

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

<p>AGENDA TITLE: King County Flood Control Zone District DEPARTMENT: Public Works Department PRESENTED BY: Mark Relph, Public Works Director</p>

PROBLEM/ISSUE STATEMENT:

On July 20th, 2007 the Advisory Committee for the King County Flood Control Zone District will conduct a formal vote and thereby make a recommendation to the County Council on a district CIP and levy amount. Shoreline Councilmember Ron Hansen has been appointed as a member of the Advisory Committee and is representing the Suburban Cities Association. Council discussion and direction is requested for our representative to the Advisory Committee.

In April of this year, the County Council formally approved the legislation to form a countywide flood control district with the intent to begin collecting revenue January 1, 2008. In order to meet this deadline, the Assessor must have the assessment amount in early August. To establish the assessment, the County Council formed an Advisory Committee to recommend a Capital Improvement Plan (CIP), what form of assessment (e.g., mil levy, special assessments, tiered levy, combinations, etc.) and the amount of the levy.

The County Council has the ability to assess a levy via councilmanic up to 50 cents per \$1,000 of assessed value. The Advisory Committee has been studying levy options (some with special assessments, service charges, etc.) that range from 5 cents to 12 cents. The central issue is how to assess county properties; one flat levy applied against all assessed valuation, or a tiered approach to the assessment. Since the vast majority of the CIP is in the lower end of the river basins where much of the flood problems persist, up-stream cities like Shoreline, Federal Way, Bellevue, Maple Valley and Seattle will likely see little physical improvements with a single, flat levy. The issue quickly focuses on the degree to which this is considered a regional issue.

BACKGROUND:

King County is pursuing a Flood Control Zone District in order to repair and upgrade King County's aging system of flood control levees. The County's current funding sources total about \$3 million per year. The County's Flood Hazard Management Plan, adopted on January 17, 2007 by the King County Council, identifies a range of \$179 million to \$335 million in needed repairs and upgrades over the next ten years and recommends the creation of a countywide flood district to fund the Plan. The existing

flood control districts never have presented a levy or bond issue to the residents within their borders to fund a capital program for facility improvements.

The Plan is primarily focused on issues in the Green and White River floodplains and does not address any Shoreline specific flooding issues. The legislation adopting the plan does recognize that "sub-regional" flood risks and infrastructure needs on tributaries may be appropriate to fund as part of the countywide district.

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There are five (5) Basin Technical Committees (BTCs) that are comprised of staff from King County and surrounding cities. The BTCs have been reviewing the projects of the CIP and making recommendations to the Advisory Committee on evaluation criteria, priorities, schedules and funding options. Mark Relph, Public Works Director, has been the Shoreline representative to the Cedar-Sammamish BTC.

A formal vote of the Advisory Committee is scheduled for July 20th. This vote would make the recommendation to the County Council on specifics of the CIP, the levy type and the amount of the levy. The County Council is expected to take action shortly thereafter in order to meet the deadlines for the County Assessor.

Levy Concepts:

There are two main approaches of how a levy may be applied. The first is a flat levy applied to all properties and the other is a tiered approach where those closer to the floodplain would pay a higher proportionate share. The difference between the two depends upon what degree all properties should share in a "regional" problem. Regionalism is analogous to the Federal Interstate system for transportation; we all pay for a larger benefit even though we may not use the entire system. In this situation, the lower basin properties prone to flooding provide goods and services from which we all benefit.

The significant issues associated with any approach include:

- The short timeline imposed by the County Council does not allow a thorough and complete understanding of the project evaluation criteria and the projects within the CIP.
- There is no anticipated public vote. The County Council is intending to approve the levy councilmanic.
- The timeline will likely require further definition of terms and concepts after the levy is imposed (e.g., beginning in early 2008).

- The amount of the levy being considered varies from a 5 cent mil to a 12 cent mil. The preliminary focus has been on a 10 cent mil. At 10 cents this would generate about \$652,000 from the properties within the City of Shoreline.
- Currently the Advisory Committee recommendations have limited weight in the funding and spending decision-making process with the County Council. Perhaps some consideration may be given to a provision requiring a supermajority vote of the County Council to overturn a Committee recommendation.

The significant issues associated with the flat levy include:

- It has the simplest approach for administering a levy.
- It would allow the County to meet its timeline to begin collecting revenue by January 1, 2008.
- Maximizes the assumption of regionalism and assumes all properties pay the same levy against the assessed valuation.
- Those cities in the upper basins and/or draining into Puget Sound would likely pay into the district and would see little construction in their jurisdiction.
- The cities with the greatest assessed valuation (e.g., Seattle and Bellevue) could likely see minimal improvements within their own cities.
- The concept of "sub-regional" projects may provide future opportunities for upper basin cities to utilize District funds through cost sharing arrangements between the District and the local jurisdiction. If this concept is approved, it would be defined in 2008.
- It is possible Shoreline could have a project that would qualify as a sub-regional project (e.g., Thornton Creek).

The significant issues associated with a tiered levy include:

- Requires more time for definitions than what is currently allowed under the current timeline and thereby would postpone the levy by one year.
- Would require a delineation of drainage basins and establishing zones with detailed analysis on each property as to its location relative to the zones. As an example, a three tiered approach could have one assessment level for all county properties, a second level if they are within a river basin (i.e., not draining towards the Sound – no regional improvements) and a third level if within a 500 r 100 year flood plain.
- Per state law a tiered approach could also use a single base levy amount and then add a tax/service charge fee or special assessment for those properties gaining a more direct benefit for a project. This would provide some level of equity between how much is paid and the location of the benefit, but it likely to provide limited revenue compared against the total since those who have a more direct benefit are comparatively limited.
- Those properties closet to the flood plain could not have a total assessment greater than 50 mils, otherwise a public vote is required by state law.
- This approach applies some level of regionalism, but tries to provide some nexus between the amount paid and where the improvements are constructed.

Levy Amounts:

The Advisory Committee has reviewed which projects might be constructed under different funding scenarios ranging from 5 cents to 12 cents. The King County staff is recommending a levy at 10 cents, which starts to link together a series of individual projects. This would not include any funds for sub-regional projects.

There has not been much time to discuss alternatives such as a lower rate (e.g., 5 cents) through councilmanic action and then follow up with a public vote for an additional amount.

There have been comments by some Advisory Committee members that they are concerned how the public may react to this levy in light of the other levy issues being considered (e.g., EMS, Sound Transit, TIB, etc.). However, the issue has not been thoroughly debated.

There has not been a discussion on whether or not this levy would have a sunset provision.

RECOMMENDATION

Option 1: Extend the Timeline to Review the Proposal

The timeline established by the County Council does not allow a thorough understanding of the project evaluation criteria, the detail of the projects within the CIP, their construction sequencing, definition of terms and concepts, thorough understanding and debate of the funding options and to what level. Staff would recommend joining a few other cities considering asking the County Council for a delay in implementing this levy. This will not be well received by downstream cities (e.g., Renton, Auburn, etc.), including King County.

The additional time would allow more process and discussion for the issues and options noted above, plus allow more time for the public to witness the debate and ultimately consent to the need and levy.

The additional time would also allow more discussion on an alternative that staff believes needs more analysis, specifically the tiered approach. The example County staff presented to the Advisory Committee last week was very inadequate. The tiered approach will be viewed by the downstream cities with skepticism; they would pay more, but the question would be how much more. This tiered approach would likely be more equitable for residents of the City of Shoreline.

Option 2: Flat Levy Rate--5 Cents

If a time extension is not possible, then staff would recommend the County approve a lower levy (e.g., 5 cents) and then look to a public vote for what is found to be necessary. This approach would allow time to analyze a tiered approach, sub-regional concepts and other definitions. The County is not likely to support this approach and to some degree the downstream cities as well. The latter are looking for a more substantial, predictable revenue stream for the projects they have struggled with for years.

Option 3: Flat Levy Rate--10 Cents

If option 2 is not acceptable, then staff would recommend a flat levy at about 10 mils with a provision that sub-regional projects would receive a minimum level of funding (e.g., 1 mil out of the total) beginning in 2009.

Staff would recommend a sunset provision for any alternative considered.

Approved By: City Manager  City Attorney ____