

## **LONG TERM SUSTAINABILITY OF MINNEAPOLIS PARK SYSTEM**

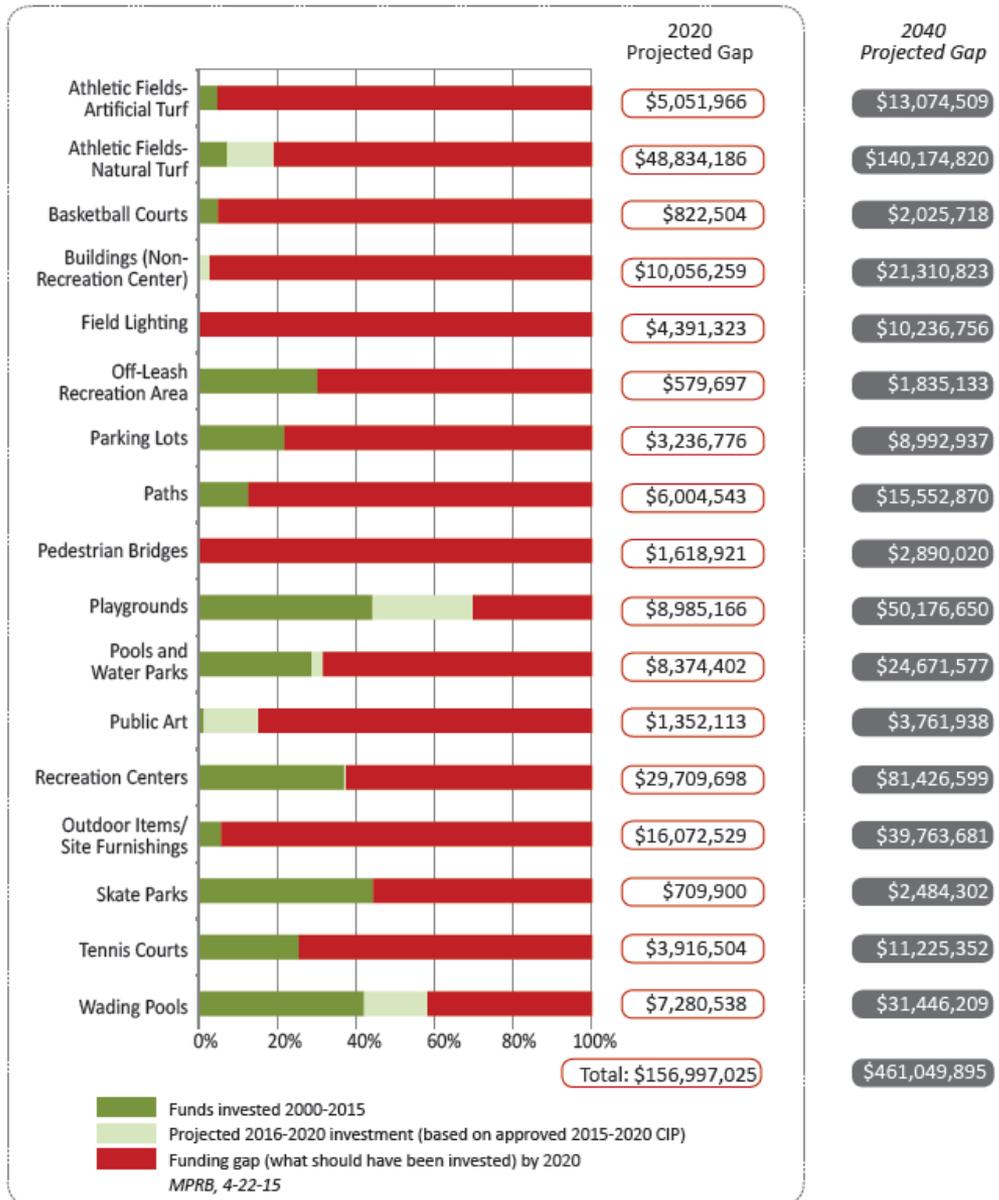
- Over the past 4 years one area of focus at the Park Board has been to improve operating efficiencies
- The Park Board has made significant strides in identifying and implementing those efficiencies in many areas of the organization – gaining \$2.3 million in annual operating savings
- Even with this 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 in 2014 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

- Capital needs of the Minneapolis park system have been evaluated (neighborhood parks, golf, fleet, parkway paving and lighting and ITS) and, conservatively today, looking at the period of 2000-2015, the Park Board is more than \$140 million 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\*



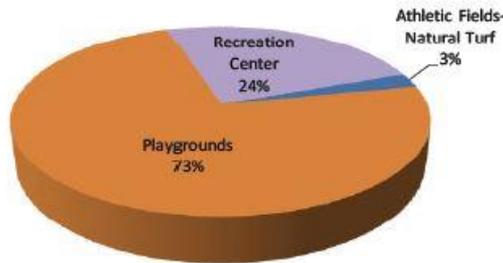
### Lifecycle and Replacement Date

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

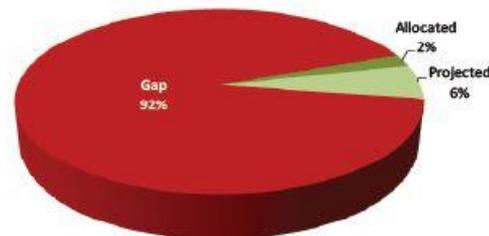
Each asset (bench, recreation center, playground, etc) within the park system has a lifecycle, or a period of time in which the condition of the asset allows it to be fully enjoyed by park patrons. To reach the full lifecycle of any one asset periodic improvements need to be made (replacement of roof, 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

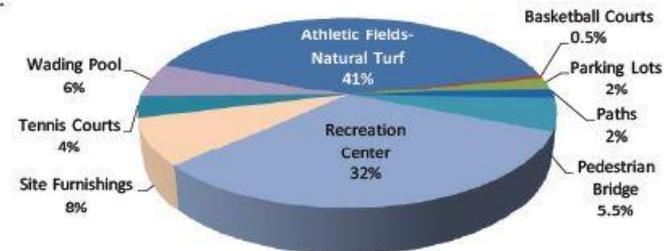


Total park capital funding balance through 2020

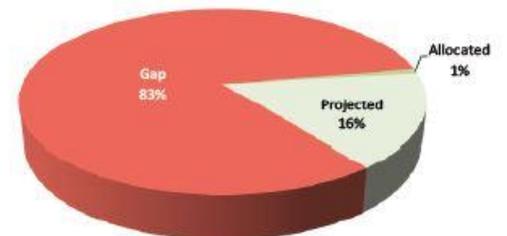


### Where The Gaps Are

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**

<b>Activity</b>	<b>Quantity</b>	<b>Current Service Level</b>	<b>Best Practices Desired Service Level</b>	<b>Additional Cost for Best Practices/ Desired Service Level</b>
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

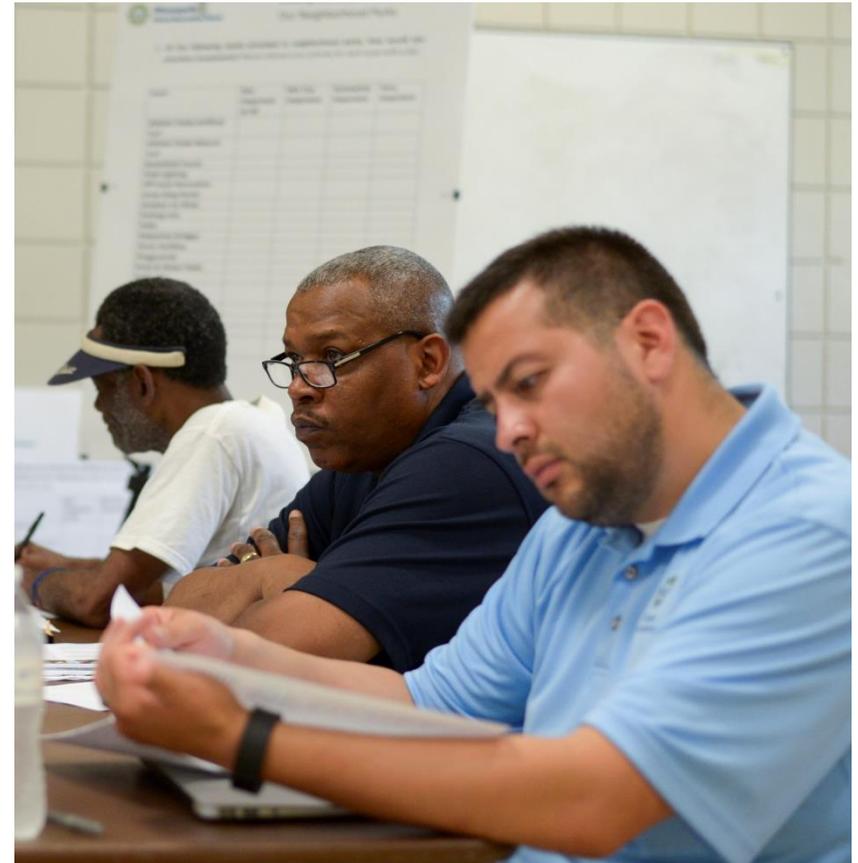


## COMMUNITY ENGAGEMENT

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:

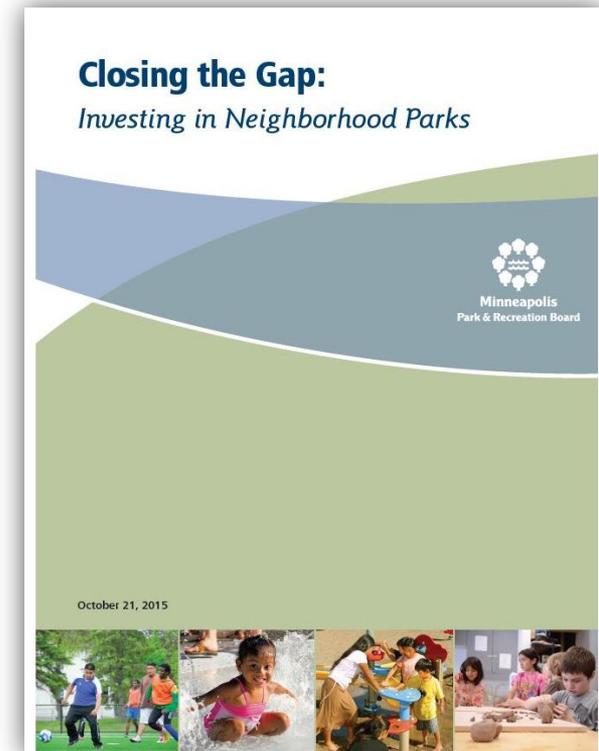
Funding Ideas and Strategies

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

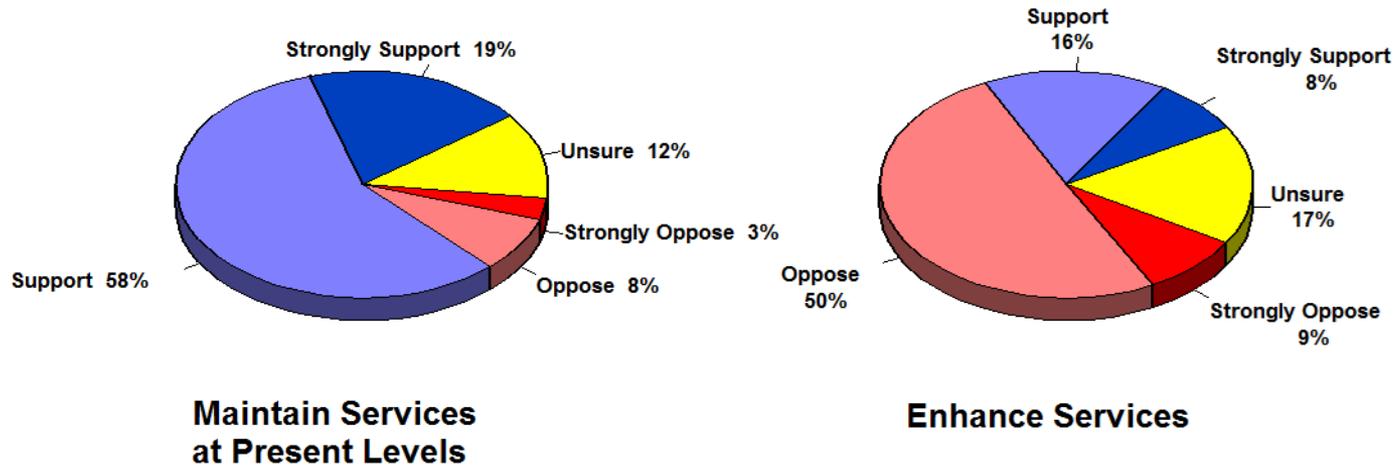
Morris Leatherman Company indicated resident responses revealed judicious improvements or expansion would be seen as part of a greater “maintenance” effort





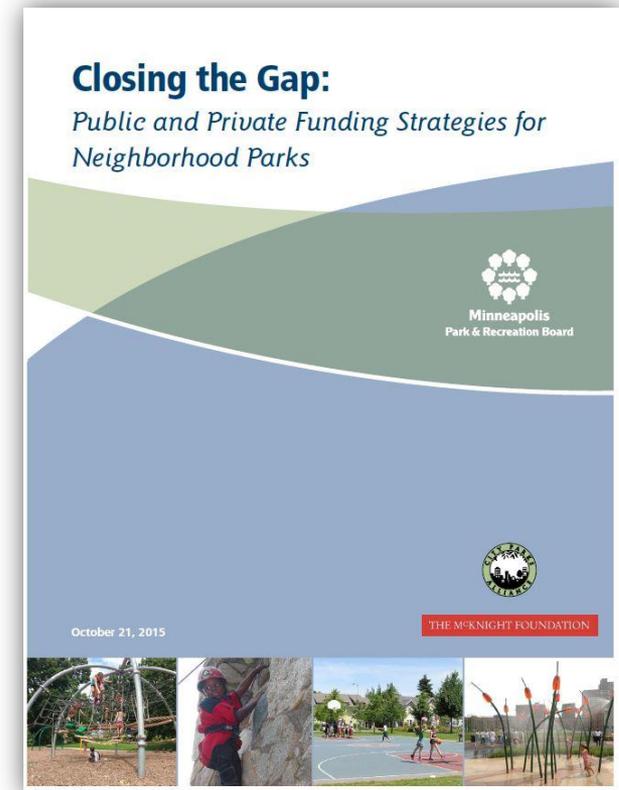
# Property Tax Increases

2015 Minneapolis Park and Recreation Board



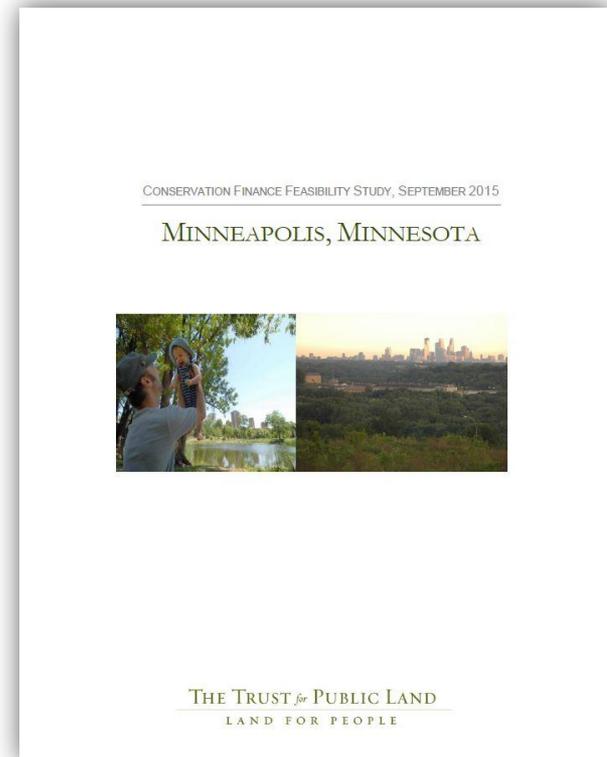
## CLOSING THE GAP: PUBLIC AND PRIVATE FUNDING STRATEGIES FOR NEIGHBORHOOD PARKS REPORT

- 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 or Charter Amendment on November 2016 ballot

## ACTIONS TO DATE

- January 2016 - Save Minneapolis Parks 501C4 Organized
  - Minneapolis Citizens Group supporting a November 2016 ballot Referendum or Charter Amendment to provide funding for Minneapolis Neighborhood Parks
- January 6, 2016 - MPRB Board of Commissioners Passed Resolution 2016-112
  - Resolution Approving Proposed Ballot Language for a November 2016 Referendum and Elements for an Agreement with the Minneapolis City Council to Address Sustained Current Funding to Provide a Long Term Strategy to Address the Funding Gap for Annual Maintenance, Repairs and Capital Investments for Minneapolis Neighborhood Parks
  - Presented Programs and Initiatives: First Five Years
  - MPRB staff will present draft, criteria-based Rehabilitation and Capital Investment Plan for First Five Years in April 2016

## ACTIONS TO DATE

- February 3, 2016 – Overrode Mayoral Veto of Resolution 2016-112
  - Mayoral Veto of Park Board Resolution 2016-112. Reconsideration of the Action by Which the Park Board Passed Resolution 2016-112 Resolution Approving Proposed Ballot Language for a November 2016 Referendum and Elements for an Agreement with the Minneapolis City Council Pursuant to Minneapolis City Charter Article VI, Section 6.2 (J). The Question Before the Park Board Is: Shall the Action of the Park Board in Passing Resolution 2016-112 Resolution Approving Proposed Ballot Language for a November 2016 Referendum and Elements for an Agreement with the Minneapolis City Council at Its Regular Meeting of January 20, 2016 be Repassed, Notwithstanding the Objections of the Mayor? That the Board Adopt Resolution 2016-112 Captioned as Follows: Resolution 2016-112 Resolution Approving Proposed Ballot Language for a November 2016 Referendum and Elements for an Agreement with the Minneapolis City Council to Address Sustained Current Funding to Provide a Long Term Strategy to Address the Funding Gap for Annual Maintenance, Repairs and Capital Investments for Minneapolis Neighborhood Parks

## ACTIONS TO DATE

- February 17, 2016 – MPRB Board of Commissioners Passed Action Item 4.1
  - That the Board of Commissioners authorize staff to pursue all four avenues to put referendum language on the ballot within the bounds of the law
- March 2, 2016 – MPRB Superintendent Presented Closing the Gap Information to the Charter Commission and requested the Charter Commission to authorize specific Charter Amendment to the Minneapolis Charter Chapter 6.5 be placed on the November 2016 ballot
  - Charter Commission voted to begin Public Hearing process for considering a Charter Amendment to the Minneapolis Charter for the November 2016 ballot
  - Public Hearings are scheduled for March 29, April 4 and April 6, 2016
- Save Minneapolis Parks has been formally endorsed by
  - The League of Women Voters Minneapolis
  - The Minneapolis Parks Foundation
  - The Trust for Public Land
  - Stonewell DFL

**WE ARE HERE TODAY TO ASK FOR CITY COUNCIL SUPPORT FOR ADDITIONAL FUNDING FOR MINNEAPOLIS NEIGHBORHOOD PARKS**

**FOR COMPLETE INFORMATION ON CLOSING THE GAP –**

**[www.minneapolisparcs.org/closingthegap](http://www.minneapolisparcs.org/closingthegap)**

# 20 YEAR NEIGHBORHOOD PARK PLAN

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Minneapolis Park and Recreation Board  
and  
City of Minneapolis

# 20 Year Neighborhood Park Plan

Recognizes that parks and open spaces have been a shared community and civic value

Recognizes that the park system constitutes one of the most cherished and defining features of what is Minneapolis

Recognizes that with the leadership of the Minneapolis Park and Recreation Board and the support given by the City of Minneapolis parks

- Parks have developed over six generations to serve the public need for parks and recreation
- And that, in that time Minneapolis parks have been repeatedly recognized nationally as one of the very best park systems in the United States

# 20 Year Neighborhood Park Plan

The Minneapolis Park and Recreation Board (MPRB) has identified a significant financial gap for necessary maintenance, rehabilitation and capital improvements to the Minneapolis neighborhood park system

By working in partnership, the City and the MPRB have developed a 20-year financial plan to close the neighborhood parks funding gap called the *20 Year Neighborhood Park Plan*

The City and the MPRB want to memorialize this *Plan* in concurrent ordinances

# 20 Year Neighborhood Park Plan

## Elements of the Plan

*The Plan*, as detailed in this resolution, will be set forth in concurrent ordinances adopted by the City and the MPRB

*The Plan* will be effective for years 2017-2036

The financial resources provided under *the Plan* will be used exclusively to fund the Neighborhood Park System

The City will provide the MPRB with \$1.5M in start-up funds by December 31, 2016 to be invested in capital improvements to, rehabilitation of, or operating expenses relating to the Neighborhood Park System

# 20 Year Neighborhood Park Plan

## Elements of the Plan

The City will recommend that the Board of Estimate and Taxation (BET) increase the adopted base 2016 MRPB Park and Recreation Tax Levy amount of \$52,583,000 by \$3M in 2017

- The MPRB and City Council expect that their members on the BET will vote affirmatively for this increase
- It is the intent of the parties that this increase will
  - remain in effect for the duration of the plan
  - will be used to increase funding for general operations of the Neighborhood Park System, and
  - will not supplant other operations funding for the Neighborhood Park System

# 20 Year Neighborhood Park Plan

## Elements of the Plan

Beginning in 2017 and continuing for the term of the plan

- City will provide guaranteed minimum annual funding for rehabilitation and capital projects for Neighborhood Parks
- MPRB capital projects will be part of the City's Annual five-year Capital Improvement Program process
- The guaranteed minimum annual amount will be \$10.5M per year, the form of which will be some combination of levy, cash or bond proceeds at the discretion of the City
- The City and MPRB will review and adjust the guaranteed minimum annual amount every 5 years based on a mutually acceptable objective measure of inflationary costs and other salient factors on or before December 15, 2020, December 15, 2025 and December 15, 2030

# 20 Year Neighborhood Park Plan

## Elements of the Plan

Beginning in 2017 and continuing for the term of the plan

- Examples of mutually acceptable objective measures of inflationary costs and other salient factors will be set forth in the concurrent ordinances
- The 2020, 2025, and 2030 adjustments will be approved by concurrent resolutions of the City and the MPRB
- 2020 adjustments will be for years 2022-2026; 2025 adjustments will be for years 2027-2031; and 2030 adjustments will be for years 2032-2036
- Expenditures of the guaranteed minimum funding and future adjusted annual amounts will be under the sole control of the MPRB and must be used for Neighborhood Parks

# 20 Year Neighborhood Park Plan

## Elements of the Plan

The MPRB and City acknowledge and agree that each needs to be able to address future Unanticipated Critical Needs (i.e. natural disasters, disease, and acts of god) and Exigent Economic Events (i.e. state-imposed levy limits, decreased market value for tax capacity purposes, changes in the state's property tax classification system and other potentially impactful events)

The ordinances will not preclude either agency from addressing these Unanticipated Critical Needs and Exigent Economic Events in managing their respective fiscal obligations

# 20 Year Neighborhood Park Plan

## Elements of the Plan

For any applicable year within the 20 year period of this *Plan*, the City Council may determine that the occurrence of an Unanticipated Critical Need or Exigent Economic Event prevents the City from maintaining the agreed upon level of support to the MPRB for that applicable year

- Such City Council determination and the amount of funding less than the \$10.5M or less than a subsequent approved adjustment amount must be set forth in an amendment to the ordinance for that applicable year

# 20 Year Neighborhood Park Plan

## Elements of the Plan

The MPRB will continue to receive 11.79% of the annual LGA funds that are awarded to the City each year, irrespective of the *20 Year Neighborhood Park Plan*

The MPRB will continue to pay to the City the City's administrative and benefit administration fees, with a mutually agreed upon cost allocation methodology, at rates proportionate to the rates the City applies to its own operations, irrespective of the *20 Year Neighborhood Park Plan*

The MPRB will retain its authority, as provided in the City Charter and State law, to request a maximum property tax amount and rate from the BET and to adopt an annual property tax levy within the maximum set by the BET, irrespective of the *20 Year Neighborhood Park Plan*

# 20 Year Neighborhood Park Plan

## Elements of the Plan

It is understood and agreed that the City and the MPRB will pass similar resolutions supporting the *20 Year Neighborhood Park Plan* and the City and the MPRB will be preparing *20 Year Neighborhood Park Plan* concurrent ordinances that are consistent with the resolutions

# 20 Year Neighborhood Park Plan

## Elements of the Plan

It is understood and agreed that, if adopted by both parties, the *20 Year Neighborhood Park Plan* concurrent ordinances are intended for the duration of the plan to be a substitute for any levy referenda, charter amendments or other ballot measures to provide additional funding for the MPRB outside of existing annual levy and City capital budget processes

- Provided however, that should the City Council consistently (at least three consecutive years) exercise its right under the ordinances to significantly reduce or suspend rehabilitation or capital funding for the MPRB,
- The MPRB's obligation to not seek support from the public in the form of referenda, charter amendment or other ballot measures will no longer be binding and neither party will thereafter have any further obligations under the *20 Year Neighborhood Park Plan* concurrent ordinances

# 20 Year Neighborhood Park Plan

## Elements of the Plan

The City Council and the MPRB Board of Commissioners will consider resolutions

- approving the 20 Year Neighborhood Park Plan resolution, and
- directing staff to prepare concurrent ordinances, pursuant to the normal timeframes for noticing intent, introducing subject matter and holding respective public hearings, to implement the *20 Year Neighborhood Park Plan* for City Council final adoption on April 15, 2016 and MPRB Board of Commissioners final adoption on April 20, 2016