

Long Term Sustainability of Minneapolis Park System

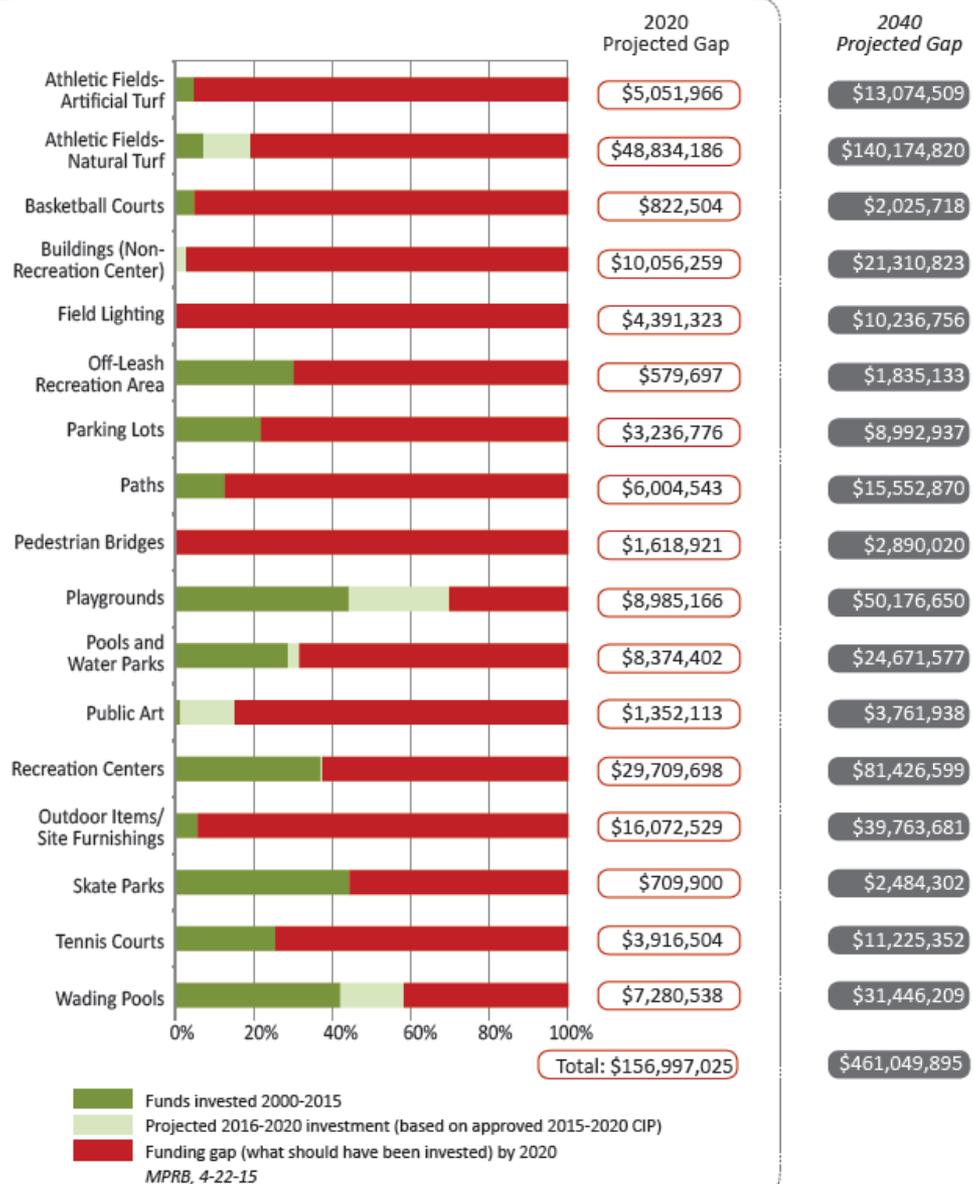
- Over the past 4 years one area of focus at the Park Board has been to improve operating efficiencies
- The Park Board has made significant strides in identifying and implementing those efficiencies in many areas of the organization – gaining \$2.3 million in annual operating efficiencies
- Even with this work, given the financial reductions the Park Board has faced since 2003 and the age of the system, the Park Board is facing significant challenges funding the park systems operating and capital needs
- The Board discussed these challenges during the 2015 budget process and at that time the Board asked that staff work on these challenges and develop a strategy to address them

Neighborhood Parks Capital Funding Gap

- The capital needs of the Minneapolis park system have been evaluated and, conservatively today, looking at the period of 2000-2015, the Park Board is more than \$140 million (neighborhood parks, golf, fleet, parkway paving and lighting and ITS) behind in meeting the park system's capital needs to maintain the system's current assets
- 80% of the capital funding gap is in neighborhood park capital investments – with an \$111 million backlog of capital investments in neighborhood parks from 2000-2015
- With the projected revenues for 2016-2020, as represented in the approved 2016-2020 CIP, the funding gap for neighborhood parks will grow by an additional \$46 million
- Assuming current funding levels remain consistent through to 2040, that gap is expected to grow to an additional \$304 million from 2021-2040
- This will result in an estimated total funding gap for neighborhood park capital investments from 2000-2040 to \$461 million

Citywide Asset Investment/Need Snapshot 2000-2020

Minneapolis
Neighborhood
Parks



Lynnhurst Park

1345 West Minnehaha Parkway



Minneapolis
Park & Recreation Board

Park Capital Funding Snapshot 2000-2040*



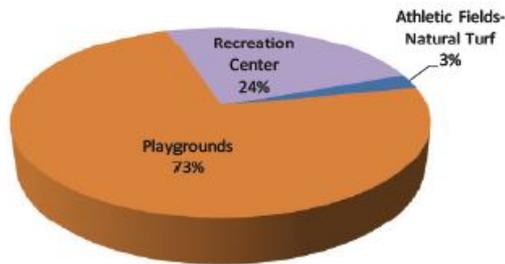
Lifecycle and Replacement Date

Asset	Replacement Date
Athletic Field(s)-Natural Turf	1985
Basketball Court(s)	2021
Parking Lot(s)	1996
Path(s)	2021
Pedestrian Bridge(s)	2046
Playground(s)	2021
Recreation Center	2021
Outdoor Items/Site Furnishings	1995-2031
Tennis Court(s)	1996
Wading Pool	1995

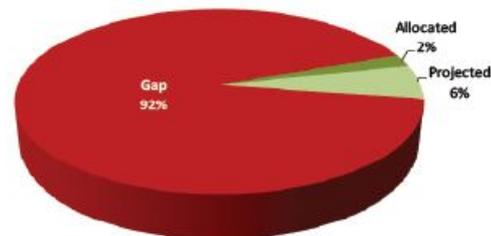
Each asset (bench, recreation center, playground, etc) within the park system has a lifecycle, or a period of time in which the condition of the asset allows it to be fully enjoyed by park patrons. To reach the full lifecycle of any one asset periodic improvements need to be made (replacement of roof, repair of a piece of play equipment, mechanical upgrades to a wading pool). The replacement date is the date in which the asset reaches the end of its lifecycle or useful life.

Where Investments Have Been Made

Allocated and projected capital by asset from 2000-2020

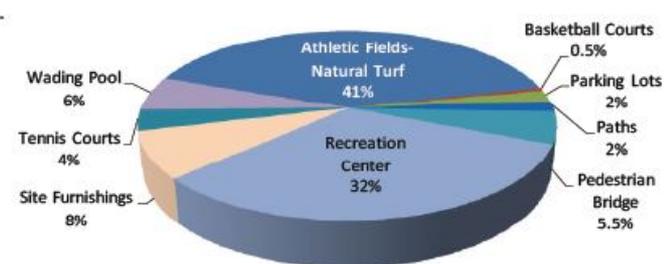


Total park capital funding balance through 2020

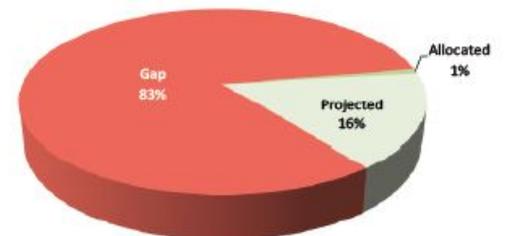


Where The Gaps Are

Capital funding gap by asset from 2000-2020



Total projected park capital funding balance through 2040



* Funding amounts are based on Board-approved 2015-2020 Capital Improvement Program, and are based on best available data to date.

Neighborhood Parks Annual Operations & Maintenance Gap Examples

Activity	Quantity	Current Service Level	Best Practices Desired Service Level	Additional Cost for Best Practices/ Desired Service Level
Mowing	2750 acres	14 day cycle	10 day cycle	\$875,000
Trail Repair	51 miles	.25 miles/yr.	1 mile/yr.	\$625,000
Roof Repair	62 roofs	40-50 years	20-25 years	\$400,000
Building Maintenance	978,017sf	4,167 hours	8,500 hours	\$194,863
Tree Pruning	157 parks	10 year cycle	5 year cycle	\$578,200
Plumbing *	start up/ shut down	6-8 week start/ shut down	3-4 week start/ shut down	\$275,000

*300 irrigation systems, 150 drinking fountains, 6 decorative fountains, 63 wading pools, 2 water parks

NEIGHBORHOOD PARKS

- Greatest number of physical assets that require greater resources to operate, maintain and replace
- **Capital Investment Needs:** \$14.3 million, plus rate of inflation, annually to meet capital investment needs, not factoring in backlog
- **Current Capital Investments:** \$4 - \$5 million invested annually; \$9.3 million current annual capital gap
- **Annual Maintenance and Care Needs:** \$3 million annual gap, plus rate of inflation, to meet industry standards for mowing, building maintenance, tree pruning, roof repairs and path repairs alone

SUPERINTENDENT AND COMMISSIONER INITIATIVE

Held over 30 public meetings from May through October 2015 to educate and gather input from the public

Reviewed Morris Leatherman Survey Results

Studied other park systems to understand their challenges and solutions for addressing funding needs of their park systems

Conducted feasibility analysis to explore funding options for the MPRB for development, repair, and improvements to parks Minneapolis

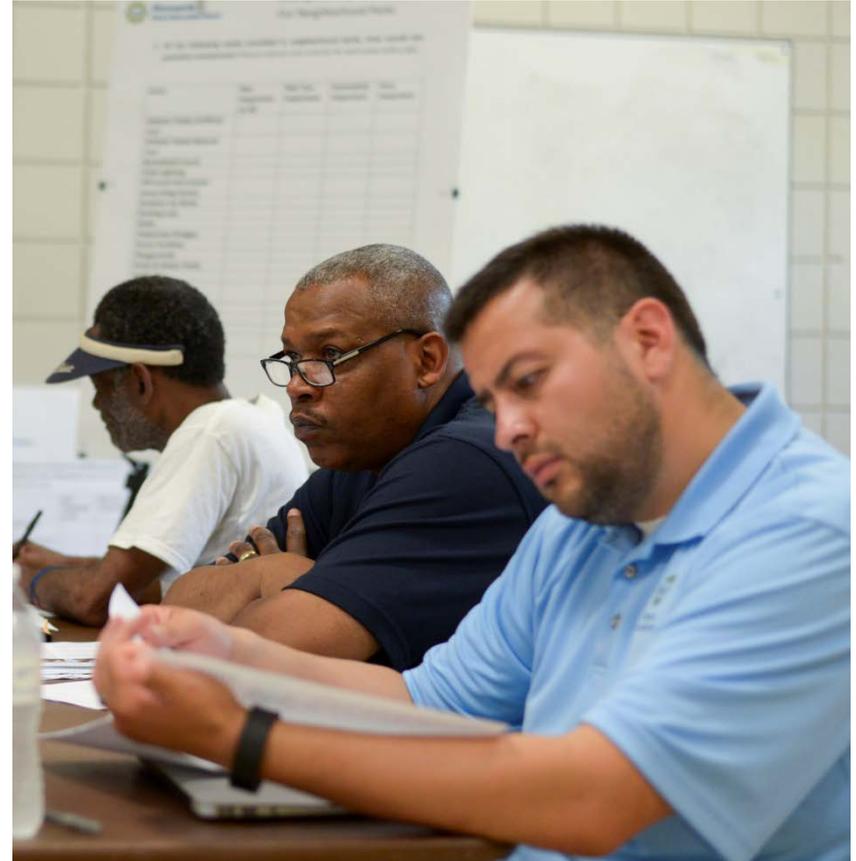


COMMUNITY ENGAGEMENT

Engagement methods: resident phone survey, community meetings, intercept events, online and paper survey, stakeholder meetings

Communication tools: informational materials, webpage, notifications (news releases, media coverage, emails, stakeholder contacts, advertisements in local papers)

Conducted in collaboration with RecQuest and Service Area Master Plans



CLOSING THE GAP: INVESTING IN NEIGHBORHOOD PARKS REPORT

Report Includes Findings On:

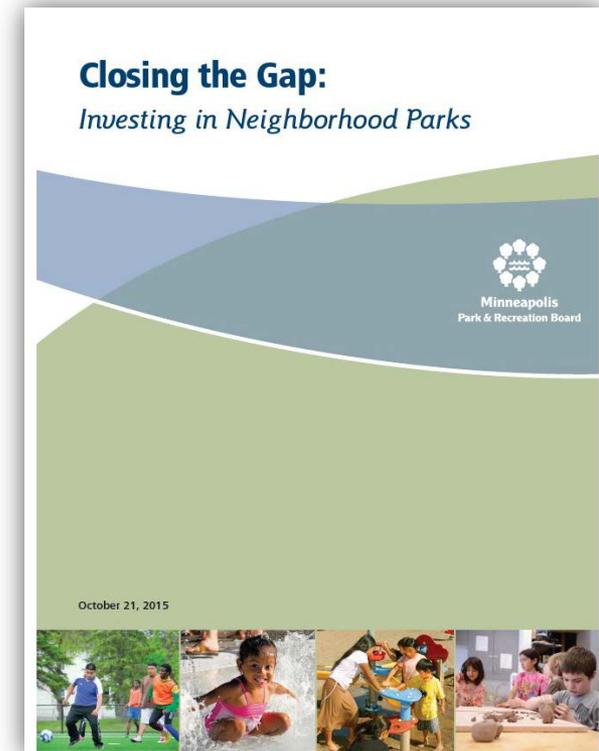
Funding Ideas and Strategies

Programs and Services

Recreation Centers

Outdoor Facilities and Assets

Maintenance and Care



FINDINGS ON FUNDING:

An increase in property taxes was supported across the engagement methods

Support for maintaining system was higher than support for enhancing it

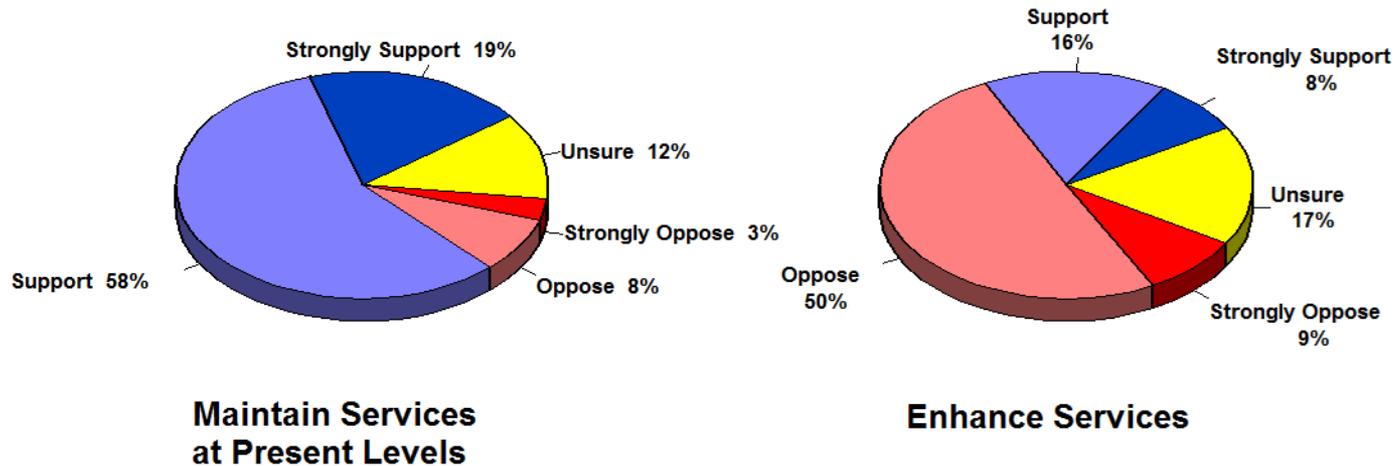
Morris Leatherman Company indicated resident responses revealed judicious improvements or expansion would be seen as part of a greater “maintenance” effort





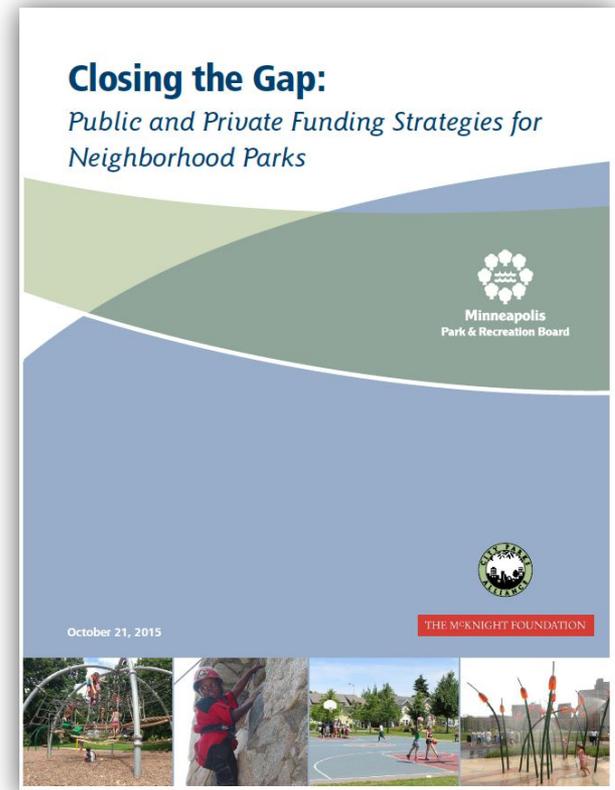
Property Tax Increases

2015 Minneapolis Park and Recreation Board



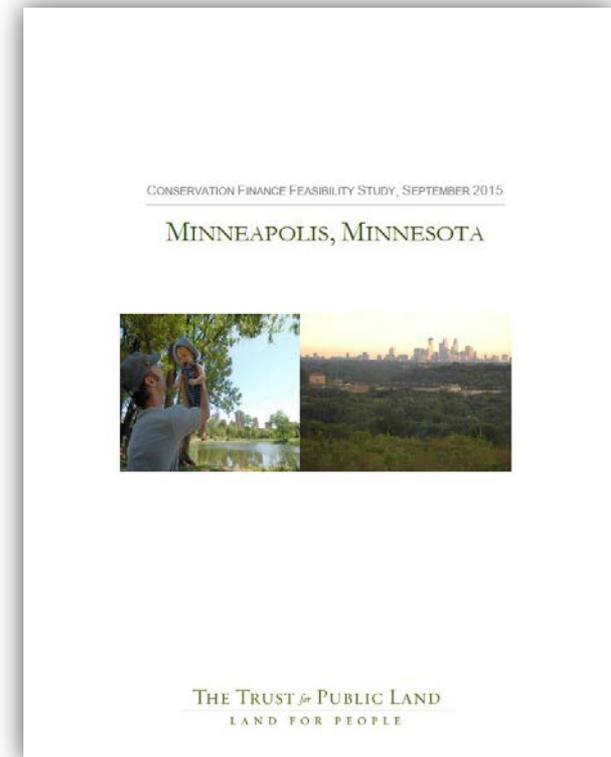
CLOSING THE GAP: PUBLIC AND PRIVATE FUNDING STRATEGIES FOR NEIGHBORHOOD PARKS REPORT

- Part I – Public and Private Funding Strategies
- Part II – Case Studies
 - system-wide public funding strategies
 - Public-Private funding mechanisms
 - Unique funding mechanisms
- Public financing was demonstrated consistently as the tool to address system-wide funding
- Public-private and unique funding mechanisms addressed individual parks or parts of a park system, but unable to address system-wide funding needs especially for neighborhood parks



FEASIBILITY REPORT FROM TRUST FOR PUBLIC LAND

- Explore funding options for the MPRB for development, repair, and improvements to parks Minneapolis
- Delves into city's background and examines the fiscal status of both the City and the Park Board to understand appropriate funding sources
- Investigates the city's authority and capacity to raise funds on behalf of the Park Board because the Park Board does not have the authority to refer a taxing question to the ballot and maintains a strong financial link to the city
- Examined several options and identified to two most feasible options:
 - Levy and Property Tax Rate Increase
 - General Obligation Bond



FEASIBILITY REPORT FROM TRUST FOR PUBLIC LAND

- Levy and Property Tax Rate Increase
 - City Council could hold a referendum to increase its levy amount
 - A voter approved increase could be dedicated in perpetuity and can be used for park capital improvements, operations and/or maintenance
- General Obligation Bond
 - City Council could hold a general obligation (G.O.) bond referendum for park and recreation purposes
 - Funding generated through a GO bond could not be used for operations and maintenance, but could be used for capital improvements
 - City could issue bonds on behalf of the Park Board for park-related projects

MORRIS LEATHERMAN SURVEY

- Resident Survey Conducted in February 2015
- Asked residents a variety of questions about their experiences and feelings about the Minneapolis Park and Recreation Board and the Minneapolis Park System
- Questions focusing on revenue generating strategies were previously shared

MAYOR, COUNCIL AND LEGISLATOR MEETINGS

- Park Board President and Superintendent meetings with elected officials
 - Share information about Closing the Gap
 - Get their insights on solving the Park Board's funding gap for neighborhood parks
 - Pursuing all options for placing referendum on November 2016 ballot, including the request to the Charter Commission for a Charter Amendment



Minneapolis

Park & Recreation Board

Closing the Gap: Investing in Neighborhood Parks

www.minneapolisparcs.org/closingthegap

FOR COMPLETE INFORMATION ON CLOSING THE GAP –

www.minneapolisparcs.org/closingthegap

QUESTIONS