

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2250**

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Requires State Parks and Recreation Commission to make reasonable efforts to arrive at agreement with Portland Parks and Recreation to acquire Forest Park.

Government Unit(s) Affected:

Oregon Parks and Recreation Department (OPRD)

Summary of Expenditure Impact: See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The fiscal impact is indeterminate. The measure compels the Department of Parks and Recreation to make reasonable efforts but does not define what constitutes a "reasonable effort".

The Department assumes that "reasonable effort" would involve making an offer contingent on due diligence of real property work prior to closing. This due diligence would include, but is not limited to, investigating deed restrictions, encumbrances, or other title issues that would be involved in a transfer of the property. Additionally the Department would require an appraisal, estimate of timber value, environmental reports, and survey work of the boundaries. The Department states that an additional full-time temporary position would be needed to fulfill the due diligence work required. The Department estimates the total cost for due diligence work to complete an offer, negotiate with Portland Parks and Recreation, and to arrive at an agreement would be between \$460,000 and \$1,800,000 and could take up to two years.

The Legislative Fiscal Office notes that Forest Park contains approximately 5,171 acres and that depending on the agreed upon purchase price and the budget adopted by the legislature, the acquisition budget of the Department may not be sufficient to purchase a property of that size. The Department may need to delay current priorities for acquiring key properties that meet state park needs if an agreement is made to purchase Forest Park. Additional costs of operating and maintaining the park property is not included as a part of this fiscal but could be substantial.