

From: [Megan Kogut](#)
To: [Chris Roberts](#); [Shari Winstead](#); [Keith McGlashan](#); [Will Hall](#); [Doris McConnell](#); [Jesse Salomon](#); [Keith Scully](#)
Cc: [City Council](#)
Subject: public comment for City Council vote in support of levy lid lift of \$1.39
Date: Sunday, July 24, 2016 12:29:02 PM

Dear City Council,

This letter is in support of the Levy Lid Lift at a rate of \$1.39 per \$1000 coupled with an estimated property tax increase of 10% in 2017, and a rate increasing by CPI for the five years that follow before the levy expires. I understand that this new rate achieves the same goal as the \$1.48 levy lid lift discussed by and recommended by the 2016 Financial Sustainability Citizen's Advisory Committee, of which I was a member.

Six years ago, a very similar levy lid lift passed in Shoreline by 56.5%. I have reasonable confidence that the levy lid lift will pass again this fall for various reasons, including the fact that the economy is better now than it was then, and many people are moving to Shoreline from Seattle. Also more people will be motivated to go to the polls for this particular presidential election.

I want to add that I was very impressed by all of the members of the FSCAC and their willingness to dig into this issue and listen to and discuss varying opinions. And I was impressed by the outcomes. All thirteen voted to maintain existing City services, and some wanted to increase certain services. Eleven of them voted for the \$1.48 rate associated with keeping existing services. Four voted to increase the rate to \$1.60 to increase services, and a few more were happy with either the \$1.48 or the \$1.60 rate but in the end chose the \$1.48 rate. Two voted for the CPI option, even though that option doesn't support their prior vote to maintain existing services. As best I could tell, those two disagreed with various assumptions that went into the predictions and the FSCAC process. I shared some of their frustrations initially, and I think there could be some minor improvements to the FSCAC process in the future. But, I personally decided to separate the baby from the bathwater.

There was also concern about the impact of the property tax increase on low income and senior citizen property owners, and this concern was shared by everyone on the committee. However, there are various property tax exemptions for low income and senior citizens. And most people on the committee felt that it was important to balance that impact with the need for maintaining or even increasing social services for those who didn't have a regular place to stay or money for food.

A few of us on the FSCAC shared a strong desire for the City to take on a bigger sense of responsibility for growing the sales tax base through economic development. However, after raising this point in a committee meeting and listening to the City's response, I understand

that sales tax predictions must be conservative for the purposes of a levy lid lift decision, especially considering Seattle's history of economic bubbles and busts. I knew I could make a long argument in favor of a little more optimism. But I also knew that as a small business owner I could instead stay involved for the next six years to help build the City's business community, to walk the talk as they say. Then the sales tax base might be bigger for the next levy lid lift decision. And ultimately the levy lid lift is a safety net, better ensuring we can maintain services even if other sources of revenue drop unexpectedly.

I want to thank City staff for the FSCAC process, presenting most of the information clearly, answering almost all of our questions on the spot, or, in several instances, coming back to the next meeting with a new chart or figure that we'd requested. It was a lot of information to convey, and there are a lot of moving parts. I think everyone learned a lot on both sides in a limited amount of time, and that was the secondary purpose of the FSCAC.

I also thank City staff for bringing the alternative rate of \$1.39 to the table considering the new information regarding property taxes, in other words, for keeping that rate tied to a balanced budget maintaining existing services. I also thank them for continuing to frame the tax impact to voters in terms of an average annual increase to property owners: \$83 for a median property assessed value, with a range of \$50-\$300 or so for all residential properties in Shoreline. In my experience, it is this absolute change, as opposed to a change in tax rate or percent change, that makes intuitive sense to most voters.

On that note, I will leave you with an anecdote that I want to share in person to the July 25 Council meeting but won't be able to since I am a busy person. As you may know, I am sometimes a bartender. About two weeks ago when I was bartending, one of our regulars - we'll call him "Fred" - walked in for a post dinner beer. Fred moved to Shoreline a few years ago with his wife and small child, and he works at a nearby university. He got his beer and started a conversation which went like this:

Fred: "Megan, so what do you know of this double digit increase in property taxes?"

Me: "Have you heard of Tim Eyman?"

Fred: "Yes."

Me: "Then you might remember I-747, which constricts property tax increases to 1% annually (not including new construction) unless voters approve otherwise. I-747 was narrowly defeated in King County but passed statewide, and by very wide margins in some counties. The vote to approve otherwise happens every six years."

Fred: "Okay. Tell me more."

Me: "The cost of providing city services increases by greater than 1% each year. So this year, and six years ago, the City estimated how much property taxes over that default 1% increase

it would take to meet the City budget ten years out, to maintain existing services.”

Fred: “Okay. So just tell me how much I would have to pay.”

Me: “An annual average increase of about \$85ish for a median house value.”

Fred: “Pshtht.” (This sound was accompanied by a hand waving to signify that that he was of course a yes vote, followed by an immediate change of topic.)

I don't think Fred will come to the City Council meeting to show his support of the levy lid lift since he is a busy person. But he and many others will no doubt show up at the polls in November.

Thank you as always for your time.

Sincerely,

Megan Kogut PhD