



CITY OF KIRKLAND
Department of Parks & Community Services
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MEMORANDUM

To: Marilynne Beard, Interim City Manager

From: Jennifer Schroder, CPRP
Parks and Community Services Director

Date: May 17, 2010

Subject: Metropolitan Park District Overview

RECOMMENDATION:

That the City Councils of Kirkland and Redmond receive an overview on how a Metropolitan Park District (MPD) can be formed and examples of communities that have implemented MPD's.

BACKGROUND DISCUSSION:

MPD's can be formed for the purpose of the management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards, and recreational facilities. MPD's are created as a municipal corporation.

Legislative History of Metropolitan Park Districts

Chapter 98, Laws of 1907 authorized cities of the first class to create metropolitan park districts. The 1907 legislation was effective immediately, and Tacoma voters approved the formation of a metropolitan park district one month after the law was passed (Tacoma Metropolitan Park District).

In December 2001, the Legislature assembled a task force comprised of citizens and park and recreation professionals to investigate ways to finance local park and recreation agencies. The "Legislative Task Force on Local Parks and Recreation, Maintenance and Operations" recommended that the statutes be amended to make it practical for cities and counties, or a combination of them, to create metropolitan park districts. Prior to 2002, cities under 5,000 and counties could not create metropolitan park districts.

The amending legislation that passed in 2002 allows for greater flexibility on how to form MPD's and has since been an effective tool in sustaining park and recreation services for certain communities.

Formation of Metropolitan Park Districts

District Boundary and Governance options

- Any geographic area or combination of a City and County can be formed into an MPD.
- If the MPD boundary is wholly located within a City or County, the existing legislative body can become the decision-making body for the MPD.
- If the boundary is different than a City or County, a decision-making body can be proposed as part of the ballot measure.

MPD's can be proposed by citizen petition or by local government resolution

Petition: 15% of the registered voters in the proposed MPD area must sign. If in more than one county, the petition is submitted to the county with the largest area within the MPD.

Resolution: Each local government with all or part of the MPD within their jurisdiction must vote to place it on the ballot.

Tax Authority

An MPD is a junior taxing district that can levy property to a maximum levy rate of \$0.75 per \$1,000 of assessed valuation (AV). The aggregate regular levy rates of senior taxing districts (counties and cities) and junior taxing districts (fire districts, metropolitan park districts, cemetery districts, library districts, park and recreation district, etc.) may not exceed \$5.90 per thousand dollars AV. If this limit is exceeded, the levy of at least one junior taxing district must be prorated, which could reduce the MPD's levy.

In addition to the levy rate limits, both statutory law and the state constitution limit regular property tax levies to one percent of the true and fair value of the property. The limit may be exceeded when 60 percent of the voters approve excess or special levies for operations and maintenance or for the payment of debt service on general obligation bonds.

Metropolitan Park District Debt Authority

Metropolitan park districts may issue general obligation debt in an amount equal to 2 ½ percent of their assessed valuations. Of this 2 ½ percent, ¼ percent may be nonvoter debt. The rest must be voted. The source for repayment of nonvoter debt is the district's general fund. For voted debt, debt service is paid from an excess property tax levy, which must be passed by a 60 percent vote. This debt must be used for capital purposes and can be issued for a maximum of 20 years.

Districts may also issue all kinds of short-term debt: tax anticipation notes, bond anticipation notes, revenue anticipation notes, grant anticipation notes as well as use lines of credit.

Summary

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Metropolitan Park Districts are a flexible tool for funding capital and maintenance and operations of a comprehensive parks and recreation system or for a single purpose such as a pool or community center. The Metropolitan Park District of Tacoma was the only MPD in the state until the original bill was amended in 2002. To date there are 12 MPD's.