

CITY COUNCIL STUDY SESSION ITEM

SUBJECT Potential Parks Voter Initiative

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Parks & Community Services

POLICY ISSUES

Council endorsed a preliminary \$40.5 million voter initiative package on April 7, 2008. Council direction is needed to confirm this final package and select a funding mechanism (bond vs. levy lid lift) in order for staff to prepare the necessary ordinance for inclusion on the November 4 ballot.

DIRECTION NEEDED FROM COUNCIL

Action
 Discussion
 Information

BACKGROUND

During discussions of the City's Long-Term Funding Strategy, Council requested additional information on a potential Bellevue Parks and Open Space Voter Initiative. Council and staff have been discussing this issue regularly since 2002, but with no formal action. In June 2007, Council expressed an interest in a voter initiative featuring park development, and asked the Parks & Community Services Board to conduct a public outreach process. The Board found that residents were willing to support a property tax measure for additional park improvements.

On March 17 and April 7, staff reviewed with Council the history of voter initiatives in Bellevue, the major policy alternatives, and a potential election timeline. Council directed staff to continue planning for a voter initiative to supplement Parks CIP funding and provided direction on the following points:

- Preliminary Package—A preliminary \$40.5 million package was endorsed by Council on April 7, and reflects an interest in a park development package that broadly balances the needs of multiple community and user groups.
- Fiscal Parameters—The preliminary voter package was set to replace the expiring 1988 Park Bond. At this time, Council has not yet decided on the most appropriate funding mechanism (bond vs. levy lid lift).
- Election Timing—November 4, 2008 General Election.

Council again confirmed these parameters at its retreat on June 10, 2008.

Funding Mechanism: Bond vs. Levy Lid Lift

The preliminary package can be funded via either a voter-approved levy lid lift or a voter-approved general obligation bond. Both mechanisms can achieve an equivalent \$40.5 million funding measure over 20 years; therefore selection of a preferred mechanism is primarily a policy decision. Factors relevant to this decision are summarized in the following table.

	Levy Lid Lift	Bond
Election Requirements	Simple Majority (50%)	Supermajority (60%) plus Validation Requirement
	Single Ballot Measure	Two Ballot Measures
Availability of Capital Funds	Funding over life of levy. Cannot sell bonds or borrow against proceeds since levy exceeds 9 years.	Funding immediately available for property acquisition and project development.

In addition to these more general considerations, specific issues that Council needs to consider in the adoption of any final bond or levy ordinance are:

- **Bond Issuance Costs.** If a bond mechanism is chosen, the City would incur bond issuance costs of approximately 1 to 1½% of the total bond value. A draft bond ordinance would increase the preliminary package and bond authorization totals from \$40.5 to \$41.0 million to cover these bond issuance costs.
- **Protect Banked Capacity.** The City’s highest lawful regular property tax levy rate is \$1.21 per \$1,000 of assessed value in 2008, but the City only levies \$0.93 per \$1,000 of assessed value. In order to protect this “banked” property tax capacity, the draft ordinance and ballot language will specifically direct the King County Assessor to lift this highest lawful regular property tax levy rate.
- **Flexibility as to Projects.** The draft ordinance will identify the specific projects the City intends to complete, while providing Council some flexibility to adjust the package by ordinance if needed at a later date. Similar flexibility was provided in the 2002 bond ordinance.
- **Flexibility as to Separate Maintenance Levy.** If Council decides to pursue a bond approach, the City could potentially face a scenario in which the maintenance levy passes and the bond fails. Similar to 2002, the draft ordinance can assume the two propositions are not linked and can be approved or opposed independently of one another.

RECOMMENDATION

An equivalent funding measure can be achieved by either the bond or levy lid lift funding mechanism. The preliminary package includes a combination of ongoing property acquisition needs and park development projects that would take several years to accomplish even if project funding were immediately available. Assuming that City CIP matching funds can be programmed relatively early in the upcoming 2009-2015 CIP process, staff recommends that Council approve the “levy lid lift” funding mechanism. The recommended approach requires only one ballot proposition to authorize the necessary capital and ongoing maintenance funding, and has a higher probability for success in the upcoming election.

NEXT STEPS

Based on Council direction on funding mechanism, staff will work with bond counsel to prepare a draft election ordinance tentatively scheduled for adoption on July 21. This ordinance will certify the City's election requirements and ballot wording with the King County Records, Elections, and Licensing Services Division. An ordinance must be approved by August 12 for inclusion on the November 4, 2008 election ballot. Council's last regularly scheduled meeting is August 4, and the proposed timelines conform with this schedule.

King County prepares a Local Voters Pamphlet for every primary and general election, and local measures are automatically included in the Local Voters Pamphlet. The City is required to prepare an explanatory statement describing the effect of the measure and to appoint two committees to write statements "for" and "against" the measure. Similar to the process used in 2002, staff will print a public notice in *The Seattle Times* soliciting interested parties to participate in preparation of statements for the Local Voters Pamphlet. Staff will return to Council on or before August 4 for final committee assignments, which are limited to three individuals per side. Committee statements are due to King County by August 20 and final rebuttals are due by August 22 for inclusion in the Local Voters Pamphlet.

ATTACHMENTS

1. January 8, 2008 Park Board Memo Outlining Public Outreach Process
2. Preliminary Voter Package Endorsed by Council April 7, 2008
3. Draft Ballot Language: Levy Lid Lift and Bond

City of Bellevue
Parks & Community
Services Department



MEMORANDUM

Date: January 8, 2008

To: Bellevue City Council

From: Merle Keeney, Parks & Community Services Board Chair

Subject: Outreach Process and Recommendation for Potential Parks Voter Initiative

Background

Bellevue City Council asked the Parks & Community Services Board to conduct a public outreach process this fall to help determine community support for a potential parks voter initiative. As you know, Bellevue voters have approved seven parks ballot measures since the City was incorporated in 1953, with the most recent measure being the 1988 park bond. Unless a new ballot measure is approved by voters, city property taxes will not include voter-approved funding to expand the parks system for the first time in over 50 years.

Public Outreach

Based on Council direction, the Parks & Community Services Board conducted a community feedback process through the following activities:

1. Attended community gatherings, including the Robinswood Sportsfield Grand Opening (October 6), Kelsey Creek Farm Fair (October 13), and a Network on Aging meeting. Overall, board members discussed ideas for a potential voter initiative with over 200 individuals during these three events.
2. Conducted a Public Hearing at the November 7 Board meeting. Notice of the public hearing was published in the official City newspaper and all major partnership groups were notified of the opportunity to comment. Ultimately, thirteen individuals/ organizations participated: SPLASH, Bellevue Youth Theater Foundation, Bellevue Botanical Garden Society, Bellevue Senior Advisory Council, Bridle Trails Park Foundation, Surrey Downs Community Club, and representatives from several local sportsfield user groups.
3. A survey instrument/comment card was distributed at the various community gatherings and was available on the City's web site. The on-line survey was available for a two month period (October 16 to December 14, 2007), and was prominently located on the home page of the City website. The internet survey provided a valuable way to gather community input, with 332 individuals completing the on-line survey.

Combined, 558 surveys/comment cards were completed which are summarized in the attached report. While we are pleased with the overall response rate, it should be noted that this was not a random sample survey that can be interpreted to statistically represent the opinions of the entire community. Respondents were either intercepted at one of the community events or volunteered to complete the on-line survey. Despite these limitations, however, it should be noted that the results closely matched prior research findings for visitation rates (question 2), overall satisfaction (question 3), and funding preferences (question 4).

Key Findings:

- **Overall Support.** Residents support Bellevue Parks & Community Services, and recognize the value parks and programs contribute to the quality of life in Bellevue. Overall, 94% of residents rated the overall quality of parks as “good or better” and 93% indicated that they were “likely or very likely” to support additional tax measures for parks.
- **Need for Additional Investment.** Residents understood the need to continue investing in the park system and we did not hear opposition to additional voter-approved property tax measures. Overall, the concept of replacing the expiring 1988 park bond was very popular. Our approach did not specifically address overall fiscal tolerance or preferred funding mechanisms (ie. bond vs. levy), and we recommend staff and Council conduct additional research on these issues.
- **Priorities for Additional Funding.** The survey indicates the highest support for the following project areas: protect water quality in Bellevue’s lakes and streams, preserve natural areas and open space, make sure new parks have same level of maintenance as existing parks, and complete existing parks. While development projects such as new neighborhood/community parks, sportsfield improvements, and indoor athletic facilities did not test as high, all project categories were considered “very or somewhat” important by the majority of residents. Again, it should be noted that these results are very consistent with prior research findings even though we did not conduct a statistically valid survey.
- **Citizen Comments.** The survey also provided an opportunity to provide open-ended comments on the future of the park system. While most comments related to general park acquisition and development, several themes emerged: the need for additional aquatic facilities, sportsfield improvements including all-weather surfaces, open space preservation and environmental stewardship, trails and mobility improvements, downtown park development, and indoor tennis courts. An unedited list of all survey comments is included in the attached report.

Recommendation

The Parks & Community Services Board recommends that City Council and staff continue to plan for a voter initiative in 2008. We understand that Council will discuss this issue early this year, including the key issues of project mix, funding mechanism, and election timing. We encourage City Council to make these important policy decisions as soon as practical so the City can continue the public information and outreach process. Several individuals encouraged the City to provide information to the community as early in the process as possible, and the Parks & Community Services Board is prepared to play an active role in support of this effort.

The Parks & Community Services Board also acknowledges that the list of potential acquisition and development projects significantly exceeds funding that could come from a voter initiative alone. Given the relatively short period of time before a fall election and the inherent difficulty obtaining majority or supermajority approval, the key challenge is to develop a package that can be supported by the broader community. We encourage Council to consider the information obtained through this public outreach process and any supplemental research findings when developing this final package.

Feel free to contact me or members of the board if you have additional questions about this report or our community outreach effort. The board is excited about the prospect of continuing the history of successful parks voter initiatives in Bellevue, and is ready to support Council throughout this process.

Attachment:

1. Topline Survey Results and Comments
2. November 7 Public Hearing Minutes

Preliminary Voter Initiative Package

Recommended Funding Mix

Project Category	Capital		M&O		Voter Initiative		Parks CIP		Leveraging Capital	
	\$M	\$000	\$M	\$000	\$M	\$000	\$M	\$000	\$M	\$000
Property Acquisition	\$30.0	\$50			\$10.0	\$15	\$10.0	\$35	\$10.0	\$10.0
Development Projects:										
Eastgate Area Properties	\$12.0	\$250			\$6.0	\$125	\$4.0	\$125		\$2.0
Surrey Downs	\$7.0	\$150			\$3.5	\$100	\$3.5	\$50		
Lewis Creek Phase II	\$4.0	\$50			\$2.0	\$25	\$2.0	\$25		
Downtown Park: Complete Circle	\$10.0	\$150			\$5.0	\$75	\$5.0	\$75		
Trails (Coal Creek/Lake-Lake)	\$2.0	\$50			\$2.0	\$50				
Sportsfields (Wilburton/Newport Hills)	\$3.0	\$50			\$3.0	\$50				
Nhood Parks(Lk Samm/Bridle Trails)	\$5.0	\$120			\$5.0	\$120				
Bellevue Botanical Garden	\$5.0	\$150			\$2.0	\$50	\$2.0	\$100		\$1.0
Bellevue Youth Theatre	\$5.0	\$150			\$2.0	\$50	\$2.0	\$100		\$1.0
Totals	\$83.0	\$1,170			\$40.5	\$660	\$28.5	\$510	\$14.0	\$14.0

SCENARIO #1: LEVY LID LIFT

CITY OF BELLEVUE

DRAFT B A L L O T

LEVY FOR CITY PARKS AND OPEN SPACE

November 4, 2008

INSTRUCTION TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "APPROVED?"; to vote against the following proposition, place a cross (X) in the square opposite the word "REJECTED?."

CITY OF BELLEVUE

PROPOSITION NO. ____
CITY OF BELLEVUE

LEVY FOR CITY PARKS AND OPEN SPACE

The City Council of the City of Bellevue adopted Ordinance No. ____ concerning a proposition to replace the expiring 1988 park bond. To protect water quality in Bellevue's lakes and streams, preserve natural areas, enhance existing parks, and develop trails, this proposition would (1) increase the City's regular property tax levy by \$0.10 to a total authorized rate of \$1.31 per \$1,000 of assessed value for collection in 2009 and for 19 years thereafter, and (2) increase the levy by \$0.02 to \$1.33 per \$1,000 of assessed valuation in 2009 and thereafter to maintain and operate parks to Bellevue standards. Should this proposition be:

APPROVED?.....

REJECTED?.....

SCENARIO #2: BOND AND LEVY LID LIFT

CITY OF BELLEVUE

DRAFT B A L L O T

GENERAL OBLIGATION PARKS AND
OPEN SPACE BONDS

November 4, 2008

INSTRUCTION TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "APPROVED?"; to vote against the following proposition, place a cross (X) in the square opposite the word "REJECTED?."

CITY OF BELLEVUE

PROPOSITION NO. ____
CITY OF BELLEVUE

GENERAL OBLIGATION PARKS AND
OPEN SPACE BONDS

The City Council of the City of Bellevue adopted Ordinance No. ____ concerning a proposition to replace the expiring 1988 park bond. This proposition authorizes the City to issue up to \$41.0 million of general obligation bonds maturing within a maximum of 20 years to protect water quality in Bellevue's lakes and streams, preserve natural areas, enhance existing neighborhood and community parks, and develop trails for hiking and walking; and to levy property taxes annually in excess of regular property taxes to repay the bonds as provided in Ordinance No. ____.

Should this proposition be:

APPROVED?.....

REJECTED?.....

DRAFT BALLOT
CITY OF BELLEVUE
November 4, 2008

INSTRUCTIONS TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "YES"; to vote against the following proposition, place a cross (X) in the square opposite the word "NO."

CITY OF BELLEVUE

PROPOSITION NO. _____

LEVY FOR PARK OPERATIONS
AND MAINTENANCE

This proposition of the City Council of the City of Bellevue concerns property taxes to maintain and operate park facilities. This proposition would increase the City's regular property tax levy by \$0.02 to the authorized rate of \$1.23 per \$1,000 of assessed valuation for collection in 2009 and increase the levy as allowed by chapter 84.55 RCW thereafter to maintain and operate park facilities consistent with Bellevue park standards. Should this proposition be approved?

YES.....

NO