



# From Budget Crisis to Business Plan

- ✓ Four-year **voter approved levy** complimented by business minded approach to **efficiencies & generating revenue** (renewed for 6 years)
- ✓ Entrepreneurial, performance-driven organization that **embraces non-traditional** ways of doing business
- ✓ **Transfer in-city** facilities
- ✓ Solidify **public trust** that King County has a Parks system worth supporting



# Snapshot of Our Inventory

- Over 200 parks – from 0.25 acres to 3,100 acres
- More than 26,000 acres in total
- Regional Trail System comprised of nearly 175 miles of trails throughout urban and rural King County.
- 145,000 acres of development rights preserving land in private ownership, with public access
- Majority of System acreage is in large regional “passive” parks located in rural with 180 miles of backcountry trails.
- Small percentage of parks and facilities are developed for “active recreation” – ballfields, pools, community centers.



## Corporate Partnerships

- ✓ **Private sector validation** of business plan & Parks mission
- ✓ Create strong O&M **revenue pipeline** that keep facilities open to the public
- ✓ Opportunity for **visibility & development of new parks audiences**
- ✓ Ensure consistency with **community/user group vision** on front end
- ✓ **Market rate** – ensure public benefit

Concessions

Naming Rights

Event Sponsorships

Gifts/Grants

Marketing/Advertising

Natural Resources, Utilities & Short Term Lease Agreements

Public/Private Real Estate Development, Long Term Lease Agreements

## Community Partnerships

- ✓ **Network of supporters** vested in Parks success
- ✓ **New recreation opportunities**, without new ongoing costs.
- ✓ Create joint **revenue opportunities**
- ✓ Embrace community desire to **directly invest** in park system via sweat equity, in-kind services & cash.

Volunteer Programs

Grant Programs

Special Use Agreements with Non-Profits

Land Conservation Partnerships



# Community Partnership and Grant (CPG) Program

- Identify and support community-based partner organizations
- Empower community-based partners to plan, develop, and invest in new recreation facilities on public land
- Make strategic capital grant awards to community partners to leverage resources
- Recognize intangible value of community goodwill

## CPG Metrics:

- \$12M in grants translated into \$64+M worth of new public recreation facilities
- Over 80,000 constituents directly served from 30+ community-based organizations
- Launched with \$600,000 in grants in 2003

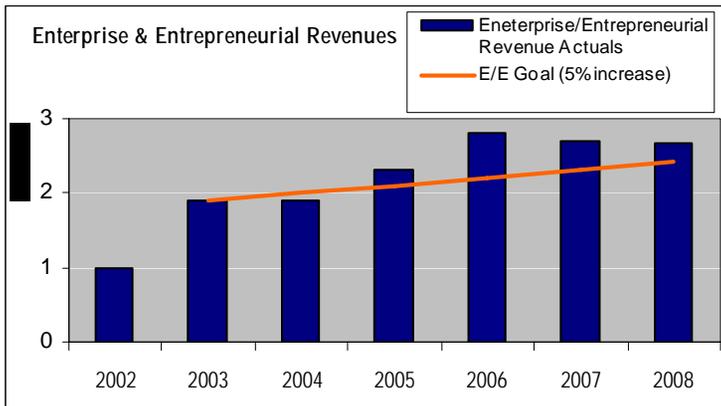




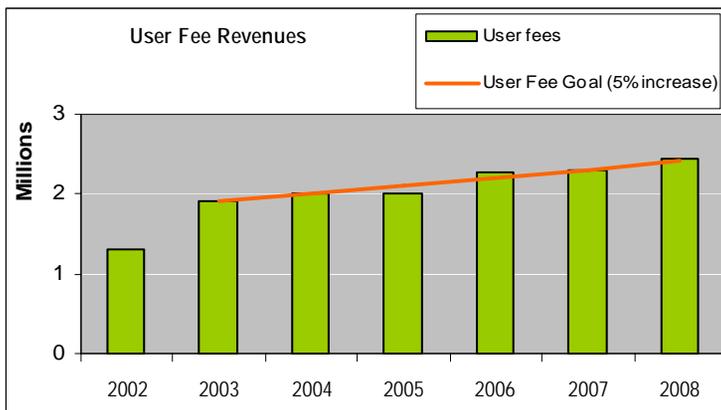
### Corporate Partnership Successes

- \$610,000** 5 year naming right for **Group Health** Velodrome
- \$100,000** 1 year naming right for **MSN Wi-Fi Hotspots**
- \$300,000** 3 year title sponsorship of **US Bank Concerts at Marymoor**
- \$250,000** 1 year trails project with **Starbucks**
- \$550,000 Starbucks Ultimate Park Makeover** of White Center Heights Park
- \$1.3 Million** bi-annual lease agreement with **Cirque de Soleil** & related **parking** revenue (2006, 2008)
- \$5,000** average a month for two **Subway** restaurants
- \$25,000** annual **beverage agreement**
- \$12,000** annually from small **concessions**
- \$105,000** annually from **gravel** agreement
- \$400,000** annually from **parking** at Marymoor
- \$90,000** annually from **cell towers** and other utility agreements

# Business Development Revenue



**Enterprise revenues** - non-traditional activities including: corporate sponsorships, parking, facility rentals. Generated by aggressive, deliberate strategy & asset mix. Enterprise successes build public trust & taxpayer value.

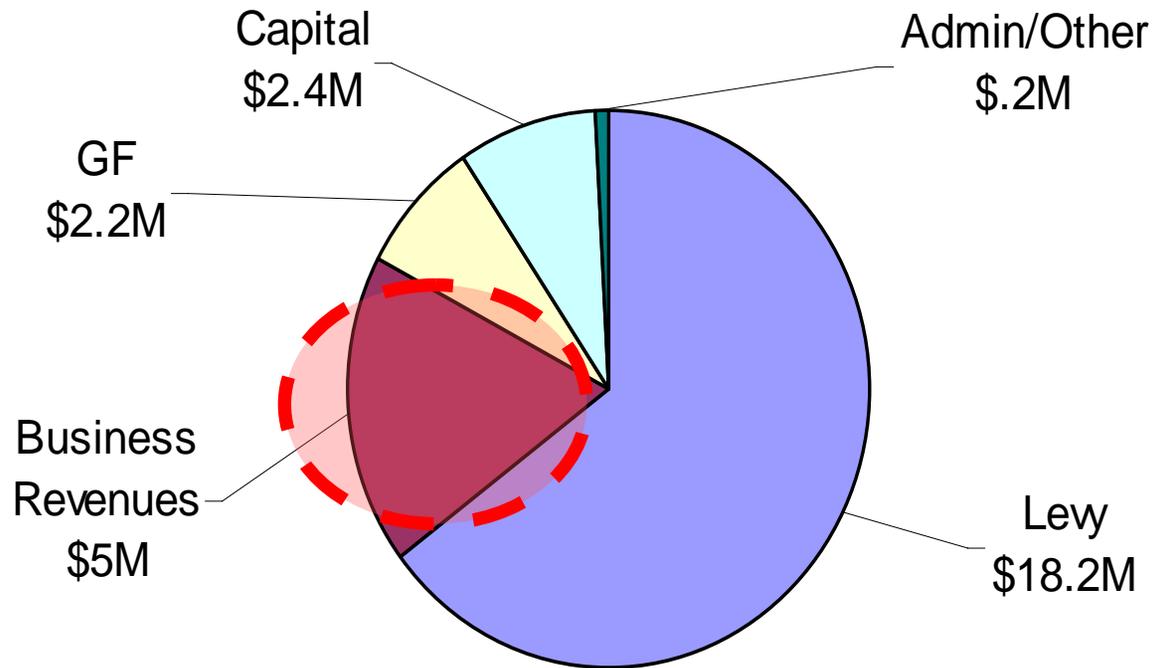


**User Fee revenues** - traditional activities: pool fees, field rentals, recreational programs. Individual fees are market-driven and are expected to plateau. Additional capital investment could elevate revenue plateau. (i.e. \$4.5M CIP for synthetic turf fields at Marymoor increased annual revenue from \$150k to \$500k+)

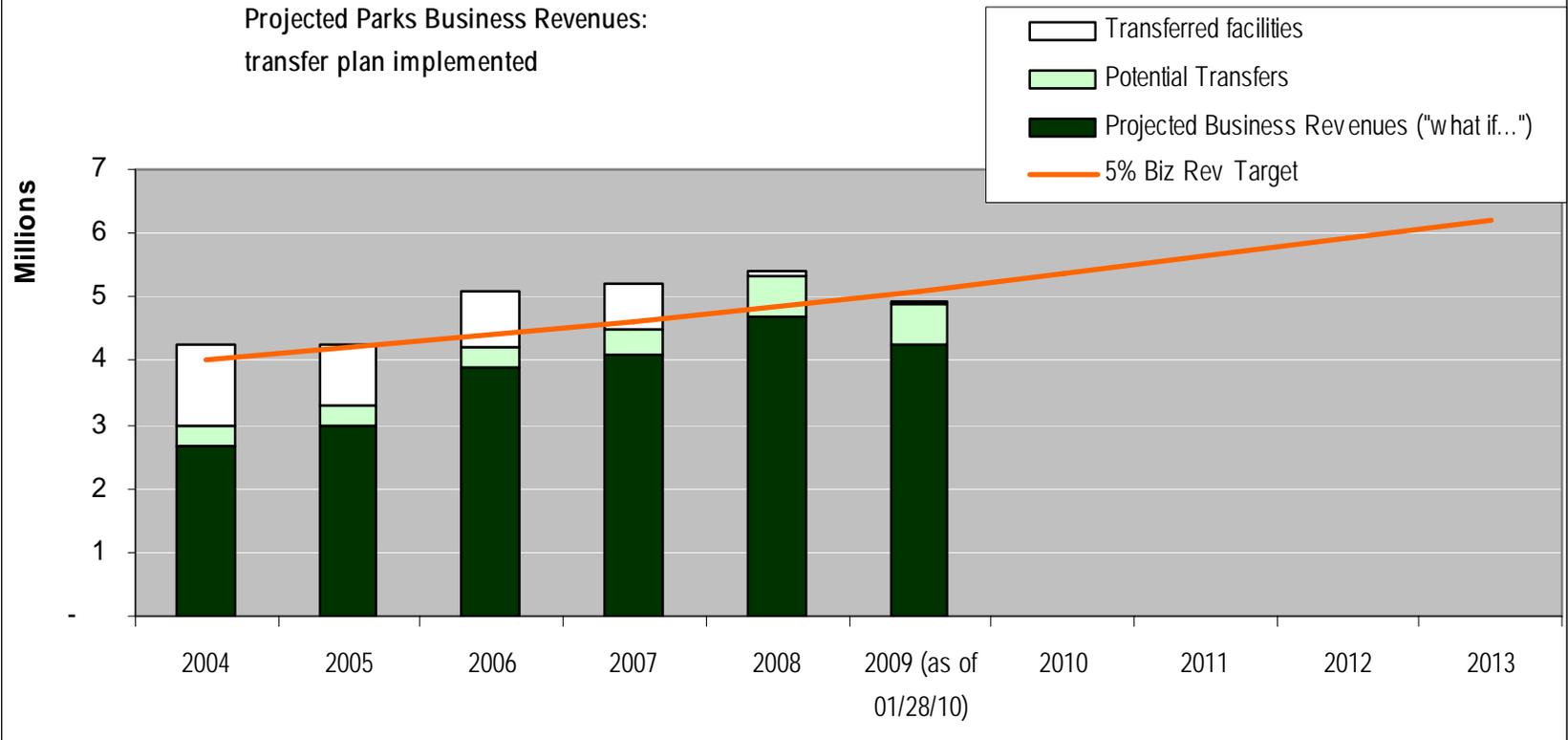
\*Data adjusted for transferred facilities

# Where are the Business Revenues?

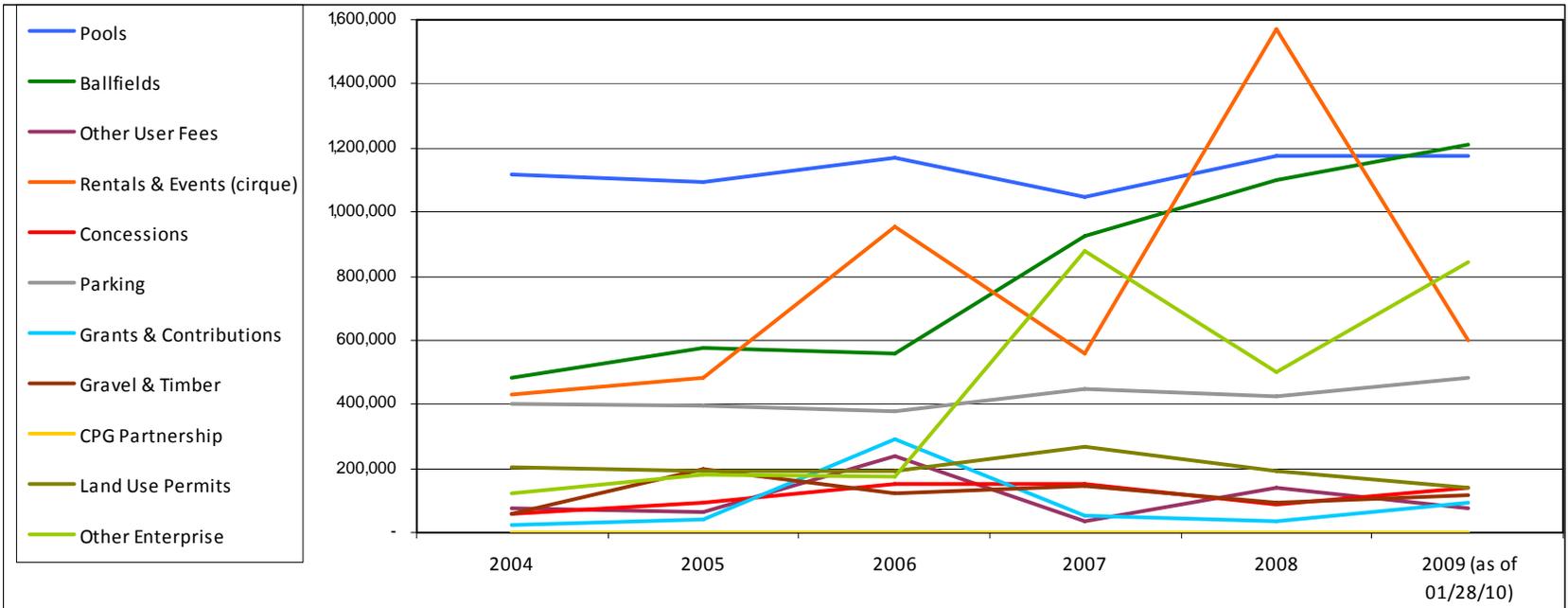
## 2009 Parks Revenues - \$28M



Projected Parks Business Revenues:  
transfer plan implemented



# Our revenues tell a story...



**NOTE:** "Other User Fees" includes received revenue in "transit" to other accounts. All revenue information DRAFT until 13<sup>th</sup> month budget close out. For internal Parks use only. All data adjusted for transferred facilities.

# Where our story is going: evolution of revenue pipeline

1. **Maximize Revenue from Existing Assets:** event rentals, concessions, park stuff, small donations, parking, builds credibility
2. **Corporate Partnerships, Gifts:** up to five years, good press builds credibility, good buzz, provides trusted 3<sup>rd</sup> party endorsements
3. **Legacy Fund:** Endowment possibility, bequests, future funding, requires cache & fundraising board of community leaders
4. **Real Estate Opportunities:** future funding, big sustainable payoff, requires large capital investment



# 2007-2020 Revenue Examples

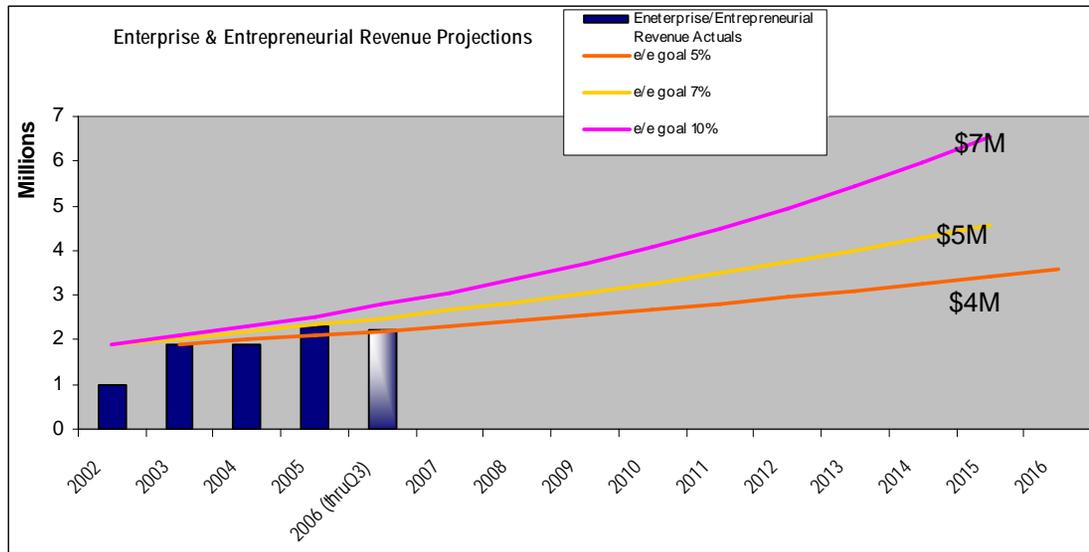
**Short Term:** upgrades to existing facilities, parking pass sales, naming rights, regional park partnerships, legacy bench and tree program & individual giving, CPG revenue, events, camping, continue relationship with existing partners

**Medium Term:** destination recreation corridors, individual giving growth, eco-tourism

**Long Term:** real estate development, endowment (3% return on \$833M gives \$25M annually),



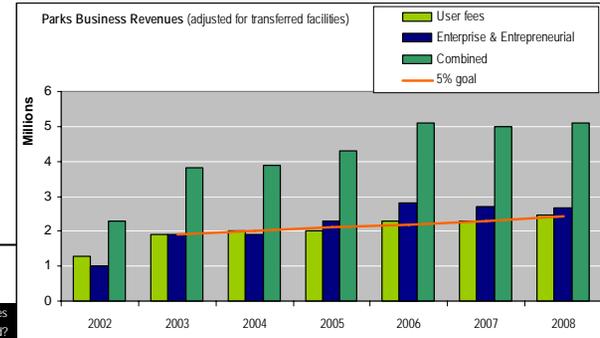
# Challenges Ahead



- 2003-2008 success largely due to availability of capital dollars
- Get consistency with events (Cirque) and corporate revenue
- Increasingly competitive fundraising climate “Invest” vs. “handout”
- 2009 rough time for Community Relations budgets
- Much existing revenue “re-earned” each year
- Urban parks have visibility corporate sponsors want (potential for Marymoor over-saturation)
- Bureaucratic process – lose ability to be nimble
- Consolidation within industries (cell towers)
- Managing expectations

## TOOLS FOR PARTNERSHIPS | Metrics for Success

- ✓ Track key indicators of organizational health
- ✓ Accountability to the public
- ✓ Communicate up & out
- ✓ Use formats familiar to corporate partners
- ✓ Real-time customer satisfaction information
- ✓ Stay in touch with your people



## TOOLS FOR PARTNERSHIPS | Cost Effective Communication

- ✓ Tech savvy Web site
- ✓ Social media strategy
- ✓ Earned media strategy
- ✓ Electronic newsletter
- ✓ Parks brand identity
- ✓ In-house graphic design talent
- ✓ Buzz/word-of-mouth marketing
- ✓ Quirky & creative over rich
- ✓ Listen to citizen feedback
- ✓ POSITIVE partner visibility



Corporate partners bring funds and critics

### Parks seek sponsors, but walk fine line



STEVE RICHMAN / THE SEATTLE TIMES  
Group Health signed a three-year contract at \$120,000 per year to have its name on the Velodrome at Marymoor Park in Redmond.

BY LISA CHEE  
Seattle Times Journalist  
Visitors to King County's Marymoor Park in Redmond can walk past the Group Health Velodrome, order food at the Subway sandwich shop, surf online in Microsoft-sponsored Wi-Fi areas and read a trail map bearing the Starbucks mermaid logo.

For the past two weeks, they also could hunt for 30 two-foot, full-covered fake burritos hidden in the park as part of a dial promotion for Chipotle Mexican Grill and the county's redesigned parks Web site.

The fee-free promotion and other corporate partnerships are the brainchild of King County Parks' three-member Strategic Partnership and Enterprise Initiatives team. Its job: Come up with ideas to make money and increase the viability of county parks.

"That often means teaming with a company for sponsorship — everything from big-name performers by Cirque du Soleil to selling naming rights for park facilities. But in the push for revenue bringing the private sector too close to an area that traditionally has been commercial-free — the local park?"

"My feeling is that this is not appropriate stuff for parks," said Michael Hobbs, a board member of the nonprofit Friends of Marymoor Park. "The park should be a place to get away from commercialism and not be an extension of the mall."

Please see • PARKS, A10

HIDDEN BURRITOS, Wi-Fi access used to increase revenue, visibility • A10

The Seattle Times

Friday, August 19, 2006 - 12:05 AM

### How King County Parks Department is increasing its revenue and visibility

Naming rights

Group Health signed a three-year contract at \$120,000 per year to have its name on the Velodrome at Marymoor Park. Microsoft signed a one-year, \$100,000 contract to provide Wi-Fi access at Marymoor and White Center parks and at the King County Aquatic Center. Aside from 10 "discreet" signs in the three parks, all advertising takes place in the virtual world when people on, parks program manager Jessie Israel said. The county is working on renewing both



STEVE RICHMAN / THE SEATTLE TIMES  
Bart Nordstrom, left, and Patanck Papanewa were among the winners in a recent burrito promotion by King County Parks.

Concessions

Subway sandwich stands in Marymoor Park and at the King County Aquatic Center bring in about \$5,000 a month for parks. The county recently also brought in the Redmond-based Blazing Bagels to Marymoor.

New amenities

Starbucks paid \$250,000 to sponsor 17 new kiosks offering trail maps. The kiosks, made of



The Seattle Times

Friday, July 1, 2005 - Page updated at 10:35 PM

### Wi-Fi hot spot at Marymoor wins applause

By Rachel Tuinstra  
Seattle Times Eastside bureau

When Harley Sheffield heard King County was setting up a free wireless Internet service at Marymoor Park, he toted his laptop to the park's velodrome to see if he could log on.



Sheffield reports that the service, called Wi-Fi, works great, and he expects to use it often as part of his job as executive director for the Marymoor Velodrome Association.

"We're trying to figure out how ... we can have live feeds from races and weather updates," Sheffield said. "If we're able to



# TOOLS FOR PARTNERSHIPS | Quantifiable PR Assets

kingcounty.gov/parks

1.2M visits annually

kingcounty.gov

1.5 M visits monthly

E-newsletter

4,000 subscribers

Earned media

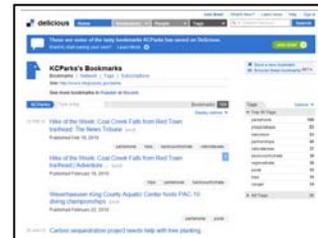
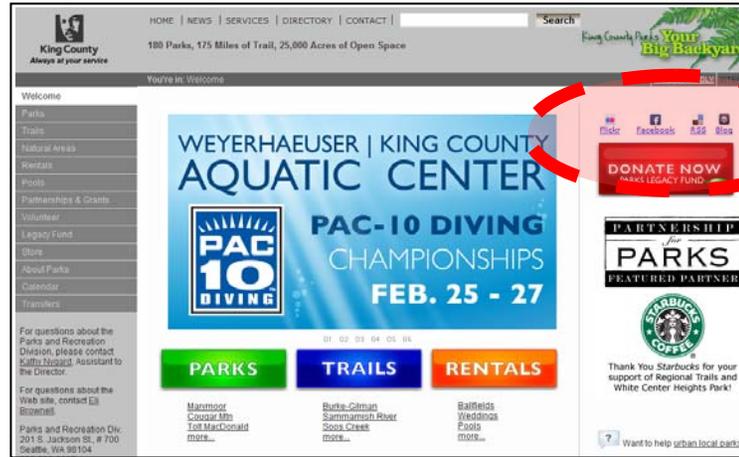
Social media

Buzz/viral marketing

Outdoor visibility/advertising

Paid media

3<sup>rd</sup> party validation



## TOOLS FOR PARTNERSHIPS | “Getting To YES!” Culture

- Philosophical shift at all levels of the agency
  - “the agency owns, plans, constructs, and operates ...”
  - “the community owns, plans, constructs, and operates...”
- Develop, assist, and nurture new partners
- Top down modifications in gov’n’t processes to minimize partner disruption and encourage collaboration (*ensure Public Works, Labor, Risk Management, and Code Requirements on board with partnership vision and success*)
- Encourage community-based organizations with the capacities you need for a successful project (*the best of the best engineers and transportation planners have kids who play ball too!*)
- Encourage preliminary momentum & vision – don’t focus too early on inevitable limitations, restrictions, etc.



## Business Development Team | Evaluating our Return

### How much will this cost to implement?

human resources, financial resources, opportunity costs, direct & indirect costs

### How soon will we recoup everything we put in?

Are we willing to spend capital \$ for ongoing operating revenue? How is this prioritized within our CIP plan?

### Return on Investment goals – Corporate Partnerships:

Advertising & Events – immediate ROI (*except buzz projects*)

Small projects – ROI of 12-24 months

Mid projects – ROI of 12-48 months

Large projects – ROI of 12-120 months



## King County Parks Team | Daily Priorities

**Meet Business Revenue Goals** – Know your market, know your business & think BIG

**Execute Capital Program** - Safety, save money, make money

**Create Sustainable Partners** - Build base of support, don't wait for a crisis, earnest outreach, don't ask what you're not willing to change

**Reduce Subsidy** - Transfer in-city facilities, Identify subsidy within specific lines of business (*golf vs. teen programs*)

**Create Efficiencies** - Work smart, plan smart  
**Great Customer Service**



## What We Needed to Get Started...

- ✓ Understanding that there was a **funding crisis**
- ✓ Political will to **engage community leaders**
- ✓ Omnibus Ordinance giving **greater flexibility**

*Leg History:*

[www.kingcounty.gov/recreation/parks/about/businessplan.aspx](http://www.kingcounty.gov/recreation/parks/about/businessplan.aspx)

- ✓ Major **restructuring of organization & culture**
- ✓ Creation **'Partnership for Parks Initiative'**
- ✓ Business Development & Partnerships team: hired for specific **skill set & ability to persuasively convey the mission** of King County Parks, compelling and inspired vision, sense of core purpose
- ✓ Implement **management tools**: dashboard, web-based communications, workforce time tracking, customer feedback systems, grant & volunteer programs that leverage resources





*“King County's 25,000-acre park system is one of the largest in the country. Injecting a measure of efficiency and self-reliance into the system was no small challenge. But it is happening. The value of this kind of creativity cannot be overstated. Parks are not a mandated county service, yet no community would be complete without one. King County's meaningful development of its parks sustains funding and keeps them a treasured public amenity.”*

Seattle Times editorial page, June 16, 2006

Cheryl Scott, President & CEO, Group Health

*"Group Health is proud to partner with King County Parks in this innovative and concrete way, enhancing the lifestyles of residents of King County."*

Harley Sheffield, Marymoor Velodrome Association

*"King County's commitment to their community partners has made a huge impact on our relationship and our organization. The success we have had in improving our programs and events over the past three years is due in no small part to the support we've received from Parks."*

Elizabeth Lunney, Washington Trails Association

*"King County has made some very important investments in our parks, and the Starbucks grant will give local residents the information they need to enjoy them. Groups like ours have worked hard to build new trails for people to enjoy, and we are pleased to see Starbucks contribute through such a generous commitment."*

Jessyn Schor, Transportation Choices

*"There is a growing consensus on the economic benefits of trails, benefit to property values, health benefits and traffic congestion benefits. Communities where people have opportunities for recreation tend to be healthier. This collaboration is so exciting because it demonstrates Starbucks and King County's commitment to our health and quality of life."*





#### Diane found "Chip"

*"We have been fortunate to live just below the Lake Alice Trailhead for 20 years...When we first moved in it was a small muddy path, then they put the new paved trail in and it was perfect for the whole family, young children included. I can't even begin to guess how many times we have used this trail and the Snoqualmie Valley Trail on the other side of the river. They are both wonderful trails for family outings, and have been beautifully maintained by the county for continued enjoyment."*

#### Penny found "Chip"

*"My niece and her girls who are vacationing here from Colorado were getting a tour of our wonderful Tolt McDonald Park and actually caught "Chip" hiding in the rafters of one of the cabins there. He has made the rounds with the family here and I was given an introduction. This was a fun promo! Congratulations for a great idea!"*



#### Vivian found "Chip"

*"While hiking the Red Town Trail, my family and I came across the Ford Slope Coal Mine exhibit. As I was enjoying the pictures and historical data about the mine, I glanced to the left to view the mine entrance. A shiny two foot something sitting on top of the beam of the kiosk exhibit caught my eye. We were very excited to be the holder of Mr. Chip. What a great marketing idea. We have told everyone we know about Mr. Chip & Cougar Mountain."*

#### Citizen comment from Parksfeedback.com

*"The staff I meet along the trail is always wonderfully nice! Thanks for hiring so well."  
"I believe paved trails are the most important transportation issue the county has. Why not pay for them out of the transportation budget? King County should have a mandate that requires a mile of paved trail to be built for every mile of road project undertaken. We have a wonderful trail system, but it could be even better."*



## *Business Development & Partnerships*

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