

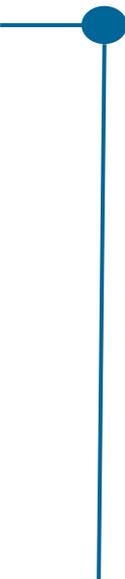


City of Bellevue

Parks Long Term Financing

Michael Shiosaki, Director
Parks & Community Services
Toni Call, Director
Finance & Asset Management

April 18, 2022



Direction

Staff is seeking direction on:

1. Proceeding with continued information gathering regarding a voter initiative
2. Parks & Community Services Board role
3. Park impact fee study

AGENDA



Timeline and Background



Council Follow up



Capital Needs



Current Funding Review



Potential Parks Voter Initiative



Park Board Role



Park Impact Fee Study

Council Priority

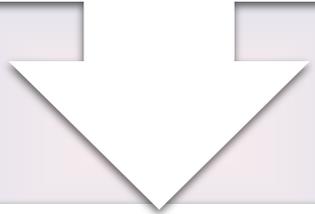
Adopted: May 21, 2021
Council 3-Year Priorities
2021-2023

Priority 9:

“Advance a park funding strategy, including consideration of new funding sources for operations, maintenance and capital.”

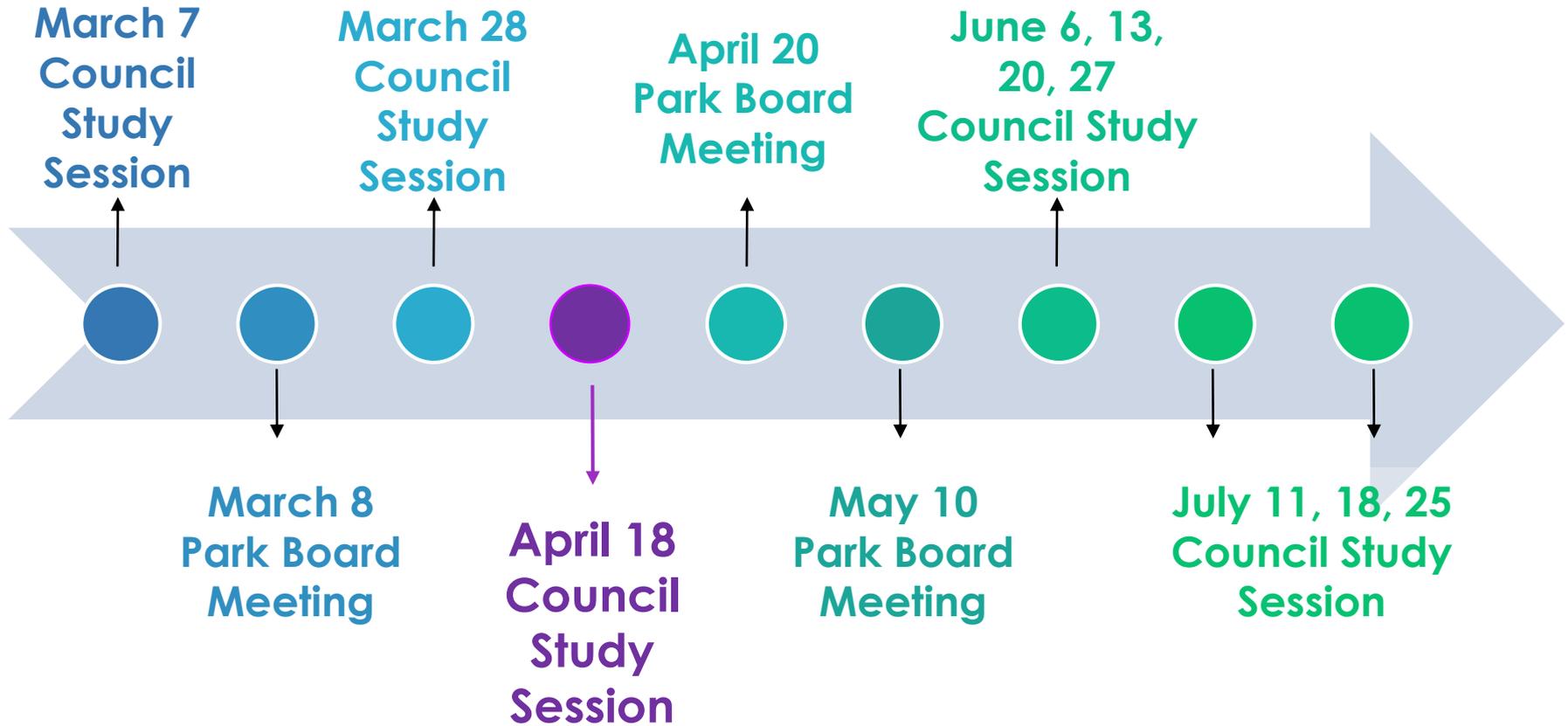
Background

3/7/2022 Budget Workshop -
Overview of the Parks Long Range
Capital Plan



3/28/2022 Council Study Session -
Parks and Open Space System Plan.

Timeline





• **March 7, 2022 City Council Follow up**

Overview of Funding Options:

- Voter- approved initiatives (levy or bond) with option to retire current 2008 park levy
- Park Impact Fee

Parks & Open Space System Plan

2022 Update; Survey Preferences

All Respondents

- ✓ Trails through natural area
- ✓ Paved or gravel trails
- ✓ Beach, waterfront park, or boat launch
- ✓ Unstructured play/picnic areas
- ✓ Park with display gardens
- ✓ Outdoor sports field or sport court
- ✓ Swimming Pool
- ✓ Indoor sports facility or fitness center



Capital Needs

POSSP Focus Categories by Estimated Cost Magnitude

Categories	Estimated Cost (in Millions)
Open Space, Greenways, Wildlife Corridors & Trails	\$30
Active Recreation Facilities	\$130
Park Facilities	\$157
Urban Park Systems	\$127
Waterfront Access	\$236
Total Estimated Capital Project Costs	\$680
Renovation and Refurbishment	\$200
Projected 20-Year Capital Need	\$880

Current Funding Review



2008 Parks and Natural Areas Levy

- **Approved by 67%; Two components**
 1. \$3.4M annual revenue for capital project improvements over 20 years from 2009 to 2028;
 - Estimated future collection thru 2028 = \$20.4M
 - Pending projects: Airfield Park and NP along Lake Sammamish
 2. \$660K annually for Maintenance and Operation (permanent)

Current Funding Review

All capital funding sources



REET (\$10M/year x 20 years)	\$200,000,000
2008 Parks Levy (2021-2028 collection)	\$27,000,000
2020-2025 King County Levy	\$3,000,000
BelRed Development Fees	\$20,000,000
Grants/Other Sources (\$2.5M/year x 20 years)	<u>\$50,000,000</u>
Estimated 20-Yr Revenue	\$300,000,000
Projected 20-Year Capital Need	\$880,000,000
Funding Gap	(\$580,000,000)

Discussion 1: Voter Initiative

	Regular Levy Lift 9-Yr Bond	Regular Levy Lift 20-Yr Pay as You Go	Excess Levy Voter Approved Bonds
Vote Requirement	50% approval	50% approval	60% approval
Voter Validation	No	No	Yes
Ballot Options	Option for single ballot for capital and M&O or separate	Option for single ballot for capital and M&O or separate	Separate ballot for capital and M&O

Regular Levy Lift: 9-Yr Bond

Illustrative Property Tax Scenarios – For demonstration purposes only

Cost per \$1.0M Property Annually	\$50	\$100	\$150	\$200
Property Tax Levy Rate	0.05	0.10	0.15	0.20
Property Tax Levy Annual Amount (\$M)	\$3.9	\$7.7	\$11.6	\$15.4

Regular Levy (Simple Majority)

Bond Value (9 years, 3% Interest Rate)	\$30.0	\$60.0	\$89.9	\$119.9
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Regular Levy Lift: 20-Year Pay As You Go

Illustrative Property Tax Scenarios –
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Cost per \$1.0M Property Annually	\$50	\$100	\$150	\$200
Property Tax Levy Rate	0.05	0.10	0.15	0.20
Property Tax Levy Amount (\$M)	\$3.9	\$7.7	\$11.6	\$15.4

Regular Levy (Simple Majority)

Capital Levy – Pay as you Go (20 years)	\$77.0	\$154.0	\$231.0	\$308.0
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Excess Levy: Voter Approved Bonds

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Cost per \$1.0M Property Annually	\$50	\$100	\$150	\$200
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Property Tax Levy Amount (\$M)	\$3.9	\$7.7	\$11.6	\$15.4

Excess Levy Voter Approved Bond (Supermajority)

Bond Value (20 years, 3% Interest Rate)	\$57.3	\$114.6	\$171.8	\$229.1
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Potential Parks Voter Initiative



Illustrative Property Tax Scenarios – For demonstration purposes only

Cost per \$1.0M Property Annually	<i>\$50</i>	<i>\$100</i>	<i>\$150</i>	<i>\$200</i>
Property Tax Levy Rate	0.05	0.10	0.15	0.20
Property Tax Levy Amount (\$M)	\$3.9	\$7.7	\$11.6	\$15.4

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Excess Levy Voter Approved Bond (Supermajority)

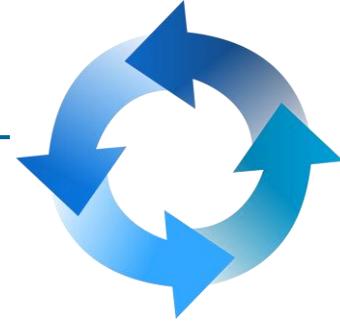
Bond Value (20 years, 3% Interest Rate)	\$57.3	\$114.6	\$171.8	\$229.1
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Discussion 1: Voter Initiative

Should staff proceed with additional information gathering for a voter approved ballot measure to support Parks capital needs and return to Council in June?



Discussion 2: Park Board Role



- ✓ Parks and Open Space System Plan update
 - Extensive Community Input
- **Confirm categories of community priorities**
- **Council to select final projects**

Discussion 2: Park Board Role

Confirm
categories of
community
priorities



Discussion 3: Park Impact Fee

- Assessed on new development projects
- Not voter-approved but tied to development cycle.
- Revenue will fluctuate from year to year.



Discussion 3: Park Impact Fee

Developer Parks Impact Fee from Surrounding Cities

	Single-Family	Multi-Family	Commercial
City	per unit	per unit	per 1,000 sf Rate varies by type of use
Issaquah	\$9,107	\$5,591	\$20-\$1,700
Kirkland	\$5,629	\$4,278	n/a
Redmond	\$5,413	\$3,758	\$650-\$1,466
Renton	\$2,915	\$1,978-\$2,366	n/a
Sammamish	\$6,739	\$4,362	n/a

City of Redmond Park Impact Fee

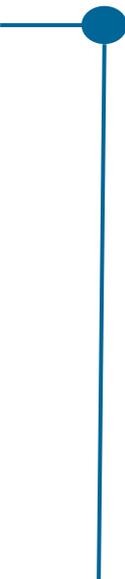
Revenue Example

Since 2018, the City of Redmond's park impact fee has produced revenues between \$2 million and \$4.4 million each year.

Discussion 3: Park Impact Fee Study

Should staff proceed with a Park Impact Fee Study?





Direction

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