



MEMORANDUM

TO: Board of Park Commissioners

FROM: Hunter T. George, Policy and Government Relations Officer

THROUGH: Shon Sylvia, Executive Director

SUBJECT: RR53-22 – A Resolution of the Board of Park Commissioners of the Metropolitan Park District of Tacoma, Washington, providing for the submission to the qualified electors of the district at an election to be held on November 8, 2022, of a proposition authorizing the District to lift the property tax levy limit established in RCW 84.55.010 to fund the restoration, preservation, maintenance, operation and security of park, recreation and zoological facilities and programs.

DATE: July 25, 2022

EXECUTIVE SUMMARY: At the July 11, 2022 Park Board meeting, staff requested that the Board consider a ballot proposition asking voters to approve a levy lid lift that restores the District's rate to its authorized amount. There are several types of levy lid lift mechanisms available under Washington State law, and at the time staff believed the best option was the "single-year" levy. However, after the resolution's first reading, staff continued to conduct research into financial projections and discussion with legal counsel and now recommend the "multi-year" levy lid lift. As a result, staff recommend amending RR53-22 to provide a multi-year format and authorize staff to send the amended ballot proposition to the Pierce County Auditor for placement on the November 8 General Election ballot.

BACKGROUND: As discussed in a July 7 memorandum to the Board and at the July 11 Park Board meeting, voters approved a single-year levy lid lift in 2010 that restored the District's levy rate to \$0.75 per \$1,000 of assessed valuation (AV). The District's rate held steady for the next six years. However, this was during the highly unusual economic circumstances of the Great Recession. For example, there was no increase in the total assessed valuation in 2012, and in 2013 AV *dropped* by 9.3%. Current trends are markedly different. In the past three years, AV has increased an average of 10%. Based on current trends we do not believe the next six years will be similar to MPT's last levy lid lift experience using the single-year version. We are also anticipating a higher inflationary rate.

Those rising assessed valuations in recent years caused Metro Parks' levy rate to erode to its current 2022 level of \$0.46 per \$1,000 AV. Restoring the levy rate to the legal limit of \$0.75 in the first year would provide a sufficient revenue increase to offset the significant loss of Covid-relief grant and other funding Metro Parks has received over the last 3 years as well the consistently increasing costs to provide the diverse parks, programs and services that our community requires.

Financial projections show a levy lid lift is critical to Metro Parks' ability to maintain expected levels of service, and restoring the levy rate in the first year will be the most significant change in revenue. However, updated projections show the rate will likely begin to erode soon after the first year under the single-year lift.

On the other hand, using a multi-year levy lid lift would enable Metro Parks to maintain a revenue stream that should be relatively closer to the anticipated rate of inflation and cost growth. In order to provide predictability for the voters, a levy "limit factor" would ensure that regardless of the increase in the assessed valuation, the tax would be capped at 6% (expressed as a limit factor of 106%) *and it would never exceed the authorized rate of \$0.75 per \$1,000 AV.*

The difference in revenue to Metro Parks over 6 years using a multi-year levy lid lift with a 6% cap is estimated to be as much as \$18 million more than the single-year lift. A multi-year levy lid lift would also allow Metro Parks to use its levy rate in the final year, 2028, as its base rate for 2029. Although the levy rate could begin eroding if the assessed valuation exceeded 6% in any year, the multi-year levy lid lift would keep the levy rate closer to the authorized rate for a longer time horizon, thus giving greater predictability to both Metro Parks and to voters.

According to Pierce County Election Office procedures, a resolution requesting a levy lid lift must be filed with the Pierce County Auditor's Office by August 2 for that ballot measure to appear on the November 8, 2022 General Election ballot.

Staff recommends the following motion: **I move to amend RR53-22 to incorporate a multi-year levy lid lift and set the limit factor to 106% for the five subsequent years, and make other conforming changes.**

RR53-22 was prepared with the legal assistance of Pacifica Law Group and MPT counsel Mark Roberts, and financial projection assistance was provided by the public finance section at KeyBanc.

FINANCIAL CONSIDERATIONS: If we assume 6% growth in assessed valuation over six years, MPT would collect \$192.3 million under the single-year lift and \$210.0 million under the multi-year lift. This is how we arrive at the estimate that MPT could collect an additional \$18 million over the six years.

If we assume a more modest 3% growth in assessed valuation, MPT would collect \$186.8 million under the single-year lift and \$189.2 million under the multi-year lift.

ADDITIONAL INFORMATION: If you have additional questions, please feel free to contact me at hunterg@tacomaparks.com or (253) 686-9553.

METROPOLITAN PARK DISTRICT OF TACOMA, WASHINGTON

RESOLUTION NO. RR53-22

- A RESOLUTION of the Board of Park Commissioners of the Metropolitan Park District of Tacoma, Washington, providing for the submission to the qualified electors of the District at an election to be held on November 8, 2022, of a proposition authorizing the District to lift the property tax levy limit established in RCW 84.55.010 for six consecutive years subject to otherwise applicable statutory limitations to fund the restoration, preservation, maintenance, operation and security of park, recreation and zoological facilities and programs.

PASSED: July 25, 2022

PREPARED BY:

PACIFICA LAW GROUP LLP
Seattle, Washington

METROPOLITAN PARK DISTRICT OF TACOMA, WASHINGTON

RESOLUTION NO. RR53-22

- A RESOLUTION of the Board of Park Commissioners of the Metropolitan Park District of Tacoma, Washington, providing for the submission to the qualified electors of the District at an election to be held on November 8, 2022, of a proposition authorizing the District to lift the property tax levy limit established in RCW 84.55.010 for six consecutive years subject to otherwise applicable statutory limitations to fund the restoration, preservation, maintenance, operation and security of park, recreation and zoological facilities and programs.

WHEREAS, the Metropolitan Park District of Tacoma, Washington (the “District”) operates park, recreation and zoological facilities and programs, which require maintenance and operating funds; and

WHEREAS, RCW 35.61.210 authorizes an annual tax levy of up to \$0.75 per \$1,000 of assessed valuation to provide operating revenues for metropolitan park districts; and

WHEREAS, the regular property taxes imposed in support of the District at a uniform rate throughout the District for the years 2010 through 2016 equaled \$0.75 per \$1,000 of assessed value; and

WHEREAS, the taxes levied in support of the District have decreased to the current rate of \$0.46 per \$1,000 of assessed value due to the combination of rising property values and the limits imposed by RCW 84.55.010; and

WHEREAS, the Board of Park Commissioners of the District (the “Board”) and District staff foresee increased demand for park, recreation and zoological services and programs which cannot be adequately met with projected revenues for the years 2023 and thereafter; and

WHEREAS, in the judgment of the Board it is essential and necessary to avoid further limitations in park and recreation service in the District resulting from inadequate revenues, and the Board hereby finds a substantial need to restore the levy rate to maintain park and recreation facilities, programs and services at their current level; and

WHEREAS, RCW 84.55.050 authorizes the voters in the District to authorize multi-year increases above the levy limitations established in RCW 84.55.010 for up to six consecutive years, during which period each year's authorized maximum legal levy shall be used as the base upon which an increased levy limit for the succeeding year is computed; and

WHEREAS, the conditions here and above set forth require the holding of a special election in the District;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF PARK COMMISSIONERS OF THE METROPOLITAN PARK DISTRICT OF TACOMA, WASHINGTON, as follows:

Section 1. Findings. The Board hereby finds that it is in the best interests of the residents of the District to provide additional funds to support park, recreation and zoological facilities, services and programs, including without limitation restoring, preserving, maintaining and operating children's playgrounds, neighborhood parks, community centers, sports fields, restrooms, recreational facilities, and Point Defiance Park/Zoo; making park safety and security improvements; providing and expanding sports, recreation, youth and teen programs; funding wildfire prevention; and preserving lakes, waterfront access, trails, and greenspaces (the "Operations").

The Board shall determine, or provide for the determination of, the scope, timing, order and manner of funding the Operations. The cost of all compensation, benefits, training, support

services, equipment, vehicles, infrastructure, facilities, appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, administrative and relocation expenses and/or administrative expenses and other costs incurred in connection with the Operations shall be deemed a part of the costs of such Operations.

The Board may alter, make substitutions to and amend the description of any of the Operations as it determines is in the best interests of the District and consistent with the general park, recreation and zoological purposes provided herein. If the Board shall determine that it has become impractical to acquire, improve, develop, operate or maintain all or any portion of the Operations by reason of changed conditions, incompatible development, costs substantially in excess of the amount of tax levies and other District funds estimated to be available, or acquisition by a superior governmental authority, the District shall not be required to acquire, improve, develop, operate or maintain such portions.

Section 2. Maintenance and Operations Levy. It is hereby found and declared that the best interests of the District require the submission to the qualified electors of the District of the proposition whether the District shall levy regular property taxes above the levy limitations established in RCW 84.55.010 for their ratification or rejection at an election to be held on November 8, 2022. For the purpose of providing funds to support costs of Operations, the Pierce County Auditor, as *ex officio* supervisor of elections in Pierce County, Washington, is hereby requested to assume jurisdiction of and to call and conduct such election and to submit to the qualified electors of the District for their approval or rejection the proposition set forth below. The proposition would increase the District's regular property tax levy to \$0.75 per \$1,000 of assessed valuation for collection in 2023, and set the limit factor at 106% for each of the five succeeding years, as allowed by RCW 84.55 (resulting in a levy rate not to exceed \$0.75 per \$1,000 and

otherwise applicable statutory limitations). The 2028 levy amount would be used as the basis to calculate subsequent levy limits.

Upon approval of the voters of the proposition hereinafter set forth, the District may use proceeds of such levy for the purpose of paying costs of Operations as provided herein. The Secretary of the Board is hereby authorized and directed to certify the following proposition to the Pierce County Auditor, as *ex officio* supervisor of elections in Pierce County, Washington, in the following form:

METROPOLITAN PARK DISTRICT OF TACOMA, WASHINGTON
PROPOSITION NO. 1

PARK AND RECREATION MAINTENANCE AND OPERATIONS LEVY

The Board of Park Commissioners of the Metropolitan Park District of Tacoma, Washington adopted Resolution No. RR53-22 concerning ongoing parks, recreation and zoological maintenance, operations and security. This proposition funds basic operations, maintenance and cleanliness of neighborhood parks, playgrounds, sports fields, community centers, zoos and facilities; makes safety/security improvements; funds wildfire prevention; preserves open space; expands youth and teen programs; restores the District's regular property tax levy to \$0.75/\$1,000 for collection in 2023; sets the limit factor at 106% for each of the five succeeding years; and uses the 2028 levy amount to calculate subsequent levy limits, as allowed by RCW 84.55.

Should this proposition be:

APPROVED?

REJECTED?

Section 3. Minor Adjustments. For purposes of receiving notice of the exact language of the ballot proposition required by RCW 29A.36.080, the Board hereby designates (a) the Executive Director and (b) Bond Counsel to the District as the designated representatives of the

District to whom such notice should be provided. The Executive Director is authorized to approve changes to the ballot title, if any, deemed necessary by the Pierce County Auditor.

The Board Secretary is authorized to make necessary clerical corrections to this resolution including, but not limited to, the correction of scrivener's or clerical errors, references, numbering, section/subsection numbers, and any reference thereto.

The proper District officials are authorized to perform such duties as are necessary or required by law to submit the question of whether the regular property tax shall be increased, as provided in this resolution, to the electors at the November 8, 2022 election.

Section 4. Local Voters' Pamphlet Authorized. The preparation and distribution of a local voters' pamphlet providing information on the foregoing ballot measure is hereby authorized. The pamphlet shall include an explanatory statement and arguments advocating approval and disapproval of the ballot measure, if any, in accordance with RCW 29A.32.280.

Section 5. Severability. The recitals stated above (i.e., the "Whereas" clauses) constitute specific findings by the Board in support of the passage of this resolution. If any provision of this resolution is declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of any other resolution, or of the levy or collection of the taxes authorized herein.

Section 6. Effective Date. This resolution shall be in full force and effective from and after its adoption and approval.

ADOPTED by the Board of Park Commissioners of the Metropolitan Park District of Tacoma, Washington, at a regular meeting thereof held this 25th day of July, 2022.

METROPOLITAN PARK DISTRICT OF
TACOMA, WASHINGTON

President, Board of Park Commissioners

Clerk, Board of Park Commissioners

ATTEST:

Secretary, Board of Park Commissioners

CERTIFICATE

I, the undersigned, Secretary of the Board of Park Commissioners of the Metropolitan Park District of Tacoma, Washington, (the “District”) and keeper of the records of the Board of Park Commissioners (herein called the “Board”), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. RR53-22 of the Board (herein called the “Resolution”), duly adopted at a regular meeting thereof held on the 25th day of July, 2022.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of July, 2022.

Secretary, Board of Park Commissioners

