

King County Parks and Recreation Division
King County Parks Citizen Oversight Board

October 17, 2017

The Honorable Dow Constantine
King County Executive

The Honorable Joe McDermott
Chair, Metropolitan King County Council

RE: Review of 2016 Expenditures of the 2014-2019 Parks Levy, and Carryover Expenditures from 2008-2013 Open Space and Trails Levy

Dear Executive Constantine and Chair McDermott:

This letter constitutes our third report on levy expenditures from the six-year parks levy approved by King County voters in August 2013. We have passed the mid-point of this levy, which provides the vast majority of operating and capital funds for the Parks and Recreation Division (the “Division”). We are also reporting to you on expenditure of carryover funds from the prior County Open Space and Trails Levy (2008-2013). Based on the information provided to us, we are pleased to again report our finding that the Division and other levy revenue recipients have complied with expenditure requirements of both levies.

The King County Parks Citizen Oversight Board (“Board”) was established by County Ordinance 17568, which placed the 2014-2019 Parks Levy before the voters. Our membership consists of one representative from each of the nine County Council districts, each nominated by our district Councilmember.

We met three times in the development of this report, on September 27, October 4 and 11. Presented below are our conclusions with respect to the expenditures of both levies, beginning with the 2016 expenditures of the 2014-2019 Parks Levy.

2016 Expenditures of the 2014-2019 Parks Levy

Ordinance 17568 authorized submittal of a six-year, 18.77 cent, CPI-indexed property tax levy to county voters to fund parks, trails, recreational facilities and open space (the “**Parks Levy**”). Voters approved the levy by an impressive 70 percent.

The Parks Levy “eligible expenditures” are spelled out in Section 4 of Ordinance 17568. In addition, Section 6 of the Ordinance requires that County open space acquisition projects be selected in accordance with the annual conservation futures tax process and approved by the County Council.

Finally, Section 7 of the Ordinance calls for the Citizen Oversight Board to “review the allocation of levy proceeds and progress on achieving the purposes of this proposition,” and

directs that our report to you “include information on the status of addressing maintenance needs and controlling noxious weeds in King County’s parks system.”

The Board received briefings and extensive written materials from the Division staff detailing the Division’s budget, funding, operations and maintenance activities and capital program, including detail as to how all Park Levy revenues were allocated to, and expended by, the County, cities and the Woodland Park Zoo (“Zoo”). We heard a presentation from the City of Tukwila on how it has used Levy proceeds to help acquire land to expand the Duwamish Hill Preserve, which incorporates native plant habitat, Native American culture and history signage developed in consultation with the Muckleshoot and Duwamish Tribes among others, and public art. The Preserve also serves as a key location for local educational programs. We also heard from a representative from the Zoo detailing its expenditure of Parks Levy funds in 2016. We were presented with information on the Division’s progress in meeting the goals of the Parks Levy as outlined in Ordinance 17568, including major maintenance and noxious weed issues. The Division’s 2016 4th Quarter report transmitted to the Council in accordance with King County Code section 7.08.090 also was made available to us; that report summarizes the Division’s efforts in entrepreneurial initiatives, partnerships and outreach.

Based on the information provided to us, we conclude that the Division, the cities receiving Parks Levy proceeds in 2016, and the Woodland Park Zoo, have all complied with the requirements of Ordinance 17568 in their expenditure of the Parks Levy proceeds in 2016. In reaching this conclusion we note that we were not asked to, nor did we, perform an accounting audit of the Division’s financial systems. Again this year, some 2016 levy proceeds received by the County were unexpended as of December 31, 2016, because levy proceeds received exceeded budget authority. The Division will distribute the additional amount in 2017 and report to us on the expenditure of these unexpended amounts next year.

The **specific requirements of Ordinance 17568 we here confirm are as follows**, presented in the order they appear in the Ordinance. (The text of Section 5, 6 and 7 of Ordinance 17568 is reproduced as **Attachment A**.)

1. **Forty-seven percent (47%)** of the Parks Levy proceeds budgeted in 2016 were used by the County for the purposes of **maintenance and operations of the King County’s park system**. Further, this same 47% target was met when looking cumulatively at Parks Levy expenditures in 2014, 2015 and 2016 combined.
2. Of this 47%, slightly more than 1.3% was spent on the **recreational grant program** in 2016—1.94%-- but due to under-expenditures in prior levy years **the Division is meeting the 1.3% spending target for this program as a combined total over the first three years of the levy**. (Section 4.A).
3. **Thirty-nine (39%) percent** of the Parks Levy proceeds budgeted in 2016 were allocated to the Division for:
 - a. Acquisition, conservation and stewardship of additional **open space lands, natural areas, resource or ecological lands**;
 - b. Acquisition and development of rights of ways for **regional trails**;

- c. **Major maintenance** repair, replacement and improvement of parks system infrastructure; and
- d. **Development of trailhead facilities** to increase access to parks and trails. (Section 4.B)

All but approximately \$1.5 million of these allocated funds were budgeted as permitted by Ordinance 17568; that amount is being held in reserve to be appropriated in 2017 for specific regional trail projects. Cumulatively, levy proceeds in 2014-2016 were expended (or reserved) consistent with the 39% target.

- 4. **Seven percent (7%) of Parks Levy proceeds budgeted in 2016 were distributed to cities** in King County for their local parks system projects, per an allocation formula based 50% on city population and 50% on the assessed value of parcels within a city. All 39 cities self-reported expenditure of Parks Levy proceeds in 2016 were consistent with allowable levy purposes, specifically “**local parks system projects.**” (Section 4.D.; *see also* paragraph 5 below.)
- 5. **Seven percent (7%) of Parks Levy proceeds budgeted in 2016 were distributed to the Zoo**, and the Zoo’s self-reported expenditure of the levy proceeds in 2016 was consistent with allowable levy purposes, specifically “environmental education with emphasis on accessibility to traditionally underserved populations throughout the county; horticulture and maintenance of buildings and grounds; conservation and animal care for rare, threatened or endangered Pacific Northwest species; and board-approved capital projects/campaigns in existence as of December 31, 2012.” (Section 4.E.; *see also* paragraph 5 below.)
- 6. Approximately 1% of Parks Levy proceeds allocated to the cities and 0.5% of the Parks Levy proceeds allocated to the Zoo were retained by the County as an **administrative fee** for distribution and administration of levy proceeds. (Section 4.F.)
- 7. The budgeted Parks Levy proceeds expended in 2016 for open space acquisition were applied to acquisitions selected in accordance with the **annual conservation futures tax process** and ultimately approved by the County Council. (Section 6.)
- 8. **The Board believes the Division has made reasonable progress on achieving the purposes of the Parks Levy**, as described in Ordinance 17568, and as further detailed in the Parks Levy information brochure prepared and published by the County in connection with the August 2013 ballot measure. Specifically, we refer you to **Attachment B—a mid-term report on the levy** prepared by the Division summarizing its progress in meeting these commitments.
- 9. The Division has provided us information on its work to control **noxious weeds**. We note that the 2016 King County Noxious Weeds Annual Report commended the Division for its efforts in this area: “The King County Parks and Recreation Division continued their considerable effort to achieve control of all major noxious weeds impacting Parks and open Space resources, including a large number of non-regulated

weeds.” One of our Panel members was greatly impressed with the knowledge of County staff on these subjects, having talked with them at a local farmer’s market booth providing public information on noxious weeds.

Carryover Proceeds from the 2008-2013 Open Space and Trails Levy

We again report on carryover proceeds from the 2008-2013 Open Space and Trails Levy (“**2008-2013 Levy**”). At the end of that levy, about 42% of the County’s total six year allocation was unspent, and about half of the money allocated to cities was unspent. The Zoo fully expended its share of levy proceeds by the end of 2013. There is no deadline by which the 2008-2013 levy proceeds must be expended. Significant progress has been made since 2013 to apply these remaining revenues.

The permissible uses of 2008-2013 Levy proceeds are different from the permissible uses of the 2014-2019 Levy proceeds. Per Ordinance 15760, the **2008-2013 Levy** proceeds were to be allocated as follows:

- 60% to the County for acquisition of open space, natural lands and development of regional trails, and up to \$500,000 annually for recreation grant programs;
- 20% allocated by formula to cities for acquisition of open space and natural lands, and acquisition and development of local trails or trails that are part of or linked to the regional trail system; and
- 20% to the Woodland Park Zoo to be used for a variety of programmatic and capital purposes.

The text of Section 5 of Ordinance 15760 defining the eligible levy expenditures is reproduced as **Attachment C**.

We received a report from Division staff detailing the expenditure in 2016 of carryover funds from the 2008-2013 Levy by both the County and as self-reported by all cities. **Attachment D** to this report summarizes 2016 expenditures of these carryover funds for both cities and the Division. The Division’s plan is to expend its carryover dollars first on permitted projects before allocating new Parks Levy funds to those same projects.

Based on the information provided to us, we conclude that:

- A. The Division has complied with the requirements of Ordinance 15760 with respect to expenditure of 2008-2013 Open Space and Trails Levy proceeds expended in 2016.** The Division has expended the majority of their remaining levy funds in 2016: from a beginning balance of \$7.2M, the Division carried forward only \$1.78M into 2017.
- B. Based on their self-reporting, all 39 cities complied with the requirements of Ordinance 15760 with respect to expenditure of their individual allocations of 2008-2013 Open Space and Trails Levy proceeds expended in 2015.**

In reaching the above stated conclusions, we again note that we were not asked to, nor did we, perform an accounting audit of the Division's financial systems, nor of the financial systems of the cities.

Comments, Observations and a Request

The Division is in the process of implementing a comprehensive asset management system. One of the goals of the current levy was to provide funding to address the Division's major maintenance backlog. This system will allow the Division to more fully understand the breadth and depth of that backlog and make data driven decisions on where to allocate funding. The asset management system is an important investment in the future of the parks system.

We commend the Division for the new initiative to link transit to trails with the circulator bus from the Issaquah Park and Ride to various trailheads. This is a creative way of addressing a major goal of the Parks Levy—to increase accessibility of our parks and open spaces. We are also very impressed with the ongoing work of the Division to expand public knowledge about our superb regional trails system, including an informative and user-friendly new trails map. The regional trails system is a true gem, linking communities across the region. It is exciting to see continued progress in the completion of trail segments.

We understand that the County is in the final phase of developing a regional land conservation initiative that will likely seek voter approval for some package of funding to support acquisition of remaining high conservation value lands and regional trail rights-of-way throughout King County. We observe that the goal of the initiative is closely related to the mission of the Division, and we are keenly interested in this effort. Conservation of natural lands benefits people as well as preserving critical habitat. As land costs and population pressures increase it becomes harder to acquire lands for parks, trails and ecosystem health.

This pressure is particularly acute in urban areas: we heard from the City of Tukwila Parks and Recreation Director about the challenge of acquiring urban parcels in a time of rapidly escalating land costs and the importance of Parks Levy dollars to help leverage funds needed to expand an urban park. Parks play a critical role in our health and well-being and in creating a sense of place and community. The value of urban parks was driven home to us by the presentation from the Tukwila Parks director who recounted that families are being evicted from some apartments in his city when children with no access to local parks use the building parking lot or other apartment building spaces for recreation in contravention of leases—and their families are consequently evicted.

We are excited that the land conservation initiative will address both rural and urban park needs, and that a race and social justice component is included in the initiative. That said, the renewal of the Parks levy is foundational to the continued operation of the County Parks system. Care must be exercised to ensure that the land conservation initiative does not in any way jeopardize renewal of the Parks Levy. We hope that the initiative and the Levy renewal will be coordinated and communicated to the voters in a way that allows them to see the larger vision that these measures will together accomplish.

Our closing request is for the opportunity to present our findings to you in concert with a presentation of the Division's mid-levy report. While our written reports have been shared with both the Executive and the Council, we have not been invited to share our findings with either the Council or Executive during this levy cycle. Our reports are part of the Levy Ordinance mandated accountability to the public. We believe it is our duty to make the public aware of our findings with regard to the levy. Making a presentation to the Council is an excellent way to make sure our report is broadcast more broadly. We would love to share with you what a great job the Parks staff are doing, and what a tremendous asset the County Parks system is to our region.

Sincerely,

The Members of the King County Parks Citizen Oversight Board

Staci Thompson-Adman
Council District 1 Representative

Bill Finkbeiner
Council District 6 Representative

Adrienne Caver-Hall
Council District 2 Representative

Brad Tucker
Council District 7 Representative

Dariel Norris
Council District 3 Representative

Ann Martin
Council District 8 Representative

Allegra Calder
Council District 4 Representative

Thomas W. Stafford
Council District 9 Representative

Ian Jacobson
Council District 5 Representative

Attachments:

- A. Excerpts of Ordinance 17568 (2014-2019 Parks Levy)
- B. Summary of progress in meeting levy commitments
- C. Excerpts of Ordinance 15760 (2008-2013 Parks Levy)
- D. Summary of expenditures by county and cities of carryover 2008-2013 levy funds

Attachment A: Ordinance 17568 – Key Excerpts

SECTION 4. Eligible expenditures [for King County Park System]. Levy proceeds shall be used for the following purposes:

- A. Forty-seven percent for maintenance and operations of the King County's park system, of which no more than one and three-tenths percent of total levy proceeds is for the recreation grant program:
- B. Thirty-nine percent for:
 - 1. Acquisition, conservation and stewardship of additional open space lands, natural areas, resource or ecological lands;
 - 2. Acquisition and development of rights of ways for regional trails;
 - 3. Major maintenance repair, replacement and improvement of parks system infrastructure; and
 - 4. Development of trailhead facilities to increase access to parks and trails;

Eligible expenditures [Cities and Woodland Park Zoo]

- D. Seven percent for distribution to cities in King County for their local parks system projects, of which fifty percent shall be distributed based on city population and fifty percent shall be distributed based on the assessed value of parcels within a city;
- E. Seven percent for distribution to the Woodland Park Zoological Society for: environmental education with emphasis on accessibility to traditionally underserved populations throughout the county; horticulture and maintenance of buildings and grounds; conservation and animal care for rare, threatened or endangered Pacific Northwest species; and board-approved capital projects/campaigns in existence as of December 31, 2012; and

Attachment A: Ordinance 17568 – Key Excerpts

Eligible expenditures [*Administration Fee*]

F. Of the proceeds designated for distribution to King County cities and the Woodland Park Zoological Society, a portion shall be retained by the county to be used for expenditures related to administration of the distribution of levy proceeds. Eligible administrative expenditures shall include all costs and charges to the parks and recreation division or the county associated with or attributable to the purposes listed in subsections D and E of this ordinance. Consistent with RCW 84.55.050, as it may be amended, levy proceeds may not supplant existing funding.

SECTION 7. Parks levy citizen oversight board established.

A. If the proposition in section 5 of this ordinance is approved by the qualified electors of King County, a parks levy citizen oversight board shall be appointed by the executive. The board shall consist of nine members. Each councilmember shall nominate a candidate for the board from the councilmember's district no later than ninety days from the start of the first year of collections. If the executive does not appoint within sixty days of the nominations a person who has been nominated by a councilmember, the executive must request that the councilmember should within thirty days of the request nominate another candidate for appointment. Members shall be confirmed by the council. Members shall be residents of King County and may not be elected or appointed officials of any unit of government, except that citizens serving in a civic capacity on a local board or commission would be eligible to serve on the parks levy citizen oversight board.

B. The board shall review the allocation of levy proceeds and progress on achieving the purposes of this proposition. The report shall include information on the status of addressing

Attachment A: Ordinance 17568 – Key Excerpts

maintenance needs and controlling noxious weeds in King County's parks system. On or before December 31, 2015, the board shall review and report to the King County executive, the King County council and the regional policy committee on the expenditure of levy proceeds for 2014. Thereafter, the board shall review and report to the King County executive, the King County council and the regional policy committee annually. Any report to the King County council under this section shall be made in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers. The parks and recreation division shall provide the board with all reports on division activities that the division transmits to the King County council in accordance with K.C.C. 7.08.090. The board expires December 31, 2020.

REGIONAL OPEN SPACE INITIATIVE

LEVY EXPENDITURES IN 2016: \$5,104,961



2014-2019 Levy Commitment



2016 Accomplishments

In 2016, 370 acres were acquired in fee or easement with levy funds.

Highlights include acquiring a 60-acre forest on the southern part of Vashon Island, 20 acres of upland forest to add to Pinnacle Peak Park near Enumclaw, as well as the last in-holding within the Mitchell Hill Connector Forest.

2014-2019 Progress to Date: 1,450 OF 2,700 ACRES OF PARKLANDS ACQUIRED THROUGH SUMMER 2017.

REGIONAL TRAIL SYSTEM

LEVY EXPENDITURES IN 2016: \$10,271,312



2014-2019 Levy Commitment



2016 Accomplishments

Work progressed on thirteen regional trail projects in 2016.

Highlights include:

- **Eastside Rail Corridor:** The Draft Master Plan and Environmental Impact Statement (EIS) was released for public comment February 2016 and the Final Master Plan and EIS was published in July 2016. The King County Council approved the trail's master plan early 2017.
- **Lake to Sound Trail:** Progress continues on the three segments. Segment B completed construction in late December 2016 /early January 2017. The final design of Segment A is 95% complete and the preliminary design of Segment C is complete.

- **Foothills Trail:** Trail design is at 60%. The division submitted a grant application to the Washington State Recreation Conservation Office (RCO) for funding of the construction of the new bike/pedestrian bridge crossing the White River. Initial rankings from RCO placed this project #2 for funding.

- **Green to Cedar Rivers Trail:** A design contract for the North Segment design and construction has been procured. The consultant team will begin work in January 2017 with public outreach and alternatives analysis of the north segment.

- **Mobility Connections:** The project team identified connections between the Green River Trail and Interurban Trail to the Southcenter shopping area and Sounder Commuter Rail and Rapid Ride Stations in Tukwila. The connections will be implemented in 2017.

2014-2019 Progress to Date: 14 OF 14 REGIONAL TRAIL CONNECTIONS ARE IN DESIGN OR CONSTRUCTION THROUGH SUMMER 2017.

FUNDING SOURCES:

- Parks Levy
- Real Estate Excise Tax
- State and Federal Grants

BRIDGE AND TRESTLE PROGRAM

2016 TOTAL EXPENDITURES: \$1,897,003



2014-2019 Levy Commitment



2014-2019 Progress to Date: 14 OUT OF 14 COMPLETED

Additional bridge repairs are in progress in 2017 and are scheduled for 2018 and 2019.

2016 Accomplishments

15

inspections and 3 load ratings completed in 2016.

Replacement of the Tokul Trestle on Snoqualmie Valley Trail completed and opened to the public in early 2016.

Routine and emergency repairs to additional bridges along the Snoqualmie Valley Trail including stringer and cap replacement, flood damage assessment, and fire damage repair.

TRAILHEAD DEVELOPMENT AND ACCESS

2016 TOTAL EXPENDITURES: \$1,094,943



2014-2019 Levy Commitment



2014-2019 Progress to Date: 6 OUT OF 11 COMPLETED

Granite Creek Trailhead along the Middle Fork Snoqualmie recently completed in partnership with WA DNR

Design for the trailheads at Cougar/Squak and Cougar Precipice are anticipated to begin late 2017.

Cedar Grove Road Trailhead is currently in planning.

2016 Accomplishments

Black Diamond Open Space mountain biking trailhead and parking lot opened to the public.

Construction of the Pinnacle Peak trailhead and parking lot reach substantial completion

Planning for Cougar/Squak and Cougar Precipice trailheads

PLAY AREA REHABILITATION

2016 TOTAL EXPENDITURES: \$837,274



2014-2019 Levy Commitment



2014-2019 Progress to Date: 7 OUT OF 13 COMPLETED

Coalfield play area completed in June 2017.

Two play areas at Marymoor Park will be rehabilitated in September.

2016 Accomplishments

Five projects completed and opened to the public.

Planning and design for play areas at the following parks: Skyway Park and Coalfield Park

Additional ADA and foundational improvements

FUNDING SOURCES:

- Parks Levy
- Real Estate Excise Tax
- State and Federal Grants

FACILITY INFRASTRUCTURE REPAIR & REPLACE**2016 TOTAL EXPENDITURES: \$791,477****2014-2019 Levy Commitment****2016 Accomplishments**

- | | | |
|--|---|-----|
| 1. MARYMOOR PARK | 2016 EXPENDITURES: \$140,838 | ● ● |
| Concert pathway construction | Electrical repairs to café serving off-leash dog park | |
| Monitoring mitigation planting along Connector Trail | | |
| 2. KING COUNTY AQUATIC CENTER | 2016 EXPENDITURES: \$264,164 | ● ● |
| Replace starting blocks | | |
| 3. STEVE COX MEMORIAL PARK | 2016 EXPENDITURES: \$290,973 | ● ● |
| Fiber optic cable installation for park buildings | Update north sidewalk and ADA improvements | |
| Field improvements feasibility study/public outreach | | |
| 4. CENTRAL MAINTENANCE FACILITY | 2016 EXPENDITURES: \$95,502 | ● |
| Update project scope to reflect current and future site requirements. | | |
| Finalize property acquisition | | |
| 5. DOCKTON PARK | 2016 EXPENDITURES: \$- | ● |
| Spending on hold as the aquatic lands lease with Washington State Department of Natural Resources was renewed. | | |

OTHER EMERGENT MAJOR MAINTENANCE**2016 TOTAL EXPENDITURES: \$3,320,856**

OTHER MAJOR MAINTENANCE INCLUDES:

- | | |
|---|---|
| Demolishing structures on newly acquired sites | Roof repairs to various park buildings |
| Basketball and tennis court improvements at various parks | Siding and roof repairs to historic Tolt Barn |
| Rehabilitation and replacement of park restrooms | Regional trail signage and kiosks |
| Utility updates at Cougar/Squak open space site | Back country trail kiosks and signage |
| Repaving parking lots and pathways at various parks | Culvert repairs along park roads and trails |

FUNDING SOURCES:

- Parks Levy
- Real Estate Excise Tax
- State and Federal Grants

Attachment C: Ordinance 15760 – Key Excerpts

SECTION 5. Eligible expenditures. If approved by the qualified electors of the county, all levy proceeds shall be used as follows: sixty percent for King County's acquisition of open space and natural lands critical to the preservation of regional watersheds and streams, for acquisition and development of rights of way for regional trails, with primary consideration given to those projects that address health disparities/health inequities as recognized in the Health of King County 2006 report and are consistent with the Regional Trails Plan including acquisition of missing critical links and/or maximization of regional trail use, and for repayment of costs, including principal and interest, associate with interim financing following approval of the levy, and to provide up to \$500,000 annually for capital funding of recreation grant programs; twenty percent for distribution to cities in King County of which fifty percent shall be distributed based on city population, and of which fifty percent shall be distributed based on the assessed value of parcels within a city for city projects; and twenty percent for Woodland Park Zoo projects. Of the proceeds designated for distribution to King County cities and the Zoo, a reasonable portion shall be retained by the county to be used for expenditures related to administration of the distribution of levy proceeds. The levy proceeds shall be used solely for the designated purposes and shall not supplant existing funds used for such purposes.

Attachment D: 2016 Expenditures of 2008-2013 Levy Carryover Summary

King County

	<u>Beginning Balance</u>	<u>2016 Expenditure</u>	<u>Carry Forward to 2017</u>
Regional Trail System ¹	\$5,814,829	\$4,745,356	\$1,069,473
Open Space Acquisition	\$1,212,412	\$521,032	\$691,380
Community Partnerships and Grants	\$164,283	\$143,325	\$20,958
Total King County	\$7,191,524	\$5,409,714	\$1,781,810

Cities

	<u>Beginning Balance</u>	<u>2016 Expenditure</u>	<u>Carry Forward to 2017</u>
Cities within King County ²	\$6,375,934	\$2,769,858	\$3,606,076

1. Of the \$5.8 million regional trail system carryover balance at the beginning of 2016, \$3.1 million is budgeted for the East Lake Sammamish Trail project and \$2.2 million is budgeted to the Lake to Sound Trail (also known as South County Regional Trail Linkages).
2. Of the \$6.37 million remaining carryover for cities within King County at the beginning of 2016, \$3.5 million is associated with the City of Seattle including the Burke Gilman Trail project and Westlake Cycle Track.