

**NOTICE OF PUBLIC MEETING OF THE
ARIZONA STATE PARKS BOARD**

Notice is hereby given to Members of the Arizona State Parks Board (Board) and the general public that there will be a General Parks Board meeting, to begin on **WEDNESDAY, September 15, 2010 at 9:00 AM** pursuant to A.R.S. § 38-431.02 and A.R.S. § 41-511.01 *et. seq.* at the **Hearing Room at the Department of Liquor Licenses and Control** located at **800 W. Washington Room 515, Phoenix, AZ**. The public portion of the meeting will begin at **10:00 A.M. (time certain)**.

The Board may elect to hold an Executive Session for any agenda item at any time during the meeting to discuss or consult with its legal counsel for legal advice on matters listed on this agenda pursuant to A.R.S. §38-431.03 (A) (3). Items on the Agenda may be discussed out of order, unless they have been specifically noted to be set for a time certain. Public comment will be taken. The Board will discuss and may take action on the following matters.

AGENDA

(Agenda items may be taken in any order unless set for a time certain)

- A. **CALL TO ORDER FOR EXECUTIVE SESSION - ROLL CALL - Time Certain: 9:00 A.M.**
- B. **EXECUTIVE SESSION** - Upon a public majority vote, the Board may hold an Executive Session that is not open to the public for the following purposes:
 - 1. **To discuss or consult with its legal counsel for legal advice on matters listed on this agenda pursuant to A.R.S. §38-431.03(A)(3).**
 - a. **Legal advice regarding the creation and composition of special taxing districts.**
- C. **CALL TO ORDER - ROLL CALL – Time Certain: 10:00 A.M.**
- D. **INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF**
 - 1. **Board Statement** - “As Board members we are gathered today to be the stewards and voice of Arizona State Parks and its Mission Statement to manage and conserve Arizona’s natural, cultural, and recreational resources for the benefit of the people, both in our parks and through our partners.”
- E. **CALL TO THE PUBLIC** – Those wishing to address the Board must register at the door and be recognized by the Chair. It is probable that each presentation will be limited to one person per organization. Action taken as a result of public comment will be limited to directing staff to study or reschedule the matter for further consideration at a later time.
- F. **CONSENT AGENDA** – The following items of a non-controversial nature have been grouped together for a single vote without Board discussion. The Consent Agenda is a timesaving device and Board members received documentation regarding these items prior to the open meeting. Any Board member may remove any item from the Consent Agenda for discussion and a separate vote at this meeting, as deemed necessary. The public may view the documentation relating

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to the Consent Agenda at the Board's office: 1300 W. Washington, Suite 104, Phoenix, Arizona.

1. Approve Minutes of June 15, 2010 Arizona State Parks Board Meeting
2. Approve Minutes of June 16, 2010 Arizona State Parks Board Meeting
3. Approve Minutes of July 30, 2010 Arizona State Parks Board Meeting

G. BOARD ACTION ITEMS

- 5 1. **Consider Funding FY 2010 Growing Smarter State Trust Land Acquisition Fund Grant Applications** – Staff recommends awarding: Up to \$20,000,000 to the City of Phoenix for the purchase of 1,138(+/-) acres of the Phoenix Sonoran Preserve – Priority 2D and 3A; Up to \$25,000,000 to the City of Scottsdale for the purchase of 2,000 acres of the McDowell Sonoran Preserve; Up to \$7,000,000 to Coconino County for the purchase of 2,249 acres of Rogers Lake.
- 7 2. **Consider Funding Non-Motorized Trail Projects with Recreational Trails Program Funds** – Staff recommends awarding \$361,118 to five projects on the summary list (Attachment A).
- 9 3. **Consider Approval of the Law Enforcement Boating Safety Fund (LEBSF) Allocation Percentage Changes Based on 2009 Arizona Watercraft Survey** – Staff recommends that the Arizona State Parks Board approve the allocation to Mohave County in the amount of \$295,500 and La Paz County in the amount of \$204,500 from the LEBSF for FY 2011.
- 12 4. **Consider Endorsing an Agreement with the Hopi Tribe for the operation of Homolovi Ruins State Park** - Staff recommends that the Arizona State Parks Board endorse the major components of the agreement with the Hopi Tribe for the reopening and operation of Homolovi Ruins State Park.
- 13 5. **Consider Endorsing an Agreement with the Town Star Valley for the Operation of Tonto Natural Bridge State Park** – Staff recommends that the Arizona State Parks Board endorse the major components of the agreement with the Town of Star Valley for the operation of Tonto Natural Bridge State Park.
- 16 6. **Consider Endorsing an Extension to the Agreement with the Town of Payson for the Operation of Tonto Natural Bridge State Park** – Staff recommends that the Arizona State Parks Board endorse the major components of the extension to the agreement with the Town of Payson for the operation of Tonto Natural Bridge State Park.
- 19 7. **Consider Approving Proposed Adjustments to Kartchner Caverns State Park User Fees** - Staff recommends the Arizona State Parks Board increase Kartchner Caverns State Park fees for the Rotunda Throne Room Tour to \$12.95 for ages 7-13 and \$22.95 for Adults age 14 and up. Fees will be effective on December 1, 2010 for all reservations made on or after that date. Any reservations made prior to December 1, 2010 at the previous rate will be honored.
- 25 8. **Consider Issuing a Request for Proposal for the Operation of Lyman Lake State Park** - Staff recommends the Arizona State Parks Board authorize the Executive Director to prepare and issue a Request for Proposal (RFP) for the

operation of Lyman Lake State Park. Staff will provide a recommendation for contract award to the Parks Board for approval.

- 29
9. **Consider Retroactive Approval of Revised FY 2011, FY 2012, and FY 2013 Strategic Plan to the Governor's Office of Strategic Planning and Budgeting (OSPB)** – Staff recommends that the Arizona State Parks Board approve the three-year Strategic Plan for FY 2011, FY 2012 and FY 2013 and the Executive Director be authorized to carry out the programs as required.

H. **DIRECTOR'S SUMMARY OF CURRENT EVENTS** – The Executive Director may update the Arizona State Parks Board on special events and accolades.

I. **DISCUSSION ITEMS**

1. **Legislative Update including but not limited to Proposed Legislation**
2. **Status of Legal Challenges to Legislative Budget Actions**
3. **Update on Revenue Forecast by Major Fund and Park Visitation**
- 41 4. **State Parks Operations Status Update**
5. **Update on State Park Construction Projects**
6. **Presentation by Bureau of Land Management (BLM) on Property Restrictions and Partnership Opportunities. Time Certain: 11:30 A.M.**
- 43 7. **Update on Lake Havasu State Park, Operations, Capital Development and Property Restrictions**
- 52 8. **Status Update on Request for Proposal for Concession Services at Dead Horse Ranch State Park**
- 53 9. **Update on Release of Request for Proposal for the Operation of Oracle State Park**
- 57 10. **Sustainable Funding Strategies**
- 58 11. **Draft Agency Strategic Plan**

J. **TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS**

1. Staff recommends that the next Arizona State Parks Board Meeting be on Wednesday, October 20, 2010 at Picacho Peak State Park.
2. Board members may wish to discuss issues of interest to Arizona State Parks and request staff to place specific items on future Board meeting agendas.

K. **ADJOURNMENT**

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Nicole Armstrong-Best, (602) 542-7152; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

Renée E. Bahl 3 Sept 2010

Renée E. Bahl, Executive Director

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**CONSIDER FUNDING FY 2010 GROWING SMARTER STATE
TRUST LAND ACQUISITION FUND GRANT APPLICATIONS**

Background

At its August 11, 2010 meeting, the Conservation Acquisition Board (CAB) reviewed three (3) applications eligible to receive a FY 2010 Growing Smarter State Trust Land Acquisition grant from the Land Conservation Fund. The Land Conservation Fund (A.R.S.§41-511.23) revenue comes from an annual General Fund appropriation of \$20 million through fiscal year 2011. The purpose of the grant program is to provide funding for the purchase or lease of State Trust land that has been classified as suitable for conservation purposes by the Arizona State Land Department (ASLD).

In May 2003, the Governor signed a bill directing \$2 million of the annual revenues be transferred to the Department of Agriculture and the Livestock and Crop Conservation Fund. This leaves \$18 million annually under this grant program.

Current Status

Staff received the following three applications for the FY 2010 Growing Smarter State Trust Land Acquisition Grant Program by the June 30, 2010 deadline. The rating team scored the applications per the approved Growing Smarter State Trust Land Acquisition Grant Manual. Below is a summary list of applications indicating the rating scores and funding requests, along with the funding recommendation for each project.

<u>Applicant</u>	<u>Acres</u>	<u>Parcel Name</u>	<u>Acquisition Type</u>	<u>County</u>	<u>Rating Score (out of 50)</u>
City of Phoenix	1,138	Phoenix Sonoran Preserve Priority 2D & 3A	Purchase	Maricopa	43
Coconino County	2,249	Rogers Lake	Purchase	Coconino	46
City of Scottsdale	2,000	McDowell Sonoran Preserve	Purchase	Maricopa	41

A total of \$122,901,933 is available for the FY 2010 Growing Smarter grants. A.R.S. §41-511.23.H.2 states that no more than 50% of the Land Conservation Fund from any one fiscal year may be awarded to projects in a single county. This means that no more than \$61,450,966 can be awarded in any single county (50% of the *total* amount available in FY 2011). None of the grant applications in one county exceeds this amount.

Staff Recommendation

Staff recommends awarding:

- Up to \$20,000,000 to the City of Phoenix for the purchase of 1,138(+/-) acres of the Phoenix Sonoran Preserve – Priority 2D and 3A
- Up to \$25,000,000 to the City of Scottsdale for the purchase of 2,000 acres of the McDowell Sonoran Preserve
- Up to \$7,000,000 to Coconino County for the purchase of 2,249 acres of Rogers Lake

This recommendation is conditioned upon the appraisals or minimum auction bid and parcel sizes being approved by the State Land Commissioner, and the applicants are the highest and best bidders at public auction.

The CAB unanimously concurred with staff recommendation (the amount for Coconino County has been reduced to be consistent with the Land Department’s decision to reduce the minimum auction bid).

The recommended funding is as follows:

Total available revenue for grants	\$ 122,901,933
Total recommended awards	<u>\$ 52,000,000</u>
Remaining uncommitted balance	\$ 70,901,933

Recommended Board Action

I move the Arizona State Parks Board approve funding for the following three projects:

- Up to \$20,000,000 to the City of Phoenix for the purchase of 1,138(+/-) acres of the Phoenix Sonoran Preserve – Priority 2D and 3A
- Up to \$25,000,000 to the City of Scottsdale for the purchase of 2,000 acres of the McDowell Sonoran Preserve
- Up to \$7,000,000 to Coconino County for the purchase of 2,249 acres of Rogers Lake

The final grant amounts will be based on the Arizona State Land Department (ASLD) final appraisal value or minimum auction bid of the parcels, agreed upon by the applicants, plus no more than 10% for eligible associated costs. If the auction takes place after October 26, 2010 the grant shall be awarded only if, after the November 2, 2010 election, money remains in the Land Conservation fund sufficient to pay the grant award. I further move the Executive Director or designee be authorized to execute the participant agreements.

**CONSIDER FUNDING NON-MOTORIZED TRAIL PROJECTS
WITH FEDERAL RECREATIONAL TRAILS PROGRAM FUNDS**

Background

The Recreational Trails Program (RTP) provides funds to the States to develop and maintain recreational trails and trail-related facilities for both non-motorized and motorized recreational trail uses. Federal funding was extended through federal fiscal year 2010 at 2009 levels by a continuing resolution. A condition to receive the funds is that Arizona must at least annually convene a State Recreational Trails Advisory Committee (SRTAC) consisting of members with both motorized and non-motorized interests. State Parks accomplishes this by holding a joint meeting with the Arizona State Committee On Trails (ASCOT) and the Off-Highway Vehicle Advisory Group (OHVAG). The group met on May 21, 2010 to discuss the programs and uses of RTP money.

Since 2001 the non-motorized portion of this fund has been used to fund the State Parks RTP Trail Maintenance Program. State Parks allocates funds to projects sponsors in a lottery process, then pays trail maintenance crews on state contract directly to do the work.

Current Status

At this year's SRTAC meeting the committee discussed the non-motorized trail projects that were left uncompleted when the Trails Heritage Fund grants were cancelled. It recommended that State Parks staff contact the project sponsors of the incomplete projects to see if they could complete their projects using RTP funds in the amount of the unexpended balance remaining on each Heritage Fund project. Seven projects were eligible for the funds. The project sponsors for five of those projects have requested RTP funds to complete their projects. (See Attachment A)

A total of \$1,280,591 is available from the non-motorized portion of RTP allocations through 2010. Funds not awarded to the trail projects will be used to fund the next cycle of trail maintenance projects.

On July 27, 2010, Arizona Outdoor Recreation Coordinating Commission (AORCC) unanimously concurred with the staff recommendation.

Staff Recommendation

Staff recommends awarding \$361,118 to five projects on the attached summary list (Attachment A). The recommended funding is as follows:

Total available revenue	\$	1,280,591
Total recommended awards	\$	(361,118)
Uncommitted balance	\$	919,473

Recommended Board Action

I move the Arizona State Parks Board approve that the five eligible projects on Attachment B that have requested RTP funding be awarded the amounts they requested totaling \$361,118, and that the Executive Director or designee be authorized to execute the participant agreements.

Attachment A

ELIGIBLE PROJECT SPONSOR	PROJ #	PROJECT NAME	COMP %	GRANT AMOUNT	AMOUNT EXPENDED	UNEXPENDED BALANCE OR REQUESTED RTP AMOUNT
Coconino NF *	680304	West Fork/Bell Rock Trails Interp/Ren	52	\$16,920	\$7,921	\$8,999
Coconino NF *	680401	Jim Thompson Trailhead Renovation	85	\$75,657	\$69,964	\$5,500
Flagstaff *	680507	FUTS Trail System Signage, Phase I	40	\$140,148	\$18,457	\$121,691
BLM- Hassayampa Field Office *	680609	Black Canyon Trail Phase III Development	25	\$118,842	\$0	\$118,842
Prescott NF	680701	Aspen Creek Trailhead/Trail Ext Dev	80	\$11,715	\$2,672	\$9,043
Flagstaff *	680704	FUTS: System Signage, Phase II Dev	40	\$106,086	\$0	\$106,086
Avondale	680706	Agua Fria River Corridor Signage Dev	30	\$85,000	\$0	\$85,000
* INDICATES PROJECT SPONSOR REQUESTING RTP FUNDS				TOTAL RTP FUNDS REQUESTED		\$361,118

**CONSIDER APPROVAL OF THE LAW ENFORCEMENT AND
BOATING SAFETY FUND (LEBSF) ALLOCATION PERCENTAGE
CHANGES BASED ON 2009 ARIZONA WATERCRAFT SURVEY**

Background

The Arizona State Legislature established the Law Enforcement Boating Safety Fund (LEBSF) in 1981 to provide grants to County Boards of Supervisors for the purpose of supporting boating law enforcement and safety activities. LEBSF revenues are derived from a portion of watercraft license taxes paid by boaters at the time boats are registered.

A.R.S. §5-383 requires the Arizona State Parks Board to administer the LEBSF and establish and adopt procedures for the allocation of the monies. The allocation percentage for each eligible county is based on personnel needs and boat-use days data from the most recent Arizona Watercraft Survey (Survey). The Survey is commissioned every three years.

Current Status

The most recent Survey was completed in September 2009 and eligible counties were asked to provide: (1) the number of water safety law enforcement officers employed on January 1, 2010, and (2) the mid-range salary plus employee related expenses for the officers. These figures and the number of boat-use days data from the Survey were used in the Board approved formula to calculate the allocation percentage for each county (see attached table). Historically, these percentages would be used to determine the distribution of funds for FYs 2011, 2012, and 2013. However, Chapter 1 of the 49th Legislature's 7th Special Session allows the Parks Board to use monies in the LEBSF accumulated in FY 2010 for the operation of state parks, and Chapter 7 of the 49th Legislature's 7th Special Session appropriated all funds above \$500,000 for FY 2011 State Parks agency operations, and limits distribution of the remaining \$500,000 to only La Paz and Mohave counties. The allocations percentages for these two counties will be used to distribute the \$500,000.

On July 27, 2010, the Arizona Outdoor Recreation Coordination Commission (AORCC) unanimously concurred in the staff recommendation.

Staff Recommendation

Staff recommends that the Arizona State Parks Board approve the allocation to Mohave County in the amount of \$314,200 and La Paz County in the amount of \$185,800 from the LEBSF for FY 2011.

Recommended Board Action

I move the Arizona State Parks Board approve the allocation to Mohave County in the amount of \$314,200 and La Paz County in the amount of \$185,800 from the LEBSF for FY 2011.

Historic Formulations of LEBSF based on 2009 Watercraft Survey

A	B	C	D	E	F	G	H	I
		(A x B)	(C/Total of C)	(D x .80)	(E x Total of C)		(G x .20)	(E+H)
County	New Mid-Range Salary	Personnel Costs	Percent of Total Personnel Costs	80.000%	Amount of Personnel Costs Paid	Percent Boat Use Days / Participating Counties		Percent Allocation
Apache	\$71,658.00	\$71,658.00	3.558%	2.847%	\$57,326.40	0.69%	0.138%	2.985%
Coconino	\$69,371.00	\$208,113.00	10.334%	8.267%	\$166,490.40	11.45%	2.290%	10.557%
Gila	\$77,800.00	\$233,400.00	11.590%	9.272%	\$186,720.00	5.40%	1.080%	10.352%
La Paz	\$70,115.00	\$350,575.00	17.408%	13.926%	\$280,460.00	19.73%	3.946%	17.872%
Maricopa	\$88,784.00	\$355,136.00	17.634%	14.107%	\$284,108.80	12.36%	2.472%	16.579%
Mohave	\$87,343.00	\$524,058.00	26.022%	20.818%	\$419,246.40	47.03%	9.406%	30.224%
Navajo	\$65,304.00	\$65,304.00	3.243%	2.594%	\$52,243.20	1.06%	0.212%	2.806%
Yuma	\$68,549.00	\$205,647.00	10.211%	8.169%	\$164,517.60	2.28%	0.456%	8.625%
Total	\$598,924.00	\$2,013,891.00	100.000%	80.000%	\$1,611,112.80	100.00%	20.000%	100.000%

County	Boat Use Days from 2009 Survey	Percent Boat Use Days / Participating Counties
Apache	22,392	0.69%
Coconino	371,676	11.45%
Gila	175,498	5.40%
La Paz	640,550	19.73%
Maricopa	401,409	12.36%
Mohave	1,527,284	47.03%
Navajo	34,284	1.06%
Yuma	74,171	2.28%
Total	3,247,264	100.00%

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**LAW ENFORCEMENT AND BOATING SAFETY FUND (LEBSF) ALLOCATION
FY 2011**

County	Percent Allocation per 2009 Watercraft Survey	Percent relative to Total for 2 Counties	Percent X \$500,000 = Allocation
La Paz	17.872%	17.872/48.096 = 37.16%	\$185,800
Mohave	30.224%	30.224/48.096 = 62.84%	\$314,200

**CONSIDER ENDORSING AN AGREEMENT WITH THE HOPI TRIBE
FOR THE OPERATION OF HOMOLOVI RUINS STATE PARK**

Background

Homolovi Ruins State Park (Park) is operated by the Arizona State Parks Board (Board). The Park closed due to budgetary constraints in February 2010 and remains closed.

The Hopi Tribe (Tribe) approached the Board with a proposal to help operate the park in response to FY 2010 budget reductions. The Tribe's offer is to enter into an agreement to contribute funds to support the operation and maintenance of the Park.

Current Status

The Board and the Tribe recognize the importance of keeping the Park open to the public, and further recognize that the current budget constraints affecting the State make it difficult for the Board to commit adequate funds to operate the Park. Through this agreement, the Tribe will provide funding to reopen and operate the park upon execution of the agreement. This agreement would reopen Homolovi Ruins State Park to the public.

With the new fee schedule and an agreement with the City of Winslow to provide water to the park at a reduced rate, staff estimates costs will exceed revenues by \$175,000 during a 12-month period. If net costs are higher, the Board bears the risk and must fund the difference.

The Hopi Tribal Council is expected to consider this agreement prior to the September 15, 2010 Parks Board meeting. The Council must take action in order to implement the agreement.

Through a Board Action on September 11, 2009, the Executive Director is authorized to enter into, amend, and withdraw from operating agreements in order to offset, reduce cost or enhance revenues. On March 17, 2010, the Executive Director was authorized to enter into agreements for the sole purpose of keeping parks open.

Major Components of the Agreement:

- Homolovi Ruins State Historic Park will reopen and be operated by Arizona State Parks for 12 months upon execution for the agreement.
- Initial term of agreement is for one year beginning with the option to renew for two additional one-year periods.
- The Tribe will provide the Board with \$175,000 to subsidize the operation and maintenance of the Park.
- Operations staff will meet with the Tribe quarterly to review the operation of the Park and receive comments and suggestions on park operation.
- The Board will retain all Park fees.

Staff Recommendation

Staff recommends that the Arizona State Parks Board endorse the major components of the agreement with the Hopi Tribe for the reopening and operation of Homolovi Ruins State Park.

Recommended Board Action

I move that the Arizona State Parks Board endorse the major components of the agreement with the Hopi Tribe for the reopening and operation of Homolovi Ruins State Park.

**CONSIDER ENDORSING AN AGREEMENT WITH THE TOWN OF STAR VALLEY
FOR THE OPERATION OF TONTO NATURAL BRIDGE STATE PARK**

Background

Tonto Natural Bridge State Park (Park) is owned and operated by the Arizona State Parks Board (Board). The Park was scheduled to close on September 27, 2010 at 5:00 p.m. MST. On August 5, 2010 the Executive Director notified the Board (attached letter) "I am not exercising my authority to close Tonto Natural Bridge State Park on September 27, 2010, and instead am negotiating agreements with the Town of Payson (Payson), Town of Star Valley (Star Valley) and The Friends of Tonto Natural Bridge State Park (Friends) to provide funding for the Park's operational loss."

Star Valley approached the Board with a proposal to help operate the park in response to FY 2010 budget reductions. Star Valley's offer was to enter into an agreement to contribute funding to support the operation and maintenance of the Park.

Current Status

The Board and Star Valley recognize the importance of keeping the Park open to the public, and further recognize that the current budget constraints affecting the State make it difficult for the Board to commit adequate funds to operate the Park. Through this agreement, Star Valley would pay a portion of the anticipated operational loss of the park for one year. Staff is working on agreements with the Payson and the Friends for contributions that would cover the remainder of net cost of park operations. This agreement helps keeps Tonto Natural Bridge State Park open to the public.

With the new fee schedule, staff estimates costs will exceed revenues by \$35,000 during a 12-month period. If net costs are higher, the Board bears the risk and must fund the difference.

Star Valley approved negotiating an agreement with the Board at its July 6, 2010 Town Council meeting, which includes contributing \$5,000 to subsidize the Park operation.

Through a Board Action on September 11, 2009, the Executive Director is authorized to enter into, amend, and withdraw from operating agreements in order to offset, reduce cost or enhance revenues. On March 17, 2010, the Executive Director was further delegated the authority to enter into leases and/or other contracts for the sole purpose of keeping parks open.

Major Components of the Agreement:

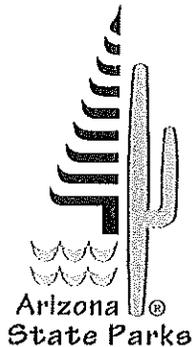
- Tonto Natural Bridge State Park will continue to be operated by Arizona State Parks, five days per week for 12-months.
- Star Valley will provide the Board with \$5,000 to subsidize the operation and maintenance of the Park.
- Star Valley will work to provide volunteers to help staff the Park.
- The Board will provide training for Park volunteers.
- The Board will retain all Park fees.

Staff Recommendation

Staff recommends that the Arizona State Parks Board endorse the major components of the agreement with the Town of Star Valley for the operation of Tonto Natural Bridge State Park.

Recommended Board Action

I move that the Arizona State Parks Board endorse the major components of the agreement with the Town of Star Valley for the operation of Tonto Natural Bridge State Park.



August 5, 2010

Reese Woodling, Chair
Arizona State Parks Board
1300 W. Washington St.
Phoenix, AZ 85007

RE: Tonto Natural Bridge State Park

Dear Chairman Woodling:

On March 17, 2010, the Parks Board authorized the Executive Director to keep Tonto Natural Bridge State Park until September 27, 2010 at 5 p.m. MST due to lack of adequate operational funding. Further, on March 17, 2010, the Parks Board delegated authority to the Executive Director to enter into any agreements or contracts for the sole purpose of keeping parks open.

As Executive Director, I am not exercising my authority to close Tonto Natural Bridge State Park on September 27, 2010, and instead am negotiating financial agreements with the Town of Payson, the Town of Star Valley and the Friends of Tonto Natural Bridge State Park to provide funding for the Park's operational loss. This will result in keeping Tonto Natural Bridge open for an additional 12 months. The park will continue to operate 5 days per week and will be operated by Arizona State Parks staff.

Staff will update the Parks Board at its next regularly scheduled meeting on the main components of the agreements, but will proceed now with the implementation.

Please contact me if you have any questions.

Sincerely,

Renée E. Bahl
Executive Director

cc: Tracey Westerhausen, Vice-Chair, Arizona State Parks Board
William Scalzo, Arizona State Parks Board
Alan Everett, Arizona State Parks Board
Larry Landry, Arizona State Parks Board
Maria Baier, State Land Commissioner
Walter Armer, Arizona State Parks Board
Laurie Hachtel, Assistant Attorney General
Kent Ennis, Assistant Director, Arizona State Parks
Jay Ream, Assistant Director, Arizona State Parks
Jay Ziemann, Assistant Director, Arizona State Parks
Janet Hawks, Chief of Operations, Arizona State Parks

Janice K. Brewer
Governor

State Parks
Board Members

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Larry Landry
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Walter D. Armer, Jr.
Vail

Alan Everett
Sedona

William C. Scalzo
Phoenix

Maria Baier
State Land
Commissioner

Renée E. Bahl
Executive Director

Arizona State Parks
1300 W. Washington
Phoenix, AZ 85007

Tel & TTY: 602.542.4174
AZStateParks.com

800.285.3703 from
(520 & 928) area codes

General Fax:
602.542.4180

Director's Office Fax:
602.542.4188

**CONSIDER ENDORSING AN EXTENSION TO THE
AGREEMENT WITH THE TOWN OF PAYSON FOR THE
OPERATION OF TONTO NATURAL BRIDGE STATE PARK**

Background

Tonto Natural Bridge State Park (Park) is owned and operated by the Arizona State Parks Board (Board). The Park was scheduled to close on September 27, 2010 at 5:00 p.m. MST. On August 5, 2010 the Executive Director notified the Board (attached letter) "I am not exercising my authority to close Tonto Natural Bridge State Park on September 27, 2010, and instead am negotiating agreements with the Town of Payson (Payson), Town of Star Valley (Star Valley) and The Friends of Tonto Natural Bridge State Park (Friends) to provide funding for the Park's operational loss."

Payson approached the Board with a proposal to help operate the park in response to FY 2010 budget reductions. Payson's offer was to enter into an agreement to contribute funding to support the operation and maintenance of the Park. Payson is proposing to extend the current agreement to provide funding to help operate the park.

Current Status

The Board and Payson recognize the importance of keeping the Park open to the public, and further recognize that the current budget constraints affecting the State make it difficult for the Board to commit adequate funds to operate the Park. Payson and the Board have an agreement that allows Payson to contribute funds for the operation of the Park. Through this amendment, Payson would pay a portion of the anticipated operational loss of the park for one year. Staff has an agreement with Star Valley and is working on one with the Friends for contributions that would cover the remainder of net cost of park operations. This extension of the agreement helps keeps Tonto Natural Bridge State Park open to the public.

With the new fee schedule, staff estimates costs will exceed revenues by \$35,000 during the 12-month period of the amended agreement. If net costs are higher, the Board bears the risk and must fund the difference.

Payson will consider amending the agreement at its September 16, 2010 Town Council meeting to contribute funds for the operation of the Park.

Through a Board Action on September 11, 2009, the Executive Director is authorized to enter into, amend, and withdraw from operating agreements in order to offset, reduce cost or enhance revenues. On March 17, 2010, the Executive Director was further delegated the authority to enter into leases and/or other contracts for the sole purpose of keeping parks open.

Major Components of the Amendment to the agreement:

- Tonto Natural Bridge State Park will continue to be operated by Arizona State Parks, five days per week, for 12-months.
- Payson or its designee will provide the Board with \$15,000 to subsidize the operation and maintenance of the Park.
- Payson will work to provide volunteers to help staff the Park.
- The Board will provide training for Park volunteers.

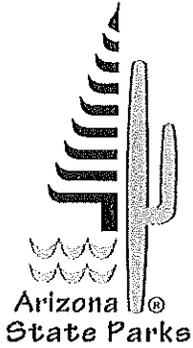
- The Board will retain all Park fees.

Staff Recommendation

Staff recommends that the Arizona State Parks Board endorse the major components of the extension to the agreement with the Town of Payson for the operation of Tonto Natural Bridge State Park.

Recommended Board Action

I move that the Arizona State Parks Board endorse the major components of the extension to the agreement with the Town of Payson for the operation of Tonto Natural Bridge State Park.



August 5, 2010

Reese Woodling, Chair
Arizona State Parks Board
1300 W. Washington St.
Phoenix, AZ 85007

RE: Tonto Natural Bridge State Park

Dear Chairman Woodling:

On March 17, 2010, the Parks Board authorized the Executive Director to keep Tonto Natural Bridge State Park until September 27, 2010 at 5 p.m. MST due to lack of adequate operational funding. Further, on March 17, 2010, the Parks Board delegated authority to the Executive Director to enter into any agreements or contracts for the sole purpose of keeping parks open.

As Executive Director, I am not exercising my authority to close Tonto Natural Bridge State Park on September 27, 2010, and instead am negotiating financial agreements with the Town of Payson, the Town of Star Valley and the Friends of Tonto Natural Bridge State Park to provide funding for the Park's operational loss. This will result in keeping Tonto Natural Bridge open for an additional 12 months. The park will continue to operate 5 days per week and will be operated by Arizona State Parks staff.

Staff will update the Parks Board at its next regularly scheduled meeting on the main components of the agreements, but will proceed now with the implementation.

Please contact me if you have any questions.

Sincerely,

Renée E. Bahl
Executive Director

cc: Tracey Westerhausen, Vice-Chair, Arizona State Parks Board
William Scalzo, Arizona State Parks Board
Alan Everett, Arizona State Parks Board
Larry Landry, Arizona State Parks Board
Maria Baier, State Land Commissioner
Walter Armer, Arizona State Parks Board
Laurie Hachtel, Assistant Attorney General
Kent Ennis, Assistant Director, Arizona State Parks
Jay Ream, Assistant Director, Arizona State Parks
Jay Ziemann, Assistant Director, Arizona State Parks
Janet Hawks, Chief of Operations, Arizona State Parks

Janice K. Brewer
Governor

State Parks
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Phoenix

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Vail

Alan Everett
Sedona

William C. Scalzo
Phoenix

Maria Baier
State Land
Commissioner

Renée E. Bahl
Executive Director

Arizona State Parks
1300 W. Washington
Phoenix, AZ 85007

Tel & TTY: 602.542.4174
AZStateParks.com

800.285.3703 from
(520 & 928) area codes

General Fax:
602.542.4180

Director's Office Fax:
602.542.4188

**CONSIDER APPROVING PROPOSED ADJUSTMENTS
TO KARTCHNER CAVERNS STATE PARK USER FEES**

Background

Kartchner Caverns State Park is the highest revenue-producing park in the agency, generating \$2.6 million in FY 2010. Total park expenditures for the same period were \$2.1 million. Kartchner Caverns Tour fees are reviewed separately from other agency fees in order to provide lead-time to program changes into the computerized reservation system. Since opening in 1999 the Parks Board adjusted fees for the Rotunda/Throne Room tour only once, in 2003.

Rotunda/Throne Room, 2003 fee adjustment:

Ages 7-13:	\$9.95 from \$6.00	total price includes surcharge
Adult (ages 14 and up):	\$18.95 from \$14.00	total price includes surcharge
Reservation Surcharge:	\$3.00 from \$2.00	

Big Room, 2003 fees:

Ages 7-13:	\$12.95	total price includes surcharge
Adult:	\$22.95	total price includes surcharge
Reservation Surcharge:	\$3.00	

The Board implemented an additional fee adjustment in 2003, a "Seasonal Discount." During the off-season, this reduced the price of a Rotunda/Throne tour; \$1.00 off the 7-13 age and \$2.00 off the Adult.

On May 19, 2010 the Parks Board authorized staff to seek public comments pertaining to the proposed Kartchner Caverns State Park fee revision and return the comments to the Parks Board for action in September 2010.

Proposed Revision: (Throne/Rotunda Room Tour)

Ages 7-13:	\$12.95 from \$9.95	total price includes reservation surcharge.
Adult:	\$22.95 from \$18.95	total price includes reservation surcharge

At the June 2010 Parks Board meeting the Board approved modifying the cave tour operations to address the seasonal nature of the park. The Rotunda/Throne Room tour will close from October 15 – December 15. The Big Room will retain its traditional operations schedule closing April 15 - October 15 to accommodate the bats. From December 15 – April 15 both cave tours will be open.

Increasing Rotunda Throne Room ticket prices is expected to result in a \$150,000-\$200,000 increase in revenues. Ticket sales were estimated based on revenues generated per month, averaged over the last four fiscal years. A 25% decrease in tour ticket sales is expected, given reduced availability and increased tour prices. Further, closing the Rotunda Throne Room two months per year may also yield operational savings.

Current Status

On July 29, 2010, a press release distributed by Arizona State Parks informed the public that department staff was proposing a fee change for one of the two cave tours at Kartchner Caverns State Park. The new fee proposal was to change the "Rotunda/Throne" adult cave tours from \$18.95 to \$22.95 and children's fees (7 to 12-year-old) from \$9.95 to \$12.95 and (6 and under free.) Public comments regarding these fees were accepted on the website through August 29, 2010. Nine comments were received via the Arizona State Parks website. Eight of the comments recommended against Board approval of the proposed fee increase. (See attached staff analysis for verbatim comments)

Staff Recommendation

Staff recommends the Arizona State Parks Board increase Kartchner Caverns State Park fees for the Rotunda Throne Room Tour to \$12.95 for ages 7-13 and \$22.95 for Adults age 14 and up. Fees will be effective on December 1, 2010 for all reservations made on or after that date. Any reservations made prior to December 1, 2010 at the previous rate will be honored.

Recommended Board Action

I move that the Arizona State Parks Board increase Kartchner Caverns State Park fees for the Rotunda Throne Room Tour to \$12.95 for ages 7-13 and \$22.95 for Adults age 14 and up. Fees will be effective on December 1, 2010 for all reservations made on or after that date. Any reservations made prior to December 1, 2010 at the previous rate will be honored.

Kartchner Caverns State Park
Public Comments Regarding Proposed Fee Changes
August 30, 2010

On July 29, 2010, a press release distributed by Arizona State Parks informed the public that department staff was proposing a fee change for one of the two cave tours at Kartchner Caverns State Park. The new fee proposal was to change the "Rotunda/Throne" adult cave tours from \$18.95 to \$22.95 and children's fees (7 to 12-year-old) from \$9.95 to \$12.95 and (6 and under free.) Public comments regarding these fees were accepted on the website through August 29, 2010. Nine comments were received via the Arizona State Parks website.

Eight of the comments recommended against Board approval of the proposed fee increase. The reasons for opposition to the fee increase were as follows:

- The price is already high (1 comment)
- Will discourage visitation (3 comments)
- Proposed increase is excessive-21% increase (1 comment)
- Bad timing - increase is occurring during difficult economic times when many families have less discretionary resources (4 comments)
- Appears that the agency is insensitive to the recreational needs and limited resources available to Arizona families (1 comment)
- Is inconsistent with the goal of providing recreational and educational opportunities for families (2 comments)
- Park is pricing itself outside of the local recreation market (see comment 2 for specific examples) (2 comments)
- Agency should seek alternative forms of revenue instead of increasing fees (2 comment)
- Lowering cost would increase visitation and allow more local residents to visit the caves (1 comment)
- Could give local residents off-season discounted rates to encourage usage (1 comment)
- Nature should be free

One comment was submitted in favor of the fee increase. This comment stated that fees charged at Kartchner Caverns should be sufficient to protect the cave and hire highly trained personnel. However, it was also suggested that school groups continue to receive reduced prices on tours.

*Note: Comments provided by citizens may contain more than one of the reasons listed above, therefore the number of comments above will not equal the total number of comments received.

Verbatim comments are included below:

ARGUMENTS AGAINST FEE CHANGE:

Email	[REDACTED]
Name	[REDACTED]
Address	[REDACTED]
Comment	The cost to visitors at the park is already quite high. I can't see taking a group of friends from out of state at those prices. The costs will even stop a further visit by my wife and me.

Email	[REDACTED]
Name	[REDACTED]
Address	[REDACTED]
Comment	<p>An increase in cave tour fees by 21% (from \$18.95 to \$22.95) is both excessive and unwise.</p> <p>Excessive in that very few families in this economy are receiving anywhere near a 21% increase in their paychecks, making such a rate hike appear insensitive to the recreational needs of Arizona families. Even at \$18.95, a family trip to the caverns is a major expense for a family of four (\$57.80); at the proposed rate increase it would likely be unaffordable (\$71.80). If the purpose of the Arizona Park system is to provide recreational and educational opportunities for our families, this rate increase would not support the goals of the department.</p> <p>A rate increase is also unwise, in that the park is pricing itself out of the local recreation market. With limited discretionary budgets, families can find other attractions at more reasonable rates and would likely take their dollars there, leaving the caverns poorer, not richer, after a 21% rate increase. By way of example, an adult admission at the Bisbee Mining Museum is \$7.50; the Reid Park Zoo is \$7.00; Tucson Botanical Gardens is \$7.00; Old Tucson Studios is \$16.95; Amerind Museum is \$8.00; Arizona State Museum is \$5.00; Arizona-Sonora Desert Museum \$13.00; Copper Queen Mine Tour is \$13.00. Although the caverns are unique and a natural gem, a family can spend the commensurate amount of time, or even all day, at other attractions at far lower cost and is likely to do so.</p> <p>Hiking rates at Kartchner Caverns is irresponsible, insensitive, and unwise. Alternative sources of revenue make more sense, from seeking additional government/grant funding, to corporate sponsorships, to expanding recreational opportunities at the site which would bring more visitors and gate income. The state parks mustn't lose sight of their goal to serve Arizona families as they struggle to remain financially viable.</p>

Email	[REDACTED]
Name	[REDACTED]
Address	[REDACTED]
Comment	If the cost to tour the Rotunda/Throne cave increases the numbers of visitors will decrease. Add that to the loss of revenue for closing the cave for two months and you may have a worse financial problem on your hands than you have now. It makes little sense to raise rates in our economically depressed times. A better option might be to lower the cost so more people could afford to visit...especially us locals. Even Disney World at one time gave the state residences a lower entrance fee during off-peak months to stimulate usage.

Email	[REDACTED]
Name	[REDACTED]
Address	[REDACTED]
Comment	Price increase needs to be more sensitive to current economic conditions to remain viable to legal Arizona citizens who are unemployed and seniors who face loss in savings and increase in medical. I dream of being able to take my grandchildren to the state parks -- not the library to look at pictures of where the "elite" go.

Email	[REDACTED]
Name	[REDACTED]
Address	[REDACTED]
Comment	please don't hike the fee

Email	[REDACTED]
Name	[REDACTED]
Address	[REDACTED]
Comment	The fee increase will turn the price from "expensive" to "unaffordable" for families for the type of attraction that it is. Tickets for many theme parks in California are in the same price range.

Email	[REDACTED]
Name	[REDACTED]
Address	[REDACTED]
Comment	Prices should not rise nature should not cost anything.

Email	[REDACTED]
Name	[REDACTED]
Address	[REDACTED]
Comment	I think the fee increase is a horrible idea. Here we have one of the worst economies in my lifetime, sky-high unemployment and those who ARE employed are worried how long they may have their jobs, probably a huge tax hike in January, no end in sight to this recession and you guys think this is a great time to jack up the fees????!!!!!! I guess it's the same mindset that causes our leaders to say, "Businesses aren't hiring - let's raise their taxes!"

ARGUMENTS FOR FEE CHANGE:

Email	[REDACTED]
Name	[REDACTED]
Address	[REDACTED]
Comment	Fees increases should be allowed when necessary to ensure the caverns are protected adequately and the for the hiring of highly trained personnel to be hired for needed services to be performed. However, school groups should still get reduced pricing.

CONSIDER ISSUING A REQUEST FOR PROPOSAL FOR
THE OPERATION OF LYMAN LAKE STATE PARK

Background

Lyman Lake State Park (Park) was opened and dedicated on July 1, 1961 and is Arizona's first recreation based Park. The 920-acre Park encompasses the shoreline of a 1,500-acre reservoir, created for irrigation purposes on the Little Colorado River in Apache County. At an elevation of 6,000 feet the lake is fed by snowmelt from the slopes of Mount Baldy and Escudilla Mountain. Water is channeled into this river valley from a 790-square-mile watershed extending into New Mexico. The Park also monitors and interprets archeological sites within the park.

FY 2009 (last full year of Park operation)

Revenue	\$132,680
Expenditures	\$345,509
Leases	\$25,633 (State Land Dept./ Lyman Water Company)
Attendance	37,130

The state has made a considerable capital investment at Lyman Lake. The Park offers a ranger station/ visitor center, group day use areas, swim beach, group camping sites for tents or recreational vehicles (electric and non-electric), covered camping ramadas, camp/general store, auto/boat fueling facility, camping cabins, yurts, RV sites, modern restroom/shower buildings, hiking trails, interpretative trails, fishing, water ski slalom course, and two boat launch ramps.

The Park (map attached) is comprised of lands leased by the Arizona State Parks Board (Board) from the Lyman Lake Water Company (160-acres) Arizona State Land Department (320-acres) Bureau of Land Management (520-acres lease and patent) and an entry road easement (20 acres). Lease payments in FY 2010 totaled \$22,000.

Current Status

The Park closed to the public on February 22, 2010. On April 21, 2010, the Board authorized an agreement with Apache County that allowed the Park to be re-opened to the public from May 24, 2010 through September 7, 2010. This agreement provided \$40,000 to operate the park. The agreement allows for two extensions if needed.

The Arizona State Parks Board (Board) and Apache County recognize the importance of keeping the Park open to the public and further recognizes that the current budget constraints affecting the State make it difficult for the Board to commit adequate funds to operate the park.

Through Board action on September 11, 2009, the Executive Director is authorized to enter, amend, and withdraw from operating agreements in order

to offset or reduce costs, or enhance revenues. On March 17, 2010, the Executive Director was authorized to enter into agreements for the purpose of keeping parks open. Chapter 249, Laws 2010 (SB 1349) is an emergency measure that allows the Board to contract with public or private entities or an Indian tribe to operate state parks. The State Procurement Office has opined that this legislation requires a reasonable level of competition to ensure that pricing is fair and reasonable and that appropriate contractual requirements are addressed. For this reason, a Request for Proposal has been issued to invite competition.

Staff will continue to work with Apache County and other partners to find solutions to open Lyman Lake State Park. In the mean time, staff proposes issuing a Request For Proposal (RFP) for the operation of the Park. Staff will provide a recommendation for contract award to the board for approval.

Proposal requirements for the operation of Lyman Lake State Park:

- Compliance with the terms of the lease agreements with the Arizona State Land Department, the Lyman Water Company, and the Bureau of Land Management Recreation and Public Policy Act lease and patent. The latter are encumbered by a reversionary clause.

Proposals should address:

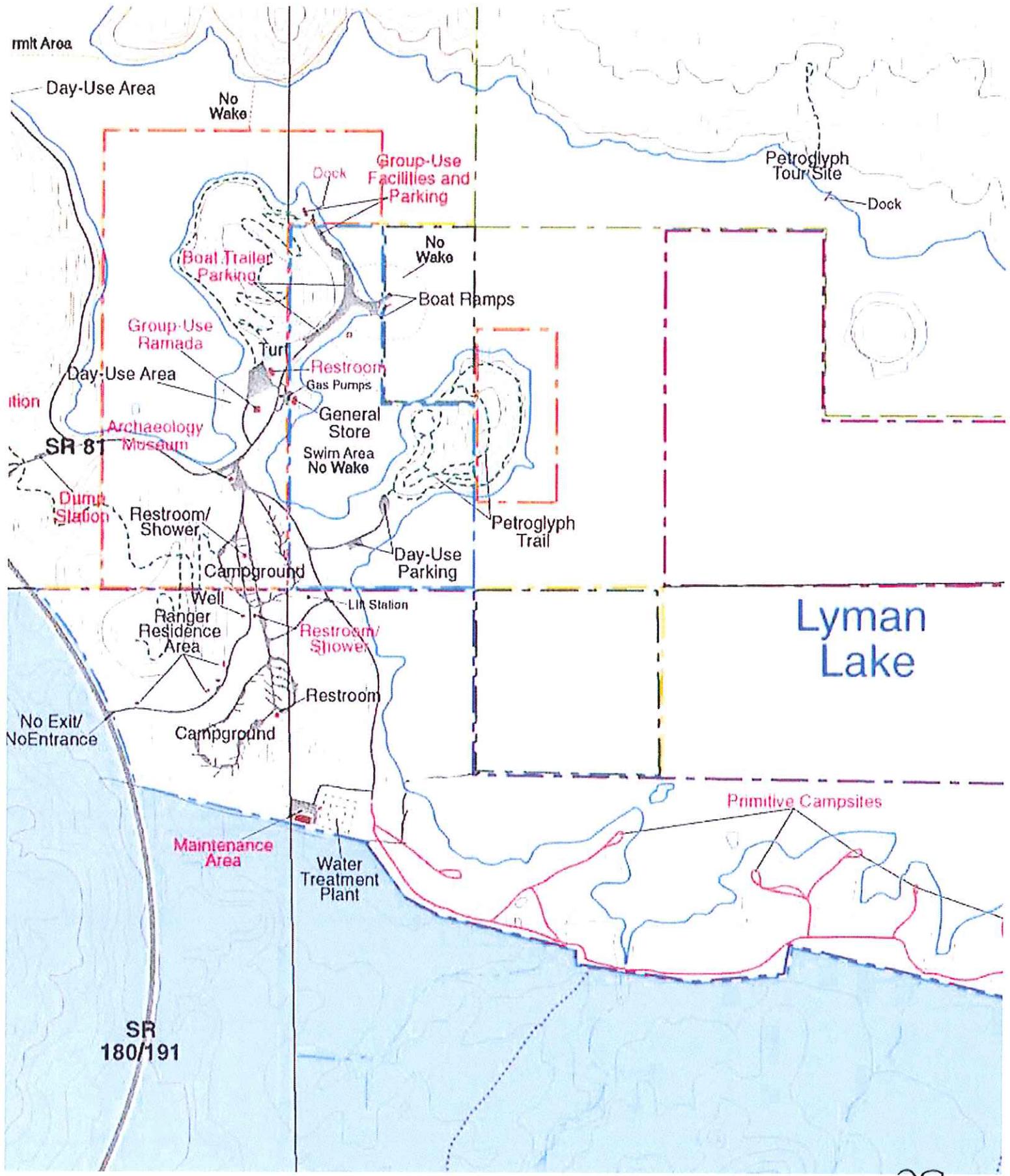
- Operations Plan
- Maintenance schedule
- Proposed development and major maintenance projects
- Staffing
- Programs

Staff Recommendation

Staff recommends the Arizona State Parks Board authorize the Executive Director to prepare and issue a Request for Proposal for the operation of Lyman Lake State Park. Staff will provide a recommendation for contract award to the Parks Board for approval.

Recommended Board Action

I move the Arizona State Parks Board authorize the Executive Director to prepare and issue a Request for Proposal for the operation of Lyman Lake State Park and provide a recommendation for contract award to the Parks Board for approval.



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CONSIDER RETROACTIVE APPROVAL OF REVISED FY 2011,
FY 2012, AND FY 2013 STRATEGIC PLAN TO THE GOVERNOR'S
OFFICE OF STRATEGIC PLANNING AND BUDGETING

Background

The State of Arizona passed the Arizona Budget Reform Act in 1993, which requires a formal identification of all state programs and compels agencies to craft mission statements and strategic plans against which each program can be evaluated. The law requires agencies to prepare three-year plans that include mission statements, goals, objectives, and performance measures for each budget program. Strategic plans are used to aid the development of Strategic Program Area Reviews (SPAR), which is program evaluation that crosses agency boundaries. Beginning with FY 1996, biennial budgeting was established for state agencies. These changes move Arizona toward linking strategic planning with program budgeting, focusing on meaningful results and performance accountability.

Following guidelines from the Office of Strategic Planning and Budgeting (OSPB), each agency must prepare full strategic plans for the agency as a whole and individual strategic plans for each program component. State Parks is composed of three programs: Parks, Partnerships, and Administration.

Staff is developing an agency-wide Strategic Plan to operate in the new, significantly reduced funding environment expected to continue for the next several years. The Parks Board is expected to discuss this plan at its October 2010 meeting.

However, the submission deadline of the Agency's Three-Year Strategic Plan to the Governor's Budget Office is September 1 each year. There have been very material changes to the agencies operations in FY 2010 because of fund and these will continue in FY 2011 through FY 2013 without additional, sustainable agency revenues. These material changes are shown in reductions in a number of agency performance measures in FY 2010.

When adopted by the Board, the new agency Strategic Plan, including suggested new performance metrics, will be presented to the Governor's Budget Office for amendment to the FY 2012 and future budget years.

Staff Recommendation

Staff recommends that the Arizona State Parks Board approve the three-year Strategic Plan for FY 2011, FY 2012 and FY 2013 and the Executive Director be authorized to carry out the programs as required.

Recommended Board Action

I move that the Arizona State Parks Board approve the revised Arizona State Parks three-year Strategic Plan for revised FY 2011, FY 2012 and FY 2013 and that the Executive Director be authorized to carry out the programs as required.

PRA 0.0 Agency Summary
STATE PARKS BOARD
 Renee Bahl, Executive Director
 (602) 542-7102
 A.R.S. §§ 41-511. seq.
 Plan Contact: Kent Ennis, Assistant Director, Administrative Services
 (602) 542-6920

Mission:

To manage and conserve Arizona's natural, cultural, and recreational resources for the benefit of the people, both in our parks and through our partners.

Description:

Under the direction of the Arizona State Parks Board, the agency has traditionally developed and managed thirty State parks and natural areas and provided safe and enjoyable facilities and programs for over two million visitors annually. Unprecedented agency budget reductions and fund transfers in FY 2009, FY 2010 and FY2011 have significantly changed the operations of the agency, including the operations at many parks, and other agency programs. For example, the Board, upon recommendation of several advisory committees, had traditionally provided approximately \$40 million of financial incentives annually to government and nongovernment entities through eight different grant programs. In FY 2010, there were four active grant programs remaining that administered about \$21 million in grants, including the \$20 million Growing Smarter program which is subject to potential voter repeal in November 2010. Through the State Historic Preservation Office, the Agency preserves Arizona's prehistoric and historic resources. The Agency also coordinates two Recreational Trails programs, one for motorized and one for non-motorized trail activities. The Agency coordinates statewide resource planning, public involvement and educational opportunities through partnerships for public purposes.

Separate from this OSPB plan, the Board and Staff are currently developing a new Strategic Plan that will address the significantly lower funding and resulting staffing levels for the near term, including revised agency goals, objectives and performance measures, and also strategies to achieve longer term agency and stakeholder requirements. This new Strategic Plan will be submitted to OSPB as a revision to the current OSPB Strategic Plan for subsequent fiscal years.

State Parks is currently comprised of the Director's Office and three divisions: Parks, Partnerships, and Administration.

Strategic Issues:

Issue 1 *As the agency moves towards its vision, funding constraints require us to seek new solutions in Information Technology, Training and Partnerships.*

Arizona State Parks' vision is that the agency "is indispensable to the Economies, Communities and Environments of Arizona"; however, funding has been reduced during the FY2009 through FY 2011 by amounts unprecedented in the agency's history. The agency is now earning an ever higher percent of its operating revenues, but appropriated fund reductions and fund sweeps, \$71.5 million over this 3 year period, have reduced or eliminated traditional agency operations, capital spending, and programs. Three areas were identified as having the most promise in helping achieve our new vision.

The effort to create a Geographic Information System database to help manage agency assets has been put on hold indefinitely. In partnership with the Arizona Department of Administration, we are changing the way we manage our employees through the implementation of the Human Resource Information Solution, Your Employee Services and the Hiring Gateway. New technology issues relate to revenue generation with the implementation of an internet reservation system for Kartchner Caverns State Park, a campground reservation system at our other parks and the leveraging of these technological enhancements through marketing to

result in increased visitation and revenues at our parks.

To ensure the best use of our employees, a survey was conducted to pinpoint professional development and training needs as articulated by both supervisors and employees. In addition, focus groups were conducted throughout the state to identify training and communication issues. Arizona State Parks will develop a strategic relationship with the Arizona Government University to meet these identified professional development and training needs.

Finally, as Arizona State Parks cannot employ all the people it needs to accomplish its mission, partnerships will be developed with the universities, other agencies and non-profits. Arizona State Parks will also endeavor to expand its volunteer base and friends groups. By focusing these organizations on specific issues, Arizona State Parks hopes to raise the bar for resource management in Arizona.

Issue 2 *To communicate the new vision, the agency will establish and present a clear and consistent image to its internal and external customers.*

A communication initiative will ensure all employees understand the new direction of Arizona State Parks and their role in achieving the new vision. As part of this initiative, more frequent staff meetings will occur and detailed minutes of Executive meetings will be provided to all staff. Executive meetings will make time available to answer questions from the agency and include those answers in the minutes.

Issue 3 *A new Strategic Plan will provide a systematic approach to move the agency toward the vision.*

Too often, strategic plans only document what an entity already does. Arizona State Parks' Strategic Plan directs us to where we want to be, not where we currently are, particularly in the severe circumstances of the current economic recession. A new Strategic Plan is being prepared for the Executive Director and the Arizona State Parks Board. Strategic issues will all have goals and objectives separate from the Strategic Plan completed in FY 2008. These issues, goals and objectives will be evaluated by the Arizona State Parks Board annually. Once approved by the Board, this new Strategic Plan will be submitted as a major modification to the current AZIPS template for FY 2012.

PRA 1.0 Program Summary
PARK DEVELOPMENT AND OPERATION
 Jay Ream, Assistant Director
 Assistant Director's Office (602) 542-7103
 A.R.S. §§ 41-511 et. seq.

Mission:

To acquire, develop, manage and conserve Arizona State Parks' natural, cultural, educational and recreational opportunities.

Description:

The Operations, Development, and Resources Management Sections are responsible for acquiring, planning, developing, managing, and maintaining natural, cultural, educational and recreational resources within the State Parks System for public use, education, enjoyment and safe visitor experiences. The Operations Section hosts well over two million visitors annually at the thirty State Parks and natural areas and manages park programs, activities, maintenance, visitor services and visitor safety. The Development Section is responsible for the construction of park amenities and the development of Parks' properties along with administering the capital improvement program. The Resources Management Section is responsible for the acquisition of Park properties and natural areas. Responsibilities also include master planning, real estate management, historical preservation, protection of historical and cultural sites, environmental and science issues confronting Park resources, as well as developing comprehensive long-range plans that deal with statewide recreational and cultural issues.

30

2010 - 2013 ARIZONA MASTER LIST OF STATE GOVERNMENT PROGRAMS

In FY2010, significant agency budget reductions and fund sweeps, particularly to the Enhancement Fund which receives park fees and concession revenues, resulted in the reduction of parks field staff, the temporary closure of parks, and the transfer of several parks to local area governments and non-profit organizations. The financial support of local governments and other partners was a significant factor in keeping several parks open or the resumption of their operations in FY 2010.

◆ **Goal 1** To consistently provide a safe, accessible, and enjoyable system of State Parks and natural areas for public use.

Performance Measures	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Annual park attendance (in thousands)	2,212	2,200	2,200	2,100
Explanation: Revised Annual Attendance Forecast				
Percent of park visitors that are satisfied	95	95	95	95
Number of new acres of open space and parkland space purchased by State Parks or facilitated through its grant programs	0.0	0.0	0.0	0.0
Performance Measures	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Average cost per state park visitor (in dollars)	.15	.25	.25	.25

Performance Measures	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Ranger-led Interpretive program participants (in thousands)	194.5	160	160	175
Explanation: Revision to Ranger Led Interpretive Programs				

◆ **Goal 2** To Improve Arizona State Park's effectiveness at conserving and protecting Arizona's natural and cultural resources (all are contingent on receiving sufficient funding)

Performance Measures	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Percentage of Collection in management system.	65	65	65	65
Performance Measures	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Percentage of exhibits created/updated.	0	60	0	0

(previously \$40 million) is available annually. Programs include grant funds for Land and Water Conservation, Boating Law Enforcement and Safety, Trails, Off-Highway Vehicles, and Open Space conservation. The External Affairs section develops and pursues legislation, provides policy analysis and research to support all programs, and coordinates marketing and public information for the Agency.

The Partnerships Division is served by seven standing advisory committees who work with staff and advise the Parks Board on a number of matters. Members of the Arizona Outdoor Recreation Coordinating Commission, Conservation Acquisition Board, and Archaeology Advisory Commission are appointed by the Governor; the Arizona State Committee on Trails, Off-Highway Vehicle Advisory Group, and Historic Preservation Advisory Committee by the Arizona State Parks Board; and the Historic Sites Review Committee by the State Historic Preservation Officer. Staff coordinates with these advisory committees and other partners to plan, inventory, enhance, preserve, manage and interpret Arizona's significant natural, cultural and recreational resources for the education and enjoyment of the public.

◆ **Goal 1** To effectively provide the appropriate services, information and grants for land and water-based recreation and open space opportunities by involving our customers and partners in our programs, parks and planning efforts.

Performance Measures	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Percent of Trails grant projects funded as high priority	0	0	0	0
Percent of OHV grant projects funded as high priority	50	50	0	0
Percent of LRSP grant projects funded as high priority	0	0	0	0
Percent of SLIF grant projects funded as high priority	0	0	0	0
Percent of Historic Preservation grant projects funded as high priority	0	0	0	0

Performance Measures	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Percent of satisfactory compliance findings of grant audits	85	85	85	85

◆ **Goal 2** To foster and streamline the identification and preservation of Arizona's significant cultural resources by offering technical assistance, educational opportunities, written guidance, financial assistance and other incentives to our preservation partners.

Performance Measures	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Percent of SHPO paper records converted	78	80	80	80
Performance Measures	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Percent of pass-through funds obligated to CLGs	100	100	0	0

◆ **Goal 3** To increase awareness of, visitation to and support for Arizona State Parks.

Performance Measures	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Annual Park Attendance (in thousands)	0	2,500	0	0
Performance Measures	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Park Visitor Satisfaction rating	97	95	95	95
Historic Park Visitor Satisfaction rating	97	95	95	95

PRA 2.0	Program Summary
	PARTNERSHIPS AND GRANTS
Jay Ziemann, Assistant Director	
Assistant Director's Office (602) 542-7104	
A.R.S. §§ 41-511 et. seq.	

Mission:

To enhance, preserve and conserve Arizona's significant natural, cultural, and recreational resources for the public benefit.

Description:

Arizona State Parks is not just responsible for managing a system of thirty State Parks, but also for enhancing a statewide system of parks and cultural and recreational opportunities. The Partnerships Division is the component of the Agency that oversees numerous programs of a statewide nature, such as historic preservation, grants and research and marketing, that goes beyond our own system of parks, relying on strong partnerships with other entities to accomplish State Parks' goals.

The State Historic Preservation Office (SHPO) is responsible for the identification, evaluation and protection of Arizona's prehistoric and historic heritage resources and compliance with federal and state laws. The SHPO also oversees many educational and stewardship programs and events that engage it with the general public concerned about historic resources. The Grants Section is responsible for managing the grant programs administered by the Arizona State Parks Board. More than \$21 million

PRA 3.0	Program Summary
	ADMINISTRATION
Kent Ennis, Assistant Director	
Assistant Director's Office (602) 542-6920	
A.R.S. §§ 41-511 et. seq.	

2010 - 2013 ARIZONA MASTER LIST OF STATE GOVERNMENT PROGRAMS

Mission:

To provide leadership, advice and guidance in managing the business, financial, technological and human resources of the agency.

Description:

Administration is accomplished through the Director's Office and the Administrative Services Division. The Director's Office manages the three programs of the agency, oversees implementation of the Strategic Plan and monitors progress toward meeting the Agency's goals. The Administrative Services Division provides support to all activities, responsibilities and programs and assures that the Agency has the necessary authority, financial resources, human resources, management information and technical capability to accomplish their mission.

- ◆ **Goal 1** To maximize agency resources and enhance information sharing.

<u>Performance Measures</u>	<u>FY 2010 Actual</u>	<u>FY 2011 Estimate</u>	<u>FY 2012 Estimate</u>	<u>FY 2013 Estimate</u>
Percentage of Invoices paid within 30 days of receipt	96.7	95	95	95

<u>Performance Measures</u>	<u>FY 2010 Actual</u>	<u>FY 2011 Estimate</u>	<u>FY 2012 Estimate</u>	<u>FY 2013 Estimate</u>
Amount of concession revenue collected	395000	350000	350000	350000

<u>Performance Measures</u>	<u>FY 2010 Actual</u>	<u>FY 2011 Estimate</u>	<u>FY 2012 Estimate</u>	<u>FY 2013 Estimate</u>
Administration as a percentage of total cost	3.1	1.8	1.8	1.8

- ◆ **Goal 2** To create a positive environment that encourages professional development and employee retention.

<u>Performance Measures</u>	<u>FY 2010 Actual</u>	<u>FY 2011 Estimate</u>	<u>FY 2012 Estimate</u>	<u>FY 2013 Estimate</u>
Percentage of employee turnover	36	15	15	15

<u>Performance Measures</u>	<u>FY 2010 Actual</u>	<u>FY 2011 Estimate</u>	<u>FY 2012 Estimate</u>	<u>FY 2013 Estimate</u>
Percent of park rangers trained - CPR	95	85	85	85
Percent of park rangers trained - First Aid	95	50	50	50
Number of Officers meeting AZPOST training requirement.	51	55	55	55
Percent of park rangers trained - Wild Land Fire Fighting	35	35	35	35
Percent of park rangers trained - EMT	5	5	5	5
Number of park rangers trained - Interpretation	50	50	50	50

32

AGENCY SUMMARY

Program: PRA 0 . 0 STATE PARKS BOARD
Director: Renee Bahl, Executive Director
Phone: (602) 542-7102
Statute: A.R.S. §§ 41-511. seq.
Plan Contact: Kent Ennis, Assistant Director, Administrative Services
(602) 542-6920

Mission:

To manage and conserve Arizona's natural, cultural, and recreational resources for the benefit of the people, both in our parks and through our partners.

Description:

Under the direction of the Arizona State Parks Board, the agency has traditionally developed and managed thirty State parks and natural areas and provided safe and enjoyable facilities and programs for over two million visitors annually. Unprecedented agency budget reductions and fund transfers in FY 2009, FY 2010 and FY2011 have significantly changed the operations of the agency, including the operations at many parks, and other agency programs. For example, the Board, upon recommendation of several advisory committees, had traditionally provided approximately \$40 million of financial incentives annually to government and nongovernment entities through eight different grant programs. In FY 2010, there were four active grant programs remaining that administered about \$21 million in grants, including the \$20 million Growing Smarter program which is subject to potential voter repeal in November 2010. Through the State Historic Preservation Office, the Agency preserves Arizona's prehistoric and historic resources. The Agency also coordinates two Recreational Trails programs, one for motorized and one for non-motorized trail activities. The Agency coordinates statewide resource planning, public involvement and educational opportunities through partnerships for public purposes.

Separate from this OSPB plan, the Board and Staff are currently developing a new Strategic Plan that will address the significantly lower funding and resulting staffing levels for the near term, including revised agency goals, objectives and performance measures, and also strategies to achieve longer term agency and stakeholder requirements. This new Strategic Plan will be submitted to OSPB as a revision to the current OSPB Strategic Plan for subsequent fiscal years.

State Parks is currently comprised of the Director's Office and three divisions: Parks, Partnerships, and Administration.

Strategic Issues:

Issue 1 *As the agency moves towards its vision, funding constraints require us to seek new solutions in Information Technology, Training and Partnerships.*

Arizona State Parks' vision is that the agency "is indispensable to the Economies, Communities and Environments of Arizona"; however, funding has been reduced during the FY2009 through FY 2011 by amounts unprecedented in the agency's history. The agency is now earning an ever higher percent of its operating revenues, but appropriated fund reductions and fund sweeps, \$71.5 million over this 3 year period, have reduced or eliminated traditional agency operations, capital spending, and programs. Three areas were identified as having the most promise in helping achieve our new vision.

The effort to create a Geographic Information System database to help manage agency assets has been put on hold indefinitely. In partnership with the Arizona Department of Administration, we are changing the way we manage our employees through the implementation of the Human Resource Information Solution, Your Employee Services and the Hiring Gateway. New technology issues relate to revenue generation with the implementation of an internet reservation system for Kartchner Caverns State Park, a campground reservation system at our other parks and the leveraging of these technological enhancements through marketing to result in increased visitation and revenues at our parks.

To ensure the best use of our employees, a survey was conducted to pinpoint professional development and training needs as articulated by both supervisors and employees. In addition, focus groups were conducted throughout the state to identify training and communication issues. Arizona State Parks will develop a strategic relationship with the Arizona Government University to meet these identified professional development and training needs.

Finally, as Arizona State Parks cannot employ all the people it needs to accomplish its mission, partnerships will be developed with the universities, other agencies and non-profits. Arizona State Parks will also endeavor to expand its volunteer base and friends groups. By focusing these organizations on specific issues, Arizona State Parks hopes to raise the bar for resource management in Arizona.

Issue 2 *To communicate the new vision, the agency will establish and present a clear and consistent image to its internal and external customers.*

A communication initiative will ensure all employees understand the new direction of Arizona State Parks and their role in achieving the new vision. As part of this initiative, more frequent staff meetings will occur and detailed minutes of Executive meetings will be provided to all staff. Executive meetings will make time available to answer questions from the agency and include those answers in the minutes.

Issue 3 *A new Strategic Plan will provide a systematic approach to move the agency toward the vision.*

Too often, strategic plans only document what an entity already does. Arizona State Parks' Strategic Plan directs us to where we want to be, not where we currently are, particularly in the severe circumstances of the current economic recession. A new Strategic Plan is being prepared for the Executive Director and the Arizona State Parks Board. Strategic issues will all have goals and objectives separate from the Strategic Plan completed in FY 2008. These issues, goals and objectives will be evaluated by the Arizona State Parks Board annually. Once approved by the Board, this new Strategic Plan will be submitted as a major modification to the current AZIPS template for FY 2012.

33

PROGRAM SUMMARY

Program: PRA 1.0 PARK DEVELOPMENT AND OPERATION
Contact: Jay Ream, Assistant Director
Phone: Assistant Director's Office (602) 542-7103
Statute: A.R.S. §§ 41-511 et. seq.

Mission:

To acquire, develop, manage and conserve Arizona State Parks' natural, cultural, educational and recreational opportunities.

Description:

The Operations, Development, and Resources Management Sections are responsible for acquiring, planning, developing, managing, and maintaining natural, cultural, educational and recreational resources within the State Parks System for public use, education, enjoyment and safe visitor experiences. The Operations Section hosts well over two million visitors annually at the thirty State Parks and natural areas and manages park programs, activities, maintenance, visitor services and visitor safety. The Development Section is responsible for the construction of park amenities and the development of Parks' properties along with administering the capital improvement program. The Resources Management Section is responsible for the acquisition of Park properties and natural areas. Responsibilities also include master planning, real estate management, historical preservation, protection of historical and cultural sites, environmental and science issues confronting Park resources, as well as developing comprehensive long-range plans that deal with statewide recreational and cultural issues.

In FY2010, significant agency budget reductions and fund sweeps, particularly to the Enhancement Fund which receives park fees and concession revenues, resulted in the reduction of parks field staff, the temporary closure of parks, and the transfer of several parks to local area governments and non-profit organizations. The financial support of local governments and other partners was a significant factor in keeping several parks open or the resumption of their operations in FY 2010.

◆ **Goal:** 1 To consistently provide a safe, accessible, and enjoyable system of State Parks and natural areas for public use.

Objectives: 1 2010 Obj: Customer satisfaction with the State Parks system will be maintained or increased, regardless of visitation levels.

2011 Obj: Customer satisfaction with the State Parks system will be maintained or increased, regardless of visitation levels.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	
1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	IP	Annual park attendance (in thousands)	2,378.6	2,450	2,212	2,200	2,200	2,100
Budget reductions in FY2009, FY2010, and FY2011 directly caused a reduction in park staff by 40% and also the modification of facility operational hours. Some parks have been reduced from 7 to 5 day a week operation, and caused closure or significant alterations to operations at other parks. These operational changes have decreased the agency's ability to hose as many visitors in recent years. Projections to FY 2013 presume some resumption of park operations.										
2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	QL	Percent of park visitors that are satisfied	97	95	95	95	95	95
3	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	OP	Number of new acres of open space and parkland space purchased by State Parks or facilitated through its grant programs	1,276.9	2,000	0.0	0.0	0.0	0.0
Delays in the Growing Smarter Grant program has led to low-than- expected performance. In addition, natural area acquisition are proceeding, but operational constraints are slowing down the process.										
4	<input type="checkbox"/>	<input type="checkbox"/>	OC	Default Performance Measure	0	0	100	100	100	100

Objectives: 2 2010 Obj: Maintain park operational costs at current level.

2011 Obj: Maintain park operational costs at current level.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	
1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	OC	Average cost per state park visitor (in dollars)	0.73	1.20	.15	.25	.25	.25

Objectives: 3 2010 Obj: Maintain administration costs under 10%.

2011 Obj: Maintain administration costs under 10%.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	
1	<input type="checkbox"/>	<input type="checkbox"/>	EF	Administration as a percent of Total Cost	3.0	5.0	3.1	3.1	1.8	1.8

34

Objectives: 4 2010 Obj: Improve efficiency of developing and maintaining State Parks' facilities and infrastructure.

2011 Obj: Improve efficiency of developing and maintaining State Parks' facilities and infrastructure.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input type="checkbox"/>	<input type="checkbox"/>	EF	Percent of park projects in compliance with ADA requirements.	90	90	90	90	90
2	<input type="checkbox"/>	<input type="checkbox"/>	OC	Percent of new buildings/facilities which meet LEEDS Silver Standards	100	100	0	0	0
3	<input type="checkbox"/>	<input type="checkbox"/>	OC	Percent of all buildings/facilities that meet LEEDS Silver Standards	1	1	1	1	1

Until the agency completes its first LEEDS building, this performance measure is not applicable.

Objectives: 5 2010 Obj: Provide a diverse array of ranger-led interpretive and educational programs for State Park visitors.

2011 Obj: Provide a diverse array of ranger-led interpretive and educational programs for State Park visitors.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Ranger-led interpretive program participants (in thousands)	185	210	194.5	160	175

Budget reductions in FY2009, FY2010, and FY2011 directly caused a reduction in park staff (-40%). Some parks have been reduced from 7 to 5 days per week operations. There have also been closures and significantly altered operations at other parks. Additionally, the Interpretive Education program has been cancelled. These operational changes have decreased the agency's ability to provide these programs. Projections to FY2013 presume some resumption of park operations.

◆ Goal: 2 To Improve Arizona State Park's effectiveness at conserving and protecting Arizona's natural and cultural resources (all are contingent on receiving sufficient funding)

Objectives: 1 2010 Obj: Maintain at least 95% compliance rate for regulated systems for drinking water.

2011 Obj: Maintain at least 95% compliance rate for regulated systems for drinking water.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input type="checkbox"/>	<input type="checkbox"/>	OC	Compliance Rate.	95	95	95	95	95

Objectives: 2 2010 Obj: Improve cultural resources management in the parks by: preparing at least one historic structures report annually (12 total);

2011 Obj: Improve cultural resources management in the parks by: preparing at least one historic structures report annually (12 total);

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input type="checkbox"/>	<input type="checkbox"/>	OC	Historic structures reports completed.	0	1	0	1	0

Objectives: 3 2010 Obj: Improve artifact collection management; inventory, database and preserve collections.

2011 Obj: Improve artifact collection management; inventory, database and preserve collections.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Percentage of Collection in management system.	65	70	65	65	65

Objectives: 4 2010 Obj: Plan and develop meaningful exhibits at historic parks to educate visitors.

2011 Obj: Plan and develop meaningful exhibits at historic parks to educate visitors.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Percentage of exhibits created/updated.	45	55	0	60	0

PROGRAM SUMMARY

Program: PRA 2.0 PARTNERSHIPS AND GRANTS
Contact: Jay Ziemann, Assistant Director
Phone: Assistant Director's Office (602) 542-7104
Statute: A.R.S. §§ 41-511 et. seq.

Mission:

To enhance, preserve and conserve Arizona's significant natural, cultural, and recreational resources for the public benefit.

Description:

Arizona State Parks is not just responsible for managing a system of thirty State Parks, but also for enhancing a statewide system of parks and cultural and recreational opportunities. The Partnerships Division is the component of the Agency that oversees numerous programs of a statewide nature, such as historic preservation, grants and research and marketing, that goes beyond our own system of parks, relying on strong partnerships with other entities to accomplish State Parks' goals.

The State Historic Preservation Office (SHPO) is responsible for the identification, evaluation and protection of Arizona's prehistoric and historic heritage resources and compliance with federal and state laws. The SHPO also oversees many educational and stewardship programs and events that engage it with the general public concerned about historic resources. The Grants Section is responsible for managing the grant programs administered by the Arizona State Parks Board. More than \$21 million (previously \$40 million) is available annually. Programs include grant funds for Land and Water Conservation, Boating Law Enforcement and Safety, Trails, Off-Highway Vehicles, and Open Space conservation. The External Affairs section develops and pursues legislation, provides policy analysis and research to support all programs, and coordinates marketing and public information for the Agency.

The Partnerships Division is served by seven standing advisory committees who work with staff and advise the Parks Board on a number of matters. Members of the Arizona Outdoor Recreation Coordinating Commission, Conservation Acquisition Board, and Archaeology Advisory Commission are appointed by the Governor; the Arizona State Committee on Trails, Off-Highway Vehicle Advisory Group, and Historic Preservation Advisory Committee by the Arizona State Parks Board; and the Historic Sites Review Committee by the State Historic Preservation Officer. Staff coordinates with these advisory committees and other partners to plan, inventory, enhance, preserve, manage and interpret Arizona's significant natural, cultural and recreational resources for the education and enjoyment of the public.

◆ **Goal:** 1 To effectively provide the appropriate services, information and grants for land and water-based recreation and open space opportunities by involving our customers and partners in our programs, parks and planning efforts.

Objectives: 1 2010 Obj: By June 30 of each year, staff will recommend that the Parks Board award the land and water-based recreation and open space grants that are most needed according to statewide and community needs and available revenue.
 2011 Obj: By June 30 of each year, staff will recommend that the Parks Board award the land and water-based recreation and open space grants that are most needed according to statewide and community needs and available revenue.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EF	Percent of Trails grant projects funded as high priority	100	50	0	0	0
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EF	Percent of OHV grant projects funded as high priority	84	50	50	50	0
3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EF	Percent of LRSP grant projects funded as high priority	75	75	0	0	0
4	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EF	Percent of SLIF grant projects funded as high priority	0	50	0	0	0
5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EF	Percent of Historic Preservation grant projects funded as high priority	75	75	0	0	0

Objectives: 2 2010 Obj: By June 30 of each year, State Parks, in conjunction with its partners, will improve administration of State Parks' grant programs through ongoing education, workshops and implementation of established grant guidelines.
 2011 Obj: By June 30 of each year, State Parks, in conjunction with its partners, will improve administration of State Parks' grant programs through ongoing education, workshops and implementation of established grant guidelines.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EF	Percent of satisfactory compliance findings of grant audits	0	85	85	85	85

Objectives: 3 2010 Obj: By October 30 of each year, staff will, in consultation with the appropriate advisory committees, evaluate and recommend to the Arizona State Parks Board necessary changes to each grant program's rating criteria to reflect the priorities in the most current planning documents, such as the Statewide Comprehensive Outdoor Recreation Plan (SCORP), Arizona Trails Plan or the Arizona Historic Preservation Plan and the Arizona State Parks' vision.
 2011 Obj: By October 30 of each year, staff will, in consultation with the appropriate advisory committees, evaluate and recommend to the Arizona State Parks Board necessary changes to each grant program's rating criteria to reflect the priorities in the most current planning documents, such as the Statewide Comprehensive Outdoor Recreation Plan (SCORP), Arizona Trails Plan or the Arizona Historic Preservation Plan and the Arizona State Parks' vision.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input type="checkbox"/>	<input type="checkbox"/>	OC	Number of grant programs evaluated	1	1	0	1	0

◆ Goal: 2 To foster and streamline the identification and preservation of Arizona's significant cultural resources by offering technical assistance, educational opportunities, written guidance, financial assistance and other incentives to our preservation partners.

Objectives: 1 2010 Obj: By June 30, State Parks, in conjunction with Arizona State University and Arizona State Museum, will increase the comprehensiveness, efficiency and use of the electronic AZSITE cultural resource inventory.
 2011 Obj: By June 30, State Parks, in conjunction with Arizona State University and Arizona State Museum, will increase the comprehensiveness, efficiency and use of the electronic AZSITE cultural resource inventory.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input type="checkbox"/>	<input type="checkbox"/>	EF	Percent of potential Users actually using AZSITE	82	80	92	85	85
2	<input type="checkbox"/>	<input type="checkbox"/>	EF	Percent of electronic vs. paper submissions into AZSITE	75	80	94	85	85
3	<input type="checkbox"/>	<input type="checkbox"/>	EF	Percent of legacy data entered into AZSITE	70	80	84	85	85

Objectives: 2 2010 Obj: By June 30 of each year, the SHPO will promote the decentralization of its programs by providing technical assistance and training to agencies, local and county governments, and tribes, encouraging them to adopt historic preservation objectives, including moving from project review to planning consultation, streamlining compliance projects, and entering into programmatic agreements. SHPO will decentralize and delegate its responsibilities wherever possible.
 2011 Obj: By June 30 of each year, the SHPO will promote the decentralization of its programs by providing technical assistance and training to agencies, local and county governments, and tribes, encouraging them to adopt historic preservation objectives, including moving from project review to planning consultation, streamlining compliance projects, and entering into programmatic agreements. SHPO will decentralize and delegate its responsibilities wherever possible.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input type="checkbox"/>	<input type="checkbox"/>	OC	Number of New or Revised Partnership Agreements Signed	9	1	19	1	0

Objectives: 3 2010 Obj: By June 30, the SHPO will work with Arizona State Library Archives and Public Records to improve accessibility of SHPO documents (conversion to CD-ROM, microfilm) for our customers and to secure long-term preservation of cultural resource reports and documentation, National Register files, and historic property inventory forms.
 2011 Obj: By June 30, the SHPO will work with Arizona State Library Archives and Public Records to improve accessibility of SHPO documents (conversion to CD-ROM, microfilm) for our customers and to secure long-term preservation of cultural resource reports and documentation, National Register files, and historic property inventory forms.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Percent of SHPO paper records converted	77	85	78	80	80

Objectives: 4 2010 Obj: By June 30 of each year, the SHPO, in conjunction with its partners, will improve administration the Certified Local Government (CLG) program, and related Historic Preservation Fund pass-through grants and other incentives, through on-going training, workshops, and review of CLG action plans and activities.
 2011 Obj: By June 30 of each year, the SHPO, in conjunction with its partners, will improve administration the Certified Local Government (CLG) program, and related Historic Preservation Fund pass-through grants and other incentives, through on-going training, workshops, and review of CLG action plans and activities.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Percent of pass-through funds obligated to CLGs	100	100	100	100	0

Objectives: 5 2010 Obj: By June 30, the SHPO will implement its schedule for the review and continued eligibility of Register-eligible properties.
 2011 Obj: By June 30, the SHPO will implement its schedule for the review and continued eligibility of Register-eligible properties.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input type="checkbox"/>	<input type="checkbox"/>	OC	Number of individually listed or eligible properties monitored and documentation updated	12	15	23	15	15
2	<input type="checkbox"/>	<input type="checkbox"/>	OC	Number of National Register-listed historic districts monitored and documentation updated	8	15	17	15	15

◆ Goal: 3 To increase awareness of, visitation to and support for Arizona State Parks.

Objectives: 1 2010 Obj: Increase State Parks awareness and visitation by generating new interest in State Parks, broadening the parks' appeal and related marketing messages.
 2011 Obj: Increase State Parks awareness and visitation by generating new interest in State Parks, broadening the parks' appeal and related marketing messages.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	IP	Annual Park Attendance (in thousands)	2,378.6	2,450	0	2,500	0

37

Objectives: 2 2010 Obj: Annually, State Parks will solicit visitor satisfaction levels through surveys.
 2011 Obj: Annually, State Parks will solicit visitor satisfaction levels through surveys.

Performance Measures:

ML	Budget	Type	FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate		
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QL	Park Visitor Satisfaction rating	97	95	97	95	95	95
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QL	Historic Park Visitor Satisfaction rating	97	95	97	95	95	95

PROGRAM SUMMARY

Program: PRA 3.0 ADMINISTRATION
 Contact: Kent Ennis, Assistant Director
 Phone: Assistant Director's Office (602) 542-6920
 Statute: A.R.S. §§ 41-511 et. seq.

Mission:

To provide leadership, advice and guidance in managing the business, financial, technological and human resources of the agency.

Description:

Administration is accomplished through the Director's Office and the Administrative Services Division. The Director's Office manages the three programs of the agency, oversees implementation of the Strategic Plan and monitors progress toward meeting the Agency's goals. The Administrative Services Division provides support to all activities, responsibilities and programs and assures that the Agency has the necessary authority, financial resources, human resources, management information and technical capability to accomplish their mission.

◆ Goal: 1 To maximize agency resources and enhance information sharing.

Objectives: 1 2010 Obj: Implement phases of Human Resources Information Solution (HRIS) in accordance with HRIS Strategic Implementation Plan.
 2011 Obj: Implement phases of Human Resources Information Solution (HRIS) in accordance with HRIS Strategic Implementation Plan.

Performance Measures:

ML	Budget	Type	FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	
1	<input type="checkbox"/>	<input type="checkbox"/>	OC	Percent Target implemented	100	100	100	100	100

The FY 2007 estimate refers to implementation of the full system. This measure was changed to represent implementation of each year's target.

Objectives: 2 2010 Obj: To maintain timely vendor payment.
 2011 Obj: To maintain timely vendor payment.

Performance Measures:

ML	Budget	Type	FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EF	Percentage of invoices paid within 30 days of receipt	98.7	95	96.7	95	95

Objectives: 3 2010 Obj: By June 30, maintain increased concession revenues.
 2011 Obj: By June 30, maintain increased concession revenues.

Performance Measures:

ML	Budget	Type	FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Amount of concession revenue collected	402,601	450,000	395,000	350,000	350,000

Objectives: 4 2010 Obj: Maintain administration costs under 10%.
 2011 Obj: Maintain administration costs under 10%.

Performance Measures:

ML	Budget	Type	FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate		
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QL	Administration as a percentage of total cost	3.0	5.0	3.1	1.8	1.8	1.8

◆ Goal: 2 To create a positive environment that encourages professional development and employee retention.

Objectives: 1 2010 Obj: State Parks will complete an annual employee survey to improve internal processes to meet the public's and the agency's expectations.
 2011 Obj: State Parks will complete an annual employee survey to improve internal processes to meet the public's and the agency's expectations.

Performance Measures:

ML	Budget	Type	FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate		
1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	OC	Percentage of employee turnover	15.8	15	36	15	15	15
2	<input type="checkbox"/>	<input type="checkbox"/>	OC	Percentage of Park Ranger II turnover	16.4	15	32	15	15	15

38

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	
3	<input type="checkbox"/>	<input type="checkbox"/>	EF	Percentage of New Hires attending Orientation Training within 2 months	100	100	0	100	100	100
4	<input type="checkbox"/>	<input type="checkbox"/>	OC	Percentage of employees recognized through agency award recognition program	100	100	82	100	100	100
5	<input type="checkbox"/>	<input type="checkbox"/>	QL	Percent of employees satisfied	78.9	80	66	80	80	80

Objectives: 2 2010 Obj: Arizona State Parks will provide the necessary training opportunities for employees to be successful.

2011 Obj: Arizona State Parks will provide the necessary training opportunities for employees to be successful.

Performance Measures:

ML	Budget	Type		FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate	
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Percent of park rangers trained - CPR	99.4	85	95	85	85	85
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Percent of park rangers trained - First Aid	49	50	95	50	50	50
3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Number of Officers meeting AZPOST training requirement.	53	55	51	55	55	55
FY 2007 and FY 2008 estimates were percentage of officers meeting training requirements as opposed to the number of officers.										
4	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Percent of park rangers trained - Wild Land Fire Fighting	47	35	35	35	35	35
5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Percent of park rangers trained - EMT	7	5	5	5	5	5
6	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Number of park rangers trained - Interpretation	154	145	50	50	50	50
7	<input type="checkbox"/>	<input type="checkbox"/>	OC	Percent of certified CPR instructors at State Parks	100	100	100	100	100	100
8	<input type="checkbox"/>	<input type="checkbox"/>	OC	Percent of Managers trained in Leadership	88	85	85	85	85	85

Budget Related Performance Measures

State Parks Board

Program:	1.0	PARK DEVELOPMENT AND OPERATION
Contact:	Jay Ream, Assistant Director	(602) 542-7103
2nd Contact:		
Statute:	A.R.S. §§ 41-511 et. seq.	

ML	Budget	Type	Performance Measure	FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	OC	Average cost per state park visitor (in dollars)	0.73	1.20	.15	.25	.25	.25
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	IP	Annual park attendance (in thousands) Revised Annual Attendance Forecast	2,378.6	2,450	2,212	2,200	2,200	2,100
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	QL	Percent of park visitors that are satisfied	97	95	95	95	95	95
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	OP	Number of new acres of open space and parkland space purchased by State Parks or facilitated through its grant programs	1,276.9	2,000	0.0	0.0	0.0	0.0

Program:	3.0	ADMINISTRATION
Contact:	Kent Ennis, Assistant Director	(602) 542-6920
2nd Contact:		
Statute:	A.R.S. §§ 41-511 et. seq.	

ML	Budget	Type	Performance Measure	FY 2009 Actual	FY 2010 Estimate	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	OC	Percentage of employee turnover	15.8	15	36	15	15	15

40

STATE PARKS OPERATIONS STATUS UPDATE

Over the past nine months agency staff have worked hard to keep parks open by both leveraging existing partnerships and building new relationships with local partners. The summary below describes current operations at all parks.

A. Parks that were Never Scheduled to Close:

1. Buckskin Mountain State Park (SP)/ River Island
2. Catalina SP
3. Cattail Cove SP
4. Dead Horse Ranch SP
5. Fool Hollow Lake Recreation Area
6. Kartchner Caverns SP
7. Lake Havasu SP
8. Patagonia Lake SP
9. Slide Rock SP

B. Parks Operated by Arizona State Parks staff through Partnership Support:

Park	Partner
1. Alamo Lake SP	La Paz County-\$30K
2. Fort Verde SHP	Town of Camp Verde-\$105K
3. Lost Dutchman SP	Friends of Lost Dutchman-\$24K
4. Lyman Lake SP	Apache County (closes Sept. 7, 2010)-\$40K
5. Picacho Peak SP	City of Eloy-\$20K
6. Red Rock SP	Yavapai County/Benefactors-\$160K
7. Riordan Mansion SHP	Arizona Historical Society/Riordan Action Network-\$78K
8. Roper Lake SP	Graham County, AZ Game & Fish
9. Tonto Natural Bridge SP	Town of Payson-\$20K; Star Valley-\$5K; Friends of Tonto Natural Bridge-\$10K

C. Parks Operated by Partners with no State Parks staff:

Park	Partner
1. Boyce Thompson Arboretum SP	University of Arizona & Boyce Thompson Foundation
2. Tombstone Courthouse SHP	City of Tombstone
3. Tubac Presidio SHP	Santa Cruz County & Tubac Historical Society
4. Yuma Territorial Prison SHP	City of Yuma
5. Yuma Quartermaster Depot SHP	City of Yuma

D. Parks Agreements under Negotiations:

1. Homolovi Ruins SHP

Working with Hopi Tribe and City of Winslow on funding solution; Tribal Council may consider contributing \$175K to re-open park at an upcoming Council meeting

2. Jerome SHP

Yavapai County contributing \$30K; Park will re-open on October 14, 2010.

3. McFarland SHP

Town of Florence taking over operations, no State Parks Staff; Board –approved; contract under review

E. Parks that are Currently Closed to the Public:

1. Oracle SP

RFP for 3rd party operations is on the street

2. San Rafael State Natural Area (SNA)

Grazing special use permit implemented, no public access

**UPDATE ON LAKE HAVASU STATE PARK, OPERATIONS,
CAPITAL DEVELOPMENT AND PROPERTY RESTRICTIONS**

Cost Analysis

Below are the actual costs, revenues and visitation for Lake Havasu State Park for FY 2008 – FY 2010. The user fee adjustment that took effect March 1, 2010 augmented growth in revenues in FY 2010, which is expected to carry forward to FY 2011.

**Lake Havasu State Park
Revenue and Operating Expenditures
FY 2008 through FY 2010**

	FY 2008	FY 2009	FY 2010
Total Park Revenue	\$748,541	\$852,769	\$967,516
Total Operating Expense	\$911,132	\$815,015	\$711,967
Net Revenue / (Cost)	(\$162,591)	\$37,754	\$255,549
Visitation / Attendance	248,851	337,692	340,269

Capital Improvement Plan

The State invested over \$16 million in capital improvements at Lake Havasu State Park. The current plan is to complete design for additional parking and launch ramps. This project will both increase visitation and relieve congestion at the existing ramps. Arizona State Parks will need to secure funding for the development of this facility after design is complete.

Completed Capital Improvement Projects (rounded)

Beach improvements (1980-ongoing)	\$1,148,000
Channel dredging (1993)	\$480,000
Water Safety Center (1994)	\$1,737,000
Restrooms (1980's)	\$64,000
Visitor Center/Ranger Station (2001)	\$88,000
Maintenance Facilities (2000-2003)	\$312,000
Ramada Contact Point (2008)	\$10,000
Personal Watercraft Facility (2001-2002)	\$4,904,000
Floating Dock (2000)	\$69,000
Fish cleaning station (1995)	\$77,000
Utilities upgrades (2000-2003)	\$632,000
Capital Improvement/small projects (1987-2000)	\$1,050,000
Capital Improvements/small projects (2001-2010)	\$553,000
ADOT Road Projects (1995-ongoing)	\$5,170,000
Total	\$16,294,000

FY 2011 Projects

New parking and launch ramp design only \$300,000

Proposed Projects (Board approved, not funded)

Fire Main water supply system \$575,000

Campground electrification \$525,000

Water system upgrades campground \$275,000

Proposed Projects (not approved, not funded)

Expanded parking/roads \$1.3 M

Launch Ramps (New and upgrade existing) \$1.5 M

Restroom/shower building \$350,000

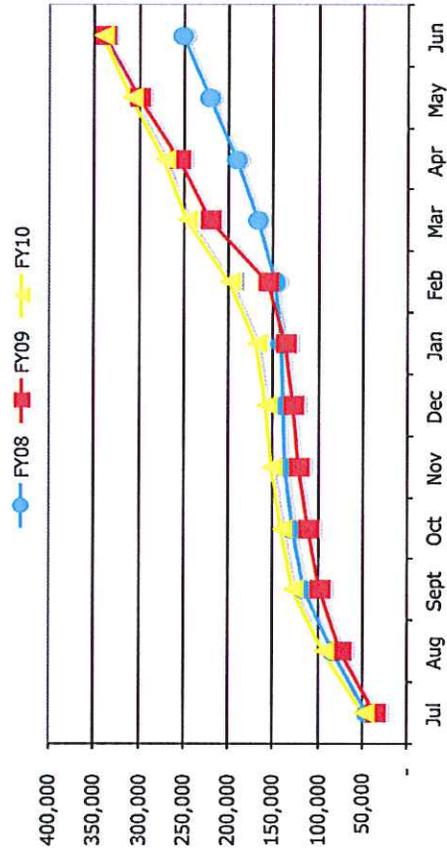
Retrofit existing restrooms \$150,000

Lease Due Diligence/Analysis of Agreements/Bureau of Land Management

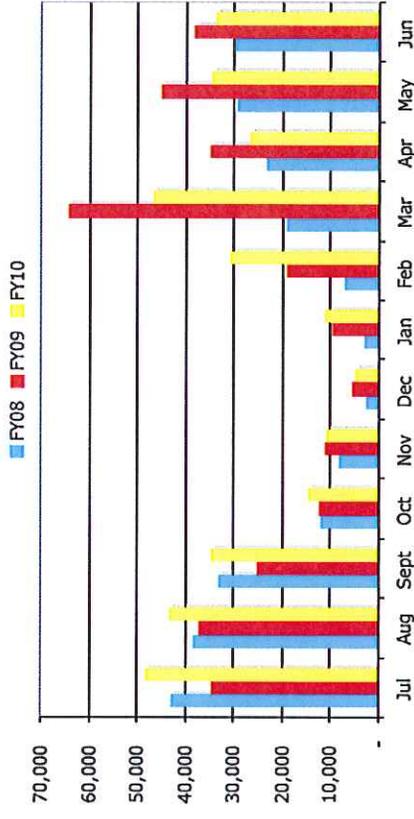
Any significant capital development or change in the operation of Lake Havasu State Park will have to include discussions with the Bureau of Land Management (BLM), which holds the Patent interest in the park property. BLM has indicated to ASP staff that all uses of the lands at Lake Havasu State Park must be in compliance with the terms of the Recreation and Public Purposes Act (RPPA), which was utilized to convey the property to State Parks at considerably less than fair market value. The BLM has indicated that in order to comply with the RPPA, State Parks must remain in control of the park, and the park may not be leased or conveyed "for uses that are aimed predominantly at producing revenue..." Although initial discussions have taken place, more meetings with the BLM will be scheduled as capital plans with specific detail develop.

Lake Havasu State Park Visitation & Revenue

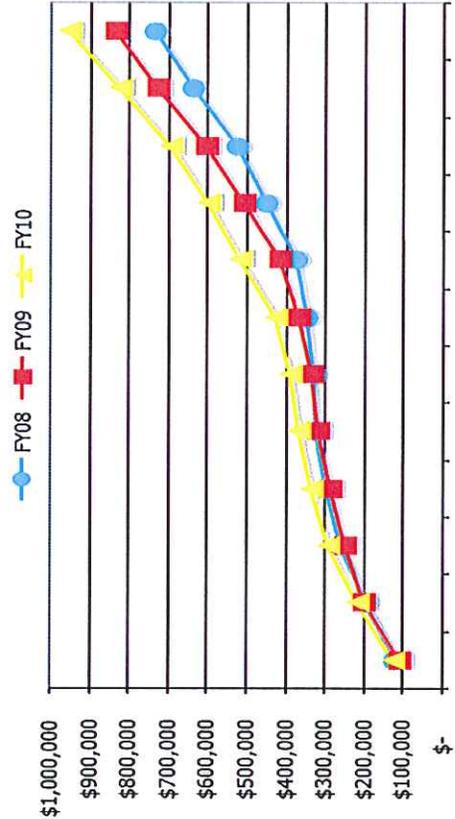
Fiscal Year To Date Comparisons - Visitation
FY08 to FY10



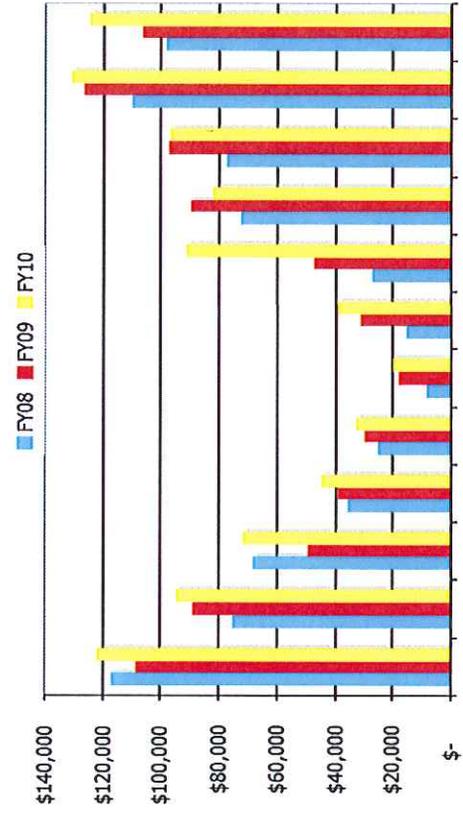
Month to Month Visitation Comparison
FY08 - FY10



Fiscal Year To Date Comparisons - Revenue
FY08 to FY10

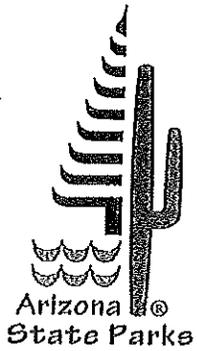


Month to Month Revenue Comparison
FY08 - FY10



*Revenue includes only ticket sales (e.g., day use entrance, annual pass sales, camping fees and permits), not concessions, donations or Pubs Fund. Campgrounds closed 11/25/07-4/30/08 for ADOT construction. System-wide fee increases took effect on 3/1/10.

* * * * *



"Managing and conserving natural, cultural, and recreational resources"

April 30, 2010

Jim Kenna, State Director
Bureau of Land Management - Arizona State Office
One North Central Avenue, Suite 800
Phoenix, AZ 85004-4427

Dear Mr. Kenna:

The Arizona Legislature recently considered a bill (HB 2464) which would have required the Arizona State Parks Board to lease Lake Havasu State Park to the Lake Havasu City. The legislation had certain pre-determined lease terms. This particular bill failed, but Lake Havasu City still has great interest in a long-term lease. We are seeking BLM's advice on the patent restrictions and revisionary clause related to this Park.

The majority of the Park (comprised of Windsor Beach and Contact Point) is under a Recreation and Public Purposes Act (RPPA) patent / deed with the BLM. A smaller portion is under a RPPA lease.

If the Parks Board is either required or considers pursuing a lease with another entity, we would like BLM's advice in several areas:

1. The Bureau's understanding of the meaning of the reversionary clause and patent.
2. Options to proceed with the terms of an agreement with the City in light of the requirements of the RPPA, and, whether certain types of terms and conditions in a lease agreement would affect the status of the Park under the RPPA.
3. Clarification on the reversion clause relating to the transfer of control over the land to another entity (e.g. would the BLM treat a lease with the City as a transfer of control if ownership of the Park was retained by this agency but was staffed by employees of the City?)
4. Are there any restrictions to add private concessions or contract with a private operator to manage the park?
5. If the State Parks Board determines it is unable to keep the Park open, what options does the Board have in transferring operational control to another entity in terms of patent restrictions? Specifically, can the Board turn control over to the City through an agreement?
6. Would the answer to any of the above questions be different if our land were under a BLM lease rather than a BLM patent?

Janice K. Brewer
Governor

State Parks
Board Members

Chair
Reese Woodling
Tucson

Racey Westerhausen
Phoenix

Larry Landry
Phoenix

Walter D. Armer, Jr.
Vail

Alan Everett
Sedona

William C. Scalzo
Phoenix

Marla Baler
State Land
Commissioner

Renée E. Bahl
Executive Director

Arizona State Parks
1300 W. Washington
Phoenix, AZ 85007

Phone & TTY: 602.542.4174
AZStateParks.com

800.285.3703 from
520 & 928) area codes

General Fax:
602.542.4180

Director's Office Fax:
602.542.4188

Jim Kenna, State Director
April 30, 2010
Page 2

· Lastly, I would welcome the Bureau's thoughts on cooperative solutions and other management options that emphasize our public missions, especially during this difficult fiscal time. We appreciate the continued support of Arizona State Parks by Arizona BLM and look forward to continue future partnerships in a variety of programs and activities.

Thank you for your time and attention to this matter. Please contact me if you have any questions at 602-542-4174 or rbahl@azstateparks.gov.

Sincerely,



Renée E. Bahl
Executive Director

cc: Jay Ream, Assistant Director, Parks Division
Dan Shein, Chief of Resources Management
Ray Warriner, Land Acquisition/Planning Manager



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Arizona State Office

One North Central Avenue, Suite 800

Phoenix, Arizona 85004-4427

www.blm.gov/az/

June 3, 2010

In Reply Refer To:

2740/2912 (9310)

AZA 029060

AZA 021573

AZA 021584

Ms. Renée E. Bahl
Executive Director
Arizona State Parks
1300 West Washington
Phoenix, Arizona 85007

Dear Ms. Bahl:

This is in regard to your April 30, 2010, letter requesting clarification of the Recreation and Public Purposes Act (RPPA) as it relates to a proposal to enter into an agreement with another entity to manage Lake Havasu State Park. Below are the responses to your questions:

1. "The Bureau's understanding of the meaning of the reversionary clause and patent." The reversionary clause was instituted mainly because lands conveyed under the RPPA are conveyed for less than fair market value. This benefits entities to use its funds to develop the facility instead of buying land. Since the lands are conveyed at considerably less than fair market value to a specific entity for a specific public purpose, the reversionary clause is required in all RPPA patents. Uses of the land must be in compliance with the terms and conditions of the RPPA to avoid enforcement of the reversionary clause. As the RPPA can be somewhat complicated, findings of noncompliance are not uncommon; however, the Bureau of Land Management (BLM) is always willing to work with entities to find a way to comply with the RPPA.
2. "Options to proceed with the terms of an agreement with the City in light of the requirements of the RPPA, and, whether certain types of terms and conditions in a lease agreement would affect the status of the Park under the RPPA." We assume that this question arises from the recent proposed State legislation, which, if passed, would have mandated a lease agreement between Arizona State Parks and Lake Havasu City (City). We are also in receipt of a copy of a letter addressed to you, dated February 10, 2010, from Charlie Cassens, Interim City Manager, Lake Havasu City, regarding a lease proposal between your agencies. Our understanding of the proposed

agreement is to allow the City to operate, manage and collect all revenues, but pay your agency an annual \$50,000 rent fee. From this small bit of information, it appears that this agreement would not be allowed under the RPPA. You may enter into an agreement with the City, but the document cannot sublease or transfer control of the park. We recommend that your attorney review any proposed agreement to ensure that it does not transfer control. You may submit a proposed agreement to the BLM for review, but we ask that your agency attorney review it first.

3. "Clarification on the reversion clause relating to the transfer of control over the land to another entity (e.g. would the BLM treat a lease with the City as a transfer of control if ownership of the Park was retained by this agency but was staffed by employees of the City?)" You may execute a management contract or agreement with the City either for a set fee (City paid as contractors for work completed) or for no fee (City "volunteers"), which would not transfer management control over the land and operation of the park, nor allow retention of revenue by the City. As mentioned above, we recommend that your attorney review any proposed agreement to ensure that it does not transfer control and then send the proposed agreement to the BLM for review.
4. Are there any restrictions to add private concessions or contract with a private operator to manage the park?" Private concessions or contracts with a private operator are allowable, but there are restrictions. We have to evaluate any private partnership with scrutiny as a private developer does not qualify on its own under the RPPA. The RPPA regulations limit qualified applicants to local and State Governments, nonprofit associations, and nonprofit corporations. In addition, there are specific statements in our BLM Manual that limit commercial and for-profit ventures on lands leased or conveyed under the RPPA:
 - 2740.06 H. (Policy) - "Lands shall not be leased or conveyed under the R&PP Act for uses that are aimed predominantly at producing revenue; or uses that convey with it some possible speculative, remote and incidental secondary benefits to the community or public-at-large."
 - 2740.21 (Uses Permitted) - "The R&PP Act shall not be employed where the principal use is to be residential, agricultural, commercial, or industrial. Exceptions may be made where development and use are collateral and supportive to the primary recreation or public purpose use, such as a park ranger residence, prison industry facility, or marina. Where the principal developer/user cannot qualify under the act, and/or the use would basically provide only secondary or indirect benefits to the public-at-large, e.g., increased employment or lease revenues, lease or conveyance shall not be authorized."

Proposals by parties other than the holder of the Recreation & Public Purposes Patent, which are aimed predominantly to produce revenue, would not be considered under the RPPA. Other options should be considered if revenue generation by other parties is the goal. Options to remove the reversionary interest could include: 1) transferring the land back to the BLM and then the BLM authorizes a commercial or concession lease; 2) transferring the land back to the BLM and then the BLM completes a land sale under the Federal Land Policy

and Management Act for fair market value; or 3) the BLM, on behalf of the taxpayers, could sell the reversionary interest (requires payment to the BLM of the appraised value of the land).

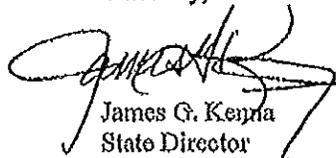
5. "If the State Parks Board determines it is unable to keep the Park open, what options does the Board have in transferring operational control to another entity in terms of patent restrictions? Specifically, can the Board turn control over to the City through an agreement?" As discussed above, you can have another entity operate the park provided control is not subleased or transferred. A second option, where appropriate, would be to enter into a cooperative relationship with adjacent or nearby landowners such as a City, State or Federal agency. Such arrangements could possibly assist in reducing operating costs while maintaining control of the site. A third option is a BLM approval process to transfer the patented land to another qualifying entity. The basic steps of this process are:

- A letter to BLM from Arizona State Parks requesting the transfer of the park to the new entity. This request should be accompanied by a copy of the resolution by the Arizona State Parks Board authorizing the filing of the request.
- A new Plan of Development/management may be submitted or the one used by Arizona State Parks can be adopted by the new entity.
- BLM prepares an approval of transfer. A copy would be sent to Arizona State Parks with the original to the new entity.

6. Would the answer to any of the above questions be different if our land were under a BLM lease rather than a BLM patent? The legal restrictions for subleasing, transfer of control, and commercial use would be similar under a patent or a lease due to the reduction well below market value in purchase or lease payments. There is a difference in how the ownership is transferred for a lease or a patent. The question above describes how a patent would be transferred. Leased lands would involve the same steps with the exception of preparation of a deed. The BLM would issue a decision approving the lease transfer.

We would like to assist you in keeping this park open to the public. The RPPA is complicated and we would like to meet with you to further discuss your options before you put a lot of effort into drafting agreements. Since you have other parks throughout the State authorized under the RPPA, I suggest a meeting with members of our staff to further discuss how we can assist you. Please contact Michael Taylor, Deputy State Director, Resources Division, at 602-417-9231 to schedule a meeting at your convenience.

Sincerely,



James G. Kenna
State Director

STATUS UPDATE ON REQUEST FOR PROPOSAL FOR
CONCESSION SERVICES AT DEAD HORSE RANCH STATE PARK

Current Status

Notification of Request for Proposal (RFP) #PR10-049, dated May 27, 2010, was e-mailed to approximately 46 potential offerors. A total of 12 proposals were requested and distributed.

A Pre-Proposal Conference was conducted at Dead Horse Ranch State Park on June 17, 2010 at 10:00 AM. During the Pre-Proposal Conference a page-by-page review of the RFP was conducted as well as a tour of the concession site. The conference was attended by 15 individuals representing 8 organizations. As a result of questions posed at the Pre-Proposal Conference, Solicitation Amendment One was issued on June 22, 2010. State Parks received one proposal.

The sole proposal submitted did not contain the information necessary to conduct a thorough evaluation of the offer. Therefore, the RFP was cancelled.

At this time, it is uncertain if Arizona State Parks will re-solicit this service. As such, the sole offer received in response to this RFP will be kept confidential for a period of six months.

Future Actions

Staff will determine and recommend to the Board whether to reissue this RFP, including a potential change to the anticipated services and investments sought from potential offerors.

UPDATE ON RELEASE OF REQUEST FOR PROPOSAL
FOR THE OPERATION OF ORACLE STATE PARK

Background

At the June 16, 2010 meeting, the Arizona State Parks Board approved the issuance of a Request for Proposal (RFP) for the operation of Oracle State Park. RFP #PR11-024 for the Operation of Oracle State Park was issued August 19, 2010. A pre-proposal conference was conducted on September 2 at Oracle State Park. Proposals are due to Arizona State Parks by 3:00PM, September 23, 2010.

Oracle State Park (Park) was established in 1987 as a 4,000-acre wildlife refuge in the northern foothills of the Catalina Mountains. Once part of the Kannally family cattle ranch, the unique Mediterranean style ranch house in the park is now listed on the National Register of Historic Places.

The Park offers day-use picnic sites and over 15 miles of trail for use by hikers, bicyclists and equestrians. A four-mile section of the Arizona Trail passes through the park.

The two parcels (map attached) that comprise the Park have conservation easements. The original parcel (3,498 acres) has deed restrictions set by the Defenders of Wildlife. A second parcel, the Huggett property (221 acres), has a conservation easement with the Arizona Land and Water Trust.

Current Status

The Arizona State Parks Board (Board) and the Friends of Oracle State Park recognize the importance of keeping the Park open to the public, and further recognizes that the current budget constraints affecting the State make it difficult for the Board to commit adequate funds to operate the Park.

Through Board action on September 11, 2009, the Executive Director is authorized to enter into, amend and withdraw from operating agreements in order to offset or reduce costs, or enhance revenues. On March 17, 2010, the Executive Director was authorized to enter into agreements for the purpose of keeping parks open. Chapter 249, Laws 2010 (SB 1349) authorized emergency procurement authority allowing the Board to contract with public or private entities or an Indian tribe to operate state parks. The State Procurement Office has opined that this legislation requires a reasonable level of competition to ensure that pricing is fair and reasonable and that appropriate contractual requirements are addressed. For this reason, an RFP has been issued to invite competition.

Oracle State Park was closed by action of the Board in September 2009 and remains closed except for the portion of the Arizona Trail that passes through the park. Staff has received no offers from local governments to assist or to operate the Park. Therefore, an RFP has been issued for the operation of the park. Staff will provide a recommendation for contract award to the Board for approval.

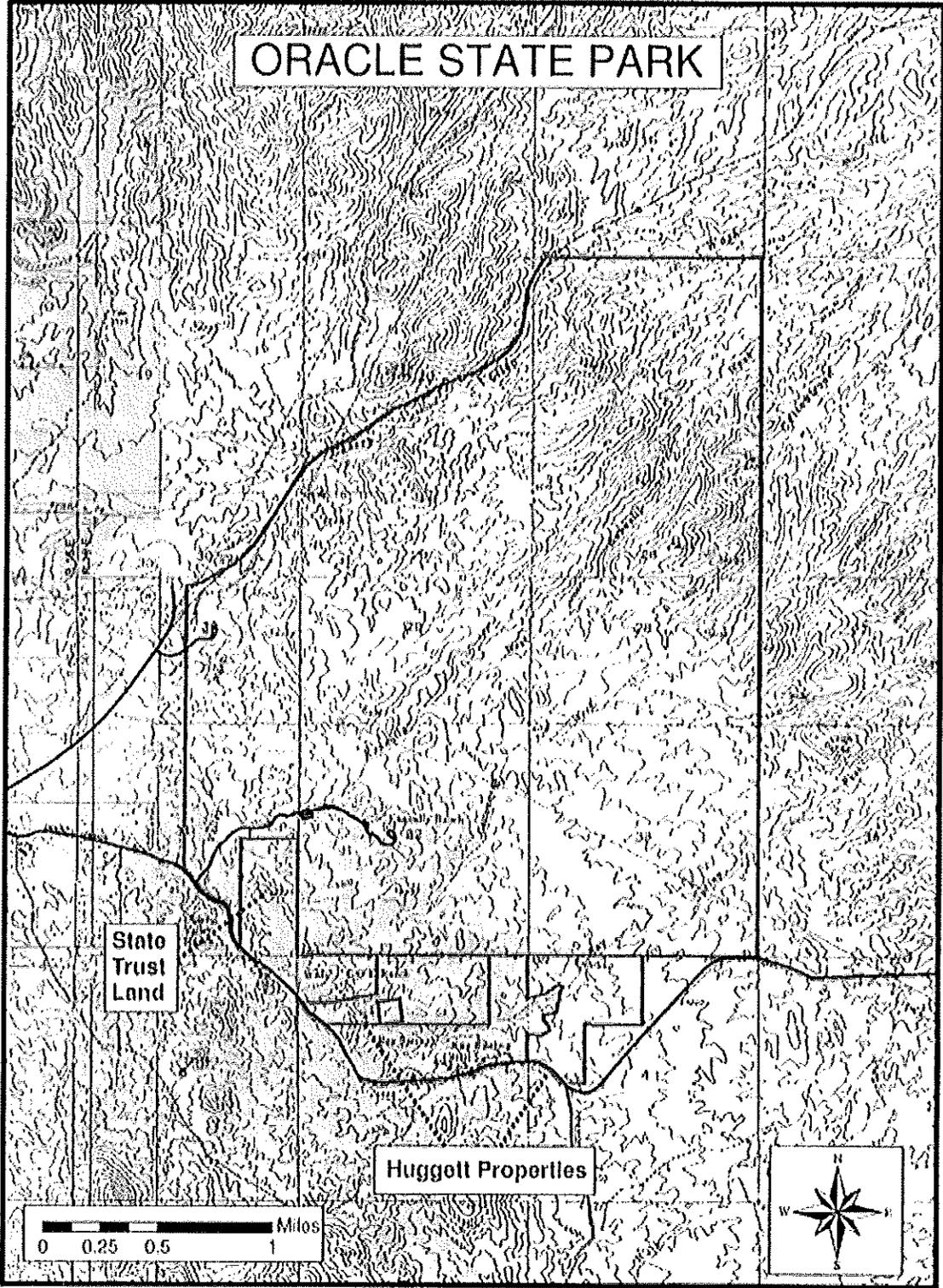
Request for Proposal Contents

RFP #PR11-024 contains general requirements for the operation of Oracle State Park, including:

- Compliance with the terms of the deed restrictions and conservation easement agreements.
- Maintain unrestricted public access to the portion of the Arizona Trail on the Park.
- Comply with the Secretary of Interior Standards on Historic Preservation.

Proposals must address:

- Operations Plan
- Maintenance Schedule
- Proposed development and major maintenance projects
- Staffing
- Programs



* * * * *

SUSTAINABLE FUNDING STRATEGIES

Current Status

Executive Staff continues to meet with a variety of individuals and groups who are seeking to find strategies that will result in sustainable agency funding. The group formerly known as the Governor's Sustainable Task Force met on July 8, 2010, and a new group convened by the State Parks Foundation, called (for now) the Arizona State Parks Sustainability Committee met on August 19. The new group had representative from the State Parks Foundation, the Sierra Club, the Morrison Institute, the Phoenix Convention and Visitor's Bureau, the Nature Conservancy, the Game & Fish Commission, the Heritage Alliance and the Sonoran Institute. The groups are undertaking preliminary legal work to define the scope of a possible initiative.

Staff will continue to attend these meetings and regularly report to the Board.

DRAFT AGENCY STRATEGIC PLAN

Background

Since passage of the Arizona Budget Reform Act in 1993 Arizona State Parks (Agency), like all state agencies, has operated under a comprehensive strategic plan that is reviewed and evaluated annually by the Governor's Office of Strategic Planning and Budgeting (OSP) and updated every three years. The Agency is working within the third year of the current three-year cycle.

Current Status

Reduction in work force and budget allocations has led to the need to reevaluate the current Agency's Strategic Plan. At the same time, long-range projections for the Agency are currently difficult to make because of the overall uncertainty of the state's economic and budget projections. Building on discussions with the Arizona State Parks Board and the adoption of a new Vision Statement, Executive Staff has directed the section chiefs (Big Staff) to work with their staff to draft a Strategic Plan. The plan addresses the affects of the agency's reduced budget and work force the current plans while also addressing the Agency's emerging critical needs.

This plan has incorporated top down direction with bottom up recommendations from individual staff members and supervisors. The plan recognizes the Agency's inability to do everything it used to do and focuses on the things that must be done while moving the Agency in a positive direction. When this plan is approved by the Parks Board, Executive Staff will assign the individual Action Strategies to Section Chiefs who will make task assignments to individual staff members.

The Parks Board will focus on the proposed Strategic Plan at its October 2010 meeting. Ultimately, the Board will be asked to approve Goals and Objectives.

August 30, 2010 DRAFT
ARIZONA STATE PARKS
DRAFT STRATEGIC PLAN 2010

MISSION: Managing and conserving Arizona's natural, cultural and recreational resources for the benefit of the people, both in our Parks and through our Partners.

VISION: Arizona State Parks is indispensable to the Economies, Communities and Environments of Arizona.

GOAL 1. To provide sustainable management of our natural, cultural, recreational, economic and human resources.

Objective A. By keeping all parks economically viable and open to the public.
Performance Measure: Percentage of parks open

Action Strategies:

- Focusing on resource treatments that will result in long-term revenue increases.
- Deploying conservation approaches, methods and processes that reduce costs such as solar power and alternative fuels.
- Implementing unique operational and management plans for each individual park.
- Updating maintenance schedules.
- Reviewing equipment needs
- Building partnerships

Objective B. By standardizing and upgrading the information technology infrastructure.
Performance Measures: Agency application and network operational support updating by June 2012, Reservation system implementation by February 2011

Action Strategies:

- Developing and implementing an online reservation system for Kartchner Caverns and park camp grounds.
- Improving revenue tracking and collection.
- Implementing the online procurement system (Procure AZ).
- Providing an information technology help line and response team.
- Increasing desktop, network and telecommunication productivity.
- Developing electronic tracking of requests to purchase and purchase orders to ensure accurate, prompt and timely payment.
- Implementing the human resource information system initiatives incorporating Internet Explorer 8.

Objective C. By efficiently processing grants, projects, paperwork and documents through the agency.
Performance Measures: Meeting deadlines set in statute, rule or agency policy.

Action Strategies:

- Ensuring continued timely and appropriate processing, reporting and management of agency management resources (fiscal, human and payroll), within all targeted deadlines, by making the best use of the limited available resources.
- Processing National and State Registers of Historic Places nominations within 120 days.
- Processing compliance projects through the State Historic Preservation Office review process within 30 days and expediting stimulus and energy projects within 15 days.
- Processing State Historic Preservation Office incentive projects and tax act applications in a timely manner.
- Working with contractors to maintain project schedules and costs.

Objective D. By increasing each staff member's knowledge, skills and abilities through training opportunities.
Performance Measure: Percent of staff members completing at least one training program each year.

Action Strategies:

- Providing education, training and guidance regarding laws, rules, policies & procedures for all staff members.
- Training 100% permanent full time supervisory employees through the Arizona Department of Administration supervisory academy by June 30, 2011.
- Developing and implementing training program for special detail supervisors by June 30, 2011.
- Developing and implementing training program for temporary employees.
- Meeting AZPOST Standards by December 31 of each year based through compliance with AZPOST minimum standards.
- Bringing national training opportunities to Arizona.

Objective E. By providing agency staff with a stimulating, safe, and challenging work environment.
Performance measures: Annual employee satisfaction survey,

Action Strategies:

- Conducting the annual employee survey
- Continuing the employee service award and recognition programs.

GOAL 2. To provide safe, meaningful and unique experiences for our visitors, volunteers and citizens.

Objective A. By working with agency personnel to implement and update the master list of economically feasible facility upgrades that improve the visitor experience and increase revenue.
Performance Measures: Implement current projects by November 2010, Update list by July 2011, Percent of project dollars spent.

Action Strategies:

- Creating a consensus priority master list with an emphasis on campgrounds, cabins, restrooms, parking, concessions and other partners.
- Awarding design contracts.
- Completing designs and bidding projects.
- Awarding construction contracts and monitoring projects to completion.
- Providing visitor interpretive opportunities connected to ongoing development projects, scientific research and resource protection projects.
- Exploring the feasibility of providing Wi-Fi access for park visitors.

Objective B. By working with agency personnel to market events and improve the overall quality of existing events.
Performance measures: Event attendance, surveys of event satisfaction.

Action Strategies:

- Including all events on our website.
- Developing activities at all parks during Archaeology and Heritage Awareness Month.
- Increasing attendance at the Arizona Historic Preservation Conference by 10%.
- Engaging visitors and citizens to park and partnership activities and programs related to Arizona's Centennial.

Objective C. By striving to operate the visitor interface component of the Park System with a "cost neutral" budget where visitor revenue equals or exceeds direct visitor costs.
Performance Measures: Revenue vs visitor cost ratio,
Percentage of administrative costs to gross visitor revenue

Action Strategies:

- Increasing agency revenues from visitors.
- Lowering visitor operating costs.
- Reviewing the visitor fee structure.

- Reviewing the concessionaire and gift shop programs.

GOAL 3. To document our progress through planning, analysis and research.

Objective A. By collecting scientific and historical data on natural and cultural resources to better inform decision-making.
Performance Measures: Quarterly updates posted on the Gemini server.

Action Strategies:

- Monitoring the condition of park resources.
- Basing work priorities for historic properties on specific preservation plans.
- Operating a network of water level recorders and rainfall recorders and collecting data from them.

Objective B. By updating the long-term Capital Improvement Plan. Performance measures: Completed priority list by June 30 of each year.

Action Strategies:

- Completing park manager based needs assessments.
- Developing a master improvement list.
- Reaching consensus on priorities.
- Creating an annual project list.

Objective C. By continuing to provide accurate, timely, and targeted agency reports on program management and analysis for internal and external use.
Performance Measure: Meeting all required annual deadlines.

Action Strategies:

- Preparing statutory, rule or policy mandated annual reports.

Objective D. By continuing to implement the Revised State Historic Preservation Plan.
Performance Measures: Review of annual progress by the agency and the National Park Service with National Park Service Historic Preservation Fund grant approval.

Action Strategies:

- Providing the Board with State Historic Preservation Office task list by June of each year
- Providing the National Park Service with State Historic Preservation Office end-of-the-year data and projected program task list by December of each year.

GOAL 4. To build lasting partnerships to promote local economies, good neighbors, recreation, conservation, tourism and establish sustainable funding for the agency.

Objective A. By continuing and expanding collaboration with federal, tribal, state, and local governments, non-governmental organizations (NGOs), concessionaires and private sector individuals whose objectives or duties are similar to State Parks.

Performance Measures:

Number of revised partnership and concession agreements,
Percentage of CLG grant funds obligated, Number of AZSITE (the SHPO computerized data base) users.

Action Strategies:

- Initiating partnership planning for Contact Point.
- Encouraging friends groups, the Arizona State Parks Foundation, other non-governmental organizations and local governments to continue and expand support of the mission and programs of Arizona state Parks.
- Studying how to increase the economic impact of parks on local communities.
- Establishing and administering partnership agreements in support of agency programs.
- Ensuring timely and supportive communication of fiscal and related performance data to and from our partners within thirty days of the end of the quarter.
- Providing electronic exchange of data and information between the State Historic Preservation Office tracking system and AZSITE by July 2011.
- Renewing agency participation in the Site Steward Program and increasing participation.
- Formally monitoring all Certifies Local Government communities over the next three years.
- Assisting tribes with historic preservation program development.
- Exploring the use of "State Heritage Areas" as an economic development and partnership strategy.

Objective B. By implementing a community relations plan that addresses each park's unique location, program audience, and adjacent and thematic communities.

Performance Measures: Complete plan by November 1, 2010,
Implement plan by March 2011.

Action Strategies:

- Generating communication links with partners.
- Developing community/agency special events.
- Developing a cooperative public relations plan.

- Providing technical assistance to program partners

Objective C. By continuing partnership training on agency programs, planning and activities.

Performance Measures: Percent of programs covered each year.

Action Strategies:

- Educating eligible applicants who have not previously applied for grant funds about the programs.
- Providing at least one training workshop a year for our partners covering the following topics:
 - Growing Smarter Grants/ Land Conservation Fund
 - Trail management
 - Requirements of the State Historic Preservation Act
 - The federal 106 compliance process
 - Committee and commission training
 - Historic Cemetery stewardship
 - The Certified Local Government Program
 - Historic Preservation Incentives
 - Historic resource treatments
 - Media relations training.

Objective D: By working with Stakeholders to create and promote a strategy for sustainable agency funding.

Performance Measures: Sustainable funding source identified, Sustainable funding source in place.

Action Strategies:

- Identify stakeholders interested in helping to establish sustainable agency funding.
- Continuously meet and share timely and concise information with stakeholders.
- Report back to Board and staff regarding progress made on efforts to enact sustainable funding solutions.

GOAL 5. To effectively communicate with the public, policy makers, our partners, our peers and ourselves.

Objective A. By implementing a new marketing plan by November 30, 2010.

Performance Measures: Park and event attendance

Action Strategies:

- Maintaining marketing efforts and promotions at all parks throughout the year.
- Updating the marketing/advertising approach
- Updating the webpage for content and completeness.
- Reviewing all collateral materials (brochures, etc.)
- Enhancing the agency social media exposure.

- Providing factual information on our parks and partnerships as requested.

Objective C. By implementing a new public relations plan by November 30, 2010.

Performance Measure: Park and event attendance

Action Strategies:

- Updating our Media Relations program
- Reviewing customer service issues
- Targeting group sales
- Distributing annual reports to interested parties.

Objective D. By exploring ideas to improve agency internal communications including electronic posting of information by 2012.

Performance Measures: Employee Survey

Action Strategies:

- Developing an agency master calendar of deadlines, activities and changes and move toward electronic calendar use by the staff.
- Updating the Gemini server and placing updated detailed and summary fiscal data on the server and providing instructions for agency access and use, by April 1, 2011.
- Updating agency policies on access to confidential data and information.
- Exploring additional options for electronic posting of agency information such as an Intranet connection.

The Actions Strategies found in this plan shall be assigned to agency staff by executive staff follow acceptance by the Board. They will be reviewed annually and updated based on agency progress on meeting the stated goals and objectives.