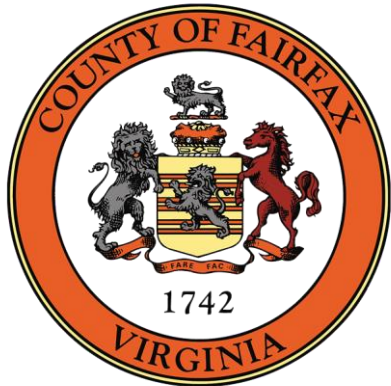




Joint BOS/PAB Meeting



September 30, 2022
3:00 pm
Fairfax County Government Center
Conference Room 11



Agenda

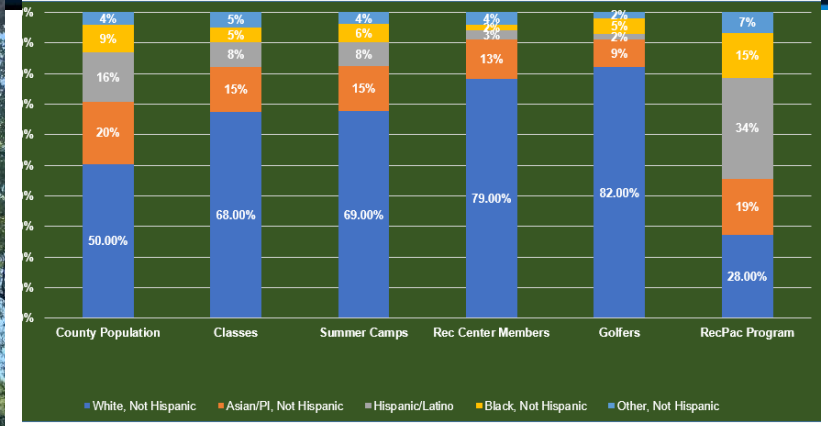
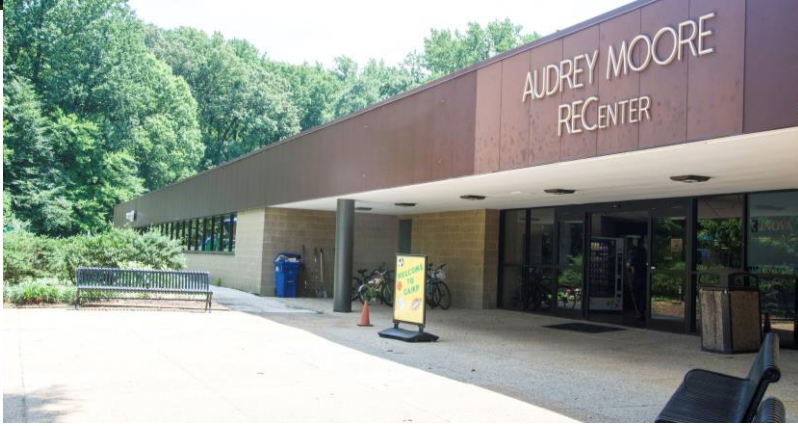
- Welcome
 - The Honorable Jeffrey McKay
 - Chairman of the Board
- Jai Cole's Walk with the Board of Supervisors video
- CIP update from FCPA and DMB
- Equity in FCPA
- Equity Consultant Presentation - HR&A Advisors
 - Introduction & background
 - Project Scope
 - Benchmarking
- Discussion



Jai's Parks Tour

420
PARKS





Opportunities

CIP

- Initial Focus on Cashflow to Ensure that Mount Vernon Rec Center Project Can Be Completed
- FCPA and DMB Staff are Working Together to Identify Alternative Funding Sources
- FCPA Staff Reconfigured Schedule of CIP Projects to Accommodate Mount Vernon Rec Center and the move to a six-year CIP
- Working Together to Right-Size 2026 Bond

HR&A +



Recreation | Funding for Equity

Fairfax County Board of Supervisors Meeting

September 30, 2022



| 01

Introduction

HR&A ADVISORS

We are real estate, policy, and economic development consultants who understand both Fairfax County and the transformative benefits of parks and recreation.



PITTSBURGH PARKS



HAROLD SIMMONS PARK



ORIGIN PARK



SEATTLE WATERFRONT



FAIRFAX MARKET STUDY



FAIRFAX RESILIENCE

OUR SCOPE

HR&A is supporting FCPA in its efforts to make programs, services, facilities, and operational areas affordable and accessible to all Fairfax County residents, regardless of race or income.



"A parks and recreation system that is equitable and inclusive by providing quality facilities, programs, and services to all communities; balancing the distribution of parks, programs and facilities; and providing **accessible and affordable facilities and programs.**"



| 02

Background

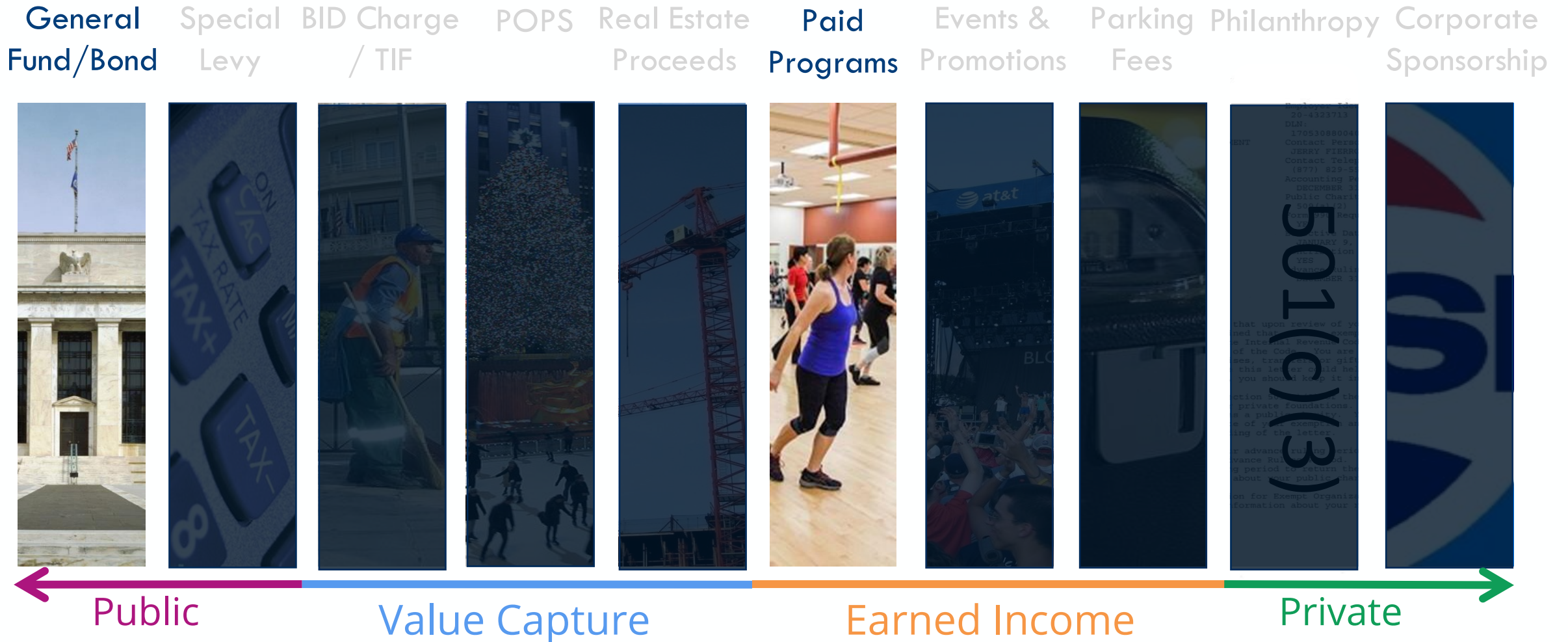
FUNDING SOURCES

Nationwide, parks and recreation operating revenue comes from a variety of sources.



FUNDING SOURCES

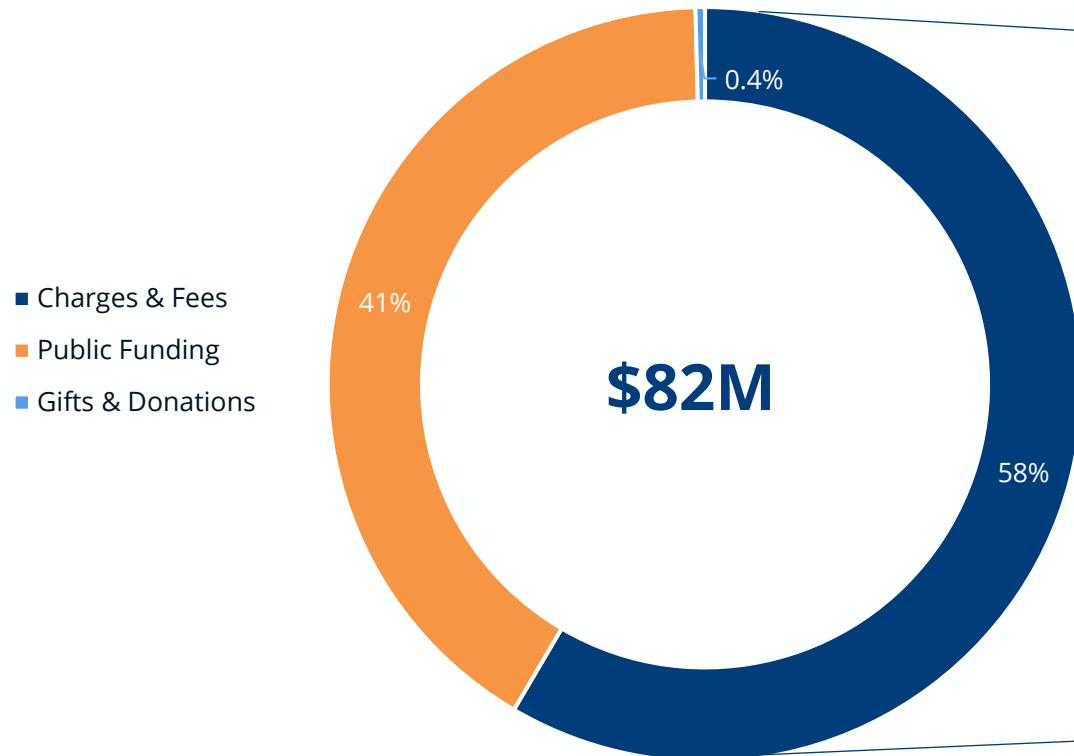
Currently, FCPA overwhelmingly relies on General Fund dollars for its open space operating costs and on earned income through fees and charges for its recreation operating costs.



FUNDING SOURCES

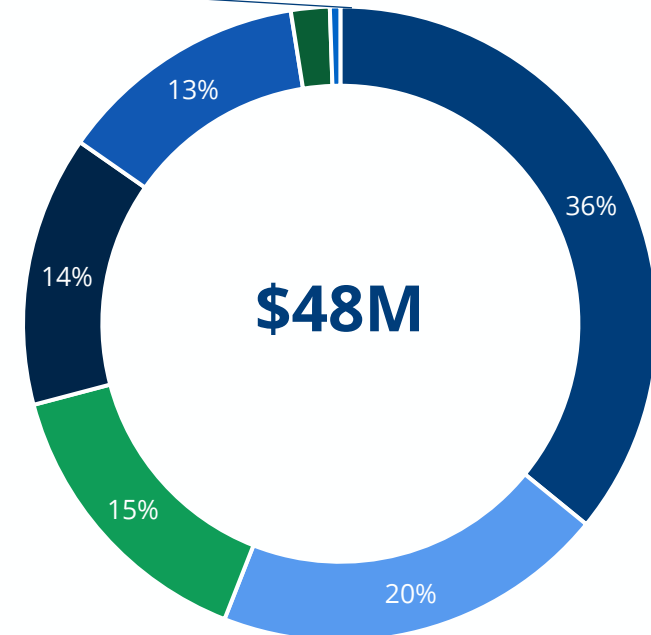
Earned income represents 58% of FCPA's operating budget.

Operating Budget Sources, FY22



Charges & Fees by Source, FY22

- Programs
- Greens & Range Fees
- Memberships & Passes
- Rentals
- Other Charges & Fees
- Food & Beverage
- Rec Pac





03

Recreation for Some

A SUCCESSFUL SYSTEM

Some of Fairfax County's vibrant and high-quality public recreation facilities rival its private competitors.

Oak Marr Rec Center



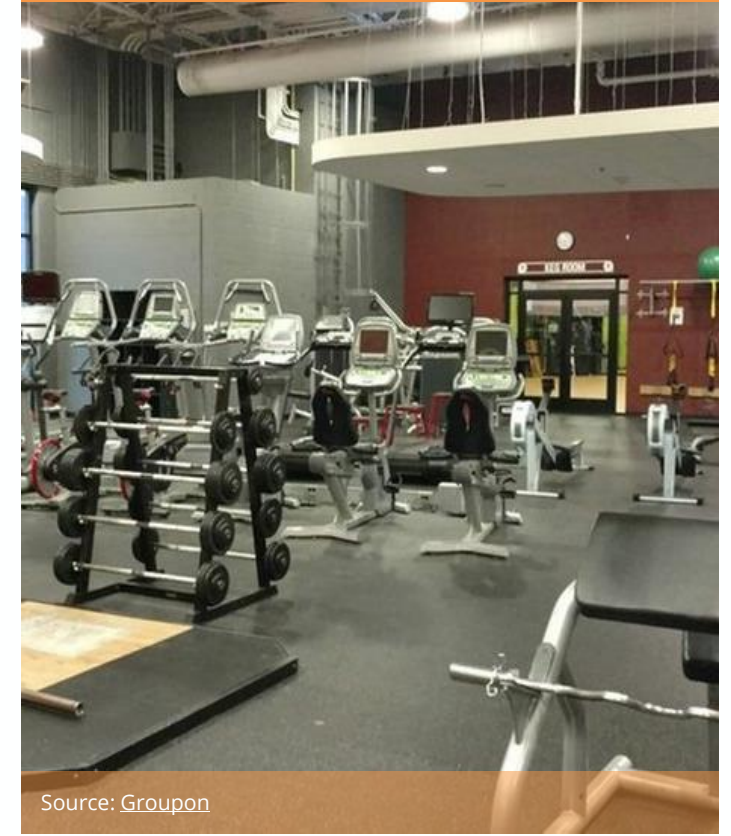
Source: [HG Architects](#)

Gold's Gym, Herndon



Source: [Yelp](#)

nZone, Chantilly



Source: [Groupon](#)

FUNDING CHALLENGES

Fairfax's operating model, fully supported by charges and fees, has allowed the County to continue to provide a significant and robust public amenity to some residents.

- Faced with limited tax revenue, many municipalities have moved expensive recreation out of the General Fund, or limited programs and facilities.
- Some municipalities divested from recreation, others spun off recreation centers to be managed by private groups or non-profits.

MARYLAND NEWS >

Many Protest Privatizing Baltimore Rec Centers

#CBSNEWS
BALTIMORE

NOVEMBER 30, 2011 / 11:18 PM / CBS BALTIMORE

Plan not to privatize Recreation Center, tennis facilities achieves right balance amid budget crisis

Staff Writer Palm Beach Daily News

Published 11:01 p.m. ET Feb. 25, 2011 | Updated 7:51 p.m. ET Feb. 26, 2011

NEWS

St. Paul: Privatizing rec centers faces city council resistance



By FREDERICK MELO | fmelo@pioneerpress.com | Pioneer Press

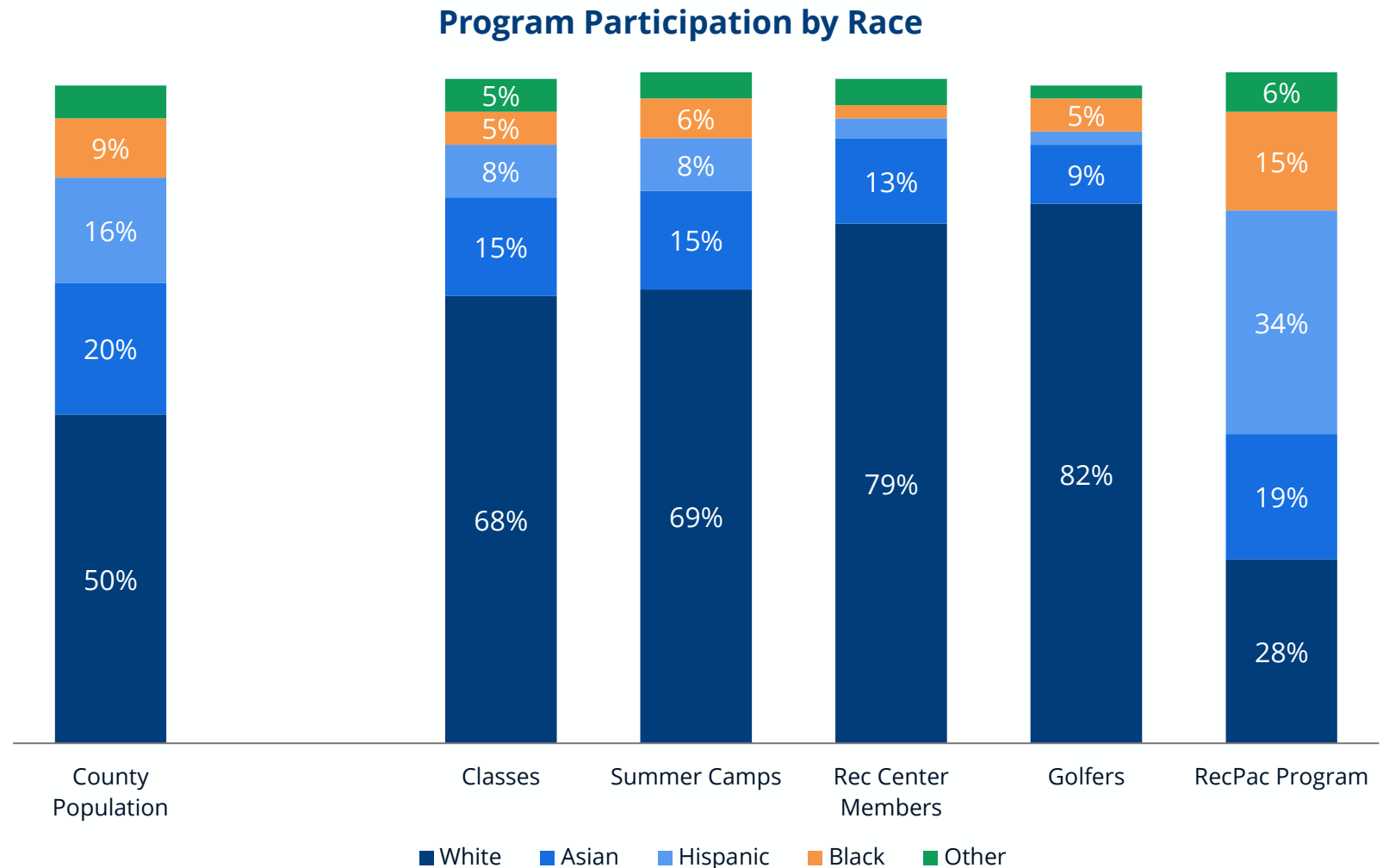
PUBLISHED: November 17, 2012 at 7:43 p.m. | UPDATED: November 9, 2015 at 10:05 p.m.

St. Paul has too many recreation centers and not enough money to provide high-quality programs and staffing at all of them.

EQUITY IMPLICATIONS

While Fairfax County's revenue model for the Park Authority has succeeded in delivering high quality recreation to some residents, the system does not serve everyone.

- FCPA's programmatic offerings skew considerably whiter than the county population, with the exception of RecPac, which has much lower fees and is not operated out of the Revenue Fund.

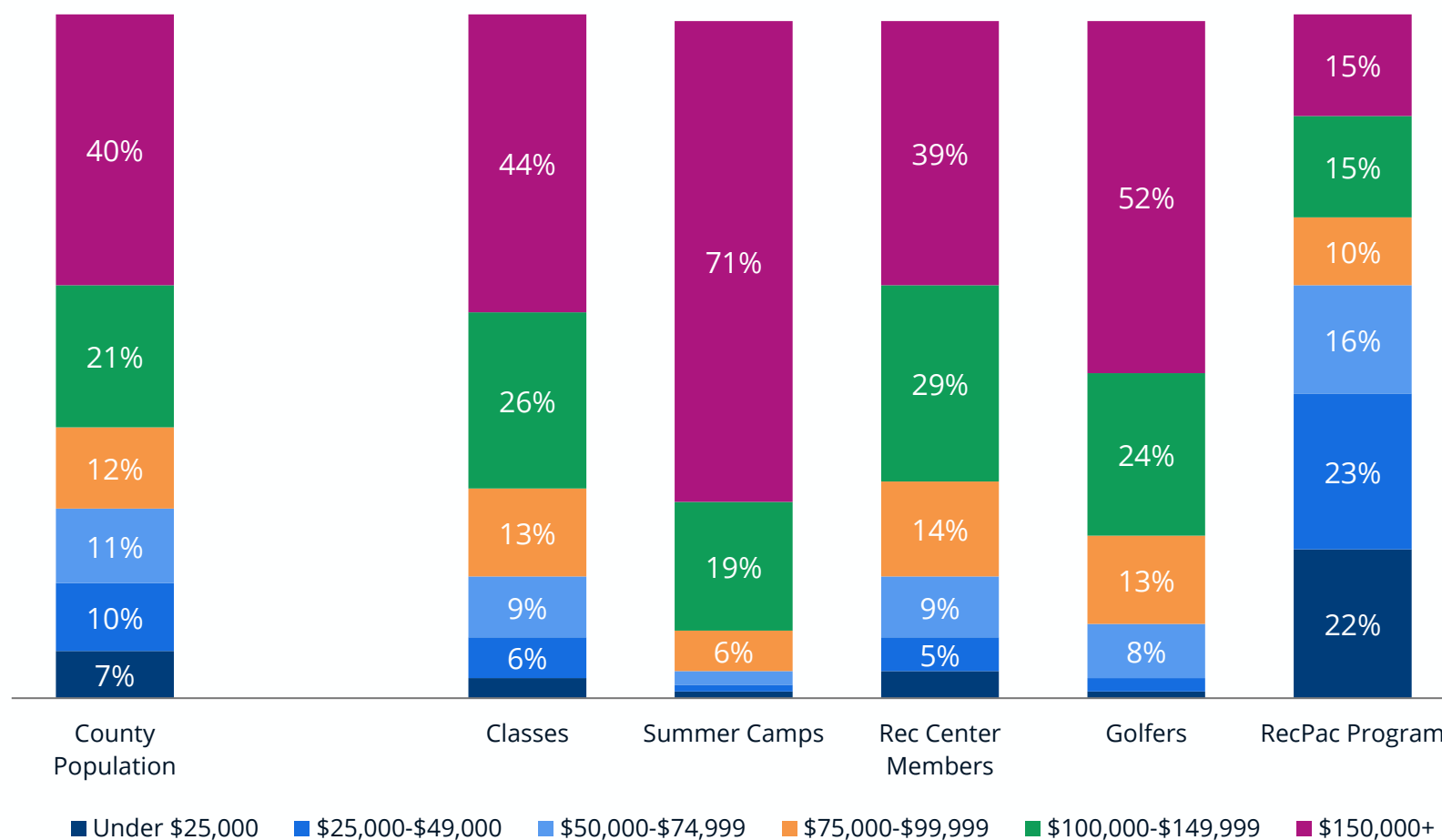


EQUITY IMPLICATIONS

While Fairfax County's revenue model solution has succeeded in delivering high quality recreation to some residents, the system does not serve everyone.

- Program participation is similarly uneven across the income distribution.
- Summer camps in particular are predominantly catering to the richest Fairfax County residents, while the less expensive RecPac program is serving families of all incomes.

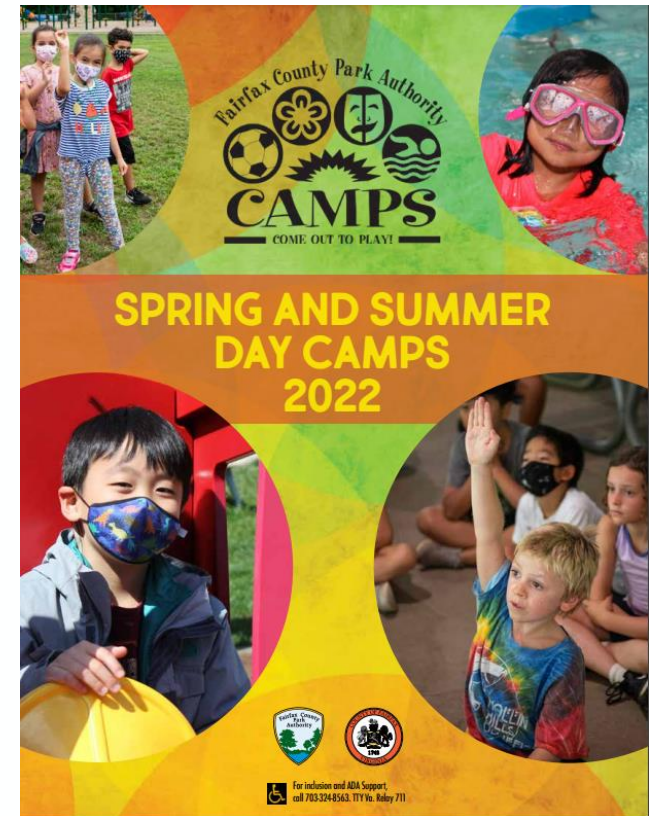
Program Participation by Household Income



AFFORDABILITY

The high cost of Rec Center programming and summer camps means that they are unaffordable for lower-income residents.

- A third of Fairfax households earn less than \$75,000 a year.
- For these families, the \$220 (minimum) cost of sending a child to one week of full-day FCPA summer camp ranges from **15% to 100%** of their weekly income.
- The Department of Health and Human Services (HHS) considers childcare affordable to a low-income, working family at **no more than 7%** of household income.



AFFORDABILITY

For higher-income families with multiple kids, the cost of summer camp participation remains considerable – on par with weekly housing costs.

	Average weekly expenses for a single parent of two earning \$114K in Fairfax County	
	Expense	Share of Budget
Food	\$143	9%
Medical	\$157	10%
Housing	\$441	27%
Transportation	\$244	15%
Civic	\$95	6%
Other	\$118	7%
FCPA Camp – 2 Kids Full Days, 1 Week	\$440	27%

Source: MIT Living Wage Calculator

| 04

Benchmarks

COMPARABLES

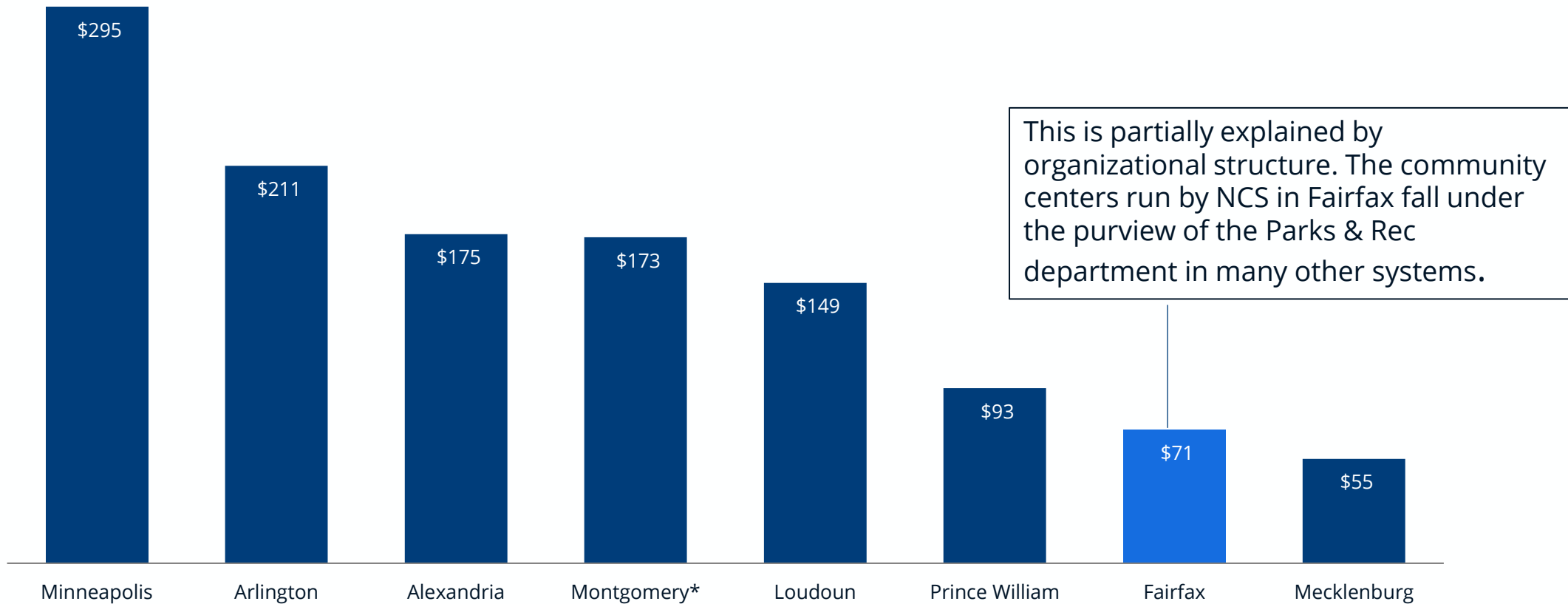
HR&A benchmarked FCPA against two comparable systems, four additional local peers, and Minneapolis, which is nationally recognized for its efforts to improve parks equity.

	Fairfax County, VA	Montgomery County, MD	Prince William County, VA	Loudoun County, VA	Arlington County, VA	Alexandria, VA	Mecklenburg County, NC	Minneapolis, MN
Operating Budget FY22	\$82M	\$181M	\$43M	\$60M	\$50M	\$28M	\$61M	\$125M
Population 2020	1.15M	1.05M	467K	405K	236K	158K	1.09M	425K
Median Income 2020 Dollars	\$128K	\$112K	\$108K	\$147K	\$123K	\$102K	\$69K	\$66K
Funding Structure Operating Budget	General and Revenue Funds	General, Enterprise, and Revenue Funds	General Fund and Program Revenues	Local Tax Funding and Program Revenues	Fees and Grants	General, Internal Service, and Special Revenue Funds; Grants	County Funding and Program Revenues	Parks District property tax levy; Internal Service, Enterprise, and Special Revenue Funds

PER CAPITA SPENDING

Fairfax County spends less per capita on parks and recreation than most of its peers.

Parks and Recreation Expenditures per Capita, FY22

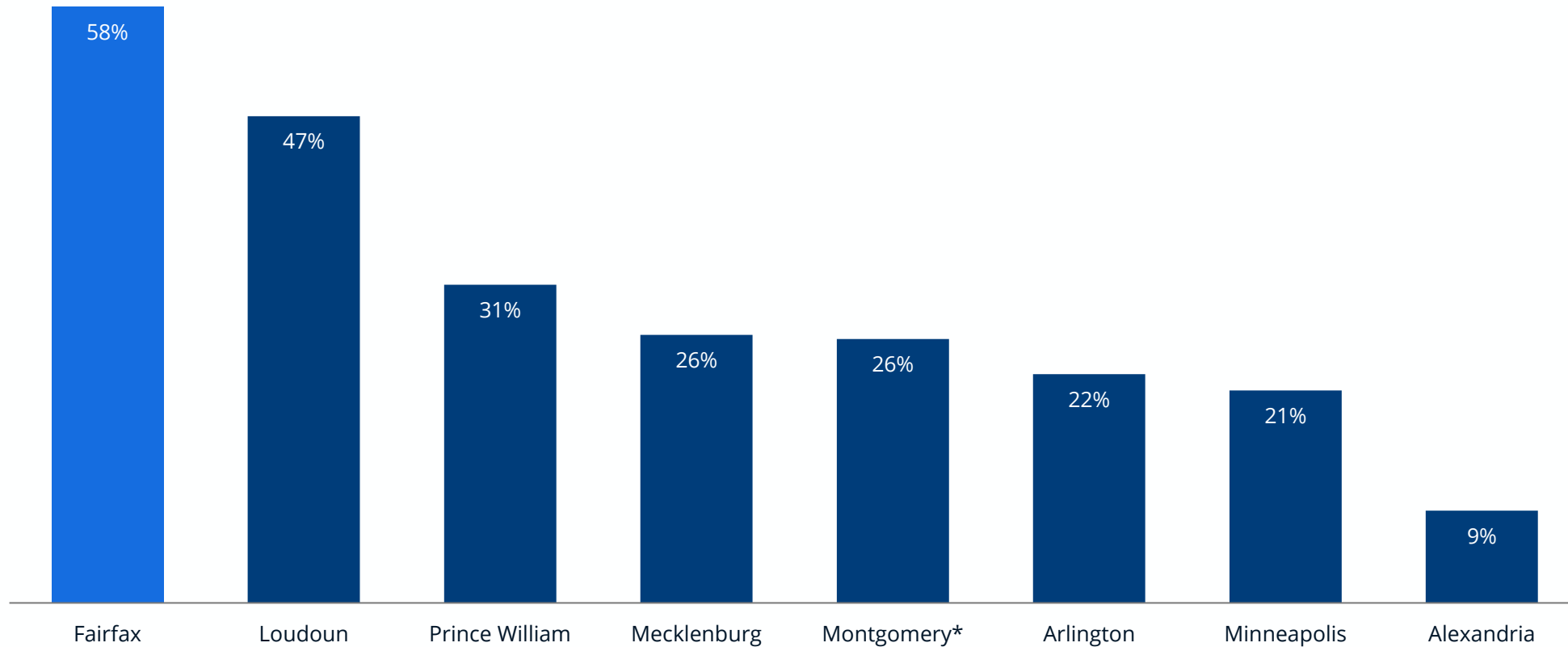


*Montgomery County includes the Montgomery Recreation Department, Parks Department, and Revenue Authority Golf Course System.

COST RECOVERY

Fairfax County leads in the share of total expenditures covered by charges and fees.

Earned Revenue Share of Total Expenditures, FY22



*Montgomery County includes the Montgomery Recreation Department, Parks Department, and Revenue Authority Golf Course System.

BENCHMARKS

Fairfax charges more for recreation programming than other systems.

	Fairfax County, VA	Montgomery County, MD	Mecklenburg County, NC	Minneapolis, MN
Annual Rec Pass Fitness and Aquatics Access	\$670	\$500	\$540	\$540 for Aquatics
Annual Rec Pass Seniors/Youth Discount	\$620	\$430	\$260	NA
Swim Class Beginner, 30 Minutes	\$110	\$65	\$70	FREE
Summer Camp Full Days, 1 Week	\$220 - \$600	\$200 - \$300	\$75 +	\$10
Golf Course Rate 18-Hole Walk, Weekday	\$30 - \$80	\$30 - \$65	\$25 - \$35	\$20 - \$35
Adult Fitness Class Cardio, Per Class Fee	\$12	\$10	NA	FREE

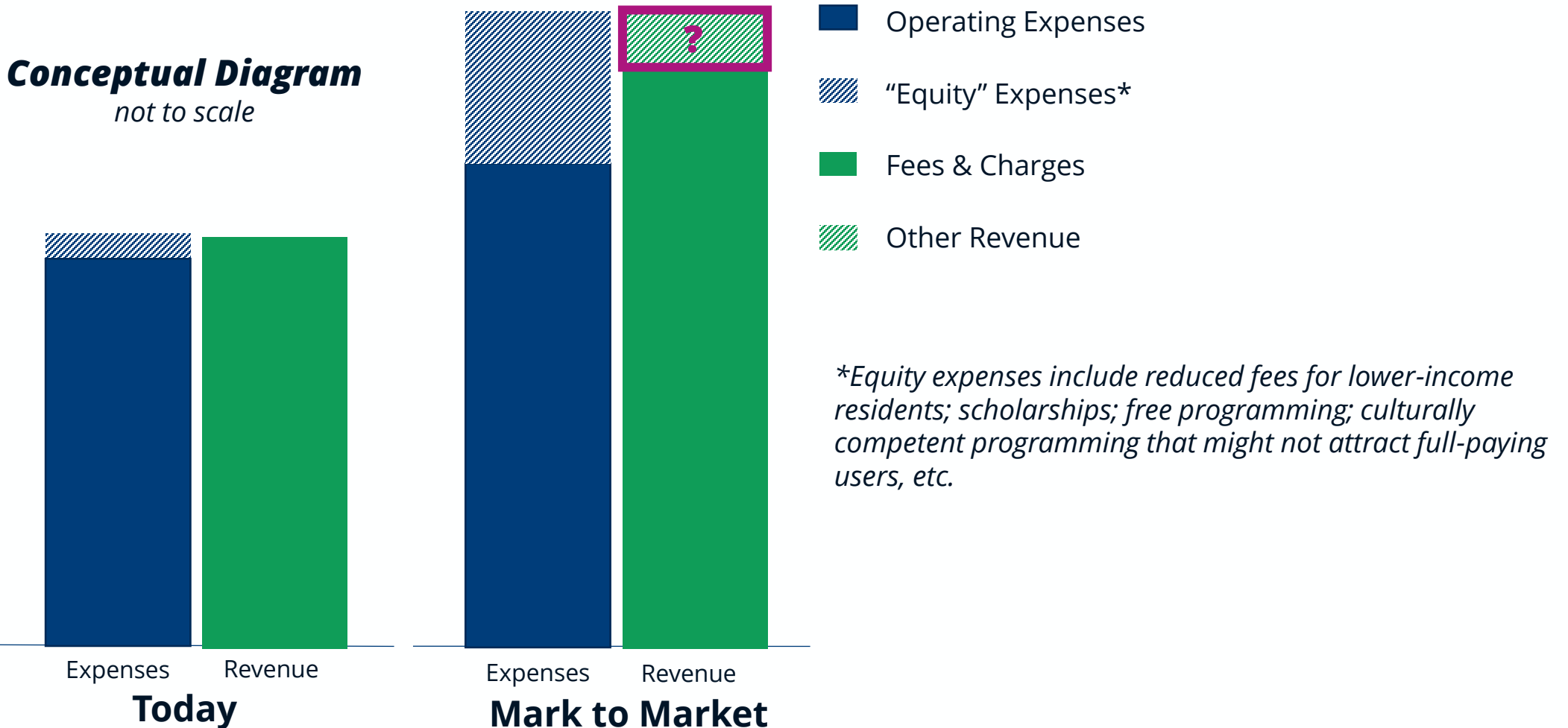


04

Takeaways & Next Steps

PRICING & FEE SCALES

We assume FCPA is charging below market fees, and could use the increment from increased fees on a sliding scale to pay for “equity expenses,” BUT...



AN INSUFFICIENT SOLUTION

...Absent other changes, raising fees for wealthy residents and introducing a sliding scale schedule alone will be insufficient to address the system's equity problems.

Even if the market would bear higher fees for those who can pay in order to subsidize reduced cost or free programming for less-resourced residents, the County would face the following issues:

- A public recreation system charging rates competitive with the private sector may be unpopular and/or infeasible.
- A complicated fee scale will be challenging and resource-intensive to administer.
- The increment that comes from increasing fees for those who can pay is unlikely to be sufficient to fully support broader equity efforts.
- While full cost recovery expectations remain in place, investment decisions will continue to be constrained by the need to retain fully-paying users.

LOOKING AHEAD

Meeting the equity goals outlined by One Fairfax in our parks and recreation centers requires additional revenue.

While a stronger scholarship program and/or sliding scale fees may be important parts of the solution, those strategies alone will not solve the problem.

Meeting our equity goals will require more money, which may come from:



- Allocating a greater amount of General Fund dollars



- Implementing a special tax district or dedicated tax revenue streams



- Remove the County direction that the Revenue Operating Fund must be operated at 100% cost recovery.



LOOKING AHEAD

Meeting the equity goals outlined by One Fairfax in our parks and recreation centers requires additional revenue.

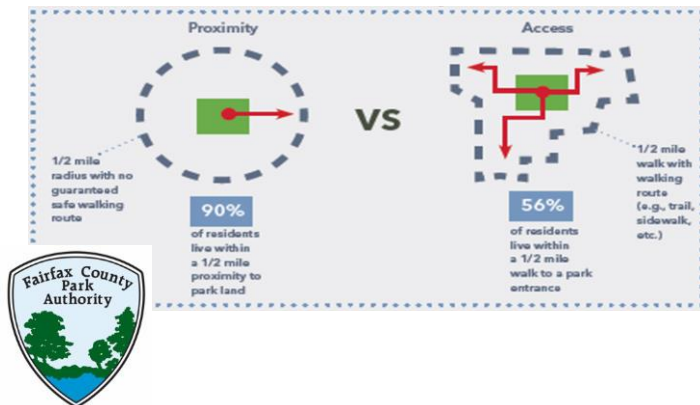
As we work to develop a strategy, we recommend that we **do not further increase fees** until we understand how doing so affect equity and we have explored other sources of funding.





Equity in FCPA

- Physical access to parks and facilities
- Address barriers to program access
- Workforce development
- Enhance community engagement
- Programming



Discussion

