PETITION
FUND OUR AGING PARK FACILITIES!

This petition is being sponsored by the Lake City Neighborhood Alliance (LCNA), an organization of 26 community organizations with the mission to protect and enhance the quality of life in the greater Lake City area. Lake City and Green Lake have aging community centers, recommended in the 2016 Community Center Strategic Plan for total replacement. Yet despite having the new Seattle Parks District, their budget spending plan has grossly insufficient funds to replace aging Park facilities. There are many aging Park facilities throughout Seattle. Each of the existing 27 community centers will at some time need extensive renovation or replacement. As a result of the total lack of recognition and action by the Board of Commissioners of the Seattle Park District (all City Council Members) to consider LCNA's request for a new, full-service, Parks-operated community center, LCNA is sponsoring this petition to FUND OUR AGING PARK FACILITIES. This effort is being done concurrently with the Green Lake Community Center group who is also sponsoring a petition to have the Seattle Park District fund aging community centers and pools and to abandon use of privatization. People should feel free to sign both petitions.

Background: Seattle voters approved the Seattle Park District with the understanding that the initial 6-year property tax assessment would not be higher than 33 cents per $1,000 of assessed value, and that this assessment rate would generate approximately $47.9 million dollars a year for the first 6 years of the Parks District's operation.

Problem: With Seattle's unprecedented growth and housing density, the need for Park facilities is great. Replacement and major renovation of aging park facilities are not funded within the existing Seattle Parks District budget. Now two community centers that have been identified by the Parks Department as needing to be replaced will not be replaced, and the budget for the renovation for six other community centers has been substantially reduced. The Board of Commissioners of the Seattle Park District has stated that the wording in the inter-local agreement, which includes the initial 6-year spending plan, prevents any changes to the budget until the next 6-year cycle starting in 2021.This self imposed limitation on funding has resulted in the Park District Commissioners not being able to meet their fiduciary obligation to improve community centers, pools and other park facilities.

Opportunity: As a result of all the new construction, the taxable base of the City has increased by $22.3 billion dollars from 2016 to 2017. The current assessment rate is 27.5 cents per $1,000 of assessed value—well below the promised high level.

Solution: If the current 27.5 cent rate was maintained for the next 3 years, an additional $26 million could be generated by 2020, allowing growth to pay part of this cost. These additional funds should be used to replace and renovate aging Park facilities without resorting to privatization of existing publicly owned Parks' community centers and pools.

SIGN THE PETITION TO URGE OUR BOARD OF COMMISSIONERS OF THE SEATTLE PARK DISTRICT TO DO THE RIGHT THING.

How You Can Help

To get more information please read the **PROBLEM AND SOLUTION STATEMENTS** and **FACTS AND OBSERVATIONS TO CONSIDER, AND** join **The Friends of Funding Our Aging Park Facilities** on Facebook.
https://www.facebook.com/groups/136721480235413/

Please send an email to all 9 Seattle Park District Board of Commissioners and Parks Superintendent Jesús Aguirre and also contact Mayor Ed Murray expressing your support and opinion regarding Funding Our Aging Park Facilities:

debora.juarez@seattle.gov
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bruce.harrell@seattle.gov
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http://www.seattle.gov/mayor/get-involved/contact-the-mayor

The Friends of Funding Our Aging Park Facilities *thank you for your support!*

BACKGROUND, PROBLEM STATEMENT AND SOLUTION

BACKGROUND. Two City Council ordinances resulted in **(1)** a ballot measure for the formation of the Seattle Park District (subsequently approved by Seattle voters in 2014) and **(2)** an inter-local agreement, which established a 6-year spending plan and conditions to be met for the first 6-year funding cycle. Seattle is experiencing unprecedented growth. This growth has significantly increased the taxable value of the City with an increase of $22.32 billion from 2016 to 2017. The total taxable value of the City is projected to continue to increase. This increased taxable base provides an opportunity for the Seattle Park District to fund aging Park facilities without exceeding the taxable rate as stated in the explanation to voters and to have growth of the City pay for some of this cost. The Board of Commissioners of the Seattle Park District has refused to increase the Park District's funding to address the need identified in the *2016 Strategic Community Center Plan* for replacing community centers. As a result, the Parks Department has had discussions regarding privatization as a funding solution, specifically targeting the Green Lake Community Center and Evans Pool.

PROBLEM STATEMENT. The initial 6-year (2015-2020) budget spending plan for the Seattle Park District has grossly insufficient funds to replace aging Park facilities. This lack of funds to replace aging Park facilities is noted in the City Council-mandated *Community Center Strategic Plan* (September 1, 2016. As part of this Strategic Plan, Lake City Community Center and Green Lake Community Center and Evans Pool were identified by the consultant as needing to be completely replaced (estimated cost of $41.4 million); the other six community centers (Hiawatha, Jefferson, Loyal Heights, Magnolia, Queen Anne, and South Park) were identified by the consultant as needing major renovations (estimated at $21 million). Per the consultant, "*This cost far exceeds the funding provided in the Seattle Park District's Community Center Renovation and Redevelopment Initiative, and clearly indicates that SPR [Seattle Parks and Recreation] must prioritize and phase its capital investments to make the best use of limited resources*." Therefore the consultant recommended not replacing either Lake City or Green Lake Community Centers and the Evans Pool and reducing the renovation costs of the other six community centers to $12 million. These recommendations are not inconsequential to the neighborhoods being served. Specifically, Lake City is the only community center in a Hub Urban Village that is without a gymnasium and is the only community center that is not Parks run. Green Lake Community Center has the highest use of any community center in Seattle. Magnuson Community Center was not included in the community center study but is grossly under-sized and now unable to meet the recreational needs of the growing population of marginalized families currently living in, or soon-to-be living in, low-income housing in Magnuson Park. The Board of Commissioners of the Seattle Park District (the City Council) has stated that the wording in the inter-local agreement, which included the initial 6-year spending plan, prevents any changes to the budget until the next 6-year cycle starting in 2021. The Board of Commissioners of the Seattle Park District /City Council Members has refused to take any corrective action to address this funding deficiency. Parks has proposed privatizing our publicly owned Green Lake Community Center and Evans Pool as their solution to replacement—which is totally unacceptable.

RECOMMENDED SOLUTION. Maintain the current assessment rate established for 2017 at 27.5 cents per $1,000 of assessed value through 2020. That action will result in a larger appropriation amount for each succeeding year. Starting in 2018, this action should result in a surplus of over $5 million; over$8 million in 2019 and over $11 million in 2020 that would be used to create a new line item for Replacement of Aging Park Facilities. Consequently, starting in 2018, immediate needs of all 8 community centers included in the Strategic Plan, plus the Magnuson Community Center, could be met by using these funds in conjunction with other funding sources. These additional sources include the current Community Center Rehabilitation and Development line item; allocated Real Estate Excise Tax funds received from the State; budget allocations by the State and King County; and the use of borrowed funds from the issuance of bonds. With this solution, privatization of our existing, publicly owned Parks' community centers and pools is not required.

FACTS AND OBSERVATIONS TO CONSIDER

1. **Fact:** Council Bill # 118055 / Ordinance #124467 created the ballot measure for the Park District, and Council Bill # 118056 / Ordinance #124468 established the provisions for an inter-local agreement, including a fiscal note and initial six-year spending plan to be executed if the ballot measure passed. Both of these ordinances and the inter-local agreement defined the purpose of the Park District to **maintain, operate, and improve parks, community centers, pools,** and other recreation facilities and programs.

   Observation: These three documents clearly establish the **fiduciary responsibility** of the Board of Commissioners of the Seattle Park District to **maintain, operate, and improve parks, community centers, pools,** and other recreation facilities and programs

2. **Fact:** Section 4.2-B of the inter-local agreement states: "The Park District's annual budgets for the first 6 years (2015 through 2020) shall make appropriations sufficient to fund the 6-year spending plan shown in Exhibit A." There was no language regarding under what circumstances any changes would or could be made to the initial six-year spending plan.

   Observation: The City Council created an initial 6-year spending plan for the Park District that was rigid, inflexible, and therefore incapable of addressing any significant changed conditions and/or needs of the Parks Department that had not been identified or addressed at the time the Park District was approved by Seattle voters.

3. **Fact:** The Explanatory Statement for the Park District formation stated that the District would supplement City Funding by imposing a property tax of **approximately $47.9 million per year** for the first 6 years of the District's operation. Based upon a total taxable value of the City of Seattle in 2015 of $144.5 billion ($144,513,932,119), that appropriation amount would have required an assessment rate of 33 cents per $1,000 of assessed value. That assessment rate would have cost the owner of a $440,000 valued home $145 in annual property tax for the Park District.

   Observation: The wording implies that the amount of funding for each year of the Park District's initial 6-year spending plan would be at $47.9 million per year. There was no reference to increasing each subsequent year to reflect inflation. The adopted Park District's initial 6-year spending plan did not follow this limitation, and in fact it is projected to increase the appropriation amount from $47,798,348 in 2016 to $53,338,893 in 2020, which is a $5,540,545 increase (11.6%). The Park District has kept its promise to the voters not to exceed an assessment rate of 33 cents per $1,000 of assessed value and has not imposed a property tax on a $440,000-valued home greater than $145 per year. In fact, due to the large increase in the taxable base of the City from accelerated growth, the current assessment rate in 2017 is 27.5 cents per $1,000 of assessed value, with the annual property tax for the Park District on a $440,000-valued home reduced to $121.

4. **Fact:** The adopted Park District Budget spending plan has no dedicated line item for replacing aging Park facilities that become functionally obsolete due to age and therefore do not lend themselves to major maintenance repairs (this could be considered a changed need). The closest line item in the Park District Budget to this type of funding is the Community Center Rehabilitation and Development line item, which is funded at $4+ million per year with $4,778,406 budgeted for 2020. Based upon cost estimates developed for replacing the Green Lake and Lake City Community Centers and renovating six other community centers, this annual allocation is grossly insufficient and has resulted in a decision not to fund replacement of either identified community centers. The annual allocations for both the Seattle Aquarium and the Woodland Park Zoo in the Park District Budget are also inadequate given the cost for replacing these types of expensive exhibits and buildings.

5. **Fact:** The **City Council-Mandated Community Center Strategic Plan** of September 1, 2016 evaluated the renovation needs for 8 older community centers. The plan indicated that the estimated cost was $62,569,000, which included the replacement of the Green Lake Community Center and Evans Pool ($25 million) and Lake City Community Center ($16.5 million) and major renovations for the remaining six community centers (Hiawatha, Jefferson, Loyal Heights, Magnolia, Queen Anne, and South Park) at $21,069,000. The Strategic Plan recommended that the two replacement community centers not be done and that the major renovations to the other six community centers be reduced by $9 million dollars to $12,000,000. The report indicated that the estimated costs for the renovations far exceeded the funding provided in the Park District Community Center Renovation and Redevelopment line item (the Plan documented a significant changed condition/need). The Plan also indicated that Seattle Parks and Recreation Department was exploring partnering with nonprofit organization(s) to manage, improve, and upgrade the Green Lake Community Center and Evans Pool, which has resulted in negative reactions from the Green Lake neighborhood and other users of that community center and pool. There have been Green Lake community meetings with City Council and Park Department management, a recent *Seattle Times* guest editorial by Mark Higgins in opposition to privatizing Seattle's community centers, and initial petition efforts to use public funds rather than privatization to repair, replace, maintain, manage, and operate Seattle's existing community centers and pools.

6. **Fact:** The 46th District Delegation (Senator David Frockt, Representative Jessyn Farrell, and Representative Gerry Pollet) are seeking to provide up to $5 million in State matching funds if the City makes a commitment to fund a full-service replacement of the Lake City Community Center in a letter dated November 14, 2016. At the same time King County Council Vice-Chair Rod Dembowski sought approval of the King County Council to approve the appropriation of $1,000,000 as part of the King County 2017 Budget to fund needed renovations to the Magnuson Community Center.

7. **Fact:** A large cross-section of Lake City residents as well as representatives from the Magnuson Community Center provided testimony requesting additional funding for replacement and/or major renovations to existing community centers before the following: Board of Commissioners of the Seattle Park District; the City Council's Parks, Seattle Center, Libraries and Waterfront Committee; and the full City Council. There was no acknowledgment of the need, no acknowledgment of the funds offered by the State and King County, no acknowledgement of inadequate funding being provided by the Park District Budget, and no action taken to deal with these issues.

8. **Fact:** Information provided by the City's Budget Office confirms that the taxable value of the City of Seattle's real estate has been increasing at a rapid rate with the current and projected accelerated growth of the City. The total taxable value of the City increased by $22.32 billion from 2016 to 2017. The following actual and projected taxable real estate values for the City were provided by the City's Budget Office:

   2013: $117 Billion ($117,009,682,651)

   2014: $128.2 Billion ($128,205,753,919)

   2015: $144.5 Billion ($144,513,932,119)

   2016: $163.3 Billion ($163,305.559, 891)

   2017: $185.6 Billion ($185,626,174,218)

   2018 Projected: $204.3 Billion ($204,263,042,209)

   2019 Projected: $222 Billion ($221,952,221,556)

   Observation: Starting in 2018, the Budget Office is projecting that the rate of the annual increase would be less, which when applied to the 2019 projection, would result in an estimated $15 billion increase to nearly $237 billion ($236,952,221,556) in 2020.

9. **Fact:** The rapidly increasing total taxable base of the City, which can be identified as a *changed condition*, has resulted in reduced assessment levels to achieve the total appropriation amount shown in the current Park District Budget spending plan. The first year of the Park District taxes could not be collected, so a limited $10 million loan was provided by the City for startup activity. Had the Park District been able to receive property tax revenue in 2015, the assessment rate would have been 33 cents per $1,000 of assessed value in order to generate the $47.9 million number that was in the ballot measure explanatory statement. This assessment would have guaranteed the owner of a $440,000-valued home not to pay more than $145 per year in taxes for Seattle Park District. With a $19 billion increase in the City's taxable base from 2015 to 2016, only a 29.3 cent per $1,000 of assessed value was needed to generate the $47,798,347 appropriation amount needed. That tax rate reduced the property tax on a $440,000-valued home to $129 for the 2016 tax year. With a $22 billion increase in the total taxable value of the City from 2016 to 2017, the required assessment rate dropped even more to 27.5 cents per $1,000, even with a $2,045,213 increase in the appropriation amount to $49,843,850. The lower assessment rate reduced the annual property tax on the $440,000-valued home to $121. This same process repeats itself with increasing taxable value in the City requiring a lower assessment rate to achieve the appropriation amount shown in the spending plan with annual increases to the District Budget and lower tax assessment on the $440,000-valued home.

   Observation: Lowering property taxes is certainly always desirable, *but at what price?* If the shortfall in the Park District fixed spending plan does not provide sufficient funding for replacing needed aging park facilities, such as community centers and pools, *the Board of Commissioners of the Seattle Park District is not able to meet its fiduciary purpose of maintaining, operating, and improving these identified park facilities.* The voters approved the Seattle Park District with a promise by the City of not increasing the annual assessment of 33 cents per $1,000 for the first six-year cycle of the Park District spending plan that would have generated a maximum annual tax assessment of $145 for the $440,000 valued home. If we are able to convince the Board of Commissioners of the Seattle Park District to accept our recommendation for setting the assessment rate at 27.5 per $1,000 of assessed value (annual tax bill on a $440,000-valued home would continue at $121) for the remaining 3 years of the funding plan, the following surplus would be created that could be used to create a dedicated aging Park facilities line item going forward each year:

   2018: $5,172,000

   2019: $8,946,000

   2020: $11,823,000

   $25,941,000 is the total surplus amount generated by 2020. The 2020 surplus amount of $11.823 million could be used as the minimum amount for the replacement of aging park facilities line item going forward in the next 6-year funding cycle, starting in 2021 for the Park District Budget. Importantly, this new line in the Park District budget is being paid for in part by all of the growth taking place now and into the near future of Seattle. This approach will allow the Park District to tax the full or partial value of all new construction in the City to help pay for the ongoing cost of replacing aging Park facilities that are needed to maintain, operate, and improve parks in our neighborhoods and throughout our City.

10. **Fact:** There are over 300 major park facilities in the Seattle Parks and Recreation System. Based upon a 50-year life for a building, at least six park facilities need to be totally renovated or replaced each year.

    Observation: Because of these aforementioned funding restrictions, no major renovations or replacements have been completed since the creation of the Seattle Park District.