

Proposed Chamberlain Property Development

Questions & Answers

Q: What is the Cascade Pacific Council of Boy Scouts of America announcing?

A: The Cascade Pacific Council (CPC) Board of Directors is announcing a unique opportunity associated with our Long Range Property Plan (LRPP), which was approved by the board in 2014 following an extensive two-year process that incorporated broad volunteer engagement from all parts of the Council. As outlined in previous communications, the LRPP directed the board to vigorously evaluate our valuable properties in order to fulfill our stewardship of these numerous assets while meeting the increasing financial and programmatic demands of the Council.

Today we are notifying membership of a resolution passed by the board that directs key Council staff and members of the board-based Properties Task Force to begin due diligence on a possible lease of a portion of the Council's property located between Camps Meriwether and Clark to a respected developer, Mike Keiser, for the purpose of building a links-style golf course. If a deal is completed, the Council will see significant economic benefit that will provide substantial additional annual funding to modernize and maintain all of the Council's properties, including Camps Meriwether and Clark.

Q: What is the significance of announcing this proposal now?

A: Until now, conversations between the two parties have been preliminary and exploratory and will remain so until feasibility studies and due diligence is finalized. Assuming successful completion of due diligence, the Council anticipates a formal negotiating period could begin within the next several weeks or months and it is now appropriate to share the proposition with our members. A formal member input process will now follow.

Q: What does the developer intend to do with the property?

A: Mike Keiser, who is the son of an Eagle Scout and a world-renowned developer of links golf courses, including Bandon Dunes (<http://www.bandondunesgolf.com/>) near Coos Bay, Oregon, has expressed interest in leasing approximately 200 acres of currently unutilized land situated between Camps Meriwether and Clark – about 15% of which was clear-cut five years ago – for the purpose of developing and operating a public 18-hole golf course. The entire CPC-owned parcel is 800 hundred acres, so the roughly 600 remaining acres (including Camp Meriwether and Camp Clark) would be retained and managed entirely by the Council and are not a part of the negotiations. Again, the Council would retain full ownership of the 800 acres, retaining all rights, including timber rights.

Q: Who is Mike Keiser?

A: Mike Keiser is a philanthropist and developer of top-rated links courses in the United States and around the world in locations such as Wisconsin and Nova Scotia. Along Oregon's

southern coast, Mr. Keiser developed Bandon Dunes, which includes four of the top 20 public courses in the United States. Prior to developing golf resorts, Mr. Keiser created and operated a very successful greeting card company in Chicago, Illinois.

Q: What is a links golf course?

A: Links courses – the original golf courses developed on the shores of Ireland and Scotland – are built on sand and use fescue grass, whereas commercial courses in the United States have traditionally been built on soil. Links course popularity is growing domestically and internationally. Considering Mr. Keiser’s reputation for integrating the natural surroundings of his developed properties, the board found that his interest in our property aligns with our desire to find the highest and best use for the land.

Q: Will development of this property negatively affect Camps Meriwether and/or Clark?

A: No. The board and Council staff view this as a very unique opportunity to positively impact our programmatic use of these two legacy camps and to affect the outstanding Scouting experiences they offer. Negotiations with Mr. Keiser will ensure strict protection and significant enhancement of Meriwether and Clark and their programmatic areas, aided by a terrain that would act as a natural buffer between the properties as well as a specific plan to ensure that the integrity of the camps – and the Scouting activities and experiences they support – would be fully maintained. Mr. Keiser has joined the Council in insisting that, as part of this project, the utmost attention be given to preserving and improving the camps and their environs.

Q: How would the Council use the potential financial proceeds?

A: Though no agreement is in place, the board has already resolved that revenue from this potential lease would be directed in part to camp improvement projects as outlined in the LRPP, beginning with Camps Meriwether and Clark. Additional funds would be used to fund program enhancements and continue to expand membership in Scouting, among other Council needs.

Q: What specific improvements would be made to Camps Meriwether or Clark?

A: Until formal negotiations begin, it is difficult to say definitively what improvements will be made. But Mr. Keiser has made it clear that infrastructural improvements such as upgrading the common and separate roads into each camp and the course are central to an agreement. These costs would be the responsibility of the developer. In addition, informal discussions have included proposals for constructing new staff and Ranger housing to help the Council greatly enhance these outdated quarters. Other projects would be considered as well.

Q: Would the Big Lodge at Camp Meriwether be affected?

A: While the Council has a strong desire to renovate the Big Lodge, it does not possess resources at this time to do so. However, the Council would make preservation of the Big Lodge an important component in any development negotiations.

Q: Who made the decision to pursue this opportunity?

A: The board made the decision in July 2015 to direct key Council staff and the Properties Task Force to begin due diligence on a possible lease of a portion of the mid-property between Camps Meriwether and Clark with Mr. Keiser. The resolution only authorizes select personnel to negotiate a non-binding letter of intent with Mr. Keiser and his team; it does not authorize the execution of an agreement. Approval for a formal agreement would require further board action at a later time.

Q: Why is the Council considering this proposal?

A: In accordance with the Council's LRPP (<https://www.cpcbsa.org/lrpp>), produced by our outstanding volunteers and approved by the board, the Council has been taking important steps to address deferred maintenance issues within our large inventory of properties, which, after our people, are our most vital asset. Responding to our members' needs and requests, the Council intends to ensure that our properties are well-maintained - and enhanced - for today's and tomorrow's Scouting uses. To that end, the board has determined that this unique opportunity - so long as it fully protects the programs and integrity of both Camps Meriwether and Clark and preserves high-quality Scouting experiences - should be earnestly examined.

Q: How does this proposal align with the findings of the Long Range Property Plan?

A: In late 2014, the CPC board approved the recommendations contained in the LRPP, which was developed by Council volunteers after months of study, professional consultation and member input. One of the LRPP's key findings was that the Council has more properties than it can financially sustain, and that due to operational costs exceeding revenues, the Council needed to explore revenue-generating opportunities for and involving current properties. The possibility of developing this unutilized but valuable property aligns with that board-approved recommendation.

Q: What kinds of revenue-generating opportunities for the Council are being discussed?

A: While discussions remain preliminary at this point, we are encouraged by the innovative and positive ideas Mr. Keiser has been willing to entertain - and in some cases, initiate - with the Council. If we are successful there are opportunities for the Council to: share in the revenues of course membership fees and greens fees; obtain exclusive rights to hold fundraising tournaments for traditional and non-traditional Scouting donors; and develop unique marketing and merchandising partnerships. Many intriguing possibilities exist to deliver new revenue that would grow Scouting programs and ensure that our properties are of the highest quality for our members and visitors for years to come.

Q: What unique marketing opportunities are being discussed that would benefit the Council?

A: Coming from a family that has long valued the mission and traditions of Scouting, Mr. Keiser has expressed excitement in such considerations as a course name that honors Scouting and/or our Council, Scout-themed course markings, an on-site Scouting/CPC museum and employment opportunities for Eagle Scouts, to name a few. We look forward to getting input from our membership and volunteers related to other possibilities they would like to see considered before any formal negotiations may start.

Q: What are the next steps in the consideration process?

A: Formal negotiations will not begin in earnest until both the Council and Mr. Keiser have concluded their respective due diligence. The Council anticipates that substantive discussions may begin in December 2015. This announcement simply reflects the board's intent to be transparent as the process gets underway.

Q: What kind of due diligence is taking place?

A: Before substantive negotiations can take place, the Council and Mr. Keiser are working with experts to carefully consider such issues as the amount of land feasibly available for a course (without encroaching on Camps Meriwether and Clark); soil and topography compatibility; possible effects on roads and infrastructure; any impacts on Scouting programs and participants; mitigating and avoiding interference between golf and camping; market value of the proposed land deal, etc. If both sides see a satisfactory path forward, negotiations are likely to ensue.

Q: Would any portion of Camp Meriwether and/or Camp Clark be sold?

A: Absolutely not. The Council is considering only a long-term ground lease arrangement for a portion of the unutilized property between the two camps. Under such a lease, the Council would retain full ownership of all of the land under the golf course facilities. No Council property would be sold.

Q: What is the anticipated term of the lease being considered?

A: It is much too early to predict exactly how long a proposed term would last. However, Mr. Keiser has suggested a 50-year term, so we do not expect a longer term. Any such lease would terminate early if Mr. Keiser were unable to obtain all the governmental permits needed for this project.

Q: What would happen at the end of the term?

A: We do not know. That would be a decision for Council leadership at that time. However, we can be assured that the Council retains ownership of the property before, during and after the term of this potential agreement to decide what it believes is the highest and best use of the land.

Q: Assuming an agreement is reached, when would development of the course begin?

A: It is also much too early to predict exactly when construction might begin. The board has only granted authorization to select individuals to begin due diligence for a possible lease. It typically takes at least a year and possibly much longer after any lease is signed for the developer to obtain required governmental permits. Development could not begin until all necessary permits are obtained.

Q: How long would it take to develop the new course?

A: Development of the course would likely take 3-5 years. Since no formal negotiations have begun it is uncertain when development might commence or be completed.

Q: What else would need to happen before construction could begin?

A: In addition to a formal agreement, the developer (Mr. Keiser) would need to obtain all required permits from county and state agencies. These costs would be borne by Mr. Keiser. It is uncertain how long the permitting process would take.

Q: What costs are the Council incurring in this process?

A: To date, the only direct cost that the Council has incurred was to order an independent appraisal of the property under discussion. All other hard costs associated with due diligence have been or will be absorbed by Mr. Keiser.

Q: If this golf project does not happen, would the Council seek to use all or part of the property for camp expansion, or some other commercial purpose?

A: No. This is true for two reasons: First, our Long Range Property Plan Committee concluded there was insufficient demand at this time to warrant any expansion of our current camps, and our priority is to improve existing properties rather than expand them. Second, the property being considered is only zoned for forest (camping) or golf. It is unlikely that the property could be rezoned for any other use, including housing, e.g., hotels and condominiums.

Q: Why don't we just leave the property as it is?

A: As is, the property is unutilized and has limited value to the Council except through timber harvesting every two decades or so. Exercising its duty to explore serious, sustainable avenues to continue to enhance the Council's financial footing, the board believes this to be an extremely unique opportunity with significant revenue-generating potential that must be explored. If this proposal proceeds to a formal agreement and development it would help ensure that the Council can continue to provide superior services, programs and outdoor experiences to our members and visitors at these and other camps for years to come.

Q: What has been Mr. Keiser's recent experience in developing golf courses in Oregon?

A: Bandon Biota, a company of Mr. Keiser, entered into a land exchange with the Oregon State Parks and Recreation Department in 2013, with the purpose of constructing and operating a non-profit golfing facility on the south Oregon coast. The net profits of the operation were to be devoted to area youth scholarships. Youth and citizens of local counties, as well as Oregonians, were to play golf at significantly reduced fees. Visitors to the state would pay to play at regular rates. Mr. Keiser recently terminated the project when the Bureau of Land Management, which had a reverter interest in part of the land upon which the golf course was to be constructed, insisted upon setting the charges for greens fees. Regardless, Mr. Keiser contributed \$570,000 to State Parks during the process, for use in acquiring Whale Cove, a critical habitat for coastal wildlife, and for eradication of gorse, an invasive weed, along the south Oregon coast. Mr. Keiser did not ask for the money back from State Parks. During the process, he also facilitated for State Parks the acquisition of a significant portion of Sand Lake in Tillamook County for use as a state park by guaranteeing a key loan and agreed to continue his work with State Parks to realign the Oregon Coast Trail.

An activist group opposed the Bandon Biota project at each step of Oregon's public permitting process, as was reported by several local and state-wide news sources. Oregon's land use and regulatory rules allow full participation by its citizenry before important decisions are made. There may be opponents to this proposal as well as adverse press comments about the proposal CPC is announcing.

Q: Will the Council be required to spend significant dollars presenting and defending its position on this project during the public vetting process?

A: Formal negotiations with Mr. Keiser have not occurred. The Council and Mr. Keiser will address the issues of costs and cost reimbursements. Preliminarily, Mr. Keiser has acknowledged the responsibility for obtaining the required permitting is that of the developer. Under Oregon's land use procedures, though, certain of the required permits will need to be filed and pursued in the name of the Council. Also, personnel of the Council may need to be present during the public process to answer questions relating to the project. To be clear, the burden of preparing and presenting the permits, and seeking and defending approvals, will be the responsibility of the developer.

Q: What impact would this have on the local community in Tillamook County?

A: Based on the positive impact that similar developments have had on other coastal communities, a successful project such as this would spur job creation, tourism and economic development in a part of Oregon in need of growth. It is likely that an economic impact analysis would be performed during the permitting and development process.

Q: Will membership have a chance to give input?

A: Yes. The Council highly values our members' feedback and is announcing a formal input process on our homepage (<http://cpbsa.org>). As with the formation of the LRPP in 2013-14, the Council is eager to provide opportunity for our members to share their views and suggestions with the board and key Council staff before any final agreement might be concluded.