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February 18, 1988  
4455B:SM:mls

INTRODUCED BY:

PROPOSED NO.

88-178

MOTION NO. 7103

A MOTION regarding establishing a Regional  
Capital Review Commission for proposed  
voter-approved regional capital projects.

WHEREAS, King County wishes to ensure regional coordination  
for decision making on regional capital projects, and

WHEREAS, King County wishes to promote the development of  
standards for capital planning and debt capacity analysis which  
will facilitate better capital expenditures, and

WHEREAS, King County wishes to increase the quantity and  
quality of information available to the voters and decision-makers  
so that informed decisions can be made regarding the issuance of  
public debt,

WHEREAS, a regional capital review commission which would  
review and evaluate proposed voter-approved bond issues and levies  
for significant regional capital projects is desired;

NOW, THEREFORE, BE IT MOVED BY THE Council of King County:

A. King County supports the creation of a regional capital  
review commission which would be independent and temporary with a  
sunset review of its function and organization in three years.

B. The commission should have a composition and functions as  
set forth in Attachment A.

PASSED this 22nd day of February, 1988

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

*Gary Grant*  
Chair

ATTEST:

*Dorothy M. Owens*  
Clerk of the Council

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ATTACHMENT A

## THE DEVELOPMENT OF THE REGIONAL CAPITAL REVIEW COMMISSION (RCRC)

The RCRC would be independent and temporary subject to a sunset review of its function and organization in three years.

COMPOSITION

## REGIONAL CAPITAL REVIEW COMMISSION TO BE COMPOSED OF:

- County Executive
- Two County Councilmembers representing unincorporated areas
- Seattle Mayor and one City Council representative
- Two representatives from Suburban Cities Associations
- Four citizens to be chosen from leaders in the business community, major civic organizations and other individuals to assure sufficient geographical diversity.

TECHNICAL COMMITTEES - CHANGING COMPOSITION, would include both permanent seats for individuals from the public and private sectors with finance and capital expenditure expertise and temporary seats for experts added from the specific field of each proposed bond issue. It should also include representatives of the Port, School Districts, and Metro.

PURPOSES:A. BETTER INFORMATION

- To increase the quantity and quality of information available to the voters and decision-makers so that informed decisions can be made regarding the issuance of public debt.

B. PLANNING AND COORDINATING FUNCTION:

- To promote and enhance development of standards for capital planning and debt capacity analysis;
- To coordinate and identify the roles and needs for data development; to provide clearing house for capital proposals.

C. REVIEW PURPOSE: (First Stage)

- To review and evaluate proposed voter-approved bond issues and levies for significant regional capital projects.

FUNCTIONS:A. COMMISSION REVIEW:

- Should provide early review of possible bond issues prior to the sponsoring entity making a final decision to place the bond proposal on the ballot. The analysis of proposed bond issues will be based upon factors which should be refined, enlarged and adjusted through experience. The initial factors include:

1. Review of the jurisdiction's needs assessment and the capital planning and analysis supporting the proposed means of solving the problem.
2. Quality of supporting cost data, both capital and operating.

3. The sponsoring jurisdiction's analysis of alternative means of addressing and financing solutions of the identified problems.
4. Effect on tax rate and household tax burden within the jurisdiction.
5. The impact on the capacity of the sponsoring jurisdiction to undertake the project including the impact on the regional capacity to fund other projects.
6. The impact of the project on future operating costs, and the cost of future capital replacement.

The RCRC would produce a summary of analysis including these facts, estimates and evaluations and provide it to the jurisdiction at least one month prior to the jurisdiction's decision date.

B. COMMISSION DATA FUNCTIONS

DEVELOPMENT OF UNIFORM CAPITAL PLANNING AND DEBT CAPACITY ANALYSIS, AND DATA COLLECTION AND ANALYSIS COMPONENTS

- Capital Review Commission shall assure development of data by drawing upon and working with existing and emerging data functions at the Puget Sound Council of Governments, King County, and other jurisdictions. Specifically, the Commission shall do the following:
  1. Working in conjunction with the COG, the Commission, through its technical committees, shall develop standards for capital planning and debt analysis.
  2. Based on the work with the COG and other jurisdictions, the Commission shall identify necessary components of data for proper regional capital planning and review and identify the development of data functions which should be enhanced. The Commission itself may undertake or agree with other entities to be responsible for each of the specific components of data collection and analysis necessary to provide for a comprehensive, high quality system of information on which the Commission, political leaders, and the public can make informed decisions regarding the use of public resources and issuance of debt. Unnecessary cost and duplication of functions are to be avoided.
  3. The Commission shall ensure that a clearing house for capital proposals is established either by itself through the COG or other jurisdictions.
  4. The Commission shall seek to provide, either directly or by working with other entities such as the COG, technical assistance to smaller jurisdictions in the application of the capital planning and debt analysis standards.

ORGANIZATIONAL STEPS

1. The public officials shall meet and formulate a specific process for the initial selection of citizen representatives.
2. Initially, loaned staff from the governments involved shall be utilized.
3. The full Commission shall then decide on staffing, other necessary support services, and procedures to be followed. The full Commission should hold a public hearing on its proposed procedures prior to their adoption.
4. A formal memorandum of understanding should be prepared, but the Commission may begin on a voluntary and informal basis to assure its timely commencement.

COMPARISON OF CAPITAL REVIEW PROPOSALS

Current Proposal

King County 2000

PSCOG

Purpose

- o To increase the quantity and quality of information available to voters and decision-makers.
- o To promote and enhance the development of standards for capital planning and debt capacity analysis.
- o To coordinate and identify the roles and needs for data development; to provide a clearing house for capital proposals.
- o To review and evaluate proposed voter-approved bond issues and levies for significant regional capital projects.

- o Information Provision
- o Establish a uniform capital planning and debt capacity model.
- o Evaluate proposed debt issues

- o Information Provision
- o Establish a uniform capital planning and debt capacity model.
- o Evaluate proposed debt issues
- o Direct link to Regional Strategy

Scope of Review

- o Regionally significant capital projects financed by both general obligation bonds and levies.

- o Regional projects
- o Regionally significant local projects
- o Initially, all GO bonds/levies of regional significance; School district levies and revenue/rate bond projects might be considered in the future.
- o All GO bonds and levies, including non-capital levies, both voter-approved and councilmanic.

- o Regional projects
- o Regionally significant projects
- o Initially, all GO bonds of regional significance; School district levies and revenue/rate bonded might be considered in the future.
- o All GO bonds and levies including non-capital levies, both voter-approved councilmanic.
- o Port, Metro and School District proposals

Current Proposal

King County 2000

PSCOG

Composition

0 King County Executive	0 A Port Commissioner	0 Citizen component
0 Two King County Councilmembers representing unincorporated areas	0 King County Executive	0 A Port Commissioner
0 Seattle Mayor and one City Councilmember	0 Metro Council Chair	0 King County Executive
0 Two representatives from the Suburban Cities Association	0 Mayor of Seattle	0 Metro Council Chair
0 Four citizens to be chosen from leaders in the business community, major civic organizations and other entities. Citizens chosen to assure sufficient geographical diversity.	0 Seattle City Councilmembers	0 Mayor of Seattle
0 Technical committees with permanent and special members as appropriate, including representatives from the Port, School Districts, and Metro, and public and private finance experts.	0 2 County Councilmembers representing unincorporated areas.	0 Seattle City Council
0 Staff from various jurisdictions and the PSCOG.	0 Two Suburban City Association representatives	0 2 County Councilmembers representing unincorporated areas.
	0 Possible citizen participation	0 Two Suburban City representatives
	0 Ad hoc advisory bodies as appropriate	0 Possible citizen participation
	0 Loaned staff directed by an independent director.	0 Ad hoc advisory bodies as appropriate
		0 Loaned staff directed independent staff conv and KSRC staff.

Establishment Mechanism

0 Three-year sunset provision	0 Three-year sunset provision	0 No new entity
0 Public officials meet and formulate a specific process for the initial selection of citizen representatives.	0 Memorandum of Understanding	0 Existing PSCOG in agreement

Current Proposal

King County 2000

PSCOG

Establishment Mechanism (cont'd)

- o The full Commission determines staffing, other necessary support services, and procedures. The full Commission will hold a public hearing on its proposed procedures prior to their adoption.
- o A formal Memorandum of Understanding would be prepared, but the Commission may begin on a voluntary and informal basis to assure its timely commencement.