Seattle
Parks & Recreation

To: Park District Oversight Committee and Board of Park Commissioners
Date: February 7, 2020
Subject: Seattle Park District Baseline Proposal
From: Michele Finnegan, Policy Director, Seattle Parks and Recreation

---

Memo Objective: To share SPR's proposal for continuation of baseline Park District funding with the Park District Oversight Committee and Park Board of Commissioners in preparation for the prioritization process of any potential expansions above this base in March – May 2020.

Park District Baseline Proposal Background: As the first step in developing the next Seattle Park District (MPD) financial plan, Seattle Parks and Recreation (SPR) is recommending continuing most of the Park District investments funded in the current cycle. SPR is sharing this summary of the baseline proposal with the PDOC and Park Board to accompany the detailed initiative-by-initiative one-page summaries and the line of business overview. As SPR and these two advisory boards consider possible realignments and recommendations for the next six-year cycle, we will seek to focus policy discussions on changes above the baseline.

The Interlocal Agreement establishing the MPD sets a six-year planning and funding cycle for the Park District. The development of the inaugural 2015-2020 funding package involved an extensive public prioritization and review process. The final package, following Mayoral and Council modifications, informed the public vote to establish the Park District as a new funding source.

Most of the investments recommended to carryforward from the first funding cycle support core services including routine and preventative maintenance, major capital maintenance, scholarships, youth programming and other recreation programming.

Planning Context and Assumptions:
While SPR is recommending most of these core service-related investments be considered baseline, it is within the context of fiscal responsibility and review for efficiencies. When developing the 2019 Adopted and 2020 Endorsed Budget, SPR closely examined departmental operations to identify $4.25 million in efficiencies while minimizing impacts to services. SPR identified several efficiencies specific to the Park District, including the Greenways program, property management, and urban canopy restoration and maintenance. Additionally, the funding realignment in the 2019 Adopted and 2020 Endorsed budget redirected $10 million of capital to operating support, increasing the proportion of Park District funding for core operating services. SPR's baseline proposal is informed by these efficiencies and the in-depth analysis of Park District performance conducted through the Park District Mid-Cycle Evaluation finalized in late 2018. For reference, any changes to Park District initiatives in the first cycle are outlined in the "Notable Budget Changes" section of initiative one-pagers.

Baseline Proposal
SPR has conducted a thorough internal review of the 2015-2020 funding package. SPR's baseline proposal is to continue the current level of service provided by the Park District, which means continuing funding for 29 of the 32 initiatives included in Cycle 1. This support is proposed to continue in two ways:

1) **Core (22 Initiatives):** Continue support exactly as structured in 2020.
2) **Policy Shift (7 Initiatives):** Continue current level of support but shift resources and/or structure to reflect current priorities and lessons learned during the first cycle.

For a summary of initiatives included in Cycle 1, baseline categorization by initiative, and a side by side of 2020 funding and proposed 2021 funding, please see Appendix A. A deeper dive of each initiative's accomplishments in Cycle 1 is included in the Park District Initiative One-Pagers.

Services Included in Baseline Core Costs

The 22 initiatives SPR recommends continuing as currently funded support the following services and programming:

- ***Recreation and Activation Programming:*** Community center staffing to increase hours, improve customer service, and provide recreation scholarships; culturally relevant, free programs for communities of color, immigrants and refugees, and low-income people; youth programming, including outcome-based evaluation of youth programs, job readiness and mentorships, and outdoor opportunities; 100% of SPR's programming for individuals with disabilities and programming for older adults; urban park activation and programming.
- ***Routine and Preventative Maintenance:*** Maintenance and restoration of the urban forest; utility costs (drainage, wastewater, etc.); routine and preventative maintenance funding to help avoid service disruptions, enhanced custodial services, resources to meet regulatory compliance, equipment repair, comfort station cleanings; support for the Seattle Conservation Corps; maintenance resources for new parks developed with Park District funding.
- ***Major Maintenance:*** Major maintenance funding for several SPR assets, including the Aquarium and Zoo (assuming continued REET backfill), off-leash areas, and P-Patches.
- ***Acquisitions:*** Resources to acquire new land and leverage additional fund sources.
- ***Organizational Capacity:*** Operating support for the Zoo; resources to support SPR's administrative functions (Accounting, HR, etc.), implementation of business intelligence and performance management systems, and ongoing quality improvement efforts.

Baseline Policy Shift Services and Changes

The 7 initiatives SPR recommends adjusting policy focus based on lessons learned in Cycle 1 include:

- **Major Maintenance Backlog and Asset Management:** As SPR moves to a life cycle approach to asset management, we are shifting how our major maintenance work is planned and reported. In Cycle 2, SPR will plan and report performance for different asset categories (e.g., athletic fields, buildings, pools, etc.) incorporating all funding sources supporting this work (Park District, REET, King County Levy, etc.). These categories are laid out in this initiative one-pager, and associated performance metrics are included in the SPR Proposed Operating and Capital Lines of Business Summary. This shift will increase transparency about how SPR is spending major maintenance resources and clarify tradeoffs associated with shifting those resources. SPR also plans to implement a stage-gating process for all capital projects to improve overall project management and reporting. This initiative also assumes an ongoing REET backfill for Cycle 2.
- **Community Center Rehabilitation and Development:** Five of the six community center stabilization projects identified in the first cycle are currently underway. In the next cycle, SPR anticipates using some of the baseline funding in this initiative to create an ongoing program for major maintenance at community centers (and reporting in accordance with the Major Maintenance and Asset Management program describe above). This ongoing program would support ongoing maintenance needs such as roofs and other infrastructure at the community centers. More significant investments for programmatic redesigns and replacements, including a major renovation project at Loyal Heights Community Center, will be considered for new funding in Cycle 2. This initiative also assumes an ongoing REET backfill for Cycle 2.
- **Major Projects Challenge Fund:** The Park District Oversight Committee has convened a subcommittee to reflect on the first cycle's Major Projects Challenge Fund allocations and process. This group recommended that the fund focus more explicitly on equity, shift away from major projects to small- and mid-sized projects, and eliminate or substantially reduce the match requirement. This baseline proposal assumes the current level of investment will continue to support the revised direction. These advisory boards may also recommend a funding increment to be considered in conjunction with other expansion proposals.
- **Maintain and Activate Seattle's New Waterfront Park:** When the development of the Waterfront Park was delayed, resources slated for this initiative in the first cycle were redistributed to contribute to the development of the 14 land-banked sites across the city as well as the redevelopment of Pier 62. In the next cycle, SPR will

solely focus the original $3.5 million (inflated) annual commitment to the Waterfront project. This will be a mix of capital and operating resources. In 2021-2023, this commitment will help meet the capital development costs while the park is under construction and will support ongoing park maintenance as elements of the park open.

  - **Pier 62/63 Redevelopment and Develop 14 New Land-Banked Parks:** SPR recommends removing funding allocated to these initiatives in 2020 and reinvesting those resources in the Waterfront project to meet the original waterfront commitment. Proposals to redevelop Pier 63 and develop additional parks on existing land would be considered alongside other expansion proposals above the baseline.

- **Connecting to Greenways:** This initiative originally supported both operating and capital projects, but the operating side of this funding was repurposed in the 2019 Adopted Budget. SPR recommends continuing the capital investment in the next cycle but repurposing it for broader connectivity and activation-related investments (for example, to improve access and recreational opportunities in SPR's green spaces).

Financial Summary

Table 1 below summarizes the annualized cost to continue the current Park District level of service into Cycle 2.

Table 1: SPR Proposed 2021 Park District Baseline Revenues and Expenses

Category	2020	2021	2020 – 2021 Transition Notes
Property Tax Revenues	$53.38 M	$59.45 M	2021 revenues support $57.27 m of expense outlined below and replenishment of fund balance related to Smith Cove cash financing and early interfund loan payback.
Total Expenses	$54.12 M	$57.27 M	Continues 2020 expenses with several small one-time adjustments, $1 m increase in utility expenses, and 4% inflation. 2020 expenses exceeded property tax collection due to one-time use of fund balance to support utility expenses.
REET Backfill	*$10.12 M*	*$10.53 M*	*Assumed continued REET commitment from 2019 funding realignment.*

Policy Assumptions

This baseline proposal is based on several policy assumptions:

- **REET Backfill:** This baseline proposal assumes SPR will continue to receive $10 million per year (inflated) of REET to backfill capital Park District expenses included in the funding realignment in the 2019 Adopted and 2020 Endorsed Budget. If this commitment is revisited, incremental Park District revenues would be needed to continue supporting these major maintenance and community center projects.

- **Fund Balance Replenishment:** In Cycle 1, SPR frontloaded expenses to develop Smith Cove Park and to pay back the Park District's startup interfund loan several years early. In Cycle 2, SPR will use $6.2 million of Park District revenues to replenish fund balance from these expenses. The difference between revenues and expenses in 2021 in Table 1 reflects this restoration of fund balance.

Related Materials:

- SPR Proposed Operating and Capital Lines of Business
- Park District Initiative One-Pagers

Appendix 1: *SPR Proposed 2021 Park District Baseline by Initiative*

Initiative	Description	SPR Proposal	2020 Funding	2021 Proposal	Notes
1.3 Saving our City Forests	*Restore forest land and provide ongoing monitoring and maintenance work necessary to keep restored areas from being overrun by invasive plants.*	**Core**	$3.10 m	$3.22 m	
1.4 Aquarium Major Maintenance	*Provide operating support to the Seattle Aquarium while the waterfront is under construction and thereafter support major maintenance work at the facility.*	**Core**	$1.19 m	$1.24 m	
1.5 Zoo Operating Support	*Former description for Zoo Major Maintenance: Support Woodland Park Zoo Society in making improvements to buildings, animal facilities, and grounds.*	**Core**	$1.99 m *REET: $1.9m*	$2.07 m *REET: $2.1m*	
1.6 Utility Funding	*Provide support for SPR's annual utility costs. (Note: Initiative not part of original Park District package).*	**Core**	$1.56 m	$2.60 m	+$1m to address ongoing shortfall; -$64k for one-time 2020 add; initiative funded with one-time resources in 2019-2020 and requires new revenue in 2021
2.1 Increase Preventative Maintenance	*Mobilize the new Third Shift Crew of journey-level trade positions (electricians, painters, carpenters and plumbers) who maintain recreation facilities at night to avoid disruption to the public during operating hours and to work more efficiently. There will be fewer 2–3-week closures and fewer interruptions of regular programs.*	**Core**	$2.92 m	$3.04 m	
2.2 Provide Clean, Safe, Welcoming Parks	*Continue to improve parks grounds maintenance, landscaping, and tree work by adding a third tree crew to protect the long-term health of park trees; increase support for the Seattle Conservation Corps; and enhance park maintenance.*	**Core**	$4.61 m	$4.80 m	
2.4 Make Parks Safer	*Educate the public and enforce dog leash and scoop laws at locations with high violations and impacts.*	**Core**	$0.27 m	$0.29 m	
2.5 Improve Dog Off-Leash Areas	*Improve existing off-leash areas through increased maintenance and updates to aging infrastructure.*	**Core**	$0.12 m	$0.12 m	
2.6 Rejuvenate Our P-Patches	*Work with the Department of Neighborhoods to prioritize projects and make improvements to the P-Patch gardens.*	**Core**	$0.22 m	$0.23 m	

Initiative	Description	SPR Proposal	2020 Funding	2021 Proposal	Notes
3.1 Restore Community Center Operations	*Improve customer experience at community centers by adding hours for custodians, customer service and program staff; allocate $400,000 for scholarships with the goal of not turning away people who want to participate but can't afford it.*	**Core**	$4.93 m	$5.13 m	
3.2 Recreation Opportunities for All	*Leverage 25 partnerships in underserved communities to serve an additional 2,500 participants.*	**Core**	$0.54 m	$0.56 m	
3.3 Better Programs for Young People	*Use the Youth Program Quality Assessment, a nationally recognized evaluation tool to develop outcome-based evaluation of youth programs and implement quality improvement. Apply the evaluation tool to at least 10 more programs and improve program quality for more than 1,500 participants.*	**Core**	$1.83 m	$1.90 m	
3.4 Meeting the Needs of People with Disabilities	*Serve additional youth through our summer overnight camp and during the school year through new programs such as a baking club, a community service club, creative dance, pottery, flag football and special events.*	**Core**	$1.23 m	$1.28 m	
3.5 More Programs for Older Adults	*Expand dementia-friendly programming and increase participation of elders from immigrant and refugee communities.*	**Core**	$1.25 m	$1.30 m	
3.6 Art in Parks	*Recruit and select artists to activate parks through approximately 40 performances and temporary installations at parks with high priority for activation.*	**Core**	$0.39 m	$0.40 m	
3.7 Get Moving Fund	*Create and leverage partnerships with community groups to provide new culturally relevant programs to assist a least 1,000 participants to "get moving" with healthy activities.*	**Core**	$0.29 m	$0.30 m	
3.8 Customer Service and Technology	*Update and manage the registration, facility booking and point-of-sale system to improve customer experience.*	**Core**	$0.35 m	$0.37 m	
4.1: Park Land Acquisition and Leveraging Funds	*Acquire new park land using this fund and by leveraging additional fund sources (King County Conservation Futures funds, etc.).*	**Core**	$2.21 m	$2.30 m	

Initiative	Description	SPR Proposal	2020 Funding	2021 Proposal	Notes
4.5: Maintain 14 Land-Banked Park Sites	*Maintain 14 new parks throughout the City (on land previously acquired with 2008 Parks and Green Spaces Levy and other funding sources).*	**Core**	$1.10 m	$1.15 m	
4.7: Maintain Smith Cove Park	*Maintain a new park at Smith Cove.*	**Core**	$0.24 m	$0.25 m	
4.10: Performance Monitoring and Strategic Management	*Develop and manage a performance management system that will serve as the basis for an annual report to the community and be used for internal continuous quality improvement efforts.*	**Core**	$1.04 m	$1.08 m	
4.11: Urban Parks Partnership	*Expand programming and activation for downtown parks.*	**Core**	$0.80 m	$0.90 m	+ $70k for City Hall Park Activation; $130k for Ballard Commons activation funded with one-time resources in 2019-2020 and requires new revenue in 2021
1.1 Major Maintenance Backlog and Asset Management	*Preserve long-term use of facilities through capital investments. Reduce backlog of major maintenance projects. Provide more efficient tracking and forecasting through a new integrated asset management work order system. Ensure that city parkland is available for the public to use and enjoy through the removal of property encroachments.*	**Policy Shift**	$15.57 m *REET: $4.9m*	$16.26 m *REET: $5.0m*	+ $64k for one-time 2020 Council change
1.1a Phase 1 Pier 62/63 Redevelopment	*Support redevelopment of this SPR asset; project managed by the Office of the Waterfront.*	**Policy Shift**	$3.25 m	$0	2020-funding had been redirected from Initiative 4.3; reverted for Cycle 2
1.2 Community Center Rehabilitation and Development	*Complete condition assessments and finalize scope of stabilization plans for eight community centers: Green Lake, Hiawatha, Jefferson, Loyal Heights, Magnolia, Queen Anne, South Park, and Lake City.*	**Policy Shift**	$0.38 m *REET: $3.3m*	$0.39 m *REET: $3.4m*	
4.2 Major Projects Challenge Fund	*Renovate, expand or upgrade parks and park facilities, funding through a combination of City and community-generated funds.*	**Policy Shift**	$1.77 m	$1.84 m	
4.3: Maintain and Activate Seattle's New Waterfront Park	*Maintain and support the activation of public park space on the Central Waterfront.*	**Policy Shift**	$0.34 m	$4.03 m	+ $3.3 m from Initiative 1.1a, +$406k from Initiative 4.4; technical balancing adjustment to original Waterfront commitment
4.4: Develop 14 Land-Banked Park Sites	*Develop 14 new parks throughout the City (on land previously acquired with 2008 Parks and Green Spaces Levy and other funding sources).*	**Policy Shift**	$0.41 m	$0	2020-funding had been redirected from Initiative 4.3; reverted for Cycle 2

Initiative	Description	SPR Proposal	2020 Funding	2021 Proposal	Notes
4.9: Connecting to Greenways	*Collaborate with Seattle Department of Transportation to mark greenways where they enter parks with signage, seating for pedestrians, and other ideas. SPR anticipates revising the scope of this funding to support work related to connections and activation across the City.*	**Policy Shift**	$0.22 m	$0.23 m	
4.6: Develop Smith Cove Park	*Develop a new park at Smith Cove.*	**Not Baseline**	$0	$0	Expenses for this project were frontloaded in Cycle 1, so $3m of revenues will need to be collected in Cycle 2 to replenish fund balance.
4.12: RDA Relocation	*One-time funding for tenant improvements at a new location for SPR staff currently located at the RDA building.*	**Not Baseline**	$0	$0	Relocation complete; no need to carry forward resources into 2021.
5.1: Interfund Loan Repayment	*Payback for SPR's $10m startup interfund loan supporting 2015 expenses.*	**Not Baseline**	$0	$0	The Park District frontloaded expenses in 2018 to repay the loan in full, several years ahead of schedule, so $3.2 million of revenues will need to be collected in Cycle 2 to replenish fund balance.
	Core Total		**$32.19 m**	**$34.53 m**	
	Policy Shift Total		**$21.90 m**	**$22.73 m**	
	Not Baseline Total		**$0**	**$0**	
	Total Expenses		**$54.12 m**	**$57.27 m**	
	Assumed REET Backfill (Initiatives 1.1, 1.2, 1.5)		*$10.12 m*	*$10.53 m*	

Notes: *All 2020 initiative totals include increases for Annual Wage Increases (AWI) which was funded with one-time sources in 2020. 2021 will require a one-time jump of $1.4 m in revenue to provide ongoing resources for this change. Additionally, all expenses are inflated by 4% from 2020 to 2021.*