## STAFF REPORT

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| **Agenda Items:** | 6 and 7 | **Name:** | Sam Porter |
| **Proposed No**.: | 2018-0278  2018-0279 | **Date:** | July 18, 2018 |

**SUBJECT**

Proposed Motions 2018-0278 and 2018-0279 would appoint three King County Councilmembers each to the Redmond and Issaquah Library Capital Facility Area governing bodies in accordance with RCW 27.15.030.

**SUMMARY**

Proposed Motion 2018-0278 would appoint Councilmember Claudia Balducci (chair), Councilmember Reagan Dunn, and Councilmember Kathy Lambert to the Redmond Library Capital Facility Area governing body.

Proposed Motion 2018-0279 would appoint Councilmember Kathy Lambert (chair), Councilmember Claudia Balducci, and Councilmember Reagan Dunn to the Issaquah Library Capital Facility Area governing body.

**BACKGROUND**

Library capital facility areas (LCFA) according to Washington State law are quasi-municipal corporations and independent taxing units for the purpose of financing the construction of capital library facilities.[[1]](#footnote-1) Authorized by the relevant voters, the Redmond LCFA was established in 1996 and the Issaquah LCFA in 1997 to issue general obligation bonds in order to construct new library facilities in their respective cities. Bonds issued by the Redmond LCFA financed the 30,000-square-foot Redmond Library now located at the corner of Northeast 85th and 160th street. In Issaquah the bonds financed a 15,000-square-foot library at the corner of Front Street and Sunset Way. Each LCFA was established with a governing body consisting of three members of the King County Council appointed by a majority of the Council.

**ANALYSIS**

The original members of the Redmond and Issaquah LCFAs were appointed by council motions in 1996 and 1997.[[2]](#footnote-2) The appointed councilmembers are no longer serving on King County Council and therefore new members must be appointed. Councilmembers appointed to each LCFA governing body by Proposed Motions 2018-0278 and 2018-0279 will be responsible for reallocating the remaining balance of each debt service fund and, after the reallocation takes place, dissolving each LCFA.

The Redmond LCFA bonds were paid off in December 2017 and the Issaquah bonds are expected to be as well in December 2018. The chart below contains estimates of the remaining debt service fund balance after the bonds are retired.

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| **Capital Facility Area** | **Estimated 2018 Ending Cash Balance[[3]](#footnote-3)** |
| Redmond | **$59,500** |
| Issaquah | **$185,000** |

Given that the Redmond LCFA bonds have been paid off the actions of the governing body can be completed at any time. Whereas, the governing body of the Issaquah LCFA can prospectively reallocate the funds and dissolve the LCFA but the actions cannot not be completed until the Issaquah bonds are paid off in December 2018. Lastly, it is important to note that the remaining bond funds may only be used for the purpose authorized by the bonds. In this case these funds can be used for acquiring, constructing, and equipping these specific libraries in Redmond and Issaquah.

**ATTACHMENTS**

1. Proposed Motion 2018-0278
2. Proposed Motion 2018-0279

1. RCW 27.15 [↑](#footnote-ref-1)
2. Motion 9973 appointed members to the Redmond LCFA in 1996 and Motion 10058 appointed members to the Issaquah LCFA in 1997. [↑](#footnote-ref-2)
3. Provided by the King County Library System [↑](#footnote-ref-3)