

Monday Florence 4.

AGENDA COVER MEMO

DATE: October 27, 2003
TO: Lane County Board of Commissioners
DEPT.: Public Works/Parks Division
PRESENTER: Rich Fay, Parks Manager
AGENDA ITEM TITLE: FUTURE OF UNDEVELOPED PARK PROPERTIES IN FLORENCE AREA

I. ISSUE OR PROBLEM

Shall the Parks Division sell a forty acre parcel of property near Florence to help finance selected capital projects to enhance the revenue position of the Division?

II. DISCUSSION

A. Background

County park revenues have traditionally been inadequate to support ongoing maintenance & operations, infrastructure repairs, and capital development driven by growing population and citizen demands. Based on budget impacts from the 2001 drought-year, particularly at Fern Ridge, and the projected draw down of Fern Ridge in 2006 for dam repairs, the Parks Division has an urgent strategic need to develop revenue generating facilities to help subsidize the entire park system. Long-term system health depends on this. Development of facilities is dependent on an infusion of additional short-term strategic funds.

The division currently owns a 40-acre property, known as Oceanwoods, which, due to its not fitting the profile as a regional park, its proximity to the urban growth boundary, and limited public access, is unlikely to be developed as a County park. Currently, there are subdivisions on three sides of this property. This property has been estimated to be worth \$800,000 to \$1,200,000 if it were to be sold.

Additionally, Lane County owns a 160-acre property in the same general area, which is adjacent to additional undeveloped Bureau of Land Management property (immediately behind Fred Meyer). The City of Florence has been granted access to drill test water wells on this property. Due to the unique wetland, dune, and wildlife habitat resources, the Parks Division would recommend leveraging the adjacent BLM land and maintaining this property as a natural space, and will include this in the Parks Master Plan update. It would be Parks' intent to facilitate the development of trails and wildlife viewing areas in addition to working with the City of Florence.

Discussion of these properties has been brought to the Parks Advisory Committee. The PAC members indicated their desire to preserve natural spaces/parklands around Florence and were reluctant to support any sales without a policy and/or decision-making criteria. A short-

term policy and criteria will be brought to the PAC for discussion at their November meeting. A long-term policy and criteria will be incorporated into the Parks Master Plan update.

B. Analysis

The Parks Division has reviewed the current Capital Improvement Projects list, the Parks 2005 Plan Major Maintenance & Repair list, and the Parks Master Plan from 1980. As a frame of reference, the 2005 Plan was issued in 1999 and listed approximately \$2.1 million in needed major maintenance and repairs, most of which have not been accomplished due to lack of funding resources. An infusion of a relatively small amount of capital combined with SDC revenues and leveraging State grant resources will go a long way to restore the aging Parks infrastructure, balance the system/reduce dependence on Fern Ridge, plan for future growth, and increase Parks' capacity to support regional park needs for a growing population. Parks proposes the following high priority projects as alternatives for discussion relative to potential sale of any properties:

1) Armitage Park Campground Development

The proposal is to develop a 35 RV/tent site campground in the park and rebuild a bathroom/shower building for the campground area. Depending on the site master plan, which has been funded by a Local Opportunity Grant from Oregon State Parks, this may include relocating existing picnic sites to accommodate the campground layout. The initial estimate of the project cost is \$610,000. There may be an opportunity to leverage funds with State grants or explore development/donation possibilities with local RV manufacturers and other related businesses to lower total County cash contributions for the campground construction. Strategically, this takes some system dependence away from Fern Ridge water levels by creating a full-year campground on the McKenzie, similar to Harbor Vista.

2) Update the Lane County Parks Master Plan

The Parks Master Plan is an element of the Lane County Comprehensive Plan as mandated by ORS 197.175. The purpose of the plan is to project and plan for the parks and open space needs of Lane County. This includes acquisition and development, articulated needs and priorities, and a factual basis for making decisions. The current plan was put into use in January of 1981 and was designed to last through 1995 – it is badly outdated. Estimated cost for the planning process is \$100,000.

3) Establishment of a Parks Reinvestment Fund

The fund to be invested to generate grant-matching funds, to supplement SDC funds, to provide initial investment for revenue generating opportunities, and to support major infrastructure maintenance. Examples include:

- Camp Lane shelter and restroom construction and renovation
- Rebuild Richardson Boat Dock
- Develop trails and viewing facilities at Florence 160-acre site

Cost/Benefit Analysis for Armitage Campground

1) Armitage Park Campground Development

Projected Development Costs:

Initial estimate of project construction cost for 35 RV/tent sites, roads, and necessary infrastructure such as water, electric, septic system. **\$425,000**

Estimate for construction of restroom and shower facility. **\$185,000**

Total estimated campground development costs: \$610,000

Projected Annual Revenue:

35 sites @ \$20 per day use fee X 362 days available per year X the average occupancy rate 35% (from historical data on Harbor Vista and Richardson). **\$88,690**

Additional vehicle fees, dump station fees, shower fees, and reservation fees have historically been 8% of total use fees. **\$7,096**

Projected annual total revenue from fees: **\$95,786**

State Recreational Vehicle reimbursement. These additional 35 sites are estimated by Oregon State Parks staff to increase reimbursement fees for Lane County by \$13,804.

Total estimated annual revenues: \$109,590

Projected Annual Expenses:

Annual cost per RV/tent space (from PW cost accounting system historical data) \$970 - \$1,370. (Richardson campground costs are lower due to economy of scale for the larger campground and part-year usage – Harbor Vista costs are higher due to smaller size/economy of scale and full-year usage). It is likely that due to campground size and full-year usage, the Armitage campground costs would be closer to the Harbor Vista costs. Projected annual expenses (including maintenance, caretaker contract, overhead, etc.) for 35 spaces at Armitage. **\$33,950 - \$47,950**

Total estimated annual expenses: \$33,950 - \$47,950

Annual Net Revenue:

Estimated annual revenues:	\$109,590
Estimated Annual Expenses:	\$33,950 - \$47,950

Total estimated net revenue: \$61,640-\$75,640

Breakeven Analysis:

Using a nominal 5% interest rate for cost of capital calculations and an estimated total project cost of \$610,000, this project would break even on initial investment in 12 – 16 years. Other possible revenue sources, such as concessions would bring the break even time down to 10-14 years. State grants would potentially bring the break-even point for County-only investment dollars down to fewer than 10 years.

C. Alternatives and Options

Presented options are at least the following with regard to this matter:

1. Support the Parks Division to solicit offers for the sale of the 40-acre property known as Oceanwoods.
2. Support development of the 160-acre property for joint County/City of Florence water use and future natural space/park development.
3. Do not support one or both of these concepts.
4. Direct staff to provide additional information for consideration at a future date.

D. Recommendation

Staff recommends Options 1 & 2. The Parks Advisory Committee (PAC), at their October 13 regular meeting, indicated their discomfort with selling properties without having a policy in place and decision-making criteria to support such choices; a further indicator of the need for updating the Parks Master Plan. Staff will return to the PAC in November with a short-term policy and criteria for use until the Parks Master Plan can be updated. The PAC did indicate that if the BCC should support selling the Oceanwoods property that all proceeds should be used for Park purposes.

E. Timing

As directed , the Parks Division would present an Agenda item to the Board for action.

III. IMPLEMENTATION/FOLLOWUP

Depends on direction.

IV. ATTACHMENTS

Attachment A – Quitclaim Deed



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06/10/2003 01:34:40 PM

RPR-DEEDCO Cnt=1 Stn=8 CASHIER 01
\$10.00

After Recording Return to, and
Send Tax Statements to:
Lane County Public Works
Right of Way Management Section
3040 N. Delta Highway
Eugene, Oregon 97408

QUITCLAIM DEED

STATE OF OREGON, by and through its State Parks and Recreation Department, hereinafter called **GRANTOR**, for the true and actual consideration of 0 dollars, does hereby release and quitclaim to **LANE COUNTY**, a political subdivision of the State of Oregon, hereinafter called **GRANTEE**, any and all restrictions set forth in the Relinquishment of Title in that real property situated in Lane County, State of Oregon, described as follows:

All of that parcel of land conveyed to Lane County by that certain deed recorded October 3 1963, on Reel 228, Recorder's Reception Number 27820, LANE COUNTY OREGON DEED RECORDS, described as follows:

The SE ¼ NW ¼ Section 10, Township 18 South, Range 12 West, W.M., Lane County, Oregon, containing 40 acres.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING INTEREST TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES, AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN O.R.S. 30.930.

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