

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Potential Bond Issue
DEPARTMENT: City Manager's Office
PRESENTED BY: Robert L. Olander, Interim City Manger Dick Deal, PRCS Director

PROBLEM/ISSUE STATEMENT:

In October 2005, the Bond Advisory Committee presented their formal report and unanimous recommendation to the City Council (Attachment B). The Committee recommended proceeding with a May bond election for the projects identified in Attachment A for approximately \$15,000,000. The issue under review is whether to accept the Bond Advisory Committee recommendation as submitted, modify that recommendation in some form or reject the proposal for now.

BACKGROUND:

Since October the City has purchased 3 acres of the South Woods from the School District and received an additional \$300,000 in grant funds for this project. There has been continuing public and Council interest in acquiring the balance of the 15.8 acre site. Staff has been developing two alternative strategies to accomplish this Council goal as soon as possible. The first strategy is working with Shoreline Community College and the State Legislature to secure a special appropriation of approximately \$3 million for the college to purchase the "parking lot" property from the City. The proceeds would then be utilized to acquire replacement park property (as required by grant covenants) in South Woods. We are working with our legislators on this approach; however, this is a short session year and it is not a budget year which makes this a difficult task. We will know by the end of February whether this approach works.

DISCUSSION:

The second strategy involves increasingly the May bond issue to include the remainder of South Woods. Mayor Ransom and Councilmembers Gustafson and Ryu (who all served on the Bond Committee) met with the City Manager and Parks Director on January 11 to discuss this option. Informal indications from the School District are that they are unlikely to sell their portion of the remaining property at a discounted rate. The cost of adding the balance of South Woods is estimated as follows:

<u>Expense</u>	
School District 4.8 acres x \$500,000*	\$2,400,000
Water District 7.8 acres x \$500,000	<u>3,900,000</u>
	\$6,300,000
<u>Revenue</u>	
Remaining Conservation Futures Grants	\$ 300,000
Already in current bond proposal	<u>2,000,000</u>
	\$2,300,000
<u>Amount Needed</u>	\$4,000,000

*estimate for planning purposes, value could vary depending on appraisal.

FINANCIAL IMPACTS:

Adding this amount to the base levy would bring the total to approximately \$19,000,000. It increases the levy rate from 23¢ per \$1,000 assessed value to approximately 29¢. The tax impact on an average \$289,000 home would be \$84.00 per year or \$6.98 per month. The consensus of the informal Council and staff discussion on January 11th was that this amount is too high. The group recommends referring this back to the Advisory Committee to provide a recommendation on paring back other projects for a total not to exceed \$18,500,000.

RECOMMENDATION

It is recommended that:

1. Council confirm whether or not it is the intent of Council to include the remainder of the South Woods property in the possible bond generally as outlined above.
2. If this is Council intent, the Bond Advisory Committee would provide revised project recommendations not to exceed \$18,500,000.

Approved By: City Manager  City Attorney _____

Attachment

Bond Advisory Committee Draft List of Projects

ATTACHMENT A

Objective: To create a reasonably balanced and mixed list of projects (e.g., active, passive, east, west, open space, youth, adult, seniors, community and group support)

Project	Draft List (7/13/05)	Staff Recommend- ation	Committee Recommend- ation (8/4/05 & 9/15/05)
Hamlin Park (SPU acquisition-8.3 acres)	\$ 3,400,000	\$ 3,400,000	\$ 3,300,000
Richmond Beach Saltwater Park Improvements (improvements to be identified in the master plan)	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000
Trail Corridors	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
South Woods Property Acquisition (15.6 acres)	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Cromwell Park Improvements	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Kruckeberg Gardens (acquisition-4 acres, parking improvements)	\$ 950,000	\$ 950,000	\$ 950,000
Field Turf at Twin Ponds Park	\$ 900,000	\$ 900,000	\$ 900,000
Hamlin Park Improvements (backstops, concession stand, restrooms, picnic shelters, and field lighting on lower fields)	\$ 400,000		\$ 750,000
Baseball/Softball Field Improvements (backstops, restrooms, scoreboards)	\$ 100,000		\$ 250,000
Second Skate Park (park site TBD)	\$ 250,000	\$ 250,000	\$ 250,000
Off Leash Dog Park (park site TBD)	\$ 100,000	\$ 150,000	\$ 150,000
Lights on Tennis Courts at Shoreline Center	\$ 40,000	\$ 60,000	\$ 60,000
South Echo Lake + Weiman House	\$ 1,000,000		
Field Turf at Shoreview Park	\$ 900,000		
Darnell Park	\$ 50,000		
Tennis Courts (resurfacing at Meridian Park and Keough Park)	\$ 20,000		
TOTAL	\$ 16,410,000	\$ 14,010,000	\$ 14,910,000

Final Draft List Adopted by Subcommittee on 8/4/2005

Final Draft List Adopted by the Bond Advisory Committee on 9/15/2005

Council Meeting Date: October 10, 2005**Agenda Item:** 8(a)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Bond Advisory Committee Report
DEPARTMENT: City Manager's Office
PRESENTED BY: Robert Olander, Deputy City Manager Dick Deal, Director of Parks, Recreation and Cultural Services Debbie Tarry, Finance Director Bill Clements, Bond Advisory Committee

BACKGROUND

In early 2003, the City Council appointed a broad based citizen Bond Advisory Committee to review the feasibility, cost, and content of a potential voted capital bond. In October 2003, the Committee concluded its work with a recommendation (attachment F) not to proceed at that time, primarily due to the sluggish economy. The Committee, however, recommended that the group reconvene, either as a full or subcommittee, later to re-examine the issues. A subcommittee was convened in June 2005 and submitted its recommendations to the full Committee on September 15 (attachment A). The subcommittee recommendations were reviewed and discussed by the full Committee, which unanimously adopted the recommendations contained in the attached materials.

DISCUSSION:


In summary, the Committee recommends that the City Council submit a \$15 million parks capital bond proposal to the voters of Shoreline in May 2006 (attachment B).

FINANCIAL IMPACT:

If approved by voters, the bond package would add approximately 24¢ per \$1,000 of assessed value to the City of Shoreline property tax. For an average home in Shoreline (\$289,000), that would amount to approximately \$69.36 per year. Construction of the proposed projects would increase park maintenance costs by approximately \$150,000 annually. However, these costs would be phased in over the four to five years it would take to bring all the projects on-line. Some projects, such as new turf field at Twin Ponds, would reduce current maintenance costs; while the Kruckeberg Garden project anticipates that maintenance would be provided on an on-going partnership basis by the Kruckeberg Foundation. The cost of the election in May is estimated by King County at \$89,000, plus an additional \$10,000 if we want to include a voters pamphlet. This has been included as a contingency in the draft 2006 budget. With bond attorney and issuance costs added, the total bond requested would be \$15.1 million.

RECOMMENDATION

It is recommended that the City Council consider the Committee's presentation and recommendation and accept public testimony on October 10. No action is required at this meeting. We have scheduled November 7 for continuation of the public hearing and formal consideration of an ordinance authorizing a bond election.

Approved By: City Manager  City Attorney ____

ATTACHMENTS:

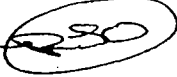
- A. Report from subcommittee to Bond Advisory Committee – August 9, 2005
- B. Recommended project list
- C. Subcommittee and full Committee meeting notes
- D. Economic forecast information provided to Committee
- E. Bond survey
- F. Bond Advisory Committee report to Council – November 5, 2003
- G. Property tax information and senior/low income exemptions
- H. 2005-2006 election dates



Memorandum

DATE: August 9, 2005

TO: Bond Advisory Committee

FROM: Robert L. Olander, Deputy City Manager 

RE: Bond Advisory Committee

CC: Bond Advisory Subcommittee
 Mayor and Council
 Steven C. Burkett, City Manager
 Julie Modrzejewski, Assistant City Manager
 Debbie Tarry, Finance Director
 Dick Deal, Park, Recreation and Cultural Services Director

As you know a subcommittee of the full Bond Advisory Committee has been meeting for the last two months to continue the work where the full committee left off in November, 2003. At that time, the Committee submitted its report to the City Council (copy attached) which concluded that it was not an opportune time to consider a bond levy. Your recommendation #8 suggested that the work of the Advisory Committee be continued in either a subcommittee or full committee format in the near future. The report and recommendations were accepted by the City Council and under the authorization contained in recommendation #8 Council liaison members Rich Gustafson and Bob Ransom convened a subcommittee which started in late June. Subcommittee members are Larry Blake, Michael Broili, Bill Clements, Don Dalziel, Darlene Feikema, Patty Hale, Rich Matthews and Sheri Winstead. Don Dalziel was a new member filling the slot of the Shoreline School District representative. The subcommittee met three times and examined the following issues:

1. Economic Climate

In 2003 one of the primary concerns of the Bond Committee was that the Puget Sound area was still in a recession and that the economic climate was not favorable to propose a voted bond to the public. The subcommittee examined national, state, and regional economic data and forecasts (enclosed) and concluded that the economic climate was now much more favorable. Economic data and forecasts indicate that the Puget Sound region is on a continuing upward trend and that consumer confidence is rebounding. The subcommittee unanimously concluded that the economic climate was now favorable for a potential bond submittal to the public.

2. Bond amount and bond structure

As you may recall, one of the conclusions from the public bond survey was that the \$23 million dollar bond amount being contemplated at that time was too high and would not pass. The survey results, however, indicated a bond amount of between \$3.00 a month and \$5.00 a month for the average home would stand a reasonable chance of succeeding. Given this information and the improving economic climate, the subcommittee concluded that a bond amount between \$8 million and \$15 million would be an appropriate range. A total of \$15 million would cost the average home a little over \$60.00 per year. The subcommittee also reviewed the potential impact of a proposed school capital levy that is being contemplated for 2006. Although the School District has not come to conclusion, they are considering a bond levy that would add a total of approximately 50¢ to \$1.00/\$1000 assessed value to the tax roles. By contrast, the City's levy at \$15 million would be approximately 25¢ per \$1000 assessed value. Give the relatively small amount of the City's proposed levy, the subcommittee felt it would be reasonable to still proceed toward an election in early 2006.

Staff also provided the subcommittee with information on the senior/low income exemptions from excess voted bond levy (copy attached). Under certain income and age requirements seniors can qualify for an exemption to excess voted bond taxes. The Finance Director recommended and the subcommittee concurred that the City bond be on a 15 year redemption schedule as opposed to a 20 or 25 year schedule. This provides for quicker pay off and lower total interest costs.

3. Projects

After reviewing the economic climate information, setting a maximum total for a proposed bond, and reviewing the property tax implications, the subcommittee then proceeded to review a range of possible projects. One advantage of waiting until now to proceed with the committee work is that the results of the Surface Water Master Plan, Transportation Master Plan, and Parks and Recreation Open Space Master Plan are now available. These plans have itemized all of the City's capital project needs for the next 20 years and set priorities. The subcommittee had the advantage of looking at the full range of projects in selecting a final mix for recommendation. In the recently adopted six-year Capital Improvement Plan the Council approved \$5 million for priority sidewalk and school walkways within Shoreline. This will be financed from existing City capital revenues, and was therefore not as high a priority as it was previously for a voted bond. In addition, the Council elected to fund field turf for shoreline fields A and B at the Shoreline Center.

After reviewing all the potential projects the subcommittee developed the attached consensus list of project recommendations. The subcommittee weighed project priorities but also wanted to assure that a balance of projects would be submitted to the voters. The consensus was that the attached list provided a strong balance between east and west geographically, adult, youth and senior needs, active and passive recreation, and property acquisition to preserve open space.

4. Timing of election

After reviewing possible election dates in 2006 the subcommittee recommends that May 16, 2006 be the target date. This allows adequate time for a final review by the full committee, consideration by the City Council, and if passed, time for a citizen committee to provide information and advocacy to the community.

The subcommittee would like to present these recommendations to the full committee the evening of September 15 at the Shoreline Center. At that meeting we anticipate the full committee will review the recommendations, ask questions, and perhaps be prepared to forward a recommendation to forward to the City Council. If there are still outstanding questions we can certainly set another meeting of the full committee if necessary. Our goal is to have a final recommendation to the City Council in early October for their review and disposition. Thank you for your continuing interest in this exciting project and making Shoreline an even better place in which to live and work. I look forward to seeing you on September 15.

Enclosures

Bond Advisory Subcommittee Draft List of Projects

Objective: To create a reasonably balanced and mixed list of projects (e.g., active, passive, east, west, open space, youth, adult, seniors, community and group support)

# of "dots"	Project	Draft List (7/13/05)	Staff Recommend- ation	Committee Recommend- ation
	Trails, walk/pathways, with connections (20th NW, Richmond Beach Rd. to Saltwater Park; 15th NW, Kruckeberg Gardens to Richmond Beach Rd.) Please note: Park Site TBD-Trails \$1.5 million was added to this one + 4 dots			
12	Hamlin Park (SPU acquisition-8.3 acres)	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
7	South Woods Property Acquisition (15.6 acres)	\$ 3,400,000	\$ 3,400,000	\$ 3,300,000
6	Kruckeberg Gardens (acquisition, parking improvements)	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
6	Field Turf at Twin Ponds Park	\$ 950,000	\$ 950,000	\$ 950,000
5	Hamlin Park Improvements (backstops, concession stand, restrooms, picnic shelter and tables, trails)	\$ 900,000	\$ 900,000	\$ 900,000
4	South Echo Lake + Weiman House	\$ 400,000		\$ 250,000
3	Richmond Beach Saltwater Park Improvements	\$ 1,000,000		
3	Park Site TBD (Off Leash Dog Park)	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000
3	Cromwell Park Improvements	\$ 100,000	\$ 150,000	\$ 150,000
2	Hamlin Park (field lighting on lower fields)	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
2	Baseball/Softball Field Improvements	\$ 400,000	\$ 500,000	\$ 500,000
1	Lights on Tennis Courts at Shoreline Center	\$ 100,000		\$ 250,000
0	Westside Park Site TBD (Skate Park)	\$ 40,000	\$ 60,000	\$ 60,000
0	Darnell Park	\$ 250,000	\$ 250,000	\$ 250,000
0	Tennis Courts (resurfacing at Meridian Park and Keough Park)	\$ 50,000		
0	Field Turf at Shoreview Park	\$ 20,000		
	TOTAL	\$ 16,810,000	\$ 14,510,000	\$ 14,910,000

Final Draft List Adopted by Subcommittee on 8/4/2005