



King County

July 5, 2007

To: King County Flood Control Zone District Advisory Committee

Fr: Brian Murray, FCZD Advisory Committee Coordinator

Re: Preparation for the “final votes” and recommendations at the July 20 Meeting

At our meeting on June 22, City of Carnation Councilmember Mike Flowers asked for a clarification on the scheduled “final votes” at your upcoming July 20 meeting. Here are the proposed decision items for the upcoming meeting.

1) Do you approve of the District’s “Proposed Work Program”?

At our first meeting on May 17, you were provided with a description of the District’s proposed work program. The work program and budget were further discussed on June 8. We have been focusing most of our discussion on the Capital Improvement Program (CIP) portion of this work program, but the work program also includes operating costs to pay for flood facility maintenance, the coordination of regional flood warning center operations, floodplain mapping, technical studies (including modeling and monitoring to evaluate flood risks), administration, and public education. As presented at the 6/8 meeting, the forecasted total annual operating costs for 2008 are \$8.2 million. The CIP list, however, is the majority of the costs of the overall program (80%). You have had two preliminary round robin votes on whether or not you approve of the CIP list. On July 20, we will ask you to share your yes or no opinions on the 2008 work program as a whole. We will quickly review the work program and the sequenced CIP list at that meeting. The operating work program presented at the May 17th meeting and the planning level CIP list presented at the June 22nd meeting are available at the following address in the ‘Meeting Schedule’ section:

<http://www.metrokc.gov/dnrc/wlr/flood/fczd-advisory.aspx>

2) What tax levy rate do you recommend to fund the District work program? Do you approve of a ten-cents-per-\$1,000 assessed-value tax levy or a different level ?

In response to your requests, staff presented you with information on June 22 about the types of projects that could be built at different levy scenarios, ranging from 5-14 cents. You have had two preliminary round robin votes on the levy amount, and on July 20 we will ask you to weigh in for a final time on the initial levy rate. To clarify, as shown on the capital project list, the 5-14 cent scenarios do not include an allocation to fund “subregional” projects. (Note: For the option of a two-tier rate structure, the recommended levy rate will be used to inform the total amount of revenue needed under any funding scenario. In other words, the goal of a two-tiered structure would be to meet the same revenue requirements as a uniform rate.).

3) Which of the following rate-structure options do you recommend?:

There are a number of options to raise the revenue to implement the district work program. We discussed this topic on June 22, and also conducted a preliminary round robin vote on the possibility of a tiered rate. We will bring additional information as requested and further discuss the rate structure options on July 20. During the 6/22 meeting discussion, we heard

interest from members in exploring different ways to proceed with the rate structure. We present the following three options for your final vote on this subject on July 20.

- a. Uniform rate (single tax levy) for the full 10-yr planning horizon starting in 2008.
- b. Uniform rate in 2008, but with a commitment to explore, starting in 2008, the construct of a 2-tiered rate structure for a tax and a special benefit assessment, or a tax and a service charge as a work program item.
- c. No FCZD funding in 2008. Explore two-tier rate structure for possible 2009 implementation. This option would require identifying funding sources to cover the \$900,000 'lost' Green River FCZD operating costs in 2008 and about \$300,000 to \$500,000 to support development of tiered rate structure options including data collection, development of a rate model, legal analysis, etc.

4) Do you approve of an additional amount of dollars to fund subregional capital projects? If so, what level of funding would you like to provide?

As noted above, the proposed levy rate to fund the proposed district work program does not include funding for subregional projects. The committee has not yet agreed on a definition of sub-regional, and a proposal has been made to work collaboratively on that definition over the next six months. But, at this time, the levy would only pay for those projects deemed "regional" under current operating definitions.

However, the ordinance adopting the Flood Plan (Ord. #15673) states that the Council intends to provide funding sufficient to implement the programs and projects outlined in the Flood Plan, as well as their intent to "address subregional infrastructure needs on tributaries". Should you decide to include funding for subregional projects, we recommend it be allocated via an open competitive process with proposals reviewed by the BTCs and Advisory Committee recommendations forwarded to the District Board of Supervisors. We also recommend that the allocation process be developed collaboratively.

We present the following three options for your final vote on this subject on July 20:

- 1) Allocate some portion of the levy rate to subregional projects. You might decide that a portion of every ten cents, for example, should be spent on subregional projects.
- 2) Add more money to the levy rate. You might decide that the tax levy should be at 11 or twelve cents, with a penny or two for funding of subregional projects.
- 3) Do not implement a subregional program. Given that the committee has not had time to agree on a definition, you could decide to fund those projects identified as "regional". (it is possible after more consideration – in 2008 or beyond – you could decide to allocate funding toward "subregional" projects once you have agreed on the definition. The one drawback to this option is that the County Council is significantly limited in how much it can raise the levy once it has been established. So, if you agree that the tax levy should be at ten cents, later funding for the subregional projects would have to come out of the ten-cent pie; the levy cannot be raised by a penny or two later on.

To help you prepare for your final vote:

- We will be sending out information for the July 20th meeting in advance. We also are offering to meet with each of you individually in advance of that meeting to discuss

questions on any of the information presented to date, as well as the two-tier scenarios that will be presented on the 20.th We will be contacting you to determine your interest in a meeting.

- The City of Seattle asked us to evaluate the legality and feasibility of having the district collect less than it levies in the first year in order to give the Advisory Committee more time to become more familiar with projects before collecting a higher levy rate. We are evaluating this proposal and continue to welcome other ideas and feedback on the flood control zone district funding options for 2008.
- Margaret Norton-Arnold is preparing a summary of the round robin we conducted on June 22, and will email it to all of you. It will be similar to the first summary, and it is how she is structuring your recommendations to the District Board of Supervisors – it is particularly important to note that both majority and minority opinions will be presented in the final recommendations you submit.

Please do not hesitate to give us a call over the next few weeks if we can assist you in any way as we prepare for your meeting on July 20.

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