



CITY OF KIRKLAND
Department of Parks & Community Services
505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Jennifer Schroder, Director

Date: July 10, 2015

Subject: ORDINANCES TO PLACE A BALLOT MEASURE TO FORM A METROPOLITAN PARK DISTRICT ON THE NOVEMBER 3, 2015 BALLOT AND AUTHORIZE A COMPANION INTERLOCAL AGREEMENT

RECOMMENDATION

That the City Council adopt Ordinance O-4484 to place a measure on the November 3, 2015, general election ballot to form the Kirkland Aquatics and Recreation District. In addition, to adopt Ordinance O-4485 authorizing the City Manager to execute an interlocal agreement that describes the roles and responsibilities of the City and the District, to finance, construct, operate and maintain the Aquatics, Recreation and Community Center, should the formation of the District be approved by the voters. The ordinances have been updated to reflect Council policy direction received at the July 7, 2015, public hearing.

BACKGROUND DISCUSSION

The community's desire for an indoor recreation, aquatics and gathering space has been well documented, beginning with the Kirkland Parks, Recreation and Open space Plan and an Indoor Recreation Needs Survey in 2001. In that survey, residents rated an indoor recreation and aquatics center as a high priority. Also, as recently as March 2014, in a telephone survey conducted by EMC Research (attached), 82 percent of registered voters supported construction of a public recreation and aquatics center in Kirkland.

The results of the 2001 Indoor Recreation Needs Survey led to the completion, in 2007, of an Indoor Recreation Feasibility Study which culminated in a proposal for a multi-purpose community recreation and aquatics center of up to 93,000 square feet. The proposed recreation center was added to the Parks Capital Improvement Program (CIP) as an unfunded project.

In the 14 years since the 2001 survey, Kirkland's population has more than doubled while the amount of indoor recreation and aquatics space has stayed the same. Kirkland's two community centers, the Peter Kirk Community Center and the North Kirkland Community Center, are programmed to capacity and lack many of the features desired by users, such as fitness facilities, gymnasiums and meeting spaces. In addition, learn-to-swim programs at both the City's Peter Kirk Pool and at the Lake Washington School District's Aquatics Center at Juanita High School are frequently filled and experience long waiting lists.

In late summer 2013, the Lake Washington School District announced that the pool at Juanita High School, known as the Juanita Aquatics Center (JAC), is nearing the end of its useful life and would close as early as 2017 should construction of a replacement high school occur. In response to citizens'

concerns that there would be no indoor public pool facility in Kirkland should the JAC close, the Kirkland City Council devoted City resources to finding a solution. On September 19, 2013, the Council adopted Resolution R-5003 amending the City's 2013-2014 Work Program to explore options to replace the Juanita Aquatics Center. The City Council has adopted a total of six resolutions in furtherance of this goal since September 2013. A summary of the resolutions follows:

Resolutions

- 9/17/13, **R-5003** Amending the 2013-2014 City Work Program to explore options to replace the Juanita Aquatics Center
- 1/21/14, **R-5029** Selecting sites and uses to be considered for a potential facility and directing Parks & Community Services Department to solicit resident input
- 5/6/14, **R-5050** Authorizing additional analysis of sites and uses to be considered and authorizing additional resident input
- 10/21/14, **R-5076** Authorizing additional search for and analysis of sites and authorizing additional community input
- 4/21/15, **R-5124** Removing Juanita Beach Park from consideration and requesting the City Manager provide the Council with the option of placing a ballot measure before Kirkland voters as early as November 2015
- 6/16/15, **R-5132** Authorizing the City Manager to expend approximately \$49,000 in Park Acquisition CIP funds for site evaluation and authorizing solicitation of persons to prepare statements in favor of and in opposition to proposed MPD ballot measure

All reports and documents provided to the City Council are available on the [project website](#).

SUMMARY OF ORDINANCES

Creation of the Kirkland Aquatics and Recreation District and Companion Interlocal Agreement
Proposed Ordinance O-4484 would place a measure on the November 3, 2015, ballot to create the Kirkland Aquatics and Recreation District (District). Upon voter approval of the measure, the District would be formed with the same boundaries as the City of Kirkland and the City Councilmembers, acting ex officio and independently, would comprise the governing board.

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.

Ballot Title

PROPOSITION 1 Formation of 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 fund construction, operation, maintenance and improvement of a proposed Aquatics Recreation and Community Center and other parks and recreational facilities; raise revenue by levying property taxes; contract with the City to perform its functions and provide for oversight by a Citizen Advisory Committee to ensure accountability. Its boundaries would be the same as the City of Kirkland and the elected City Councilmembers would comprise its board.

Interlocal Agreement For Transparency and Accountability

As a companion to Ordinance O-4484 requesting a ballot measure to create the District, Ordinance O-4485 would approve the form of an interlocal agreement between the City and the proposed District. The Council directed staff to develop this interlocal agreement to inform the public how the Kirkland Aquatics and Recreation District would be transparent in its operations and accountable to taxpayers. Ordinance O-4485 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 interlocal agreement (the Agreement), describes the roles and responsibilities shared between the City and the District to construct, operate and maintain the Aquatics and Recreation Center and other parks and recreation facilities and programs throughout the City to avoid duplication of services. The Agreement also includes accountability and reporting measures for the District. Highlights of the Agreement include:

- The City Council would serve as the governing board (the 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.
- The Board would establish a Six Year Budget Plan which would be updated annually.
- The Board would hold an annual public hearing prior to adoption of the annual District Budget.
- The initial property tax rate would be set by the Board solely to generate the annual revenue necessary to fund all costs associated with financing, constructing, operating and maintaining the ARC.
- The initial levy rate for 2017 is estimated to be approximately \$0.25 per \$1,000 of assessed value if the ARC were built on the Christ Church site containing the facility elements outlined in the ARC report.
- The Board agrees it would not consider Juanita Beach Park as a site for the ARC.
- The Board would be subject to the Open Public Meetings Act and would set regular meetings as necessary.
- 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 support services to implement the projects, programs and services identified in the adopted District budget, either in-house or through contracts with private contractors, firms or non-profit organizations.
- The City Finance Director would serve as ex officio Treasurer.
- The Board would establish a Citizens Advisory Committee to review the operations and finances of the District to ensure accountability to the public.
- An annual accountability report for District expenditures and actions would be provided to the Board, the Council and the public.



City of Kirkland Telephone Survey March 2014



Methodology

- ▶ Telephone Survey of 400 registered voters in the City of Kirkland
- ▶ March 5 – March 9, 2014
- ▶ Margin of Error \pm 4.9 percentage points
- ▶ Weighted to reflect Key demographics in the city of Kirkland
- ▶ Interviewing started trained, professional interviewers

Please note that due to rounding, some percentages may not add up to exactly 100%.

Key Findings

- ▶ *Voters in Kirkland give high ratings for the parks and recreation system overall but 60% rate the availability of indoor recreation and swimming facilities as “only fair” or “poor”.*
- ▶ *Despite only moderate awareness (37%) of the potential Juanita High School pool closure, most (82%) favor building a Kirkland indoor community recreation and aquatic center to replace the Juanita High School pool and three quarters (75%) say they would support a bond measure for a new facility.*
- ▶ *When asked about potential components of a new facility, a teaching pool for learning how to swim and water safety, lap pool for general swimming, and a pool that can be used for High School competitions were seen as the most important priorities. Non pool related components like multi purpose rooms and community spaces were rated as lower priorities.*

Key Findings

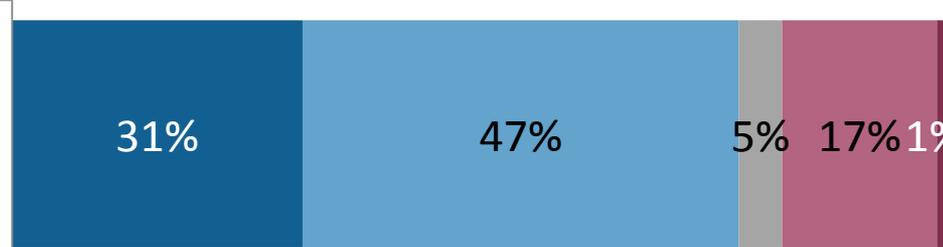
- ▶ *Of the three sites tested, North Kirkland community center on NE 120th Street was the top first and second choice followed closely by Juanita Beach Park on the North Side. Respondents list accessibility, location, cost, as the most important factors to consider when choosing a site.*
- ▶ *By a 55% to 41% margin residents prefer moving “forward alone with a new indoor pool facility to ensure it is built quickly and located in Kirkland even if it means city residents will have to fund the whole cost” over “finding other Cities to partner with and share in the costs even if it means building an indoor pool facility will take longer and the facility might be located outside of Kirkland”.*

Quality & Availability Ratings

Most (78%) give positive ratings overall for the quality of parks and recreation system, but half (48%) are concerned about the availability of indoor recreation facilities and 60% are concerned about indoor swimming facilities in Kirkland

■ Excellent ■ Good ■ Not Sure ■ Only fair ■ Poor

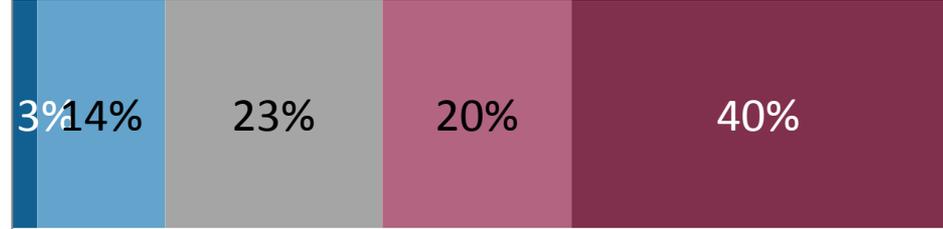
Q2. The overall quality of parks and recreation system in Kirkland



Q3. The availability of indoor recreation facilities in Kirkland



Q4. The availability of indoor swimming in Kirkland



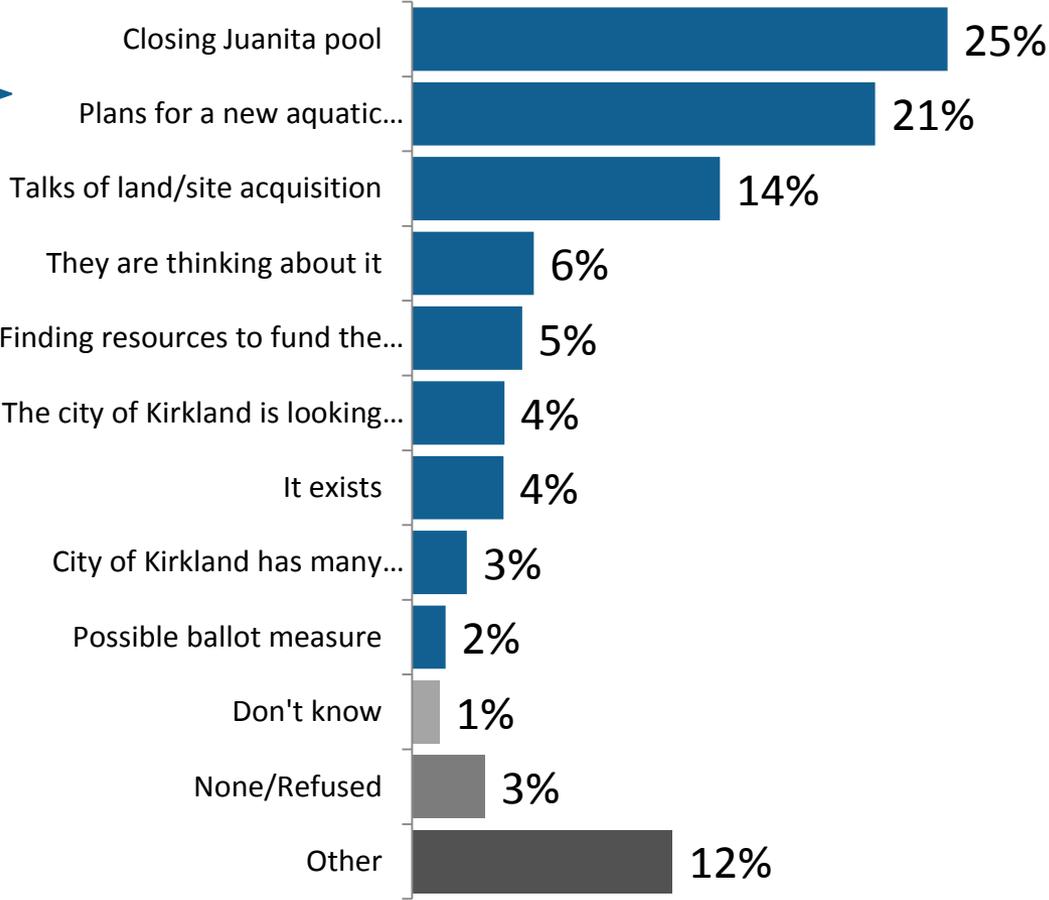
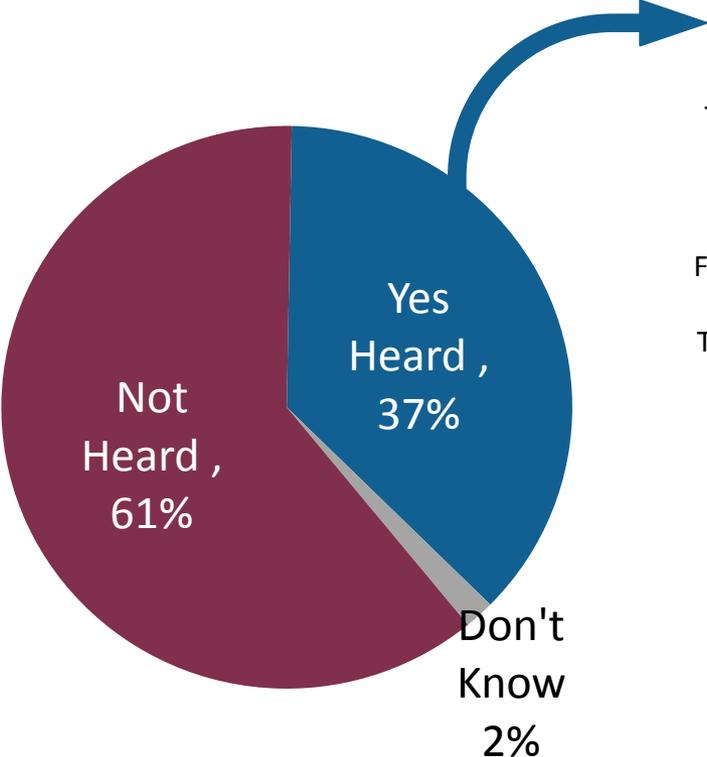
Q2-4 I'd like you to tell me how you think the City of Kirkland is doing in each of the following areas. Use a scale of excellent, good, only fair, or poor. If you aren't sure one way or the other, please just say so.



Awareness

Over a third have heard something about a Kirkland Recreation and Aquatic Center, and most are able to cite something specific indicting that this more than just general awareness.

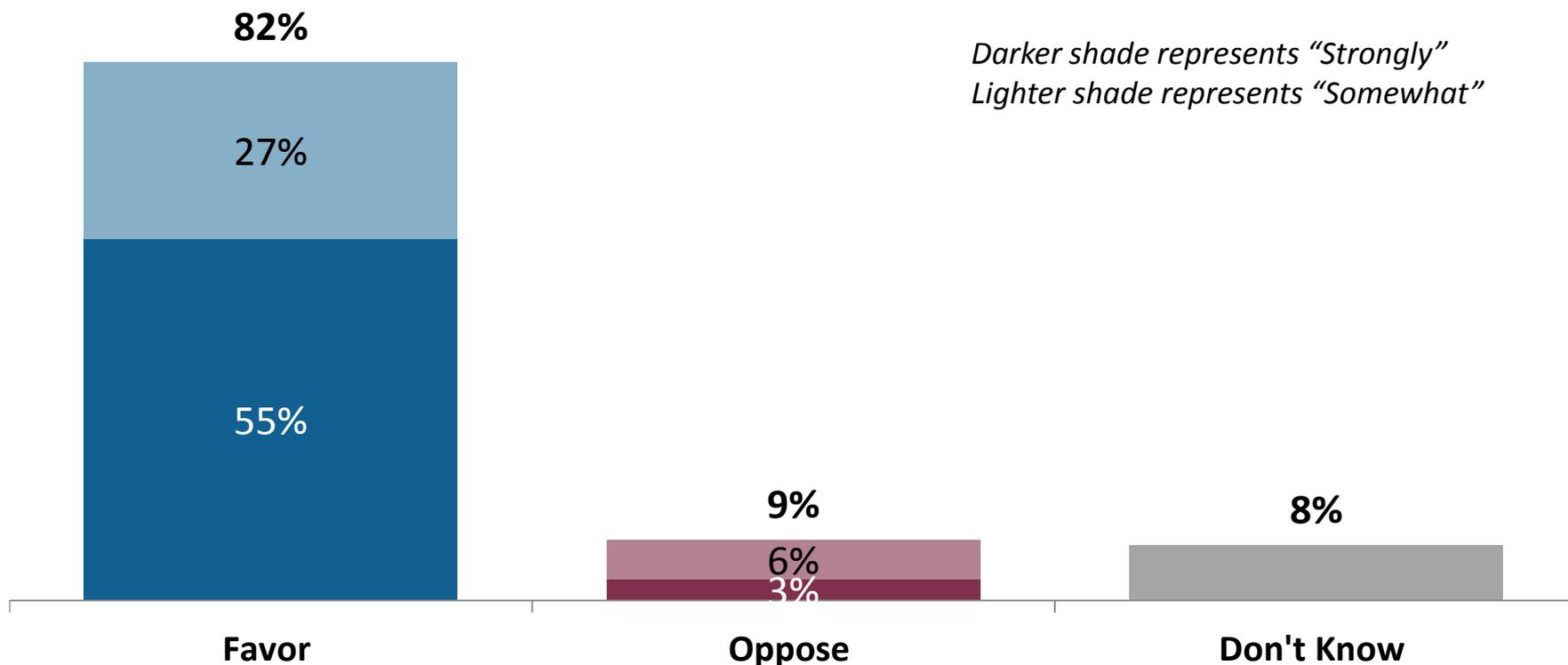
■ Yes Heard ■ Don't Know ■ Not Heard



Q5. Have you heard anything recently about a Kirkland Recreation and Aquatic Center?
 Q6. What have you heard?

Support for Community Recreation & Aquatic Facility

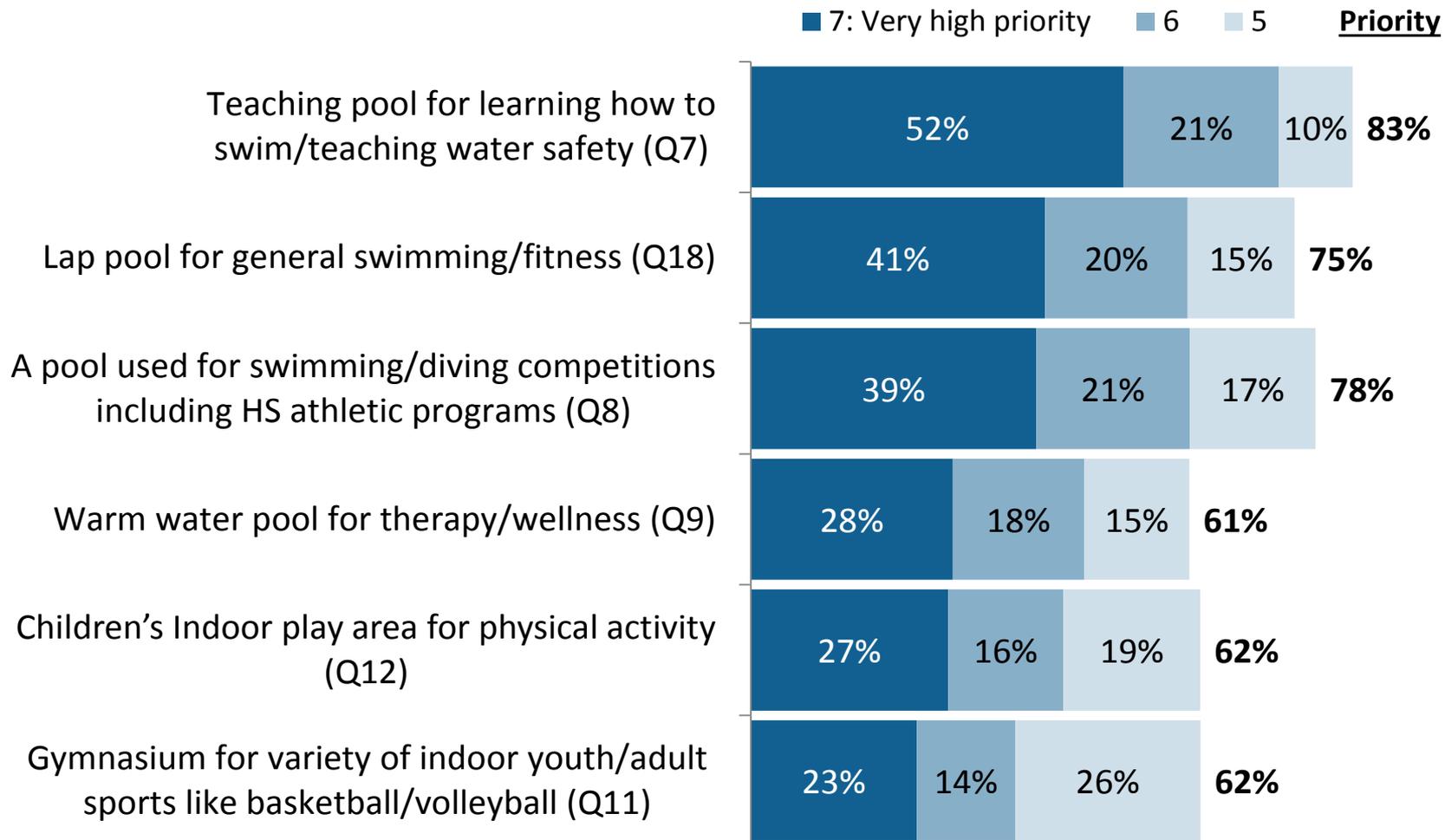
Most (82%) favor building a Kirkland indoor community recreation and aquatic center . A majority (55%) strongly support building a new facility. Fewer than one-in-ten are opposed.



Q7a. As you may know, Juanita High School may be undergoing a large renovation or replacement and to complete construction the school district will need to close the indoor pool at the school as soon as 2017. This is the only publically available indoor pool in Kirkland and supports the activities of a number of aquatic sports clubs, public exercise time, and lifeguard training and water safety classes and swim lessons. Knowing this would you say you strongly favor, somewhat favor, somewhat oppose, or strongly oppose building a Kirkland indoor community recreation and aquatic center to replace the Juanita High School Aquatics facility when it closes?

Priorities for New Facility

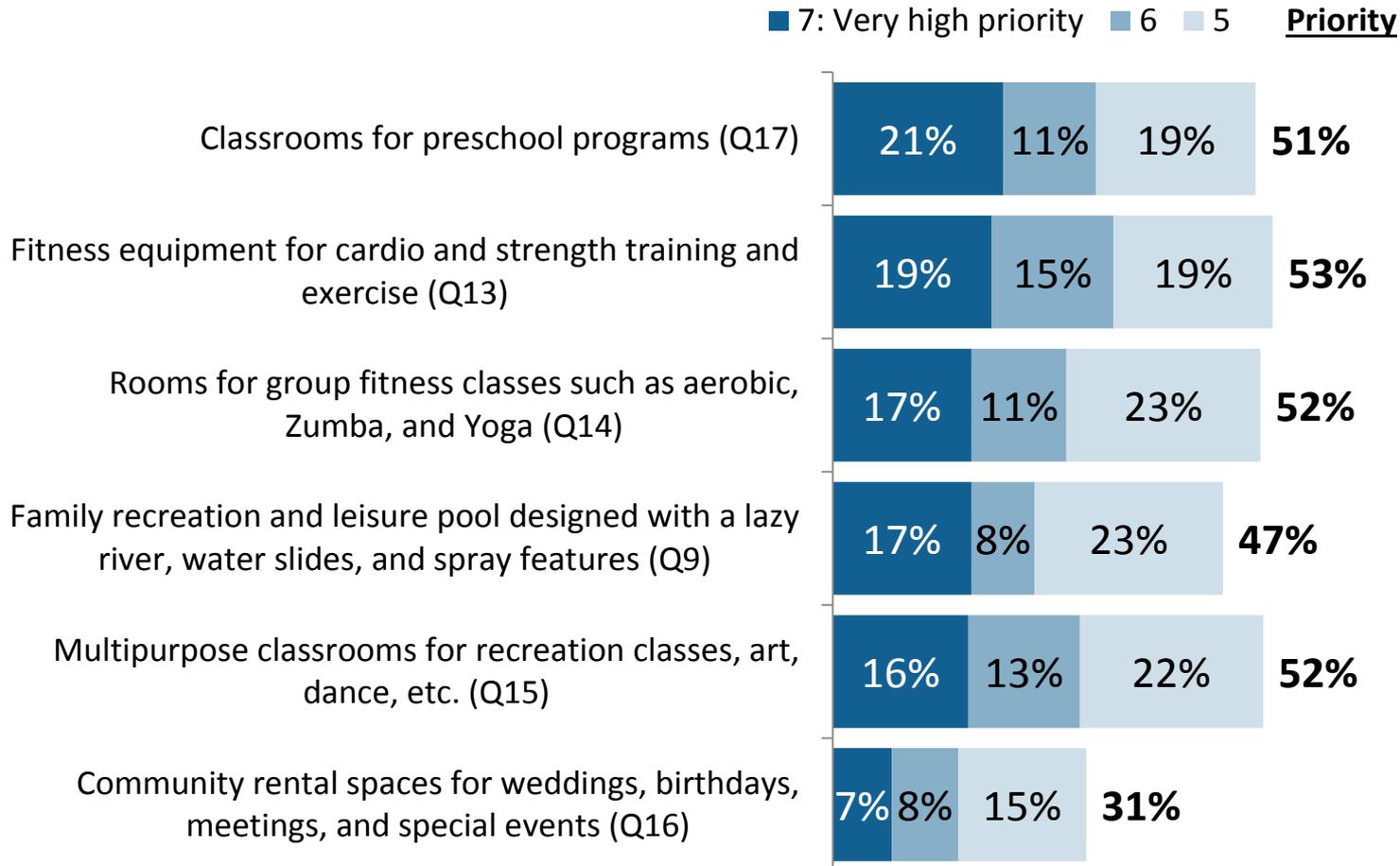
Top priorities are a teaching pool, lap pool, and a pool for High School competitions



Q7-18. The City is examining ideas for replacing this pool and would like to know about your priorities for a potential new facility. For each of the following, please tell me how high a priority that item is for you. Use a scale of 1 to 7, where 1 means you feel that item should be a very low priority and 7 means that you feel that item should be a very high priority.

Priorities for New Facility – Cont.

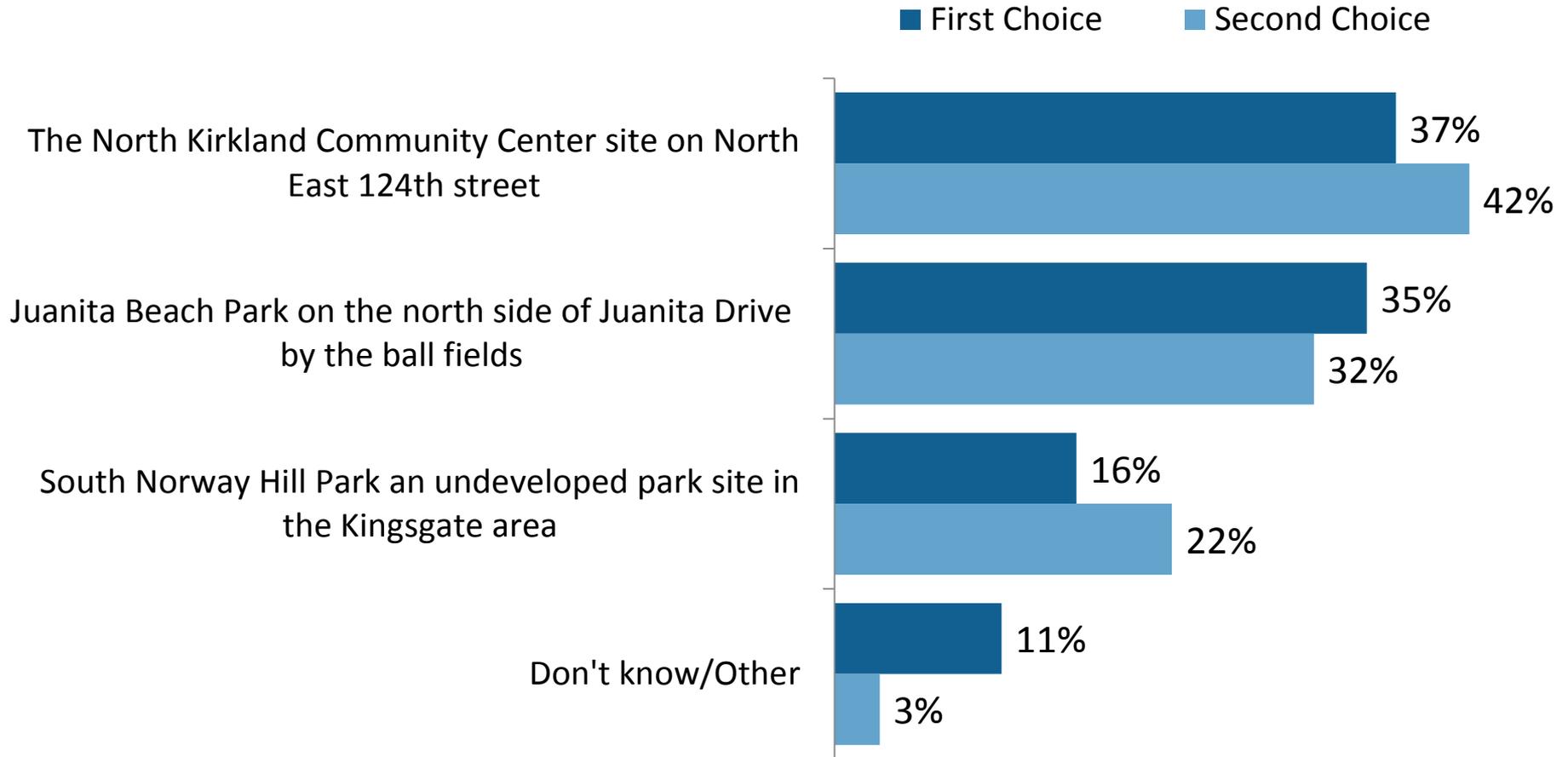
Non - pool related components are a much lower priority.



Q7-18. The City is examining ideas for replacing this pool and would like to know about your priorities for a potential new facility. For each of the following, please tell me how high a priority that item is for you. Use a scale of 1 to 7, where 1 means you feel that item should be a very low priority and 7 means that you feel that item should be a very high priority. You can use any number from 1 to 7.

Location Preference

Slightly higher preference for Kirkland Community Center location. S. Norway Hill park is least preferred option.



Q20-21. Regardless of how you feel about a new facility with an indoor pool, if it were being built in Kirkland, which location would be your **first choice**? And which location would be your **second choice**?

Important Factors for Siting Facility

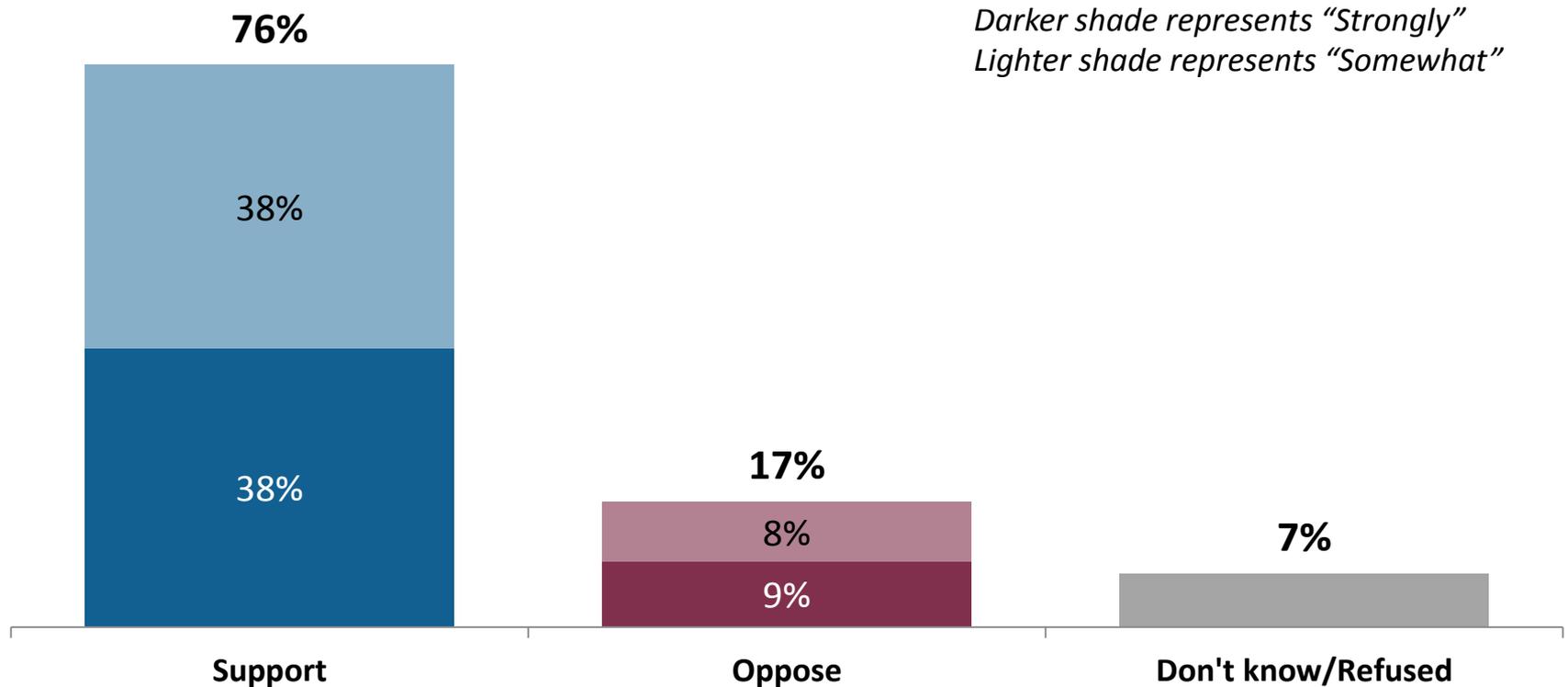
Accessibility, cost, and location are the top factors for consideration in siting a facility



Q23. Thinking about the city's decision making process, what 2 or 3 factors do you think are most important to consider in selecting a site for a new facility?

Support for Funding

Three quarters (76%) say they would support a bond to fund a new facility

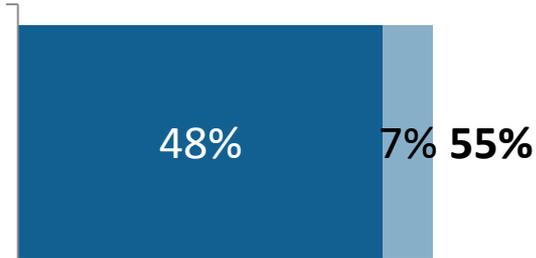


Q24. The City of Kirkland would need to present a bond measure to voters in order to fund a new facility to replace the Juanita High School pool. In general, would you Strongly Support, Somewhat Support, Somewhat Oppose or Strongly Oppose a bond measure for a Kirkland indoor community recreation and aquatic center?

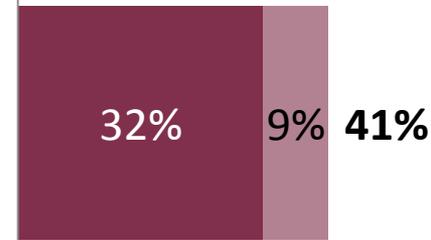
Moving Forward

By a 14 point margin (55% to 41%) residents prefer moving forward alone over finding other cities to partner with.

[Some/Other] people say the City should move forward alone with a new indoor pool facility to ensure it is built quickly and is located in Kirkland even if it means city residents will have to fund the whole cost.



[Other/Some] people say we should find other Cities to partner with and share in the costs even if it means building an indoor pool facility will take longer and the facility might be located outside of Kirkland.



Undecided/Refused **4%**

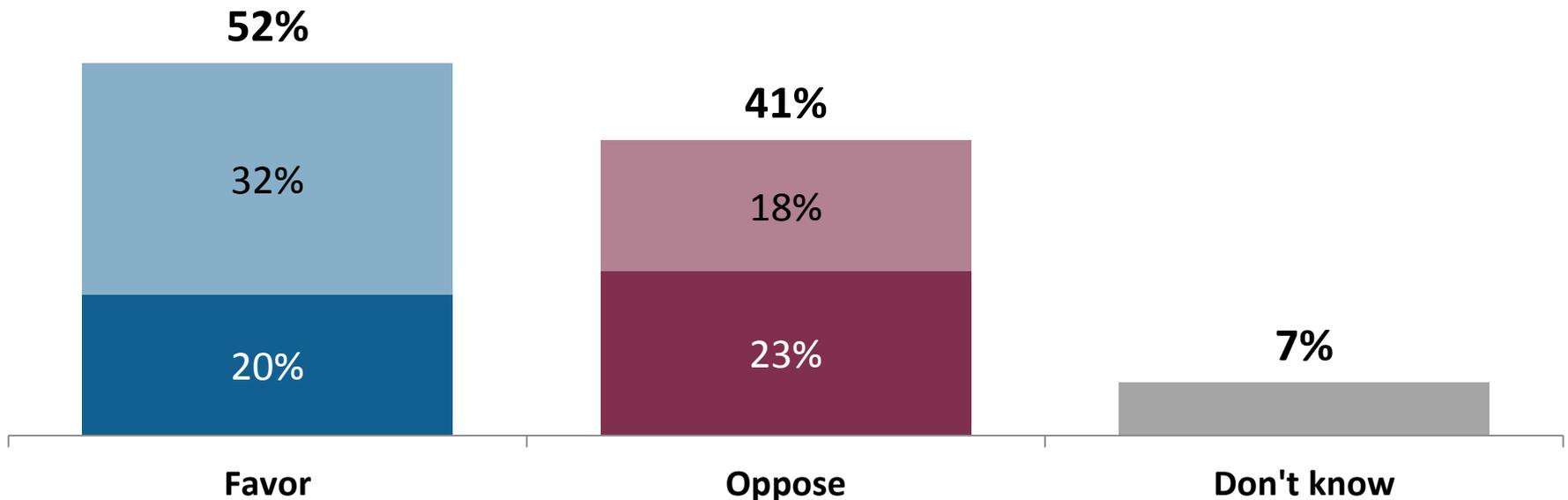
*Darker shade represents "Strongly"
Lighter shade represents "Lean"*

Q26. Which of the following statements is closer to your opinion even if neither one is exactly right. Which statement is closer to your opinion?

Peter Kirk Pool

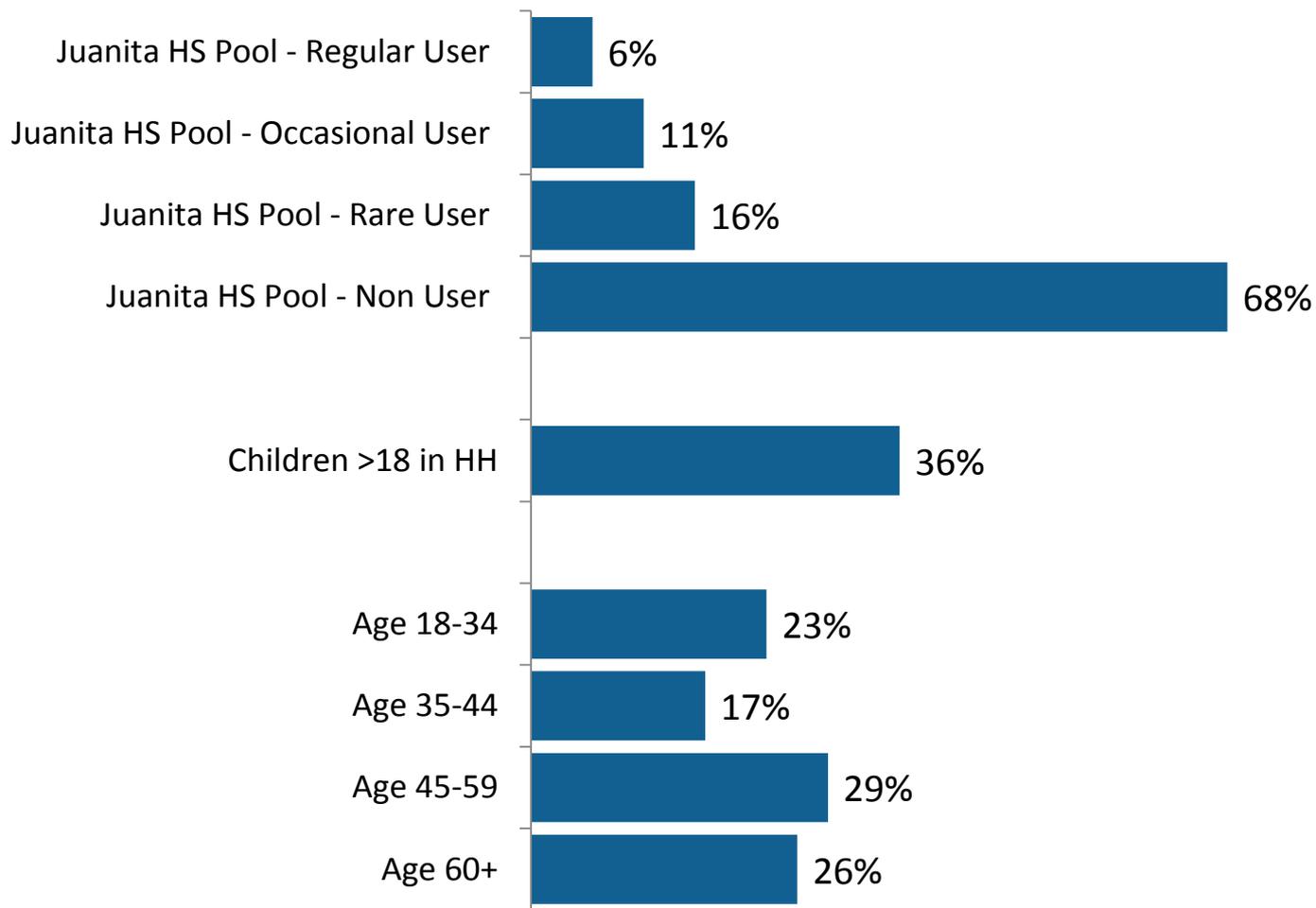
A narrow majority (52%) favor a temporary favor a temporary structure over Peter Kirk Pool while the new facility is built, but 4-in-10 are opposed.

*Darker shade represents "Strongly"
Lighter shade represents "Somewhat"*



Q27. Some people say a new indoor pool facility will be a great addition to Kirkland but we need something sooner and that we should build a temporary structure over Peter Kirk Pool now so our high school swimmers have a place to use while a new aquatic facility is being planned and built.

Survey Demographics



Contact



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206.652.2454

ORDINANCE NO. O-4484

AN ORDINANCE RELATING TO CREATION OF A METROPOLITAN PARK DISTRICT WITH BOUNDARIES COEXTENSIVE WITH THE CITY TO BE KNOWN AS THE KIRKLAND AQUATICS AND RECREATION DISTRICT; 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-5124, 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 an MPD, to be known as 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 general 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:

PROPOSITION 1
Formation of 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 fund construction, operation, maintenance and improvement of a proposed Aquatics Recreation and Community Center and other parks and recreational facilities; raise revenue by levying property taxes; contract with the City to perform its functions and provide for oversight by a Citizen Advisory Committee to ensure accountability. Its boundaries would be the same as the City of Kirkland and the elected City Councilmembers would comprise its board.

[] **For** the formation of the Kirkland Aquatics and Recreation 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 the Kirkland Aquatics and Recreation 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 Aquatics and Recreation District; Composition of Governing Board. The boundaries of the Kirkland Aquatics and Recreation 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.

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

ORDINANCE NO. O-4485

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-5124, 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 O-4484 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 finance, 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 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 force and effect five days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary form attached to the original of this ordinance and by this reference approved by the City Council.

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 Kirkland Aquatics and Recreation 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 O-4484 and O-4485 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.

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 O-4485 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 Chair 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, operation and maintenance of an aquatics, recreational and community center to be known as the ARC, including without limitation: a competition and exercise pool, a warm water recreation pool, a gymnasium, fitness rooms, exercise studios, classrooms for arts and education, and community gathering and banquet spaces (the "Project"). The City will obtain financing for the design, siting (including land acquisition) and construction of the Project, 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 Project. 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 Project 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 financing, operations and maintenance of the Project. Project costs may include, but are not limited to: design costs; construction costs; necessary and related architectural, engineering, planning,

environmental, legal and other consulting services; permitting, inspection and testing expenses; administrative and relocation expenses; site acquisition or improvement; demolition; procurement of liability insurance; on- and off-site utilities, road improvements and other related improvements; payments for financing costs, including costs related to the issuance, sale and delivery of bonds or other indebtedness, payments for financial and legal services, obtaining ratings and bond insurance, if applicable; the acquisition, construction and installation of all necessary furniture, equipment, apparatus, accessories, fixtures and appurtenances in the foregoing; printing, advertising, establishing and funding accounts; payment of interest due on any bonds, loans or other indebtedness (including capitalized interest for up to six months after completion of construction); operations and maintenance; and, other similar activities or purposes. The City may modify details of the Project as necessary or advisable, and the Project shall be undertaken, insofar as is practicable, with available money and in such order of time as shall be deemed necessary or advisable by the City.

3. **Siting the ARC.** By Resolution R-5124, the City permanently removed Juanita Beach Park from consideration as a site for the ARC and the Park District agrees that it will not consider Juanita Beach Park as a site for the ARC.

4. **Park District Support Services.** Pursuant to this Agreement and as part of the consideration provided hereunder, the City will provide all support services 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. These support services may be provided either in-house or through contracts with private contractors, firms or nonprofit organizations. To avoid duplication of services, the Park District shall not hire separate staff or separately contract for support services.

5. **Finances and Budgeting.** The Parties agree to participate in the budgeting process described in Section 5.1 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 2012, in furtherance of the purposes of that levy lid lift.

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

5.1.1. **Six-Year Budget Plan.** The District Board shall establish and update annually a six-year financial plan. The plan for the first six years shall be dedicated solely to providing funds for the Project, including all capital expenses incurred in developing, constructing and equipping the ARC and all Project costs chargeable to the District as described in Section 2 of this Agreement.

5.1.2 **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, based on the Six-Year Budget Plan, 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.

5.1.3 **Citizen Advisory Committee Review.** The Park District shall establish a Citizen Advisory Committee to review and provide advice to the City Council and to the Board of Park District commissioners regarding Park District operations and budget requests.

5.1.4 **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. The Board shall set the initial property tax rate to generate sufficient revenue to cover the annual costs described in the Six-Year Budget Plan. Based on the Parties' current expectations regarding ARC capital costs (including financing costs and acknowledging interest rate risk), the District's 2017 tax levy (using reasonable projections of assessed value) is estimated to be approximately \$0.25 per \$1,000 of assessed value.

5.1.5 **Meetings.** The District Board is subject to the Open Public Meetings Act, chapter 42.30 RCW, and shall conduct regular and special meetings, consistent with the Open Public Meetings Act, as often as necessary to complete the Board's work. The Board shall conduct a public hearing prior to the approval of a final Park District budget.

5.2. **City Director of Finance and Administration to Serve as *ex officio* Treasurer.** The Park District agrees to take such actions as are necessary under RCW 35.61.180 to appoint the City Director of Finance and Administration to serve as *ex officio* Treasurer for the Park District. The City Director of Finance and Administration 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 and Administration 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.

6. **Annual Accountability Report.** The parties shall produce an annual accountability report to the public documenting activities and actions.

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

8. **Interlocal Cooperation Act Provisions.**

8.1. **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, unless separately agreed to in writing by the Parties.

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

8.3. **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.

9. **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.

10. **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.

11. **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.

12. **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

KIRKLAND AQUATICS AND
RECREATION DISTRICT

City Manager

Chair of the Board

ATTEST:

ATTEST:

City Clerk

Secretary of the Board

APPROVED AS TO FORM:

City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4485

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.

SECTION 1. Provides a statement of intent relating to the formation of the Park District, if approved by voters.

SECTION 2. Authorizes the City Manager to enter into an Interlocal Agreement with the Park District.

SECTION 3. Ratifies the actions taken prior to the effective date of the Ordinance.

SECTION 4. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the _____ day of _____, 2015.

I certify that the foregoing is a summary of Ordinance _____ approved by the Kirkland City Council for summary publication.

City Clerk