

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Seattle Parks and Recreation; authorizing an amendment to the Interlocal Agreement between The City of Seattle and the Seattle Park District.

Summary and Background of the Legislation:

On August 5, 2014, Seattle voters approved Proposition 1, creating the Seattle Park District (hereafter, “the District”), to significantly expand resources for parks and recreation services for Seattle residents. Since that time the District, through levying of property taxes, has invested tens of millions of dollars annually in the development and maintenance of parks and recreation facilities, and the operations of programs for teens, older adults, people with disabilities, and all residents. In 2023, the Seattle Park District adopted its Cycle 2 financial plan, which increase investment in parks and recreation services by approximately \$59 million per year.

The District is governed by the District Board (the Seattle City Council members serving as the Board members, and the City Finance Director serving as the Treasurer, in ex-officio capacities). The City and the District adopted an interlocal agreement (ILA) governing the relationship between the two parties, in order to make the most efficient use of public funds and coordinate efforts.

The ILA stipulates that the City shall maintain a certain level of General Fund (GF) support to Seattle Parks and Recreation (SPR). Specifically, the ILA created a GF baseline—commonly referred to as the “GF floor”—and required the City to allocate GF resources to SPR in each annual budget at or above that baseline. Currently, the ILA requires the City to allocate to SPR an amount of GF equivalent to their 2014 GF allocation (\$89 million) adjusted for inflation annually using the percent change in the Consumer Price Index (CPI) for Seattle.

This fourth amendment to the ILA makes two changes to the provisions governing the GF revenue baseline:

- First, it clarifies that the measure of CPI used to calculate the annual changes to the baseline is more properly referred to as “the 12 months ending in June” rather than “July to July” as noted in the current ILA. Additionally, it also clarifies that the specific CPI to be used is for the Seattle-Tacoma-Bellevue area. To be clear, this amendment to the ILA does not change the specific inflation index used to calculate the baseline; it just refers to the index by its proper name to avoid future confusion.

- Second, for the 2024 budget only, it changes the formula used to calculate the inflationary increase to the GF baseline from CPI to 3%. For all future years, the inflator used to calculate baseline would return to CPI. Due to an unprecedentedly high rate of inflation, the City is able to meet its commitment to maintaining and increasing GF funding to parks and recreation services – but not at the level of growth specifically stipulated in the current ILA. Both the City and the District maintain an interest in long-term sustainability of the ILA and its role in coordinating efforts across both jurisdictions. Therefore, this one-time technical change to the formula for determining the GF baseline maintains and grows the City’s commitment to fully funding parks and recreation services, but does so at a level of growth that avoids the risk of unilateral termination of the ILA, or the requirement to declare an emergency.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes X No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

This legislation reduces the total allocation of GF that the City is required to provide in 2024 from \$123.4 million to \$118.2 million. This legislation resets the baseline for required GF support.

Are there financial costs or other impacts of *not* implementing the legislation?

If this legislation is not adopted, the City must allocate \$123.4 million to SPR in the 2024 Adopted Budget; the Mayor’s 2024 Mid-Biennium Proposed Budget includes \$120 million, an increase of \$2.1million over the 2023 Adopted Budget.

4. OTHER IMPLICATIONS

- Does this legislation affect any departments besides the originating department?**
No.
- Is a public hearing required for this legislation?**
No.
- Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.
- Does this legislation affect a piece of property?**
No.

- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

This technical change will not have impact on RSJI or LAP. While it does decrease the total amount of GF that would be otherwise allocated to SPR, Cycle 2 of the Park District and other recent budget changes have dedicated significant resources to equity efforts.

- f. Climate Change Implications**

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way? No.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects. No.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?** No program expansion.