

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
Third Quarter Report
July – September 2011

WE'RE AT WORK SO YOU CAN PLAY

Table of Contents

I. Executive Summary..... 3

II. Summary of Revenues and Expenditures..... 4-5

III. Revenues - Key Business Units 6-8

IV. Agreements with Other Organizations and Jurisdictions 8-9

V. Community Outreach and Involvement..... 9-10

2011 Parks and Recreation Division Financial Plan..... Appendix A



I. Executive Summary

Overall, business revenues through the third quarter of 2011 are more than 20 percent lower than in the same period of 2010. This is largely due to an increase in revenue in 2010 from the Cirque du Soleil performances at Marymoor Park; business revenues from 2011 are slightly lower than in 2009, which was the most recent non-Cirque year. Other factors affecting business revenues to date include:

- An extended period of cold and rainy weather this spring negatively affected revenues from many facilities, including dirt ballfields, which became unplayable, and the west side of the campgrounds at Tolt-MacDonald Park, which had to be closed when the emergency access road became unstable and could not be fixed until the weather improved.
- A 43 percent decline in revenue from the concert series at Marymoor Park. Only seven shows were booked this season by the production company, compared to 14 in 2010 and an historical average of 12 per season.

Third quarter revenues from the Weyerhaeuser King County Aquatic Center (WKCAC) were up 11 percent, which is largely due to a heavier event season than in 2010; with a steady vendor in place, this has also led to an increase in revenue from concessions there. WKCAC was also notified that it was awarded a large international event for 2013, the International Gay and Lesbian Aquatics Championships, which has not been hosted at WKCAC since 1992.

With respect to public outreach and engagement, the “United Way Day of Caring” and the “National Day of Service” took place during the third quarter. These events attracted hundreds of volunteers to events at more than 15 sites. Volunteers included top local employers, such as Microsoft, AT&T, and Ford Motor Company, along with local churches, schools, and other community-based organizations.

From July to September, the Division worked with consultants to carry out a multi-faceted public engagement process that focused on customer satisfaction, and specifically the role the Division can play now and in the future in meeting the community’s parks and recreation needs. The effort included two focus groups with King County residents, a series of on-site intercept surveys of park and trail users, and an online survey. Funding for this effort was made possible in part by a grant from the National Center for Civic Innovation (NCCI).

II. Summary of Revenues and Expenditures

Parks and Recreation Division Revenues and Expenditures

	Revenues	Expenditures
2011 Adopted	\$26,597,910	\$29,184,939
2011 Revised ¹	\$26,607,010	\$29,486,904
2011 Estimated	\$26,478,559	\$29,072,858
2010 Actual	\$26,414,318	\$26,064,830

Third Quarter - Business Revenues² and Expenditures

	Actual Business Revenues	Actual Total Expenditures
January 1 – Sept. 30, 2011	\$3,193,617	\$20,215,516
January 1 – Sept. 30, 2010	\$4,049,516	\$18,729,510

Revenues

Business revenues from the first three quarters of 2011 are more than 20 percent lower than in that same period in 2010, which can largely be attributed to a significant contribution to revenue in 2010 by Cirque du Soleil at Marymoor Park. In addition, 2011 business revenues have been affected by an extended wet and rainy spring, which meant fewer games played on some of the Division's dirt ballfields and thus lower-than-anticipated revenue from that source.

Several factors continue to affect the Division's ability to secure and grow business revenues, including the poor economic climate and the transfer of many facilities, especially pools, which in the past generated more than \$2 million in revenues.

Despite a reduced asset base (due to transfer of facilities), business revenues still comprise about 17 percent of the Division's 2011 projected revenue, which is similar to the percentage in 2002 at the beginning of the Parks Transition 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 \$4.5 million in the 2011 adopted budget.

Expenditures

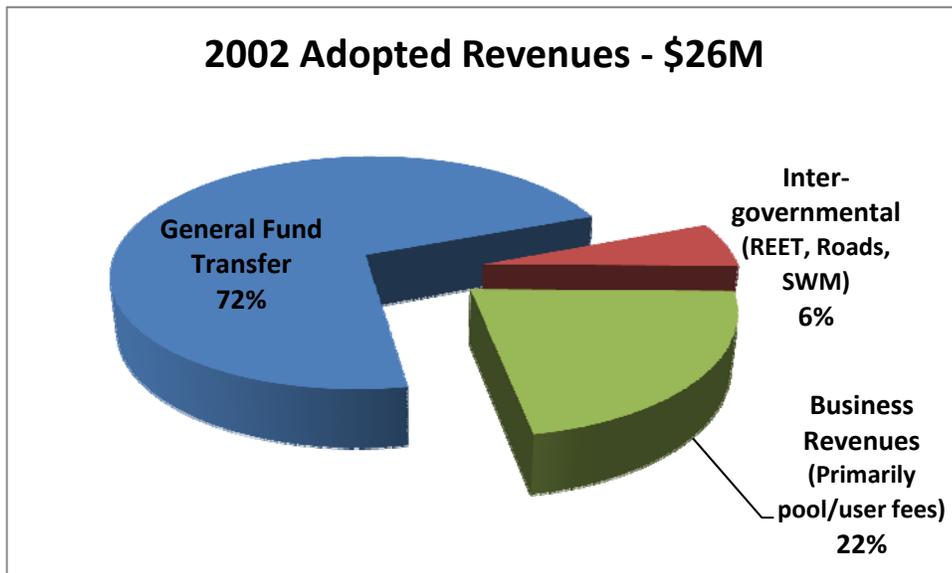
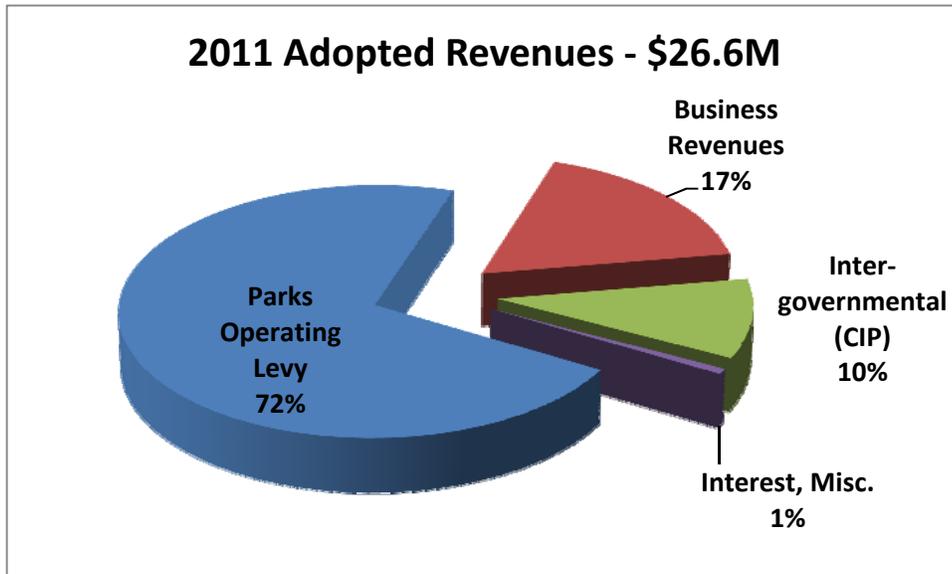
In the first three quarters of 2011, expenditures equaled about 69 percent of the Division's annual expenditure budget. This expenditure pattern is in line with historic trends.

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

¹ 2011 Revised includes a supplemental request as approved by Council. Estimated includes this supplemental request and revisions to revenues made by the Office of Economic and Forecast Analysis.

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.

the Division achieving maintenance at levels comparable to historic levels prior to 2002; however, the Division is committed to maintaining its assets at maximum possible levels given its limited resources.



III. Revenues – Key Business Units

Marymoor Park

	2011 thru Q3	2010 thru Q3	Change (\$)	Change (%)
Traditional				
Rev - Facilities	\$179,586	\$110,613	\$68,973	62%
Rev - Ballfields	\$639,847	\$713,254	(\$73,407)	-10%
Non-Traditional				
Rev – Parking*	\$486,203	\$489,713	(\$3,510)	-1%
Rev – Concerts**	\$162,123	\$286,150	(\$124,027)	-43%
Rev - Concessions	\$78,668	\$81,278	(\$2,610)	-3%
Rev - Cirque du Soleil***		\$625,363	(\$625,363)	-100%
Revenues - Total (rounded)	\$1,546,000	\$2,306,000	(\$760,000)	-33%
Expenditures (rounded)****	\$2,089,000	\$2,063,000	\$26,000	1%

*Includes revenue from parking violations.

**Includes revenue from on-site ticket sales.

*** Cirque du Soleil is not scheduled to appear in Marymoor Park in 2011.

****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 Third Quarter Highlights: Marymoor Park

- Overall, revenues at Marymoor Park were down 33 percent as compared with the same period in 2010. However, 2011 is an off-year for the Cirque du Soleil, and 2011 revenues are similar to 2009, the most recent non-Cirque du Soleil year. The Division is working with Cirque du Soleil and other groups to secure future performances at Marymoor Park.
- Revenue was down significantly for this year’s summer concert series, as only seven shows were booked by the production company this season. In 2010, there were 14 shows, and the historical average has been 12 shows per season. Most shows were well-attended, but fewer performances at the concert venue led to a 43 percent decline in revenues in this category. Revenue from other new and returning events, which is reflected in the “facilities” category in the table above, helped to partially offset the decline in concert revenue.

Weyerhaeuser King County Aquatic Center (WKCAC)

	2011 thru Q3	2010 thru Q3	Change (\$)	Change (%)
Traditional				
Rev - Facilities	\$487,769	\$426,100	\$61,669	14%
Rev - Courses	\$80,304	\$94,760	(\$14,456)	-15%
Rev - Drop in	\$23,809	\$26,342	(\$2,533)	-10%
Rev - Conference center	\$27,572	\$21,911	\$5,661	26%
Non-Traditional				
Rev - Concessions	\$42,960	\$25,274	\$17,686	70%
Revenues - Total (rounded)	\$662,000	\$594,000	\$68,000	11%
Expenditures (rounded)*	\$1,996,000	\$1,609,000	\$387,000	24%

*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 Third Quarter Highlights: WKCAC

- Overall, third quarter revenues were up 11 percent compared with the same period in 2010. Revenues from both team training rentals and public programs are down, partly due to scheduled events and to a decrease in attendance. WKCAC was closed during the month of August for regular maintenance, which also affects revenue. Concession revenues saw an increase thanks to the event schedule and a steady vendor now in place to serve the event traffic.
- As part of its on-going efforts to secure large competitive events at the facility, WKCAC was notified in the third quarter that it was awarded the 2013 International Gay and Lesbian Aquatics Championships, a sports festival that will take place in August 2013. WKCAC last hosted this event in 1992.

Fields and Facilities Business Unit

	2011 thru Q3	2010 thru Q3	Change (\$)	Change (%)
Traditional				
Rev - Ballfields	\$290,042	\$316,749	(\$26,707)	-8%
Rev - Facility Rentals	\$198,004	\$185,552	\$12,452	7%
Non-Traditional				
Rev - Camping/RV	\$55,115	\$65,050	(\$9,935)	-15%
Revenues - Total (rounded)	\$543,000	\$567,000	(\$24,000)	-4%

*Note: Expenditure information on facilities and ballfields is tracked annually and will be discussed in the Fourth Quarter Report.

2011 Third Quarter Highlights: Field and Facilities

- Overall, revenues from fields and facilities were down slightly this quarter compared to the third quarter of 2010, due to the continued affects of poor weather, which meant that many ballfields were not playable and games and practices were cancelled. Revenues from camping were also negatively affected by the poor weather, as the west side of the Tolt-MacDonald campground (where the yurts are located) had to be closed for safety reasons when the emergency access road became unsafe and was not able to be repaired until the weather improved.
- Facility rentals continue to provide strong and consistent revenue, which can be attributed to the continued popularity of Preston Community Center for weddings and to a steady flow of parties and picnics at Five Mile Lake Park.

Revenue – Other Sources

The Division confirmed three new major partnerships for 2012:

- Evergreen Healthcare is sponsoring the Sammamish River Trail with a \$40,000 donation per-year, for two years.
- The Washington State Beer Commission is moving its annual Beer Festival to Marymoor Park in mid-June, which is an event that showcases the state’s finest craft brewers.
- Marymoor Park will host the touring show, *Cavalria*, from January 24 – February 5, 2012.

The Division also launched a partnership with REI’s outdoor school this summer, where REI conducted five mountain bike classes at Soaring Eagle and Duthie Mountain Bike Park.

In addition, thanks to a multi-year grant from the Washington State Department of Ecology, the Division has been working to contain the noxious weed, garden loosestrife, at Marymoor Park. In collaboration with the Department of Natural Resources and Parks’ Noxious Weed Program and EarthCorps, the project involves treating the noxious weed and mapping the infestation. Little data is available about proven methods to treat garden loosestrife and the Marymoor Park project will provide beneficial information about future efforts at the park and other affected areas.

IV. 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 \$50 million. The status of key CPG projects includes:

The logo for King County Parks features the text "King County Parks" in a white, sans-serif font. To the right of this text is a small icon of a person standing next to a tree, followed by the words "Your Big Backyard" in a large, bold, yellow font. The entire logo is set against a dark green background.

- Final permitting continues with the City of Kirkland for the new lacrosse facility at Big Finn Hill Park.
- Ravensdale Park synthetic fields are under construction and will be completed in November.
- Permits were received for the field conversion at Petrovitsky Park, and construction is underway. Kent Youth Soccer Association has secured and invested substantial volunteer hours, in-kind donations, and funding to design, develop and construct the improvements to the site.
- Sammamish Rowing Association's boathouse foundation is being installed, and construction will begin in December 2011.

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's UGA facilities until 2010. As of 2011, the Division's remaining UGA facilities are supported by the business revenues that the Division generates from assets throughout the system. The following facilities are in the process of transferring:

- The City of Kirkland's annexation in June 2011 included the transfer of the following properties: Edith Moulton, Juanita Heights, Kingsgate, and Windsor Vista, with the transfer of 132nd Square Park anticipated for 2012.
- The Division is in the process of transmitting an interlocal 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 viewed by the Division as a strategic link for trail purposes.

V. Community Outreach and Involvement

Volunteer Program

During the third quarter of 2011, 76 events took place involving 2,083 volunteers who provided 12,869 hours of service. The "National Day of Service" and the "United Way Day of Caring" attracted hundreds of volunteers to events at more than 15 sites. These special national celebrations are an effective way to involve groups of volunteers, who come mostly from locally-based companies. Participating companies were Microsoft, AT&T, US Trust, and Ford Motor Company, along with local churches, schools, and other community-based organizations.

Community Outreach

From July to September, the Division worked with consultants to carry out a multi-faceted public engagement process that focused on customer satisfaction, and specifically on the role the Division can play now and in the future in meeting the community's parks and recreation needs. The effort included two focus groups with King County residents, a series of on-site intercept surveys of park and trail users, and an online survey. Funding for this effort was made possible in part by a grant from the National Center for Civic Innovation (NCCI).

The Division was involved in many community outreach events during the third quarter, such as the Chinook Bend Field Day, a celebration of the habitat restoration and artwork at that natural area; the internationally-celebrated Park(ing) Day; and the Mountaineers' OutdoorsFest.

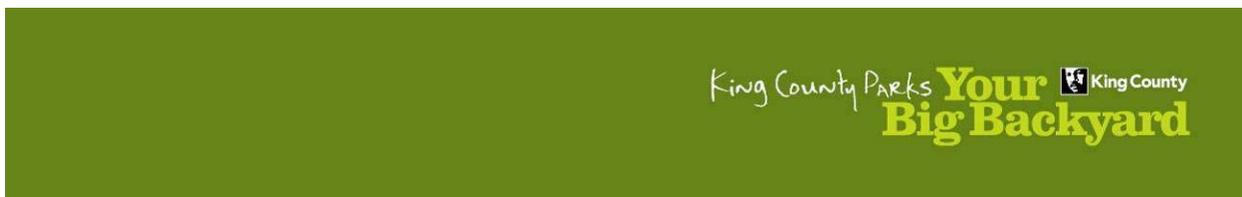
Other special events included:

- The Division sponsored “Little Footprint, Big Forest,” a cargo container design competition that challenged participants to adapt a cargo shipping container into a low-cost, low impact camping structure. The Division received 12 entries, which were evaluated by an all-star panel of judges and scored using King County’s sustainability scorecard. The winning design, called “RE-Tain” by Hybrid Architecture, was announced at the Built Green Conference in September. The Division is working on building a prototype, which is anticipated to be open for public use by the summer of 2012 at Tolt-MacDonald Park.
- The Technology Access Foundation (TAF) hosted the official groundbreaking for a three-story, 25,000 square-foot Community Learning Space at Lakewood Park in White Center. King County Executive Dow Constantine, Councilmember Joe McDermott, staff from the Division, and TAF came together in celebration of this green-built community center that will include classrooms and labs as well as community meeting space.

The Division continues to have an active presence in the media, including utilizing social media outlets, such as Facebook, Twitter, Flickr, and “The Plog,” the Division’s blog.

Appendix A
2011 Parks and Recreation Division Financial Plan (Parks Levy Subfund 1451)

Category	2010 Actual ¹	2011 Adopted	2011 Revised	2011 Estimated ²
Beginning Fund Balance	\$ 9,991,379	\$ 8,916,794	9,900,867	9,900,867
Revenues				
* Levy Proceeds/Defaulted Levy Collections ³	18,508,382	19,067,400	19,067,400	18,938,940
* Interest ⁴	99,314	35,148	35,148	35,148
* Regional/Rural Business Revenues ^{5,7}	4,920,934	4,316,736	4,316,736	4,316,736
* Expansion Levy Admin Fee ⁶	131,313	150,169	150,169	150,169
* UGA Business Revenues ^{7,7}	196,600	114,849	114,849	114,849
* CF Transfer for UGA Parks and Non-Regional Pools ⁷	844,311	-	-	-
* CIP ⁸	1,713,444	2,653,608	2,653,608	2,653,608
* SW98th St. Corridor Maintenance ⁹	-	60,000	60,000	60,000
* 2011 Q1 Omnibus Ordinance ¹⁰	-	-	9,100	9,100
Total Revenues	26,414,318	26,997,910	26,607,010	26,478,599
Expenditures				
* Regional/Rural Expenditures	(23,335,475)	(25,656,245)	(25,656,245)	(25,656,245)
* Urban Growth Area Expenditures	(915,911)	(715,085)	(715,085)	(715,085)
* CIP/Land Management Expenditures ²	(1,585,706)	(2,653,608)	(2,653,608)	(2,653,608)
* CPO Expenditures ¹⁰	(227,738)	(100,000)	(100,000)	(100,000)
* SW98th St. Corridor Maintenance ⁹	-	(60,000)	(60,000)	(60,000)
* 2011 Q1 Omnibus Ordinance ¹⁰	-	-	(26,121)	(26,121)
* Anticipated 2011 Benefit Savings ¹¹	-	-	-	414,046
* Encumbrance Carryover	-	-	(275,844)	(275,844)
Total Expenditures	(26,064,830)	(29,184,939)	(29,486,904)	(29,072,898)
Estimated Underexpenditures¹¹		583,699	589,738	581,497
Other Fund Transactions				
*				
Total Other Fund Transactions				
Ending Fund Balance	9,900,867	6,913,464	7,610,711	7,888,025
Designations and Reserves				
* BHSF Trail Maintenance Reserve	(177,994)	(177,994)	(177,994)	(177,994)
* Encumbrance Carryover	(275,844)	-	-	-
Total Designations and Reserves	(453,838)	(177,994)	(177,994)	(177,994)
Ending Unassigned Fund Balance	9,447,029	6,735,470	7,432,717	7,710,031
Target Fund Balance¹²	\$ 8,391,142	\$ 7,692,325	\$ 7,692,325	\$ 7,692,325



Financial Plan Notes:

¹ Actuals are based on the 14th Month ARMS Reports.

² 2011 Estimated column reflects anticipated adjustments included in the 2011Q1 supplemental, as described below.

³ Levy Proceeds and Delinquent Levy Collections forecast by Office of Economic and Financial Analysis (OEFA).

⁴ Net Investment Income is calculated at 1.45% in 2010, 0.92% in 2011.

⁵ Business Revenues assume 5% annual growth as recommended by the Parks Futures Task Force. These categories are tracked by the Parks and Recreation Division.

⁶ Expansion Levy Administration Fee receipts are aligned with OEFA revenue projections in the Open Space Trails and Zoo Levy Fund/Expansion Levy (Fund 1452).

⁷ Continuing General Fund support for the Urban Growth Area (UGA) parks will not be needed after the adopted policy change that allows the use of all business revenues to support all parks.

⁸ Capital Improvement Project (CIP) Revenues include transfers from Parks CIP Funds 3160, 3490 and 3581 to support Capital and Land Management/Business Planning. Note: a portion of CIP/Land Management/Business Planning Expenditures is associated with UGA.

⁹ Partial funding from the Road Services Division for maintenance of the SW 98th Street Corridor.

¹⁰ Partial funding of the Community Partnerships and Grants (CPG) program. Additional funds are in Parks CIP.

¹¹ Estimated Underexpenditures equal 2% of Total Expenditures.

¹² Target Fund Balance reflects the level needed to ensure achieving a fund balance of 1/12th of Total Expenditures at the end of the levy in 2013.

¹³ The adopted 2011Q1 supplemental ordinance appropriated additional expenditure authority (\$53k) because 132nd Square Park (associated with the Juanita/Finn Hill/Kirkland annexation) will not transfer until 2012 and it adjusts central rates as follows: insurance rate (-\$33,988) and General Government Overhead (\$7,109).

¹⁴ The Performance, Strategy and Budget Division has calculated benefits savings in 2011 and will disappropriate \$414K in a 2011 third quarter supplemental request.