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CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL 118056

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

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

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

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

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

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

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

30 WHEREAS, the Legacy Committee, after being duly appointed and after spending many hours
31 in open meetings, receiving public testimony and deliberating, has recommended that the
32 City Council initiate formation of a metropolitan park district, by placing before the
33 voters within the boundaries of the City of Seattle a ballot measure to create the Seattle
34 Park District (the “Seattle Park District”); and

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

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

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

16 WHEREAS, the Seattle City Council has adopted Council Bill 118055, directing the submission
17 to the voters of a ballot proposition regarding formation of the Seattle Park District
18 encompassing the City's boundaries and governed by a Board of Park Commissioners
19 (the "Seattle Park District Board") consisting of the Seattle City Councilmembers serving
20 in an *ex officio* and independent capacity; and

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

25 WHEREAS, in order to clearly describe the cooperative relationship between the Seattle Park
26 District and the City, the City Council finds that it is in the best interests of the City to
27 enter into an interlocal agreement with the Seattle Park District as further described in
28 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 ("Seattle Park District") within the boundaries of the City
31 of Seattle, the City will work in cooperation with that district to further recommendations of the
32 Parks Legacy Citizens' Advisory Committee to ensure the stable, ongoing funding to maintain,
33 operate and improve parks, community centers, pools, and other recreation facilities and

1 programs throughout the City. As required by the City Charter, the Department of Parks and
2 Recreation (“DPR”) will retain responsibility for the management and control of the City’s
3 public parks and green spaces and will work cooperatively under an interlocal agreement with
4 the Seattle Park District, as further authorized herein.

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

10 **Section 3. Effective Date.** This ordinance shall take effect and be in force 30 days after
11 its approval by the Mayor, but if not approved and returned by the Mayor within ten days after
12 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

13 Passed by the City Council the ____ day of _____, 2014, and
14 signed by me in open session in authentication of its passage this
15 ____ day of _____, 2014.

16
17 _____
18 President _____ of the City Council

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20 Approved by me this ____ day of _____, 2014.

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22 _____
23 Edward B. Murray, Mayor

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25 Filed by me this ____ day of _____, 2014.

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Monica Martinez Simmons, City Clerk

(Seal)

Attachment 1: Form of Interlocal Agreement between the City of Seattle and the Seattle Park District

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 "Seattle 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 Seattle 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 Seattle 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 Seattle Park District (the "District Board"), the President of the District Board is authorized to execute this Agreement on behalf of the Seattle Park District; and

WHEREAS, the City and the Seattle 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 Seattle Park District agree as follows:

1. Purpose and Interpretation. The City and the Seattle 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 Seattle Park District. The Seattle Park District agrees as follows:
 - 2.1 Governance. The Seattle 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 Seattle 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. The District Board will waive any additional compensation available under RCW 35.61.150.
 - 2.2 Staffing. The Seattle Park District shall not hire its own staff and shall not contract for the implementation of projects, programs or services with any person other than the City. The City shall provide the staff and other resources to implement the projects, programs and services identified in the adopted Seattle Park District budget. City staff supported with Seattle Park District funds shall remain City employees subject to applicable labor contracts. If public works, or other projects and activities need outside contracts to complete the work, the City will enter into those contracts using City contracting procedures. Nothing in this section affects the authority of the City to implement projects, programs or services funded by the Seattle Park District as it deems appropriate.
 - 2.3 Finance. The Seattle 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 Seattle Park District will levy only the amount necessary to fund its budget adopted in accordance with the procedures under section 4.2 below. The Seattle 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 (revenues in excess of appropriations), such money will be used to reduce tax revenues collected in the following year’s levy.
 - 2.4 Ex Officio Treasurer. The Seattle 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 Seattle 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 Seattle 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 Seattle Park District, solely as set forth in the Seattle Park District's adopted budget.

3.2 Park Employees. The City shall provide the staff and other resources to implement the projects, programs and services identified in the adopted Seattle Park District budget. The City shall provide necessary related support to the Seattle Park District, including without limitation, administrative staffing, legislative staffing, treasury management services, legal services, subcontracts, and similar support. The Seattle Park District shall not contract for the implementation of projects, programs or services with any person other than the City. Nothing in this section affects the authority of the City to implement projects, programs or services funded by the Seattle Park District as it deems appropriate.

The reasonable costs of such staffing and support shall be reported to the Seattle Park District at least annually and may be included as part of the Seattle 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 Seattle 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 Seattle 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 Seattle 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 Seattle 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 Seattle 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 Seattle 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 Seattle Park District revenues. The budget shall be accompanied by an annual report that documents the status of the park and recreation projects, programs and services undertaken pursuant to this Agreement, and describes how Seattle's various peoples and neighborhoods have been equitably served by the projects, programs, and services. Each budget request shall be consistent with the then-current 6-year plan, as described in Section 4.3.

B. The Seattle Park District. Using the budget request submitted by the City, the District Board will annually review and approve a final Seattle Park District budget. The Seattle Park District's annual budgets for the first six years (2015 through 2020) shall make appropriations sufficient to fund the 6-year spending plan shown in Exhibit A. Thereafter, each annual

budget shall make appropriations sufficient to fund a plan adopted through the 6-year planning process described in Section 4.3.

- 4.3 Six-Year Planning Cycles. The City and the Seattle 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 Seattle Park District funded projects, programs and services including projected costs, as part of the budget process. Equitable distribution of services among Seattle's various peoples and neighborhoods, including addressing historical and developing gaps in access for low-income and communities of color, will be considered in developing each update.
- 4.4 Community Oversight Committee. In addition to the community-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 to the Mayor, City Council, and Superintendent of Parks and Recreation, and to provide oversight of the projects, programs and services undertaken jointly by the City and the Seattle Park District, pursuant to this Agreement, as follows:
- A. The Oversight Committee shall have 15 members: 4 Park Board members; 7 members, one from each Council district; and 4 additional members to be considered for appointment based on recommendations from City commissions, including the Immigrant and Refugee Commission, the Commission for People with Disabilities, the Human Rights Commission, the Seattle Lesbian Gay Bisexual Transgender Commission, and the Women's Commission. All member appointments are to be confirmed by the City Council. The Mayor shall appoint the Chair of the Oversight Committee.
 - B. The City will seek to appoint Oversight Committee members with a diversity of expertise, and perspectives including but not limited to parks management, public financing, urban horticulture, landscape architecture, contract management, and the interests of low-income and communities of color..
 - C. Oversight Committee terms for Park Board members will coincide with their Park Board terms. The 11 other members will serve 3-year terms that begin in April. The initial terms for these seats shall be staggered, so that 4 members serve a one-year term, 4 members serve a 2-year term, and the 3 remaining members serve a 3-year term.

D. The Oversight Committee will advise on spending and activities including:

1. Establish a Major Projects Challenge Funds application process and evaluation criteria, and make recommendations to the Superintendent of Parks and Recreation ("Superintendent") on the annual allocation of the Major Projects Challenge Fund.
2. Reviewing an annual report prepared by DPR for the Seattle Park District and the City, including assessment of performance measures and expenditure of District funds including interest earnings, and reporting to the Superintendent and Park Board on implementation issues, concerns and needed adjustments in services or spending.
3. Holding public meetings and making recommendations to the Superintendent in connection with each 6-year update to the spending plan.
4. Provide to the Mayor, City Council, and Superintendent of Parks and Recreation an annual report on the progress of expenditures, a mid-term report half-way through each 6-year period, and a final report in advance of each 6-year update to the spending plan. Progress on construction of park development on the 14 land-banked sites in Initiative 4.4 will be among the issues addressed in the first mid-term report.

5. Condemnation and other Exercise of Governmental Powers. The Seattle Park District shall not exercise condemnation powers within the City of Seattle. If condemnation of property is required for Seattle Park District purposes, the City may exercise condemnation powers on the Seattle Park District's behalf. The Seattle Park District shall form no local improvement district within the City. If formation of a local improvement district is required for Seattle Park District purposes, the City may carry out the formation and may levy and collect of assessments on the Seattle 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 Seattle 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 Seattle 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: Seattle Park District Financial Plan 2015-2020 version 2

**Exhibit A to DPR Park District Interlocal ORD Attachment 1
Seattle Park District
Financial Plan: 2015-2020**

	Proposed	2015 Spending Plan	2016	2017	2018	2019	2020	
V2 April 25, 2014								
Revenues								
	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					
	Total Revenues	47,902,112	10,008,808	47,798,348	49,843,849	51,000,331	52,091,227	53,338,893
Operating Expenses								
1	FIX IT FIRST							
1.1	Major Maintenance Backlog and Asset Management	590,012	1,492,509	1,640,012	619,882	635,379	651,263	667,545
1.2	Saving Our City Forests	487,000	99,680	499,175	511,654	524,446	537,557	550,996
2	MAINTAINING PARKS AND FACILITIES							
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
3	PROGRAMS FOR PEOPLE							
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
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	-	-	-	-	-	-	-
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
5	Debt Service Expenses							
4.6	Develop Smith Cove Park ²	697,000	-	-	697,000	697,000	697,000	697,000
5.1	Interfund Loan Payback ³	1,487,592	-	1,487,592	1,487,592	1,487,592	1,487,592	1,487,592
	Total Operating	17,075,124	7,211,397	12,533,160	13,455,782	13,917,562	18,365,772	18,770,302
Capital Expenses								
1	FIX IT FIRST							
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 ⁴	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
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
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	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 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	30,826,988	2,796,611	35,265,188	36,388,067	37,082,769	38,725,455	39,568,591
	Grand Total	47,902,112	10,008,008	47,798,348	49,843,849	51,000,331	52,091,227	53,338,893

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.

⁵ 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.

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 Metropolitan 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 Metropolitan Park District (Seattle Park District). Upon voter approval of the ballot 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).

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

Spending Plan

Spending in each of the four program categories will follow the six-year plan shown in Exhibit A to the interlocal agreement 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 Seattle Park District will not be effective until sometime after the August 5 election date, the Seattle 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.

Seattle Park District Budgets and Property Tax Levy Setting

The interlocal agreement provides that the Seattle 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 in Exhibit A to the interlocal agreement has a \$47.9 million spending plan that requires \$47.8 million in the first year of full funding (2016), with annual inflation adjustments thereafter. If a levy to produce that budget amount had been in effect in 2014, it would translate into an estimated tax rate of \$0.37 per \$1,000 of the assessed value of property within the City. This would amount to \$148 in additional property taxes for the owner of a house valued at \$400,000 – an increase of \$72 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 Oversight Committee shall have 15 members: 4 Park Board members; 7 members, one from each Council district; and 4 additional members to be considered for appointment based on recommendations from City commissions, including the Immigrant and Refugee Commission, the Commission for People with Disabilities, the Human Rights Commission, the Seattle Lesbian Gay Bisexual Transgender Commission, and the Women's Commission. All member appointments are to be confirmed by the City Council. The Mayor shall appoint the Chair of the Oversight Committee.

The Committee will advise on the projects, programs and services to be provided, including:

- a. Establishing a Major Projects Challenge Funds application process and evaluation criteria, and 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 prepared by DPR for the Seattle Park District and the City, including assessment of performance measures and expenditure of District funds including interest earnings, 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.
- d. Providing to the Mayor, City Council, and Superintendent of Parks and Recreation an annual report on the progress of expenditures, a mid-term report half-way through each 6-year period, and a final report in advance of each 6-year update to the spending plan. Progress on construction of park development on the 14 land-banked sites in Initiative 4.4 will be among the issues addressed in the first mid-term report.

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 the interlocal agreement it approves requires the Seattle 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 Seattle 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. Seattle 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 Seattle 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 Seattle Park District, should the voters approve its creation.
- b) **What is the financial cost of not implementing the legislation?**
Without an interlocal agreement, the Seattle 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 Seattle 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: