



**CITY OF KIRKLAND**  
**City Manager's Office**  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001  
[www.kirklandwa.gov](http://www.kirklandwa.gov)

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Lynn Zwaagstra, Director of Parks and Community Services  
Andreana Campbell, Management Analyst

**Date:** February 18, 2022

**Subject:** POTENTIAL AMENDMENT TO 2021-2022 CITY WORK PROGRAM

### **RECOMMENDATION:**

That the City Council reviews and comments on draft resolution R-5514 (Attachment A) amending the 2021-2022 Priority Goals and City Work Program to include exploring potential comprehensive Park ballot measure options to be placed before Kirkland voters in 2023. This item was deferred from the February 15, 2022 Council meeting. The memo and resolution are the same except for minor adjustments to reflect the deferral. The Council could adopt the resolution amending the 2021-2022 City Work Program (Attachment B) at the March 1, 2022 meeting or provide further direction to bring a final resolution to a future Council meeting.

### **BACKGROUND DISCUSSION:**

The biennial City Work program is approved by Council and designed to prioritize major cross-departmental efforts that implement the Council's priority goals (Attachment C). City Work Program initiatives involve significant financial resources designed to maintain community safety and quality of life in Kirkland, as well as an effective and efficient City government. Accomplishing the City Work Program initiatives also acts as a "scorecard" for the public to demonstrate the progress in maintaining Kirkland as one of the best communities in America to live, work, and play.

Since the City Work Programs are biennial plans, throughout the year issues may arise that also require significant financial and staff resources, and Council review, requiring the City Work Program be evaluated during the mid-biennial budget process. This allows the Council and the City manager to proactively identify potential new initiatives in the context of established priorities and budgets. Decisions can then be made whether to attempt to accommodate these new items with additional resources and/or reprioritize the adopted City Work Program.

A recent example of this was the Council's adoption of Resolution R-5502 at their November 16, 2021, meeting. Resolution R-5502 amended the 2021-2022 City Work Program to add a twelfth goal of activating the Kirkland Transportation Benefit District in 2022 for the purpose of funding

Safer Routes to School Action Plan and Active Transportation Plan priority projects and other active transportation projects.

### **Exploration of Comprehensive Parks & Community Services Ballot Measure Options**

During the mid-biennial budget process Council appropriated significant resources for community engagement and project and program development to explore a potential Parks related ballot measure for 2022 or 2023, subject to Council discussion and deliberation at the Council's January 28, 2022 retreat. The chart below outlines the preliminary Parks levy exploratory funding set aside by the Council on December 14, 2021.

<b>Preliminary Parks Levy Exploratory Funding</b>	<b>Amount</b>
Peter Kirk Park Feasibility Assessment	100,000
Community Education and Outreach	100,000
Community Survey	40,000
Legal Services	25,000
One-Time Management Analyst – 12 Months*	136,410
<b>Total</b>	<b>\$401,410</b>

\*Costing tool estimate; does not include 2022 COLA

The Parks and Community Services (PCS) Department is in the process of preparing the 2022 Parks, Recreation, and Open Space (PROS) Plan which acts as a six-year guide and strategic plan for managing and enhancing park and recreation services. As part of this effort, PCS engaged the services of GreenPlay LLC to conduct a statistically valid survey as well as outreach and engagement from the community on the future of Kirkland's parks. This outreach work was to help inform the Council of the community's interest in specific capital and operating enhancements to Kirkland's parks. At the time of writing this memo, the final report and the complete survey and outreach results are expected later this month.

At the Council's January 28, 2022 retreat, staff presented the preliminary survey results and community feedback PCS has received over the last five years in the format of different packages and levels of capital and operating investments. Moving forward, the term 'package' was replaced with 'scenario' so as to not imply that these investments have been at all evaluated or finalized. There will be an extensive community engagement process to determine any potential series of investments for Council's consideration. For the complete list of capital and operating investments presented during the Council retreat please see Attachment D.

After the presentation, Council expressed interest in further exploring Scenario C, a comprehensive scenario of improvements, enhancements, and system expansion. This option encompasses all base scenario recreation improvements and enhancements in Scenario A as well the additional improvements and enhancements in Scenario C. Staff also presented Council with funding mechanisms and different options of when they may choose to place a measure on the ballot. The full memo to Council can be seen in Attachment E.

Developing a ballot measure proposal like Scenario C require will require detailed financial and feasibility analysis, as well as comprehensive community engagement. The Council concluded at the retreat that any such comprehensive ballot measure would not be able to occur until 2023

to allow the time necessary for the analysis, costing and community engagement. With a scenario of investments of this size, the Council will look to the community for further input on priorities they want to see included and the most appropriate funding mechanisms suited for these types of investments.

The exploration of comprehensive Parks ballot measure options rises to the level of inclusion in the City Work Program. Any such measure would raise significant revenue, make investments that benefit all city residents, and require staff resources in 2022 from Parks and Community Services, Finance, the City Attorney's Office and the City Manager's Office.

The suggested new language to include in the 2021-2022 City Work Program is included below:

*Explore potential comprehensive Parks ballot measure options to be placed before Kirkland voters in 2023 for the purpose of maintaining and expanding natural areas, open spaces, aquatic and recreational facilities, and program opportunities that enhance the health and wellbeing of the community to further the goals of **abundant parks, open spaces, and recreational services.***

**COUNCIL DIRECTION NEEDED:**

Staff is seeking review and comment on the proposed amendment to the 2021-2022 City Work Program. If the Council elects to proceed with the amendment, the resolution can be approved for adoption at the March 1, 2022 Council meeting or a future Council meeting. Following adoption, staff would bring back an initial framework and any additional resource requests to the Council for consideration in the second quarter of 2022.

Attachments:

- A. Draft Resolution R-5514
- B. 2021-2022 City Work Program
- C. 2021-2022 Council Goals
- D. Potential Parks Capital and Operating Investments
- E. Parks Presentation 012822 Council Retreat

# 2021-2022 CITY WORK PROGRAM



Protecting and Enhancing Kirkland's  
Quality of Life



2021-2022

# KIRKLAND WORK PROGRAM

Plan the Work, Work the Plan...

1. Implement R-5434 elements such as non-commissioned emergency responders, police transparency and accountability measures, and community-wide equity and inclusion programs to create a safer and more equitable Kirkland that increases the safety and respect of Black people and reduces systemic racism and poverty.

**City Council Goals: Community Safety, Vibrant Neighborhoods, Inclusive & Equitable Community, and Supportive Human Services**



2. Complete construction and open Fire Station 24 in Juanita with a cross-staffed crew of three firefighter/emergency medical technicians (EMTs) to implement the Fire Strategic Plan.

**City Council Goals: Community Safety**



3. Adopt a Fire and Emergency Medical Services ballot measure implementation plan, stockpile pandemic personal protective equipment, initiate hiring of new and diverse firefighter/EMTs, complete design of the new Fire Station 27 in Totem Lake, complete design of the renovation of Fire Station 22 in Houghton, and locate and complete a temporary fire station.

**City Council Goals: Community Safety and Vibrant Neighborhoods**



4. Initiate a supportive housing project in Kirkland, implement significant affordable housing projects at the Kingsgate Park and Ride and in the Totem Lake Urban Center, develop affordable housing priorities for the NE 85th Street Station Area Plan, and adopt and track affordable housing targets for low-income and moderate income residents.

**City Council Goals: Attainable Housing and Vibrant Neighborhoods**



5. Complete actions and investments necessary to keep Kirkland residents, City staff and City facilities safe during the COVID-19 pandemic, support renewed economic activity, and prepare the City organization and the Kirkland community for recovery to implement the Comprehensive Emergency Management Plan (CEMP), Continuity of Government (COG) Plan, and Continuity of Operations (COOP) Plan.

**City Council Goals: Community Safety, Supportive Human Services, Vibrant Neighborhoods, Dependable Infrastructure and Financial Stability**



6. Complete design and initiate construction of the Juanita Drive and 100th Avenue NE multi-modal transportation projects to implement the Transportation Master Plan.

**City Council Goals: Balanced Transportation and Dependable Infrastructure**





2021-2022

# KIRKLAND WORK PROGRAM

Plan the Work, Work the Plan...

- 7.** Complete the Totem Lake Connector, Totem Lake Park, 132nd Square Park and continue capital investments to support growth throughout the City and the Totem Lake Urban Center to implement the Parks, Recreation and Open Space (PROS) Plan, the Cross Kirkland Corridor Master Plan.

**City Council Goals:** *Thriving Economy, Balanced Transportation, and Abundant Parks, Open Spaces and Recreational Services*

- 8.** Continue to Partner with Sound Transit, the State Department of Transportation and King County Metro Transit to ensure that investments along I-405 serve Kirkland's mobility needs to implement the Transportation Master Plan and the Transit Implementation Plan.

**City Council Goals:** *Balanced Transportation and Thriving Economy*

- 9.** Complete work for designation of Greater Downtown Kirkland as a Regional Center. Complete a vision statement and placemaking name for the NE 85th St. Station Area Plan that integrates with surrounding neighborhoods and connects with downtown. Complete a Level of Service Benefit and Impact Analysis to inform Council decisions regarding Station Area Plan options and the Plan's potential environmental impacts to implement the Comprehensive Plan.

**City Council Goals:** *All*

- 10.** Initiate city-wide outreach and planning efforts to update the Comprehensive Plan, the Transportation Master Plan, the Parks, Recreation and Open Space Plan and related documents to maintain the quality of life in Kirkland.

**City Council Goals:** *All*

- 11.** Develop an equitable, cost effective 2023-2024 balanced budget that improves the City's future financial outlook while investing in community priorities and retaining Kirkland's AAA credit rating.

**City Council Goals:** *All*

- 12.** Activate the Kirkland Transportation Benefit District in 2022 for the purpose of funding Safer Routes to School Action Plans priority projects, Active Transportation Plan priority projects, Vision Zero priority projects and other active transportation projects.

**City Council Goals:** *Community Safety, Vibrant Neighborhoods, Inclusive and Equitable Community, Balanced Transportation, and Dependable Infrastructure*





2021-2022

# CITY COUNCIL GOALS

Kirkland's Foundation for the Future



## Inclusive and Equitable Community

To protect and serve all those who live in, work in or visit Kirkland without regard for race, religion, color, national origin, gender identity, age, income or economic status, political affiliation, military status, sexual orientation, or physical, mental or sensory ability; strive for equitable access to justice and eliminate systemic barriers to equality.



## Abundant Parks, Open Spaces & Recreational Services

To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and wellbeing of the community.



## Attainable Housing

To provide access to housing and encourage the construction and preservation of housing stock that meet a diverse range of incomes and needs.



## Financial Stability

To provide a sustainable level of core services that are funded from predictable revenue.



## Community Safety

To provide public safety services through a community-based approach that focuses on prevention of problems and a timely and appropriate response.



## Sustainable Environment

To protect our natural environment through sustainable goals and practices to meet the needs of community members for a healthy environment and clean energy without compromising the needs of future generations.



## Supportive Human Services

To meet basic human needs, help people through economic and personal crises, help individuals thrive, and strive to remove barriers to allow all equal opportunities to succeed.



## Thriving Economy

To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for community members.



## Balanced Transportation

To reduce reliance on single occupancy vehicles and improve connectivity and multi-modal mobility in Kirkland in ways that maintain and enhance travel times, safety, health and transportation choices.



## Dependable Infrastructure

To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

## FOR MORE INFORMATION CONTACT:

**Joy Johnston**

(425) 587-3021

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For more about the **City Work Program**, City local government and Legislative Agenda, go to: [www.kirklandwa.gov/council](http://www.kirklandwa.gov/council)



2021 - 2022

Attachment C

# City Council Goals

Kirkland is one of the most livable cities in America. We are a vibrant, attractive, green and welcoming place to live, work and play. Civic engagement, innovation and diversity are highly valued. We are respectful, fair, and inclusive. We honor our rich heritage while embracing the future. Kirkland strives to be a model, sustainable city that values preserving and enhancing our natural environment for our enjoyment and future generations.

City Council Goals articulate key policy and service priorities for Kirkland and guide the allocation of resources. The City's ability to make progress towards the achievement of these long-term goals is based on the availability of resources at any given time and the need to balance levels of taxation and community impacts with service demands and the achievement of goals.

Operational values guide how the City organization works toward goal achievement:

- **Regional Partnerships** – Kirkland encourages and participates in regional approaches to service delivery to the extent that a regional model produces efficiencies and cost savings, improves customer service and furthers Kirkland's interests beyond our boundaries.
- **Efficiency** – Kirkland is committed to providing public services in the most efficient manner possible and maximizing the public's return on their investment. We believe that a culture of continuous improvement is fundamental to our responsibility as good stewards of public funds.
- **Accountability** – The City of Kirkland is accountable to the community for the achievement of goals. To that end, meaningful performance measures will be developed for each goal area to track our progress toward the stated goals. Performance measures will be both quantitative and qualitative with a focus on outcomes. The City will continue to conduct a statistically valid citizen survey every two years to gather qualitative data about the citizen's level of satisfaction. An annual Performance Measure Report will be prepared for the public to report on our progress.
- **Civic Engagement and Community** – The City of Kirkland is one community composed of multiple neighborhoods. Achievement of Council goals will be informed by civic engagement and will be respectful of neighborhood identity while supporting the needs and values of the community as a whole.

The City Council Goals are dynamic. They should be reviewed on an annual basis and updated or amended as needed to reflect community input as well as changes in the external environment and community demographics.

	<b>Inclusive and Equitable Community:</b> Kirkland is a diverse and inclusive community that is concerned for the welfare of all community members and where everyone is respected, valued, and has a sense of belonging. <b>Council Goal:</b> Protect and serve all those who live in, work in or visit Kirkland without regard for race, religion, color, national origin, gender identity, age, income or economic status, political affiliation, military status, sexual orientation, or physical, mental or sensory ability; strive for equitable access to justice and eliminate systemic barriers to equality.
	<b>Vibrant Neighborhoods:</b> Kirkland community members experience a high quality of life in their neighborhoods. <b>Council Goal:</b> Achieve active neighborhood participation and a high degree of satisfaction with neighborhood services and infrastructure.
	<b>Community Safety:</b> Ensure that all those who live, work and play in Kirkland are safe. <b>Council Goal:</b> Provide public safety services through a community-based approach that focuses on prevention of problems and a timely and appropriate response.
	<b>Supportive Human Services:</b> Kirkland supports a regional coordinated system of human services designed to meet the basic needs of our community and remove barriers to opportunity. <b>Council Goal:</b> Meet basic human needs, help people through economic and personal crises, help individuals thrive, and strive to remove barriers to allow all equal opportunities to succeed.
	<b>Balanced Transportation:</b> Kirkland values an integrated multi-modal system of transportation choices. <b>Council Goal:</b> Reduce reliance on single occupancy vehicles and improve connectivity and multi-modal mobility in Kirkland in ways that maintain and enhance travel times, safety, health and transportation choices.
	<b>Abundant Parks, Open Spaces, and Recreational Services:</b> Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment. <b>Council Goal:</b> Provide and maintain natural areas and recreational facilities and opportunities that enhance the health and wellbeing of the community.
	<b>Attainable Housing:</b> Kirkland's housing stock meets the need of a diverse community by providing a wide range of types, styles, sizes and affordability. <b>Council Goal:</b> Provide access to housing and encourage the construction and preservation of housing stock that meet a diverse range of incomes and needs.
	<b>Financial Stability:</b> Kirkland community members enjoy high-quality services that meet the community's priorities. <b>Council Goal:</b> Provide a sustainable level of core services that are funded from predictable revenue.
	<b>Sustainable Environment:</b> Kirkland is committed to the protection of the natural environment through an integrated natural resource management system. <b>Council Goal:</b> Protect our natural environment through sustainable goals and practices to meet the needs of community members for a healthy environment and clean energy without compromising the needs of future generations
	<b>Thriving Economy:</b> Kirkland has a diverse, business-friendly economy that supports the community's needs. <b>Council Goal:</b> Attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for community members.
	<b>Dependable Infrastructure:</b> Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community. <b>Council Goal:</b> Maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

# CITY OF KIRKLAND

## Plan the Work, Work the Plan

### 2013-2014 KIRKLAND WORK PLAN ☒ Task Completed

- ☒ 1. Revitalize Totem Lake Business District through continued implementation of the Totem Lake Action Plan.
- ☒ 2. Partner with private sector to attract tenants to Kirkland's major business districts.
- ☒ 3. Reenergize neighborhoods through partnerships on capital project implementation.
- ☒ 4. Complete Comprehensive Plan update and incorporate new neighborhoods into all planning documents.
- ☒ 5. Implement Development Services Organizational Review recommendations and simplify Zoning Code.
- ☒ 6. Develop City-wide Multimodal Transportation Master Plan.
- ☒ 7. Achieve Kirkland's adopted legislative agendas, with emphasis on securing transportation revenues and funding for the NE 132nd Street ramps to I-405. (Now an annual initiative)
- ☒ 8. Complete Cross Kirkland Corridor Master Plan and construction of the Interim Trail.
- ☒ 9. Develop cost effective 2015-2016 Budget that maintains Kirkland's AAA credit rating and implements an improved performance management system.
- ☒ 10. Continue partnership initiatives with employees to achieve sustainability of wages and benefits.
- ☒ 11. Complete construction and occupy Public Safety Building.
- ☒ 12. Continue to implement Fire Strategic Plan recommendations, including evaluation of a Regional Fire Authority and resolution of a consolidated Finn Hill Fire Station.
- ☒ 13. Partner with Lake Washington School District and other interested public and private organizations to explore options for replacing the Juanita Aquatic Center by 2017.

### 2015-2016 KIRKLAND WORK PLAN ☒ Task Completed

- ☒ 1. Continue to implement Cross Kirkland Corridor Master Plan.
- ☒ 2. Complete Comprehensive Plan Update and Transportation Master Plan.
- ☒ 3. Complete comprehensive update of the Capital Improvement Program.
- ☒ 4. Invest Fire District #41 funds and City revenues to improve fire and emergency medical services to Finn Hill, Juanita, and Kingsgate, site new north end fire stations and improve existing stations and operations.
- ☒ 5. Continue annexation-related facility investments by renovating City Hall, enhancing customer service and identifying expansion for Parks and Public Works Maintenance Centers.
- ☒ 6. Implement capital, financial, legislative and organizational actions for redevelopment of Parkplace and Totem Lake Mall.
- ☒ 7. Provide Kirkland residents an opportunity to vote on a ballot measure in 2015 or 2016 to fund an Aquatics, Recreation, and Community Center replacing the Juanita Aquatic Center.
- ☒ 8. Engage Sound Transit Board to ensure any ballot measure connects Totem Lake to High Capacity Transit.
- ☒ 9. Convert all employees of the City to an email archiving system improving City responsiveness and transparency while reducing the cost and complexity of storing email data.
- ☒ 10. Partner with A Regional Coalition for Housing and non-profit organizations to site a permanent Eastside women's shelter in Kirkland.
- ☒ 11. Implement the Healthy Kirkland Plan, including establishing an employee clinic.

### 2017-2018 KIRKLAND WORK PLAN ☒ Task Completed

☒ Task Completed  
☒ Task Underway  
☒ Task Deferred

- ☒ 1. Renovate Fire Station 25
  - ☒ Construct new Station 24, and site new Station 27
- ☒ 2. Explore potential ballot measures for Fire Station modernization and public safety operations.
- ☒ 3. Facilitate Community Policing through implementation of Police Strategic Plan.
- ☒ 4. Fund capital investments to support growth in Totem Lake Urban Center.
- ☒ 5. Partner with Sound Transit, the State Department of Transportation and King County Metro Transit to ensure that investments along I-405 serve Kirkland's mobility needs.
- ☒ 6. Partner with A Regional Coalition for Housing, churches and non-profits to construct a permanent women and family shelter in Kirkland.
- ☒ 7. Implement the Cross Kirkland Corridor Master Plan focused on the Totem Lake Connector and South Kirkland Park and Ride connection.
- ☒ 8. Expand Maintenance Center capacity to meet the service needs of the larger City.
- ☒ 9. Procure a new solid waste contract and engage King County and Kirkland residents to determine the future of the Houghton Transfer Station and Houghton Landfill.
- ☒ 10. Replace the City's core financial and human resources software.
- ☒ 11. Enhance resident and business engagement in Kirkland through community-based initiatives that foster a safe, inclusive and welcoming City and a love of Kirkland.

### 2019-2020 KIRKLAND WORK PLAN ☒ Task Completed

☒ Task Completed  
☒ Task Underway  
☒ Task Deferred

- ☒ 1. Improve Fire and Emergency Medical Services by constructing a new Station 24, securing a site for a new Station 27, and exploring a potential ballot measure in 2020 to fund fire station modernization and enhanced operations.
- ☒ 2. Implement "Enhanced Police Services and Community Safety" ballot measure funding to facilitate Community Policing, improve school safety, reduce gun violence, and foster a safe, inclusive and welcoming city.
- ☒ 3. Construct the Totem Lake Connector and continue capital investments to support growth throughout the City to ensure that Kirkland is a city where growth occurs by design.
- ☒ 4. Ensure that investments along I-405 serve Kirkland's mobility needs and maximize the benefit of Sound Transit's NE 85th Street Bus Rapid Transit interchange project by completing land use, zoning and economic development plans for areas adjacent to the project.
- ☒ 5. Support construction and operation of a permanent shelter in Kirkland for women and families with children experiencing homelessness.
- ☒ 6. Implement strategies from the Housing Strategy Plan, prioritizing affordable housing and "missing middle" housing.
- ☒ 7. Renovate the new Parks Maintenance Center building to meet the service needs of the larger city.
- ☒ 8. Complete major park improvement projects to preserve and enhance quality of life in Kirkland, including Juanita Beach Park, Totem Lake Park, and 132nd Square Park
- ☒ 9. Develop and adopt a Sustainability Master Plan Kirkland
- ☒ 10. Develop a 'Safer Routes to School Action Plan' for each school in Kirkland.
- ☒ 11. Prioritize Information Technology stabilization and migrate appropriate City applications and information to the Cloud to improve resiliency and disaster preparedness.
- ☒ 12. Prepare for the 2021 Annexation Sales Tax Credit expiration by developing specific strategies to sustain prioritized programs during development of the biennial budget.

**Scenario A:** Base Scenario of Modest Parks and Recreation Improvements and Enhancements

Annual Capital <ul style="list-style-type: none"> <li>• Improve parks maintenance, winterize restrooms</li> <li>• Add park amenities (1 set of pickleball courts, 1 sports court, 1 off leash dog park)</li> <li>• Add community gardens</li> <li>• Add restrooms</li> <li>• Improved field playability</li> <li>• Parks wayfinding</li> <li>• Park safety &amp; security</li> <li>• ADA accessibility projects</li> </ul>	\$7,809,571
Annual Operating <ul style="list-style-type: none"> <li>• Improve parks maintenance, maintain year-round restrooms</li> <li>• Maintain new park amenities &amp; gardens</li> <li>• Manage park security &amp; lighting systems</li> <li>• Communications &amp; outreach</li> <li>• Expanded programming and community events</li> <li>• Planning &amp; administration</li> </ul>	\$1,535,072
<b>Total</b>	<b>\$9,343,643</b>

**Scenario B:** Comprehensive Scenario of Improvements, Enhancements and Moderate Expansion

Annual Capital (Scenarios A&B) <ul style="list-style-type: none"> <li>• Base scenario A with improvements &amp; enhancements</li> <li>• New 4-acre park</li> <li>• Convert 1 grass field to synthetic turf</li> <li>• Recreation &amp; aquatics center</li> </ul>	\$86,349,571
Annual Operating (Scenarios A&B) <ul style="list-style-type: none"> <li>• Base scenario A with improvements &amp; enhancements</li> <li>• Maintain new park</li> <li>• Maintain new synthetic field</li> <li>• Recreation &amp; aquatics center operations</li> </ul>	\$4,581,072
<b>Total (Scenarios A&amp;B)</b>	<b>\$90,930,643</b>

**Scenario C:** Comprehensive Scenario of Improvements, Enhancements and Large Expansion

Annual Capital (Scenarios A&C) <ul style="list-style-type: none"> <li>• Base scenario A with improvements &amp; enhancements</li> <li>• New 4-acre park</li> <li>• Convert 2 grass fields to synthetic turf</li> <li>• Recreation &amp; aquatics center</li> <li>• 2 local recreation centers</li> </ul>	\$163,189,571
Annual Operating (Scenarios A&C) <ul style="list-style-type: none"> <li>• Base scenario A with improvements &amp; enhancements</li> <li>• Maintain new park</li> <li>• Maintain new synthetic fields</li> <li>• Recreation &amp; aquatics center operations</li> </ul>	\$7,581,072
<b>Total (Scenarios A&amp;C)</b>	<b>\$170,770,643</b>



## CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000

[www.kirklandwa.us](http://www.kirklandwa.us)

### MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Beth Goldberg, Deputy City Manager  
Lynn Zwaagstra, Director, Parks & Community Services  
Alice Ost diek, Attorney, Stradling Yocca Carlson & Rauth

**Date:** January 28, 2022

**Subject:** Potential Parks Ballot Measure

### Recommendation

The City Council receives a presentation about exploring potential options for a Parks-related ballot measure in 2022 or 2023.

### Background Discussion

During the mid-bi budget process, the City Council requested a retreat discussion about exploring a potential Parks-related ballot measure for 2022 or 2023. The Council also appropriated significant resources for community engagement and project and program development should the decision be made to proceed, as shown in the table below:

Preliminary Parks Levy Exploratory Funding	Amount
Peter Kirk Park Feasibility Assessment	100,000
Community Education and Outreach	100,000
Community Survey	40,000
Legal Services	25,000
One-Time Management Analyst - 12 months*	136,410
<b>Total</b>	<b>401,410</b>

\*Costing tool estimate; does not include 2022 COLA:

As the City Council reviews the materials presented in this memo, staff is seeking direction from the Council on the following questions:

1. Is the Council interested in exploring a Parks-related ballot measure? Choosing to explore a measure is not a decision to place a measure on the ballot.

If yes:

1. What is the Council interested in funding through a ballot measure?
2. What revenue mechanism(s) is the City Council interested in considering?
3. How would the Council like to involve the community in the decisions?
4. When might the City Council want to put this issue to the voters? Fall of 2022? Spring of 2023? Fall of 2023?

To facilitate the discussion, this memo will provide information on several relevant topics:

- Parks and Community Services Department Overview
- Highlights of the Parks Recreation and Open Space (PROS) Plan Community Survey
- Parks Investment Needs
- Overview of Potential Funding Mechanisms
- History of Kirkland Levies
- Ballot measure options
- Timing
- Next Steps

### **Parks and Community Services Department Overview**

The mission of the Parks and Community Services Department (PCS) is to:

*Support a healthy and sustainable community by providing high quality parks and recreation services, ensuring a collaborative community response to basic human needs, and protecting our natural areas.*

There are 4 overarching goals that provide direction on both a strategic and operational level.

- Preserve and maintain park lands and open spaces to create safe places for people to visit.
- Conserve and sustain natural areas for the benefit and enjoyment of current and future generations.
- Provide comprehensive year-round recreation opportunities to enhance physical, mental and social well-being.
- Establish partnerships to ensure a comprehensive system of programs, facilities and services are available to meet the recreation and human service needs of the Kirkland community.

The PCS Department is currently organized into 5 divisions: administration & planning, special events, recreation, parks and human services. For Fiscal Year 2020 and 2021, there were 59.5 total benefitted positions; 3 of these positions were limited term. Please refer to Appendix A for details about each division. Also, the most recent Parks maps is shown in Appendix B.

For the purpose of this memo, financial data excludes the portion of the Parks and Community Services Department budget dedicated to human services.

Kirkland is allocating more than \$12.8 million for PCS expenditures in 2022, up nearly \$4 million, or 44%, from 2013, including support from the General Fund, levy revenues and other parks revenues, such as those from fees for service.<sup>1</sup>

As the table below demonstrates, the largest portion of PCS expenditures are dedicated to maintenance (\$6.6 million), followed by recreation services (\$3.7 million).

Parks & Community Services (PCS) Expenditure Budget 2013-2022											% Change from 2013 - 2022
Division	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
PCS Administration	882,069	1,350,172	1,154,460	918,585	989,829	1,170,510	1,040,481	1,236,746	1,526,870	1,147,619	30%
Special Events	162,243	148,995	165,651	174,824	178,192	175,622	185,459	190,938	204,016	206,729	27%
Parks Management (Maintenance)	4,956,219	5,111,101	5,406,902	5,445,271	5,373,748	5,460,789	6,103,060	6,145,295	6,699,168	6,583,247	33%
Recreation Services	2,176,292	2,198,858	2,326,789	2,444,766	2,766,891	2,807,108	3,286,392	3,369,340	3,621,083	3,843,571	77%
Senior Council	17,800	12,800	30,035	17,900	19,700	6,900	66,009	46,073	9,423	5,423	-70%
Youth Services	347,791	333,604	341,863	334,050	339,955	335,606	289,587	300,268	260,048	276,860	-20%
Green Kirkland Partnership	353,542	418,225	493,437	506,467	503,994	479,547	779,695	788,687	795,480	784,544	122%
<b>Total PCS Budget</b>	<b>8,895,956</b>	<b>9,573,755</b>	<b>9,919,137</b>	<b>9,841,863</b>	<b>10,172,309</b>	<b>10,436,082</b>	<b>11,750,683</b>	<b>12,077,347</b>	<b>13,116,088</b>	<b>12,847,993</b>	<b>44%</b>

Financial support for Kirkland's parks and recreation programs has long been a priority for Kirkland's residents and elected officials alike. Since 2013, the City has dedicated an average of 7.1% of General Fund expenditures to Parks.<sup>2</sup>

\$ in millions	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total General Fund Expenditures	84.8	83.2	92.0	91.5	104.3	101.9	109.6	122.8	128.0	121.0
Total Parks General Fund Expenditures*	6.0	6.5	6.8	6.7	7.2	7.2	7.8	8.0	8.7	8.4
<b>Parks as a % of General Fund</b>	<b>7.1%</b>	<b>7.8%</b>	<b>7.4%</b>	<b>7.4%</b>	<b>6.9%</b>	<b>7.1%</b>	<b>7.1%</b>	<b>6.5%</b>	<b>6.8%</b>	<b>7.0%</b>

\* Excludes human services funding, transfers and reserves

Further, Kirkland voters have approved two permanent parks property tax levies over the past two decades to support operating costs:

- 2002 Parks Maintenance Levy (forecast to generate \$1,339,968 in revenue in 2022)
- 2012 Parks Levy (forecast to generate \$2,493,860 in revenue in 2022)

Kirkland voters have also approved several bond measures over the decades for capital investments:

- 1989 & 1990 Parks Bonds (retired)
- 1995 Forbes Creek Bonds (retired)
- 2002 Park Bonds – included five playfield projects, land acquisition and development of Houghton Park (expires December 31, 2022)

While Kirkland's commitment to parks and recreation funding has remained fairly consistent over the years, the community has expressed an interest in additional services beyond what is currently funded, as evidenced by feedback received from the Parks, Recreation and Open Space (PROS) plan community survey which will be discussed later in the memo. These desires are beyond what the City can afford through existing revenue streams. If the City wishes to expand its support for parks and recreation services, it will either need to reprioritize funding from other departments or pursue additional revenues sources.

<sup>1</sup> Excludes human services investments, reserves and transfers and capital expenditures.

<sup>2</sup> Excludes community services investments and reserves and transfers.

## **Parks Recreation and Open Space (PROS) Plan Community Survey**

The Parks & Community Services Department (PCS) is in the process of preparing the 2022 Parks, Recreation, and Open Space (PROS) Plan. As part of this effort, PCS engaged the services of GreenPlay LLC to conduct a statistically-valid community survey and an outreach and engagement process to solicit community input on the future of Kirkland's parks programs. While GreenPlay LLC is still evaluating the overall results of the survey and community engagement sessions,<sup>3</sup> the preliminary survey results suggest the following:

Top-three area for improvement that would increase parks participation:

- Year-round restrooms
- Recreation center or indoor aquatics centers
- Better lighting (parks, trails, facilities)

Parks amenities:

Top-three "high importance" choices:

- Parks and open space
- Trails in parks and/or city trail systems
- Restrooms in parks

Top-three areas where "needs not being met":

- Synthetic turf fields
- Pickleball courts
- Off-leash dog areas

Amenities rated as both "high importance" and "needs not being met"

- Restrooms in parks
- Community gardens
- Outdoor pool

Recreation programs:

Top-three "high importance" choices

- Special events
- Environmental and outdoor programs
- Fitness programs

Top-three areas where "needs not being met":

- Adaptive/special needs programs
- Culturally-specific programming for seniors
- Environmental and outdoor programs

Recreation programs rated as both "high importance" and "needs not being met"

- Aquatics programs
- Fitness programs
- Arts, crafts and dance programs
- Health and wellness programs

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<sup>3</sup> A final report with the complete survey and outreach results is expected in February.

When parks, amenities and recreation evaluated together:

Top-three “high importance choices:

- Parks and open space
- Trails in parks and/or city trail system
- Restroom in parks

The survey also asked for opinions regarding future funding of parks. Specifically, the survey asked:

*The recommendations from this survey could possibly require financial support. Current funding sources for Kirkland Parks and Community Services are property taxes, sales tax, state aid, grants, donations, and fees. Please indicate how strongly you support each of the following potential funding sources.*

The table below shows the percentage of survey participants who said they would “definitely” or “probably support” each option listed on the survey. Each option is shown exactly as it was worded on the survey.

Survey Option	% Definite or Probable Support
Bond referendum for specific projects	60%
Bond referendum for indoor aquatic facility	60%
Bond referendum for indoor recreation center	57%
Increased user fees	56%
New tax body such as a metropolitan park district	28%
Increased property tax	26%
New dedicated sales tax	24%

It is important to note that there are some incongruities in the results above. “Bond referendums” have high support, while taxes have weak support. Bond referendums are typically supported by a tax increase. Based on this, it seems that survey participants may not have fully understood the options presented to them. This suggests that if the City were to decide to proceed with a ballot measure that additional education and outreach would be required.

For a more complete discussion of the survey results, please refer to Appendix C. For a copy of the survey questionnaire, please refer to Appendix D.

### **Parks Investment Needs**

Based on the survey results above, as well as community feedback PCS has received over the past five years, the community’s desires for future parks investments generally fall into the following categories:

- **Improvements & Enhancements** to current offerings and services, including parks maintenance, expanded levels of service for parks amenities and programs, customer service, and accessibility and inclusivity. Other needs in this area include communication, outreach, data, reporting and policies and procedures.
- **Expansion** opportunities beyond what is currently offered.

The table below lists potential investment opportunities to address each of the categories listed above. The table delineates estimated capital and operating costs, where known, using 2021 dollars. The table does not attempt to factor in inflationary or soft costs. If the City Council were to decide to proceed with any of these options, staff would work to further refine the costs estimates.

<b>Improvements and Enhancements:</b>	<b>Approximate Capital Expenses</b> *2021 dollars with no soft costs added (e.g., design, permits, construction management, etc.)	<b>Approximate Annual Operating Costs</b> *2021 dollars with no inflationary factor, includes labor, materials, utilities, etc.
Added amenities in parks to allow for expanded use and accommodation of population growth <ul style="list-style-type: none"> <li>• Pickleball (each)</li> <li>• Sports court (each)</li> <li>• Off leash dog park (in-house)</li> <li>• Community gardens</li> </ul>	\$338,194 (1 of each)	\$38,000
Continuation of pilot special events and programs: <ul style="list-style-type: none"> <li>• Events: Harvest Festival, Taste of Kirkland, Light Up Kirkland, See Spot Splash, Polar Bear Plunge, Movies in Parks, Día De Los Muertos, etc.</li> <li>• Programs: Teen programs, fitness in the parks, alternative sports tournaments, health &amp; wellness programs, specialty camps, etc.</li> </ul>	N/A	\$301,532 (after revenue offset)
Consistent communication, improved website, social media presence, communications in multiple languages, outreach & engagement	N/A	\$139,321
Consistent customer service at all service counters (1 FT staff at each of 3 service centers)	N/A	\$402,490
Updates in planning and administration: <ul style="list-style-type: none"> <li>• Planning position to keep up with current and increasing planning &amp; capital projects, project partnerships, easements/acquisitions</li> </ul>	N/A	\$293,809

<ul style="list-style-type: none"> <li>Customer feedback processes, data collection &amp; analysis, dashboards, annual reporting, policies &amp; procedures, staff training &amp; retention</li> </ul>		
Improve parks maintenance standards, enhance "green practices", increase water & irrigation, improve field playability, add planter baskets	\$368,833	\$215,609 (after revenue offset)
Open all park restrooms year-round	\$72,500	\$169,220
Make parks more accessible (ADA transition plan identified top priorities)	\$4,425,762	Unknown
Improve park safety and security (additional lighting, security cameras, more park ranger coverage, automated gates)	\$402,750	\$200,173
Update and add park wayfinding, rules, and educational signage	\$700,000	N/A
Add restrooms (McAuliffe, Terrace, North Rose Hill Parks)	Up to \$1.2M (stick & build, size dependent)	\$75,450

<b>Expansion:</b> Grow parks, recreation & community services	<b>Approximate Capital Expenses</b> *2021 dollars with no soft costs added (e.g., design, permits, construction management, etc.)	<b>Approximate Annual Operating Costs</b> *2021 dollars with no inflationary factor, includes labor, materials, utilities, etc.
Park acquisitions focusing on N. Kirkland	\$675,000 per acre based upon a recent appraisal	\$26,750 (varies if several amenities added)
New trails in parks	\$550,000 for a 1 mile, 10 ft wide asphalt path	\$2500 per mile
New synthetic turf fields and/or conversion of current fields to synthetic turf	\$840,000 (replace grass w/synthetic)	\$20,250
Indoor recreation and/or aquatics center(s)	\$75,000,000 (85,000 sq ft, based on 2019 regional analysis report, no land acquisition)	\$3,000,000
Local recreation center	\$38,000,000 (40,000 sq ft, based on 2019 regional analysis report, no land acquisition)	\$1,500,000

When considering these potential investments, it is important to note that some of these items may be accommodated within existing capital and operating revenue streams. The larger the scope of the investment(s), the more likely it will be that the City would need to identify a new revenue source(s), including potentially a ballot measure(s).

The table below provides a sample of items that the City Council may wish to consider bundling as ballot measure packages, with estimated costs.

The menu of options for each package includes a capital element and an operating element. When considering capital investments, it is critical that the City also consider operating costs in order to sustain the capital investments. These packages are not formal proposals. Rather, they are provided to give the City Council a sense of scope.

An immediate threshold question for the City Council is whether it wants to pursue a more modest set of investments (something along the lines package A) or something more expansive in scope (something along the lines of packages B or C). The City Council would also need to ultimately decide which investment to include the package. The bigger the size and the more complex the package, the longer the lead time the City will likely need to prepare for the ballot measure. For example, if the City Council were to decide it wanted to include a recreation and aquatics center in a ballot measure, staff would need to develop more refined design and costs estimates (capital and operating) and identify a potential site(s) for the facility. Ballot measure timing is discussed in more detail later in this memo.

**Package A:** Base Package of Modest Parks and Recreation Improvements and Enhancements

<b>Total Capital</b> <ul style="list-style-type: none"> <li>• Improve parks maintenance, winterize restrooms</li> <li>• Add park amenities (1 set of pickleball courts, 1 sports court, 1 off leash dog park)</li> <li>• Add community gardens</li> <li>• Add restrooms</li> <li>• Improved field playability</li> <li>• Parks wayfinding</li> <li>• Park safety &amp; security</li> <li>• ADA accessibility projects</li> </ul>	\$7,809,571
<b>Total Operating</b> <ul style="list-style-type: none"> <li>• Improve parks maintenance, maintain year-round restrooms</li> <li>• Maintain new park amenities &amp; gardens</li> <li>• Manage park security &amp; lighting systems</li> <li>• Communications &amp; outreach</li> <li>• Expanded programming and community events</li> <li>• Planning &amp; administration</li> </ul>	\$1,535,072
<b>Grand Total</b>	<b>\$9,343,643</b>

**Package B:** Comprehensive Package of Improvements, Enhancements and Moderate Expansion

<b>Total Capital (Package A&amp;B)</b> <ul style="list-style-type: none"> <li>• Base package A with improvements &amp; enhancements</li> <li>• New 4-acre park</li> <li>• Convert 1 grass field to synthetic turf</li> <li>• Recreation &amp; aquatics center</li> </ul>	\$86,349,571
<b>Total Operating (Package A&amp;B)</b> <ul style="list-style-type: none"> <li>• Base package A with improvements &amp; enhancements</li> <li>• Maintain new park</li> <li>• Maintain new synthetic field</li> <li>• Recreation &amp; aquatics center operations</li> </ul>	\$4,581,072
<b>Grand Total (Package A&amp;B)</b>	<b>\$90,930,643</b>

**Package C: Comprehensive Package of Improvements, Enhancements and Large Expansion**

Total Capital (Package A&C)	\$163,189,571
<ul style="list-style-type: none"> <li>• Base package A with improvements &amp; enhancements</li> <li>• New 4-acre park</li> <li>• Convert 2 grass fields to synthetic turf</li> <li>• Recreation &amp; aquatics center</li> <li>• 2 local recreation centers</li> </ul>	
Total Operating (Package A&C)	\$7,581,072
<ul style="list-style-type: none"> <li>• Base package A with improvements &amp; enhancements</li> <li>• Maintain new park</li> <li>• Maintain new synthetic fields</li> <li>• Recreation &amp; aquatics center operations</li> </ul>	
<b>Grand Total (Package A&amp;C)</b>	<b>\$170,770,643</b>

Based on 2022 assessed valuation (AV) in Kirkland, every \$1 million the City hopes to generate from an operating levy would require a levy rate of \$0.027048 per thousand dollars of AV. As the median assessed home value in Kirkland is \$728,000, a \$1 million operating levy would cost the average home owner \$19.69 per year. At the higher estimate of \$7.6 million in operating dollars (package C), the median homeowner would pay approximately \$150 per year.

A capital levy of \$7.8 million (package A) would require around \$505,000 in annual debt service for twenty years, based on information received from the City's financial advisors. This would cost the average homeowner around \$10 per year. At the higher end, an issuance of \$163.2 million would require \$10.4 million and cost \$205 per year to the owner of a median home.

The table below summarizes how each of the funding packages described above would impact the average homeowner if all the costs were covered by revenues generated from a ballot measure(s).

	Package A	Package B	Package C
<b>Capital Levy Assumptions</b>			
Annual Debt Service	\$505,104	\$5,499,943	\$10,392,017
Levy Rate to Repay Proposed Debt	0.013662	0.148764	0.281086
Annual Impact on Homeowner	\$ 9.95	\$ 108.30	\$ 204.63
<b>Operating Levy Assumptions</b>			
Annual Levy Amount	\$ 1,500,000	\$ 4,600,000	\$ 7,600,000
Annual Levy Rate	0.040572	0.124422	0.205567
Annual Impact on Homeowner	\$ 29.54	\$ 90.58	\$ 149.65
<b>Combined Levies</b>			
Total Annual Impact to Homeowner	\$ 39.48	\$ 198.88	\$ 354.28

**Overview of Potential Funding Mechanisms**

State law provides several revenue tools that the City may choose to use to generate additional funding to support parks. These include:

- **Voter-Approved Property Tax Levy Lid Lift** – Authorized by [RCW 84.55.050\(1\)](#), revenue from a property tax levy lid lift can be used for any purpose (capital and/or operating) as defined by the ballot measure language and can be used for a finite period of time or permanent in duration. The initial "lift" occurs in the first years of the tax,

with annual increases in subsequent years limited to the lesser of one percent or the implicit price deflator (IPD). If levy proceeds are used to repay limited tax general obligation (Councilmanic) bonds, the lid lift is limited to a nine-year duration.

The City has two existing permanent levy lid lifts to fund parks:

- 2002 Parks Maintenance Levy
- 2012 Parks Levy

If the City Council were interested in pursuing a new levy lid lift to support additional parks investments, it could pursue a new lid lift that could be:

- in addition to the two current parks levy lid lifts, and/or
- consolidate/replace the existing levy lid lifts, plus add additional funding

A levy lid lift requires a simple majority (50% + 1 approval) vote.

- **Voter-Approved Excess Property Tax Levy/Tax Bond Measure** – Authorized by [Article VII, section 2\(b\) of the Washington State Constitution](#), revenue from an excess levy can be used for capital purposes and the term is determined by the life of the proposed bonds, not to exceed the useful life of the facility paid for by the bonds. An excess levy requires a supermajority vote (60% approval) plus a minimum 40% turnout based on the last general election. The City has one excess levy on the books. The City is currently in the final year of the 20-year-debt issued as part of the 2002 parks ballot measure (a companion of the permanent 2002 maintenance levy referenced above). After these debt service payments are completed in December 2022 the City will have no voter approved excess levies on the books.
- **Metropolitan Park District** – As authorized by [RCW 35.61](#), a metropolitan parks district (MPD) may be created for the management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards and recreation facilities. An MPD is an independent governing body<sup>4</sup> and taxing authority. Creation of an MPDs requires voter approval (simple majority). Once created, the MPD Board (or the City Council acting as the Board) would have the authority to impose an additional regular property tax that is outside of and in addition to the City's existing levies to cover capital and/or operating costs.<sup>5</sup> The statutory maximum is \$0.75/\$1,000 of assessed property tax valuation, but this may be set at a lower level in the initial formation ballot measure. MRSC provides a comprehensive summary of [MPDs](#).

According to MRSC, there are currently [23 MPDs in Washington State](#), including the Seattle Metropolitan Parks District and Metro Tacoma Parks.

Unlike levy lid lifts and excess levies, which lend themselves to more narrowly defined investments, MPD are an important tool for addressing a broader set of capital and operating needs under a single ballot measure. For example, if the City Council were interested in funding an aquatics and recreation center and determined that it would need revenues to support both capital and operating costs. Using a levy lid lift or an

<sup>4</sup> While an MPD is a separate governing body, similar to a Transportation Benefit District, a city council can, through separate legislation, assume the responsibilities of the MPD and serve as the governing body “the Board” for the MPD provided the MPD’s boundaries are co-terminus with the city’s boundaries.

<sup>5</sup> Because of this, property taxes levied under an MPD do not count against a city’s property tax limits, allowing the city to preserve property tax capacity for other purposes.

excess levy as the funding mechanism would require two separate (yet contingent) ballot items – one asking for capital dollars and one asking for operating dollars. Under an MPD, however, the City could fund both costs with one measure.

If Kirkland decided that it wants to pursue an MPD, it could also use the MPD as a vehicle to consolidate the two existing permanent parks levy lid lifts and repeal those stand-alone levies. This concept could offer the City several advantages. By having all parks-related property taxes consolidated under one taxing mechanism, there could be greater *transparency* around what taxpayers are contributing and how those dollars are invested, making the City more *accountable* for the commitments made to taxpayers. It could also result in greater financial *sustainability* in that it would establish a dedicated on-going revenue source for parks, while also making room within the City's core property tax capacity.

- **Potential Future Sales Tax Tool** – The Washington State Legislature is considering new legislation – [HB 1025](#) – that would authorize an additional voter-approved 0.1% sales tax for parks purposes; this legislation did not pass in the 2021 session but could be revived in 2022 or future legislative sessions. If enacted, it would likely function similar to other current sales tax tools, such as the 0.1% sales tax authorized for criminal justice or the 0.1% sales tax authorized under transportation benefit districts. Each of these sales tax options require voter approval and are allowed for a duration of 10-years unless the revenue for from the sales tax supports debt service costs, in which case the tax can remain in place for the duration of the debt up to a maximum of 20-years.

### **History of Kirkland Property Tax Levies**

In addition to the General Fund dollars that the City allocates to support the Parks and Community Services Department, the City has come to rely on two permanent voter-approved property tax levies to support the Parks department, including:

- 2002 Parks Maintenance Levy (forecast to generate \$1,339,968 in revenue in 2022)<sup>6</sup>
- 2012 Parks Levy (forecast to generate \$2,493,860 in revenue in 2022)

The table below shows Kirkland's current property tax levies, including the base General Fund property tax levy and those approved for non-parks purposes, and how they stack up against Kirkland's maximum property tax levy capacity.

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<sup>6</sup> In addition, voters approved an excess capital levy in 2002, which is set to expire at the end of 2022.

Levy	Year Passed	Duration	Rate/\$1,000 of Assessed Value	2022 Revenue Forecast (\$ in M)
Base Levy (General Fund)	n/a	permanent	0.71663	25.1
Parks Maintenance Levy*	2002	permanent	0.03308	1.6
Road Levy	2012	permanent	0.08820	3.8
Parks Levy	2012	permanent	0.06615	3.0
Fire & EMS Levy	2020	permanent	0.19845	7.3
<b>Total Regular Levy</b>			<b>1.1025</b>	40.8
Excess Levy for 2013 Refinanced Bonds**			0.01010	0.3
<b>Maximum Statutory Levy</b>			<b>3.53268</b>	
<b>Remaining Levy Capacity</b>			<b>2.42008</b>	

\* not including 20-year parks capital levy that is set to expire in 2022

\*\* this is the final year of debt service on the 2002 capital levy that expires at the end of 2022

The City's last major attempt at a parks-related ballot measure sought voter approval in 2015 for the formation of a metropolitan park district (MPD) for an aquatics and recreation center. This ballot measure failed primarily because voters were concerned that approving the MPD would give the City a "blank check" to raise property taxes up to the \$0.75/\$1,000 statutory maximum even though the funding need for the aquatics and recreation center was far lower than this amount. Hearing this concern from the voters, Kirkland advocated to the State Legislature to change the statute. The law now allows jurisdictions seeking approval for an MPD to limit the authorized taxing authority and purpose in the ballot language seeking authorization to create an MPD. If Kirkland were to decide it wanted to seek approval for an MPD, the City should consider the lessons learned from the last attempt.

It is important to also note that the City of Kirkland has successfully secured approval from voters for sales tax increase to support basic services. In 2018, Kirkland voters approved a permanent 0.1% increase in the Kirkland sales tax rate in support of public safety investments. The City is forecasting roughly \$2.5 million in revenues from the sales tax increase in 2022.

This experience may also be instructive as the City Council considers parks revenue strategies. If the State Legislature enacts [HB 1025](#), as described above, this could be another revenue tool that the City Council may wish to consider.

### **Ballot Measure Options**

If the City Council were to decide that it wishes to put a parks ballot measure before Kirkland voters, it has several options. The options presented here may be used singly or in any combination:

- Levy Lid Lift
- Voted Excess Levy Bond Ballot Measure
- Metropolitan Park District

In considering which of these options to present to the voters, considerations may include:

- ***Is the goal to provide one-time capital funding? Or funding for ongoing maintenance and/or operations and programming?***

The parks investment options described earlier in this memo include both capital and operating needs. For example, if the City were to decide it wanted to fund a new recreation and aquatics center, it would need capital dollars to build the facility(s) as well as operating dollars to run the facility once it opens.

A levy lid lift is generally better suited for operating funds and minor capital. If used to repay bonds, nine years is the limit and the revenue stream will not precisely match the debt service. It is less-well suited as an option for debt-financed capital needs.

An excess levy bond measure will provide capital funding but may not be used to replace equipment. It also may not be used for ongoing operating or maintenance.

A metropolitan park district offers the most flexibility to cover operating and capital costs. Once formed, an MPD may use its levy dollars for both capital and operating purposes as deemed necessary. This can be directed or restricted by limitations in an interlocal contract or (to a lesser extent) in the formation ballot measure.

- ***Is the goal to fund a targeted project? Or will the funding support a variety of projects and/or programs?***

Any of the three options may be tailored to a targeted project or may be crafted to provide broader support for a variety of purposes and programs. A levy lid lift can be drafted narrowly or broadly. A bond ballot measure may support a single or multiple capital projects. A metropolitan park district may have all the statutory powers available to it or may be limited by the formation ballot measure.

- ***Is the goal to provide one-time funding? Or a stable funding base that will supplement the City's existing funding into the future?***

A bond ballot measure will provide one-time funding for capital improvements.

A levy lid lift and a metropolitan park district are both tools that can provide ongoing levels of funding support. A levy lid lift will restrict a portion of the City's regular levy capacity; a metropolitan park district will provide new property taxing authority and will not restrict the City's levy capacity for other purposes.

The tools can be used in combination. If multiple ballot measures are presented to the voters, they can be made contingent on passage of one another. For example:

- The City could propose a bond ballot measure for construction of a single discrete capital project, such as a new aquatic center or indoor recreation facility. It could be made contingent on the passage of a levy lid lift for ongoing maintenance and operations of that facility. A similar bond measure strategy could be employed funding capital projects, with a companion levy lid lift to fund maintenance or programming.
- The City could propose formation of a metropolitan park district, contingent on passage of a levy lid lift that would either roll back or eliminate the 2002 and/or 2012 levy lid lifts. If both measures were to pass, the City would eliminate the incremental property taxes associated with those prior levy lid lifts, offsetting a portion of any increase due to the property tax levied by the metropolitan park district. If either measure failed, the existing levy lid lifts would remain in place.

**Considerations Relating to Metropolitan Park District Proposals.** The 2015 proposal to establish a metropolitan parks district is still fresh in many memories. That proposal was an effort to fund a discrete project (aquatic and recreation center) and to restrict the metropolitan park district to serving that purpose. But state law and the ballot title did not prevent a future Council from increasing the levy rate without a public vote. This uncertainty was a key reason the measure failed. State law now allows the MPD ballot title to “cap” the tax rate and prevent future Councils from exceeding the approved rate without returning to the voters.

A new metropolitan park district proposal could be presented as primarily a funding mechanism to supplement the City’s support for its parks. Under this scenario, the City could ask voters for funding to support expanded services and also consolidate the two existing parks levies under the MPD umbrella and repealing the stand-alone levies. By consolidating all parks-related property taxes under one taxing mechanism, the City could offer taxpayers greater *transparency* around what they are contributing in support of parks and how those dollars are invested, making the City more *accountable* for the commitments made to taxpayers. It could also result in greater financial *sustainability* in that it would establish a dedicated on-going revenue source for parks, while also making room within the City’s core property tax capacity. Rather than creating an entity with separate interests dedicated to only an aquatic and recreation center for a portion of the City’s recreational users, a new MPD proposal could provide financial support to the entire system of City’s parks and recreational users.. Ultimately, the MPD tool is quite flexible and can be designed very differently than the 2015 proposal. However, communicating the differences to the voters would be critical in overcoming any potentially negative impression from that MPD history.

### **Timing**

If the City Council were to decide to explore a parks ballot measure, it would need to consider several variables that could influence the potential timing of the ballot measure.

The first variable that could influence timing is the amount of time required to develop the ballot measure package. The more complex the package, the more time staff would need to pull together the details. For example, if the City Council decided it wanted to pursue funding for an aquatics and/or recreation center, staff would need significant time to solicit community feedback and to develop cost proposals and identify potential sites.

Similarly, if the City Council decided it was interested in exploring a metropolitan parks district, it would need to engage in an extensive public engagement and education effort to counter perceptions that linger following the City’s 2015 attempt to create an MPD.

The second variable that could influence the timing of a future ballot measure is the deadlines set in State law for placing an item on the ballot. The table below shows the date by which the City Council would need to approve ballot language for various upcoming election dates.

<b>Election Date</b>	<b>Resolution Filing Deadline</b>
August 2, 2022	May 13, 2022
November 8, 2022	August 2, 2022
February 14, 2023	December 16, 2022
April 25, 2023	February 24, 2023
August 1, 2023	May 12, 2023
November 7, 2023	August 1, 2023

It is important to note that once the City Council approves any ballot measure language, it cannot advocate for the measure. As a result, many jurisdictions use the period leading up to the finalization of the ballot language to engage the community.

In addition to these election-related deadlines, certain other considerations are worth noting:

- A levy lid lift proposal will be effective for the following calendar year.
- A bond ballot measure will permit bonds to be issued any time after the election is certified. Property taxes would be collected only after the bonds are issued. If bonds are approved at a November election, some issuers prefer to issue bonds before the end of the calendar year in order to get the levy onto the rolls for the following year.
- A metropolitan park district would be legally formed once the election results are certified. However, under state law (RCW 84.09.030), new taxing district boundaries must be established as of August 1 in order to levy taxes for the following calendar year. So, a new MPD would need to be approved in February or April 2023 in order to begin collecting taxes in 2024. If approved at the August or November 2023 elections, it would not begin to levy and collect taxes until 2025.

### **Next Steps**

Based on the information presented above, staff is seeking direction from the City Council on a several questions:

1. Is the Council interested in exploring a Parks ballot measure?

If yes:

1. What is the Council interested in funding through a ballot measure?
  - A specific or narrowly defined set of needs?
  - A broader set of priorities?
  - Capital and/or operating needs?
2. What revenue mechanism(s) is the City Council interested in considering?
  - A levy lid lift?
  - Excess levy? and/or
  - A metropolitan parks district?
  - Is additional information needed?
3. How would the Council like to involve the community in the decisions?
4. When might the City Council want to put this issue to the voters?
  - Fall of 2022?
  - Spring of 2023?
  - Fall of 2023?

Based on the direction provided following today's presentation, staff will return at a later City Council meeting with a framework for exploring a ballot measure, including plans for community outreach and engagement, to allow the City Council to continue its deliberative process. The framework would likely include capital and operating costing and feasibility analysis, community surveys, stakeholder outreach and involvement, and a community advisory committee process to make recommendations to the Council.