

INTRO DIRECT PARK SERVICES DEVELOPMENT

COMMUNITY CENTRAL FAIR/ SUPPORT SERVICES EXPO



Mission

Protect and provide outstanding natural and historic sites for enjoyment and education.

DIRECTOR

RECAP

Direct Services

State Parks, Ocean Shore, Scenic Waterways, Trails

Community Support Heritage, Grants, ATV, Scenic Bikeways.

State Fair/Expo Year round venue



DIRECT PARK INTRO SERVICES DEVELOPMENT

Supporting programs

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Park Development: Acquisitions and Park Investment

Central Services: IT, contracting, budget

Director's Office: Leadership, Commission, Communications, Research



COMMUNITY

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Goals

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Save Oregon's special places



INTRO DIRECT PARK COMMUNITY CENTRAL FAIR/ SERVICES DEVELOPMENT SUPPORT SERVICES EXPO

Connect people to meaningful experiences





Take the long view



Nature HISTORY Discovery AL ID



Performance

(Pages A-4, A-5)



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42 million visitors a year

Salmon Being Conkie

Fire

As many as 70% of Oregonians visit at least

1/yr





PARK COMMUNITY CENTRAL FAIR/ DIRECTOR RECAP DEVELOPMENT SUPPORT SERVICES EXPO

> Governments, nonprofits, property owners and outdoor enthusiasts in every county. We serve Main Street.



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We supply funding **and** expertise to Oregon communities and nonprofits.

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\$88+ Million \$6M Heritage (Mixed) \$7M County Oppor. (RV) \$8M Land & Water (Fed) \$14M Rec. Trails (Fed) \$53M Local Government (Lottery)

Grants since 1999-2001 Biennium

Local recreation providers.

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Nonprofit museums and historic associations.

 ATV recreationist s and land managers.



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Budget (Page B-1)



2013-2015 Projected Revenues

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2013-2015 Projected Expenditures

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Trends & Issues

(Page C-1)





Create Value

Protect Revenue

Control Costs



Create Value

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 Target new investments on iconic places.

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- Fund maintenance so parks continue to operate.
- Divest where necessary to shift investment.
- Increase community grants, including those through ATV program.







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Cottonwood Canyon



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East Moraine



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Willamette Falls





Create Value

- Willamette Falls site contains important historic and natural resources.
- Site requires stabilization, demolition and cleanup so the property can be re-used effectively and productively for recreation and cultural enrichment.
- OPRD budget passes-through \$5M in Lottery-backed bonds to match \$10M in local funds.





Revenue

- Keep rates paid by visitors close to market.
- · Increase flexibility to set rates.
- Avoid reducing shrinking revenue sources even further.
- Nonprofits could play key supporting role.



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- Campers cover half their costs, day visitors about 10%.
- Visitors ready to pay fair market value for quality experience.
- They tell us to adjust rates in small amounts at regular intervals. This budget includes rate increase.
- Important to maintain mix of affordable/free and market-priced recreation.
- Subsidized by Lottery and RV registration fees. Neither keeps up with inflation.



Control Costs

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- Controlled through innovation and system plan.
- Driven by extraordinary inflation (fuel and utilities), workforce, and aging facilities.
- · Wild cards: state fair, tsunami.



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 Park System Plan outlines philosophy: invest where the results are worthwhile, divest where results are marginal.

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- Home-grown IT system helps track costs and schedule maintenance.
- Personnel costs rising. Results in less money for supplies and services.
- Fuel and utility costs up 19% in 5 years.



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• Plus: SB196 cuts through red tape, making it easier and faster to form partnerships with nonprofits and defray costs.

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- Uncertain: Agency achieving mandated supervisor:non-supervisor ratio, but at expense of career path, more difficult succession planning, and higher risk.
- Minus: Tsunami debris is here and increases costs.



State spending to date: \$300,000+

Removal, landfill, supplies, phone system, invasive species monitoring



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- Oregon Emergency Management is lead, with support from OPRD, DEQ. Fish and Wildlife, Universities, others, heavily involved.
- Visitors help using state-provided bags.
- State park collection sites at 15 locations.
- Toll-free 211 phone system for 24-hour reporting.
- Nonprofit Marine Debris Partnership crucial in organizing volunteers and have held 4x normal number of cleanups.
- Most 2011-13 costs covered by OPRD. Normal beach cleanup budget is \$80K. Set aside \$135K in 2011-13.
- Received \$50K from feds, who are passing through \$250K from Japan. Applying for another \$150K.



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Future? Waves of debris for the next 2+ years, tapering off gradually. Largest items are still enroute.



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Nature HISTORY Discovery

The Appropriate -

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State Fair/Expo Center

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- Studies dating back decades point to persistent problems.
- \$30+ million in Lottery subsidy already spent.

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Improvements in business practices, cost control.



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HISTORY

Discovery

STAT



- Venue market is weak.
- Business like this needs more flexibility than exists in a state agency.
- Operational costs are a drain, facility rehab costs are large.
- Move to nondedicated Lottery (this budget).
- Create nimble
 public
 corporation (SB
 7).

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Increase grant funding in Packages 103 (trails), 106 (heritage) and 109 (ATV).

- Tsunami response.
- fund) even further.



Direct Services

(Page D-1)



INTRO DIRECT PARK COMMUNITY CENTRAL FAIR/ DIRECTOR RECAP

We provide varied, ample, appealing places for outdoor recreation.


Our enthusiastic, professional staff serve millions every year.

TRANSPORT OF TRANSPORT

OREGOA STATE PARKS

Nature HISTORY

Discovery

We focus on delivering quality experiences and outdoor education



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Lewis and Clark

Iconic places Oregonians know by sight ...





STATE PARKS Nature HISTORY Discovery





 Will serve 87
 million of the happiest people in Oregon in 2013– 15.

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- **7 in 10** Oregonians will likely visit a state park.
- As side benefit, generate est. \$1.4
 billion in local economic activity.
 - One of the most efficient systems in US, staffed @ **40%** of industry standard.

Oregon's State Park System in 2010

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Issues



INTRO DIRECT PARK COMMUNITY CENTRAL FAIR/ SERVICES DEVELOPMENT SUPPORT SERVICES EXPO

Create Value.

Use state park system to generate value for visitors, local communities and future generations.

Parks are a tool for building Oregon's wealth.



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Stabilize revenue.

Campers are key source of earned revenue, and are willing to pay fair market rate for quality experiences.

Flexibly **adjust rates** in small amounts more regularly.

Don't make decisions today that **create shortfalls** tomorrow.



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Control costs.

Current level of service isn't sustainable over next ten years **without adjustments**.

Reduce costs at underperforming sites.

Invest in efficiencies.

Work with partners to protect natural resources.





Key Packages

- 101: Park Operating Costs, \$2.1M
- 108: Rate
 Adjustments, \$1.6M





Park Development

(Page E-1)



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Maintain or improve current state park service levels using sustainable methods to build durable parks.

RECAP

Stay within our means over the long term.



Acquire iconic landscapes in underserved regions.

Balance with outgoing trades to sharpen our focus.



Nature HISTORY Discovery

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Park Development 13-15 Budget

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- Contract out top 30–35 maintenance projects.
- Control growth in Asset Condition Index.
- Acquire 10+/properties through purchase, trade, and easements; mostly small transactions to fill in-holdings.





Issues



Leverage acquisitions funds with partners to protect iconic places, such as the East Moraine, Cottonwood Canyon and the potential Salmonberry Trail from Portland to Tillamook.

Prepare for internal shifts to provide long-term stewardship.





Key Package

110: Invest in maintenance, \$2M





Community Support and Grants

(Page F-1)



INTRO DIRECT PARK COMMUNITY SERVICES DEVELOPMENT SUPPORT

We help local partners --governments, nonprofits, landowners --- navigate laws and get the most use from their historic properties.

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STATE PARKS Nature <u>HISTORY</u> Discovery

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Matching grants assist local jurisdictions to achieve their community recreation and heritage goals.

BORING STATION TRAILHEAD PARK



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COMMUNITY CENTRAL SUPPORT SERVICES

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ATV safety training and grants serve a popular outdoor recreation sport.



Community Support 13-15 Budget





\$88+ Million

\$6M Heritage (Mixed) \$7M County Oppor. (RV) \$8M Land & Water (Fed) \$14M Rec. Trails (Fed)

> \$53M Local Government (Lottery)

Grants since 1999-2001 Biennium



We serve 47% of Oregon communities with grants, totaling \$88+ million since 1999.

- The 2013–15
 budget includes
 \$36.3 million in grants and pass– through monies
 for our local partners.
- We will increase enrollment in ATV safety programs from 58% to 83%.



Issues



INTRO

Expand role as community advisers, especially for rural communities that often lack recreation and



Key Packages

- 103 and104: Additional
 Federal limitation, \$1.1M and \$125K, respectively.
- 106: Limitation to accept state and private grants, \$327K.
- 109: One-time increase for ATV grants, \$800K.





Central Services

(Page G-1)



We provide all agency staff with budget, accounting, payroll and other forms of administrative support.

> We also handle debt service, and this budget passes-through funding for Willamette Falls



We manage a year-round toll-free information and reservation desk service to connect residents and visitors with Oregon's state park system.

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LAKE



ONEYMAN

TATE PARK



Central Services 13-15 Budget





INTRO DIRECT PARK COMMUNITY CENTRAL FAIR/ DIRECTOR RECAP SERVICES DEVELOPMENT SUPPORT SERVICES EXPO

- Central Services adheres to the highest standards for budgeting, payroll, accounting and procurement.
- Thanks to solid centralized systems, no significant audit findings to report.
- The budget centralizes \$5 million worth of State Government Service Charges, covering insurance, assessments and other expenses.
- The debt service is associated with the Oregon State Fair and Exposition Center, and originates to a time before the facility was transferred to OPRD.





Key Package

505: Willamette Falls, \$5M





Oregon State Fair and Exposition Ctr

(Page H-1)


DIRECT PARK SERVICES D<u>EVELOPMENT</u>

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Nature HISTORY Discovery

Operates the annual 11-day state fair event, plus a yearround exposition center as a venue for meeting, concerts and other special events.

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OREGON STATE PARKS Nature HISTORY Discovery

Other Fund \$12,155,735 76%

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Nature HISTORY

Discovery

STATE

The program effectively controls costs for the **fair event** by reducing staff, but the expense of

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year-round expo continues to defy solution.



Create Value

Control Costs

New Options



Create Value

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• Fair event has been an Oregon tradition for 150 years.

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- Showcases the finest Oregon agriculture, arts and crafts, retail, and entertainment.
- Fair event has weathered tough economic times well, showing steady attendance through the worst of the recession.
- The year-round expo hosts 100 events a year, but does not provide enough value as a venue to run in the black.



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Control Costs

- Reduced staffing by **40%**, eliminated worst buildings.
- Committees, task forces and the legislature have studied the fair and expo center for decades. No previous recommendations address the underlying problem: financial sustainability.
- A subsidy has always been needed to keep the center afloat, but it currently costs 10x as much to serve an expo center visitor as it does a state park patron. More than \$30 million in Lottery has already been spent since 2006.
- As long as it remains part of a state agency, the center cannot control enough of its costs or add enough value to survive in a weak venue market.



New Options

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- This budget moves year-round operating expenses **out** of dedicated Lottery Funds to nondedicated Lottery, and converts many positions from year-round to seasonal.
- **Debt service**, which expires over next five years, remains in budget as dedicated Lottery.
- Current business model—a state agency—has virtually no chance of creating a self-sustaining operation.
- Senate Bill 7 offers a solid chance by converting the operation to a public corporation so it can buy goods and services on the open market and work with private, corporate partners.



INTRO DIRECT PARK COMMUNITY CENTRAL FAIR/ SERVICES DEVELOPMENT SUPPORT SERVICES EXPO

Key Package

105: Convert positions from permanent to seasonal





Director

(Page I-1)



Provides leadership, quality assurance, human resources management, communications, and coordinates the citizen oversight Commission



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Director's Office 13-15 Budget





INTRO DIRECT PARK COMMUNITY CENTRAL FAIR/ SERVICES DEVELOPMENT SUPPORT SERVICES EXPO DIRECTOR RECAP

- Maintain strengths of the current recreation and heritage systems by enacting the respective strategic plans.
- Solidify and improve relationships with local and regional governments and support groups.
- Coordinate state support for the local Willamette Falls effort.
- Lead an agency executive team in their top-tobottom effort to add value, improve revenue and control costs.





Recap



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Nature HISTORY Discovery

 Increase grant funding in Packages 103 (trails), 106 (heritage) and 109 (ATV). · Tsunami response.



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