

7 *Funding Plan*

Introduction

This chapter addresses the second of two over-arching issues identified in the Needs Assessment: the capital improvement funding gap. In order to achieve the parks and recreation goals and City-wide strategic plan goals, this chapter identifies strategies and actions to minimize the imbalance between capital improvement needs and capital funding revenue and to achieve a stable and sustainable funding program. This chapter is broken down into the following sections: funding options available to cities, park facility replacement program, fiscal accountability and priorities to address the shortfall in capital funding revenue. Within each section, strategies are identified followed by specific implementation tasks.

Funding Gap

The Need Assessment identified a significant funding gap between planned capital improvements and capital funding revenue. Funding for upkeep, replacement and revitalization of the system has not kept up with the needs. Based on the Parks and Recreation CIP, the funding gap is of approximately \$27.6 million over the next five years is due primarily to:

- ▷ The need to reinvest and renovate existing facilities.
- ▷ New trails, complete park acquisition, and community facilities.
- ▷ Lack of traditional funding from new development. A large portion of the park system was acquired and built using non-tax revenue (park dedication from subdivision developers) which is now a very limited source of funds.

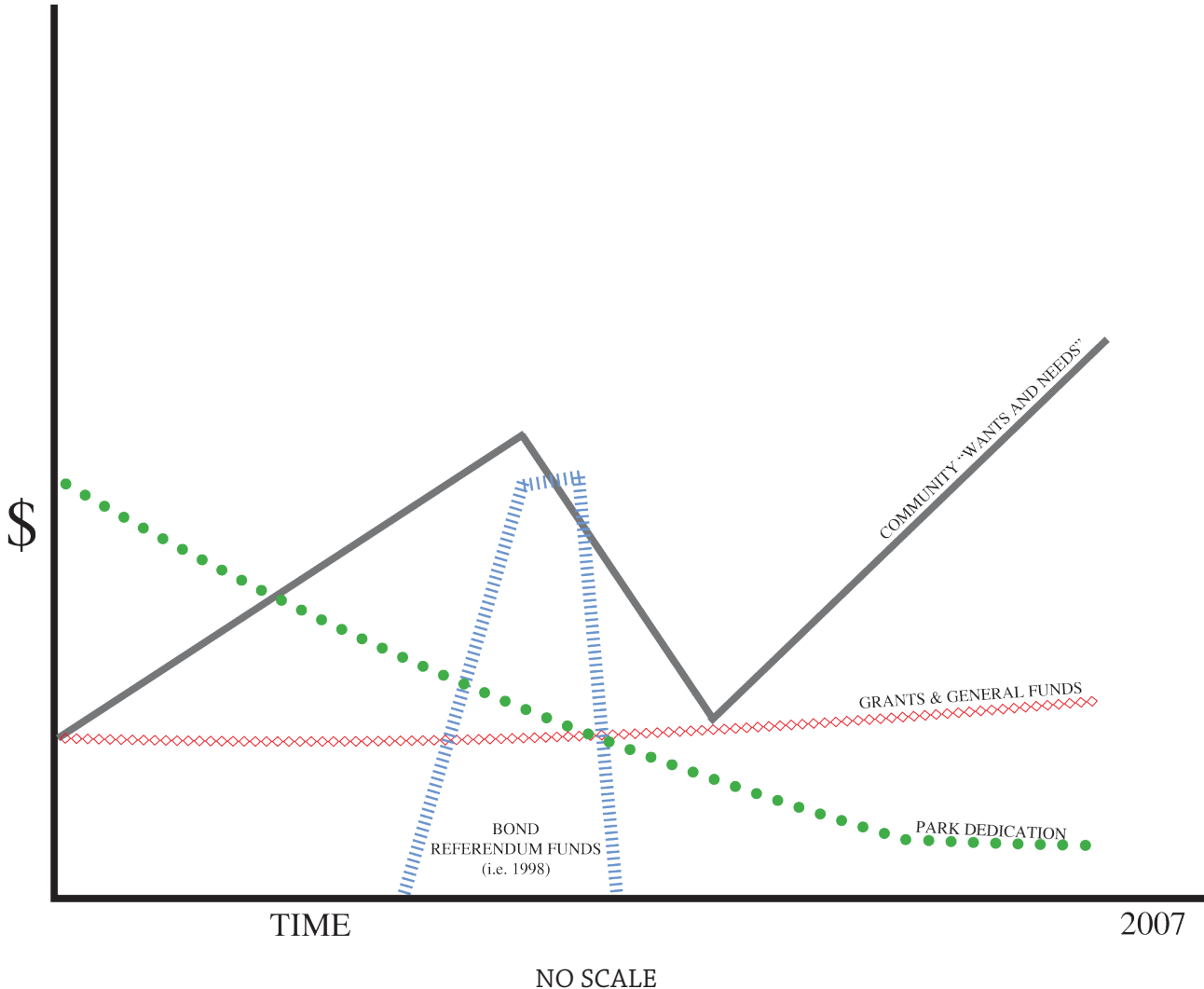
It should be noted that the \$27.6 million funding gap does not include specific city-wide trail improvements which will be determined through the Alternative Transportation Plan.

Need for Economic Sustainability

Funding Cycle

A consistent and higher annual level of park funding is necessary for the timely renovation and replacement of park facilities and to meet community wants and needs. Capital improvement funding for parks and facilities in Bloomington has varied over time; however, over the long term there is a cyclical nature to the funding cycle (See Figure 7.1). Over time park dedication has been in decline, grants and general fund revenue have remained relatively flat. Public wants and needs rise as revenue declines and priority improvements are deferred. The City turns to a bond referendum for additional revenue for capital improvements. The community's

Figure 7.1 - Parks and Recreation Funding Cycle Illustration



wants and needs are fulfilled. Over time, the needs begin to grow as funding for replacement declines and the cycle continues. The boom and bust cycle is more pronounced now because park dedication funds from new subdivisions have declined. The park dedication funding has not been replaced by a stable on-going annual fund for park renovation.

Reduced Park Dedication Monies

In the past, park dedication was the primary source of revenue used to build the Bloomington park system. As Bloomington transitioned from a rural to urban community, park dedication was a significant and reliable source of revenue for capital improvements and parkland acquisition. As Bloomington became fully developed, park dedication revenue significantly declined. Today, most of the park dedication monies are from redevelopment and in 2006, the park dedication collected was approximately \$250,000 dollars. This amount represents only a fraction of what is needed to meet identified needs. As a developed community, it is unlikely that Bloomington will have park dedication as a significant source of park improvement funds into the future. A replacement funding source is needed.

Protection of Public Investment

The Bloomington park and recreation system is a mix of neighborhood, community, natural resource and regional parks and specialty recreation facilities that are highly valued by Bloomington residents. This comprehensive parks system positively affects quality of life and provides great access to parks, but requires resources to maintain and replace aging facilities. Parks and open space in Bloomington encompass over 1/3 the land area with 97 parks and recreation facilities that serve the neighborhoods, the community and the entire metropolitan region. The estimated value of the parks system in today's dollars is approximately \$700 million. This is a very significant investment in public infrastructure. It makes sense to maintain the value of this significant public investment through a regular funding of renovation and revitalization.

Funding Options

The capital funding gap is significant and the ability to reduce the imbalance between revenue and spending will require a long term commitment and use of all available funding options. There is an array of funding options available to cities to choose from. There are economic, social and political ramifications associated with each funding option. Some options are widely used and feasible for Bloomington. Other options will require careful consideration. Appendix L provides a description of potential funding options and the positive and negatives attributes associated with each option. All options were considered for the City of Bloomington and the most feasible considering economic, social and political ramifications are:

- ▷ Park revitalization program.
- ▷ Bond referendum.
- ▷ Parks foundations.
- ▷ Challenge grants.
- ▷ Benefit assessment districts.
- ▷ User fees, resident and non resident.
- ▷ Corporate sponsorship and partnerships.
- ▷ Greater due diligence to increase efficiencies.
- ▷ Better coordination with schools and private recreation providers.
- ▷ Better coordination with other communities.

Recommendations-Major Initiatives

Park Revitalization Program

The City has been successful at providing a high level of maintenance of its many parks and facilities over the years; however, the ability to continue high quality maintenance is a challenge as facilities age, maintenance costs rise and funding is decreasing. City residents desire well maintained high quality parks and facilities. As the City moves forward, it is important that park and facility maintenance remain at a relatively high level and be carried out consistently from year to year in order to meet public expectations and to maintain the quality of life in the City.

The City of Bloomington should fund a life-cycle cost replacement program that dedicates monies annually to the planned and systematic replacement and revitalization of aging park facilities, equipment and infrastructure. This funding program is modeled after the successful Bloomington Pavement Management Program. It makes sense to protect the significant public investment made in the Bloomington parks, by implementing a life-cycle replacement program to keep them in good, safe condition and responsive to community needs through regular sustainable investment. Approximately \$1,000,000 per year is needed to cover planned and phased on-going replacement and revitalization of children's play equipment, paving, trails, buildings, lighting and fencing, etc. In order to ensure consistent and timely maintenance and funding, the following strategy is recommended:

Strategy 34: Adopt and fund a park revitalization program for park infrastructure.

- ▷ Identify the life-cycle and replacement costs for key park and recreation facilities such as shelters, trails, playgrounds, fencing, parking areas, and lighting, etc.
- ▷ Budget the replacement cost of these assets over their life cycles and annually fund replacement through the general fund.

Repositioning Strategy

Park repositioning as described in Chapter 6 is to focus on creating magnet parks that have high quality "signature" recreation facilities and allow other nearby parks to become satellite parks. These parks would become community focal points and the focus of re-investment with higher quality facilities and signature features, a greater range of amenities and opportunities for programming. The satellite parks will evolve over time to serve as neighborhood open space and will provide informal recreation.

This strategy is recommended to guide investment in aging parks at key locations to long-term allow greater efficiencies, improve quality, minimize maintenance and replacement costs, improve system responsiveness and improve the economic sustainability of the park

system. This strategy is expected to reduce maintenance and capital expenditures by 5-10% over the long-term.

Bond Referendum

Minimizing the gap between capital improvement needs and the funding sources will require all available options. A bond referendum is one option that has worked well for the City in the past (Figure 7.2 - Bond Referendum History). With the right package of new parks and recreation facility improvements, consideration of the timing of other agency referendums and with efforts to build support and advocacy, a referendum should serve the City well in the future. A park improvement bond referendum of \$15 million to \$20 million is recommended to occur by 2010. It should include a mix of new trails and bikeways, community park and recreation improvements and natural resource enhancements.

Strategy 35: Define the content (amount and improvements) and approach/timing of a future parks, recreation and community facilities bond referendum; an essential tool needed to fund planned park system improvements.

- ▷ Conduct a bond referendum study to determine the appropriate bond referendum amount, package of improvements and appropriate timing.
- ▷ Develop a bond referendum marketing strategy that identifies key partners to assist the City to market and champion the referendum.

Figure 7.2 - Bond Referendum History

Year	Bond Amount	Bond Package
1954	\$450,000	Parkland acquisition & park development
1956	\$600,000	Parkland acquisition & park development
1963	\$1,500,000	Parkland acquisition & Park improvements
1968	\$1,660,000 \$2,600,000	Municipal buildings (\$1,660,000), parkland acquisition (\$1,600,000) & park development (\$1,000,000)
1974	\$1,100,000 \$3,570,000 \$1,600,000	Municipal buildings (\$1,100,000), parkland acquisition and development (\$3,570,000) and recreational facilities - golf course and ice garden (\$1,600,000).
1990	\$22,014,700 \$3,750,000	Municipal buildings (police & fire facilities, public works, Creekside Center and city hall & arts center) (\$22,014,700) * and parkland acquisition and park improvements (\$3,750,000). *Referendum was defeated by voters.
2000	\$7,200,000	Bloomington Center for the Arts facility.

Fiscal Accountability

As identified in Chapter 2, the number of separate departments having a role in parks and recreation affects communications, budgeting, priorities and quality control.

Greater control over funding, staffing, budgeting, maintenance and construction of City parks and recreation facilities would likely create some improvement in efficiency and cost accounting.

Strategy 36: Improve fiscal accountability, monitoring and efficiency.

- ▷ Consider Department/Division restructuring such that the Parks and Recreation Manager is in charge of and has control over the funding, staffing, budgeting, maintenance and construction of City parks and recreation facilities.
- ▷ Seek funding for the anticipated level of activity associated with new park and recreation facilities so that routine maintenance functions (such as mowing, restroom services and trash removal) are adequately provided for.
- ▷ Develop sustainable spending practices throughout the park system that consider the short and long-term costs of projects, programs and services.
- ▷ Leverage available resources by pursuing co-funded and or cooperative agreements for provision and maintenance of parks, recreation facilities and open spaces.
- ▷ Adopt a challenge grant program to leverage and match private and foundation funds with public dollars.

Partnerships and Community Outreach

The City provides neighborhood and community parks and partners with schools, churches, the U.S. Fish and Wildlife Service, Three Rivers Park District, recreation groups and others to provide additional facilities and to operate programs. This is an efficient method of delivery, but has challenges of coordination and access to facilities.

Capital Improvement Plan Review

The park systems Capital Improvement Program (CIP) identifies and budgets for priority park improvements such as playgrounds, buildings, trails, etc., on a yearly basis. The CIP allows the City to budget and prioritize specific park improvement projects matched to available funding and resources. The list of projects in the CIP does not obligate the City to undertake the improvement. The Parks Master Plan's list of park improvements are part of a twenty-year vision. Due to the limited financial resources, not all listed projects will necessarily be completed. Upon approval of this Plan, the 2008-2026 CIP should be reviewed and reprioritized using the Parks Master Plan as a tool. Improvement projects should meet one or more of the following parameters to be considered:

Capital Improvement Projects

The project:

- A. Supports multiple park and recreation goals and strategies.
- B. Revitalizes an existing park or recreation facility that is needed to meet a minimum service area need or fulfill a minimum facility guideline.
- C. Maximizes quality and use of an existing community recreation facility.
- D. Is unique to the service area or any similar, overlapping or duplicate facilities have been evaluated for achieving efficiency and service needs.
- E. Improvement is needed for safety, accessibility or usability reasons.
- F. Leverages city funds with private sector monies, Regional Park funds, grants, or other partner funds.
- G. Is a replacement/upgrade based on an established lifecycle revitalization program.
- H. Maintenance and operations needs are identified and funded.

- I. Improves management and sustainability of City natural resources areas.
- J. Adds new facilities which meet an identified program need and provide access to community recreation for target audiences (families with children, seniors, teens, or new cultures) which are not available today.
- K. Creates a community gathering space which increases identity, builds sense of community and enhances heritage and the arts.
- L. Creates a trail or bikeway connection which enhances recreation and mobility, enhances access to parks, connects internal trails/bikeways or connects to other trail networks.

Land Acquisitions

Park land:

- A. Purchase is needed to preserve or gain access to a high quality natural resource area, as defined by the Bloomington Natural Resources Inventory.
- B. Purchase is an identified acquisition need and is leveraged by private sector monies, Regional Park funds, grants, or other partner funds.
- C. Purchase is needed to fill an identified minimum park service area need.