



**CITY OF KIRKLAND**  
**Parks and Community Services Department**  
**123 Fifth Avenue, Kirkland, WA 98033**  
**425-587-3300**

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Lynn Zwaagstra, Director  
Hillary De La Cruz, Management Analyst  
Sri Krishnan, Deputy Director, Finance and Administration

**Date:** July 10, 2023

**Subject:** Parks Ballot Measure Ordinance

### **RECOMMENDATION:**

It is recommended that City Council consider the adoption of Ordinance O-4857 (Attachment A).

The ordinance authorizes placement of a permanent levy lid lift on the November 7, 2023, ballot to fund expanded aquatics, recreation and parks facilities, operations, and programs. The ordinance further states the City Council's intention to provide long-term financing for the acquisition, design, construction, and equipping of a new aquatic and recreation center by issuing limited tax general obligation bonds within its allowable non-voted debt capacity and using funds in the City's General Fund and other legally available revenue to pay debt service on such bonds. Ordinance O-4857 as currently written assumes a 20 percent decline in assessed valuation (AV) in setting the maximum City levy rate of \$1.38386 per \$1,000 AV and generates approximately \$10.8 million for the Parks Levy in 2024.

The July 18, 2023, Council meeting is the last regular meeting where the Council may take action to place the measure on the November 7, 2023, ballot.

### **BACKGROUND DISCUSSION:**

At their July 5, 2023, Council meeting<sup>1</sup>, Council heard a presentation on the parks and recreation priority projects funding plan that assumes a 20% drop in assessed valuation and results in the estimated total annual amount of \$10,800,000 needed in new levy revenue in 2024 to fund aquatic and recreation center operations, parks maintenance, year-round restrooms, park rangers, beach lifeguards, sports courts, teen services, green loop trail networks, two implementation positions, and some existing parks operations. Staff presented the most up-to-date information about the predicted drop in Assessed Value (AV) in Kirkland and discussed the implications for setting the maximum City aggregate levy rate in a levy lid lift ordinance. After finalizing the components and funding plan assumptions, Council reviewed draft Ordinance O-4857 and the draft ballot title and provided feedback about the draft ordinance language. This memorandum includes answers to questions raised at the July 5, 2023, Council meeting, updates about the AV drop situation, and edits to Ordinance O-4857 (Attachment A and Attachment B).

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<sup>1</sup> [https://www.kirklandwa.gov/files/sharedassets/public/city-council/agenda-documents/2023/july-5-2023/3a\\_study-session.pdf](https://www.kirklandwa.gov/files/sharedassets/public/city-council/agenda-documents/2023/july-5-2023/3a_study-session.pdf)

## Assessed Value (AV) Estimates and Levy Rate Impacts

### Assessed Value Estimates

On June 15, 2023, a King County Assessor news release stated that “median residential property values fell by 19.8% in the East Kirkland/Rose Hill area” between 2022 and 2023 (see Attachment C). On July 6, 2023, the King County Assessor had another news release that stated “Median residential property values fell by 17.2% in Kirkland” between 2022 and 2023 (see Attachment D). Kirkland staff reached out to the Assessor’s Office to determine how much of Kirkland has been assessed. It is important to note that “Kirkland” in the July 6, 2023, news release refers to only the portion of the City South of NE 116<sup>th</sup> Street, West of I-405, and North of SR 520. Further details are in Attachments C and D. While these drops apply to a specific residential area, similar drops are anticipated across the entire city. Commercial property AVs may also drop; however, the City has not received an official estimate for changes in commercial property valuations in Kirkland. Staff remain in close contact with the King County Assessor’s Office. However, staff are not anticipating additional updates about AV in other parts of the city before the July 18, 2023, Council meeting, but will keep Council informed if new information is received.

Staff also consulted with David Reich, Chief Economist at the King County Office of Economic and Financial Analysis (OEFA) and his staff about their forecast for Kirkland’s AV in 2024. OEFA staff shared the following based on their analysis of available data, which equates to approximately 40% of Kirkland’s AV:

- Residential AV in Kirkland will likely be down 17.9%
- Commercial AV appears to be down 1%, but this is based on only 20 parcels and is therefore not a reliable predictor of the whole City
- Countywide, commercial parcels are estimated to be up about 7% with about 30% reporting but this may or may not reflect the experience in Kirkland

OEFA staff indicated that assuming a 16% to 20% decline in Residential AV would be reasonable. The Assessor’s Office shared that the ratio of residential to commercial AV in Kirkland was 71% to 29% in 2022 (for the 2023 tax year). Considering that only about 40% of Kirkland’s AV has been assessed and of that only 20 parcels are commercial, staff are not able to further refine the projected decline in AV. ***Given the available data, projecting a 20% decrease in the City’s Total AV continues to be a reasonably conservative estimate.***

### Exempted Voted Lid Lifts and Levy Rates

The updated levy rate in the attached ordinance is slightly higher than presented on July 5 (1.3838 instead of 1.3818). The new rate has been adjusted with final calculations needed as the Parks Ballot Measure includes exemptions to qualifying seniors, disabled veterans, and others as allowed by RCW 84.36.381. This makes the ballot measure an *exempted* voted levy lid lift. Including the exemption slightly changes the calculation of property tax as shown below.

#### *Methodology 1 – No voted levy:*

In a typical year *without* a voted levy, the Assessor calculates a city’s levy rate by dividing the amount levied by the taxing district by the taxing district’s total assessed value and multiplying by 1,000. For example, if a taxing district needs \$100,000 and the total assessed value is \$100 million, the levy rate would be \$1.0000 per 1,000 AV.

$$\frac{\text{Amount Levied by Taxing District}}{\text{Total Assessed Value}} * 1,000 = \text{Levy Rate (in cents per \$1,000 AV)}$$

$$\frac{\$100,000}{\$100,000,000} * 1,000 = \$1.00 \text{ per } \$1,000 \text{ AV}$$

If the entire levy is senior exempt and the assessed value is reduced to \$95 million (the adjusted levy AV<sup>2</sup>) due to senior exemptions, the rate would be \$1.05263 to collect the same amount of money. This is considered a Tax Shift.

Under normal circumstances, without a voted levy, the taxable parcels will pay more to cover the exempt parcels.

The Assessor's Office has informed staff that the above needs to be adjusted for a senior exempt voted levy lid lift like the proposed Parks Ballot Measure and indicated that in the case of a voted maximum levy rate, it is more likely that there will be a loss of revenue in the first year versus a tax shift.

#### *Methodology 2 – With voted levy:*

Using the same figures as the above example: Assume the taxing district passes a maximum voted levy rate of \$1.38 per \$1,000 AV. In the first year, the allowable levy would be: rate times assessed value divided by \$1,000,  $(\$1.38 * \$100 \text{ million}) / 1,000 = \$138,000$ . \$138,000 would be the maximum amount the taxing district could lawfully levy in the first year, which also sets the taxing district's levy basis for subsequent years.

In this case, the Assessor would take the following steps:

1. Calculate a rate on the amount of the allowable levy as if the lid lift did not pass. That is,  $\$100,000 / \$100 \text{ million} = \$1.00000$  per \$1,000 AV.
2. Determine the difference between the maximum voted rate of \$1.38 and \$1.00, which is \$0.38 per \$1,000 AV, and is called the lifted portion of the voted rate.
3. Multiply the lifted portion of the voted rate by the adjusted levy AV, which does not include the AV for exempted properties owned by seniors.  $\$0.38000 * \$95 \text{ million} = \$36,100$ .

This produces a total levy of \$136,100 compared to the maximum allowable levy of \$138,000, resulting in a revenue loss of \$1,900 due to the exemption.

To account for the revenue loss that results from the methodology used to calculate levies in the case of an exempted voted levy lid lift like the proposed Parks Ballot Measure, staff calculated the maximum levy rate by:

1. Determining the City's regular levy rate for 2024 with new construction, corrections, and anticipated 1% increase based on the City's total AV;
2. Calculating the levy rate required to generate the \$10,800,000 based on City's adjusted levy AV, which does not include seniors; and
3. Adding the levy rates calculated in steps 1 and 2.

This process was further modified to account for the projected decline in the City's AV as discussed below. The intent is to generate the City's regular levy and the required \$10,800,000 in 2024 without one affecting the other.

#### **Estimated Levy Rates**

At the July 5, 2023, Council meeting staff presented levy rates based on AV data that was received in November of 2022 as part of the annual property tax calculation process. At that point, the total AV for the City was \$48,351,973,565. Based on that data, staff calculated the 2023 regular levy rate for Kirkland as \$0.86418 per \$1,000 AV. The November data was used to set the 2023 levy adopted by Council in December 2022. For consistency, the same data was used in the financial models developed to support the Parks Funding Exploratory Committee

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<sup>2</sup> The "adjusted levy AV", sometimes referred to as the "excess levy AV," is the total taxing district AV less the AV for property owned by qualifying seniors

(PFEC) discussions about the Parks Ballot measure. The financial models were not updated to reflect the information received from the Assessor in February 2023, where in compliance with RCW 84.48.130, the Assessor certified Kirkland's total assessed valuation and provided the following information:

- AV for Regular Levy for Limited Bonds: \$48,360,922,972
- AV excluding all exempt senior citizens: \$48,121,519,302

The King County Assessor's Office staff explained that the difference in AV is the result of last-minute postings and value adjustments due to tax roll corrections. Staff have determined that these changes resulted in the regular levy amount increasing by \$37,079. Staff have since received updated information in the form of the 2023 Levy Rate Book<sup>3</sup> that indicates Kirkland's 2023 regular levy rate is \$0.86479 per \$1,000 AV.

Staff updated the Parks Ballot Measure financial model on July 7, 2023, with the latest information from the Assessor and it now includes the following:

- Updated AV for 2023 Regular Levy of \$48,360,922,972 – this amount includes the 2023 New Construction AV of \$571,985,308. This total AV amount is used to project the 2024 AV based on the percentage of anticipated decline.
- Updated AV for 2023 exempting senior citizens of \$48,121,519,302 – this AV amount reduced by the projected decline is used to determine the levy rate required to generate the required Parks Levy of \$10,800,000 in 2024.
- Updated 2023 regular levy rate from \$0.86418/\$1,000 AV to \$0.86479/\$1,000 AV – this rate is used in evaluating the impact of the projected decline in AV on the regular levy rate with estimated new construction, corrections, and the anticipated 1% increase.

Given the uncertainty of the exact percentage of the decline in the City's 2024 AV, staff generated Table 1 (see following page) to illustrate the estimated levy rates for the City's regular levy (with new construction, corrections, and anticipated one percent increase) and the proposed Parks levy, assuming a range of 17% to 25% decline.

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<sup>4</sup><https://kingcounty.gov/depts/Assessor/~media/depts/Assessor/documents/PropertyTaxes/eRealPropertyRateBook.ashx>

Table 1: Potential Estimated Levy Rates for Possible Total AV Drops to Generate \$10,800,000

[1] Percent Change in AV from 2023 to 2024	[2] Regular Levy Rate with estimated New Construction, Corrections, & 1% Increase	[3] Parks Ballot Measure (\$10.8 million levy) Levy Rate	[4] Total Estimated 2024 Levy Rate
0%	\$0.88470	\$0.22443	\$1.10913
-17%	1.06381	0.27040	1.33421
-18%	1.07666	0.27370	1.35036
-19%	1.08982	0.27708	1.36690
<b>-20%</b>	<b>1.10332</b>	<b>0.28054</b>	<b>1.38386</b>
-21%	1.11715	0.28409	1.40124
-22%	1.13135	0.28773	1.41908
-23%	1.14591	0.29147	1.43738
-24%	1.16085	0.29531	1.45616
-25%	1.17619	0.29924	1.47543

Notes about the data in Table 1:

- The levy rates are for Kirkland’s levies only and do not include the other levy rates (e.g., school district, King County, library district, etc.) a property owner may see on their property tax bill. In 2023, 11.7% of a Kirkland property owner’s total property tax went to the City of Kirkland.
- The Parks Ballot Measure levy rate to generate the required \$10,800,000 is applied only to the AV that excludes all exempt senior citizens per RCW 84.36.
- As the AV drops, in order to generate \$10,800,000 through the levy, the levy rate must increase. See columns [2], [3], and [4].

Building on Table 1 above, Table 2 (see following page) provides an example of what happens at each estimated levy rate for the corresponding percent change in AV for a home that was valued at \$1 million in 2022 for Tax Year 2023, given the assumption that the home’s value drops at the same rate as the total City AV drops. PFEC and previous Council conversations discussed the estimated impact to the owner of a \$1 million valued home as a number that is easier for members of the community to compare to their home than the median home value, also because the final median home value for tax year 2023 was not available until February 2023. Table 2 demonstrates that the homeowner’s new estimated property tax impact for the ballot measure portion of their property taxes remains constant at roughly \$224 regardless of the percent change in AV from 2023 to 2024. For comparison, the PFEC package was estimated to cost the owner of a \$1,000,000 valued home approximately \$232 in 2024.

Table 2: 2024 Property tax increase for Parks Ballot Measure for Home Valued \$1 million for Tax Year 2023 Assuming Home Value Drops at Same Rate as Total City AV

Percent Change in AV from 2023 to 2024	2024 Home Value	Estimated New 2024 Property Tax Impact for Ballot Measure	Estimated Kirkland Portion of Property Tax 2024
0%	\$1,000,000	\$224.43	\$1,109.13
-17%	\$830,000	\$224.43	\$1,107.39
-18%	\$820,000	\$224.43	\$1,107.30
-19%	\$810,000	\$224.43	\$1,107.19
-20%	\$800,000	\$224.43	\$1,107.09
-21%	\$790,000	\$224.43	\$1,106.98
-22%	\$780,000	\$224.43	\$1,106.88
-23%	\$770,000	\$224.43	\$1,106.78
-24%	\$760,000	\$224.44	\$1,106.68
-25%	\$750,000	\$224.43	\$1,106.57

### AV Decline and Impact on Proposed Parks Levy

Based on the available data, staff recommend assuming a 20% decrease in the City's Total AV in 2023 compared to 2022 for the property tax levy in 2024. This translates to setting the maximum levy rate at \$1.38386 per \$1,000 AV in Ordinance O-4857. There exists the possibility that Kirkland's AV might decline more than 20%. Each one percent decline in AV would result in a loss of \$660,753 in Parks Levy revenue. Table 3 shows the estimated loss in Parks levy for declines in the City's total AV ranging from 21% to 25% if the City Council chose to set the maximum rate assuming a 20% drop.

Table 3: Impact of Underestimating Drop in Kirkland's Total AV

Percent Change in AV from 2023 to 2024	Regular Levy Rate with estimated New Construction, & Corrections, & 1% Increase	Difference between Maximum Levy Rate in O-4857 (\$1.38386/\$1,000 AV) and Regular Levy Rate	Applicable Adjusted Levy AV (excludes exempted AV) and includes decline in AV	Estimated Parks Ballot Measure Levy	Difference from Required \$10.8 million
-21%	1.11715	0.266710	38,016,000,249	10,139,247	(660,753)
-22%	1.13135	0.252510	37,534,785,056	9,477,909	(1,322,091)
-23%	1.14591	0.237950	37,053,569,863	8,816,897	(1,983,103)
-24%	1.16085	0.223010	36,572,354,670	8,156,001	(2,643,999)
-25%	1.17619	0.207670	36,091,139,477	7,495,047	(3,304,953)

The loss in Parks Levy revenue is significant because of the methodology used to calculate the levy in the case of an exempted vote lid lift (see section above), which ensures that the regular levy is calculated first and remainder of the maximum voted levy rate is then applied to adjusted levy AV to generate the lifted levy. In this case, the combination of the regular levy using more of the maximum voted levy rate as the AV drops is compounded by the fact that the adjusted levy AV (that excludes AV for exempted properties) is also declining with the City's total AV.

### Houghton Park and Ride Property Purchase Update

At the July 5, 2023, Council meeting, staff shared the update that a Letter of Intent was signed with the Washington State Department of Transportation (WSDOT) earlier that day related to the City's purchase of the Houghton Park and Ride property from WSDOT (see Attachment E).

The letter states the purchase price of \$9,000,000, which Council already set aside funds for in the 2023-2024 biennial budget. While staff do not know the exact timeline for closing the purchase, this letter shows WSDOT's continued commitment to sell the property to the City.

### **Ordinance O-4857**

Ordinance O-4857 (see Attachment A) is proposed to be a single-year permanent levy lid lift to fund expanded aquatics, recreation and parks facilities, operations, and programs. Revenue from the levy lid lift would be placed in a new Parks Levy Fund, which would also fund select current parks operations as outlined at the July 5, 2023, Council meeting.

The estimated total annual amount needed in 2024 is \$10,800,000. To generate this revenue, the levy lid lift would need to raise the City's base levy rate by \$0.28054/\$1,000 AV to a maximum levy rate of \$1.38386/\$1,000 AV. As outlined above, this maximum rate was estimated taking the forecasted drop in AV of 20% into consideration, which alone is estimated to raise the City's base levy rate from \$0.86479/\$1,000 AV to \$1.10332/\$1,000 AV.

The ordinance includes statements that convey Council's intent to levy only the amount needed for the ballot measure elements (approximately \$10,800,000 in 2024). To generate enough funds, with the complication of the drop in AV, the City needs to make a conservative estimate of the maximum levy rate in the ballot measure. The ordinance states that should the maximum levy rate be greater than what is needed to offset fluctuations in assessed values and generate the approximately \$10,800,000 in 2024 (plus allowable 1% and new construction increases), the City would ask the King County Assessor to collect less than the maximum rate.

### **Aquatic and Recreation Center Funding**

Ordinance O-4857 also conveys Council's commitment to build a new aquatic and recreation center that will be approximately 86,000 square feet at the former Houghton Park and Ride site. To provide long-term financing for the acquisition, design, construction, and equipping of the proposed aquatic and recreation center, the ordinance states the City's intention to issue limited tax general obligation bonds within its allowable non-voted debt capacity and to use funds in the City's General Fund and other legally available revenue to pay debt service on such bonds.

### **Revisions to Ordinance O-4857**

Councilmembers requested three revisions to draft Ordinance O-4857 on July 5, 2023. With the help of the City's Bond Counsel, the edits shown here encompass Council's feedback. Other minor grammatical changes were also made to Ordinance O-4857 and are included in a track changes version of the ordinance in Attachment B.

*Add whereas clause about the 2002 parks bonds expiring in 2022.*

Lines 16-19 were inserted to read:

WHEREAS, voters approved a 20 year parks bond in 2002 to finance playfields, playgrounds, land acquisition, and development of Juanita Beach Park, and these bonds matured on December 31, 2022, resulting in a reduction of property taxes starting in 2023; and

*Adjust Line 84 (now 88) to read Green Loop Trail Networks, consistent with ballot title*

*Add estimated incremental increase levy rate*

Lines 136-144 were adjusted to read:

WHEREAS, in order to generate sufficient funds for the proposed park and recreation projects identified in Section 1 below, it is advisable that the Council increase the aggregate property tax levy rate by approximately \$0.28054 per \$1,000 of assessed value for park and recreation projects to \$1.38386 per \$1,000 of assessed value for collection in 2024 to offset any anticipated decrease in assessed valuation, and thereafter to use the resulting levy amount as the basis for computing the limitations for subsequent levies as allowed by chapter 84.55 RCW; and

### **Maximum Levy Rate Revision**

As outlined above, staff further refined the funding model and made minor adjustments that resulted in the levy rate for a projected 20% drop in total AV to be \$1.38386 per \$1,000 AV rather than \$1.38177 per \$1,000 AV. This adjustment was made throughout Ordinance O-4857 and this memorandum for consistency. If Council wishes to further adjust the maximum rate, an amendment can be made at the July 18, 2023, Council meeting.

### **Ballot Title Language**

Council also reviewed an updated ballot title draft and did not request any changes. This draft ballot title included updates on the overall maximum tax rate, the approximate total annual amount needed in 2024. Parentheticals around the RCW references were added to the first reference for consistency, and the word “per” was deleted before (RCW 84.55), resulting in the title now being 74 of the 75 allowable words after “This proposition funds.” The final proposed ballot measure title is below and included in Ordinance O-4857 (Attachment A). If a Councilmember would like any changes to this title, including adjustment of the maximum City levy rate, the change can be brought to the July 18, 2023, Council meeting as a proposed amendment to O-4857.

#### **City of Kirkland Proposition No. #**

LEVY LID LIFT FOR EXPANDED AQUATICS, RECREATION, AND PARKS  
FACILITIES, OPERATIONS, AND PROGRAMS

The Kirkland City Council adopted Ordinance No. O-4857 concerning funding for expanded aquatics, recreation and parks facilities, operations, and programs. This proposition funds aquatic and recreation center operations, parks maintenance, year-round restrooms, park rangers, beach lifeguards, sports courts, teen services, and green loop trail networks by increasing the City's regular property tax levy to a maximum rate of *\$1.38386/\$1,000* of assessed valuation (generating approximately \$10,800,000 for these purposes) for collection in 2024. The 2024 levy amount will be the basis to calculate subsequent levies (RCW 84.55). Qualifying seniors, disabled veterans, and others would be exempt (RCW 84.36).

### **Potential Ordinance Amendments to Request Further Changes**

If a Councilmember would like any changes to Ordinance O-4857, the change will need to be proposed as an amendment at the July 18, 2023, Council Meeting.

#### *Maximum Levy Rate Draft Potential Amendment*

At the July 5, 2023, Council Meeting, Councilmembers asked for more information about the AV drop predictions as outlined above. Based on this additional information, it is possible that Council may decide to change the maximum City levy rate as listed in Ordinance O-4857 and the ballot title in red italics.

If Council wants to change the maximum rate, Council could propose the following amendment with an insertion of the maximum levy rate that Council chooses (see Table 1 for potential maximum rate amounts):

Move to amend Ordinance O-4857 as follows:

- Use a maximum levy rate of \_\_\_\_ in lines 140, 225, 269, which estimates a potential \_\_\_\_ in total assessed valuation in Kirkland.
- Change incremental levy rate in line 139 to read \_\_\_\_\_

### **Questions from July 5, 2023**

Councilmembers asked to see a comparison of how many Full Time Employees (FTE) the Parks and Community Services Department (PCS) has in 2023 and details about what the ballot



measure would add. Table 4 has a comparison of the total number of FTE and Table 5 lists current and proposed position titles; proposed position titles are draft. These tables do not include contingent or seasonal staff. Additionally, there are three Limited Term Employees that are only funded through 2023 (Management Analyst, Communications Program Specialist, Program Coordinator for Teen programs) which are not included in the Current FTE numbers in Table 4.

Table 4: PCS Current Ongoing FTE Count Compared to Proposed Ballot Measure FTE Count by Division

Division	Current FTE (2023)	Ballot Measure Added FTE	Total FTE with Ballot Measure
Administration	4	1	5
Planning	1	1	2
Recreation	13	21	34
Parks Operations	38	3	41
Human Services	5	0	5
Special Events	1	0	1
<b>Total</b>	<b>62</b>	<b>26</b>	<b>88</b>

Table 5: PCS Current and Proposed Ballot Measure Position Titles

Division	Current FTE Position Titles	Ballot Measure New FTE Position Titles (Draft)
<b>Administration</b>	<ul style="list-style-type: none"> <li>• Director</li> <li>• Deputy Director</li> <li>• Administrative Assistant</li> <li>• Office Specialist</li> </ul>	<ul style="list-style-type: none"> <li>• Management Analyst</li> </ul>
<b>Planning</b>	<ul style="list-style-type: none"> <li>• Manager</li> </ul>	<ul style="list-style-type: none"> <li>• Park Planning/Design Specialist</li> </ul>
<b>Recreation</b>	<ul style="list-style-type: none"> <li>• Manager</li> </ul> <p><i>NKCC:</i></p> <ul style="list-style-type: none"> <li>• Recreation Supervisor</li> <li>• Program Coordinator (2)</li> <li>• Program Assistant</li> </ul> <p><i>PKCC:</i></p> <ul style="list-style-type: none"> <li>• Recreation Supervisor</li> <li>• Program Coordinator (2)</li> <li>• Program Assistant</li> </ul> <p><i>Recreation Services:</i></p> <ul style="list-style-type: none"> <li>• Recreation Supervisor</li> <li>• Program Coordinator (2)</li> <li>• Program Assistant</li> </ul>	<p><i>Aquatic and Recreation Center</i></p> <ul style="list-style-type: none"> <li>• Facility Manager</li> <li>• Program Supervisor (4)</li> <li>• Aquatics Supervisor</li> <li>• Aquatics Coordinator</li> <li>• Lifeguards (4)</li> <li>• Front Desk Supervisor</li> <li>• Maintenance Supervisor</li> <li>• Maintenance Tech</li> <li>• Custodial (4)</li> </ul> <p><i>Teen Programs/KTUB</i></p> <ul style="list-style-type: none"> <li>• Program Supervisor</li> <li>• Program Coordinator</li> <li>• Program Assistant</li> </ul>
<b>Parks Operations</b>	<ul style="list-style-type: none"> <li>• Manager</li> <li>• Parks Maintenance Supervisor (3)</li> <li>• Natural Resources Coordinator</li> <li>• Program Coordinator (2)</li> <li>• Program Assistant</li> <li>• Accounts Associate</li> <li>• Lead (4)</li> <li>• Senior Groundsperson (10)</li> <li>• Groundsperson (13)</li> <li>• Park Ranger</li> <li>• Arborist</li> </ul>	<p><i>Restrooms &amp; Sport Courts</i></p> <ul style="list-style-type: none"> <li>• Groundsperson (2)</li> </ul> <p><i>Enhanced Park Safety &amp; Security</i></p> <ul style="list-style-type: none"> <li>• Park Ranger</li> </ul>
<b>Human Services</b>	<ul style="list-style-type: none"> <li>• Manager</li> <li>• Program Coordinator (Youth)</li> <li>• Human Services Coordinator (2)</li> </ul>	

	• Homeless Outreach Coordinator	
<b>Special Events</b>	Special Projects Coordinator	

### Next Steps

The July 18, 2023, Council meeting is the last regularly scheduled meeting at which Council can vote to adopt Ordinance O-4857 to put a single-year permanent levy lid lift on the November 7, 2023, ballot. If Council adopts Ordinance O-4857, staff will work with King County Elections to provide all election related items according to the timeline in Table 6.

Additionally, staff will create educational materials related to the ballot measure to provide the public with fair and accurate information about the ballot measure, in accordance with guidance from the Public Disclosure Commission (PDC). Staff will also provide Council and all City staff with details and training about the PDC guidelines for local government agencies in election campaigns.<sup>4</sup>

Table 6: Ballot Measure Due Dates with King County

<b>Date</b>	<b>Item</b>
<i>July 18</i>	<i>Last Regular Council Meeting to approve Ballot Measure Ordinance for November 2023 Election (Special Mtg still possible) Council to confirm Pro/Con Committee appointments</i>
August 1	Ballot Measure Ordinance and Pro/Con Committee appointments due to King County Elections
August 4	Explanatory Statement due to King County Elections
August 8	Pro/Con Committee Statements Due to King County Elections
August 10	Pro/Con Committee Rebuttal Statements Due to King County Elections
October 18	Ballots mailed; Vote center opens. (Ballot drop boxes open 10/19)
November 7	Election Day

Attachments:

- B: Ordinance O-4857 (track changes)
- C: King County Assessor June 15, 2023, News Release
- D: King County Assessor July 6, 2023, News Release
- E: Kirkland and WSDOT Houghton Park and Ride Letter of Intent
- Ordinance O-4857 (clean copy)

<sup>4</sup> <https://www.pdc.wa.gov/rules-enforcement/guidelines-restrictions/guidelines-local-government-agencies-election-campaigns>

CITY OF KIRKLAND, WASHINGTON

ORDINANCE NO. O-4857

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KIRKLAND, WASHINGTON, PROVIDING FOR THE FORM OF THE BALLOT PROPOSITION AND SPECIFYING CERTAIN OTHER DETAILS CONCERNING SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY AT A SPECIAL ELECTION TO BE HELD THEREIN ON NOVEMBER 7, 2023, OF A PROPOSITION AUTHORIZING THE CITY TO LIFT THE LEVY LIMIT ESTABLISHED IN RCW 84.55.010 IN ORDER TO FUND PARK, RECREATION, AND OPEN SPACE OPERATIONS, MAINTENANCE, SERVICES, AND FACILITIES.

1           WHEREAS, parks and recreation services are a vital component  
2 of the quality of life for all Kirkland community members, businesses,  
3 and visitors and Kirkland values an exceptional parks, natural areas,  
4 and recreation system that provides a wide variety of opportunities  
5 aimed at promoting the community’s health and enjoyment; and

6           WHEREAS, the Kirkland City Council (the “Council”) has  
7 continuously included parks and recreation in biennial Council goals,  
8 most recently with the 2021-2022 goal of Abundant Parks, Open Spaces  
9 & Recreation Services, which seeks to provide and maintain natural  
10 areas and recreational facilities and opportunities that enhance the  
11 health and wellbeing of the community; and

12           WHEREAS, in the past, significant funding for parks and  
13 recreation in the City of Kirkland (the “City”) has been secured through  
14 bonds and levies placed on the ballot and approved by Kirkland voters;  
15 and

16           WHEREAS, voters approved a 20 year parks bond in 2002 to  
17 finance playfields, playgrounds, land acquisition, and development of  
18 Juanita Beach Park, and these bonds matured on December 31, 2022,  
19 resulting in a reduction of property taxes starting in 2023; and

20           WHEREAS, since 2001, the City’s Comprehensive Parks,  
21 Recreation, and Open Space Plans (“PROS Plan”) have identified the  
22 need for more multi-use recreation space in the community; and

23           WHEREAS, aquatic facilities have been an essential part of the  
24 Kirkland community and culture for over 55 years, beginning with the  
25 construction of the Peter Kirk Pool in 1968, followed in 1971 with the  
26 construction of the Juanita Aquatics Center at Juanita High School; and

27           WHEREAS, the Kirkland community’s desire for additional  
28 indoor recreation, aquatics, and gathering space has been well

29 documented, beginning with the 2001 Indoor Recreation Needs Survey  
30 and the 2001 PROS Plan; and

31 WHEREAS, according to the guidelines from the City's 2010,  
32 2015, and 2022 PROS Plans, based on guidelines from the National  
33 Recreation and Parks Association, the current Kirkland public aquatic  
34 facilities do not meet local needs; and

35 WHEREAS, the Kirkland Park Board (the "Board"), together with  
36 the Department of Parks and Community Services (the "Department"),  
37 conducted an in-depth study and review of City programs, policies, and  
38 planning for parks, recreation, and open space, ~~which a~~ process which  
39 included extensive outreach and a statistically valid survey to gather the  
40 opinions and desires of community members; and

41 WHEREAS, the Board and Department, on the basis of the study  
42 and review, and with input from over 4,700 community members,  
43 completed the 2022 PROS Plan; and

44 WHEREAS, the 2022 PROS Plan provides a vision of the City's  
45 parks and recreation system, proposes changes to the City's park level  
46 of service methodology, includes updates to service guidelines, and  
47 addresses goals, objectives, actions, and other management  
48 considerations for the provision of high-quality recreation opportunities  
49 to benefit community members and visitors to the City; and

50 WHEREAS, on September 20, 2022, the Council adopted  
51 Resolution No. R-5555 integrating the 2022 PROS Plan with the City's  
52 Comprehensive Plan update; and

53 WHEREAS, the 2022 PROS plan identifies an indoor aquatic  
54 and recreation center(s) as a top community need, and other top  
55 interests include trails and trail networks, restrooms in parks, park safety  
56 and security, accessibility and sustainability measures, aquatics  
57 programs, environmental and outdoor education, sports programs,  
58 fitness and wellness programs, and community events; and

59 WHEREAS, the Council's 2021-2022 City Work Program  
60 included a goal to explore potential comprehensive parks and recreation  
61 ballot measure options to be placed before Kirkland voters in 2023 for  
62 the purpose of maintaining and expanding natural areas, open spaces,  
63 aquatics and recreational facilities, and program opportunities that  
64 enhance the health and well-being of the community and further the  
65 goals of abundant parks, open spaces, and recreational services; and

66 WHEREAS, the 2022 PROS Plan identified objectives for  
67 funding the 2022 PROS Plan, under which any funding plan would  
68 include a mix of projects that can be implemented quickly along with  
69 phased investments for larger long-term project objectives, advance the  
70 City's goal of bringing a park or trail within walking distance to all  
71 community members, address impacts of growth by providing open

72 space, and provide significant early funding to maximize leveraged  
73 partnerships, opportunistic property acquisitions, and development; and

74 WHEREAS, the Council adopted Resolution R-5551 authorizing  
75 the City Manager to convene a Parks Funding Exploratory Committee  
76 (“PFEC”) to meet from September 2022 through March 2023 and to  
77 recommend to the Council capital and operating elements and funding  
78 mechanisms that could be included in one or more potential parks and  
79 recreation ballot measures; and

80 WHEREAS, PFEC included 45 community members who  
81 studied Kirkland community needs and priorities based on the 2022  
82 PROS Plan and reviewed potential ballot measure elements to meet  
83 those needs; and

84 WHEREAS, PFEC completed an initial report in March 2023  
85 recommending that a ballot measure or measures should have at least  
86 six priority elements, including at least one aquatics and recreation  
87 facility, three new and six winterized year-round restrooms in parks  
88 across Kirkland, green loop trail ~~segments~~ networks, seven new sports  
89 courts, City-managed Kirkland Teen Union Building (“KTUB”) operations including teen recreation programs, and increased beach  
90 lifeguard hours and water safety programs; and  
91

92 WHEREAS, PFEC reconvened in May 2023 and reviewed  
93 additional indoor aquatics and recreation facility options, and the results  
94 of a statistically valid community survey conducted to gather public input  
95 on expanded aquatics, parks, and recreational opportunities, and PFEC  
96 recommended an addendum to the original report; and

97 WHEREAS, in May 2023, PFEC updated its previous  
98 recommendation specifying that Council should focus on securing  
99 funding for an 86,000 square foot aquatic and recreation center at  
100 Houghton Park and Ride in addition to the above mentioned five  
101 elements; and

102 WHEREAS, after conversation with the Board and reviewing  
103 community survey feedback, Council determined to include parks safety  
104 and security as a seventh element from the 2022 PROS Plan to prioritize  
105 for funding but adjusted funding for the other elements to keep the total  
106 cost similar to the PFEC recommendations; and

107 WHEREAS, to provide long-term financing for the acquisition,  
108 design, construction, and equipping of the proposed aquatic and  
109 recreation center, the City intends to issue limited tax general obligation  
110 bonds within its allowable non-voted debt capacity and to use funds on  
111 deposit in the City’s General Fund and other legally available revenue  
112 to pay debt service on such bonds; and

113 WHEREAS, to provide funding for aquatic and recreation center  
114 operations, trails and open spaces, urban park systems, year-round

115 ~~bathrooms~~ restrooms, neighborhood and community park facilities,  
116 active recreation, park rangers and automatic locking gates, beach  
117 lifeguards and water safety programs, sport courts, and teen services  
118 identified in the 2022 PROS Plan, and to operate and maintain open  
119 space, neighborhood, community, recreation and park facilities as found  
120 necessary by the Council, it is deemed advisable that the City impose  
121 taxes within the limits permitted to cities; and

122 WHEREAS, RCW 84.55.050 authorizes the voters of a city to  
123 authorize an increase above the levy limitations established in RCW  
124 84.55.010 (a "levy lid lift"); and

125 WHEREAS, RCW 84.55.050 requires that the ballot measure for  
126 a proposed levy lid lift state the aggregate maximum regular property  
127 tax rate per \$1,000 of assessed valuation to be levied in the first year of  
128 the levy lid lift, taking into consideration the City's regular levy for general  
129 City purposes, any allowable increases, and the proposed incremental  
130 increase; and

131 WHEREAS, the King County Assessor has cautioned that  
132 assessed valuations in certain east King County jurisdictions for  
133 purposes of calculating regular property taxes are expected to decrease  
134 significantly from 2023 to 2024, including the assessed values in the  
135 City; and

136 WHEREAS, in order to generate sufficient funds for the  
137 proposed park and recreation projects identified in Section 1 below, it is  
138 advisable that the Council increase the aggregate property tax levy rate  
139 by approximately \$0.28054 per \$1,000 of assessed value for park and  
140 recreation projects to 1.38386 ~~\$ 1.3818~~ per \$1,000 of  
141 assessed value for collection in 2024 to offset any anticipated decrease  
142 in assessed valuation, and thereafter to use the resulting levy amount  
143 as the basis for computing the limitations for subsequent levies as  
144 allowed by chapter 84.55 RCW; and

145 WHEREAS, should such aggregate property tax levy rate be  
146 greater than the rate necessary to offset fluctuations in assessed values  
147 while including the state-authorized one percent increase and new  
148 construction revenues, and to accomplish the purposes set forth in this  
149 ordinance, the incremental increase in the tax rate resulting from the  
150 proposed levy lid lift for collections in 2024 shall not exceed an amount  
151 necessary to fund the state-authorized increases and the park and  
152 recreation projects identified in Section 1 below (approximately  
153 \$10,800,000); and

154 WHEREAS, the Council deems it necessary to submit to the  
155 voters of the City the proposition of whether or not the City shall levy  
156 regular property taxes for collection in 2024 in excess of the limit factor  
157 provided for in chapter 84.55 RCW;

158 NOW, THEREFORE, the City Council of the City of Kirkland  
159 does ordain as follows:

160 Section 1. Findings; Description of the Park and Recreation  
161 Projects. The Council hereby finds that the best interests of community  
162 members of the City require that the Council accept the priority  
163 recommendations of PFEC, the Board, and community members  
164 (through the community survey) as described in the recitals of this  
165 ordinance which are incorporated herein by this reference. Funding for  
166 the recommended elements will be provided from multiple sources,  
167 including a ballot measure authorizing a levy lid lift as set forth herein.  
168 Furthermore, to provide long-term financing for the acquisition, design,  
169 construction, and equipping of the proposed aquatic and recreation  
170 center, the City intends to issue limited tax general obligation bonds  
171 within its allowable non-voted debt capacity and to use funds in the  
172 City's General Fund and other legally available revenue to pay debt  
173 service on such bonds. The timing, terms, and authorizing for such  
174 bonds shall be set forth in a separate ordinance of the Council.

175 The Council further finds that the best interest of community  
176 members of the City requires the City to fund park, recreation, and open  
177 space operations, maintenance, services, and facilities, including but  
178 not limited to the following ("Park and Recreation Projects"):

- 179 - ~~Construct~~ Design, improve, equip, operate, and maintain an  
180 aquatic and recreation center;
- 181 - Modernize, improve, expand, and renovate existing park and  
182 recreation facilities;
- 183 - Enhance park safety and security with new park rangers and  
184 automatic locking gates;
- 185 - Provide for year-round restrooms at certain park facilities;
- 186 - Fund green loop trail networks and improve and maintain  
187 trails;
- 188 - Acquire, construct, improve, and equip sport courts;
- 189 - Fund teen programs and other park and recreation  
190 operations and programming;
- 191 - Improve, equip, operate, and maintain the Kirkland Teen  
192 Union Building;
- 193 - Provide extended beach lifeguard hours and water safety  
194 education programming and services; and
- 195 - Other park, recreation, and open space operations,  
196 maintenance, improvements, property acquisition,  
197 equipment, and services.

199 The City Council shall determine the timing, order, and manner of  
200 funding the Park and Recreation Projects and other uses of levy  
201 proceeds. The cost of all compensation, benefits, training, support  
202 services, equipment, vehicles, infrastructure, facilities, real property,  
203 and/or administrative expenses and other costs incurred in connection

204 with the Park and Recreation Projects shall be deemed a part of the  
205 costs of such Park and Recreation Projects. The Council may alter,  
206 make substitutions to, and amend such components as it determines  
207 are in the best interests of the City and consistent with the general park  
208 and recreation descriptions provided herein. The proper officials at the  
209 City shall produce an annual accountability report documenting actions  
210 and program status of the Park and Recreation Projects and other uses  
211 of levy proceeds.

212 Section 2. Calling of Election Regarding the Levy of  
213 Additional Regular Property Taxes. It is hereby found and declared the  
214 best interests of the City require the submission to the qualified electors  
215 of the City of the proposition whether the City shall levy regular property  
216 taxes above the levy limitations established in RCW 84.55.005 and  
217 RCW 84.55.010 for their ratification or rejection at an election to be held  
218 on November 7, 2023. For the purpose of providing funds to pay the  
219 costs of Park and Recreation Projects, the King County Director of  
220 Records and Elections (the "Director"), as *ex officio* supervisor of  
221 elections in King County, Washington, is hereby requested to call and  
222 conduct such election to be held on such day and to submit to the  
223 qualified electors of the City for their approval or rejection a proposition  
224 to increase the City's regular property tax levy to a total rate of not to  
225 exceed \$1.38386 ~~4.3848~~ per \$1,000 of assessed valuation for collection  
226 in 2024, as allowed by chapter 84.55 RCW, to generate approximately  
227 \$10,800,000 for Park and Recreation Projects. The 2024 levy amount  
228 will be used as the basis to calculate subsequent levy limits.

229 The Council acknowledges that the aggregate regular property  
230 tax rate included in the ballot proposition in Section 3 has been  
231 increased to offset the anticipated decrease in assessed valuation in the  
232 City, as described herein. The Council agrees that should such  
233 aggregate property tax levy rate be greater than the rate necessary to  
234 offset fluctuations in assessed values, including the state-authorized  
235 one percent increase and new construction revenues, and to generate  
236 approximately \$10,800,000 for collection in 2024 for the Park and  
237 Recreation Projects, the Council will not levy the full authorized rate and  
238 will levy only what is necessary to offset fluctuations in assessed values,  
239 including the state-authorized one percent increase and new  
240 construction revenues, and generate such revenues for the Park and  
241 Recreation Projects.

242 The taxes authorized by this proposition will be in addition to the  
243 maximum amount of regular property taxes the City would have been  
244 limited to by RCW 84.55.010 in the absence of voter approval under this  
245 ordinance plus other authorized lid lifts. Thereafter, such levy amount  
246 would be used to compute limitations for subsequent years as allowed  
247 by chapter 84.55 RCW.

248 Upon approval of the voters of the proposition hereinafter set  
249 forth, the City shall use proceeds of such levy to pay the costs of Park



250 and Recreation Projects as more particularly described in this  
251 ordinance.

252 Section 3. Election. The City Clerk is hereby authorized and directed  
253 to certify the following proposition to the Director, in substantially the  
254 following form. Such election shall be conducted by mail unless  
255 otherwise determined by the Director.  
256

257 CITY OF KIRKLAND PROPOSITION NO. 1

258 LEVY LID LIFT FOR  
259 EXPANDED AQUATICS, RECREATION, AND PARKS  
260 FACILITIES, OPERATIONS, AND PROGRAMS

261 The Kirkland City Council adopted Ordinance No. O-  
262 4857 concerning funding for expanded aquatics,  
263 recreation, and parks facilities, operations, and  
264 programs. This proposition funds aquatic and recreation  
265 center operations, parks maintenance, year-round  
266 restrooms, park rangers, beach lifeguards, sports courts,  
267 teen services, and green loop trail networks by  
268 increasing the City's regular property tax levy to a  
269 maximum rate of ~~\$1.38386~~ 4.3818 /\$1,000 of assessed  
270 valuation (generating approximately \$10,800,000 for  
271 these purposes) for collection in 2024. The 2024 levy  
272 amount will be the basis to calculate subsequent levies  
273 per (RCW 84.55). Qualifying seniors, disabled veterans,  
274 and others would be exempt (RCW 84.36).

275 Should this proposition be approved:

YES? .....

NO? .....


276

277 Section 4. Minor Adjustments. For purposes of receiving  
278 notice of the exact language of the ballot proposition required by RCW  
279 29A.36.080, the City Council hereby designates: (a) the City Clerk and  
280 (b) the City Attorney as the individuals to whom such notice should be  
281 provided. The City Attorney and City Clerk are each authorized  
282 individually to approve changes to the ballot title, if any, deemed  
283 necessary by the Director.

284 The City Clerk is authorized to make necessary clerical  
285 corrections to this ordinance including, but not limited to, the correction  
286 of scrivener's or clerical errors, references, numbering,  
287 section/subsection numbers, and any reference thereto.

288           The proper City officials are authorized to perform such duties  
 289 as are necessary or required by law to submit the question of whether  
 290 the regular property tax shall be increased, as provided in this  
 291 ordinance, to the electors at the November 7, 2023 election.

292           Section 5. Exemption. If the ballot proposition set forth herein  
 293 is approved by the voters, as authorized by RCW 84.36.381, senior  
 294 citizens, disabled veterans, and other people with disabilities (as defined  
 295 in RCW 84.36.381) shall be exempt from the tax increase resulting from  
 296 such levy lid lift.

297           Section 6. Voters' Pamphlet. The preparation and distribution  
 298 of a local voters' pamphlet providing information on the foregoing ballot  
 299 measure is hereby authorized. The pamphlet shall include an  
 300 explanatory statement and arguments advocating approval and  
 301 disapproval of the ballot measure, if any. In accordance with RCW  
 302 29A.32.280, the arguments advocating approval and rejection of the  
 303 ballot measure shall be prepared by committees appointed by the City  
 304 Council. Each committee shall be composed of not more than three  
 305 persons; however, a committee may seek the advice of any person or  
 306 persons. The committee advocating approval shall be composed of  
 307 persons known to favor the ballot measure, and the committee  
 308 advocating rejection shall be composed of persons known to oppose the  
 309 ballot measure.

310           Section 7. Severability; Ratification. If any provisions in this  
 311 ordinance shall be declared by any court of competent jurisdiction to be  
 312 contrary to law, then such provision shall be null and void and shall be  
 313 deemed separable from the remaining provisions of this ordinance and  
 314 shall in no way affect the validity of the other provisions of this ordinance  
 315 or of the levy or collection of the taxes authorized by this proposition.  
 316 Any act consistent with the authority and prior to the effective date of  
 317 this ordinance is hereby ratified and confirmed.

318           Section 8. Effective Date. This ordinance shall be in full force  
 319 and effect five days from and after its passage by the Kirkland City  
 320 Council and publication of a summary of this ordinance in accordance  
 321 with Kirkland Municipal Code 1.08.017.

322           PASSED by the City Council of the City of Kirkland, Washington,  
 323 at a regular open public meeting thereof held this \_\_\_\_ day  
 324 \_\_\_\_\_, 2023.

CITY OF KIRKLAND, WASHINGTON

\_\_\_\_\_  
 Penny Sweet, Mayor

Attest:

\_\_\_\_\_  
Kathi Anderson, City Clerk

Approved as to Form:

\_\_\_\_\_  
Pacifica Law Group LLP, Bond Counsel

CERTIFICATE

I, the undersigned, City Clerk of the City of Kirkland, Washington, and keeper of the records of the City Council, DO HEREBY CERTIFY:

1. That the attached Ordinance is a true and correct copy of Ordinance No. O-4857 of the City (the "Ordinance"), as finally passed at a regular meeting of the City Council held on \_\_\_\_\_, 2023, and duly recorded in my office.

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 quorum of the City Council was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper adoption or passage of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2023.

CITY OF KIRKLAND, WASHINGTON

\_\_\_\_\_  
Kathi Anderson, City Clerk

PUBLICATION SUMMARY  
OF ORDINANCE NO. O-4857

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KIRKLAND, WASHINGTON, PROVIDING FOR THE FORM OF THE BALLOT PROPOSITION AND SPECIFYING CERTAIN OTHER DETAILS CONCERNING SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY AT A SPECIAL ELECTION TO BE HELD THEREIN ON NOVEMBER 7, 2023, OF A PROPOSITION AUTHORIZING THE CITY TO LIFT THE LEVY LIMIT ESTABLISHED IN RCW 84.55.010 IN ORDER TO FUND PARK, RECREATION, AND OPEN SPACE OPERATIONS, MAINTENANCE, SERVICES, AND FACILITIES.

Section 1. Sets forth findings of the Council and authorizes the City to fund park and recreational services and facilities, including but not limited to those operating and capital services set forth therein (the “Park and Recreation Projects”).

Section 2. Calls for the submission to the qualified electors of the City of the proposition whether the City shall levy regular property taxes above the levy limitations established in RCW 84.55.005 and RCW 84.55.010 for their ratification or rejection at an election to be held on November 7, 2023, for the purpose of providing funds for Park and Recreation Projects.

Section 3. Sets forth the form of ballot proposition authorizing a levy lid lift for the Park and Recreation Projects.

Section 4. Provides for minor adjustments within the meaning of the Ordinance.

Section 5. Provides for an exemption for qualified senior citizens, disabled veterans, and other persons with disabilities from the regular property tax increase resulting from the levy lid lift.

Section 6. Authorizes the preparation and distribution of a local voters’ pamphlet providing information on the levy lid lift ballot proposition.

Section 7. Provides for the severability of the Ordinance and ratifies prior actions taken in furtherance of the purposes of the Ordinance.

Section 8. States the effective date of the Ordinance.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the \_\_\_\_ day of \_\_\_\_\_, 2023.

I certify that the foregoing is a summary of Ordinance No. O-4857 approved by the Kirkland City Council for summary publication.

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Kathi Anderson, City Clerk

DRAFT

# King County Assessor John Wilson

## News Release

June 15, 2023

For Immediate Release

Contact: Assessor John Wilson 206-930-0602

Al Dams, Chief Deputy Assessor 206-263-2255

## Property Values Dropped Dramatically in NE King County Neighborhoods

### *Taxpayers to Receive Re-Valuation Notices Soon*

The King County Assessor's office has begun the annual process of mailing property valuation notices to taxpayers. Notices will be arriving in northeast King County neighborhoods soon. Median residential property values fell by 19.8% in the East Kirkland/Rose Hill area.

2023 property values continued to be dramatically affected by the COVID 19 pandemic. After reaching all-time highs in quarter 2 of 2022 due to a lack of inventory for sale, residential property values corrected downwards throughout King County. This trend was especially pronounced in eastside communities.

"COVID changed our lives, and it continues to impact the real estate market," said King County Assessor John Wilson. "In 2020 and 2021, residential prices and values went through the roof because people chose to not put homes on the market, causing a major imbalance between supply and demand. The housing market is still very healthy, but it cooled considerably in 2022, bringing values down a bit."

It is important to remember that voter approved levies have more impact on property tax increase than do changes in home values.

The total amount of property tax collected is derived from the budgets passed by state, county, and local governments, and by locally approved levies. The value of each property determines proportionally how much each taxpayer will pay of that total amount.

Each year, County Assessors set values on every commercial and residential property value in the state. These values – set effective as of January 1 by state law – are then applied to the next year's tax bill. Property values are being set as of January 1, 2023, for taxes due in 2024.

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**Important note:** This news release only refers to Area 93. Area 93, "East Kirkland/Rose Hill" is defined by the southern borders of NE 55th Street and Bridle Trails neighborhood. The western border is I-405. The eastern border is SR-520 running northeast to West Lake Sammamish Pkwy NE and north to Willows Rd NE. The north border is NE 145th Street and the Kingsgate area. This area includes parts of Kirkland's Kingsgate, Totem Lake, and Bridle Trails neighborhoods and all of Kirkland's North Rose Hill and South Rose Hill neighborhoods. However, this area also includes parts of Bellevue and Redmond.

<https://kingcounty.gov/depts/assessor/Reports/area-reports/2023/residential-northeast/~media/depts/assessor/documents/AreaReports/2023/Residential/093.ashx>

# News Release

July 6, 2023

For Immediate Release

Contact: Assessor John Wilson 206-930-0602

Al Dams, Chief Deputy Assessor 206-263-2255

## Property Values Dropped Dramatically in Eastside Neighborhoods

### *Taxpayers to Receive Re-Valuation Notices Soon*

The King County Assessor's office has begun the annual process of mailing property valuation notices to taxpayers. Notices will be arriving in eastside neighborhoods soon. Median residential property values fell by 17.2% in Kirkland, and by 16.9% in Bridle Trails/Wilburton/Central Bellevue.

2023 property values continued to be dramatically affected by the COVID 19 pandemic. After reaching all-time highs in quarter 2 of 2022 due to a lack of inventory for sale, residential property values corrected downwards throughout King County. This trend was especially pronounced in eastside communities.

"COVID changed our lives, and it continues to impact the real estate market," said King County Assessor John Wilson. "In 2020 and 2021, residential prices and values went through the roof because people chose to not put homes on the market, causing a major imbalance between supply and demand. The housing market is still very healthy, but it cooled considerably in 2022, bringing values down a bit."

It is important to remember that voter approved levies have more impact on property tax increase than do changes in home values.

The total amount of property tax collected is derived from the budgets passed by state, county, and local governments, and by locally approved levies. The value of each property determines proportionally how much each taxpayer will pay of that total amount.

Each year, County Assessors set values on every commercial and residential property value in the state. These values – set effective as of January 1 by state law – are then applied to the next year's tax bill. Property values are being set as of January 1, 2023, for taxes due in 2024.

**Important note:** This news release only refers to "Area 74". Area 74, "Kirkland," is defined by the boundaries of Lake Washington on the West, NE 116th Street on the North, I405 on the East, and SR 520 on the South. This area includes parts of Kirkland's Juanita and Totem Lake neighborhoods and all of Kirkland's Market, Norkirk, Highlands, Moss Bay, Everest, Lakeview, and Central Houghton neighborhoods. However, this area also includes Yarrow Bay Village, a Bellevue plat. <https://kingcounty.gov/depts/assessor/Reports/area-reports/2023/residential-northeast/~media/depts/assessor/documents/AreaReports/2023/Residential/074.ashx>

**LETTER OF INTENT  
BETWEEN  
CITY OF KIRKLAND  
&  
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**

This Letter of Intent (“LOI”) sets forth the terms and understanding between the City of Kirkland, a Washington municipal corporation, (“City”), and the Washington State Department of Transportation (“WSDOT”) and collectively referenced herein as the “Parties”.

**1. Background**

The State of Washington (“WSDOT”) owns property currently known as the Houghton Park and Ride Lot (previously known as East Kirkland Park and Ride Lot), as depicted in **Exhibit A**, “SR 405, N.E. 40<sup>th</sup> St. Vic. To N.E. 124<sup>th</sup> St. Interchange Vic.,” attached to this LOI (“Property”).

WSDOT has determined a portion of the Property is not required for state highway purposes pursuant to the provisions of RCW 47.12.063, and intends to convey the Property to the City, subject to the reservation of an easement to WSDOT for the construction of future NE 70<sup>th</sup> Place Interchange improvements consistent with the I-405 Master Plan.

WSDOT and the City signed a Memorandum of Understanding on April 5, 2004, establishing a cooperative relationship between the City and WSDOT for I-405 congestion relief and bus rapid transit projects, which includes details related to the Property vicinity and the I-405 Master Plan.

WSDOT has a Memorandum of Understanding with King County, as successor in interest to the Municipality of Metropolitan Seattle (“Metro” or “King County”), dated May 21, 1974, and amendments thereto, for the financing, location, design, construction, operation and maintenance of certain Metro Flyer Stops and Park and Ride facilities, and agreement GC 7421 dated January 9, 1984, between WSDOT and Metro, which further allocates general maintenance responsibilities between WSDOT and Metro (“GC 7421”).

King County notified WSDOT that they plan to terminate bus service to the Property and close the facility on March 18, 2023, and have requested the termination of GC 7421 with WSDOT.

**2. Purpose and Intent of the Parties**

The Parties seek to memorialize their understanding of the surplus of the Property subject to the reservation of an easement to WSDOT and as to how the Property will be operated and maintained until the Property is conveyed to the City. For this purpose, the Parties enter into this LOI, as follows:



## 2.1 City's Obligations.

The City intends to acquire the Property for fair market value with the WSDOT easement reservation in place as soon as possible. Until the City can take legal ownership, the City shall have the following obligations:

- a. Testing. Should the City wish to perform studies or testing on the Property, the City will coordinate with King County and WSDOT.
- b. Ability to Maintain and Secure. The City has the right but not the obligation to access the Property to provide security, fencing and maintenance above and beyond what is provided for by King County and WSDOT prior to possession by the City. If the City chooses to do this additional work, they will coordinate with King County and WSDOT.
- c. Possession. Possession would be given on the date the Quit Claim deed to the City is fully executed and recorded, or sooner by mutual agreement.
- d. Price. In February of 2023, WSDOT determined the fair market value for the Property to be \$9,000,000 (NINE MILLION DOLLARS).
- e. Easement. The Parties intend that WSDOT will reserve an easement for the future construction of roadway improvements required for the I-405 Master Plan. The easement will be substantially as set forth in **Exhibit B**, "ICN 1-17-05446 Surplus Area with Easement" and **Exhibit C**, "ICN 1-17-05446 Legal Description," attached hereto.
  - i. The City shall be responsible for obtaining WSDOT approval before encroaching into the easement area with any temporary and/or permanent features or facilities.
  - ii. The City shall be responsible for removing all temporary and/or permanent encroachment features and/or facilities in the easement area at no cost to WSDOT, when construction of the future roadway improvements required for the I-405 Master Plan are ready for implementation.
- f. Interagency Coordination. The City will coordinate with King County and WSDOT on a transition plan and maintenance for the Property, including the KC Metro Comfort Station, and develop other agreements as necessary. The City agrees to assume all maintenance responsibility for the KC Metro Comfort Station upon termination of GC 7421.

## 2.2 WSDOT's Obligations.

- a. Utilities. If necessary, WSDOT shall assume responsibility for all utilities on the Property upon termination of GC 7421 with King County and until conveyance of the Property to the City.
- b. King County's Maintenance of the Property. WSDOT will coordinate with King County to continue to operate and maintain the park and ride on the Property until such time that GC 7421 is terminated, amended or other agreement is signed. An agreement between WSDOT and King County for removal of facilities and fixtures

on the Property will be included in an amendment or future agreements as necessary.

- c. Interagency Coordination. WSDOT will coordinate with King County and the City on a transition plan and maintenance for the Property and develop other agreements as necessary.

This LOI does not and is not intended to contractually bind the Parties and is only an expression of the basic conditions to be incorporated into a binding agreement. This LOI does not require either party to negotiate or to proceed to the completion of a binding agreement. The Parties shall not be contractually bound unless and until they enter into a formal, written agreement, which must be in form and content satisfactory to each party and to each party's legal counsel, in their sole discretion. Neither party may rely on this LOI as creating any legal obligation of any kind.

By my signature, the above LOI reflects the Parties mutual understanding.

City of Kirkland

  
Name Kurt Triplett Date 7/5/23  
Title City Manager

State of Washington  
Department of Transportation

  
Name \_\_\_\_\_ Date \_\_\_\_\_  
Title Robin Mayhew, NWR Deputy Regional Administrator

CC: Brian Nielsen, NWR Regional Administrator  
Lisa Hodgson, I-405/SR167 Program Administrator

Attachments:  
Exhibit A - Park and Ride Right of Way Plans  
Exhibit B - Conceptual Area of WSDOT Easement on Property