

RESOLUTION
By B. Johnson and Goodman

Approving a 20-Year Neighborhood Park Plan and Directing the Finance Officer and City Attorney to Prepare and Present to the City Council an Ordinance to Implement the Plan.

Whereas, since the earliest beginnings of the City of Minneapolis and the creation of the Minneapolis Park & Recreation Board (the "MPRB") in 1883, parks and open spaces have been a shared community and civic value, with the park system constituting one of the most cherished and defining features of what is Minneapolis; and

Whereas, because of the leadership of the MPRB and the support given by the City of Minneapolis (the "City"), parks have developed over six generations to serve the public need for parks and recreation and in that time Minneapolis parks have been repeatedly recognized nationally as one of the very best park systems in the United States; and

Whereas, the MPRB has identified a significant financial gap for necessary maintenance, rehabilitation, and capital improvements to the Minneapolis neighborhood park system; and

Whereas, the City and the MPRB, working in partnership, have developed a 20-year financial plan to close the neighborhood parks funding gap and desire to memorialize the plan in concurrent ordinances (the "20 Year Neighborhood Park Plan"); and

Whereas, the 20 Year Neighborhood Park Plan includes the following elements:

1. The plan, as detailed in this resolution, will be set forth in concurrent ordinances adopted by the City and the MPRB and be effective for years 2017 through 2036.
2. The financial resources provided under the plan will be used exclusively to fund the "Neighborhood Park System," which is defined as those parks that (i) are owned, operated and maintained by the MPRB, (ii) are generally less than 2 blocks in size, but can be larger, and (iii) are neither designated as part of the Metropolitan Council System of Regional Parks and Trails nor part of any of the MPRB's golf courses.
3. The City will provide the MPRB with \$1.5 million 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.
4. The City will recommend that the Board of Estimate and Taxation ("BET") increase the adopted base 2016 MPRB Park and Recreation Tax Levy amount of \$52,583,000 by \$3 million 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, which equates to approximately 1% of all City tax levies for 2016, will remain in effect for the duration of the plan and be used to increase funding for general operations of the Neighborhood Park System and not to supplant other operations funding for the Neighborhood Park System.

5. Beginning in 2017 and continuing for the term of the plan, the City will provide the MPRB with a guaranteed minimum annual amount of funding for Neighborhood Park System rehabilitation and capital projects ("Neighborhood Park Projects"). The MPRB capital projects will be identified in the City's annual five-year Capital Improvement Program process, as amended from time to time. The guaranteed minimum annual amount will be \$10.5 million 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 the MPRB will review and adjust the guaranteed minimum annual amount every five 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. Examples of mutually acceptable objective measures of inflationary costs and other salient factors will be set forth in the MPRB and City concurrent ordinances. The 2020, 2025, and 2030 adjustments will be approved by concurrent resolutions of the City and the MPRB. Any adjustment approved in 2020 will be effective for years 2022 through 2026. Any adjustment approved in 2025 will be effective for years 2027 through 2031. Any adjustment approved in 2030 will be effective for years 2032 through 2036. The expenditure of the guaranteed minimum funding of \$10.5 million and future adjusted annual amounts shall be under the sole control of the MPRB, but must be used for Neighborhood Park Projects.
6. The MPRB and the City acknowledge and agree that each needs to be able to address future unanticipated critical needs such as the occurrence of natural disasters, disease, and acts of god ("Unanticipated Critical Needs") and exigent economic events such as 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 ("Exigent Economic Events") and the ordinance will not preclude the City and MPRB from addressing such Unanticipated Critical Needs and Exigent Economic Events in managing their respective fiscal obligations. For any applicable year within the 20 year period of this financing 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 \$10.5 million or less than a subsequent approved adjustment amount must be set forth in an amendment to the ordinance for that applicable year.

Whereas, the MPRB will continue to receive 11.79% of the annual amount of Local Government Aid funds that are awarded to the City each year, irrespective of the 20 Year Neighborhood Park Plan; and

Whereas, the MPRB will continue to pay to the City the City's administrative and benefit administration fees, as amended from time to time, 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; and

Whereas, 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 ; and

Whereas, it is understood and agreed that the MPRB will pass a similar resolution supporting the 20 Year Neighborhood Park Plan and the MPRB and the City will be preparing 20 Year Neighborhood Park Plan concurrent ordinances that are consistent with this resolution; and

Whereas, it is further 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 the 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;

Now, Therefore, Be It Resolved by the City Council of the City of Minneapolis:

That the Finance Officer and City Attorney are directed to prepare an ordinance to implement the 20 Year Neighborhood Park Plan and present it to this City Council so that it can be considered for adoption at its meeting on April 15, 2016, pursuant to the Council's normal timeframe for noticing intent, introducing subject matter, and holding a public hearing, with the understanding that the MPRB plans to consider its ordinance on April 6, 2016, with final adoption on April 20, 2016.