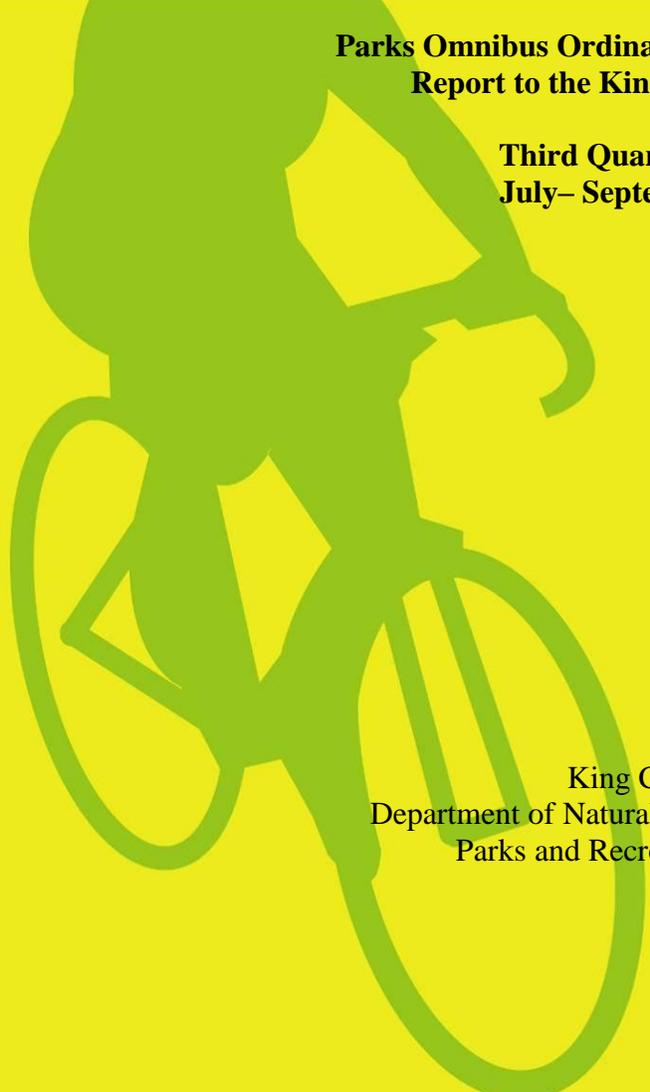


King County Parks **Your**  King County
Big Backyard

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

**Third Quarter Report
July– September 2013**



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

we're at work so you can play

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I. Executive Summary

On August 6, 2007, the King County voters approved the six-year Parks Replacement Levy. Starting in 2014, the Replacement Levy will help provide funding for operations and maintenance costs of the existing parks system; development of regional trails and trailhead facilities; acquisition and stewardship of open space; infrastructure repairs and maintenance, including 14 bridges and trestles, 13 play areas, and a maintenance shop; the Community Partnerships and Grants Program; funding for open space acquisition, trails, and major maintenance for 39 cities; and financial support for the Woodland Park Zoo. The passage of the Parks Replacement Levy is a testament to the daily efforts of staff that maintains and improves the King County parks system and to the County's commitment to make King County a great place to live, work, and play.

The Parks and Recreation Division's (Division) business revenues for the third quarter were about four percent higher than for the same quarter in 2012, while its year-to-date business revenues were 18 percent higher than for the same period in 2012. The Marymoor Concert Series was also very successful, with a healthy 61 percent increase in revenue compared to the last year's concert series. New concert producer, AEG Live, offered thirteen concerts, including favorites such as Willie Nelson, Steely Dan, and The Lumineers. Back by popular demand, Movies@Marymoor set a new attendance record in 2013. With an average attendance of more than 1,700 people at each event, the series experienced a 28 percent increase in attendance from 2012. This higher attendance contributed to a 19 percent increase in facility rental revenue for Marymoor Park.

The Weyerhaeuser King County Aquatic Center (WKCAC) has generated steady business revenues, with a three percent increase compared to the same period last year. It continues to host several, high-profile national events, not only generating revenues for the Division but also for the local economy.

As part of its 75th anniversary commemoration, the Division has sought to recognize community partners, volunteers, and supporters through several outreach events throughout the year. These have included celebrations at the historic White Center Fieldhouse, also known as the Log Cabin; the "Work and Party" field day at Told-MacDonald Park; Community Partnerships and Grants Program Tenth Year Anniversary Dinner; and the Third Annual Volunteer Appreciation Dinner.

The Division also developed a special partnership with REI for the month of September, which featured a display about the King County Parks system in the entryway of the Seattle flagship store. The Division also hosted an in-store outreach table on six occasions throughout September and with REI, jointly promoted the Division's events, activities, and recreation opportunities.

II. Summary of Revenues and Expenditures

	Revenues	Expenditures
2013 Adopted	\$28,964,611	\$32,554,680
2013 Revised	\$29,288,189	\$32,554,680
2013 Estimated	\$29,288,189	\$32,554,680
2012 Actual	\$27,207,229	\$29,189,474

Business Revenues¹ and Total Expenditures through September 2013

	Actual Business Revenues	Actual Total Expenditures
January 1 – September 30, 2013	\$4,196,616	\$22,861,181
January 1 – September 30, 2012	\$3,550,700	\$20,724,694

Business Revenues

Business revenues comprise 17 percent of the Division’s budgeted revenues and are budgeted at \$5 million in the 2013 Adopted Budget. Through September, the Division has achieved 83 percent of its 2013 budgeted business revenue target.

The Division’s overall business revenues through September 2013 were up 18 percent from the same period last year. This increase is largely due to the highly successful eight-week run of Cirque du Soleil’s *Amaluna* performances at Marymoor Park, as well as additional facility bookings throughout the system and revenue generated by events hosted at the WKCAC.

Expenditures

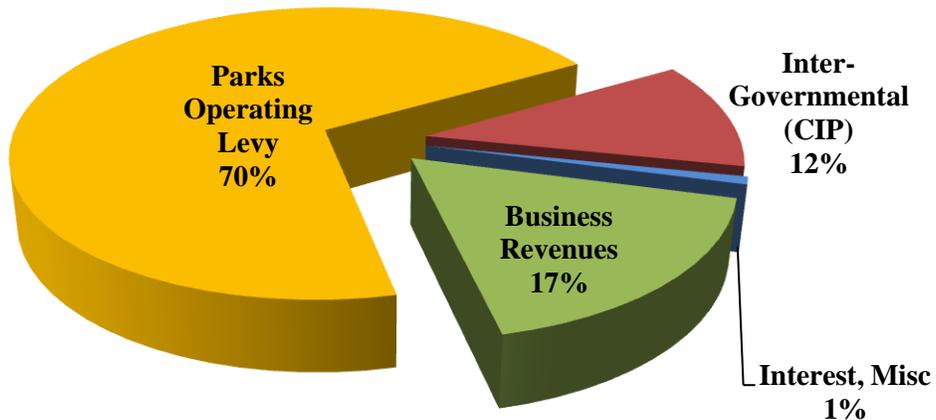
Through September 2013, the Division’s expenditures equaled about 70 percent of the annual budget. This is in line with historic spending patterns.

The Division intends to spend the maximum amount of its expenditure authority on maintaining parks, open space, and trails while achieving the target year-end fund balance.

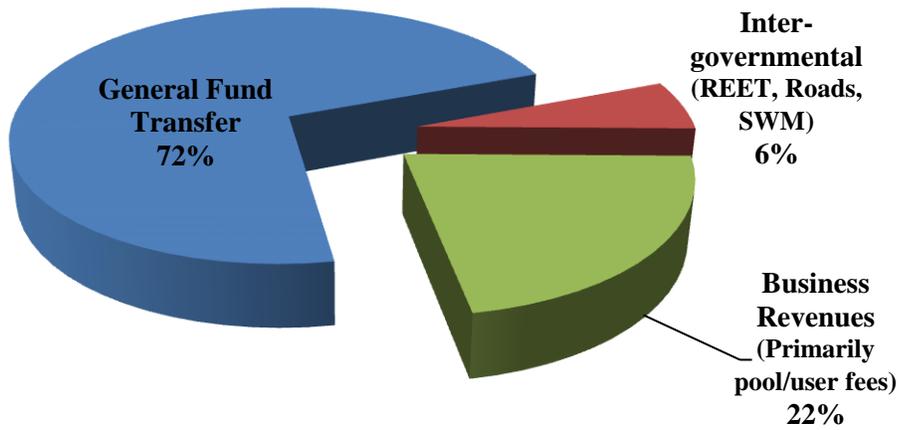
¹ Business revenues include user fees as well as enterprise and entrepreneurial revenues. Levy funds, interest earnings, inter-fund transfers and similar revenues that are not within the control of the Division are excluded from this total.



2013 Adopted Revenues - \$29M



2002 Adopted Revenues - \$26M



III. Revenues by Key Business Units

Marymoor Park

	2013 thru Q3	2012 thru Q3	Change (\$)	Change (%)
Revenues:				
Facilities	\$199,554	\$247,257	(\$47,703)	(19%)
Ballfields	\$567,599	\$566,021	\$1,578	0%
Parking	\$491,847	\$503,521	(\$11,674)	(2%)
Concerts	\$325,728	\$202,113	\$123,165	61%
Cirque du Soleil	\$773,385	\$0	\$773,385	100%
Cavalia	\$0	\$371,708	(\$371,708)	(100%)
Total Revenues (rounded)	\$2,358,000	\$1,891,000	\$467,000	25%
Total Expenditures (rounded)	\$2,755,000	\$2,302,000	\$453,000	20%

Overall revenues for Marymoor Park are up 25 percent from revenues through the same period in 2012. This is largely due to special events at the park, including Cirque du Soleil and the Marymoor Concert Series. Other revenues were relatively flat or declined, but were more than offset by these two special event series.

Facility rental revenues reflect a decline of 19 percent from the same period in 2012. The Clise Mansion was closed for the third quarter for maintenance and repairs, contributing to this decline.

Athletic field use at Marymoor is slowly regaining momentum. Two long-time adult soccer leagues dissolved. However, all of their available time slots were taken up by a lacrosse group and two new adult soccer leagues, reversing the downward trend from 2012. Ballfields continue to be a significant source of revenue for Marymoor Park, comprising nearly 20 percent of the park's overall revenues, in part due to previous investments which converted existing fields to synthetic fields.

Drop-in daily parking fee revenues reflect a slight decrease compared to 2012. The lower revenue figure might reflect fewer actual visits, but it can also be traced to a problem encountered with the transition to a new credit card processing company that services a newly installed parking fee machine at the park. The technical problem has been resolved, and the revenue will be reported in the 4th quarter report.

The Marymoor Concert Series was very successful, with a 61 percent increase in concert revenue. The new concert producer, AEG Live, offered thirteen concerts, including favorites such as Willie Nelson and Steely Dan, plus other very popular bands such as The Lumineers, which played two sold-out shows.

Weyerhaeuser King County Aquatic Center (WKCAC)

	2013 thru Q3	2012 thru Q3	Change (\$)	Change (%)
Revenues:				
Facilities	\$653,458	\$626,271	\$27,187	4%
Courses	\$106,000	\$103,677	\$2,323	2%
Drop in	\$29,665	\$28,202	\$1,463	5%
Conference center	\$9,437	\$16,283	(\$6,846)	(42%)
Total Revenues (rounded)	\$799,000	\$774,000	\$24,000	3%
Total Expenditures (rounded)	\$1,810,000	\$1,810,000	0	0%

Facility rental revenues increased due to the addition of two major week-long events held during the third quarter: the 2013 North America Swimming Cup and the 2013 International Gay and Lesbian Aquatics Sports Festival. Both events generated an economic benefit for the region through overnight stays, car rentals, shopping, and other activities of out-of-town participants and visitors attending these events. Also during this quarter, revenues from swimming lesson registrations and drop-in public programs went up slightly, while the revenues from the conference center dropped due to fewer event bookings.

At the annual United States Aquatic Sports Conference in September, WKCAC staff was successful in securing two future national events: the 2014 Speedo Junior National Swimming Championships and the 2015 AT&T Winter National Swimming Championships. Each of these week-long events will draw more than 900 athletes along with their families, which will generate an economic benefit for the region.

The Division began a capital improvement project at WKCAC in the third quarter, adding a spa to the pool deck in order to meet PAC-12 requirements for the annual Conference Diving Championships scheduled to take place in February 2014. Completion of this project is also a requirement for two bids submitted this quarter by the Seattle Sports Commission, the City of Federal Way, and the Division to host the 2015 and 2016 NCAA Division I Swimming and Diving Championships.

Fields and Facilities Business Unit

	2013 thru Q3	2012 thru Q3	Change (\$)	Change (%)
Revenues:				
Ballfields	\$299,843	\$214,816	\$85,027	40%
Facilities	\$322,537	\$247,901	\$74,636	30%
Camping	\$85,431	\$70,675	\$14,756	21%
Total Revenues (rounded)	\$708,000	\$533,000	\$174,000	33%

Ballfield revenue continues to increase, largely due to the athletic fields that have been converted to synthetic turf. These fields can be used year-round and in nearly any kind of weather. Youth sports usage has increased significantly, and our customers are excited to have such high quality fields on which to play.

Facility revenue increased in the third quarter as a result of the large number of trail events the Division booked on both the Regional Trail System and on backcountry trails. The demand for the Preston Community Center continues to be strong, as the facility provides an attractive, low-cost venue for weddings and parties. Camping revenues increased, as did yurt rentals which were booked on weekends throughout the summer and on many weekdays.

Revenue – Other Sources

The inaugural Timber! Outdoor Music Festival, produced by Artist Home Presents, was a huge success and garnered tremendous positive media coverage for the Division. The sold-out festival took place at Tolt-MacDonald Park and Campground in July and generated more than \$15,000 in new revenue for the Division.

Back by popular demand, Movies@Marymoor set a new attendance record in 2013, and with an average attendance of more than 1,700 people at each event, the series experienced a 28 percent increase in attendance from 2012. This higher attendance contributed to a 19 percent increase in facility rental revenue for Marymoor Park.

In July, the Washington State Recreation and Conservation Office (RCO) officially notified the Division that it had been awarded several grants. The awards, which will be matched with the Division’s capital funds and other grants, will support the following projects:

- East Lake Sammamish Trail – North Sammamish Segment \$500,000
- Pinnacle Peak Trailhead Development \$188,000
- Taylor Mountain Trailhead Development \$100,000
- Dockton Park Dock and Moorage Renovation \$373,000

IV. Agreements with Other Organizations and Jurisdictions

Community Partnerships and Grants (CPG) Program

In September, the Sammamish Rowing Association (SRA) and the Division celebrated the long-awaited dedication of a new 12,000 square foot boathouse at Marymoor Park. The ground floor has three boat bays, with ample room for rowing shells of all sizes, as well as other features, including a shop for repair and maintenance work, a large storage closet, a restroom, and a laundry area. The second floor will be built in 2014 if SRA’s fundraising efforts are successful. The second floor will have an exercise facility for indoor-training and will feature abundant space for ergometers, weight equipment, and floor-mat workout space. The great room, which will open onto a sizable deck, will serve as a venue for team meetings and social events.

Transferring Division Assets

There were no parks transferred within the Urban Growth Area (UGA) in the third quarter.

V. Community Outreach and Involvement

Volunteer Program

During the third quarter, 2,874 volunteers donated 16,300 hours of service at 77 scheduled events and through numerous individual service hours. The projects consisted of 19 trail work events; 35 restoration and invasive weed removal projects; 22 park maintenance and improvement projects; and one event at the King County Greenhouse and Nursery.

Companies and groups new to volunteer this quarter were: Bellevue College Women's Softball Team, FM Global, Foley Video Production, Northern Trust Wealth Management, PCL Civic Consultants, Starwood Hotels & Resorts, and Walgreens.

The Third Annual Volunteer Appreciation Dinner on July 11 was a huge success. More than 90 guests representing 35 groups and Parks and Trails Ambassadors attended the annual event. Kevin Brown, Division Director, read the King County Council's and King County Executive's joint proclamation, proclaiming July 11 as Parks Volunteer Day and citing the wide scope of services given by volunteers to help improve and maintain the park system.

Community Outreach

As part of its ongoing 75th anniversary commemoration, the Division celebrated the historic White Center Fieldhouse with a community gathering in September, featuring games, activities, performances, memories and a special anniversary cake. The Fieldhouse, which is also known as the White Center Community Center or the Log Cabin, was constructed between 1938 and 1940 and is one of the five original Federal Works Progress Administration fieldhouses in King County. Community members shared their memories by participating in the virtual scrapbook and video that the Division is assembling and will make available to the public later this year.

The King County Parks Foundation, established earlier this year with a gift of \$75,000 from Laird Norton Wealth Management (LNWM), continues to raise funds to support future legacy projects. By the end of September, a total of \$86,200 had been donated to the foundation. In September, LNWM dedicated its annual "Thought Forum," a guest speaker and dinner event organized for its clients, to celebrate King County Parks. Acclaimed historian and best-selling author Douglas Brinkley spoke about the past, present and future of the American conservation movement. Having written an award-winning biography of Theodore Roosevelt entitled *The Wilderness Warrior*, Brinkley used Roosevelt's legacy as a base from which to view today's environmental challenges.

In addition to hosting outreach tables at eight events during the third quarter and directly engaging some 800 people, the Division developed a special partnership with REI for the month of September, which featured a display about the King County Parks system in the entryway of the Seattle flagship store. The Division also hosted an in-store outreach table on six occasions throughout the month, and with REI, jointly promoted the Division's events, activities, and recreation opportunities.

Appendix A
2013 Parks and Recreation Division Financial Plan (Parks Levy Subfund 1451)

	2012 Actual ¹	2013 Adopted	2013 Revised ²	2013 Estimated ²
Beginning Fund Balance	\$ 8,620,908	5,682,181	6,638,663	6,638,663
Revenues				
* Levy Proceeds/Delinquent Levy Collections ³	20,056,563	20,329,560	20,641,962	20,641,962
* Interest ⁴	42,183	10,656	21,832	21,832
* Expansion Levy Administrative Fee ⁶	155,994	167,213	167,213	167,213
* All Business Revenues ⁵	4,709,223	5,041,587	5,041,587	5,041,587
* Capital Improvement Program (CIP) ⁷	2,243,266	3,355,595	3,355,595	3,355,595
* SW 98th St. Corridor Maintenance ⁹	-	60,000	60,000	60,000
Total Revenues	27,207,229	28,964,611	29,288,189	29,288,189
Expenditures				
* Regional/Rural Expenditures	(25,683,912)	(27,987,367)	(27,987,367)	(27,987,367)
* Urban Growth Area (UGA) Expenditures	(1,082,495)	(751,718)	(751,718)	(751,718)
* CIP/Land Management Expenditures ⁷	(2,243,266)	(3,355,595)	(3,355,595)	(3,355,595)
* Community Partnerships and Grants (CPG) Program ⁸	(179,801)	(300,000)	(300,000)	(300,000)
* SW 98th St. Corridor Maintenance ⁹	-	(60,000)	(60,000)	(60,000)
* Washington State University Cooperative (WSU) Extension ¹⁰	-	(100,000)	(100,000)	(100,000)
Total Expenditures	(29,189,474)	(32,554,680)	(32,554,680)	(32,554,680)
Estimated Underexpenditures ¹¹	-	651,094	651,094	651,094
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	6,638,663	2,743,206	4,023,266	4,023,266
Reserves				
* Levy Stabilization Reserve ¹²	(4,206,207)	(30,316)	(1,310,376)	(1,310,376)
* Rainy Day Reserve	(2,432,456)	(2,712,890)	(2,712,890)	(2,712,890)
Total Designations and Reserves	(6,638,663)	(2,743,206)	(4,023,266)	(4,023,266)
Ending Undesignated Fund Balance	-	-	-	-

Financial Plan Notes:

¹ 2012 Actuals are based on the 2012 General Ledger. Category assignments are updated to align with 2013 Parks Levy Citizen Oversight Board reporting

² 2013 Revised and Estimated Revenues are based on updated data as of the August 2013 Office of Economic and Financial Analysis (OEFA) forecast.

³ Levy Proceeds and Delinquent Levy Collections forecast by OEFA through 2013.

⁴ Net Investment Income is calculated at 0.35% in 2013 Adopted and 0.45% in 2013 Estimated, per OEFA projections, with 12 basis point investment service fee deducted.

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

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

⁷ 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 the UGA.

⁸ Partial funding of the CPG program. Additional funds are in Parks CIP.

⁹ Partial funding from the Road Services Division, of the King County Department of Transportation, for maintenance of the SW 98th Street corridor.

¹⁰ This adjustment reflects support by King County to the WSU Cooperative Extension, to support the 4-H program, starting in 2013.

¹¹ Estimated Underexpenditures equal 2% of total expenditures.

¹² A typical levy fund builds fund balance in the first half of the levy, allowing the fund to draw down reserves in the second half.