



WASHINGTON COUNTY, ARKANSAS
County Courthouse

MEETING OF THE
WASHINGTON COUNTY QUORUM COURT
COUNTY SERVICES COMMITTEE

Tuesday, July 10, 2018
5:30PM
Washington County Quorum Court Room

Alicia Deavens
Joe Kieklak
Eva Madison

Chair Robert Dennis

Sue Madison
Joel Maxwell
Vice Chair Joe Patterson

AGENDA

1. Call to Order
2. Prayer and Pledge
3. Adoption of Agenda
4. Open Space Presentation (4.1 – 4.2)
5. Johnson Controls Self-Funding Capital Energy Improvements
6. Other Business: Any other business to be discussed by the Committee will be brought up at this time.
7. Public Comments
8. Adjournment

John Wilson Research

9323 Fairfax St. Alexandria, VA 22309 / Phone 703-619-0688 / johnhwilson1@gmail.com

MEMORANDUM

TO: INTERESTED PARTIES

FROM: JOHN WILSON

DATE: MAY 25, 2018

RE: KEY FINDINGS FROM A SURVEY OF VOTERS THROUGHOUT WASHINGTON COUNTY REGARDING SUPPORT FOR A BALLOT MEASURE TO FUND LAND ACQUISITION FOR CONSERVATION AND RECREATION

The Trust for Public Land commissioned John Wilson Research to complete a statistically valid survey of Washington County voters regarding their support for a bond referendum to fund land conservation and parks. The random sample was drawn from registered voters throughout the county who had voted in the 2016 general election, or registered to vote in the county since the last presidential election. The sample is also demographically representative of the profile of likely November 2018 voters. Interviews were distributed proportionally throughout the county.

The survey was conducted May 14-16, 2018 on both landline and cell phones (50 percent), and has an overall margin of error of +4.9%. Sampling error for subgroups within the sample will be larger.

Voter Intentions

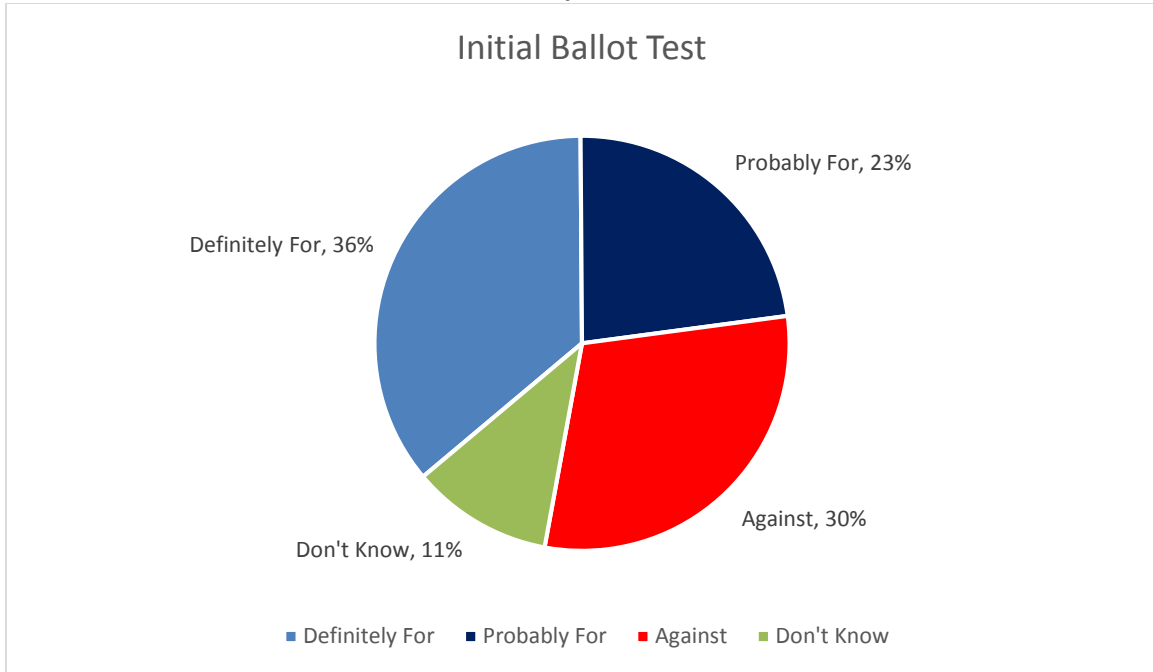
- **Nearly six in ten likely voters indicate that they would vote Yes if the election were being held today for a ballot measure that would fund land conservation through a \$65 million general obligation bond backed by a 1/8-cent sales tax.** Respondents were presented with the following language of the proposal as it would appear on a future ballot:

“CONSERVATION AND RECREATION BONDS

Vote for or against the issuance of bonds in Washington County in the maximum aggregate principal amount of \$65,000,000 for the purpose of financing land conservation and improvements in all areas of Washington County to protect the water quality of rivers, lakes, and streams, natural areas, fish and wildlife habitat, farmland, parks, recreational areas, trails, and wetlands; and, to pay the bonds, the levy and pledge of a new 0.125% (one-eighth percent) local sales and use tax within the County that will expire after the bonds have been paid?”

Given this language, a large majority of Washington County voters (59 percent) indicate they will vote Yes, with 36 percent of the electorate indicating they will “definitely” vote Yes. 30 percent indicate opposition at this time and 11 percent are undecided.

\$65 Million Bond Proposal for Land Conservation



- **When provided with information about the tax impact of the proposal, support for the proposal increases.** Survey respondents were informed that bond referendum would cost the average household in Washington County an additional \$18 per year. When provided with this information about cost, support increased with 64 percent of Washington County voters indicating they will vote Yes and 41 percent of the electorate indicating they will “definitely” vote Yes. 31 percent indicate opposition after hearing the cost information and 6 percent are undecided.
- **After hearing more about the proposal, support increases significantly with 69 percent indicating that if the election were held today they would vote Yes for the \$65 million bond for land conservation.** In the survey, we simulated some of the give and take that could occur over the course of a campaign so that respondents heard a series of statements in support of and opposed to the proposal. After hearing all of the information over the course of the survey, fully 69 percent indicate they would vote Yes, with 37 percent saying they would definitely vote Yes. Just 22 percent oppose the proposal.

Uses for Funds

- **Voters respond very positively to all of the specific uses for the funds for conservation and recreation, with an emphasis on water, including protecting drinking water sources and protecting the water quality of rivers, lakes, and streams.** The survey also reveals that voters approve of the ways in which funds from such a measure could be used. A minimum of three of every four voters approved of each of the conservation and recreation uses tested. Those uses for funds receiving the highest level of support are as follows.

Feature	% Strongly Approve	% Total Approve
To protect drinking water sources.*	81%	93%
To protect Beaver lake, the drinking water source for Washington County.*	80%	91%
To the water quality of rivers, lakes, and streams.	75%	90%
To preserve fish and wildlife habitat.	67%	87%
To protect natural areas.*	64%	88%
To protect working farms.	64%	86%
To alleviate traffic congestion in high growth areas.	64%	84%

Accountability Provisions

- **A few common sense accountability provisions also increase voter confidence in the proposal.** We tested a range of accountability provisions in order to assess the impact they have on voters' willingness to support the \$65 million bond proposal. The strongest provisions are as follows.
 - The bond referendum language spells out in detail what the funds can be used for and the funds can only be used for those purposes. (76% more likely to vote Yes, 54% much more likely to vote Yes)*
 - There will be full public disclosure of all project spending. (74% more likely to vote Yes, 54% much more likely to vote Yes)*
 - There will be an annual independent audit of how the funds are spent. (72% more likely to vote Yes, 48% much more likely to vote Yes)

Conclusion

In sum, the polling shows good prospects for the passage of a \$65 million land conservation bond in Washington County in the November election. Voters offer strong support initially and that support grows as voters learn more about the measure. Given a good campaign to communicate the measure's benefits to voters, it is well positioned for success at the ballot in November.

* Split sample – only half of the survey respondents were asked this question.



Memorandum

To: Washington County Judge and Quorum Court

From: Linda Orel, Conservation Finance Director, and
Will Abberger, Vice President, Conservation Finance

Date: June 29, 2018

Re: Washington County Conservation Finance Program Recommendations

Based upon feasibility research and a recent public opinion survey of 400 likely voters in Washington County conducted by the Trust for Public Land,¹ we recommend that the Washington County Quorum Court place a conservation finance ballot measure on the ballot this November with the following provisions:

RECOMMENDATION

Funding mechanism, duration, and amount: A 20-year \$65 million General Obligation Bond backed by a 0.125% (1/8th cent) Sales and Use Tax.

Purposes: Protect drinking water sources, including Beaver Lake; the water quality of rivers, lakes, and streams; natural areas; fish and wildlife habitat; wetlands; working farms; historic, heritage and cultural sites; parks, recreational areas, and recreational trails for walking, running, and bicycling.

Accountability: An annual independent audit of spending with full public disclosure of all spending. Land will only be purchased from willing sellers on a voluntary basis.

Election timing: November 6, 2018, general election.

¹ The Trust for Public Land's Conservation Finance work in Washington County is supported by grants from the Doris Duke Charitable Foundation.

BACKGROUND

The Northwest Arkansas Regional Planning Commission completed an Open Space Plan, adopted by the Commission in 2016. The Plan calls for the creation of public funds to acquire critical natural resources, and to leverage additional local, private and federal investments and matching grants.

The Trust for Public Land reviewed the Open Space Plan and at the request of Washington County, completed a Conservation Finance Feasibility Study, which was presented to the Washington County Quorum Court in March 2018. The study analyzed various funding options available for financing land conservation and parks, determined the fiscal capacity and legal requirements of a variety of approaches, and provided demographic information and election history. The funding approach that best matches the needs identified by the Open Space Plan is a general obligation bond.

According to the feasibility study, additional funding through capital improvement bonds backed by a 0.125 percent (1/8th cent) Sales and Use Tax would generate approximately \$4.98 million per year. This revenue could pay the debt service on a \$65 million bond, and enable the County to protect natural resources in today's dollars.²

General obligation debt in Washington County cannot exceed 10 percent of the total assessed value of real and personal property as determined by the last tax assessment. As of December 31, 2016, the legal debt limit for bonded debt in Washington County was \$328,787,387.³ A \$65 million bond would add approximately \$4.78 million to the county's annual debt service.⁴

A 1/8th cent sales tax increase would bring Washington's sales tax from 1.25 percent to 1.375 percent.⁵

A \$65 million bond, if issued all at once, backed by a 1/8th cent sales tax would cost the typical household \$18 per year, or \$1.50 per month.

In May 2018, The Trust for Public Land commissioned a professionally administered, statistically valid public opinion survey of 400 Washington County likely November 2018 voters. The survey found that a majority of Washington County voters would support a \$65 million bond to conserve land to protect water quality, natural areas, wildlife habitat, and parks.

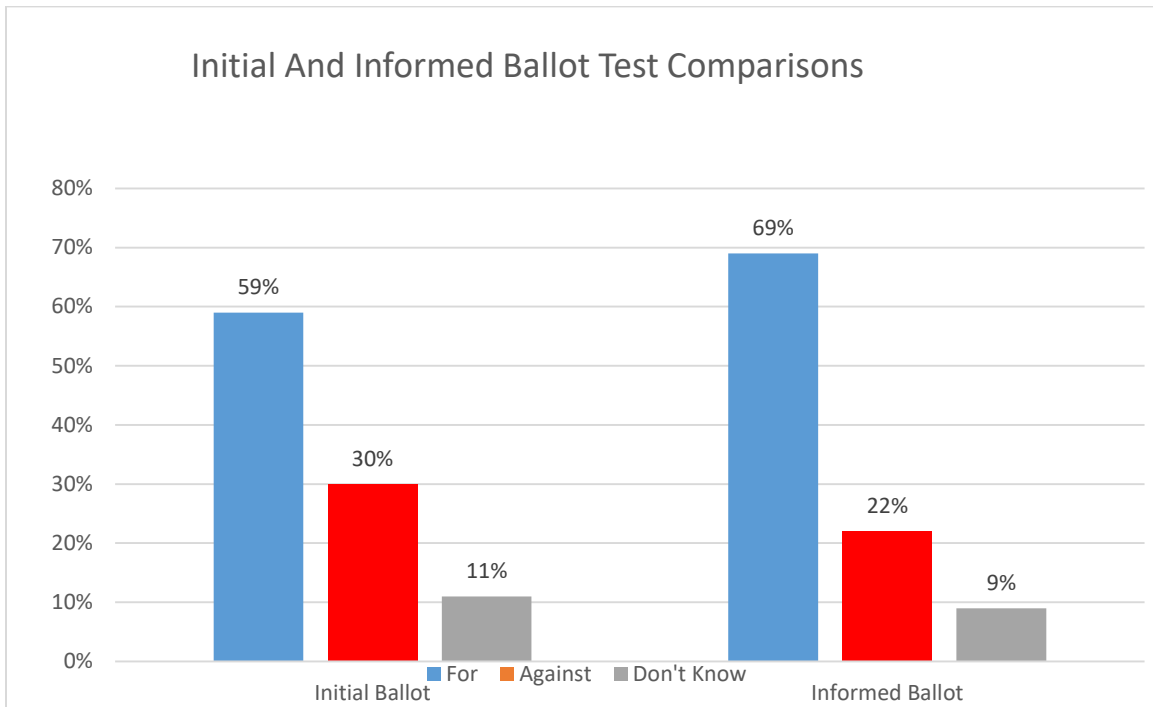
² This assumes 4% interest rate and 20 year maturity. It also assumes that 31 percent of household income is spent on taxable items; that the median household income is \$45,422, and is based on total revenue from resident spending based on average household spending multiplied by the number of households (US Census Quick Facts).

³ Washington County, Arkansas Regulatory Basis Financial Statements and Other Reports, December 31, 2016.

⁴ Assuming the entire debt amount is issued in the first year and payments are equal until maturity; 20-year maturity; and 4 percent interest.

⁵ A.C.A. §14-164-327

After hearing an “initial ballot test,” nearly six in ten (59 percent) likely voters indicated they would vote yes. When provided with additional information -- including the annual household cost, and pros and cons of the proposed measure – support increases. After hearing an “informed ballot test,” support for the \$65 million bond goes up by 10 points (69 percent). The bar chart below illustrates these results:



The \$65 million bond stands a very good chance for successful passage if a well-funded and effective education and outreach campaign informs voters of program’s benefits and structure.

Attached please find a summary of the May 2018 public opinion survey.

SPECIFIC ACTION REQUESTED

We respectfully request that the Washington County Quorum Court direct the County Attorney to work with The Trust for Public Land to draft an ordinance, including ballot language, for consideration by the Quorum Court, and refer a \$65 million General Obligation Bond backed by a 1/8th cent Sales and Use Tax to fund land conservation to the November 6, 2018 ballot.