

HOUSE COMMITTEE ON ENVIRONMENT AND ENERGY

SUBCOMMITTEE ON PARKS

March 14, 1997 Hearing Room E

1:00 P.M. Tapes 11 - 12

MEMBERS PRESENT:

Rep. Mark Simmons, Chair

Rep. Michael Fahey, Vice-Chair

Rep. Mike Lehman

Rep. Leslie Lewis

Rep. Jim Welsh

STAFF PRESENT:

Pat Zwick, Policy Analyst

Marjorie Taylor, Administrative Support

MEASURE/ISSUES HEARD:

HB 2378 Work Session

Informational Meeting on "A Proposal for the Establishment of a State Park Authority"

HB 2772 Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

Tape/#	Speaker	Comments
TAPE 11, A		
004	Chair Simmons	Calls the meeting to order at 1:14 p.m. and opens the work session on HB 2378.
<u>HB 2378 WORK SESSION</u>		
009	Chair Simmons	-2 amendments to HB 2378 are available and suggests one amendment to the -2 amendments. In line 7 "shall" should read "may."
		State Representative, asks for Parks Director, Bob Meinen to

014	Rep. Thompson	join in the discussion. Explains that -1 and proposed amendments from the Parks Department were used to create the -2 amendments (EXHIBIT A).
020	Bob Meinen	Director, Oregon Parks and Recreation Department. Agrees with and supports the proposed language change of "shall" to "may."
032	Rep. Thompson	Verifies the change in line 5 "shall" to "may", line 7 "shall" to "may", and line 10 "shall" to "may." The line 19 "shall" should stay as is.
039	Chair Simmons	Indicates that keeping "shall" in line 5 would maintain the intent of the bill.
048	Rep. Thompson	There is no problem with keeping "shall" in line 5.
052	Rep. Lewis	Asks for a verification of where "shall" will become "may"
054	Meinen	Line 5 remains "shall", line 7 "shall" becomes "may", line 10 "shall" becomes "may."
060	Rep. Lewis	MOTION: Moves to FURTHER AMEND the HB 2378-2 amendments dated 3/12/97 by changing "shall" to "may" on page 1, line 7 and line 10.
067	Chair Simmons	Hearing no objection, HB 2378-2 amendment is conceptually amended.
069	Rep. Lewis	MOTION: Moves to ADOPT HB 2378-2 amendments as conceptually amended.
075	Chair Simmons	Hearing no objection, declares the motion CARRIED.
081	Rep. Lewis	MOTION: Moves HB 2378 to the full committee with a DO PASS AS AMENDED recommendation.
083	Pat Zwick	Asks if the amended HB 2378 should have a fiscal before it reaches the full committee.
085	Rep. Lewis	Will accept fiscal statement in the full committee.
		VOTE: 5-0 AYE: In a roll call vote, all members present vote Aye.
088	Chair Simmons	The motion CARRIES.
096	Chair Simmons	Closes the work session on HB 2378 and opens the informational meeting on "Perfecting the Best of Oregon: A Proposal for the Establishment of a State Park Authority."
<u>INFORMATIONAL MEETING ON "A PROPOSAL FOR THE ESTABLISHMENT OF A STATE PARK</u>		

AUTHORITY"		
103	Philip Montgomery	Author of the proposal, explains that the project was completed three years ago. Agrees that much has happened to State Parks since project completion. The Parks Department manages a great resource and they are very underfunded, so they should be able to leverage their assets to take care of the costs of operation. Concludes that the current funding method will not take care of the park needs. Suggests that the Parks be an independent authority so that they could privatize parks, take private donations, increase revenue with higher user fees, and solicit corporate sponsorships (EXHIBIT B) .
159	Montgomery	Explains that other states are privatizing parts of their parks systems. States that Ohio rents camping gear and other materials to users which has helped to increase park revenues by 75%. Texas has a mail order merchandise catalog which is also generating revenue. In New York, Coca-Cola gave \$2 million to the Parks Department to become the official soft drink of the system. Saturn car dealerships donated \$250,000 to the New York system for the purpose of building playground equipment. Across the nation, more concessionaires are being used to provide services. Explains that corporate sponsorships of parks are not widely accepted. User fees have been raised in various state and national parks to pay for specific improvements. Explains that revenues need to be associated with benefits for the parks. Users want to know what they are paying for. Suggests having surcharges on top of user fees for specific projects.
230	Chair Simmons	Expresses appreciation for Mr. Montgomery's work on the proposal.
238	Rep. Fahey	Asks how the smaller, marginal parks can be turned over to private enterprise so they can make a profit.
242	Montgomery	Agrees that there are many state parks that are not commercially viable to stand alone. At that point the privatization needs to be considered statewide. Indicates that some parks would have a charge and others would not.
256	Rep. Fahey	Asks if the parks would be given to one company or many.
258	Montgomery	The parks should be privatized by one company.
267	Rep. Fahey	Asks who would be making the decisions on how to maintain the parks even if some are not making money.
272	Montgomery	That point was not addressed specifically, but agrees that it's hard for a corporation to find incentive to support a project that is not making money.

278	Chair Simmons	Asks how extensive the rental program in Ohio is.
282	Montgomery	Does not have information about the program.
284	Chair Simmons	Asks if the Coca-Cola donation in New York is annual.
287	Montgomery	Does not know, but suspects that it is a common contractual donation.
294	Chair Simmons	Asks about concessionaires running campground operations.
300	Montgomery	Explains that there is a park near Eugene which was a county park that was turned over to a private operation. Explains that the Forest Service has a similar program with trash and fee collection which is cared for by private enterprise.
318	Rep. Fahey	Asks how a private company would take on the liability in parks.
324	Montgomery	The proposal was not for parks to be completely independent. The state would still be responsible for some of the oversight including liability.
341	Rep. Fahey	Asks where the cost savings will be if state employees are being kept.
351	Montgomery	The proposal does not focus on cost savings, but revenue enhancement.
366	Chair Simmons	Asks if any states are encouraging the private development of state parks.
385	Montgomery	No.
389	Rep. Lehman	Asks what the mission of a state park should be.
393	Montgomery	The mission should be to provide recreational opportunities for the public, and maintain lands held by the public.
TAPE 12, A		
011	Rep. Lehman	Asks if an appropriate goal of the state parks mission is to have the greatest public access for the lowest cost possible.
015	Montgomery	No, the user fees need to be maximized. The state has underpriced their parks for the opportunities that they provide.
022	Rep. Lehman	Verifies that the suggestion is only people that can afford to use the parks will, and those that can't afford the fee, won't.
		Agrees that is the first reaction, but it shouldn't be that way. People can budget the cost for their recreation. Opportunities to reduce the costs of camping have been proposed, such as

024	Montgomery	working several hours at a park to pay for the fee, and corporate sponsorship for camping. Explains that people using the parks now are of high socio-economic groups.
046	Rep. Lehman	Asks if lower income people are currently not using the parks because of the high fees.
047	Montgomery	Agrees that is possible.
048	Rep. Lehman	Asks about his familiarity with the Coos Bay parks system.
049	Montgomery	Has no familiarity.
050	Rep. Lehman	Speaks of Sunset Bay State Park. Asks how a day use fee can be attached to this specific park.
055	Montgomery	Explains that people are open to charges such as day use fees when they can see what their money is being used for. Provides an example of the snow-park system on Mt. Hood.
066	Rep. Lehman	Asks if there have been impact studies related to a proposed 50% increase in usage.
069	Montgomery	No, but because of recent fee increases, usage has gone down.
078	Rep. Fahey	Asks if the decrease in users equals the fee increase.
082	Montgomery	Explains that during the prime season, locations are sold out in advance, indicating that there are more users than spaces available.
088	Rep. Welsh	Expresses interest in the merchandising of the state parks. Suggests that it could add revenue since everyone is willing to wear logos.
101	Montgomery	Explains that people are accustomed to advertising. States that approximately \$400 million per year is spent within 25 miles of parks, so businesses would like the opportunity to advertise in or near parks.
123	Vice-Chair Fahey	Closes the informational meeting and opens the public hearing on HB 2772.
<u>HB 2772 PUBLIC HEARING</u>		
143	Todd Davidson	Director, Oregon Tourism Commission. Expresses concern for State Parks and indicates that tourism is a \$4.5 billion industry. Appreciates the idea behind HB 2772, but it would be bad for the state's image. Past experience shows that an increase in fees for out-of-state users causes a decrease in the usage. Explains that parks users stay longer and include more people per party than those in conventional hotels and motels. States that Oregonians don't pay higher fees in other state parks, but they do have to pay the state sales tax

		(EXHIBIT C).
191	Vice-Chair Fahey	Asks if the tourism industry has thought of subsidizing parks.
194	Davidson	The tourism budget is for marketing and it is one of the lowest in the nation. The suggestion is worthy of discussion with private industry.
202	Vice-Chair Fahey	Asks if there is a relation between a small marketing budget and the number of visitors.
204	Davidson	Explains that the advertising budget returns \$25 for every dollar spent, and the welcome center programs return \$41 for every dollar spent. The focus is on economic impact not number of visitors.
218	Bob Meinen	Director, Oregon Parks and Recreation Department. Provides a packet of information, that Nan Evans wrote, about what impact privatization would have on the State Parks (EXHIBIT D).
263	Rep. Welsh	Asks to review the packet at a later date.
271	Meinen	Expresses the hope that the committee take into consideration eleven years historical information related to HB 2772. Differential charges were implemented by the legislature in 1977 and removed in 1987. Explains a chart of site rentals related to the differential charges. Believes that if differential charges are applied, history will repeat itself (EXHIBIT E).
344	Meinen	Provides a comparison of site price differences in eleven states. The chart implies that other states have funding sources other than fees. Explains that the profits from camping sites are reinvested into other free sites such as beach access points (EXHIBIT F).
TAPE 11, B		
005	Meinen	Explains that the general fund money is not used for keeping campgrounds open, but is applied to the Historic Preservation office, planning, general administrative costs, and statewide general trust issues imposed by the legislature. States that non-residents take offense to additional charges. During the time of differential fees, approximately \$300,000 per year in lost staff time was used to handle complaints and letters. Explains that a 50% reduction of out-of-state visitors is not unrealistic if HB 2772 is passed.
047	Meinen	The reduction of out-of-state visitors won't impact the entire state, but some regions would feel an economic impact. Provides several examples of possible impacts in Brookings and Huntington. States that if HB 2772 is passed it would have an affect on Oregon and the Parks and Recreation Department.

087	Gerald George	Gresham resident, expresses support for HB 2772. Explains that there should be a "blanket fee" for the parks since all citizens need to be responsible for the parks system. RVers shouldn't pay for 26% of the parks costs without everyone paying a portion. Suggests a surcharge for state parks on the driver's license or an excise tax on recreational equipment.
123	Vice-Chair Fahey	Closes the public hearing on 2772 and adjourns the meeting at 2:16 p.m.

Submitted By, Reviewed By,

Marjorie Taylor, Pat Zwick,

Administrative Support Policy Analyst

EXHIBIT SUMMARY

A - HB 2378, -2 Amendments, Rep. Thompson, 1 p.

B - State Park Authority, Written materials, Philip R. Montgomery, 13 pp.

C - HB 2772, Written testimony, Todd Davidson, 2 pp.

D - HB 2772, Written report, Bob Meinen, 46 pp.

E - HB 2772, Written testimony, Bob Meinen, 7 pp.

F - HB 2772, Written materials, Bob Meinen, 1 p.