



STATE OF WASHINGTON

OFFICE OF THE INTERAGENCY COMMITTEE

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June 20, 2005

TO: IAC Members and Designees

FROM: Laura E. Johnson, Director 

PREPARED BY: Kammie Bunes, Outdoor Grants Manager 

SUBJECT: State Parks Deception Pass Sunrise Resort Acquisition
IAC #04-1234A
Scope Change Request
Notebook Item #1c (Consent Calendar)

Summary

Washington State Parks and Recreation Commission (hereafter Parks) requests IAC Board approval of a scope change to a Washington Wildlife and Recreation Program (WWRP) project. The scope of this State Parks category project was to acquire Sunrise Resort. Parks was able to acquire this property in March 2005 with an existing WWRP grant.

This scope change will enable Parks to acquire the neighboring property that includes a vacant restaurant that will serve as the new administrative building for Deception Pass State Park. In addition, Parks requests approval to expand the scope to include development costs associated with modification of the building for administrative functions. Staff recommends approval of this request.

Background

At the July 2003 IAC meeting, Board members approved WWRP funding for the acquisition of Sunrise Resort, a 37-acre private RV campground adjoining Deception Pass State Park and located directly across State Highway 20 from the Park's main entrance. The resort includes 111 campsites, a private lake, comfort station with six showers, gazebo, playground, picnic area, and dump station. Parks intended to retain the RV camp and develop an administrative complex on the property.

The present location of the administrative site within Deception Pass State Park has historic, scenic, and recreational qualities that would provide a superior area for visitor use rather than for administrative and maintenance functions. Sunrise Resort has excellent road access and provides an ideal location for administrative operations.



Preliminary appraisal information indicated additional funds would be required to acquire Sunrise Resort. Consequently, Parks pursued a second WWRP grant in the next application cycle. Sunrise Resort Phase 2 ranked as the number one priority on the State Park category list for the 2005-07 biennium.

Project Status

Two circumstances allowed Parks to acquire Sunrise Resort ahead of schedule. WSDOT needed to acquire an easement on the property to serve as mitigation for nearby improvements to Highway 20. The easement reduced the overall property cost by more than \$200,000. Funds from the sponsor's Parkland Acquisition Account, coupled with the 2003-05 biennium grant award, were adequate to acquire Sunrise Resort at the revised value.

Meanwhile, a vacant restaurant adjacent to the Resort has been listed with a real estate agent. Asking price for the Island Grille property is \$595,000. Parks is currently awaiting an appraisal review before they can complete negotiations. The 2,000+ square foot building, built in 1994, will meet Parks need for an administrative building with relatively minor modifications.

Discussion and Analysis

This request reflects an expansion of the initial project scope. The property that was originally evaluated has been acquired. A scope change allows Parks to acquire an adjacent property that already has a building that will function well as a visitor contact and administrative building. The corresponding scope expansion allows Parks to use grant funds toward renovation of the building. This action represents a cost saving measure for the state. Parks staff estimates it would cost approximately three times as much to design and permit a new building. Infrastructure, such as septic and parking, is already in place and acquisition of the Island Grille property will allow Parks to move their administrative functions sooner than anticipated.

IAC Manual #7, *Funded Projects: Policies & The Project Agreement* outlines the policy for scope change requests. The policy allows the Director to approve minor changes in scope, but requires Board approval for major scope changes. This request is consistent with the criteria specified.

Staff Recommendation

Staff recommends approval of the scope change as requested. Staff further recommends the project be renamed to avoid confusion. The new name will be Deception Pass – Island Grille Property. Resolution #2005-15 is provided for Board consideration.