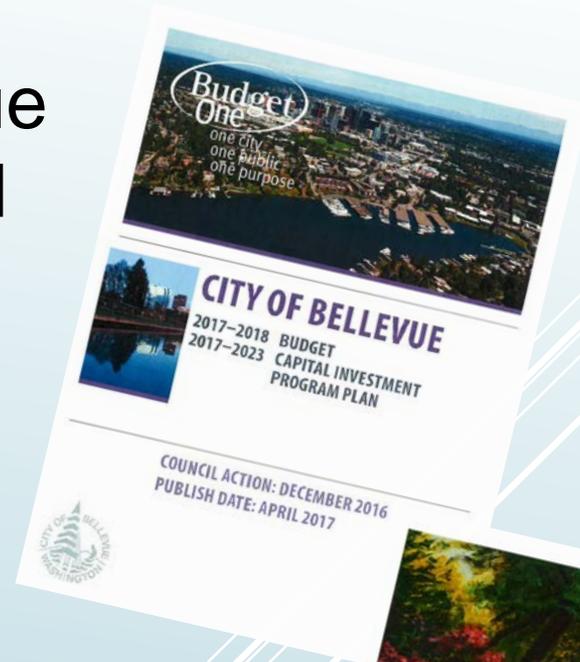


Parks Capital Funding:

- Current Parks CIP Revenue
- Other Sources Not Utilized
- Example Projects
- Foundation Basics
- Questions/Discussion



Parks & Community Services Board
October 10, 2017

Capital Investment Program (CIP) Background

- ▶ 7-year budget tool updated every 2 years (currently 2017-2023) and will be updated next year
- ▶ Capital projects organized by Community Outcome, and include Transportation, Parks, Fire, Police, Neighborhoods, Downtown Livability, Grand Connection, Affordable Housing, Citywide Buildings/Security/Systems, Debt Service (74 projects totaling \$485M)
- ▶ Parks capital includes Property Acquisition, Park Development, and Renovation/Redevelopment, plus associated Planning, Design, Project Management (10 projects totaling \$73M)

Parks CIP Revenue: Voter Approved Bonds/Levies

- ▶ Voter-Approved Property Tax—2008 Bellevue Parks Levy (\$3.4M/year thru 2028)
- ▶ Funds projects on “pay as you go” basis
 - No outstanding voted Park bonds
- ▶ Approved by 67% of voters
- ▶ Cost typical homeowner \$50/year in property tax—\$42 for capital, \$8 for operations

Parks CIP Revenue: City Taxes for Capital

- ▶ Real Estate Excise Tax. REET is 1.78% tax on sale of real property (real estate), of which City gets 0.5% for capital purposes (\$14M).
 - ½ dedicated to Parks per Council ordinance (\$7M).
- ▶ General CIP—Portion of City Sales, B&O Tax which are available to all City capital needs (\$28M total).
 - Sales Tax rate is 10%, of which City gets 0.85%. City share split between General Fund (75% or \$50M) and CIP (25% or \$18M).
 - Business and Occupations tax includes both a Gross Receipts Tax and a Square Footage Tax. City taxes split between General Fund (\$29M) and CIP (\$10M).

Parks CIP Revenue: Other Project Specific Revenues

- ▶ Federal, State, Local Grants (King Co. Conservation Futures, WA Recreation and Conservation Office)
- ▶ Private Contributions/Donations
- ▶ 2013 King County Parks Levy (\$0.4M/year through 2019)
- ▶ Enterprise User Fees (\$0.35M/year)
- ▶ Incentive Zoning in Bel-Red and Downtown (budgeted by PCD)

Other Revenues Available for Parks (but not Implemented)

- ▶ Park Impact Fees. One-time fee on new residential development (and sometimes commercial) as condition of permit approval. Fees recognize that new residents/workers dilute current level of service; creates a revenue source to help pay for new facilities that benefit the larger community and impacts created by development.
 - Bellevue has implemented Transportation Impact Fees; Issaquah & Renton School District. Park impact fees include Redmond, Renton, Kirkland, Bothell, Issaquah (per 2016 AWC survey).
- ▶ Park Districts. Junior taxing districts (metropolitan corporations) created via public vote with separate property tax and debt capacities. Can fund both operating and capital costs of the district.
 - 19 Metro Parks Districts in WA State, including Metro Parks Tacoma (1907), Seattle Parks District (2014), and Olympia Metropolitan Parks District (2015).

Revenue Mix for Sample Park Projects

Mercer Slough Environmental Ed Center

\$10.1M Total (2008), 67% Non-City Funding

- ▶ Contributions: Pacific Science Center, Master Builders Assn, and Puget Sound Energy \$1.2M contribution
- ▶ Grants: Federal HUD \$3.0M, WA CTED \$1.5M, King Co \$1M



Bellevue Botanical Garden (Parks Levy)

\$11.4M Total (2014), 32% Non-City Funding

- ▶ Contributions: Bellevue Botanical Garden Society \$3.6M



Revenue Mix for Sample Park Projects

Bellevue Youth Theatre (Parks Levy Project)

\$9.7M Total (2015), 9% Non-City Funding

- ▶ Contributions: Bellevue Youth Theatre Foundation \$0.85M
- ▶ Grants: King County \$25K



Downtown Park/Inspiration Playground (Parks Levy Project)

\$16.1M Total (2017), 25% Non-City Funding

- ▶ Contributions: Bellevue Rotary \$2M
- ▶ Grants: WA CTED \$1M, WA RCO \$1M, King Co \$75K



Other Projects: South Bellevue Community Center (Boys & Girls Clubs of Bellevue), Bannerwood Synthetic Infield (Seattle U), Hidden Valley Gym & Field Improvements (Boys & Girls Clubs of Bellevue), Crossroads Water Play Area (Bellevue Breakfast Rotary Club), Meydenbauer Bay Property Acquisitions (State/King Co Grants)

Lessons Learned

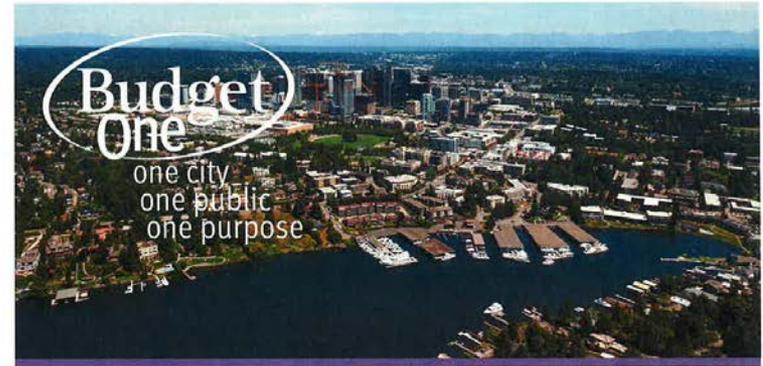
- ▶ Private contributions have been project specific in nature and unique to each partner group. Relationship requires significant City support to align interests and clearly define roles, expectations, financial relationship.
- ▶ Each grant agency has unique requirements that staff work to align with project requirements. Mostly reimbursement grants that require City matching funds.
- ▶ Limited interest in “general” Parks CIP donations, limited interest in funding ongoing operations.

Basics of Other Known Foundations

- ▶ Internet research: Bellevue Schools Foundation, Seattle Parks Foundation, King County Parks Foundation, Kirkland Parks Foundation, Greater Metroparks (Tacoma) Foundation; plus Bellevue Botanical Garden Society, Youth Theatre Foundation
- ▶ All operate as IRS 501(c)(3) to accept private donations
- ▶ All operate fully independent “benefitting” organization
- ▶ Foundation administration/support includes staff, volunteers, office space
- ▶ Basic financial statements for context:
 - Bellevue Schools Foundation has supported student learning and teacher training for over 30 years. FY 2015 Annual Report: Revenue (\$2.1M), Expense (\$1.8M), Admin/Fundraising (\$0.5M), Total Assets (\$1.8M), Staff (7)
 - Seattle Parks Foundation is a 16-year old independent nonprofit to plan for, build, and sustain a thriving system of public space and investments that improve the health and happiness of all Seattle residents. FY 2016 Financial Statements: Revenue (\$2.8M), Expense (\$2.4M), Management/Fundraising (\$0.4M), Total Assets (\$9.0M), Staff (9)



Bellevue Parks & Open Space System Plan 2016



CITY OF BELLEVUE

2017-2018 BUDGET
2017-2023 CAPITAL INVESTMENT
PROGRAM PLAN

COUNCIL ACTION: DECEMBER 2016
PUBLISH DATE: APRIL 2017



BOARD QUESTIONS AND DISCUSSION