

**INITIAL OPTIONS FOR DISCUSSION SHOULD MPD ASSIST WITH REMAINING DEBT FOR CONSTRUCTION OF  
VILLAGE GREEN COMMUNITY CENTER**

Option	Pros	Constraints to VGMPD or other impacts	Potential Action to Further explore	Participant Comments
Payment from MPD Reserve Funds to Pay VGF Loans or gift funds to VGF	Not applicable	Violates State Constitution; Contrary to Agreement with Tenants to build reserve funds for future capital replacements	None: It violates constitution	Not applicable
MPD pays rent to VGF for entire building	Helps with short term goal for VGF to pay interest to lenders; If long term lease, it may pay principal balance of money owed by VGF  <i>will / sq ft FMV Facility use fees</i>	Lease needs to be mutually renegotiated from \$1.00 to annual market rental value. Lease may increase budget and levy amount in 2018; Levy increase would be contrary to representations of some Commissioners in 2010 that levy would be .15 cents/1K of assessed value; Solves short term but may not pay principal unless extended lease.	Renegotiate lease amount acceptable to MPD and VGF <b>contingent</b> upon MPD decision on what levy increase, if any, is necessary to pay rent.	
Use rental revenue earned at VGC as monetary source for lease payments (currently 20k for 8 months)	Lease using rental revenue will help pay short term interest only	Needs to be earmarked for payment of rent or alternative could be interpreted as a gift; Pro's and cons regarding	New lease to be negotiated within the revenue stream of Center.	

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			funds needed for other purposes. Must find a "public benefit" by way of lease payments; Uncertainty with rental income absent a full year of operations. Requires or motivates a marketing plan to raise more revenue funds.		
General Obligation (GO) Bond, or private activity bond for MPD to acquire building	Solves remaining financing not raised by VGF. No future oversight by the VGF except for operating the senior center	Requires either GO bonds and/or tax exempt private activity bond through a bank. VGF role of ownership and limited oversight is eliminated accept for senior programs; May eliminate potential endowment funds with MPD not being a 501 (c) 3. May require a levy increase to repay the debt.	Approve Costs: 10K for bonding counsel at Foster Pepper for private activity bond; Solicit terms for Private activity bonds as opposed to public bond through Kitsap Bank, Cashmere Valley or Banner Bank to assess tax exempt private activity bonds and costs. Additional fees of 6-7.5K to process bonding through D.A. Davidson. Negotiate building sale terms and amount.		<p><i>Could raise to buy the building</i></p> <p><i>GO; has to be general purposes</i></p> <p><i>*800K</i></p> <p><i>Tax exempt</i></p> <p><i>2,998,000</i></p>
MPD pays VGF debt on VGF conventional loan	Not applicable	Not constitutional.	Not applicable		Not applicable
MPD does not participate directly or indirectly in closing the funding gap in any way	VGF rather than VGMPD is responsible for finding necessary remaining funds. VGMPD levy representation concerns	Continuing stress between two vital community entities; Past Common interests to build the VGC which also	A Call for Action to find a solution compatible with the common interests of both entities		

	are eliminated.	required an MPD impacts trust and common interests. Funds are drying up for donations &/or grants; \$ raised may be spent only cover administrative /interests costs; Impact on motivation;		
VGF finances the remaining debt	Solves funding issue	People traditionally do not give knowing money is used to pay a mortgage; How will debt be paid with current income.	VGF continues to explore debt service options provided income from VGMPD lease or other funding options will support it during the interim.	

Renegotiate Leases with Library and B/G Club wherein MPD assumes responsibilities of services (janitorial and partial building management) and funds paid for these tenant services go directly to VGF.	Provides rental income to VGF to pay short term debt. Tenants may not object since same funds would be used for debt instead of services.	Greater expense to MPD which may require a levy increase; more administrative and new payroll costs to MPD; Requires mutual agreement with tenants.	Renegotiate leases to assume responsibilities of tenants	
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*David Johnson 1/12*

Closing the Funding Gap – Options to Consider - \$883,046 Left to Raise (as of 1/19/17)

Option	Pros / Strategies	Cons	Action
Board	<p><b>Contributed \$1.5M</b></p> <ul style="list-style-type: none"> <li>Expanding board w/ new networks. Focus on fundraising</li> </ul>	<ul style="list-style-type: none"> <li>Existing Board experiencing some fundraising fatigue</li> <li>Urgency to bring campaign to a close</li> </ul>	<ul style="list-style-type: none"> <li>Continue Board recruitment</li> </ul>
Government	<p><b>Raised \$2.7M</b></p> <ul style="list-style-type: none"> <li>Funding from County &amp; State</li> </ul>	<ul style="list-style-type: none"> <li>Exhausted all known govt' sources</li> </ul>	<ul style="list-style-type: none"> <li>Explore CDBG</li> </ul>
Foundations	<p><b>Raised \$2.56M</b></p> <ul style="list-style-type: none"> <li>Focusing on smaller foundations</li> <li>Cheney grant pending \$25K</li> <li>Other grants in pipeline</li> </ul>	<ul style="list-style-type: none"> <li>Exhausted all known large foundations who fund capital</li> <li>Difficulty funding debt retirement</li> <li>Rural Funding Gap</li> </ul>	<ul style="list-style-type: none"> <li>Continue mining foundations</li> </ul>
Major Gifts	<p><b>Raised \$1.05M</b></p> <ul style="list-style-type: none"> <li>Capstone Family campaign</li> </ul>	<ul style="list-style-type: none"> <li>Donor fatigue</li> <li>Majority of Kingston families approached</li> </ul>	<ul style="list-style-type: none"> <li>Launch Capstone Family Campaign</li> </ul>
Events	<p><b>Raised \$450K (last 3 years)</b></p> <ul style="list-style-type: none"> <li>1<sup>st</sup> Annual VG Breakfast 4/26</li> <li>Pie in the Park</li> <li>Concert</li> </ul>	<ul style="list-style-type: none"> <li>Most labor intensive among fundraising strategies</li> </ul>	<ul style="list-style-type: none"> <li>Establish VG Breakfast as annual event</li> </ul>
Business	<p><b>Raised \$</b></p> <ul style="list-style-type: none"> <li>Successful Merchant campaign</li> </ul>	<ul style="list-style-type: none"> <li>Small number of local businesses</li> <li>Feel tapped out</li> </ul>	<ul style="list-style-type: none"> <li>Cultivate Food Mart</li> <li>Seek new partnerships</li> </ul>

<b>Sponsorship</b>	<ul style="list-style-type: none"> <li>• Some Event sponsors for Premier Event</li> <li>• No cost to implementing program</li> </ul>	<ul style="list-style-type: none"> <li>• Limited track record</li> <li>• Limited corporate base to draw on</li> </ul>	<ul style="list-style-type: none"> <li>• Seek sponsors for Breakfast &amp; Pie in the Park</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Year-end appeal \$10K</li> <li>• Great Give</li> </ul>	<ul style="list-style-type: none"> <li>• Desire to shift from capital to program</li> </ul>	<ul style="list-style-type: none"> <li>• Consider fall appeal</li> </ul>
<b>MPPD</b>	<ul style="list-style-type: none"> <li>• Partnership</li> <li>• Motive others to give and accelerate payoff to lenders</li> </ul>	<ul style="list-style-type: none"> <li>• Shift from original assumption to limit support to O &amp; M</li> </ul>	<ul style="list-style-type: none"> <li>• MPPD /VGF Retreat</li> </ul>
<b>New Strategies?</b>			

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## **VGf MPD Retreat 2 11 17**

### **I. What funding exists to help VGf complete its capital campaign?**

All construction contractors were paid on time. The project was completed on time and within budget, with only a 5% contingency.

Timely payments to contractors was made possible by loans from three local families arranged by local Ameriprise financial planners at a low rate of interest. \$1.35 million is owed to two of these families as of January 2017. Pledges totaling \$450K are owed to VGf by individuals and a few businesses. Our funding gap is therefore about \$880K. All funds raised and pledge payments are used for loan payments, except for what is needed to pay VGf administrative costs, approximately \$5K monthly.

Prospects for additional fresh pledges and grants include:

- Town & Country Markets, which is completing a \$50,000 pledge this year.
- Cheney Foundation – probably \$25,000, sometime this summer
- Foster Family Foundation – possibly as much as \$250K
- Boys & Girls Clubs of Snohomish County – a promise to pay toward the campaign may be forthcoming
- Fundraising events – a breakfast in April; the Great Give; Pie in the Park; these could total \$60-\$80K, perhaps annually.
- Pledges from individuals: Unknown

VGf MPPD Retreat 2 11 17

II. Are MPPD funds available to help with the VGf funding gap?

MPPD funding mechanism	General conditions	Particular issues	Process
<p>Levy property tax annually based on District assessed valuation</p>	<ul style="list-style-type: none"> <li>MPPDs can levy up to 75 cents per thousand dollars of assessed valuation.</li> <li>There are two pieces: 50 cents and 25 cents. There's no practical difference between the two.</li> <li>There's a total ceiling for junior taxing districts of \$5.90. We are not close to exceeding this in Kitsap County.</li> </ul>	<ul style="list-style-type: none"> <li>VGMPD candidates made statements about keeping taxes well below the 75 cent limit.</li> <li>The description accompanying the ballot measure said the MPPD would charge average households \$50. With inflation that would be \$56 today.</li> <li>The description said the taxes would be used for operations and maintenance. Construction funding would come from VGf.</li> <li>Three of the five commissioners made that pledge in their candidate statements.</li> </ul> <p>We were guided by career parks professionals, in whose experience the threshold of tolerance for parks costs was \$50 annually. Accordingly, we committed to keeping the levy rate at or around 15 cents per thousand.</p>	<ul style="list-style-type: none"> <li>The budget and taxing rate is established by the commissioner's annually.</li> <li>The process begins in August when the county assessor provides an initial estimate of the district's total assessed valuation.</li> <li>The total expense budget is the numerator that determines how many cents per thousand dollars of assessed valuation are to be levied. The denominator is the total District assessed valuation.</li> </ul>
	<p>These funds may be used for anything the MPPD is authorized to spend tax dollars on. Typically, these are parks and recreation expenditures of all sorts.</p>	<p>MPPD campaign materials and press releases said the district taxes were for maintenance and operation because other sources existed for construction. As an unincorporated community, Kingston lacks other sources of</p>	<p>By statute all levied funds are collected and held by the county Treasurer.</p> <p>MPPD provides substantiation that meets state auditor and county</p>

VGf MPPD Retreat 2 11 17

		operating funds. That's why we focused on an operating budget only.	accounting standards to pay MPD suppliers. Certain contracting rules apply for certain types of contracts such as professional services.
	The MPD's authority certainly extends to payment of rent charged by the building owner, VGf.	Using tax funds for rent payment fits with the VGMPD purpose is. It is unclear from a legal point of view whether rent can be paid by the MPD from District taxpayer funds if rents are not being paid by the other tenants.	It remains to be seen how the rental rate charged would affect the MPD budget going forward. The present lease between MPD and VGf would be renegotiated.
General Obligation Bond	A total of 2 ½ percent of district valuation may be sought as a General Obligation Bond. GO bonds have initiation costs, such as financial ratings which normally make them expensive for small districts compared to bank loans.	Our pro-forma budgets did not consider use of our tax funds for debt service. Neither have any budgets since our first levy, for 2012. A levy increase for the purpose of undertaking debt will call for a public relations campaign because of the pledges that the commissioners made to keep the tax rate low.	All but ¼ percent of the amount is obtained by an excess property tax levy subject to voter approval, with a 60% threshold, and 40% of the voters who voted in the last election must cast a ballot. These funds must be used for capital purposes. The ¼ percent does not have to be voted on. Repayment source is the district's general fund.
Use of MPD funds to purchase the building	The Department of Commerce rules require VGf to own the building for 10 years unless Commerce approves a sale. The grant language requires that "all proceeds from such sale shall be applied to the purchase price of a different	This proposed use of MPD funds does not appear to meet the Department of Commerce rules.	



**VGf MPPD Retreat 2 11 17**

	facility or facilities of equal or greater value than the original facility. "		
Non-tax revenue	In addition to facility rental and class registration fees, these funds could be sale of merchandise, for instance.	For 2016 we hoped that these revenues would be about equivalent to what we contracted to pay our program coordinator.	These funds are also held by the Kitsap County Treasurer. In 2016, for 8 months, they totaled \$18,000, while contract labor totaled \$30,000.

**Mechanisms not under consideration**

Investment account - reserve	Must be used for social benefit. This requirement rules out	Our reserve calculations initially were focused on putting aside \$50,000 annually to plan for the time when equipment would be out of warranty. In addition, it will be judicious to provide for three to six months of operating expenses.	These funds are held for the District by Kitsap County Treasurer in a liquid investment and earn a small amount of interest.
Payment of a conventional loan, or guarantee of a conventional loan that VGf takes out.	Not allowed by RCW, for the same reasons as above.		

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 Prepared by  
 Claire Bishop, Co-moderator

~ From Municipal Research Services Council website ~

- Purchase, acquire and condemn lands within or without the boundaries of park district
- Issue and sell warrants, short-term obligations, or general obligation bonds
- Issue revenue bonds
- Petition for the creation of local improvement districts
- Employ counsel, provide for park police officers, secretary of the board, and all necessary employees
- Establish civil service for employees
- Regulate, manage and control, improve, acquire, extend and maintain, open and lay out, parks, parkways, boulevards, avenues, aviation landings and playgrounds, within or without the park district
- Authorize, conduct, and manage:
  - the letting of boats or other amusement apparatus,
  - the operation of bath houses,
  - the purchase and sale of foodstuffs or other merchandise,
  - the giving of vocal or instrumental concerts or other entertainments,
  - the management and conduct of such forms of recreation or business as it shall judge desirable or beneficial for the public, or for the production of revenue for expenditure for park purposes.
- Sell, exchange, or otherwise dispose of surplus property.
- Annex territory.

An MPD may:

**Function and Powers of Metropolitan Park District**

As of November 2016, MRSC is aware of 19 metropolitan park districts in Washington. For details, see our List of Metropolitan Park Districts.

**How Many Metropolitan Park Districts Are There?**

A metropolitan park district (MPD), authorized by Ch. 35.61 RCW, may be created for the management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards, and recreational facilities. An MPD may include territory located in portions or in all of one or more cities or counties.

**What Is a Metropolitan Park District?**

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# Metropolitan Park District (MPD) Finance

## Introduction

This page provides financial information for metropolitan park districts in Washington State, including administration, debt authority, and comparisons with park and recreation districts.

## Metropolitan Park District Fiscal Administration

- Treasurer of metropolitan park district. (RCW 35.61.180)
  - The ex officio treasurer the district is the county treasurer of the county within which all, or the major portion, of the district lies
  - The district can designate someone else, if the board has received the approval of the county treasurer
  - Treasurer, if not county treasurer, must be bonded
  - Metropolitan Park District Fund. (RCW 35.61.210)
    - When collected, the general tax shall be placed in a separate fund in the office of the county treasurer to be known as the "metropolitan park district fund" and paid out on warrants.
- Contracts are to be by competitive bidding or Small Works Roster. (35.61.135)

## Metropolitan Park District Debt Authority

Metropolitan park districts may issue general obligation debt in an amount equal to 2 ½ percent of their assessed valuations. (RCW 35.61.110) Of this 2 ½ percent, ¼ percent may be nonvoted (also called councilmanic) debt. (RCW 35.61.100) The rest must be voted. The source for repayment of nonvoted debt is the district's general fund. For voted debt, debt service is paid from an excess property tax levy, which must be passed by a 60 percent vote, with an election turnout of at least 40 percent of those voting in the last general election. (RCW 84.52.056 and art. 7, sec. 2, of the constitution.) This debt must be used for capital purposes (RCW 84.52.056) and can issued for a maximum of 20 years. (RCW 35.61.100)

Districts may also issue all kinds of short-term debt: tax anticipation notes, bond anticipation notes, revenue anticipation notes, grant anticipation notes as well as use lines of credit. (RCW 35.61.100)

~ From Municipal Research Service Council website ~

# Village Green Park and Community Center Timeline

June: Navy Housing purchased

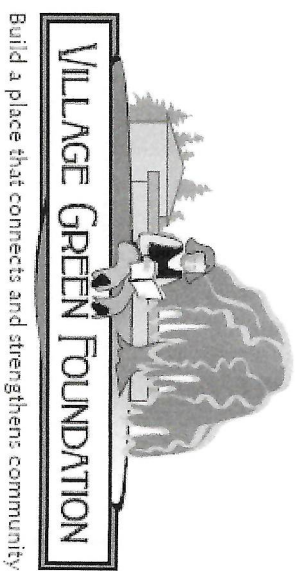
August: Miles Yanick engaged to create concept plan

for Community Center

Navy Housing Available

Sept-Oct: Three public meetings to review concept plans for Community Center

November: Foundation Board approves plan with Senior Housing



Foundation and Stewardship Committee leading joint effort to locate funding for the Park and the building

Village Green  
Concept Plan

**GMA**

2001

2002

2004

2005

2006

2007

2008--2012

Community Center  
Survey County and  
Kingston Citizens  
Advisory Council

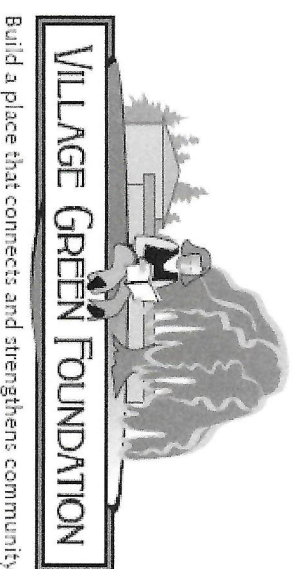
Public Works property available

March: Miles Yanick updates Village Green Plan  
March - July: Five public meetings held to review concept plan

First pledges obtained; application for state's Building Communities Fund grant denied

CB 3/18

# Forming the Park and the MPPD



Foundation	5/2:	Volunteers begin grading, raking, and installing irrigation system			
Board conducts phone and mail surveys testing community	6/8:	Hydro-seeding is done			BCF: Priority #12 of 22 projects recommended
acceptance of a Metropolitan Park District - MPPD	8/13:	Park opens			
		Pie auction raises \$5K			Public reviews schematic drawings
		Site survey completed			12/2: MPPD petition campaign begins
12/08 - 2/09	3/09	5/09-8/09	10/09	11/09-12/09	2/10 Jul 1
					8/17/10 Sep 2
Foundation and VG Stewardship given permission to lead housing site reclamation effort				Signatures certified	
Foundation changes name to Village Green Foundation					MPD measure passes

CB 4/09

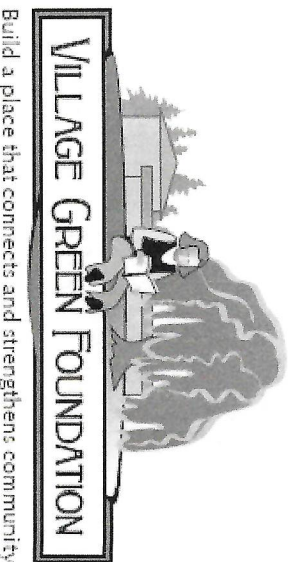
# 2010 - 2012

Library levy fails to pass.  
 In joint board retreat with MPD  
 Commissioners, VGF commits to including a downsized library in its plans, not separate from the community center building.

'Quiet' phase of capital campaign begins  
 MPD passes first budget, for 2012 levy: 5 cents per thousand

Senior housing property sold, proceeds transferred to the project for infrastructure costs: \$670K  
 Remaining property transferred to MPD, except for pump station.

Architectural services RFQ process underway  
 Rotary and volunteers build picnic pavillion



Nov 2010    May 2011    Nov 2011    March 2012    May 2012    June 2012    Summer - Fall 2012

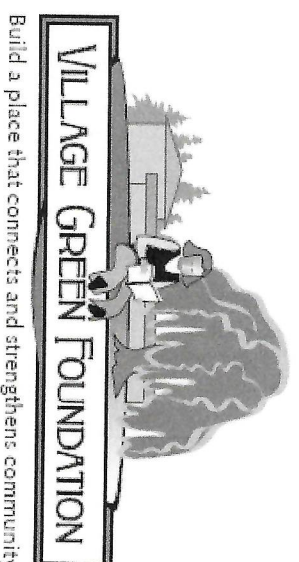
Legislature and Governor approve capital budget including \$1M  
 Building Communities Fund (BCF) grant for VGF community center, excluding library.

ACUP approved

Seattle Foundation and C. Keith Birkenfeld Trust award VGF \$1M grant.  
 MPD levy for 2013: 10 cents per thousand

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# 2013 – 2015 Capital Campaign in foreground, Construction Committee in background



Public phase kicks off: 300 people gathered at the building site and formed a human outline of the new building.  
 \$1M gift from A. Y. Petter Family fund for interior of the new library announced

MPD levy for 2014: 15 cents per thousand

Norcliffe and McEachern grants awarded: \$550K

VGFB board pledges \$600K

Building permit awarded

Building contract awarded to Tim Ryan Construction

January 2013    May 2013    Sept 2013    Jan - March 2014    May 2014    Aug 2014    Feb 2015    March 2015

Paving stones program launched at Cinco de Mayo celebration in the picnic pavilion

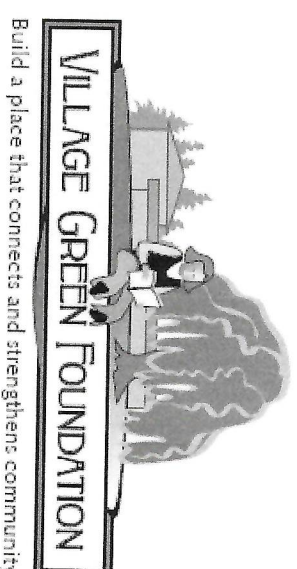
Executive Director Daniel Johnson hired

NPPDES

Legislature awards \$500K appropriation.

permit awarded, building contract complete

# 2015 – Present: Construction complete, fundraising continues



**Grants ruled out:  
Boeing Employee  
Community Fund,  
Medina, PSE**

**Anonymous  
local pledge  
\$1M**

**Groundbreaking**

**Hardhat  
tours begin**

**First  
'angel'  
investors  
loan  
funds**

**April 2015**

**May 3, 2015**

**Summer – Fall  
2015**

**December  
2015**

**April 30 –  
May 1 2016**

**Summer 2016**

**Slab poured, Kingston Lumber  
pre-assembles walls offsite  
Dept of Commerce billing starts  
and both contracts concluded  
by March 2016**

**MPD levy  
for 2015:  
15 cents  
per  
thousand**

**Preview  
dinner and  
grand  
opening**

**Coffee  
Oasis buys  
community  
center,  
proceeds to  
VGF - \$374K**

*CB 7/08*



## Kitsap County - Submitted by Voter Petition

### Proposition No. 1

#### Village Green Metropolitan Park District Formation

##### Official Ballot Title

This proposition concerns formation of the Village Green Metropolitan Park District. If approved, the district would have all the powers in chapter 35.61 RCW, including authority to operate and maintain the Village Green Community Park and amenities and levy annually a general tax not to exceed \$0.75 per \$1,000 of assessed valuation on all property located in the district, and be governed by a five-member board of commissioners elected at large from within the district boundaries described in the petition on file with the Auditor.

**FOR** the formation of a metropolitan park district to be governed by a five-member board of commissioners elected at large. ←

**AGAINST** the formation of a metropolitan park district. ←

##### Explanatory Statement (Prepared by the Prosecuting Attorney's Office as prescribed by law.)

If this proposition is approved, a metropolitan park district will be formed in the Kingston area with boundaries as shown on the voter petition on file with the Kitsap County Auditor. The district, which would be named the Village Green Metropolitan Park District, would be a municipal corporation having all of the powers described in chapter 35.61 RCW, including the authority to operate and maintain the Village Green Community Park and amenities, and to levy general taxes upon the real property within the district. The district would be governed by a board of commissioners consisting of five members elected at large from among residents in the district.

##### Statement For the Measure

Why an MPD? An MPD is essential for operation of the planned community center/Boys & Girls Club/ library. Capital to build these facilities will come from grants (state, federal, private foundations), and individual and business donations. State and federal grants return your tax dollars, but the community will not get them unless we prove that we can raise and, more important, maintain funds to operate the facility. What about other sources of funds? Without this ballot measure we could lose the opportunity for a new community center/library. To cover all operating expenses with rents and building use fees would make these charges prohibitively high. Although rummage sales, pie auctions, and similar funding help, about \$200,000 will be needed each year for building maintenance and community programs. That amount requires the strong foundation of the MPD. Along with approving the formation of the district you are also being asked to elect five of your neighbors as commissioners who are committed to representing your interests.

*Statement prepared by Nick Jewett, Chairperson, and Ken Hanson and Kay Peiguss, Members, Committee For the Measure. Further questions may be addressed by calling (360) 271.8659 or emailing njewett@whispercom.com.*

##### Statement Against the Measure

No statement against the measure was submitted.

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