CITY OF SEATTLE

ETHICS AND ELECTIONS COMMISSION

IN THE MATTER OF APPEAL AND OBJECTION TO SEATTLE CITY ATTORNEY'S EXPLANATORY STATEMENT FOR THE AUGUST 5, 2014 PROPOSITION ONE (METROPOLITAN PARK DISTRICT)

APPELLANTS' REPLY

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Appeal of the City's explanatory statement regarding Proposition One, the Metropolitan Park District (MPD) measure being proposed for consideration by the Seattle electorate in the August 5, 2014 primary election. We accept two of the City's comments, one in which the City agrees to a change we have proposed, and the other in which the City identifies a more precise statement of the current value of an average home; we do not agree with the City's proposed "rounding down" of that figure.

However, we ask the Ethics and Elections Commission to find that there is no merit to the City's other objections to our proposed changes, and we ask the Commission to adopt them as proposed. Our proposal incorporating the two changes stemming from the City's Response is in the last section of this Reply.

The City Attorney's language does not comply with SMC 2.14.030(A): "The City Attorney shall prepare an explanatory statement on each City measure, describing in clear and concise language, the law as it presently exists and the effect of the measure if approved." The City's explanatory statement is not clear or concise, nor does it accurately describe the law as it presently exists or the effect of the measure if approved. Our proposed explanatory statement does meet those standards.

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However, in the sentence as revised above we make the change to a potential tax of \$330 on a \$440,000 home based on the City Attorney objection to our earlier proposal to list the potential tax liability for 2016 as being \$375 on a \$500,000 home. We propose here to accept the City Attorney's suggested figure from the City Budget Office for an estimated 2016 median house valuation of \$440,000. At the "up to \$.75 per thousand dollars of assessed value" that was listed in the original City Attorney-proposed explanatory statement, the tax liability would be \$330 on a median value \$440,000 home.

We do not agree with the City Attorney's proposal (Response at p. 6) to "round" the \$440,000 down to \$400,000. We suggest that \$440,000 is a plenty round number, and moreover one with the merit of being what the City Budget Office actually projects as the median home valuation in 2016, the first year of a possible MPD tax.

We are puzzled that the City Attorney's Response (p. 6) appears to propose to remove the mention of up to 75 cents per \$1000 of assessed property value, in favor of the 33 cents per \$1,000 of assessed value "that the Park District actually intends to levy." As addressed in the next section, statements about what the District "actually intends to levy" should not be used because the District has not yet been created, and speculations about its long term actions have no place in an explanatory statement, which must instead address the District's powers under state law.

The reference to "up to 75 cents per \$1000 of assessed property value" must remain in the explanatory statement; these exact words were in the City Attorney's originally proposed explanatory statement, and we did not appeal these words because we believe they should remain. It is ironic that the City Attorney is attempting to back away from its words in the explanatory statement, because in the Superior Court challenge to the Proposition One ballot title [Seattle Displacement Coalition and David Bloom vs. City of Seattle, King County Superior Court No. 14-2-13720-6 SEA], the City argues that the reference to "up to 75 cents per \$1,000 of assess property value" is "spelled out in the Explanatory Statement that follows the ballot title." City of Seattle's Response to Ballot Title Challenge, at p. 5.

The figure of 75 cents per \$1000 of assessed property value needs to be in the explanatory statement because it is the exact amount up to which a new MPD could raise annual taxes without any further vote by the electorate; it was accurate when the City Attorney originally proposed it, and removing it would be prejudicial to an accurate description of Proposition One to the voters.

III. THE CITY'S EXPLANATORY STATEMENT INAPROPRIATELY SPECULATES ABOUT FUTURE ACTIONS OF A METROPOLITAN PARK DISTRICT RATHER THAN DESCRIBING ITS ACTUAL POWERS

It must be recalled what SMC 2.14.030(A) requires;

The City Attorney shall prepare an explanatory statement on each City measure, describing in clear and concise language, the law as it presently exists and the effect of the measure if approved. (Emphasis added)

As explained in our May 19 appeal, the City Attorney's proposed explanatory statement falls woefully short of this requirement, providing voters no real description of what relation a Metropolitan Park District would have to the City Charter and laws, and what powers the District would have under state law. While there is a mention that a new Seattle Park District (District) would have "all the powers granted by state law in RCW chapter 35.61" the voters are given little information about what those powers are or the implications.

Our proposed explanatory statement includes three sentences that capsulize a wide range of powers explicitly granted to a metropolitan park district by the Legislature:

Once approved, the District's powers and taxing authority are not subject to City laws, its Charter, nor can Seattle voters reverse any board action via a local initiative or referendum. The District may be dissolved only by its board, the state legislature, or statewide initiative.

Among the District's powers is the ability to levy a annual property tax, up to \$0.75 per thousand dollars of assessed value (or \$375 on a \$500,000 home); to buy, sell, or condemn land; to raise revenues for roads, airports, performing venues, and other park or non-park uses; and to engage in any business activity inside or outside Seattle as it shall judge desirable or beneficial for the public, or for the production of revenue for expenditure incidental to its park duties.

Instead of thus describing how the powers of a metropolitan park district stem from state law and consequently are outside the authority of the City Charter and ordinances, the City Attorney's explanatory

statement devotes most of its words to speculation on what an authorized metropolitan park district might do without any further review by the Seattle electorate—speculation which the City Attorney unjustifiably presents as a legal certainty.

The City laments (Response at p. 4) that the appellants

want the explanatory statement to focus on powers that are generally granted to a metropolitan park district under RCW 35.61, even though there is no plan for the Seattle Park District to actually implement many of these powers.

Similarly, the City complains that the appellants

want to focus on statutory powers that, while possibly "sweeping" in nature, are ones that the Seattle Park District <u>does not plan to exercise</u> (and in some instances are even prohibited by the ILA).

Response at p. 5 (emphasis added). The City says that the explanatory statement should "discuss what is actually planned for the Seattle Park District, and what the impact of those plans would be for voters." Id. The City chides appellants for wanting to discuss the proposed District's maximum taxing authority, and suggest that it would be better to focus on the tax rate that the District "actually intends to levy."

The problem with these statements by the City Attorney is clear: it is speculation to refer in any sense what the Seattle Park District "plans" to do, because the District has not been created yet and thus has done no planning. Whether and how a metropolitan park district in Seattle, soon or in the future, will make use of the sweeping powers granted to it by state law--these are not questions that can be answered at this point, nor should the explanatory statement attempt to do so. Appellants agree with the City that the explanatory statement should reveal "what the impact of those plans would be for voters." Because all of the described powers can be exercised immediately by the District, or at any time in the future, without any further review by the voters, the explanatory statement should state clearly and concisely what powers the new District will have, **and could exercise without further vote by the electorate**, if its creation is approved at the August 5, 2014 primary.

Repeatedly in the City Response, any need for the explanatory statement to list or describe the actual powers of a metropolitan park district is dismissed on the ground that these powers would not be used. On page 4, the City claims that the voters need only be told "what would actually happen if the creation of the Seattle Park District is approved." The City Attorney's prejudicial treatment of the explanatory statement is most dramatically seen in its failure to inform Seattle voters that their treasured initiative and referendum powers would not apply to a state-chartered Seattle Park District. Rather than be straight with the voters, the City tries to argue that nothing is lost in accountability:

Metropolitan park districts are indeed a creature of state law, but in this case the governing board would be the nine Seattle City Councilmembers, all of whom are bound by Seattle laws, regulations and code of ethics as are the City employees who will staff the Park District. And, as noted, the nine Councilmembers who will be the Park District commissioners are directly answerable to Seattle's voters.

This is inaccurate; by the Metropolitan Parks District statute's explicit terms, **the council is not acting as the Seattle City Council when sitting as** *ex officio* **members of the District's governing body**. RCW 35.61.050(3). To follow the City's logic, Seattle voters have no need for their initiative and referendum powers over the District because they can simply vote the council members out of office if they act counter to the voters' interests while sitting as the District board of commissioners!

Seattle voters have on a number of occasions used their City Charter reserved powers at the ballot to enforce the pubic interest, sometimes explicitly overriding City Council opposition; preservation of the Pike Place Market, and prevention of expenditures of public funds on sports stadia are two notable examples. The voters must be informed that they will be losing substantial control over how the Seattle Parks Department is managed if they approve Proposition One. It is not even a certainty that the current Seattle Parks Department would be the administrative entity in charge of Seattle's parks; "All work ordered [by the District], the estimated cost of which is in excess of twenty thousand dollars, shall be let by contract and competitive bidding." RCW 35.61.135(1).

IV. THE EXPLANATORY STATEMENT SHOULD INCLUDE ONLY BRIEF AND NONCOMMITTAL MENTION OF THE PROPOSED INTERLOCAL AGREEMENT

The City Attorney's explanatory statement replaces factual description of the powers of a Seattle Park District in favor of speculation about what such a District might do is nowhere more misplaced than in discussion of the proposed inter-local agreement (ILA). The City argues that "the powers that the Park District would actually exercise are expressed in the ILA." Response at pages 8-9, emphasis added. The City questions the need to mention state-granted powers of a Seattle Park District if they are "prohibited by the ILA." Response at page 5. Thus the City argues that state-granted powers of a metropolitan park district to build airports, condemn land, and own and manage and for parks and other purposes, have employees (including a police force) need not be mentioned to the voters because "the ILA provides" that the Seattle Park District shall not engage in these activities.

Unfortunately, none of these official-sounding statements in the City Attorney's Response, and none of the City's similar references to the inter-local agreement in the explanatory statement, are accurate. The ILA provisions should not be included in the explanatory statement since SMC 2.14.030(A) requires a description of "the law as it presently exists and the effect of the measure if approved." The City justifies its failure to tell voters in the explanatory statement that the inter-local agreement has not yet been executed, by including the words "should its creation be approved by the voters." Response at page 9. But this is not a straightforward way of addressing a serious need for openness, and fails to meet the standards of being clear and concise or of accurately describing the "the law as it presently exists."

While it is true that the Mayor and City Council have approved a **draft** of the inter-local agreement, the inter-local agreement has not been approved, and its approval is not a part of voting yes or no on Proposition One, and its specific terms are expressly subject to change before final adoption. An inter-local agreement cannot be concluded without action by a Seattle Park District, and voters have not yet decided whether to create such a District. Should a Seattle Park District be created, approval of an inter-local

agreement cannot be considered automatic, because the District is a separate government, and the City Council members serving as its board *ex officio* would be required to engage in the basic diligence to review the proposed agreement and engage the public about any changes in its content before any approval could be considered.

Even if a Seattle Park District is created and an inter-local agreement were it to be approved, that agreement would not provide the assurances that the City Attorney claims for it that the sweeping powers granted by state law to the Park District Board would not be exercised. There is not even a guarantee for the City's claim that the inter-local agreement "will govern the operation of the Park District should it be created." Response at page 5. The agreement can be canceled by either party on 180 days' notice; long term governance of the City's parks by the District is not assured even if the ILA is adopted as drafted.

The powers enjoyed by a metropolitan park district board are inherent in state law; while they can be left unused, they cannot be renounced; while one generation of City Council members may avoid using these powers, their successors could easily exercise them. For example, while it is true that some metropolitan park districts have been created specifically to construct and maintain a swimming pool and nothing more, there is nothing to prevent such a district's board from deciding at any time to make use of the broad powers granted by the state to all metropolitan park districts.

Because the proposed inter-local agreement does not have legal standing to restrict a metropolitan park district from making full use of its powers under state law, we stand by the position in our appeal that the proposed agreement be mentioned only briefly and in a noncommittal way. Our proposed language remains the same as before:

The City also has proposed an "inter-local agreement" [web link] describing the District and City's relationship and a \$47.9 million per year levy (\$.33 per thousand dollars of assessed value) with spending plan. Both parties may sign it upon creation of the District but may void it upon 180 day notice.

V. APPELLANTS' PROPOSED EXPLANATORY STATEMENT--AS PROPOSED MAY 19 WITH TWO SUBSTANTIVE CHANGES STEMMING FROM THE CITY'S RESPONSE

Following is our proposed 250-word explanatory statement—the same as we proposed May 19 with two changes stemming from the City Attorney's May 28 Response as described in sections I and II above; and four copyedits: add "a" on the first line, delete "an" on the fifth line, change "a" to "an" on the sixth line, and add "or" on the eleventh line (please note that the lined-out "an" should not be included in the word count):

If approved, creates the "Seattle Park District", a metropolitan park district with the same boundaries as Seattle. The District would be a distinct municipal corporation and separate taxing authority with powers granted by state law (RCW 35.61). Its governing board would be Seattle councilmembers acting ex-officio. As a separate taxing authority from the City, the District could levy an additional property tax above current "lid" restrictions that state law imposes on Seattle. Among the District's powers is the ability to levy an annual property tax, up to \$0.75 per thousand dollars of assessed value (or \$33075 on a \$50440,000 home); to buy, sell, or condemn land; to raise revenues for roads, airports, performing venues, and other park or non-park uses; and to engage in any business activity inside or outside Seattle as it shall judge desirable or beneficial for the public, or for the production of revenue for expenditure incidental to its park duties. Once approved, the District's powers and taxing authority are not subject to City laws or its Charter, nor can Seattle voters reverse any board action via a local initiative or referendum. The District may be dissolved only by its board, the state legislature, or statewide initiative.

The City also has proposed an "interlocal agreement" [weblink] describing the District and City's relationship and a \$47.9 million per year levy (\$.33 per thousand dollars of assessed value) with spending plan. Both parties may sign it upon creation of the District but may void it upon 180 day notice.

Thank you for your consideration. We declare under penalty of perjury of the laws of the State of Washington that we are registered voters of the City of Seattle, and that the information in the above complaint is true and correct.

Dated this 30th day of May, 2014

Olin Leman

Chris Leman

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John Fox

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