



AGENDA FOR STUDY SESSION

ASHLAND PARKS & RECREATION COMMISSION

July 1, 2020

Electronic Meeting – 6:30 p.m.

This meeting will be held electronically. The public can view on Channel 9 or Channels 180 and 181 (for Charter Communications customers) or live stream via rytv.sou.edu select RVTV Prime. Written testimony is encouraged and will be accepted via email sent to sean.sullivan@ashland.or.us. Please include “Public Testimony for July 1 Study Session” in the subject line. Written testimony submitted before Tuesday, June 30, 2020, 1:00 pm will be made available to the Parks Commissioners before the meeting. All testimony will be included in the meetings minutes.

- I. CALL TO ORDER
- II. PUBLIC INPUT
- III. CAPITAL IMPROVEMENT PLAN (CIP) REPRIORITIZATION DISCUSSION
- IV. ADJOURNMENT

The Ashland Parks and Recreation Commission will hold an Executive Session immediately following the Study Session to conduct deliberations with persons designated by the governing body to negotiate real property transactions, pursuant to ORS 192.660(2)(e).

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Administrator's office at (541) 488-6002 (TTY phone number 1-800-735-2900). Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title I).

ASHLAND PARKS & RECREATION COMMISSION

340 S PIONEER STREET • ASHLAND, OREGON 97520

COMMISSIONERS:

Mike Gardiner
Joel Heller
Rick Landt
Jim Lewis
Julian Bell



Michael A. Black, AICP
Director

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AshlandParksandRec.org
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STAFF REPORT

To: Ashland Parks and Recreation Commissioners
From: Michael Black, Parks and Recreation Director
Date: June 25, 2020
Subject: July 1, 2020 Parks Commission Meeting CIP Discussion

****note: this memo is accompanied by the June 10, 2020 CIP memo which provides more background on CIP funding***

SITUATION

With reduced funding for CIP projects, the Commissioners are being asked to reprioritize the Capital Improvement Plan (CIP) and specific projects that APRC will accomplish over the next twelve-month period.

BACKGROUND

Food and Beverage income is expected to be reduced by nearly \$750,000 in the current biennial budget period. This reduction represents half of the projected income from the Food and Beverage Tax for this biennium. The Commissioners met in a public meeting in June to discuss the CIP. Prior to the meeting, Commissioners were asked to independently rank their personal CIP project priority.

The following table shows the results of the ranking exercise after all the results were combined.

RANK	DESIRABLE PROJECTS (APPROX. \$450,000 AVAILABLE FOR THESE PROJECTS)	BUDGET
1	Daniel Meyer Pool Rebuild	\$ 325,000.00
2	East Main Park Development	\$ 350,000.00
3	Bike Skills Park	\$ 25,000.00
4	Build Dedicated Pickle-Ball Courts	\$ 175,000.00
5	Oak Knoll Playground	\$ 113,000.00
6	Senior Center Improvements	\$ 50,000.00
6	Ashland Creek Park Basketball Court	\$ 50,000.00
8	Lithia Park Improvements	\$ 121,185.00
9	Repair Perozzi Fountain @ Lithia Park	\$ 25,000.00
10	All Parks Master Plan	\$ 300,000.00

After all considerations are made for financial obligations required for this biennium (\$740,000 total for operations transfer and debt payments) as well as necessary projects (those underway already, which total \$537,000), the remaining funds for discretionary projects is \$450,000.

ASSESSMENT

With only \$450,000 in discretionary spending for the CIP, the list of projects that can be accomplished is truly short. We cannot do all of the projects that we anticipated at the beginning of the biennium; however, by prioritizing projects that have the largest positive community impact and compromising on our expectations, we will likely be able to accomplish some of the most important projects for the community.

RECEOMENDATION

Commission Chair Mike Gardiner and I met after the last Parks Commission meeting and we developed the following recommendation based on the conversations that occurred during the Commission meeting.

We recommend that the Commissioners adopt the following plan and prioritization with the subsequent changes to the CIP budget that will be required to accomplish the recommendation:

1. The current projected budget for discretionary projects is \$450,000. I recommend that the Commissioners add another \$100,000 to the available funds for a total of \$550,000 to be used for discretionary projects. The source for the additional \$100,000 is the Mace Property Trail – the current budget for that project is \$150,000. I propose to reduce the Mace Property Trail budget by \$100,000 to add to the discretionary projects.
2. With \$550,000 now available, I recommend the following projects, with the associated budgets, be adopted as the priority for the CIP discretionary projects:
 - a. Daniel Meyer Pool Replacement - \$325,000 – these funds would be set aside while a financing mechanism can be identified and implemented to fund the full cost of the pool replacement.
 - b. East Main Park Design and Construction - \$125,000 – these funds would be added to dedicated funds of \$600,000 already in this project budget. The intent for the project would be to move forward with design and planning approval at this point and possibly develop the park in phases.
 - c. Hunter Park Tennis Courts - \$100,000 – the intent of this project would be to resurface and restripe the courts at Hunter Park to accommodate multiple uses, such as tennis and pickle ball. Since the funds are not available to construct the dedicated pickle ball courts at Oak Knoll Golf Course, this project will at least provide a higher standard of pickle ball and tennis courts than currently exists without the expense of constructing a new facility.

The meeting on the first of July is a study session and no decision will be made at that meeting; however, based on the conversations that have already taken place, both Chair Gardiner and I believe this proposal is responsive to community needs while still being mindful of the severely restricted budget.

Regarding the idea of floating a general obligation bond, I recommend that the Commissioners do not pursue this route currently for the following reasons:

1. We have not ruled out all other possible funding mechanisms for the pool that do not include increasing taxes.
2. APMC is not a taxing authority and any proposed general obligation bond will need to be approved by the Ashland City Council, and I do not feel comfortable recommending a general obligation bond on the heels of a recently defeated bond.
3. I do not feel that it is necessary to seek a general obligation bond when it may be possible to accomplish the top four recommended discretionary CIP projects (Pool, East Main Park, Bike Skills Park* and Pickle Ball) with existing funds if we are willing to compromise slightly.
4. In light of the current social and financial situations of our City, State and Nation, compromising to accomplish several projects that will affect the most Ashland residents in positive ways is recommended over an alternative that will focus our discretionary dollars on a one user group.

*Potential phase of E Main Park development dependent on third party fundraising

Attachment: Staff Report, June 10, 2020 Parks Commission Meeting CIP Discussion

ASHLAND PARKS & RECREATION COMMISSION

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Michael A. Black, AICP
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STAFF REPORT

To: Ashland Parks and Recreation Commissioners
From: Michael Black, Parks and Recreation Director
Date: June 10, 2020
Subject: June 10, 2020 Parks Commission Meeting CIP Discussion

SITUATION

Since the announcement of COVID 19 restrictions in Oregon in late March, Ashland Parks and Recreation Commission ("APRC") has been experiencing losses to projected revenue that are unprecedented. Since the first announcements of virus-related social and physical restrictions, by the Governor on March 12, 2020, restaurants were ordered to close or go to take-out only. This is projected to have a drastic effect on Food and Beverage Tax (F&B) revenue.

BACKGROUND

APRC receives funds for Capital Improvement Projects from several sources. Those sources are: 1. Food and Beverage Tax; 2. SDC Fees; 3. Grants; and, 4. Loans/Bonds. Item 1. has been affected by COVID-19 due to restaurant restrictions and closures, and new projections are listed below. Items 2. and 3. may be affected by COVID-19 due to lower development and fewer SDC fees due to a potential recession and grants may be affected by reductions in funding for granting agencies. Number 4. is directly correlated to our ability to repay those loans, which relies on F&B Tax revenue.

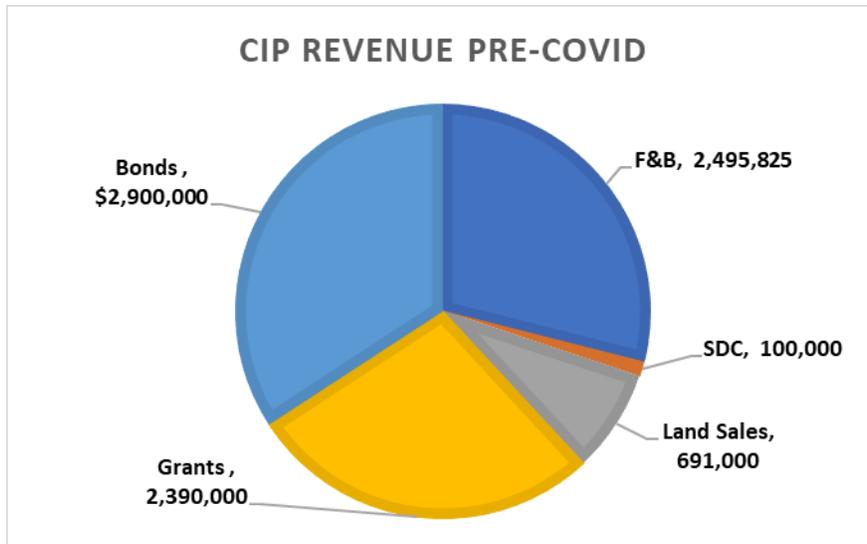
ASSESSMENT

COVID-19 has affected our ability to accomplish our nearly \$8.5 mil. Capital Improvement Plan (CIP). Our CIP requires review and reprioritization due to the anticipated reduction in funding. All projects are impacted either directly or indirectly from the current situation.

Pre-COVID Budget Expectations¹

The CIP Projections for the current biennium were expected to be as represented below:

¹ "Pre-COVID" refers to the time period prior to the first order from the Governor, dated March 12, 2020.



NEW BONDS

The total amount of the bond was approved for \$2,900,000. Of the total, \$2,600,000 was intended for the replacement of the Daniel Meyer Pool. The remaining \$300,000 (\$150,000 for Pickle Ball and \$150,000 for Hunter Park Tennis Courts) was added to the pool needs for a total of \$2,900,000.

APRC anticipated receiving a projected Food and Beverage Tax income of \$750,000 per year. These funds are generally used for capital projects and purchasing land. APRC has used these funds in the past to secure revenue bonds to complete several large projects through the parks system, including Garfield Park and several Lithia Park projects. We have also used these funds to acquire new properties, like the recent purchase of the Hitt Road Property and the Briscoe School Park.

Due to the drastic decrease in revenue from the Food and Beverage Tax, the above bond scenario is no longer valid.

GRANTS

The grant category includes anticipated income from the Nature Playground at NMP (already received and already complete), a bike skills park at the new East Main Park (\$225,000) and the Kestral Park pedestrian bridge (\$500,000). This category also includes the Japanese Garden (\$1,300,000).

At this point we are still anticipating the Japanese Garden grant coming through – the funds are already in the Ashland Parks Foundation’s accounts and the donor would like to move the project forward. The bike skills park and Kestral Park bridge were being managed by partner agencies – Rogue Valley Mountain Bike Assn. and the Bear Creek Greenway Foundation, respectively. Some impacts to grant availability may become a reality. That prospect is discussed below.

LAND SALES

APRC sold the YMCA Park property to the YMCA for a total of \$480,000. We also sold a piece of the property adjacent to the YMCA Park to the City for a total of \$120,000. The final piece of the total are

the surplus funds (\$91,000) from the sale of the remaining property of the piece adjacent to the former YMCA Park to the Housing Authority of Jackson County.

SDCs

These funds come from the building permits. Whenever a new building is constructed, the Building Division charges a calculated amount in that permit for Parks System Development Charges (SDCs). These funds are used to expand the parks system through new parks or new improvements to parks. We budgeted to receive \$50,000 per year for SDCs.

FOOD & BEVERAGE TAX

This is the bulk of our revenue for the CIP budget. In the current biennium, we rolled forward \$981,825 from the previous biennium, which was then added to the following revenue projections:

1. Food and Beverage Tax Revenue:
 - a. FY19/20: Budgeted \$756,900; New Projection \$462,655 (\$294,245 less than budgeted)
 - b. FY20/21: Budgeted \$753,844; New Projection \$265,447 (\$488,397 less than budgeted)

These funds are used for three categories of expenses:

1. Transfer to the Parks General Fund for project management and other project related operations costs: \$185,000 per year or \$370,000 for the full biennium.
2. Payments to bonds and other loans: about \$185,000 per year, or \$370,000 for the full biennium.
3. Parks Improvement. The remaining F&B funds – after debt payments and transfers to the operations budget, which is about \$1,750,000 – goes to pay for current projects like the Mace Property Trail, new playgrounds, the All Parks Master Plan, etc. (a list of all the projects is later in this memo)

APRC has three current revenue bonds in place that are secured by the Food and Beverage Tax, as well as the anticipated addition of a fourth revenue bond for the DMP. Those encumbrances are directly below:

Food and Beverage Tax Encumbrance until 2030

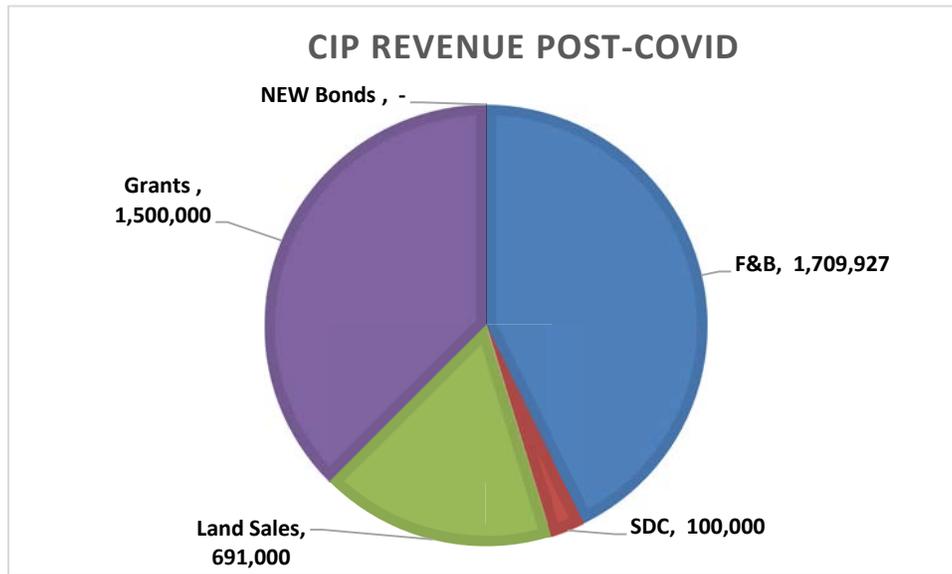
	Garfield	Briscoe	Calle	Pool	TOTAL
2020	\$ 98,239.60	\$ 50,000.00	\$ 36,581.26		\$ 184,820.86
2021	\$ 98,363.40	\$ 50,000.00	\$ 40,931.26	\$ 325,000.00	\$ 514,294.66
2022	\$ 97,455.40	\$ 50,000.00	\$ 40,231.26	\$ 325,000.00	\$ 512,686.66
2023	\$ 97,515.60	\$ 50,000.00	\$ 39,531.26	\$ 325,000.00	\$ 512,046.86
2024	\$ 97,533.40	\$ 50,000.00	\$ 38,831.26	\$ 325,000.00	\$ 511,364.66
2025	\$ 48,508.80	\$ 50,000.00	\$ 38,109.38	\$ 325,000.00	\$ 461,618.18
2026		\$ 50,000.00	\$ 37,343.75	\$ 325,000.00	\$ 412,343.75
2027		\$ 50,000.00	\$ 41,475.00	\$ 325,000.00	\$ 416,475.00
2028			\$ 40,500.00	\$ 325,000.00	\$ 365,500.00
2029				\$ 325,000.00	\$ 325,000.00
2030				\$ 325,000.00	\$ 325,000.00

Post-COVID Budget Expectations²

Budget expectations have changed drastically due to COVID-19. New F&B income is expected to be half of what was budgeted. Again, here is the breakdown of the pre and post-COVID F&B projections:

- 1. Food and Beverage Tax Revenue:
 - a. FY19/20: Budgeted \$756,900; New Projection \$462,655 (\$294,245 less than budgeted)
 - b. FY20/21: Budgeted \$753,844; New Projection \$265,447 (\$488,397 less than budgeted)

The chart below shows only the new projections, post-COVID:



NEW BONDS

Due to the drastic decrease in revenue from the Food and Beverage Tax, the bond scenario mentioned above for the DMP is no longer valid. The Parks Commissioners have voted to reconsider the bond, and we are looking forward to hearing your direction regarding future bonds at the meeting.

Some of the scenarios, but not all, that could be considered regarding the former DMP bond are:

- 1. Do not attempt to issue the Bond, and find another way to fund the projects, such as grants, donations, etc.
- 2. Attempt to reissue the Bond, and:
 - a. Use whatever remaining F&B funds to attempt to secure the first year of Bond payments.
 - b. If it is anticipated that the impact from the COVID-19 closure of restaurants is temporary, we could, potentially, provide security of (\$325,000 if you choose to do all of

² When we use the term "post-COVID" we are only referring to the time period after the first financial impacts of the pandemic. We do not intend to imply that the impacts of the pandemic are in the past.

the projects) for the first years Bond payment and continue the remaining payments with future F&B income.³

3. Try to limp the current pool along for another few years, with some major capital improvements to the pool and the operating system.⁴

Other scenarios certainly exist, and we look forward to hearing the ideas and direction of the Commissioners.

GRANTS

At this point it is hard to speculate whether the granting agencies will be reducing their grant offerings due to their own COVID-19 related budget impacts. The Nature Playground is already finished and paid for but grants for a bike skills park at the new East Main Park (\$225,000) and the Kestral Park pedestrian bridge (\$500,000) may be affected by COVID-19. The aforementioned grants are being sought by partner groups (RVMBA and BCGF) and I wouldn't want to stifle their attempt to get these grants, but I do think it is reasonable to think that there will be an affect to some granting agencies that use funds from Lotto and other sources affected by consumer spending.

At this point we are still anticipating the Japanese Garden grant coming through – the funds are already in the Ashland Parks Foundation's accounts. The bike skills park and Kestral Park bridge were being managed by partner agencies – Rogue Valley Mountain Bike Assn. and the Bear Creek Greenway Foundation, respectively.

LAND SALES

This category is not affected by COVID-19.

APRC sold the YMCA Park property to the YMCA for a total of \$480,000. We also sold a piece of the property adjacent to the YMCA to the City for a total of \$120,000. The final piece of the total were the funds (\$91,000) from the sale of the remaining property of the piece adjacent to the former YMCA Park to the Housing Authority of Jackson County.

SDCs

It does not appear, at this time, that this category will be affected by COVID-19. Building is still taking place, and we generally estimate low on this category because of the volatility of the building market. We budgeted to receive \$50,000 per year for SDCs.

FOOD & BEVERAGE TAX

We are currently expecting that the revenue coming in to APRC from F&B will be half of what was budgeted. Again, here are the projections:

³ This assumes that the banks will be issuing revenue bonds at this time.

⁴ We do not have a figure on what the improvements would cost at this point.

1. Food and Beverage Tax Revenue:
 - a. FY19/20 New Projection \$462,655 (\$294,245 less than budgeted)
 - b. FY20/21 New Projection \$265,447 (\$488,397 less than budgeted)

APRC has several financial obligations that are required to be met prior to any additional spending from this category. Those requirements are current bond payments (see chart below) and transfers to the operations budget for project management and other project related operations costs (\$185,000 per year or \$370,000 for the full biennium).

Food and Beverage Tax Encumbrance until 2030

	Garfield	Briscoe	Calle	TOTAL
2020	\$98,239.60	\$50,000.00	\$36,581.26	\$184,820.86
2021	\$98,363.40	\$50,000.00	\$40,931.26	\$189,294.66
2022	\$97,455.40	\$50,000.00	\$40,231.26	\$187,686.66
2023	\$97,515.60	\$50,000.00	\$39,531.26	\$187,046.86
2024	\$97,533.40	\$50,000.00	\$38,831.26	\$186,364.66
2025	\$48,508.80	\$50,000.00	\$38,109.38	\$136,618.18
2026		\$50,000.00	\$37,343.75	\$87,343.75
2027		\$50,000.00	\$41,475.00	\$91,475.00
2028			\$40,500.00	\$40,500.00
2029				\$-
2030				\$-

Together, the requirements for our financial obligations are \$740,000 for the biennium. Those two obligations are listed below:

REQUIRED PROJECTS (BONDS & BUDGET REQ.)	BUDGET
Project Manager/Operations Transfer	\$ 370,000.00
Debt Payments (Calle, Briscoe, Garfield)	\$ 370,000.00
TOTAL REQUIRED PROJECTS	\$ 740,000.00

As of June 1, 2020, there are six projects that staff suggests are critical to continue with a total expense of \$537,000. These projects are generally those that have already begun and we have some accountability to complete those. Those are listed below:

CRITICAL PROJECTS (ALREADY UNDERWAY)	BUDGET
Daniel Meyer Pool - Design Only	\$ 161,000.00
Real Estate Acquisition	\$ 109,000.00
Oak Knoll CIP 000581	\$ 32,000.00
Mace Property Trail	\$ 150,000.00
Kestral Bridge	\$ 35,000.00
TID Improvements	\$ 50,000.00
TOTAL CRITICAL PROJECTS	\$ 537,000.00

The remaining funds that could be expended on capital projects from F&B, after the two categories above are accounted for, is approximately \$450,000. The total of the remaining projects below is over \$1.5 million.⁵

DESIRABLE PROJECTS (APPROX. \$450,000,000 AVAILABLE FOR THESE PROJECTS)	BUDGET
Repair Perozzi Fountain @ Lithia Park	\$ 25,000.00
East Main Park Development	\$ 350,000.00
Daniel Meyer Pool Rebuild	\$325,00/YEAR \$2,600,000 TOTAL
Lithia Park Improvements	\$ 121,185.00
All Parks Master Plan	\$ 300,000.00
Oak Knoll Playground	\$ 113,000.00
Senior Center Improvements	\$ 50,000.00
Ashland Creek Park Basketball Court	\$ 50,000.00
Build Dedicated Pickle-Ball Courts	\$ 175,000.00
Bike Skills Park	\$ 25,000.00
TOTAL DESIRABLE PROJECTS	\$ 1,534,185.00

All CIP projects that are funded by the F&B Tax need to be reviewed and a reprioritization needs to take place. The focus of the reprioritization process should be the desirability of the 10 projects immediately above. The Commissioners could reevaluate the critical projects as well, but staff recommends that all those projects go forward as proposed.

APRC is fortunate to still have \$450,000 that can be used to fund projects for this biennium. The 10 projects above all have varying levels of necessity. I won't go into those here, but it should suffice to say that all of the projects above are important to some segment of the Ashland population. The actual CIP plan was developed based on a lot of feedback from the community; however, the premise that was used to create the plan – meaning the projected F&B resources in 2018 when the budget was approved

⁵ The cost of the pool is included in two ways in the table. The first is the cost it would be to set aside the funds to pay for the total revenue bond as was proposed (\$325,000) and the second is the total cost of the pool (2,600,000). Prior to now, it wasn't anticipated that we would pay for the first year of the bond until next biennium; however, I have included the cost of the bond in this biennium in case the commissioners wish to use F&B funds from this biennium to secure the first payment of the bond.

– is no longer the same. It has changed drastically, and we must now change the CIP drastically as a result. We simply cannot do all the projects that we anticipated going into this biennium.

RECEOMENDATION

There are 10 projects that require reprioritization. Those projects are (in no particular order):

- Repair Perozzi Fountain
- East Main Park Development
- Daniel Meyer Pool Rebuild
- Lithia Park Improvements
- All Parks Master Plan
- Oak Knoll Playground
- Senior Center Improvements
- Ashland Creek Park Basketball Court
- Dedicated Pickle Ball Courts
- Bike Skill Park

I will send each Commissioner a list of these projects in an email. I am recommending that each Commissioner review the projects and the information provided and rank the list of projects 1-10 – with one being the highest priority and 10 being the lowest priority. You can use any method you want to rank these, but I suggest that you do not use the cost of the project as the only factor in your ranking. It is true that we only have a certain amount of funding, but the priority should be based on what you think is the most important, not the most achievable based on funds. Staff will then work out the scenarios for funding the highest priority projects. Or at least we will do our best in identifying options to fund the highest priority projects.