

A man in a dark jacket and maroon pants, wearing a colorful hat, is blowing bubbles from a large orange tray. Several children are running and playing with the bubbles. The scene is set on a grassy field with a cityscape and water in the background under a blue sky with many bubbles.

**Sustaining Seattle's Parks:**  
*A Study of Alternative Strategies to  
Support Operations and Maintenance  
of a Great Urban Parks System*

**Executive Summary**  
**January 2012**

Prepared for Seattle Parks Foundation  
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***A Study of Alternative Strategies to Support Operations and Maintenance  
of a Great Urban Parks System***

**PROJECT SPONSORS:**

Seattle Parks Foundation, Lead Sponsor  
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Museum of History and Industry  
Seattle Aquarium Society  
Seward Park Environmental & Audubon Center  
Woodland Park Zoological Society

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# Sustaining Seattle's Parks Executive Summary

The parks system is Seattle's common ground: The playfields where our kids first learn to play soccer and baseball, and the gardens we take our grandparents to visit on spring weekends; the beaches where we gather with friends to cool off in summer; the community centers and pools where we learn to play and swim; and the forests we retreat to when we just need to gather our thoughts alone.

Our common ground includes a world class zoo, aquarium, and arboretum, twenty-seven recreation centers, eight indoor and two outdoor pools, four golf courses, three Asian gardens, patches of old growth forest, a heron rookery, forested hillside greenbelts, boulevards and bike trails, and even salmon streams running right through urban neighborhoods. It is a community-held legacy that encompasses one-ninth of all the land in Seattle, 6,200 acres of park lands and more than 1 million square feet of buildings.

These assets, when well cared-for and operating at full capacity, return value in more ways than we generally acknowledge: Our parks help to clean the air we breathe and store the water we drink. They give us space to exercise our bodies and the tools to maintain our health. They bring us closer to our neighbors, and help us break through barriers of language, class, religion and culture. They strengthen our neighborhoods, add value to our property, and generate tax revenue for our city government. They create an overall quality of life that makes our city a desirable place to live and raise our families.

But when these assets are not well cared-for, the public benefits they generate can quickly be diminished and can become

liabilities. That is the challenge we are facing today. For however much the people of Seattle love their parks, the fact is that the Seattle Parks and Recreation system lacks a consistent, sustainable source of funds to pay for operations, maintenance, rehabilitation and repair. In the absence of such a funding mechanism, the City government is unable to meet public expectations of the parks system and has been forced to postpone preventive maintenance, creating a growing backlog of necessary repairs.

This Study explores potential solutions to that challenge. We analyze the reasons for the chronic shortfall, explore potential strategies that are being tested in other urban settings, and identify those solutions that hold the most promise for Seattle.

## The Challenge

Since 1991 voters have approved four separate tax measures totaling nearly \$400 million to expand and improve the City's parks and recreation system. However, this high level of voter support for expanding the parks system has not translated into a concomitant level of funding for ongoing operations, maintenance and repair. The Pro Parks Levy in 2000 was the only recent ballot measure that included funds to pay the operating and maintenance costs associated with Levy funded projects, and that funding expired in 2008. In absence of a funding source that is specifically dedicated to operations and maintenance of the parks system, those needs must be met through the City's operating budget. Competition for resources within that budget has become more intense in recent years because:

- The City's ability to raise its own revenues is constrained by state law;
- The limited revenue sources available to the City have been capped by state voter initiatives;
- The City is stretching its budget to meet new responsibilities as federal and state resources for needs such as housing, human services and transportation have diminished;
- The few revenue sources the City has are highly volatile and have slumped badly in the 2008 recession; and
- The cost of maintaining the new parks and facilities created by recent levies makes the gap even larger.

As a result, the Parks Department now faces a shortfall in the cost of operating and maintaining the existing parks system of approximately \$20 million each year. In addition, the system has a backlog of major maintenance projects, such as roof replacements, seismic upgrades and forest restoration, which already exceeds \$270 million. To try to keep up in the face of these funding deficits the Parks Department has increased its reliance on user fees, commercial and nonprofit partnerships, and volunteers. Since 1968 the percentage of the Department's budget that comes from user fees and charges has doubled from 13% to more than 26% while City General Fund support has declined from 50% to 35%.

## State and National Context

The budget crisis confronting our parks system has its roots in profound changes that have been taking place at the national and state levels. The Federal Government is facing record deficits and has cut back its support to urban communities for the past three decades. During the same period, voters in many states have passed initiatives to limit the amount of taxes states and local governments can collect, causing most state governments to shift more responsibilities to local governments. Here in Washington State, a series of anti-tax initiatives sponsored by Tim Eyman have severely constrained state and local tax revenue, forcing local governments to cut their operating budgets even before the 2008 recession, and the recession has made the underlying structural problem into a crisis.

Seattle's parks system is not alone in facing a budget crisis. Virtually all parks systems in large urban cities face similar challenges. Baltimore parks have suffered a 30% reduction in funding. States are closing state parks, and cities are closing pools and turning over recreation centers to nonprofit organizations.

Even in these hard times, some cities like Seattle have managed to find public financial support to expand their parks systems, but are now struggling to find funding to operate and maintain them. For example, according to the New Yorkers for Parks organization:

*"While the city (NY) has undertaken an enormous citywide park-building campaign . . . maintenance funding for the New York City Parks Department,*

*when adjusted for inflation, is less than it was in 1986.”*

Since 1988, states and communities nationwide have approved 2,263 conservation financing measures that have generated more than \$54 billion for local parks, greenways and natural areas. However, nearly all of that funding was to acquire land and build new parks, rather than for maintenance and operations.

Cities are facing the challenge of maintaining their parks systems in a variety of ways: many are increasing fees or adding commercial uses in parks; others are tapping the value added to adjacent property and businesses by using innovative financing tools such as tax increment financing and business improvement districts; some are creating new taxing districts to acquire, develop, operate and maintain either an entire parks system or a portion of that system; and many cities are turning to philanthropy by creating foundations or conservancies. The full report explores many of these more innovative strategies, and explores their viability in Seattle. Here is a brief summary:

## Options for Seattle to Consider

### 1) Strategies that are wise and necessary under any scenario. These strategies call on the Parks Department to:

- Identify how operations and maintenance of each new park will be funded before construction begins;
- Implement energy conservation measures and other cost-saving initiatives;

- Continue to adjust fees and charges;
- Explore more commercial activity in parks;
- Develop new partnerships with nonprofits;
- Increase the use of volunteers;
- Advocate for a larger share of the City’s budget;
- Continue to expand philanthropy’s role in supporting the parks system.

Our research revealed that Seattle is regarded as a pioneer for having already implemented many of these strategies. While more can certainly be done in these areas, the gains will not be sufficient to fill the current gaps or meet the future needs of a growing city.

### 2) Strategies that can be successfully implemented to offset the cost of specific parks programs or park facilities. These include actions to:

- Establish new special districts within the City such as business improvement areas, local improvement districts or tax increment financing districts;
- Implement development impact fees;
- Offer zoning incentives to developers who contribute funding for park maintenance and operations;
- Create public development authorities or conservancies for specific parks;

- Secure mitigation fees when utilities or other agencies use park land;
- Tap utility funding to pay for the ecological benefits park lands in an urban setting provide in terms of drainage, water quality, etc

These strategies can be considered for specific parks, but most of them are better suited to fund capital development than ongoing maintenance and operations.

### 3) Strategies that could provide significant and reliable sources of new funding for the system as a whole:

- Work with the legislature to secure “home rule” so the City could address the underlying structural budget problems created by the state-wide “Eyman” initiatives;
- Go to the voters with special purpose levies (e.g. 2008 Parks and Green Spaces levy, the 2000 Parks for All Levy, the recurring Families and Education Levy); and
- Create a Metropolitan Parks District to bring a new source of revenue to the City that is dedicated to parks.

We believe our community will need to implement a combination of these strategies to sustain Seattle’s great parks system in the future. The City must continue to implement the strategies in category 1 with renewed vigor; explore the strategies in category 2 for the development, operations and maintenance of new parks; and most importantly, identify a dedicated revenue stream for parks through one of the three mechanisms listed above.

## Public Review of the Options

During the summer and fall of 2011, the Seattle Parks Foundation and its partners engaged the public in evaluating these options through a robust campaign to gather public opinion and test reactions to the strategies. Many outreach tools were used including a public opinion survey, earned media, websites, newsletters, list-serves, social media sites and targeted stakeholder interviews. More than 1,500 survey responses were collected, stakeholder interviews and presentations were conducted with more than twenty organizations, and more than a hundred comments were received in response to articles on the topic published in local media. The response helped to shape final recommendations that were approved by the Board of the Seattle Parks Foundation and the project steering committee in late 2011.

## Final Recommendations

*This executive summary provides an abbreviated version of the recommendations. The complete recommendations can be found in section six of the full report.*

The Seattle Parks Foundation and its partners are prepared to pursue the following recommendations. If fully implemented, these measures will engage all sectors of our community in a strategy to sustain Seattle’s great system of parks and recreation programs.

**Recommendation 1: We ask the City to use existing authority in state law to create a “Seattle Metropolitan Park District”<sup>1</sup> to provide a new source of dedicated funding for the park system.**

We recommend forming a park district rather relying on special tax levies because:

- The needs of the parks system are urgent; competition for levy funds is great.
- A park district will provide new revenue dedicated solely to parks and recreation that cannot be diverted to other purposes.
- A park district can be easily integrated into the existing park system with little or no additional costs.
- The creation of a park district will reduce the strain on future City budgets.

**Recommendation 2: The level of funding requested from the voters for the Seattle Metropolitan Park District should be sufficient to put the park system on a truly sustainable path and provide enough resources to meet the future needs of a vibrant and growing city. To that end, we recommend that:**

- The City should continue to provide funding for parks maintenance, operations and major maintenance projects through charter revenue, the General Fund and other

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<sup>1</sup> The term “metropolitan park district” refers to the provisions of state law that authorize local funding dedicated solely to parks. The term “park district” will be used throughout the document to describe the proposed mechanism.

traditional sources so that the value of the new resources secured through the creation of the Seattle Metropolitan Park District can be used to restore recent cuts and improve the park system in the future. This “maintenance of effort” funding level, perhaps expressed as a “normalized” percentage of General Fund support, should be established and incorporated in an Inter-local Agreement between the City and the park district.

- The legislation proposing the formation of the park district to the voters should include an initial tax levy amount for the park district that is sufficient to restore at least some of the gaps in funding for operations, maintenance and major maintenance identified in this report until “normalized” General Fund support can be restored, and implement the conservation initiative described in recommendation 4.
- We estimate the current annual shortfall in *operating funds* to be approximately \$20 million. Temporarily recovering at least some of this funding through the park district could restore some services lost in recent budget cuts, such as returning preventive maintenance to pre-recession levels; preserving staffing levels at some facilities; and providing scholarship funds to offset fee increases for youth participants in Parks Department programs. (Please see Figure 1 for a description of the items included in this estimate).
- The funding gap for *major maintenance* within the park system is approximately \$270 million over the next six

years, or \$45 million/year. (Please see Figure 2 for a list of the items included in this estimate.)

- Once the park system has been restored to full operations, park district resources should be used strategically to fund improvements and expansions that are needed to meet the needs of a growing city, relieving the City of future demands for park levies when the current levy runs out in 2014.

**Recommendation 3: The new park district must be designed to be highly efficient and accountable to the community it serves. To that end, we recommend:**

- The new park district should be fully integrated into existing City operations as set forth in the City Charter. This includes: designating the elected members of the Seattle City Council as the governing board; consolidating the park district budget process with the current City budget process; and operating the park district under the same policies and administrative code as the current park system.
- To provide an additional measure of accountability, the Board of Park Commissioners should be reconstituted and given new authority to review and monitor the consolidated budget of the park district/department and to monitor implementation of all recommendations in this report.

**Recommendation 4: The City should invest a portion of the new resources obtained through the creation of the park district to**

**ensure that the parks system is a model of resource conservation and innovation.**

Relative to other cities, Seattle has an impressive track record of implementing conservation measures to save energy and water and reduce the emission of green house gases. Wise investments in conservation save operating costs in the long run. To make the most of that opportunity, we recommend:

- The “maintenance of effort” funding agreement should stipulate that cost savings from conservation in the parks system will be credited to the park system’s budget.
- The City’s major partners in managing the park system—such as the zoo, aquarium, and arboretum – should also be eligible for conservation funding through the park district.
- The park district/department and its partners should aggressively search for new ways to achieve environmental goals within the parks system, such as: placement of solar panels on park buildings, reforestation to increase carbon sequestration, and natural storm water detention strategies.
- The park district/department should be held accountable for its performance in meeting conservation goals.

**Recommendation 5: Continue to extend the tradition of civic partnerships that has become a hallmark of the Seattle Parks System and create new partnership opportunities that enhance the system.**

No other major park system in America is supported by such a strong and diverse set of partners as ours. The infusion of new resources and energy that will be generated through the creation of the Seattle Park District creates an extraordinary opportunity to build upon that legacy. We recommend the following actions to make the most of that opportunity:

***A. Develop and implement a strategy to increase the impact of citizen volunteers and the Seattle Conservation Corps.***

- The Parks Department should convene a task force of volunteers, staff and union representatives to define the appropriate roles of volunteers and create a plan with a goal to increase volunteer participation by 5% each year over the next decade.
- Work rules and union contracts should be examined to ensure they support the use of volunteers.
- The budget of the park district/department should include full funding for the Green Seattle Partnership, including providing adequate staff support.
- The Seattle Conservation Corps should be adequately funded and expanded to its full potential.
- The City should continue to fund the Neighborhood Matching Fund (NMF) with a focus on park and recreation projects and programs.

***B. Solicit and support new partnerships to activate parks and maintain their quality.***

There are a significant number of parks that are severely underutilized, particularly in the central city. Currently, these parks and open spaces are not meeting the public's needs. Private businesses and educational institutions, like residents, have a direct and legitimate interest in the quality of neighboring parks and public spaces. To take advantage of the potential resources these entities could contribute, we recommend:

- The Mayor and City Council should issue a statement of policy that unambiguously affirms the City's commitment to engage private and nonprofit partners in helping to fund, maintain and activate the parks system.
- The Parks Department should seek new partners to maintain and operate selected park assets and enable existing partners to take on even more responsibility.
- For major new parks (e.g. the waterfront), the City should identify partners during the planning process who will assist in future park maintenance and operations.
- The park department must ensure that an appropriate share of the costs of maintaining parks is recovered through the revenue generated from any future commercial activities in parks.
- The City Council should reduce barriers and encourage investment across the system by delegating authority to

negotiate agreements to the district/department under policy guidelines that ensure the public interest is protected.

**C. *Expand the role of philanthropy in supporting the park system.***

During the last decade the Seattle Parks Foundation has raised nearly \$32 million to create and enhance parks, trails, and green spaces in the city. In that same period, the Zoo, Aquarium, the Associated Recreation Councils (ARC), the Arboretum Foundation, Museum of History and Industry, and Seattle Art Museum have raised hundreds of millions of dollars to support their activities and improve their facilities. To leverage additional philanthropic resources the Seattle Parks Foundation will:

- Build the Foundation’s fundraising capacity to support more stewardship and capital projects across the park system;
- Work with “friends” groups and neighborhood leaders to identify, promote, and generate new funding to support enhanced community stewardship of parks;
- Team with our nonprofit partners to build greater awareness about the critical role of philanthropy within the park system;
- Use the creation of the park district as a catalyst to increase private fundraising throughout the system.

The organizations that commissioned this study are fully committed to the successful implementation of these recommendations. No single recommendation will ensure that the goal of sustainability is achieved. However, we firmly believe that the creation of a Seattle Metropolitan Parks District is the most significant part of the solution. It will create a new revenue source that would not otherwise be available to the City, and provide a catalyst to achieve all of the other recommendations in this report by creating a new incentive for volunteers, philanthropists and other partners to increase their own contributions to the park system. We believe that the full implementation of the measures we have recommended provides the best possible hope to address these challenges and place our great park system on a truly sustainable path.

Figure 1

<b>PARKS OPERATING BUDGET GAP</b>	<b>2012 Dollars</b>
Restore recent budget reductions	\$ 12,722,655
Restore community center hours to pre-2010 levels	\$ 1,000,000
Annual new facility costs by 2017	\$ 1,245,078
Replace use of fund balance	\$ 1,809,000
Add preventive maintenance crew	\$ 1,500,000
Add youth scholarships to offset recent fee increases	\$ 500,000
Add gardeners to Arboretum	\$ 500,000
<b>Estimated Funding Gap</b>	<b>\$ 19,276,733</b>

Figure 2

<b>PARKS MAJOR MAINTENANCE</b>	<b>BACKLOG</b>	<b>2012-2017 PLAN</b>	<b>TOTAL</b>
(Figures in 1,000s)			
Aquarium and Waterfront Piers		\$31,896	\$31,896
Aquatic and Swimming Facilities	\$9,497	\$13,482	\$22,979
Community Centers	\$1,059	\$16,080	\$17,139
General Buildings	\$ 6,074	\$14,253	\$20,327
Magnuson Park Buildings	\$46,621	\$4,500	\$51,121
Park Infrastructure	\$12,323	\$25,598	\$37,921
Playfields, Courts and Play Areas	\$4,659	\$28,797	\$33,456
Seattle Art Museum, Volunteer Park	\$3,000		\$3,000
Site Accessibility, ADA Access	\$115	\$3,000	\$3,115
Urban Forests, Trails, Including Forterra (CLC)		\$21,636	\$21,636
Woodland Park Zoo	\$6,000	\$10,200	\$16,200
Conservation Project Incentive Fund		\$12,000	\$12,000
<b>TOTAL MAJOR MAINTENANCE</b>	<b>\$89,348</b>	<b>\$181,442</b>	<b>\$270,790</b>
<b>FUNDING</b>			
REET (excluding debt service)		\$52,000	\$52,000
Shoreline Park Improvement Fund		\$810	\$810
2008 Parks Levy Inflation Funds	\$10,000		\$10,000
GO BONDS FOR CC'S		\$12,690	\$12,690
<b>TOTAL ESTIMATED FUNDING</b>	<b>\$10,000</b>	<b>\$65,500</b>	<b>\$75,500</b>
<b>PROPOSED PARK DISTRICT FUNDS</b>		<b>\$186,290</b>	<b>\$195,290</b>
<b>TOTAL FUNDING</b>			<b>\$270,790</b>



Additional copies of this report may be obtained from:

**Seattle Parks Foundation**

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