



Resolution 2016-148

Resolution Approving the 20 Year Neighborhood Park Plan Between the Minneapolis Park and Recreation Board and the City of Minneapolis and Directing the Superintendent and Legal Counsel to Prepare an Ordinance, Concurrent with a City of Minneapolis Ordinance and 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 Consideration on April 6, 2016 and Final Adoption on April 20, 2016

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;

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;

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

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");

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;

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;

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;

Whereas, It is understood and agreed that the City 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;

RESOLVED, That the Board of Commissioners of the Minneapolis Park and Recreation Board approve the 20 Year Neighborhood Park Plan between the Minneapolis Park and Recreation Board and the City of Minneapolis and direct the Superintendent and Legal Counsel to prepare an ordinance, concurrent with a City of Minneapolis ordinance, to implement the 20 Year Neighborhood Park Plan and present it to this Board of Commissioners so that it can be considered on April 6, 2016 with final adoption at its meeting on April 20, 2016 pursuant to the Board of Commissioners normal timeframe for noticing intent, introducing subject matter and holding a public hearing, with the understanding that the City Council plans to consider its ordinance pursuant to the City Council's normal timeframe for noticing intent, introducing subject matter and holding a public hearing for final adoption on April 15, 2016.





TO: Minneapolis Park and Recreation Board

FROM: Jayne Miller, Superintendent

DATE: March 16, 2016

SUBJECT: Resolution Approving the 20 Year Neighborhood Park Plan Between the Minneapolis Park and Recreation Board and the City of Minneapolis and Directing the Superintendent and Legal Counsel to Prepare an Ordinance, Concurrent with a City of Minneapolis Ordinance and 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 Consideration on April 6, 2016 and Final Adoption on April 20, 2016

BACKGROUND

The proposed 20 Year Neighborhood Park Plan is an historic and unprecedented agreement between the Minneapolis Park and Recreation Board (MPRB) and the City of Minneapolis to address funding needs for Minneapolis neighborhood parks. The agreement provides long term funding for maintenance, rehabilitation and capital investments of our cherished neighborhood parks.

Since the earliest beginnings of the City of Minneapolis and the creation of 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. Because of the leadership of the MPRB and the support given by the City of Minneapolis, 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.

Through the *Closing the Gap: Investing in Neighborhood Parks (Closing the Gap)* initiative the MPRB has identified a significant financial gap for necessary maintenance, rehabilitation and capital improvements to the Minneapolis neighborhood park system. 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 (20 Year Neighborhood Park Plan). By approving this plan through concurrent ordinances by the MPRB and the City of Minneapolis, there will be no need for a referendum or Charter Amendment, as this plan provides a joint plan between the City of Minneapolis and the MPRB to address the necessary and critical needs of the heart and soul of our city, our neighborhood parks.



Closing the Gap Initiative

Closing the Gap: Investing in Neighborhood Parks (Closing the Gap) is an initiative of the Superintendent and Commissioners that shared information with Minneapolis residents and partners about the current condition and service level of neighborhood parks. Closing the Gap looked at the impacts of the age of the system and deferred maintenance - or delayed regular upkeep past the point of repair - has had on the 160 neighborhood parks in Minneapolis. During extensive *Closing the Gap* community outreach efforts, information was also shared about how the funding and maintenance repair gap grew between 2000-2015, and the proactive steps the MPRB has taken between 2003-2015 to address the funding gap.

Throughout 2015, the *Closing the Gap* initiative gathered ample information from Minneapolis residents and partners about investment priorities for replacement, operating and maintenance of existing neighborhood park assets. A spectrum of community engagement methods, information sharing, and communications tools were used to share and collect information for the *Closing the Gap* initiative since May 2015.

Minneapolis' neighborhood parks have the greatest number of physical assets that require greater resources to operate, maintain and replace. To sustain the current level of physical assets in the park system the MPRB needs \$14.3 million, based on 2015 costs, plus inflation each year to meet replacement and capital investment needs. The MPRB currently has \$4-5 million per year to invest in these assets. Based on 2015 costs, the current annual capital gap is \$9.3 million plus inflation. The neighborhood parks also require annual investments to operate them to industry standards for activities such as mowing, building maintenance, tree pruning, roof repairs, and path repairs. Based on 2015 costs, the current operational gap is a minimum of \$3 million plus inflation per year.

On October 21, 2015, the Superintendent provided the Board of Commissioners the *Investing in Neighborhood Parks - Final Report, Public and Private Funding Strategies for Neighborhood Parks Report and Feasibility Report from the Trust for Public Land*. Following the presentation of those reports and Board discussion of those reports, the Board of Commissioners directed the Superintendent to propose funding solutions to the Board.

On January 6, 2016, the Superintendent presented to the Board of Commissioners proposed ballot language for a referendum, an overarching implementation plan for a referendum (Programs and Initiatives: First Five Years), and elements for an agreement with the Minneapolis City Council to address sustained current funding all intended to provide a long term strategy to address the funding gap for annual maintenance and repairs as well as capital investments for Minneapolis neighborhood parks. The Superintendent also indicated that in



April 2016, she would present specifics for the Programs and Initiatives: First Five Years to the Board. The proposed ballot language has been vetted with various finance staff and attorneys who specialize in Minnesota tax law and has been updated based on their input and review.

On 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".

On March 2, 2016, MPRB Superintendent Jayne Miller presented Closing the Gap Information to the Charter Commission and requested the Charter Commission to authorize a Charter Amendment to the Minneapolis Charter Chapter 6.5 be placed on the November 2016 ballot to provide funding for neighborhood parks. The Charter Commission voted to begin public hearing process for placing a Charter Amendment to the Minneapolis Charter on the November 2016 ballot.

All *Closing the Gap* materials are available at www.minneapolisparcs.org/closingthegap <<http://www.minneapolisparcs.org/closingthegap>>.

RECOMMENDATION

The Superintendent recommends the Board of Commissioners approve the 20 Year Neighborhood Park Plan between the Minneapolis Park and Recreation Board and the City of Minneapolis and direct the Superintendent and Legal Counsel to prepare an ordinance, concurrent with a City of Minneapolis ordinance and 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 consideration on April 6, 2016 and final adoption on April 20, 2016.

This action is supported by the following value statements in the MPRB 2007-2020 Comprehensive Plan.

Economic Sustainability	Develop short-term and long-term financial stability of the park system.
Equity	Provide residents with the opportunity to improve their quality of life and well-being through outstanding parks and recreation services that are suited to their respective needs.
Responsiveness and Innovation	Anticipate and thoughtfully respond to the diverse needs



of the city's communities, continually seeking ways to better deliver park and recreation services.

Independence and Focus

Independence allows the Minneapolis Park and Recreation Board to focus on providing and obtaining the resources necessary to accomplish its mission and form effective, responsible partnerships.

Prepared By: Jayne Miller, Superintendent, Superintendent's Office

Review:

Jayne Miller Completed 03/14/2016 8:42 PM

Minneapolis Park and Recreation Board Pending 03/16/2016 5:00 PM