

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Parks and Recreation	Eric Friedli/684-8369	Catherine Cornwall/684-8725

**Legislation Title:**

AN ORDINANCE relating to creation of the Seattle Park District; requesting that a special election be held concurrent with the August 5, 2014 primary election, for submission to the voters residing within the City, a proposition to form the Seattle Park District.

**Summary of the Legislation:**

The proposed ordinance places on the August 2014 primary ballot a measure which would create a metropolitan park district (the Seattle Park District). Upon voter approval of the measure, the Seattle Park District would be formed with the same boundaries as the City of Seattle and the City Council members, acting *ex officio* and independently, would comprise the governing board (the District Board).

Seattle Parks and Recreation (DPR) has worked since June 2013 with a Mayor and City Council appointed citizens' committee, the Parks Legacy Citizens' Advisory Committee (Legacy Committee), to develop a funding measure for parks and recreation programs and services. In its March 12, 2014 final report, the Legacy Committee recommends the creation of a Seattle Park District. The Mayor agrees with this recommendation and therefore has submitted this legislation to place on the August 2014 ballot the creation of a Seattle Park District in the City of Seattle.

If approved by a majority of the voters within its proposed boundaries, the Seattle Park District would be formed as a separate municipal corporation, similar to the City's Transportation Benefit District. It would have all of the powers given to metropolitan park districts under state law, including the power to levy a property tax and the ability to act in conjunction with the City to maintain, operate and improve parks, community centers, pools, and other recreation facilities (including, without limitation, open spaces, zoo and aquarium facilities) and programs.

This proposed ordinance has a companion proposed ordinance which provides for a form of interlocal agreement between the City and the proposed metropolitan park district, which specifies additional detail about how the City and the Seattle Park District would cooperate and which authorizes the Mayor to execute such an agreement on behalf of the City.

**Background:**

*Parks Legacy Citizens' Advisory Committee*

In May 2013, the Seattle City Council adopted Resolution 31454, creating the Parks Legacy Citizens' Advisory Committee to develop a potential package of parks and recreation projects to submit to the voters. The resolution directed the Legacy Committee to:

- a. Review data and information about existing and potential park and recreation projects, maintenance and operations, and programs.
- b. Review the draft Parks Legacy Plan and its findings and provide input and comment.
- c. Review and comment on criteria for assessing Parks investment initiatives and options for the Mayor and Council's consideration.
- d. Apply criteria and review investment initiatives prepared by City staff and provide comments and/or recommendations for Mayor and Council consideration.
- e. Review pros and cons for potential funding mechanisms for implementing the investment initiatives, including consideration of the dollar amount needed to fund them and whether permanent or short-term funding is needed or appropriate, and make recommendations.
- f. If a short-term funding solution is considered, then the Committee will address the pros and cons of various term lengths and make recommendations.
- g. If a permanent funding solution is considered, then the Committee will address the pros and cons of appropriate funding mechanisms, including a permanent levy and a Seattle Park District, and make recommendations.
- h. Conduct outreach to the broader public to gather recommendations and comments.
- i. Advise the Mayor and City Council on the pros and cons for moving forward with a possible ballot measure in 2014 to replace the current parks levy, which expires at the end of 2014.
- j. Submit a final report with findings to the Mayor and City Council by March 14, 2014.

*Funding for a Prioritized List of Investment Initiatives*

After initial meetings learning about the parks and recreation system, Legacy Committee members adopted assessment criteria for use in evaluating proposed projects to be funded over the next six years through either a renewed levy ballot measure or another mechanism, such as the formation of a metropolitan park district. The criteria looked at how the initiatives would further Parks outcomes of healthy people, healthy environment, sustainability and strong communities, and how they measure up to providing equitable, innovative and state of the art services.

An initial list of investment initiatives were reviewed by subcommittees of the Legacy Committee, and then prioritized by the full Committee.

*The Ballot Measure*

In order to ensure long-term, stable funding for the investment priorities of the Legacy Committee and provide for the future, the Legacy Committee recommended that the City place before the voters a ballot proposition to form a metropolitan park district within the boundaries of the City.

Simultaneously with the adoption of this ordinance, the City Council is considering Council Bill 118056, which approves the form of an interlocal agreement with the Seattle Park District, upon its formation following approval by the voters. The Interlocal Agreement addresses such concerns as:

- Community input into the development of six-year spending plans;
- A budget process to ensure the limitation of property tax levies by the Seattle Park District;
- A clear statement that the City would own and control all park properties and facilities;
- Minimum levels of funding by the City from the General Subfund;
- Avoidance of duplication by requiring the Seattle Park District to contract solely with the City and DPR for staffing for all projects, programs and services;
- Providing for a Community Oversight Committee; and
- Other related issues.

**This legislation does not have any financial implications.**

**This legislation has financial implications.**

**Appropriations:** N/A

Appropriations Notes: This ordinance provides no appropriation authority. The budget authority needed to implement Seattle Park District projects, programs and services would be considered as part of the annual budget process or through other ordinances.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:** N/A

Revenue/Reimbursement Notes: This ordinance creates no revenue; however passage of the Seattle Park District proposition will allow the Seattle Park District to collect property taxes up to \$0.75 per \$1,000 of assessed value.

**Total Regular Positions Created, Modified, or Abrogated through this Legislation,  
Including FTE Impact: N/A**

Position Notes: This ordinance creates no new positions. However, implementation of the Seattle Park District projects, programs and services will require a number of new positions. Positions will be added to the Parks Department as part of the annual budget process or through other ordinances. Park District revenues will provide the funding for these positions.

**Spending/Cash Flow: N/A**

Spending/Cash Flow Notes: Attachment A shows a six-year spending plan for Seattle Park District funds. Spending beyond year six will be determined after a community-based planning process and review by the Oversight Committee. For each six-year cycle, beginning with the cycle that includes 2021 through 2026, the City Council and the Mayor will consider the recommendations of the Community Oversight Committee, upon conclusion of a public process, and will recommend to the District Board an updated list of Seattle Park District funded projects, programs and services including projected costs, as part of the budget process.

**Other Implications:**

- a) **Does the legislation have indirect financial implications, or long-term implications?**  
Approval of the legislation and potential approval by the voters of a Seattle Park District will provide Parks and Recreation with a sustainable, stable source of funds.
- b) **What is the financial cost of not implementing the legislation?**  
Existing City revenues are insufficient to fund all the Seattle Park District projects. Voter-approved taxes of some form are therefore necessary to implement these projects. Without this ordinance, the Seattle Park District will not be created and the Parks Department will be unable to perform the projects, programs and services described in the spending plan.
- c) **Does this legislation affect any departments besides the originating department?**  
No.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**  
A short or long-term levy could generate funding for parks and recreation purposes. The Legacy Committee weighed the pros and cons of a park district and levy and ultimately recommended a park district. The projects, programs and services proposed by the Legacy Committee are ongoing in nature which require a permanent source of funding. This approach lends itself to a park district.
- e) **Is a public hearing required for this legislation?**

No, but the City Council has scheduled a public hearing, and the Legacy Committee held a public hearing and three public meetings

**f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No

**g) Does this legislation affect a piece of property?**

No

**h) Other Issues:**

**List attachments to the fiscal note below:**

Attachment A: Seattle Park District Financial Plan 2015-2020 (version 2)

**Attachment A to DPR Ballot Measure Park District Title FISC  
Seattle Park District  
Financial Plan: 2015-2020**

V2 April 25, 2014

	Proposed	2015 Spending Plan	2016	2017	2018	2019	2020
<b>Revenues</b>							
Park District Property Tax	47,902,112	-	47,798,348	49,843,849	51,000,331	52,091,227	53,338,893
Interfund Loan		10,008,808	-	-	-	-	-
<b>Total Revenues</b>	<b>47,902,112</b>	<b>10,008,808</b>	<b>47,798,348</b>	<b>49,843,849</b>	<b>51,000,331</b>	<b>52,091,227</b>	<b>53,338,893</b>
<b>Operating Expenses</b>							
<b>1 FIX IT FIRST</b>							
1.1 Major Maintenance Backlog and Asset Management	590,012	1,492,509	1,640,012	619,882	635,379	651,263	667,545
1.3 Saving Our City Forests	487,000	99,680	499,175	511,654	524,446	537,557	550,996
<b>2 MAINTAINING PARKS AND FACILITIES</b>							
2.1 Increase Preventive Maintenance	1,383,122	844,721	1,417,700	1,453,143	1,489,471	1,526,708	1,564,876
2.2 Provide Clean, Safe, Welcoming Parks	2,037,906	1,839,430	2,088,854	2,141,075	2,194,602	2,249,467	2,305,704
2.3 Activate Urban Center Parks	-	-	-	-	-	-	-
2.4 Make Parks Safer	237,315	30,000	243,248	249,329	255,562	261,951	268,500
2.5 Improve Dog Off-leash Areas	103,819	103,819	106,414	109,075	111,801	114,596	117,461
<b>3 PROGRAMS FOR PEOPLE</b>							
3.1 Restore Community Center Operations	1,351,689	1,351,689	1,385,481	1,420,118	1,455,621	1,492,012	1,529,312
3.2 Recreation Opportunities for All	460,135	130,105	471,638	483,429	495,515	507,903	520,601
3.3 Better Programs for Young People—Seattle's Future	250,467	250,467	256,729	263,147	269,726	276,469	283,381
3.4 Meeting the Needs of People with Disabilities	166,000	166,000	170,150	174,404	178,764	183,233	187,814
3.5 More Programs for Older Adults	262,000	262,000	268,550	275,264	282,145	289,199	296,429
3.6 Put the Arts in Parks	336,086	-	344,488	353,100	361,928	370,976	380,250
3.7 Get Moving Fund	250,000	76,644	256,250	262,656	269,223	275,953	282,852
3.8 Customer Service and Technology	300,000	-	307,500	315,188	323,067	331,144	339,422
<b>4 BUILDING FOR THE FUTURE</b>							
4.3 Maintain and Activate Seattle's New Waterfront Park <sup>1</sup>	3,510,000	-	-	-	-	3,779,886	3,874,383
4.5 Maintain 14 New Parks at Land-Banked Sites	1,400,000	-	-	800,000	1,000,000	1,400,000	1,435,000
4.7 Maintain Smith Cove Park	200,465	-	-	210,614	215,879	221,276	226,808
4.8 Community Response Fund	-	-	-	-	-	-	-
4.9 Activating and Connecting to Greenways	115,848	-	118,744	121,713	124,756	127,875	131,071
4.10 Performance Monitoring and Strategic Management	878,667	439,334	900,634	923,150	946,228	969,884	994,131
4.11 Urban Parks Partnership	570,000	125,000	570,000	584,250	598,856	613,828	629,173
<b>5 Debt Service Expenses</b>							
4.6 Develop Smith Cove Park <sup>2</sup>	697,000	-	-	697,000	697,000	697,000	697,000
5.1 Interfund Loan Payback <sup>4</sup>	1,487,592	-	1,487,592	1,487,592	1,487,592	1,487,592	1,487,592
<b>Total Operating</b>	<b>17,075,124</b>	<b>7,211,397</b>	<b>12,533,160</b>	<b>13,455,782</b>	<b>13,917,562</b>	<b>18,365,772</b>	<b>18,770,302</b>
<b>Capital Expenses</b>							
<b>1 FIX IT FIRST</b>							
1.1 Major Maintenance Backlog and Asset Management	17,474,988	843,291	16,861,863	18,359,659	18,818,651	19,289,117	19,771,345
1.2 Community Center Rehabilitation & Development s	4,329,000	700,000	4,329,000	4,437,225	4,548,156	4,661,860	4,778,406
1.3 Saving Our City Forests	2,143,000	353,320	2,196,575	2,251,489	2,307,777	2,365,471	2,424,608
1.4 Aquarium Major Maintenance	1,080,000	300,000	1,080,000	1,107,000	1,134,675	1,163,042	1,192,118
1.5 Zoo Major Maintenance	1,800,000	500,000	1,800,000	1,845,000	1,891,125	1,938,403	1,986,863
<b>2 MAINTAINING PARKS AND FACILITIES</b>							
2.6 Rejuvenate Our P-Patches	200,000	100,000	200,000	205,000	210,125	215,378	220,763
<b>4 BUILDING FOR THE FUTURE</b>							
4.1 Park Land Acquisition and Leverage Fund	2,000,000	-	2,000,000	2,050,000	2,101,250	2,153,781	2,207,626
4.2 Major Projects Challenge Fund	1,600,000	-	1,600,000	1,640,000	1,681,000	1,723,025	1,766,101
4.4 Develop 14 New Parks at Land-Banked Sites <sup>3</sup>	-	-	4,997,750	4,287,694	4,179,886	-	-
4.9 Activating and Connecting to Greenways	200,000	-	200,000	205,000	210,125	215,378	220,763
<b>Total Capital</b>	<b>30,826,988</b>	<b>2,796,611</b>	<b>35,265,188</b>	<b>36,388,067</b>	<b>37,082,769</b>	<b>33,725,455</b>	<b>34,568,591</b>
<b>Grand Total</b>	<b>47,902,112</b>	<b>10,008,008</b>	<b>47,798,348</b>	<b>49,843,849</b>	<b>51,000,331</b>	<b>52,091,227</b>	<b>53,338,893</b>

**Footnotes:**

<sup>1</sup> 4.3 assumes a 2019 start date with funds going to develop 14 landbanked sites from 2016-2018 (4.4).

<sup>2</sup> 4.6 assumes development in 2016 with debt service starting in 2017, ending in 2028. The debt service in 4.6 assumes 5% interest rate on a \$6 million bond.

<sup>3</sup> 4.4 assumes no annual costs in 2015-2016 with costs increasing as facilities are developed. Unused funds will go towards development of land-banked sites along with funds from 4.3 from 2016-2018.

<sup>4</sup> Park District revenues will not be received until 2016 and a bridge loan will be needed in 2015. Annual payback amount assumes 8 years at 1% interest from 2016-2023.

<sup>s</sup> Up to \$1.3 million of Initiative 1.2 Community Center Rehabilitation & Development funds may be used for Initiative 3.1 Restore Community Center Operations, contingent on the Executive proposing and the Council Executive proposing and the Council approving a strategic plan for community center operations that would then be reflected in the proposed budget for the following year.

**General notes:**

- Initiatives shaded gray in the Reference # column have both capital and operating costs.
- The above revenues and expenditures assume 2.5% inflationary increases.
- The assumptions used for the 2015 spending plan are included in a separate worksheet. One-time costs will be covered between 2015 and 2016.