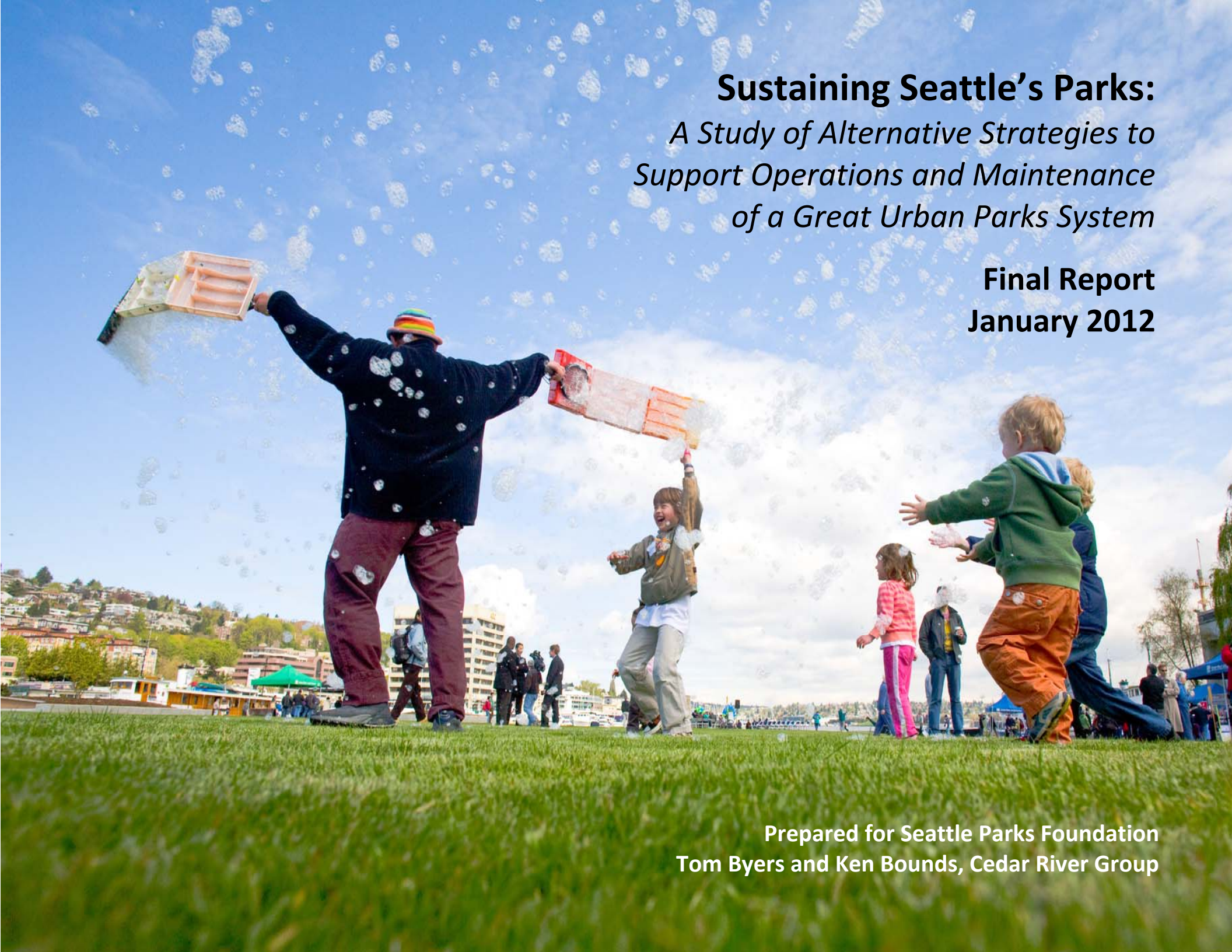

Sustaining Seattle's Parks:

A Study of Alternative Strategies to Support Operations and Maintenance of a Great Urban Parks System

Final Report
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
Arboretum Foundation
Association of Recreation Councils (ARC)
Forterra (formerly Cascade Land Conservancy)
Museum of History and Industry
Seattle Aquarium Society
Seward Park Environmental & Audubon Center
Woodland Park Zoological Society

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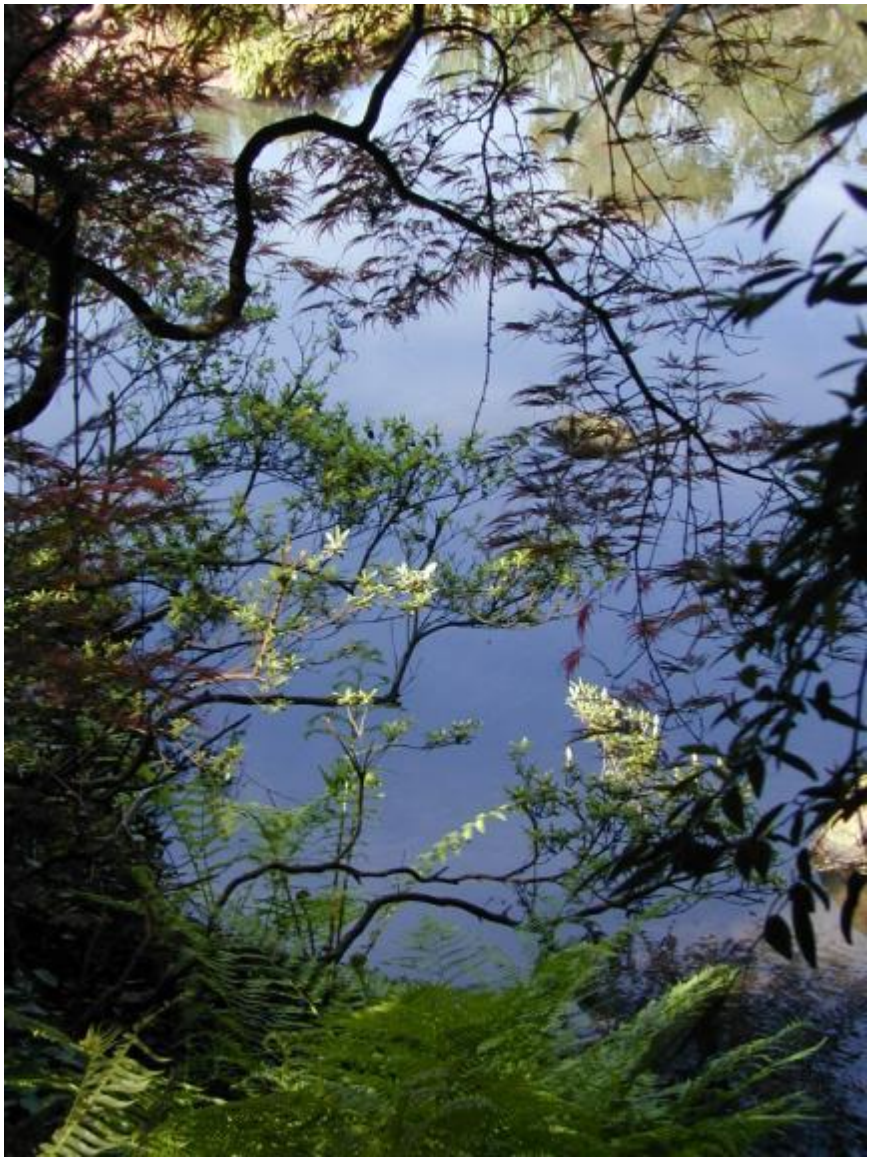


Sustaining Seattle's Parks

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"[1] 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 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

[1] 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.

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

PARKS OPERATING BUDGET GAP	2012 Dollars
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
Estimated Funding Gap	**$ 19,276,733**

Figure 2

PARKS MAJOR MAINTENANCE	BACKLOG	2012-2017 PLAN	TOTAL
(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
TOTAL MAJOR MAINTENANCE	*$89,348*	*$181,442*	*$270,790*
FUNDING			
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
TOTAL ESTIMATED FUNDING	*$10,000*	*$65,500*	*$75,500*
PROPOSED PARK DISTRICT FUNDS		*$186,290*	*$195,290*
TOTAL FUNDING			*$270,790*

Sustaining Seattle's Parks

Part One: The Challenge

This section of the study analyzes the reasons for the current crisis in funding for operations and maintenance of Seattle's parks system. In later sections we will explore potential solutions that are being tested throughout the nation, and identify those that hold promise for Seattle.

Origins of the Challenge

Since the creation of the Seattle Parks Board in the 1890s, Seattle's voters have consistently supported ballot measures to provide funding to expand and improve Seattle's parks. Since 1991 voters have approved four separate tax measures totaling nearly $400 million for the City's parks and recreation centers. Additional levies and bond issues were approved to pay for King County's parks, the Woodland Park Zoo, and the acquisition of open space throughout the region. 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.

The park system is a community-held legacy that encompasses one-ninth of all the land in Seattle.

In the absence of a fund source that is dedicated to operations and maintenance of the parks system, these needs must be met through the City's operating budget. Competition for funding from that source has grown more intense in recent years for several reasons:

a) The City's ability to raise revenues is constrained by state law;

b) The City's limited revenue sources have been capped by state voter initiatives at levels that do not keep pace with inflation, new facility costs and demand for new services;

c) The City has chosen to use an increasing share of its funds for housing and human services as federal support for urban programs has diminished;

d) The City's limited revenue sources are highly volatile and have slumped badly in the most recent recession; and

e) The new parks and facilities funded by the voters make the budget gap larger as they come on line.

We will examine how each of these factors contributes to the funding crisis now facing the parks system. But first, here is a brief primer on the City budget to place those factors in context.

The City's Budget Process

The Department of Parks and Recreation (DPR) receives the bulk of its funding for operations and maintenance through the City's biennial budget. The process of preparing that budget begins in the spring when the Mayor's budget director issues instructions to City department directors that lay out the parameters they will be

expected to follow as they prepare their requests for the next calendar year. The Mayor and his staff then evaluate the proposals from the departments, trying to balance competing demands among Police, Fire, Human Services, Libraries, Transportation, Parks, Seattle Center, and the other City departments.[2] The Mayor is required by law to submit his budget proposal to the City Council by October 1st. The Council reviews the proposal, holds public hearings, makes revisions, and must adopt a final budget by December 1st. Departments must then live within the resources allocated to them by the Council. Most of those resources come from general taxes, although many departments (including Parks) also generate a portion of their budget from fees and charges. The amounts of those fees and charges are set by the Council in the adopted budget.

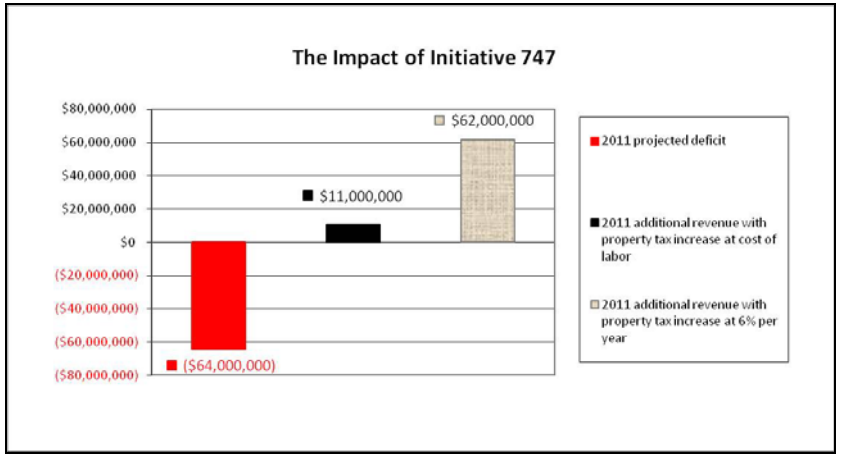
State-Imposed Constraints

By state law, the adopted City budget must be balanced—cities cannot run a deficit under the state constitution. Washington's cities are also constrained in the types and amounts of taxes they may levy, which are mostly set by the legislature. In recent years statewide initiatives have placed additional limits on the power of local governments to raise taxes. For example, Initiative 747 reduced the allowable annual increase in the property tax from 6 percent to 1 percent per year, well below the rate of inflation. Another ballot measure, Initiative 776, restricts counties from collecting vehicle license fees. It should be noted that the voters of Seattle voted against both measures by substantial margins, but they passed statewide and therefore apply in Seattle. As a result of Initiative 747 alone, the City of Seattle's property tax collections in 2010 are at least $60 million less than if the measure had not passed. The impact of the loss is compounded each year the limits remain in place, so annual losses increase by approximately $15 million per year, meaning that the estimated loss for 2011 will be at least $75 million. This estimate assumes the City Council would have limited the tax increase to the rate of inflation in the City's labor costs (3.5 percent to 4.5 percent annually, which includes the cost of health care). If one assumes the City Council would have increased property tax to the statutory limit of 6 percent per year, the 2011 loss would be $126 million.[3]

As a result of Initiative 747 alone, the City of Seattle's property tax collections in 2010 are at least $60 million less than if the measure had not passed. The impact is compounded each year the limits remain in place.

[2] The utility departments, while a part of the biennial budget process, receive the bulk of their revenue from rates.

[3] On the other hand, the rate increases that would have accompanied these pre-I-747 limits would have constrained the City's capacity for Special Purpose Levies.



Seattle's current budget challenges stem in large part from these "Eyman initiatives." If Initiative 747 had not passed, and the City Council had increased the property tax at the rate of labor cost inflation, the City government would be facing far less severe challenges today.

Cost Increases

While revenue growth has been constrained by state law and statewide initiatives, expenses have continued to increase disproportionately. In particular, health care costs, while shared with employees, have increased well beyond the 1 percent per year limitation on the growth of property taxes. Fortunately, up until the 2008 recession, increases in fees and sales, business and occupations (B&O) and utility taxes softened the effect of I-747 on the City's budget. But as the recession cut into these sources, the full impact of the loss of potential property tax revenue became very evident. In order to provide the same level of service from year to year (or to add services) the City must either increase the revenues that are still within the City's control, cut costs, increase efficiency or secure additional revenues from the State or by voter approval.

Competition for City Resources

Within these constraints, the Mayor and City Council must determine how to allocate the available resources among competing demands. Historically, public safety—police, fire, jails and courts—has been the top priority of local government. However, during the last three decades federal and state governments have shifted more responsibility for meeting human needs to the local level, and Seattle has added human services and low-income housing as top priorities to compensate for some of those losses. The City Council Resolution establishing priorities for the 2009-2010 Budget illustrates these priorities:

> *The City Council re-affirms the six biennial budget goals established in Resolution 31603: Public Safety; Human Services and Housing; Transportation; Pedestrian Safety; Environmental Stewardship; and Neighborhood Planning. While remaining committed to all these goals, within the context of the current economic downturn, the Council establishes Public Safety and Human Services and Housing as its highest priorities. In these difficult times, the City must continue to protect the health and safety of all Seattle's residents, while at the same time providing essential assistance to the most needy among them.*

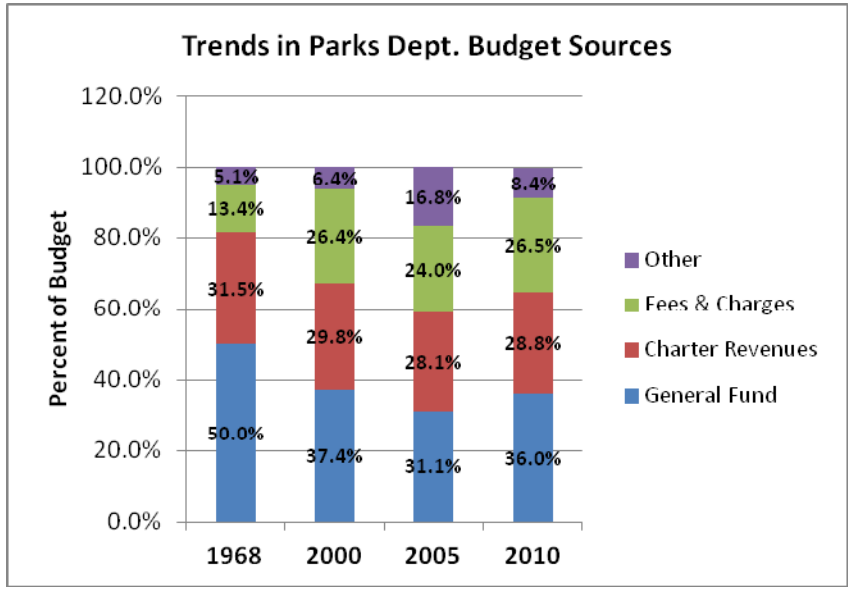
The Impact of the Recession

The booming economy that Seattle enjoyed in the last decade masked the underlying structural problems in the City's finances and softened the competition for resources. The 2008 recession ripped off that mask, and revealed that the City has become increasingly reliant on fund sources that are highly volatile when the economy turns downward. For example, the City's retail sales tax revenue declined 18.2 percent from 3rd Quarter 2008 to 4th Quarter 2009, and the City's B&O tax revenue dropped 15 percent from its peak in the 2nd Quarter of 2008 to 4th Quarter 2009.

The Budget for Parks and Recreation

Over time the share of Parks budget from the general fund has declined.

The Department of Parks and Recreation's budget shows the impact of these forces over time. The Department's budget is made up of three major sources: (1) a share of the General Fund revenue allocated by the Mayor and City Council; (2) Charter Revenues that flow to the Department through a 1967 amendment to the City Charter dedicating "10% of the gross receipts of the City from all fines, penalties and licenses to the Department"; and (3) income the Department earns from fees and charges such as concession fees, golf course revenue, etc.[4] As noted earlier, the Parks Department must compete with higher priority local government services for a share of the General Fund, and over time, the share of Parks budget from the General Fund has declined. In 1968, 50 percent of the Department of Parks and Recreation Budget was supported by the General Fund. In 2000, the percentage dropped to 37.4 percent, and in 2010 it was 35.7 percent. In contrast, funds derived from fees, charges, rentals, concessions, and reimbursements support an increasing portion of the Department's operating costs: 13.4 percent in 1968, 26.4 percent in 2000, and 26.5 percent in 2010. The shift to greater reliance on fees has not been made without controversy, as the Department has struggled to balance its need for revenue with its mission to serve all citizens, including those with limited means. As the chart below shows, the general trend toward greater reliance on fees and charges has been accompanied by a reduction in support from the General Fund.



Note: *2005 was an anomaly. Between 2001 and 2008, the 2000 ProParks Levy provided funds for maintenance and operations which resulted in a significant increase in the "Other" revenue category, decreasing the*

[4] The Department also receives revenue from capital fund sources to support its planning, design and project management staff and overhead.

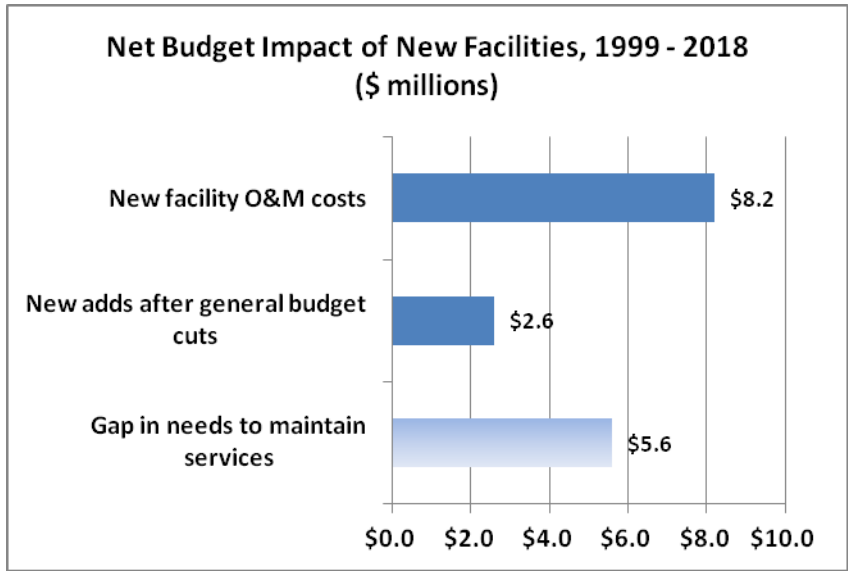
percentages in the remaining categories. In 2009, the City General Fund began picking up many of the new facility and maintenance costs previously funded by the Levy.

A Growing Parks System with Shrinking Resources for Operations

These constrictions in revenue have occurred at the same time the parks and recreation system has been expanding in response to the voters' will. The 1968 Forward Thrust Bond Issue funded more than 70 new parks and facilities, including Freeway Park and the Seattle Aquarium. Since then, bond issues, levies and other resources have continued to expand the system. Recent examples include the 1989 Countywide Open Space Bond Issue; the 1992 and 2001 Community Center levies; and the 2000 and 2008 Parks for All levies. During the last decade, more than 450 acres of open space, 42 new parks, 75 acres of new parks on reservoir lids and 250,000 square feet of community center space have been added to the system.

Only one of these ballot measures, the 2000 Parks for All Levy, included funding for costs associated with operating and maintaining the new parks and facilities created by the measure. It also provided funds to restore maintenance and programming that had been previously cut, and added a limited amount of new funding for those purposes. With the exception of that levy, which ended in 2008, the Mayor and City Council have attempted to pay the costs to operate and maintain these new facilities within the City's annual operating budget. But in the context of the City's budget problems, the "additions" to the Department's budget for new facilities have been woefully inadequate to cover new costs while maintaining current service levels, which the Department and recreational users consider to be inadequate. For example, from 1999 to 2010 the City provided $8.2 million dollars to pay for the costs of adding new facilities to the system. During that same time period, the City cut the Department's basic budget by $5.6 million (net), effectively eliminating 68 percent of the amount needed to cover the costs of expanding the system during that period.

The "additions" to the Department's budget for new facilities have been woefully inadequate to cover new costs while maintaining current service.



Recent Budget Cuts

During 2011, the City was forced to make mid-year budget reductions due to the struggling economy. For Parks, the reductions totaled 2 percent of its General Fund budget including

Charter Revenues. The cuts closed ten wading pools and limited hours of operations at 10 others, as well as cut maintenance of Parks facilities by 5 percent and reduced the budget for management and office personnel by more than $300,000. These cuts are in addition to previous reductions in community center hours of operation and in the number of park maintenance staff. In the 2012 Budget, in addition to new cuts in park maintenance, the Department drastically reduced community center hours by adopting a new model of managing and operating the centers. While the new model may prove to have some merit, the result is a significant reduction in community center hours that limit the public's access to these community facilities.

These reductions in funding brought the current shortfall in the amount needed to adequately operate and maintain the parks system to $20 million annually. This estimate includes:

- The costs to restore one-time cuts that are not sustainable (e.g., use of fund balances, new facility costs: $3 million);
- The amount required to restore cuts in 2009-2010 budgets (e.g., community center hours and maintenance: $12.7 million);
- The cost to restore earlier maintenance cuts taken over time (e.g., preventative maintenance of buildings, green belts and natural areas: at least $3 million); and
- The cost to maximize facility use, hours of operations, and scholarships ($1.5 million).

Funding for Major Maintenance

The growing shortfall in the Department's annual budget will have long-term consequences. Since preventive maintenance projects can be postponed without immediate consequences, such projects are often delayed in hard times, creating a serious backlog in "major maintenance" projects such as roof replacements and upgrades of HVAC, plumbing and electrical systems. The City funds these major repairs from a Real Estate Excise Tax (REET) of 0.5 percent on the sale of real estate. Since the tax is levied on transactions, the amount of revenue the City receives from REET is determined by both the volume and value of transactions that occur in a given year. As a result of the recession, REET taxes declined 51 percent from 2007 to 2008 and by another 33 percent between 2008 and 2009, dramatically reducing the amount of REET funding available to meet the City's

major maintenance needs.

In a few instances the Department has gone to the voters to address the backlog in major maintenance of its facilities. In the mid-1980s City voters approved three bond measures, known as Seattle 1-2-3, to fund repairs and renovations to existing City facilities, including parks, libraries, bridges and Seattle Center. A portion of the 2000 Pro Parks Levy was used for improvements to several facilities in Magnuson Park which were in disrepair. Neighborhood Matching Funds and other partnerships have also provided funding to renovate play areas and neighborhood parks. Historically, however, levies and the Neighborhood Matching Fund have been relatively minor sources of funding for major maintenance.

Current Need for Major Maintenance Projects

The current estimate of unfunded major maintenance projects totals more than $270 million.

For several years the Department has maintained an Asset Management System that tracks the major maintenance needs of its 430 parks, 488 buildings, and 6,200 acres of land. The current estimated cost of unfunded major maintenance projects totals more than $270 million. Each year the Department chips away at the projects on the list, but each year the backlog grows longer as facilities age or new uses require renovations—roofs leak, electrical systems become inadequate to support new uses, energy conservation and disability access codes change. Many of Seattle's parks and facilities were developed during the early 1900s when the parks system was just beginning to be developed. Others were created during the late 1930s and early 1940s by Roosevelt's Civilian Conservation Corps. During the 1970s major parks and pools were built with Forward Thrust bonds, and during the 1990s and 2000s the system continued to expand with the advent of special levies and a growing economy.

In order to leverage its limited funding to provide the maximum benefit to Seattle residents, the Department of Parks and Recreation has entered into partnerships in which nonprofit organizations provide or support park programs in City-owned facilities. While Woodland Park Zoo and Seattle Aquarium are operated by their respective nonprofit societies, the buildings, piers, exhibits and grounds are owned by the City. The Association of Recreation Councils, the Arboretum, the Seward Park Environmental & Audubon Center, Pratt Fine Arts, the Asian Art Museum, Museum of History and Industry, and many other partner organizations operate their programs in City owned facilities. The maintenance of these assets requires a commitment of resources well beyond what is currently available.

Other partners, like the Cascade Land Conservancy (now renamed Forterra), have stepped forward to restore and maintain the City's urban forests. To reap the advantages of such partnerships, the City must continue to contribute resources to match private contributions.

Future Needs

The public's desire for new parks and recreation facilities shows no signs of diminishing. As Seattle's population density increases, there is a corresponding demand for open space to make urban neighborhoods more livable. As the nation wrestles with an epidemic of obesity, there is greater demand for recreation and

physical fitness opportunities. As transportation patterns change, there are public aspirations to replace the Alaskan Way viaduct with a great new waterfront park, and to create bicycle and pedestrian trails as “Bands of Green” through Seattle’s neighborhoods. If the City is to meet these demands, new funding strategies must be found and/or state-imposed limits on existing fund sources must be lifted.

Part Two: National Trends

This section of the report addresses three questions:

- Are other cities facing similar problems?
- If so, how are those communities responding to these challenges?
- Are innovative financing tools being used in other cities that we should consider in Seattle?

To answer those questions, our team reviewed recent studies and contacted parks officials across the country. Below are the most significant findings.

Are other cities facing similar challenges?

Two major trends have dominated state and local government financing during the last two decades:

- In many states voter initiatives have placed strict limits on the taxes that state and local governments can impose; and, at the same time,
- State legislatures are granting local governments more taxing authority, either by granting home rule, by allowing local governments to create special taxing districts, or by expanding the use of voter approved levies. [5]

[5] Peter Harnik, "Paying for Urban Parks Without Raising Taxes," *Local Parks, Local Financing Volume Two*, 1998; Kim Hopper, "Increasing Public Investment in Parks and Open Space," *Local Parks, Local Financing Volume One*, 1998.

While these two trends appear to have conflicting purposes, they have some common results. Both trends mean that state legislators have less flexibility to raise taxes without a super majority or by voter approval. Both trends also have given voters a more direct say over tax increases at the local level, typically for specified purposes. These two trends have accelerated the shift of responsibility from federal and state governments to cities and counties, and have placed added pressure on local elected officials to find innovative methods to finance public services.

These national trends are evident here in Washington, as decision making related to raising taxes is shifting more and more to cities and their voters, while limitations on the amount of taxes state and local governments can collect continue to be imposed by voters statewide. Since cities in Washington do not have home rule, local officials have created special taxing districts, organized regional transportation agencies (such as Sound Transit), and gone to the voters with special-purpose levies to fund specific local and regional services.

Money to Expand, But Not to Maintain

Many cities across the nation also share Seattle's experience in being able to win funding to expand their parks systems, while struggling to find funding for operations and maintenance. Nationwide, park expansion continues to enjoy broad public support at the ballot box. According to Trust for Public Land's LandVote database, since 1988 states and communities nationwide have approved 2,264 conservation finance measures that have generated nearly $54.2 billion in funding for local parks, greenways, and natural areas. In 2010 there were 35 state and local land conservation funding measures on the ballot across the

country and 28 passed: an 80 percent passage rate. These measures generated just over $2 billion in new funding for land conservation. In the November 2, 2010 election the Trust for Public Land (TPL) and the Conservation Campaign (TCC) supported sixteen measures, and twelve were approved by the voters, for a 75 percent passage rate, even in a difficult election cycle. However, nearly all of that funding was for acquiring land and building new parks, rather than major maintenance or repair.

Between 1991 and 2006, total spending by local governments for parks and recreation doubled. Much of that expansion occurred in developing suburban and ex-urban communities, but it is not clear whether the increase was sufficient to cover inflation and adequately fund an ever expanding network of parks in the central cities. Although we do not have national aggregate data to answer that question, surveys show that the officials in charge of large urban park agencies, and many citizen stewards, assert that funding levels for operations and maintenance are generally inadequate. According to a 2009 survey of directors of forty-six of the nation's largest local parks agencies, operations and maintenance funding is by far their biggest challenge. Eighty-seven percent identified "insufficient funds for operations and maintenance" as either a "significant," "major" or "huge" challenge. By a three-to-one margin, operations and maintenance funding was seen as a greater problem than capital funding, which was listed as the second most important challenge facing urban parks systems.[6]

As noted in the previous chapter, Seattle's spending for parks and recreation increased during the first decade of the 21st century, but the increase was not sufficient to cover the costs of new parks and recreation facilities developed during the same time period. The same trend appears in other cities. According to New Yorkers for Parks, a nonprofit citizen organization that advocates for New York City parks:

> *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.*[7]

[6] Margaret A. Walls, Juha V. Siikamäki, Sarah R. Darley, Jeffrey Ferris, Joseph Maher, "Current Challenges, Funding, and Popularity Trends in Local Parks and Recreation Areas: Responses to a Survey of Park Directors," *Backgrounder* (Resources for the Future), March 2009.

[7] New Yorkers for Parks, "Supporting Our Parks: A Guide to Alternative Revenue Strategies," June 2010, pp. 7-9.

According to U.S. Census data, local park agencies are especially hard hit during economic downturns. As a consequence of the 2002-2003 recession, for instance, local park budgets were cut at a greater rate than city budgets overall. While total spending by local government *increased* by 2.1 percent during that period, park spending actually *declined* by 7 percent.[8] This pattern also appears to be holding true in the current recession. Most of the respondents to the survey of park directors expected sizable cuts in their budgets for the coming year. For example, earlier this year the Dallas City Manager presented a budget to the City Council that cut Parks Department funding by 22 percent, which, if approved, would cut 220 jobs, reduce community center hours, and cut park maintenance dramatically. These drastic cuts came on the heels of prior year budget reductions that eliminated both the park police and horticultural units.[9] In Indianapolis, the parks department faced larger reductions in 2009 than any other city department. Philadelphia is shutting down half of its 73 swimming pools. The San Francisco Parks Department has a $12.4 million shortfall, and is cutting the hours of operation at recreation centers and pools and raising fees. Portland is faced with a 4 percent budget shortfall and is eliminating 14 summer playground sites and making numerous other operational cuts. Baltimore's parks budget has been cut by more than 30%, and New York City forecasts nearly 2,000 park workers will be laid off in the next two years.[10] According to the publication, regular, non-seasonal staff in these eighty-five agencies fell by 7 percent between 2008 and 2009. These cuts in programming are accompanied by cuts in funding for repairs. According to a September 2010 Trust for Public Land publication ("2010 City Park Facts") the eighty-five largest U.S. cities suffer from $6.4 billion in deferred maintenance. Peter Harnik, co-author with Matthew Shaffer, concluded: "If we don't solve this maintenance problem our children won't have safe places to play, and their generation will be saddled with the costs."

The eighty-five largest U.S. cities suffer from $6.4 billion in deferred [park] maintenance.

How are cities responding to the funding challenge?

America's cities are employing numerous strategies to address the ongoing shortfall in O&M funding. They are turning to philanthropy, handing over programs to nonprofits, and tapping private developers and adjacent property owners to finance maintenance in nearby parks. Special districts and dedicated revenue streams are also being created. While all of these strategies are being used in most major cities, the degree to which each strategy is employed varies greatly. For example, philanthropy has played a major role in funding New York's Central Park and Prospect Park for many years, while the Dallas Parks Foundation just created its first fundraising position this year. Special taxing districts have been created in Chicago, New York and many other cities to support specific parks. Tacoma's Metropolitan Park District is an example of a special district that covers an entire area. Several jurisdictions in Washington state

[8] Margaret Walls, "Parks and Recreation in the United States, Local Park Systems," *Backgrounder* (Resources for the Future), June 2009.

[9] *Dallas Morning News*, August 14, 2010.

[10] City Park Alliance survey, 2010.

have created park districts recently to fund operations and maintenance.

Cities also vary widely in terms of their reliance on fees versus taxes. The Parks Department in Wheeling, West Virginia, for example, receives less than 1 percent of its budget from taxes, generating the rest through fees. The Northern Virginia Parks Department receives only 16 percent of its revenue from taxes, while on the other end of the spectrum, the Minneapolis Park and Recreation District receives 91 percent of its revenue from taxes. Most major cities still generate the lion's share of their revenue through taxes—with 20 percent to 35 percent coming from fees and charges.

Are innovative financing tools being used in other cities that we should consider in Seattle?

Other cities have developed a wide range of strategies as they attempt to overcome these challenges. Here are some examples.

New York City's Strategies

Much of this creativity has been generated through community based organizations, such as "New Yorkers for Parks."

New York is unique among U.S. cities. Its size, complexity, historical financial challenges, diversity of population and commerce, and the power of its local government make its experiences virtually impossible to replicate in any other city. However, perhaps because of these qualities, New York City has been unusually inventive in creating strategies to fund its parks.

Advocacy organizations. Much of this creativity has been generated through community based organizations, such as "New Yorkers for Parks," which describes itself as "the independent organization fighting for greener, cleaner and safer parks in all five boroughs." In June 2010, the organization published *Supporting Our Parks: A Guide to Alternative Revenue Strategies*, to address the chronic shortfall in funding for operations and maintenance. The ambitious study identifies thirty-two "Reforms in Action," ranging from increasing transparency in budgeting, to the formation of special taxing districts to finance the long-term maintenance of nearby parks. A few of the more innovative strategies identified in the report are:

- Specific "park improvement districts," patterned after business improvement districts, with the power to impose a real estate transfer tax to generate revenue to support specific parks, especially signature parks.[11]
- Long-term income streams or endowments in the capital budget to support the ongoing maintenance of capital improvements.
- Garnering income from utility rights-of-way and easements.

[11] A form of this strategy has been in place in New York City, but the proposal is to expand its use to other parks.

- Marketing the unique attributes of neighborhood parks to specific concessionaires and dedicating the revenue to park maintenance.

- Founding new conservancies or "Friends" groups to take on more responsibilities for specific parks.

Partnerships. New York is known for its many partnerships with nonprofits. Perhaps the best known is the Central Park Conservancy, which was created in 1980, to "restore, manage and enhance Central Park." Today, the Conservancy is responsible for 85 percent of Central Park's $25 million operating budget and employs 80 percent of the Parks maintenance staff, although the Parks Department retains control of the policies that govern park operations.

Prospect Park Alliance operates under a different model. Formed in 1987, the Alliance raises funds for capital projects in support of the Parks Department, organizes volunteers, and develops partnerships to carry out programming in the Park.[12] Through a partnership with Audubon, the Alliance created the first urban Audubon Center in the nation, a program that has been replicated in Seattle and several other cities.

Prospect Park Alliance raises funds for capital projects in support of the Parks Department, organizes volunteers, and develops partnerships to carry out programming in the Park.

[12] The Prospect Park Alliance plays a similar role to Seattle's Arboretum Foundation, which currently raises nearly 50% of the funds needed to support maintenance of the plant collections and support educational programming in the Arboretum.

The New York Restoration Project (NYRP), formed in 1995 by entertainer Bette Midler, focuses its energy on restoring gardens, planting trees and developing small public spaces. According to its mission statement, NYRP "restores, revitalizes and develops under-resourced parks and community gardens throughout the city's five boroughs, working to ensure that every New York City resident, family and neighborhood has access to vibrant, green spaces."

Today, NYRP owns 55 community gardens, operates a summer camp and targets underused neighborhood parks for restoration with a $6.5 million annual budget. In addition, the Partnership for Parks, City Parks Foundation, Trees New York, Bryant Park Business Improvement District, Historic Harlem Parks Coalition, and numerous other volunteer and neighborhood based, private, nonprofit organizations work with the NYC Parks Department to improve the city's parks system.

Other Cities' Strategies

New York is certainly not alone in creating innovative strategies to sustain its parks system. Here is a sample of what other cities and states are doing:

- ***Chicago*** has used a Tax Increment Financing District to aid in funding Millennium Park.

- ***Missouri*** allows counties and cities to levy a $.005 sales tax for parks and storm water control with voter approval.

- ***Florida, Maryland, Rhode Island, Washington, and other states and cities*** use real estate excise tax (REET) to fund conservation and natural resource protection.

- ***Raleigh, North Carolina,*** imposes an impact fee on all residential developers to help finance parks and open space. (Impact fees are used extensively in smaller, growing cities to fund new park development and maintenance.)

- ***Toronto*** built future maintenance costs into the capital financing for new parks based on a ten-year amortization schedule.

- ***New York's*** new High Line Park is partially funded by "bonus incentives" to developers who dedicate funds to the park's maintenance budget.

- ***San Francisco*** and many other cities develop concessions within parks and dedicate the revenue to maintenance.

- ***Chicago*** bundles some of its park concessions (such as food service) so that a successful bidder for a flagship park also is required to provide service in specific neighborhood parks.

- ***Boston's*** Post Office Square Park is funded solely through revenues generated from a parking garage built underneath.

- ***New York and Chicago*** both derive more fee revenue from parking than any other source—both own major sports stadiums but also charge for parking within major parks.

- ***Minnesota*** passed legislation to build a new baseball stadium for the Twins that also allocated $2 million annually to support athletic field renovation and development in local parks.

- ***New York*** and some other cities turn to voluntary fees at park facilities, requesting a donation for certain activities.

- ***Indianapolis*** and many other cities outsource certain activities such as golf, tennis, and marinas through contracts with churches or other community based organizations.

- ***New York's*** Central Park Conservancy uses the proceeds from paid concerts and other major events in the park to fund ongoing maintenance.

- ***Portland, Oregon,*** received $100,000 from a corporate sponsor for summer concerts in Washington Park.

- ***New York City*** has used "mitigation funds" from environmental settlements to fund park or open space development and restoration.

- ***San Francisco's*** Friends of Recreation and Parks began in 1971 to renovate a playground in Golden Gate Park and has since grown into a major source of support for San Francisco Parks.

- ***Washington, D.C.,*** recently passed a nickel tax on using plastic bags in stores and dedicated the tax revenue to help pay for the cleanup and protection of the Anacosta River. (The tax has had a major impact on the number of plastic bags in use, cutting that number from over 22 million monthly in 2009 to 3 million per month this year. However, the anticipated amount of revenue has also declined.)

- ***Vancouver, British Columbia,*** takes a package of capital improvements to its parks system to the voters every three years, providing a predictable cycle and a mechanism for voters to hold the city accountable to deliver on its promises.

- ***Boulder, Colorado,*** dedicates 25 percent of the city's sales tax revenue to open space and mountain parks.

- Many cities and states use "rainy day funds"—banking tax revenue during good times to use during lean times—as a way of smoothing out peaks and valleys in budgets.

- In recent years, several corporations have invested in projects that promote physical fitness. For example, in Los Angeles, Kaiser Permanente helped fund the installation of outdoor fitness training equipment in thirty parks. McDonald's Cycle Center, located in Chicago's Millennium Park, is the premier bike parking and repair shop in the city.

Most of the examples listed above, especially those related to foundations, focus most of their fund raising on capital projects, many of which improve the condition of existing park facilities.

Most cities, counties and state governments issue bonds, secure federal or state grants, and rely heavily on philanthropy for capital improvements. Capital funds are frequently used to renovate, restore or replace existing parks and park facilities. Most of the examples listed above, especially those related to foundations, focus most of their fund raising on capital projects, many of which improve the condition of existing park facilities.[13] While these innovations are providing significant financial support from the private sector, they do not generate the amount of funds necessary to care for growing parks systems without a continuing commitment from the taxpayers.

Nevertheless, many of these models have the potential to provide revenue to build, improve, and maintain new parks. Part Four will examine the more promising options that could be employed in Seattle. But first, let's reflect on the economic case for maintaining our parks.

[13] The Arboretum Foundation is a rare exception, providing both capital and operating support to the Arboretum.

Part Three: Parks and Wealth of Cities

For the city-builders of more than 100 years ago, the link between parks and economic development was obvious. . . . There was, in fact, an inter-city race for the largest and most sublime parks to be designed by celebrity landscape architects such as Olmsted and Burnham. "What has not Central Park done for New York, Fairmount Park for Philadelphia, and Druid Hill for Baltimore? They have greatly increased the value of property in those cities and stimulated the influx of wealth and population."[14]

During the past decade, dozens of studies have been conducted to measure the impact of parks on the economy of the cities in which they are located. Those studies have consistently found that parks that are well maintained and in good condition increase property values, and generate higher lease and rental rates in the surrounding neighborhoods. By the same token, when parks are not well operated and maintained, they can become a detriment to the community's economic health. However, in spite of the mounting evidence, the economic value that can be derived from parks when they are in good condition is rarely returned to those parks to ensure that they are well maintained.

[14] New Yorkers for Parks, "Supporting Our Parks: A Guide to Alternative Revenue Strategies," June 2010, p. 3.

Calculating Value: The Central Park Example

In 2009, a study commissioned by the Central Park Conservancy estimated the annual direct economic impact of Central Park in 2007 at $395 million, creating 3,780 full-time jobs. The park added an estimated $17.7 billion in incremental value to the surrounding properties, which grew in value 73 percent faster than a control group of properties during the past decade. Central Park is estimated to have generated, directly and indirectly, $656 million in tax revenue, *an amount roughly equal to the total budget for operations, maintenance, and capital expenditure for the entire New York City parks system.*[15]

It is important to note that the current economic impact studies may *understate* the value of parks because they have not yet found a method to estimate the value of parks' contributions to public health. Research on this topic is just beginning to appear in the literature, but already there have been studies that show that children without access to playgrounds and open space suffer from higher rates of obesity and diabetes, and all of the complications and health care costs that come along with those chronic diseases.[16]

[15] Appleseed, "Valuing Central Park's Contributions to New York City's Economy," May 2009.

[16] Peter Harnik, "Paying for Urban Parks Without Raising Taxes," *Local Parks, Local Financing Volume Two*, 1998; Kim Hopper, "Increasing Public Investment in Parks and Open Space," *Local Parks, Local Financing Volume One*, 1998.

Capturing Economic Value

As the research affirming the economic value of parks has mounted during the past twenty years, many cities have attempted to create funding strategies that capture the economic value created by parks as a source of funding to improve and maintain them. This impulse has taken several forms:

- Some cities have assessed fees on nearby property owners and businesses to pay for the operation and maintenance of specific parks. (Bryant Park in New York City may be the most famous example of this strategy.)

- Tax increment financing has been used extensively in cities as diverse as Portland, Oregon, Chicago, Illinois, and Missoula, Montana, to build new parks by issuing bonds backed by the anticipated increment of new tax revenue created by the improvement. Missoula used this strategy to create an extensive network of riverside parks and trails that is credited with sparking a renaissance of the city's downtown.

- A few cities have sold development rights to public land on the edges of a new park to create an endowment for operations and maintenance. This strategy is part of the financing plan for the new Brooklyn Bridge Park, although the current economic recession has dampened the market for the development rights.

- Philanthropic campaigns for parks are often targeted to those who have a "decent self interest" in the creation, improvement or ongoing maintenance of the park for which funds are being raised. As the major land owner in the vicinity, Vulcan's $10 million contribution to Lake Union Park is the most recent example of this phenomenon in Seattle, but there are many others. Many of the contributions for neighborhood matching fund projects fall into this category.

- The City Parks Alliance (CPA) is exploring a strategy called "Red Fields to Green Fields" to create "Public-private partnerships (that) would buy distressed properties and, in many cases, demolish buildings. Part of the land would be turned into an urban park, while the remainder could be densely redeveloped later to help pay off the project's debt and create jobs." CPA is assessing the strategy's potential in six cities.

Strategies that attempt to capture the economic values of parks have proven to be valuable in many communities, but they also carry certain risks.

These and other strategies that attempt to capture the economic value of parks have proven to be valuable in many communities, but they also carry certain risks. Just as the economic value of real estate differs from one area of the city to another, the economic value of parks varies widely, with some having great economic activity at their edges, and some very little. Unless these strategies are accompanied by thoughtful policies to attend to the well-being of the system as a whole, they may lead to significant disparities in the quality of the City's parks. In combination with such policies, they become very useful tools.

Part Four: Potential Funding Strategies for Seattle

This section of the study lists an array of potential strategies that could be considered to address the challenge of securing sustainable funding to operate and maintain Seattle's parks. We have organized the potential strategies in three categories:

a) Strategies that are wise and necessary under any scenario, but are not sufficient to reliably meet the overall needs of an expanding system;

b) Strategies that can be successfully implemented to offset the cost of specific parks, programs or park facilities; and

c) Strategies that could be significant and reliable sources of new funding for the system as a whole.

Strategies that are wise and necessary under any scenario

1. The Parks Department should identify a specific method to fund the operations and maintenance of new parks and facilities at the time the capital budget for the projects is developed.

The Department has honestly and openly identified the anticipated operating and maintenance costs of new facilities for more than a decade, and the City has attempted to factor those costs into the General Fund budget. However, the experience has been that those "increases" have generally been more than offset in recent years by cutbacks in other areas of the Department's budget, resulting in a net loss for the system. The 2000 Parks for All Levy addressed this problem, at least in the near-term, by incorporating maintenance costs in the levy proposal. Other strategies could include building "plant establishment" or "warranty maintenance" costs into the construction contract. The Arboretum Foundation has already taken steps in this direction by incorporating certain operating costs in their capital projects, and establishing endowments to support the maintenance of new gardens. Other approaches could include dedicated concession revenue; user fees; or partnerships with adjacent property owners, interested foundations/nonprofits or neighborhood organizations through formal agreements. The list of strategies below contains many other potential options to address this problem, but it is important that the issue be faced upfront, as new facilities are planned.

2. The Department should continue to seek ways to achieve greater savings through efficiencies and innovations, especially energy and water conservation.

In recent years, the Department has implemented a host of measures to become more efficient and limit costs to the tax payer. One of the realities of managing 11 percent of the City's total land area and 488 buildings, and operating more than 1,000 different programs, is that there are an almost unlimited number of opportunities to improve performance. A huge number of relatively small variables—hours of operation of beaches, mowing schedules, amounts of fertilizer, roofs patched, irrigation heads repaired, bills paid, items warehoused, etc.—shape the operations of the system. Virtually every annual budget includes somewhere between $750,000 and $1,500,000 in savings from implementing best management practices, conservation measures and

efficiencies. New technology, systems improvements, and conservation measures should continually be explored to improve the parks system. The Department must be given the analytical tools needed to make these gains. The results should be highlighted annually in the Department's budget.

3. Park supporters should continue to advocate for a larger share of the General Fund.

Obviously park advocates must keep up their efforts to mobilize public support during the City's budget process to gain a larger share of the City's limited resources, or just to hold the line against disproportionate cuts. Even in recessionary times, most public safety agencies—police and fire—are held harmless from cuts, shifting the burden to balance the budget to other city services. For example, the Mayor's proposed 2011-2012 Budget proposed to reduce the police and fire budgets by 1.2 percent and 1.3 percent, respectively, from current service levels, while reducing the parks budget by 12.7 percent. Park advocates must also recognize that there is increasing demand on the General Fund from other worthy causes, such as housing, human services, libraries, and others, leaving our elected officials in a bind. Moreover, other government agencies—Seattle Public Schools, King County, Washington state and the federal government—are facing even larger budget challenges and are not likely to come to the rescue. In fact, the long-term trend is toward shifting more and more responsibility to local governments either through legislative action or by default. For these reasons, competing for General Fund resources is necessary, but unlikely to be sufficient as a strategy to secure adequate funding.

One strategy to secure a larger share of the General Fund on a more permanent basis would be to seek an amendment to the City Charter to dedicate additional revenue streams to the parks system. This action would be similar to the 1967 Amendment that dedicated 10 percent of City fees, charges and licenses to the Parks Department.[17] This mechanism would dedicate certain existing funding streams to the parks system, but it would also reduce the amount of City revenue available for other City services, and would do nothing to increase the total resources available to the City.

4. The Parks Department should seek to recover an appropriate share of the costs of operations and maintenance through fees charges and concession agreements.

The Department has used this strategy for decades by charging fees for specific activities, and entering into concession and management agreements to operate various facets of the parks system, such as food service, golf courses and marinas. In 1968 fees and charges constituted 13 percent of the Department's budget. Today, they make up 26.5 percent, and if the Mayor's budget proposals are fully implemented, the percentage will rise to more than 30 percent of the total budget.

[17] As a practical matter, the prior Charter Amendment simply required a minimum amount of funding for Department activities and is currently considered a General Fund substitution; that is, Charter Revenues are included in the City's deliberations during the Budget process as a part of the Department's General Fund.

This reliance creates friction when the fees and charges rise to a level that is perceived as a barrier to participation, so the Department has gone to great lengths to devise strategies to protect access for low-income groups. Although there is a sense that the Department is nearing the limit of public tolerance for fees, the study revealed a few additional opportunities to generate revenue that should be explored. For example, Chicago and New York City charge hourly rates for parking within parks to generate funds for maintenance, and Chicago "bundles" its concessions contracts so that contractors who win the right to operate in landmark parks are required to provide services in neighborhood parks as well.

The City could examine all the services and programs offered by the Parks Department, identify which ones should be self-supporting, and gradually increase fees to cover the entire cost of the service, including maintenance costs. Likewise, the City could become more aggressive at soliciting concessionaires to operate in parks and dedicating the revenue to help maintain the park in which they are operating.

5. The Department should continue to forge community partnerships to leverage the capacity of nonprofit organizations to provide services.

From a national perspective, Seattle has been a pioneer in creating effective partnerships with community based organizations. Today, the Department relies upon non-City partners to operate Woodland Park Zoo and Seattle Aquarium, and those partnerships have been credited with bringing major expansions of those institutions. The Association of Recreation Councils (ARC) runs most programs offered through the Department's community centers. ARC employs nearly 2,000 workers (mostly contract and part time) to teach ballet, lead pottery classes, run after-school programs and manage day camps at the centers. The Arboretum Foundation funds environmental-learning programs, tree care, and organizes volunteers to assist in maintenance, curation, and care of the Japanese garden. Partnerships with organizations such as the Cascade Land Conservancy have expanded the Department's capacity to maintain and reforest the City's natural areas through the Green Seattle Partnership. The National Audubon Society helped build and now operates the Seward Park Environmental & Audubon Center. The City's community art centers—Pratt, Madrona's Spectrum Dance Theater, Seattle Public Theater at Green Lake and Seward Park Art Annex—are operated exclusively by nonprofits. The Asian Art Museum in Volunteer Park and the Museum of History and Industry are park owned buildings operated by major nonprofits, and the Washington Park Arboretum is operated through a partnership with the University and the Arboretum Foundation. The Department's partnerships also include public agencies. A Joint Use Agreement between the City and Seattle Public Schools allows for the use of park and school facilities by the other agency as a way to maximize the use of public facilities.

Figure 3 below shows the amounts of non-city resources that have been leveraged by the non-profit organizations that are partners in the Seattle Parks system.

Figure 3

City Park/Recreation System	2011 Operating Budget	Earned/Donated Income	City General Fund	City Charter Revenues	Other Govt. Funding	%General Fund	% Charter Revenues	% Earned/ Donated
Dept. Parks and Recreation	$113,983,387	$40,410,582	$33,072,805	$40,500,000		29%	36%	35%
Woodland Park Zoo*	$32,900,000	$26,416,302	$6,483,698		$300,000	20%		80%
The Seattle Aquarium	$11,620,000	$11,620,000						100%
Association Recreation Councils	$10,121,881	$10,121,881						100%
Washington Park Arboretum Foundation	$921,069	$921,069						100%
TOTAL*	$169,546,337	$89,489,834	$39,556,503	$40,500,000	$300,000	23%	24%	53%
Volunteer Contribution (Assumes 400,000 hrs, $15/hr)	$6,000,000	$6,000,000						
GRAND TOTAL	$175,546,337	$95,489,834	$39,556,503	$40,500,000	$300,000	23%	23%	54%

*For illustrative purposes, the GF portion of the zoo's budget is shown in the zoo's column even though it flows through the department's budget. In the Department's official budget, the zoo's GF allocation is included, making the departments total operating budget $120,467,085.

There are literally dozens of examples of partnerships that extend the Department's operations well beyond its budget. The Department should continue to develop these partnerships and outsource more of its operations when it is in the public interest. However, it should also be recognized that partnerships require time and energy, and may themselves create new operating and maintenance responsibilities for the City.

6. The Department should continue to develop its innovative volunteer, job-training and community service programs.

The Parks Department operates several successful programs to supplement the work of Department employees through the use of volunteers and participants in training programs. Volunteers plant trees, remove ivy and invasive plants from parks, coach young athletes, organize park improvement projects, chaperone at events, participate on advisory boards and recreation councils, raise funds, and assist at many of the Department's facilities. One notable program is the Seattle Conservation Corps (SCC). Modeled upon the Civilian Conservation Corps of the 1930s, the SCC employs and trains homeless individuals to work on parks projects and other small public works. Although relatively modest in scale, the SCC has a commendable record of helping its members regain a footing in the life of the community: 67 percent of SCC members gain stable housing and permanent employment at the end of their one year service in the Corps. The Corps has the potential to be expanded to become a more important part of the community's ongoing initiative to end homelessness. Likewise, with adequate support the vast number of volunteers could be expanded and directed toward some maintenance tasks.

7. The City should continue to work with the Seattle Parks Foundation to expand philanthropy's role in building and sustaining Seattle's Parks System.

In just ten years the Seattle Parks Foundation has generated more than $29 million in grants to enhance neighborhood parks, created Lake Union Park, conducted research on public policies that affect the parks system and successfully advocated for nearly $200 million in public funding for parks. The Foundation's advocacy and early support were critical factors in passage of the Parks and Green Space Levy in 2008. Another partner, the Seattle Art Museum, led a hugely successful fundraising campaign to build the nationally acclaimed Olympic Sculpture Park and create an endowment for the operation and maintenance of that facility. Several million dollars have also been raised by community groups in recent years to match Neighborhood Matching Grants for park improvements. As noteworthy as these accomplishments have been, there is a sense that the full potential of philanthropy has not yet been tapped, and that there may be additional roles philanthropy could play in sustaining the parks system. While the lion's share of the philanthropic funding for Seattle's parks has been for capital projects rather than maintenance, the success of the Olympic Sculpture Park suggests that there may be some future

opportunities to create maintenance endowments for specific parks.

The City could also explore the possibility of having the Parks Foundation or another entity take on more responsibility for operation and maintenance of certain parks (Arboretum), as the Central Park Conservancy has done in recent years. It should be noted that ARC operates in a manner that is similar to the Central Park Conservancy except the advisory councils operate recreation programs rather than managing park maintenance activities. It is conceivable that a "conservancy" could be a vehicle to increase the amount of private giving for park maintenance throughout the system. Alternatively, conservancies might be developed to support the maintenance of specific parks or portions of the parks system.

Strategies that could work for specific park facilities and programs

1. The City could create specific districts to fund new park developments and/or improve existing parks.

Many cities are using various forms of improvement districts to levy a tax or fee on property owners, developers, residents and/or businesses adjacent to a major park. Typically, these districts are formed in dense communities where new parks are being built or parks need to be upgraded, and the taxes or fees are levied on the property owners who will directly benefit from the improvements. The funding from these taxing districts is generally used for acquisition and development rather than operations and maintenance. There are at least three types of improvement districts in use across the country:

- ***Local Improvement Districts (LIDs)*** are used to finance public improvements that provide a direct and tangible benefit within a limited area. Establishing an LID typically requires a petition from 60 percent of the potential property owners within the district in which the assessment is to be levied. Revenue gathered through the assessments is used to pay the debt on bonds that pay the costs of the improvements. However, LIDs are not likely to be used to fund maintenance.

- ***Business Improvement Districts (BIDs)*** are a mechanism for assessing a fee on businesses within a defined area to raise funds for activities that will improve the area and increase commerce. A BID can be created only by a petition "by the operators responsible for 60 percent of the assessments of businesses and multifamily residential or mixed-use projects within the area." BIDs must also be chartered by the City. The Metropolitan Improvement District, or MID, is Seattle's best example of this type of district. Formed in 1999 by the Downtown Seattle Association (DSA), the MID provides "maintenance, safety and hospitality services as well as destination marketing, research and market analysis for Downtown Seattle." Other BIDs formed in Seattle are in Columbia City, Chinatown International District, the University District, and the West Seattle

Junction. None of these BIDs currently provide funding for park maintenance. However, RCW 35.87A.010 authorizes the creation of "parking and business improvement areas" for several purposes including: "Providing maintenance and security for common, public areas." So the City could examine the use of BIDs as mechanisms to fund park maintenance within their respective boundaries.

- ***Tax Increment Financing Districts (TIFs)*** are used in many states as a method of financing capital improvements by capturing the incremental tax revenue that is created by a public improvement to pay the costs of that improvement. TIFs have been used extensively for urban redevelopment (including parks) in cities such as Portland, Oregon, and Missoula, Montana, where a TIF was used to create a riverfront park that is credited with reinvigorating the city's downtown. The State of Washington does not have the robust tools for tax increment financing that are available in other states, although that may be changing. Legislation passed in recent years has opened the door to certain limited forms of TIF. The Cascade Land Conservancy is working to expand the powers of local governments to use TIF as a means of developing infrastructure when those governments participate in the transfer of development rights to protect farms and forests. It is conceivable that more opportunities may be created if those pilots prove successful.

2. Implement development impact fees.

Under the State Growth Management Act (GMA) cities have the authority to impose impact fees on new development. The City currently does not use this authority for parks and open space. Impact fees can be imposed only on new development, with the fees used to mitigate the impacts of that particular new development on park, open space and recreation facilities within an area proximate to the development. GMA fees cannot be used to make up existing system deficiencies. The fees can be used only to fund capital improvements that are identified in the Seattle Comprehensive Plan, and the funds must be encumbered within six years after collection. Impact fees cannot constitute 100 percent of the costs, thus requiring a City match.

Since impact fees cannot be used for operations and maintenance, they are not an option for long-term sustainable O&M funding. In limited circumstances, however, they may be used to improve existing parks and recreation facilities to handle increased usage resulting from new development in the area they serve.

3. Zoning incentives and bonuses.

In recent years, the City of Seattle has created a sophisticated system of development bonuses as an integral part of its zoning system. These bonuses provide incentives for developers and property owners to incorporate desired public amenities beyond those required in the zoning code. Bonuses have been provided for various design elements and for such public benefits as child care centers and affordable

housing. To date, parks have not been eligible recipients of these bonuses.[18] The High Line Park project in New York City provides a model for such a bonus. As it became clear that the project could be expected to increase the value of nearby developments, the City granted property owners additional development capacity in return for financial commitments to the ongoing maintenance of the new park. This model could potentially be used to generate funds for the new park on Seattle's waterfront or at other locations where park improvements will create the demand for new development nearby.

Other adjustments in the zoning code could be made to allow developers to contribute to a fund for the development, improvement, and/or maintenance of nearby public parks when the Director of Planning and Development determines such an investment would provide greater public benefits than meeting the on-site open space requirements in the current code.

4. Create a Public Development Authority (PDA) or conservancies to develop and maintain specific parks.

State law authorizes cities to create Public Development Authorities, or PDAs. They are separate entities from the City governed by a board of citizen volunteers. To date, the City has chartered eight PDAs to develop, operate and maintain such city assets as the Pike Place Market, Home of the Good Shepherd and Pacific Medical Center. They have flexibility under State law to administer federal funds, combine public taxes and private donations, and own public land, and they may qualify for tax-exempt borrowing rates. PDAs currently manage approximately $200 million in assets including 1,287 housing units, health clinics and community space. PDAs require no City funding from the General Fund. They are typically funded by other public and/or private sources. The City could explore the possibility of utilizing a PDA as a tool to redevelop the waterfront once the Viaduct is demolished and to manage and operate other park land, especially where there are multiple public and private uses. Funding for developing, operating and maintaining public spaces would become a part of the PDA's budget. The City could also assist interested parties create conservancies to care for and improve existing parks, similar to the Central Park Conservancy. Conservancies, while not common in the northwest, represent an excellent park specific strategy employed in many other cities.

5. Tap project mitigation funding.

Over the years the City has mounted a concerted effort to seek appropriate mitigation when public and/or private projects affect Seattle's parks:

- The Parks Department negotiated an agreement with SPRINT to pay for development of a portion of the Burke Gilman Trail in exchange for the use of the trail right of way (ROW) to bury its cable.

[18] In 2000, the City of Seattle used the zoning code to create "salmon TDRs," a bonus program that allowed additional development in the Denny Triangle in return for the purchase of threatened salmon habitat along the Cedar River. The program was discontinued due to a change of Mayoral administrations.

- Metro funded significant improvements to Discovery Park as mitigation for construction of the West Point Treatment Plant.

- The City used mitigation funds from Metro's Duwamish Head Outfall project to improve the parks along Alki Beach and create Seacrest Park.

Although this strategy generally results in one-time "windfalls" for specific capital projects, new opportunities may be emerging to reap ongoing revenue. For example, the Arboretum Foundation is promoting the concept of tolling automobiles that use Lake Washington Boulevard as an on-ramp to the new 520 Bridge, with the proceeds going to enhance and maintain the Arboretum.

6. Partner with utilities and other City departments to capture the value of the "ecosystem services" parks provide.

The impact of climate change has raised the profile of the role natural lands play in providing the basic ingredients that are essential to life: clean air, clean water, and a healthy environment. Whole new economic tools are emerging through the carbon markets in which the value of those contributions is finally being recognized in economic terms. The Parks Department has partnered with other agencies on many projects that enhance the "ecosystem services" park lands provide. For example, the Department has partnered with Seattle Public Utilities (SPU) on solid waste and water quality projects, and with SPU and City Light on conservation projects that have reduced load demand on the utilities. Yet, the value of the parks system in providing ecosystem services is just beginning to be recognized, and the economic value of those contributions has yet to be captured.

Strategies that have the potential to secure significant new resources for the system as a whole

1. Address the underlying structural problem caused by the "Eyman limits" on the General Fund.

As noted above, statewide initiatives have severely limited the City's revenues in recent years, and the impact of these limits will continue to be compounded over time. Removing those limits would give the city more flexibility to raise revenue, which could be used to support parks as well as other needs. While it is unlikely the State would eliminate these limits outright, the City could explore with the Governor and the Legislature the possibility of allowing cities to override statewide initiatives by granting some form of home rule.

2. Special purpose levies.

Although state law places limits on the amount of property taxes cities can impose, the law allows a simple majority of voters within a local jurisdiction to authorize a "Levy Lid Lift" to increase the current property tax rate at an amount that is less than the statutory limit. Seattle voters have approved numerous levy lid lifts during the past 20 years, including measures for parks in 2000 and 2008, and for recreation centers in 1991 and 1999. In fact, $0.90 of the City's $2.85 current property tax rate consists of levy lid lifts. The City has

the option to propose a levy increase that is permanent or one that is for a specified purpose and a limited period of time. If this method were selected to address the shortfall in parks operations and maintenance, it could be structured in several ways.

- ***A permanent levy lid lift dedicated to parks and recreation operations and maintenance.*** The goal of this option would be to secure an amount sufficient to fill the current deficit in maintenance funding and pay the anticipated costs for maintenance of new parks. Due to the I-747 initiative limitation, the levy amount (not rate) would increase 1 percent per year, so over time the amount would not keep pace with inflation. However, after a set number of years (say ten) the City could return to the voters with another levy lid lift to increase the rate to account for the loss to inflation. Language would have to be included in the Levy to require the City to maintain some level of General Fund contribution, plus inflation, in order to provide dependable, sustainable funding for ongoing operations and maintenance.

- ***A one-time, special purpose levy for a limited time period (up to six years) and a specified purpose.*** This is the type of levy the City has placed on the ballot in the past. It is not a permanent, sustainable source of funding since it expires unless reauthorized at the polls.

- ***A special purpose levy with a regular schedule for renewal.*** This model is similar to the approach used in Vancouver, British Columbia, where the city government takes to the voters a package of capital improvements and major maintenance projects every three years. Here in Seattle, the Affordable Housing Levy and the Families and Education Levy have evolved toward this model over time. One advantage of this approach is that it requires the City to return to the voters as a way to remain accountable for delivering what is promised in the levy. Also, this mechanism is not subject to the 1 percent limit imposed by I-747, provided the levy does not exceed six years between renewals.

3. Create a Metropolitan Park District (MPD).

A 1907 state law authorizes "first-class" cities to create metropolitan park districts through a public vote. The purpose of an MPD is "to manage, control, improve, maintain and acquire parks, parkways, boulevards and recreational facilities within a defined area." MPDs are also allowed access to property taxes available to Junior Taxing Districts, granting an MPD an increment of taxing authority that is not otherwise available to cities. In effect, an MPD provides new resources that are outside the competition with other City departments for General Fund resources. Tacoma voters approved an MPD one month after the original law was enacted in 1907. A second MPD was created in Yakima in 1945 and operated until 1969. In 2001 the State amended the legislation to make the creation of MPDs more accessible for all cities, counties and unincorporated areas. The new legislation made it possible for an MPD to be created within a single jurisdiction and allowed existing city councils or county

commissioners to act as the governing board of the MPD. Since 2001, thirteen new MPDs have been created in Washington. Of the fourteen MPDs (including Tacoma) created to date, nine have separately elected commissioners and five rely on elected city councils or county commissioners as board members. Of the five that rely on the existing elected officials, all have passed ordinances integrating the administration of the newly formed Park District into their existing park operations and budgeting processes.

The amount of new tax revenue that is potentially available through an MPD is significant. MPDs have the authority to levy up to $0.50 per $1,000 of assessed valuation for operations and maintenance and another $0.25 per $1,000 of assessed valuation for capital projects, for a total of $0.75 per $1,000. At the current levels of assessed valuation city-wide, this additional increment of taxing authority would yield approximately $88 million annually if levied at the full amounts authorized by the law.

Since this revenue would be available to the city exclusively for park purposes, it would provide greater certainty of funding levels over time than renewable levies. However, in light of the other budget pressures facing the City, it cannot be assumed that funding made available to the Parks Department through an MPD would simply be added to ongoing support from the General Fund. To be certain the creation of an MPD addresses the full dimension of the need for operations and maintenance, parks advocates would need to negotiate an agreement with the City that locks in an appropriate level of on-going support from the General Fund to supplement the revenue generated by the MPD. Absent such an agreement, the Mayor and City Council could simply use the resources generated by the MPD for parks (as required by law) and shift General Fund dollars now being used for parks to other purposes.

In conclusion, perhaps the most promising approach to significantly increase the likelihood of implementing a sustainable, long-term funding strategy is to combine many of the strategies listed above. That is:

- Implement the “wise and necessary” strategies;
- Employ funding strategies that have been effective in other cities to maintain specific parks and build major new parks (such as the waterfront parks);
- Leverage private participation through philanthropy, partnerships and volunteerism with new public funding source dedicated to parks; and
- Adopt a strategy to provide a significant amount of dedicated funding for parks through either: A scheduled, recurring series of special purpose levies dedicated to parks operations and maintenance; or the creation of a Metropolitan Park District with existing elected officials serving as park district commissioners and existing budget and administrative processes to carry out the functions of the District.
- Incorporate a mechanism to hold the City and its partners accountable to the public to guarantee community and citizen oversight and engagement.

Part Five: Advantages and Disadvantages of the Potential Strategies

Before evaluating the strategies, it is important to agree upon the criteria that will guide that evaluation. Below are some initial suggestions for stakeholders and City officials to consider:

1. Does the alternative reduce or increase access to the parks system for all Seattle residents?
2. Are the costs borne fairly by all who benefit?
3. Is the funding strategy predictable and sustainable over time?
4. Is there a mechanism in place to hold the Department and the City accountable for effectively implementing the programs and services funded by the strategy?

Seattle's parks and recreation facilities provide a wide range of public benefits that should be weighed by our elected officials as they set priorities for public expenditures. These benefits include improvements in public health; an enhanced environment; stronger neighborhoods; a more robust investment climate; and an opportunity for people of diverse backgrounds to meet on landscapes they share in common.

In addition to the benefits listed above, parks provide a positive return on investment in terms of the tax revenue they help to generate. The extent of these public benefits, and the return on investment, is directly related to the quality of the parks and recreation facilities and the manner in which they are operated and maintained.

Just as Seattle's people have a right to share in the benefits provided by our parks system, we all have a responsibility to protect and enhance our parks. The standards of excellence we wish to have in our parks can be achieved only through partnerships among the Department of Parks and Recreation, other public agencies, community-based organizations, philanthropy, the private sector, and the general citizenry.

The methods used to secure resources for the parks system will be diverse and evolve over time as the economic realities shift and the needs of our community change. The matrix below lists the potential funding strategies that have been identified, and a preliminary assessment of the advantages and disadvantages of each in keeping with these broad concepts.

Draft
Strategy Matrix

	Advantages	Disadvantages
Strategies that are necessary and wise under any scenario.		
Identify a specific strategy to finance O&M as part of the capital plan for new parks.	Identifies ongoing costs upfront. Prevents surprises. Could allow some O&M costs to be capitalized.	May discourage new park development.
Achieve greater savings through efficiencies and innovation.	Reduces need for additional funding. Can be achieved with little or no legislative action. Builds confidence in the Department's abilities. Requires Department to report on efficiencies/partnerships as a part of the budget process.	Likely to produce marginal benefits – 1% savings/year. May create conflicts with existing union contracts. Not likely to provide long-term funding stability. Some efficiencies may conflict with other objectives. For example, the use of pesticides and fungicides may run counter to environmental goals; increasing fees or shifting responsibility to external partners may reduce access for lower income citizens to certain programs. Systems and operations research need funding, which is difficult to obtain when other City services are being cut.

	Advantages	Disadvantages
Compete for a larger share of the City's general fund. Annual budget process Charter amendment to dedicate revenue streams	This option does not necessarily require new taxes (although the Mayor and Council may choose to increase taxes because of the demands placed on them). There is an identifiable constituency that can be organized to pursue this option. The annual budget approach does not threaten the status quo. The charter amendment strategy could provide more revenue and more predictability.	This option is unlikely to change the funding equation significantly. It will not guarantee future funding levels, even if successful in short-run. The annual budget approach could create friction with constituencies for other "good causes." The charter amendment strategy would almost certainly create conflict with other City agencies and public constituencies (libraries, police, fire fighters, transportation advocates will ask why parks and not us?). The amount of funding established by Charter Amendment may become a "ceiling" rather than a "floor" – i.e., the amount allocated to Parks is what the Charter amendment states and nothing more. It may be difficult for the Council to place a charter amendment on the ballot given that such an amendment would limit their budgeting authority, and securing petitions signed by 15 percent of the voters may also be challenging.

	Advantages	Disadvantages
Recover a greater share of costs through fees, charges and concession agreements.	This strategy reduces costs to the tax payer, shifting the costs to users and freeing-up City resources for maintenance and operations of the system.	May create barriers to use, especially for those with limited incomes. Because of the ability of some communities and citizens to pay more than others, access to programming, and to well maintained and secure parks may be unequal across the City. Increases administrative burden.
Forge community partnerships to leverage the capacity of nonprofit organizations.	This strategy can often achieve efficiencies by decentralizing and privatizing programs and services. These methods can extend the amount and diversity of programming the Department is able to offer.	Private operators may not always have the public interest as their chief concern, and have the potential to limit access by the public. Partnerships require staff time to negotiate and manage.
Expand volunteer, job-training and community service programs.	Volunteerism engages users, advocates and supporters in helping address the funding problem and providing programs. By involving more people in the parks and recreation system, these methods create interdependence among citizens, not-profits and government.	Volunteers need to be organized and managed, requiring staff time. May conflict with collective bargaining agreements.

	Advantages	Disadvantages
Expand philanthropy's role in the Parks system.	Taps private resources that have not gone to parks until recently. Lake Union Park, Olympic Sculpture Park and other projects have established a track record of success. Creates participation in and advocacy for the system.	Philanthropic giving can be volatile especially during an economic downturn. Requires a significant commitment of staff resources. Donors' interest may differ from those of the general public. Hard to raise dollars for ongoing maintenance.
Strategies that could work for specific parks, facilities or programs		
Create Special Districts to fund new park developments and/or improve existing parks. Local Improvement Districts Business Improvement Districts Tax Increment Districts	Special improvement districts target the primary beneficiaries of new or improved park facilities as primary funders. These mechanisms can potentially provide a long-term stream of revenue. They engage adjacent property owners and operators in the care of parks in the area. Several BIDs already exist in Urban Villages and Downtown Seattle. Special districts may be more effective if they are created to acquire, develop operate and maintain public spaces.	May require State or local law changes to be effective sources for parks. It is often cumbersome to create new improvement districts, requiring definition of a specific area and determination of purposes and assessment levels. Potential conflict with union contracts if funds used to pay District employees to carry out work. There are a limited number of places an improvement district could work. It may result in unequal maintenance and operations of parks based on their location.

	Advantages	Disadvantages
Implement development impact fees for parks.	Impact fees are directly related to the impact new users will have on the demand for parks and recreation facilities. Impact fees leverage private funds with public benefits and resources.	Impact fee revenue cannot be used to fund maintenance or make up for deficiencies in the current system. It would require new legislation from the City Council. The use of impact fees for parks could conflict with other City goals for the imposition of impact fees, such as affordable housing. Cumbersome to implement and manage.
Refine the land use code to create incentives for investments in parks improvements and maintenance.	Incentives have been used successfully in Seattle for other public purposes (e.g., affordable housing.) Has potential to create/maintain parks in areas where development is occurring.	There needs to be a clear nexus between the development and the park. May be complicated to administer. Could compete with other public benefits.
Create a Public Development Authority (PDA).	Provides a mechanism for complex development projects (such as the waterfront). PDA can focus on a single area or project. May be easier to pool funds from diverse sources.	Could add to the perception that local government is too complex. No independent tax base. Could lead to different service levels among parks.

Tap utilities and project mitigation funding. Capture the value of the "ecosystem services" provided by parks and open space to public and private utilities. Pursue funding for the parks system as mitigation for the environmental impact of development.	This strategy directly ties the impacts of a non-park use to improvements to the parks system. It could be applied to achieve multiple public objectives, such as the management of watersheds or the sequestration of carbon by planting trees within park boundaries.	Recent State Court decisions have made this option more difficult as it relates to public utilities. It is often difficult to show a direct nexus between the actions of the utility and the park improvement funded by mitigation funds. Some ecosystem investments in urban areas are not as cost effective as alternative investments outside the urban area.
ategies that have the potential to provide significant new resources for the system as a whole.		
Address the underlying structural problem caused by the "Eyman limits" on the General Fund.	It may be easier to "raise all boats" than to try to secure special status among competing City needs/interests. By assisting the City in changing State law, Park advocates could be seen as a strong City ally. With Foundation leadership/support, if successful, this option would likely increase Parks' share of General Fund.	Politically difficult in the current environment. May not increase Parks' budget sufficiently, even if successful. Would not guarantee long-term funding stability

	Advantages	Disadvantages
Special purpose levies Permanent levy One-time six-year levy Renewable levies for fixed period on a regular cycle.	These options could generate significant new revenue to Parks. Each would provide longer-term funding certainty than current biennial budgets, and produce a known amount of additional funds. By taking the issue directly to the voters, these options reduce pressure on elected officials to fund parks from the General Fund and other City funds. The levy provides a mechanism to hold the City and the Department accountable for delivering what was promised in levy (this is true for options (b) and (c)). Voters are familiar with special levies.	Depending on how levy is structured, it would require periodic vote of the people, reducing certainty of long-term funding success. It may be difficult to get to the ballot given competing interests. Competes with other city needs for limited levy capacity and voter support (e.g. libraries, Seattle Center, transportation, etc.). Could result in less General Fund resources allocated to Parks.

	Advantages	Disadvantages
Create a Metropolitan Parks District (MPD).	An MPD could provide secure, long-term funding not available to other City agencies. It could bring significant new resources to Parks for both operating and major maintenance. It requires a simple majority vote of the people to create District; voters not asked to approve a tax. The rate is established by elected officials and may be adjusted periodically without going to the ballot. An MPD could relieve pressure on the General Fund to fund current and future park O & M needs, and may relieve pressure on the Cumulative Reserve Fund to fund Parks major maintenance. An MPD would relieve pressure on the City to use special levies for Parks. MPDs have been formed in this State in recent years, so the concept is not new and model ballot titles and agreements are available.	The concept may be difficult to explain to voters (It is not actually "metropolitan" or a separate district.) There is no guarantee of level of funding Council would provide for an MPD. The tax revenue for an MPD would be subject to the I-747 limits. An MPD would increase the tax on property owners. Interlocal agreements would be needed to integrate the MPD into the normal operations of City government. Might supplant current General Fund support.

Part Six:
Final Recommendations

The Seattle Parks Foundation and its partners are prepared to pursue the following recommendations. If adopted, these measures will engage all sectors of our community in the effort to sustain Seattle's great system of parks and recreation programs for generations to come. These recommendations ask philanthropists, non-profit organizations, private sector partners, the Board of Park Commissioners and the community at large to expand their involvement in and support for the parks system. They challenge our partners in the parks department, and the unions that represent its employees, to be open to new ways of operating; and they urge our elected and appointed officials to take action on these recommendations quickly, while it is still possible to prevent chronic budget problems from causing more lasting damage to our parks system.

Recommendation 1: We ask the City to use existing authority in state law to create a "Seattle Metropolitan Park District" to provide a new source of dedicated funding for the park system.

We recommend forming a park district rather than seeking legislative approval of additional budget authority for the City or relying on special tax levies because:

- The needs of the parks system are urgent, and the likelihood of securing additional taxing authority from the Legislature in the near future is remote. The formation of a parks district will provide access to a new source of funding that in *already available* under state law.
- A park district will provide new revenue that is dedicated solely to parks and recreation by state law, and cannot be diverted to other purposes.
- The additional revenue generated by a park district will relieve competition with other essential City services that rely upon special purpose levy funds, such as housing, the family and education levy, transportation, fire department facilities, and Seattle Center. By creating a park district, the City will be able to reserve its levy capacity to meet these and other needs, such as those of the library system.
- More than a dozen other communities in Washington have formed park districts during the past decade to help sustain their park systems. Several of the new districts have been successfully integrated with existing park agencies with no new administrative costs.
- The creation of a park district will reduce the strain on the City's budget by providing dedicated funding for parks, thereby relieving the pressure to restore past cuts or fund new facility costs from the City's General Fund.

Recommendation 2: The level of funding requested from the voters for the 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 through charter revenue, the General Fund and other 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 peg an initial tax levy amount for the 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 also could 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 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). In light of the impact of the current recession on construction costs and unemployment levels, the creation of the park district will provide a unique opportunity for the City to take advantage of significant cost savings and create badly needed job opportunities by acting swiftly to carry out some of these essential projects with the resources created by the park district. The City should seize that opportunity by speeding the completion of these long-deferred projects, once the park district has been established.

- Once the park system has been restored to full operations through "normalized" General Fund support, and the backlog in major maintenance projects has been substantially reduced, park district resources should be used strategically to fund services, improvements and expansions that are needed to meet the needs and aspirations of our growing city. This could relieve the City of future demands for park levies when the current levy runs out in 2014.

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

- The elected members of the Seattle City Council should be designated as the governing board of the park district. This will avoid adding another layer of government and hold

the elected members of the Council fully accountable for all public funding for the park system.

- The park district should be operated by the Seattle Department of Parks and Recreation under the authority set forth in the City Charter and an Inter-local Agreement between the City and the park district.

- The budget for the consolidated parks district/department should be developed through the existing City budget process.

- To provide an additional measure of accountability, the Board of Park Commissioners should be reconstituted and given new authority to monitor compliance with the interlocal agreement, review the consolidated budget of the park district/department, and make recommendations to the Mayor and City Council regarding the operating and capital budgets.

- The Board should also be given the authority to monitor implementation of all recommendations in this report, and provide an annual progress report to the public. The park district/department should provide staffing to support the Board's work.

- The members of the Board of Park Commissioners should be appointed (or re-appointed) by the Mayor and City Council to fulfill this new mandate. Members should be selected to represent the community as a whole. They should have a history of civic commitment and the necessary skills to build and maintain partnerships, monitor budgets and evaluate the system's performance in meeting community needs and expectations.

Recommendation 4: Invest a portion of the new resources obtained through the creation of the Seattle 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 success in conservation measures to save energy and water and reduce the emission of green house gases. The creation of the Seattle Park District can provide the impetus to take those efforts to a new and much higher level within the park system. There are two barriers that stand in the way of achieving markedly higher levels of resource conservation: The lack of capital funding to pay the initial costs of conservation measures, and the disincentive created by a City budgeting process in which the Parks Department has too often implemented cost-saving measures only to have those savings shifted to other purposes outside the park system. To overcome those barriers we recommend the following measures:

- A portion of the new financial resources that will become available through the creation of the park district should be invested in an aggressive initiative to implement conservation projects that will ultimately reduce the operating costs of the park system.

- The Inter-local Agreement that will define the level of on-going City general fund support for the park system should

include a provision that cost savings that are achieved through the conservation efforts of the park district/department will be clearly identified and 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 financing through the park district to achieve conservation goals and long-range cost savings. Those initiatives should be documented in their annual reports.

- The park district/department and its partners should aggressively search for new ways to achieve environmental goals within the parks system through methods such as: placement of solar panels on park buildings, reforestation initiatives that contribute to carbon sequestration, natural storm water detention, and other measures that have the potential to produce both environmental benefits and long range financial return for the park system.

- The City should use a portion of the resources created by the park district to expand the Seattle Conservation Corps. Historically, the Corps has been limited in its size and impact by the lack of core funding and by the reluctance or organized labor to support its growth in the face of losses in the ranks of full time parks department staff. The new resources created by the park district will restore a significant number of family wage union jobs within the department and create an opening to work with labor to expand the Conservation Corps and increase its contributions to the park system and the community as a whole.

- The park district/department should report to the Park Board and City Council annually on the measures that have been implemented to achieve these conservation objectives.

Recommendation 5: The Seattle Park District/Department should 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. Hundreds of millions of dollars have been raised to enhance the park system through philanthropic contributions to the Seattle Park Foundation and our partners. Our zoo, aquarium, arboretum, and the majority of our recreation programs are operated by non-profit partners. Our golf courses and many park concessions are operated by small business partners. Our forests are being restored through partnership with a major land conservancy. Many of our parks and playgrounds have been renewed through the efforts of volunteers, whose labors have been magnified by the City's Neighborhood Matching Fund. Our partnership with labor has produced efficiencies and innovations in the way we operate the park system. And perhaps most importantly, our partnership with the voters has provided the parks system with more than $400 million in improvement funds since 1998. 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. *The Seattle Park District/Department should develop and implement a strategy to increase the impact of citizen volunteers.*

Volunteers not only provide additional help with park maintenance and mentors for youth participating in recreation programs, they also provide a vital connection to the community for the parks department and its partners. By continuing to expand the pool of volunteers, parks department staff will become more closely connected to the community they serve, providing a continuous feedback loop that brings new energy and ideas into the system. To take advantages of these opportunities, we recommend:

- The leadership of the park district/department should convene a task force of park volunteers, department staff and City union representatives to develop a specific plan to define the appropriate roles of volunteers and increase volunteer participation by 5% each year over the next decade. The plan should include partnerships with schools, and neighborhood, business and civic organizations. Implementation of the plan should be monitored by the Board of Park Commissioners.

- The Parks Department's Joint Labor and Management Committee should adjust City work rules and union contracts to facilitate the ability of volunteers to conduct a broad range of stewardship functions in support of professional staff.

- The budget of the park district/department should include full funding for the Green Seattle Partnership and increase the number of parks staff dedicated to leveraging additional volunteer services.

- The City should continue to fund the Neighborhood Matching Fund (NMF) with a focus on park and recreation projects and programs. The NMF provides opportunities for citizens to directly contribute to improvements in their neighborhood parks. NMF funded projects also spawn volunteers who help steward the newly improved park and provide watchful eyes that help prevent vandalism and graffiti.

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

There are many forms of public spaces and uses that will fall within the purview of the parks district/department. Although many Seattle parks have been revitalized in recent years through the Neighborhood Matching Fund and the combined efforts of neighborhood organizations and the Seattle Park Foundation, there are still a significant number of parks that are severely underutilized, particularly in the central city areas that have an acute shortage of park space. These parks and open spaces are not meeting the public's needs because they are perceived to be unattractive, poorly maintained, or simply devoid of activity. It is time that we recognized that private businesses and educational institutions, like residents, have a direct and legitimate interest in the quality of neighboring parks and public spaces. The Metropolitan Improvement District in downtown Seattle is an example of an entity that has more than a passing interest in the condition of downtown parks. To take advantage of the potential

resources these entities could contribute to activate and improve our public spaces, we recommend:

- The Mayor and City Council should issue a statement of policy that unambiguously affirms the City's commitment to mutually beneficial engagement of private and nonprofit partners in helping to fund, maintain and activate the parks system.
- The Parks District/Department should seek new partners to maintain and operate selected park assets and enable existing partners to take on even more responsibility. Park conservancies, Business Improvement Areas, existing non-profits, Public Development Authorities, are examples of the partners that could be recruited.
- For major new parks (such as the park envisioned along the waterfront), the City should identify partners during the planning who will commit to assist in park maintenance and operations once the parks are developed.
- The park district/department should build upon the current efforts to activate central city parks with the goal of recovering an appropriate share of the costs of maintaining those parks through the revenue that can be generated by those activities.
- The City should reduce barriers and encourage partner engagement and investment across the system by delegating more flexibility to the parks district/department to negotiate short to medium term agreements that provide additional public benefit.

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 space 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 in support of the City's parks system as a whole.

Philanthropy has been a transformative force and has provided a way for tens of thousands of citizens to demonstrate their passion for and commitment to our parks and trails. Promoting and building upon this tradition of philanthropy will bring even more resources into the system, build an even more passionately engaged constituency, and demonstrate to the elected officials the value of increasing public investment in our parks.

We believe that the public commitment that will be demonstrated by the creation of the Seattle Park District affords an important opportunity to leverage additional resources from philanthropy. To that end, the Seattle Parks Foundation will:

- Build SPF fundraising capacity to support more stewardship (and capital) projects across the system;
- Work with Friends groups and neighborhood leaders to identify, promote, and generate new funding to support enhanced community stewardship of parks;

- Develop a coordinated campaign to promote all organizations that raise money to benefits Parks and Recreation in Seattle;

In summary, we 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 Parks District is an essential 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 the other recommendations in this report. It will also create a major incentive for volunteers, philanthropists and other partners to increase their own contributions to the park system.

Our park system is not lacking in public use, or in the public's desire to expand and improve it. Nor is it short on passionate, committed volunteers. It is simply lacking the necessary level of public funding to maintain and operate the great legacy of parks, playfields, pools, community centers and special facilities the City has built and expanded through generations of consistent citizen effort. Opportunities to expand and improve the system have been warmly supported by Seattle voters during the last five decades, and particularly in recent years with voter approval of over $400 million in five separate tax measures. Yet, the City has been forced to undermine that legacy through cuts in parks maintenance and operations, largely due to the passage of statewide initiatives limiting the City's ability to raise revenue to support its operations, and the competing demands from other City services.

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.

APPENDIX A

Metropolitan Park Districts in Washington
(14 established, 2 under consideration)
(December 2010)

MPDs that use City/County Council as the Park Commission (5 total)

Greater Clark Parks District
Unincorporated urban area of Clark County
Established – February 2005

Normandy Park Metropolitan Park District
City of Normandy Park
Established – November 2009

City of Pullman Parks & Recreation (Metropolitan Park District)
City of Pullman
Established - September 2002

Shelton Metropolitan Park District
City of Shelton
Established - April 2010

William Shore Memorial Pool District
City of Port Angeles and Port Angeles School District boundaries (Clallam County)
Established - May 2009

APPENDIX A

Metropolitan Park Districts in Washington
(14 established, 2 under consideration)
(December 2010) - cont.

MPDs THAT USE A SEPARATE, ELECTED PARK COMMISSION (9 total)

Bainbridge Island Metropolitan Park & Recreation District
Bainbridge Island
Established - 1969; vote to convert structure to a Metropolitan Park District, Sept. 2004, effective 1/1/2006

Des Moines Pool Metropolitan Park District
City of Des Moines
Established - Nov. 2009

Eastmont Metro Parks & Recreation (Eastmont Metropolitan Parks & Recreation District)
Greater East Wenatchee area (including a trail along the Columbia River)
Originally at Recreation Service Area; Vote on MPD: May 2004

Fall City Metropolitan Park District
Fall City and surrounding area
Feb. 2009

Key Pen Parks (Key Peninsula Parks)
Key Peninsula (office in Lakebay)
Originally a parks and rec district; May 2004 vote for Metropolitan Park District

APPENDIX A

Metropolitan Park Districts in Washington
(14 established, 2 under consideration)
(December 2010) - cont.

PenMet Parks (Peninsula Metropolitan Park District)
Gig Harbor Peninsula (outside of City of Gig Harbor)
Established - Orig. 1984; vote to form Metropolitan Park District, May 2004

Si View Metropolitan Park District
North Bend / Snoqualmie Valley
Established - February 2003

Metro Parks Tacoma (Metropolitan Park District of Tacoma)
Tacoma, Brown's Point, Dash Point
Established - 1907 (original law)

Village Green Metropolitan Park District
City of Kingston and Miller Bay Estates (in Kitsap County)
Established - August 2010

MPDs UNDER CONSIDERATION

Jefferson County

APPENDIX A

Metropolitan Park Districts in Washington
(14 established, 2 under consideration)
(December 2010) - cont.

Pierce County (unincorporated portions not within the Tacoma, Key Peninsula, or Peninsula Metropolitan Park Districts, or the Anderson Island Park District)

APPENDIX B

Figure 1

PARKS OPERATING BUDGET GAP	**2012 Dollars**
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
Estimated Funding Gap	**$ 19,276,733**

APPENDIX C

Figure 2

PARKS MAJOR MAINTENANCE	BACKLOG	2012-2017 PLAN	TOTAL
(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 CLC		$21,636	$21,636
Woodland Park Zoo	$6,000	$10,200	$16,200
Conservation Project Incentive Fund		$12,000	$12,000
TOTAL MAJOR MAINTENANCE	*$89,348*	*$181,442*	*$270,790*
FUNDING			
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
TOTAL ESTIMATED FUNDING	*$10,000*	*$65,500*	*$75,500*
PROPOSED PARK DISTRICT FUNDS		*$186,290*	*$195,290*
TOTAL FUNDING			*$270,790*

APPENDIX D

Figure 3

City Park/Recreation System	2011 Operating Budget	Earned/Donated Income	City General Fund	City Charter Revenues	Other Govt. Funding	%General Fund	% Charter Revenues	% Earned/ Donated
Dept. Parks and Recreation	$113,983,387	$40,410,582	$33,072,805	$40,500,000		29%	36%	35%
Woodland Park Zoo*	$32,900,000	$26,416,302	$6,483,698		$300,000	20%		80%
The Seattle Aquarium	$11,620,000	$11,620,000						100%
Association Recreation Councils	$10,121,881	$10,121,881						100%
Washington Park Arboretum Foundation	$921,069	$921,069						100%
TOTAL*	$169,546,337	$89,489,834	$39,556,503	$40,500,000	$300,000	23%	24%	53%
Volunteer Contribution (Assumes 400,000 hrs, $15/hr)	$6,000,000	$6,000,000						
GRAND TOTAL	$175,546,337	$95,489,834	$39,556,503	$40,500,000	$300,000	23%	23%	54%

*For illustrative purposes, the GF portion of the zoo's budget is shown in the zoo's column even though it flows through the department's budget. In the Department's official budget, the zoo's GF allocation is included, making the departments total operating budget $120,467,085.

Additional copies of this report may be obtained from:

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