



Special Spokane Park Board Meeting Agenda

8:30 a.m. Sept. 29, 2017

Finch Arboretum Woodland Center – Ponderosa Room
3404 W Woodland Blvd., Spokane, Washington 99224

Park Board Members

Chris Wright – President
Nick Sumner – Vice President
Leroy Eadie
Ross Kelley
Ted McGregor
Greta Gilman
Rick Chase
Steve Salvatori
Sally Lodato
Jennifer Ogden
Mike Fagan – Council Liaison

Agenda

1. **Call to order:** *Chris Wright*

2. **Discussion Items:**
 1. Goal of Special Park Board meeting – *Ted McGregor*
 2. [Riverfront Park Enterprise Fund definition](#) – *Leroy Eadie and Rick Romero*
 3. Change of management structure - New Riverfront Park Committee – *Leroy Eadie*
 4. [Riverfront Park Business Plan](#) – *Rick Romero and Jonathan Moog*
 5. [Riverfront Park fundraising update](#) – *Leroy Eadie*
 6. [Sportsplex update](#) – *Rick Romero*

3. **Adjournment**

Agenda is subject to change

AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION: The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6363, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or jsaxon@spokanecity.org. Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

Phased Plan for Riverfront Park Enterprise Fund:

Phase I – Change in Management Structure

Phase II – Business Plan for RFP

Phase III – Adoption of Partnership Agreement Parks/Council/Mayor

Phase IV – Legal/Budgetary Creation of Enterprise Fund

Phase I Description: Phase I has been initiated with the inclusion of 2 Council Members and 2 Mayor Representatives along with 3 Park Board Members on the RFP Executive Team. This brings the key stakeholders across the City Organization into the Design, Construction and Capital Planning process for the Pavilion, North Bank, Blue Bridge, West Havermale and other key projects in the existing Park Bond.

Phase I Next Steps: In order to achieve the phased plan, this newly activated organizational team needs to move quickly on the development of the RFP Business Plan. Included in the Business Plan should be recommendations regarding Capital Investments; Operations; Financing; and Sponsorship/Fundraising for RFP.

Phase I Key Decisions:

1. This Phased Enterprise Plan should be focused on Riverfront Park (will not include golf and/or trails at this time).
2. The Business Plan for RFP should include the extension of the Park to the West to include the two CSO tank sites for Gateway, Plaza, Trailhead, Recreational, Parking and Retail opportunities.
3. The Business Plan for RFP should include a plan for the North Bank integration for Parking, Sportsplex, Operations Facilities, People-mover, Destination Rides/Activities and other key opportunities.
4. The joint development of the RFP business plan (including the elements above) will then result in a decision whether to move forward with the adoption of a Partnership Agreement and/or the creation of the Enterprise Fund.

Key Timelines for Phased Plan:

Phase I is already initiated but a decision needs to be made regarding the role of the new Executive Team in relation to the role of the existing Riverfront Park Committee.

Phase II should begin immediately with a goal of completing a draft Business Plan by November 1 and a full plan by end of year.

Phases III and IV will be dependent on the outcome of the Business Plan and whether the parties can determine the appropriate allocation of Financial, Legal and Strategic risks and responsibilities.

Riverfront Park Business Plan – Underlying Tenants of the Plan:

- Plan to include North Bank and West Gateway properties/strategies
- Goal is self-support with limit of \$800K from Parks 8%
 - Self-support includes Capital Renewal & Replacement Fund
- ROW partnership with Utilities/Public Works
 - Bridges
 - Infrastructure
 - Gateways
 - Amenities
- Plan will build on value of increased visitors to Park
 - People-mover
 - Partnerships (STA, Visit Spokane, PFD, Kendall Yards, DSP, etc.)
 - Shoulder seasons/winter
- Diversify Revenue Sources across Park
 - Parking
 - Concessions/Food Service
 - Events/Admissions
 - Attractions/Activities
 - Signature Ride(s)
 - Space Rental/Leases
 - Merchandising
 - Sponsorships
- Responsible Level of Debt
- Plan will be developed within Charter restrictions

A Non-voted Alternative for the Sportsplex

The currently envisioned project of approximately \$43M is constrained by two key impediments:

- The footprint for the full project would require acquisition of several parcels of private property that would likely add significantly to the time and cost of the project.
- The current envisioned project would require a voted commitment for funding from the citizens of the County or City, for which there is not currently a defined path to achieve.

The proposal here is to explore a potential partnership between the PFD, the Hotel-Motel Association, the City of Spokane and the Sports Commission to move forward with a \$25M to \$30M project on the North Bank. The catalyst for this project from the beginning has been additional flexible court space that can build on our shortage/need for expanded team/tournament activity, and the economic benefit that will bring. By getting creative with our partnership funding sources it seems that we could accomplish the 80,000 square feet (plus ancillary space) that is called for in the current plan for additional courts. This scope could likely fit on predominantly City-owned property without significant property acquisition and cost.

Through the successful legislation that the PFD secured this past year, the PFD has the potential to bring \$15M of capital to this project. If the City and Hotel/Motel Association could bring an additional \$10-\$15M it is conceivable that we could accomplish the first phase of this project for the additional court space. The City is currently working on the potential acquisition of one additional private parcel and also has a letter of agreement through its Parks Board for the additional City-owned property that would be needed for this scope of project.

The Hotel/Motel Association (through the 1.3% HM Tax that was agreed to in 2012) has the option of utilizing some portion of that tax for this project as well. The agreement that was reached in 2012 calls for the Lodging Tax Allocation Committee, which is comprised of one City Council Member, one PFD Board Member (Chair) and 3 members of the Spokane Hotel/Motel Association, to make recommendations regarding the allocations of these tax proceeds.

While this approach could resolve the two impediments identified above, it does introduce some additional challenges that must be resolved.

- Allocation of some portion of the 1.3% HM tax proceeds (currently approximately \$1.5M per year) to debt service for this project, would result in some difficult choices around promotion and marketing allocations. (However it should be noted that this fund has grown from \$900K per year in 2012 to approximately \$1.5M per year in 2016, so a key question is how much growth the committee is willing to build into the pro-forma).
- As the operator of the proposed Sportsplex project, the PFD would be taking on operational risk (which has been estimated at around \$250K per year initially). This risk would need to be accounted for in the allocation decisions as well.

- The City has a Letter of Intent to bring Parks Land to this partnership, but the City would likely also need to be willing to consider some level of additional commitment to debt service. This could potentially be underwritten by the incremental sales tax revenues that this project could produce, but this will take continued support and commitment from City elected officials.

If this alternative has support, a key first step would be to convene the City and PFD partners along with the Hotel/Motel Allocation Committee. Perhaps the Sports Commission could take the lead in bringing those key stakeholders together.