



**To:** Sally Bagshaw, Chair of Parks and Neighborhoods Committee

**From:** Christopher Williams, Acting Superintendent

**Date:** June 24, 2013

**Re:** Parks and ARC Fundraising- *Response to SLI 111-1-A-1-2013*

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### **Summary**

The 2013 Adopted Budget included a Statement of Legislative Intent (SLI) requesting that the Department of Parks and Recreation (Parks) and the Associated Recreation Council (ARC) present a report on a combined and coordinated fundraising strategy to the Council's Parks and Neighborhoods Committee. In preparing the report, the Council requested that Parks and ARC conduct an assessment of best practices in other parks departments to inform the strategy, including an analysis of successful funding sources in other locales. The SLI also requested Parks and ARC to provide progress reports on the fundraising efforts at the end of each subsequent quarter in 2013 – June 30, September 30 and December 31.

The assessment of other parks departments is included as Attachment 2 to the SLI. The department gathered high level fundraising information from six other agencies including San Francisco, Chicago Denver, Portland, King County, and Snohomish County. The assessment was not meant to provide an in depth review of fundraising activities in other parks and recreation departments. Instead it was meant to provide general information on how other agencies are handling this relatively new effort to formalize fundraising partnerships.

The wide-ranging findings from the assessment were that (1) there is not a common fundraising model among the surveyed agencies that could be used to compare to and evaluate Seattle; (2) in most agencies, funds are restricted to renovation or beautification projects and/or recreation programs identified by donors; (3) three of the six agencies partner with their respective parks foundations to fundraise while the remaining three keep fundraising activities in house (with Denver having the most robust in-house program); and (4) revenue generation varies greatly depending on the city. San Francisco is on the high end bringing in \$13 million in 2012 for beautification projects and enhanced programming, while Portland, working with its parks foundation, raises about \$1 million annually. The key take away from the assessment is that although implementation may vary across other agencies, revenue generation through fundraising is a growing trend with parks departments nationwide.

### **Background**

Parks partners with ARC, a non-profit organization, to provide programs, classes, and activities to the community. While Parks develops the programs and provides the supplies and facilities, ARC provides the instructors and some additional supplies and equipment. Parks and ARC also work with a network of advisory councils, each focused on a specific park, facility, or program, to involve citizens in recreation services.

ARC has a long track record of securing grants and donations to help support programs bringing in about \$1 million each year. Historically, ARC's fundraising activities have funded expanded or enhanced community center programming (such as Parks RecTech sites), scholarship funds, and building improvements and facility upgrades. Without ARC's support, Parks would not be able to offer the same level of programming to the public.

During the 2013-2014 budget process, Parks and ARC agreed to work jointly on an expanded multi-year fundraising strategy led by ARC that would build on past successes and grow the amount of revenues over a five year period. The

revenues come from a mix of fundraising activities including donations, grants, earned income (fees), in-kind support, and sponsorships.

The approach included in the budget provides ARC with \$75,000 in both 2013 and 2014 to leverage an additional \$150,000 in ARC-generated fundraising revenues in both 2013 and 2014. ARC currently brings in about \$1 million annually in grants and donations, and ARC’s five year goal is to increase total fundraising revenues to \$2 million by 2017. The funding provided by the City for this effort is intended as seed money, and it is not expected to continue beyond 2014.

**ARC Fundraising Strategy**

In early 2013, ARC hired a Development Director to expand and manage its fundraising efforts through the establishment of a formal development program intended to grow financial donor support for and visibility of Seattle Parks and Recreation. The first step in ARC’s new fundraising effort was to create a Fundraising Development Plan. Table 1 provides a summary of ARC’s development plan showing the four core areas of activity with corresponding revenue estimates for 2013 and 2014.

This plan illustrates the tools and action items involved in how ARC will support Parks in efforts relating to donor stewardship, matching gifts, volunteer match, grant applications and research, and sponsorships on a local level. This development plan will help ARC create new opportunities for fundraising income. The more detailed plan is included as Attachment 1 to the SLI.

**Table 1: ARC Development Plan-Highlights**

<i>Activity Area</i>	<i>Activities</i>
<b>Donor Management</b>	<ul style="list-style-type: none"> <li>• Implement donor database for all aspects of fundraising.</li> <li>• Increase the ways people can donate (i.e. use ARC website with more visible link to donate).</li> <li>• Streamline matching gifts process to increase corporate matching.</li> <li>• Recommend a process to improve corporate volunteer corporate matching donations.</li> <li>• Develop quarterly email campaign with special announcements for major events.</li> </ul>
<b>Event Support</b>	<ul style="list-style-type: none"> <li>• Increase use of Facebook and other free online spaces.</li> <li>• Solicit small to medium corporate sponsors. (Note that Easterday Promotions will be working with Parks and ARC to target large corporate sponsors like Nike, Addidas, Brooks and other Seattle-based corporations).</li> </ul>
<b>Visibility/Marketing</b>	<ul style="list-style-type: none"> <li>• Meet with local and national business to create partnerships that support Parks’ mission and programs.</li> <li>• Meet with community organizations to find ways to increase visibility.</li> <li>• Update the ARC website to better reflect the partnership between Parks and ARC.</li> </ul>
<b>Grant Management</b>	<ul style="list-style-type: none"> <li>• Gather past grant activity information from the Advisor Council’s and Parks staff and develop grant response templates to be available on line for staff to use when completing grant applications.</li> </ul>

The Parks Superintendent’s Office will oversee the work between ARC and Parks. In addition to the ARC efforts, Parks also hired Easterday Promotions in 2012 to assess sponsorship opportunities for Parks (see Attachment 3 - 2012 Sponsorship Feasibility Study). The core objective was to gain an understanding of the financial opportunities for Parks. Parks has hired Easterday again in 2013 to continue working with Parks to secure corporate sponsorships valued in excess of \$25,000. Easterday has identified several financial opportunities like sponsorships to pay for Wi-Fi enhancements at community centers and major parks, media sponsorships to bolster marketing efforts and promote park events and programs, and sponsors to cover youth sports programs. In addition to other activities outlined in the Development Plan, Parks will involve ARC in the efforts with Easterday by seeking and securing sponsorships under \$25,000.

The department has established an internal working committee with representatives from ARC, Parks, and Easterday to ensure that efforts are not duplicated between ARC and Parks and to ensure close communication between both organizations. The committee also monitors the activities and progress of ARC’s fundraising activities.

## Fundraising Progress to Date

ARC is in the process of expanding its fundraising capacity to ensure it has the right tools in place to make the process to market and receive donation, sponsorship, and grant revenues simple and efficient. The Development Plan provides details on ARC's progress to date. Some of the highlights include:

- ARC chose DonorPerfect as the new donor database. The goal is to have the database functional by the end of June 2013. The database will allow ARC to create tailored 'donate now' buttons and event websites for programs within Parks that could not previously accept donations.
- ARC participated in the May 15<sup>th</sup> Seattle Foundation GiveBIG. This is a one-day, online charitable giving event to inspire people to give generously to nonprofit organizations who make the region a healthier and more vital place to live. In its first year, ARC was one of the top 25 organizations (out of 1,500) for number of donations received. These generous donors gave over \$40,000 to various programs during this one day event.
- ARC participates on the committee that organizes the annual Big Day of Play set for August and successfully raised sponsorship funding for the event.
- ARC will participate in the Superintendent's Golf Tournament in 2013, using the event to promote sponsorship opportunities for Parks.
- ARC will participate in the Green Lake Pathway of Lights, again using the event to promote sponsorship opportunities for Parks. 2011 was the first year ARC worked with Parks in 2011 to secure sponsorship for the event. Without ARC's help in getting sponsors in 2011, the event would have likely been canceled.

The following table summarizes the fundraising revenues generated from January-April. Fundraising revenues for this portion of the year are consistent with revenues in previous years and with budgeted assumptions. As of April 2013, ARC has secured about \$400,000 from donations, grants, and sponsorships, and \$72,000 worth of in-kind support. The funding has been used for a variety of activities including ARC administered Parks programs and the upcoming Big Day of Play. Earlier this year, ARC also partnered with the Sabey Corporation to restore the picnic shelter at the Georgetown Playfield that was destroyed by arson last August. Sabey donated all of the materials and labor for the project which would have cost the department about \$60,000. As a 501c3 non-profit organization, ARC is well situated for these types of corporate giving.

**Table 2: ARC Fundraising Income (January-April 2013)**

Fundraising Activity	Donor	Event or Activity	Amount	In Kind Cash Equivalent	Total
<b>Donations</b>	Multiple	ARC administered Parks programs	\$97,216		\$97,216
<b>Grants</b>	Multiple	ARC administered Parks programs	\$163,778		\$163,778
	BECU	ARC administered Parks programs	\$10,000		\$10,000
<b>Sponsorships</b>	CLIF Bar	Big Day of Play	\$2,500		\$2,500
	Pacific Fishermen	Big Day of Play	\$500		\$500
	Pemco	Big Day of Play	\$1,000		\$1,000
	Seattle Children's	Big Day of Play	\$1,000		\$1,000
	Seattle Vet	Big Day of Play	\$250		\$250
	Southwest Plumbing	Big Day of Play	\$1,000		\$1,000
	Ultra Chiropractic	Big Day of Play	\$500		\$500
<b>In Kind Support</b>	Sabey Corporation	Georgetown Playfield		\$60,000	\$60,000
	Pemco	Big Day of Play		\$2,500	\$2,500
	CLIF Bar	Big Day of Play		\$2,500	\$2,500
	Ultra Chiropractic	Big Day of Play		\$500	\$500
	PGA Northwest	Big Day of Play		\$3,000	\$3,000
	Taco Time	Big Day of Play		\$3,600	\$3,600
			<b>\$395,870</b>	<b>\$72,100</b>	<b>\$467,970</b>

## Conclusion

ARC has made tremendous progress during the first half of 2013, and Parks is confident that ARC will meet and/or exceed its goal to increase total fundraising revenues to \$2 million by 2017. Parks will continue to work jointly on ARC's fundraising efforts this year with progress reports planned for Council in July, October, and December.