

King County Parks **Your**  King County
Big Backyard

King County
Department of Natural Resources and Parks
Parks and Recreation Division



Parks Omnibus Ordinance (Ordinance 14509)
Report to the King County Council

2011
First Quarter Report
January – March 2011

WE'RE AT WORK SO YOU CAN PLAY

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Executive Summary

First quarter business revenues in 2011 are unchanged from 2010 first quarter levels and are lower than in the first quarters of 2009 and 2008. This may indicate a stabilizing of the effects of the economic downturn on the Parks and Recreation Division's (Division) abilities to generate business revenues.

Revenues from the Division's key business units were down slightly this quarter, negatively affected by poor weather conditions. At Marymoor Park, fewer park visitors led to a decrease in revenue from parking fees, although compliance with the fee remains high. Flood damage closed the yurts at Tolt-MacDonald Park, which contributed to a decline of six percent in revenue from the fields and facilities business unit. Despite the rainy conditions, the Division experienced almost no rainouts on its synthetic turf athletic fields.

The Weyerhaeuser King County Aquatic Center (WKCAC) showed an overall increase in revenue of 13 percent, which is largely due to the PAC-10 Swimming and Diving Championships that took place in February.

The Division's Volunteer Program started off strong in 2011 despite the weather, with 116 volunteer events involving 1,650 volunteers who provided 12,550 hours of service. This is less than in 2010, but similar to involvement levels in 2009.

In March, the Division held its first public meeting about the newly acquired Maury Island site. The meeting, which was held on Vashon Island and attracted more than 100 people, provided a general overview of the property, and the Division asked attendees to share their visions for the site. The Division has since established a webpage dedicated to this site and set up an e-newsletter that currently has more than 80 subscribers.

Summary of Revenues and Expenditures

Parks and Recreation Division Annual Revenues and Expenditures

| | Revenues | Expenditures |
|-----------------------------|--------------|--------------|
| 2011 Adopted | \$26,597,910 | \$29,184,939 |
| 2011 Revised | \$26,597,910 | \$29,184,939 |
| 2011 Estimated ¹ | \$26,669,862 | \$29,158,818 |
| 2010 Actual | \$26,414,318 | \$26,064,830 |

First Quarter - Business Revenues² and Expenditures

| | Actual Revenues (Business) | Actual Expenditures (Total) |
|----------------------------|-------------------------------|--------------------------------|
| January 1 – March 31, 2011 | \$851,015 | \$5,793,318 |
| January 1 – March 31, 2010 | \$853,885 | \$5,317,000 |

Revenues

First quarter business revenues in 2011 are unchanged from 2010 first quarter levels and are lower than in the first quarters of 2009 and 2008. This possibly indicates a stabilizing of the effects of the economic downturn on the division's abilities to generate business revenues.

Since 2008, the weak economy has affected the Division's ability to secure business revenues, as has the transfer of several pools, which generated more than \$2 million in revenues in past years. The transfer of pools ultimately helps the Division's bottom line, as revenues from any pool are generally less than 50 percent of its direct operating costs. However, these transfers still affect the Division's total gross revenues. Facilities transferred in the past three years include the Renton, Evergreen and Vashon Pools, and the management of Cottage Lake Pool, along with other urban Growth Area parks transferred with annexations.

Despite a reduced asset base (due to transfer of facilities), business revenues still comprise about 17 percent of the Division's 2011 total projected revenue, which is similar to the percentage in 2002 at the beginning of the Parks Business Plan (see charts on the following page). The business revenue forecast for the remaining assets has risen from a total of about \$2.3 million in 2002 to more than \$4.6 million in the 2011 adopted budget.

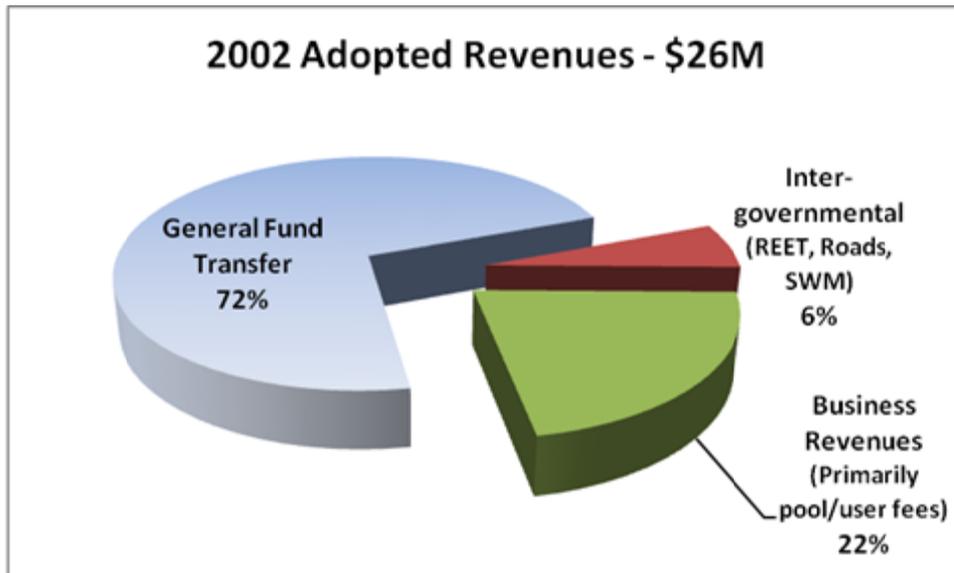
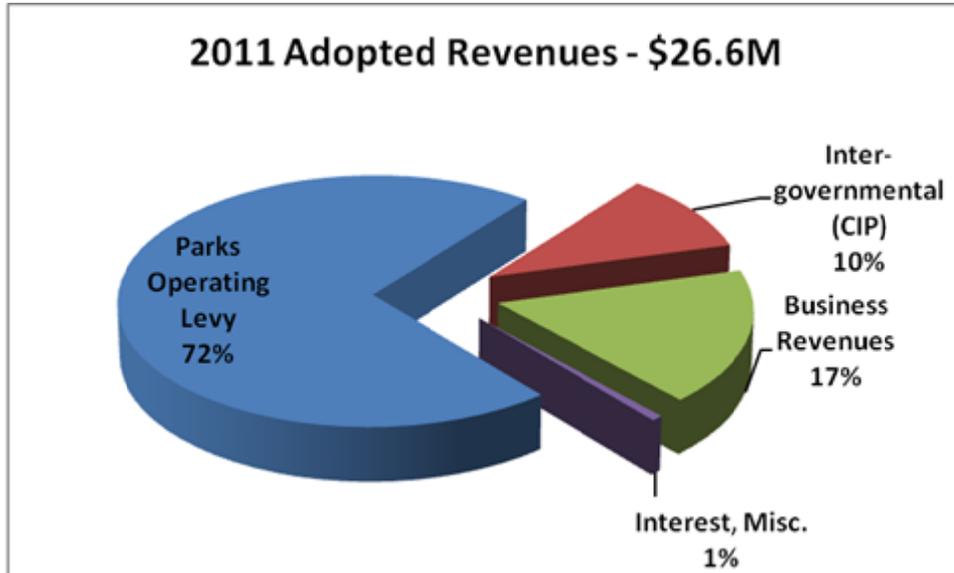
Expenditures

Expenditures from the first quarter of 2011 make up 20 percent of the Division's annual expenditure budget. This expenditure pattern is consistent with historic expenditure trends.

¹ Estimated includes a supplemental request that has not yet been approved by Council.

² Business revenues include user fees and enterprise and entrepreneurial revenues. Levy funds, interest earnings, interfund transfers and similar revenues that are not within the control of the division are excluded from this total.

As long as target fund balance is achieved, the Division intends to spend the maximum amount of its expenditure authority on maintaining parks, open space and trails. This may not result in the Division achieving maintenance at levels comparable to the historic levels achieved prior to 2002. However, the Division strives to maintain its assets at the maximum possible levels, given its limited resources.



Revenues – Key Business Units

Marymoor Park

| | 2011 thru Q1 | 2010 thru Q1 | Change (\$) | Change (%) |
|-----------------------------------|------------------|------------------|------------------|------------|
| Traditional | | | | |
| Rev - facilities | \$5,149 | \$6,964 | -\$1,815 | -26% |
| Rev - fields | \$194,053 | \$187,386 | \$6,667 | 4% |
| Non-Traditional | | | | |
| Rev - parking | \$125,878 | \$140,708 | -\$14,830 | -11% |
| Rev - concerts | -- | -- | -- | -- |
| Rev - concert ticket direct sales | -- | -- | -- | -- |
| Rev - Pet Garden | \$0 | \$2,150 | -\$2,150 | -100% |
| Sponsors/concessions | \$24,223 | \$22,996 | \$1,227 | 5% |
| Parking violations* | \$16,970 | \$19,255 | -\$2,285 | -12% |
| Revenues - Total (Rounded) | \$366,000 | \$379,000 | -\$13,000 | -3% |
| Expenditures (Rounded)** | \$456,000 | \$422,000 | \$34,000 | 8% |

*In the 2010 quarterly report, the Parking violations line item was included with the Rev-parking line item.

**As in past years, estimated expenditures include direct costs. Estimated costs do not include "loan-in labor", i.e., labor that may have been contributed by other work units.

Source: Parks and Recreation Division CLASS software system for revenue tracking; ARMS financial reports for expenditures.

2011 First Quarter Highlights

- Overall, revenues at Marymoor Park were down three percent over the same period in 2010, which can largely be attributed to a cold and wet winter that reduced the number of visitors.
- Revenue from field use was four percent higher than in the first quarter of 2010, which is largely due to the synthetic turf fields that have few rainouts. Due to poor weather conditions, the grass baseball fields were unplayable during most of March, the first month of baseball practices, reducing revenue from those fields by almost 40 percent compared to the same period last year.
- General parking fee compliance is still high at 88 percent, which is up 30 percent from the average rate prior to implementation of the parking violation ordinance in 2009. Seasonal parking pass sales remained strong, even though revenue from parking fees was down by 15 percent overall, mostly due to poor weather and thus a decrease in park visitors. Steady revenue from the sale of passes is due in part to staff encouraging group sales through sports leagues.
- Revenue from facilities was down by 26 percent, due mainly to receiving Marymoor Remote Controlled Club's annual fee in December 2010 rather than in the first quarter 2011. There was also less rugby practice time scheduled in the Velodrome infield.

Weyerhaeuser King County Aquatic Center (WKCAC)

| | 2011 thru Q1 | 2010 thru Q1 | Change (\$) | Change (%) |
|-----------------------------------|------------------|------------------|------------------|------------|
| Traditional | | | \$0 | |
| Rev – facilities | \$209,901 | \$178,385 | \$31,515 | 18% |
| Rev – courses | \$26,821 | \$26,018 | \$803 | 3% |
| Rev – drop in | \$7,928 | \$8,166 | -\$238 | -3% |
| Rev – conference center | \$2,669 | \$5,721 | -\$3,052 | -53% |
| Non-Traditional | | | | |
| Rev – concession stand | \$6,318 | \$6,433 | -\$115 | -2% |
| Rev – concessions | \$1,873 | \$1,465 | \$408 | 28% |
| Revenues – Total (Rounded) | \$256,000 | \$226,000 | \$30,000 | 13% |
| Expenditures (Rounded)* | \$676,000 | \$476,000 | \$200,000 | 42% |

*As in past years, estimated expenditures include direct costs. Estimated costs do not include “loan-in labor”, i.e., labor that may have been contributed by other work units.

Source: Parks and Recreation Division CLASS software system for revenue tracking; ARMS financial reports for expenditures.

2011 First Quarter Highlights

- Overall, first quarter revenues were up 13 percent compared with 2010, but still have not fully recovered to levels seen prior to the economic downturn in 2008.
- In addition to hosting a major event during the first quarter of 2011, the PAC-10 Women’s Swimming and Men’s and Women’s Diving Championships, revenues were also up due in part to an increase in program attendance.
- Revenue from the conference center is down 53 percent this quarter after several years of steady growth. This could be due in part to the lingering effects of the economic downturn as well as due to the implementation of a specific fee for events serving alcohol. The Division will continue to monitor this situation for a clear pattern and adjust fees accordingly.
- As part of the preparations for the major events coming to WKCAC in 2011 and 2012, the facility will continue carrying out major projects. WKCAC will host the 2011 USA Synchronized Swimming National Championships in June 2011 and both the NCAA Nationals and USA Olympic Dive Trials in 2012. For these reasons, the division is anticipating increases in expenses related to facility upgrades, such as improved locker rooms, new diving boards, and other related supplies and repairs.

Fields and Facilities Business Unit

| | 2011 thru Q1 | 2010 thru Q1 | Change (\$) | Change (%) |
|-----------------------------------|-----------------|-----------------|-----------------|------------|
| Traditional | | | | |
| Rev - ballfields | \$45,022 | \$42,995 | \$2,027 | 5% |
| Rev - facilities | \$16,664 | \$21,275 | -\$4,611 | -22% |
| Non-Traditional | | | | |
| Rev – RV/Camping | \$967 | \$3,140 | -\$2,173 | -69% |
| Revenues - Total (Rounded) | \$63,000 | \$67,000 | -\$4,000 | -6% |

2011 First Quarter Highlights

- Overall, revenues from fields and facilities were down six percent from the first quarter in 2010. Revenue was affected by poor weather, including flood damage to Tolt-MacDonald Park that required closing the yurt area.
- Rentals of all types of facilities were down this quarter, which can largely be attributed to poor weather. The Division is anticipating solid revenue in this category for the rest of the year, as the Preston Community Center already has a considerable number of event reservations and several new trail running events are also scheduled for the coming months.

Revenues – Other Sources

- During the first quarter of 2011, the Division received a grant from the National Center for Civic Innovation for \$4,780, which will support customer satisfaction measurement focused on engaging community partners, user groups, and the general public.

Agreements with Other Organizations and Jurisdictions

Community Partnerships and Grants (CPG) Program

The CPG Program continues to develop partnerships that result in new facilities and amenities in King County's parks. There are currently more than 50 projects in various stages of negotiation, planning, design, permitting, or construction that represent \$14 million in CPG grants and/or Capital Improvement Program commitments. By leveraging community investments (cash, grants, in-kind donations, volunteer labor, etc.), these CPG projects, when completed, will add new public recreation facilities valued at an estimated \$60 million. The status of CPG projects includes:

- Design development is underway on synthetic turf lacrosse facility at Big Finn Hill Park.
- Design development is underway on two synthetic turf athletic fields at Marymoor Park.
- In final permitting for Phase I of Ravensdale Park development (includes one synthetic turf athletic field, one synthetic turf baseball field and a community meadow).

Transferring Division Assets

The transfer of parks within the Urban Growth Area (UGA) is an on-going effort as part of the County's larger annexation strategy. These efforts have intensified in light of the continuing pressure on the County's general fund, which supported the Division UGA facilities until 2010. As of 2011, the Division's remaining UGA assets are funded from the business revenues that the Division generates from assets throughout the system. The status of facilities in the process of transferring includes:

- The City of Kirkland's annexation will involve transfer of the following properties: Edith Moulton, Juanita Heights, Kingsgate, Windsor Vista, and 132nd Square (anticipated to transfer in 2012).
- The Division is in the process of developing an inter-local agreement with the City of Issaquah for the transfer of Klahanie Park.

- The Division is in the process of developing an inter-local agreement with the City of Auburn for the transfer of a parcel of North Green River Park which is located within the city and no longer needed for trail purposes.

Community Outreach and Involvement

Volunteer Program

During the first quarter of 2011, 116 volunteer events took place involving 1,650 volunteers who provided 12,550 hours of service, and three new Parks and Trails Ambassadors joined the program for 2011. Also, a new crew of AmeriCorps National Community Civilian Corps volunteers arrived in March and carried out a variety of habitat restoration activities during their six week stay with the Division.

Community Outreach

In March, the Division held its first public meeting about the newly acquired Maury Island site. The meeting, which was held on Vashon Island and attracted more than 100 people, provided a general overview of the property, and the Division asked attendees to share their visions for the site. The Division has since established a webpage dedicated to this site and set up an e-newsletter that currently has more than 80 subscribers.

Also in March, the Division again hosted a booth with the King County Road Services Division and Metro Transit at the annual Seattle Bike Expo, which attracted some 8,000 people.

The Division continues to have an active presence in the media, with at least 17 mentions in local blogs, media outlets, and other print and electronic sources. Much of this coverage can be attributed to publishing press releases, which tend to get picked up by local media outlets. During the first quarter of 2011, the Division published 11 press releases.