



# The Seattle Parks District - Proposed Structure

March 31, 2014

# Outline

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- ▶ Formation and Scope
- ▶ Governance
- ▶ Finances

# Seattle Parks District – Scope and Formation

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- District funding can only be used for parks and recreation purposes – both operating and capital.
- Per RCW 35.61.010, a District can be created by 50% voter-approval within the proposed area.
- District can be dissolved by a vote of the Board, and a vote on dissolution can be forced by a petition of District voters.
- District boundaries can be established within a sub-area of a municipality or across city and county borders.
- Seattle Parks District would have boundaries contiguous with the City of Seattle and could be created by a vote in August of this year.

# Seattle Parks District – History and Examples

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## History in Washington State

- The first Parks District was formed in Tacoma in 1907.
- Significant legislative changes were made in 2002:
  - Allow combinations of cities, counties
  - Provided more flexibility regarding MPD governing structure
- 15 new districts have formed since 2002.

## Examples

- Normandy Park MPD (city council serves as governing body).
- Metro Parks Tacoma (separately elected board).
- William Shore Memorial Pool Park District (city & county council members plus one board-elected member).

# Seattle Parks District – Governance

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- Seattle Parks District would be governed by a Board made up of the elected members of the Seattle City Council.
- The relationship between the District and the City would be established by an Interlocal Agreement (ILA).
- This ILA would first be authorized by the City Council and signed by the Mayor, and then approved by the District Board, after the public vote creating the District.
- As now proposed, the ILA would (among other things):
  - Direct all District funding to the Seattle Parks Department;
  - Transfer all property purchased by the District to the City of Seattle (thus subjecting such property to Initiative 42);
  - Limit condemnation for Parks purposes to City, not District, authority; and
  - Establish a Citizens Oversight Committee to track District performance and make recommendations about District spending.
  - Provide that the District will not have its own employees, but rather contract with the City for all necessary services.

# Seattle Parks District - Funding



## ➤ Revenue Source

- District revenues are limited to a property tax.
- Per State law, Parks Districts are authorized at up to \$0.75 per \$1,000 AV. Approx. \$96 M in 2014.
- Current proposal would assess approximately \$0.42 per \$1,000, which generates \$54.3 M.
- Subsequent year caps grow at 1% from the \$0.75 level.
- District cap is independent of City's levy lid Lift capacity.
- Stable long-term source – matches the funding needs identified by the Parks Legacy Committee.
- District revenue will be additive to the current General Fund.

## ➤ Funding Flexibility and Limitations

- Board has flexibility within cap to set annual funding amount.
- Levy amount cannot be limited by the voter-approved measure that creates the MPD.

# Seattle Parks District – Funding (cont.)



## Potential Funding Growth



# Seattle Parks District - Finances (cont.)



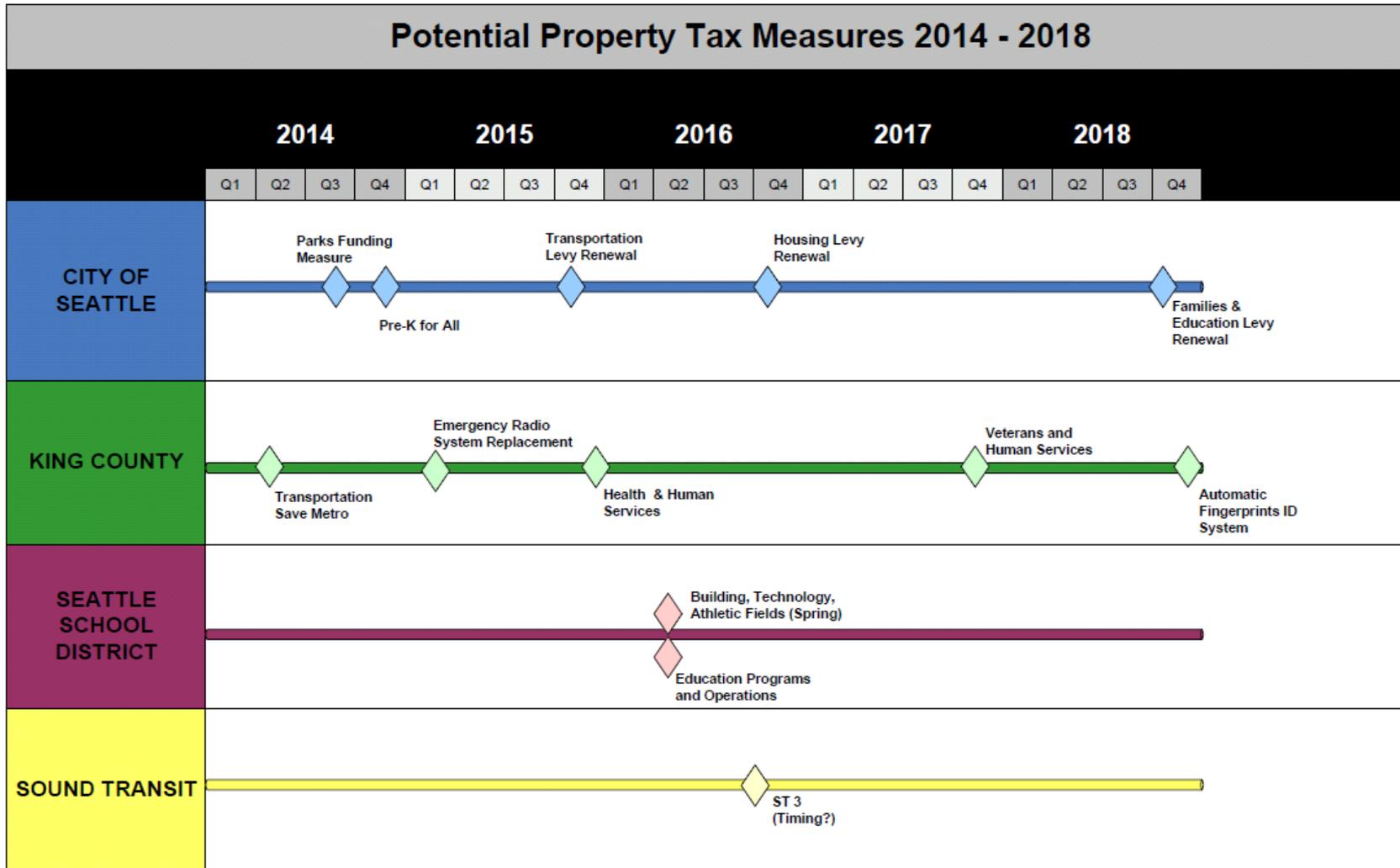
## ➤ **Budget**

- District budget would be fully integrated into the City's annual budget.
- The budget would be approved by both the District Board and the City Council. (*The same process now used for the Seattle Transportation Benefit District.*)
- By design, the District will essentially function as a new revenue source to the Department of Parks and Recreation; just as the Transportation Benefit District does for SDOT.

## ➤ **Debt**

- District can issue debt – secured by its own revenues.
- Given City's available debt capacity and strong bond ratings, unlikely to have District issue its own debt.

# Upcoming Voter-Approved Measures



# City's Levy Lid Lift Capacity

