

CONSERVATION FINANCE FEASIBILITY STUDY :: JULY 2015

CITY OF WENATCHEE, WA



THE TRUST *for* PUBLIC LAND

LAND FOR PEOPLE



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February 17, 2015

Dee Frankfourth, Associate National Director Conservation Finance
Peter Hill, Eastern Washington Office/Project Manager
The Trust for Public Land
901 Fifth Avenue, Suite 1520
Seattle, WA 98164

Dear Ms. Frankfourth and Mr. Hill:

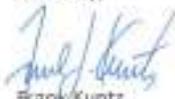
By this letter, the Wenatchee City Council officially requests technical advice and assistance from your organization in connection with our efforts to develop a program to finance land conservation and potential related ballot measure. As part of your advice and assistance, we understand you may provide feasibility research, conduct a public opinion survey, and develop strategies for our consideration.

We are interested not only in the factual information that you can provide to us, but also your organization's opinions and recommendations on public financing measures available to us. Although your submissions will be directed to the attention of Director of Parks & Recreation David Erickson, I understand that your responses to this request will be for the general use of the City of Wenatchee.

This request will continue in effect for any subsequent advice you offer or presentations you submit for the use of the City related to such matters. In addition, we would like to take this opportunity to request that you continue to be available to provide technical advice and assistance in this area and on related matters in the future.

Thank you for your organization's contribution to the work of the Wenatchee City Council.

Sincerely,



Frank Kuntz
Mayor

Apple Capital of the World

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INTRODUCTION

The Trust for Public Land (TPL) is a national nonprofit organization dedicated to creating parks and protecting land for people. Since 1972, TPL has conserved more than 2.4 million acres of land nationwide. In Washington, TPL has helped protect more than 78,000 acres. To help state agencies and local governments acquire land, TPL assists communities in identifying and securing public financing. The Trust for Public Land's Conservation Finance program offers technical assistance to elected officials, public agencies and community groups to design, pass and implement public funding measures that reflect popular priorities. Since 1996, TPL has been involved in nearly 500 successful ballot measures and twenty successful legislative campaigns that have created more than \$57 billion in new funding for parks, restoration, and land conservation. Voters have approved 81 percent of the ballot measures assisted by TPL.

Overall, voter support of local conservation finance measures in Washington has been mixed. Roughly 55 percent of the measures on the ballot (29 of 53) between 1996 and 2014 have been approved, though the record has improved in recent years with nearly 75 percent of measures (15 of 20) passing since 2006. Success at the ballot is hampered somewhat in the state by the high approval threshold (60 percent of the vote) required for local bond measures. TPL and its affiliate The Conservation Campaign¹ have supported 18 local conservation finance measures in Washington, 14 of which were approved.

Given the substantial investment of time and resources required for a successful conservation finance initiative, preliminary research is essential to determine the feasibility of such an effort. There are a number of potential funding options that can be “knit together” to protect land and increase access to public land in the county. While state, federal, local, and private sources all have a role to play in achieving parks and conservation objectives, the most reliable form of funding over the long-term is local funding. State, federal, and private funding often serve as supplements or incentives to local funding due to the competitive funding environment. The objective of this study is to research the most viable local public options for funding parks maintenance and operations and open space land conservation in the City of Wenatchee.

This brief report provides an examination of the options for generating and dedicating local revenue for conservation and parks including the revenue raising capacity and costs of those financing tools.² As most options require voter approval the report also contains a summary of the pathways to the ballot and recent election history in the city. This research provides a stand-alone, fact-based reference document that can be used to evaluate all available financing mechanisms from an objective vantage point.

Next steps should include narrowing funding options to those that match the needs identified through the city's planning processes and testing voter attitudes toward a specific set of funding proposals. TPL recommends conducting a public opinion survey that tests ballot language, tax tolerance, and program priorities of voters in Wenatchee.

¹ The Conservation Campaign (ICC) is a non-profit 501(c)(4) organization affiliated with TPL.

² The contents of the report are based on the best available information at the time of research and drafting (spring 2015), with much of the data compiled from Internet resources and direct communication with appropriate, local, state and federal agencies.

EXECUTIVE SUMMARY

The Trust for Public Land has undertaken a feasibility analysis to explore the City of Wenatchee's funding options to protect the special natural beauty that is a significant element of its character. In order to understand what would be an appropriate funding source or sources, this report first provides a brief overview of existing parks amenities, governance and funding as well as some background about the city. Next, the report analyzes possible alternatives for funding a parks and recreation land acquisition and management program, including their legal authority and revenue raising capacity. Finally, since most revenue options require approval by voters, this report provides pertinent election information, such as voter turnout history and election results for local finance measures.

In Washington, local governments have utilized several different public finance options to support parks and conservation. The primary revenue options include general obligation bonds and the property tax, with less frequently used mechanisms such as the real estate transfer tax, the utility tax and impact fees. This study focuses on several options that present opportunities for financing in the City of Wenatchee, which are as follows:

1. **Property Tax.** **The city may ask voters to increase the regular property tax via a levy lid lift**, which requires majority approval of voters in the city at a general or special election. A \$0.15 cent per \$1,000 increase in the city's tax rate would raise \$342,000 annually, or \$1.7 million over five years; the typical homeowner would pay roughly \$34 annually.
2. **Bonding.** **Wenatchee potentially could issue bonds for parks and open space.** For example, a \$5 million bond would add approximately \$368,000 to the city's annual debt service and would cost the typical homeowner an average of \$37 per year over the life of the bond (20 years). For unlimited tax general obligation bonds, 60 percent of the electorate must approve issuance of general obligation bonds, which must be validated by a voter turnout of at least 40 percent of those who voted in the last general election. Also, bond proceeds are limited to capital projects and may not be used for operations and maintenance purposes.
3. **Impact Fees.** **As a supplement to other funding options, impact fees may be levied** by the city in connection with the approval of development projects to defray all or part of the cost of public facilities related to the development project via an ordinance or resolution of the City Council. Wenatchee imposed its first development impact fee in February 2011. The fee, set at \$4,830 per single family residence, applies only to new development in the Broadview area and supports public facilities and road access improvements in that part of the city. Recently, a new rate study and ordinance was presented to the Parks and Recreation Advisory Board. Implementation requires review by the Community and Economic Development Department and Planning Commission with City Council approval.
4. **Special District.** **The city could seek to create a new special district for parks and recreation, such as a Metropolitan Parks District (MPD)).** The district boundaries might be drawn to follow the city boundaries or those of the

Wenatchee School District (a slightly larger jurisdiction). The new district may be proposed by resolution or citizen petition and requires majority approval of voters in the district at a general or special election. MPD's are authorized to levy property taxes and issue general obligation bonds (voted and non-voted). Estimates for revenue capacity and per household cost for levies and bonds in a district coterminous with the city boundaries would be the same as those included in the paragraphs above. The school district boundaries encompass a larger tax base, in this case a \$0.35 cent per \$1,000 tax would raise \$1.2 million, or \$6 million over five years.

Next steps should include narrowing funding options to those that match the needs identified in the city's planning processes and testing voter attitudes toward a specific set of funding proposals. TPL recommends conducting a public opinion survey that tests ballot language, tax tolerance, and program priorities of voters in Wenatchee.

BACKGROUND

Parks and Open Space

The City of Wenatchee currently owns and operates 20 public parks and recreation areas totaling more than 825 acres. These areas consist of passive open space, neighborhood parks, and active athletic field sites. Additional parks and open space resources in the city and areas nearby are provided by the Washington Department of Natural Resources (DNR), the Chelan Public Utility District, and the Chelan Douglas Land Trust (CDLT). The Parks, Recreation and Cultural Services Department also manages the City of Wenatchee’s outdoor swimming pool which is open each year from mid-June through mid-August.

Wenatchee Parks and Facility Summary				
Park Type	City Acres	Other Public Acres	Public/Private Acres	Total
Neighborhood Park	14.21	9.25	21.77	45.23
Community Park	50.77	20.21	4.58	75.56
Regional Park	0	206.56	0	206.56
Natural Open Space	744	837.61	0	1581.61
Special Use Areas	20.88	161.57	60.08	242.53

Source: Parks, Recreation and Open Space Plan 2012-2018, p. 32, updated 6/2015..

The Wenatchee Parks and Recreation Advisory Board is a seven member citizen advisory committee appointed by the City Council. The primary functions of the Board are to advise and make recommendations to the Mayor and City Council concerning parks and open space planning, including city park and facility acquisition, recreation programming, development and operations both within and without the city’s boundaries.

Wenatchee Parks and Recreation Advisory Board		
Name	Seat	Expires
Jay White	Position 1	2016
Sara Urdahl	Position 2	2016
Raylene Dow ell	Position 3	2017
Sean Koester	Position 4	2017
Mitchell Thompson	Position 5	2018
Barbara Cecie	Position 6	2018
Vacant	Position 7	2015

Parks and open space lands are important resources for the City of Wenatchee and surrounding communities which have taken care to plan thoughtfully for the future. Wenatchee has a comprehensive Parks, Recreation, and Open Space Plan and a plan for the Foothills area, called the Wenatchee Foothills Community Strategy, as well as a number of specific plans for certain locations or types of facilities, such as study for a potential dog off leash area. The Foothills strategy and vision, completed in 2010, was led by the Trust for Public Land. Guided by the Foothills Strategy, the city applied for state Wildlife and Recreation grants for two projects which have protected more than 500 acres for outdoor recreation and habitat purposes. This plan is currently being updated for 2016.

The Parks, Recreation, and Open Space Plan and the Foothills Strategy both recommend the acquisition of land for a system with neighborhood parks, development of recreation facilities and expanding a linking trail system as the Wenatchee community grows. The Parks Plan identifies needs totaling just over \$80 million for parks renovations, pool improvements, trails development, land acquisition, and other parks capital projects.

One specific example the city is exploring is the opportunity to enhance and potentially expand Kiwanis Methow Park. Kiwanis Methow Park is a 1.2 acre city park that serves South Wenatchee, the neighborhood in the City of Wenatchee with the lowest average incomes and highest childhood obesity rates. The neighborhood surrounding the park hosts the highest concentration of Latino residents in the city and is characterized by modest single-family homes, many of which house multiple families. Families living in South Wenatchee are commonly employed outside the city on local farms and orchards. More than 4,000 residents live within a ten-minute walk of this park. The Wenatchee Downtown Kiwanis Club has stewarded the park over the last decade, raising money for maintenance and park improvements. Their dedicated stewardship has kept the park open to serve the needs of the local community. Building upon leadership from the Kiwanis, and in partnership with The Trust for Public Land, the city envisions improvements to Kiwanis Methow Park that reflect local culture, identity, and community needs.

The table below shows a comparison of all park and recreation department revenues and expenses for 2009 - 2014. Revenues are from participant registration fees, facility rentals, vendor and permit fees and facility admissions. It does not include revenues from grants received. Community Center and Art Fund revenues and expenses are not included as they are contained in separate funds from the general fund. The balance of expenditures less revenues comes from the city general fund. The Public Works Department manages park maintenance. The annual park maintenance budget for 2015 was \$978,395.

PARKS AND RECREATION - TOTAL DEPARTMENT REVENUE/EXPENDITURE COMPARISON						
	2009	2010	2011	2012	2013	2014
EXPENDITURES	\$702,078	\$599,259	\$533,802	\$528,318	\$515,845	\$533,909
REVENUES	\$96,540	\$96,822	\$97,146	\$95,315	\$103,268	\$105,702
BALANCE (EXP-REV)	(\$605,538)	(\$529,437)	(\$436,656)	(\$433,003)	(\$412,577)	(\$428,207)

City of Wenatchee Parks and Recreation Department's 2014 Annual Report, p. 11

City of Wenatchee³

The City of Wenatchee is located in Chelan County in Central Washington State. Nestled in the foothills of the Cascade Mountains and at the confluence of the Columbia and Wenatchee Rivers, the region provides abundant outdoor recreation. The resort towns of Leavenworth and Chelan are 30 minutes from the Wenatchee Valley playing a large role in the local tourism industry. Fruit and hydroelectric power production along with technology are key economic drivers in the region. Additionally, Wenatchee is the largest city in North Central Washington, serving as a regional hub for retail, government, and health care services. The Wenatchee Urban Area income distribution exceeds nearly all Eastern Washington Urban areas in the higher income brackets due to the numbers of higher paying government, health care, and professional services jobs.

The 2014 population of the city is estimated at just over 33,000 residents. Between 2000 and 2010, the share of Hispanic/Latino population has increased from 19 percent to 27 percent in the Chelan and Douglas County MSA as compared to 11 percent in

Population Change 2010 - 2014		
Year	Wenatchee	Washington
2010	31,925	6,724,540
2014	33,070	6,968,170
% Change	4%	4%

Source: Washington Office of Financial Mgt.

³ This section is largely excerpted from Wenatchee Valley Chamber of Commerce. <http://www.wenatcheewa.gov/modules/showdocument.aspx?documentid=7448>

the state overall. Wenatchee also has the distinction of being the 11th most densely populated community in the state illustrating the need for the provision of parks and natural areas for its residents.

In June 2014, a Citizens Committee to Address the City of Wenatchee’s Economic Sustainability issued a report that made 11 specific recommendations to the City Council for improving revenues and reducing expenses. The city has addressed many of the recommendations over the past year. Some remaining items that have been considered but as of yet are unresolved include the funding of a regional aquatic center to replace the existing city pool and transferring the pool to a non-profit entity.

Governance

The City of Wenatchee is governed by a City Council, comprising seven council members who are elected to serve staggered terms. The Mayor is elected at large for a term of four years. The elected officials and the dates their respective terms of office expire are listed below. The mayor’s seat and four council positions will be on the November 2015 ballot.

Wenatchee Mayor & City Council		
Name	Seat	Expires
Frank Kuntz	Mayor	2015
Jim Bailey	Position 1	2017
Ruth Esparza	Position 2	2015
Karen Rutherford	Position 3	2015
Keith Huffaker	Position 4	2017
Mark Kulaas	Position 5	2015
Linda Herald	Position 6	2015
Bryan Campbell	Position 7	2015

Town Toyota Center

In 2006, the Greater Wenatchee Regional Event Center Public Facilities District (PFD) was created by an interlocal agreement among nine municipalities in Douglas and Chelan counties including Wenatchee. The PFD acquired an events center (the Town Toyota Center) which includes a 4,300-seat multi-purpose spectator facility, ice arena, banquet and meeting facilities and parking. The center was completed in 2008 at a cost of \$53 million and financed by a combination of short-term tax bond anticipation notes. In an interlocal agreement between Wenatchee and the PFD from 2006, the city agreed to pay the principal and interest on the debt not covered by PFD revenues (called the contingent loan agreement).

The center’s income fell far short of projections and revenues were insufficient to make payments on debt. In December 2011, the Greater Wenatchee Regional Events Center Public Facilities District defaulted on nearly \$42 million in debt, tied to the 2008 construction of the facility. The State Legislature then passed a bill to assist the district. The bill allowed the City of Wenatchee to impose an additional 0.2 percent sales and use tax without a vote and allowed the district to submit a sales tax measure to the voters of up to 0.2 percent. The city has imposed the tax and in April 2012 voters in the nine the jurisdictions that make up the facilities district approved an additional 0.1 percent sales tax increase to help refinance the PFD debt.

PUBLIC FINANCING OPTIONS

Choosing a Funding Strategy

Generally, there are three primary types of revenue sources available to local governments to pay for parks and land conservation: discretionary annual spending, creation of dedicated funding streams, and debt financing. The financing options utilized by a community will depend on a variety of factors such as taxing capacity, budgetary resources, voter preferences, and political will.

Significant, dedicated funding generally comes from broad-based taxes and/or the issuance of bonded indebtedness, which often require the approval of voters. In TPL's experience, local governments that create funding via the legislative process provide substantially less funding than those that create funding through ballot measures. As elected officials go through the process of making critical budgetary decisions, funding for land conservation often lags behind other public purposes, and frequently less than what voters would support. It is understandably often difficult to raise taxes without an indisputable public mandate for the intended purpose.

The power of conservation finance ballot measures is they provide a tangible means to implement a local government's vision. With their own funding, local governments are better positioned to secure scarce funding from state or federal governments or private philanthropic partners. Having a predictable funding source empowers the city or county to establish long-term conservation priorities that protect the most valuable resources, are geographically distributed, and otherwise meet important community goals and values.

Nationwide, a range of public financing options has been utilized by local jurisdictions to fund parks and open space, including general obligation bonds, the local sales tax, and the property tax. Less frequently used mechanisms have included special assessment districts, real estate transfer taxes, impact fees, and income taxes. The ability of local governments to establish dedicated funding sources depends upon state enabling authority. In Washington, local government funding options for land conservation have primarily taken the form of budget appropriations, property taxes, general obligation bonds backed by property taxes, sales tax, and less frequently, impact fees and the real estate transfer tax. Many communities also have had success in leveraging local sources with funds from Washington's state conservation programs and some federal programs.

Overall, voter support of local conservation measures in Washington has been mixed. Roughly 55 percent of measures (29 of 53) on the ballot between 1996 and 2014 were approved, though the record has improved in recent years with 75 percent of measures (15 of 20) passing since 2006. Success at the ballot is hampered somewhat in the state by the high approval threshold (60 percent of the vote) required for local bond measures. TPL and its affiliate The Conservation Campaign⁴ have supported 18 city and county finance measures in Washington, 14 of which were approved.

Finally, conservation finance measures are not right for every local government or they might not be the right approach at the moment. Budget appropriations and other revenue sources that can be implemented through the legislative process may well serve as short-term funding options while conservation proponents develop a strategy and cultivate broad support for longer-term finance options. Some of the specific finance options available in Wenatchee are described below.

⁴ The Conservation Campaign (TCC) is a non-profit 501(c)(4) organization affiliated with TPL. TCC mobilizes public support for ballot measures and legislation that create public funds to protect land and water resources.

Property Taxes

The property tax is one of the largest tax revenue sources for many local jurisdictions, including Wenatchee. Proceeds may be expended for parks and open space.⁵ The property tax accounts for about 30 percent of total state and local taxes. The state property tax primarily supports “common” or K-12 public schools.⁶ In Wenatchee, property taxes support general activities and functions like the mayor and city council’s offices, and the police, fire, public works, courts, jail, culture and recreation, and building and planning departments.

The taxable value of a property is 100 percent of its fair market value, less any exemptions that may be permitted.⁷ All property is subject to reevaluation each year based on estimated market value. The individual taxing districts determine the amount of money needed and the county assessor calculates the tax rate necessary to raise that money.

The amount of property tax due on an individual property is based on the combination of tax rates and the state constitution, statutory levy limits set by the legislature and excess levies approved by the voters, and the assessed value of the property. However, there are several restrictions that affect how much property taxes may be increased—the constitutional limit, the aggregate levy limit, and the 101 percent revenue limit.

Regular Property Taxes

Maximum Rate: Section 84.52.043 of the state statutes establishes maximum levy rates for the various types of taxing districts (the state, counties, cities and towns, fire districts, and the like). A city may levy up to \$3.60 per \$1,000 of assessed value (AV). For cities that belong to a fire district and/or a library district, the rules are a little more complicated. Nominally they have a maximum rate of \$3.60 per thousand dollars AV. But, they can rarely collect that much because the levy of the special districts must be subtracted from that amount. The library district levy has a maximum rate of \$.50 per thousand dollars AV. The City of Wenatchee was recently annexed to the Chelan County Fire District 1 and, in 2014, voters approved a district levy of \$1.50 per \$1,000 with 76 percent of the vote.⁸

Regular property taxes are also subject to three other legal limitations, as follows:

1. Constitutional Limitation: Pursuant to Article 7, Section 2 of the Washington Constitution and Section 84.52.050 of the state statutes, the total regular property tax levy may not exceed \$10 per \$1,000 of the assessed value of property. Should this limitation be exceeded, levies requested by junior taxing districts are proportionally reduced or eliminated according to a prioritized list contained in Section 84.52.010. Taxing entities in Washington rarely approach this constitutional limit.⁹

⁵ “Property Tax,” Washington Dep’t of Revenue, at <http://dor.wa.gov/content/taxes/property/default.aspx>.

⁶ §84.52.043.

⁷ Properties voluntarily enrolled in the Current Use Property Tax Assessment program are not assessed at fair market value. Instead, the program enables property owners to be taxed based on current use rather than market value for the following property categories: Open Space, Agriculture, Timber or Designated Forest Land.

⁸ The state levy for support of schools is not subject to the \$5.90 limit, although it is subject to the constitutional 101 percent limit.

⁹ Tax Reference Manual, “Property Taxes,” Washington Dep’t of Revenue, at 134-35 (2002), at http://dor.wa.gov/docs/reports/2002/Tax_Reference_2002/Property.pdf.

2. Aggregate Levy Limit: Within the \$10 per \$1,000 limitation, the aggregate levies of junior taxing districts and senior taxing districts¹⁰ may not exceed \$5.90 per \$1,000 of assessed value (this limitation excludes the Conservation Futures levy).¹¹ Should this limitation be exceeded, levies requested by junior taxing districts are proportionally reduced or eliminated according to a prioritized list contained in Section 84.52.010.
3. Revenue Limit (101 percent limit): Each year regular property tax revenues are limited to the lesser of 101 percent of the highest collections in the three previous years, plus an additional amount to allow for new construction within the taxing district or inflation.¹² There only two ways for a jurisdiction to increase property taxes by more than one percent. Some jurisdictions have taken less than the maximum increase they could have in the past and have "banked" capacity that they can use. A jurisdiction that does not know whether it has banked capacity should ask its county assessor. The other way to increase property taxes by more than this amount is to do a levy lid lift¹³.

Levy Lid Lift¹⁴: This requires that the city's current expense property tax levy fall below the statutory maximum. The City Finance Director confirmed that the city's levy is below the limit and that there is capacity to pursue a levy lid lift.¹⁵ Majority approval of the electorate is required.

The ballot for the lift proposition must state the dollar rate proposed (the levy rate is determined by the assessed value of the city) and must clearly state any conditions that are applicable.¹⁶ The proposition may be for any amount of time, unless the proceeds will be used for debt service on bonds, in which case the maximum time period is nine years. To make the lift permanent requires language in the ballot title expressly stating it is permanent.¹⁷ If the lift is not made permanent, the base for future levies will, at the end of the time period specified in the ballot title, revert to what the dollar amount of the levy would have been if no lift had ever been done. The proposition may also specify the use of the funds.

After the initial "lift" in the first year, the jurisdiction's levy in future years is subject to the 101 percent revenue cap in chapter 84.55.RCW. This is the maximum amount revenues can increase without returning to the voters for another lid lift. The lift also may be "phased in" over a period of up to six years.

Several local governments in Washington State have utilized the levy lid lift for park, open space, and recreational facility purposes, including Bellevue, Duvall, Enumclaw, Pullman, Sammamish, and Seattle.

¹⁰ Senior taxing districts are comprised of the state, counties, road districts, cities and towns, port districts, and public utility districts.

¹¹ §84.52.043.

¹² §§84.55.005 to .125.

¹³ §84.55.050. The ballot for the levy lid lift must specify the dollar rate proposed, any applicable conditions, and use of the funds.

¹⁴ Source: <http://mrsc.org/Corporate/media/MediaLibrary/SampleDocuments/ArtDocMisc/levylidlift.pdf>

¹⁵ Personal communication with Deanne McDaniel, Wenatchee City Finance Director, 6/23/15.

¹⁶ §84.52.054; §84.55.050.

¹⁷ Specific language requirements are not expressed in the statute, §84.55.050.

Using the Property Tax for Parks and Open Space

The City of Wenatchee may levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services, however, that amount is reduced to \$3.10 as a result of a \$.50 per \$1,000 levy assessed by the North Central Regional Library. The city's regular levy for 2015 was \$2.647 per \$1,000 on an assessed valuation of \$2,281,383,751 for a total levy of \$6,042,143.

Estimated Revenue & Costs of Property Tax Increase City of Wenatchee				
Tax Rate Increase	Taxable Valuation	Annual Revenue	Cost / Avg. House	
0.10	\$ 2,281,382,751	\$228,138	\$23	
0.15	\$ 2,281,382,751	\$342,207	\$34	
0.20	\$ 2,281,382,751	\$456,277	\$45	
0.25	\$ 2,281,382,751	\$570,346	\$57	
0.35	\$ 2,281,382,751	\$798,484	\$80	

Sources: Total district taxable value, Chelan County levy book 2015; median home price \$227,225, Avg from Zillow, Redfin, Trulia, Census.

Without considering aggregate property tax limitations, the accompanying chart provides a summary of the revenue raising potential using the property tax. Consultation with the city's attorney and finance staff will be required to determine if junior taxing districts might be affected. **An additional 0.15 levy rate in the city would raise about \$342,000 annually, or \$1.7 million over five years; the typical homeowner would pay roughly \$34 annually.**

Bonds

To raise funds for capital improvements, such as land acquisition or building construction, counties, cities and towns in Washington may issue bonds.¹⁸ There are two main types of bonds: general obligation ("GO") bonds, which are guaranteed by the local taxing authority, and revenue bonds that are paid by project-generated revenue or a dedicated revenue stream such as a particular tax or fee. Generally, bond proceeds are limited to capital projects and may not be used for operations and maintenance purposes.¹⁹

General Obligation Bonds

Washington has two types of general obligation bonds—limited tax general obligation bonds (LTGO bonds) and unlimited tax general obligation bonds—with the primary difference being that **limited tax general obligation bonds may be issued by the local government's governing body while unlimited tax general obligation bonds must be approved by 60 percent of the electorate.**

State law limits general obligation (G.O.) bonded debt for general purposes to 2.5 percent of assessed value of taxable property.²⁰ This limit applies to voted (unlimited) and non-voted debt (limited). Of this limit, the City Council may, by resolution, authorize the issuance of limited tax general obligation bonds in an amount up to 1.5 percent of assessed value of taxable property without the vote of the people. Limited tax general obligation bonds, also called councilmanic bonds, are payable from general government revenues, which reduces the amount available for other current operating expenditures and limits the financial flexibility of the city. Hence, limited tax general obligation bonds are usually used only for the most pressing capital needs. Finally, cities also have authority to issue *additional* debt, up to 2.5 percent of assessed value for utility purposes and for open space, parks and capital facilities with a public vote.

¹⁸ E.g., §36.89.040.

¹⁹ Federal IRS rules governing the issuance of tax-exempt bonds limit the use of proceeds to capital purposes such that only a small fraction of bond funds may be used for maintenance or operations of facilities. State and local laws may further limit the use of bond proceeds.

²⁰ RCW 39.36.020

At the end of 2013, Wenatchee had bond and loan related long-term debt of \$39.7 million. Of this amount, \$9.8 million comprises general obligation bonds and \$20.5 million represents revenues bonds secured by utility revenue sources. Therefore, **the city has approximately \$21 million in available non-voted debt capacity and \$19.7 million with a public vote for general purposes and another \$55 million in debt capacity for open space, parks, and capital facilities.** The city holds bond ratings of Ba1 and BBB from Moody’s and Standard & Poor’s rating agencies for unlimited debt. These ratings indicate average credit and moderate risk.²¹

Issuing GO Bonds for Parks and Open Space

This analysis will focus on voted or limited debt for the acquisition of parks, open space, natural areas and recreational lands. The table on the following page illustrates the estimated annual debt service, required property tax rate per \$1,000 of assessed valuation, and annual household cost of various general obligation bond issue amounts for parks and open space purposes. **For example, a \$5 million bond would add approximately \$368,000 to the city’s annual debt service and would cost the typical homeowner an average of \$37 per year over the life of the bond (20 years).** The city currently has a bond levy of \$0.1456 per \$1,000 in place from a ballot measure approved by voters in 2001 for the construction of a police station. This debt is anticipated to be retired in 2021.

Bond Financing Costs for City of Wenatchee			
20-year Bond Issues at 4.0% Interest Rate			
Total Taxable Value = \$2.3 billion			
Bond Issue Size	Annual Debt Svce	Tax Rate Increase	Cost/ Year/ \$227K House
\$1,000,000	\$73,582	0.03	\$7
\$3,000,000	\$220,745	0.10	\$22
\$5,000,000	\$367,909	0.16	\$37
\$7,000,000	\$515,072	0.23	\$51

Sources: Total taxable assessed value, Chelan County Levy Book 2015; median home price \$227,225, Avg. from Zillow, Redfin, Trulia, Census.

TPL’s bond cost calculations provide an estimate of debt service, tax increase, and cost to the average homeowner in the community of potential bond issuances for parks and land conservation. Assumptions include the following: the entire debt amount is issued in the first year and payments are equal until maturity; 20-year maturity; and 4 percent interest rate. Property tax estimates assume that the city would raise property taxes to pay the debt service on bonds, however other revenue streams may be used. The cost per household represents the average annual impact of increased property taxes levied to pay the debt service. The estimates do not take into account growth in the tax base due to new construction and annexation over the life of the bonds. The jurisdiction’s officials, financial advisors, bond counsel and underwriters would establish the actual terms of any bond.

Process for Implementation

The City Council may place a ballot proposition authorizing indebtedness before the voters at any special election²² or general election.²³ The ballot proposition must include the maximum amount of the indebtedness to be authorized, the maximum term any bonds may have, and a description

²¹ City of Wenatchee 2013 Comprehensive Annual Financial Report, p 25.

²² §39.36.050.

²³ A special election may be held in conjunction with a general election or primary election. §29A.04.175.

of the purpose(s) of the bond issue. Notice of the proposed election shall also be published, as required by state statute.²⁴

All voted bonds require a 60 percent majority approval of the electorate.²⁵ To validate the election, the total votes cast must equal at least 40 percent of the total votes cast in the last general election.

Sales and Use Tax

Wenatchee has reached its maximum permissible local sales and use tax rate. While the city cannot increase its sales tax, it may however choose to pledge a portion of its existing sales and use tax revenue to land conservation. Dedication of a portion of the sales tax revenue for parks and land conservation requires a resolution or ordinance by the city council.²⁶

Supplemental Funds – Impact Fees

Additional local revenue sources could be sought to supplement a county or city open space program, such as impact fees associated with development projects and recreation user fees. Impact fees, or monetary exactions other than a tax or special assessment, are levied by counties, cities and towns in connection with the approval of a development project to defray all or part of the cost of public facilities related to the development project. Public facilities include publicly owned parks, open space and recreational facilities; public streets and roads; school facilities; and fire protection facilities.²⁷

In general, impact fees may not exceed the estimated reasonable cost of providing the service or facility and shall not be levied to make up for deficiencies in public facilities serving existing developments. Impact fees also may not be used for maintenance and operation. The local ordinance by which impact fees are levied must include a schedule of impact fees, which shall be adopted for each type of development activity based on a formula, or other such calculation that considers the cost, availability of other funding, amongst other items.²⁸ Proceeds from impact fees must be earmarked specifically and retained in special interest-bearing accounts, and must be expended or encumbered within 6 years of receipt.²⁹ Six counties and 72 cities in Washington impose impact fees according to the Municipal Research and Services Center.³⁰ The average total impact fee in Washington is \$6,588 while the average parks impact fee in the state is \$2,056.³¹ Wenatchee recently imposed its first development impact fee in February 2011. The fee, set at \$4,830 per single family residence, applies only to new development in the Broadview area and supports public facilities and road access improvements in that part of the city.

²⁴ §39.36.050

²⁵ Wash. Const., Art. VIII, §6.

²⁶ Because the city council may impose a sales and use tax via ordinance or resolution, it is inferred that the city council may dedicate a portion of existing sales and use tax revenue to land conservation via a resolution or ordinance. See §82-14.030 (“The governing body of any county or city while not required by legislative mandate to do so, may, by resolution or ordinance for the purposes authorized by this chapter, fix and impose a sales and use tax in accordance with the terms of this chapter.”).

²⁷ §82.02.090(7).

²⁸ §82.02.060.

²⁹ §82.02.070.

³⁰ *Wenatchee World*, City officials consider impact fee, January 10, 2011.

³¹ 2009 National Impact Fee Survey, Duncan and Associates.

The 2006 and 2012 Parks, Recreation and Open Space Comprehensive Plans (PROS) identifies the use of impact fees as a mechanism to assist with the funding and provision of parks, recreation and open spaces. In 2015 the Parks, Recreation and Cultural Services Department prepared a new rate study and ordinance that has been presented to the Parks and Recreation Advisory Board. The study identifies the total cost of improvements that address increasing capacity at \$17,847,700. The impact fee formula, which allocates costs to new households after applying other relevant revenues according to estimated benefit, estimates the following fees: Single-family = \$770.39; Multiple-family = \$764.60.

If the Board recommends moving forward, the proposal would be submitted to the Community and Economic Development Department for review and to take it through the Planning Commission and approval process.³²

SPECIAL PURPOSE DISTRICTS

In Washington, special purpose districts are limited purpose local governments separate from a city, town, or county government. Generally they perform a single function, though some perform a limited number of functions. They provide an array of services and facilities including electricity, fire protection, flood control, health, housing, irrigation, parks and recreation, library, water-sewer service and more recently stadiums, convention centers, and entertainment facilities that are not otherwise available from city or county governments.

Special purpose districts are generally created through the county legislative authority to meet a specific need of the local community. The need may be a new service or a higher level of an existing service. The districts are usually quasi-municipal corporations though some are statutorily defined as municipal corporations. Most special purpose districts in Washington derive revenues from real property taxes and are called taxing districts.

While there are some 80 different special purpose districts, the legislature has narrowly defined the purposes of these districts and their revenue authority. The Municipal Research and Services Center of Washington (MRSC) has published a helpful comparison of recreation districts.³³ This report will examine only the Metropolitan Park District in detail.

Wenatchee Area Park Districts

According to the MRSC, there are several park and recreation districts in the Wenatchee area. The Eastmont Metropolitan Parks and Recreation District (EMPD) in Douglas County manages 45 acres of parks and seven miles of scenic Columbia River waterfront asphalt trail (The Apple Capital Loop Trail) in East Wenatchee, WA. The 2015 EMPD budget is roughly \$1 million, most of which (\$783,000) comes from a voter-approved property tax. The current EMPD levy is \$0.2677 per \$1,000 of assessed value. Increases in the property tax levy can only be approved by a majority vote of the constituents. It is possible that areas in Wenatchee or just outside the city could be annexed to this district. Alternatively, a new district might be created to serve the Wenatchee that would include, or incorporate the EMPD.

³² Memo from Dave Erickson, Parks, Recreation and Cultural Services Director to the Parks and Recreation Advisory Board, June 18, 2015.

³³ <http://www.mrsc.org/subjects/governance/spd/spdchart0110.pdf>

The Manson Park and Recreation District operates a number of parks in the central-western portion of Chelan County. Located in the unincorporated community of Manson and including the city of Chelan, the Manson Park and Recreation District manages five parks—the Manson Bay Park (2 acres), Old Mill Park (23 acres), Singleton Park (10 acres), Willow Point Park (2 acres), and Wapato Lake Campground. The Manson PRD levies \$0.2297 per \$1,000 which generates approximately \$150,000 annually.

The Upper Valley Park and Recreation Service Area is located within the borders of Chelan County and was created in 1997 to enhance and broaden the range of park and recreation facilities available to Upper Valley residents, including development of a family aquatic center and a financing and maintenance plan. It finances itself through a property tax levy of \$0.1057 per \$1,000 of assessed valuation (\$117,648 in revenue for 2015).

Creating a metropolitan parks district³⁴

Cities and/or counties in Washington may create a metropolitan park district for the “management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards, and recreational facilities.”³⁵ A metropolitan park district may include territory located in portions of one or more cities or counties, or all of one or more cities and counties.³⁶ While the authority exists to create a joint county metropolitan park district, historically such districts have been formed only on a citywide or joint city bases in the state.

To finance its activities, a metropolitan park district may levy property taxes or issue bonds. The board of park commissioners may levy a general property tax not to exceed 75 cents per \$1,000 of assessed valuation in the district.³⁷ The board may levy a property tax in excess of the 75 cents per \$1,000 assessed valuation when 60 percent of voters within the metropolitan park district approve it at a special election. A metropolitan park district may issue non-voted debt for park, boulevard aviation landings, playgrounds, and parkway purposes, not to exceed 0.25 percent of the value of taxable property in the district.³⁸ Indebtedness that includes voter and nonvoter-approved debt may be issued in an amount equal to 2.5 percent of the value of taxable property with the approval of 60 percent of voters in the district at a general or special election.³⁹

The formation of a metropolitan park district must be approved by a majority of voters at any general or special election.⁴⁰ The ballot proposition for such formation may be initiated by either

- Adoption of resolutions submitting the proposition to create the district by the governing body of each city and county in which all or a portion of the proposed district is located (for counties, each county where all or portions of the proposed district is located within the unincorporated areas), or

³⁴ Source: Metropolitan Research Service Center; [http://mrsc.org/Home/Explore-Topics/Parks-and-Recreation/Park-and-Recreation-Special-Districts/Metropolitan-Park-Districts-\(MPD\).aspx](http://mrsc.org/Home/Explore-Topics/Parks-and-Recreation/Park-and-Recreation-Special-Districts/Metropolitan-Park-Districts-(MPD).aspx)

³⁵ §35.61.010.

³⁶ *Id.* (Emphasis added).

³⁷ §35.61.210.

³⁸ §35.61.100. General obligation bonds shall not be issued with a maximum term in excess of 20 years.

³⁹ §35.61.110.

⁴⁰ §§35.61.020 to .040.

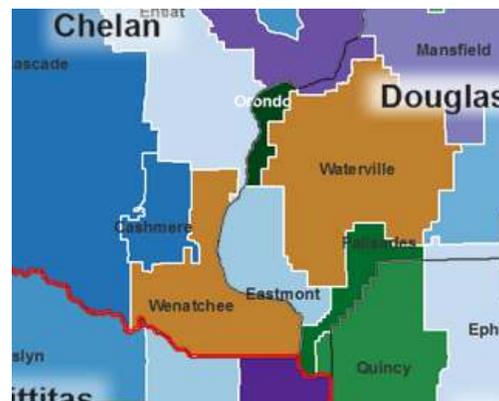
- A petition proposing creation of the district signed by at least 15 percent of registered voters in the proposed district.

The resolution or petition submitting the ballot proposition must designate the composition of the board of metropolitan park commissioners from among three alternatives.

- Five commissioners may be elected at the same election creating the district;
- For a district located entirely within one city or the unincorporated area of one county, the legislative authority of the city or county may act as the metropolitan park board; or
- For a district located in multiple cities or counties, each legislative authority may appoint one or more members to serve as the *board*.

The possibility of creating a metropolitan parks district in Wenatchee has been considered over the past few years.

The district boundaries might be drawn to follow the city boundaries or those of the Wenatchee School District (a slightly larger jurisdiction, see the school district boundaries map to the right), or a merger might be arranged with the Eastmont Metropolitan Parks District. The Wenatchee Department of Parks, Recreation and Cultural Services developed a thorough analysis of the various potential boundaries including revenues and expense projections. Appendix B contains more detailed boundary maps. Updated revenue estimates for a select number of formation options are included in the table below.



Metropolitan Park District Alternative Comparison			
Jurisdiction	Total 2015 Taxable Value	Annual Revenue	Cost / Avg. Homeowner*
Wenatchee City Limits MPD @ \$0.35	\$2,281,382,751	\$798,484	\$80
Wenatchee City Limits MPD @ \$0.50	\$2,281,382,751	\$1,140,691	\$114
Wenatchee School District MPD @ \$0.35	\$3,625,209,721	\$1,268,823	\$65
Wenatchee School District MPD @ \$0.50	\$3,625,209,721	\$1,812,605	\$93

*Median home prices \$227,225 Wenatchee; \$186,000 Wenatchee SD, Avg from Zillow, Redfin, Trulia, Census.
Sources: Wenatchee Parks, Rec. and Cultural Services and Chelan County Assessor.

Other smaller local revenue sources exist to support a city parks and conservation program, such as donations, bequests, and philanthropic support, but have not been examined in this report. Within Washington, even the most successful land trusts and conservation organizations have very limited financial resources in comparison to formal, funded local government programs.

ELECTION ANALYSIS

The City of Wenatchee holds a general election on the first Tuesday following the first Monday in November in odd-numbered years (statewide general elections are held each year).⁴¹ Upon request in the form of a resolution from the city, the county auditor may call a special city election. Special elections must be held on the following dates, as decided by City Council.

- Second Tuesday in February;
- Fourth Tuesday in April;
- Third Tuesday in May for tax levies that failed in that calendar year and new bond issues,
- Day of the primary election as specified by RCW 29A.04.311, usually August; or
- First Tuesday after the first Monday in November, in conjunction with a general election.⁴²

The dates for 2015 (general) and 2016 elections are listed in the table to the right, including the deadlines for approving resolutions and the date that ballots are available for “early voting.”⁴³ The city council could approve a resolution at a regular council meeting prior to the filing deadline.

2015 Election Dates		
Election	Deadlines for Resolutions	Ballots Available
November 3	August 4	October 16
2016 Election Dates		
February 9	December 11	January 22
April 26	February 26	April 8
August 2	May 13	July 15
November 8	August 2	October 21

The city of Wenatchee has adopted the power of initiative and referendum for the qualified electors of the city.⁴⁴

The number of registered voters needed to sign a petition for initiative or referendum shall be fifteen percent of the total number of names of persons listed as registered voters within the city on the day of the last preceding city general election (2,387).⁴⁵

Voter Registration and Turnout

As of March 2015, Wenatchee has 15,092 active registered voters. If the city wants to consider pursuing a ballot measure to establish funding for land conservation, it is important to examine the potential turnout. Any bond measure requires turnout equal to 40 percent of the votes cast at the last general election (3,404 for 2015). There are 22,691 active voters in the Wenatchee School District

Wenatchee Voter Turnout			
Date	Regist. Voters	Ballots Cast	% Turnout
Apr-15	15,092	5,464	36%
Nov-14	15,917	8,509	53%
Feb-14	15,683	9,282	59%
Nov-12	16,262	12,895	79%
Nov-10	15,169	10,710	71%
Nov-09	15,190	7,846	52%

⁴¹ §29A.04.321. Statewide general elections are held each year. However, approval or rejection of state measures, including proposed constitutional amendments, matters pertaining to any proposed constitutional convention, initiative measures and referendum measures proposed by the electorate, referendum bills, and any other matter provided by the legislature for submission to the electorate, are limited to odd-numbered election years.

⁴² RCW 29A.04.330.

⁴³ Chelan County Auditor

⁴⁴ As provided pursuant to RCW 29a.04.330 Sect 4, (3).. A resolution calling for a special election on a date set forth in subsection (2)(e) of this section [the first Tuesday after the first Monday in November] must be presented to the county auditor no later than the day of the primary.

⁴⁵ Wenatchee City Code 1.03.010.

Election Results

A review of the Chelan County election canvas record between 2007 and 2014 indicates that there have been only a few major finance propositions before city voters. Wenatchee voters have recently approved tax measures for fire facilities and the Toyota Town Center and a bond measure for school construction and renovation. Results are summarized in the chart below.

Public Spending Election Results (selected examples since 2007)				
Date	Measure	Description	Results	%Yes
Aug-14	Levy	Fire District 1 Wenatchee	Pass	78%
Feb-14	Bond	Wenatchee School District Bond	Pass	69%
Apr-12	Sales Tax	Greater Wenatchee Regional Events Ctr PFD	Pass	65%
Nov-09	Bond	Wenatchee Fire Facilities Bond	Fail	58%
Aug-09	Levy	Chelan County 911 Sales Tax	Pass	65%
Mar-09	Levy	Wenatchee School M&O Levy	Pass	64%
Nov-08	Bond	Wenatchee Fire Facilities Bond	Fail	58%
Aug-07	Bond	Wenatchee School Facilities Bond	Fail	56%
May-07	Bond	Wenatchee School Facilities Bond	Fail	59%

Appendix A

Selected Examples of Local Referenda for Parks and Open Space

SHELTON: November 2010 (PASSED: 52% Yes)

PROPOSITION NO. 1 METROPOLITAN PARK DISTRICT

Shelton City Commission Resolution No. 994-0210 proposes that voters decide whether to create the Shelton Metropolitan Park District, governed by the Shelton City Commission as the ex officio board of parks commissioners. If created, the district would have all the powers under Chapter 35.61 RCW, and would provide improved parks and recreation services. The district would levy a general tax on property not to exceed fifty-five cents per one thousand dollars of assessed value. Shall the Shelton Metropolitan Park District be so created and governed?

KIRKLAND: November 5, 2002 (PASSED: 65% Yes)

GENERAL OBLIGATION PARK SAFETY, OPEN SPACE, WILDLIFE PROTECTION AND SCHOOL PARTNERSHIP BONDS

The City Council of the City of Kirkland adopted Ordinance #_____ concerning a proposition for parks, open space and recreation bonds. This proposition authorizes the City of Kirkland to undertake open space, natural areas, wetlands and wildlife habitat protection and preservation, construct playgrounds, playfields and parks in the partnership with Lake Washington School District and renovate and make other safety improvements to Juanita Beach Park, to issue \$8,400,000 of general obligation bonds maturing within a maximum of 20 years, and levy additional property taxes annually to repay the bonds, as provided in Ordinance #_____. Should this proposition be: Approved? Rejected?

REDMOND: November 1989 (PASSED: 64% Yes)

PARKS, RECREATION AND OPEN SPACE ACQUISITION AND RENOVATION BONDS

Shall the City of Redmond, to acquire land for parks, recreation and open space purposes and to renovate existing park facilities, incur indebtedness and issue not more than \$4,870,000 of unlimited tax general obligation bonds with a maximum term of 20 years, on which principal and interest shall be payable from annual property tax levies upon all taxable property within the City in excess of regular property tax levies, as provided in Resolution No. 802? Shall the City of Redmond, to acquire land for parks, recreation and open space purposes and to renovate existing park facilities, incur indebtedness and issue not more than \$4,870,000 of unlimited tax general obligation bonds with a maximum term of 20 years, on which principal and interest shall be payable from annual property tax levies upon all taxable property within the City in excess of regular property tax levies, as provided in Resolution No. 802?

METROPOLITAN PARK DISTRICT CITY OF PULLMAN: August 2013 (PASSED 68% Yes)-**PROPOSITION 1 LEVY TO SUPPORT METROPOLITAN PARK DISTRICT CITY OF PULLMAN**

The Board of Commissioners of the Metropolitan Park District of the City of Pullman adopted Resolution No. MPD 13-1 concerning a proposition for levy rate increase. To restore and enhance funding for park maintenance, to maintain, renovate, and enhance park facilities, trails and playfields and to acquire parkland and open space as needed, the District's regular property tax levy base shall be increased permanently by \$0.09 per \$1,000 of assessed value for collection in 2014 and such amount shall be used for the purpose of computing the limitations for subsequent levies provided under RCW ch. 84.55.

WATERVILLE: November 2011 (PASSED 63% Yes)

TOWN OF WATERVILLE SPECIAL ELECTION PROPOSITION NO. 1, PERMANENT REGULAR LEVY LID LIFT.

The Waterville Town Council adopted Resolution No. 2011-05 containing a Proposition that would authorize regular property taxes at the maximum rate of \$2.80 per \$1,000 of assessed valuation for the year 2012. This is a permanent levy lid lift. For a minimum period of six (6) years, \$.50 per \$1,000 of the levy increase shall be dedicated to continuing maintenance and operation of the Town's swimming pool.

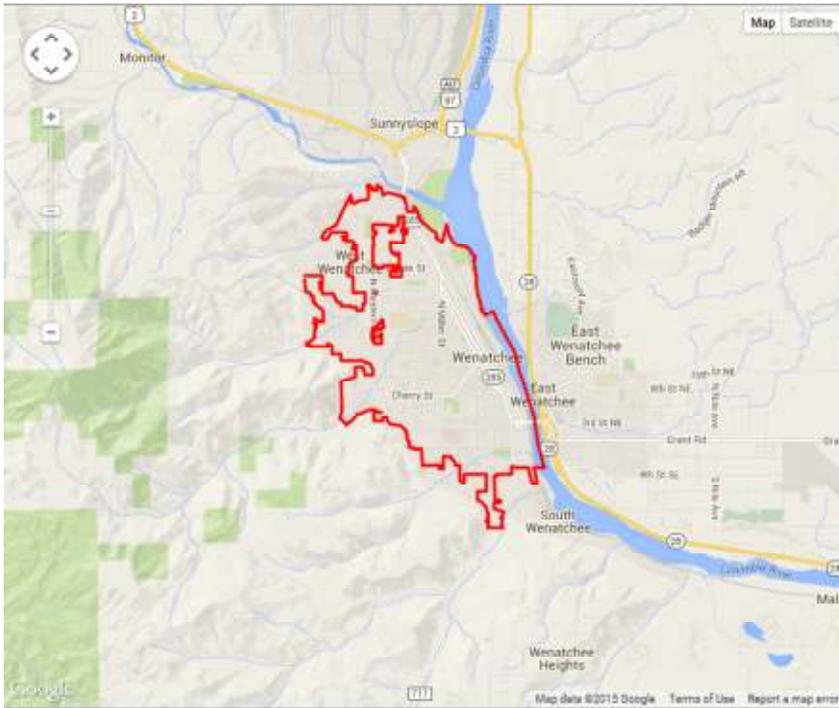
CITY OF OLYMPIA: September 2004 (PASSED 57% Yes)

The Olympia City Council adopted Ordinance No. 6314 to increase the tax on telephone, electrical, and natural gas business, for the purpose of helping fund wildlife habitat, natural areas, open space, parks, and trails and recreation-related sidewalks. This ballot measure would allow the City of Olympia to protect and preserve wildlife habitat, natural areas, and open space; acquire, develop and maintain waterfront, neighborhood, community and special use parks and playgrounds; and construct and improve hiking, biking, and walking trails and recreation-related sidewalks by increasing the tax on telephone, electrical, and natural gas business by three percent, all subject to review and recommendation by City Council-appointed citizen advisory committees. Should this measure be: Approved Rejected

Source: MRSC

Appendix B

City of Wenatchee Boundary Map



Wenatchee School District Boundary Map



Appendix C

Local Revenue Options Summary

Revenue Option	Description and Generating Potential	Implementation Process	Comments												
Property Tax	<p>Wenatchee could raise revenue for parks and open space acquisition by increasing the county property tax rate for that purpose through a levy lid lift</p> <table border="1"> <thead> <tr> <th><i>Tax Rate</i></th> <th><i>Revenue Raised per Year</i></th> <th><i>Annual Cost for \$227K House</i></th> </tr> </thead> <tbody> <tr> <td>0.15</td> <td>\$342,207</td> <td>\$34</td> </tr> <tr> <td>0.20</td> <td>\$456,277</td> <td>\$45</td> </tr> </tbody> </table> <p>Total assessed property value in Wenatchee is \$2.28 billion for 2015.</p>	<i>Tax Rate</i>	<i>Revenue Raised per Year</i>	<i>Annual Cost for \$227K House</i>	0.15	\$342,207	\$34	0.20	\$456,277	\$45	<p>A levy lid lift must be approved by a majority of the voters in the county at a general or special election.</p>	<p>A property tax would create a dedicated funding source for parks and recreation, ensuring continuous long-term funding.</p> <p>To the extent that the levy lid lift would cause the aggregate rate in some taxing jurisdictions to exceed the limit, the tax rates for junior and other senior tax districts could be reduced.</p>			
<i>Tax Rate</i>	<i>Revenue Raised per Year</i>	<i>Annual Cost for \$227K House</i>													
0.15	\$342,207	\$34													
0.20	\$456,277	\$45													
Issuing G.O. Bonds	<table border="1"> <thead> <tr> <th><i>Bond Issue</i></th> <th><i>Debt Service</i></th> <th><i>Tax Req'd</i></th> <th><i>\$227K House</i></th> </tr> </thead> <tbody> <tr> <td>\$5 million</td> <td>\$367,909</td> <td>0.16</td> <td>\$37</td> </tr> <tr> <td>\$7 million</td> <td>\$515,072</td> <td>0.23</td> <td>\$51</td> </tr> </tbody> </table> <p>The debt service figures for the proposed bond issue above are based upon a general obligation bond issued for 20 years at 4 percent interest. This rate is only used for illustration. City officials, its financial advisors, bond counsel and underwriters would establish the actual terms of any bond issue.</p>	<i>Bond Issue</i>	<i>Debt Service</i>	<i>Tax Req'd</i>	<i>\$227K House</i>	\$5 million	\$367,909	0.16	\$37	\$7 million	\$515,072	0.23	\$51	<p>The County Board may issue up to \$20 million dollars in bonded debt with the approval of voters.</p> <p>If a bond measure is placed on the ballot, then 60% voter approval is required, with election turnout equal to or greater than 40% of that for the prior state general election.</p>	<p>The county has limited debt capacity.</p> <p>Bonds raise substantial amounts of money, enabling the county to make important acquisitions now while land is available. Costs would be spread out over a long time horizon, and therefore costs borne by both current and future beneficiaries.</p> <p>Approval requirements for bond elections are higher than those for other mechanisms.</p> <p>Bond proceeds may not be used to fund ongoing expenses.</p>
<i>Bond Issue</i>	<i>Debt Service</i>	<i>Tax Req'd</i>	<i>\$227K House</i>												
\$5 million	\$367,909	0.16	\$37												
\$7 million	\$515,072	0.23	\$51												
Municipal Park District	<table border="1"> <thead> <tr> <th><i>Tax Rate</i></th> <th><i>Revenue Raised per Year</i></th> <th><i>Annual Cost for Avg. House</i></th> </tr> </thead> <tbody> <tr> <td>0.35 (City)</td> <td>\$798,484</td> <td>\$80</td> </tr> <tr> <td>0.35 (SchDst)</td> <td>\$1,268,823</td> <td>\$65</td> </tr> </tbody> </table>	<i>Tax Rate</i>	<i>Revenue Raised per Year</i>	<i>Annual Cost for Avg. House</i>	0.35 (City)	\$798,484	\$80	0.35 (SchDst)	\$1,268,823	\$65	<p>Must be approved by a majority of voters.</p>	<p>An MPD would provide a dedicated source of funds for parks.</p> <p>Proceeds may be used for acquisition and maintenance.</p> <p>A larger boundary also expands the tax base.</p>			
<i>Tax Rate</i>	<i>Revenue Raised per Year</i>	<i>Annual Cost for Avg. House</i>													
0.35 (City)	\$798,484	\$80													
0.35 (SchDst)	\$1,268,823	\$65													

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