## STAFF REPORT

|  |  |  |  |
| --- | --- | --- | --- |
| **Agenda Item:** | 5 and 6 | **Name:** | Sam PorterJake Tracy Wendy K. Soo Hoo |
| **Proposed No**.: | PO 2019-0084PM 2019-0142 | **Date:** | April 15, 2019 |

**SUBJECT**

Proposed Ordinance 2019-0084 would place a proposition on the August 6, 2019 ballot, authorizing a six-year property tax levy related to parks and open space.

Proposed Motion 2019-0142 would document the council’s intent regarding funding and programming allocations for the August 6, 2019 ballot, authorizing a six-year property tax levy related to parks and open space.

**SUMMARY**

**Proposed Ordinance 2019-0084.2** would place on the August 6, 2019 ballot a proposition authorizing a six-year property tax levy to support parks and open space in King County. As amended by the Regional Policy Committee on March 28th, the proposed levy would generate approximately $810 million based on an initial levy rate of 18.32 cents per $1,000 assessed value.

Proposed Ordinance 2019-0084 was previously discussed in the Regional Policy Committee on February 27, March 13, and March 28, 2019. While the staff report for the briefing today provides a summary of the proposed ordinance, the staff reports included in prior briefings (Attachment 9) provide a detailed discussion of the proposed ordinance.

**Proposed Motion 2019-0142.2** would document the council’s intent for the use of 2020-2025 parks and open space levy proceeds, and was also amended by the Regional Policy Committee. The motion includes an attached table (Attachment C) providing specificity regarding the allocation of levy proceeds across all programs and projects, as well as guidelines for four grant programs: capital project and open space acquisitions; targeted equity; aquatic centers; and open space for river corridors.

**BACKGROUND**

**2013 Parks Levy.** In August 2013, King County voters approved a new, 18.91-cent six-year parks levy with an annual escalator tied to the consumer price index.[[1]](#footnote-1) The levy included 14.89 cents to continue the programs of the expiring levies and an additional 4.02 cents for new and enhanced programs. The levy was estimated to have a total annual cost of $56.73 in 2014 for the owner of a $300,000 home.

In August 2018, the Office of Economic and Financial Analysis estimated that the 2013 levy will have generated a total of $420.2 million over the six-year levy period.[[2]](#footnote-2)

**Table 1. 2014-2019 Parks Levy Collections – Actuals and Estimated**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **2014****Actuals** | **2015****Actuals** | **2016****Actuals** | **2017****Actuals** | **2018****Estimated** | **2019****Estimated** | ***2014-2019******Estimated Total*** |
| $63.6M | $65.8M | $67.9M | $70.6M | $74.3M | $78.0M | *$420.2M* |

The current levy will expire at the end of 2019.

**ANALYSIS**

**Proposed Ordinance 2019-0084.2 Overview.** As amended in the Regional Policy Committee on March 28, 2019, version 2 of Proposed Ordinance 2019-0084 would place on the August 6, 2019 ballot a proposition authorizing a six-year property tax levy that would generate approximately $810 million[[3]](#footnote-3) in total. This is a 1.5 cent increase from the transmitted proposed rate of 16.82 cents per $1,000 of assessed value. Proposed Ordinance 2018-0084.2 would support:

* A capital construction project at the Seattle Aquarium at $8M from total levy proceeds;
* Pool maintenance, capital improvements and construction at $44M from total levy proceeds;
* Integrated floodplain management grant program at $22M from total levy proceeds;
* King County's park system operations and maintenance (40 percent of the levy proceeds remaining after the aquarium, pool, and floodplain allocations, as well as elections costs).
* Acquisition of open space, continued development of regional and other public trails, other capital improvement and major maintenance of the county's open space system, and community partnerships and grants (47 percent of remaining levy proceeds);
* Repair, replacement and improvements to local parks and trails in town and cities in King County (8 percent of remaining levy proceeds);
* Environmental education, maintenance and conservation programs at the Woodland Park Zoo (5 percent of remaining levy proceeds); and
* Targeted equity grants at no more than $10M as compared to $6M in the Executive's proposal.

This amended version would also allow for acquisition program grants for towns, cities, and metropolitan park districts to be used for broad range of capital purposes (not limited to acquisitions).

**Proposed Motion 2019-0142.2 Overview**. As amended in the Regional Policy Committee on April 17, 2019, version 2 of the proposed motion would provide clarity and document the council’s intent for the use of 2020-2025 open space levy proceeds. The proposed motion would:

1. Attach guidelines for four grant programs:
	1. Capital Project Grant and Open Space, Natural Lands and Urban Green Space Acquisition Guidelines (Attachment A), with an expanded list of eligible projects for towns, cities and park districts to include a broad range of capital projects and deleting requirement that 20% be used for passive recreation/open space;
	2. Targeted Equity Grant Program Guidelines(Attachment B), including disability access to parks and recreation in addition to the geographic-based equity areas;
	3. Aquatic Centers Grant Program Guidelines (Attachment D), which describes eligibility and types of projects to be funded; and
	4. Open Space – River Corridors Grant Program Guidelines (Attachment E), which describes eligibility and types of projects to be funded.
2. Attach a levy spending plan (Attachment C).
3. Specify a reporting process for the Department of Natural Resources and Parks (DNRP) to report to council if it anticipates requesting a reallocation of moneys for projects or programs listed in Attachment C.
4. Specify that $8 million of the allocation for public pools be allocated to the Weyerhaeuser King County aquatic center.
5. Specify a reporting process for DNRP to report to council on the community outreach efforts and recommendations resulting from the community outreach efforts.
6. Call for:
	1. Remaining funding of the Lake to Sound Trail to be spent on the Soos Creek Trail project if there is funding left over or unspent during the levy period.
	2. DNRP to conduct a feasibility assessment and cost estimate for the south extension of the Green to Cedar Rivers trail, including connections to a Black Diamond open space area and closing gaps in the Snoqualmie Valley Trail including the Mill site in Snoqualmie.
	3. Remaining/unspent Eastside Rail Corridor (ERC) funding to be prioritized for new ERC connections in the city of Renton;
	4. Department of Natural Resources and Parks (DNRP) to undertake community outreach processes with the Redmond Ridge Residential Owners Association, in the Hobart and Fairwood communities, and around Duvall Park;
	5. DNRP to include in contracts with towns and cities a requirement to report to county councilmembers on upcoming major milestones (such as groundbreaking and opening dates) for Parks capital projects;
	6. DNRP to consult with Department of Local Services on use of levy proceeds in unincorporated King County;
	7. DNRP to develop a plan to implement a youth conservation corps beginning in 2020; and
	8. Creation of one or more advisory committees that will include city representatives to review grant applications and make recommendations for the programs described in Attachments A, B, D and E to the motion.

**SCHEDULE AND NEXT STEPS**

The following are key full Council meeting deadlines[[4]](#footnote-4) to place this measure on the August ballot:

* + Last **regular** Council meeting assuming minimum processing time is April 24th
	+ Last **special** Council meeting as a non-emergency is April 30th
	+ Last **regular** Council meeting to pass the ordinance as an emergency is May 8th
	+ Last **special** Council meeting to pass the ordinance as an emergency is May 10th

If action on Proposed Ordinance 2019-0084.2 and Proposed Motion 2019-0142.2 occurs at today's meeting the legislation could be expedited for consideration at the full Council meeting on April 17th.

If any changes are made by the Budget and Fiscal Management Committee or the full Council resulting in a version of the legislation not previously considered by the Regional Policy Committee, the new version would need to be re-referred to the Regional Policy Committee for subsequent consideration. The next scheduled Regional Policy Committee meeting is a special meeting on April 17th at 1:30 p.m.

**INVITED**

* Dwight Dively, Director, Office of Performance, Strategy and Budget
* Christie True, Director, Department of Natural Resources and Parks
* Doug Hodson, Finance Director, Department of Natural Resources and Parks
* Katherine Taylor, Government Relations Director, Department of Natural Resources and Parks
* Katy Terry, Acting Division Director, Parks Division

**ATTACHMENTS**

1. Proposed Ordinance 2019-0084.2
2. Transmittal Letter
3. Fiscal Note
4. Parks and Recreation Operating Fund Financial Plan
5. Allocation of Levy Proceeds to the Parks Capital Portfolio
6. Council Clerk's memorandum on Deadlines for Adoption of Ballot Measures in 2019
7. Proposed Motion 2019-0142.2 (and its attachments)
8. March 13, 2019 Staff Report on Proposed Ordinance 2019-0084
1. The Council passed Ordinance 17568 placing the measure on the August 2013 ballot. [↑](#footnote-ref-1)
2. August 2018 King County Economic and Revenue Forecast, https://www.kingcounty.gov/~/media/business/Forecasting/documents/August2018\_Forecast\_pdf. [↑](#footnote-ref-2)
3. March 2019 King County Economic and Revenue Forecast, https://www.kingcounty.gov/~/media/business/Forecasting/documents/March2019\_Forecast\_pdf. [↑](#footnote-ref-3)
4. Council Clerk's memorandum on Deadlines for Adoption of Ballot Measures in 2019 (Attachment 6) [↑](#footnote-ref-4)