



King County

**Metropolitan King County Council
Budget and Fiscal Management Committee**

Agenda Item No.: 6

Date: March 19, 2013

Proposed No.: 2013-0112

Prepared By: Mary Bourguignon

STAFF REPORT

SUBJECT

Proposed Ordinance 2013-0112 would submit a six-year parks levy to the voters on the August 6, 2013, ballot. The proposed levy would replace two levies that expire in 2013.

SUMMARY

The proposed parks levy would require approval by a simple majority. It would be assessed at a rate of 18.91 cents per \$1,000 of assessed valuation, for a cost of \$56.73 in 2014 for the owner of a \$300,000¹ home. It would raise \$60.7 million in 2014.

	Existing Levies		Proposed Levy		
	2013 Rate (Cents)	2013 Cost per HH*	2014 Rate (Cents)	2014 Cost per HH*	2014 \$ Raised
Existing Levy Programs	13.31¢	\$39.93	14.89¢	\$44.67	\$47.7 M
Strategic Enhancements	--	--	4.02¢	\$12.06	\$13.0 M
TOTAL	13.31¢	\$39.93	18.91¢	\$56.73	\$60.7 M

**Based on the 2013 median home value in King County of \$300,000 (King County Assessor, Feb 2013)*

The proposed levy would replace two levies that will expire at the end of this year. These existing levies are currently assessed at a combined rate of 13.31 cents, for a cost in 2013 of \$39.93 for the owner of a \$300,000 home. The proposed levy would be assessed at a rate of 18.91 cents for a cost in 2014 of \$56.73 for the owner of a \$300,000 home.

The Budget and Fiscal Management (BFM) Committee was briefed on March 13 on the proposed parks levy. This briefing will provide additional analysis and answers to the questions raised at that briefing.

¹ The 2013 Assessor's estimate of mean home values is \$302,000 for single family homes. This staff report estimates all household costs assuming a \$300,000 home.

BACKGROUND

The table below shows how the proposed parks levy compares with the 2007 levies.

Comparison of 2007 Parks Levies and Proposed Parks Levy

	Existing Levies			Proposed Levy		
	2013 Rate (Cents)	2013 Cost per HH*	2013 \$ Raised	2014 Rate (Cents)	2014 Cost per HH*	2014 \$ Raised
Parks operations & maintenance	6.655¢	\$19.97	\$20.32M	8.29¢	\$24.87	\$26.6M
SUBTOTAL Existing O&M	6.665¢	\$19.97	\$20.32M	8.29¢	\$24.87	\$26.6M
Regional open space acquisition	1.318¢	\$3.95	\$4.02M	1.32¢	\$3.96	\$4.2M
Regional trails system	2.516¢	\$7.55	\$7.68M	2.48¢	\$7.44	\$8.0M
Community Partnership & Grants (CPG)	0.160¢	\$0.48	\$0.49M	0.16¢	\$0.48	\$0.5M
Cities' parks and trails allocation	1.331¢	\$3.99	\$4.06M	1.32¢	\$3.96	\$4.2M
Woodland Park Zoo	1.331¢	\$3.99	\$4.06M	1.32¢	\$3.96	\$4.2M
SUBTOTAL Existing Programs	6.665¢	\$19.97	\$20.31M	6.600	\$19.80	\$21.10M
ERC: Preserve and protect	--	--	--	0.18¢	\$0.54	\$0.6M
4-H Program	--	--	--	0.03¢	\$0.09	\$0.1M
CPG Program expansion	--	--	--	0.08¢	\$0.24	\$0.3M
Infrastructure repair, preservation	--	--	--	0.40¢	\$1.20	\$1.3M
Bridges and trestles	--	--	--	0.30¢	\$0.90	\$1.0M
Trailhead development, accessibility	--	--	--	0.20¢	\$0.60	\$0.6M
Regional open space acquisition	--	--	--	0.88¢	\$2.64	\$2.8M
Lake to Sound Trail development	--	--	--	1.00¢	\$3.00	\$3.25M
ERC Trail development	--	--	--	0.80¢	\$2.40	\$2.55M
Peak season core maintenance	--	--	--	0.10¢	\$0.30	\$0.3M
Enforcement and safety	--	--	--	0.05¢	\$0.15	\$0.2M
SUBTOTAL Strategic Enhancements	--	--	--	4.02¢	\$12.06	\$13.0M
GRAND TOTAL	13.31¢	\$39.93	\$40.63M	18.91¢	\$56.73	\$60.7M

**Based on the median home value of \$300,000 (King County Assessor, February 2013)*

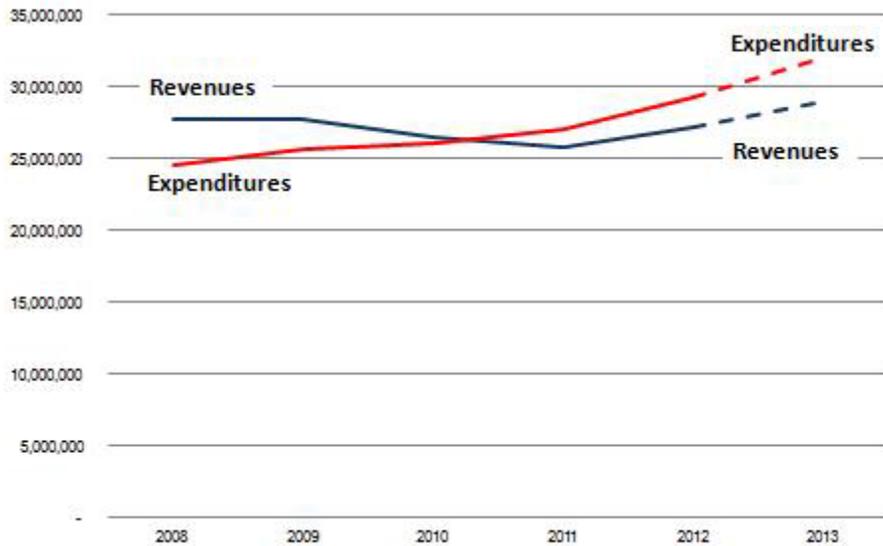
ANALYSIS

Operations and maintenance. In 2007, when the current parks levies were approved, the operating levy was set at an initial rate of five cents. Due to inflation, that rate has increased to its current level of 6.665 cents in 2013.

The proposed levy would set operations and maintenance at 8.29 cents for 2014. That increase is larger than would be expected simply due to inflation. That is because several other factors have affected the proposed rate.

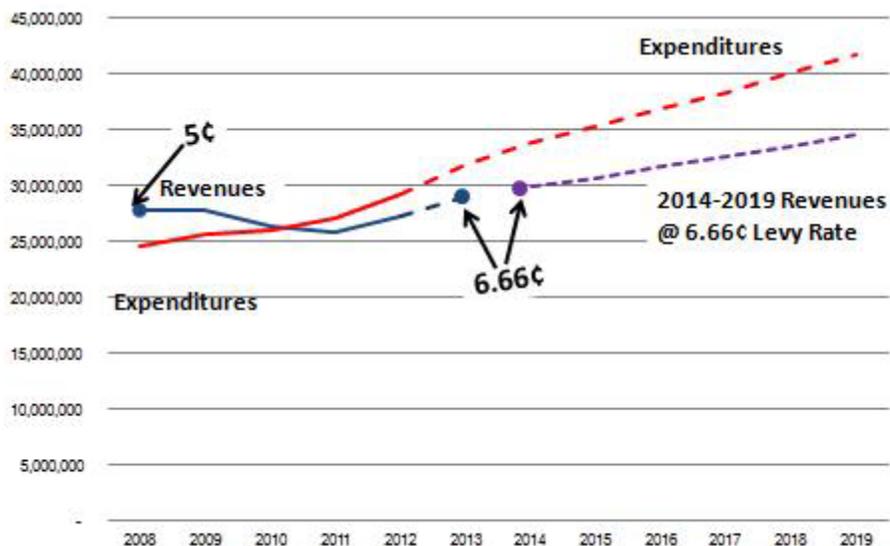
First, levy rates are typically set so that revenues are over-collected in the first half of the levy period. As expenditures increase more quickly than revenues, the funds draw down during the latter half of the levy. The chart below shows that structure.

**Parks Operating Fund 2008-2013
Total Project Expenditures and Revenues**



In the case of the proposed parks levy, the proposed operations and maintenance rate has also been affected by the fact that the current rate of 6.665 cents is inadequate and would create a significant and increasing funding gap if not increased.

**Parks Operating Fund 2008-2019
Total Project Expenditures and Revenues**



Operating and maintenance expenditures are projected to grow at 4.4 percent annually between 2013 and 2019. As the table below shows, these expenditures include:

- **Labor**, including salaries, retirement, and benefits (including health care);
- **Central rates**, including fleet, IT and other central services, and overhead; and
- **Services and supplies**, including utilities, tools, equipment, and materials.

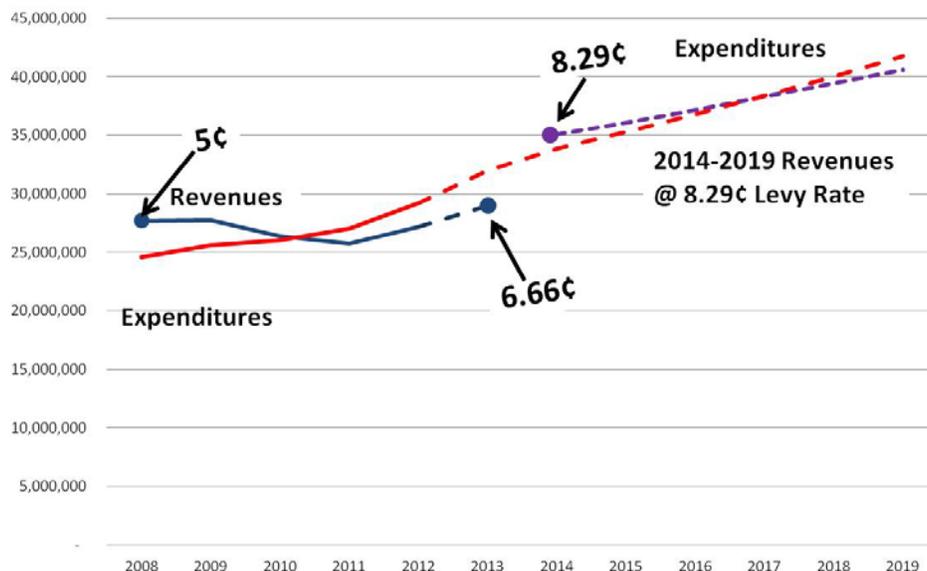
Components of Parks Operating Fund, 2013-2019

Category	% of Budget	Growth Rate
Salaries	55%	4.4%
Retirement	3%	10.8%
Benefits	9%	8.0%
Central rates	17%	5.0%
Services/supplies	15%	2.7%
TOTAL	100%*	4.8%

**Does not add up to 100% due to rounding.*

The combination of the funding structure of the levy and the funding gap that would result from a continuation of the current rate has led to the proposal for a 2014 rate of 8.29 cents, which would cost \$24.87 per year for the owner of a \$300,000 home. The chart below shows how the proposed levy would be structured around this proposed rate.

Parks Operating Fund 2008-2019 Total Project Expenditures and Revenues



Peak season core maintenance. In addition to the proposed operations and maintenance levy rate of 8.29 cents, the proposed levy would add one-tenth of a cent, or \$300,000 per year, for peak season core maintenance. This proposed allocation would fund one night crew that would be deployed to active districts during the peak season. The night crew would focus in particular on new and renovated athletic fields and active facilities that have greater use and require greater daily maintenance.

The night crew would consist of 12 seasonal staff who would provide 10,800 total hours of labor. This would allow for extra restroom cleaning, additional garbage/litter pick-up, additional ballfield preparation, and gate closures. The crew would also improve safety by providing a greater presence in parks at night.

Proposal for Peak Season Maintenance

Items		Annual Amount
Staffing	12 seasonal staff	\$298,056
Equipment	Supplies/equipment/fleet rentals	\$ 12,000
TOTAL		\$310,056

Parks where the night crew would focus include:

Regional Recreation & Multi-Use Parks

- Big Finn Hill Park
- Cougar Mountain Park
- Duthie Hill Park
- Marymoor Park
- Petrovitsky Park
- Preston Athletic Fields
- Soaring Eagle Regional Park
- Steve Cox Memorial Park
- Tolt - MacDonald Park

Natural Area Parks

- Chinook Bend Natural Area
- Moss Lake Natural Area
- Taylor Mountain Forest

UGA Parks

- Five Mile Lake Park
- Klahanie Park
- Lake Geneva Park
- Lakewood Park
- Maplewood Park
- Redmond Ridge Park
- Skyway Park
- South County Ballfields
- White Center Heights Park

Regional Trails and Trail Sites

- Cecil Moses Memorial Park
- Lake Youngs Park and Trail
- Sammamish River Trail Site
- Soos Creek Park and Trail

Local Rural Parks

- Coalfield Park
- Cottage Lake Park
- Dockton Park
- Kentlake Athletic Fields
- Lake Francis Park
- Maple Valley Heights Park
- Ravensdale Park

Eastside Rail Corridor/Lake-to-Sound Trail connection. Councilmembers asked whether the proposed levy would include funding to acquire and/or develop connections to the Lake to Sound Trail. Parks Division staff has confirmed that the proposed levy package does include funding to connect the Lake-to-Sound Trail to the Eastside Rail Corridor. This would be accomplished by expanding the scope of the Lake-to-Sound Trail project to include this critical connection element within the county’s regional trails system. A map showing this connection area can be found as Attachment 2 to this staff report.

Operating efficiencies and partnerships. The 2002 Business Transition Plan for the County's parks system, which was adopted through Ordinance 14509, charged the Parks Division to manage more efficiently and with fewer resources. To do that, the Division has developed a number of programs to earn business revenues, build partnerships, and leverage resources.

The Division has worked to earn business revenues by recouping the cost of operating parks facilities. Despite the economic downturn and a declining asset base (as pools and parks have been transferred to local cities), the Division has increased business revenues by five percent each year except one for the last decade. In 2013, business revenues comprise 18 percent of the Division's total revenues.

Some part of this increase in business revenues is due to strategic investments in the parks system, by developing facilities and amenities that are in demand by parks visitors. For example, new camping amenities at Tolt MacDonald Park, including a cargo shipping container retrofitted for camping in 2012 and six yurts added in 2007, have increased camping revenues between five and 13 percent each year since 2006.

The Division has also worked with community partners to renovate and enhance parks facilities and thus increase business revenues. Total revenues from athletic ballfield rentals were up by seven percent (\$65,000) in 2012 compared with 2011, for example, due in part to the conversion of grass fields to synthetic turf, which allows for increased playing time and thus increased fee revenues. Ballfield partnerships have included Ravensdale Park Foundation, Kent Youth Soccer Association, Kirkland Lacrosse and, potentially in 2013, Redmond North Little League.

In addition to these ballfield partnerships, the Division has worked with both non-profit and private partners to host events, raise revenues, and leverage the development of new or renovated facilities. Examples include:

- **Cirque du Soleil** has provided significant revenue to the Division with their visits to Marymoor Park in 2008, 2010 and 2013. In 2010, Cirque du Soleil generated \$625,000 in revenue for the Division. In addition, the Division was also able to attract Cavalia, a big-top theater show featuring horses that raised \$420,000 during its visit in 2012.
- **Weyerhaeuser King County Aquatic Center** facility rental revenues increased 20 percent between 2011 and 2012 due to three major events: the PAC-12 Men's Swimming and Diving Championships, the NCAA Men's Swimming and Diving Championships, and the U.S. Olympic Team Trials - Diving.
- **Marymoor Concerts** bring in an average of \$200,000 in revenues per year.

- **The North Face** contributed \$2,000 to the Division in 2012 for its sponsorship of the 2012 Cougar Mountain Trail Running Series, an event organized by partner group, the Seattle Running Club.
- **The Technology Access Foundation (TAF)** built the three-story, 25,000 square-foot Bethaday Community Learning Space at Lakewood Park in White Center. This green-built community center was a \$14 million project that leveraged a \$2 million contribution from King County. It includes classrooms and labs as well as community meeting space.
- **The Evergreen Mountain Bike Alliance (EMBA)** partnered with the Division to develop Duthie Hill Mountain Bike Park, which draws an estimated 500 visitors daily and has received considerable local and national media attention

The Division has also relied on volunteers to leverage staff efforts and help improve and maintain parks facilities. More than 7,500 volunteers gave some 53,000 hours of service in 2012. During 375 events, volunteers built or improved 13,075 feet of backcountry trails, cleaned up 28 miles of damage after a severe January storm, planted 21,540 native trees and shrubs, and removed 47.5 tons of invasive weeds from 15 acres of natural areas. In particular:

- Over the course of 17 months, volunteers from Washington Trails Association contributed more than 4,600 hours of work to complete a 600-foot-long boardwalk in Grand Ridge Park in 2012. Parks staff salvaged wood from trees that had fallen and milled it on site, providing the wood for the boardwalk.
- The Division hosted an AmeriCorps National Community Civilian Corps (NCCC) team, in March 2012 for a six-week assignment. The team stayed at the yurts at Tolt-MacDonald Park and planted native trees and shrubs, removed invasive plants, assisted with trail construction and maintenance, and helped lead volunteer projects.
- Sammamish Rowing Association (SRA) volunteers completed the wetland mitigation planting required as part of the construction of the SRA boathouse in Marymoor Park. This two-year project resulted in the planting of 8,400 native trees and shrubs.

The Division also applies for grants to leverage capital dollars for parks projects. In 2011, the Division was awarded several large grants from the Washington Wildlife and Recreation Program, which is administered by the Washington State Recreation and Conservation Office. These matching grants will help the Division develop the Issaquah Segment of the East Lake Sammamish Trail (\$500,000), acquire property at the northeast edge of Cougar Mountain Regional Wildlife Park (\$500,000), and build a parking lot and trailhead at Duthie Hill Park (\$317,000).

Community Partnerships and Grants Program. For the last decade, the Community Partnerships and Grants (CPG) Program has provided a way for the County to partner with community groups to develop new or enhanced facilities and programs in County parks. This program has facilitated the development of \$50 million in parks amenities at a cost to the County of only \$14 million. The program is currently structured to apply only in County-owned parks. However, the proposed levy ordinance is written to allow the program to be broadened, if desired, to apply to all parks countywide, whether owned by the County or not. Councilmembers may wish to consider this potential change to the program.

Impact on Metropolitan Park Districts. State law (RCW 84.52.043) sets a maximum rate of \$5.90 per \$1,000 assessed value for counties, cities, fire districts, library districts, and certain other junior taxing districts. If the combined tax rate exceeds \$5.90, the levy rates of junior taxing districts may need to be suppressed, that is, reduced or eliminated.

Currently, King County has several hundred different geographic areas (called “levy codes”) with unique combinations of taxing districts whose cumulative levy rates must be tracked to ensure they do not exceed the \$5.90 maximum. In 2013, 68 of these levy codes exceed the maximum and are therefore subject to some level of suppression.

A total of 15 of these 68 over-limit levy codes include two Metropolitan Park Districts: the Si View and Fall City Metropolitan Park Districts (MPDs). These MPDs have been suppressed because the combined rates in their levy code areas total more than \$5.90. As the tables below show, the levy codes that comprise these MPDs have an average rate over the \$5.90 limit by more than the amount of either the current countywide parks levies or the proposed parks levy:

- In the Si View MPD, the average levy rate is currently 61 cents over the \$5.90 limit and is projected to be 62 cents over the limit in 2014.
- In the Fall City MPD, the average levy rate is currently 33 cents over the \$5.90 limit and is projected to be 36 cents over the limit in 2014.

As a result, changes to the proposed parks levy would not affect the status of these MPDs.

Si View MPD

	2013			2014		
	MPD	TOTAL	Over Limit	MPD	TOTAL	Over Limit
	County Parks Levies = 13.31¢			Proposed Parks Levy = 18.91¢		
Levy Code 2282	\$0.62	\$6.13	\$0.23	\$0.62	\$6.13	\$0.23
Levy Code 6675	\$0.62	\$6.89	\$0.99	\$0.62	\$6.92	\$1.02
Si View AVERAGE amount over \$5.90 limit			\$0.61			\$0.62

Fall City MPD

	2013 County Parks Levies = 13.31¢			2014 Proposed Parks Levy = 18.91¢		
	MPD	TOTAL	Over Limit	MPD	TOTAL	Over Limit
Levy Code 6384	\$0.12	\$6.38	\$0.48	\$0.12	\$6.41	\$0.51
Levy Code 6386	\$0.12	\$6.38	\$0.48	\$0.12	\$6.41	\$0.51
Levy Code 6408 ²	\$0.12	\$5.88	-\$0.014	\$0.12	\$5.91	\$0.0158
Levy Code 6621	\$0.12	\$5.88	-\$0.014	\$0.12	\$5.91	\$0.0158
Levy Code 6626	\$0.12	\$6.38	\$0.48	\$0.12	\$6.41	\$0.51
Levy Code 6627	\$0.12	\$6.38	\$0.48	\$0.12	\$6.41	\$0.51
Levy Code 6631	\$0.12	\$6.38	\$0.48	\$0.12	\$6.41	\$0.51
Levy Code 6634	\$0.12	\$6.38	\$0.48	\$0.12	\$6.41	\$0.51
Levy Code 6689	\$0.12	\$5.88	-\$0.014	\$0.12	\$5.91	\$0.0158
Levy Code 6694	\$0.12	\$6.38	\$0.48	\$0.12	\$6.41	\$0.51
Levy Code 6698	\$0.12	\$6.38	\$0.48	\$0.12	\$6.41	\$0.51
Levy Code 6979	\$0.12	\$5.88	-\$0.014	\$0.12	\$5.91	\$0.0158
Levy Code 6994	\$0.12	\$6.38	\$0.48	\$0.12	\$6.41	\$0.51
Fall City AVERAGE amount over \$5.90 limit			\$0.33	\$0.36		

Allocation Process for Open Space and Natural Land. Open space acquisition in the current levy is managed as part of the Conservation Futures Tax (CFT) acquisition process. Motion 12809 outlines the process that is followed, which includes review by the Executive and Council. The proposed levy ordinance references the process outlined in Motion 12809 as the process to be used for the new, proposed levy. However, that process refers very specifically to the current, expiring levy, and contains references that would not be correct going forward. Instead, staff has prepared an updated acquisition process document (included as Attachment 1 to this staff report) that could be attached to Proposed Ordinance 2013-0112 to provide a description of the open space acquisition process.

Timeline for appointment and confirmation of levy citizen oversight board members. The proposed ordinance calls for each Councilmember to nominate a candidate to the levy citizen oversight board within 90 days of the start of levy collections. However, the proposed ordinance does not require Council confirmation of these appointments and does not outline a timeframe for Executive appointments or for the process to be followed if the Executive does not appoint one of the Council's nominations.

² Several of the levy codes in the Fall City MPD, including Levy Code 6408, are currently just under the \$5.90 limit, but would go over in 2014 if the countywide parks levy is adopted. However, because the other levy codes that are part of this MPD are significantly over the limit, this MPD would still remain suppressed.

NEXT STEPS

This is the second briefing of the BFM Committee on the proposed parks levy. Staff will continue to analyze the levy proposal. The deadline for action includes:

April 29	Last regular Council meeting to pass with “minimum processing time”
May 6	Last regular Council meeting to pass as an emergency
May 10	Deadline to be placed on the August ballot

INVITED

Kevin Brown, Director, Parks Division
Joe Woods, Deputy Chief of Staff, Executive’s Office

ATTACHMENTS:

1. Open Space and Natural Land Acquisition process
2. Eastside Rail Corridor/Lake-to-Sound Trail connection area map (from Eastside Rail Corridor Dual Use Plan, February 2013)

OPEN SPACE AND NATURAL LANDS ACQUISITION

The overall approach for funding allocation and coordination with the Conservation Futures Tax (CFT) program for the acquisition of open space and natural lands through the countywide parks levy is proposed as follows:

1. Early each calendar year, the Department of Natural Resources and Parks (DNRP) will set a proposed allocation for open space from levy funds for the following fiscal year.
2. Staff will generate proposals for the use of these funds, taking into account opportunities to leverage resources with funding from Conservation Futures, as well as from other local, state, and federal funding sources.
3. An overall proposal allocating the open space funds to specific projects will be developed and discussed with the Citizens Oversight Committee (COC) that is responsible for developing CFT funding recommendations. These discussions are expected to occur in the spring, during the same time frame during which the COC annually reviews CFT project proposals. This will create an opportunity for the COC to provide an advisory recommendation regarding allocation of these parks levy funds.
4. Taking the COC's recommendations into account, DNRP will develop a proposed budget for these parks levy funds.
5. The DNRP proposed budget for parks levy funding will be reviewed by the County Executive, and ultimately County Council, as part of the overall budget process for the following year.

Figure 5b



Eastside Rail Corridor

Future Trail Connection to be determined

Cedar River Trail

Future Soos Creek Trail Connection to Cedar River Trail

Lake Youngs Trail

Regional Trails Southern Hub

Interurban Trail

Green River Trail

Lake To Sound Trail Alignment

Green River Trail