

Final Report

Deferred Maintenance in Oregon's County Parks

Prepared for:

Oregon Parks Association

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Disclaimer

ECONorthwest completed this report on behalf of the Oregon Parks Association, a statewide nonprofit organization that promotes parks and recreation within Oregon's county parks. OPA membership includes counties across Oregon with parks systems, as well as agencies and other organizations that operate parks and recreational facilities at a county-level. An important issue for counties with park systems is systemic decreases in parks funding and resulting increases in the number of deferred maintenance projects. The purpose of this report is to describe the backlog of deferred maintenance projects in Oregon's county park system.

Throughout the report we identify the sources of information and assumptions used in the analysis. Within the limitations imposed by uncertainty and the project budget, ECONorthwest (ECO) has made every effort to check the reasonableness of both the data and assumptions, and to test the sensitivity of the results of our analysis to changes in key assumptions. ECO acknowledges that any forecast of the future is uncertain. The fact that we determine assumptions to be reasonable does not guarantee that those assumptions will prevail.

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Executive Summary

The Oregon Parks Association (OPA) contracted with ECONorthwest to develop a needs assessment of deferred maintenance in county parks. The purpose of the assessment is to document and quantify the number, type, and cost of existing deferred maintenance projects. The needs assessment describes unmet parks' needs quantitatively (e.g., number and cost of the projects) and qualitatively (e.g., types of projects). Prior to this effort, it was not known how many deferred maintenance projects existed in Oregon's county parks systems, nor the cumulative costs of the projects.

This report provides a description of the amount, type, and a cost estimate of deferred maintenance in County parks. The description is based on survey responses from the parks department at 21 of Oregon's 36 counties. These counties represent 88% of the state's 2011 population.

BACKGROUND

Access to recreation is important in Oregon, both as a part of the quality of life to residents of Oregon and as a factor that makes Oregon attractive to visitors. Oregon's county parks are an important part of the state's recreational infrastructure.

Many of Oregon's county parks were developed when Oregon counties had a broader array of funding sources, such as funding from timber sales on Federal lands. Some of the recreational infrastructure in county parks (e.g., roads, restrooms, buildings, or utilities) was built 30 years ago, often more than 50 years ago. Oregon's economy has changed since most county parks were developed, most notably through the decline of the timber industry, and diminished federal timber revenue payments to counties. At the same time, Oregon's tax system changed since the early 1990's, with limits on property tax imposed by Measures 5, 47, and 50.

As a result of these changes, many counties are struggling to fund basic services, such as public safety and road maintenance. In most counties, parks funding is cobbled together from an increasingly wide-range of sources. Parks funding through county general funds is generally decreasing and jurisdictions are more frequently attempting to fund parks through grants and user fees. This strategy is falling short of providing the funding necessary to maintain services and facilities at current level of service. County parks systems are trying to continue to provide services on a day-to-day basis, but counties are increasingly deferring maintenance projects because of lack of funding.

KEY FINDINGS AND CONCLUSIONS

County parks play an important role in recreation in Oregon, providing opportunities for residents and visitors.

- **County parks play an important role in providing recreational opportunities for Oregon residents and visitors.** Each of Oregon's 36 counties has a park system, the majority of which are managed by the county.
 - County parks provide more than one-quarter (and as much as one-half) of water recreation opportunities in the state, such as boat ramps, non-motorized boat launches, fishing piers, and freshwater beaches.
 - County parks also provide land-based recreation, such as tent campsites, RV/trailer campsites, and day-use picnic tables. Counties provide a similar number of improved campsites (5,139 campsites) as State Parks (5,310 campsites).
- **Visitation to county parks has an economic effect within the state, especially for tourism.** Use of county parks by Oregon residents and out-of-state visitors has an economic impact on the state and local economy. People using county park boating facilities, campsites, or day-use amenities might purchase fuel, food and beverages, fishing bait, equipment, or other supplies.

County parks have a large backlog of deferred maintenance. The backlog is found in counties of all sizes in all parts of the State. Left unaddressed, the backlog of deferred maintenance is likely to grow overtime, with some county park facilities becoming unavailable for use.

- **County park systems across the State have a large backlog of deferred maintenance.** The 21 counties that replied to this survey documented 924 deferred maintenance projects (most with a cost of \$5,000 or more), costing an estimated \$81 million. The counties with the most deferred maintenance (Lane, Jackson, and Multnomah counties) are urban counties with the largest park systems. Some rural counties (Tillamook and Crook counties) had relatively large amount of deferred maintenance.
- **The range of deferred maintenance projects affects all types of visitors to county parks.** The most common and costly deferred maintenance projects affect a wide-range of park users. The cost of deferred maintenance projects for restrooms or showers, boating facilities, and buildings accounts for 40% of deferred maintenance costs. Other common types of deferred maintenance projects are roadways and parking lots, day-use amenities, and campsite amenities.

- **The backlog of deferred maintenance projects is a major hurdle to county parks becoming self-supporting.** With the increasing pressures on county budgets, county parks are increasingly expected to be self-supporting. Some county park systems are struggling to fund operations and costs. Most counties are unable to fund the capital costs of updating 30- or 50-year old infrastructure without assistance.
- **If left unaddressed, deferred maintenance issues may make park facilities unavailable for use.** About half of the maintenance projects have been deferred for five or more years and about two-thirds of the facilities are usable but need replacement. If county park systems continue deferring maintenance over the next few years, county park infrastructure will deteriorate further, moving some facilities from usable to unusable. Some county park facilities will no longer be available to residents and visitors to Oregon.

County park budgets are decreasing, as a result of the recent recession and decreases in Federal support through Timber payments to some counties. County budgetary support for parks is decreasing, requiring counties to depend on user fees to fund park services. Counties have less funds available for capital expenditures, leading counties to defer more maintenance projects.

- **County park system revenues are declining overtime.** Revenues declined by \$2.5 million or 10% over the six-year period of this study. Most counties had revenue decreases of 10% or more. Revenues increased in a few counties, mostly as a result of one-time revenue, such as a state grant.
- **The sources of funding for county parks is changing, with decreases in support from the county general fund and increases in user fees.** Financial support for county park departments from the county general fund is decreasing as counties struggle with budget cuts. General fund revenues used to be a common source of county park funding. In 2012 only eight of the 21 counties received at least 10% of their revenue from the general fund.

Over the six-year period, general fund revenues decreased by \$2.7 million (53%) and user fees revenues increased by \$1.6 million (26%). The increasing dependence on user fees may cause counties to invest in park facilities that generates higher user fees.

- **County park budgets fluctuate year-to-year.** County parks budgets fluctuate from year to year because some sources of funding change each year. The least stable funding sources are: state grants, other sources (e.g., revenue from property sales), and federal funds and grants.

- **Capital spending is driven by availability of funding.** One-quarter of county park system funds are spent on capital projects, which generally includes larger construction projects that are not considered day-to-day maintenance. Three-quarters of county park budgets are spent on everyday operations and maintenance. County parks do more capital projects when grants or other one-time funding opportunities are available.

Counties need stable funding sources, large enough to decrease the backlog of deferred maintenance. Without such a funding source, some county park facilities may become unusable.

- **The cost of deferred maintenance is nearly four times the annual budget of county park systems.** Counties would need to devote their entire budget to addressing deferred maintenance projects for nearly four years to resolve the backlog of deferred maintenance. Counties will not be able to devote their entire budget to addressing deferred maintenance projects because they have a responsibility to provide day-to-day operational and maintenance services.

In comparison, the cost of deferred maintenance for State Parks was more than twice the annual State Park budget in 1999. The State decreased the backlog of deferred maintenance to one-third of annual State Parks budget in 2011. This decrease was made possible by devoting State Lottery funds to the State Parks and Recreation Department for deferred maintenance projects.

- **County park systems need more funds and more stable sources of funding to address the backlog of deferred maintenance projects.** Most of the deferred maintenance projects identified through this projects are capital construction projects (costing \$5,000 or more), such as building a new structure, repaving a road, or replacing aging utilities.

County park systems need a stable, predictable source of funding (beyond current budgets) large enough to pay for deferred maintenance projects. Without such a funding source, some counties will not only be unable to address currently identified deferred maintenance projects but will be unable to do necessary maintenance, increasing the backlog of deferred maintenance. More county park facilities may become unusable, requiring maintenance or replacement.

In 1999, Oregon State Parks identified \$97 million in deferred maintenance projects. The State addressed this issue by funding State Park deferred maintenance with Lottery funds. By the 2011-2013 biennium, the State Parks Department reduced the backlog of deferred

maintenance projects by about \$72 million, a 76% reduction in the backlog of deferred maintenance.