

# EUGENE CITY COUNCIL

## AGENDA ITEM SUMMARY



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### Work Session: City Center Skatepark Update

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Meeting Date: October 24, 2012  
Department: Public Works  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: B  
Staff Contact: Neil Björklund  
Contact Telephone Number: 541-682-4909

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#### **ISSUE STATEMENT**

This item is in response to council direction to hold a work session to bring back options for capital funding and operations and maintenance funding for the planned skatepark in Washington-Jefferson Park. The council is being requested to direct staff to work with a new coalition of community partners to raise additional private funds, and to bring back a funding proposal in Supplemental Budget 1 to appropriate additional Park systems development charge (SDC) funds from Balance Available for the development and construction of the Washington-Jefferson Skatepark and Urban Plaza, in order to begin construction of all four phases in 2013.

#### **BACKGROUND**

On May 23, 2012, the council held a work session on using the 2006 PROS Bond to fund a portion of construction costs for the skatepark in Washington-Jefferson Park. Staff presented updates and background on the project, which is now being referred to as the WJ Skatepark and Urban Plaza (WJ Skatepark). The council discussed the history and use of the 2006 Parks, Recreation, and Open Space (PROS) Bond, and posed to staff a number of questions and directed staff to bring back information on funding options for the WJ Skatepark, including the 2006 PROS Bond. In that work session, the council broadly indicated support for moving construction of the WJ Skatepark forward with additional City capital funding.

#### **Update on Private Fundraising Partnership**

Since the May 23, 2012, council work session, staff has been meeting with current and prospective new partners with an interest in supporting the WJ Skatepark project. The partner group now includes the Skaters for Eugene Skateparks (SES), Eugene Downtown Rotary, and the Eugene Parks Foundation. These groups have expressed an interest in collaborating to raise additional funds in support of the WJ Skatepark project over the next six months, with a target to begin construction in 2013. The City has assembled a staff team from Parks and Open Space, Transportation Planning and the Recreation Division to support the partners in their fundraising effort. The new coalition of partners, together with the City staff team, have generated energy and enthusiasm for a renewed effort to involve the community directly in supporting this important new public facility. Staff is working with the new partner group to identify fundraising targets for obtaining funds from private foundations, local businesses, regional corporations and individuals. City staff and the partner groups recognize the on-going value of completing this project as a public-private partnership, both for the benefits of community engagement in this project, but also for continuing the past success of public-private partnerships for park development into the future.

Skaters for Eugene Skateparks, has raised about \$50,000 to date and the Downtown Rotary Club indicates it has raised approximately \$18,000. The original allocation of \$292,000 of Park SDC funds is still dedicated to the skatepark project. To date, approximately \$140,000 of this Park SDC funding has been used to pay for the planning, design and construction drawings for the project. A revised cost-estimate for the project and new fundraising targets are currently being developed. Although the WJ Skatepark design could be built in separate phases over time, the staff team and our partners support building all four phases in 2013. Separate funding has already been appropriated for the replacement of the restroom that will be displaced by the skatepark. Restroom construction would begin concurrent with construction of the skatepark in 2013.

## **Capital Funding Options**

### *Park SDC Funds and Additional Private Fundraising*

Under this option, the capital costs for construction of the WJ Skatepark would be covered by:

- Park SDC funds previously appropriated
- Private funds raised to date
- Additional Park SDC funds to be appropriated
- Additional private fundraising

The additional Park SDC funds would be from un-appropriated funds in the current Park SDC balance available. In the past couple of years, Park SDC revenues exceeded projections due to unexpected growth in construction of multi-family dwellings, primarily in the vicinity of the University of Oregon. The revenues received beyond the projected amounts have not been appropriated to projects through the budget process.

*Description of the process needed to utilize these funds:* Un-appropriated funds in the Park SDC balance available would be appropriated through the supplemental budget process.

*Timing implications for utilizing these funds:* The process for Supplemental Budget 1 is expected to begin in early November and complete in December with council approval, which will allow adequate time for the funding to be appropriated and available prior to bidding and construction in 2013.

*Funding implications for other projects resulting from utilizing these funds:* The Park SDC funds suggested under this approach are not appropriated to any specific project, since these are excess revenues above the projected amounts. Therefore, no other existing project will be impacted.

*Other impacts and considerations resulting from utilizing these funds:* The inclusion of significant privately donated funds in the capital funding package will both benefit this project, and support future public-private collaborations by showing another successful example.

This approach of appropriating additional Park SDC funds and raising additional private funds would have these benefits:

- Does not raise political or legal questions related to the funding source
- Supports success of current and future public-private partnership efforts for park development
- Does not take funding away from any previously authorized park project
- Provides opportunity for new partners to contribute to a high profile community amenity
- Does not take funding away from any non-park program or project
- Allows the WJ Skatepark to be constructed in 2013

### *2006 PROS Bond Funds*

Under this option, the capital costs for construction of the WJ Skatepark would be covered by:

- Park SDC funds previously appropriated
- Private funds raised to date
- Funds from the 2006 PROS Bond re-allocated to this project

*Description of the process needed to utilize these funds:* The Council could choose to follow the same process used to direct staff to utilize 2006 PROS Bond funds for the purchase of the Arlie property—which was to pass a motion giving direction to staff. In May 2012, the City Attorney outlined an optional process to legally “test” the re-allocation of 2006 PROS Bond funds for construction of the WJ Skatepark in the court system.

*Timing implications for utilizing these funds:* The Council can direct staff to utilize these funds via a motion as soon as a conclusion is reached. This approach could enable construction to begin in 2013, in the absence of any legal challenges to this use of the Bond funds.

*Funding implications for other projects resulting from utilizing these funds:* Re-allocating 2006 PROS Bond funds would reduce or remove funds designated for one of the projects described in the PROS Bond literature provided to voters in 2006. Depending on which funding category is chosen, this could reduce or remove funding for a project with strong community support.

*Other impacts and considerations resulting from utilizing these funds:* Re-allocating funds from the 2006 PROS Bond fund to a project not part of the original bond package could raise concerns with some voters related to support for future park bond measures.

This approach of re-allocating 2006 PROS Bond Funds to cover the construction costs would have these benefits:

- Does not take funding away from any non-park program or project
- Reduces or eliminates need for additional private fundraising
- Most likely allows the WJ Skatepark to be constructed in 2013

Staff acknowledges the desire of the council to look at the future implementation of the 2006 PROS Bond, as indicated by the questions posed during the May Work Session. Staff also sees a need for evaluating what elements of the bond package can and cannot be implemented within a reasonable timeframe, and a need for determining how to address those that cannot. Staff would like to discuss this with the council in more detail at a future work session on that specific topic.

### **Maintenance and Operations Funding**

The proposed model for funding maintenance and operations of the WJ Skatepark includes an interim strategy and a longer term sustainable strategy. The interim approach would be one to three years' of one-time budget allocations, which would allow time for development of the longer-term strategy. It is presently contemplated that this would take the form of earmarking the un-appropriated balance(s) from one or more current park projects. This would be subject to discussion in conjunction with the FY14 and subsequent budget processes. The longer term sustainable strategy would involve capitalizing on the regional drawing power of a national-caliber, covered skatepark by developing revenue generating mechanisms to support programming and maintenance.

The WJ Skatepark is viewed as a destination facility suitable for programming that may approach a 24/7 schedule and this new center of activity is expected to provide economic benefits to the downtown area. Based on these characteristics, further analysis of revenue generating options and capacities is needed to understand what revenue-generating activities might be possible, and one to several years of experience with the skatepark may be needed to evolve the most successful model. This revenue-generating model could be in the form of a contract or agreement with a third-party managing entity, similar to the current arrangement at the Cuthbert Amphitheater in West Alton Baker Park. Contracting with a third party for operations and maintenance would most likely be subject to purchasing rules that would require a formal Request for Proposals (RFP) process.

## **RELATED CITY POLICIES**

As noted above, the Parks, Recreation and Open Space Project and Priority Plan, adopted by the City Council in 2006, includes a City Center Skatepark to be built in Washington-Jefferson Park as a Priority 1 project.

On May 22, 2006, the council passed Council Resolution No. 4869 calling for a city election for the purpose of submitting to the voters a measure authorizing up to \$27,490,000 of General Obligation bonds to be used for “parks, recreation and open space projects, including purchase of land for parks and preservation of open space, purchase of land and construction of improvements at Golden Gardens Park, construction and resurfacing of all-weather sports fields and auxiliary projects on school district property and on City parkland adjacent to Meadow View School and construction and equipping of the West Eugene Environmental Education Center.” A copy of Resolution No. 4869 was attached to the agenda item summary for the May 23, 2012, Work Session on the skatepark.

## **COUNCIL OPTIONS**

### *Capital Funding Options*

1. The council directs staff to work with the new coalition of community partners to raise additional private funds, and to bring back a funding proposal in Supplemental Budget 1 to appropriate additional Park SDC funds from balance available for the development and construction of the WJ Skatepark and Urban Plaza. Construction of all four phases would start in 2013.
2. The council directs staff to work with community partners to raise additional private funds, and fund the balance of the development and construction of the WJ Skatepark and Urban Plaza from re-allocated 2006 PROS Bond funds. Construction of all four phases would start in 2013.
3. The council directs staff to fund the balance of the development and construction of the WJ Skatepark and Urban Plaza from re-allocated 2006 PROS Bond funds, without additional partner involvement. Construction of all four phases would start in 2013.
4. Other, as directed by the council.

## **CITY MANAGER’S RECOMMENDATION**

The City Manager recommends Capital Funding Option 1.

**SUGGESTED MOTION**

Move to direct staff to work with the new coalition of community partners to raise additional private funds, and to bring back a funding proposal in Supplemental Budget 1 to appropriate additional Park SDC funds from balance available for the development and construction of the WJ Skatepark and Urban Plaza, in order to begin construction of all four phases in 2013.

**ATTACHMENTS**

A. October 24, 2012, memo to City Council

**FOR MORE INFORMATION**

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# MEMORANDUM

**Date:** October 24, 2012

**To:** Mayor Piercy and City Council

**From:** Neil Björklund, 541-682-4909  
Parks and Open Space Planning Manager

**Subject:** RESPONSES TO COUNCILOR QUESTIONS REGARDING THE 2006 PROS BOND MEASURE

Below are staff responses to questions related to the 2006 PROS Bond Measure posed at the May 23, 2012 Council Work Session on the WJ Skatepark and Urban Plaza (City Center Skatepark).

*Would any part of the bond money set aside for the Santa Clara Community Park be used for the skatepark?* The City Manager's recommendation, does not propose to take funds away from the acquisition or development of Santa Clara Community Park.

*Will any of the funding options take money away from non-park projects?* Both of the funding sources presented are park-only funding. No funding would be taken from any other City department or division.

*What is the status of West Eugene Wetlands Educational Center private funding?* Total project budget for phases I and II of the education center is \$11,000,000. According to the Willamette Resources and Education Network (WREN) website, no progress on the private fundraising has been made since 2009.

*How much land have we purchased so far with 2006 Bond funds?* In nearly all of the acquisitions involving 2006 PROS Bond funds, other funding sources have been used to match or supplement bond funding. The supplemental funds have come from a variety of funding sources, including 1998 Bond funds, Park SDC funds, Stormwater funds, and grant funds. The total acres acquired in acquisitions that included 2006 PROS Bond Funding are shown below:

Park Category	Area Acquired to Date
Neighborhood Parks	1 acre
Community Parks	20 acres

Suzanne Arlie Park	316 acres
Natural Area Parks	569 acres
Total	906 acres

*How much bonding authority is left in the 2006 PROS Bond? How has the 2006 PROS Bond money been spent so far?*

<b>Category</b>	<b>Original Allocation</b>	<b>Expended to Date</b>	<b>Remaining Authority</b>	<b>Acquisitions in Progress</b>
Neighborhood Parks Community Parks Suzanne Arlie Park	\$10,500,000	\$3,030,000	\$7,470,000	\$2,240,000
Golden Gardens Park	\$2,000,000	\$2,000,000	\$0	\$0
Natural Areas	\$7,750,000	\$5,800,000	\$1,950,000	\$0
Synthetic Sports Fields	\$5,000,000	\$4,450,000	\$550,000	NA
West Eugene Wetlands Education Center	\$1,750,000	\$0	\$1,750,000	NA
<b>Totals</b>	<b>\$27,000,000</b>	<b>\$15,280,000</b>	<b>\$11,720,000</b>	<b>\$2,240,000</b>

As shown in the table above, neighborhood and community park acquisitions in progress total \$2.24 million. This includes a Purchase and Sale Agreement that was recently signed for a 4.9 acre neighborhood park in southwest Eugene, which will cost just under \$1,000,000. This acquisition is planned to close in fall of 2013. Other pending acquisitions are in negotiation, but have not progressed to the point of a signed Purchase and Sale Agreement.

*Does POS have the capacity to spend all the acquisition money in the 2006 Bond in the next five to ten years?* Staff has concerns about the prospects for spending all of the Bond funds in each of the project categories within a 5-10 year period, which we would like to discuss with the Council in more detail at a future work session on that specific topic.