



King County

Dow Constantine

King County Executive
401 Fifth Avenue, Suite 800
Seattle, WA 98104-1818

206-263-9600 Fax 206-296-0194
TTY Relay: 711
www.kingcounty.gov

July 20, 2020

The Honorable Claudia Balducci
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Balducci:

This letter transmits a Parks Levy Funding Report, in response to Ordinance 18993, Section 4, Proviso P1. Also enclosed is a proposed Motion that would, if enacted, acknowledge receipt of the report

As required, the report includes the following information as required by Ordinance 18993:

1. A summary of expenditures by category through the end of 2020 with information on projects and programs that received a funding reduction from anticipated funding levels before the August 2019 office of economic and financial analysis forecast;
2. Recommendations for projects and programs expenditures over the life of the levy, reflecting a three-percent reduction in total anticipated collections;
3. Expenditure recommendations which prioritize fully funding projects identified in Attachment C to Motion 15378 that have external partners as the lead agency, including cities, towns, and school districts; and,
4. Expenditure recommendations which include providing levy proceeds to the Seattle Aquarium in the amount of eight million dollars in the first four years of the levy.

In 2002, King County was confronted with the possibility of closing its system of parks, pools, and recreational programs due to the county's ongoing structural funding gap in the General Fund, when revenues do not keep up with inflation. To address this, the County sought financial stability for the park system through a voter-approved property tax levy and a commitment to generate revenue through entrepreneurial and enterprise activities. Since then, the Department of Natural Resources and Parks (DNRP) has successfully met its earned revenue growth targets, and King County voters have continued to approve parks-related property tax levies, demonstrating public support for King County's system of parks, pools, and recreational programs.

In April 2019, the King County Council passed Ordinance 18890, which placed the 2020-2025 King County Parks, Recreation, Trails, and Open Space Levy (Parks Levy) on the ballot. The legislation also specified expenditures and projects to be funded by the levy. The legislation also set an initial levy rate of 18.32 cents per \$1,000 of assessed value. It was expected that

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approximately \$810 million in revenue would be generated over the life of the levy. In August 2019, King County voters approved the ballot measure by more than 70 percent.

The King County Council passed Motion 15378 in April 2019 which provided additional guidance for the use of levy proceeds. Levy proceeds are to provide for the operations and maintenance of King County's parks and trails, support the growth and connection of regional trails, establish grant programs to expand access to recreation and protect open space for King County residents, as well as directly support parks in King County cities, the Woodland Park Zoo, and the Seattle Aquarium.

Updated forecasts from the Office of Economic and Financial Analysis project a reduced assessed value in 2020, resulting in the Parks Levy generating less than the \$810 million originally assumed. The most recent forecast from June 2020 estimates the levy would generate a total of approximately \$774 million over the life of the levy, or \$36 million less than expected when Ordinance 18890 was passed. The enclosed report summarizes the impact of different approaches to balance the reduced funding. The report includes the impact to the categories of spending specified in Attachment C to Motion 15378.

The report furthers the King County Strategic Plan goal of Efficient, Accountable Regional and Local Government by identifying options to address reduced funding and its associated impacts on programs and services.

It is estimated that the report required 60 hours by Parks staff to produce, costing approximately \$3,600 in staff hours. The estimated printing cost for this report is nominal.

Thank you for your consideration of this report. I look forward to continuing to work with the Council to assure that the many projects and programs supported by the Parks Levy are able to advance our common goals and align the distribution of these funds with needs countywide.

If your staff have any questions, please contact Warren Jimenez, Division Director of the Parks and Recreation Division of the Department of Natural Resources and Parks, at 206-477-4525.

Sincerely,



Dow Constantine

King County Executive

Enclosure

cc: King County Councilmembers

ATTN: Carolyn Busch, Chief of Staff

Melani Pedroza, Clerk of the Council

Shannon Braddock, Deputy Chief of Staff, Office of the Executive

Karan Gill, Director, Council Relations, Office of the Executive

Dwight Dively, Director, Office of Performance, Strategy and Budget

Christie True, Director, Department of Natural Resources and Parks (DNRP)

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Warren Jimenez, Division Director, Parks and Recreation Division, DNRP