



Oregon Parks and Recreation Commission

March 18, 2010

Village Green Resort, Cascadia B Conf. Rm.

725 Row River Rd, Cottage Grove

3/18/2010 Meeting Minutes

Those attending all or part of the meeting included:

Commissioners Present:

Jim Parr, Chair

Jay Graves, Vice-chair

Robin Risley

Sharon Rudi

Brad Chalfant

Sue Musser

Jim Brown

Staff:

Tim Wood, Director

Chris Havel, Communications Coordinator

Roger Roper, Assistant Director, Heritage Programs

John Potter, Assistant Director, Operations

Kathy Schutt, Planning Division Manager

Danielle Aglipay, Assistant Attorney General

Vanessa DeMoe, Commission Assistant

Cliff Houck, Property and Resource Manager

Richard Walkoski, Recreation Programs Manager

Jim Morgan, Natural Resources Manager

Wayne Rawlins, Grants Program Manager

Lisa Van Laanen, Assistant Director of Administration

Jenn Cairo, Region 2 Manager

Brian Silcott, Assistant Director, Oregon Expo Center

Craig Leach, OPRD Forester

Dennis Wiley, Willamette Valley District Manager

Tanya Crane, Budget Manager

Ron Price, ATV Grants Program Coordinator

Visitors Present:

Mayor, Gary Williams

Phil Ward

Todd Winter, Lane County Parks

Susie Jordan, DAS, Legislative Fiscal Office

Lisa Pearson, DAS, Budget and Management

Bruce Klaw, Stoel Rieves, MRA

Troy Coburn, MRA

Forest Bohall, MRA

Steve McIntyre, MRA

Tyrell Hart, MRA

Steve Croucher, MRA

George Flannigan, MRA

Karen Childs

Jim Cyr

Tony Hess

Randy Rasmussen, American Hiking Society
Larry Smith, MRA
Nancy Vandercook, Beaver Creek
Jan Houck, Visitor
John Gerritsma, BLM

Executive Session

The Commission met in Executive Session to discuss acquisition priorities and opportunities; and potential litigation. The executive session will be held pursuant to ORS 192.660(2)(e) and (h). The Executive Session was closed to the public.

Commission Training Session

State Budget Process Overview - Lisa Pearson, Susie Jordan (BAM & LFO)

Ms. Pearson and Ms. Jordan provided a presentation to the Commission on Oregon's Budget Process.

Ms. Pearson explained Oregon's budget policy, legal requirements, critical activities of a board or commission, budget process/development, Legislative Concepts, Governor's recommended budget, budget review and Budget and Management (BAM) and Legislative Fiscal Office (LFO) responsibilities.

Discussion

Commissioner Chalfant asked about constitutionally mandated funds; if they are mandated to a program why would they receive the same allocation cut? Ms. Pearson replied that because the lottery forecast has been going down the agency needs to go through the exercise to list their priorities. She added that the intent is to get agencies to start thinking about the possibility of needing to change their business dramatically and consider what it would look like.

Commissioner Brown added that the 25 percent reduction exercise forces you to get agency priorities clarified. He said it gives both BAM and LFO an opportunity to look at the policy choices and see if they agree with them. Commissioner Brown said that another important piece is that this being an election year, the incoming Governor has an extended period of time to adjust the priorities as they see appropriate.

Commissioner Chalfant said that he is concerned that it sends a potential message to Legislators that there is an unallocated pot of money available. He said that creating unallocated funds adds to the perception that there is money to be had.

Ms. Jordan said that even if you did not go through the exercise of the 25 percent reduction there will always be a perception out there; there are revenues that are dedicated statutorily to programs. She said this is dealt with every biennium.

Ms. Jordan assured the Commission that LFO and BAM understand what the revenue sources are there for and advise the legislative leadership and the Governor accordingly.

Ms. Jordan discussed the Emergency Board and explained the budget process, E-Board requests, and actions the E-Board can and cannot take. She also explained the Interim Joint Committee on Ways and Means and performance measures.

Discussion

Commissioner Brown asked Ms. Jordan her opinion of the Centennial Horizon. She replied that it is a good document; it tells the agency story and there is a lot of work underneath the document. She explained if someone wanted to drill down and find out what was going on in each goal or strategy it

is not hard to find; it is obvious that you have done your work in thinking through what Oregon needs in each of the areas and it connects to the statute.

Director Wood said that it is a pleasure to work with Ms. Pearson and Ms. Jordan. They have both been the agencies analyst since he came to the department and have been very helpful.

Workshop

Oregon Water Resources Management and Planning – Phil Ward, Director Water Resources Dept.

Mr. Ward presented the Commission with a report on Oregon’s Integrated Water Resource Strategy. He also provided the Commission with a 2009 Instream Accomplishments report.

Mr. Ward stated that when he came to the Water Resources Department (WRD) Oregon did not have an articulated, comprehensive, long term strategy for how the water needs of Oregon were going to be met in the future. He said that most Western states have a water supply plan. Oregon has been working in the last several years to have a plan in place for how to meet Oregon’s future water needs. Mr. Ward stated that Legislature enacted Legislation in the last session directing WRD to move forward with a plan and strategy, not only to consider the water supply but to truly develop an integrated water resources strategy that includes water supply, water quality and ecosystem services. Mr. Ward explained how WRD would meet that goal.

Oregon’s Integrated Water Resource Strategy (IWRS)

- HB 3369 directs WRD and its sibling agencies, along with partners, to develop IWRS
 - Directs Oregon Water Resources to lead efforts
 - Partner with DEQ, ODFW, ODA
 - And other agencies, tribes, stakeholders, public
 - Sets forth goals above
 - Account for pressures, including climate change

Recommend Action in the following areas:

- Information/Data
 - Planning Efforts
 - Public Policy
 - Statute/Rule
 - Funding
 - Outreach/Education; open houses and workshops
-
- Agency Advisory Group, Policy Advisory Group, Ecological Flow Technical Advisory Group
 - The Strategy will provide an “action agenda” for the next five years.
 - Provide 2011 progress report to the Oregon Legislature.
 - WRC provide notice to other Boards and Commissions before adoption.
 - IWRS take effect upon adoption by WRC.
 - WRC plans to send its first IWRS to the Oregon Legislature in 2012

Discussion

Commissioner Brown asked what the timeline is for the remaining 75 percent ground water study. Mr. Ward replied that it is a funding dependant timeline. We have seen our groundwater study resources reduced during this down turn in the funding cycle from between \$800,000 to \$1 million a biennium. He said what WRD has done historically is to partner up State of Oregon general fund money with USGS on a one to one match basis. The study costs 4-5 million dollars a basin.

Commissioner Brown said that in order to meet future needs the state has to have a complete picture of groundwater. He discussed ecosystems services and it being the utility bill of the 21st century. Mr. Brown talked about how this issue can be brought forward in relation to helping agencies put fees in place so the user is paying for these services that they need, want and use.

Commissioner Chalfant commented that instream applications processing at WRD had been understaffed. Commissioner Chalfant asked if there was a way of increasing the staffing to be able to process the applications more efficiently.

Mr. Ward replied that tremendous gains have been made through their IT department. Mr. Ward said that WRD has received grants, but needed to find a long term way to stabilize the permitting process. Commissioner Chalfant suggested that a higher fee structure would not get push back if it was understood that it was dedicated to permit staff.

Business Meeting

1. Commission Business (Action)

a) Approval of Agenda

Item 8a will be taken in three separate votes: Item 8a(1), Item 8a(2), Item 8a(3)

Item 10, Item 10a and 10b are reversed on the agenda.

Item 12 may be an Action item.

Item 6 will have invited testimony only; no public testimony will be accepted.

Commissioner Graves moved to approve the March Commission agenda. Commissioner Risley seconded. The motion passed unanimously, 7-0.

2. Public Comment: *This time was provided for the public to address matters **not** included in the agenda.*

Nancy Vandercook, Beaver Creek property owner

Ms. Vandercook asked the Commission if there was continued interest in her property. She said that there has been discussion for the past three years about acquisition of her property. The appraisal was done and budgeted for \$750,000 dollars for biennium 2009-2011. Following the appraisal she had not heard from the Parks department, she believes that there may be a problem with the appraisal from the Parks perspective. She has tried to make contact with Parks to confirm interest. Ms. Vandercook stated that in the work papers it was stated that an offer was extended to her and was rejected, she stated that she did not receive or reject an offer.

Director Wood said that the agency does have a continued interest in the property and that Mr. Houck will meet with Ms. Vandercook and clarify any questions or concerns.

3. Approval of Commission Meeting Minutes (Action)

a) January 28, 2009

Commissioner Rudi moved to approve the January 28, 2009 meeting minutes. Commissioner Chalfant seconded. The motion passed unanimously, 7-0.

b) February 11, 2010

Commissioner Rudi moved to approve the February 11, 2010 meeting minutes. Commissioner Chalfant seconded. The motion passed unanimously, 7-0.

4. Director's Update

a) 2010 Legislative Special Session (Information)

Director Wood shared that the Recreational Immunity bill was passed without any objection in either the House and Senate. He said that it has been signed by the Governor and is now law.

Director Wood added that it is included in one of the rulemaking actions that the Commission would be asked to act on in the agenda.

Director Wood said that the only other significant action related to the agency was at the end of the session during the adjustment of the balancing of the statewide budget; 2.2 million dollars was taken out of the ATV/OHV account and provided to offset the states deficit and balance the states budget. This leaves approximately 3.5 million dollars in the OHV account.

b) Budget Update (Information)

Lisa Van Laneen, Assistant Director Administration

▪ Budget Update 2009-11

Ms. Van Laneen said the accounting records for the 2007-09 biennium are officially closed and due to prudent spending late in the biennium, the Department closed the biennium with more cash than anticipated. She shared that the March 2010 state revenue forecast was released February 8, 2010 reflecting an additional decrease in Lottery Fund revenue for the Department of \$715,343, this biennium's deficit being \$4,904,130. Ms. Van Laanen explained that the Department's budget was built based on a Lottery Fund revenue forecast of \$85.3 million and the current forecast is \$80.3 million.

Ms. Van Laanen gave a brief update on other fund revenues. She reported that park user fees are staying at budget levels and there is an increase in camping.

▪ Draft Budget Development 2011-13

Ms. Van Laanen said that the budget building process had begun for 2011-13. She said that there are a few major tasks involved in preparing the draft budget; one of the major tasks is forecasting revenues. Ms. Van Laanen stated that the budget unit routinely forecasts revenue for the current biennium and during budget development, the future biennium is also forecasted as a continuation of the trends seen in the current biennium adjusted for any known changes – such as a fee rate change. For the 2009-11 biennium, Lottery Fund revenues are declining and could reasonably be expected to continue in that pattern. Currently, the DAS Lottery Fund forecast for 2011-13 is \$86.3M. The 2011-13 budget will be based in the June 2010 forecast.

Ms. Van Laneen updated the Commission on park user fees, fee increases, and recreational vehicle and ATV revenue; focusing on projections, current status and how it influences budget development.

Ms. Van Laanen told the Commission that another major task is determining the priorities and key projects for the coming biennium. She shared that leadership has provided the following guidance for agency priorities for the 2010-13 time period include the following:

- Acquisition, planning, development, operation of:
 - Beaver Creek State Natural Area by 2010
 - Bates State Park by 2011
 - Rogue River Greenway by 2012
 - Cottonwood Canyon State Park by 2013
- Upgrade of the reservations system
- Implementation of the Blue Ribbon Panel recommendations,
- Oregon Exposition Center and other organizational changes
- Upgrade of the agency website.

Ms. Van Laanen clarified that these priorities are not in order of importance; they are the intent at this time for policy option packages if funding is available. She added that the forecasted revenue and the policy option packages will be brought to the Commission for approval at the May 2010 Commission meeting and the Agency Request Budget will be brought to the Commission for approval in July 2010.

Discussion

Commissioner Brown said that it would be helpful to have a bigger picture look to show, in a table format, what the base operation costs are, total costs, resources, the gap, and the alternatives for each division.

Ms. Van Laanen stated that she appreciated the information and feedback. She shared that work is in progress on a similar project and Commissioner Brown's input will be incorporated.

Mr. Walkoski gave a brief summary from the February 2008 fee increases discussion. He said that two things have happened since that time, the user fees have increased and full payment was instituted. He commented that the reservation levels are maintaining.

Commissioner Rudi said that she appreciated the table included in the brief comparing rates in neighboring state park systems. She stated that she would like to keep seeing a slight increase to keep our parks at market, but below our competition to ensure that our customers know they are getting value for what they are paying.

Commissioner Brown stated that he agrees that we are on the market particularly when it relates to RV. When looking at the table Commissioner Brown felt that the numbers for private parks are overstated.

Mr. Walkoski clarified that Reservations Northwest made calls to private RV parks and received rates for a typical family of four with the use of some amenities. He said that you may be able to stay for less, and potentially more.

Commissioner Brown said that from his experience it is generally a flat rate, fluctuating with use of sewer.

Mr. Walkoski stated that in future reports the sources can be cited. He said that it is not the intent for OPRD to match private parks rates, it is used for comparison purposes only.

■ Legislative Concepts (Action)

Kyleen Stone, Assistant Director Recreation Programs and Planning

Ms. Stone said that in addition to the brief provided to the Commission, the department had received notice of the April 9th deadline to submit Legislative Concepts to the Department of Administrative Services. Ms. Stone gave a brief overview of the process and went through the list of agency Legislative Concepts (LC) that are being considered:

1. Permission to increase user fees periodically to keep pace with inflation and market forces;
2. Clean-up of Oregon Exposition Center statutes to include name change, clearer sponsorship definitions, freedom from constraints from budgeted expenditure limitations.
3. ATV clean-up regarding terms of service for advisory committee members. The Commission discussed and clarified the terms of service.
4. Implement any ATV Advisory Committee recommendations regarding vehicle classifications (Class I, II, and III.)
5. Establish the Oregon Main Street Program in statute.

Discussion

Ms. Stone shared that there may be an outside entity that will carry this LC. The program would be OPRD's, the bill would be introduced by another entity. Director Wood shared that there is an interested legislator that may carry this forward.

Commissioner Brown stated that his concern is funding.

Mr. Roper said that this was prepared at the Governor's office request to move it forward with the idea that there may be legislative sponsorship. He said that funding is currently non lottery dollars, it is the Oregon Property Management account, which is money earmarked for improving historic properties around the state through the historic property special assessment program. Mr. Roper said the proposal is to continue funding the program from the same account. This formalizes the arrangement that this program would be shared between two agencies, OPRD and Oregon Business Development Department.

Commissioner Brown stated that a policy discussion needs to happen.

Director Wood said there are two options; submit for drafting and have a discussion and withdrawal if needed or file it in the placeholder category.

6. Ability to recoup costs for evaluating and enforcing scenic waterway regulations.
7. Housekeeping to clean up membership of the Heritage Commission.

Ms. Stone said that there is a LC that the Department of State Lands will be bringing forward to transfer the Natural Heritage Program to OPRD. Ms. Stone stated that, when asked by DLS, the agency tentatively supported the LC. Ms. Stone asked the Commission for confirmation of that support.

Ms. Stone reported that there is also a LC being brought forward by the Invasive Species Council in an attempt to control beetles and bugs being transported on firewood. She explained that the pilot program is still in the planning stages; the idea would be to have one of our parks demonstrate the value of using local firewood sources.

Commissioner Graves moved to approve the legislative concepts. Commissioner Musser seconded. The motion passed unanimously, 7-0.

- c) Exposition Center Update (Information)
Brian Silcott, Assistant Director OEC

Mr. Silcott gave a brief update on the following areas of the Oregon Exposition Center:

Staff: There has been some reorganization of staff as we are positioning people to get the most from each member of our team. We are making duties, expectations and measures of achievement clear to all staff while putting them in positions where they have the best chance to contribute to our success.

Marketing: The OEC spends about \$800,000 a year on marketing and all of it goes towards selling the State Fair. This segment of our operation will be completely overhauled after the 2010 Fair. In the meantime we are, with limited funds, working to increase bookings at the facilities year round.

Sponsorship: While the \$225,000 cash and over \$500,000 in kind sponsorships we currently have are impressive, we are confident this is an area for great improvement. We are working on several paths to increasing our cash sponsorships significantly by the 2011 State Fair.

Events: We are focusing on creating events that make use of the unique opportunities our campus and wide range of buildings create. We plan to have 8-10 large OEC produced events by 2012. We will also continue to book events produced by other promoters, groups, organizations or individuals and develop co-promote events with strong partners.

Buildings and Grounds: With the help, knowledge and expertise of Region 2 Staff, specifically Jim Bader and Steve Janiszewski we are in the process of assessing all elements of the OEC grounds and developing both short and long term plans for the overall health and beauty of our facility.

Capital Investments: Capital investment in the OEC has offered little financial return in the past but seems to often have been pursued with little attention paid to how it would eventually pay off. Currently we are looking at projects that we are confident will lead to direct and significant increases in revenue. Right now we are primarily focusing on projects that we feel will attract private investment.

Chair Parr asked if Mr. Silcott has found areas to cut expenses. Mr. Silcott replied that he has found areas to cut expenses and is currently acting on the efforts.

Pavilion: The Pavilion is the newest and most underused major structure at OEC. We are in need of some capital investment if we hope to produce significant revenue from this venue. We are currently working on relationships to get these improvements in place and secure 2-3 anchor tenants.

Fair: The 2009 Oregon State Fair was a great success in many ways. In 2010 we plan to build upon that success and continue to develop what is already one of the premier events in all of Oregon. However, we need to do more than put smiles on kids faces. Every aspect of this year's fair will be looked at very closely and significant changes will be made to reduce costs and increase revenue by Fair 2011.

Discussion

Commissioner Brown said that it would be useful to hear what the capital expenditures would be to get a sellable product.

Mr. Silcott explained that he has given himself the task to make the OEC venues profitable without putting large sums of money into them.

5. Consent Calendar

- A. Approval of Delegated Authority Report (Action)
 - 1. Contracts
 - 2. Natural Resources
- B. Audit Committee Charter (Action)
- C. OHTAC2009 Annual Report (Information)
- D. Reservations System Update (Information)
- E. Scenic Bikeway Update (Information)
- F. Field Managers Training (Information)
- G. Nehalem Falls Campground Area (Information)
- H. Price Agreement for Firewood (Information)

Discussion

Commissioner Chalfant asked about the intergovernmental agreement with the Rogue Valley Council Governments listed in the Delegated Authority Report.

Ms. Stone explained that there are some ongoing, complicated planning issues; including staff time and engineering analysis. The funding is the cost of the planning efforts and continues to be needed because of the challenging elements for the potential trail along the Rogue River.

Commissioner Graves moved to approve the consent calendar. Commissioner Chalfant seconded. The motion passed unanimously, 7-0.

6. Timber Mountain ATV Grant (Information/possible Action)

Invited Testimony & possible action

Kyleen Stone, Assistant Director Recreation Programs and Planning

Ms. Stone explained that this is a potential ATV grant brought previously before the Commission in April 2009 for the acquisition of 140 acres in Southern Oregon. She reported that in April the Commission deferred the decision until such time as BLM entered a Record of Decision. Subsequently the agency has received a lot of communication from the local community as well as legislators and an attorney asking us to revisit this decision. The Commission has also received additional information and some conditions have changed. Ms. Stone stated that for this meeting the agency invited testimony; John Gerritsma with BLM was present, the City of Jacksonville was invited but declined to come however they submitted a letter; the letter was shared with the audience and Commission, and Jackson County was invited and sent their regrets.

John Gerritsma, Ashland Area Field Manager, BLM Medford District

Mr. Gerritsma told the Commission that the Timber Mountain John's Peak area was designated in the 1995 management plan as an area to be managed for OHV. He said that BLM has always been under that guidance since that plan's inception. Mr. Gerritsma explained that the plan was tiered down from the NW Forest Plan and since that time BLM has been gathering information, however a detailed management plan has not been produced to date. He shared that a draft environmental impact statement was completed in 2008. Mr. Gerritsma told the Commission that ongoing maintenance has been done and resource issues have been taken care of as they come up and funding becomes available. He said a lot of effort has gone into law enforcement into the area, resulting in better compliance and keeping riders on trails. He stated that until there is a designated trail system it is difficult to enforce. He shared that he has been an advocate to find solutions to the various conflicts through collaboration. Meetings have occurred with individuals and the public. Our intent is to utilize the information gained in the meetings and develop a final alternative that will be proposed and finalized through a decision this fiscal year, by September 2010. Mr. Gerritsma said he briefed the BLM District Manager and the State Director on the proposal by the MRA to purchase this property and donate it to BLM, the State Director concurred and would accept.

Discussion

Commissioner Chalfant asked if BLM would be in a position to address the resource issues and concerns in regards to neighbors.

Yes, the area would be managed in the same way that BLM manages the rest of the Timber Mountain John's Peak area. All of the guidelines for those issues would come out of the final plan for that area.

Mr. Gerritsma said that any future acquisition by a party not friendly to OHV use would certainly cause BLM to change the proposal for that area. He said that anytime you can block up one area for similar management it is certainly advantageous; the other advantage of this parcel is that it is further away from neighbors and communities.

Commissioner Graves asked if BLM ownership surrounded the parcel.

Mr. Gerritsma replied it does not entirely. He displayed a map to the Commission and audience and showed the surrounding ownership.

Commissioner Rudi asked about the surrounding ownership land use.

Mr. Gerritsma replied that the land use is industrial forest land.

Commissioner Graves asked if there was any residential property in the area.

Mr. Gerritsma replied that the nearest residence would be approximately $\frac{3}{4}$ of a mile from the parcel.

Commissioner Brown moved to approve the Timber Mountain ATV Grant. Commissioner Graves seconded.

Continued Discussion

Commissioner Chalfant stated that he can support this as long as the transfer is simultaneous.

Chair Parr asked Commissioner Brown if the motion was for a simultaneous closing.

Commissioner Brown stated yes, if it is legally possible.

Chair Parr said that there is clearly intent by all parties.

Bruce Klaw, MRA legal council

Mr. Klaw responded to the discussion on the simultaneous closing, stating that the MRA is in agreement that the closing should happen in a timely manner and as close as possible to the transfer of the grant money and acquisition. The MRA is also willing to immediately turn over management to BLM.

Chair Parr asked Commissioner Rudi and Commissioner Risley for their professional opinion of the issue. The Commissioners agreed that a simultaneous closing was possible and all agreements must be in writing.

Commissioner Brown moved to approve the Timber Mountain ATV Grant on the condition that the property is simultaneously transferred from MRA to BLM with the understanding that simultaneously means legally and timely. Commissioner Graves seconded. The motion passed unanimously, 7-0.

7. Real Estate (Action, unless otherwise noted)

Cliff Houck, Property and Resource Management

a) William M. Tugman State Park easement request

Mr. Houck said that this is an easement that has been discussed in the past. He said that ODFW has requested an easement over OPRD property and by this proposal OPRD would gain access to a portion of its forested acreage to the south for forest practices work. Mr. Houck explained that OPRD's cooperation would also establish an easement to keep log hauling out of the Lakeside residential area. In exchange, OPRD would be provided easement rights over the Guin property and would exchange a reciprocal easement with Menasha Forest property to access OPRD's southern ownership. The easement that OPRD would provide is over a short section of the OPRD property's SW corner. The easement is to establish a 25' wide roadway over an existing road and would be reciprocal over each parcel.

Commissioner Risley moved to approve the William M. Tugman State Park easement request. Commissioner Chalfant seconded. The motion passed unanimously, 7-0.

b) Joaquin Miller Forested Wayside (Information/Action)

Mr. Houck said that back in 2006 and 2007 OPRD acquired an additional 85 acres at Joaquin Miller Wayside. He said that when this was acquired it was an old platted subdivision. Mr. Houck shared that neighboring property owners John and Debora Seaver have recently contacted OPRD and requested a permanent access easement over a vacated portion of Colter and Ash Street to benefit their property. He explained that during the road vacation process, Lane County sent public notice to the Seavers, but no response was received at that time. The easement being requested is in the same location as two access easements previously granted by Lane County to others as a part of their street vacation process. Mr. Houck said that the

proposal would grant the Seavers the right to access over and across an area already used for access by two other parties. The granting of this easement has little impact to OPRD's property rights due to the existence of the previous access easements.

Commissioner Graves moved to approve the easement. Commissioner Chalfant seconded. The motion passed unanimously, 7-0.

c) Beaver Creek Initiative (Information)

Mr. Houck updated the Commission on the discussion with Ms. Vandercook. He said that the interest level was clarified as was the plan for moving forward.

- The Climate Trust/Forest Capital Transaction Update

Mr. Houck said that the Forest Capital transaction is the 583-acre purchase of two parcels. He explained that funding for this acquisition is expected to come from lottery funds identified within the work plan for the Vandercook purchase and from U.S. Fish and Wildlife Service (USFWS) grant funds which would reimburse OPRD for the Price property purchase. Mr. Houck said that the lottery funds would be supplemented by sale of an easement to sequester carbon to The Climate Trust. He shared the appraisal and timber cruise will set a market value for the 583 acres to be used in negotiation of the purchase and the determination of carbon sequestration tonnage which will set the payment from Climate Trust for the carbon rights. These negotiations and agreements should be ready for Commission consideration at the May or July Commission meeting.

- Grant Funding Applications Update

Mr. Houck shared that OPRD has been awarded a \$925,000 U.S. Fish and Wildlife Services grant that can be used for reimbursement of expenditure for the Price property. He said that this frees up funding that could in turn be used in a property purchase of Forest Capital. The USFWS grant could also be used partially for acquisitions of the Young, Cristler, and Siegel property as outlined in the grant application.

Mr. Houck said OPRD, The Wetlands Conservancy and The Nature Conservancy recently discussed the possibility of an application for an Oregon Water Enhancement Board (OWEB) grant. Application for the OWEB grant is due in April with funding from the grant becoming available in September. The grant application to OWEB could consider the USFWS property purchases as the 25 percent match required by OWEB.

d) FrenchGlen School District Property Sale Proposal (Information)

Mr. Houck described the small property called the Frechglen corral. Mr. Houck said that the school district has requested purchase of this property from OPRD for construction of a teacher residence. He explained once an appraisal is complete and an agreement has been reached with the Frenchglen school district this would be brought to the Commission for its consideration. If approved, the school district would be required to complete any lot line adjustment or planning action within Harney County.

e) Crook County Parks and Recreation District Request (Action)

Mr. Houck explained that a request by Crook County Parks and Recreation District (CCPRD) has been made to annex Ochoco State Scenic Viewpoint within district boundaries. He said that annexation into the CCPRD boundaries would have little or no impact to OPRD. However, the intent of this annexation was to facilitate CCPRD development and management of approximately 60 acres south of Highway 126, a portion of Ochoco State Scenic Viewpoint. Mr. Houck told the Commission in order for CCPRD to lease or operate a park it must be within their district boundaries.

He shared the goals of CCPRD; to build a neighborhood park with play structure, trail system, CXT restroom, and disc golf course to service the Crestview neighborhood. Mr. Houck said that a long term lease would need to be offered to CCPRD (20 years) to provide them with opportunities for grant acquisition to help with development of the Park; and it would be OPRD intent to turn over the maintenance and operation of Viewpoint for the lease on the lower 60 acres

Commissioner Chalfant moved to approve the Crook County Parks and Recreation District Request. Commissioner Brown seconded. The motion passed unanimously, 7-0.

8. Rulemaking (Action)

8a.(1) Adopt OAR chapter 736, division 15; Reservations

Mr. Walkoski said that the first request was for the adoption of rules to facilitate conversion to the new reservation system and to add Ecola State Park back into the list of day-use parks. The Commission did not accept comment on this agenda item prior to its action because the public comment period had closed.

Commissioner Graves moved to adopt Reservation Rules. Commissioner Risley seconded. The motion passed unanimously, 7-0.

8a.(2) Temporary Rule Adoption for OAR chapter 736, division 15

Mr. Walkoski explained that during the current rule making action, the 2010 special session of the Oregon Legislature passed legislation affecting recreational immunity in Oregon, House Bill 3637 (2010), which will require further division 15 rule changes. Steven Shipsey has recommended OPRD revise division 15 as soon as possible to: (1) provide users who are charged a fee the notice now required by law, and (2) protect the public interest in limiting exposure of the state park system to claims that could be brought absent recreational immunity.

Commissioner Brown moved to approve the temporary rule for OAR 736, division 15. Commissioner Risley seconded. The motion passed unanimously, 7-0.

8a.(3) Request to go to Rulemaking for OAR chapter 736, division 15

Mr. Walkoski said that this request was to begin rulemaking for all of division 15 and make the temporary rule change for recreational immunity permanent. He said that the Express Check –In wording would be changed to Pre Registration at this time as well.

Commissioner Musser moved to approve the request to go to rulemaking for OAR 736, division 15. Commissioner Rudi seconded. The motion passed unanimously, 7-0.

9. Facilities Investment Program (FIP) Update (Information)

Darin Wilson, Interim Engineering Manager

Mr. Wilson addressed the Commission and provided a list of projects that have contracts with construction or design. He said that these projects may come back to the Commission at a future meeting; unless there is further discussion Mr. Wilson requested to know if this information was sufficient before coming to the Commission for potential action.

Commissioner Graves asked about the \$500,000 for restoration and repair of the French Round Barn; is this primarily restoration?

Mr. Wilson said that this is primarily restoration work that includes repair. He explained that a consultant was hired to help document the existing structure and develop construction bid documents to do the repair which is intended to prolong the life of this historic structure. All of the work that is being done is to replicate what is currently there.

10. Concession Contracts

Cliff Houck, Property and Resource Management

b) Cove Palisades State Park Concession Contract (Action)

Chair Parr invited Mr. Cyr to proceed with his public comment.

Mr. Cyr stated that he has filed an appeal in regard to the RFP. He shared that the main reason he was present was to confirm his commitment to OPRD. He said he has been with Parks since 1993, and was able to purchase the marina business in 1999. He has made many improvements to the marina, making it an absolutely fantastic recreational experience. His hope is that the Commission will not take action today and let the appeals process take course. He referenced a law that if there is not compelling evidence not to put the new contract in place the current contractor should stay. Mr. Cyr said that an email was received from the agency praising his performance as a concessionaire. He provided the Commission with a copy of the issues raised with the RFP. He hoped that time is given for the process to be reviewed. He said that if he is allowed to stay at the Cove Palisades while this process is taking place he promises that the marina will be run to the absolute highest standards it has been run in all the years that he has been there. He told the Commission that he appreciated the time taken to listen to his comment and would answer any questions.

Mr. Houck gave a brief history of the concessions contracts at the Cove Palisades State Park and explained the selection process.

Mr. Houck stated that OPRD publicly released the Request for Proposal (RFP) No. 5201 on January 5, 2010, and received two proposals. The three-member RFP Evaluation Committee reviewed the written portion of the proposals and then conducted the interview portion of the evaluation. After independently evaluating the two proposals and conducting the interviews, each member of the Evaluation Committee submitted the results of their evaluations to the Contracts Officer who compiled the results, calculated the points for the concession fee (as required in the RFP) and provided a summary of the evaluation results. After reviewing the summary of results, the highest scoring proposal was determined to be Gary Popp (dba Lake Billy Chinook Houseboats & Marina).

Mr. Houck stated that the Cove Palisades receives over 60,000 visits in April and May, with 6800 campers. He shared that many visitors depend on the services of the marine contract. Mr. Houck described the location as an isolated location, making the services to the customers critical. He said the concession provides moorage, boat rentals, fuel, beverages, food, first aid, CPR, and critical emergency response. Mr. Houck stated that The Cove Palisades is OPRD's largest marina contract and second only to Silver Falls as a concessionaire.

Commissioner Chalfant stated that Lake Billy Chinook and the Cove Palisades State Park is hugely important to the Central Oregon community. He commented that there is an absolute need to get this facility in operation as soon as we can, if for no other reason, for the economic ramifications of not having it open.

Chair Parr stated that Director Wood presented the Commission with a letter stating the compelling governmental interest in proceeding with the execution of the concession contract.

Commissioner Chalfant moved that the Oregon Parks and Recreation Commission approve and make, under ORS 279b.415(4) the written findings and determination as provided by the Director in his letter of March 18, 2010, and presented for the Commission's consideration today that 1) there is a compelling governmental interest in proceeding with the execution of the Cove Palisades Marina Concessions contract, 2) the goods and services to be provided by the successful proposer are urgently needed. Commissioner Brown seconded. The motion passed unanimously, 7-0.

Commissioner Brown moved that the Oregon Parks and Recreation Commission 1) approve the proposed award of the Cove Palisades Marina Concession Contract to Lake Billy Chinook House Boats and Marina Inc., and 2) direct the OPRD Director to take all actions necessary, including executing the contract on behalf of the Commission and to enter into the contract as expeditiously as possible. Commissioner Chalfant seconded.

Commissioner Graves said that he was uncomfortable having been given the packet of information, provided by Mr. Cyr, without adequate time to review it. He asked if the information was taken into account by the RFP review committee or DOJ.

Mr. Houck replied that this was an action that had just occurred the previous day. He explained how the selection process for RFP's progress. He shared that staff develop an RFP that addresses a concession and the agency in terms of services that need to be provided. Mr. Houck said that the RFP asks for a proposal from anyone in the public that has an interest; it lays out criteria including, experience, background, resources and marketing among others. He shared with the Commission that the criteria are all clearly laid out in the RFP so that the proposer understands how the RFP will be rated. Mr. Houck continued to explain the process, stating that when the proposals come into OPRD they are reviewed by a committee assembled of representatives from Financial Resources, Property Management, Accounting, and a staff member from Operations, unrelated to the park or concession. He said once the proposals are rated a summary and recommendation is made and an intent to award is announced. Mr. Houck informed the Commission of the protest period within the RFP process and shared that for the Cove Palisades concession RFP this process has been exercised and responded to.

Ms. Aglipay explained to the Commission that Mr. Cyr had protested the RFP process. She said that this required a thorough administrative review and re-evaluation of the process; this is when the DOJ review occurred. Ms. Aglipay stated that all administrative remedies had been exhausted allowing Mr. Cyr to file in the court. Ms. Aglipay said a thorough second review had been completed as well.

Mr. Houck stated the RFP process is done internally with OPRD, the response to the protest and review is lead by DOJ.

Commissioner Graves asked why the DOJ review did not get to Mr. Cyr until Friday, March 12, 2010.

Mr. Houck replied that in general, legal process responses are done accurately, according to the law and done appropriately. He said that DOJ is extremely cautious and thorough in the way they prepare responses.

Commissioner Graves asked if during the process the previous working relationship and investments are considered.

Mr. Houck replied that the contracts require the concessionaire to turn over the improvements to the agency. He said that in terms of the process, an existing concessionaire understands the business and the property, and that makes an existing concessionaire difficult to compete with. However this was a competitive process; both proposers had a lot of experience and background in this kind of facility.

Commissioner Chalfant said that the agency is obligated to a process where contracts are put out for all parties to make offers. He stated it sounded like staff went through a rigorous, extensive process. He said it has been explained to the Commission there were two competitive proposals and an objective decision was made to recommend to award to one of the proposers. Commissioner Chalfant stated that having this facility up and running is absolutely critical to the economy of Central Oregon.

Chair Parr asked for a final vote from the Commission on the motion offered by Commissioner Brown. The motion passed unanimously, 7-0.

[Commissioner Chalfant excused himself from the remainder of the meeting.]

a) Concession Contracts Update (Information)

Mr. Houck gave the Commission an update of the Concessions Contracts. He provided a list of properties for which the agency is moving forward with major concession contracts to be developed in the 09-11 biennium:

- ❖ Cove Palisades Marina (*RFP complete and selection made*)
- ❖ Wolf Creek Inn (*completed contract*)
- ❖ Silver Falls (*next year*)
- ❖ Lake Owhyee (*RFP in development*)
- ❖ Frenchglen Hotel (*current contract expires Dec 2010*)

Mr. Houck informed the Commission that the agency is also in the development of several horse concession contracts.

11. Heritage Programs Report (Information)

**Roger Roper, Heritage Programs Assistant Director
Condor Habitat / Archaeological Surveys**

Mr. Roper shared that beginning in early March 2010, SHPO archaeologist Matt Diederich had been accompanying a biologist on field investigations of potential California condor nesting sites at two state parks, Cove Palisades and Smith Rock. Specifically, the biologist is looking for DNA evidence of past condor occupation, with the goal of potential reintroduction of the birds in the region. Mr. Roper explained that though some of the sites (typically caves or alcoves) can be accessed by hiking, others require rappelling down cliffs. He shared photos of some of the survey sites. Mr. Roper explained that the primary purpose of the archaeological component of this project is to ensure that if any archaeological resources are encountered, they are appropriately documented and protected to the extent possible. He told the Commission that the survey staff will be sampling at Smith Rock and The Cove Palisades during upcoming trips. He will update the Commission as information is available. (Further details about the condor study can be found online: <http://www.oregonzoo.org/Condors/fieldWork.htm>.)

Heritage Workshops in April

Mr. Roper said that in lieu of a large single-event heritage conference this year, Heritage Programs will be conducting a series of three mini-conferences around the state. He shared that they will be held in Oregon City (April 8-9), Jacksonville (April 21-22), and LaGrande (April 28-29).

Current plans call for a large heritage conference every other year, with these regional workshops in the off years. The conference for 2011 will be in Astoria, which will be marking its bicentennial that year.

12. Sodom Dam Fish Passage Project (Information)

Ken Bierly, Deputy Director, Oregon Watershed Enhancement Board (OWEB)

Mr. Bierly said that OWEB shared dedicated lottery funds with OPRD and has had a useful and effective partnership with State Parks. He explained that OWEB has used lottery funds for acquisition of land that has ended in OPRD ownership. Mr. Bierly said that using funding set aside for habitat protection and restoration in cooperation with OPRD has been very beneficial for Oregon. He gave examples of various projects in State Parks funded by OWEB and believed OWEB will continue partnering with OPRD through future projects. He said that the working relationship with OPRD has been productive and useful; he found an incredible level of interest on how the assets that provide public recreation also provide for ecological resources.

Mr. Bierly addressed the Commission on the issue of Thompson's Mills State Heritage Area. He said that it is important to understand that the Calapooia River supports both spring chinook and winter steelhead; both are listed as threatened under the Endangered Species Act. He said the draft recovery plan identifies the dam and diversions associated with Thompson's Mills complex as the greatest impact with fish passage in that river system. Mr. Bierly reported that OWEB has awarded more than \$2.7 million to address fish passage problems and have awarded grants totaling \$1.8 million, for developing fish passage at Sodom Dam. He said OWEB is excited about the partnership and is looking forward to continuing the working relationship.

Jim Morgan, Natural Resources Manager

Mr. Morgan said that when OPRD purchased Thompson's Mills a great deal of responsibility came with the acquisition. These included water management and water rights as well as expectations from the community regarding flood control and assuring water would be delivered to those with water rights on the Calapooia River. He explained that today, the grist mill and hydro-generator are no longer in operation which has changed the situation. The mill site is open to the public year-round and provides a unique exhibit of Oregon historical settlement and agricultural development in central Willamette Valley.

Mr. Morgan said, as Mr. Bierly pointed out, two of the three dams, the Sodom and Shear Dams, divert Calapooia River water and pose fish passage barriers to Upper Willamette Spring Chinook and Winter Steelhead Salmon, which are listed as threatened species under the Endangered Species Act. He shared that under the leadership of the Calapooia Watershed Council (CWC), the stakeholders working group reached consensus in November 2009 on a preferred management alternative that calls for removing the Sodom and Shear Dams and stabilizing the river. Mr. Morgan shared the current status of the project with the Commission. He said it is currently in the design phase, an RFP was released seeking a viable entity that could help to oversee design, permitting and the public outreach process; a proposer (the CWC) had been selected and the contract should come before the Commission for potential award.

The Commission discussed the ability to run the mill for exhibit purposes. Assistant Director John Potter said that being able to demonstrate former mill operations was one of the goals for the project.

Commissioner Risley made a motion to approve the contract for the Sodom Dam Fish Passage Project to the Calapooia Watershed Council. Commissioner Musser seconded. The motion passed unanimously, 6-0.

13. Western Snowy Plover Habitat Conversation Plan (HCP) Update (Information)

Kathy Schutt, Planning Manager

Ms. Schutt said that the final HCP would be coming before them soon for their approval; this opportunity was for the Commission to get reacquainted with the concept for the plan and ask any questions. Ms. Schutt asked if there were any items that the Commission needed clarification on. She said that the HCP will be back before them in May.

The Commission discussed how success of the HCP would be measured.

Commissioner Graves spoke to his concerns about funding and budget cuts in relation to the requirements and responsibilities of the HCP.

Ms. Schutt replied stating that having an agreement gives OPRD certainty about what OPRD's commitments would be and what the agency would not have to go beyond. She said, without that the agency would not have any assurance and continue to manage to avoid a take of the species. Ms. Schutt explained that the plan sets a cap on what the agency is required to spend and explains the staff involvement required. Ms. Schutt said that an escape clause would be built into the Intergovernmental Agreement, however, if exercised, some lingering responsibilities would remain to avoid a take. She added that it will give us a better understanding of where recreation can happen on the beaches and where it can be redirected.

14. 2010 Park of the Year – Beaver Creek Update (Information)

John Allen, Area 1 Manager

Mr. Allen shared that the park staff in conjunction with Engineering, Planning, and Natural Resources staff has been busy preparing Beaver Creek State Natural Area for a September 24, 2010 Park-a-Year opening. Planned work includes the following:

At the former Price property:

- Expand driveway for two lanes of traffic;
- Install directional signage;
- Construct parking lot for 10-12 cars and bus/motorhome parking;
- Install CXT vault toilet building;
- Develop trailhead with kiosk;
- Convert portions of former residence into welcome center;
- Renovate back deck at the residence into viewing platform; and
- Develop RV/host site behind house.

At the former Keady Property:

- Develop five miles of trail;
- Gravel the access road at south end;
- Plan and install if possible an access boardwalk from the trailhead (Price property) across wetland to trail system on hill (due to permitting and funding issues this may be optional for opening).

15. 2013 Park of the Year – Cottonwood Canyon Update (Information)

[This item was not presented to the Commission; it was provided in hard copy only.]

16. Forest Management Projects Update (Information)

Craig Leech, OPRD Forester

Mr. Leech provided an update on forest management projects he has been working on over the last year, focusing on forest health and fuels reduction. These projects include the following:

Fuels Reduction Projects include:

- ❖ Tub Springs State Wayside
 - 35 acres
 - Project complete
 - Done with Wildland Urban Interface Grant
- ❖ Booth State Scenic Corridor
 - Finish in Fall
 - Wildland Urban Interface Grant
 - In cooperation with ODF and other partners
- ❖ Collier Memorial State Park
 - 240 acres currently being treated
 - Secured funding (Title 2 Funding)
 - Debris and pine beetle recovery

Stand Improvement Projects:

- ❖ Cascadia State Park
 - Laminated root rot issues
 - Remove hazard trees
 - Replant with western red cedar
 - Isolate root rot
- ❖ Silver Falls State Park
 - Will be coming to Commission for approval
 - 89 acre improvement project
 - Goal is for a complex forest structure
 - Opportunity to take fish barriers out (culverts) and put pedestrian bridges in place
- ❖ Chandler State Wayside
 - 120 year old Ponderosa Pine
 - 80 Juniper per acre
 - Stream restoration project
 - Remove juniper to improve hydrology and place woody debris
 - Give Ponderosa stand a chance to live longer by removing juniper
- ❖ Elmer Feldenheimer State Natural Area
 - Next to Ecola State Park
 - 1400 acre parcel
 - Will be doing a Comprehensive Forest Management Plan and Natural Resource Plan

17. Cape Meares State Scenic Viewpoint Update (Information)

Darin Wilson, Engineering Manager

Mr. Wilson gave a brief update on the vandalism that occurred in early January. He reported that two suspects had been taken into custody. He said that staff had been working with the friends

group and coast guard to make repairs and stabilize the lighthouse. Mr. Wilson said that as of April 1, 2010 the parking area will be open to the public, the lighthouse itself will not be open to tours.

18. State Capitol State Park Plan Schedule (Information)

Kathy Schutt, Planning Manager
Jenn Cairo, Region 2 Manager

Ms. Cairo said staff had begun an informal planning process for the site to direct the use, management and improvement of the state park. She explained that the plan's purpose is to find approaches for making the site more welcoming and usable as an urban outdoor gathering place; a setting for the seat of state government; a forum for interpreting the history of the place; a stage set for public events; a crossroads for cycling and walking routes from the neighborhoods to the city center; and a place to relax for state workers, legislators and visitors.

Ms. Schutt shared the process with the Commission. She said that the process is more informal than a master plan, it is a management plan. She said the planning group is working with a Stakeholder Group and a Technical Review Group to form a comprehensive vision for the park, complete with objectives and strategies, site plans, way-finding, interpretation, vegetation management guidelines, memorial placement criteria, development standards and an operational management action plan. The plan will address several existing, overlapping state and city plans with the aim of integrating what works and resolving what does not currently work for the park.

Ms. Schutt reported that a draft plan document will be ready for Stakeholder and Technical review in May 2010. She said staff intends to bring the draft plan to the Commission for review and comment at the September meeting. Staff will also share the plan with the City of Salem, the Salem Vision 2020 group and with state groups related to overseeing state lands, the capitol building and legislative administration.

Director Wood discussed the WWII Memorial and how the plan will help the agency in review of other requests for memorials.

19. Commission Planning Calendar (Information)

May 19th-20th
Condon, Oregon
Hotel Condon

May 19th Salem departure 7:00 a.m.
Arrive at Cottonwood Canyon 10:00 a.m.
Hay Creek - Lunch
OSPT invited for the tour
Wed eve Hotel Condon

May 20th Meeting in Condon

Commissioner Graves asked to add an Audit Committee Update to the May Agenda.
Commissioner Brown suggested scheduling the Audit Committee meeting prior to the Commission meeting.

Meeting adjourned

