

**ATTACHMENT B
POTENTIAL BELLEVUE PARKS VOTER INITIATIVE**

Voter initiatives have played a significant role in creating Bellevue’s Park & Open Space System, with eight separate bond measures passing between 1953 and 1989. In 2002, Bellevue voters approved an annual \$645,000 operations and maintenance levy, but narrowly rejected a parks and open space bond package at the September (\$68M) and November (\$60M) elections. Ultimately, the City did not implement the operations and maintenance levy approved by the voters as it was intended to maintain the capital projects funded via the bond package.

Since the last Park bonds were issued in 1989, the City’s Capital Investment Program (CIP) has been primarily funded on a “pay as you go” basis. The 2003 Parks & Open Space System Plan identified capital project needs of \$175 million over the next ten years. This plan assumed that CIP funding would be supplemented by regular voter initiatives and external funding (grants, partnerships, etc.) to leverage City resources as much as possible.

The City of Bellevue has one of the lowest property tax rates in the State of Washington and utilizes only a very small amount (approximately 1%) of its voted debt capacity for parks purposes. The only remaining voted park debt will be fully retired in 2008. If voters were willing to approve a new Parks measure with property tax rates similar to those paid over the past several years, for example, this could create additional Parks funding of approximately \$26 million over 10-years (levy lid lift) or \$33 million today (20-year bond). The two primary financing mechanisms (bonds vs. levy) each have different voter-approval requirements that must be considered before selecting the most appropriate funding tool.

Bellevue residents continue to place a high priority on the maintenance of the existing park system, and the need to preserve open space and develop park facilities for future generations. If Council is interested in further discussing a potential voter initiative for parks and open space purposes for the 2007 election calendar, Council direction is needed to resume work in this area. Ultimately, Council needs to approve a final voter package and pass a set of basic ordinances/ resolutions to get an initiative on the ballot. Major policy questions to be answered include the content, timing, financing mechanism, and public involvement process for any future voter initiative.

Financial Impact

Note: The following table of scenarios provides funding approximations. Bond amounts and cash generated may be different than these estimates.

Scenario	Annual Revenue	Property Tax	Annual	Cash Amount	
		Rate (per \$1,000 AV)	Homeowner Impact	\$MIL (10 years)	Bondable Amount \$MIL (20 years)
1	88 Parks Bond-- Current Rate	\$0.060	\$31.74	\$14	\$18
2	88 Parks Bond-- Average Rate	\$0.110	\$58.19	\$26	\$33

Assumptions:

- Average Home value in Bellevue for 2007 estimated at \$529,700.
- Bellevue's estimated 2007 regular levy is \$1.05 per \$1,000
- Average Homeowner will pay \$557 per year in property tax to the City.