

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

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SUBJECT FOR DISCUSSION

2050 Tax Implementation: Parks and Recreation.

EXECUTIVE SUMMARY

The purpose of this item is to provide an update on the Parks and Recreation 2050 Tax implementation strategy and work. Information will be provided on the following topics:

- Description of the Parks & Recreation 2050 Tax
- The 80/20 Split
- Types of Projects, and How They are Determined
- Completed Projects, and Projects in the Queue
- Next Steps

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What feedback do Councilmembers have on the Parks and Recreation 2050 Tax implementation strategy?

BACKGROUND / DISCUSSION

Description of the Parks and Recreation 2050 Tax

In 2023, Fort Collins voters approved the passage of a new, half cent sales tax, providing dedicated funding to Parks and Recreation, Climate Programs, and Transit until 2050. Parks and Recreation receives half of the half cent, which currently equates to approximately \$10M-\$11M, annually. The intent of the funding is to supplement, and not replace, existing funding for specified purposes. The entire half cent tax will be reconciled to the stated percentages by the end of 2030, 2040 and 2050.

Broadly, the ballot language allows the Parks and Recreation funding to be used for two purposes:

1. Replacement, upgrade, maintenance, and accessibility of park facilities
2. Replacement and construction of indoor and outdoor recreation and pool facilities

The adopted ballot language is as follows, *“50% for the replacement, upgrade, maintenance, and accessibility of parks facilities and for the replacement and construction of indoor and outdoor recreation and pool facilities.”* In June 2024, the Council made an initial appropriation of the available funds, and Parks and Recreation teams began implementation. Working through a framework of prioritization, staff is using the funding to expand capacity within work teams, accelerate parks and recreation infrastructure replacements, and strategically transform the scale of parks and recreation capital projects. In 2024, the City completed improvements and projects at more than 20 park locations.

After a budget process in 2024, which included offers for the Climate and Transit portion of the tax as well, the following appropriations were made for the first year of the 2050 Parks & Recreation tax funding.

2024 Budget Appropriations:

- Building Capacity & Data to Expand P&R Infrastructure Replacement \$552,586 (staffing): This offer adds four full-time employees to build capacity to plan, design and construct programs and projects.
- Accelerated Parks and Recreation Infrastructure Replacement \$750,000: This offer provides resources required to ramp up Parks and Recreation Infrastructure Replacement Programs (IRPs). This program is essential to keeping park and recreation facilities and infrastructure safe, and in usable condition. It is also imperative to preserve equity within the community to ensure that every household, regardless of the age of the neighborhood, has access to high-quality parks and recreational experiences
- Transform Scale of Parks and Recreation Capital Projects Delivered - \$4,000,000: This funding provides a new scale of resources which will allow for larger, more transformational projects to start; although completion of larger projects may take several years. Early funding would be encumbered for design, development and procurement.
- Any collected funds in excess of what is listed above will go into a reserve fund (~approx. \$4-5M in 2024).

Additional information related to all offers:

- The staffing model for 2024 allows the IRP to ramp up, and includes funding for positions starting in 2024, 2025, and 2026.
- It is typical for multiple IRP projects to overlap over an extended period. In this budget cycle, projects from the plans listed above will begin, but are subject to change based on other situations (partnerships, safety issues, vandalism issues, continued preventative maintenance projects, etc.) that may arise.
- The dedicated funding from the 2050 Tax will be supplemented with existing appropriations from historical general fund support in the Operations Services Department, and potential other funding, to complete facility replacement and improve sustainability and green infrastructure in alignment with additional strategic objectives.
- The Parks system has approximately \$50M in deferred asset management needs, which is tracked by the following metric: [Parks Asset Management Funding](#)

The 80/20 Split

At the August 27, 2024 Work Session, which included an update on the Parks and Recreation 2050 Tax Strategy, Councilmembers expressed general support for the proposed 80/20% percentage split of life-of-tax funds. Staff outlined the split between asset management and upgrades to existing parks, park facilities and recreation facilities (80% over the life of the tax), and capital for new and replacement recreation facilities and pools (20% over the lifetime of the tax). The primary rationale for this guideline is simply to operationalize a practice of prioritizing maintenance and replacement of existing parks, recreation centers and parks facilities (80%) over building new capital investments. In a follow-up memo, staff revisited assumptions based on existing analysis to determine that a split of 80% of the dedicated Parks and Recreation proceeds from the 2050 tax should be sufficient to resource the Parks and Recreation asset management needs.

For both Parks and Recreation, these gaps were projected as the funding needs over the next 20 years. An approximate gap of \$110M for Parks, and \$55M for Recreation, combine for a total anticipated gap of \$165M. Over the 20 years in the projections, that represents an average annual need of \$8.25M per year. It is important to note that construction cost inflation over time, growth rates of local sales tax, updated asset assessments, and changing community needs will require these priorities, and new funding needs to be periodically updated over the lifetime of the tax.

From an operational perspective, Parks and Recreation will be implementing the funding in two distinct ways. The first is building out asset management programs in Parks, and for Recreation facilities. This work is well underway and includes on-going evaluation, prioritization, and optimizing replacement of all Parks and Recreation facilities. The second is for stand-alone large capital projects that are one-time in nature and could include replacement of an existing recreation facility (i.e. Mulberry Pool) and new facilities (i.e. Southeast Community Center (SECC)). Based on the demands for ongoing asset replacement, it is unlikely that the tax could support additional new Recreation centers beyond the two listed. However, the life of the tax is long enough that circumstances may change in the future to make this possible.

The August 27 Work Session was focused on the possible large capital needs in Recreation (the Southeast Community Center and the Mulberry Pool Replacement). The upcoming Work Session will provide additional information, strategy and guidance for the “replacement, upgrade, maintenance, and accessibility” portion of the tax.

Types of Projects and How They are Determined

Sites move through stages, typically referred to as their life cycle. These stages include:

- *New/Creation:* New development is guided by the 2021 Parks and Recreation Plan – ReCreate. Capital Expansion Fees are the primary funding source for new neighborhood and community parks, but general fund, direct developer contributions and dedicated taxes have been used in the past. New Recreation facilities have been funded by a variety of sources, with dedicated taxes (Community Capital Improvement Project (CCIP), Building on Basics, a dedicated 5-year tax for EPIC, etc.) being the largest source.
- *Operations and Maintenance:* Daily tasks needed to keep parks running; includes utility payments, amenity support supplies, staffing, etc. Typically funded through the General Fund for parks.
- *Preventative Maintenance:* Projects over ~\$7500, typically not covered by Operations and Maintenance, that are less frequent but recurring. Example projects include painting structures to extend life span, filling cracks and potholes in asphalt to prevent degradation from water intrusion, surfacing refreshes in playgrounds to maintain impact attenuation, pump part replacements to maintain irrigation reliability, lining raw water pipes to maintain water supply reliability, court surface repairs to maintain playability, etc. This work focuses on minimizing risk, improving safety and extending the life

span of the asset. Preventative maintenance utilizes lapsing funds in both the General Fund and the 2050 Tax.

- *Repair & Replacement:* Minor or major repair and replacement to assets due to end of useful life, safety issues, vandalism, regulatory or code compliance, material changes, etc. are funded by the 2050 Tax. Example projects include conversion of asphalt courts to post-tension concrete, replacement of windows broken by vandalism to more vandal resistant materials, etc. Replacements are guided by the following plans:
 - 2022 Parks Infrastructure Replacement Plan
 - 2022 Recreation Department Operational & Program Plan
- *Update-Redesign/Rebuild:* Site planning and community engagement of new and existing infrastructure and amenities. Typically, 20-30 years beyond original site plan. This process can also be driven by a change of use or changing conditions and may involve only a portion of a site or the entire park. Updates can be funded by the 2050 Tax and other sources (donation, CCIP, etc.). The 2021 ReCreate: Parks and Recreation Plan created a basic evaluation criterion when engaging the community on updates. In addition, this work follows recommendations in the 2021 Parks and Recreation Plan:
 - 2021 P&R Plan - Action 1.1- Expand the usability of existing parks.: Parks, like other built infrastructure, have a life cycle. Recreational preferences, design preferences, and neighborhood demographics change over time. Periodically, parks must be evaluated to determine whether they are meeting community needs and performing as well as they could be.
 - 2021 P&R Plan-Evaluation Criteria:
 - Community Needs: Are the community's needs being met?
 - Usage: How well is the site being used?
 - Condition of existing amenities: What is the condition of existing amenities?
 - Design & Function: Is the overall design still relevant and does it enhance the user experience? Does the park or facility still function as designed?
 - Additional prioritization criteria (see below).

Completed Projects and Projects in the Queue

In 2024, 2050 Tax funds have been invested in more than 20 park and recreation locations throughout the City. Following recommendations from the 2024 budget process, the information below summarizes work to date:

- Build Capacity:

The vision of the ballot and ordinance languages has been incorporated into writing offers for the 2025/26 BFO offers, as well as discussions at the Parks and Recreation Advisory Board & Council (~80/20 split between asset management and new capital; allocating through BFO; discussion on SE Community Center).

Staff hiring has taken place and of the four staff requested in 2024, three are now onboard and a re-organization of the Park Planning and Development division has taken place. Three additional staff will be hired as part of the 2025/26 BFO offers.

This funding will also create a 10-year Recreation Capital Improvement Program (CIP) Plan, starting in 2025.

- Accelerate Parks and Recreation Infrastructure Replacement

Funds have been invested in more than 20 park and recreation locations throughout the City. Projects completed focused on partnership opportunities (improving the EPIC parking lot in coordination with Operation Services) or shovel ready projects that help us prepare for larger work to come (such as improving tennis courts around the City prior to the Rolland Moore tennis center planning, design & construction project); and/or fully completing existing projects underway (work at Northside Aztlan Center for the front desk and childcare outdoor spaces). Additional examples of projects completed with this funding include: Greenbriar Tennis & Basketball Court Replacement, Westfield Tennis Courts Replacement, Overland Park Bridge Repair, Wallenberg spur of the Spring Creek Trail bridge replacement, pump repairs, asphalt repairs (Rogers, Martinez, Rolland Moore).

- Transforming Scale of Parks and Recreation Capital Projects

Capital projects on the near horizon include the renovation of the Rolland Moore tennis center and playground, and renovation of the front desk area at Northside Aztlan Community Center. Landings Park renovation is also being scoped from this funding.

The Parks Infrastructure Replacement Plan guides decision-making for replacement as discussed above. However, prioritization of park upgrade criteria has not occurred. Staff will work on developing criteria by studying precedent examples, such as:

- Atlanta Data-Driven Mapping Tool for Prioritizing Parks & Recreation Investments + Capital Improvements: [Equity Data Tool](#)
- [Criteria Based System for MPRB](#) (Minneapolis Park and Recreation Board) Capital and Rehabilitation Project Scheduling - 2016

Initial concepts are to combine relevant data already collected from the IRP plan with additional criteria such as neighborhood safety, changing neighborhood conditions, additional equity demographics, level of service, etc. Concurrent to the development of this program, the planning and design phase for Soft Gold Park will begin, since it meets much of the criteria listed above.

In addition to the projects mentioned above, the design of the new Southeast Community Center is underway. Additional project ideas are listed below after the 2025/26 budget offers.

Staff are focusing this exciting investment in our community to build capacity internally for additional projects, accelerate parks and recreation infrastructure replacements, and strategically transform the scale of parks and recreation capital projects.

• 2025/26 Budget

- Offer 54.11 Parks Enhancement- 3.0 FTE - Parks and Recreation Expanded Infrastructure Replacement Program Operations (2025: 183,376; 2026: 354,379)
- Offer 54.12 Parks and Recreation Infrastructure Replacement Projects (2025: \$5,768,750; 2026: \$5,787,968) added to 2024 capital funding
 - Identified capital projects include:
 - NACC Front Desk Replacement
 - NACC Childcare Project
 - NACC Gymnasium Improvements
 - Lee Martinez Farm Tack Shed Addition

- Spring Canyon Splashpad Safety (moving pump controls above ground)-Design & Construction
 - Rolland Moore Tennis & Playground - Planning
 - Landings Park Update - Planning
 - Alta Vista Update - Planning
 - Romero Update – Planning
 - Freedom Square Update-Planning
 - Soft Gold Update - Planning
 - Legacy Update-Planning
- Offer 54.13 Ongoing - Parks and Recreation Infrastructure Replacement Program Operations (2025: \$460,769; 2026 \$477,941)
 - Offer 60.9 Parks Infrastructure Replacement Program (2025: \$865,619; 2026: \$868,953)
 - Offer 76.2 Design for EPIC Ice Chiller (2025: \$400,000);

NEXT STEPS

We anticipate the creation of a dashboard to support project tracking and progress, transparency, and accountability after the GIS Analyst II position is onboarded. Precedent sites include:

- [Parks CIP Experience](#) from Frisco, TX
- [MPRB Capital Improvement Program Dashboard](#) from Minneapolis

Periodic updates will also be posted to City websites as the implementation of 2050 Tax funding continues.

REFERENCES

1. [Parks Infrastructure Replacement Program](#)
2. [Recreation Home Page](#)