

Financial Impact to NCPRD of Happy Valley Withdrawal

Will Happy Valley's withdrawal from NCPRD result in a reduction of 13.7 FTEs?

No. That represents 41% of NCPRDs total FTEs, whereas the tax revenue impacted by Happy Valley is only 10% of the general fund. Here are the numbers:

FTE Breakdown

Total NCPRD FTEs FY 2018-19	33.7
NCPRDs Hypothetical Reduction of FTEs with HV Withdrawal	13.7
Percentage of Total	41%

Tax Breakdown (from NCPRD's adopted 2018-19 Budget)

HV's Tax Revenue FY 2018-19	\$ 1,441,953
NCPRDs General Fund FY 2018-19	\$ 14,286,280
HV's Percentage of NCPRDs General Fund	10%

What would be the true financial impact of Happy Valley's withdrawal from NCPRD?

As shown, Happy Valley contributes only 10% of NCPRD's General Fund. And, over the course of the last year and a half, the City several times has made specific proposals to further reduce the impact to NCPRD. These proposals would result in a reduction of only 2.5% to the district's general fund budget, which represents less than 1 FTE. Here are those numbers:

Tax Revenue Impact from HV Withdrawal	\$ 1,441,953
Reduction in Payment to HV after NCPRD Terminated Contract	\$ (288,221)
Reduction in Aquatic Center Debt after HV Pays its Share*	\$ (91,957)
Reduction in Park Maintenance Costs (if Parks transferred to HV)	\$ (500,000)
Proposed HV Payment to NCPRD for In-District Rates	\$ (200,000)
Net Financial Impact of HV Withdrawal	\$ 361,775
Percentage of NCPRD Budget	2.5%
2.5% of Total NCPRD FTEs	0.85

*HV would pay a lump-sum total of \$500,000 - \$600,000, or \$92,000 annually through 2025.

What is the long-term financial impact of Happy Valley's potential withdrawal?

Over time, maintenance costs in Happy Valley will increase at a far greater rate than in other areas of the district. With over \$18 million of development fees generated in Happy Valley slated for new parks, the district's maintenance obligations will increase significantly. Happy Valley's withdrawal will save the district from this future ongoing expense.

Will Happy Valley be able to provide parks and recreation services?

Two years ago, when the County *supported* the City's withdrawal, the City began extensive public outreach efforts (open houses, surveys, etc.) to determine what park facilities and services matter most to City residents. As a result of these efforts, the City developed a [Parks Master Plan](#) and a [Recreation Program Action Plan](#). To fund the Plan, the Council adopted a Systems Development Fee Methodology to generate revenue to build the parks, and City voters approved a levy to fund the recreation programs. The City is collecting the SDCs and tax revenue now. Accordingly, if HB 3099 is successful and the voters approve the City's withdrawal, Happy Valley has the finances already in place to hit the ground running and provide the full range of park services.