



# Mt. Hood National Forest Recreation Residence Reappraisal



USDA, Region 6

Mt. Hood National Forest

Zigzag Ranger District

## The Issue

Following Forest Service policy, the Mt. Hood National Forest has completed appraisals to establish new base fees for the next 20 year billing cycle for 558 recreation residence tracts (summer homes) on the Zigzag Ranger District. The new fees become effective at the beginning of 2002. Current fees being paid by recreation residence permit holders were based on appraisals that were conducted 20 years ago.

Due to increases in the value of private land comparable sales that were used in the appraisal, fees on the Mt. Hood National Forest in 2002 will increase almost 300% over current rates. This is the largest increase of all the Forests in the state of Oregon. Many cabin owners feel that the increase in fees will cause a financial hardship for them.

## Background

Currently, base annual fees range from \$463 to \$769 and are for the use of the land or lot that the cabin occupies. These fees are based on appraisals done in 1978. New base fees in 2002 will range from \$1,300 to \$2,100 for the use of the lots. Fees are determined by taking the estimated land value and multiplying it by 5%. Estimated land values for the lots ranged from \$26,000 to \$42,000. Since the increase in fees is more than double the existing rate, the new fees will be phased in over a four year period.

Fees to be collected for the 1999 year for recreation residences totaled approximately \$372,100. 25% of these fees collected by the Forest are returned to the counties. The new fees, when implemented, will total approximately \$1,070,000. The cabins are privately owned so Clackamas County also collects a separate personal prop-



erty tax on value of the cabin itself from the permittee.

Appraisals were done on a sample basis so not all lots were appraised. 24 "typical" lots were selected to represent all 558 lots within the recreation residence tracts. The typical lots represent other lots with similar characteristics within each tract. The average size of typical lots is about 0.45 acres or 19,600 square feet. These typical lots were agreed to between the Forest Service and the Mt. Hood Homeowner Association. The appraised value for the "typical" lots was estimated by comparing them with recently sold lots on private land in the Hoodland/Welches/Wemme area.

Closeness and access to streams and influence by Highway 26 and its noise were factors used in determining similarity of characteristics. Lots which

had easy access to streams had the highest appraised value and lots with no stream access and influenced by Highway 26 had the lowest appraised values. The improvements, such as cabins, are private property owned by the permittees and were not a factor considered in the appraisal. They therefore do not affect either the fair market value of the land or the fee.

After the Forest Service completes its appraisal, agency policy requires that the permittee be provided an opportunity to review the approved appraisal report and the estimated market value of their lot. If he/she disagrees with the estimated appraised value in that report, the permittee then has 45 days to request a second appraisal at their expense. That appraisal is to be done to the same standards as the first appraisal.



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## Key Messages

Recreation Residences are a valid use of National Forest

The appraisals were done in a fair and equitable manner

New fees will not go into effect until 2002. Bills for

land. The recreation residences are not for full-time occupancy. Their purpose is to allow people a greater opportunity to recreate on the National Forest. They are allowed to use the lots under guidelines spelled out in special use permits which they have agreed to follow.

- The primary reason for the significant increase in fees is because the lots, and the nearby private lands used to determine their appraised values are in a highly desirable area, located near the Portland metropolitan area. In the past decade, land values have increased dramatically in this area.

The fee is 5% of the estimated appraised value for the lot as specified in the special use permit for the recreation residence. The 5% value provides for a fair market value return of money to the US Government for use of the lot.

- Not every lot is being appraised. "Typical" lots, agreed upon by the Forest Service and the Mt. Hood Homeowners Association, are being used to determine value. The value for the "typical" lots will then determine the value of the rest of the lots and their fee.
- The appraisals were conducted following the standard 20 year cycle established in Forest Service policy nationwide.

the fees will be sent out at the end of 2001.

- Because fees on the Mt. Hood National Forest will more than double, the fees will be phased in over a 4 year period between 2002 and 2005, inclusive.
- If permittees disagree with the appraised value, they have 45 days to request getting a new appraisal done at their expense.
- The improvements, such as cabins, are private property owned by the permittees and therefore do not affect either the fair market value of the land or the fee.
- The Forest Service returns 25% of the fees collected to Clackamas County to help pay for roads and schools.