

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adopting Ordinance No. 918 - Authorizing the Placement of a Ballot Measure on the 2021 April Special Election Ballot to Authorize a Property Tax Bond Measure for Park Improvements and Park Land Acquisition
DEPARTMENT:	City Manager's Office
PRESENTED BY:	John Norris, Assistant City Manager
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Discussion

PROBLEM/ISSUE STATEMENT:

In July 2017, following an 18-month community engagement process, the City Council adopted the 2017-2023 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.

On December 7, 2020, staff was directed by Council to develop the legislation to place a ballot measure on the April 2021 ballot to fund improvements to five neighborhood parks; investments in park amenities for three additional parks; and the acquisition and improvement of new park land. On January 11, 2021, Council discussed proposed Ordinance No. 918 (Attachment A) which would authorize the placement of this ballot measure on the 2021 April Special Election Ballot. Following the discussion of January 11th, Council supported moving proposed Ordinance No. 918 forward for potential action and directed staff to draft voter's pamphlet language to support the proposed ballot measure. Tonight, Council is scheduled to take action on proposed Ordinance No. 918.

FINANCIAL IMPACT:

While proposed Ordinance No. 918 does not have an immediate financial impact, the Ordinance would authorize the City to place a measure on the ballot. If successful, the City would be authorized to issue bonds in the principal amount of up to \$38,500,000 for improvements to five neighborhood parks; investments in park amenities for three additional parks; and the acquisition and improvement of new park land. Repayment of these bonds would be supported by a special property tax levy that is estimated to impact the median priced homeowner by a net average of \$112 per year for up to 20 years.

The Ordinance provides that Senior Citizens, Disabled Persons, and Disabled Veterans meeting age, income, and/or disability requirements identified in RCW 84.36.381 would be eligible, and can apply with King County, for an exemption or deferral from this tax.

RECOMMENDATION

Staff recommends that the City Council adopt proposed Ordinance No. 918.

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

BACKGROUND

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 investments 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 of 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

Council Direction

The City Council's guidance from its February 28, 2020, Strategic Planning Workshop was for staff to develop a proposal for a voter approved bond measure to fund improvements to parks and park land acquisition. The Council's Strategic Planning Workshop was held prior to the Declaration of Health Emergency for COVID-19. The Council discussed whether to place a bond measure on the ballot at their March 30, June 15, and November 2 meetings, and each time directed staff to bring it back for further discussion at a future Council meeting because of the unknown economic impacts of COVID-19 and concerns about if the 2021 election validation requirements set by the 2020 General Election voter turnout would make a 2021 election unrealistic.

On December 7, 2020, the City Council further discussed the priority park improvements; amenity improvements; and acquisition and improvement of new park land. At this meeting, Council gave staff formal direction to prepare appropriate legislation to place a 20-year bond measure before the voters for improvements to five neighborhood parks; investments in park amenities for three additional parks; and the acquisition and improvement of new park land.

The proposed bond measure components and cost are as follows:

Bond Measure Components and Cost

Bond measure component	Cost (millions)
Priority Park Improvements	\$20.6
Priority Park Amenities	\$4.7
Park Land Acquisition	\$9.5
Improvement to Acquired Property	\$3.7
TOTAL	\$38.5

If approved by voters, general obligation bonds would be issued for \$35.8 million, which would be repaid by an increase in property taxes (excess property tax levy) to fund this project. The current parks and open spaces bond measure (approved by voters in 2006) is set to be retired in 2021 and will be removed from property tax bills in 2022. Under that bond measure, a property owner of a median priced home has been paying approximately \$76 per year in property tax towards the repayment of the 2006 bonds. The table below shows the taxpayer impact of a \$38.5 million bond measure for a median valued home (\$517,000), a home valued at \$750,000 and a home valued at \$1,000,000.

Impacts of an \$38.5 Million Bond Measure Over 20 Years

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

DISCUSSION

Following the Council discussion on December 7th, on January 11, 2021, the Council discussed proposed Ordinance No. 918 (Attachment A) which would authorize the placement of this ballot measure on the 2021 April Special Election Ballot. The staff report for this Council discussion can be found at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2021/staffreport011121-8b.pdf>.

As was discussed on January 11th, the ballot title in proposed Ordinance No. 918 is as follows:

CITY OF SHORELINE PROPOSITION NO. 1

**GENERAL OBLIGATION BONDS FOR
PARKS AND RECREATION IMPROVEMENTS**

The City Council of the City of Shoreline adopted Ordinance No. 918 concerning neighborhood park improvements. This proposition authorizes the City to improve and/or construct City parks, including playgrounds, an accessible play area, splash-pads, multi-sports courts, walking and sensory trails, picnic shelters, off-leash dog areas, sports fields and/or other park amenities; install public art; acquire and improve new park land; issue up to \$38,500,000 of general obligation bonds maturing within 20 years to finance and refinance such projects; and levy annual excess property taxes to repay such bonds, as provided in Ordinance No. 918.

Should this proposition be approved:

YES.....

NO

Council had no concerns with this proposed ballot title and language when it was discussed on January 11th and provided general direction to staff to bring back proposed Ordinance No. 918 with this ballot language included for potential action tonight.

During the January 11th discussion, one Councilmember was concerned about the timing of the proposed April 2021 Special Election and felt that there would be a better chance to meet election certification requirements if the ballot measure was delayed until the 2021 general election in November, where higher voter turnout typically occurs. Staff was asked whether this would cause delay in bond issuance and the ability to start work on implementation of the parks projects if the measure was approved by voters at this later date. Staff has reviewed this question and determined that if the ballot measure is delayed until November 2021 and then adopted at that time, the City would have a six-month delay in getting started with the projects.

As was also discussed on January 11th, for April special elections, King County does not publish a local voters' pamphlet automatically. The jurisdiction must specifically request a local voters' pamphlet and must pay for the costs of publishing the voters' pamphlet. The request for publication of a local voters' pamphlet can be included in the resolution calling for a special election or submitted as a separate resolution. The deadline to submit is the same as the deadline to submit a ballot measure.

As Council discussed on January 11th, the City is now aware that the Shoreline Fire District is placing its fire benefit charge renewal on the April Special Election ballot and has also decided to publish a voters' pamphlet for their ballot measure. Given this information, the Council also provided direction to staff to publish a voter's pamphlet for the City's ballot measure in proposed Ordinance No. 918. The City's explanatory statement of the ballot title for the voters' pamphlet describes the effect of the measure

if it is passed into law and cannot intentionally be an argument likely to create prejudice either for or against the measure. The explanatory statement is limited to 250 words and must be submitted to King County Elections by February 26, 2021. Staff is currently working with the City's bond council on the explanatory statement for the voters' pamphlet, which will be finalized and submitted to County Elections by the date noted above.

The City is also responsible for appointing committees to prepare statements in favor of and in opposition to the ballot measure for the voters' pamphlet. There is a limit of three members per committee. The committee appointments must be filed by February 26, 2021. Staff is proposing that Council make these committee appointments at the City Council meeting on February 8, 2021. Staff began advertising for interested parties to submit applications to serve on these committees following the January 11th Council meeting, given the Council direction provided that night.

The statements in favor of or in opposition to the ballot measure must be submitted by the Pro and Con committees to King County Elections no later than March 2, 2021. These statements are limited to 200 words. Rebuttal statements by each of the respective committees must be submitted to the County no later than March 4, 2021. Rebuttal statements are limited to 75 words.

Next Steps

If Council adopts proposed Ordinance No. 918 tonight, the next steps in the process would be as follows:

- Schedule Council appointment of Pro and Con committee members for the voters' pamphlet on February 8, 2021.
- Execute the Communication Plan regarding the ballot measure, including a City mailer to all residents about the ballot measure.

FINANCIAL IMPACT

While proposed Ordinance No. 918 does not have an immediate financial impact, the Ordinance would authorize the City to place a measure on the ballot. If successful, the City would be authorized to issue bonds in the principal amount of up to \$38,500,000 for improvements to five neighborhood parks; investments in park amenities for three additional parks; and the acquisition and improvement of new park land. Repayment of these bonds would be supported by a special property tax levy that is estimated to impact the median priced homeowner by a net average of \$112 per year for up to 20 years.

The Ordinance provides that Senior Citizens, Disabled Persons, and Disabled Veterans meeting age, income, and/or disability requirements identified in RCW 84.36.381 would be eligible, and can apply with King County, for an exemption or deferral from this tax.

RECOMMENDATION

Staff recommends that the City Council adopt proposed Ordinance No. 918.

ATTACHMENTS

Attachment A: Proposed Ordinance No. 918

ORDINANCE NO. 918

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, PROVIDING FOR THE FORM OF THE BALLOT PROPOSITION AND SPECIFYING CERTAIN OTHER DETAILS CONCERNING SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY AT A SPECIAL ELECTION TO BE HELD THEREIN ON APRIL 27, 2021, OF A PROPOSITION FOR THE ISSUANCE OF ITS GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$38,500,000, OR SO MUCH THEREOF AS MAY BE ISSUED UNDER THE LAWS GOVERNING THE INDEBTEDNESS OF CITIES FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE AND REFINANCE PARK AND RECREATIONAL FACILITY IMPROVEMENTS, INCLUDING THE ACQUISITION OF LAND, AND LEVY EXCESS PROPERTY TAXES TO PAY THE BONDS.

WHEREAS, on July 31, 2017, following an 18-month community outreach engagement process, the Shoreline City Council (the “Council”) unanimously passed Resolution No. 412, adopting the 2017-2023 Parks, Recreation & Open Space Plan (the “PROS Plan”); as it may be amended from time to time; and

WHEREAS, the PROS Plan identifies a 20-year vision and framework for the City of Shoreline’s (the “City”) recreation and cultural programs, and for maintenance and investment in park, recreation and open space facilities; and

WHEREAS, Strategic Action Initiative #3 in the PROS Plan established a goal to expand recreation facility opportunities and Strategic Action Initiative #7 established a goal to ensure adequate parkland for future generations; and

WHEREAS, since the adoption of the PROS Plan, City staff have developed concept designs and cost estimates for selected parks and reviewed opportunities for property acquisition to achieve those goals; and

WHEREAS, in order to pay the costs of financing and refinancing a portion of the costs of the PROS Plan, including the acquisition of real property, it is deemed necessary and advisable by the Council that the City issue and sell one or more series of its unlimited tax general obligation bonds in the principal amount of not to exceed \$38,500,000 (the “Bonds”); and

WHEREAS, the Constitution and laws of the State of Washington provide that the question of whether such Bonds may be issued and sold for such purposes and taxes levied to pay such Bonds must be submitted to the qualified electors of the City for their ratification or rejection;

THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Findings. The Council hereby finds that the best interests of the residents of the City require the City to construct, develop, equip, upgrade, acquire, and improve the parks and recreation facilities, including the acquisition of park land, as described in the PROS Plan, as it

may be amended from time to time (the “Projects”). The Projects may include, depending on the location, the following:

- Improvements to Brugger’s Bog, Hillwood, Richmond Highlands, Briarcrest Community (Hamlin East), and James Keough Parks, including constructing and/or improving playgrounds, splash-pads, multi-sports courts, walking trails, picnic shelters, off-leash dog areas, and accessible play areas for people of all physical abilities;
- Constructing a new off-leash dog area and play area at Ridgecrest Park;
- Improving the off-leash dog area and making field improvements at Shoreview Park;
- Improving the education center and children’s garden at Kruckeberg Botanic Garden to make it more accessible to people of all abilities, among other improvements;
- Installing public art throughout the City;
- Acquiring land and/or making park improvements to expand Paramount Open Space, Brugger’s Bog, and Rotary Park, in addition to other park land acquisitions; and
- Constructing, developing, equipping, upgrading, acquiring and improving other park and recreational facilities in the City park system.

The Projects shall include the acquisition of real property as necessary to locate such facilities. The City shall complete the Projects at the time, in the order and in the manner deemed most necessary and advisable by the Council. Costs of the Projects, which are estimated to be more than \$38,500,000, will be paid from, or refinanced with, proceeds of the Bonds (as defined in Section 2) authorized herein and other available funds of the City.

The cost of all necessary appraisals, negotiation, property acquisition, closing, architectural, engineering, project management, financial, legal and other consulting services, inspection and testing, demolition, administrative and relocation expenses, permitting, mitigation, construction, and other costs incurred in connection with the foregoing capital improvements shall be deemed a part of the capital costs of such Projects. Such Projects shall be complete with all necessary real property, equipment and appurtenances.

The Council shall determine the exact specifications for the Projects, and the components thereof, as well as the timing, order and manner of completing the components of the Projects. The Council may alter, make substitutions to, and amend such components as it determines are in the best interests of the City and consistent with the general descriptions provided herein. The Council shall determine the application of moneys available for the various Projects so as to accomplish, as nearly as may be, all of the Projects.

If the Council shall determine that it has become impractical to design, construct, improve, obtain permits, renovate, acquire, develop, or equip all or any component of the Projects by reason of changed conditions, incompatible development, costs substantially in excess of the amount of Bond proceeds or tax levies estimated to be available, or acquisition by or dependence on a superior governmental authority, the City shall not be required to provide such component or components. If all of the Projects have been constructed or acquired or duly provided for, or found

to be impractical, the City may apply remaining proceeds of the Bonds authorized herein (including earnings thereon) or any portion thereof to other park, recreation and open space capital purposes or to the redemption of the Bonds as the Council, in its discretion, shall determine.

In the event that the proceeds from the sale of the Bonds, plus any other money of the City legally available for such purpose, are insufficient to accomplish all of the Projects, the City shall use the available funds for paying the cost of those portions of the Projects deemed by the Council most necessary and in the best interest of the City.

Section 2. Authorization of Bonds. For the purpose of providing all or a portion of the funds necessary to finance and/or refinance debt previously issued by the City to finance the costs of the Projects, together with incidental costs and costs of issuance of the Bonds, the City shall issue and sell its unlimited tax general obligation bonds in the aggregate principal amount of not to exceed \$38,500,000 (the “Bonds”). The Bonds shall be issued in an amount not exceeding the amount approved by the electors of the City and not exceeding the amount permitted by the Constitution and laws of the State of Washington. The balance, if any, of the cost of the Projects shall be paid out of any other legally available funds. The Bond proceeds (and earnings thereon) shall be used to finance and refinance the costs of the Projects, together with incidental costs and costs related to the sale and issuance of the Bonds, and shall not be used for the replacement of equipment or for a purpose other than a capital purpose.

Section 3. Details of the Bonds. The Bonds provided for in Section 2 hereof shall be issued in such amounts and at such time or times as deemed necessary and advisable by the Council and as permitted by law. The Bonds may be issued in one or more series and shall bear interest payable at a rate or rates authorized by the Council. The Bonds shall mature in such amounts and at such times within a maximum term of 20 years from date of issue of a series, all as authorized by the Council and as provided by law. The Bonds shall be unlimited tax general obligations of the City and, unless paid from other sources, both principal of and interest on the Bonds shall be payable out of annual tax levies to be made upon all the taxable property within the City without limitation as to rate or amount and in excess of any constitutional or statutory tax limitations. The exact date, form, terms, maturities, covenants and manner of sale of the Bonds shall be as hereafter fixed by ordinance or ordinances of the Council.

In anticipation of the issuance of the Bonds, the City has issued and may issue additional short-term obligations as authorized by chapter 39.50 RCW. Such obligations may be paid or refunded with proceeds of the Bonds. The proceeds of the Bonds may also be used to reimburse the City for expenditures previously made for such Projects.

Section 4. Bond Election. It is hereby found that the best interests of the inhabitants of the City require the submission to the qualified electors of the City of a proposition authorizing the City to issue Bonds for the purposes of funding the Projects, at an election to be held on April 27, 2021. The City Council has determined that the excess levy would be eligible for exemptions and deferrals as allowed under RCW 84.36.381. The King County Director of Records and Elections, as *ex officio* supervisor of elections in King County, Washington, is hereby requested to assume jurisdiction of and to call and conduct the election to be held within the City and to submit to the qualified electors of the City the proposition hereinafter set forth. Such election shall be conducted by mail.

The City Clerk is hereby authorized and directed to certify the proposition to the King County Director of Records and Elections (the “Director”) in substantially the following form:

CITY OF SHORELINE PROPOSITION NO. 1

**GENERAL OBLIGATION BONDS FOR
PARKS AND RECREATION IMPROVEMENTS**

The City Council of the City of Shoreline adopted Ordinance No. 918 concerning neighborhood park improvements. This proposition authorizes the City to improve and/or construct city parks, including playgrounds, an accessible play area, splash-pads, multi-sports courts, walking and sensory trails, picnic shelters, off-leash dog areas, sports fields and/or other park amenities; install public art; acquire and improve new park land; issue up to \$38,500,000 of general obligation bonds maturing within 20 years to finance and refinance such projects; and levy annual excess property taxes to repay such bonds, as provided in Ordinance No. 918.

Should this proposition be approved?

YES.....

NO

For purposes of receiving notice of the exact language of the ballot proposition required by RCW 29A.36.080, the City Council hereby designates: (a) the City Clerk and (b) the City Attorney, as the individuals to whom such notice should be provided. The City Attorney and City Clerk are each authorized individually to approve changes to the ballot title, if any, deemed necessary by the Director.

The City Clerk is authorized to make necessary clerical corrections to this Ordinance including, but not limited to, the correction of scrivener's or clerical errors, references, numbering, section/subsection numbers, and any reference thereto.

The proper City officials are authorized to perform such duties as are necessary or required by law to submit the question of whether the Bonds shall be issued, as provided in this Ordinance, to the electors at the April 27, 2021 election.

Section 5. Voters’ Pamphlet. The Council finds and declares it to be in the best interests of the City to have information regarding the aforesaid proposition included in local voters’ pamphlets, and authorizes the appropriate costs thereof to be charged to and paid by the City, and further authorizes and directs the City Attorney and City Clerk to provide such information to the Director and to take such other actions as may be necessary or appropriate to that end.

Section 6. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and confirmed.

Section 7. Severability. If any one or more of the covenants or agreements provided in this Ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds. All acts taken pursuant to the authority granted in this Ordinance but prior to its effective date are hereby ratified and confirmed.

Section 8. Effective Date. This Ordinance shall take effect and be in force five (5) days from and after its passage, approval, and publication, as required by law. A summary of this Ordinance, consisting of the title, may be published in lieu of publishing the Ordinance in its entirety.

PASSED BY THE CITY COUNCIL ON JANUARY 25, 2021.

Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik Smith
City Clerk

Pacifica Law Group LLP
Bond Counsel

Date of Publication: _____
Effective Date: _____

CERTIFICATE

I, the undersigned, City Clerk of the City of Shoreline, Washington, and keeper of the records of the City Council, DO HEREBY CERTIFY:

1. That the attached Ordinance is a true and correct copy of Ordinance No. _____ of the City (the "Ordinance"), as finally adopted at a regular meeting of the City Council held on _____, 2021, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, including but not limited to Washington State Governor Inslee's emergency proclamation No. 20-28 issued on March 24, 2020, as amended and supplemented, temporarily suspending portions of the Open Public Meetings Act (chapter 42.30 RCW), and due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

Dated this ____ day of _____, 2021.

CITY OF SHORELINE, WASHINGTON

City Clerk