

Susan Golub
DPR Park District Interlocal ORD
March 11, 2014
Version #2

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL 118056

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AN ORDINANCE relating to an interlocal agreement with the Seattle Park District, if formation of the district is approved by the voters within the City; approving the form of an interlocal agreement and authorizing the Mayor to execute such agreement on behalf of the City.

WHEREAS, by Article XI of the City Charter, the Department of Parks and Recreation (“DPR”) has the responsibility for the management and control of the City’s public parks and green spaces; and

WHEREAS, DPR manages a 6,200-acre park system of 465 parks and extensive natural areas, including athletic fields, tennis courts, play areas, two specialty gardens, and over 25 miles of boulevards and 120 miles of trails, and numerous recreational facilities, including 26 community centers, 8 indoor swimming pools, 2 outdoor (summer) swimming pools, 2 small craft centers, 4 golf courses, and an outdoor stadium; and

WHEREAS, the cost of the backlog of parks and recreation major maintenance work in 2014 is estimated at \$267 million; and

WHEREAS, the City's Comprehensive Plan, Parks 2011 Development Plan and the 2014 Parks Legacy Plan outline key strategies, objectives and investments for preserving and improving parks, open spaces, facilities and programs; and

WHEREAS, the City has limited available current and future funding to pay for necessary preservation and maintenance of its existing parks and recreation facilities and programs and to make targeted investments toward creating innovative programs anticipating and responding to future needs; and

WHEREAS, by Resolution 31454 (May, 2013) the Mayor and City Council created the Parks Legacy Citizens Advisory Committee (the “Legacy Committee”) to ensure citizen participation in the development of a potential ballot measure for funding operations, maintenance, development and acquisition of parks and recreation facilities and programs; and

WHEREAS, the Legacy Committee, after being duly appointed and after spending many hours in open meetings, receiving public testimony and deliberating, has recommended that the City Council initiate formation of a metropolitan park district, by placing before the

1 voters within the boundaries of the City of Seattle a ballot measure to create the Seattle
2 Park District (the "Park District"); and

3 WHEREAS, Chapter 35.61 RCW and other state law provides that a metropolitan park district
4 may be created upon voter approval of a ballot proposition submitted to the voters of the
5 proposed district, and that a metropolitan park district has certain statutory powers,
6 including the power to levy and impose various taxes and fees to generate revenues to
7 provide ongoing funding to maintain, operate and improve parks, community centers,
8 pools, and other recreation facilities and programs; and

9 WHEREAS, the Seattle City Council has determined that formation of a metropolitan park
10 district that includes the entire area within the boundaries of the City of Seattle would
11 enhance and stabilize the funding available for the current and future parks projects,
12 programs and services within the City; and

13 WHEREAS, the Seattle City Council finds it to be in the interest of the City and its residents and
14 businesses to place before the voters located within the boundaries of the City, a ballot
15 proposition to establish a citywide metropolitan park district to provide stable, ongoing
16 funding to maintain, operate and improve parks, community centers, pools, and other
17 recreation facilities and programs throughout the City; and

18 WHEREAS, the Seattle City Council has adopted Council Bill __, directing the submission to
19 the voters of a ballot proposition regarding formation of the Park District encompassing
20 the City's boundaries and governed by a Board of Park Commissioners (the "Park
21 District Board") consisting of the Seattle City Councilmembers serving in an *ex officio*
22 and independent capacity; and

23 WHEREAS, pursuant to RCW 35.61.040, if a majority of the voters voting on the ballot
24 proposition approve of the formation of the Park District, the district will be created as a
25 municipal corporation effective immediately upon certification of the election results; and

26 WHEREAS, in order to clearly describe the cooperative relationship between the Park District
27 and the City, the City Council finds that it is in the best interests of the City to enter into
28 an interlocal agreement with the Park District as further described in this ordinance;

NOW THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

29 **Section 1. Statement of Intent.** It is the intent of the City that, if the voters approve
30 formation of the Seattle Park District ("Park District") within the boundaries of the City of
31 Seattle, the City will work in cooperation with that district to further recommendations of the

1 Parks Legacy Citizens' Advisory Committee to ensure the stable, ongoing funding to maintain,
2 operate and improve parks, community centers, pools, and other recreation facilities and
3 programs throughout the City. As required by the City Charter, the Department of Parks and
4 Recreation ("DPR") will retain responsibility for the management and control of the City's
5 public parks and green spaces and will work cooperatively under an interlocal agreement with
6 the Park District, as further authorized herein.

7 **Section 2. Interlocal Agreement Authorized.** If the voters of the proposed Park
8 District approve its formation, the Mayor is authorized and directed to enter into an interlocal
9 agreement with the Park District substantially in the form attached as Attachment 1, with such
10 changes as the Mayor deems necessary and advisable, such that the intent of the City as
11 expressed herein is carried out.

ATTACHMENT 1
AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF SEATTLE,
WASHINGTON, AND THE SEATTLE PARK DISTRICT

This agreement between the City of Seattle, Washington (the "City") , a first class city organized under the laws of the State of Washington, and the Seattle Park District (the "Park District"), a municipal corporation organized under chapter 35.61 RCW and the laws of the state of Washington, is dated as of this ____ day of ____, 2014.

WHEREAS, the City passed Ordinances ____ and ____ proposing formation of a metropolitan park district, with the intent to cooperate with such a district to provide ongoing and stable funding to maintain; operate and improve parks, community centers, pools and other recreation facilities and programs, and to implement elements of the Seattle Parks Legacy Plan and other planning documents; and

WHEREAS, the formation of the Park District was placed before the voters at an election held on August 5, 2014 and was formed immediately upon certification of the election results, pursuant to RCW 35.61.040, possessing all powers available to a metropolitan park district under state law; and

WHEREAS, the City and the Park District are each authorized by RCW 67.20.010 and other state law to act independently or jointly to maintain, operate and improve parks, community centers, pools and other recreational facilities; and

WHEREAS, Article XI of the City Charter vests in the Seattle Department of Parks and Recreation the responsibility for the management and control of the park and recreation system of the City; and

WHEREAS, by Ordinance, ____ of the City, the Mayor is authorized to execute this Agreement on behalf of the City; and

WHEREAS, by Resolution ____ of the Board of Commissioners of the Park District (the "District Board"), the President of the District Board is authorized to execute this Agreement on behalf of the Park District; and

WHEREAS, the City and the Park District desire to enter into this Agreement in order to provide ongoing and stable funding to maintain, operate and improve parks, community centers, pools and other recreation facilities and programs, and to implement elements of the Seattle Parks Legacy Plan and other planning documents; NOW THEREFORE,

The City and the Park District agree as follows:

1. Purpose and Interpretation. The City and the Park District are each, independently and acting jointly, empowered to maintain, operate and improve parks, community centers, pools, and other recreation facilities and programs. The purpose of this Agreement is to make the most efficient use of public funds, avoid duplication of effort, and coordinate efforts.
2. Obligations of the Park District. The Park District agrees as follows:
 - 2.1 Governance. The Park District Board of Commissioners (“District Board”) shall conduct its business in accordance with state law, as necessary in order to review, consider and approve the annual budget for the Park District, including the levy of property taxes, and to participate in the planning and budgeting process set forth in Section 4 of this Agreement.
 - 2.2 Staffing. The Park District shall not hire its own staff and the City shall provide the staffing to implement the projects, programs and services identified in the adopted Park District budget and for necessary related support services. The Park District shall not contract for the implementation of projects, programs or services identified in the six-year plan with any person other than the City.
 - 2.3 Finance. The Park District shall levy property taxes annually under RCW 35.61.210, within applicable statutory and constitutional rate and amount limitations, in amounts sufficient, together with any other available funds, to provide for the payment to the City of amounts set forth in its annual budget adopted in accordance with Section 4 of this Agreement. The Park District further agrees that if it receives revenues from taxes or any other source in excess of the amounts needed to fund its obligations to the City, such money will be expended only for purposes mutually agreed to in writing by the Park District and the City.
 - 2.4 Ex Officio Treasurer. The Park District shall take such actions as are necessary under RCW 35.61.180 to appoint the City Director of Finance to serve as *ex officio* Treasurer for the Park District.
3. Undertakings of the City. The City agrees as follows:
 - 3.1 Duty to Provide Facilities and Services. The City shall maintain, operate and improve its parks, community centers, pools and other recreation facilities (including, without limitation, open spaces, zoo and aquarium facilities), and shall provide recreational programs, on behalf of itself acting in conjunction with the Park District. The City agrees to participate in the budgeting and planning processes described in Section 4 of this Agreement and to apply any funds received by it from the Park District, solely as set forth in the Park District’s adopted budget.

- 3.2 Staffing. The City shall provide the staffing to implement the projects, programs and services identified in the adopted Park District budget and shall provide necessary related support to the Park District, including without limitation, administrative staffing, legislative staffing, treasury management services, legal services and similar support. The Park District shall not contract for the implementation of projects, programs or services identified in the six-year plan with any person other than the City.

The reasonable costs of such staffing and support shall be reported to the Park District at least annually and may be included as part of the Park District annual budget.

- 3.3 Finance. The City shall include in its annual budget General Subfund revenues to support the Department of Parks and Recreation (“DPR”) projects, programs and services in amounts necessary to meet or exceed the minimum funding described in this paragraph. The 2014 Adopted Budget for DPR includes \$89 million of General Subfund revenues which will be the baseline for allocating General Subfund revenues to DPR, adjusted annually by the annual percent change (July to July) in the Consumer Price Index (CPI-U) for Seattle (“CPI”), unless the City Council by resolution with a ¾ vote determines that a natural disaster or exigent economic circumstances prevent the Council from maintaining this level of General Subfund support. The City shall continue to allocate all revenues dedicated by Article XI, section 3 of the City Charter to the operation and maintenance of the park and recreation system. The Council will approve DPR’s budget and provide oversight in accordance with the City’s normal budget processes and Section 4 of this Agreement. The City shall keep such books and records as are necessary to ensure the proper expenditure of all funds received by it for parks and recreation purposes, in accordance with this Agreement, state law and City ordinances.

- 3.4 Ex Officio Treasurer. The City Director of Finance agrees to accept appointment as *ex officio* Treasurer for the Park District in accordance with RCW 35.61.180. In such capacity, the City Director of Finance shall maintain financial records on behalf of the Park District, kept in accordance with applicable generally accepted accounting principles and other applicable governmental accounting requirements.

- 3.5 Compliance with Other Law. In providing services pursuant to this Agreement, the City shall in all respects abide by all applicable federal, state and local requirements, including without limitation those regarding contracting, labor relations, minimum and prevailing wage, open public meetings, public records, ethics, and nondiscrimination.

4. Other Agreements. In addition the Park District and the City agree as follows:
- 4.1 Ownership and Disposal of Assets. All park and recreation land, facilities, and equipment that are maintained, acquired, improved or otherwise used in connection with this Agreement are and shall remain the property of the City. No joint property ownership is contemplated under the terms of this agreement. Sale of City-owned park land or facilities remain subject to the restrictions contained in City Ordinance 118477, which adopted Initiative 42.
- 4.2 The Budget Process.
- A. Annual Park District Budget Request. The Mayor will direct the development and implementation of DPR's budgets and work programs, which will include tasks performed on behalf of both the City and the Park District. The City will continue to provide funding for park purposes consistent with Section 3.3 of this Agreement and Article XI of the City Charter. In conjunction with its own budget process, the City shall prepare an annual budget request for Park District funding, to be presented to the District Board. The budget request shall include an annual proposed project list and budget for expenditure of Park District revenues and shall be accompanied by an annual report documenting the status of the park and recreation projects, programs and services undertaken pursuant to this Agreement. Each budget request shall be consistent with the then-current 6-year plan, as described in Section 4.3.
- B. The Park District. Using the budget request submitted by the City, the District Board will annually review and approve a final Park District budget. The Park District's annual budgets for the first six years (2015 through 2020) shall be consistent with the 6-year spending plan shown in Exhibit A. Thereafter, each annual budget shall be consistent with a plan adopted through the 6-year planning process described in Section 4.3.
- 4.3 Six-Year Planning Cycles. The City and the Park District agree to engage in planning activities on a six-year cycle. 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 Park District funded projects, programs and services including projected costs, as part of the budget process.
- 4.4 Community Oversight Committee. In addition to the citizen-based Park Board, which advises the City pursuant to chapter 3.26 of the Seattle Municipal Code, a Community Oversight Committee ("Oversight Committee") shall be formed to

provide advice and oversight over the projects, programs and services undertaken jointly by the City and the Park District, pursuant to this Agreement, as follows:

- A. The Oversight Committee shall have 11 members, including 4 Park Board members and 7 additional members appointed by the Mayor and confirmed by the City Council. The Mayor shall appoint the Chair of the Oversight Committee.
 - B. Oversight Committee terms for Park Board members will coincide with their Park Board terms. The 7 other members will serve 3-year terms that begin in April. The initial terms for these seats shall be staggered, so that 2 members serve a one-year term, 2 members serve a 2-year term, and the 3 remaining members serve a 3-year term.
 - C. The Oversight Committee will advise on spending and activities including:
 - a. Making recommendations to the Superintendent of Parks and Recreation ("Superintendent") on the annual allocation of the Major Projects Challenge Fund.
 - b. Reviewing an annual report to be provided to the Park District and the City, including assessment of performance measures and reporting to the Superintendent and Park Board on implementation issues, concerns and needed adjustments in services or spending.
 - c. Holding public meetings and making recommendations to the Superintendent in connection with each 6-year update to the spending plan.
- 5 Condemnation and other Exercise of Governmental Powers. The Park District shall not exercise condemnation powers within the City of Seattle. If condemnation of property is required for Park District purposes, the City may exercise condemnation powers on the Park District's behalf. The Park District shall form no local improvement district within the City. If formation of a local improvement district is required for Park District purposes, the City may carry out the formation and may levy and collect of assessments on the Park District's behalf.
6. Termination and Dissolution. This agreement shall terminate or expire as follows:
- 6.1 This agreement may be terminated by either party upon the provision of one hundred and eighty (180) calendar days' notice. A final reconciliation of costs,

payment, and a current report of completed activities shall be completed by the City within such period following the notice by either party.

- 6.2 Unless earlier terminated by either party, this agreement shall expire on the date when the Park District is dissolved in accordance with provisions of chapter 35.61 RCW, as the same exists or is hereafter amended. Upon dissolution of the Park District, it is the intent of the parties that all assets be turned over to the City.
7. Severability. In the event that any provision of this agreement is held to be in conflict with existing state statute or any future amendment thereof, such provisions shall be severable, and the remaining provisions of this agreement shall remain in full force and effect.
8. Effective Date. This agreement shall be effective upon the date first set forth above.

IN WITNESS WHEREOF, the parties have executed this agreement on the date first written above.

SEATTLE PARK DISTRICT

XXXXXX (Commissioner X), Chair of the Board

Date

CITY OF SEATTLE

Mayor Edward B. Murray

Date

Exhibit A: Six-year Spending Plan

Seattle Park District
 Financial Plan: 2015-2020



Proposed 2015
 Spending Plan 2016 2017 2018 2019 2020

Revenues

Park District Property Tax	54,340,201	-	54,369,063	56,563,713	57,888,191	59,151,284	60,575,451
Interfund Loan	-	10,008,808	-	-	-	-	-
Total	54,340,201	10,008,808	54,369,063	56,563,713	57,888,191	59,151,284	60,575,451

Expenses

Operating Expenses

1	FIX IT FIRST							
1.1	Fund Major Maintenance Backlog and Asset Management	590,012	1,345,006	1,654,763	619,882	635,379	651,263	667,545
1.3	Saving Our City Forests	973,646	146,680	997,987	1,022,937	1,048,510	1,074,723	1,101,591
2	MAINTAINING PARKS AND FACILITIES							
2.1	Increase Preventive Maintenance	1,440,122	873,221	1,476,125	1,513,028	1,550,853	1,589,625	1,629,365
2.2	Provide Clean, Safe, Welcoming Parks	2,105,906	1,890,430	2,158,554	2,212,518	2,267,831	2,324,527	2,382,640
2.3	Activate Urban Center Parks	276,089	29,000	282,991	290,066	297,318	304,751	312,369
2.4	Make Parks Safer	485,315	60,000	497,448	509,884	522,631	535,697	549,090
2.5	Improve Dog Off-leash Areas	103,819	103,819	106,414	109,075	111,801	114,596	117,461
3	PROGRAMS FOR PEOPLE							
3.1	Restore Community Center Operations	2,680,689	2,010,517	2,747,706	2,816,399	2,886,809	2,958,979	3,032,954
3.2	Recreation Opportunities for All	465,135	56,605	468,990	480,715	492,733	505,051	517,677
3.3	Better Programs for Young People—Seattle's Future	551,467	275,734	565,254	579,385	593,870	608,717	623,935
3.4	Meeting the Needs of People with Disabilities	170,000	85,000	174,250	178,606	183,071	187,648	192,339
3.5	More Programs for Older Adults	270,000	135,000	276,750	283,669	290,760	298,029	305,480
3.6	Put the Arts in Parks	340,086	-	348,588	357,303	366,235	375,391	384,776
3.7	Get Moving Fund	500,000	76,644	507,973	520,672	533,689	547,031	560,707
3.8	Customer Service and Technology	425,000	-	435,625	446,516	457,679	469,120	480,848
4	BUILDING FOR THE FUTURE							
4.3	Maintain and Activate Seattle's New Waterfront Park ¹	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	400,000	200,000	410,000	420,250	430,756	441,525	452,563
4.9	Activating and Connecting to Greenways	120,848	-	123,869	126,965	130,140	133,393	136,728
4.10	Performance Monitoring and Strategic Management	885,667	442,834	907,809	930,504	953,766	977,611	1,002,051
4.11	Urban Parks Partnership	410,000	125,000	410,000	420,250	430,756	441,525	452,563
	Debt Service Expenses							
4.6	Develop Smith Cove Park ²	697,000	-	-	697,000	697,000	697,000	697,000
5	Interfund Loan Payback ³	1,487,592	-	1,487,592	1,487,592	1,487,592	1,487,592	1,487,592
	Total (Operating)	20,488,859	7,855,488	16,038,687	17,033,828	17,585,059	22,124,957	22,623,466

Seattle Park District
Financial Plan: 2015-2020



Capital Expenses

1 FIX IT FIRST								
1.1	Fund Major Maintenance Backlog and Asset Management	19,374,988	900,000	18,809,362	20,355,846	20,864,743	21,386,361	21,921,020
1.2	Community Center Rehabilitation & Development	3,000,000	-	3,000,000	3,075,000	3,151,875	3,230,672	3,311,439
1.3	Saving Our City Forests	1,876,354	353,320	1,923,263	1,971,345	2,020,628	2,071,144	2,122,923
1.4	Aquarium Major Maintenance	1,200,000	300,000	1,200,000	1,230,000	1,260,750	1,292,269	1,324,575
1.5	Zoo Major Maintenance	2,000,000	500,000	2,000,000	2,050,000	2,101,250	2,153,781	2,207,626
2 MAINTAINING PARKS AND FACILITIES								
2.6	Rejuvenate Our P-Patches	200,000	100,000	200,000	205,000	210,125	215,378	220,763
3 PROGRAMS FOR PEOPLE								
4 BUILDING FOR THE FUTURE								
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	4,000,000	-	4,000,000	4,100,000	4,202,500	4,307,563	4,415,252
4.4	Develop 14 New Parks at Land-Banked Sites ³			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
Total (Capital)		33,851,342	2,153,320	38,330,375	39,529,885	40,303,132	37,026,327	37,951,985
Grand Total		54,340,201	10,008,808	54,369,063	56,563,713	57,888,191	59,151,284	60,575,451

Footnotes:

- ¹ 4.3 assumes a 2019 start date with funds going to develop 14 landbanked sites from 2016-2018 (4.4).
- ² 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.
- ³ 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.
- ⁴ 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.

General notes:

- Initiatives shaded gray in the Reference # column have both capital and operating costs.
- Revenues will be no greater than \$55 million per year adjusted on an annualized basis for inflationary 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 (attached). One-time costs will be covered between 2015 and 2016.

FISCAL NOTE FOR NON-CAPITAL PROJECTS

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

Legislation Title:

AN ORDINANCE relating to an interlocal agreement with the Seattle Park District, if formation of the district is approved by the voters within the City; approving the form of an interlocal agreement and authorizing the Mayor to execute such agreement on behalf of the City.

Summary of the Legislation:

The proposed ordinance is companion legislation to the proposed ordinance that places on the August 2014 primary ballot a measure which would create the Seattle Park District (Park District). Upon voter approval of the ballot measure, the 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).

This proposed ordinance approves the form and authorizes the Mayor to execute, on behalf of the City, an interlocal agreement between the Park District and the City, if the voters approve creation of the Park District.

Background:

Parks Legacy Citizens' Advisory Committee

In May 2013, the Seattle City Council adopted Resolution 31454, creating the Parks Legacy Citizens' Advisory Committee (Legacy 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 Metropolitan Parks 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.

Legacy Committee Recommendations and Development of a List of Parks Legacy Investments

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 priorities were reviewed by subcommittees of the Legacy Committee, and then prioritized by the full Committee. The projects to be funded in the first six years of the Park District fall into 4 categories:

- **Fix it First** for major maintenance projects;
- **Programs for People** for programming for seniors, people with disabilities and teens, increased community center hours and staffing, and for programs which bring people to parks such as arts programs;
- **Maintaining Parks and Facilities** for day-to-day maintenance and preventive maintenance such as painting, electrical and plumbing work and also improving and maintaining dog off-leash areas and p-patch gardens; and
- **Building for the Future** for projects which anticipate future needs, such as the acquisition of park land and a challenge fund for projects which would renovate park facilities using community matching funds.

Provisions of the Interlocal Agreement

During the 10 months the Legacy Committee studied, listened to the public, and discussed potential funding mechanisms, issues of community oversight and department accountability came to the forefront. To ensure these issues would be addressed should the voters approve creation of a Park District, the Legacy Committee recommended an interlocal agreement be authorized at the same time the ballot measure ordinance is approved.



The proposed interlocal agreement attached to this Council Bill addresses:

- Community input into the development of six-year spending plans;
- A budget process to ensure the limitation of property tax levies by the 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 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 contractual restrictions and requirements.

Spending Plan

Spending in each of the four program categories will follow the six-year plan attached to this fiscal note (Attachment A) for the first six-year period (2015 through and including 2020). As described in the plan, 2015 will be a transition year. State law requires that the boundaries of all taxing districts be established as of August 1 in order to levy funds the following year. Because formation of the Park District will not be effective until sometime after the August 5 election date, the Park District will be unable to levy and collect property taxes in 2015. Therefore, it is expected that the City will loan DPR \$10 million, to be repaid over 8 years beginning in 2016, to fund the start-up costs of many projects in the six-year plan and other transition costs.

Park District Budgets and Property Tax Levy Setting

The interlocal agreement provides that the Park District will set its annual property tax at an amount sufficient to fund a budget that implements the six-year spending plan. Fully funding the projects, programs and services shown on Attachment A requires \$54.4 million in the first year of full funding (2016). If a levy to produce that budget amount had been in effect in 2014, it would translate into an estimated tax rate of \$0.42 per \$1,000 of the assessed value of property within the City. This would amount to \$168 in additional property taxes for the owner of a house valued at \$400,000 – an increase of \$92 over the \$76 that homeowner is paying for the current Parks levy.

City Obligations and Funding

The City will provide all staffing for all projects, programs and services, and for related support services. The City will also continue to include in its annual budget, including the revenues dedicated by the City Charter, General Subfund resources that meet or exceed the 2014 level of funding, adjusted annually for inflation (calculated as the Consumer Price Index for Seattle). The City will continue to own and control all parks and park facilities.

Community Oversight Committee

The interlocal agreement provides for the appointment of a Community Oversight Committee (Oversight Committee). The Committee will have 11 members, including 4 Park Board members and 7 additional members appointed by the Mayor and confirmed by the City Council. The Mayor will appoint one of the 11 members to serve as the Chair of the Oversight Committee. The Committee will advise on the projects, programs and services to be provided, including:



- a. Making recommendations to the Superintendent of Parks on the annual allocation of the Major Projects Challenge Fund.
- b. Reviewing an annual report to be provided to the District and the City, including assessment of performance measures and reporting to the Superintendent and Park Board on implementation issues, concerns and needed adjustments in services or spending.
- c. Holding public meetings and making recommendations to the Superintendent in connection with each 6-year update to the spending plan.

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 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 the interlocal agreement it approves requires the Park District to provide funding to DPR in accordance with its annual budget.

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 Park District projects, programs and services will require a number of new positions. Positions will be added to DPR 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: The annual budget process and the six-year spending plans developed through a community based planning process and reviewed by the Oversight Committee will determine Park District spending.



Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
Yes, approval of the ordinance and the proposed interlocal agreement establishes the parameters for a Park District, should the voters approve its creation.
- b) **What is the financial cost of not implementing the legislation?**
Without an interlocal agreement, the Park District will be unable to carry out the projects, programs and services described in the spending plan.
- c) **Does this legislation affect any departments besides the originating department?**
Yes, the interlocal agreement requires the City's Director of Finance to act as treasurer and to keep financial records on behalf of the Park District.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
There are none.
- 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 regarding future funding for Seattle Parks and Recreation.
- 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



Seattle Park District
 Financial Plan: 2015-2020



Proposed 2015
Spending Plan 2016 2017 2018 2019 2020

Revenues

Park District Property Tax	54,340,201	-	54,369,063	56,563,713	57,888,191	59,151,284	60,575,451
Interfund Loan	-	10,008,808	-	-	-	-	-
Total	54,340,201	10,008,808	54,369,063	56,563,713	57,888,191	59,151,284	60,575,451

Expenses

Operating Expenses

1 FIX IT FIRST								
1.1	Fund Major Maintenance Backlog and Asset Management	590,012	1,345,006	1,654,763	619,882	635,379	651,263	667,545
1.3	Saving Our City Forests	973,646	146,680	997,987	1,022,937	1,048,510	1,074,723	1,101,591
2 MAINTAINING PARKS AND FACILITIES								
2.1	Increase Preventive Maintenance	1,440,122	873,221	1,476,125	1,513,028	1,550,853	1,589,625	1,629,365
2.2	Provide Clean, Safe, Welcoming Parks	2,105,906	1,890,430	2,158,554	2,212,518	2,267,831	2,324,527	2,382,640
2.3	Activate Urban Center Parks	276,089	29,000	282,991	290,066	297,318	304,751	312,369
2.4	Make Parks Safer	485,315	60,000	497,448	509,884	522,631	535,697	549,090
2.5	Improve Dog Off-leash Areas	103,819	103,819	106,414	109,075	111,801	114,596	117,461
3 PROGRAMS FOR PEOPLE								
3.1	Restore Community Center Operations	2,680,689	2,010,517	2,747,706	2,816,399	2,886,809	2,958,979	3,032,954
3.2	Recreation Opportunities for All	465,135	56,605	468,990	480,715	492,733	505,051	517,677
3.3	Better Programs for Young People—Seattle's Future	551,467	275,734	565,254	579,385	593,870	608,717	623,935
3.4	Meeting the Needs of People with Disabilities	170,000	85,000	174,250	178,606	183,071	187,648	192,339
3.5	More Programs for Older Adults	270,000	135,000	276,750	283,669	290,760	298,029	305,480
3.6	Put the Arts in Parks	340,086	-	348,588	357,303	366,235	375,391	384,776
3.7	Get Moving Fund	500,000	76,644	507,973	520,672	533,689	547,031	560,707
3.8	Customer Service and Technology	425,000	-	435,625	446,516	457,679	469,120	480,848
4 BUILDING FOR THE FUTURE								
4.3	Maintain and Activate Seattle's New Waterfront Park ¹	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	400,000	200,000	410,000	420,250	430,756	441,525	452,563
4.9	Activating and Connecting to Greenways	120,848	-	123,869	126,965	130,140	133,393	136,728
4.10	Performance Monitoring and Strategic Management	885,667	442,834	907,809	930,504	953,766	977,611	1,002,051
4.11	Urban Parks Partnership	410,000	125,000	410,000	420,250	430,756	441,525	452,563
Debt Service Expenses								
4.6	Develop Smith Cove Park ²	697,000	-	-	697,000	697,000	697,000	697,000
5	Interfund Loan Payback ⁴	1,487,592	-	1,487,592	1,487,592	1,487,592	1,487,592	1,487,592

Total (Operating) 20,488,859 7,855,488 16,038,687 17,033,828 17,585,059 22,124,957 22,623,466

Seattle Park District
 Financial Plan: 2015-2020



Capital Expenses

1 FIX IT FIRST								
1.1	Fund Major Maintenance Backlog and Asset Management	19,374,988	900,000	18,809,362	20,355,846	20,864,743	21,386,361	21,921,020
1.2	Community Center Rehabilitation & Development	3,000,000	-	3,000,000	3,075,000	3,151,875	3,230,672	3,311,439
1.3	Saving Our City Forests	1,876,354	353,320	1,923,263	1,971,345	2,020,628	2,071,144	2,122,923
1.4	Aquarium Major Maintenance	1,200,000	300,000	1,200,000	1,230,000	1,260,750	1,292,269	1,324,575
1.5	Zoo Major Maintenance	2,000,000	500,000	2,000,000	2,050,000	2,101,250	2,153,781	2,207,626
2 MAINTAINING PARKS AND FACILITIES								
2.6	Rejuvenate Our P-Patches	200,000	100,000	200,000	205,000	210,125	215,378	220,763
3 PROGRAMS FOR PEOPLE								
4 BUILDING FOR THE FUTURE								
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	4,000,000	-	4,000,000	4,100,000	4,202,500	4,307,563	4,415,252
4.4	Develop 14 New Parks at Land-Banked Sites ³	-	-	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
Total (Capital)		33,851,342	2,153,320	38,330,375	39,529,885	40,303,132	37,026,327	37,951,985
Grand Total		54,340,201	10,008,808	54,369,063	56,563,713	57,888,191	59,151,284	60,575,451

Footnotes:

- ¹ 4.3 assumes a 2019 start date with funds going to develop 14 landbanked sites from 2016-2018 (4.4).
- ² 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.
- ³ 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.
- ⁴ 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.

General notes:

- Initiatives shaded gray in the Reference # column have both capital and operating costs.
- Revenues will be no greater than \$55 million per year adjusted on an annualized basis for inflationary 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 (attached). One-time costs will be covered between 2015 and 2016.



City of Seattle
Edward B. Murray
Mayor

March 18, 2014

Honorable Tim Burgess
President
Seattle City Council
City Hall, 2nd Floor

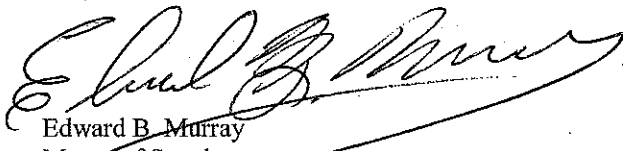
Dear Council President Burgess:

I am pleased to transmit the attached proposed Council Bill that establishes the form and authorizes approval of an interlocal agreement between a Seattle metropolitan park district (the Seattle Park District) and the City, should the voters approve creation of the Park District. This legislation is a companion proposed ordinance to the Council Bill establishing the ballot measure asking the voters of Seattle to approve the creation of a Park District.

The interlocal agreement authorized by this proposed ordinance creates procedures for accountability and oversight. It establishes Seattle Parks and Recreation as the sole provider of services and requires that all City, state and federal laws be followed. Attached to the interlocal agreement is the list of projects, programs and services which the Park District will fund for the first six years. The list will be updated every six years after the conclusion of a public involvement process.

Approval of this legislation will ensure that, should the voters approve creating a Park District, the values of accountability and oversight long ingrained in the management of our parks system will be maintained into the future. Thank you for your consideration of this legislation. Should you have questions, please contact Eric Friedli at 684-8369.

Sincerely,



Edward B. Murray
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

