

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussing Park Improvements and Property Acquisition Priorities and Funding		
PRESENTED BY:	Eric Friedli, PRCS Department Director		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input type="checkbox"/> Public Hearing	<input checked="" type="checkbox"/> Discussion	

PROBLEM/ISSUE STATEMENT:

In July 2017, following an 18-month community engagement process, the City Council adopted the 2018-2023 Parks, Recreation and Open Space Plan (PROS Plan) via Resolution No. 412. The PROS Plan identifies a 20-year vision and framework for Shoreline’s recreation and cultural programs, and for maintenance and investment in park, recreation and open space facilities. Strategic Action Initiative (SAI) #3 in the PROS Plan established a goal to “expand recreation facility opportunities” and SAI #7 established a goal to “ensure adequate parkland for future generations”. Since the adoption of the PROS Plan, staff have developed concept designs for selected parks and reviewed opportunities for property acquisition to achieve those goals.

The Council Goals for 2020-2022 includes an action step to “Implement the Parks, Recreation, and Open Space Plan, including priority park improvements and acquisition of additional park properties.” At its goal setting workshop on February 28, 2020 the Council asked staff to prepare a proposal and recommendations for placing a bond measure before the voters in 2020 for priority park improvements and property acquisition. Tonight, staff will be asking Council for guidance on next steps towards potentially placing a bond measure before the voters. Several policy questions and four potential ballot measure alternatives are presented for discussion.

The Council goal setting workshop was held prior to the Declaration of Health Emergency for COVID-19. One of the key issues for Council is to determine if the City should delay moving forward on a ballot measure until the impacts of COVID-19 are more fully understood on the local economy. This may mean delaying the issue until potentially the 2020 November General Election or until a future year.

FINANCIAL IMPACT:

This staff report presents four alternatives with a different mix of park improvements and levels of property acquisition funding. Each alternative has associated cost estimates ranging from \$21.1M to \$38.5M. Detailed analysis of the financial impact on taxpayers is included in the Discussion section of this report.

RECOMMENDATION

Prior to the outbreak of COVID-19 and the health emergency it has created staff would have recommended that Council direct staff to prepare legislation and other materials necessary for placing a funding measure on the 2020 primary election for \$38,500,000 for park improvements and park land acquisition. Given the health emergency that currently exists, and the potential devastating impacts it may have on the local and regional economy, staff would recommend that Council delay putting this on the ballot until either the November 2020 General Election or until a future time if the economic impacts from the COVID-19 Health Emergency are determined to be severe for the Shoreline community.

Approved By: City Manager **DT** City Attorney **MK**

INTRODUCTION

The 2017-2023 Parks, Recreation and Open Space Plan (PROS Plan), adopted by the City Council on July 31, 2017, establishes a 20-year vision and framework for Shoreline's recreation and cultural programs, and guides maintenance and investment in park, recreation and open space facilities. The PROS Plan includes a series of Strategic Action Initiatives with goals and objectives, including:

- Strategic Action Initiative #3 established the objective to "Expand recreation facility opportunities by adding at least one community garden, two basketball courts, two multi-purpose/pickleball courts, one playground, one swing set, one paved loop path, one spray park, and one adventure playground."
Strategic Action Initiative #7 established the objective to "Ensure adequate parkland for future generations by adding five acres on new parkland by 2023 and 20 additional acres by 2030."

The City Council re-emphasized the importance of park improvements and land acquisition in its 2020-2022 City Council Goals and Workplan.

- Goal 2: Continue to deliver highly valued public services through management of the City's infrastructure and stewardship of the natural environment.
 - Action Step 2: Implement the Parks, Recreation, and Open Space Plan, including priority park improvements and acquisition of additional park properties

The Council's guidance from its February 28, 2020 goal setting workshop was for staff to develop a proposal for a voter approved bond measure to fund improvements to parks and park land acquisition. Since this time however, the global Novel Coronavirus (COVID-19) emergency has affected City services, including City Parks, Recreation and Cultural Services programs. Whether now is the right time to present a ballot measure to the public for park improvements and land acquisition has become a new policy questions for Council to consider.

Tonight, Council is being asked for guidance on several policy questions. First:

1. Given the COVID-19 incident that is affecting the City and the region, should the City proceed at all with a ballot measure for public consideration in 2020? If Council is not prepared to answer this question now, would Council like staff to bring this topic back for future discussion sometime later this year, likely in the summer of 2020, to figure out the potential timing and other policy considerations for the ballot measure?

If Council is interested in moving forward with a ballot measure now, staff would like guidance on these additional policy questions:

1. What park improvements should be included in a bond measure?
2. What is an appropriate amount to include for park land acquisition?
3. What should the overall bond measure cost?

4. What should the duration of the bond be?
5. When should the bond measure be put before the voters in 2020, if the City moves forward with the ballot measure this year?

There are staff recommendations associated with each of these policy questions outlined in the Discussion section below.

BACKGROUND

Park Improvements

The City Council included improvements to four parks in the 2019 Proposition 1 general election ballot measure – Brugger’s Bog, Briarcrest (Hamlin Park), Richmond Highlands, and Hillwood. Those priority park improvements accounted for \$17.9 million of the \$103.6 million Proposition 1. Those four parks were selected by the Council after considering the recommendations of the 2019 Park Funding Advisory Committee (PFAC). The PFAC, which was a Committee of 16 community members from a diverse cross-section of Shoreline residents, met 10 times from September 2018 to March 2019 releasing its final recommendations in April 2019.

The proposed improvements to the four parks were identified as the result of concept designs that were completed for selected parks to guide the implementation of the PROS Plan. General information about the concept designs for expanding recreation amenities can be found at: www.shorelinewa.gov/parksdesign.

The cost of the priority park improvements included in Proposition 1 was estimated in 2019 at \$17.9 million. The estimate has been revised to account for cost inflation (\$501,000) and increases in the projected cost of acquiring necessary property for improvements at Brugger’s Bog Park (\$750,000). The 2020 estimated cost for improvements to the four parks is \$19.2 million. The amenities to be included in the priority park improvements included as part of Proposition 1 remain unchanged and are listed in Table 1.

Table 1: Amenities in Priority Park Improvements

Park	Improvements	2020 Estimated Cost (millions)
Briarcrest – Hamlin Park	Play area, splash pad, community garden, picnic area, enhanced entrance form 25 th Ave NE	\$5.1
Brugger’s Bog	Relocated play area, multi-sports court, picnic shelter, landscaping,	\$4.8
Hillwood	Renovated play area, splash pad, perimeter trail, picnic shelter, adventure play area,	\$3.8
Richmond Highlands	Fully accessible play area, multi-sport court, picnic shelter, perimeter trail, sensory trail	\$5.5
TOTAL		\$19.2

The Council identified the four parks as the highest priority for improvements in 2019 from a longer list of possible park improvements based on the desire to limit the impact to taxpayers of Proposition 1. The concept design process and the PFAC considered a

larger list of park improvements. The PFAC prioritized list of park improvements is presented in Table 2 below.

Table 2: PFAC Prioritized Park Investment Opportunities List

Investment Opportunity		2019 Estimated Project Cost (in millions)
1	Trails	\$2.4
2	Brugger's Bog Park	\$5.4
3	Property Acquisition	\$15.0
4	Park at Town Center	\$3.0
5	James Keough Park	\$4.3
6	Richmond Highlands Park	\$5.6
7	Hillwood Park	\$4.2
8	Briarcrest Community Park	\$6.7
9	<i>Forest Restoration</i>	\$1.0
10	Ridgecrest Park	\$3.4
11	Shoreview Park	\$1.8

Park Land Acquisition

The Council did not include funding for general park land acquisition in the 2019 Proposition 1. Funding in the 2019 Proposition 1 was only included for acquisition of property at 17828 Midvale Ave N for the proposed aquatics, recreation and community center.

Table 3: Potential Park Land Acquisition (PROS Plan Table 6.6 + Westminster Triangle)

Park or Area for New Park Land	2020 Estimated cost	
	Acquisition	Development
Paramount Open Space Acquisition	\$1,070,000	\$257,000
185th & Ashworth Acquisition	\$1,076,900	\$520,000
Westminster Triangle	\$620,000	\$310,000
Rotary Park	\$4,975,000	\$1,406,000
Cedarbrook Acquisition (1/4 of Full cost estimate)	\$2,779,000	\$503,000
145th Station Area Acquisition	\$6,291,000	\$1,113,000
5th & 165th Acquisition	\$7,041,000	\$4,456,000
Aurora-I-5 155th-165th Acquisition	\$9,931,000	\$1,615,000
DNR Open Space Access Acquisition	\$2,027,000	\$616,000
Total	\$35,589,000	\$10,769,000

Note: Acquisition of property at Brugger's Bog Park is included in the project budget for improvements at that park and is not included here.

DISCUSSION

Should the City Proceed at all With a Ballot Measure for Public Consideration in 2020?

As discussed in the Introduction Section of this staff report, the COVID-19 incident that is affecting the City and the region began to accelerate following the Council's Strategic Planning Workshop in late February. This was the last time where the potential park bond ballot measure was discussed. Given this current reality, staff is interested in understanding from Council whether the City should proceed at all with a ballot measure for public consideration in 2020?

If a ballot measure is going to be placed on the 2020 August Primary Election, the measure must be submitted to King County Elections no later than Tuesday, May 8, 2020. If a measure is going to be placed on the 2020 November General Election, the measure must be submitted to King County Elections no later than Tuesday, August 4, 2020. Delaying a decision on whether the City should move forward at all until the summer of 2020, when the COVID-19 incident will hopefully be more under control in the region, would mean that placing a ballot measure on the 2020 Primary would no longer be a choice. A decision to place a ballot measure on the General Election could occur during the summer, when more is clear regarding the length of the COVID-19 Health Emergency and its economic impacts. Council may very well determine that 2020 is not the year to place a measure on the ballot.

Given the health emergency that currently exists, and the potential devastating impacts it may have on the local and regional economy, staff would recommend that Council delay putting this on the ballot until either the November 2020 General Election or until a future time if the economic impacts from the COVID-19 Health Emergency are determined to be severe for the Shoreline community.

What Park Improvements Should be Included in a Bond Measure?

As shown in Table 1 above, the cost of the improvements for the four prioritized parks would be \$19.2 million. The decision to prioritize these park improvements was based in part on the dollar amount the Council considered acceptable for the overall Proposition 1 measure in 2019. Staff recommends including \$19.2 million in funding for priority park improvements in a bond measure. An alternative would be to reduce the scope of priority park improvements, provide less funding or expand the scope and add more funding. If the Council wants to consider other park improvements for inclusion in a 2020 bond measure, Table 2 above presents the list of park improvements that were considered by the PFAC and Council in 2019.

The highest priority amenities have been identified from each park previously considered by the PFAC and Council and are presented in Table 4 below. These amenities include off-leash areas at Ridgecrest and James Keough that would recognize the uncertain future of the Eastside Off-Leash Area at Fircrest. This proposal would also make permanent the off-leash area at Shoreview park that was established as a temporary facility and has not had permanent fencing or other amenities provided. It would also convert the unusable dirt soccer field to grass making it available for little league, softball and youth soccer. The Kruckeberg Botanic Garden was not included on the PFAC recommended list but is proposed here in recognition of the ADA needs at

the Garden and to augment a \$200,000 bequest received by the garden for access improvements to the children’s garden area.

Based on this, staff recommends including \$5.3 million in funding for additional park improvements in a 2020 (or future) bond measure. An alternative would be to include fewer, different or no additional park amenities.

Table 4: Staff Recommended Park Amenity Priorities

Park	Improvements	Estimated Cost (millions)
James Keough	Off-leash area, play area, parking, landscaping, perimeter trail	\$1.8
Town Center	Landscaping, art, gathering plaza	\$0.75
Ridgecrest	Off-leash area, play area	\$0.75
Shoreview	Off-leash area upgrades, dirt soccer field conversion to grass for little league, etc.	\$1.5
Kruckeberg	ADA improvements to education center and children’s garden	\$0.5
TOTAL		\$5.3

What is an Appropriate Amount to Include for Park Land Acquisition?

At its Strategic Planning Workshop on February 28, 2020, the Council expressed interest in including funding for park land acquisition in a bond measure in 2020. Table 5 below presents optional levels of funding for park land acquisition. Costs are also included for making improvements to park land that is newly acquired. The associated improvement costs are included as general estimates given that no design work or community outreach has been done to identify what improvements might be desired or appropriate for these new park lands. The new park land improvements budget would provide basic park improvements and it is anticipated that park impact fees and grants would provide additional funding for a higher level of improvements.

Staff recommends \$10 million be included in a bond measure for park land acquisition and \$4.0 million for improvements to acquired property. An alternative would be to add more or include less funding for park land acquisition.

Table 5: Park Land Acquisition Options

Possible Acquisition	Funding Level (millions)	Associated Improvement Costs (millions)
Match for Conservation Futures Tax (CFT) grant for Paramount Open Space, Westminster Triangle	\$1.2	\$0.77
PLUS, a portion of property at Rotary Park	\$3.4	\$1.5
PLUS, additional property at Rotary Park, light rail station areas	\$10.0	\$4.0
Alternative: Acquisition of 17828 Midvale Ave N (Storage Court)	\$17.0	\$0

What Should the Overall Bond Measure Cost?

The current parks and open spaces bond measure (approved by voters in 2006) is set to be retired in 2021 and removed from property tax bills in 2022. A property owner of a median priced home is paying approximately \$76 in 2020 in property tax towards the repayment of the 2006 bonds. The staff recommendations for park improvements and property acquisition total \$38.5 million, which are outlined in Table 6 below.

Table 6: Staff Recommended Bond Measure

Bond measure component	Cost (millions)
Priority Park Improvements	\$19.2
Priority Park amenities	\$5.3
Park land acquisition	\$10.0
Improvement to acquired property	\$4.0
TOTAL	\$38.5

Table 7 below shows the impact of a \$38.5 million bond measure on a median valued home (\$517,000), a home valued at \$750,000 and a home valued at \$1,000,000. As shown in Table 7, the net impact, or difference between the current 2006 Parks Bond and the proposed Parks Bond, on the owner of a median valued home would be between \$0 and \$12 per month depending on the length of the bond issue.

Table 7: Impacts of an \$38.5 Million Bond Measure

Amount of Bond Issue = \$38,500,000				Cost of Expiring Bond		Net Increase	
	Length of Issue (Years)	Annual Impact	Monthly Impact	Annual	Monthly	Annual	Monthly
2020 Median Valued Home (\$517,000)	15	\$218	\$18	\$76	\$6	\$142	\$12
	20	\$112	\$9	\$76	\$6	\$36	\$3
	30	\$72	\$6	\$76	\$6	(\$4)	(\$0)
Home Valued at \$750,000	15	\$316	\$26	\$110	\$9	\$206	\$17
	20	\$163	\$14	\$110	\$9	\$53	\$4
	30	\$105	\$9	\$110	\$9	(\$5)	(\$0)
Home Valued at \$1,000,000	15	\$421	\$35	\$147	\$12	\$274	\$22
	20	\$217	\$18	\$147	\$12	\$70	\$6
	30	\$140	\$12	\$147	\$12	(\$7)	(\$1)

What Should the Duration of the Bond Be?

Longer bond terms result in lower annual impact on taxpayers, but taxpayers are impacted over a longer period of time. Additionally, a longer bond term also results in overall higher interest paid by the City. Staff recommends a 20-year bond term as shown below in Table 8.

Table 8: Impacts of an \$38.5 Million Bond Measure for 20 Year Bond

Amount of Bond Issue = \$38,500,000				Cost of Expiring Bond		Net Increase	
	Length of Issue (Years)	Annual Impact	Monthly Impact	Annual	Monthly	Annual	Monthly
2020 Median Valued Home (\$517,000)	20	\$112	\$9	\$76	\$6	\$36	\$3
Home Valued at \$750,000	20	\$163	\$14	\$110	\$9	\$53	\$4
Home Valued at \$1,000,000	20	\$217	\$18	\$147	\$12	\$70	\$6

When Should the Bond Measure be Put Before the Voters in 2020, if the City Moves Forward with the Ballot Measure This Year?

As discussed previously in this staff report, the COVID-19 Health Emergency has significantly changed the environment for a potential bond measure in 2020. Council should consider whether the City should move forward with a measure in 2020. Staff no longer believes it is prudent to move forward with a ballot measure for the 2020 August Primary. It may be questionable whether it is realistic to consider a measure for the 2020 November ballot, but that decision could be put off for a couple of months until the full impact of COVID-19 is more understood. Table 9 presents a list of options that could be considered along with anticipated measures.

Table 9: Potential Ballot Measures 2020-2022

Election	Potential Measure
2020 Primary	King County Library Levy Lid Lift
2020 General	King County Harborview Hospital Bond
2021	Fire Department Fire Benefit Charge Renewal
2021	King County Best Start for Kids Renewal
2021	King County Family Justice Center
2022	Shoreline Levy Lid Lift
2022	Shoreline School District O&M Levy Replacement/Renewal
2022	Shoreline School District Technology Levy Replacement/Renewal

Given the health emergency that currently exists, and the potential devastating impacts it may have on the local and regional economy, staff would recommend that Council delay deciding on the timing for the ballot measure until the economic impacts from the COVID-19 Health Emergency are more fully understood.

ALTERNATIVES DISCUSSION

Staff has also created a couple of alternatives for the make-up of a potential ballot measure for Council consideration. The alternatives are as follows:

Alternative 1a (Staff Recommendation) - \$38.5M

Alternative 1a, which is the staff recommendation, would place a 20-year \$38.5M bond measure on the ballot at some point in the future. As noted above, this alternative includes in the ballot measure \$19.2M for the four priority parks that were included in the 2019 Proposition; \$5.3M for park amenity improvements at James Keough, Town Center, Ridgecrest, Shoreview parks and Kruckeberg Botanic Garden; \$10M for park land acquisition; and \$4M in improvements on newly acquired park land.

Alternative 1b: Priority Park improvements, minimal park acquisition and 17828 Midvale Ave N (Storage Court) acquisition- \$38.1M

Alternative 1b would include the same items as Alternative 2 below but would also add the cost of paying off the bond anticipation note used to purchase the 17828 Midvale Ave N property (Table 7). The Council authorized the purchase of the property using Bond Anticipation Note and using the proceeds of the storage business revenue to pay the interest. While staff anticipates that the business will generate some additional revenue that will be applied to the purchase price, staff is conservatively estimating that the full purchase price would need to be repaid. This alternative is roughly the same cost as Alternative 1a, but the \$17M Bond Anticipation Note payoff is included as opposed to funding for priority park amenities, greater park land acquisition and greater improvements to acquired property.

Alternative 2: Priority Park improvements and minimal park acquisition - \$21.1M

Alternative 2 would include the four priority park improvements as described above. In addition, Alternative 2 would include \$1.2 million for property acquisition and \$0.77 million for improvements to the acquired land (Table 7). Property included for acquisition would be Westminster Triangle and Paramount Open Space providing the match for a Conservation Futures Tax grant.

Alternative 3: Priority Park improvements and park acquisition to total \$26 million bond measure - \$26M

The intent of Alternative 3 is to have no net change in the amount that taxpayers are paying for a park related bond measure (Table 8). The current parks and open spaces bond measure (approved by voters in 2006) is set to be retired in 2021 and removed from property tax bills in 2022. A property owner of a median priced home has been paying approximately \$72 per year in property tax towards the repayment of the 2006 bonds. Maintaining a property tax impact of \$72 per year would allow for \$26.0 million in bonds.

Alternative 3 would include the priority park improvements and the amount allocated to park land acquisition would be adjusted to maintain a no net change in property tax levels. The result is \$4.5 million available for park land acquisition and \$2.25 million available for improvements to newly acquired land.

Table 10: Bond Measure Alternatives

Bond measure component	Cost (millions)			
	Alternative 1a (Staff Recommendation)	Alternative 1b	Alternative 2	Alternative 3
Priority Park Improvements	\$19.2	\$19.2	\$19.2	\$19.2
Priority Park Amenities	\$5.3			
Park land Acquisition	\$10.0	\$1.2	\$1.2	\$4.5
Improvement to Acquired Property	\$4.0	\$0.7	\$0.7	\$2.3
Storage Court Acquisition		\$17.0		
TOTAL	\$38.5	\$38.1	\$21.1	\$26.0
Net Monthly Impact of 20-year bond measure on median valued home	\$3	\$3	(\$1)	\$0

STAKEHOLDER OUTREACH

After the adoption of the PROS Plan staff actively engaged the community in development of park concept designs. The PFAC provided a forum for stakeholders to provide input into park improvements. The PRCS/Tree Board has consistently been kept informed and provided input at its monthly meetings.

NEXT STEPS

If Council is interested in moving a ballot measure forward now, staff recommends that the Council provide direction to staff to bring forward draft ballot language for Council review on April 13, 2020. Council’s direction this evening will provide staff with the guidance on size, timing, and components to include in the ballot measure. If Council agrees, staff will prepare the appropriate legislation for placing a funding measure on the ballot for discussion on April 13, 2020 and possible action on April 30, 2020. If a measure is going to be placed on the 2020 August Primary Election, the measure must be submitted to King County Elections no later than Tuesday, May 8, 2020.

Given the COVID-19 outbreak, the City Council may want to delay making a decision on the timing of a ballot measure. Council could come to agreement on the contents of a ballot measure, but not decide on the timing of the measure. The measure could be placed on the ballot for the General Election in November 2020 or a future election date. If a measure is going to be placed on the 2020 November General Election, the measure must be submitted to King County Elections no later than Tuesday, August 4, 2020.

FINANCIAL IMPACT

This staff report presents four alternatives with a different mix of park improvements and levels of property acquisition funding. Each alternative has associated cost estimates ranging from \$21.1M to \$38.5M. Detailed analysis of the financial impact on taxpayers is included in the Discussion section of this report.

RECOMMENDATION

Prior to the outbreak of COVID-19 and the health emergency it has created staff would have recommended that Council direct staff to prepare legislation and other materials necessary for placing a funding measure on the 2020 primary election for \$38,500,000 for park improvements and park land acquisition. Given the health emergency that currently exists, and the potential devastating impacts it may have on the local and regional economy, staff would recommend that Council delay putting this on the ballot until either the November 2020 General Election or until a future time if the economic impacts from the COVID-19 Health Emergency are determined to be severe for the Shoreline community.

ATTACHMENTS

Attachment A - Impact Comparison Recommendation Compared to Alternative 3

Table 1: Impacts of an \$38.5 Million Bond Measure

Amount of Bond Issue = \$38,500,000				Cost of Expiring Bond		Net Increase	
	Length of Issue (Years)	Annual Impact	Monthly Impact	Annual	Monthly	Annual	Monthly
2020 Median Valued Home (\$517,000)	15	\$218	\$18	\$76	\$6	\$142	\$12
	20*	\$112	\$9	\$76	\$6	\$36	\$3
	30	\$72	\$6	\$76	\$6	(\$4)	(\$0)
Home Valued at \$750,000	15	\$316	\$26	\$110	\$9	\$206	\$17
	20*	\$163	\$14	\$110	\$9	\$53	\$4
	30	\$105	\$9	\$110	\$9	(\$5)	(\$1)
Home Valued at \$1,000,000	15	\$421	\$35	\$147	\$12	\$274	\$22
	20*	\$217	\$18	\$147	\$12	\$70	\$6
	30	\$140	\$12	\$147	\$12	(\$7)	(\$1)

*Staff Recommendation

Table 2: Impacts of an \$26.0 Million Bond Measure (Replace Expiring Bond)

Amount of Bond Issue = \$26,000,000				Cost of Expiring Bond		Net Increase	
	Length of Issue (Years)	Annual Impact	Monthly Impact	Annual	Monthly	Annual	Monthly
2020 Median Valued Home (\$517,000)	15	\$147	\$12	\$76	\$6	\$71	\$6
	20*	\$76	\$6	\$76	\$6	\$0	\$0
	30	\$49	\$4	\$76	\$6	(\$27)	(\$2)
Home Valued at \$750,000	15	\$213	\$18	\$110	\$9	\$103	\$9
	20*	\$110	\$9	\$110	\$9	\$0	\$0
	30	\$71	\$6	\$110	\$9	(\$39)	(\$3)
Home Valued at \$1,000,000	15	\$284	\$24	\$147	\$12	\$137	\$11
	20*	\$147	\$12	\$147	\$12	\$0	\$0
	30	\$95	\$8	\$147	\$12	(\$52)	(\$4)

*Staff Recommendation