

METROPOLITAN KING COUNTY COUNCIL

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that a public hearing will be held before the Metropolitan King County Council, Room 1001, King County Courthouse, Seattle, Washington, on the 16th day of November, 2009, at 1:30 p.m., pursuant to RCW 89.08.400, to consider a system of assessments proposed by the King Conservation District for the years 2010-2014 (“the KCD proposal”).

SUMMARY

The KCD proposal requests that the Metropolitan King County Council consider and approve a natural resource conservation special assessment for the King Conservation District in the amount of \$9.98 per parcel per year on all real property located within the District’s boundaries, plus an additional \$0.00 per acre per year for parcels less than 1 acre, \$0.01 per acre per year for parcels between 1 and 5 acres, and \$0.02 per acre per year for parcels greater than 5 acres. The assessment would be effective from January 1, 2010, through December 31, 2014. The following lands would be exempted from the assessment: “forest lands used solely for the planting, growing, or harvesting of trees and assessed by King County as forest land consistent with Chapter 89.08 RCW.”

The KCD proposal provides that the use of revenues from the assessment would be subject to the terms of a proposed Assessment Appropriation Plan. A copy of the proposal, including the following documents, is available online at http://www.kingcounty.gov/council/clerk/materials_interest.aspx or may be obtained upon request from the Clerk of the Council, Room W-1039, King County Courthouse, 516 Third Avenue, Seattle, WA 98104, telephone 206-296-1020, anne.noris@kingcounty.gov:

KCD letter and memo to King County Council, dated July 31, 2009;
KCD Resolutions 09-005, 09-006, 09-007, and 09-008;
KCD Assessment Appropriation Plan, Proposed System of Assessments 2010-2014
KCD Strategic Goals 2010-2014
KCD Funding Guidelines and Commitments for FY 2010-2014

The King Conservation District is a governmental subdivision of the state of Washington, organized under chapter 89.08 RCW to protect and conserve natural resources throughout King County, except within the boundaries of the incorporated cities of Enumclaw, Federal Way, Milton, Pacific, and Skykomish.

DATED at Seattle, Washington, this 4th day of November, 2009.

METROPOLITAN KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Anne Noris
Clerk of the Council



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King Conservation District

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1107 SW Grady Way, Suite 130 • Renton, WA 98057 • Phone 425-282-1900 • Fax 425-282-1898 • www.kingcd.org

METROPOLITAN KING COUNTY COUNCIL

July 31, 2009

Mr. Dow Constantine
Chair, Metropolitan King County Council
King County Courthouse
516 Third Ave., Rm. 1200
Seattle, WA 98104

Dear Chair Constantine:

Please find attached to this letter, a copy of the King Conservation District's proposed system of assessments for 2010-2014.

The proposed assessment package includes a number of resolutions of the King Conservation District Board of Supervisors, which are more fully described in a transmittal memorandum and executive summary of the proposed system of assessments.

The District has taken a different approach and format to the proposal from that put forward in previous years; however the desired conservation outcomes and commitment of the District to cooperation and working in partnership with the County, member jurisdictions, and stakeholders remains the same. The District looks forward to continuing a positive working relationship with the County and its member jurisdictions.

We look forward to working with you to continue the conservation programs and projects that serve the citizens of King County.

Best regards,

Jeffrey Possinger
Executive Director

Attachments: System of Assessments Package

- c. Metropolitan King County Councilmembers
- Kurt Triplett, King County Executive
- Theresa Jennings, King County DNRP
- Bob Burns, King County DNRP
- Peter Lewis, President, Suburban Cities Association
- Doug Osterman, WRIA 9 Lead
- Yvette Lizee-Smith, WRIA 8 Lead
- Gene White, WRIA 7 Lead
- Steve Mullet, Chair, Advisory Committee Chair
- District Board of Supervisors



Office of the Executive Director

Memorandum

DATE: Friday, July 31, 2009

TO: Metropolitan King County Council, Clerk of the Council, and King County Executive, Kurt Triplett.

FROM: Jeffrey Possinger, Executive Director

CC: King Conservation District Board of Supervisors
District Advisory Committee

RE: Transmittal Memorandum and Executive Summary: King Conservation District – System of Assessments 2010-2014

On July 27, 2009, the King Conservation District Board of Supervisors held a regular meeting of the board, and after considering the public input and testimony, as described in further detail below, adopted a proposed System of Assessments for 2010-2014.

Transmittal Memorandum

Please find attached to this transmittal memorandum, the following resolutions and attachments, which as a package constitute the King Conservation District's Proposed System of Assessments for 2010-2014.

- Resolution 09-005** Resolution Adopting Proposed System of Assessments 2010-2014
- Resolution 09-006** Resolution Adopting the 2010-2014 Assessment Appropriation Plan, with Attachment.
- Resolution 09-007** Resolution Adopting Policy for Funding Guidelines and Commitments 2010-2014, with Attachment.
- Resolution 09-008** Resolution Adopting District Strategic Goals for 2010-2014, with Attachment.

Executive Summary of System of Assessments Package

Introduction

In accordance with Chapter 89.08 RCW, the King Conservation District Board of Supervisors has adopted a proposed system of special assessments to fund the District's conservation programs, projects, initiatives and other activities. The District respectfully requests that the Metropolitan King County Council consider and approve the enclosed special assessment package to fund regional natural resource conservation programs, projects, and other conservation initiatives. The District proposes a 5-Year (2010-2014) special assessment in the amount of \$9.98 per parcel with acreage fees of \$0.00 for parcels under 1 acre, \$0.01 per parcel for parcels between 1 acre and 5 acres, and \$0.02 for parcels over 5 acres to be assessed on all parcels except those classified as forest lands. All funds collected through this special assessment will be administered consistent with Chapter 89.08 RCW.

As will be set out below in more detail, the District has taken a different approach and format to the proposal from that put forward in previous years; but the desired conservation outcomes and commitment of the District to cooperation and working in partnership with the County, member jurisdictions, and stakeholders remains the same.

Public Process and Engagement of District's Advisory Committee

The King Conservation District engaged in considerable public outreach and engagement in connection with the development of the proposed system of assessments.

Pursuant to RCW 89.08.400(2), the District held six public hearings in May and June of 2009 for the purpose of taking public comment on the conservation priorities and programs that would be funded by the District through special assessments. Pursuant to its Interlocal Agreement with King County, the District conducted two special meetings with the District's Advisory Committee on June 30, 2009, and on July 23, 2009 for the purpose of gathering input and feedback from its stakeholders. In addition to statutory requirements, the District conducted two additional public hearings on July 13, and July 27, 2009 for the purpose of gathering further public comments and information on the proposed system of assessments. Furthermore, the District requested public comment via email from May 14, 2009 to July 24, 2009 prior to and after the release of the Draft Assessment Appropriation Plan.

After consideration of the comments, feedback, and testimony received, the District Board of Supervisors adopted amendments to the Proposed Assessment Appropriation Plan, and adopted further District policies in order to provide clarity around the District's commitments to its partners and other stakeholders. These policies were adopted by Resolution 09-007, which is attached to this System of Assessment Package.

Changes in Approach, Continued Commitment to Natural Resource Conservation

The King Conservation District has had a special assessment to fund a portion of the activities of the District since 1994. The current assessment period began on January 1, 2007, and runs until December 31, 2009. The District's current assessment includes an Interlocal agreement, which sets out a number

of requirements, including a fixed allocation of the assessment, which designates a dedicated 70% of the District's assessment funds for two programs. The remaining 30% of the assessment is what has been left for the rest of the District's programs, projects, and initiatives, including the funding of programs for other stakeholders; this left over funding has also been the primary source of funding for the District's administration. Although the District receives funding from other grant sources, the special assessment provides the primary source of consistent and on-going funding for the District.

For several years, large portions of assessment funds have been used to fund Salmon Recovery, first through the development of Watershed Recovery Plans for WRIA 7, WRIA 8, and WRIA 9; and then later for the purpose of implementing the projects identified by the member jurisdictions to those respective plans. Since 2007, this has constituted 50% of the District's assessment. In addition to providing a source of funding for Watershed Forums, member jurisdictions have had a share of the assessment funds set aside for funding programs and projects in their specific jurisdictions. Since 2007, this has constituted 20% of the assessment. As a function of an Interlocal agreement, the WRIA Forums and the member jurisdictions have had a combined total of 70% of the District's assessment funds committed to them, directed to fund their respective priorities. This arrangement has had some successes, including a significant amount of the work done on watershed recovery and specific conservation projects with the District's partners and stakeholders. But, this arrangement has also had some significant challenges as well. Based on the feedback received from various sources, including the District's Advisory Committee over the last three years, the current structure of the assessment was ripe for review. The effects of the current economic crisis, as well as other statewide policy and legal challenges created the need to reevaluate the way the District operated, including the way in which the District has funded its activities. To respond to those challenges, the District developed a new approach to the way it has operated, and has developed a new approach to how it intends to fund the activities of the District.

For several years, the District's stakeholders and partners have requested that the King Conservation District grow and develop a more robust organization, and provide even higher levels of service and engagement in a diverse urban-suburban-rural conservation district. In response, the District has made significant and remarkable changes in its approach and organizational structure. Reorganized, it has hired an executive director, made significant changes in the structure and operations of the District, and invested in the development of programs and projects that address the needs of various stakeholders. Through this process, the District has clarified its mission, values, and goals; and has set about putting the mechanisms in place to align the operations and activities of the District with those goals.

Since the institution of the last assessment cycle, the United States has entered into a period of severe economic downturn. The effects of this economic downturn have rippled through the federal, state, and local governments. Washington State has not been immune to this, with a multi-billion dollar state budget deficit. These effects were felt in the 2009 biennial budget, and have resulted in budget cuts to the Washington State Conservation Commission, and the grants programs that they administer. As a result of changes to state funding mechanisms, local sources of funding, namely special assessments, are taking on greater importance for the funding of conservation districts around the State.

In a time of heightened economic distress, government funding becomes the focus of even more taxpayer scrutiny. This has been the case in Washington State for many years, but has only intensified as the economy has worsened. Local jurisdictions of different kinds have been confronted with a number of legal challenges recently with respect to the appropriate use of funding mechanisms, and around the state this issue has appeared with respect to the special assessments of conservation districts. A goal of the King Conservation District has been to assure both that the local special assessment provides value, and is above reproach in order to continue to fund the conservation activities of the District.

In addition to economic issues, policy has shifted for environmental issues on a regional level, as well as on a national level with the new administration. The King Conservation District is engaged in a larger network of state and federal agencies engaged in conservation; and as a result the District is part of larger policy issues even as it engages in its specific work locally.

These larger issues, combined with the experience of the District over the last several years led to an innovative approach in the way the District is now proposing its special assessment package. The current Assessment Appropriation Plan aligns the funding package with the mission, values, and goals of the District; and reorganizes the way in which the uses of district assessment funds are presented. The new approach was developed to bring the District's funding through the assessment in line with the legislative intent of the statute authorizing the assessment, which was meant to create a mechanism for more accountability and transparency in the process of developing the special assessment, while also avoiding some of the challenges faced by districts in other areas of the State.

Moving forward into 2010 and beyond.

The District has solid financial management, accounting, and administrative systems in place and is mindful of our fiduciary responsibility to manage these public funds. The District is audited yearly by the Washington State Auditor and all audits since 1999 recognize the District's ability to manage and oversee assessment and other funds consistent with recommended practices and applicable laws.

A county legislative authority's legal obligation under RCW 89.08.400 is to (1) determine whether "the public interest will be served by the imposition of the special assessments" and (2) ensure that "the special assessments to be imposed on any land will not exceed the special benefit that the land receives or will receive from the activities of the conservation district." The county legislative authority is required to conduct a hearing and make findings on the Assessment Appropriation Plan and proposed assessment appropriations budget submitted by the conservation district.

With respect to the "public interest" requirement, there should be no question that the public interest will be served by the imposition of the special assessments to fund the District's conservation activities as described in the Proposed Assessment Appropriation Plan.

With respect to the special benefit requirement, the District believes that its programs, projects, initiatives, and other activities as set forth in the Assessment Appropriation Plan will provide benefits to the lands in excess of the special assessments to be imposed on any lands. As set forth above, the

special assessments to be imposed on any lands will range from \$9.98 to a maximum of \$10.00 per parcel, depending on the size of the parcels. There is not a significant change in the mix of programs and services in the 2010 proposal from that for the 2007-2009 system of assessments, and the special benefit analysis undertaken by the District for that time period clearly demonstrates that the benefits received by any lands will far exceed the amount of any assessment. A copy of the special benefit analysis report prepared by Earth Economics was previously submitted as a part of the District's proposed system of assessments package. The District asks that this special benefit analysis report again be included as a part of King County's formal record as it conducts its hearing on the proposed system of assessments submitted by the District.

Conclusion

As a special purpose district, established in 1949, the King Conservation District has provided services to the citizens of King County for 60 years. Since 1994, the King Conservation District has had a successful 15 year relationship with King County and the District's other member jurisdictions in using the District's Special Assessment to fund the

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KING CONSERVATION DISTRICT
KING COUNTY, WASHINGTON

RESOLUTION NO. 09-005

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE KING CONSERVATION DISTRICT ADOPTING A PROPOSED SYSTEM OF ASSESSMENTS FOR THE PURPOSE OF FUNDING DISTRICT ACTIVITIES AND PROGRAMS TO CONSERVE NATURAL RESOURCES; AND AUTHORIZING THE FILING OF THE PROPOSED SYSTEM OF ASSESSMENTS WITH THE METROPOLITAN KING COUNTY COUNCIL FOR ITS REVIEW AND APPROVAL.

WHEREAS, the King Conservation District ("District") is a governmental subdivision of the State of Washington, organized under Chapter 89.08 RCW with the purpose and authority to protect and conserve natural resources throughout King County ("County"), except within the boundaries of the incorporated cities of Enumclaw, Federal Way, Milton, Pacific, and Skykomish, which are not located within or a part of the District; and

WHEREAS, pursuant to RCW 89.08.400, the Metropolitan King County Council ("Council") is authorized to impose special assessments on certain lands within the District for a period or periods each not to exceed ten years in duration to finance the District's activities and programs to conserve natural resources; and

WHEREAS, pursuant to RCW 89.08.400 the District is required on or before the first day of August in the year prior to which the District is proposing that a special assessment be authorized to file with the Council a proposed system of assessments indicating the years during which it is proposed that the special assessments shall be imposed, along with an Assessment Appropriation Plan 2010-2014, and an Assessment Appropriation Budget for the succeeding year; and

WHEREAS, pursuant to RCW 89.08.400(2), the District held six public hearings in May and June of 2009 for the purpose of taking public comment on the conservation priorities and programs that would be funded by the District through special assessments for natural resource conservation for the period from 2010 through 2014; and

WHEREAS, in addition to the requirements of RCW 89.08.400(2), and pursuant to its Interlocal Agreement with King County, the District conducted two special meetings with the District's Advisory Committee on June 30, 2009, and on July 21, 2009 for the purpose of gathering input and feedback from its stakeholders on a proposed system of assessments and the related Assessment Appropriation Plan and to provide the District's Board of Supervisors with the opportunity to consider the comments and information collected by the District regarding the proposed system of assessments; and

WHEREAS, in addition to the requirements of RCW 89.08.400(2), the District conducted two (2) additional public hearings on July 13, and July 27, 2009 for the purpose of gathering additional public comments and information on a proposed system of assessments and to provide the District's Board of Supervisors with the opportunity to consider the comments and information collected by the District regarding the proposed system of assessments; and

WHEREAS, notices of the public hearings were posted and published in accordance with the requirements of RCW 89.08.400(2); and

WHEREAS, after careful consideration of the public comments and information gathered and submitted to the District, and after careful consideration of the recommendations of the District's staff and consultants, the District is prepared to formally adopt a proposed system of assessments to fund the District's conservation activities and programs; and

WHEREAS, the District's activities and programs to conserve natural resources are declared by RCW 89.08.400(1) to be of special benefit to lands located within the boundary of the District; and

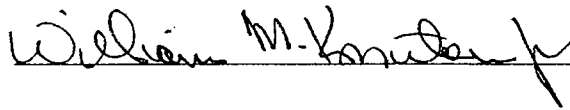
WHEREAS, the District believes that the proposed system of assessments adopted by this resolution is in the public interest and that the special assessments to be imposed on any land will not exceed the special benefit that the land receives or will receive from the conservation activities and programs of the District during the assessment period;

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the King Conservation District that the District hereby adopts the following proposed system of assessments which shall be submitted to the Metropolitan King County Council on or before August 1, 2009 for the Council's review and approval:

1. Assessment of Lands. An annual assessment equal to an annual flat rate of \$9.98 per parcel, plus a uniform annual rate per acre amount based on the following classifications: \$0.00 annual rate for parcels less than 1 acre, \$0.01 annual rate for parcels that are 1 to 5 acres, and \$0.02 annual rate for parcels that are greater than 5 acres, shall be imposed on all real property located within the District's boundary, except for forest lands used solely for the planting, growing, or harvesting of trees and assessed by King County as forest land consistent with Chapter 89.08. RCW. This assessment shall apply to existing parcels of property and any parcels hereafter created.
2. Duration of Assessment. The assessment set forth in Paragraph 1 above shall be imposed annually during the period commencing on January 1, 2010 through December 31, 2014.
3. Expenditure of Assessment Funds. The District will use the special assessment funds in a manner which is consistent with the District's Assessment Appropriation Plan 2010-2014, and the Assessment Appropriations Budgets that will be prepared and approved by the District and submitted to the County on an annual basis.
4. Administration Fees. Pursuant to RCW 89.08.400(4), the King County Treasurer is authorized to collect and retain a 1% (one percent) fee to cover the costs incurred by the County Assessor and County Treasurer in spreading and collecting the special assessments, provided that such fee does not exceed the actual costs of such work. All remaining funds collected shall be transferred to the District and the District shall use such funds to finance the District's conservation activities and programs, including payment of the District's administrative expenses and costs associated with providing proper and prudent financial oversight of all assessment collections remitted to the District.

5. Filing of Proposed System of Assessments. A certified copy of this resolution adopting the District's proposed system of assessments for the period from 2010 to 2014 shall be filed with the Council for review and approval.

PASSED AND APPROVED by the Board of Supervisors of the King Conservation District, State of Washington on this 27th day of July, 2009.

A handwritten signature in black ink that reads "William M. Knutsen" with a stylized flourish at the end. The signature is written over a horizontal line.

Bill Knutsen, Chair

CERTIFICATE

I, David Irons, Secretary of the Board of Supervisors of the King Conservation District, King County, Washington, do hereby certify that the foregoing resolution is a true and correct copy of Resolution No. 09-005 of such Board, duly adopted at a regular meeting thereof held on the day of July 27, 2009, signed by the members of such Board in attendance at such meeting and attested by myself in authentication of such adoption.



David Irons, Secretary
Board of Supervisors
King Conservation District
King County, Washington.