

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of Ordinance 409 Authorizing a Parks and Open Space Bond Election for May 16, 2006
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Robert L. Olander, Interim City Manger

PROBLEM/ISSUE STATEMENT:

On February 13, 2006 the City Council accepted the recommendations of the Bond Advisory Committee calling for a Parks and Open Space Bond to be submitted to the voters of Shoreline on May 16, 2006. The attached ordinance 409 authorizes this election and requests that King County Department of Records and Elections set the date for May 16. The emergency clause in the ordinance is required to call for a special election in May.

FINANCIAL IMPACT:

The total amount of the bond is set at \$18,795,000 which includes approximately \$295,000 for estimated bond sale costs, bond ratings or bond insurance and legal fees. This is within the normal range of about 1.6% for bond sale expenses for this level of bond proceeds. If approved by the voters the estimated levy rate would be approximately 29¢ per \$1,000 assessed value, which would be approximately \$7.00 per month on an average \$289,000 home in Shoreline. The bonds would be redeemed over a 15 year period.

RECOMMENDATION

It is recommended that the City Council adopt Ordinance 409 authorizing the Parks and Open Space bond election for May 16, 2005.

Approved By: City Manager  City Attorney 

Attachment: February 23 Staff Report
Ordinance 409

ORDINANCE NO. 409

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF SHORELINE AT AN ELECTION TO BE HELD ON MAY 16, 2006 A PROPOSITION AUTHORIZING THE CITY TO ISSUE ITS GENERAL OBLIGATION BONDS IN THE PRINCIPAL AMOUNT OF \$18,795,000 FOR THE PURCHASE AND IMPROVEMENT OF PARKS AND OPEN SPACE FACILITIES, THE PRINCIPAL AND INTEREST ON SUCH BONDS TO BE PAYABLE FROM ANNUAL PROPERTY TAX LEVIES TO BE MADE IN EXCESS OF REGULAR PROPERTY TAX LEVIES.

WHEREAS, the City Council approved a Parks, Recreation and Open Space Plan ("Plan") on May 23, 2005 calling for the acquisition of open space and improvement of various City parks and recreation facilities; and

WHEREAS, the Council convened a citizens Bond Advisory Committee which has unanimously recommended certain parks and open space projects that balance project location and use be financed by the City's unlimited tax levy general obligation bonds in the principal amount not to exceed \$18,795,000, to be repaid by an annual excess property tax levy; and

WHEREAS, the City does not have sufficient funds available to meet the cost of those park and open space projects; and

WHEREAS, passage of the proposed bonds will allow the City to pursue additional matching grant funds to further enhance the identified park and open space projects; and

WHEREAS, the constitution and laws of the State of Washington provide that the question of whether or not the City may issue such bonds be submitted to the qualified electors of the City for their ratification or rejection; and

WHEREAS, conditions set forth herein create an emergency which requires holding of a special election in the City;

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

Section 1. Park Improvements.

A. Expenditures Identified. The City Council hereby finds that the it is in the public interest to acquire property to preserve open spaces and natural areas, improve neighborhood parks, improve existing parks and facilities, improve and develop sports

fields, and improve existing trails and provide new walking and fitness paths, all as identified in the Plan identified below ("Park Improvements"), at the time and in the manner deemed most necessary and advisable by the Council:

<u>Project</u>	<u>Estimated Cost</u>
Hamlin Park property addition (approximately 8.3 acres)	\$3,300,000
Richmond Beach Saltwater Park Improvements	\$2,640,000
Trails and Paths	\$2,500,000
South Woods Property Acquisition (approximately 12.6 acres)	\$6,000,000
Cromwell Park Improvements	\$1,000,000
Kruckeberg Gardens acquisition and parking Improvements (approximately 4 acres)	\$950,000
Field Turf at Twin Ponds Park	\$ 900,000
Hamlin Park Improvements	\$ 750,000
Baseball/Softball Field Improvements	\$ 250,000
Off-leash Dog Park	\$ 150,000
Tennis Court Lighting at Shoreline Center	\$ 60,000

The cost of all necessary appraisals, closing, architectural, engineering, financial, legal and other consulting services, inspections and testing, administrative expenses and other costs incurred in connection with the foregoing Park Improvements shall be deemed a part of the capital costs of such improvements. The Park Improvements shall include all necessary equipment and appurtenances, and the costs related to the sale, issuance and delivery of the Bonds.

B. Conditions of Expenditure. The City Council shall determine the exact specifications for the Park Improvements as well as the timing, order and manner of completing the projects. By Ordinance of the City, the Council may alter, make substitutions to and amend such project descriptions and the amounts allocated to each project as it determines are in the best interests of the City. By ordinance, the Council shall determine the application of funds available for the various projects set forth above so as to accomplish, to the extent possible, all of the Park Improvements. If the Council determines that it has become impractical to acquire or complete improvements of any of the Park Improvements by reason of changed conditions, costs in excess of bond proceeds or tax levies available, or acquisition by a superior governmental authority, the City may, by ordinance apply bond proceeds to other park and recreation capital purposes or to the redemption of the bonds as Council shall determine.

C. Declaration of Emergency. The Council finds and declares that an emergency exists requiring the submission of a proposition to the qualified electors of the City authorizing the City to issue Bonds for the purpose of funding the Park Improvements, at an election to be held on May 16, 2006.

Section 2. Bonds Authorized. For the purpose of providing the funds necessary to pay the costs of the Park Improvements estimated not to exceed \$18,500,000 together with incidental costs and costs related to the sale and issuance of the Bonds, the City shall issue and sell its general obligation bonds in the aggregate principal amount of not to exceed \$18, 795,000. The balance, if any, of the cost of the Park Improvements shall be paid out of any other legally available funds.

The Bonds authorized may be issued as a single issue, as a part of a combined issue with other authorized bonds, or in more than one series, as deemed necessary and advisable by the City Council and as permitted by law. The Bonds shall be fully registered bonds; shall bear interest payable as permitted by law; shall mature within 15 years from the date of issue (the life of the Park Improvements being at least 15 years), and may be such lesser time as fixed by the City Council; shall be paid by annual property tax levies sufficient in amount to pay both principal and interest when due, which annual property tax levies shall be made in excess of regular property tax levies without limitation as to rate or amount but only in amounts sufficient to meet such payments of principal and interest as they come due; and shall be issued and sold in such manner, at such times and in such amounts as shall be required for the purpose for which the Bonds are to be issued, all as deemed necessary and advisable by the City Council and as permitted by law. The exact date, form, terms, option of prior redemption, price, interest rate or rates and maturities of the Bonds shall be hereafter fixed by ordinance of the City Council. Pending the issuance of the Bonds, the City may issue short-term obligations pursuant to chapter 39.50 RCW.

The City Council declares that to the extent, prior to the date the Bonds or other short-term obligations are issued to finance the Park Improvements, the City shall make capital expenditures for the Park Improvements from money that is not (and is not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside by the City under its existing and reasonably foreseeable budgetary and financial circumstances to finance the Park Improvements, those capital expenditures are intended to be reimbursed out of proceeds of the Bonds or other short-term obligations issued in an amount not to exceed the principal amount of the Bonds provided by this ordinance.

Section 3. Bond Election. Based on the declaration of emergency in Section 1 C of this ordinance, the King County Department of Records and Elections, as *ex officio* supervisor of elections, is hereby requested to find the existence of such emergency and to assume jurisdiction of and to call and conduct a special election to be held within the City on May 16, 2006, and to submit to the qualified electors of the city the proposition set forth in this Section. The City Clerk is hereby authorized and directed to certify, not less than 45 days prior to such election, the proposition to the King County Department of Records and Elections in substantially the following form:

CITY OF SHORELINE
PROPOSITION NO. ____

PARKS AND OPEN SPACE
GENERAL OBLIGATION BONDS - \$18,795,000

The City Council of the City of Shoreline adopted Ordinance No. ____ concerning the financing of new parks and open space acquisitions and improvements. This proposition would authorize the City to acquire property to preserve open spaces and natural areas, improve neighborhood parks, improve existing parks and facilities, improve and develop sports fields, and improve existing trails and provide new walking and fitness paths; to issue \$18,795,000 of general obligation bonds maturing within a maximum of 15 years; and to levy annual excess property taxes to repay such bonds. Should this proposition be:

Approved.....☐

Rejected.....☐

Notice of the proposed election shall be published as required by RCW 29A.52.350.

Section 4. Publication and Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. The ordinance shall take effect and be in full force five days after passage and publication.

PASSED BY THE CITY COUNCIL ON FEBRUARY , 2006.

Mayor Robert L. Ransom

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Date of Publication:

Effective Date:

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 Manager Dick Deal, Director of Parks, Recreation & Cultural Services

PROBLEM/ISSUE STATEMENT:

On January 23, 2006 the City Council asked staff to reconvene the Bond Advisory Committee in order to find a way to include the remaining costs of the South Woods property acquisition in the proposed bond issue. The revised bond issue total is recommended not to exceed \$18,500,000 in proceeds for project costs.

On Thursday, February 9, the Bond Advisory Committee met to discuss Council's request and the timing of a bond election. The Committee recommends that the Council adopt an ordinance authorizing a bond issue for the attached projects (column B) totaling \$18,500,000 for the May 16, 2006 election. In addition, the Committee recommends that the City Council adopt the ordinance unanimously.

BACKGROUND:

In October 2005, the Bond Advisory Committee presented their formal report and unanimous recommendation to the City Council. The Committee recommended proceeding with a May bond election for projects totaling \$15,000,000 (column A on the attachment). Since October the City has purchased three (3) acres of the South Woods property from the School District, at a discounted rate, 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. Informal indications from the School District and Water District are they are unlikely to sell their portion of the remaining property at a discounted rate. Due to this, the Council would like to increase the bond amount for the South Woods property from \$2,000,000 to \$6,000,000, which is the amount identified in the 2006-2011 Capital Improvement Plan. At the January 23, 2006 Council meeting, the City Council asked staff to reconvene the Bond Advisory Committee in order to find a way to include the remaining costs of the South Woods property acquisition in the proposed bond issue. The revised bond issue total is recommended not to exceed \$18,500,000 for project costs.

At the February 9 Bond Committee meeting the Committee members discussed Council's request, weighing the pros and cons for the bond increase from \$15,000,000 to \$18,500,000, as well as the advantages and disadvantages of having a May or September election. Committee members present at the February 9 meeting were:

1. Larry Blake
2. Bill Clements
3. Jim Doherty
4. Darlene Feikema
5. Sally Granger
6. Councilmember Rich Gustafson
7. Patricia Hale
8. Starla Hohbach
9. Mayor Bob Ransom
10. Councilmember Cindy Ryu
11. Shari Winstead-Tracey

In addition, two members of the public were present: LaNita Wacker supporting the South Woods property acquisition and David Berger supporting the Kruckeberg Gardens acquisition. Staff present included: Bob Olander, Interim City Manager, Dick Deal, Director of Parks, Recreation and Cultural Services, Debbie Tarry, Finance Director, and Julie Modrzejewski, Assistant City Manager.

After much active discussion, there was consensus among the Committee to move forward with the proposed list of projects totaling \$18,500,000 as attached (column B) for a May 2006 election. There were several factors involved in their recommendation:


- a. There is a sense of urgency to acquire the open space properties in order to preserve them from future development.
- b. The Committee believes it would be positive to follow the success of the School Levy and Bond.
- c. While it is a tight timeframe, the Committee believes there is adequate time based on the community's high level knowledge and awareness of the projects outlined in the bond proposal (e.g., South Woods, Kruckeberg Gardens, etc.)

FINANCIAL IMPACTS:

In order to have a bond issue that will net \$18,500,000 in proceeds for projects, the actual bond will be approximately \$18,745,000, to cover bond issuance costs. The estimated levy rate for the bond would be 28.5¢ per \$1,000 assessed value. The tax impact on an average valued home of \$289,000 would be \$82.36 per year or \$6.86 per month.

RECOMMENDATION

Staff recommends that the City Council adopt the Bond Committee's recommendation and direct staff to prepare an ordinance authorizing a bond issue for the attached projects totaling \$18,500,000 for the May 16, 2006 election.

Approved By: City Manager  City Attorney ____

Attachment: Bond Advisory Committee Proposed List of Projects

Bond Advisory Committee Draft List of Projects

Attachment

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	Column A	Column B
	Committee Recommendation (8/4/05 & 9/15/05)	Committee Recommendation (2/9/06)
Hamlin Park (SPU acquisition-8.3 acres)	\$ 3,300,000	\$ 3,300,000
Richmond Beach Saltwater Park Improvements (improvements to be identified in the master plan)	\$ 2,800,000	\$ 2,640,000
Trail Corridors	\$ 2,500,000	\$ 2,500,000
South Woods Property Acquisition (15.6 acres)	\$ 2,000,000	\$ 6,000,000
Cromwell Park Improvements	\$ 1,000,000	\$ 1,000,000
Kruckeberg Gardens (acquisition-4 acres, parking improvements)	\$ 950,000	\$ 950,000
Field Turf at Twin Ponds Park	\$ 900,000	\$ 900,000
Hamlin Park Improvements (backstops, concession stand, restrooms, picnic shelters, and field lighting on lower fields)	\$ 750,000	\$ 750,000
Baseball/Softball Field Improvements (backstops, restrooms, scoreboards)	\$ 250,000	\$ 250,000
Second Skate Park (park site TBD)	\$ 250,000	
Off Leash Dog Park (park site TBD)	\$ 150,000	\$ 150,000
Lights on Tennis Courts at Shoreline Center	\$ 60,000	\$ 60,000
South Echo Lake + Weiman House		
Field Turf at Shoreview Park		
Darnell Park		
Tennis Courts (resurfacing at Meridian Park and Keough Park)		
TOTAL	\$ 14,910,000	\$ 18,500,000

Draft List Adopted by Subcommittee on 8/4/2005

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

Draft List Adopted by the Bond Advisory Committee on 2/9/2006