - f. Intergovernmental Review of Federal Programs, Executive Order 12372. For States that have selected to review the LWCF Program under their own Intergovernmental Review Process under Executive Order 12372, States may use this process for State and local government coordination and review of proposed federal financial assistance. States may make efforts to accommodate State and local elected officials' concerns and comments that are communicated through the designated single point of contact process. Comments should be considered in a timely manner during the NEPA process and prior to submission to the NPS. The Intergovernmental Review Process does not fulfill the State's/project sponsor's responsibility for providing a public comment period (see Section 6.b(2) below) that provides the interested and affected public opportunity to comment on the completed environmental review documents.
3. State responsibility. Using the A&R Form for new applications and amendments or the C&S Form for post-grant completion actions, the State must submit to the NPS adequate environmental documentation in order for NPS to determine whether a proposed LWCF action is either categorically excluded from further environmental analysis or requires an EA or an EIS. States are responsible for coordinating the environmental review process including the production of EAs, and if necessary, EISs. States are also responsible for ensuring the required public comment periods are offered in accordance with the guidance found in Section 6.b(2) below.

The CEQ encourages federal and State agencies to work together to combine efforts to produce only one NEPA document, especially for those State and local agencies that have their own requirements for impact analysis. Early coordination is critical prior to the investment of extensive planning resources and the commitment to a specific alternative. State and local environmental impact analysis requirements may not meet the same needs as NPS LWCF requirements, so States are urged to consult early in the process with NPS.

When a State elects to use a State or local environmental review process to meet the NEPA requirement, they shall provide the environmental review guidance in this chapter, including the A&R or C&S Form, to the agency delegated the responsibility to conduct the environmental review to ensure that the process meets these federal requirements.

Costs associated with conducting environmental reviews are eligible for LWCF assistance (see Chapter 5.A.3.b).

4. NPS responsibility. The NPS is responsible for determining whether a proposed LWCF action is either categorically excluded from further environmental analysis or requires an EA or an EIS. NPS also is responsible for ensuring the adequacy of any required EA or EIS documents and is solely responsible for signing the decision documents. NPS serves as the lead agency in the delegation, preparation, and review of any EA or EIS for proposed LWCF actions. As the lead agency, the NPS provides guidance to the States on how to develop adequate environmental documentation according to the type of the State/local proposal for federal assistance.
5. Scope of environmental review. Early in the conceptual development of an LWCF proposal, the State shall encourage project sponsors to document their planning and analysis process, including all efforts to reach out to the interested and affected public and agencies. The public and agencies should be invited to provide input early in the planning process and before any environmental analysis formally begins so the sponsor can clearly communicate the purpose and need for the project and give the public and agencies an opportunity to provide any information that could be useful for scoping out the LWCF proposal and considering its potential impact on resources. This scoping step in the planning process will yield information for use in defining the scope of the LWCF proposal and possible associated environmental impacts.

The A&R or C&S Form shall be used by all potential LWCF project sponsors for any LWCF proposal requiring federal action. The forms are designed for use as a tool during project scoping, planning, and proposal development to document environmental information and consider the LWCF proposal's possible environmental impacts at the time it is discussed, presented, or discovered in the field rather than as a "compliance exercise" after a decision is made and the application for federal assistance is being prepared.

As a result of early project scoping and planning, the State/sponsor develops a final proposal for possible federal assistance or action, including a completed ERS. The scope of the environmental review under NEPA, i.e., the extent of resources that may be affected by the project, depends on the type of LWCF proposal under consideration as follows:

- a. New acquisition projects. The scope of the environmental review shall include the lands to be acquired and the proposed public outdoor recreation uses intended for the property to be completed within three years from the date of acquisition.
- b. Development projects (new or rehabilitation). The scope of the environmental review shall be the proposal to provide or improve facilities for public outdoor recreation use and associated activities resulting from these improvements.
- c. LWCF conversions. Pursuant to the LWCF Act (54 U.S.C. § 200305(f)(3)) and conversion requirements (36 C.F.R. § 59.3), the scope of the environmental review for a conversion is the entire LWCF-assisted park proposed for conversion, even if only a partial conversion, and the land(s) proposed for replacement including the proposed development for public outdoor recreation use and associated activities. Resources beyond the existing LWCF boundary area are not subject to review unless required by other federal compliance programs.
- d. Other stewardship proposals. To determine the scope of the environmental review for other types of LWCF post-grant completion proposals, consult your NPS Regional Office LWCF contact.

The scope of the environmental review determines the resources that must be screened for possible environmental impacts resulting from the LWCF proposal.

6. NEPA pathway options. The completed A&R or C&S Forms will guide the State/project sponsor along the appropriate NEPA pathway to produce the level of environmental analysis and documentation required for the proposed undertaking. The Forms include an ERS that will document and support the NEPA analysis pathway option chosen for the proposal. States are required to include the completed A&R or C&S Form with its formal LWCF proposal submission to the NPS.

The NEPA analysis pathway options available to States are:

- a. Categorical Exclusions for which a record is needed. CEs are for categories of federal actions that, under normal circumstances, do not have the potential for significant environmental impacts. Prior to submitting a proposal to the NPS for federal review and decision, it is the State's responsibility to review the LWCF proposal to determine if the project meets the criteria for a CE determination. If the LWCF proposal meets the criteria for a CE, the State provides sufficient documentation on the A&R or C&S Form to support the CE by indicating that any potential impacts will not be significant. If the NPS agrees with the CE selection, NPS will sign its own CE form signifying the proposal is categorically excluded from further NEPA analysis.

Note that in addition to the CE criteria, the State must also consult the list of Extraordinary Circumstances (43 C.F.R. § 46.215) to the CE criteria listed in the second table in ERS. These exceptions describe circumstances that may be relevant for the proposal and could result in adverse impacts on the human environment and, therefore, require preparation of an EA or an EIS.

A CE is not applicable if the ERS indicates that the proposal may result in significant impacts on resources. If the proposed action does not fit within the category of actions described in a CE, a project sponsor must either modify the proposal so that it does or prepare an EA or EIS (43 C.F.R. § 46.205). If multiple CEs would be required to cover different elements of the proposed action, that is a sign that a CE is likely not appropriate.

- b. Environmental Assessment. An EA is required when: 1) the significance of impacts on any resource is unknown; 2) the proposed action does not meet the criteria for a CE and is not included in the list of actions that normally require an EIS; or 3) the proposed action needs several CE categories to fully describe the action, would involve one or more CE criteria exceptions, or would involve unresolved conflicts concerning the use of resources. EAs and EISs produced for LWCF actions shall comply with the format and analysis requirements provided in 40 C.F.R. Parts 1500 – 1508.
- (1) EA format: The following basic format for a LWCF EA is recommended. The content of each chapter will vary depending on the type of LWCF proposal under analysis such as new acquisition and development projects, conversions, and other LWCF proposals described in the A&R or C&S Forms. In cases where the project sponsor chooses to combine environmental review efforts to meet state and federal requirements (see Section 2 above), the following information must be included in the document in a way that allows the LWCF proposal to be readily discernable, such as in a separate section in the larger, more comprehensive document. The EA must be factual and written in an objective manner and with a neutral tone. The EA should not promote a particular alternative or make a case for the approval of the proposal. The information must be presented without technical jargon and so it can be understood by the interested and affected public.

*Chapter 1 – Purpose, Need, Background.* This chapter describes the purpose of the EA so that the interested and affected public, including other agencies and decision-makers, understand the type and nature of the proposal that needs a federal LWCF decision. This chapter needs to explain the EA will provide a framework for the NPS to evaluate the environmental consequences of the proposed action on the human environment, and must also include any information to help the interested and affected public and decision-makers understand the context for the proposed action, including a clear explanation of the role of the LWCF Act (54 U.S.C. § 200301 et seq.) in the proposal and the scope of the environmental review (see Item 5 above).

*Chapter 2 - Description of Alternatives.* This chapter must provide enough information for the interested and affected public and decision-makers to understand the proposed action (federal approval of the LWCF proposal), other reasonable alternatives (if any are available), and the no action alternative. For most conversion proposals, NPS review is limited to the action and the no action alternatives.

At a minimum, the proposed action and the alternative that implements it should be described in detail along with the public outdoor recreation resources and opportunities provided by the proposal including maps clearly depicting the creation of or changes in the LWCF boundary area. New and/or existing LWCF-assisted areas must be described in detail. This chapter must include an explanation and status of any other approvals, permits or other factors needed to implement the proposal.

For LWCF conversions, this chapter must include:

- a description of the LWCF-assisted area proposed for whole or partial conversion, including associated outdoor recreation facilities and opportunities;
- any LWCF-assisted area remaining from partial conversions and remaining outdoor recreation facilities and opportunities; and
- a description of the new replacement recreation area, including a description of the planned development for public outdoor recreation use and new outdoor recreation opportunities to be provided and timetable for completion.

*Chapter 3 - Affected Environment.* The affected environment is a detailed description of the current state of resources that could be expected to experience environmental impacts from implementing any of the alternatives. Using the resource impact information documented on the ERS in the A&R or C&S Form and other means of collecting information about affected resources, delineate an analysis area boundary for each resource and describe its existing status (location, nature, condition, scope, size, etc.). The existing status of these resources will serve as baseline information to which impacts will be compared in the next EA chapter.

This includes detailed description of any existing public outdoor recreation resources and opportunities at the affected site(s) including a clear depiction of any existing LWCF boundary.

This chapter must also describe the park/recreation area's population service area and demographics, including information about minority and low-income populations pursuant to Executive Order 12898, Environmental Justice in Minority and Low-Income Populations.

Also, this chapter must include a description of any existing easements, rights-of-way, leases, and any other agreements about use of the LWCF-assisted area. If the proposal includes land with a history of contamination, this chapter should describe the contamination and current condition/remediation status.

For LWCF conversions, this chapter must include a description of the existing resources associated with the lost LWCF-assisted area proposed for whole or partial conversion, including associated outdoor recreation facilities and opportunities and a description of the existing resources at the new replacement recreation area(s). The description must include a detailed description of existing outdoor recreation resources, facilities and opportunities for all affected areas as well as the existing population served by the converted park and the existing population to be served by the new replacement recreation area(s).

For conversions, resources beyond the existing and proposed LWCF areas are not subject to review unless required by other federal compliance programs.

Any resources and issues to be dismissed from further analysis must be described in this chapter.

*Chapter 4 - Environmental Impacts.* This chapter analyzes the degree to which the resources described in Chapter 3 (above) will be impacted by the proposal. The analysis should be presented for the interested and affected public, agencies, and decision-makers to understand the potential for impacts, both beneficial and adverse, and should include qualitative and quantitative data that considers the degree of the potential impacts. The presentation of data must be presented objectively, accurately, and factually. Resource impacts within the proposed LWCF boundary area must be described including any future easements, right of ways, leases, and other agreements about the use of the LWCF-assisted area.

This chapter must also include a detailed discussion of the proposed impacts, both beneficial and adverse, on the provision of public outdoor recreation for the populations served by the proposal including impacts to minority and low income populations pursuant to Executive Order 12898, Environmental Justice in Minority and Low-Income Populations, and a clear depiction of any LWCF boundary area changes, especially for expansion of existing LWCF-assisted areas and conversions, including a description of any easements, rights-of-way, leases, and any other agreements about the use of the LWCF-assisted area as a result of the proposal. If Chapter 3 of the EA (above) includes information that any of the land resources in the proposal has a history of contamination, this chapter must include information on the impacts of the proposal on this land considering its status including the land's suitability to support healthy and safe public outdoor recreation activities in perpetuity.

For LWCF conversions, an analysis of impacts to the affected resources described in Chapter 4 must be presented in this chapter. Resources beyond the existing and proposed LWCF-assisted areas are not subject to review unless required by other federal compliance programs.

*Chapter 5 - Coordination and Consultation.* This chapter must list persons, organizations and agencies contacted for information and for identifying

important issues, developing alternatives, or analyzing impacts. Any scoping or other public involvement efforts should also be detailed. A list of preparers and their qualifications should be included as well.

- (2) Opportunity for public review and comment. At a minimum, States are required to ensure the interested and affected public has had an opportunity to review and provide written comments on completed environmental assessments for LWCF proposals. This public comment period shall be no less than 30 days. The notice an EA is available for review shall be published in the local newspapers and community notices, posted on the sponsoring agency's web site, and made broadly known to the public in such a way that the interested and affected public has ample notice of the public comment period. The State/project sponsor is responsible for reviewing the public comments. These comments and the responses that address all substantive comments are to be included in the proposal's submission to NPS.

If the proposal is revised in response to substantive public comments or for any other reason, States should consult with NPS to determine if the public needs another opportunity to review the revised EA.

- c. Environmental Impact Statement. An EIS is required when the potential for significant impact to the human environment exists is indicated by an EA or through the A&R or C&S Form. The State should contact NPS for further guidance as soon as there is an indication that an EIS may be required.

### **C. National Historic Preservation Act, Section 106 Process**

1. Purpose. The purpose of this section is to provide overall guidance on compliance with Section 106 of the NHPA for LWCF proposals requiring NPS review and decision.

Section 106 requires federal agencies to take into account the effects of their undertakings on historic properties and affords the ACHP a reasonable opportunity to comment on such undertakings. A historic property is a property listed in or eligible for listing in the National Register of Historic Places. An undertaking is a "project, activity, or program funded in whole or in part under the direct or indirect jurisdiction of a Federal agency, including: (1) those carried out by or on behalf of a federal agency; (2) those carried out with federal financial assistance; (3) those requiring a federal permit, license or approval; (3) and those subject to State or local regulation administered pursuant to a delegation or approval by a federal agency" (54 U.S.C. § 300320). Under Section 106, LWCF proposals requiring NPS review and approval are federal undertakings.

The Section 106 process seeks to accommodate historic preservation concerns with the needs of federal undertakings through consultation among the agency official and other parties with an interest in the effects of the undertaking on historic properties, commencing at the early stages of project planning (36 C.F.R. § 800.1(a)). The goal of consultation is to identify historic properties potentially affected by the undertaking, assess

the effects of the undertaking on historic properties, and seek ways to avoid, minimize, or mitigate any adverse effects on historic properties. Section 106 of the NHPA encourages preservation but does not require a particular preservation outcome.

2. State responsibility. States shall conduct the Section 106 consultation process pursuant to 36 C.F.R. Part 800. Prior to formal proposal submission to NPS for review and approval and pursuant to 36 C.F.R. § 800.2(a)(3), the SLO or designee is authorized by NPS to initiate Section 106 consultation with the State Historic Preservation Office (SHPO) (or Tribal Historic Preservation Office (THPO), if applicable), and other consulting parties to define the Area of Potential Effect (APE), identify historic properties within the APE, and determine whether the proposal has the potential to affect any historic properties within the APE. The APE is defined as the geographic area or areas within which an undertaking may directly or indirectly cause alterations in the character or use of historic properties, if such properties are present. The APE boundary may not be limited to the LWCF boundary area.

States are also responsible for performance by third parties under sub-agreements made by States for accomplishing LWCF program objectives. This responsibility includes compliance with all applicable federal laws, executive orders, and regulations, including Section 106 of the NHPA and its implementing regulations.

By submitting a LWCF proposal for NPS review and approval, the State is making the following assurance and is also requiring this assurance be provided by the subrecipient:

*The State shall assist the NPS in its compliance with Section 106 of the National Historic Preservation Act of 1966, as amended, by (a) consulting with the State Historic Preservation Office and/or the Tribal Historic Preservation Office on the conduct of any necessary investigations to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are within the proposed area of potential effect of the proposed action (see 36 C.F.R. Part 800), to conduct such investigations and to notify the Federal grantor agency of the existence of any such properties, and by (b) complying with all requirements established by the Federal grantor agency to avoid or mitigate adverse effects upon such properties. The State further agrees to require this assurance from local project sponsors.*

- a. SHPO and THPO role in the consultation process. The SHPO reflects the interests of the State and its citizens in the preservation of their cultural heritage. The SHPO is responsible for advising and assisting federal agencies in carrying out their Section 106 responsibilities and cooperating with such agencies, as well as “local governments, and private organizations and individuals to ensure historic properties are taken into consideration at all levels of planning and development.” 54 U.S.C. § 302303(5)-(6). For LWCF proposals, the State agency shall consult with the SHPO as provided by the ACHP’s regulations implementing Section 106 at 36 C.F.R. § 800.2(a)(3).

When an Indian tribe has assumed the Section 106 consultation responsibilities of the SHPO on tribal lands (i.e., there is a THPO), the State agency shall consult with them



regarding undertakings that either occur on tribal land or have effects on tribal land. The tribal assumption of SHPO responsibilities is explained further in 36 C.F.R. § 800.3(c)(1).

- b. Indian tribes and Native Hawaiian organizations (NHO). The NPS will carry out its government-to-government consultation responsibilities with Indian tribes and NHOs. States must coordinate with the NPS early in the planning process, prior to application submission, so that NPS can begin consultation with Indian Tribes and NHOs as early as possible in the planning process (36 C.F.R. § 800.2(c)(2)(ii)(C)).
3. NPS responsibility. Although the States are authorized to initiate consultation and carry out steps in the Section 106 consultation process, all required findings and final determinations will be made by the NPS. The NPS is also responsible for ensuring that the States meet all applicable standards and guidelines when carrying out Section 106 consultation.

The NPS provides guidance through this manual and technical assistance to States regarding compliance with Section 106 of the NHPA prior to a State's formal submission of a LWCF proposal to the NPS.

The NPS receives and considers a State's recommendations for the extent of the APE, historic properties affected, need for further surveys or investigations, and any information or research supporting the recommendations for NPS preliminary review prior to submission of a formal LWCF proposal. The State shall conduct further consultation if needed. It shall be NPS policy to guide and implement the Section 106 compliance process in such a manner as best serves the public interest and as consistent with the provisions of the LWCF Act.

4. Timing. The NPS and States are responsible for coordinating and carrying out their responsibilities under Section 106 of the NHPA as early as possible during the formative stages of a proposal and as part of the decision-making process prior to formal submission to NPS for review and approval.
5. Coordination with NEPA. States should ensure that potential effects on historic properties from the proposal are considered as early as possible during the environmental review process pursuant to Section 106 of the NHPA and the NEPA. The Section 106 consultation process and the NEPA environmental review process are distinct compliance responsibilities. They can and should occur simultaneously, and documents can be combined, but one is not a substitute for the other. They should, however, be coordinated to avoid duplication of public involvement or other requirements. Section 106 compliance shall be documented as part of the LWCF A&R or C&S Form (see next item and also Chapter 4.A). The State should ensure the information gathered, and any measures to avoid, minimize or mitigate adverse effects on historic properties identified and agreed on, as part of the Section 106 consultation is included in the NEPA document to be submitted for NPS review and decision about the proposal's potential for significant impact on the human environment.

Application of a categorical exclusion for the purpose of NEPA compliance does not exempt the proposal from compliance with Section 106 of the NHPA.

6. Applying Section 106 to types of LWCF proposals. A State shall complete an A&R Form or C&S Form for each proposal to be submitted to NPS for review and decision along with its recommendation for a determination of effect and supporting documentation appropriate for the type of proposal being submitted to NPS:
  - a. New projects and amendments to acquire and/or develop park and other recreation land. Prior to a State's submission of a proposal for financial assistance (acquisition, development, or combination projects) and for amendments that involve 1) the acquisition of different acreage from those identified in the original application or 2) a change in the footprint of the development from that originally proposed within the APE, the requirements Section 106 and implementing regulations must be met.
  - b. New acquisition projects and amendments involving delayed development and interim uses. In some instances, LWCF grants are approved for the acquisition of land on which development of outdoor recreation facilities is planned at a future date with other than LWCF assistance. In the interim between acquisition and development, the property should be open for those public recreation purposes that the land is capable of supporting or that can be achieved with minimum public investment. Interim uses for such lands acquired for delayed development may also include the temporary continuation of an existing use and non-recreation uses, such as agriculture (see Chapter 3.B.7 for delayed development policy). Any new planned or unplanned development and uses for the newly acquired property during the three-year period after acquisition is subject to compliance with the laws outlined in this chapter. Failure to comply with Section 106 prior to initiating ground disturbing activities constitutes grounds for termination of a LWCF grant.

If appropriate, a special condition shall be placed in the LWCF grant agreement/ amendment that requires further Section 106 compliance prior to any ground disturbing or demolition activities during the three-year time period to get the site open and available. Tracking Section 106 compliance will be the responsibility of the State.
  - c. LWCF Conversions. The Section 106 process must be applied to the LWCF boundary area to be converted as well as the acquisition and development of the replacement parkland.
  - d. Other stewardship proposals. To determine the scope of the Section 106 undertaking for other types of LWCF post-completion proposals, consult your NPS Regional Office LWCF contact.
7. Cost sharing. Except as noted below, all costs incurred as a result of compliance with Section 106 of the NHPA, including pre-agreement costs associated with the identification and evaluation of potential historic properties, are eligible project costs and may be reimbursable.

- a. Acquisition projects. Costs for mitigation actions related to an acquisition project are not eligible for LWCF assistance.
- b. Development projects. Costs for avoidance and minimization of effects to historic properties will automatically be absorbed into the development budget; however additional costs incurred for mitigation actions or mitigation for cultural resources identified during LWCF project development may be reimbursable through the LWCF on a matching basis up to 50 percent. The form of mitigation must be an eligible LWCF activity and take place at the project site. Mitigation shall be conducted in a manner consistent with the Secretary of the Interior's Standards for Archeology and Historic Preservation Projects. Since destruction of historic properties constitutes an irreplaceable loss, failure to account for appropriate avoidance and/or mitigation measures constitutes grounds for denial of LWCF assistance.

8. Compliance procedures

- a. NPS responsibility. The NPS is ultimately responsible for determining whether a project proposal will adversely affect historic properties.
- b. State responsibility. It shall be the responsibility of the State to implement, or cause to be implemented, the provisions of this part on behalf of and with the concurrence of the NPS. The Section 106 Process is detailed in 36 C.F.R. Part 800, Subpart B. States shall use 36 C.F.R. Part 800, Subpart B for detailed guidance on the Section 106 compliance procedure and its own SHPO/THPO requirements. The requirement for States to consult with the SHPO/THPO is independent of the State's Intergovernmental Review system (E.O. 12372). In summary, the State shall:
  - (1) Identify consulting parties and initiate consultation;
  - (2) Determine the APE for the proposed LWCF undertaking;
  - (3) Identify any historic properties within the APE;
  - (4) Evaluate any historic properties for National Register Eligibility;
  - (5) Recommend a determination of effect to the NPS.
- i. No historic properties affected. If the State finds either there are no historic properties within the APE or there are historic properties within the APE, but the LWCF undertaking will have no effect upon them as defined in 36 C.F.R. § 800.16(i), the State shall provide adequate documentation of this finding to the SHPO/THPO and shall notify all consulting parties they have 30 days to object to the finding. If no objections are made, then the State may recommend a finding of "No Historic Properties Affected" to NPS as part of its formal proposal submission.

If the SHPO/THPO or any consulting party object to the finding, then the State shall follow procedures according to 36 C.F.R. § 800.4(d)(1)(ii).

- ii. Historic properties affected. If the State finds there are historic properties that may be affected by the LWCF undertaking, the State shall notify all consulting parties to invite their views on the effects and assess adverse effects, if any, in accordance with 36 C.F.R. § 800.5.
  - (a) No adverse effects on historic properties. If after the State applies the criteria of adverse effects pursuant to 36 C.F.R. § 800.5(a)(1) it determines the LWCF undertaking will have no adverse effect on historic properties it shall notify all consulting parties along with the documentation of the finding who have 30 days from receipt to review the finding. If the SHPO/THPO has agreed with the finding or has not provided a response, and no consulting party has objected, the State may recommend a finding of “No Adverse Effect” as part of its formal proposal submission to NPS.

Disagreement with “no adverse effects” finding. If within the 30-day review period any consulting party notifies the State in writing it disagrees with the “no adverse effect” finding and specifies the reasons for the disagreement, the State shall either consult with the party to resolve the disagreement or request NPS seek ACHP review of the finding pursuant to 36 C.F.R. § 800.5. The State shall also concurrently notify all consulting parties such a submission has been made and make the submission documentation available to the public.

If within the 30-day review period the Council provides the NPS with a written opinion objecting to the finding, NPS shall proceed according to 36 C.F.R. § 800.5(c)(3)(ii).

- (b) Adverse effects on historic properties. When the potential for an adverse effect is found, the consultation shall continue among the State, NPS, SHPO/THPO and consulting parties to attempt to resolve the adverse effect pursuant to 36 C.F.R. § 800.6.
- c. Formal submission of State’s proposal to NPS. Compliance with Section 106 is required prior to NPS acceptance of a LWCF proposal for formal review and approval.
- d. Post review discoveries. After completion of Section 106, there is a possibility of finding unanticipated historic resources. “If historic properties are discovered or unanticipated effects on historic properties found after” Section 106 compliance has been completed, the State or subrecipient shall immediately halt construction activities and notify the NPS (36 C.F.R. § 800.13(b)). In consultation with the NPS, the State shall make reasonable efforts to avoid, minimize or mitigate adverse effects to such properties and follow the procedures outlined under 36 C.F.R. § 800.13(b).

- e. Data recovery. When it is determined the project will have an adverse effect on a historic property, all feasible and practicable alternatives to avoid or beneficially incorporate the historic properties into the project should be considered. If NPS, in consultation with ACHP and the SHPO/THPO, determines there is no alternative but to recover the scientific, prehistoric, historical or archeological data, such recovery shall be conducted pursuant to a Memorandum of Agreement and be consistent with 54 U.S.C. § 312502.
- f. Destruction of historic properties prohibited. Destruction of any historic property prior to or in anticipation of applying for LWCF assistance is grounds for denial of LWCF assistance. NPS is obliged not to approve projects that run afoul of 54 U.S.C. § 306103, below:

“Each Federal agency shall ensure that the agency will not grant a loan, loan guarantee, permit, license, or other assistance to an applicant that, with intent to avoid the requirements of section 306108 of this title [commonly referred to as Section 106], has intentionally significantly adversely affected a historic property to which the grant would relate, or having legal power to prevent it, has allowed the significant adverse effect to occur, unless the agency, after consultation with the Council, determines that circumstances justify granting the assistance despite the adverse effect created or permitted by the applicant.”

#### **D. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**

- 1. Purpose. This section provides guidance for the application of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. § 4601 et seq.), (Uniform Act) and its implementing regulations (49 C.F.R. Part 24) to federally assisted projects through the LWCF.

The Uniform Act provides for the uniform and equitable treatment of persons displaced from their homes, businesses, or farms by federal and federally assisted programs and establishes uniform and equitable land acquisition policies for federal and federally assisted programs, such as the LWCF.

- a. Displaced persons. The Uniform Act seeks to ensure that persons displaced as a direct result of federal or federally assisted projects are treated fairly, consistently, and equitably so such displaced persons will not suffer disproportionate injuries as a result of projects designed for the benefit of the public as a whole. In this regard, the provisions of the Uniform Act and its implementing regulations apply to State and local government agencies receiving federal financial assistance for public projects that require the acquisition of real property regardless of funding source. The acquisition itself does not need to be federally funded for the rules to apply. If federal LWCF funds are used in any phase of the project, such as subsequent LWCF-assisted development as described in Section 5 below, States must comply with the rules of the Uniform Act.

- b. Real property acquisition. The Uniform Act seeks to ensure that owners of real property to be acquired for federal and federally-assisted projects are treated fairly and consistently, to encourage and expedite acquisition by agreements with such owners, to minimize litigation and relieve congestion in the courts, and to promote public confidence in federal and federally-assisted land acquisition programs. See Section 7 below for further guidance on real property acquisitions.
2. State responsibility. The State is responsible for implementing the provisions of the Uniform Act pursuant to 49 C.F.R. Part 24. The SLO must keep participating State agencies and local governments advised on, and assure compliance with, all relocation and acquisition matters as they relate to the Uniform Act and these procedures. For LWCF project approval, this State assurance is incorporated into the general provisions included with every project agreement:

*The State will comply with the terms of Title II and Title III, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 91-646, 94 Stat. 1894 (1970)), and the applicable regulations and procedures implementing such Act for all real property acquisitions and where applicable shall assure that the Act has been complied with for property to be developed with assistance under the project agreement.*

3. State documentation requirements for displaced persons. Except for Items “e” and “g” below, the State is required to keep the following documentation in its own LWCF project files and make it available upon request during program reviews, for audit purposes, and in response to NPS information requests. The State must submit copies of the “Statement of Difference in Value and Waivers” to the NPS prior to project completion.
    - a. An estimate of the number of individuals, families, businesses, and farms being displaced.
    - b. Appraisal documentation including review material and the State’s written approval of the appraisal report.
    - c. Copy of the written offer to purchase including a statement of just compensation.
    - d. Relocation Plan, advisory services program, and appeals procedure where displacement occurred.
    - e. Statement of difference in value if the purchase price is greater than the approved appraisal of fair market value.
    - f. Documentation showing the owner or owner’s designated representative has been given an opportunity to accompany the appraiser during his inspection of the property.
    - g. Evidence that occupants of property acquired were furnished at the time of initiation of negotiations adequate information explaining their eligibility to payments under Title II of the Uniform Act

- h. Copies of waivers where applicable.
  - i. Appropriate claims forms and supporting documentation.
  - j. Evidence of purchase price and of title.
4. State relocation assistance advisory services. States shall carry out a relocation assistance advisory program that includes, in part, determining the relocation needs of each person to be displaced and providing an explanation of payments and other assistance for which the person may be eligible. All services required by Title II, Section 205 of the Uniform Act must be provided by the State or local sponsor.
5. Relocation benefits to displaced persons. The State must make available relocation benefits to persons displaced from any site that at the time of acquisition with or without LWCF assistance (or at any time thereafter prior to actual displacement) was planned as the site of a federally assisted project as follows:
- a. If the acquisition or displacement occurred within the two years preceding the time the State submits its application for federal financial assistance to the NPS, the State must provide the assurances required by Sections 210 and 305 of Public Law 646, unless the State can provide to the NPS documented evidence that at the time of the acquisition and last displacement, planning activity to obtain the particular federal assistance being applied for had not yet been initiated.
  - b. When the acquisition or displacement occurred more than two (2) years, but less than five (5) years before the State submits an application for federal financial assistance, that same assurance must be provided by the State, unless a written certification is provided as part of the project application by the head of the State or local government agency sponsoring the project. The certification will indicate, under penalty for willful misstatement (18 U.S.C. § 1001), that the State or local government had not yet initiated planning activities for the application to obtain federal assistance at the time of the acquisition and last known displacement. The intent of this certification is for the State to provide an affirmative demonstration the acquisition was not the first step in a logical or foreseen planning of a project requiring federal financial assistance.
  - c. If the acquisition and last displacement occurred more than five (5) years before the State applies for federal financial assistance, the State need not provide the assurances required by Sections 210 and 305 of the Uniform Act nor the certification discussed above, unless the NPS has evidence to indicate that at the time of the acquisition and last known displacement, the State or local government had initiated planning activity for the application to obtain the particular federal assistance. In such case, Sections 210 and 305 assurances will be required. This is because it is assumed after five (5) years it is unreasonable to assume there was intent to seek financing of a development project at the time of acquisition or an intent to deny relocation benefits.

- d. The States shall keep relocation certifications and related records in its own LWCF project files and make them available for inspection at the request of NPS.
6. Displaced applicant appeals process. Situations may occur when an applicant for payments under the Uniform Act will be aggrieved by a displacing agency's determination as to the applicant's eligibility for payment or the amount of the payment. Each State shall establish procedures that provide for adequate review by the involved State agency of the concerns of the person aggrieved. The procedures should assure that aggrieved persons may have their applications reviewed by the head of the State agency. The procedures should also provide for an appeals process that can be followed should decisions remain disputed following review by the head of the State agency.
  7. Real property acquisition
    - a. Methods of acquisition. Acquisition of land and water, or interests therein, may be accomplished through purchase, transfer, or by gift. Acquisition through the exercise of the right of eminent domain is allowable only with agreement from the property owner (see Chapter 3.B.2). The NPS encourages public policies and procedures for the acquisition of real property that are fair and consistent, and directed toward giving the property owner the full measure of compensation authorized by law, promptly, with a minimum of inconvenience, and without prolonged negotiation or costly litigation. Federally assisted acquisitions shall be guided by the policies found in Title III of the Uniform Act.
      - (1) The Federal Government will not obtain a legal right or title to any area or facility acquired with LWCF assistance. The State must have on file satisfactory evidence of the purchase price and a description of the character and nature of the title received by the project sponsor before requesting reimbursement from the NPS.
      - (2) Evidence of title, such as a written statement by the State Attorney General, title insurance, or other means considered reasonable and adequate, must also be available to the SLO before requesting reimbursement from the NPS.
      - (3) Requests for payment certified by the SLO will be acceptable evidence of the purchase price and that the State has on file all the required documents, including those required by Public Law 91-646.
      - (4) A survey may be required by the NPS to confirm the exact location and size of the tract being acquired.
    - b. State responsibility. The State will have responsibility for providing guidance to appraisers on appraisal requirements for federally assisted acquisitions, for ensuring appraisals are reviewed by State-certified review appraisers pursuant to the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), and for approving appraisals. The State must certify the appraisals meet the federal appraisal standards as described in below. A certification statement is included in the A&R and C&S Forms for States to certify appraisals and waiver valuations.



The NPS will conduct spot check reviews of appraisals as needed and will review the State's LWCF appraisal review process as part of a State program review to assure compliance with the LWCF requirements and federal appraisal standards. The NPS may request appraisal review assistance from the DOI's Appraisal Valuations and Services Office (AVSO) as needed. When the appraisal review results in substantive concerns as to the adequacy of an approved appraisal, the SLO will be responsible for providing NPS (or AVSO) with supplemental appraisal documentation or a new appraisal in accordance with the review findings. The value established by the revised or new appraisal will be used as the basis for determining just compensation and matching assistance.

- c. Appraisal standards. Pursuant to the LWCF conversion requirements at 36 C.F.R. § 59.3 and the Financial Assistance Interior Regulation (FAIR) at 2 C.F.R. § 1402.329, the UASFLA, commonly referred to as the "Yellow Book," shall be used by State and local appraisers in the preparation of appraisals for federal LWCF-assisted acquisitions, donations if used for a federal match, and land exchanges for conversions. Because the appraisals for federal government acquisitions purposes, including federally assisted acquisitions, are bound by federal law relating to the valuation of real estate, it is necessary to apply the UASFLA as warranted by the conditions of the federal appraisal assignment.

The federal standards (i.e., UASFLA) are considered "Supplemental Standards" to the Uniform Standards of Professional Appraisal Practice (USPAP) and are required to bolster the minimum level of documentation and yield compliance with the unique and applicable appraisal methods and procedures that have evolved from federal case law. The current UASFLA edition is available on-line. The USPAP is updated every two years.

- (1) UASFLA and USPAP. Appraisal preparation, documentation and reporting shall be in conformance with the UASFLA, which are generally compatible with standards and practices of both the appraisal industry and the USPAP. However, USPAP compliance alone will not result in UASFLA compliance. The project sponsor must recognize the differences between the UASFLA and USPAP and ensure the appraiser meets the higher standards of the UASFLA, except where noted below.

The UASFLA incorporates, by reference, most of the provisions found in the USPAP, however, UASFLA is a more detailed and rigorous standard. The UASFLA does deviate from the USPAP on certain occasions. Therefore, it may be necessary to invoke USPAP's "Jurisdictional Exception Rule" when preparing a UASFLA-complying report. This allows USPAP standards to conform to overriding federal law relating to the valuation of real estate for LWCF federally assisted acquisition and LWCF conversion purposes. Consult the 2016 edition of UASFLA in Section 1.2.7.2. for a discussion of the minor conflicts between the UASFLA and the USPAP.

The major difference between the USPAP and the UASFLA is the UASFLA mandated procedure of valuing partial takings by utilizing the “before and after” method of analysis. This method addresses the loss of market value suffered by the large parcel as a result of the loss of the real property rights in question. “Severance damages” and “special benefits” affecting the remaining real property are automatically addressed through this appraisal method. The USPAP provides no specific guidance with respect to this issue. Lacking specific guidance, most USPAP appraisal reports simply address the value of the real property rights acquired by the grantee and not the overall diminution suffered (or, perhaps, enhancement realized) by the property from which it was acquired. Thus, a landowner, under certain circumstances, may end up “short changed” or unjustly enriched as a result of the lack of direction given in the USPAP in an involuntary or condemnation type acquisition. The reason for this UASFLA requirement is fairness to all concerned parties. Except for appraisal problems associated with conversions of LWCF-assisted lands, the “before and after” method is required for LWCF appraisals.

Appraisers are obligated to be familiar with the entire UASFLA standard before bidding on an appraisal assignment and/or preparing the appraisal report.

(2) Specific UASFLA policies and guidance for LWCF appraisal problems.

- i. There are two written reporting options established under USPAP: an appraisal report and a restricted appraisal report. In addition, USPAP permits an appraiser to provide an oral report. For the reasons discussed in UASFLA Sections 2.2.1 and 2.2.2 (2016), oral reports and restricted appraisal reports are not permitted under UASFLA. The reporting format set forth under Sections 2.3 is consistent with and/or exceed the requirements for an appraisal report under Standard 2 of USPAP.

See Sections 1 and 2 A of the UASFLA (2016) for details on data documentation and appraisal reporting standards. All appraisals are to include the required certification statement found in Section 2.3.1.4. UASFLA (2016) contains an Appraisal Report Documentation Checklist in Appendix A and a Recommended Format for Federal Appraisal Reports in Appendix B and C.

- ii. The appraiser's estimate of highest and best use must be an “economic” use. A non-economic highest and best use, such as “conservation,” “natural lands,” “preservation,” or any use which requires the property to be withheld from economic production in perpetuity, is not a valid use upon which to estimate market value. Therefore, any appraisal based on such a non-economic highest and best use will not be approved for federal land acquisition purposes.

In this same regard, an appraiser's use of any definition of highest and best use which incorporates non-economic considerations (e.g., value to the public, value to the government, or community development goals) will render the appraisal unacceptable for LWCF purposes. (Section 4.3.2.3, UASFLA, 2016)

- iii. For acquisitions not associated with LWCF conversions and replacement land, the “before and after” method of valuation is required if the proposed acquisition is something less than the entire ownership. For example, if the proposed acquisition is a 20-acre parcel and the larger property is a 100-acre property, the required method of analysis is to value the 100-acre property in the “before” condition and then value the 80-acre parcel in the “after” condition. The value of the acquisition is then determined by subtracting the latter value estimate from the former value estimate. Improvements that are unaffected by the partial acquisition, either positively or negatively, need not be valued as long as the appraiser states that to be the case and the property is not to be acquired through condemnation.
- iv. The use to which the grantee will put the property after it has been acquired is, as a general rule, an improper highest and best use. It is the value of the land acquired that is to be estimated, not the value of the land to the government. If it is solely the government's need that creates a market for the land, this special need must be excluded from consideration by the appraiser.” (Section 1.4.5. UASFLA, 2016).
- v. The UASFLA contains a unique definition of market value (Section 1.2.4. UASFLA, 2016).
- vi. The UASFLA contains a unique certification statement (Section 2.3.1.4.A-4 of the UASFLA, 2016).
- vii. Estimates of “marketing time” and “exposure time” are not appropriate and should not be reported in UASFLA-complying reports. The exclusion of the estimate of “exposure time” may be considered a Jurisdictional Exception to the USPAP. (See Sections 1.2.7.2. and 1.2.4. of the UASFLA, 2016). However, the USPAP version effective July 1, 2006 no longer specifies the reporting of exposure time in Standard 2, “Real Property Appraisal Reporting,” but does refer to the development of an opinion of exposure time in the “Comment” following S.R. 1-2(c)(iv) as well as in SMT-6. “Marketing time” is no longer mandated, to any extent, in the aforementioned edition of the USPAP.)
- viii. Because LWCF conversions are land exchanges, the following policies shall apply:
  - (a) For partial takings, “part taken” appraisals shall be prepared for the subject parcels rather than employing the classic “before and after” appraisal methodology described above. This is necessary to avoid consequential value distortions that would logically occur as a result of appraisement of partial takings within parent parcels of greatly differing sizes. For example, if a park (conversion) property under appraisement is a five-acre tract within a 1,000-acre larger property and the replacement property (non-park property) is a 5-acre tract within an otherwise similar

8-acre larger parcel, an equal value conclusion would be extremely improbable, and such an appraisal procedure might very well result in an “equal value” exchange of a conversion property being several times the size, and perhaps several times the value (if viewed from the perspective of being a stand-alone parcel), of the replacement property.

(b) In order to determine the highest and best use of the park property, the appraiser is to ignore the actual zoning of the property if the zoning is a non-economic zoning established to recognize the “open space” characteristics of the park or to foster the preservation of the park. In this situation, the appraiser is to determine the most likely zoning that would have come about under the hypothetical condition the park was never created. In so doing, the appraiser will consider likely property uses based upon all germane factors as well as the actual present zoning of comparable, nearby, privately owned properties. Under this scenario, the cost, risk and time associated with obtaining a zoning change would not be appropriate. This procedure is necessary to avoid penalizing the conversion property because it was taken out of private ownership and dedicated to a non-economic use.

(c) The same valuation method shall be used on both the converted parcel and the replacement parcels.

ix. The owner or the owner's designated representative must be given an opportunity to accompany the appraiser during his or her inspection of the property. (Section 1.2.6.4. of the UASFLA, 2016)

d. Appraisal value estimate under \$10,000. If the State determines an appraisal is unnecessary because the valuation problem is uncomplicated and the estimated value of the real property is \$10,000 or less based on a review of available data, the State may unilaterally waive the appraisal and instead prepare a waiver valuation per 49 C.F.R. § 24.102(c)(2)(ii). The State is permitted to raise the waiver valuation cap up to \$25,000 provided the acquiring agency offers the owner the option to have an appraisal, and the owner elects to have the agency prepare a waiver valuation instead. Thus, the State may increase the \$10,000 cap to \$25,000 with the consent of the landowner.

The person preparing the waiver valuation must have sufficient understanding of the local real estate market to be qualified, and shall not have any interest, direct or indirect, in the real property being valued for compensation. Further guidance on waiver valuations is published by the Federal Highway Administration.

e. Conflict of interest. No person shall attempt to unduly influence or coerce an appraiser, review appraiser, or waiver valuation preparer regarding any valuation or other aspect of an appraisal, review, or waiver valuation. Persons functioning as negotiators may not supervise or formally evaluate the performance of any appraiser or review

appraiser performing appraisal or appraisal review work, except that, for a program or project receiving federal financial assistance, the federal funding agency may waive this requirement if it determines it would create a hardship for the agency. [See 49 C.F.R. § 24.102(n)(2).]

- f. Basis for LWCF matching assistance. The project sponsor must secure at least one appraisal by a qualified appraiser or document the value using the waiver valuation method for each parcel to be acquired. Generally, the fair market value (FMV) or waiver value will be used as the basic measure of LWCF assistance on acquisitions. LWCF assistance shall be based upon evidence of this value.

Properly documented costs of severance damage may be matched. Severance damage is the diminution in value of the remaining land due to the particular land taken and is considered to be an inherent part of just compensation.

The LWCF Act precludes using Fund assistance for incidental costs relating to acquisition.

Settlement may occur after the LWCF project agreement has been signed by NPS.

- g. Acquisition by donation. An appraisal prepared according to the UASFLA or a waiver valuation is required for all projects involving the donation of real property or interests therein for determining the federal matching share. For guidance on waiver valuations for real property with an estimated value under \$10,000 (or \$25,000), see Item “d” above.

- 1. Partial donations/Acquisition at less than just compensation. Only in unusual circumstances (e.g. bargain sales, donations, etc.) will real property be acquired at less than established just compensation as determined by an approved appraisal. For partial donations, documentation must include evidence the owner has been provided with a statement of just compensation. A written statement by the owner that she or he is making a partial donation is also required.

- 2. To determine the amount eligible for matching a LWCF project, an approved appraisal is still necessary.

- h. When State request for LWCF assistance is different than appraised value. An appraisal should be an acceptable estimate of property value if competently compiled by a qualified appraiser. However, it cannot be assumed to be an absolute statement of value. The approved appraisal value is the basis for establishing the amount of just compensation offered to the owner (seller) at the initiation of negotiations. The negotiation between a willing seller and a willing buyer will often set a price that is higher than the appraisal, and this marketplace value must be considered with the appraised value in establishing the reasonable limits of LWCF assistance.

When the State believes the administrative settlement is an adequate indication of market value, yet it is higher than the approved appraised value, a detailed and well documented statement on this difference with all pertinent appraisal documents must be submitted before reimbursement is requested. This statement should explain why the appraisal may not reflect the market value, what steps the project sponsor took to establish the value, and include adequate market data to substantiate the value conclusion. If the NPS agrees the administrative settlement represents a reasonable estimate of the property, that amount will be eligible for assistance.

- i. Acquisition of less-than-fee interests. In certain instances, the purchase of less than fee title may be permissible (see Chapter 3). The acquisition of easements, rights-of-way, etc., will be viewed in the same light as fee acquisitions. Documentation of value by appraisal will be the same. The project proposal should adequately explain why lesser interests are to be acquired.
- j. Judicial decisions. When lands are acquired through judicial proceedings, the price determined by the court will be accepted by NPS in lieu of any previous NPS or State approved appraised value.
- k. Responsibility for quieting title or for replacement of properties acquired with defective title. The State is responsible for quieting claims against title and for replacing property found to have defective title with other properties if this occurs after project completion, pursuant to the conversion requirements at 36 C.F.R. § 59.3. If discovery occurs prior to project completion, the LWCF project may be terminated for cause (see Chapter 7).

#### **E. Equal Employment Opportunity Contract Compliance**

For all LWCF grants involving federally assisted construction contracts and subcontracts in excess of \$10,000, the recipient must comply with Executive Order 11246, as amended, and with the regulations of the Office of Federal Contract Compliance Programs of the Department of Labor at 41 C.F.R. Part 60-4. In determining whether Fund-assisted construction contracts exceed this dollar limit, the total amount of the contract awarded rather than the amount of federal assistance shall apply.

#### **F. National Flood Insurance Program**

1. Scope. The Flood Disaster Protection Act of 1973 (Public Law 93-234) requires the purchase of flood insurance as a condition of receiving any federal financial assistance (including LWCF assistance) for acquisition or construction purposes in special flood hazard areas located in any community currently participating in the National Flood Insurance Program authorized by the National Flood Insurance Act of 1968. These special flood hazard areas are identified by the Flood Insurance Administration of the Federal Emergency Management Agency.

## 2. Improvements eligible for flood insurance coverage

- a. Definitions. For the purposes of the National Flood Insurance Program, the term "financial assistance for acquisition or construction purposes" means any form of financial assistance that is intended in whole or in part for the acquisition, construction, reconstruction, repair or improvement of any publicly or privately owned building or mobile home, and for any machinery, equipment, fixtures, and furnishings contained or to be contained therein. The terms building and mobile home are further defined as any walled and roofed structure that is principally above ground and affixed to a permanent site. Structures and their contents that meet these definitions are referred to as insurable improvements in this section.
- b. Examples of insurable improvements for which insurance is required include, but are not limited to the following: 1) restroom facilities; 2) administrative buildings; 3) bathhouses; 4) interpretive buildings; 5) maintenance buildings and sheds for landscaping tools or other equipment; 6) sheltered facilities consisting of two or more walled sides and a roof.
- c. Examples of improvements for which insurance is not required include, but are not limited to the following: 1) open picnic shelters; 2) permanently affixed outdoor play equipment such as swings and slides; 3) sun shades covering outdoor ice skating rinks; 4) outdoor swimming pools.

## 3. Requirement for flood insurance

- a. Flood insurance will be required for insurable facilities located within special flood hazard areas for which the Flood Insurance Administration has issued a flood hazard boundary map or a flood insurance rate map. If the Flood Insurance Administration withdraws the applicable map(s) for a special flood hazard area for any reason, the insurance requirement is suspended for projects located in that special flood hazard area that are approved during the period the map(s) is (are) withdrawn.
- b. Communities identified as having special flood hazard areas must qualify within one year of notification by the Flood Insurance Administration. If an identified community has not qualified for the program by the prescribed date, no financial assistance can be provided for acquisition or development of insurable improvements. Such assistance will remain unavailable until the community has qualified. Financial assistance for non- insurable acquisition or development or for projects outside of the special flood hazard areas is not affected by whether the community is qualified or not qualified for flood insurance.

After a community has qualified for the flood insurance program, financial assistance for acquisition or development of insurable improvements will be predicated upon purchase of flood insurance for those improvements by the project sponsor.

- c. Flood insurance required by Public Law 93-234 must be carried on insurable improvements throughout their useful life.
  - d. Flood insurance is not required on any State-owned property that is covered under an adequate State policy of self-insurance. A revised list of States to which this exception applies will be published periodically by the Flood Insurance Administration of the Federal Emergency Management Agency.
4. Amount of insurance
- a. The amount of insurance required by Public Law 93-234 is the lesser of (1) the development cost of the insurable improvement or (2) the maximum limit of coverage made available with respect to the particular type of facility under the National Flood Insurance Act of 1968. The amount is based on the total cost of the insurable improvement, not just the federal share.
  - b. Whenever flood insurance is available to cover a facility during construction, the project sponsor will obtain such coverage as soon as the facility becomes insurable. Coverage is usually available as soon as construction progresses beyond the excavation phase.

**G. Civil Rights**

The States, as primary recipients of assistance, are responsible for providing assurance that the applicant and all sub-recipients will comply with all related federal civil rights requirements. This shall be accomplished through:

1. Establishing an open project selection process according to the standards of NPS;
2. Notifying NPS of any inconsistencies with civil rights requirements having arisen from on-site State program reviews and valid complaints registered with the Department, NPS, or the State where impasses have been reached in resolving the compliance issue(s);
3. Cooperating with NPS toward seeking a satisfactory resolution of any inconsistencies found, including efforts toward seeking voluntary compliance, enforcement procedures and follow-up reviews; and,
4. Assuring that each sub-recipient/applicant is provided a copy of Title VI, 504/ADA Title II, ADAAG, LEP, Title IX, and Age non-discrimination requirements.

For details on enforcement of related civil rights requirements, refer to:

- a. Title VI of the Civil Rights Act of 1964 at 43 C.F.R. Part 17, Subpart A
- b. Section 504 of the Rehabilitation Act of 1973 at 43 C.F.R. Part 17, Subpart B



- c. Non-Discrimination on the Basis of Age at 43 C.F.R. Part 17, Subpart C
- d. ADA Title II at 28 C.F.R. Part 35
- e. ADA Accessibility Guidelines at 28 C.F.R. Part 36
- f. Title IX of the Education Amendments of 1972 at 43 C.F.R. Part 41
- g. Limited English Proficiency (E.O. 13166) at 28 C.F.R. § 42.104(b)(2)

**H. Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms**

Pursuant to Executive Orders 11625, 12138, and 12432 and 2 C.F.R. § 200.321, it is the Federal Government’s policy to award a fair share of contracts to small and minority businesses, women’s business enterprises, and labor surplus area firms. Project sponsors must take all necessary affirmative steps to assure that these types of businesses are used when possible as sources of supplies, equipment, construction, and services. Affirmative steps must include:

1. Placing qualified small and minority businesses and women’s business enterprises on solicitation lists;
2. assuring small and minority businesses, and women’s business enterprises are solicited whenever they are potential sources;
3. when economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum participation by small and minority businesses, and women’s business enterprises;
4. where the requirement permits, establishing delivery schedules that will encourage participation by small and minority businesses, and women’s business enterprises;
5. as appropriate, using the services and assistance of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
6. if any subcontracts are to be let, requiring the prime contractor to take the affirmative steps in paragraph [1] through [5] above;

## CHAPTER 5 - COST PRINCIPLES

### A. General Cost Principles

1. Basic concept. The Cost Principles (Subpart E) of 2 C.F.R. Part 200 will be followed in determining the allowability and allocability of costs. Each project represents a separate transaction for purposes of determining the amount of the LWCF assistance.
2. Relationship of project period to eligible costs. To be eligible for matching assistance, costs must be incurred within the project period except for certain pre-award project planning costs, which may be approved retroactively. The project period is the span of time stipulated on the agreement during which all work to be accomplished under the terms of the agreement must be completed. The LWCF does not reimburse obligations, regardless of when they are assumed; it reimburses costs incurred during the project period.
  - a. Development projects. Development costs are first incurred at the start of actual physical work on the project site (such as the clearing of ground, the beginning of construction of a building, or the delivery of material to the site), and continue through the period the work is being done. Costs are not incurred at some earlier time when contracts are signed, funds obligated, or purchase orders issued, or at a later time when the ensuing bills are paid. Physical work on the project site shall commence within one year of project approval. When the project start will be delayed beyond the first year, the State shall report the reasons for the delay in the performance report along with a new physical start date. Any problems, conditions, or delays that will impair the sponsor's ability to meet the objectives of the grant award shall be immediately disclosed to the NPS and the project amended or withdrawn as appropriate.
  - b. Acquisition projects. Since the transfer of ownership in real property can be a protracted process which differs under various State laws and procedures, the relationship of acquisition costs to project period is separated into two elements: the date when the acquisition cost is incurred and the date when the cost is eligible for reimbursement.
    - (1) Acquisition costs are incurred on the date when the earliest of any of the following transactions take place:
      - i. The project sponsor accepts deed, lease or other appropriate conveyance;
      - ii. The project sponsor makes full payment for the property;
      - iii. The project sponsor makes first payment in a series of spaced or time payments;
      - iv. The project sponsor makes the first or full payment as stipulated in an option agreement; (the cost of the option, if included as part of the purchase price, is allowed as a retroactive cost).

- v. The project sponsor makes first, partial, or full payment to an escrow agent.
  - (2) The transactions in (1) above will be used to determine whether an acquisition cost is incurred within the project period. Eligible acquisition costs (and retroactive option costs as appropriate) will be reimbursed only after the project sponsor has made payment and received satisfactory title to the property.
3. Retroactive costs. Costs incurred prior to NPS approval of a project, with the specific exceptions stated below, are not eligible for matching funds. LWCF assistance shall only be awarded to assist work not yet undertaken, rather than to help pay for work already begun or completed. This applies to entire projects.
- a. Waiver of retroactivity. Retroactive costs will not be matched under ordinary circumstances. Waivers will be made only when immediate action is necessary, and the time needed to process an application would result in a loss of a significant opportunity.
    - (1) Acquisition. The State will notify the NPS in writing of the necessity to immediately acquire land prior to taking such action, including a description of the resources to be acquired, the public outdoor recreation uses proposed for the site, and justification for the proposed action. At the time the formal acquisition project is submitted, the State shall include all the necessary documentation required for new acquisitions (see Chapter 6).
    - (2) Development. The State will notify the NPS in writing of the necessity to immediately begin development of an area prior to taking such action, including a description of the planned development, the public outdoor recreation uses proposed for the site, and a justification for the proposed action. Waivers for development projects will not be approved unless accompanied by an A&R Form and the proposal qualifies for a categorical exclusion under NEPA (see Chapter 4).

If NPS grants a waiver, the retroactive costs will be eligible for assistance if the agreement is later approved. Approval is only an acknowledgement of the need for immediate action; it does not imply nor assure NPS approval of the project. The retroactive costs are incurred at the applicant's risk.

Under no conditions will a waiver of retroactivity be granted during a period of State ineligibility.

Project proposals should be submitted for funding as soon as possible after the granting of a waiver of retroactivity. In all cases, however, projects for which a waiver has been granted will be submitted within one fiscal year following the fiscal year in which the waiver was granted.

- b. Pre-award project planning costs. It is recognized that some costs must be incurred before a proposed project can be submitted to the NPS with the required descriptive

and cost data. Pre-award project planning costs may be eligible for retroactive approval as described below. These costs must be described in the project application (SF-424C and Budget Narrative), including when they were incurred.

For development projects, the costs of site investigation and selection, site planning, feasibility studies, preliminary design, environmental review and other federal and State compliance, preparation of cost estimates, preparation of construction drawings and specifications, and similar items necessary for project proposal preparation may be eligible for assistance, although incurred prior to project approval. Similar costs may be allowable for acquisition proposals except those relating to appraisals, surveys, and other incidental costs to the purchaser that are precluded by the LWCF Act.

For SCORP-related planning projects, development of the work program and workflow charts, preparation of cost estimates and budgets, and similar items needed to develop a sound planning program project may be allowable costs although incurred prior to project approval.

All such pre-award planning costs will be allowable if incurred within three years prior to application submission to the NPS. Eligible SCORP planning costs incurred beyond three years may be allowable provided the earliest date from which they were incurred is identified in the project agreement. The State must have on file and available for review sufficient information to justify the type and amounts of such pre-award costs, to indicate the periods during which they were incurred, and their applicability to the particular project.

- c. Donation project. Waiver requests involving real property donations will, where possible, identify the additional acquisition or development to be accomplished under the proposed project or projects. In any event, a project agreement specifying the use of the donated value must be entered into prior to the expiration of the waiver. Such request must include appropriate documentation per Section 3.a above.
  - d. Time amendment. While the recommended initial project period for an LWCF grant is three years, the maximum time period for an LWCF grant is five years from the date of approval. If, during the conduct of a project, it becomes apparent that completion will not be possible within the project period (not to exceed five years), the State shall submit a request for an amendment to extend the project period. The amendment should be submitted at least 30 days prior to the grant's expiration date. A period of six months shall be considered as the minimum time extension of a project period when amending a project. Requests for project period extensions submitted after the grant expiration date will not normally be approved, and costs incurred after the expiration date will not be eligible for assistance.
4. Cost overruns and amendments of scope. During the execution of a project there may be unforeseen delays, changes in specifications, or rising costs of labor and supplies that cause the cost of the project to be greater than the approved support ceiling. Or, as work progresses, it may be necessary or desirable to alter the scope of the project by adding,

deleting, or modifying some of its parts. All project scope changes and cost increases must be consistent with the State's OPSP (see Chapter 2). Where such changes fall outside the allowed scope flexibility as explained in Chapter 6, the State is required to promptly notify the NPS and request prior written approval for an amendment to cover the modification (2 C.F.R. § 200.308). It will not always be possible for the NPS to act in advance of the change, and any costs incurred prior to approval are done at the project sponsor's risk.

Proposed amendments to decrease the scope or to add a cost overrun may be considered after the project period has expired, if an earlier submission is not possible, but only those costs incurred within the project period will be eligible. Proposed amendments to add or substitute scope items will not be considered after the project period has expired.

Amendment requests shall be accompanied by the A&R Form according to the instructions on its coversheet for the type of amendment being requested (see Chapter 4).

5. Federal matching and supplemental programs. The LWCF Act at 54 U.S.C. § 200305(f)(1) prohibits the use of other federal financial assistance in a project assisted with LWCF. However, in those instances where the statutory provisions of a subsequent federal grant-in-aid program explicitly allows recipients to use such assistance as match for another federal grant, such as in Community Development Block Grants (CDBG) and Recreational Trails Program, this section of the LWCF Act is superseded and a matching arrangement is possible.

## **B. Sponsor Financial Obligations**

1. Matching share. LWCF assistance shall not exceed 50 percent of the total eligible costs (except as provided for the Insular Areas) and is provided primarily on a reimbursement basis. In most cases the project sponsor will initially pay in full all costs accrued during the project period. Reimbursement for the federal share is made through the State.

Projects initially funded at less than 50 percent matching share may not be amended to increase the federal share without an increase in project scope and increase in total project cost.

2. Applicability of donations. The NPS encourages the donation of cash and in-kind contributions including real property to project sponsors by private parties. The value of the in-kind contributions may be used as all or part of the project sponsor's share of the project cost. The method of valuation and charges for volunteer services, material, and equipment must be documented and approved by the State prior to the donations being applied to reimbursement requests in order for such contributions to be considered as part of the sponsor's matching share. Specific procedures for placing the value on in-kind contributions from private organizations and individuals in accordance with 2 C.F.R. § 200.434, are set forth below:
  - a. Valuation of volunteer services. Volunteer services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor. Each hour of volunteered service may be counted as matching share if the service is an integral

and necessary part of an approved project. Records of in-kind contributions of personnel shall include time sheets containing the signatures of the person whose time is contributed and of the supervisor verifying that the record is accurate.

- (1) Rates for volunteer services. Rates for volunteers should be consistent with those regular rates paid for similar work in other activities of the State. In cases where the kinds of skills required for the federally-assisted activities are not found in the other activities of the grantee, rates used should be consistent with those paid for similar work in the labor market in which the grantee competes for the kind of services involved. The time of a person donating services will be valued at the rate paid as a general laborer unless the person is professionally skilled in the work being performed on the project (i.e., plumber doing work on pipes, mason doing work on a brick building). When this is the case, the wage rate this individual is normally paid for performing this service may be charged to the project. A general laborer's wages may be charged in the amount of that which the city or cities in the immediate area pay their city employees for performing similar duties.
  - (2) Volunteers employed by other organizations. When an employer other than the grantee furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (exclusive of fringe benefits and overhead cost), provided these services are of the same skill for which the employee is normally paid.
- b. Valuation of materials. Prices assessed to donated materials included in the matching share should be reasonable and should not exceed current market prices at the time they are charged to the project. Records of in-kind contributions of material shall indicate the fair market value by listing the comparable prices and vendors.
  - c. Valuation of donated real property. The value of donated real property shall be established by an independent appraiser in accordance with the UASFLA. The State must review and approve donation appraisals. The NPS will spot-check (administrative review) appraisal reports for adequacy and consistency (see Chapter 4).
  - d. Valuation of donated equipment. The hourly rate for donated equipment used on a project shall not exceed its fair-rental value. Hourly rates in the annual edition of Rental Compilation or Rental Rate Guide or similar publications that provide the national or regional average rates for construction equipment may be used. Such publications are usually available from contractor associations. Records of in-kind contributions of equipment shall include schedules showing the hours and dates of use and the signature of the operator of the equipment.
  - e. Valuation of other charges. Other necessary charges such as equipment use charges incurred specifically for an indirect benefit to the project on behalf of the sponsor may be accepted as matching share provided they are adequately supported and permissible under the law. Such charges must be reasonable and properly justifiable.

- f. Documentation. The basis for determining the charges for donated personal services, material, equipment and land must be documented and must be approved by the State prior to the request for payment that includes the value of the donation.
- g. Limits of the valuation. In-kind contributions of real property donations are eligible in a project only to the extent there are additional acquisition and/or development costs to be met by the federal assistance requested for that project that must be fully described and explained in the proposal. Federal assistance may not result in a profit of unexpended cash to the State or local government.

*Example:* Land valued at \$10,000 is donated to the project sponsor, who proceeds to develop the property for recreational use. Development costs total \$6,000. The actual total project cost is \$16,000. But because only \$6,000 was actually spent, and since a grant in excess of that would constitute a profit to the sponsor, the federal share is reduced accordingly.

Sponsor's share (amount of the donation applied to the project):	\$10,000
LWCF Assistance:	\$ 6,000
	<u>\$ 6,000</u>
Total:	\$12,000

The amount of donation that is matchable is the value of the donation or the amount of cash spent by the sponsor for additional acquisition or development, whichever is less.

- h. Multi-site land donations. To be eligible for matching assistance, in-kind contributions shall be applicable to a single project site. However, a multi-site project involving land donations may be considered to the extent that such is logical, reasonable, and more advantageous than the application of the donation to a single site.

### C. Allowable Costs

- 1. Determining amount of costs.
  - a. General. Subject to the guidelines given in this section and in 2 C.F.R. Part 200, the rates, practices, rules, and policies of the project sponsor, as consistently applied, shall generally determine the amount of costs of each item charged to a project. In instances where the sponsor has no such basis, that of the State shall apply.
  - b. Ceiling on amount of cost items. The amount of each item of cost that may be matched from the LWCF shall not exceed the sponsor's actual cash outlay for that item, or the fair market value of the item, whichever is less. An exception could be land acquired at a price in excess of appraised value and supported by an adequate statement on difference of value.
  - c. Ceiling on total matching share from the fund. The total matching amount made available for an approved project shall not exceed the approved support ceiling.

2. Guidelines for determining allowable costs. The basic statement regarding the principles and standards for determining costs applicable to this grants program is found in 2 C.F.R. Part 200, Subpart E.
3. Costs of purchase of real property and of interests in real property. Federal assistance may be used to pay a share of the fair market value of real properties and of interests in real property purchased by the project sponsor when determined by the NPS to be capital costs. Incidental costs relating to acquisition are not eligible per the LWCF Act (54 U.S.C. § 200305(e)(2)(A)). However, interest expenses awarded by the court as part of just compensation for acquisition in eminent domain situations may be matched. Also, costs allowed pursuant to Section 211 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 U.S.C. § 4601 et seq.), may be matched.

The value of such properties or interests should be proposed by the State. Steps shall be taken to assure actions to identify property for acquisition do not cause inflation of property values, and thereby increase the cost of the project.

Although a project sponsor may pay a greater amount, LWCF assistance will generally be computed on the fair market value as determined by an acceptable appraisal. However, when a State feels the amount paid in excess of the fair market value is justifiable, it should prepare, and submit to the NPS, a detailed and well documented statement, including comparable sales and other market data as necessary justifying the difference. If the statement is found adequate, LWCF assistance may be computed on the full purchase price.

Where a court award in an eminent domain situation exceeds the support ceiling approved by the NPS, the NPS will not be obligated to pay based on the higher amount. However, the State may submit an amendment request to increase the support ceiling to the amount of the court award, for NPS consideration.

Capital expenditures for acquisition of eligible leases, easements, and other rights and interests in real property are eligible for LWCF assistance.

4. Cost of real property purchased from other public agencies. The actual cost to the project sponsor of land purchased from another public agency may be eligible for matching assistance, subject to the following conditions:
  - a. The land was not originally acquired by the other agency for recreation.
  - b. The land has not been managed for recreational purposes while in public ownership.
  - c. No federal assistance was provided in the original acquisition by the other agency to facilitate the basic project being funded by LWCF assistance, unless the federal assistance was provided by an eligible supplemental program, such as CDBG.



- d. The selling agency is required by law to receive payment for land transferred to another public agency. Examples are public school land that can be used for non-school purposes only through payment to the school agency, or excess state prison lands that can be transferred to local government use only on a purchase basis. The support ceiling will be based on the price paid by the project sponsor for the property or the fair market value, whichever is less. In some instances, the selling agency may be permitted a choice between various state laws would set the selling price at different levels depending upon which law is chosen by the agency. For example, various laws may be in force that would allow the agency to transfer the real property to another public agency for fair market value, for reimbursement of unpaid taxes, as a donation, or for other consideration. LWCF assistance will be limited to the minimum amount for which the property could be transferred legally and only in those instances for which there is an attorney general's opinion or established case law.
  - e. The requirement of appraisal, history of conveyances, and evidence of title are the same as normal purchases.
  - f. If the selling agency is federal, fair market value is paid.
5. Real property acquired by donation. The value of real property donated to the project sponsor by private organizations or individuals will be eligible for matching as determined by an appraisal. Donations required by law or regulation are ineligible as the project sponsor's matching share. The land acquired cannot be subject to any restrictions that might limit its intended public recreation use.
6. Master planning. Master planning of a recreation area in whole or in part will be matchable as part of a development project if the project includes actual development of at least equal cost to that of the master plan.
7. Miscellaneous allowable costs
- a. Payment of premiums on hazard and liability insurance to cover personnel and property directly connected with the project is allowable.
  - b. Costs to the project sponsor for work performed by another public department or agency are allowable. This includes the costs of services provided by central service type agencies to the sponsor's departments and need not be supported by a transfer of funds between the departments involved.
  - c. Costs of printing and distributing the SCORP, including a popular summary version and other project related printing or reproduction costs are allowable.
  - d. The costs of space in privately owned buildings used for the benefit of the project is allowable subject to the conditions stated in 2 C.F.R. Part 200, §§ 306 and 434. Also, project sponsors may be compensated for the use of buildings, capital improvements, and equipment through use allowances or depreciation.

- e. If the State has a NICRA applicable to land acquisition or development costs, then indirect expenses may also be allowable.
8. Non-allowable expenditures. These expenditures shall not be included in the total budget for determining financial assistance:
- a. Ceremonial or entertainment expenses.
  - b. Expenses for publicity.
  - c. Bonus payments of any kind.
  - d. Charges for contingency reserves or other similar reserves.
  - e. Charges in excess of the lowest responsive bid, when competitive bidding is required by the NPS or the sponsor, unless the NPS agrees in advance to the higher cost.
  - f. Charges for deficits or overdrafts.
  - g. Taxes for which the organization involved would not have been liable to pay.
  - h. Interest expenses, except those awarded by the court as part of just compensation for acquisition in eminent domain situations.
  - i. Charges incurred contrary to the policies and practices of the organization involved.
  - j. Consequential damage judgments arising out of acquisition, construction, or equipping of a facility, whether determined by judicial decision, arbitration, or otherwise. Consequential damages are damages, to adjoining property owned by other persons, which are caused by noise, lights, vibration etc.
  - k. Incidental costs relating to acquisition of real property and of interests in real property, unless allowable under the Uniform Act (42 U.S.C. § 4601 et seq.).
  - l. Operation and maintenance costs of outdoor recreation areas and facilities.
  - m. The value of, or expenditures for, lands acquired from the United States at less than fair market value.
  - n. Cost of discounts not taken.
  - o. Equipment to be used for the maintenance of outdoor recreation areas and facilities, including, but not limited to, automotive equipment, tractors, mowers, other machinery, and tools.
  - p. Employee facilities, including residences, appliances, office equipment, furniture, and utensils.

- q. Donations or contributions made by the sponsor, such as to a charitable organization.
- r. Salaries and expenses of the Office of the Governor, or of the chief executive of a political subdivision, or of the State legislature, or of other similar local governmental bodies.
- s. Fines and penalties.
- t. Any excess of cost over the federal contribution under one grant agreement is unallowable under other grant agreements.
- u. Any losses arising from uncollectible accounts and other claims, and related costs.
- v. Legal and professional fees paid in connection with raising funds.
- w. Payments for lobbying in connection with the awarding, extension, continuation, renewal, amendment, or modification of an individual LWCF grant or the program.

## CHAPTER 6 - APPLICATION AND EVALUATION PROCEDURES

### A. Prerequisites for Applying

Prior to submitting an application to NPS for LWCF acquisition and/or development assistance, the following conditions must be met:

1. The State's SCORP and the OPSP must meet the eligibility requirements of the LWCF Act and this manual. Project applications must be received by NPS while there is a sufficient period of eligibility remaining to permit thorough processing of the applications. Applications that cannot be processed prior to the revocation of eligibility will not be acted upon until the State's eligibility has been reinstated.
2. The State's apportionment and reapportionment balances from NPS must be adequate to cover the proposed project to be activated.
3. The sponsoring agency must have developed the plans for its proposed project to the point where the project scope can be described and reasonable estimates of cost can be made.

### B. Application Process

The State prioritizes and selects eligible projects for LWCF assistance through its OPSP (see Chapter 2) and is responsible for ensuring the development of the project proposal and completion of the federal grant application according to federal requirements. States shall provide guidance to subrecipients to ensure all application requirements are met.

Project applications should be submitted to the NPS at least 60 days in advance of the target date for acquisition or the beginning of construction except in accordance with the retroactivity provisions (see Chapter 5.A.3), to allow sufficient time for federal review of the proposal to determine its eligibility and compliance with federal requirements. The NPS will post Notices of Funding Opportunity at Grants.gov for several intervals each fiscal year to receive applications.

Using the A&R Form (see Chapter 4), the State develops the proposal for the LWCF grant application. The State may delegate the completion of the A&R Form to the subrecipient. The A&R Form guides the proposal development and upon project approval, becomes a part of the federal administrative record.

The State shall be responsible for ensuring the proposal is developed in accordance with applicable federal laws, executive orders and circulars, including conducting required environmental reviews in accordance with the NEPA as set forth in Chapter 4. The environmental review process may involve producing documents for public review and comment, coordinating compliance with applicable local, state and federal laws and regulations, and acquiring other federal state and local approvals.

For project proposals and grant applications that are complex in nature and/or have eligibility concerns, States are encouraged to consult with NPS prior to formal project submission.

At the completion of proposal development, the State prepares the required federal application documentation as described in Item 2 below and submits the application package to the appropriate NPS regional office requesting federal LWCF approval for the subject project.

All significant information must be disclosed in the application and its supporting documents. Failure by the State to consider information that might have a significant bearing on the eligibility of a proposal might be cause for refusal, cancellation, or recovery of federal assistance.

The project proposal, including all information required by the NPS to be on file at the state level, is considered a public record. Copies of proposals may be distributed by NPS to other public agencies for information or comment.

The following documents comprise the federal application for LWCF grant assistance and shall be coordinated by the State and submitted to the NPS:

1. Application & Revisions (A&R) Form. *One signed copy*. The A&R Form (see Chapter 4) provides step-by-step guidance for applicants to follow and complete while developing the grant proposal for federal LWCF assistance. The A&R Form includes specific guidance for:
  - developing the project narrative;
  - explaining how the proposal is in accordance with the SCORP;
  - screening the proposal for potential environmental impacts in order to determine the appropriate NEPA process to conduct: 1) recommendation for a CE, 2) production of an EA, or 3) production of an EIS. The environmental screening step requires a State to follow Section 106 of the NHPA in conjunction with the NEPA process (see Chapter 4.C);
  - seeking agency comments through the Intergovernmental Review of Federal Programs process, Executive Order 12372, if applicable; and
  - certifying that any appraisals conducted for the federal grant application meet the UASFLA (see Chapter 4.D).
2. Federal Standard Form 424, Application for Federal Assistance. *One signed copy*, including supplemental SF-424 forms as required by type of proposal:
  - SF-424A, Budget Information for Non-construction Programs and SF-424B, Statement of Assurances for Non-construction Programs; or
  - SF-424C, Budget Information for Construction Programs and SF-424D, Statement of Assurances for Construction Programs

3. Description and Notification Form. *One copy*. The DNF will be used to provide data input for the NPS LWCF database system. The State shall submit a DNF for each project.
4. LWCF boundary map. *One copy, hand-signed and dated*. The LWCF boundary area map shall clearly delineate the area to be subject to the provisions of the LWCF Act (54 U.S.C. § 2003). An acceptable LWCF boundary area map is required for all development and combination projects prior to NPS approval, and for acquisition projects, prior to reimbursement. The NPS will contact the State about any needed changes to the map.

The LWCF boundary area subject to the provisions of the LWCF Act must encompass a viable public outdoor recreation area that is capable of being self-supporting without reliance upon adjoining or additional areas not identified in the scope of the project (such as for access, utilities, park support facilities, etc.). Consistent with the intent of the LWCF Act, the Program expectation is the entirety of the park or recreation area being acquired, developed, or expanded will be included within the LWCF boundary area. Exceptions for boundaries that would apply to a lesser area may be considered only when it can be shown the area is self-supporting (as described above). These requests will be reviewed on a case-by-case basis by the NPS LWCF Washington Office prior to award of a grant. Early coordination is strongly recommended. For acquisitions, in no case will the LWCF boundary area be less than that acquired with LWCF assistance.

For multiple purpose projects (see Chapter 3.A.6), the LWCF provisions will be applied to the entire viable outdoor recreation area regardless of the prorated basis of federal assistance, to include the whole facility unless a lesser area is approved in accordance with the considerations in the prior paragraph.

Prior to final reimbursement for development and combination projects, the State and NPS may mutually agree to alter the LWCF boundary area to provide for the most satisfactory unit intended to be administered under the provisions of the LWCF Act. For acquisition projects, the LWCF provisions are in effect at the time LWCF reimbursement is provided.

No changes may be made to the LWCF boundary after final reimbursement unless the project is amended as a result of an NPS approved conversion.

The LWCF boundary area map and/or attachments as appropriate shall depict the following:

- a. Official park/site name, location, and LWCF project number.
- b. Sufficient detail so as to legally identify the lands to be subject to the provisions of the LWCF Act. The following methods of identification are acceptable: deed references; adjoining ownerships; adjoining easements and rights-of-way; public streets; adjoining water bodies or other natural landmarks; metes and bounds; and surveys. Where one or more of the above methods are not readily suited for identifying the area, measurements from permanent locators may be used. A formal survey is not required.

- c. All known outstanding rights and interests in the area held by others. Known easements, deed/lease restrictions, reversionary interests, etc. are to be documented, including any area(s) under lease, name(s) of lessor and lessee, and term remaining on the lease(s).

When at the time of project application it is known that outstanding property rights held by others are being or will be exercised in the foreseeable future and impact only a portion of the area to be subject to the provisions of the LWCF Act, the impacted area must be clearly excluded from the LWCF boundary area depicted on the map and accompanied by an explanation. The remaining project area must meet all LWCF program criteria for eligibility and be a viable public outdoor recreation area. See Chapter 3 regarding outstanding rights and interests.

- d. Total acreage of the area within the LWCF boundary and subject to the provisions of the LWCF Act.
  - e. North arrow.
  - f. Signature of the SLO or alternate unless otherwise delegated to a member of his/her staff. A delegation of signature authority for LWCF boundary maps must be on file with NPS. Also, date of signature.
  - g. Maps of up to 11 inch x 17 inch format are highly preferred for future administrative use such as copying and scanning. Avoid use of color as the only means to delineate areas.
5. Location map. *One copy*. This map shall clearly depict the location of and entrance to the site/outdoor recreation/park area.
  6. Pre-award on-site inspection report. *One copy*. The inspection shall be conducted in accordance with the on-site inspection agreement between the State and NPS.
  7. Other information that has a significant bearing on the project.

### **C. NPS Review Process**

Upon receipt of a draft grant application package, the NPS will assign an official LWCF project number to the project (see Section F below) and conduct an initial cursory review to determine if all required items are included in the grant application package.

If items are missing or incomplete, NPS will notify the State and will not process the application package until the missing or incomplete documentation is provided. If the grant application package is complete, the NPS will conduct a detailed independent review of the proposal and required documentation to determine if the proposal is eligible for LWCF assistance, has been developed in accordance with applicable laws and Executive Orders as outlined in Chapter 4, and meets the administrative requirements contained in this manual. If needed, NPS will consult with the State for additional information to better understand the proposal and to fulfill compliance with all requirements.

The NPS will conduct an independent review of the proposed project for federal assistance to determine how well it accomplishes the purpose of the LWCF Act and meets program requirements. This evaluation includes a consideration of the project's eligibility for assistance, its technical adequacy, and its financial soundness. All projects submitted to the NPS are evaluated to the extent information is made available in the application. The extent of the NPS review will depend on the type of application submitted and any certifications made by the SLO. As part of this review, the NPS will determine whether:

1. the proposal is in accordance with the SCORP and the OPSP (see Chapter 2);
2. the proposal has been adequately reviewed according to the NHPA Section 106 and the NEPA so the NPS can make a decision about the potential for significant impacts to the human environment as a result of providing federal assistance for the project (see Chapter 4); and
3. the project area is adequately depicted and described in the signed and dated LWCF boundary area map and represents an acceptable area to be covered by the provisions of the LWCF Act.

Once a grant application package is considered actionable, the NPS will direct the State to submit the final version via Grants.gov, which will forward the application to DOI's electronic grant management system of record (as of October 2020, GrantSolutions). This will log in the application and allow processing of it to an award. Upon NPS approval of the project, a notice of grant agreement and associated terms and conditions is electronically generated and the SLO or alternate (depending on who has the Administrative Official role in GrantSolutions) will receive an email from the system alerting them the award has been released. A copy of the award notice and terms and conditions will then be available for download from GrantSolutions. These documents establish the framework for the State and subrecipient (if applicable) to accomplish the project.

Award agreements are no longer signed. Acceptance of the award is instead demonstrated by actions such as beginning the work of the project or drawing funds. The notice and grant terms:

- a. Bind the Federal Government and the State to certain obligations through its acceptance of federal assistance, including the rules and regulations applicable to the conduct of a project under the LWCF Act, 2 C.F.R. Part 200, and terms and conditions applied to the project by the DOI and the NPS. When the project sponsor is a local unit of government or an Indian Tribe, the SLO will make such arrangements with the sponsor as necessary for the successful completion of the project and the enforcement of federal laws and regulations.
- b. Obligate the United States to provide grants up to a designated amount for eligible costs incurred on the project on the basis of information and cost estimates contained in the proposal. This amount is the "support ceiling" and may vary as a percentage of total eligible costs, but in no event will it exceed 50 percent of the total cost indicated on the agreement forms or 50 percent of the final cost of the project, whichever is less.



- c. Set forth methods of costing, accounting, incurrence of costs, and similar matters.
- d. Set the period of performance for the project. The start and expiration dates are based on the state application, unless the NPS provided prior approval for retroactive costs, in which case the start date is the date the NPS approved the incurrence of such costs. The expiration date is the date by which the project must be completed.
- e. Describe the scope of the project including what is to be done and how it will be accomplished. For acquisition projects the number of acres to be acquired and the type of conveyance will be specified. For development projects, the project scope will be defined by each primary facility group shown in the DNF. Facilities listed under each primary facility group are included in the project scope by definition.

#### **D. Amending Existing Projects**

As of January 2020, requests to modify or amend a grant are submitted to DOI's electronic grant system of record. A new notice of grant award is required to document the modification or amendment. When the notice is released by the NPS, it becomes part of the agreement and supersedes it in the specified matters. Amendments are required in the following situations:

1. Situations requiring amendment.
  - a. To increase the total LWCF assistance for a project.
  - b. To add a co-sponsor or change project sponsors.
  - c. To modify the project's scope and/or budget.
  - d. To increase or decrease the acreage to be acquired by more than 10 acres or 20 percent, whichever is greater. Any change in the location of the project site to be acquired or developed shall require an amendment or submission of a new project.
  - e. To extend the project period. Projects may not be extended for less than six months.
  - f. To amend the LWCF boundary area due to an LWCF conversion.
2. Amendment documentation. Documentation needed to support an amendment vary by type of action (and are outlined in GrantSolutions). They may comprise:
  - a. Standard Form 424. *One signed copy*, indicating the type(s) of amendment and including supplemental SF-424 forms as required by type of project:
    - SF-424A Budget Information for Non-construction Programs or
    - SF-424C Budget Information for Construction Programs

- b. SLO transmittal letter. The letter must explain the changed conditions and how they affect the project to justify the need for the amendment or modification.
- c. A&R Form. *One signed copy*. The revision narrative section must be completed for the type(s) of amendment.
- d. Revised LWCF boundary area maps for conversion amendments and where the amended project scope provides Fund assistance to areas not previously covered under Section 6(f).
- e. Description and Notification Form.

## **E. Withdrawal or Changes in Project Application**

Prior to approval, an application or amendment may be changed or withdrawn by a letter from the SLO to the NPS. New application documents may be required if the change is significant.

An approved project can be withdrawn unilaterally by the State at any time before the first payment on the project is made. If the project is withdrawn due to performance issues (or non-performance) by the project sponsor, the State may be required to report the circumstances to the Federal Government's system of record for such issues (e.g., FAPIIS).

## **F. Project Numbering System**

NPS will assign a separate official LWCF project number to each new project whether or not it is ultimately approved. A project number shall be used only once and shall be the official method of identifying each project and related project documentation.

1. Assigning numbers to new projects: Each new project will be assigned a 7-digit project identification number consisting of the 2-digit FIPS code for the State, a dash, and then the 5-digit project number that is assigned sequentially. If the application is awarded a grant, the electronic grant management system will also generate a federal award identification number, which will be used for managing the grant in that system and also for reporting, such as progress and financial reports as well as to federal systems like SAM and USASpending. The NPS shall permanently affix both identification numbers to the project file to serve as permanent reference numbers. Agreements, amendments, and all other documentation relating to a given project, including letters and memorandum, shall contain these numbers. The seven digit "legacy number" system shall be applied as follows:

First two digits: State FIPS codes are assigned as follows:

01 Alabama	18 Indiana	32 Nevada	47 Tennessee
02 Alaska	19 Iowa	33 New Hampshire	48 Texas
04 Arizona	20 Kansas	34 New Jersey	49 Utah
05 Arkansas	21 Kentucky	35 New Mexico	50 Vermont
06 California	22 Louisiana	36 New York	51 Virginia
08 Colorado	23 Maine	37 North Carolina	53 Washington
09 Connecticut	24 Maryland	38 North Dakota	54 West Virginia
10 Delaware	25 Massachusetts	39 Ohio	55 Wisconsin
11 Dist. of Columbia	26 Michigan	40 Oklahoma	56 Wyoming
12 Florida	27 Minnesota	41 Oregon	60 American Samoa
13 Georgia	28 Mississippi	42 Pennsylvania	66 Guam
15 Hawaii	29 Missouri	44 Rhode Island	69 Northern Mariana Islands
16 Idaho	30 Montana	45 South Carolina	72 Puerto Rico
17 Illinois	31 Nebraska	46 South Dakota	78 U.S. Virgin Islands

Next five digits. The Project Number is serially assigned in chronological order as follows:

08-00004 (fourth project proposal received from the State of Colorado)

2. Assigning numbers to project amendments. Amendment numbers shall be added immediately following the project number by using a decimal point and appropriate number (beginning with 1) in serial order. Whenever the original project agreement is altered, the amendment number assigned to the executed amendatory document shall be serially increased as follows:

08-00004.1 (first amendment for project 08-00004)

## CHAPTER 7 - PROJECT ADMINISTRATION AND FINANCIAL MANAGEMENT

### A. General Administrative Requirements

1. General responsibility. It is the prerogative and responsibility of the State, and the project sponsor to which the State delegates responsibilities, to execute a project under the general guidelines and rules established by the State, governed in general by the concepts, rules, and guidelines set forth herein, the FAIR, and in 2 C.F.R. Part 200. The primary role of the NPS in grant project administration is to be concerned with results, leaving to the States the primary role of determining the means to achieve these results.
2. Arrangements with sponsors. It is the responsibility of the State to make suitable and adequate arrangements with other public agencies to insure the successful performance of projects and the continued operation and maintenance of aided facilities and properties for public outdoor recreational use. The State shall be held responsible for all the actions of project sponsors relating to the execution of projects and associated post-completion responsibilities pursuant to the LWCF Act at 54 U.S.C. § 200305(f)(3) (see Chapter 8).
3. Consideration of Federal Acts. During preparation of an application and conduct of a project, the sponsor shall comply with applicable federal laws, executive orders, and regulation relating to the acquisition and development of public properties (see LWCF General Provisions).
4. Duration of project. A project will continue in force until all work under a grant is completed or until the project period of the approved project agreement and all amendments thereto have expired, whichever comes first.
5. Execution of project work. The State shall be responsible for ensuring all projects receiving financial assistance pursuant to the LWCF Act are carried through to stages of completion acceptable to the NPS with reasonable promptness. Failure to maintain satisfactory progress or failure to complete the project to the satisfaction of the NPS may be cause for the NPS to withhold further payments on any or all projects of a State or qualification of new projects until the project provisions are satisfactorily met. LWCF assistance may be terminated upon determination by the NPS that satisfactory progress has not been maintained.

In the event that the LWCF assistance is terminated, the State and project sponsor shall be required to bring the project to a state of usefulness so funds invested shall not be lost. If the State cannot complete the project with its own funds, it should submit a plan to the NPS for bringing the incomplete project to a point where it is useful. The NPS will not require all parts of a project be completed in such a case if a stage of reasonable usefulness can be achieved short of completion.

6. On-site inspections by the State

- a. Responsibilities. It is the responsibility of the State to administer a regular and continuing program of on-site inspections of projects. The scope, timing and selectivity of these inspections will be covered in an agreement to be negotiated by the NPS and the State. This agreement will provide the basis for the conduct of pre-award, progress and final on-site inspections as well as the associated reporting formats.

Properties and facilities acquired or developed with LWCF assistance shall be available for inspection by the NPS at such intervals as the Director shall require. Generally, the NPS inspections will be conducted on a spot check basis in conjunction with the State Program Review.

- b. Reports. On-site inspection reports will be prepared for all inspections conducted and will be included in the official project files maintained by the State. The State is responsible for the preparation of these reports except when joint inspections are conducted with the NPS in which case the NPS will prepare the report and provide a copy to the State.

Submission of inspection reports to the NPS will be made on the following basis:

- (1) States are encouraged to use the pre-award on-site inspection to generate information for use in preparing the A&R Form. The pre-award site inspection shall be conducted by individuals knowledgeable about the resources of the site.
- (2) Progress inspection reports may be combined with the annual performance report or submitted to the NPS at the same time as a payment request.
- (3) Final inspection reports must be submitted to NPS within 90 days after the date of completing a project and prior to final reimbursement and administrative closeout.
- (4) States must conduct post-completion site inspections within five years after the final project reimbursement and every five years thereafter. See Chapter 8.C for specific guidance on post-completion inspections and submission of inspection reports.

7. Income from properties acquired or developed with LWCF assistance.

- a. During project period. In accordance with 2 C.F.R. § 200.307, income earned by the project sponsor during the project period from sources other than the intended recreational use of the project shall be dispersed in one of the following ways:

- (1) Added to the funds committed to the project and used to further eligible LWCF program objectives at the project site. In this case a plan for the use of such monies shall be forwarded to NPS for concurrence prior to grant approval. This plan shall detail the sources(s) of the income and include the timeframe in which the non-recreational use(s) shall cease. (See Chapter 3.B.7)

- (2) Deducted from the total project cost for the purpose of determining the net cost on which the federal share of the cost will be based. In this instance, requests for payments must include identification of accrued amounts as credits to the project. Examples of income that shall be dispersed in the above manners include the rental of structures, the sale of timber and the lease or rental of land

Income earned by the project sponsor during the project period from the intended recreational use of the project, such as entrance or user fees and concessionaire operations may be disposed of at the sponsor's discretion. The sponsor, however, is encouraged to use such income to further recreation objectives related to the sponsor's public outdoor recreation program.

- b. After the project period. Income earned by the project sponsors after the project period, including from recreational use and land management practices, may be disposed of at the sponsor's discretion. However, the sponsor is encouraged to use such income to further recreation objectives related to the facility when State and local laws allow. Exceptions include those identified under paragraphs [d] and [e] below.
- c. Land management practices. Land management practices such as the rental of structures, the sale of timber and the lease or rental of land occurring during or after the project period must be compatible with the outdoor recreational use of the areas as described to the NPS. Any practice that alters the public outdoor recreation use or purpose of the area is prohibited. Income from such land management practices must be dispersed in accordance with paragraphs [a] and [b] above.
- d. Sale of improvements or structures. Income derived from the sale of improvements or structures acquired with LWCF assistance shall be used to reduce the cost of other LWCF-assisted projects of the project sponsor regardless of whether the sale occurs during or after the project period. If the sponsor has no plans for further LWCF-assisted facilities, then the income must be used to further outdoor recreation development or acquisition at the site, at another LWCF-assisted site, or at another outdoor recreation site operated by the project sponsor. In this case, a letter indicating the intended use of the funds shall be sent to the NPS for approval.
- e. Non-destructive mineral extraction. Extraction of oil and gas from LWCF-assisted projects involving the purchase of subsurface rights may be allowable and will not constitute a conversion pursuant to the LWCF Act provided the following conditions are met:
  - (1) The extraction process does not reduce the recreation opportunities at the site, nor detract from the recreation experiences.
  - (2) All income derived from the mineral extraction by the project sponsor is used as follows:

- i. to further outdoor recreation development or acquisition at the project site or to reduce the total cost of other active LWCF-assisted projects at the site (to be given priority); or,
  - ii. to reduce the total cost of other active LWCF-assisted projects; or,
  - iii. for outdoor recreation acquisition, development, or planning at other state facilities or granted to local communities for such purposes; or,
  - iv. for any use that is consistent with an outdoor recreation program, including operation and maintenance costs and any related service or support facilities.
- (3) Such income may not be used strictly for the development of facilities that do not meet the eligibility guidelines for LWCF assistance.
- (4) The method of allocating income and the uses to which it will be put shall be approved by the NPS through a formal agreement with the State prior to the onset of extraction activities.
8. Title to properties acquired or developed with LWCF assistance. Pursuant to 2 C.F.R. Part 200 the Federal Government will not obtain a legal right or title to any area or facility acquired or developed with financial assistance received under the provisions of the Act.
9. Safety and accident prevention. In the performance of each project the State and other participating organizations shall comply with all applicable federal, State, and local laws governing safety, health, and sanitation. The State and other participating organizations shall be responsible for assuring all reasonable safeguards, safety devices, and protective equipment are provided, and will take other needed actions reasonably necessary to protect the life and health of employees on the job and the safety of the public, and to protect property in connection with the performance of work on the project.
10. Issuance of rules and instructions. The NPS may issue additional or modified rules, instructions, interpretations, and guidelines from time to time as is necessary for the effective conduct of assistance activities. Such changes will apply to all projects for which agreements and amendments are signed after the effective date of the changes. Whenever possible, sufficient lead time will be given between the announcement and the effective date to avoid application to projects already in process at the time of the announcement.
11. Failure to comply with federal laws and regulations. When the NPS determines a State has violated or failed to comply with applicable federal law or regulations governing this program with respect to a project, the NPS may withhold payment of federal funds to the State on account of such project, withhold funds for other projects of the State, withhold approval of further projects of the State, and take such other action deemed appropriate under the circumstances until compliance or remedial action has been accomplished by the State to the satisfaction of the NPS.

12. Non-procurement debarment and suspension. In accordance with 2 C.F.R. § 200.214, no grant or contract may be awarded by a recipient, subrecipient, or contractor of any recipient or subrecipient, to any party who has been debarred or suspended under Executive Order 12549. List of debarred or suspended entities can be found in the System for Award Management ([www.sam.gov](http://www.sam.gov)).
13. Appeals. Disagreements with any decision or action concerning comprehensive plans, project proposals, valuations of properties and personal services, and audit exceptions, which have not been resolved to the satisfaction of the project sponsor may be appealed in the following sequence:
  - a. Local project sponsors. Disagreements between local project sponsors and the SLO or State agreements not represented by the SLO may be appealed to the State's NPS Region, and if not resolved to the satisfaction of the sponsor, may be appealed to the Director and ultimately to the Secretary, if necessary.
  - b. State Liaison Officer. Disagreements between the SLO and the State's NPS Region may be appealed to the Director of NPS and, if not resolved satisfactorily at that level, may be appealed to the Secretary of the Interior.

## **B. Procurement Standards**

Projects or portions thereof may be undertaken through contracts in accordance with the procurement standards and guidelines set forth in 2 C.F.R. Part 200, §§ 317 through 327, except the provisions concerning the Davis-Bacon Act. This includes the procurement of supplies, equipment, construction, and services.

Pursuant to 2 C.F.R. § 200.317, when procuring property and services under a Federal award, a State must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will comply with §§ 321 through 323 and ensure that every purchase order or other contract includes any clauses required by § 327. All other non-Federal entities, including subrecipients of a State, must follow the procurement standards in §§ 318 through 327. See Chapter 4.H for specific detail pertaining to 2 C.F.R. § 200.321, Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

## **C. LWCF Acknowledgement Signs**

1. Permanent signs. Permanent signs shall be installed to acknowledge the federal-state-local partnership role in providing new high quality outdoor recreation areas and facilities and to facilitate continued awareness of the LWCF Act obligations by recipients/subrecipients as well as the public, consistent with 2 C.F.R. § 200.316. States may determine the type, size, and placement of the sign as long as the LWCF logo is used (see #3 below). A sign must be continuously maintained at the site and its presence should be confirmed during the post-award site inspection (see Chapter 8.C.).



2. Temporary signs. In accordance with 54 U.S.C. § 200307, when significant acquisition, development, and/or combination projects totaling \$500,000 or more are initiated, States are required to place appropriate temporary signage on or near the affected site so as to indicate the action taken is a product of funding derived from Outer Continental Shelf receipts made available through the LWCF. Such signage shall indicate the percentage and dollar amounts financed by federal and non-federal funds.

Publicizing an acquisition project by the installation of signs prior to the completion of the acquisition, particularly those involving the acquisition of several parcels, could seriously affect the negotiations for the properties to be acquired. Therefore, signing of acquisitions projects should be delayed until the acquisition of all parcels is completed and all relocations have occurred. Also, the display of dollar amounts for acquisition projects is optional where such display may be detrimental to the project or future acquisitions.

For development and combination projects, such temporary signage shall be placed at the initiation of construction and remain until project is completed.

Unless precluded by local sign ordinances, temporary signs shall be no less than 2 feet by 3 feet. The size of lettering should be based on the amount of information placed on the sign. The selection of colors will be at the discretion of the State; however, there should be sufficient contrast between the background and the lettering to make the sign readily visible without being intrusive. The sign should include the source, percent, and dollar amount of all federal, state and/or local funds. The second line on the temporary sign will indicate whether the project is acquisition, development, or both. In addition to the NPS, the administrative acknowledgement may include the state agency responsible for the LWCF program. Here is a suggested format:

**THE CITY OF XXXXX  
Public Outdoor Recreation Site Development Aided by the Federal  
LAND AND WATER CONSERVATION FUND  
Administered by the  
National Park Service  
U.S. Department of the Interior**

	<b>Funding</b>	
<b>LWCF</b>	<b>50%</b>	<b>\$250,000</b>
<b>State of XXX</b>	<b>25%</b>	<b>\$125,000</b>
<b>City of XXX</b>	<b>25%</b>	<b>\$125,000</b>
<b>Total Project</b>		<b>\$500,000</b>

**Source of funding includes monies derived  
from Outer Continental Shelf Federal Receipts**

3. Use of LWCF logo. Use of the LWCF Logo on temporary and permanent project signs is required. The NPS encourages its use as a part of the acknowledgement of LWCF assistance at entrances to outdoor recreation sites, at other appropriate on-site locations,

and in folders and park literature. The acknowledgement of LWCF assistance will be checked during compliance inspections.

4. Allowable costs. Costs related to project acknowledgement are allowable costs as part of initial capital investment and may be shared by LWCF assistance. Replacement costs as a part of project operation and maintenance are not allowable.

#### **D. Performance/Financial Management and Reporting**

1. Purpose. This section generally covers accounting, records, and reporting requirements. The State shall require all subrecipients to adopt the standards herein.
2. Financial responsibility. The State shall be responsible for the financial management of approved projects. Appropriate internal controls must, therefore, be adopted and installed to insure that the project is accomplished in the most efficient and economical manner.
3. Standards for grantee financial management systems. State and local government systems for the financial management of LWCF assisted activities shall be in accordance with 2 C.F.R. § 200.302.
  - a. accurate, current, and complete disclosure of the financial results of each grant project;
  - b. records that identify adequately the source and application of funds for grant-supported activities. These records shall contain information pertaining to grant awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income, and interest, and be supported by source documentation. Separate project accounts shall be established and identified by the number assigned to the project by the NPS;
  - c. effective control over and accountability for all funds, property, and other assets. The grantee shall adequately safeguard all such assets and shall assure they are used solely for authorized purposes;
  - d. comparison of expenditures with budget amounts for each grant award;
  - e. written procedures to implement the requirements of § 200.305 (Federal payment);
  - f. procedures for determining allowable and allocable costs in accordance with the provisions of 2 C.F.R. Part 200, Subpart E;
  - g. Audits to be made by the State in accordance with 2 C.F.R. Part 200, Subpart F to determine, at a minimum, the fiscal integrity of financial transactions and reports, and compliance with laws, regulations, and administrative requirements. The State will schedule such audits with the required frequency, usually annually, but not less frequently than once every two years, considering the nature, size, and complexity of the activity; and

- h. a systematic method to assure timely and appropriate resolution of audit findings and recommendations.

The State shall require all subrecipients to adopt all of the above standards.

- 4. Monitoring and reporting of financial and program performance. In accordance with 2 C.F.R. Part 200, §§ 328 through 330, the following sets forth the procedures for monitoring and reporting financial and program performance.
  - a. States shall constantly monitor the financial and program performance of approved projects to assure time schedules are being met, projected work units by time periods are being accomplished, and financial targets and other performance goals are being achieved.
  - b. For LWCF reporting purposes, performance and financial reporting for all active grants shall be accomplished by States on an annual basis. Reporting requirements will be conveyed in the grant agreement but currently DOI requires reporting based on a period of October 1 to September 30. At a minimum, the report shall include:
    - (1) the status of the work required under the project scope including the percent of work completed and percentage of costs billed and whether the project will meet established target dates for completion;
    - (2) other pertinent information including, when appropriate, an analysis and explanation of cost overruns, time schedule delays and other similar problems encountered and their expected impact on the project; and
    - (3) a certification by the SLO noting the information is correct and complete, and all expenditures are for the purposes set forth in the grant agreement/amendment.
  - c. If any performance review conducted by the State discloses the need for change in the Project Agreement, the State shall submit a request for an amendment at least 30 days prior to the project expiration date.
  - d. The NPS shall make site visits as frequently as practicable on a spot check basis to:
    - (1) review project accomplishments and management control systems, and
    - (2) to provide technical assistance as may be required.
- 5. Financial reporting. All recipients must comply with the reporting requirements as set forth in this section and in 2 C.F.R. § 200.328 as appropriate. Financial reporting is accomplished through the use of the SF-425.

6. Retention and custodial requirements for records. In accordance with 2 C.F.R. Part 200, §§ 334 through 338, the following policies will apply to records maintenance:
  - a. Financial records, supporting documents, statistical records, and all other records pertinent to a grant program shall be retained for a period of three years after final payment on a project. The records shall be retained beyond the 3-year period if audit findings have not been resolved.
  - b. State and local governments are authorized to substitute electronic copies in lieu of original records.
  - c. The Secretary of the Interior and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the states and their subrecipients that are pertinent to a specific project for the purpose of making audits, examinations, excerpts and transcripts.
  - d. The NPS shall submit, after project closeout and scanning, all copies of significant maps and records to the Federal Archives Record Center for retention into perpetuity and for compliance with provisions of the LWCF Act.
  - e. Separate from the grant record requirement, States will need to retain sufficient records of project to facilitate compliance with the provisions of the LWCF Act and the real property reporting requirements at 2 C.F.R. § 200.330.

## **E. Payments**

1. General. In accordance with 2 C.F.R. § 200.305, grant payments to States are governed by Treasury-State Cash Management Improvement Act (CMIA) agreements and default procedures codified at 31 C.F.R. Part 205 and Treasury Financial Manual (TFM) 4A-2000, “Overall Disbursing Rules for All Federal Agencies.” For construction projects, payments are on a reimbursement basis. Except for the final payment (see 7.G, below) the NPS and States must make payment within 30 calendar days after receipt of a billing unless the NPS or State reasonably believes the request to be improper.
2. Monitoring electronic payments. Electronic Fund Transfer (currently the Automated Standard Application for Payments or ASAP) is the required method of payment for States. Concurrent (within 24 hours) with a request for electronic payment, the State must submit a completed “LWCF Record of Electronic Payment” form to the NPS Washington Office and the applicable NPS Region Office. Failure to adhere to this requirement will result in the State being placed on a “request for reimbursement” process through the NPS.

## **F. Audits**

1. Purpose. States must comply with the audit provisions of the Single Audit Act of 1984 (Public Law 98-502), now codified at 2 C.F.R. Part 200, Subpart F. Required audits shall be submitted to the federal audit clearinghouse within the earlier of 30 days after receipt of the auditor’s report or no later than nine months following the end of the State’s fiscal year.

2. Exceptions. An audit exception is a determination by an appropriate authority that an item questioned by the auditor is not properly chargeable to the project agreement and should be disallowed. The NPS determines the allowance or disallowance of items questioned by the auditor. The NPS will be responsible for the review of audit reports received from cognizant federal agencies and/or the DOI Office of the Inspector General (OIG) pertaining to LWCF grants. The NPS will be responsible for advising the State of the audit findings, together with recommendations and suggestions for overcoming the deficiencies disclosed by the audit, and also advise the State of the disallowance of any items.

The Departmental Manual [360 DM 1 and 361 DM 1] requires the State to formally respond to the OIG, through the Director of NPS, concerning audit exceptions within 90 days of the issuance of the audit report. This initial response should include:

- a. whether there is agreement with the audit findings and recommendations. If there is non-concurrence, the specific reasons must be stated, and
- b. recommendations or support documentation for corrective action (resolution) of the audit exceptions.

All audit exceptions must be fully resolved within six (6) months of the issuance of the audit report. If resolution of an audit exception indicates the need for reimbursement of the federal share, then such reimbursement must be made within 60 days after such resolution. After the six (6) month period from the date of issuance of the audit report, unresolved audit exceptions will be disallowed and reimbursement of the federal share must be made within sixty (60) days. Reimbursement of the federal share may be accomplished by electronic fund transfer.

## **G. Project Termination/Grant Closeout**

This section prescribes project closeout procedures in accordance with 2 C.F.R. Part 200, §§ 338 through 343.

1. Termination. The termination of a project means the cancellation of federal assistance, in whole or in part, under a project at any time prior to the date of completion.
  - a. Termination by the State. The State may unilaterally terminate the project at any time prior to the first payment on the project. After the initial payment, the project may be terminated, modified, or amended by the State only by mutual agreement of the State and the NPS.
  - b. Termination for cause. The NPS may terminate any project in whole, or in part, at any time before the date of completion, whenever it is determined the grantee has failed to comply with the conditions of the grant. The NPS will promptly notify the State in writing of the determination and the reasons for termination, together with the effective date. Payments made to States or recoveries by the NPS under projects terminated for cause shall be in accordance with the legal rights and liabilities of the parties.

- c. Termination for convenience. The NPS or State may terminate grants in whole, or in part, when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated. The project sponsor shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible. The NPS may allow full credit to the State for the federal share of the non-cancelable obligations, properly incurred by the project sponsor prior to termination. An amendment to the project agreement is required for all terminations for convenience.
2. Suspension. The suspension of a grant is an action by the NPS that temporarily suspends federal assistance under the project pending corrective action by the project sponsor or pending a decision to terminate the grant by the NPS.
3. Grant closeout. The State must ensure all agreed-upon work as described in the project agreement is completed by the expiration date in the grant award document. The closeout of a grant is the process by which the NPS determines that all required work of a project and all applicable administrative actions, including financial, have been accomplished.

The following are minimum requirements of the closeout procedures:

- a. During the active phase of the project, the NPS will make prompt payments to the State for allowable reimbursable costs until the project is administratively closed out.
- b. Final payment will not occur until all required final reports and documents have been approved by the NPS to assure all aspects of the grant contract have been met.
- c. Within 90 days after the date of completing the project or the grant expiration date, whichever comes first, both administrative and financial closeout of the grant must occur. During this 90 day period, the following documents are due to NPS before it can approve and process final payment:
  - (1) a final letter or report attesting to the completion of the project in accordance with the approved project agreement/amendment;
  - (2) a final on-site inspection report for development projects in accordance with the State's Inspection Agreement with the NPS;
  - (3) a completed DNF. This is only needed for projects where a change has occurred since the submission of the original DNF. If there was a change in scope not included in the grant agreement, then an amendment and revised DNF are required;
  - (4) a completed site plan (up to 14 inches x 17 inches in size) indicating the type and location of Fund-assisted facilities and/or acquired properties along with the

official park or site name unless previously submitted or evident on the signed and dated LWCF boundary area map;

- (5) a signed and dated LWCF boundary area map if more accurate than the current one in the NPS file, including the delineation of any newly added parcels as a result of the project;
  - (6) if applicable, a completed certification by the SLO (on the A&R Form) that the State has reviewed each appraisal associated with the project per federal requirements;
  - (7) copies of invoices or other documentation substantiating the payment requests, and a draft REP and SF-425 reflecting the final payout amount needed to close the project;
  - (8) in consultation with NPS, other required documentation not previously submitted; and
  - (9) digital images of completed project (optional). Best images are those of people enjoying the new outdoor recreation resource.
- d. The NPS shall make a settlement for any upward or downward adjustments to the federal share of costs after these reports are received. The project agreement, as signed by the State and the NPS, establishes a total cost and support ceiling for the project that is based upon the project sponsor's best estimate of acquisition and development costs as foreseen at the outset of the project. As the project proceeds, adjustments are sometimes required in accordance with changing processes, unforeseen problems or other conditions. When an upward adjustment is required, an amendment must be executed. When actual project costs are less than originally estimated, no amendment is necessary.
- e. The NPS retains the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the subsequent final audit.
- f. Finally, before the grant is administratively closed, in accordance with 2 C.F.R. § 200.316 and the LWCF General Provisions (Section II.F), the State or subrecipient must record a lien or other appropriate notice of record in the public property records of the jurisdiction in which the park or recreation area is located. The notice should reference the grant agreement and include a copy of the boundary map to convey that the property described and shown in the scope of the project agreement and the signed and dated project boundary map made part of that agreement, has been acquired or developed with LWCF assistance and that it cannot be converted to other than public outdoor recreation use without the written approval of the Secretary of the Interior.

## **CHAPTER 8 - POST-COMPLETION AND STEWARDSHIP**

### **A. Purpose**

Pursuant to the LWCF Act at 54 U.S.C. § 200301 et seq., 36 C.F.R. Part 59, and 2 C.F.R. § 200.316, this chapter contains the requirements for maintaining LWCF assisted sites and facilities in public outdoor recreation use following project completion and to assure that LWCF-assisted areas remain accessible to the general public including non-residents of assisted jurisdictions. These post-completion responsibilities apply to each area or facility for which LWCF assistance is obtained, regardless of the extent of participation of the program in the assisted area or facility and consistent with the contractual agreement between NPS and the State. Responsibility for compliance and enforcement of these requirements rests with the State for both State and locally sponsored projects (36 C.F.R. § 59.1). The responsibilities cited herein are applicable to the area depicted or otherwise described on the LWCF boundary map and/or as described in other project documentation approved by the NPS (36 C.F.R. § 59.1).

### **B. Operation and Maintenance**

Property acquired or developed with LWCF assistance shall be operated and maintained as follows:

1. The property shall be maintained so as to appear attractive and inviting to the public.
2. Sanitation and sanitary facilities shall be maintained in accordance with applicable health standards.
3. Any outdoor recreation facilities should comply with all State and Federal legislation (e.g., 42 U.S.C. § 6901 et. seq. and the National Institute for Occupational Safety and Health (NIOSH) as required and compliance will be indicated by signs posted in visible public areas, statements in public information brochures, etc.
4. Properties shall be kept reasonably open, accessible, and safe for public use. Fire prevention, lifeguard, and similar activities shall be maintained for proper public safety.
5. Buildings, roads, trails, and other structures and improvements shall be kept in reasonable repair throughout their estimated lifetime to prevent undue deterioration and to encourage public use.
6. The facility shall be kept open for public use at reasonable hours and times of the year, according to the type of area or facility.
7. A posted LWCF acknowledgement sign shall remain displayed at the project site pursuant to Chapter 7.



## C. Post-Completion Inspections and Reporting

1. Purpose. In accordance with 2 C.F.R. § 200.330 and the FAIR, in order to determine whether properties acquired or developed with LWCF assistance are being retained and used for outdoor recreation purposes in accordance with the project agreement and other applicable program requirements, a State post-completion inspection is to be made within five years after final billing and at least once every five years thereafter.

The following points should be taken into consideration during the inspection of properties that have been developed for public use:

- a. Retention and use. Is the LWCF boundary area intact and the property being used for outdoor recreation purposes including those intended through the projects funded with LWCF assistance?
  - b. Appearance. Is the property attractive and inviting to the public?
  - c. Maintenance. Is upkeep and repair of structures and improvements adequate? Is there evidence of poor workmanship or use of inferior quality materials or construction? Is vandalism a problem? Is the area being maintained?
  - d. Management. Does staffing and servicing of facilities appear adequate?
  - e. Availability. Is there evidence of discrimination (including based on residence, see Section D below)? Is the property readily accessible and open to the public during reasonable hours and times of the year?
  - f. Signing. Is the area properly signed to allow for user information and safety, and proper acknowledgement of the federal Land and Water Conservation Fund?
  - g. Interim use. Where lands have been acquired but not yet developed, the inspection should determine whether the interim uses of the property are in accordance with agreements with the NPS.
2. Reporting. The real property reporting requirements enacted in the FAIR (2 C.F.R. § 1400.329(d)) has resulted in different standards for assisted areas that ever benefitted from an LWCF acquisition or combination grant vs. areas that have received development grants only. (It may simplify matters for States to follow the same process for all assisted areas.) For sites that received acquisition or combination grants, States are required to submit a status report to the NPS every 5 years, regardless of whether there are issues with the park. The SF-429 (cover page and Attachment A) are to be used. Within 90 days of completion of the on-site inspection, the State shall submit to NPS the SF-429 and a copy of the post-completion on-site inspection report. The inspection report should include the date of inspection, description of the findings, and if applicable, a summary report of issues found and corrective actions taken or to be taken. Reports should note the condition of assisted facilities, particularly those that are at or near the end of their useful life and may need a

declaration of obsolescence if rehabilitation is not possible. The report should include certification by the SLO that such obsolescence is not a result of neglect or inadequate maintenance on the part of the project sponsor (see Section M).

Submitting an SF-429 and on-site inspection report for a park site that received development grants only remains optional except the State must forward the reports if a post-completion compliance problem such as park closure or non-recreation or private use occurring within the LWCF boundary area is discovered, for NPS review and action. Copies of all reports must be retained in the State files. The State shall report to the NPS the project numbers of all sites inspected and the dates of inspection on an annual basis.

3. Applicability. The provisions of this section apply to the LWCF-assisted area encompassing the area or facility assisted by the LWCF, regardless of the extent of LWCF assistance in that area or facility. That is, in cases where assistance is provided only for an acquisition, the entire park or recreational area involved, including developments on the lands so acquired, are subject to the provisions of this section. Where development assistance is given, the lands of the park or recreation area identified on the LWCF boundary area map are subject to this section.
4. State responsibility. Responsibility for enforcement of the provisions of this section rests with the State. The NPS will inspect LWCF assisted areas and facilities from time to time, but it shall conduct such visits in concert or through consultation with the State agency or SLO.
5. Costs. The costs of making post-completion inspections by the State are allowable overhead charges for LWCF assistance and are allowable costs covered by the indirect cost rate.
6. NPS inspections. Properties acquired or developed with LWCF assistance shall be available for inspection by the NPS Director or other NPS representatives.

#### **D. Availability to Users**

1. Discrimination on the basis of race, color, national origin, religion, or sex. Pursuant to Title VI of the 1964 Civil Rights Act, property acquired or developed with LWCF assistance shall be open to entry and use by all persons regardless of race, color, or national origin, who are otherwise eligible. Title 43, Part 17 (43 C.F.R. Part 17), effectuates the provisions of Title VI. The prohibitions imposed by Title VI apply to park or recreation areas benefiting from federal assistance and to any other recreation areas administered by the State agency or local agency receiving the assistance. Discrimination is also prohibited on the basis of religion or sex.
2. Discrimination on the basis of residence. The Prohibition of Discrimination section of the LWCF Act (54 U.S.C. § 200305(i)) provides that, with respect to property acquired and/or developed with LWCF assistance, discrimination on the basis of residence, including preferential reservation, membership or annual permit systems is prohibited except to the

extent that reasonable differences in admission and other fees may be maintained on the basis of residence. This prohibition applies to both regularly scheduled and special events (36 C.F.R. § 59.4(a)).

Fees charged to nonresidents cannot exceed twice the amount charged to residents. Where there is no charge for residents, but a fee is charged to nonresidents, nonresident fees cannot exceed fees charged for residents at comparable State or local public facilities. Reservation, membership, or annual permit systems available to residents must also be available to nonresidents and the period of availability must be the same for both residents and nonresidents. Recipients are prohibited from providing residents the option of purchasing annual or daily permits while at the same time restricting nonresidents to the purchase of annual permits only (36 C.F.R. § 59.4(c)).

These provisions apply to whole recreation area within the LWCF boundary area. Nonresident fishing and hunting license fees are excluded from these requirements (36 C.F.R. § 59.4(c)).

3. Discrimination on the basis of disability. Section 504 of the Rehabilitation Act of 1973 requires no qualified person shall, on the basis of disability, be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination under any program or activity that receives or benefits from federal financial assistance. The Americans with Disabilities Act of 1990 (Public Law 100-336) simply references and reinforces these requirements for federally assisted programs.
4. Reasonable use limitations. Project sponsors may impose reasonable limits on the type and extent of use of areas and facilities acquired and/or developed with Fund assistance when such a limitation is necessary for maintenance or preservation. Thus, limitations may be imposed on the numbers of person using an area or facility or the type of users, such as "hunters only" or "hikers only." All limitations shall be in accordance with the applicable grant agreement and amendments.

#### **E. Leasing and Concession Operations Within an LWCF Boundary Area**

A project sponsor may provide for the operation of a LWCF boundary area by leasing the area/facility to a private organization or individual or by entering into a concession agreement with an operator to provide a public outdoor recreation opportunity at the Fund-assisted site.

As the principal grantee, the State is ultimately accountable for assuring compliance with the applicable federal requirements, and, therefore, the delegation or transfer of certain responsibilities to subrecipients or lessees does not relieve the State of its compliance burden. As the grant recipient, the State has agreed to provide suitable replacement property should the public use of the leased or concessioned area/facility be restricted or the outdoor recreation resource be compromised.

All lease documents and concession agreements for the operation of LWCF-assisted sites by private organizations or individuals must address the following:

1. In order to protect the public interest, the project sponsor must have a clear ability to periodically review the performance of the lessee/concessioner and terminate the lease/agreement if its terms and the provisions of the grant agreement, including standards of maintenance, public use, and accessibility, are not met.
2. The lease/agreement document should clearly indicate that the leased/concessioned area is to be operated by the lessee/concessioner for public outdoor recreation purposes in compliance with provisions of the LWCF Act and implementing regulations (36 C.F.R. Part 59. As such, the document should require the area be identified as publicly owned and operated as a public outdoor recreation facility in all signs, literature and advertising, and is operated by a lessee/concessioner as identified in the public information to eliminate the perception the area is private.
3. The lease/agreement document should require all fees charged by the lessee/concessioner to the public must be competitive with similar private facilities.
4. The lease/agreement document should make clear compliance with all Civil Rights and accessibility legislation (e.g., Title VI of Civil Rights Act, Section 504 of Rehabilitation Act, Americans with Disabilities Act) is required, and compliance will be indicated by signs posted in visible public areas, statements in public information brochures, etc.

## **F. Conversions of Use**

Property acquired or developed with LWCF assistance shall be retained and used for public outdoor recreation. Any property so acquired and/or developed shall not be wholly or partly converted to other than public outdoor recreation uses without the approval of NPS pursuant to the LWCF Act (54 U.S.C. § 200305(f)(3)) and conversion requirements outlined in regulations (36 C.F.R. § 59.3). The conversion provisions of the LWCF Act, regulations, and these guidelines apply to each area or facility for which LWCF assistance is obtained, regardless of the extent of participation of the program in the assisted area or facility and consistent with the contractual agreement between NPS and the State.

Responsibility for compliance and enforcement of these provisions rests with the State for both State and locally sponsored projects (36 C.F.R. § 59.1). The responsibilities cited herein are applicable to the area depicted or otherwise described on the LWCF boundary area map and/or as described in other project documentation approved by the DOI. This mutually agreed to area normally exceeds that actually receiving LWCF assistance so as to assure the protection of a viable recreation area.

Local sponsors must consult early with the State LWCF manager when a conversion is under consideration or has been discovered. States must consult with their NPS-LWCF manager as early as possible in the conversion process for guidance and to sort out and discuss details of the conversion proposal to avoid mid-course corrections and unnecessary delays. A critical first step is for the State and NPS to agree on the size of the LWCF-assisted area (or LWCF-assisted property) impacted by any non-recreation, non-public use, especially prior to any appraisal activity. Any previous LWCF project agreements and actions must be identified and understood to determine the actual LWCF boundary area.

If the NPS is alerted or otherwise becomes aware of an ongoing conversion activity that has not been approved, NPS shall request the SLO to advise the project sponsor of the necessary prerequisites for approval of a conversion. If the conversion activity continues, NPS shall formally notify the State it must take appropriate action to preclude the project sponsor from proceeding further with the conversion, use, and occupancy of the area pending NPS independent review and decision of a formal conversion proposal (see Section 10 below).

The NPS has the authority to disapprove conversion requests and/or to reject proposed property substitutions if it is not in accordance with the provisions of the LWCF Act. This approval should not be considered a right of the project sponsor. The Regional Offices will coordinate closely with the Washington Office on any conversions that may be precedent setting and/or from which litigation is likely.

1. Situations that trigger a conversion include:
  - a. Property interests are conveyed for private use or non-public outdoor recreation uses.
  - b. Non-outdoor recreation uses (public or private) are made of the project area or a portion thereof, including those occurring on pre-existing rights-of-way and easements, or by a lessor.
  - c. Unallowable indoor facilities are developed within the project area without NPS concurrence, such as unauthorized public facilities and sheltering of an outdoor facility.
  - d. Public outdoor recreation use of property acquired or developed with LWCF assistance is terminated.
2. Situations that may not trigger a conversion if NPS determines that certain criteria are met include:
  - a. Underground utility easements that do not impact the recreational use of the park and is restored to its original surface condition (see Section G below).
  - b. Proposals to construct public facilities, such as recreation centers and indoor pool buildings, within an LWCF boundary area where it can be shown there is a gain or increased benefit to the public outdoor recreational opportunity. These proposals must be reviewed by the NPS as a “public facility request” (see Section I below). The State should consult with the NPS early in the formative stages of developing proposals to construct indoor facilities within an LWCF boundary area (see Section I below).
  - c. Proposals for "temporary non-conforming uses," that is temporary non-recreation activities of less than a six-month duration within an LWCF boundary area, must be reviewed by the NPS (see Section K below).

- d. Proposals to build sheltered facilities or to shelter existing facilities within an LWCF boundary area provided they do not change the overall public outdoor recreation characteristics and otherwise meet the sheltering criteria in Chapter 3. The NPS review and concurrence of such proposals will not trigger a conversion (see Section L below).
  - e. Proposals for changing the overall outdoor recreation use of an LWCF-assisted area from that intended in the original LWCF project agreement. These proposals must be reviewed by the NPS (see Section M below).
3. Prerequisites to the NPS consideration of conversions. Formal requests from the project sponsor for permission to convert LWCF assisted areas in whole or in part to other than public outdoor recreation uses must be submitted by the SLO to NPS in writing and conform to the prerequisites set forth in 36 C.F.R. § 59.3(b).

States shall consult with NPS when conversions are proposed or discovered and prior to making the formal request to NPS. States shall use the C&S Form to prepare its conversion proposal (see Chapter 4). The following prerequisites that must be met before NPS will consider the formal conversion request:

- a. All practical alternatives to the conversion have been evaluated and rejected on a sound basis.
- b. The fair market value of the property to be converted or lost has been established and the property proposed for substitution or new replacement recreation area is of at least equal fair market value as established by a State approved appraisal (prepared in accordance with the UASFLA (see Chapter 4), excluding the value of structures or facilities that will not directly enhance its outdoor recreation utility.
- c. The property proposed for replacement is of reasonably equivalent usefulness and location as that being converted. Depending on the situation, and at the discretion of the NPS, the replacement property need not provide identical recreation experiences or be located at the same site, provided it is in a reasonably equivalent location. Generally, the replacement property should be administered by the same political jurisdiction as the converted property. NPS will consider State requests to change the project sponsor for any replacement property when it is determined a different political jurisdiction can meet the criteria for replacement properties. Equivalent usefulness and location will be determined based on the following criteria:
  - (1) Property to be converted must be evaluated in order to determine what recreation needs are being fulfilled by the facilities which exist and the types of outdoor recreation resources and opportunities available. The property being proposed for substitution must then be evaluated in a similar manner to determine if it will meet recreation needs that are at least like in magnitude and impact to the user community as the converted site. This criterion is applicable in the consideration of all conversion requests with the exception of those where wetlands are proposed as the replacement property.

Wetland areas and interests therein shall be considered to be of reasonably equivalent usefulness as compared to the recreational usefulness of the property proposed for conversion if they have been identified in the wetlands provisions of the SCORP in accordance with 54 U.S.C. § 200305(f)(3) of the LWCF Act and conversion requirements (36 C.F.R. § 59.3).

- (2) Replacement property need not necessarily be directly adjacent to or close by the converted site. This policy provides the administrative flexibility to determine location recognizing that the property should meet existing public outdoor recreation needs. While generally this will involve the selection of a site serving the same community(ies) or area as the converted site, there may be exceptions. For example, if property being converted is in an area undergoing major demographic change and the area has no existing or anticipated future need for outdoor recreation, then the project sponsor should seek to locate the substitute area in another location within the jurisdiction. Should a local project sponsor be unable to replace converted property, the State would be responsible, as the primary recipient of federal assistance, for assuring compliance with these requirements and for the substitution of replacement property.
  - (3) The acquisition of one parcel of land may be used in satisfaction of several approved conversions (see Section 6 below) and vice versa.
- d. The property proposed for replacement meets the eligibility requirements for LWCF assisted acquisitions (see Chapter 3). The replacement property must constitute or be part of a viable recreation area. Viability and recreational usefulness is dependent upon the proposed outdoor recreation development plan and timetable for the development of the replacement parks. If full development of the replacement site(s) will be delayed beyond three years from the date of conversion approval, the conversion proposal shall explain why this is necessary (see Chapter 3.B.7).

For proposed replacement property with a history of contamination, proposals must address the nature of the contamination, how the contaminated area has been or will be remediated, how the area will be developed into a safe, public outdoor recreation area, and how provisions will be put in place to monitor the new replacement recreation area to ensure public health and safety in perpetuity. Certain contaminated areas may not meet the equal or greater recreational usefulness prerequisite for replacement land. Early coordination with NPS for conversion proposals involving contaminated replacement land, even if remediated, is required (see 3.4 below).

Unless each of the following additional conditions (also see Chapter 3) is met, land currently owned by another public agency may not be used as replacement land for land acquired as part of an LWCF project:

- (1) The replacement land was not originally acquired by the sponsor or selling agency for recreation.

- (2) The replacement land has not been previously dedicated or managed for recreational purposes while in public ownership.
- (3) No federal assistance was provided in the replacement land's original acquisition unless the assistance was provided under a program expressly authorized to match or supplement LWCF assistance.
- (4) Where the project sponsor acquires replacement land from another public agency, the selling agency must be required by law to receive payment for the land so acquired (see Chapter 3.A.9).

An exception may be made to this condition only in the case of development projects for which the project sponsor's match was not derived from the cost of the purchase or value of a donation of the land to be converted, but from the value of the development itself. In this case, public land that has not been previously dedicated or managed for recreation/conservation use may be used as replacement land even if this land is currently owned by the project sponsor or is transferred from one public agency to another without cost.

- e. In the case of LWCF-assisted areas that are partially rather than wholly converted, the impact of the converted portion on the remaining area shall be considered. If such a conversion is approved, the unconverted area must remain recreationally viable or be part of the conversion footprint.
- f. All necessary coordination with other federal agencies has been satisfactorily accomplished including, for example, compliance with Section 4(f) of the Department of Transportation Act of 1966.
- g. The guidelines for environmental review under NEPA have been satisfactorily completed and considered by NPS during its review of the proposed LWCF conversion action. In cases where the proposed conversion arises from another federal action, NPS final review of the State's proposal shall not occur until the NPS is assured all environmental review requirements for the other federal action have been met, e.g., Army Corps of Engineer permits.

The purpose and scope of the environmental review process must analyze not only the significant impacts to the LWCF-assisted area that will be lost, but also the development of the new replacement recreation area. The scope of the environmental review should not include impacts of the action precipitating the conversion on resources beyond the LWCF boundary area, such as impacts of a new housing development or a school on a neighborhood.

The environmental analysis must be conducted in a neutral and factual manner and result in statements that reflect this same neutrality so the interested and affected public can focus on and understand the details of the proposed federal action of an LWCF-assisted area being lost and providing the new replacement recreation area



according to 36 C.F.R. § 59.3. The environmental analysis documents should not include statements that promote or justify the action precipitating the conversion, such as proclaiming that the lost LWCF-assisted area is the best location for a new fire station.

For detailed guidance on NEPA and how to conduct environmental reviews for LWCF conversions, consult Chapter 4 of this manual, and the NPS.

- h. Adherence to State intergovernmental review procedures as appropriate (see Chapter 4).
  - i. The proposed conversion and substitution are in accordance with the SCORP.
4. State preparation of conversion proposal for NPS review: To avoid any unnecessary delays, duplication of effort, and mid-course corrections, the States shall consult with NPS early when conversions are proposed or discovered to ensure:
- a. the extent of impact from the conversion activity on the LWCF boundary area is mutually agreed upon; and
  - b. the acceptability of proposed new replacement recreation area has been explored prior to State/local sponsor expenditure of resources on appraisals and the required environmental review process to be undertaken in accordance with NEPA.

The State shall coordinate the development of the conversion proposal including ensuring the project sponsor complies with applicable federal, State and local laws, regulations and permit requirements. As the proposal is developed, the State may enlist the assistance of NPS to provide technical guidance as needed, especially for complex and controversial conversions. A State's submission of a formal conversion request to NPS is a State's endorsement of the conversion. If a State does not concur or endorse the conversion, then the proposal should not be forwarded to NPS for formal review and decision.

5. NPS review of the State conversion proposal. NPS will conduct an independent review of the proposal using the conversion prerequisites and any other critical factors that may have arisen during proposal development. If the State has adequately addressed the prerequisites, and NPS finds no other reason to deny the request, the NPS administrative record will be documented as such and an amendment will be signed approving the conversion.
6. Banking excess fair market value of replacement land for future conversions. The acquisition of one parcel of replacement land may be used in satisfaction of several approved conversions.

Excess fair market value (FMV) of a replacement property can be "banked" for a period not to exceed five years from the date of the initial conversion amendment. During this time period, the same project sponsor may process another conversion where the new

replacement property satisfies the equal usefulness criterion but falls short of the equal fair market value requirement, so the banked FMV is used to make up the difference.

The initial replacement property with the excess fair market value may not be used to satisfy the equal usefulness criterion for subsequent conversions unless additional conversions are anticipated by the sponsor at the time of the original conversion request and the accompanying documentation clearly addresses how the replacement property would satisfy the equal usefulness criteria for the original conversion as well as those that are anticipated.

7. Conversions on leased land. Should a conversion occur on leased land during the term of the lease, the State must comply with the conversion requirements of LWCF (54 U.S.C. § 200305(f)(3)) including the provision of replacement land. In this instance, the conversion of the original lease can be replaced with a leasehold interest for a period of time that is not less than the time remaining on the original lease, and, which fulfills the recreation commitment agreed to in the original lease agreement.

For existing projects that involve leases, the responsibility for retaining the property in recreation terminates at the end of the lease period unless the grant agreement calls for some other arrangement. Lease agreements containing a renewal clause that can be exercised by the lessee must be reviewed to ensure that LWCF compliance will continue throughout the duration of the next lease period.

8. Conversion proposal documentation. A conversion requires an amendment to the original project agreement. Therefore, the amendment should be submitted concurrently with the formal conversion request or at such time as all details of the conversion have been worked out with NPS (36 C.F.R. § 59.3(c)).

The formal conversion proposal submission to NPS must include the following items:

- a. A recommendation letter briefly describing the conversion proposal and requesting NPS review and approval
- b. Standard Form 424 for amendments (see Chapter 7)
- c. C&S Form including the environmental resources survey, and an EA document analyzing the entire conversion proposal (the lost LWCF-assisted area, the remaining LWCF-assisted area for partial conversions, and the new replacement recreation area in one document).
- d. LWCF project amendment form identifying changes to the original LWCF boundary area caused by the conversion and to establish a new LWCF boundary around the new replacement recreation area(s)
- e. Signed and dated LWCF boundary area map for any remaining LWCF-assisted area resulting from a partial conversion, and for the new replacement recreation area(s)

f. Description and Notification Form (DNF)

Once the conversion has been approved by NPS, replacement property should be immediately acquired and developed according to the replacement proposal timetable. If development will be delayed beyond three years from the date of NPS conversion approval, then a request for delayed development beyond three years with a justification for the delay must be made to NPS (See Chapter 3.B.7.c).

9. Small conversions. Small conversions are partial conversions in which no more than ten percent (10%) of the whole LWCF-assisted area will be removed from having to comply with LWCF recreation area provisions. Whether a conversion can qualify for the policy should be established during the early consultation stage with the NPS and prior to developing the small conversion proposal.

To qualify, the replacement property must be contiguous with the current site, or another existing park or recreation area, and otherwise meets the eligibility requirements for an acquisition grant (as outlined in Chapter 3.B. of the Manual). The existing park does not need to be currently administered as part of the LWCF recreation estate, but it will become subject to LWCF recreation area provisions going forward just as it would in the case of an acquisition grant as an expansion of an existing park. The replacement property must be made available to the public per the conversion regulations at 36 C.F.R. § 59.3.

In addition, small conversions must qualify as a categorical exclusion under the NEPA. Small conversions by definition do not have the potential for significant environmental impacts to recreation resources; however, NPS requires documentation from the State to demonstrate that there are no significant environmental impacts on:

- The recreation resources being removed from the LWCF recreation area;
- The viability of the remaining land still subject to LWCF recreation area provisions and its surrounding environment; or
- The new replacement parkland.

Because small conversion proposals are less complex, NPS review and decision can be facilitated when:

- a. Minor or no environmental impacts would occur on resources being removed from the LWCF-assisted area, on the remaining LWCF-assisted area, and on the contiguous new replacement recreation area that will become subject to the provisions of LWCF per the environmental resources survey. This includes consideration of impacts to historic resources per the NHPA Section 106 process. The entire conversion proposal is categorically excluded from further environmental review under NEPA (see Chapter 4).
- b. The proposed conversion is not controversial.

The State's proposal must include:

- a. Transmittal letter describing the entire small conversion proposal.
  - b. Standard Form 424
  - c. C&S Form with the portion for conversions completed indicating that a categorical exclusion is justified.
  - d. LWCF project amendment form.
  - e. Description and Notification Form
  - f. Revised LWCF boundary area map indicating the deletion of the small converted area and the addition of the replacement property.
10. Discovering unauthorized conversions. When it is discovered that an LWCF-assisted area has been converted without NPS approval, a conversion proposal must be submitted to and reviewed by the NPS for approval. The NPS shall notify the State it is in violation of the grant contract, program regulations, and law, and an immediate resolution of the unapproved conversion must be expedited. The project sponsor shall be put on notice by the State it is ineligible for future grants until satisfactory steps have been taken towards resolution as determined by NPS. The federal action and undertaking will review the remaining actions required to meet the conditions of the Act (54 U.S.C. § 200305(f)(3)) and requirements of the conversion regulations (36 C.F.R. § 59.3). Typically, this entails review of the replacement property and development of recreation equivalency for public outdoor recreation.

Resolution of the conversion will require State and NPS review of the conversion proposal as previously set forth in Section F.4 above including the provision of suitable replacement property.

If the sponsor has already provided replacement property without NPS approval, the eligibility of the replacement land must meet the same LWCF requirements as if it had not yet been acquired. It is incumbent upon the State to make the case that the replacement land fully meets these requirements.

Failure by the State to take steps to follow this procedure shall be considered cause for NPS to apply penalty options described in Section N below.

11. Conversions with delayed replacement. Exceptions to the immediate replacement requirement (see Section 8 above) will be allowed only when it is not possible for replacement property to be identified prior to the State's request for the conversion. The State must provide an express commitment to satisfy LWCF substitution requirements within a specified period, normally not to exceed one year following conversion approval for the LWCF-assisted area to be lost (36 C.F.R. § 59.3(c)). Such proposals are not routine and must include sufficient evidence to justify why such a delay is necessary. The commitment for delayed replacement will be in the form of an amendment to the grant agreement.

## **G. Underground Utility Easements and Rights-of-Way**

Originally, this policy was written to apply only to utilities serving the park or local needs, such as water for agricultural irrigation, or distribution of gas or electricity to the park or local homes and businesses in communities adjacent to the park. The narrow right of way needed meant the impacts to existing public outdoor recreation were typically not significant.

Currently, many of the proposed underground “utility” projects involve installation of what is actually transportation infrastructure, both in their purpose and regulation, to facilitate efficient movement of goods and services. Often the alignments for these underground utility projects extend for miles beyond the LWCF recreation area, cross multiple jurisdictions including state lines, require land owners to surrender or give up a property right through an executed legal instrument (easement), and maintain standardized rights of way widths of 50 to 200 feet instead of the 20 to 30 feet more typical of local utility lines. Many of these do not meet the policy.

The State may allow installation of underground utilities within an LWCF boundary area as long as the ground above the alignment can be and is restored to its pre-existing condition to ensure the continuation of public outdoor recreational use of the area within 12 months after the ground is disturbed. Unless there is a pre-existing easement, the legal arrangement providing the rights for the utility must be a license or other limited use agreement. Arrangements that require granting property rights such as an easement will constitute a conversion.

If the recreation use is not restored within the 12-month period, or the utility installation results in permanent above-ground changes, the NPS shall be consulted to determine if the changes will trigger a conversion.

States are to consult with the NPS for all proposals involving the installation of any type of underground infrastructure (from fiber optic lines to pipelines) under LWCF-assisted areas throughout the State, where an entity is either:

1. exercising rights under a pre-existing easement or right-of-way to install new or expand capacity; or
2. requesting a new right-of-way where there is no pre-existing alignment.

If present or future outdoor recreation opportunities will be impacted in the easement area or in the remainder of the LWCF boundary area, a conversion will be triggered.

## **H. Commercial Signage within LWCF Boundary Areas**

Commercial signs are only allowable within LWCF boundary areas when the advertising is attached to allowable park structures such as benches, fencing, walls, and buildings and are not inconsistent with the park setting and/or the built environment in which it is located (e.g., athletic fields). Signs may face either outside or inside the park. Commercial advertising in the form of a stand-alone structure such as a billboard that creates a footprint in the park, or commercial signage permanently affixed to a natural feature within the LWCF-assisted area, is a conversion regardless of which direction it faces.

## **I. Proposals to Construct Public Facilities**

Public facility requests will only be concurred with if the public facility clearly enhances or benefits outdoor recreation use of the entire park, and the facility is compatible with and supportive of the outdoor recreation resources and opportunities of the LWCF-assisted area. The State shall use the C&S Form to document its public facility proposal using the following criteria and submit it along with a project amendment agreement and a recommendation for federal concurrence that a conversion is not triggered.

The NPS will consider requests to construct sponsor-funded public facilities when the following criteria have been met:

1. Uses of the facility will be compatible with and supportive of outdoor recreation at the rest of the site and recreation use remains the overall primary function of the site. The proposed public facility includes a recreation component and encourages the outdoor recreation use of the remaining LWCF boundary area.
2. All design and location alternatives have been adequately considered, documented, and rejected on a sound basis.
3. The proposed structure is compatible and significantly supportive of the outdoor recreation resources of the site, whether existing or planned. The park's outdoor recreation use must continue to be greater than that expected for any indoor uses, unless the site is a single use facility, such as a swimming pool building, which virtually occupies the entire site.

Examples of uses which would not ordinarily be allowed include, but are not limited to, a community recreation center which takes up all or most of a small park site, clinics, police stations, restaurants catering primarily to the general public, fire stations, professional sports facilities or commercial resort or other facilities which: (1) are not accessible to the general public; or, (2) require memberships; or, (3) which, because of high user fees, have the effect of excluding elements of the public; or, (4) which include office, residential or elaborate lodging facilities.

Restaurant-type establishments with indoor dining/seating that cater primarily to the outdoor recreating public must be reviewed under this public facility policy. Other park food service operations such as snack bars, carry-out food service, and concession stands with outdoor dining including pavilions and protected patios are allowable without further NPS if the primary purpose is to serve the outdoor recreating public.

4. Potential and future benefits to the total park's outdoor recreation utility must be identified in the proposal. Any costs or detriments should be documented and a net recreation benefit must result.
5. The proposed facility must be under the control and tenure of the public agency that sponsors and administers the original park area.

6. The proposal has been adequately reviewed at the state level and has been recommended by the SLO.

## **J. Pre-existing Buildings within LWCF Boundary Areas**

Buildings located within the LWCF boundary area that were constructed before the award of an LWCF grant and establishment of the LWCF boundary area can be important backdrops or anchors that hold special meaning for park visitors and local communities. Restoration and reuse of these pre-existing buildings may offer opportunities for attracting visitors to a public park area and for keeping them secure and maintained, all while conducting operations that support the LWCF outdoor recreation purpose of the site.

A necessary first step for pre-existing building proposals is to determine if the subject building is included within the LWCF boundary area, and if so, whether it was constructed before or after LWCF boundary area was first established. If the building was constructed after the boundary was established or has yet to be constructed, please refer instead to the Public Facilities policy, in Section I above.

Allowable uses of pre-existing buildings constructed before the LWCF boundary area establishment where NPS approval is not required include the following supporting uses:

1. Site administration, operation and maintenance;
2. Visitor information, park interpretation, education, and historic structure tours;
3. Park safety and security;
4. Resource protection and park related research;
5. Site visitor amenities including lodging (see details below) and dining (see details below); gift shops/park stores; and comfort facilities; and
6. Assembly for park/outdoor recreation related meetings and public programs (see details below).

If the SLO determines the proposed use of a pre-existing building will primarily support the outdoor recreation purpose(s) within the LWCF boundary area, NPS review is not required. The NPS should be consulted if any of the above indoor uses will primarily support or serve other non-LWCF-assisted areas at the same time, other non-LWCF assisted areas in the system (e.g., system-wide maintenance facilities), and/or the non-park using public.

Lodging, Dining, and Meeting facilities: LWCF-assisted areas consist of many types of visitor amenities, including accommodations for lodging, dining, and meetings as follows:

Overnight accommodations: These types of indoor overnight accommodations are allowable when the primary purpose is serving visitors of the LWCF-assisted area as the primary market and not the general non-park using public:

1. Cabins
2. Multi-bed hostels
3. Multi-unit lodge

4. Bed and breakfast operations; inns

Dining: These types of indoor dining accommodations are allowable when the primary purpose is serving visitors of the LWCF-assisted area as the primary market and not the general non-park using public:

1. Restaurant-type establishments
2. Snack bars
3. Carry-out food service
4. Concession stands

Meeting facilities: Types of allowable indoor meeting uses include activities, meetings, events, classes, and programs primarily for outdoor recreation and park-related purposes.

Improvements to Pre-existing Buildings: NPS review and approval is not needed for proposed improvements or changes to buildings accommodating the allowable uses described above, including related renovations and support facilities such as parking and storage, as long as the intended use of these improvements is continued support of the primary outdoor recreation purpose of the LWCF-assisted area. The State is responsible for ensuring this purpose is maintained, and that the building improvements and enhancements will not dominate the outdoor recreation use of the LWCF-assisted area, which could trigger a conversion pursuant to the LWCF Act. However, improvements that will increase the footprint of the pre-existing building or supporting facilities will require review.

NPS review is required for uses of pre-existing buildings constructed before LWCF grant award if: the proposed building uses will primarily support and serve areas not within the LWCF boundary area, will support non-outdoor recreation purposes, and/or will support the non-park using public. For these uses, NPS review is required to determine if the use will trigger a conversion.

#### **K. Requests for Temporary Non-Conforming Uses within LWCF Boundary Areas**

All requests for temporary uses for purposes that do not conform to the public outdoor recreation requirement must be submitted to and reviewed by the State. The State, in turn, will submit a formal request to NPS describing the temporary non-conforming use proposal.

Continued use beyond six-months will not be considered temporary, but will result in a conversion of use and will require the State/project sponsor to provide new replacement recreation area(s) pursuant to 54 U.S.C. § 200305(f)(3) of the LWCF Act.

1. Criteria. NPS will use the following criteria to evaluate each request:
  - a. The size of the LWCF-assisted area affected by any temporary non-recreation use shall not result in a significant impact on public outdoor recreation use. This means that the site of the temporary activity should be sufficiently small to restrict its impacts on other areas of a LWCF-assisted area.



- b. A temporary use shall not result in permanent damage to the LWCF-assisted area, and appropriate measures will be taken to ensure the outdoor recreation area is restored for public recreation use and there are no residual impacts on the site once the temporary use is concluded.
  - c. No practical alternatives to the proposed temporary use exist.
  - d. The proposal has been adequately reviewed at the state level and has been recommended by the SLO.
2. Required proposal documentation. The State's formal proposal to NPS shall include:
- a. SLO recommendation
  - b. C&S Form providing a complete description of the proposed temporary use, including
    - (1) start and completion dates;
    - (2) identification of the portion of the site affected, including a map showing the relationship of the temporary use site to the full area within the LWCF boundary area and a justification of why the area needed is the minimum necessary for the proposed use;
    - (3) an analysis of the alternatives to the proposed use that were considered;
    - (4) a description of both immediate impacts on the site as a result of the temporary use and any residual or long-term impacts on the site's environment or on recreation use;
    - (5) a description of any appropriate actions that will be taken to restore the site for public outdoor recreation use and a schedule for their implementation; and,
  - c. An acknowledgement by the SLO a full conversion will result if the temporary use has not ceased after the maximum six-month period allotted.

**L. Sheltering Facilities within LWCF-assisted Areas**

NPS approval is required to shelter an existing recreation facility located within an LWCF-assisted area. See Chapter 3.C.7 for further guidance.

**M. Obsolete Facilities**

Recipients are not required to continue operation of a particular recreation area or assisted facility beyond its useful life (36 C.F.R. § 59.3(d)). However, 54 U.S.C. § 200305(f)(3) of the LWCF Act and 36 C.F.R. § 59.1 of the regulations require project sponsors to continue to maintain the entire area within the LWCF boundary area in some form of public outdoor recreation use. The LWCF Act obligations cannot be discharged by declaring a facility obsolete.

Notwithstanding neglect or inadequate maintenance on the part of the project sponsor, a recreation area or facility may be determined to be obsolete if:

1. reasonable maintenance and repairs are not sufficient to keep the recreation area or facility operating;
2. changing recreation needs dictate a change in the type of facilities provided;
3. park operating practices dictate a change in the type of facilities required; or,
4. the recreation area or facility is destroyed by fire, natural disaster, or vandalism.

States may determine a facility is obsolete and permit its use to be discontinued or allow a particular type of recreation use of the LWCF assisted area to be changed provided that the project record maintained by the State is documented by the sponsor with a justification statement for determining obsolescence and the State concurs in the change. However, NPS approval must be obtained prior to any change from one LWCF allowable use to another when the proposed use would significantly contravene the original plans for the area. See Section L below for further guidance.

If, in the judgment of the State, the facility is needed and was lost through neglect or inadequate maintenance, then replacement facilities must be provided at the current value of the original investment.

LWCF assistance may be provided to renovate outdoor recreation facilities that have previously received LWCF assistance if the State determines the renovation is not required as a result of neglect or inadequate maintenance and the State documents the project record to that effect.

## **N. Significant Change of Use**

The LWCF Act requires project sponsors maintain the entire area defined in the project agreement in some form of public outdoor recreation use. NPS approval must be obtained prior to any change from one eligible use to another when the proposed use would significantly contravene the original plans or intent for the area as described in the original LWCF project(s). NPS approval is not, however, required for each and every facility use change. Uses within an LWCF-assisted area should be viewed in the context of overall use and should be monitored in this context. A change from a swimming pool with substantial recreational development to a less intense area of limited development such as a passive park, or vice versa, would, for example, require NPS review and approval (36 C.F.R. § 59.3(d)).

The State shall notify the NPS in writing of a proposal to significantly change the use of LWCF-assisted area in advance of this occurrence. The NPS will expedite a determination of whether a formal review and approval process will be required. A primary NPS consideration in the review will be the consistency of the proposal with the SCORP.

If the change in use proposal requires a formal review and approval by NPS, the State shall complete the C&S Form (see Chapter 4).

Changes to other than public outdoor recreation use constitute a conversion and will require NPS approval and the substitution of replacement land in accordance with the LWCF Act.

**O. Remedies for Failure to Comply with Federal Laws and Regulations**

Pursuant to 2 C.F.R. § 200.339, when the NPS determines a State has violated or failed to comply with applicable federal law, regulations, and/or grant terms and conditions that govern the Program and the financial assistance awards issued under it, the NPS may impose additional conditions consistent with 2 C.F.R. § 200.208 on the State (and/or the State may impose them on the subrecipient). If the noncompliance cannot be remedied through these conditions, further actions may be taken as appropriate to the circumstances until compliance or correctional action has been accomplished. These actions include: temporarily withholding payment of federal funds to the State on account of such project, disallowing costs, suspending or terminating the award, initiating suspension or debarment proceedings, withholding funds for other projects of the State, withholding approval of further projects of the State, or taking other remedies that might be legally available.