

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
BOARD OF NORTH CLACKAMAS PARKS & RECREATION DISTRICT**

Study Session Worksheet

Presentation Date: 2/17/2015 **Approx Start Time:** 9:30 a.m. **Approx Length:** 60 Min

Presentation Title: NCPRD Master Plan, Capital Improvement Plan and SDC Rates

Department: North Clackamas Parks & Recreation District

Presenters: Staff: Gary Barth, Director of NCPRD; Jeroen Kok, Planning, Development & Resource Manager

Other Invitees: NCPRD Senior Management Team and Advisors: Chris Storey, Laura Zentner, Karen Tolvstad and Carl Switzer. District Advisory Board Members.

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Direction from the Board regarding an approach to finalizing and adopting a revised NCPRD Master Plan, Capital Improvements Plan and updated Park System Development Charges.

EXECUTIVE SUMMARY:

In June 2013, the Board directed NCPRD staff to pursue a new "aspirational" District Master Plan which was designed to address ongoing needs for new and improved park, recreation, and natural area facilities throughout the District, which was based on extensive assessments, technical analysis, public and partner input, consultant findings and recommendations.

The "aspirational" draft District Master Plan envisioned significant new capital projects and investments throughout the District in an effort to better serve District residents, with the assumption that an increased new permanent District tax rate, along with a capital bond and supplemental funding from partners and grants, would be utilized to fund an updated Capital Improvement Plan, and also provide the District with the additional financial capacity to operate and maintain the new investments.

In August 2014, the Board approved placing a measure on the November 2014 ballot, asking voter approval to reform NCPRD as an independent Parks & Recreation District under ORS 266, with a higher permanent tax rate, and with a newly elected five member Board.

Voters within NCPRD rejected the measure (Measure 3-451) by a margin on 46% yes and 54% no. As a result, NCPRD will not have the financial means to carry-out the aspirational capital, programming and facility plans that were envisioned in the draft "aspirational" District Master Plan. The District is now faced with the challenge of how to move forward with the Master Plan. In response, staff has outlined three alternative options.

First, the aspirational Master Plan can be adopted as currently drafted, with the understanding that there are no funds identified to accomplish and support new capital

improvements. Staff feels this option would overpromise and under deliver on the Districts ability to fund and manage capital projects.

Second, the aspirational Master Plan can be adopted with a public commitment to seek *additional resources from voters* to support the vision. This approach has already been tried, and staff does not recommend an immediate re-ask.

The third option would be to revise the draft Master Plan to reduce objectives and goals envisioned in the Plan to match the available resources. This option would not require a total reworking of the Plan as the draft Master Plan includes substantive factual findings as well as long range planning elements. The majority of the current draft District Master Plan will remain as written because it remains relevant. This includes the following chapters:

- Chapter 1: Purpose and Methodology of the Plan
- Chapter 2: History and Previous Planning Efforts
- Chapter 3: Current Budget and Funding Sources
- Chapter 4: District Organization Structure and Operational Analysis
- Chapter 5: Programs and Services
- Chapter 6: Natural Resources Management
- Chapter 7: Inventory
- Chapter 8: Level of Service Analysis
- Chapter 9: District Residents – Profile and Desires

Modest changes to the Plan from aspirational to the current funding perspective, would align capital aspirations with projected operating funds, which would result in a reduction in planned new facilities and a corresponding reduction in Park SDC rates. The primary revisions would be in the Executive Summary and Chapter 10: Key Findings, Recommendations and Implementation Strategies to reflect the current funding capabilities of the District and the direction of the Board, as follows:

- A. *Recommendations and implementation strategies* would be revised to indicate that, while the technical analysis, findings and public input all reflect a need and desire for more, expanded and improved facilities and services, these additional facilities and services cannot be delivered under the current financial model of the District.
- B. Capital improvements (as indicated in a separate District Capital Improvement Plan) would be limited to those projects which qualify for investment of Park System Development Charges, and where growth-related increases in assessed property values would be sufficient to support the ongoing maintenance and capital repair needs of those new facilities. A separate *Capital Improvement list of potential projects* to address the findings of the Master Plan would be maintained on a separate schedule but would not be planned without identifying a source of capital and operating funds to build and maintain that asset.
- C. District Park System Development Charges would be updated to reflect a revised SDC Capital Improvement Plan and reflect previous Board action that directs SDC funds that are generated within an SDC zone to be invested only within the zone from which the funds were generate, and should be limited to improvements that specifically serve the residents of that zone (i.e., neighborhood parks).

Staff feels that realigning the Master Plan with the available financial resources of the District is the prudent and appropriate approach to both setting and meeting community expectations.

Concurrent to the proposed actions outlined in this study session report, staff is actively engaged in conversations with the City of Happy Valley to address outstanding issues that the Board was made aware of last fall but were deferred for resolution until after the November 2014 election. Post-election, the County Administrator in his capacity as NCPRD Administrator has re-engaged in talks with the City of Happy Valley to resume efforts on those outstanding issues. A follow-up Session will be scheduled to seek Board direction in working through those remaining outstanding issues.

The direction staff is seeking from the Board in this study session is necessary due to the impact of the November 2014 election results. Staff does recognize that the discussions with Happy Valley may have a further impact on the final proposed updated Master Plan, Capital Plan and SDC rate revision that will be brought back before this Board for final adoption at a later date.

FINANCIAL IMPLICATIONS (current year and ongoing):

The District Master Plan, and the companion Capital Improvement Plan (CIP) and SDC Methodology and Rate Schedule, directly impact the District's financial decisions. Through the annual budget process, NCPRD staff will propose a budget that will align projected financial resources with the highest priority operations, facility, programming and capital investment needs of the District. At the current NCPRD tax rate, it is anticipated that significant adjustments will need to be undertaken in coming years to balance expected revenues and expenditures.

LEGAL/POLICY REQUIREMENTS:

Formal adoption of an updated Master Plan, Capital Improvement Plan and SDC Methodology and Rate Schedule are required for the District to proceed with this recommended approach.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Staff will be presenting these options and the staff recommendation to the NCPRD District Advisory Board - which includes representatives from the Cities of Milwaukie and Happy Valley - at their monthly meeting on Feb 11th. Their recommendation regarding the options will be shared with the Board at the Feb 17th study session. Following the study session, NCPRD staff will meet with staff representatives from the Cities of Milwaukie and Happy Valley to apprise them of the Board action to revise and adopt an updated Master Plan, CIP and SDC rate schedule for their input and feedback. Additionally, any proposed changes to the Master Plan, Capital Improvement Plan and/or System Development Charge Plan would be made available to the public for review and comment.

OPTIONS:

1. Direct staff to adopt the aspirational Master Plan, and companion District Capital Improvement Plan, with the acknowledgment that the plan assumes significant new sources of revenue to acquire, develop and operate park and recreation capital improvements to better serve the residents of the District, but that no

additional funds have been identified or approved to accomplish these improvements.

2. Direct staff to submit for Board adoption the current draft of the 2014 District Master Plan, with the acknowledgement that it is aspirational and will require a commitment to initiate a new process to seek significant new sources of capital and operational funding in order to deliver the new and improved facilities, services and programs proposed in the draft 2014 Master Plan. This option would also include the adoption of a revised and updated companion Capital Improvement Plan, and related System Development Charge Capital Improvement Plan, that aligns with that aspirational plan.
3. Direct staff to revise the current draft District Master Plan for future Board adoption to reflect the results of the recent ballot measure and reflect the current financial capacity of the District. Update and revise the companion Capital Improvement Plan and the Park System Development Charges that align with this Master Plan. This would include, limiting SDC funded improvements to projects that specifically serve the residents of the zone from which they were generated and can be supported by the District tax rate.

RECOMMENDATION:

Staff recommends Option #3. That option will align the District Master Plan, Capital Improvement Plan and Park System Development Ordinance and Rates with the current financial capacity of the District, providing District residents and the Board with clear expectations of the District capacity and capabilities at the funding levels that exist today.

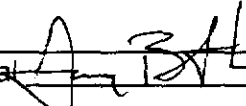
Staff does not recommend pursuing Option #1. The draft District Master Plan is aspirational, and includes recommendations for significant new funding streams for capital and operational investments to execute that plan. As a result, the current draft Master Plan, under the current District funding capabilities, will create unrealistic expectations in terms of the District's ability to deliver.

The funding requirements of Option #2 were attempted to be addressed with the ballot measure in November 2014, that, if passed, would have provided the District with the additional financial capacity needed to successfully fund both significant additional capital improvements, as well as the operational and programming funding that would be required for both new and existing facilities. Staff does not recommend pursuing a new ballot measure at this time.

ATTACHMENTS:

None

SUBMITTED BY:

Division Director/Head Approval _____
Department Director/Head Approval  Director BCS
County Administrator Approval _____ Administrator BCS

For information on this issue or copies of attachments, please contact Lisa Meurs @ 503-742-4344