



Chapter 6: Implementation

6.0 Introduction

This chapter provides the strategies for funding the recommendations for capital improvements for parks and facilities of the Wenatchee Parks and Recreation Department. For many cities, the amount of funds required to acquire the park land and develop the proposed facilities is beyond their financial capabilities. Parks must compete for funds with many other vital City functions and services, including police and fire protection, roads, utilities, planning, regulatory enforcement, and so forth. Through the planning process, project in the proposed capital investment plan were prioritized, suggesting a continuum as to which facilities should be given the highest and lowest consideration. That priority order may change however if funding sources provide opportunities at a varied order.

6.1 Prioritization

This section aims to aid in comparison and strategic decision making by establishing eight criteria against which each project is rated. As some criteria are more important to the community than others, the scores under each are weighted to reflect relative value. In Appendix B, projects are presented in priority order based on their scores in each of the evaluation criteria.

6.2 Rating Criteria

The following criteria create the basic framework for measuring specific projects identified in this plan. Under each criterion, each project was scored on a scale of 1 to 5 with 5 being the best. That score was then multiplied by the criterion's weight, resulting in a weighted score for that particular criterion. The weighted scores were then summed, creating a total weighted score for each project. This allowed the project to be prioritized according to their total score and programmed over upcoming budget years.

- **Health, Safety and Welfare** - The extent to which the proposed project is necessary to meet the public's health, safety and welfare needs. Weight =3.
- **Resident Priority** – The extent to which the project is supported by the community's expressed recreation and parks references. Weight = 2.
- **Cost Efficiency** – The extent to which the project produces the highest cost/benefit ratio. Weight = 2.
- **Multiple Use** – The extent to which the project will serve more than one purpose. Weight = 2.
- **Function** – The extent to which the project will improve the function of the facility. Weight = 2.
- **Rehabilitation** – The extent to which the project rehabilitates existing facilities. Weight = 2.
- **Aesthetics** – The extent to which the project improves the appearance of the facility. Weight = 1.

- **Level of Service** – The extent to which the project maintains levels of service as defined in the plan. Weight = 1.

Table 6.2: Capital Investment Plan Summary

Project Rank	Project Number	Project Name	Location	Total Cost
1	PK2006SUA1	Park Renovations	Locomotive Park	\$380,000
2	PK2006C3	Park Renovations	Pioneer Park	\$19,275,000
3	PK2006C1	Park Improvement	Lincoln Park	\$1,649,000
4	PK2006N4	Park Renovations	Washington Park	\$462,500
5	PK2006N1	Park Renovations	Chase Park	\$103,000
6	PK2006T5	Saddle Rock Trail Head	To Be Determined	\$700,000
7	PK2006N3	Park Renovations	Pennsylvania Park	\$219,000
8	PK2006C7	Park Renovations	Memorial Park	\$417,000
9	PK2006O1	Natural Open Space	To Be Determined	\$4,105,500
10	PK2006N10	Master Plan and Implement Improvements	Western Hills Park	\$600,000
11	PK2006C5	Master Plan and Implement Improvements	Wenatchi Park	\$500,000
12	PK2008SUA5	Recreation Center	To Be Determined	\$39,000,000
13	PK2006N2	Park Renovations	Methow Park	\$90,000
14	PK2006C6	New Community Park 1	To Be Determined	\$3,000,000
15	PK2006N5	New Neighborhood Park 1	To Be Determined	\$550,000
16	PK2006N6	New Neighborhood Park 2	To Be Determined	\$550,000
17	PK2008SP2	Crawford School Park	To Be Determined	\$5,125,000
18	PK2006T2	5th Street Corridor	To Be Determined	\$225,000
19	PK2006 T1	Broadview Trail	To Be Determined	\$350,000
20	PK2006N7	New Neighborhood Park 3	To Be Determined	\$550,000
21	PK2006N8	New Neighborhood Park 4	To Be Determined	\$550,000
22	PK2006T4	Highline Trail Corridor	To Be Determined	\$350,000
23	PK2006T6	Sage Hills Trail Head	To Be Determined	\$150,000
24	PK2006T8	Lower Horse Lake Trail Head	To Be Determined	\$300,000
25	PK2006T9	Castle Rock Trail Head	To Be Determined	\$150,000
26	PK2006N9	New Neighborhood Park 5	To Be Determined	\$550,000
27	PK2006C4	Master Plan improvements	Rotary Park	\$85,000
28	PK2006SP1	Lewis and Clark School Park	To Be Determined	\$250,000
29	PK2006T3	North Connector Trail	To Be Determined	\$225,000
30	PK2010SSUA3	Skyline Drive Overlook	Skyline Drive	\$5,000
31	PK2006T7	South Connector Trail corridor	To Be Determined	\$225,000
32	PK2006N15	Park Renovations	Centennial Park	\$200,000
33	PK2006SUA2	Park Renovations	Rainbow Park	\$16,000
	TOTAL			\$80,907,000

6.3 Possible Funding Sources

The City must rely on a broad approach to park and recreation funding and land acquisition sources. It is highly unlikely that the general fund and grants will be able to support both land acquisition and development for the proposed projects.

There are a wide variety of mechanisms available to Parks and Recreation agencies to provide funding for maintenance and operations, recreation program services and capital construction. By maximizing the use of all of the revenue options that are available, ballot campaigns may be more effectively run. The following is intended to serve as an introduction to these mechanisms and the areas that they might be used.

6.3.1 General Program Fees and Differential User Fees

Program participants and facility users, in some cases pay fees to participate. Many of the programs and facilities that the City offers are free to all. In the cases where fees are collected, residents of Wenatchee receive discounts for participation in programs or rental of facilities. The resident discount fee helps to provide a measure of equity between taxpayers and non-taxpayers. Use of non-resident fees or resident discounts is a common practice among parks and recreation departments.

Uses: Parks Maintenance and Operations, Recreation Program Services.

6.3.2 Real Estate Excise Tax

The State of Washington is authorized to levy a real estate excise tax on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages and other debts given to secure the purchase at a rate of 1.28 percent. [RCW 82.45.060](#). A locally-imposed tax is also authorized. However, the rate at which it can be levied and the uses to which it may be put differs by city size and whether the city is planning under the Growth Management Act (GMA). All cities may levy a quarter percent tax (described as "the first quarter percent of the real estate excise tax" or "REET 1"). [RCW 82.46.010](#). Cities and counties that are planning under GMA have the authority to levy a second quarter percent tax (REET 2). [RCW 82.46.035\(2\)](#). Note that this statute specifies that if a county is required to plan under GMA, or if a city is located in such a county, the tax may be levied by a vote of the legislative body. If, however, the county chooses to plan under GMA, the tax must be approved by a majority of the voters.

The City must spend the first quarter percent of their real estate excise tax receipts solely on capital projects that are listed in the capital facilities plan element of their comprehensive plan. [RCW 82.46.010\(2\)\(6\)](#). RCW 82.46.010(6) defines "capital projects" as:

Those public works projects of a local government for **planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement** of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; **parks; recreational facilities;** law enforcement facilities; fire protection facilities; trails; libraries; administrative and judicial facilities.

REET 2 must be spent solely on public works related projects – streets, sewers etc. and is not available for park projects.

Uses: Capital Construction and Acquisition. (Identified in the Parks and Recreation CFP).

6.3.3 Grants

Generally speaking grants are sums of money awarded to finance a particular activity or facility. Usually, these grant awards do not need to be paid back. Grants are usually highly competitive, may be time consuming to complete, are geared to a specific activity, project or program and in many cases, require some type of financial or other match. There usually is reporting requirements during and following the completion of the grant funded project or program. The city is active in the preparation of grant applications for projects ranging from capital construction and park acquisition to employee health promotion and special needs programs. Some specific grant programs include:

Washington Wildlife and Recreation Program – A variety of park grants administered by the Recreation Conservation Office. Local agencies must match the grant amount on a 50-50 basis.

Aquatic Land Enhancement Fund – This program funded by the State Department of Natural Resources will finance up to \$80,000 for acquisition and development of waterfront parks, public access sites and environmentally sensitive areas.

LWCF – Grants distributed from the Federal Land and Water conservation Fund. Grants pay 50% of the cost of acquisition and development.

In addition to the capital facilities plan projects, grant funding is available from a variety of sources for community recreational programs. Special health and youth related grant information can be obtained from the National Center for Disease Control, US Department of Education, US Department of Health and Human Services, US Department of Education, US Office of Juvenile Justice and Delinquency Prevention and US Department of Agriculture Food Nutrition Service.

Uses: Capital Construction and Acquisition, Recreation Program Services.

6.3.4 Levy Lid Lift

With the passage of Initiative 747, there only two ways for a jurisdiction to increase property taxes by more than one percent (or the lesser of the IPD and one percent for jurisdictions with a population of 10,000 or more). Some jurisdictions have taken less than the maximum increase they could have in the past and have "banked" capacity that they can use.

The other way to increase property taxes by more than this amount is to do a levy lid lift under RCW 84.55.050.

Some of the benefits of this type of funding include: Can be permanent or for specific time period and people are generally familiar with a levy lid lift. It also gives voters the opportunity to "approve" or "reject" a project.

Some of the negatives associated with this type of funding are that it is generally used for a specific time period – 6 years so unless it is a project specific purpose, a campaign would need to be run again at the end of the time period. This option would potentially restrict tax availability for other uses such as Police, Roads etc. This option directly raises taxes and requires 60% plus 1 for approval.

If this is a desired option to pursue for future funding, it is recommended that a citizen led campaign be started a minimum of one and a half to two years prior to the election. Staff is very limited in the role it can play in this type of election. Specific programs and projects must be identified for the campaign.

Uses: Capital Construction and Acquisition, Recreation Program Services, Maintenance and Operations.

6.3.5 Conservation Futures Levy

Counties can levy up to \$.065 per \$1,000 assessed valuation for the acquisition of shoreline and open space areas. The money cannot be used for development or maintenance. Cities can apply for a share of this money through the County.

6.3.6 Bonds

Just as people need money, so do governments. Government needs money for everything from infrastructure to social programs. The problem large organizations run into is that they typically need far more money than the average bank can provide. A solution is to raise money by issuing bonds (or other debt instruments) to a public market. Thousands of investors then each lend a portion of the capital needed. Really, a bond is nothing more than a loan

for which you are the lender. The organization that sells a bond is known as the issuer. You can think of a bond as an IOU given by a borrower (the issuer) to a lender (the investor). Just like any other bank loan, you pay the bond back over time with interest.

General Obligation Bond – Property tax for the sale of construction bonds. The tax assessment can be levied up to 30 years. Requires a 60% majority approval of 40% of the voters who voted at the last election.

Revenue Bonds – Revenue from the operation of the facility pays for the capital and cost debt services. Does not require a vote of the people unless required by local ordinance.

Councilmatic Bonds – Bonds that can be issued by the City Council. Does not require a vote of the people but must be paid out of the City's annual operating budget.

The Parks and Recreation Capital Investment Plan identifies the issuance of Bonds for the financing of park projects. They can be voted or non-voted. This issuance of bonds assumes the successful passage of the formation of a Metropolitan Parks District to provide the debt service. Without the passage of this measure, there would not be an identified permanent revenue source available to pay off the debt service involved with the issuance of bonds.

Uses: Capital Construction and Acquisition.

6.3.7 General Fund

The general fund includes all monies taken in and paid out of the City with the exception of any special purpose funds. The two primary revenue streams are from the collection of sales tax and property tax. The general fund currently provides the majority of financial support for the ongoing operation of the park system and provision of recreation services.

Uses: Maintenance and Operations and Recreation Program Services.

6.3.8 Metropolitan Park District

Chapter 98, Laws of 1907 authorized cities of the first class to create metropolitan park districts (MPD). The statutes were amended by Chapter 88, Laws of 2002. Prior to 2002, cities under 5,000 and counties could not create metropolitan park districts. Now all cities and counties may form metropolitan park districts (MPDs) that include territory in portions of one or more cities or counties. The first MPD was formed by Tacoma in 1907. A second district was formed in Yakima around 1945 and functioned until 1969. After the 2002

amendments several MPD's were formed.

The purpose of a MPD is to provide for the management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards, and recreational facilities. A MPD:

- May purchase, acquire and condemn lands within or without the boundaries of park district
- May issue and sell warrants, short- term obligations, or general obligation bonds
- May issue general obligation debt in an amount equal to 2 1/2 percent of their assessed valuations. (RCW 35.61.110) Of this 2 1/2 percent, 1/4 percent may be non-voted (also called councilmanic) debt. (RCW 35.61.100) The rest must be voted.
- May issue revenue bonds
- Can petition for the creation of local improvement districts
- May employ counsel, provide for park police officers, secretary of the board, and all necessary employees
- May establish civil service for employees
- Has power to regulate, manage and control, improve, acquire, extend and maintain, open and lay out, parks, parkways, boulevards, avenues, aviation landings and playgrounds, within or without the park district,
- Has power to authorize, conduct and manage
 - the letting of boats, or other amusement apparatus,
 - the operation of bath houses,
 - the purchase and sale of foodstuffs or other merchandise,
 - the giving of vocal or instrumental concerts or other entertainments,
 - the management and conduct of such forms of recreation or business as it shall judge desirable or beneficial for the public, or for the production of revenue for expenditure for park purposes;
- May sell, exchange, or otherwise dispose of surplus property
- Can annex territory

An MPD may include territory located in portions or all of one or more cities or counties, or one or more cities and counties, when created or enlarged.

It can be initiated by petition of at least 15 percent of the registered property owners in the area and submitted to the county auditor of each county in which all or a portion of the proposed district would be located. (RCW 35.61.020 or it can be initiated by a resolution of the governing body or bodies of each city and/or county which includes a portion or all of the area in the district.

Passage approving the MPD ballot measure requires approval by a majority of the voters voting. (RCW 35.61.040)

Two regular property tax levies available - 50 cents/\$1000 assessed valuation and one of 25 cents. They are considered one levy for the purposes of the levy limits in Ch.84.55 RCW, but they have different rankings in the pro-rating statute. **Levy is permanent.**

Uses: Capital Construction and Acquisition, Recreation Program Services, Maintenance and Operations.

6.3.9 Donations, Partnerships and Volunteer Service

Donations and volunteer service can be effective when a specific project or program is identified. Most of the recreational services that the City provides rely heavily on donations of some type to help provide equipment, materials or other support.

Uses: Capital Construction and Acquisition, Recreation Program Services, Maintenance and Operations.

6.3.10 Sponsorships

Similar to donations, sponsorships benefit individual programs and also the person or organization providing the sponsorship. Sponsorships are commonly seen in the case of youth athletic teams; however the Parks and Recreation Department uses sponsors for many of its programs and special events including the Movie and Concert Series and other Special Events. As with donations, sponsorship availability is somewhat dependent upon the economy and competition for funding from other programs and agencies. Obtaining sponsors and donations requires significant staff time to conduct the solicitation and subsequent follow up activity.

Uses: Capital Construction and Acquisition, Recreation Program Services, Maintenance and Operations.

6.3.11 Transfer of Development Rights

Transfer of Development Rights is a type of Zoning Ordinance that allows owners of property zoned for low-density development or conservation use to sell development rights to other property owners. The development rights purchased permit the landowners to develop their Parcels at higher Densities than otherwise. The system is designed to provide for low-density uses, such as historic preservation, without unduly penalizing some landowners. Example: Under a *transfer development rights* system, a land-owner whose property is restricted to open space is assigned development rights in proportion to some

overall desirable density for the jurisdiction. The landowner cannot utilize the rights but may sell them on the open market to landowners in other locations who are allowed to develop their properties. The rights may be used to develop additional structures on the unrestricted properties. In this way, restricted areas may be maintained as open space without completely destroying the development value of the properties.

Uses: Open Space preservation.

6.3.12 Conservation Easements

A conservation easement is a restriction placed on a piece of property to protect its associated resources. The easement is either voluntarily donated or sold by the landowner and constitutes a legally binding agreement that limits certain types of uses or prevents development from taking place on the land in perpetuity while the land remains in private hands. Conservation easements protect land for future generations while allowing owners to retain many private property rights and to live on and use their land, at the same time potentially providing them with tax benefits.

In a conservation easement, a landowner voluntarily agrees to sell or donate certain rights associated with his or her property – often the right to subdivide or develop – and a private organization or public agency agrees to hold the right to enforce the landowner's promise not to exercise those rights. In essence, the rights are forfeited and no longer exist. An easement selectively targets only those rights necessary to protect specific conservation values, such as water quality or migration routes, and is individually tailored to meet a landowner's needs. Because the land remains in private ownership, with the remainder of the rights intact, an easement property continues to provide economic benefits for the area in the form of jobs, economic activity and property taxes.

A conservation easement is legally binding, whether the property is sold or passed on to heirs. Because use is permanently restricted, land subject to a conservation easement may be worth less on the open market than comparable unrestricted and developable parcels. Sometimes conservation easements will enable the landowner to qualify for tax benefits in compliance with Internal Revenue Service rules.

Uses: Trail access, open space and natural area preservation.

6.3.13 Concessions

This option allows commercial operations to be conducted in City Parks. The Cities of Chelan, Richland, Seattle and Renton as well as other cities across the State use this effectively to help fund the provision of park services. They have

concession agreements ranging from Jet Ski and bicycle rentals to restaurants and other vendors. The commercialization of park areas is a policy issue to be addressed in the future by the Parks and Recreation Advisory Board.

Uses: Maintenance and Operations and Recreation Program Services.

6.3.14 Leases

Similar to concession agreements, park facilities would be leased out to organizations for the operation of their business or provision of services. The lease revenues would then be designated to support the provision of services. This is currently being used at the Community Center. Lease amounts vary as do term limits and are dependent upon the facility, program, service and market.

Uses: Recreation Program Services, Maintenance and Operations.

6.3.15 Sales

Parks and recreation and recreation departments often sell merchandise, services or advertising to support the services and also provide a service to the facility users. Sales amounts vary depending upon what is being sold or provided. For example, Proshop type retail sales for items ranging from swim diapers to goggles and swim caps may be available at the pool or athletic apparel at a recreation center. Competition with local business should be taken into consideration when exploring this option. Generally, revenues raised through sales are not significant and the availability of merchandise is offered more as a service, but may help offset costs. This may also be addressed through concession agreements or long term leases.

Uses: Recreation Program Services.

6.3.16 Fee In Lieu/Impact Fees

Impact fees are charges assessed by local governments against new development projects that attempt to recover the cost incurred by government in providing the public facilities required to serve the new development. Impact fees are only used to fund facilities, such as roads, schools, and parks, that are directly associated with the new development. They may be used to pay the proportionate share of the cost of public facilities that benefit the new development; however, impact fees cannot be used to correct existing deficiencies in public facilities. In Washington, impact fees are authorized for those jurisdictions planning under the Growth Management Act (RCW 82.02.050 - .100), as part of “voluntary agreements” under RCW 82.02.020, and as mitigation for impacts under the State Environmental Policy Act (SEPA – Ch. 43.21C RCW). GMA impact fees are only authorized for: public streets and roads; publicly owned parks, open space, and recreation facilities; school facilities; and

fire protection facilities in jurisdictions that are not part of a fire district. Setting fee schedules for impact fees is a complex process typically involving rate studies; generally, impact fees do not recover the full cost of a new facility since these fees must be directly and proportionately related to impacts associated with new development.

The Parks CIP identifies this source of funds for several projects. The implementation is currently in the Planning Department and awaiting their update of the development regulations.

Uses: Capital Construction and Acquisition.

6.3.17 Foundations

In many cases non-profit foundations serve as a conduit to receive funding for the completion of park and recreation related projects. Some grant sources will provide funding to only non-profits. There are several “Friends of” and “Parks Foundations” established that support local or regional parks and recreation agencies. In 2011 The City of Wenatchee teamed up with the Wenatchee Valley Sports Foundation to provide a mechanism to solicit support for specific park and recreation programs and projects.

Uses: Capital Construction, Recreation Programs and Acquisition.

