



CITY OF KIRKLAND
Department of Parks & Community Services
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Jennifer Schroder, Director
Tracey Dunlap, Deputy City Manager
Robin S. Jenkinson, City Attorney

Date: May 22, 2015

Subject: PROPOSED METROPOLITAN PARK DISTRICT BALLOT MEASURE

RECOMMENDATION

City Council provides direction to staff regarding specific provisions to include in the proposed Metropolitan Park District (MPD) Ordinance and companion Interlocal Agreement between the City and the MPD for Council action at the July 21, 2015 meeting.

BACKGROUND DISCUSSION

On April 21, 2015, the City Council passed Resolution R-5125 regarding a potential Kirkland Aquatic, Recreation and Community Center ballot measure. The resolution directed staff to:

1. Complete those legal, financial, and legislative tasks necessary for the City Council to have the option of placing the formation of a metropolitan park district before voters as early as the November 3, 2015, General Election, as a funding source for an Aquatics, Recreation, and Community Center, parks and other recreational facilities and programs in Kirkland.
2. Continue public outreach that complies with all state and local laws to provide information to the community about the Aquatics, Recreation and Community (ARC) Center and the metropolitan parks district authority.
3. Continue to seek and secure a suitable privately-owned site, preferably in the Totem Lake Urban Center.
4. Continue to explore partnership opportunities and parameters with interested community organizations and neighboring jurisdictions.

At the meeting the Council expressed interest in taking the steps necessary to consider a ballot measure for the 2015 General Election, scheduled for November 3, 2015. Specifically, the Council indicated support for exploring formation of a metropolitan park district as a funding mechanism for development of the ARC Center. The Council expressed this support due to the flexibility provided by the metropolitan park district which allows the Council more time to

identify sites and cost estimates as well as the opportunity for metropolitan park district funds to be spent outside of the metropolitan park district boundary which allows for potential regional partnerships.

Summary of Ordinances

Creation of a Metropolitan Park District and Companion Interlocal Agreement

The proposed ordinance would place a measure on the November 3, 2015, ballot to create a metropolitan park district. As currently drafted, upon voter approval of the measure, the District would be formed with the same boundaries as the City of Kirkland and the City Council members, acting *ex officio* and independently, would comprise the governing board (the District Board).

If approved by a majority of the voters within its proposed boundaries, the District would be formed as a separate municipal corporation. It would have all the powers given to metropolitan park districts under state law, including the power to levy a property tax and ability to act in conjunction with the City to maintain, operate and improve parks, community centers, pools and other recreation facilities and programs.

As a companion to the proposed ordinance to create a metropolitan park district, there is an ordinance which provides for an interlocal agreement between the City and the proposed metropolitan park district. The companion ordinance specifies how the City and the District would cooperate and authorizes the City Manager to execute such an agreement on behalf of the City.

The attached draft ordinances were prepared for Council review and will be updated to reflect any additional policy direction received at the June 2nd meeting (Attachments A and B). The form and content of the ordinances are guided by relevant state law and were drafted by Alice Ostdiek of Foster Pepper, PLLC in cooperation with the City Attorney.

The ballot title must conform to certain statutory requirements and is subject to a 75-word limit describing the measure. A draft ballot title and draft district name are included below.

PROPOSITION 1

Formation of [The Kirkland Aquatics and Recreation District]

Proposition 1 concerns formation of a metropolitan park district under chapter 35.61 RCW.

This proposition would create the [Kirkland Aquatics and Recreation District] to provide funding to construct, operate, maintain and improve a proposed Aquatics, Recreation, and Community Center facility and other parks and recreation facilities. The District could raise revenue by levying taxes and contract with the City to perform its functions. Its boundaries would be the same as the City of Kirkland and the elected City Councilmembers would comprise its board.

Policy questions the Council has asked to consider in reviewing the draft ballot title for the formation of the proposed metropolitan district:

1. What should the District be named? Potential alternative names include:
 - Kirkland Aquatics, Recreation and Community Parks District (ARC Parks District)
 - Kirkland Aquatics, Recreation and Community Center (ARCC) District
 - Kirkland Aquatics and Recreation District (KARD)
 - Kirkland Community Aquatics and Recreation District (KCARD)
 - Kirkland Metropolitan Aquatics and Recreation District
 - Kirkland Metropolitan Pool and Park District
 - Kirkland Pool and Park District
 - Kirkland Aquatics and Parks District

2. Should the existing permanent park levies be rolled into the metropolitan park district to create one consolidated funding source? The two existing permanent park levies are:
 - 1) 2002 Park Maintenance Fund for the maintenance and operation of park properties acquired and/or developed from the companion park bond passed in November 2002. This special revenue fund includes the maintenance and operation of Juanita Beach Park, Carillon Woods, North Rose Hill Woodlands Park, and seven Lake Washington School District playfields (Kirkland Middle School baseball field, and playfields at Mark Twain Elementary, Lakeview Elementary, Juanita Elementary, Rose Hill Elementary, Ben Franklin Elementary and Emerson High School). This measure increased the City's regular property tax levy by \$.10 per \$1,000 assessed value (AV) in 2003. The 2015 assessment is \$0.06960 due to the impacts of assessed valuation growth and the 1% optional levy limit.

 - 2) 2012 Parks Levy Fund for park maintenance, restoration and enhancement. The levy restored maintenance and beach lifeguard services at Houghton, Waverly and Juanita beaches and restored maintenance at neighborhood parks including restroom operation and repairs. The levy also provides for the maintenance of O.O. Denny Park, the Cross Kirkland Corridor and provides ongoing funding for the Green Kirkland Partnership. The levy includes annual capital funding for restoration of docks and park facilities, playfields and open space acquisition. This measure increased the City's regular property tax levy by \$.16 per \$1,000 assessed value in 2013. The 2015 assessment is \$0.12878 due to the impacts of assessed valuation growth and the 1% optional levy limit.

Fund Source	Initial Levy Rate/\$1000 AV	2015 Levy Rate/\$1000 AV
2002 Park Maintenance Fund	\$0.10	\$0.06960
2012 Parks Levy Fund	\$0.16	\$0.12878

It should be noted that a metropolitan park district is a junior taxing district that has two regular property levies available – one of \$0.50 per \$1000/AV and one of \$0.25 cents. The two levies are considered as one levy for the purposes of the levy limits in chapter 84.55 RCW,

which sets the limits on the amount by which a levy can be increased (note that the levy is the total dollar amount, not the tax rate). However, the two levies have different rankings in the prorationing statute.

The aggregate regular levy rates of senior taxing districts (counties and cities) and junior taxing districts (fire districts, metropolitan park districts, cemetery districts, park and recreation districts, etc.) may not exceed \$5.90/\$1000 AV. If this limit is exceeded, the levy of at least one junior taxing district must be prorated.

The existing permanent levies are not subject to the levy limit cap. Placing them in the MPD would not initially appear to create prorationing issues, however if the City became part of a Regional Fire Authority (RFA) and King County property tax initiatives continue to pass, prorationing could become an issue over time.

Rolling the levies into the MPD could generate support by simplifying and consolidating all parks related funding streams into one measure. However such an action could also create confusion and the appearance of a large tax measure which might undermine support. It would be challenging to include a clear description of combining levies in the ballot title given the 75 word limit. The combination action could instead be described in the adopting ordinances and the voter pamphlet. However it is not clear how many voters would therefore be aware of the commitment to combine levies as they filled out ballots.

This decision does not need to be made prior to the adoption of the MPD. It could be one of the first decisions made by the MPD Board. Staff recommends gathering more public input on this issue prior to making any final decisions regarding combining the levies and the MPD.

3. Should the amount of the metropolitan park district levy be capped in the measure?

Under State law, the metropolitan park district could collect up to 75 cents per \$1,000 of assessed value. To collect more than 75 cents per \$1000 AV requires an election in which voter turnout is at least 40 percent of the turnout in the last general election and 60 percent of those voters approve the higher rate. The projected cost to build the ARC ranges from \$48 million to \$60 million, not including property acquisition. Because a site has not been selected, the following chart only illustrates the potential levy rate:

Project Capital Cost	\$48 million	\$60 million
Annual City Debt Service ^{1/}	\$2.9 million	\$3.7 million
Estimated Property Tax Rate per \$1,000 AV ^{2/}	\$ 0.1597	\$0.1996
Monthly Impact on Median Household ^{3/}	\$5.79	\$7.24

1/ 30 year repayment term; 4.5% interest rate

2/ Based on 2015 Assessed value of \$18,453,587,963

3/ 2015 Median house value of \$435,000; King County Assessor

The Council has been clear it does not intend to use the full taxing authority of the MPD so capping the rate is not an issue from a policy standpoint. The primary drawback is not knowing where to set the rate limit since there are still many unknowns regarding the cost of the facility. Staff again recommends more public input prior to deciding on whether to cap the rate.

Proposed companion Interlocal Agreement
(Attachment 1 to Attachment B)

The proposed interlocal agreement, (the Agreement) describes the roles and responsibilities that could be shared between the City and the District to construct, operate and maintain the ARC and other parks and recreation facilities and programs throughout the City. Highlights of the Agreement as drafted include:

- The City Council would serve as the governing board (the District Board)
- The Board (City Council) would approve the District's budget. The District budget would be developed in conjunction with the City's own budget process and timelines.
- Park and recreation land, facilities and equipment funded and maintained with District funds would be the property of the City.
- The City would provide all staffing and administrative services to implement the projects, programs and services identified in the adopted District budget.
- The Park Board would be the advisory committee to the City Council and the District Board regarding District budget requests.
- The City Finance Director would serve as ex officio Treasurer

Actions Needed by the City Council

In addition to the approval of the authorizing ordinance and resolution on July 21, the City Council will need to request citizen volunteers to serve on the committees that will write the pro and con statements for the Voters' Pamphlet. An explanatory statement for the Voters' Pamphlet will also be prepared by the City Attorney for City Council review. The sequence of events and deadlines for these activities are shown below:

July 2

Direct the City Clerk to solicit citizen committees for pro and con statements –

The City Council directs staff to call for citizen volunteers for the pro and con committees. The City Clerk will publish a notice requesting volunteers. Staff will also issue a media release and send out the request through the neighborhood news listserv and post the announcement on the City's web page. Because of the short turnaround time between the approval of the ordinances (July 21) and the due date for the pro and con statements (August 13), staff is recommending that the committee appointment process be set in motion on July 2.

Hold a Public Hearing – While a public hearing is not required prior to approving the ordinances, staff recommends holding a hearing prior to approval of the authorizing ordinances. This important step is one way to demonstrate transparency in the process.

July 21

Approve ordinances authorizing levies to be placed on the November 3 ballot – This is the final regular meeting during which the ordinances can be approved.

Appoint Pro/Con Committees – The City Council will consider a resolution appointing committee members that will write pro and con statements for the creation of a metropolitan park district.

August 4

File approved Ordinances with the King County Clerk – Staff will file the appropriate documents with the Clerk of the King County Council on or before August 4.

August 7

Explanatory statements submitted to King County Elections – An explanatory statement will be prepared by the City Attorney for the Voters' Pamphlet. The explanatory statements are due to the King County Elections Office by August 7 in order to be included in the Voters' Pamphlet.

August 13

Pro and con statements submitted to King County Elections – Pro and con statements are prepared by the appointed committees and submitted to King County Elections by August 13 in order to be included in the Voters' Pamphlet. Rebuttal statements are due by August 17.

Staff is seeking guidance on the draft ordinances and policy issues as well as whether the Council needs additional information on any of the topics prior to receiving the final ordinances on July 21.

ATTACHMENT A

ORDINANCE NO. _____

AN ORDINANCE RELATING TO CREATION OF A METROPOLITAN PARK DISTRICT WITH BOUNDARIES COEXTENSIVE WITH THE CITY; REQUESTING THAT A PROPOSITION TO FORM THE [KIRKLAND AQUATICS AND RECREATION DISTRICT] BE SUBMITTED TO THE VOTERS WITHIN THE PROPOSED BOUNDARIES OF THE DISTRICT, AT THE NOVEMBER 3, 2015 GENERAL ELECTION; AND PROVIDING FOR PROPERLY RELATED MATTERS.

WHEREAS, by Resolution R-____, the Kirkland City Council has previously found that there is a need to create a stable funding source for parks and other recreational facilities and programs, including specifically to fund a proposed Aquatics, Recreation and Community Center (the "ARC"), to serve the residents of Kirkland; and

WHEREAS, chapter 35.61 RCW provides that a metropolitan park district ("MPD") may be created upon voter approval of a ballot measure submitted to the voters of the proposed district; and

WHEREAS, state law (including chapters 35.61, 67.20 and 84.52 RCW) authorizes MPDs to levy and impose various taxes and fees to provide ongoing funding to construct, maintain, operate and improve recreational facilities including pools, parks, community centers and other recreational facilities; and

WHEREAS, the City Council finds that it is in the best interests of the residents of Kirkland to submit to the voters a ballot proposition to create the Kirkland Aquatics and Recreation District to provide a stable funding source for the proposed ARC and other future parks and recreational facilities and programs.

NOW, THEREFORE, be it ordained by the City Council of the City of Kirkland, as follows:

Section 1. Election – Ballot Title. The City Council directs the City Clerk to file this ordinance with the Director of Elections of King County, Washington, as *ex officio* supervisor of elections. The Clerk shall request that the Director of Elections call and conduct a special election in the City of Kirkland in conjunction with the primary election to be held on November 3, 2015, for the purpose of submitting to the voters within the boundaries of the City (which are the boundaries of the proposed district) a proposition to form a metropolitan park district as authorized under chapter 35.61 RCW. The City Clerk is directed to certify to the King County Director of Elections a ballot title in substantially the following form, with such changes as may be approved by the City Attorney:

ATTACHMENT A

PROPOSITION 1 **Formation of [Kirkland Aquatic and Recreation District]**

Proposition 1 concerns formation of a metropolitan park district under chapter 35.61 RCW.

This proposition would create the [Kirkland Aquatic and Recreation District] to provide funding to construct, operate, maintain and improve a proposed Aquatics Recreation and Community Center and other parks and recreational facilities. The District could raise revenue by levying taxes and contract with the City to perform its functions. Its boundaries would be the same as the City of Kirkland and the elected City Councilmembers would comprise its board.

[] **For** the formation of a metropolitan park district to be governed by the members of the Kirkland City Council serving in an *ex officio* capacity as the Board of Commissioners.

[] **Against** the formation of a metropolitan park district.

For purposes of RCW 29A.36.080, the Kirkland City Attorney is identified as the person to whom the King County Director of Elections shall provide notices regarding the ballot title.

Section 2. Boundaries of the Kirkland Metropolitan Park District; Composition of Governing Board. The boundaries of the Kirkland Metropolitan Park District will be coterminous with the boundaries of the City of Kirkland. The elected City Councilmembers of the City of Kirkland would be designated to serve in an *ex officio* capacity as the board of metropolitan park commissioners.

Section 3. Ratification. The City Clerk's certification to the King County Director Elections of the proposition in section 1 and any other acts taken after the passage of this ordinance and consistent with its authority, are hereby ratified and confirmed.

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Section 4. Effective Date. This ordinance shall be in full force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open public meeting this ___ day of _____, 2015.

Signed in authentication thereof this ___ day of _____, 2015.

MAYOR

Attest:

City Clerk

Publication Date: _____

Approved as to Form:

City Attorney

DRAFT

ATTACHMENT B

ORDINANCE NO. _____

AN ORDINANCE APPROVING THE FORM OF AN INTERLOCAL AGREEMENT WITH THE [KIRKLAND AQUATICS AND RECREATION DISTRICT], IF THE FORMATION OF THE DISTRICT IS APPROVED BY THE VOTERS; AND AUTHORIZING THE CITY MANAGER TO EXECUTE SUCH AGREEMENT ON BEHALF OF THE CITY; AND PROVIDING FOR PROPERLY RELATED MATTERS.

WHEREAS, by Resolution R-____, the Kirkland City Council has previously found that there is a need to create a stable funding source for parks and other recreational facilities and programs, including specifically to fund a proposed Aquatics, Recreation and Community Center (the "ARC"), to serve the residents of Kirkland; and

WHEREAS, chapter 35.61 RCW provides that a metropolitan park district ("MPD") may be created upon voter approval of a ballot measure submitted to the voters of the proposed district; and

WHEREAS, state law (including chapters 35.61, 67.20 and 84.52 RCW) authorizes MPDs to levy and impose various taxes and fees to provide ongoing funding to construct, maintain, operate and improve recreational facilities including pools, parks, community centers and other recreational facilities; and

WHEREAS, the City Council by Ordinance ____ has found that is in the best interests of the residents of Kirkland to submit to the voters a ballot proposition to create the [Kirkland Aquatics and Recreation District] to provide a stable funding source for the proposed ARC and other future parks and recreational facilities and programs; and

WHEREAS, the City Council further finds that it is in the best interests of the City and its residents to authorize the City Manager to execute an interlocal agreement with the [Kirkland Aquatics and Recreation District] to provide for the joint and cooperative undertaking of providing stable funding for the ARC and other parks and recreational facilities and programs within Kirkland and to avoid duplication of functions and services.

NOW, THEREFORE, be it ordained by the City Council of the City of Kirkland, as follows:

Section 1. Statement of Intent. It is the intent of the City that, if the voters approve formation of the [Kirkland Aquatics and Recreation District] (the "Park District") within the boundaries of the City of Kirkland, the City will work in cooperation with the Park District to construct, operate and maintain a proposed Aquatics, Recreation and Community Center (the "ARC") and other parks and recreation facilities and programs throughout the City. It is the City's intent to continue to manage and control the City's existing public parks and recreational facilities, and to develop the ARC and future additional parks and

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recreational facilities in a cooperative manner with the Park District, under an interlocal agreement as further authorized below.

Section 2. Interlocal Agreement Authorized. If the voters of the proposed Park District approve its formation, the City Manager is authorized and directed to enter into an interlocal agreement with the Park District substantially in the form attached as Attachment 1, with such changes as the City Manager deems necessary and advisable, such that the intent of the City as expressed herein is carried out.

Section 3. Ratification. All actions taken prior to the effective date of this ordinance and consistent with the intent expressed herein, are hereby ratified and confirmed.

Section 4. Effective Date. This ordinance shall be in full force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open public meeting this ___ day of _____, 2015.

Signed in authentication thereof this ___ day of _____, 2015.

MAYOR

Attest:

City Clerk

Publication Date: _____

Approved as to Form:

City Attorney

INTERLOCAL AGREEMENT

THIS AGREEMENT (this “**Agreement**”) between the City of Kirkland, Washington (the “**City**”), a code city organized under title 35A RCW, and the [NAME OF DISTRICT], a municipal corporation organized under chapter 35.61 RCW (the “**Park District**”) (together, the “**Parties**”) is effective as of _____, 2015, and is for the purposes described herein.

RECITALS

A. Since 2001 the City of Kirkland’s Comprehensive Park, Recreation, and Open Space Plan has identified the need for more multi-use recreation space in the community. The 2007 Kirkland Indoor Recreation Feasibility Study described a prototype multi-use recreation center which would respond to community needs and interests and which included an aquatics facility component.

B. Kirkland lacks recreation and aquatic facilities to more broadly serve its general population, especially in comparison with national statistics and trends. Aquatic facilities have been an essential part of the Kirkland community and culture for over 45 years, beginning with construction of Peter Kirk Pool in 1968, followed in 1971 with the construction of the Juanita Aquatics Center at Juanita High School. However, according to the standards of the National Recreation and Parks Association, the current Kirkland public aquatic facilities do not meet local needs.

C. The Juanita Aquatics Center is the sole public indoor, year-round aquatic facility in the Kirkland community which provides a variety of critical recreational, educational, competitive, and health and wellness activities for residents of all ages. However, the Lake Washington School District has determined that the Juanita Aquatics Center has reached the end of its useful life and has furthermore decided that the Aquatics Center will not be retained at the time of Juanita High School’s modernization or replacement.

D. On September 16, 2014, the Parks and Community Services Department and Park Board presented findings and recommendations to the City Council for a proposed Aquatics, Recreation, and Community Center (the “ARC”), including recommendations on facility components and siting preferences. Based on these recommendations and other information provided to the City Council, the City Council believes a new public recreation and aquatic facility must serve all members of the public from children to seniors and must provide programming, including instruction, recreation and competition opportunities as well as wellness, fitness and rehabilitation options.

E. The City therefore passed Ordinances ___ and ___ proposing formation of a metropolitan park district under chapter 35.61 RCW and expressing its intent to cooperate with such a district to develop, construct and operate a proposed ARC and to maintain, operate and improve parks and recreational facilities and programs for the future.

F. A majority of the voters voting at an election held on November 3, 2015 approved the formation of the Park District and the Park District was formed immediately upon certification of the election results, pursuant to RCW 35.61.040, possessing all powers available to a metropolitan park district under state law.

ATTACHMENT 1

G. The City and the Park District are each, acting independently or jointly, authorized by RCW 67.20.010 and other state law, *inter alia*, to construct, improve, control, operate and maintain parks, playgrounds, gymnasiums, swimming pools, field houses, bathing beaches, roads and public camps and other recreational facilities.

H. Chapter 39.34 RCW (Interlocal Cooperation Act) permits local governmental units to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage.

I. By Ordinance ____ of the City, the City Manager is authorized to execute this Agreement on behalf of the City.

J. By Resolution ____ of the Board of Commissioners of the Park District (the "District Board"), the [President of the District Board] is authorized to execute this Agreement on behalf of the Park District.

K. The City and the Park District desire to enter into this Agreement pursuant to chapters 39.34 and 67.20 RCW in order to establish the framework for cooperation to develop, construct, operate and maintain the ARC and to provide ongoing and stable funding to maintain, operate and improve parks and recreational facilities and programs for the future.

AGREEMENT

The Parties enter into this Agreement in order to coordinate their efforts as authorized by chapter 67.20 RCW and the Interlocal Cooperation Act:

1. **Purpose and Interpretation.** The City and the Park District are each, acting independently or jointly, authorized by chapters 67.20 and 39.34 RCW, *inter alia*, to construct, operate, maintain and improve parks and recreational facilities, including a proposed Aquatics, Recreation, and Community Center facility. The purpose of this Agreement is to make the most efficient use of public funds and to avoid duplication of efforts.

2. **The Aquatics, Recreational and Community Center (the "ARC").** The City and the Park District agree to pursue the joint and cooperative development of an aquatics, recreational and community center to be known as the ARC, including without limitation: _____. The City will obtain financing for the design, siting (including land acquisition) and construction of the ARC, pursuant to state law and city code regarding construction of public works projects. The method of financing is to be determined by the City, and may include, without limitation, the issuance of bonds, loans or other forms of indebtedness. The Park District and the City will determine the timing of any financing and the order and the terms for the financing of the ARC. The Park District agrees to pay to the City from tax revenues amounts sufficient to repay any indebtedness (or portion thereof allocated to the Park District) and to reimburse the City for ARC costs to be agreed upon by the Parties. The amounts to be paid to the City may include both direct and incidental costs incurred in connection with the ARC, including, but not limited to: design costs; construction costs; necessary and related engineering, architectural, planning, consulting, inspection, permitting and testing costs; administrative and relocation expenses; site acquisition and improvement; demolition; procurement of liability insurance; on and off-site utilities and road improvements; costs related to the issuance, sale and delivery of bonds or other indebtedness; payments for financial and legal services; obtaining ratings and bond insurance; printing, advertising, establishing and funding accounts; payment of

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interest due on any bonds, loans or other indebtedness (including capitalized interest for up to six months after completion of construction); and other similar activities or purposes.

3. **Park District Staffing.** Pursuant to this Agreement and as part of the consideration provided hereunder, the City will provide all staffing to implement the projects, programs and services identified in the adopted Park District budget and shall provide necessary related support to the Park District, including without limitation, administrative staffing, treasury management services, legal services and similar support. To avoid duplication of services, the Park District shall not hire separate staff.

4. **Finances and Budgeting.** The Parties agree to participate in the budgeting process described in Section 4 of this Agreement. The Park District agrees to pay all property taxes collected by it to the City, in furtherance of the purposes set forth herein. The City agrees to apply any funds received by it from the Park District in accordance with this Agreement. The City will continue to apply all funds received by it as a result of the levy lid lift approved by the voters in 20__, in furtherance of the purposes of that levy lid lift.

4.1. **Budget Process.** The Parties agree to the following process for limiting and controlling the Park District's annual budget and property tax levy:

4.1.1 **City to Prepare Budget Request.** In conjunction with development of its own budget request, the City administration shall identify the amount of funding required from the Park District and shall prepare a Park District budget request to be presented to the District Board. The budget request shall describe the proposed expenditures of Park District revenues and shall be accompanied by an annual report documenting the status of the park and recreation projects, programs and services undertaken pursuant to this Agreement.

4.1.2 **Advisory Committee Review.** The Park Board (or such community advisory committee as may from time to time be constituted to fill that role) shall have an opportunity to review and provide advice to the City Council and to the Board of Park District Commissioners regarding the budget request.

4.1.3 **Adoption of Budget and Levy by Park District.** The Board of Park District commissioners shall review the budget proposal and approve a final Park District budget in accordance with state law. The Park District agrees to levy property taxes annually under RCW 35.61.210, within applicable statutory and constitutional rate and amount limitations, in amounts sufficient to fund its adopted budget.

4.2. **City Finance Director to Serve as *ex officio* Treasurer.** The Park District agrees take such actions as are necessary under RCW 35.61.180 to appoint the City [Director of Finance] to serve as *ex officio* Treasurer for the Park District. The City [Director of Finance] agrees to accept appointment as *ex officio* Treasurer for the Park District in accordance with RCW 35.61.180. In such capacity, the City Director of Finance shall maintain financial records on behalf of the Park District, kept in accordance with applicable generally accepted accounting principles and other applicable governmental accounting requirements.

5. **Condemnation and other Exercise of Governmental Powers.** The Park District shall not exercise condemnation powers within the City of Kirkland. If condemnation of property is required for Park District purposes, the City may exercise condemnation powers on the Park District's behalf. The Park District shall form no local improvement district within the City. If

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formation of a local improvement district is required for Park District purposes, the City may carry out the formation and may levy and collect of assessments on the Park District’s behalf.

6. Interlocal Cooperation Act Provisions.

6.1. **Ownership of Property.** No joint property ownership of existing property is contemplated under the terms of this Agreement. To the extent that future properties are developed pursuant to this Agreement, the Parties contemplate that ownership of such properties will be determined based on the method(s) of financing selected for such development. [It is the intent of the Parties that the City control and operate any such future facilities, regardless of technical ownership.]

6.2. **No Joint Board.** No provision is made for a joint board.

6.3. **No Indemnity.** No indemnification is provided by this Agreement. The Parties agree to bear their respective liability for any acts or omissions resulting under this Agreement, as those liabilities are determined under the laws of the state of Washington or any mutually approved settlement agreement.

7. **Termination.** This Agreement may be terminated by either Party upon the provision of 180 calendar days’ notice. Additionally, this Agreement expires upon the future dissolution of the Park District. Upon dissolution of the Park District, it is the intent of the parties that all assets be turned over to the City.

8. **Compliance with Other Law.** The Parties shall comply with all applicable state and federal law, including without limitation those regarding contracting, labor relations, minimum and prevailing wage, open public meetings, public records, ethics, and nondiscrimination.

9. **Severability.** In the event that any provision of this agreement is held to be in conflict with existing state statute or any future amendment thereof, such provisions shall be severable, and the remaining provisions of this agreement shall remain in full force and effect.

10. **Effective Date.** This Agreement will be effective after listing on the City’s official website or other electronically retrievable public source, or filing with King County as provided by law.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF KIRKLAND, WASHINGTON

[NAME OF DISTRICT]

City Manager

Chair of the Board

ATTEST:

ATTEST:

City Clerk

Secretary of the Board

APPROVED AS TO FORM:

City Attorney

DRAFT