

Flood Control District Levy Increase

Overlap between the project objectives of the WRIA 9 Salmon Habitat Plan and those of the King County Flood Hazard Management Plan represents approximately \$38.4–72.1 million in projects, a major portion of the total \$300 million of projects in the WRIA 9 Salmon Habitat Plan. Revenues from an increase in the King County Flood Control District (KCFCD) levy could fund overlapping projects and be leveraged as the local match for federal and state grants.

Background

In 2007 King County Council (KCC) passed Ordinance 15728 to form the KCFCD, an independent special purpose district, to implement the Flood Hazard Management Plan that outlines \$334 million in priority repairs over 10 years. The Flood Hazard Management Plan is funded through a property tax assessment of \$0.10 per \$1,000 of assessed valuation.

Contemporary approaches to flood management, such as the projects included in the King County Flood Hazard Management Plan, can provide flood protection and benefit salmon habitat at the same time. These projects contribute to improving habitat health and are critical to recover the Green River Chinook salmon population.

Opportunity

The KCFCD could prioritize overlapping projects between the WRIA 9 Salmon Habitat Plan and the Flood Hazard Management Plan. There is an allowance in State law for 10% of KCFCD funds to be dedicated to wider watershed activities related to flood protection. A one penny increase could be dedicated to WRIA 9 with KCFCD and County Council approval providing stable funding. The levy is applied at the county level and thus WRIA 7 and 8 also would receive additional revenue while implementing flood management goals.

Two alternatives for increasing revenues are presented below, a \$0.01 or a \$0.10 levy increase per \$1,000 of assessed value.

Either increase could be implemented through the same process. Since the KCFCD levy is currently below the maximum rate of \$0.50 per \$1,000 of assessed value, the KCFCD’s Board of Directors does not need voter approval to increase the levy.

Snapshot

Authority: New state legislation, King County Flood Control District (FCZD2007-03.2), Special District Special Assessment (RCW 85.38.150)

Scale: Levy increase applied to all taxable assessed property in King County

Decision Maker: King County Flood Control District/King County Council for \$0.01 increase, Legislature for allowing more than 10% of flood district funds for watershed work

Revenue: \$1.68 million with a \$0.01 increase of the KCFCD levy, \$16.8 million with a \$0.10 increase of the KCFCD levy

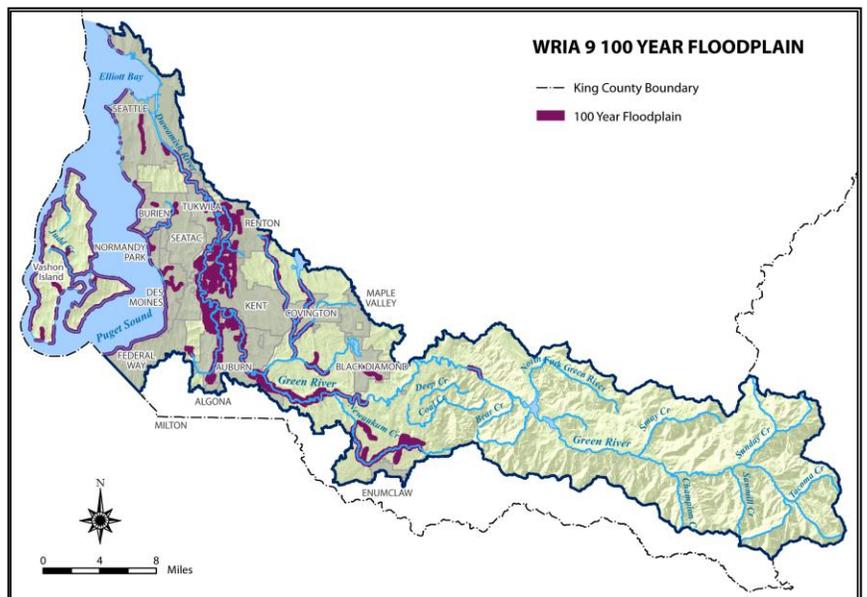


Figure 1: WRIA 9 100 year floodplain.

The KCFCD would need to have the levy increase approved by the KCFCD Board of Directors and then certified by the King County Council. The King County Council serves as the KCFCD Board of Directors. In order to provide more than 10% of KCFCD funds for watershed work, the state legislature would need to change state law.

KCFCD Levy Increase of \$0.01

A penny increase to the KCFCD's current \$0.10 levy per \$1,000 of assessed value would generate **\$1.68 million** in additional revenue and could be applied under the 10% rule toward WRIA 9 (assuming that the KCFCD uses a 40%-40%-20% distribution of funds among WRIA 9, 8, and 7 and that the WRIA 9 projects were flood-related).

Pros: The additional \$1.68 million could leverage funds from federal and state sources, such as the Green River Ecosystem Restoration Project between WRIA 9 partners and the U.S. Army Corps of Engineers. By funding overlapping projects, WRIA 9 staff would have more time available to work on grants and other salmon habitat restoration projects. This is a relatively small increase in the levy and may be acceptable to property owners.

Cons: This funding source alone will not fully fund the gap in revenue needs to implement the WRIA 9 Salmon Habitat Plan.

KCFCD Levy Increase of \$0.10

A ten cent levy increase would generate an estimated **\$16.8 million annually**. The levy increase could not be placed into a WRIA 9 account as an independent funding mechanism unless additional state legislation was passed. The Legislature would need to change the law to allow more than 10% of flood control district funds to be used for watershed projects.

Pros: This can fund a significant portion of the Salmon Habitat Plan in the near term. Funds could be used to leverage federal and state funding for the overlapping projects.

Cons: The \$0.10 levy increase may be difficult to achieve with other funding mechanisms moving forward. Additionally, the \$0.10 increase could put some districts close to the \$5.90 aggregate rate limit. The KCFCD, as a junior taxing district, would need to decrease its levy rate to ensure that the \$5.90 limit is not exceeded. Currently, some districts in King County are as close as \$0.18 from the \$5.90 limit and could reach the limit in the near future due to regional decreases in assessed property value.

Recommended Next Steps

Earth Economics recommends that the WRIA 9 Watershed Ecosystem Forum seek a \$0.01 levy increase for 2011. This increase could be approved in November 2010 as a first step toward a larger and more secure funding mechanism. We recommend that WRIA 9 partners immediately meet with KCFCD to gain support for the levy increase.

Regardless of the funding mechanism, we also recommend that KCFCD prioritize implementing the salmon habitat and flood protection overlap projects under current funding levels.