



#### **Mission**

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

#### **Direct Services**

State Parks, Ocean Shore, Scenic Waterways, Trails

### **Community Support**

Heritage, Grants, ATV, Scenic Bikeways.

### State Fair/Expo

Year round venue





## Supporting programs

Park Development: Acquisitions and Park Investment

**Central Services:** IT, contracting, budget

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



# Goals

(Page A-2)









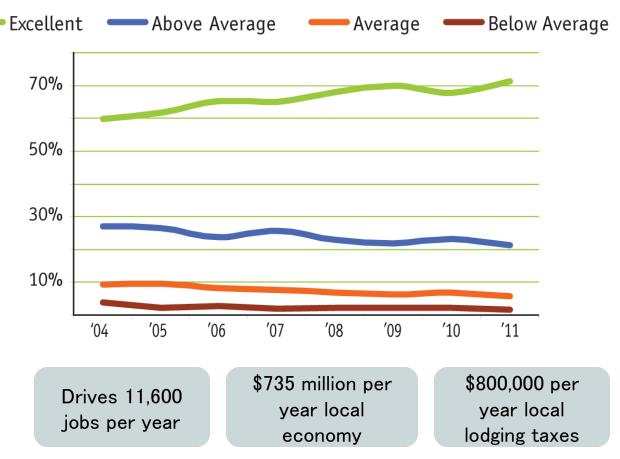
# **Performance**

(Pages A-4, A-5)





### **State Park Visitor Overall Experience**

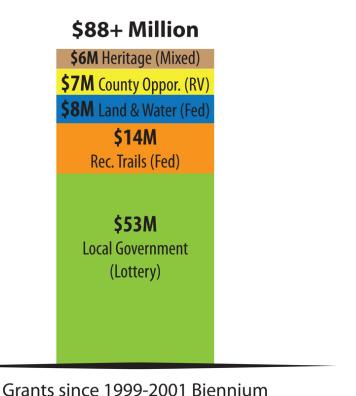


- Mostly
   Oregon
   families with
   children.
- Retirees
  with
  connections
  to Oregon.
- Friends out for a daytime hike or picnic.





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



- Local recreation providers.
- Nonprofit
   museums
   and historic
   associations.
- ATV
   recreationist
   s and land
   managers.

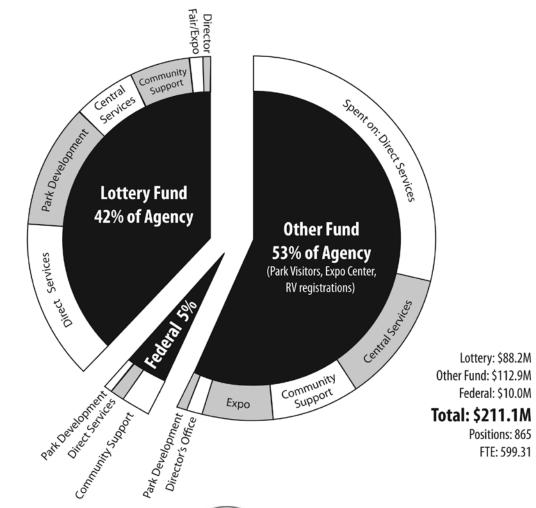


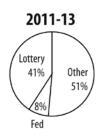
# Budget

(Page B-1)



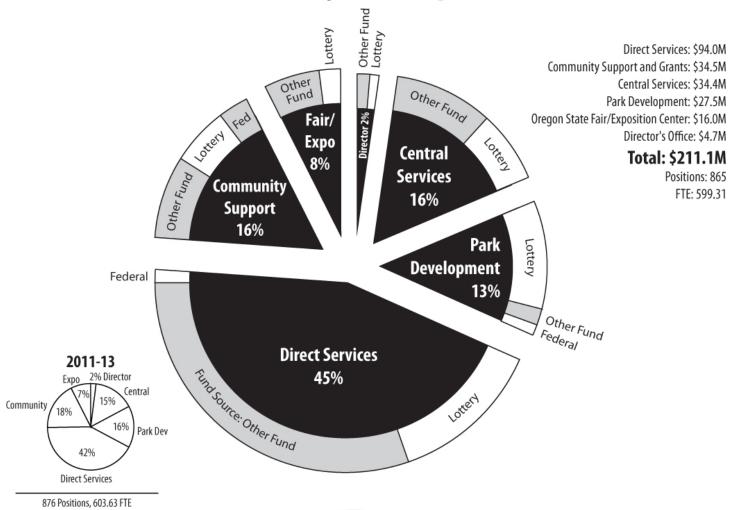
### 2013-2015 Projected Revenues







#### 2013-2015 Projected Expenditures





# **Trends & Issues**

(Page C-1)



**Create Value** 

**Protect Revenue** 

**Control Costs** 



#### Create Value

FAIR/

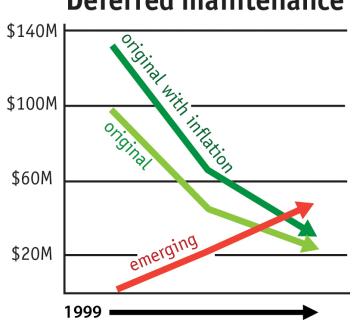
EXP0

DIRECTOR

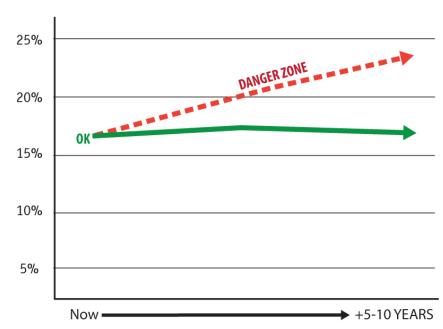
RECAP

- Target new investments on iconic places.
- Fund maintenance so parks continue to operate.
- Divest where necessary to shift investment.
- Increase community grants, including those through ATV program.





**Asset Condition Index** 



Use system plan to prioritize maintenance

Divest where service doesn't fulfill mission

Increase investment where demand is high









RECAP

#### **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.



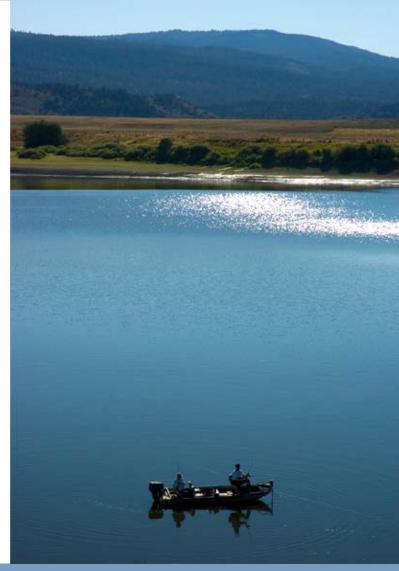
#### Revenue

- 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.



 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.

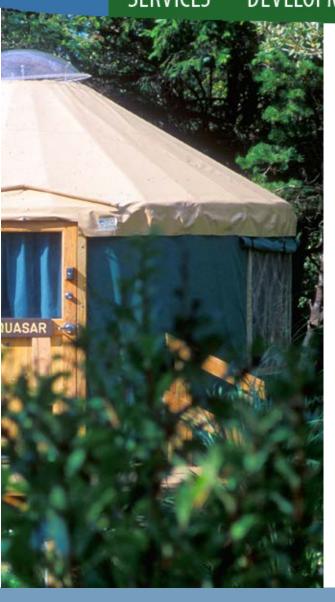




#### **Control Costs**

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





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



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

- 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



- 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.





RECAP

# State Fair/Expo Center

- Studies dating back decades point to persistent problems.
- \$30+ million in Lottery subsidy already spent.
- Improvements in business practices, cost control.



INTRO DIRECT PARK COMMUNITY CENTRAL FAIR/ DIRECTOR RECAP SERVICES EXPO



- 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).

### **Budget Priorities**

#### Create Value

- Focus on iconic places, including Willamette
   Falls in Package 505.
- Contain maintenance in Packages 101 and 110.
- Divest where necessary.

**INTRO** 

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

#### **Protect Revenue**

- Move rates paid by visitors close to market in Package 108.
- Avoid reducing shrinking revenue sources (such as RV fund) even further.

#### **Control Costs**

- Allow nonprofits to play key supporting role (SB 196).
- Improve State
   Fair/Expo in Package
   105 and
   SB 7.
- · Tsunami response.

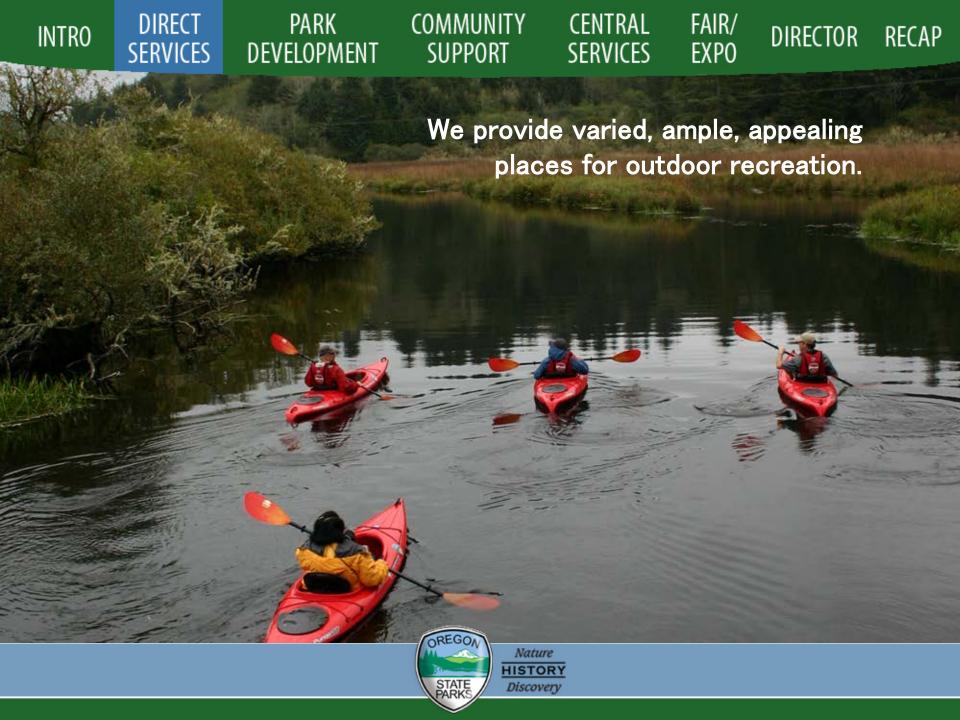


INTRO DIRECT PARK COMMUNITY CENTRAL FAIR/ DIRECTOR RECAP

## **Direct Services**

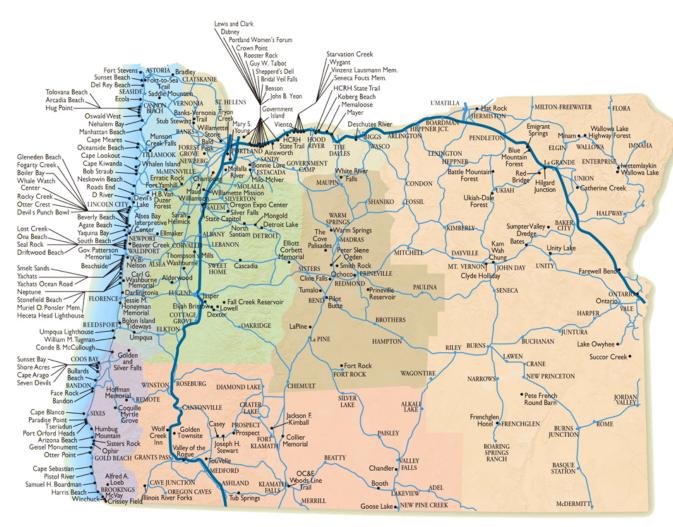
(Page D-1)











Iconic places
Oregonians know by sight ...

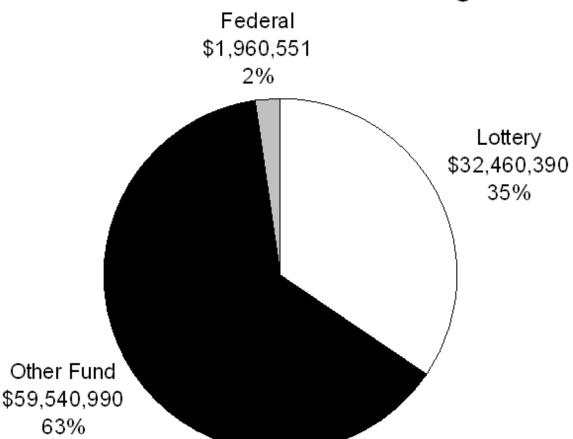


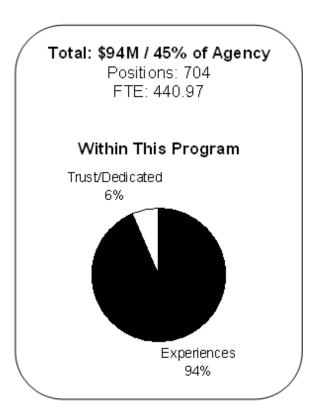
INTRO DIRECT PARK COMMUNITY CENTRAL FAIR/
SERVICES DEVELOPMENT SUPPORT SERVICES EXPO DIRECTOR RECAP



HISTORY Discovery

### **Direct Services 13-15 Budget**



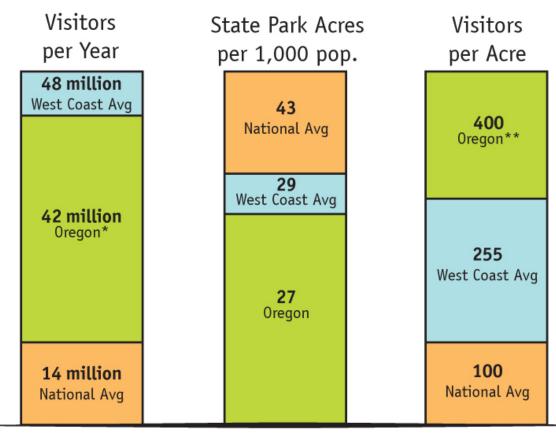




- Will serve 87
   million of the
   happiest people in
   Oregon in 2013 15.
- 7 in 10
   Oregonians will likely visit a state park.
- As side benefit, generate est. \$1.4
   billion in local economic activity.
- One of the most efficient systems in US, staffed @

**40%** of industry standard.

## Oregon's State Park System in 2010



\*4th highest in nation

\*\*2nd highest in nation



# Issues









## **Key Packages**

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

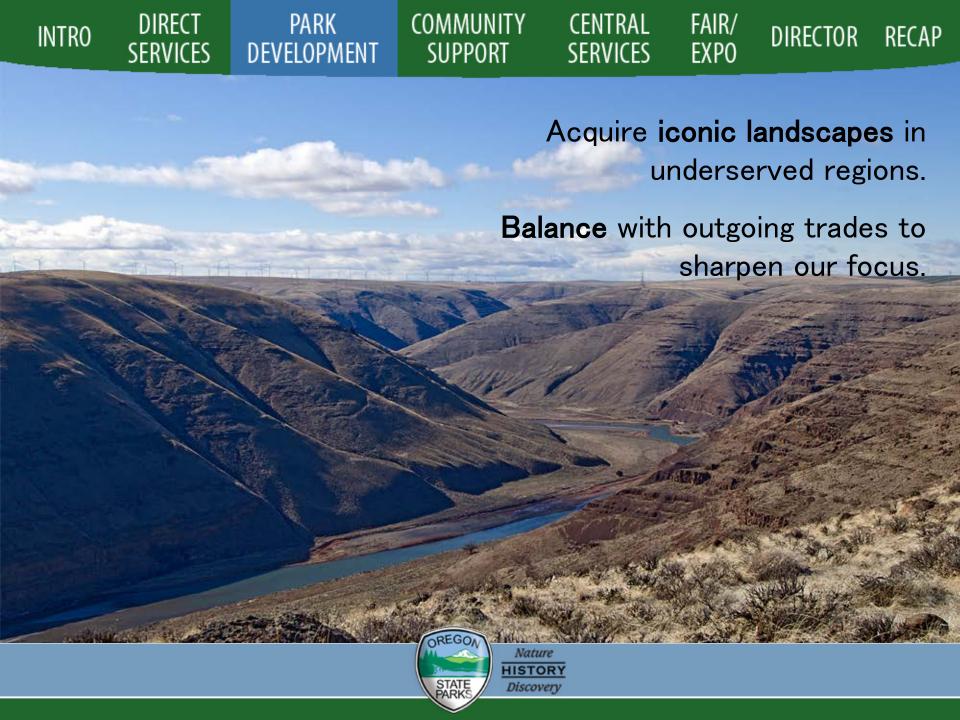


# Park Development

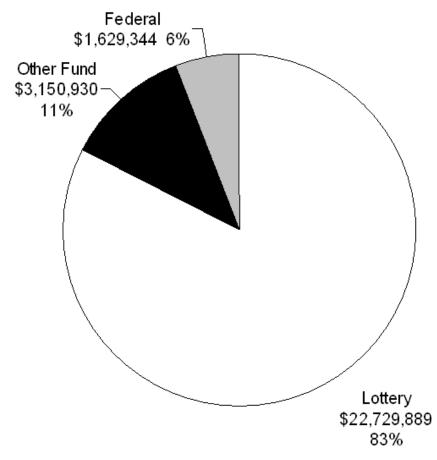
(Page E-1)

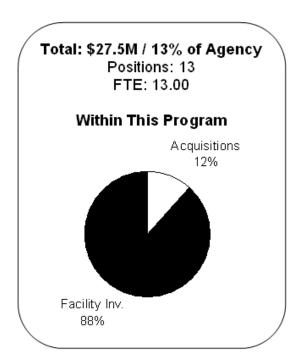






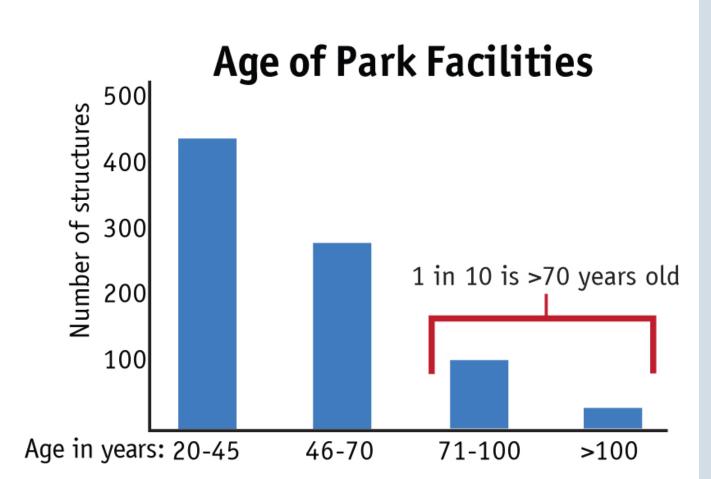
#### Park Development 13-15 Budget







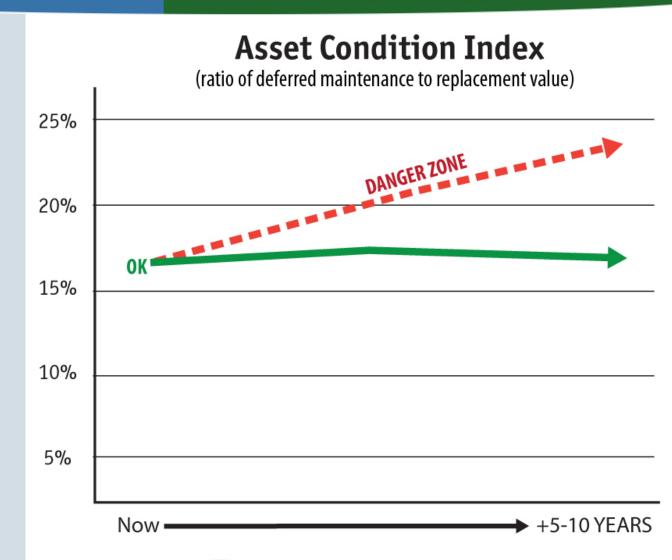
**INTRO** 



- by real estate market, visitor needs, increasing cost to maintain aging system.
- of 1,900 structures in system, 26 would cost more than \$1 million to replace.
- 1 in 10 is more than 70 years old.
- 50 are more than
   100 years old.



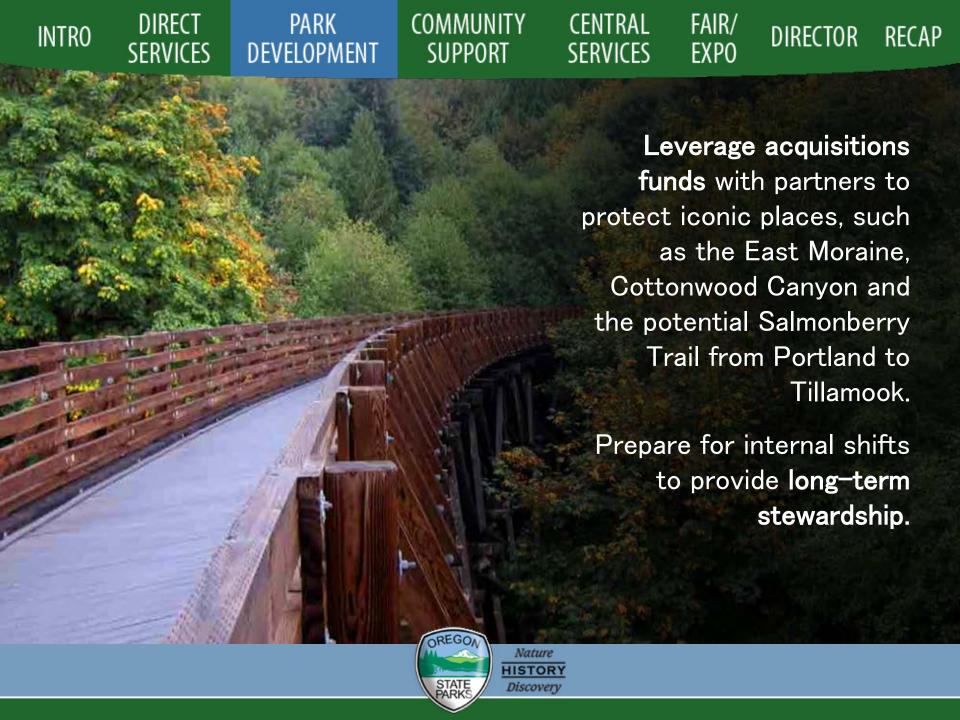
- Contract out top 30-35 maintenance projects.
- Control growth in Asset Condition Index.
- Acquire 10+/ properties
   through
   purchase, trade,
   and easements;
   mostly small
   transactions to
   fill in-holdings.





## Issues





Key Package

110: Invest in maintenance, \$2M



# **Community Support and Grants**

(Page F-1)



INTRO DIRECT PARK COMMUNITY CENTRAL FAIR/ DIRECTOR RECAP SERVICES EXPO

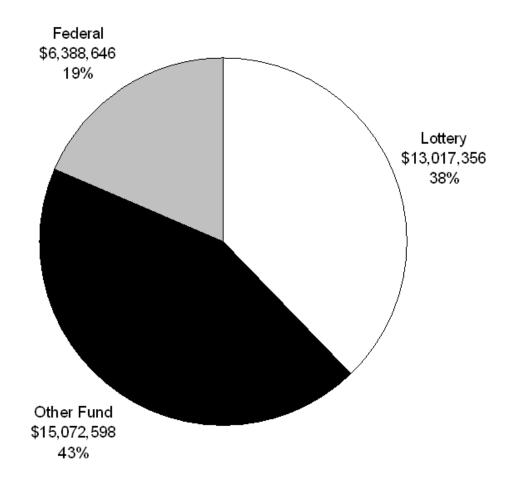


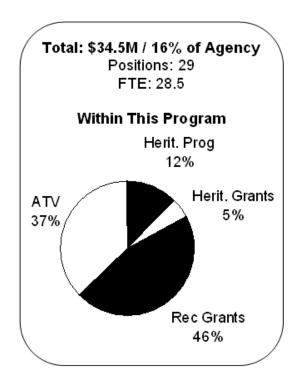
COMMUNITY CENTRAL DIRECT PARK FAIR/ **INTRO** DIRECTOR **RECAP** DEVELOPMENT **SERVICES SUPPORT SERVICES** EXP0 Matching grants assist local jurisdictions to achieve their community recreation and heritage goals. BORING STATION TRAILHEAD PARK





#### Community Support 13-15 Budget







### \$88+ Million

**INTRO** 

**\$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.
- budget includes \$36.3 million in grants and passthrough monies for our local partners.
- We will increase enrollment in ATV safety programs from 58% to 83%.

# Issues





### **Key Packages**

**INTRO** 

- 103 and 104: 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.

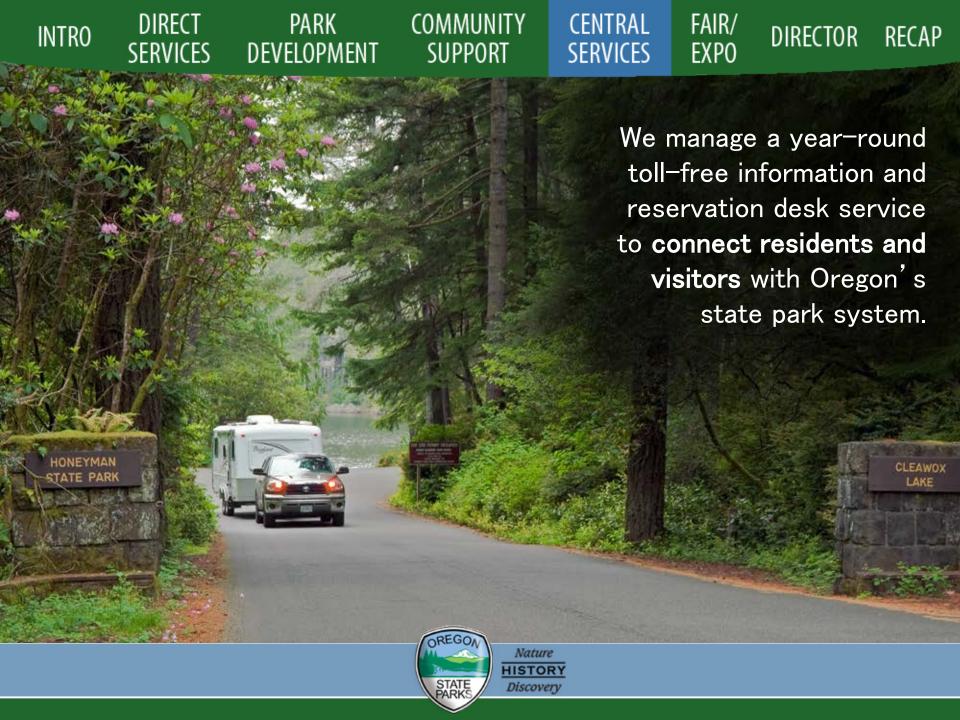


# **Central Services**

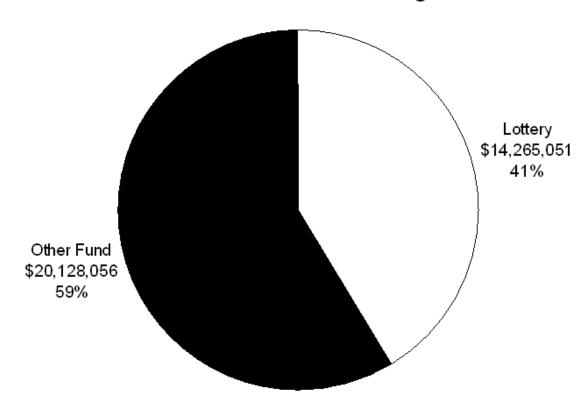
(Page G-1)

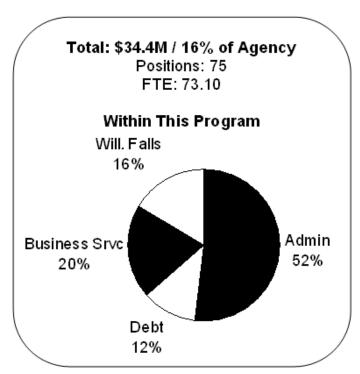






#### Central Services 13-15 Budget







**INTRO** 

 Central Services adheres to the highest standards for budgeting, payroll, accounting and procurement.

DIRECTOR

RECAP

- 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



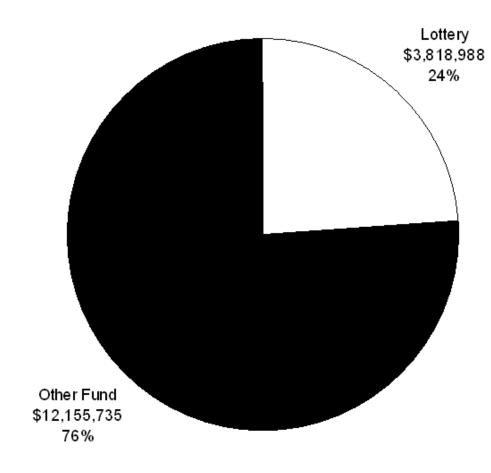
# Oregon State Fair and Exposition Ctr

(Page H-1)





# State Fair/Expo 13-15 Budget



Total: \$16M / 8% of Agency

Positions: 31 FTE: 30.74







Discovery

**Create Value** 

**Control Costs** 

**New Options** 



## **Create Value**

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



## **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**

- 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.



# Key Package

105: Convert positions from permanent to seasonal



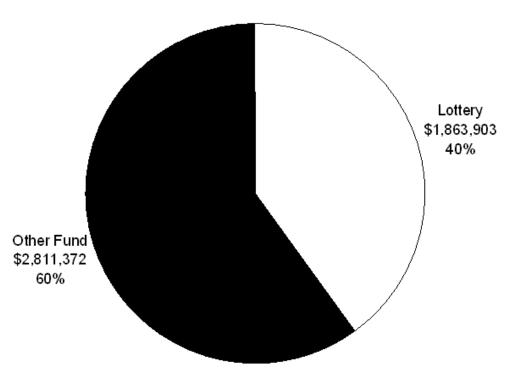
# **Director**

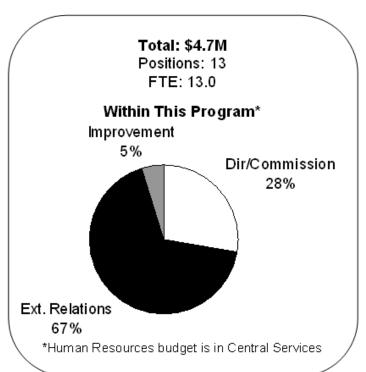
(Page I-1)





#### Director's Office 13-15 Budget







- 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



# **Budget Priorities**

### Create Value

- Focus on iconic places, including Willamette
   Falls in Package 505.
- Contain maintenance in Packages 101 and 110.
- Divest where necessary.
- Increase grant funding in Packages 103 (trails), 106 (heritage) and 109 (ATV).

## **Protect Revenue**

- Move rates paid by visitors close to market in Package 108.
- Avoid reducing shrinking revenue sources (such as RV fund) even further.

### **Control Costs**

- Allow nonprofits to play key supporting role (SB 196).
- Improve State
   Fair/Expo in Package
   105 and
   SB 7.
- Tsunami response.



