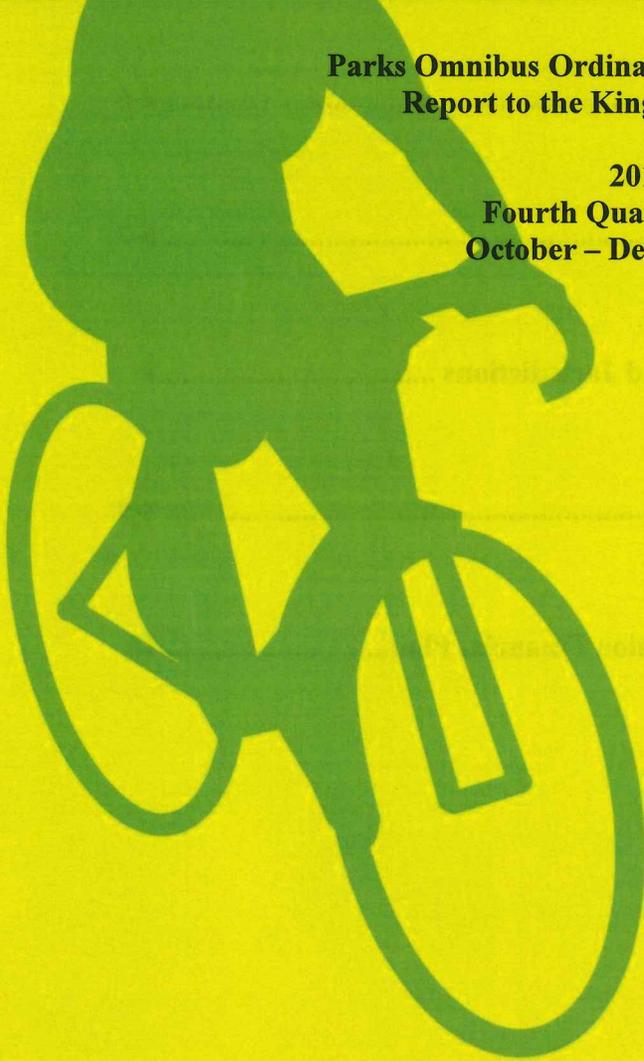


King County Parks **Your**  King County
Big Backyard

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

**2012
Fourth Quarter Report
October – December 2012**



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

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 by Key Business Units 6-7

IV. Agreements with Other Organizations and Jurisdictions 8

V. Community Outreach and Involvement..... 8-9

Appendix A: 2012 Parks and Recreation Division Financial Plan..... 10

I. Executive Summary

Based on preliminary year-end data, business revenues in 2012 are nearly 16 percent higher than in 2011, due in large part to revenues from the successful run of *Cavalía* performances at Marymoor Park, facility rentals and events at the Weyerhaeuser King County Aquatic Center (WKCAC), and facility bookings throughout the King County parks system. With this increase, the Parks and Recreation Division of the Department of Natural Resources and Parks (Division) once again achieved the target of five percent annual growth in business revenues, leaving 2011 as the only year when it did not meet the target.

Overall, revenues at Marymoor Park were up 16 percent compared with 2011, which was largely due to the successful run of *Cavalía*. In addition, revenues from concerts were up by 19 percent compared to 2011, as the Division hosted two additional concerts at Marymoor Park in 2012.

WKCAC had one of its best years in 2012, with overall revenues increasing by 13 percent, as well as national and international television exposure from the NCAA Men's Swimming and Diving Championships, the summer Olympic Diving Trials, and multiple playbacks of the Diving Trials during the London Olympic Games. In addition to revenues from high profile events increasing by 9 percent, swimming course revenue increased by 38 percent, with a combined increase of \$100,000 over 2011.

The total revenues from athletic ballfields, facilities rentals, and campground bookings were up by 14 percent or \$91,000 compared with 2011. Conversion of grass fields to synthetic turf increased playing time, thus raising fee revenues. The Division also continues to see rising interest and demand for the Preston Community Center for weddings, and for yurts and campgrounds at Tolt-MacDonald Park.

Other highlights in the fourth quarter of 2012 include the completion of a new synthetic lacrosse facility at Big Finn Hill Park through the Community Partnerships and Grants Program. In addition, 2,370 volunteers gave over 19,660 hours of service at 144 scheduled events and through numerous individual service hours in the fourth quarter. This brought the total number of volunteer hours to over 53,000 spent in King County's parks and trails in 2012.

II. Summary of Revenues and Expenditures

	Revenues	Expenditures
2012 Adopted	\$26,878,972	\$30,539,214
2012 Revised	\$26,878,972	\$31,089,406
2012 Estimated	\$27,251,306	\$29,239,777
2012 Actual	\$25,756,143	\$27,019,902

Business Revenues¹ and Expenditures through December 2012

	Actual Revenues	Actual Expenditures
January 1 – December 31, 2012	\$4,714,156	\$29,239,777
January 1 – December 31, 2011	\$4,077,863	\$27,019,902

Revenues

The Division's overall business revenues for 2012 were up nearly 16 percent from 2011. With this increase, the Division once again achieved the target of five percent annual growth in business revenues, leaving 2011 as the only year that the target was not met. This increase was largely due to the successful run of *Cavalria* performances at Marymoor Park in early 2012, facility rentals and events at the Weyerhaeuser King County Aquatic Center (WKCAC), and facility bookings throughout the King County parks system. However, the downturn in the economy has affected the Division's ability to secure business revenues since 2008, as has the transfer of many facilities, mostly pools, which generated more than \$2 million in revenues in past years.

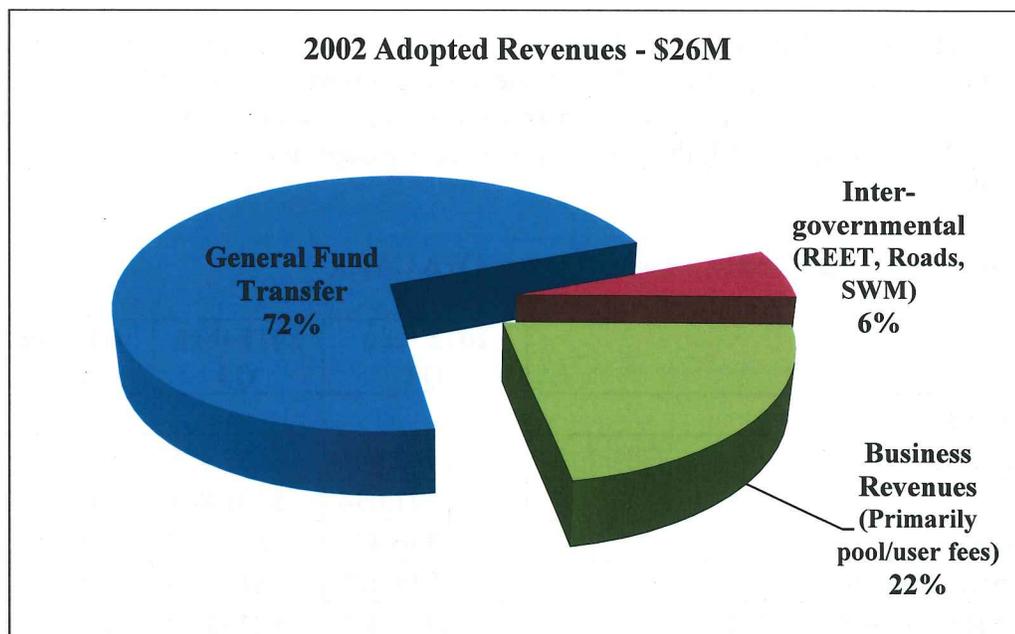
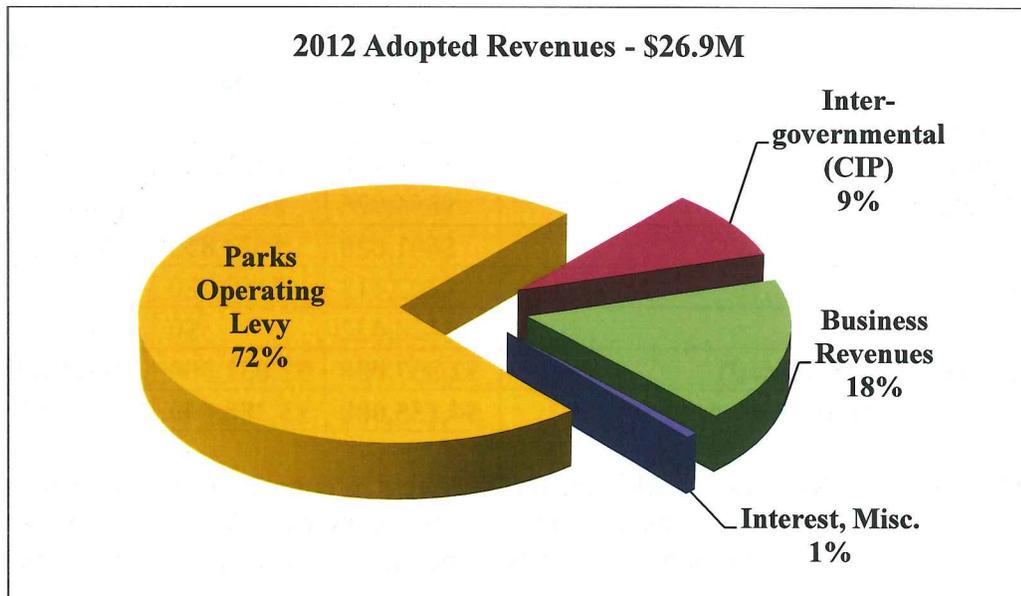
Despite a reduced asset base (due to the transfer of facilities), business revenues still comprise approximately 18 percent of the Division's 2012 budgeted revenues, which is similar to the percentage in 2002 at the beginning of the Parks Business Plan (see graphs on the following page). The business revenues for the remaining assets have risen from a total of about \$2.3 million in 2002 to \$4.8 million in 2012.

Expenditures

Based on preliminary year-end data, total 2012 expenditures equaled about 96 percent of the Division's annual expenditure budget. This expenditure pattern is slightly higher than historic trends, reflecting more stable revenues and higher business revenues than in recent years. As long as target fund balance is achieved, the Division intends to spend the maximum amount of its expenditure authority in maintaining parks, open space and trails. This may not result in the

¹ Business revenues include user fees as well as 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.

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



III. Revenues by Key Business Units

Marymoor Park

	2012 thru Q4	2011 thru Q4	Change (\$)	Change (%)
Revenues:				
Facilities	\$275,432	\$301,707	(\$26,275)	(9%)
Ballfields	\$856,976	\$922,535	(\$65,559)	(7%)
Parking	\$601,620	\$637,855	(\$36,235)	(6%)
Concerts	\$202,113	\$169,720	\$32,393	19%
Cavalia	\$420,432	\$0	\$420,432	
Total Revenues (rounded)	\$2,357,000	\$2,032,000	\$325,000	16%
Total Expenditures (rounded)	\$4,155,000	\$3,388,000	\$767,000	23%

Overall, revenues at Marymoor Park were up 16 percent as compared with same period in 2011. The touring show *Cavalia* was a major contributor to the increase. Marymoor hosted two additional concerts for a total of nine concerts, bringing revenue up 19 percent for the concert series.

Athletic field use at Marymoor was down in 2012. Several youth tournaments were cancelled in the summer due to low registration. The greatest reduction was due to the loss of one cricket pitch, decreased enrollment in youth tournaments, and cancellation of adult soccer games. Efforts by Division staff to fill the gaps left by soccer groups helped mitigate revenue losses in the fourth quarter.

Weyerhaeuser King County Aquatic Center (WKCAC)

	2012 thru Q4	2011 thru Q4	Change (\$)	Change (%)
Revenues:				
Facilities	\$743,961	\$682,438	\$61,523	9%
Courses	\$141,034	\$101,841	\$39,193	38%
Drop-in	\$36,405	\$31,972	\$4,433	14%
Conference center	\$18,287	\$17,144	\$1,143	7%
Total Revenues (rounded)	\$940,000	\$833,000	\$106,000	13%
Total Expenditures (rounded)	\$3,111,000	\$3,181,000	(\$70,000)	(2%)

The Weyerhaeuser King County Aquatic Center (WKCAC) attained a new record in annual revenue in 2012. This was accomplished with one of the busiest event schedules in the facility's history and a dramatic increase in attendance for swimming lessons and other public programs. Revenues for the Banquet Hall also finished strong, reflecting a seven percent



increase. The majority of this increase was due to national event rentals earlier in the year as well as increases in attendance in public swimming programs during the summer and fall.

During 2012, King County received many hours of national and international television exposure from the NCAA Men’s Swimming and Diving Championships, the Olympic Diving Trials and again during the London Olympic Games with multiple playbacks of the Trials event. WKCAC staff received recognition from the City of Federal Way, the Federal Way Chamber of Commerce, the Seattle Sports Commission, King County Councilmember Pete von Reichbauer, the National Collegiate Athletic Association, USA Diving, and the US Olympic Committee.

During the fourth quarter, WKCAC was selected to be the site of the 2014 USA versus Japan All Star Swimming Dual Meet and the PAC-12 Men’s Swimming Championships. The Banquet Hall was also reserved for what will be the largest event to take place in that facility: a multi-day Regional Quilting Expo in October 2013. This event will be funded, in part, by a large grant from the City of Federal Way’s Lodging Tax Fund and could become an annual event.

Fields and Facilities Business Unit

	2012 thru Q4	2011 thru Q4	Change (\$)	Change (%)
Revenues:				
Ballfields	\$386,985	\$353,004	\$33,981	10%
Facilities	\$277,273	\$225,909	\$51,364	23%
Camping	\$77,101	\$71,456	\$5,645	8%
Total Revenues (rounded)	\$741,000	\$650,000	\$91,000	14%

Ballfield revenue showed a ten percent increase, mainly due to the conversion of grass fields to synthetic turf. Synthetic fields allow for more use thus generating more revenues.

The Division continues to have increased bookings for weddings at the Preston Community Center. Facility revenue has also continued to go up due to an increase in organized trail events throughout the County. In addition, the Division has many popular picnic facilities that user groups come back and rent annually.

Tolt-MacDonald Park camping revenue was helped by the fact that there were no large floods this year that would have closed down the campground. Yurts continue to be extremely popular for camping and are booked throughout the busy camping season. In 2012, there was an increase in group camping, with several groups booking out the drive-up tent sites.

Revenue – Other Sources

The Division received no donations during the fourth quarter. However, Division staff began conversations with potential donors who may be interested in creating an endowment with a goal of launching a private/public partnership in early 2013.



IV. Agreements with Other Organizations and Jurisdictions

Community Partnerships and Grants (CPG) Program

The CPG Program develops partnerships that result in the development of new facilities and amenities throughout the parks system with limited public expenditure. There are currently more than 40 projects in various stages of negotiation, planning, design, permitting, or construction. By leveraging community investments (cash, grants, in-kind donations, volunteer labor, etc.), these CPG projects will add new public recreation facilities valued at an estimated \$50 million. CPG project updates include:

- A new synthetic lacrosse facility at Big Finn Hill was completed. Youth teams in the area are already playing on the new field. A grand opening event will be scheduled in spring of 2013.
- Design development is under way for Ravensdale Park Phase 2 Project, which includes two new multi-purpose synthetic fields with lights for soccer, baseball, football, and lacrosse. Construction is slated for spring 2014, pending fundraising and King County Council approval.
- Redmond Ridge Park Phase 1 and Phase 2 design development and permitting are nearing completion and are on track for permits and approval by the King County Council in the first quarter of 2013.

Transferring Division Assets

There was no transfer of parks within the Urban Growth Area (UGA) in the fourth quarter.

V. Community Outreach and Involvement

Volunteer Program

In the fourth quarter, 2,370 volunteers gave over 19,660 hours of service at 144 scheduled events and through numerous individual service hours. The projects consisted of 78 trail work events; 40 restoration and noxious weed removal projects; and 26 park maintenance and improvement projects. Groups new to volunteer service within the King County park system this quarter included the Rhyther Group and Griffin House. The Washington Trails Association (WTA) worked on trails at Grand Ridge Park, Cougar Mountain Regional Wildland Park, Taylor Mountain Park, Soaring Eagle Park, and McGarvey Park. The WTA volunteers built over 2,300 feet of new trail and worked on maintenance of 2,000 feet of existing trail. Volunteers throughout the parks system contributed over 53,000 hours of service in 2012.

Community Outreach

The Division was very active in promoting its mission and engaging residents and stakeholders throughout 2012. In March, it celebrated the highly anticipated grand re-opening of the Burke-Gilman Trail through Lake Forest Park. In July, the Division unveiled its new camping structure, a recycled cargo container retrofitted with sustainable and recycled materials. The container has been featured in local and national media and increased the Division's visibility.

Convened by the King County Executive in June 2012, the 21-member King County Parks Levy Task Force – a panel of business and civic leaders – recommended a future funding strategy for the King County parks system upon the expiration of the current levies at the end of 2013. The Task Force's recommendations were transmitted to the Executive and a funding package was submitted for King County Council deliberation in February 2013.

The Parks Levy Citizen Oversight Committee, whose members are appointed by the King County Council, convened its annual review of the Division's levy-supported activities. The nine committee members met in October and November to review the Division's levy revenues, expenditures, accomplishments for the fiscal year 2011 and received project briefings from representatives from the Woodland Park Zoo, City of Maple Valley, and City of Bellevue.

Appendix A
2012 Parks and Recreation Division Financial Plan (Parks Levy Subfund 1451)

Category	2011 Actual ¹	2012 Adopted	2012 Revised	2012 Estimated ²
Beginning Fund Balance	\$ 9,884,668	7,871,826	8,620,908	8,620,908
Revenues				
* Levy Proceeds/Delinquent Levy Collections	19,132,915	19,484,174	19,484,174	20,053,637
* Interest ³	59,883	32,394	32,394	41,063
* All Business Revenues ⁴	4,436,015	4,801,511	4,801,511	4,613,846
* Expansion Levy Admin Fee ⁵	170,530	157,852	157,852	155,994
* CIP ⁶	1,956,800	2,343,041	2,343,041	2,243,266
* SW 98th St. Corridor Maintenance ⁷		60,000	60,000	
Total Revenues	25,756,143	26,878,972	26,878,972	27,107,805
Expenditures				
* Regional/Rural Expenditures	(23,405,783)	(27,120,251)	(27,120,251)	(25,980,589)
* Urban Growth Area Expenditures	(715,085)	(715,922)	(715,922)	(715,922)
* CIP/Land Management Expenditures ⁶	(2,653,608)	(2,343,041)	(2,343,041)	(2,243,266)
* Community Partnerships and Grants Program Expenditures ⁸	(185,425)	(300,000)	(300,000)	(300,000)
* SW 98th St. Corridor Maintenance ⁷	(60,000)	(60,000)	(60,000)	
* 2012Q1 Omnibus Ordinance ⁹			(17,947)	
* Encumbrance Carryover			(532,245)	
Total Expenditures	(27,019,902)	(30,539,214)	(31,089,406)	(29,239,777)
Estimated Underexpenditures¹⁰		610,784	621,788	
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	8,620,908	4,822,368	5,032,262	6,488,936
Designations and Reserves				
* BNSF Trail Maintenance Reserve	(177,994)			
* Encumbrance Carryover	(532,245)			
Total Designations and Reserves	(710,239)	-	-	-
Ending Undesignated Fund Balance	7,910,669	4,822,368	5,032,262	6,488,936
Target Fund Balance¹¹	\$ 7,502,119	\$ 5,304,423	\$ 5,304,423	\$ 5,304,423

Financial Plan Notes:

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

2 2012 Estimated column reflects preliminary year-end totals.

3 Net Investment Income is calculated at 0.55%, with 12 basis point investment service fee deducted, in 2012 Adopted.

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

5 Expansion Levy Administration Fee receipts are aligned with the Office of Economic and Financial Analysis revenue projections in the Open Space Trails and Zoo Levy Fund/Expansion Levy (Fund 1452).

6 Capital Improvement Program (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 Expenditure is associated with the Urban Growth Area (UGA). The 2012 Estimated column reflects the Parks CIP program move.

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

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

9 Expenditure authority increase is due to the General Government Overhead charge increase in the 2012Q1 Supplemental Omnibus Ordinance.

10 Estimated Underexpenditures equal 2% of Total Expenditures.

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