



LAKEWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, February 22, 2021

City of Lakewood

Following City Council Special Meeting

Residents can virtually attend City Council meetings by watching them live on the city's YouTube channel:

<https://www.youtube.com/user/cityoflakewoodwa>

Those who do not have access to YouTube can call in to listen by telephone via Zoom: Dial +1(253) 215- 8782 and enter participant ID: 868 7263 2373

Page No.

CALL TO ORDER

ITEMS FOR DISCUSSION:

- (3) 1. Pierce Transit Update. – *Ms. Alexandra Mather, Government Relations Administrator and Ms. Lindsey Sehmel, Principal Planner*
- (11) 2. Transportation Benefit District Update. – (Memorandum)

ITEMS TENTATIVELY SCHEDULED FOR THE MARCH 1, 2021 REGULAR CITY COUNCIL MEETING:

- 1. Proclamation recognizing the City of Lakewood's 25th Anniversary.
- 2. Proclamation recognizing Captain Rudy Dambeck, 2/2 Stryker Brigade Combat Team, as Honorary City Attorney.
- 3. Youth Council Report.
- 4. Clover Park School District Report.
- 5. Accepting a donation from CHI Franciscan Health, in the amount of \$8,200, for the Lakewood Farmers Market and one drive-in movie.
– (Motion – Consent Agenda)
- 6. Authorizing the award of a construction contract to Northwest Cascade, Inc., in the amount of \$628,628, for the construction of the 108th Street SW overlay project. – (Motion – Consent Agenda)
- 7. City of Lakewood 25th Anniversary Update. – (Reports by the City Manager)
- 8. Special Events Update. – (Reports by the City Manager)

<p><i>Persons requesting special accommodations or language interpreters should contact the City Clerk, 253-983-7705, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.</i></p>

9. South Sound Proud Mural Update. – (Reports by the City Manager)

REPORTS BY THE CITY MANAGER

CITY COUNCIL COMMENTS

ADJOURNMENT

Persons requesting special accommodations or language interpreters should contact the City Clerk, 253-983-7705, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.

Lakewood City Council

February 22, 2021

2021 Financial Update

A transit-rich community is a thriving community

- Agency passed a continuing resolution in December
- 85% of agency's budget dependent on sales tax
- Ridership and revenue trends through pandemic present new challenges and expose transit as an equity issue

Bus Rapid Transit System Update

Bus Rapid Transit is Expanding in Pierce County

- Agency has funded a system-expansion study in 2021
- Estimated completion is late 2021
- Will inform five-route build out and electrification needs

Current Pierce Transit Services in Lakewood

A community supportive of transit in all forms



34

VANPOOLS

69,888

ANNUAL VANPOOL
BOARDINGS



81,955

PICKED UP & DROPPED
OFF IN LAKEWOOD

13.6%

OF ALL PIERCE TRANSIT
SHUTTLE TRIPS



3

ORCA BUSINESS ACCOUNTS

3,050

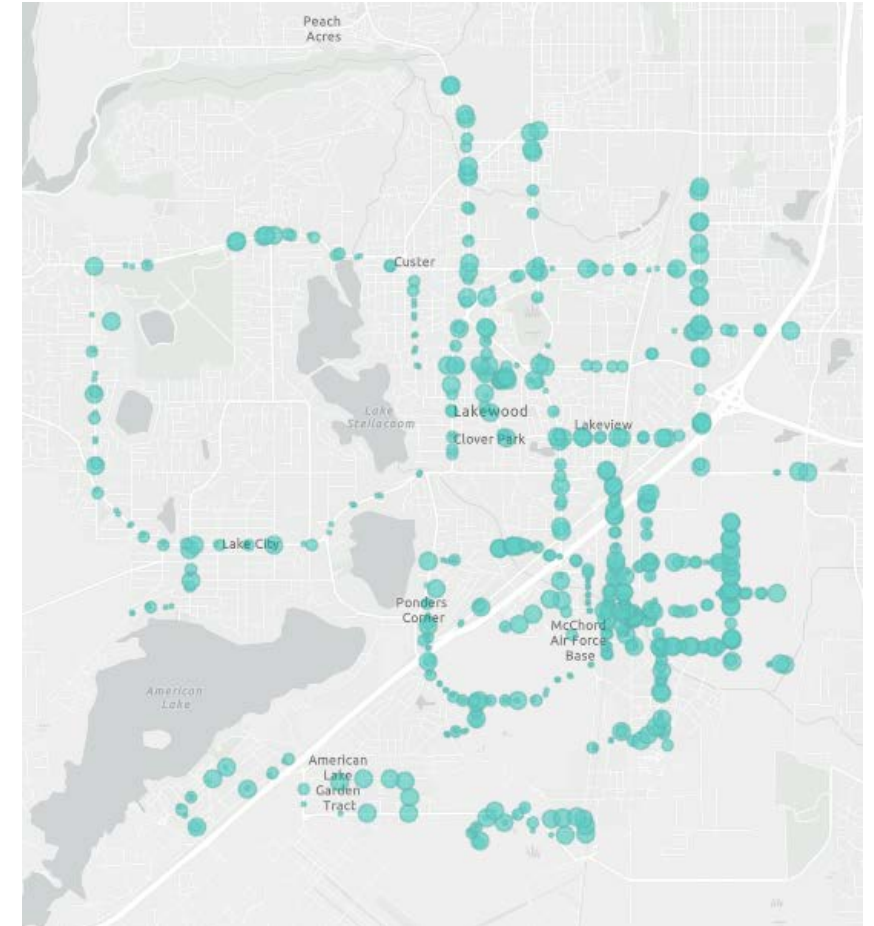
FREE ORCA YOUTH PASSES
DISTRIBUTED IN 2019

9/2019

Bus Stop Balancing Project

Customer service through efficiency and safety

- Increases customer safety throughout system
- Helps system speed reliability and efficiency
- Public outreach will begin in February
- Stops removed in September



2019/20 Ridership Activity – City of Lakewood

Year over year average weekday
bus stop activity

Activity: Boardings + Alightings

Route Number

All

Route Type

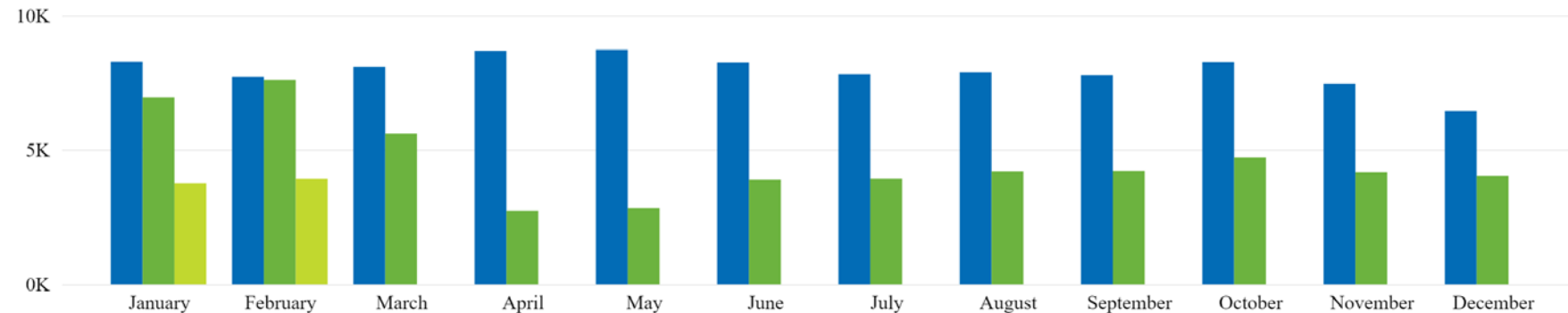
PT

Jurisdiction, Zipcode

Lakewood

Click to clear
all filters

● AVG Weekday Activity for 2019 ● AVG Weekday Activity for 2020 ● AVG Weekday Activity for 2021



- 8 Routes
(2, 3, 4, 48, 202, 206, 212, 214)
- 299 Stops
within city limits

7659	8084	8196	8048	7782	7,954	
AVG Monday Activity	AVG Tuesday Activity	AVG Wednesday Activity	AVG Thursday Activity	AVG Friday Activity	AVG Weekday Activity 2...	
4465	4666	4563	4580	4532	4561	-43%
AVG Monday Activity	AVG Tuesday Activity	AVG Wednesday Activity	AVG Thursday Activity	AVG Friday Activity	AVG Weekday Activity 2...	YOY 19-20 % Activity
3863	3908	4098	3767	3471	3.81K	-16%
AVG Monday Activity	AVG Tuesday Activity	AVG Wednesday Activity	AVG Thursday Activity	AVG Friday Activity	AVG Weekday Activity 2...	YOY 20-21 % Activity

March Service Change

- Recovering service to 95% of pre-COVID level
- Focused on recovering Sunday service hours and mainline routes
- Route frequency improvements in Lakewood:
 - Route 2 – 16 restored trips; 30 min frequencies. Back to 100% Sunday Service
 - Route 48 – 8 restored trips; 60 min frequencies majority of the day.
 - Route 202 – 14 restored trips; 60 min frequencies majority of day. Pm span increased.
 - Route 206 – 10 restored trips; 60 min frequencies majority of day. Pm span increased.
 - Route 212 – 6 restored trips; 60 min frequencies majority of day.
 - Route 214 – 6 restored trips; 60 min frequencies majority of day.



**Pierce
Transit**



To: Mayor and City Councilmembers
From: Tho Kraus, Assistant City Manager/Chief Financial Officer
Paul Bucich, Public Works Engineering Director
Through: John J. Caulfield, City Manager *John J. Caulfield*
Date: February 22, 2021
Subject: Transportation Benefit District Update

BACKGROUND

September 2019

At the September 2019 retreat, the City Council reviewed financing options and recommendations for funding transportation improvement projects. There were four potential financing options included: leveraging Transportation Benefit District vehicle license fees; property tax levy Lid Lift; property tax excess levy; and business and occupation tax. Information on the property tax and business and occupation tax options are provided as exhibits included at the end of this memo.

October 2020

In November 2019, voters approved I-976 (known as the "\$30 car tab initiative") effective December 5, 2019. The initiative made significant changes to many other aspects of the State's transportation system, including repeal of the authority for transportation benefit districts to impose fees.

On October 15, 2020, the Washington State Supreme Court ruled on the constitutionality of I-976 and struck down the initiative because it contained multiple subjects and a misleading ballot title.

The 2021-2022 biennial budget outlines several options for City Council consideration now that the Washington State Supreme Court has ruled on I-976:

Option 1: Rescind the \$20 vehicle license fee in Lakewood;

Option 2: Move forward using the monies collected by the \$20 vehicle licensing fee to continue investing in transportation infrastructure projects in Lakewood via pay-as-you-go; or

Option 3: Use the \$20 vehicle license fee to leverage the issuance of bonds in support of transportation projects totaling approximately \$11.3 million. These bonds would then be repaid over a period of 20 years. This option was presented to the Lakewood City Council at its September 28, 2019 retreat.

In advance of this, as part of the 2021/2022 adopted biennial budget, the estimated 2020 TBD \$20 vehicle license fees was allocated as follows: \$380,000 to the 2022 chip seal program; \$260,000 to the minor capital/major maintenance/pavement patching program; and \$195,000 to swap out REET funds for the JBLM

North Access Project Phase I (Gravelly Lake Drive between Washington Blvd and Nyanza) since that project is eligible for these funds and was previously funded with this revenue source. This provides greater flexibility since REET can be used for a number of other potential park or transportation improvement projects.

The 2021/2022 adopted budget also recommended that the City Council review and consider these three options in February 2021, when the City is expected to know the outcome of most of most outstanding grant applications that in turn will provide for additional options on how to best leverage the vehicle license fee. Though Option 1, rescinding the \$20 vehicle license fee, can occur at any time; the same is true of Option 2, the full pay-as-you-go option.

CURRENT OPTIONS & RECOMMENDATION

The current options and recommendations are related to the Transportation Benefit District Vehicle License Fees as follows:

Option 1: Rescind the \$20 vehicle license fee in Lakewood;

Option 2: Move forward using the monies collected by the \$20 vehicle licensing fee to continue investing in transportation infrastructure projects in Lakewood via pay-as-you-go; or

Option 3: Use the \$20 vehicle license fee to leverage the issuance of bonds in support of transportation projects totaling approximately \$11.3 million. These bonds would then be repaid over a period of 20 years. This option was presented to the Lakewood City Council at its September 28, 2019 retreat.
(RECOMMENDED)

Option 4: Increase the \$20 vehicle license fee in Lakewood to \$40.

Details of the options as it relates to the Transportation Benefit District is included in the sections that follow.

NEXT STEPS

To be determined per City Council direction.

EXHIBITS

- A – Map of Proposed TBD Projects (simple)
- B – Map of Proposed TBD Projects (detailed)
- C – Proposed Projects for TBD Bonds
- D – Current TBD Eligible Projects List
- E – Unfunded Transportation Improvement Projects
- F – Other Financing Options
 - Property Tax Levy Lid Lift
 - Property Tax Excess Levy
 - B&O Tax
- G – Comparison of Single vs. Multi-Year Property Tax Levy Lid Lift
- H – Election Results for Property Tax Levy Lid Lifts
- I – Election Results for Property Tax Excess Levies
- J – City of Lakewood of Debt Limitations

Option 1: Rescind the \$20 Vehicle License Fee in Lakewood

According to DOL (Department of Licensing), the TBD-related statutes do not give a clear requirement for how much notice must be given to rescind the TBD fee, however, DOL asks that the City provide notice three months in advance. This is because it will require about 30 days for DOL to fully code a fee change (including testing and implementing), and customer renewal notices may be sent up to 60 days in advance and they will not be correct until after the fee change is coded. DOL wants to make sure that renewal notices are accurate for customers who renew after the fee changes so that there is no confusion and no need for the City to issue refunds for customers who may incorrectly pay the fee after it has been repealed. What that means in simple terms is that the City Council just needs to adopt an ordinance rescinding or repealing the fee with an effective date of the fee change being 90 days out from when it is passed.

The City Council does not need to dissolve the TBD in order to rescind the \$20 VLF since the VLF is just one of several options for funding the TBD.

The 2021/2022 adopted biennial budget did not allocate proceeds from the \$20 VLF to transportation projects so if the City Council wishes to rescind, there would be no financial impact. Any funds collected prior to the effective rescind date could be used to fund projects from the current (or revised) TBD eligible project list. For example, if the City Council were to rescind the \$20 VLF effective July 1, 2021, the City would still receive revenues for January through June, which could be \$415K - \$440K.

Option 2: Continue Collecting the \$20 Vehicle License Fee and Pay-As-You-Go

Since implementation, beginning with tabs due April 1, 2015, the \$20 VLF has generated \$4.64M through 2020.

\$20 Vehicle Licensing Fee								
	2015	2016	2017	2018	2019	2020	2021 Est	2022 Est
	\$ 484,016	\$ 781,317	\$ 822,762	\$ 835,711	\$ 830,685	\$ 881,849	\$ 835,000	\$ 835,000
Change Over Prior Year: \$	n/a	\$ 297,301	\$ 41,445	\$ 12,949	\$ (5,026)	\$ 51,164	\$ (46,849)	\$ -
%	n/a	61%	5%	2%	-1%	6%	-5%	0%
5-Year Average Change (2016 - 2020)*:						2.6%		

* City began receiving revenues in March 2015, therefore using 4-year average rather than 5-year.

The \$4.64M collected through 2020 was allocated to various transportation capital projects and other costs. The 2021 and 2022 anticipated revenues totaling \$1.67M that was not allocated to projects during the 2021/2022 budget process pending City Council discussion of options and alternatives in early 2021.

Additionally, there is \$47K collected above the 2020 year-end estimate and is currently available for eligible projects.

Fund 103 Transportation Benefit District	LTD 2019	2020 Prelim	2021 Estimate	2022 Estimate
Revenues:				
\$20 Vehicle License Fee	\$ 3,754,492	\$ 881,849	\$ 835,000	\$ 835,000
Interest Earnings	10,214	-	-	-
Total Revenues	\$ 3,764,706	\$ 881,849	\$ 835,000	\$ 835,000
Expenditures:				
Annual State Audit ⁽¹⁾	\$ 4,888	-	-	-
WCIA Assessment ⁽¹⁾	5,000	-	-	-
302.0004 Minor & Major CIP / Pavement Patching ⁽²⁾	-	-	-	260,000
302.0005 Chip Seal Program - Local Access Roads ⁽²⁾	246,000	52,456	-	380,000
302.0017 Streets: Lakewood Drive - 100th to Steilacoom Blvd	773,500	-	-	-
302.0019 302.0019 Main St Overlay (Gravelly Lake Drive - 108th)	248,327	-	-	-
302.0020 59th Ave / 100 Street to Bridgeport Way	233,238	-	-	-
302.0049 Overlay: 59th - Main St to 100th	380,291	-	-	-
302.0051 Overlay: Lakewood Drive - Flett Creek to 74th	682,500	-	-	-
302.0066 Overlay: Custer - Steilacoom to John Dower Rd	677,000	-	-	-
302.0135 JBLM North Access Improvements ⁽²⁾	-	195,000	-	-
302.0137 Streets: 88th - Steilacoom Blvd to Custer (Weller to Custer)	461,506	-	-	-
Total Expenditures	\$ 3,712,250	\$ 247,456	\$ -	\$ 640,000
Revenues Over / (Under) Expenditures	52,456	634,393	835,000	195,000
Beginning Fund Balance, January 1	\$ -	\$ 52,456	\$ 686,849	\$ 1,521,849
Ending Fund Balance, December 31⁽³⁾	\$ 52,456	\$ 686,849	\$ 1,521,849	\$ 1,716,849

⁽¹⁾ Eliminated when City absorbed TBD.

⁽²⁾ Once Washington State Supreme Court ruled I-976 unconstitutional, \$835,000 from 2020 estimated TBD revenues was allocated as part of the 2021/2022 adopted biennial budget (\$195,000 + \$260,000 + \$380,000 = \$835,000)

⁽³⁾ Ending fund balance includes excess \$46,849 from 2020 actual revenue (2020 year-end estimate of \$835,000 vs actual \$881,849).

Option 3: Use the \$20 Vehicle License Fee to Leverage Bond Issue - **RECOMMENDED**

Use the \$20 vehicle license fee to leverage the issuance of bonds in support of transportation projects totaling approximately \$11.3 million. These bonds would then be repaid over a period of 20 years. Options for the VLF bonds are summarized in the table below.

Option	Bond			2021 PTax			2021 PTax Paid by Ave Homeowner			2021 Net Impact to Ave Homeowner		
	Bond Amount	Life	Annual Debt Svc	Base Rate	Rate Increase	New Rate	Base City Tax	Annual Increase	New Annual Tax	28% Income Tax	Net Annual Impact	Net Monthly
Councilmanic (Non-Voted):												
\$20 VLF	\$11,300,000	20	\$835,000	- n/a -								
\$40 VLF*	\$22,700,000	20	\$1,670,000									
\$50 VLF**	\$28,400,000	20	\$2,088,000									

* Up to \$40, but only if a \$20 fee has been in effect for \$24 months. - Eligible

** Up to \$50, but only if a \$40 fee has been in effect for at least 24 months.

Any non-voted fee higher than \$40 is subject to potential referendum, as provided in RCW 36.73.065(6).

Per the City's Bond Counsel: If a tax is authorized to be levied at the time and is specifically pledged to the repayment of debt, if an initiative or legislation subsequently repeals the tax you can still continue to levy the tax while the debt is outstanding. You may have to get a court to authorize it, but under Washington law the court should be willing to authorize the continued levying of the tax.

If the Lakewood City Council were to pursue this Option 3 (or perhaps a hybrid of option 2 and 3), the following table lists six (6) Tier 1 transportation projects in priority order, totaling \$19.7 million that are recommended as the next round of projects to be financed primarily using the vehicle license fee. If funds became available for these projects, design would occur in 2022 with construction occurring in 2023 presuming all went smoothly.

Exhibit C provides and executive summary and detailed information on the proposed TBD Bond projects including prioritization, assessment, tier 1 versus tier 2 and project descriptions.

TBD \$20 Vehicle License Fee Projects		Total
Tier 1:		
1) JBLM North Access Improvements - Phase 2 Construction		\$ 4,200,000
2) Nyanza Road SW, Gravelly Lake Drive SW to Gravelly Lake Drive SW		4,530,000
3) 112th Street SW, Gravelly Lake Drive to Bridgeport Way SW		3,000,000
4) 100th St SW, Lakeview Ave SW to South Tacoma Way		4,230,000
5) Steilacoom Blvd, Weller Rd SW to 83rd Ave SW		2,720,000
6) Steilacoom Blvd SW, 87th Ave SW to Farwest Drive SW		1,000,000
Subtotal - Tier 1		\$ 19,680,000
Tier 2:		
7) Custer: Bridgeport Way SW to 75th St W		3,000,000
8) South Tacoma Way, 88th Street S to 80th Street S		4,000,000
9) Ardmore/Whitman/93rd St		3,375,000
10) Phillips Rd: Agate Drive SW to Onyx Drive SW		500,000
11) Hipkins Road SW, Steilacoom Blvd to 104th St. SW		3,640,000
Subtotal - Tier 2		\$ 14,515,000
Total		\$ 34,195,000

Estimated Available Funds on January 1, 2023		Total
Transportation Benefit District		\$ 1,716,849
Real Estate Excise Tax		1,878,117
Transportation Benefit District \$20 VLF Bond Proceeds		\$ 11,300,000
Total		\$ 14,894,966

The revenue from the \$20 VLF if bonded totals \$11.3 million, which is less than the total cost of the Tier 1 projects which could be supplemented with grant revenues. The following table provides the latest grant status.

Transportation Project	Grant Type	Grant Amount	Project Cost	Application Date	Notification Date	Received / Not Received
South Tacoma Way, 84th St So to 80th St So	Safety	\$ 2,137,700	\$ 2,507,000	Mar 2020	Oct 2021	Not Received
100th St SW, Lakeview Ave SW to So Tac Way	Safety	3,764,700	4,374,000	Mar 2020	Oct 2021	Not Received
Steilacoom Blvd SW, 87th Ave SW to 83rd Ave SW/Hipkins Road SW	Safety	2,301,800	2,708,000	Mar 2020	Oct 2021	Received
Pine St. Sidewalk & Pedestrian Crossing, connection Water Ditch Trail to Wards Lake Park, 84th St S to 200' north of 83rd St So	Bike & Pedestrian	850,000	934,500	Jul 2020	Jan 2021	Waiting to Hear
112th St. SW, Clover Park High School Sidewalk, Gravelly Lake Drive to Highland	Safe Routes to School	622,000	707,000	Jul 2020	Jan 2021	Waiting to Hear
112th St SW, Lake Louise Elementary School Sidewalk, Farwest to Holden	Safe Routes to School	655,000	751,000	Jul 2020	Jan 2021	Not Received
Farwest Dr Sidewalk & Bike Lane, Fill-in Lakes High School: 112th St SW to 125' south of 91st St CT SW	Safe Routes to School	875,000	1,015,000	Jul 2020	Jan 2021	Waiting to Hear
100th St SW, Lakeview Avenue SW to So Tac Way	TIB	2,813,000	3,516,000	Aug 2020	Nov 2020	Not Received
Custer Rd SW, Bridgeport Way SW to 75th St W	TIB	2,432,280	3,040,450	Aug 2020	Nov 2020	Not Received
JBLM North Access Project -- Phase 1 GLD & WA Blvd SW (Pac Hwy/GLD to WA Blvd/West of Interalaaen Dr)	TIB	3,000,000	7,600,000	Aug 2020	Received Nov 2020	Received Nov 2020
JBLM North Access Project -- Phase 2	State DCCA	1,920,000	9,025,000	Feb 2020	Apr 2021	Pending State Funding of DCCA Ask
JBLM North Access Project -- Phase 2	Federal DCIP	5,463,198	9,025,000	Jun 2021	Sep 2021	Future Ask
Total		\$ 26,834,678				

Excess real estate excise tax, which is restricted for capital purposes and \$20 VLF may also be used to make up for a portion of the difference between capital project costs and bond and grant sources. Excess funds are as follows:

	2020 Prelim	2021 Budget	2022 Budget	2023 Est	2024 Est	2025 Est	2026 Est	Total
TBD	\$ 46,849	\$ 835,000	\$ 835,000	\$ -	\$ -	\$ -	\$ -	\$ 1,716,849
REET	1,683,117	195,000	-	220,035	188,035	126,035	90,035	2,502,257
Total	\$ 1,729,966	\$ 1,030,000	\$ 835,000	\$ 220,035	\$ 188,035	\$ 126,035	\$ 90,035	\$ 4,219,106
Total Available Now								\$ 1,729,966
Total Estimated Excess 2021-2026								\$ 2,489,140

Update on Non-Motorized Transportation Plan

As part of the 2019/2020 biennial budget, in support of the City Council goal of Dependable Infrastructure (increase connectivity and accessibility), the City Council allocated \$50,000 to update the current non-motorized transportation plan that was last updated in 2009. The updates needed include relevant policy updates and capital improvement plan. The plan is scheduled to be completed in 2022.

Option 4: Increase the Current \$20 VLF to \$40

General Information

TBDs may impose vehicle license fees up to \$50 without a public vote, subject to the conditions below, or may impose fees up to \$100 with voter approval.

Until 2015, vehicle license fees of \$20 or less could be imposed without voter approval, however 2ESSB 5987 increased the allowable non-voted vehicle license fee up to a \$50 maximum. A TBD may only impose a non-voted vehicle license fee above the \$20 as follows:

- Up to \$40, but only if a \$20 fee has been in effect for at least 24 months.
- Up to \$50, but only if a \$40 fee has been in effect for at least 24 months. Any non-voted fee higher than \$40 is subject to potential referendum, as provided in RCW 36.73.065(6).

Applicable to the City of Lakewood

The City may increase the vehicle license fee to \$40 since the \$20 VLF has been in place for at least 24 months (the \$20 VLF was effective for tabs due beginning April 1, 2015).

A \$40 VLF could generate an additional \$835K + annually in support of transportation projects on a pay-as-you go basis or be used to finance a larger bond.

Increasing the VLF to \$40 could support \$22.7M in bonds to be repaid over 20 years.

Option	Bond			2021 Ptax			2021 PTax Paid by Ave Homeowner			2021 Net Impact to Ave Homeowner		
	Bond Amount	Life	Annual Debt Svc	Base Rate	Rate Increase	New Rate	Base City Tax	Annual Increase	New Annual Tax	28% Income Tax Deduction	Net Annual Impact	Net Monthly Impact
Councilmanic (Non-Voted):												
\$40 VLF*	\$22,700,000	20	\$1,670,000							- n/a -		

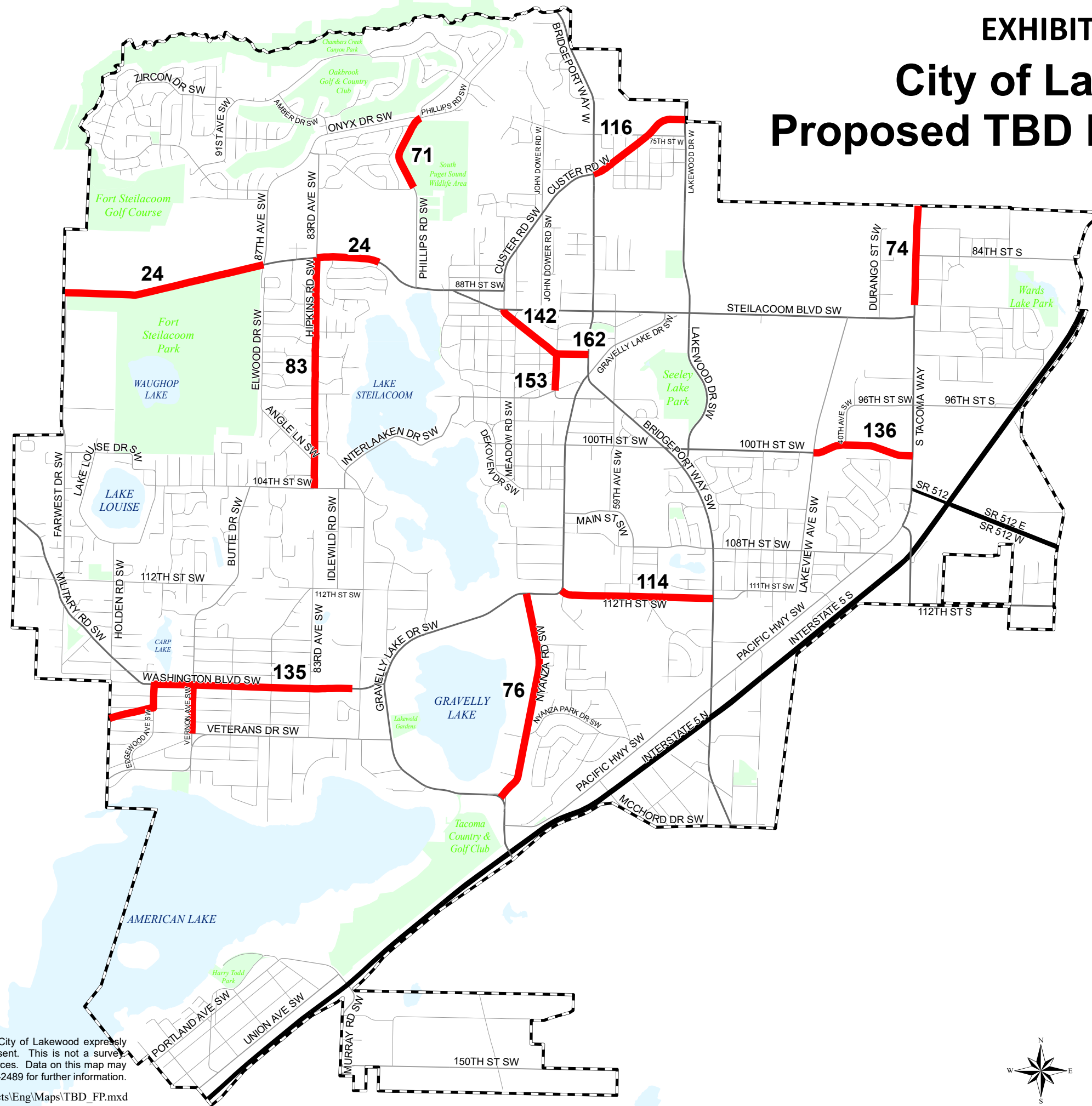
* Up to \$40, but only if a \$20 fee has been in effect for 24 months. - Eligible



EXHIBIT A

City of Lakewood

Proposed TBD Bond Projects





This product was prepared with care by City of Lakewood GIS. City of Lakewood expressly disclaims any liability for any inaccuracies which may yet be present. This is not a survey. Datasets were collected at different accuracy levels by various sources. Data on this map may be shown at scales larger than its original compilation. Call 253-589-2489 for further information.

Map Date: February 12, 2021

\\Projects\Eng\Maps\TBD_FP.mxd



 **Project Location**
 **Lakewood City Limit**

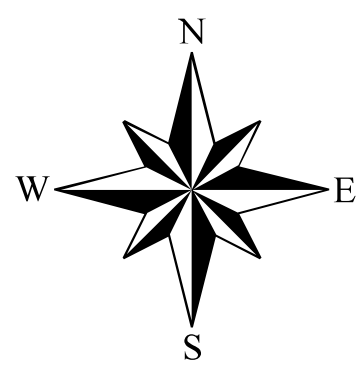


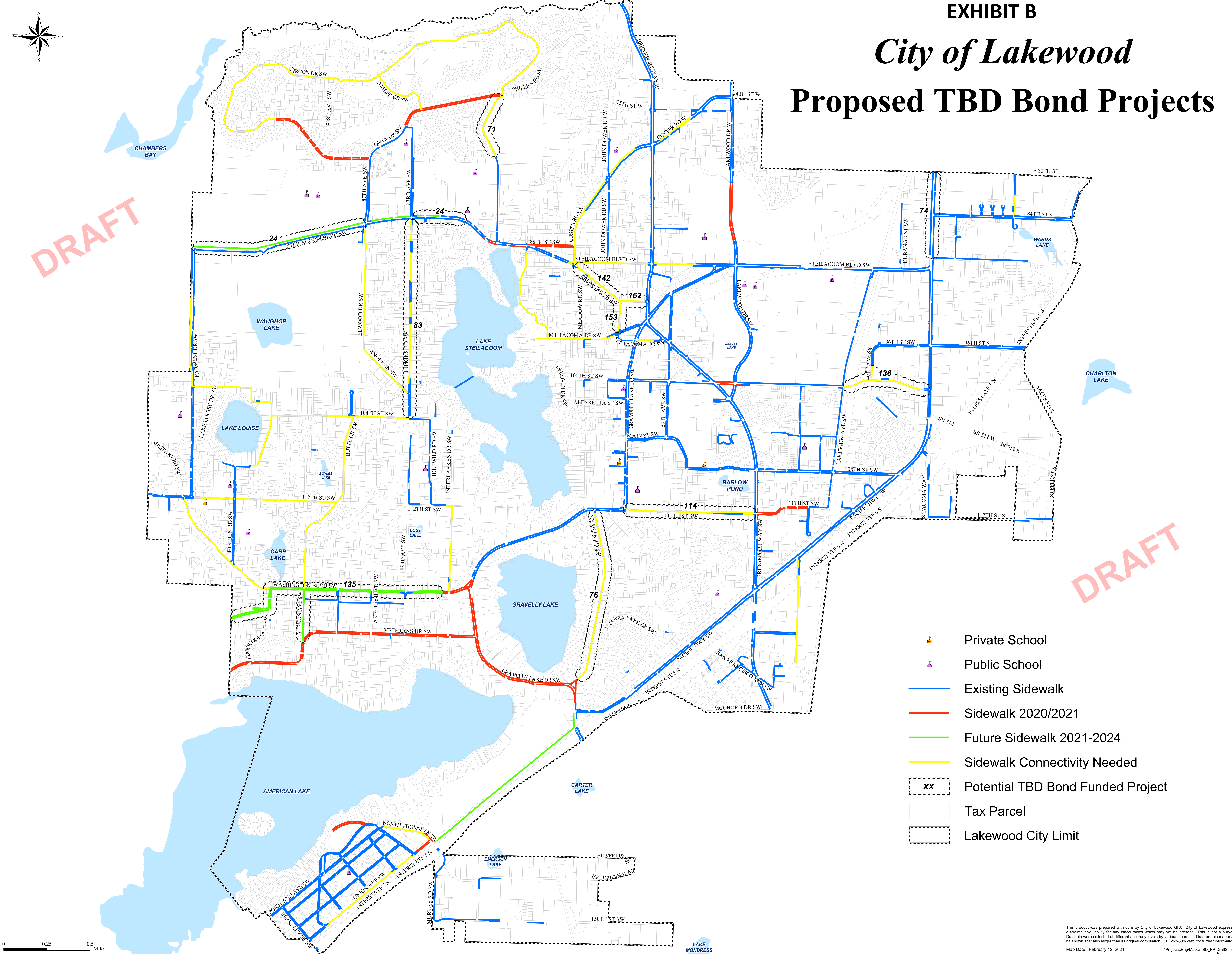
EXHIBIT B

City of Lakewood

Proposed TBD Bond Projects

DRAFT

DRAFT



Executive Summary: Proposed TBD Bond Funded Projects

Selection of projects for TBD bond funding is not solely an engineering assessment, but a determination of what projects provide the greatest value to the citizens of Lakewood. PWE recognizes that with any grouping of projects, some have greater value to the community than others, however all will lead to fulfillment of a greater council vision.

It is easy to identify and quantify numbers such as average daily traffic loadings (ADT), Pavement Condition Index (PCI), annual costs per mile of roadway, road classification, etc. What is more difficult are the intangibles: potential for future grants; connectivity across the neighborhood, area, city; impacts to non-motorized users; reduction in gas emissions (climate change); aesthetics for residents and businesses; economic drivers for redevelopment; and last but not least, does a particular project help complete a community vision?

PWE has taken a first look at potential projects to be proposed for funding and come up with eleven (11) for initial consideration. Each project stands on its own merits but most importantly, each project contributes significantly to the sidewalk connectivity vision allowing free movement for non-motorized users of the City rights of way across the City. Collectively these projects make a significant stride forward towards the development of the non-motorized backbone for the City.

As the City has an identified need for close to \$90M of transportation projects, it is important to use any bond funds in a manner that allows the leveraging of grant funds whenever possible. With that in mind, the list of potential projects exceeds the potential bonding available based on current TBD funding levels, however should City Council make future changes to the TBD funding levels, this list exemplifies the degree and number of projects that could be supported with future bond funds.

For a project to be considered by PWE for Council consideration it must first pass the initial qualitative and quantitative assessment:

Does the project result in:

- Corridor completion?
- Alignment with larger sidewalk connectivity vision?
- Provide “Bang for the Buck” – multiple benefits?
 - Average Daily Traffic (ADT) loadings
 - Roadway condition – PCI
 - Long term maintenance projections/urgency
 - City goals

Once on the list, PWE assessed the following based on our knowledge of the project and grants typically we compete for transportation dollars:

- Potential for grant funding?
- Continuity of existing grant funding path?
- Roadway condition and future maintenance projections?
- Length of corridor completion?
- Last mile?
- Project status?

As the combined value of the projects identified earlier far exceeds the current TBD bonding capacity, PWE divided the collected projects into two tiers with the intent to use the tiers for pursuit of funding and

construction sequencing. PWE will continue to pursue grant funding opportunities for all projects, however if a grant fund can be leveraged with “overmatch” funding to increase the potential for obtaining the grant, the Tier 1 projects would take precedent.

Projects Recommended for TBD Bond Funds

Based on the above criteria and assessment, the recommended projects are identified as Tier 1 versus Tier 2 projects and are intended to be use in pursuit of funding and construction sequencing. Public Works Engineering will continue to pursue grant funding opportunities for all projects, however, if a grant fund can be leveraged with “overmatch” funding to increase the potential for obtaining the grant, the Tier 1 projects would take precedent.

Proposed TBD Bond Project	Funding Needs	CC? ⁽¹⁾	SC? ⁽²⁾	ADT	PCI	Projected Long Term Maint. Issues	Aligns with City goals?	Potential for Grant Funding?	Continuity of existing Grant Funding?	Roadway Condition and Future Needs?	Length of Corridor Completion	Last Mile?	Project Status?
Tier 1 Projects:													
JBLM North Access Improvement Project, Phase 2 Construction	\$4,200,000	Yes	Yes	16,350	86	Medium	Yes	High	No	Average/ average	8,800 lf	Yes	Shovel Ready
Nyanza Road SW, Gravelly Lake Drive SW to Gravelly Lake Drive SW	\$4,530,000	Yes	Yes	9,200	79	High	Yes	Low	No	Average to poor/high	5,400 lf	Yes	Conceptual (10%)
112th Street SW, Gravelly Lake Drive to Bridgeport Way SW	\$3,000,000	Yes	Yes	7,450	73	High	Yes	Low	No	Average to poor/high	3,990 lf	Yes	Conceptual (10%)
100th St SW, Lakeview Ave SW to South Tacoma Way	\$4,230,000	Yes	Yes	22,050	71	High	Yes	Low	No	Poor/high	2,780 lf	Yes	Preliminary (20%)
Steilacoom Blvd, Weller Rd SW to 83rd Ave SW	\$2,720,000	Yes	Yes	31,400	78	Medium	Yes	Medium	Yes	Fair to poor/high	1,650 lf	Yes	Under design (50%)
Steilacoom Blvd SW, 87th Ave SW to Farwest Drive SW	\$1,000,000	Yes	Yes	20,350	100	Low	Yes	High	Yes	N/A, sidewalk only	5,300 lf	Yes	Under design (50%)
Total - Tier 1	\$19,680,000												
Tier 2 Projects:													
Custer: Bridgeport Way SW to 75th St W	\$3,000,000	Yes	Yes	24,500	75	High	Yes	Low	No	Fair to poor/high	2,700 lf	No	Preliminary (20%)
South Tacoma Way, 88th Street S to 80th Street S	\$4,000,000	Yes	Yes	26,200	68	High	Yes	Medium	No	Very poor/high	2,600 lf	Yes	Preliminary (20%)
Ardmore/Whitman/ 93rd St	\$3,375,000	Yes	Yes	10,300	68	High	Yes	Medium	No	Very poor/high	3,575 lf	Yes	Conceptual (10%)
Phillips Rd: Agate Drive SW to Onyx Drive SW	\$500,000	Yes	Yes	6,100	89	Medium	Yes	Low	No	Average/ average	2,125 lf	Yes	Conceptual (10%)
Hipkins Road SW, Steilacoom Blvd to 104th St. SW	\$3,640,000	Yes	Yes	9,650	75	High	Yes	Low	No	Average/ high	6,100 lf	Yes	Conceptual (10%)
Total - Tier 2	\$14,515,000												
Total - Tier 1 & Tier 2	\$34,195,000												

⁽¹⁾ CC = Corridor Completion

⁽²⁾ SC = Sidewalk Connectivity

Recommended Project Description & Assessment

1) JBLM North Access Improvement Project, Phase 2 Construction (\$4.2M funding needed)

This project will continue the city's vision for a complete corridor from I-5 and Gravelly Lake Drive west to the north entrance to North Fort along Northgate Road. The project will completely rebuild Washington Blvd from the end of Phase I construction, just west of the Interlaaken Drive roundabout west to Edgewood Drive then south to Northgate Road then west to the City limits at JBLM North Fort boundary.

Completion of this project will complete the larger JBLM North Access Improvement Project, will complete the corridor from the City limits to I-5 and to the City's Towne Center along Gravelly Lake Drive. This project will be a major contributor to the City's long range sidewalk connectivity plan by connecting a major east-west arterial to the Towne Center and Pacific Highway sidewalks. Future expansion by WSDOT for the Thorne Lane Connector will enable non-motorized access to major features of the community like JBLM North Fort, American Lake Park, VA Hospital, Towne Center, Tillicum/Woodbrook, etc.

The project design is complete, permits almost complete, and approximately 55% of the funding needed is already secured. Overall road condition is fair to poor and most of the storm drainage system is in active failure mode. Replacement of the existing systems will decrease operational costs for roadway surfaces, stormwater system replacement and repair, and will significantly improve vehicular and pedestrian safety. Two traffic signals will be replaced with roundabouts and four additional unsignalized intersections will be improved with roundabouts.

This project is expected to be a viable contender for federal grant funds however was unsuccessful in the last round of grants based on both Phase 1 and 2 being pursued at that time under one project. This project is large and may be beyond the ability of state grants to fully fund but grant applications are still intended to be submitted for at least partial funding.

- Corridor completion? YES
- Alignment with Sidewalk Connectivity Vision? YES
- Solid return on investment:
 - ADT: 16,350
 - PCI rating: 86
 - Long term maintenance issues? Medium
 - Alignment with other City goals? YES
- Potential for grant funding? Yes but amount is significant. With overmatch greater potential to obtain grant funds.
- Continuity of existing grant funding path? NO
- Roadway condition and future maintenance projections? Average
- Length of corridor completion: 8,800 lf of project, 1.67 miles of corridor completed.
- Last mile? YES, connects to I-5 and Towne Center
- Project status: Design complete, shovel ready
- Proposed Tier rating: Tier 1

2) Nyanza Road SW: Gravelly Lake Drive to Gravelly Lake Drive (\$4.53M funding needed)

This project will finish the Gravelly Lake loop with approximately 5,400 lineal feet (lf) of new road surface, curb, gutter, sidewalks, shared use path, illumination, stormwater, and associated signal improvements for the north end of Nyanza. The improvements may include elimination of the signal and construction of a roundabout. This project finishes the sidewalk and shared use paths around Gravelly Lake and closing the loop from I-5 to the Lakewood Town Center.

The existing roadway is in fair condition but is a constant maintenance challenge with potholes and surface cracking with increasing costs annually. One traffic signal will be evaluated for replacement with either a mast arm signal system or a complete reconstruction into a roundabout with signal elimination.

- Corridor completion? YES
- Alignment with Sidewalk Connectivity Vision? YES
- Solid return on investment:
 - ADT: 9,200
 - PCI rating: 79
 - Long term maintenance issues? High
 - Alignment with other City goals? YES
- Potential for grant funding? Low as amount is significant and past applications were not viewed as competitive. With overmatch funding, potential is greater but still not high.
- Continuity of existing grant funding path? NO
- Roadway condition and future maintenance projections? Average to poor.
- Length of corridor completion: 5,400 lf of project, 1.03 miles of corridor completed.
- Last mile? YES, connects to I-5 and Towne Center
- Status of project: Conceptual (10%)
- Proposed Tier rating: Tier 1

3) 112th Street SW from Gravelly Lake Drive to Bridgeport Way SW (\$3.0M funding needed)

112th Street SW is a two lane arterial roadway with limited sidewalks or non-motorized paths. The current roadway condition is fair to poor. The project will construct curb, gutter, sidewalks, bike lanes, illumination, and limited landscaping between Gravelly Lake Drive and Bridgeport Way SW, approximately 3,990 lf. This project will rebuild 112th Street and overlay portions where the road surface is still in good repair. Extensive sidewalks, curb, gutter, and bike lanes will be constructed. The signal at Gravelly Lake Drive will be upgraded from a span wire to a mast arm system. Annual maintenance for this roadway is average for arterials.

112th Street SW fronts Clover Park High School and the main parking lots. Many students come from the surrounding community by foot and bike to the high school and currently have to walk alongside the roadway without adequate sidewalks or bike lanes. 112th Street SW is a major east-west corridor for traffic wishing to traverse across the City to the SR 512 interchange with I-5 and the back side of the Sounder Station.

Completion of this roadway will finish the non-motorized pathway from North Gate Road to the Sounder Station and Pacific Highway and will connect up with the soon to be constructed project of 112/111th Street improvements to Kendrick Road which directly ties into the Sounder Station through the pedestrian bridge build by the City in 2013. This project, coupled with the JBLM North Access Improvement Project, Phase 2, completes a major non-motorized corridor across the southern area of the city.

- Corridor completion? YES
- Alignment with Sidewalk Connectivity Vision? YES
- Solid return on investment:
 - ADT: 7,450
 - PCI rating: 73
 - Long term maintenance issues? Medium
 - Alignment with other City goals? YES
- Potential for grant funding? Low as amount is significant and past applications were not viewed as competitive. With overmatch funding, potential is greater but still not high.
- Continuity of existing grant funding path? NO
- Roadway condition and future maintenance projections? Average to poor.
- Length of corridor completion: 3,990 lf of project, 0.76 miles of corridor completed.
- Last mile? YES, connects to I-5 and Towne Center
- Status of project: Conceptual (10%)
- Proposed Tier rating: Tier 1

**4) 100th Street SW, Lakeview Ave SW to South Tacoma Way including a portion of 40th Avenue SW.
(\$4.23M needed)**

100th Street is a major east-west connector arterial roadway with improvements westerly of Lakeview Drive. From Lakeview Drive east to South Tacoma Way, there are limited sidewalks, curb, gutter, or bike lanes. 100th Street is a five lane arterial with a center turn lane and one major street intersection at 40th Avenue SW. Current roadway condition is fair to poor. Completion of this segment of 100th Street SW will significantly improve the non-motorized connection between South Tacoma Way to the downtown core by ensuring sidewalk connectivity. The City is currently initiating construction of roadway improvements at 100th St SW and Lakewood Drive that includes new sidewalk on the north boundary of the roadway between Bridgeport Way SW and Lakewood Drive.

- Corridor completion? YES
- Alignment with Sidewalk Connectivity Vision? YES
- Solid return on investment:
 - ADT: 22,050
 - PCI rating: 71
 - Long term maintenance issues? High
 - Alignment with other City goals? YES
- Potential for grant funding? Low as amount is significant and past applications were not viewed as competitive. With overmatch funding, potential is greater but still not high.
- Continuity of existing grant funding path? NO
- Roadway condition and future maintenance projections? Poor and high cost.
- Length of corridor completion: 2,780 lf of project, 0.52 miles of corridor completed.
- Last mile? YES, connects to I-5 and Towne Center
- Status of project: Preliminary (20%)
- Proposed Tier rating: Tier 1

5) Steilacoom Blvd: Weller Road SW to 83rd Avenue SW (\$2.72M funding needed)

Steilacoom Blvd is one of three major east-west connector arterial roadways linking the city across Steilacoom and Gravelly Lakes. The City has been gradually improving the roadway with overlays and construction of sidewalks, curb, gutter, and signal improvements. With the recent award of grant funding for construction between 83rd Avenue SW and 87th Avenue SW, there is a remaining gap between Weller Road SW and 83rd Avenue SW. This project will close the gap by constructing curb, gutter, sidewalks, signal improvements and overlay between the two roadways.

- Corridor completion? YES
- Alignment with Sidewalk Connectivity Vision? YES
- Solid return on investment:
 - ADT: 31,400
 - PCI rating: 78
 - Long term maintenance issues? Medium
 - Alignment with other City goals? YES
- Potential for grant funding? Yes. Based on recent grant, project should fare well but timing of grants is a few years out at best. With overmatch funding, potential for grant funds is greater.
- Continuity of existing grant funding path? YES
- Roadway condition and future maintenance projections? Fair to poor and higher costs than average.
- Length of corridor completion: 1,650 lf of project, 0.31 miles of corridor completed.
- Last mile? NO/Maybe depends on other Steilacoom Blvd project.
- Status of project: Under design (50%)
- Proposed Tier rating: Tier 1

6) Steilacoom Blvd: 87th to Farwest Drive sidewalk (\$1M funding needed)

Steilacoom Blvd is one of three major east-west connector arterial roadways linking the city across Steilacoom and Gravelly Lakes. The City has been gradually improving the roadway with overlays and construction of sidewalks, curb, gutter, and signal improvements. With the recent award of grant funding for construction between 83rd Avenue SW and 87th Avenue SW, there is a final gap between 87th Ave SW and Farwest Drive. This project will close the gap by constructing curb, gutter, and sidewalk on the north boundary of Steilacoom Blvd.

- Corridor completion? YES
- Alignment with Sidewalk Connectivity Vision? YES
- Solid return on investment:
 - ADT: 20,350
 - PCI rating: 100
 - Long term maintenance issues? Low
 - Alignment with other City goals? YES
- Potential for grant funding? Yes. Based on recent grant, project should fare well but timing of grants is a few years out at best. With overmatch funding, potential for grant funds is greater.
- Continuity of existing grant funding path? YES
- Roadway condition and future maintenance projections? N/A, sidewalks only.
- Length of corridor completion: 5,300 lf of project, 1.0 miles of corridor sidewalks completed.
- Last mile? NO/Maybe depends on other Steilacoom Blvd project.
- Status of project: Under design (50%)
- Proposed Tier rating: Tier 1

7) Custer from Bridgeport to 75th St W (\$3.0M funding needed)

The intent of this project is to complete Custer Road with curb, gutter, and sidewalks and a new driving surface where appropriate. This will support the numerous retail and industrial facilities along the corridor and improve pedestrian and non-motorized access through the corridor and improve the ride quality for the motoring public that utilize this road. The reconstruction of this roadway will be accomplished by bringing the infrastructure up to current urban standards through the installation of mixed-use walkways, completing the street lighting system along the corridor, place curb, gutter and sidewalks, pavement milling of the existing roadway and an overlay to improve mobility and ride quality and remove the alligator cracking and asphalt spalling that is apparent throughout the project limits.

Completion of this project will spur redevelopment of historically under-utilized properties throughout the corridor. Existing traffic signals will be upgraded with cameras for vehicle detection, and improved storm drain facilities will be installed by placing a new enhanced water quality facility prior to discharge into Flett Creek. The multi-use walkway will be completed to tie into the existing Lakewood Drive mixed use sidewalk.

- Corridor completion? NO
- Alignment with Sidewalk Connectivity Vision? YES
- Solid return on investment:
 - ADT: 24,500
 - PCI rating: 75
 - Long term maintenance issues? Low
 - Alignment with other City goals? YES
- Potential for grant funding? Low as amount is significant and past applications were not viewed as competitive. With overmatch funding, potential is greater but still not high.
- Continuity of existing grant funding path? NO
- Roadway condition and future maintenance projections? Fair to poor, high costs.
- Length of corridor completion: 2,700 lf of project, 0.51 miles of corridor completed.
- Last mile? NO.
- Status of project: Preliminary (20%)
- Proposed Tier rating: Tier 2

8) South Tacoma Way, 88th to 80th (\$4M funding needed)

The intent of this project is to complete South Tacoma Way with curb, gutter, and sidewalks and a new driving surface where appropriate. This will support the numerous retail and industrial facilities along the corridor and improve pedestrian and non-motorized access through the corridor and improve the ride quality for the motoring public that utilize this road. The reconstruction of this roadway will be accomplished by bringing the infrastructure up to current standards by completing the street lighting system along the corridor, curb, gutter and sidewalks, pavement milling of the existing roadway and an overlay to improve mobility and ride quality and remove the alligator cracking and asphalt spalling that is apparent throughout the project limits.

Existing traffic signals will be upgraded with cameras for vehicle detection, and improved storm drain facilities will be installed.

- Corridor completion? YES
- Alignment with Sidewalk Connectivity Vision? YES
- Solid return on investment:
 - ADT: 26,200
 - PCI rating: 68
 - Long term maintenance issues? Low
 - Alignment with other City goals? YES
- Potential for grant funding? Average. Overmatching funding will improve the probability of receiving some degree of grant funding.
- Continuity of existing grant funding path? NO
- Roadway condition and future maintenance projections? Very poor, high cost.
- Length of corridor completion: 2,600 lf of project, 0.49 miles of corridor completed.
- Last mile? YES
- Status of project: Preliminary (20%)
- Proposed Tier rating: Tier 2

9) Ardmore/Whitman/93rd St. (\$3.375M funding needed)

The intent of this project is to complete Ardmore/Whitman/93rd Streets with curb, gutter, and sidewalks and a new driving surface where appropriate. This will connect the Steilacoom Boulevard corridor to the new Colonial Plaza and Towne Center shopping complex. This will improve pedestrian and non-motorized access through the corridor and improve the ride quality for the motoring public that utilize this road. The reconstruction of this roadway will be accomplished by bringing the infrastructure up to current standards by completing the street lighting system along the corridor, curb, gutter and sidewalks, pavement milling of the existing roadway and an overlay to improve mobility and ride quality and remove the alligator cracking and asphalt spalling that is apparent throughout the project limits.

Existing traffic signals will be upgraded with cameras for vehicle detection, and improved storm drain facilities will be installed.

- Corridor completion? YES
- Alignment with Sidewalk Connectivity Vision? YES
- Solid return on investment:
 - ADT: 10,300
 - PCI rating: 68
 - Long term maintenance issues? Low
 - Alignment with other City goals? YES
- Potential for grant funding? Poor as the streets are not major arterials, have low ADT, and do not have schools in close proximity. Overmatching funding will improve the probability of receiving some degree of grant funding but streets of this nature are not typically scored high by granting agencies.
- Continuity of existing grant funding path? NO
- Roadway condition and future maintenance projections? Very poor, high costs.
- Length of corridor completion: 3,575 lf of project, 0.68 miles of corridor completed.
- Last mile? YES
- Status of project: Conceptual (10%)
- Proposed Tier rating: Tier 2

10) Phillips north of Agate Drive SW (\$500k funding needed)

The intent of this project is to complete Phillips Drive north of Agate Drive SW to Onyx Drive with curb, gutter, and sidewalk on one side. This will connect the Oakbrook neighborhood with a looped sidewalk system through the new Onyx Drive improvements and 87th Street to Steilacoom Boulevard. This will improve pedestrian and non-motorized access through the corridor by connecting to existing and recently built sidewalks.

- Corridor completion? YES
- Alignment with Sidewalk Connectivity Vision? YES
- Solid return on investment:
 - ADT: 6,100
 - PCI rating: 89
 - Long term maintenance issues? Low
 - Alignment with other City goals? YES
- Potential for grant funding? Poor as the street is not a major arterial, has a relatively low ADT, and connects to existing sidewalks already installed in front of Hudtloff middle school. Overmatching funding will improve the potential of receiving some degree of grant funding but streets of this nature are not typically scored high by granting agencies.
- Continuity of existing grant funding path? NO
- Roadway condition and future maintenance projections? N/A, sidewalks only.
- Length of corridor completion: 2,125 lf of project, 0.40 miles of corridor completed.
- Last mile? YES
- Status of project: Conceptual (10%)
- Proposed Tier rating: Tier 2

11) Hipkins Road SW from Steilacoom Blvd to 104th St. SW (\$3.64M funding needed)

The intent of this project is to complete Hipkins Road SW with curb, gutter, and sidewalks. This will complete the roadway improvements between Steilacoom Blvd SW and 104th St SW initiated over 20 years ago as a means to slow traffic on Hipkins Road SW. This will improve pedestrian and non-motorized access through the corridor by connecting to existing and recently built sidewalks.

- Corridor completion? YES
- Alignment with Sidewalk Connectivity Vision? YES
- Solid return on investment:
 - ADT: 9,650
 - PCI rating: 75
 - Long term maintenance issues? Low
 - Alignment with other City goals? YES
- Potential for grant funding? Poor as the street is not a major arterial, has a relatively low ADT, and does not front a school. Overmatching funding will improve the potential of receiving some degree of grant funding but streets of this nature are not typically scored high by granting agencies.
- Continuity of existing grant funding path? NO
- Roadway condition and future maintenance projections? Average and high costs.
- Length of corridor completion: 6,100 lf of project, 1.15 miles of corridor completed.
- Last mile? YES
- Status of project: Conceptual (10%)
- Proposed Tier rating: Tier 2

EXHIBIT D - CURRENT TBD ELIGIBLE PROJECT LIST

The following is a list of completed and eligible projects, the latter as of May 6, 2019, which was the last time the City Council updated the Transportation Benefit District (TBD) project list via Ordinance 708:

Completed Projects

- Steilacoom Boulevard – Lakewood Drive to West of South Tacoma Way
- Lakewood Drive – 100th to Steilacoom Boulevard
- Main Street – Gravelly Lake Drive to 108th St
- 59th – Main Street to 100th
- 108th – Bridgeport to Pacific Highway
- 108th – Main Street to Bridgeport

Current Eligible Projects

- Pacific Highway – 108th to SR 512
- 100th – Lakeview to South Tacoma Way
- New LED Street Lights ⁽¹⁾
- Signal Projects ⁽¹⁾
- Minor Capital Projects ⁽¹⁾
- Neighborhood Traffic Safety ⁽¹⁾
- Personnel, Engineering, Professional Services ⁽¹⁾
- Chip Seal Program – Local Access Roads ⁽¹⁾
- Lakewood Drive – Flett Creek to North City Limits ⁽²⁾
- 59th – 100th to Bridgeport
- Custer – Steilacoom to John Dower
- 88th – Steilacoom to Custer
- 100th – 59th to Lakeview
- Non-Motorized Trail: Gravelly Lake Drive – Washington Blvd to Nyanza Road SW (added 5/6/2019)
- Overlay & Sidewalk Fill-In: Custer Road – John Dower to 500' West of Bridgeport Way (added 5/6/2019)

⁽¹⁾ *Annual Programs*

⁽²⁾ *Completed and will be moved to Completed Projects on next ordinance update.*

EXHIBIT E – UNFUNDED TRANSPORTATION IMPROVEMENT PROJECTS

		Total Cost (2020 Value)
Transportation CIP (2021 - 2026)		
TIP Projects / Unfunded		\$ 86,942,100
Total - Non-Motorized		\$ 150,000
130	Guardrail Replacement: Clover Creek Gravelly Lake Drive - 112th to Nyanza	150,000
Total - Non-Motorized		\$ 8,370,000
97	Non-Motorized Access: Lakewood Station Vicinity	3,840,000
76	Non-Motorized Trail: Nyanza Road SW	4,530,000
Total - Overlay		\$ 4,178,000
80	Overlay: 108th Street – Bridgeport Way to Pacific Highway	678,000
131	Overlay & Sidewalk Fill-In: Custer Rd - John Dower to 500' West of Bridgeport Way	3,500,000
Total - Pedestrian Crossing Signal		\$ 138,000
98	Pedestrian Crossing Signal: 84th Street at Pine Street South Intersection	138,000
Total - Safety		\$ 1,080,000
71	Safety: SRTS - Phillips Rd Sidewalks & Bike Lanes (Steilacoom to Onyx)-Phase II	1,080,000
Total - Sidewalks		\$ 1,615,000
72	Sidewalks: 59th Ave – 100th to Bridgeport Way	125,000
119	Sidewalks: Lakewood Drive - Steilacoom Blvd. to Flett Creek	540,000
120	Sidewalks: Tyee Park School Sidewalks - Seminole Rd. SW	450,000
122	Sidewalks: 47th Ave SW - 121st St SW to Pacific Hwy SW	500,000
Total - Street & Sidewalks		\$ 28,669,000
24	Streets & Sidewalks: Farwest Drive to Weller (Construction Only)	5,587,000
111	Street & Sidewalks: Kendrick from 111th St. SW to 108th St SW Roadway	557,000
113	Street & Sidewalks: Military Rd & Farwest Dr SW Sidewalk & Roadway: 116th to 200' S/O 112th	1,200,000
114	Street & Sidewalks: Clover Park HS - 112th Sidewalks: Gravelly Lk Dr SW to Bridgeport Way SW	3,000,000
115	Street & Sidewalks: Clover Park HS - Davisson Rd SW & Highland Ave SW: 112th St. SW to 108th St SW	1,400,000
116	Street & Sidewalks: Custer Rd. SW: Bridgeport Way - Lakewood Dr. SW(East City Limits/74th St.)	3,000,000
117	Street & Sidewalks: Roundabout 87th Ave. SW, Dresden Ln., and Ft. Steilacoom Park Entrance & Sidewalks 87th Ave. SW, Dresden Ln. to Steilacoom Blvd.	1,000,000
118	Street & Sidewalks: Lakewood Drive - Custer/74th to N. City Limits	900,000
136	Street & Sidewalks: 100th St.: 59th Ave. to S. Tacoma Way	12,025,000
Total - Streets		\$ 38,720,000
73	Streets: 150th Street Corridor Capacity	2,080,000
74	Streets: South Tacoma Way - 88th to 80th St (Construction)	3,988,000
75	Streets: Mt. Tacoma Drive – Interlaaken to Whitman Avenue	3,245,000
83	Streets: Hipkins Road – 104th to Steilacoom Boulevard	3,640,000
84	Streets: Interlaaken - Short Lane to Bridge; Bridge to Mt Tahoma/Holly Hedge	5,236,000
90	Streets: 96th Street 2-Way Left Turn Lane	500,000
92	Streets: Steilacoom Blvd – Bridgeport Way to Gravelly Lake Drive	2,200,000
93	Streets: Gravelly Lake Drive – Pacific Highway to Nyanza (South)	1,740,000
96	Streets: Union Avenue – West Thorne Lane to Spruce Street	3,870,000
109	Streets: Phillips Rd Sidewalks & Bike Lanes (Agate to Onyx) - Phase III	1,080,000
121	Streets: 112th - Farwest Dr SW to Butte Dr SW	3,000,000
141	Streets: 104th St SW - Short Lane to Lake Louise Drive	3,500,000
142	Streets: Ardmore Dr SW - Custer Rd SW to Whitman Ave SW	2,000,000
144	Streets: 146th St.: Woodbrook to Murray Road	2,641,000
Total - Traffic Signal		\$ 4,022,100
59	Traffic Signal New: Durango Street/Steilacoom Boulevard	885,100
78	Traffic Signal New: South Tacoma Way/92nd Street	823,000
82	Traffic Signal: Traffic Signal Upgrade Phase VI	660,000
94	Traffic Signal New: Gravelly Lake Drive & Avondale	604,000
123	Traffic Signal New: Holden/Military Rd.	525,000
126	Traffic Signal Replacement: Custer Rd. and 88th	525,000

EXHIBIT F - OTHER FINANCING OPTIONS

The table below provides a summary of other financing options. Discussion of each option follows.

Option	Rate / Vote	Provisions
1 Property Tax Levy Lid Lift	Subject to statutory limit (\$1.60). Public vote, simple majority (50% + 1)	Max term is 9 years if used for debt service. Vote at any election date.
2 Property Tax Excess Levy	No fixed rate (greater than \$1.60). Public vote, supermajority (60% of votes from 40% of voters who voted at last preceding general state election).	One-Year levy, and multi-year levy to support GO bonds. Vote at any election date.
3 Business & Occupation Tax	Max rate 0.2% (0.002) of gross receipts. Above that, requires voter approval.	Requires referendum procedure to apply and ordinance imposing the tax or increasing the tax rate.

Option	Bond			2021 Ptax			2021 PTax Paid by Ave Homeowner			2021 Net Impact to Ave Homeowner		
	Bond Amount	Life	Annual Debt Svc	Base Rate	Rate Increase	New Rate	Base City Tax	Annual Increase	New Annual Tax	28% Income Tax Deduction	Net Annual Impact	Net Monthly Impact
Simple Majority (50% + 1):												
Property Tax Levy Lid Lift	\$10,000,000	9	\$1,345,000	\$0.91	\$0.17	\$1.08	\$346	\$63	\$409	(\$18)	\$45	\$4
	\$15,000,000	9	\$2,017,000	\$0.91	\$0.25	\$1.16	\$346	\$94	\$440	(\$26)	\$68	\$6
	\$20,000,000	9	\$2,690,000	\$0.91	\$0.33	\$1.25	\$346	\$125	\$471	(\$35)	\$90	\$8
	\$25,000,000	9	\$3,362,000	\$0.91	\$0.41	\$1.33	\$346	\$157	\$503	(\$44)	\$113	\$9
Max =>	\$41,300,000	9	\$5,555,000	\$0.91	\$0.69	\$1.60	\$346	\$260	\$605	(\$73)	\$187	\$16
Super Majority (60% + Validation):												
Excess Property Tax / Capital Bond	\$10,000,000	10	\$1,233,000	\$0.91	\$0.15	\$1.07	\$346	\$58	\$404	(\$16)	\$42	\$3
	\$15,000,000	10	\$1,849,000	\$0.91	\$0.23	\$1.14	\$346	\$87	\$433	(\$24)	\$63	\$5
	\$20,000,000	10	\$2,466,000	\$0.91	\$0.31	\$1.22	\$346	\$116	\$462	(\$33)	\$84	\$7
	\$25,000,000	10	\$3,082,000	\$0.91	\$0.38	\$1.30	\$346	\$145	\$491	(\$41)	\$105	\$9
	\$25,000,000	10	\$3,082,000	\$0.91	\$0.45	\$1.36	\$346	\$170	\$516	(\$48)	\$122	\$10
	\$5,000,000	15	\$450,000	\$0.91	\$0.06	\$0.97	\$346	\$21	\$367	(\$6)	\$15	\$1
	\$10,000,000	15	\$899,000	\$0.91	\$0.11	\$1.03	\$346	\$42	\$388	(\$12)	\$30	\$3
	\$15,000,000	15	\$1,349,000	\$0.91	\$0.17	\$1.08	\$346	\$64	\$409	(\$18)	\$46	\$4
	\$20,000,000	15	\$1,799,000	\$0.91	\$0.22	\$1.14	\$346	\$85	\$431	(\$24)	\$61	\$5
	\$25,000,000	15	\$2,249,000	\$0.91	\$0.33	\$1.24	\$346	\$124	\$470	(\$35)	\$89	\$7
	\$5,000,000	20	\$368,000	\$0.91	\$0.05	\$0.96	\$346	\$17	\$363	(\$5)	\$12	\$1
	\$10,000,000	20	\$736,000	\$0.91	\$0.09	\$1.01	\$346	\$35	\$380	(\$10)	\$25	\$2
	\$15,000,000	20	\$1,104,000	\$0.91	\$0.14	\$1.05	\$346	\$52	\$398	(\$15)	\$37	\$3
	\$20,000,000	20	\$1,472,000	\$0.91	\$0.18	\$1.10	\$346	\$69	\$415	(\$19)	\$50	\$4
	\$25,000,000	20	\$1,840,000	\$0.91	\$0.27	\$1.18	\$346	\$101	\$447	(\$28)	\$73	\$6
Simple Majority (50% + 1) IF Exceeding Max 0.20% (.002)												
Business & Occupation Tax	Rate	Annual Revenue		- n/a -								
	If Applied to All Activity:											
	0.20% (0.002)	\$2,500,000										
	0.10% (0.001)	\$2,249,000										
	If Applied to Square Footage Only:											
	\$0.10/sq ft	\$420,000										
	\$0.05/sq ft	\$210,000										
	DISCLAIMER: The annual revenue estimates provided are from September 2019 and are just guesses. There are many variables that go into the determination and calculation of the tax that are not available and/or are unknown to the City.											

- Assumes interest of 4%.

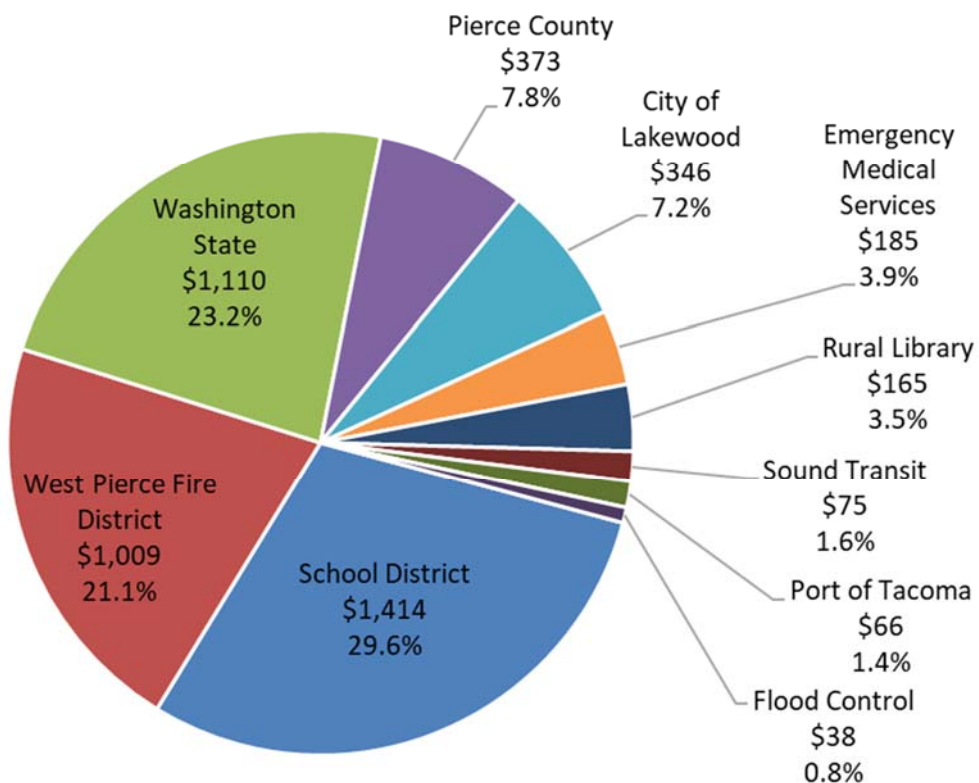
- Average Home Value for 2021 Property Tax = \$378,347

"\$1" PROPERTY TAX DISTRIBUTION 2021



Where do my Property Taxes go?

(Based on average home value of \$378,347 for 2021 Property Tax)



1. Other Financing Options: Property Tax Levy Lid Lift (Max \$1.60)

General Information

A jurisdiction collecting less than its maximum statutory levy rate may ask a simple majority of voters to “lift” the total levy amount collected from current assessed valuation by more than 1% (RCW 84.55.050). The new levy amount cannot exceed the maximum statutory rate.

Levy lid lifts may generate revenue for any purpose, but if the amount of the increase for a particular year would require a levy rate above the statutory maximum rate, the assessor will levy only the maximum amount allowed by law.

New Legislation: HB 2597 (effective June 7, 2018) allows cities and counties to exempt senior citizens, disabled veterans and other people with disabilities (as defined in RCW 84.36.381) from the tax increase resulting from a levy lid lift if desired. This exemption is optional, and if the jurisdiction is planning a levy lid lift and wants to exempt these individuals, the jurisdiction must state the exemption in the ballot measure placed before the voters.

There are two types of levy lid lifts -- single-year levy and multi-year – and may be temporary or permanent. With a single lid lift, the jurisdiction can exceed the 1% annual limit for one year only, then future increase are limited to the lesser of 1% or inflation for the remainder of the levy. With a multi-year lid lift, the jurisdiction can exceed the 1% annual limit for up to 6 consecutive years.

Applicable to the City of Lakewood

The levy lid lift allows the City of Lakewood to exceed the 1% limit but restricts the total levy rate to \$1.60. Since the purpose is for the payment of debt service, the levy lid lift can only be temporary. However, additional detailed analysis is necessary to determine whether a single-year or multi-year levy lid lift is the best option.

The City’s 2020 levy rate is \$0.91 leaving a maximum additional levy of \$0.69 which could generate additional annual revenues of \$5,555,000 to support a nine-year term bond issue of \$41,300,000.

Additional scenarios are provided in following summary table. Exhibit H provides property tax levy lid lift election results since 2011 for City transportation projects.

Option	Bond			2021 Ptax			2021 PTax Paid by Ave Homeowner			2021 Net Impact to Ave Homeowner		
	Bond Amount	Life	Annual Debt Svc	Base Rate	Rate Increase	New Rate	Base City Tax	Annual Increase	New Annual Tax	28% Income Tax Deduction	Net Annual Impact	Net Monthly Impact
Simple Majority (50% + 1):												
Property Tax Levy Lid Lift	\$10,000,000	9	\$1,345,000	\$0.91	\$0.17	\$1.08	\$346	\$63	\$409	(\$18)	\$45	\$4
	\$15,000,000	9	\$2,017,000	\$0.91	\$0.25	\$1.16	\$346	\$94	\$440	(\$26)	\$68	\$6
	\$20,000,000	9	\$2,690,000	\$0.91	\$0.33	\$1.25	\$346	\$125	\$471	(\$35)	\$90	\$8
	\$25,000,000	9	\$3,362,000	\$0.91	\$0.41	\$1.33	\$346	\$157	\$503	(\$44)	\$113	\$9
Max =>	\$41,300,000	9	\$5,555,000	\$0.91	\$0.69	\$1.60	\$346	\$260	\$605	(\$73)	\$187	\$16

- Assumes interest of 4%.

- Average Home Value for 2021 Property Tax = \$378,347

2. Other Financing Options: Property Tax Levy Excess Levy (Greater than \$1.60)

General Information:

An excess levy is a levy of additional taxes by any type of taxing district. The amount is over and above the total tax allowed by statute (RCW 84.52.052). Election date may occur at any election.

Excess property tax levies are subject to both super majority vote and voter validation as follows:

- *Super majority* vote requires a minimum of 60% plus one vote of the total votes cast.
- *Validation* is the minimum number of voters required to turnout (cast a valid ballot). Validation numbers are based upon the number of voters who voted within a district in the last general election. Turn out of voters must equal or exceed 40% of the number of voters who voted in the last general election. However, if the voter turnout is 40% or less of the number voting in the last general election, so long as the number of “yes” votes is equal to 60% times 40% of the number of voters in the last general election, the excess levy passes.

Applicable to the City of Lakewood:

According to the latest 2020 Pierce County Validation Report (2019 General Election), there were 31,404 active registered voters and 11,592 voted. Under this scenario, since the voter turnout is less than 40%, the number of yes votes needed for the excess levy to pass is 2,782.

11,592 voters participated in the last general election
x 40%
 4,637 voters must participate (minimum turnout) to pass
x 60%
 2,782 yes votes required to pass

Excess property tax levy scenarios are provided below. Exhibit I provides property tax excess levy election results since 2011 for City transportation projects.

Option	Bond			2021 Ptax			2021 Ptax Paid by Ave Homeowner			2021 Net Impact to Ave Homeowner		
	Bond Amount	Life	Annual Debt Svc	Base Rate	Rate Increase	New Rate	Base City Tax	Annual Increase	New Annual Tax	28% Income Tax Deduction	Net Annual Impact	Net Monthly Impact
Super Majority (60% + Validation):												
Excess Property Tax / Capital Bond	\$10,000,000	10	\$1,233,000	\$0.91	\$0.15	\$1.07	\$346	\$58	\$404	(\$16)	\$42	\$3
	\$15,000,000	10	\$1,849,000	\$0.91	\$0.23	\$1.14	\$346	\$87	\$433	(\$24)	\$63	\$5
	\$20,000,000	10	\$2,466,000	\$0.91	\$0.31	\$1.22	\$346	\$116	\$462	(\$33)	\$84	\$7
	\$25,000,000	10	\$3,082,000	\$0.91	\$0.38	\$1.30	\$346	\$145	\$491	(\$41)	\$105	\$9
	\$25,000,000	10	\$3,082,000	\$0.91	\$0.45	\$1.36	\$346	\$170	\$516	(\$48)	\$122	\$10
	\$5,000,000	15	\$450,000	\$0.91	\$0.06	\$0.97	\$346	\$21	\$367	(\$6)	\$15	\$1
	\$10,000,000	15	\$899,000	\$0.91	\$0.11	\$1.03	\$346	\$42	\$388	(\$12)	\$30	\$3
	\$15,000,000	15	\$1,349,000	\$0.91	\$0.17	\$1.08	\$346	\$64	\$409	(\$18)	\$46	\$4
	\$20,000,000	15	\$1,799,000	\$0.91	\$0.22	\$1.14	\$346	\$85	\$431	(\$24)	\$61	\$5
	\$25,000,000	15	\$2,249,000	\$0.91	\$0.33	\$1.24	\$346	\$124	\$470	(\$35)	\$89	\$7
	\$5,000,000	20	\$368,000	\$0.91	\$0.05	\$0.96	\$346	\$17	\$363	(\$5)	\$12	\$1
	\$10,000,000	20	\$736,000	\$0.91	\$0.09	\$1.01	\$346	\$35	\$380	(\$10)	\$25	\$2
	\$15,000,000	20	\$1,104,000	\$0.91	\$0.14	\$1.05	\$346	\$52	\$398	(\$15)	\$37	\$3
	\$20,000,000	20	\$1,472,000	\$0.91	\$0.18	\$1.10	\$346	\$69	\$415	(\$19)	\$50	\$4
	\$25,000,000	20	\$1,840,000	\$0.91	\$0.27	\$1.18	\$346	\$101	\$447	(\$28)	\$73	\$6

- Assumes interest of 4%.

- Average Home Value for 2021 Property Tax = \$378,347

3. Other Financing Options: Business & Occupation Tax

Disclaimer: The following information was provided to the City Council at the September 2019 and can be updated should the City Council desire.

General Information

Overview

Cities may impose a business and occupation (B&O) tax for revenue purposes upon those conducting business within their jurisdiction, in addition to any state business and occupation tax. Revenues are unrestricted and may be used for any lawful governmental purpose. Rates must be the same within a single business class (manufacturing, retail, etc.) but may vary between classes. Rates may not exceed 0.2% of gross receipts unless grandfathered in or approved by voters. The imposition of tax does not require voter approval, but may be subject to referendum.

As of 2018, 44 of 281 Washington cities levy this tax.

B&O taxes are imposed by the legislative body and do not require voter approval unless the rates exceed 0.2% of gross receipts or gross income. However, all ordinances that impose a B&O tax for the first time or raise rates must provide for a referendum using the procedures in RCW 35.21.706, regardless of whether or not the city has otherwise adopted powers of initiative and referendum.

Cities thinking of levying a local B&O tax should consider whether they have staff time and expertise to administer this tax. Establishing a B&O tax system requires routine audits by City staff to ensure compliance with the regulations and proper collection of B&O tax income.

Business Classifications and Maximum Tax Rates

The B&O tax may not exceed 0.2% (0.002) of gross receipts or gross income (RCW 35.21.710) unless approved by voters (RCW 35.21.711). However, the law grandfathers in those cities that had a B&O tax rate greater than 0.2% on January 1, 1982 and allows those cities to increase their rate without voter approval. The increase is limited to a total of 10T of the January 1982 rate, with an annual incremental increase limited to 2% of the current rate. Businesses are put into different classes such as manufacturing, wholesaling, retailing and services. Within each class, the rate must be the same, but may differ among classes.

Model Ordinance Provisions

In 2003, the legislature passed a bill that required the Association of Washington Cities (AWC) to convene a committee to develop a model ordinance that must be adopted by all cities imposing a B&O tax. The legislature was concerned about the lack of uniformity of the cities' B&O tax ordinance and about allegations that some business income was subject to multiple taxation.

The model ordinance, which had to be adopted by all cities with an existing B&O tax no later than December 31, 2004, exempted gross receipts under \$20,000 per year and provided certain mandatory definitions, penalty and interest provisions, and payment periods. The model ordinance cannot be updated more often than every four years and was last updated in 2012.

Cities that levy the B&O tax must allow for allocation and apportionment – meaning that they must allow businesses that operate within multiple jurisdictions to apportion, or divide, their taxable income among the jurisdictions in which they do business. (See RCW 35.102.130.) In 2017, the legislature directed cities to work

with business organizations to simplify the current two-factor method of allocation and apportionment (EHB 2005). Recommendations on this issue will be presented to the legislature in 2019.

RCW 35.21.706 Referendum Procedure

- Requires every City and town first imposing a B&O tax or increasing the tax rate after April 22, 1983 to provide a referendum procedure to apply an ordinance imposing the tax or increasing the tax rate.
- This referendum procedure shall specify that a referendum petition may be filed within seven days of passage of the ordinance with a filing officer, as identified in the ordinance.
- Within ten days, the filing officer shall confer with the petitioner concerning form and style of the petition, issue the petition an identification number, and secure an accurate, concise, and positive ballot title from the designated local official.
- The petitioner shall have thirty days in which to secure the signatures of not less than fifteen percent (15%) of the registered voters of the city, as of the last municipal general election, upon petition forms which contain the ballot title and the full text of the measure to be referred. The filing officer shall verify the sufficiency of the signatures on the petition and, if sufficient valid signatures are properly submitted, shall certify the referendum measure to the next election ballot within the city or at a special election as provided pursuant to RCW 35.17.260(2), which states – Immediately after the county auditors certificate of sufficiency for the petition is received, cause to be called a special election to be held on the next election date as provided by RCW 29A.04.30 (City, town, and district general and special elections – Exceptions), provided that the resolution deadline for the election has not passed, for the submission of the proposed ordinance without alteration, to a vote of the people unless a general election will occur within ninety days, in which each event submission must be made on the general election ballot.

City of DuPont – Square Footage B&O Tax

The City of DuPont levies a 0.1% (.001) B&O tax and collects from every person a tax for the act or privilege of engaging in business activities within the City, whether the person's office space or place of business is within or without the City. The tax amount is determined by application of rates against gross proceeds, gross income of business, value of products, including by-products, or square footage of office space, warehouse/distribution and/or light manufacturing and research space.

This memo focuses on the B&O tax applied to square footage of office space, warehouse/distribution and/or light manufacturing and research space which the City of DuPont levies at \$0.05 per square foot of taxable floor area per quarter period of a calendar year.

Revenues generated from the square footage B&O tax for the City of DuPont is as follows:

<u>2015 Actual</u>	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Actual</u>
\$535,127	\$467,696	\$508,141	\$763,141	\$252,944

Note: The fluctuations are due to back payments and new development and few properties that were demolished and are being rebuilt in the City of DuPont.

Per City of DuPont B&O Tax Ordinance 3.07.050 Imposition of the tax--Tax or fee levied.

(7) Upon every person who leases, owns, occupies, or otherwise maintains a structure within the City for purposes of engaging in business within the City, as to such persons, the amount of the tax shall be equal to \$0.05 per square foot of taxable floor area per quarterly period of a calendar year, for

each office, warehouse/distribution and/or light manufacturing and research use that is actively used for such purposes within the City during the reporting period, calculated to the nearest square foot.

(A) The square footage tax imposed in this subsection (a)(7) shall not apply to any person unless that person's taxable floor area within the City exceeds 20,000 square feet. This is a threshold and not an exemption. If the square footage tax applies, it applies to all taxable floor area of office warehouse/distribution, light manufacturing and research space that is actively used for such purposes by the taxpayer during the applicable reporting period.

(B) For purposes of the square footage tax imposed in this subsection (a)(7), "taxable floor area" of office, warehouse, distribution center or light manufacturing and research space shall be computed on the basis of net rentable area. Persons with more than one office, warehouse, distribution center or light manufacturing and research space within the City must include all such businesses' square footage within the City, calculated as follows:

(i) Rentable Area--Single Tenancy Floor. The rentable area of a single-tenancy floor, whether above or below grade, shall be computed by measuring to the inside finish of permanent outer walls, or from the glass line if at least 50 percent of the outer wall is glass. Rentable area shall include all area within outside walls, less stairs, elevator shafts, flues, pipes shafts, vertical ducts, air conditioning rooms, fan rooms, janitor closets, electrical closets and such other rooms not actually available to the tenant for his/her furnishings and personnel, and their enclosing walls. Toilet rooms within and exclusively serving only that floor shall be included in the rentable area. No deductions from the rentable area calculation shall be made for columns and projections necessary for the building.

(ii) Rentable Area--Multiple-Tenancy Floor. The rentable area for a multiple-tenancy floor, whether above or below grade, shall be the sum of all rentable areas on that floor. The rentable area of an office on a multiple-tenancy floor shall be computed by measuring to the inside finish of permanent outer building walls, or to the glass line if at least 50 percent of the outer building wall is glass, to the office side of corridors and/or other permanent partitions, and to the center of partitions that separate the premises from adjoining rentable areas. No deductions from the rentable area calculation shall be made for columns and projections necessary to the building.

(iii) For purposes of this section, net rentable area shall not include company gyms, cafeterias, and the retail selling area of a retail store.

(iv) When the taxable floor area of an office, warehouse/distribution and/or light manufacturing and research use changes during a reporting period, the tax shall be computed on a monthly basis. For purposes of this allocation, a month shall be deemed to be 16 or more days during any calendar month.

(C) The terms "office," "warehouse/distribution," and "light manufacturing and research" shall have the meanings set forth in DMC 25.10.150, 25.10.230, and 25.45.020.

(D) When a person rents space to another person, the person occupying the rental space is responsible for the square footage business tax on that rental space only if the renter has exclusive right of possession in the space as against the landlord. Space rented for the storage of goods in a warehouse where no walls separate the goods and where the exclusive

right of possession in the space is not held by the person to whom the space is rented, and space rented out in “self-storage” facilities whereby customers have direct access to individual storage areas by separate entrances, shall be included in the warehouse business floor space of the person that operates the warehouse business, and not by the person renting the warehouse space.

(E) If the square footage tax imposed in this subsection (a)(7) is less than or equal to the gross receipts tax imposed in subsections (a)(3) through (6) and/or (8) of this section, no square footage tax will be due; if the square footage tax imposed in this subsection (a)(7) exceeds the gross receipts tax imposed in subsections (a)(3) through (6) and/or (8) of this section, the taxpayer shall also remit the excess over the gross receipts tax payable under subsections (a)(3) through (6) and/or (8) of this section.

(8) Upon every other person engaging within the City in any business activity other than or in addition to those enumerated in the above subsections; as to such persons, the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of one-tenth of one percent. This subsection includes, among others, and without limiting the scope hereof (whether or not title to material used in the performance of such business passes to another by accession, merger or other than by outright sale), persons engaged in the business of developing, or producing custom software or of customizing canned software, producing royalties or commissions, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.

Applicable to the City of Lakewood

The City may impose a B&O tax for revenue purposes. Revenues are unrestricted and may be used for any lawful governmental purpose. Rates must be the same within a single business class (manufacturing, retail, etc.) but may vary between classes. Rates may not exceed 0.2% of gross receipts unless grandfathered in or approved by voters. The imposition of tax does not require voter approval, but may be subject to referendum.

B&O taxes are imposed by the legislative body and do not require voter approval unless the rates exceed 0.2% of gross receipts or gross income. Since it would be the City’s first time imposing the tax, the City must provide for a referendum using the procedures in RCW 35.21.706, regardless of whether or not the city has otherwise adopted powers of initiative and referendum.

The City should consider whether it has the appropriate level of personnel resources and expertise to administer this tax. Establishing a B&O tax system requires routine audits by Finance personnel to ensure compliance with the regulations and proper collection of B&O tax income. Based on what we currently know, it may be that up to 1.0 FTE would be required.

Potential Revenue to City

Disclaimer – the estimates provided below are just guesses. There are many variables that go into the determination and calculation of the tax that are not available and/or unknown to the City.

Scenario 1: Applied to All Activity

The potential revenue generated by the B&O tax levied at the maximum 0.2% (0.002) rate is \$2.5M annually. This is based on 2018 sales tax revenues applied to gross receipts over \$20,000 per year. The exemption is based on the model B&O tax ordinance and is the standard threshold. Cities may establish higher thresholds.

Scenario 2: Square Footage Tax

Levy a \$0.10 per square footage based on square foot of taxable floor area for each office, warehouse/distribution and/or light manufacturing and research that is actively used for such purposes with the City. The potential revenue generated by the B&O tax is \$420,000. This is based on square footage totals for warehouse/distribution and/or light manufacturing, including office. This estimate assumes that the tax due based on square footage calculation is greater than the tax that would be have been due if it were calculated based on gross receipts as in scenario 1, and that the taxes due is also within the maximum rate of 0.2% of gross income.

Option	Bond			2021 Ptax			2021 PTax Paid by Ave Homeowner			2021 Net Impact to Ave Homeowner		
	Bond Amount	Life	Annual Debt Svc	Base Rate	Rate Increase	New Rate	Base City Tax	Annual Increase	New Annual Tax	28% Income Tax Deduction	Net Annual Impact	Net Monthly Impact
Simple Majority (50% + 1) IF Exceeding Max 0.20% (.002)												
Business & Occupation Tax	Rate	Annual Revenue		- n/a -								
	If Applied to All Activity:											
	0.20% (0.002)		\$2,500,000									
	0.10% (0.001)		\$2,249,000									
	If Applied to Square Footage Only:											
	\$0.10/sq ft		\$420,000									
	\$0.05/sq ft		\$210,000									
	DISCLAIMER: The annual revenue estimates provided are from September 2019 and are just guesses. There are many variables that go into the determination and calculation of the tax that are not available and/or are unknown to the City.											

Exhibit G – Comparison of Single and Multi-Year Property Tax Lid Lifts

	Single-Year Lid Lifts	Multi-Year Lid Lifts
Authorization	RCW 84.55.050(1)	RCW 84.55.050(2)
Vote Requirement	Simple Majority (50% + 1)	Simple Majority (50% + 1)
Levy Rate Limit	Statutory maximum levy rate of \$1.60	Statutory maximum levy rate of \$1.60
Levy Increase	Increases the maximum levy by more than 1% for one year only. That amount becomes the base to calculate all subsequent 1% levy limitations for the duration of the levy.	Allows the jurisdiction to exceed the 1% limitation each year for up to 6 consecutive years.
Purpose	For any purpose. Purpose not required to be stated in ballot title.	For any limited purpose. Purpose must be stated in ballot title.
Supplanting Requirements	None.	None for jurisdictions outside of King County.
Temporary Lid Lift	<p>Levy lid bumps up more than 1% in the first year, then that amount is used to calculate all subsequent 1% levy limitations until the measure expires.</p> <p>Can be used for any purpose and last any number of years, except if used for debt service cannot exceed 9 year (except Thurston County 25 years SHB 1344).</p> <p>When lift expires, the levy lid reverts to what it would have been if the levy lid lift never existed and the jurisdiction had increased its levy by the maximum amount allowable each year in the meantime (RCW 84.55.050(5)).</p>	<p>Levy lid bumps up more than 1% each year (subject to limit factor) for up to 6 years, then the lid would increase up to 1% annually for the remaining years.</p> <p>If used for debt service, cannot exceed 9 years (except Thurston County 25 years SBB 1344).</p> <p>When lift expires, the levy lid reverts to what it would have been if the levy lid lift never existed and the jurisdiction had increased its levy by the maximum allowable amount each year in the meantime (RCW 84.55.050(5)).</p>
Permanent Lid Lift	<p>Levy lid bumps up more than 1% in the first year, and then that amount is used to calculate all future 1% levy limitations.</p> <p>Measure never expires and levy lid never reverts.</p> <p>Future annual increases may not exceed 1% without going to the voters for another lid lift.</p> <p>For any purpose except debt service.</p>	<p>Levy lid bumps up more than 1% each year (subject to limit factor) for up to 6 years, then the lid would increase up to 1% annually for the remaining years.</p> <p>Lid lift does not revert and the maximum levy is then used as the base to calculate all future 1% levy limitations.</p> <p>For any purpose except debt service.</p>
Election Dates	May occur at any election.	Must be at the primary or general election.
	<p>Must be submitted no more than 12 months before the levy is made (the date the jurisdiction's budget is certified).</p> <p>Taxes levied in November are first due on April 30 of the following year so in order to receive increased tax revenues next year, the election can be no later than November of the current year.</p> <p>Filing deadlines by which the county auditor must receive ballot measure resolution:</p> <p>Special election (February or April): 60 days before the special election</p> <p>Primary election (August): the Friday before the first day or regular candidate filing</p> <p>General election (November): the date of the primary election</p>	

Exhibit H – Election Results for Property Tax Levy Lid Lifts (Max \$1.60)

MRSC Election Results Since 2011

Property Tax LEVY LID LIFT (Max \$1.60)

Search Criteria: Washington Cities for Transportation Purposes

Results Summary:

Total Results	17
Measures Passed	8
Measures Failed	9
Advisory Measures	0

Jurisdiction	County	Subject	Ballot Measure Text	Election Results	Yes %	No %	Election Month	Election Year	Duration in Years Levy/Fee	Amount of Levy (Per \$1000 A/V)
Asotin	Asotin	Criminal Justice, Fire, Parks and Recreation, Transportation, Other	Multi-year levy lid lift (to \$3.15, 6 years/permanent) to retain basic fire, police, parks, streets, administrative services, and city facilities. Limit factor: annual CPI increase.	Failed	37.24%	62.76%	November	2018	6, permanent	\$3.15
Asotin	Asotin	Criminal Justice, Fire, Parks and Recreation, Transportation, Other	Multi-year levy lid lift (to \$3.15, 6 years/permanent) to retain basic fire, police, parks, streets, and city facilities. Limit factor: annual CPI increase.	Failed	32.93%	67.07%	November	2017	6, permanent	\$3.15
Bainbridge Island	Kitsap	Transportation	Single-year levy lid lift (increase of \$0.28 to \$1.36, 7 years) to finance non-motorized transportation improvements.	Failed	45.90%	54.10%	November	2018	7	\$1.36
Bellevue	King	Transportation	Single-year levy lid lift (increase of \$0.15 to \$1.28, 20 years) for neighborhood transportation improvements.	Passed	54.13%	45.87%	November	2016	Single-year (20 years)	\$0.15
Bothell	King, Snohomish	Transportation	Single-year levy lid lift (increase of \$0.50, 9 years) for street maintenance and pedestrian safety improvements.	Passed	54.12%	45.88%	November	2016	Single-year (9 years)	\$0.50
Edmonds	Snohomish	Transportation	Single-year levy lid lift (increase of \$0.17 to \$1.83, 3 years) for street pavement overlays.	Failed	41.00%	59.00%	November	2011	Single-year (3 years)	\$0.17
Kent	King	Transportation, Parks and Recreation	Multi-year levy lid lift (increase of \$0.37 to \$1.96, 6 years/permanent) for city park and street improvements. Limit factor: 1% annually.	Failed	43.62%	56.38%	November	2012	Multi-year (6 years/permanent)	\$1.96
Kirkland	King	Transportation	Single-year levy lid lift (increase of \$0.20, permanent) for neighborhood street, pedestrian safety, and arterial improvements.	Passed	54.80%	45.20%	November	2012	Single-year (permanent)	\$0.20
Newport	Pend Oreille	Transportation	Single-year levy lid lift (increase of \$0.54 to \$2.50, permanent) for street preservation and repair.	Failed	44.04%	55.96%	November	2011	Single-year (permanent)	\$0.54
Pacific	King, Pierce	Transportation	Multi-year levy lid lift (to \$1.66, 6 years) for purchasing street repair and improvement materials. Limit factor: annual CPI increase.	Failed	23.47%	76.53%	November	2011	Multi-year (6 years)	\$1.66
Redmond	King	Transportation	Single-year levy lid lift (increase of \$0.28, 7 years) for public safety and transportation maintenance, including emergency services, school safety, property protection, roadway repair, and pedestrian crossings.	Failed	46.93%	53.07%	August	2015	Single-year (7 years)	\$0.28
Seattle	King	Transportation	Single-year levy lid lift (increase of \$0.62 to \$3.60, 9 years) for wide variety of transportation projects.	Passed	58.67%	41.33%	November	2015	Single-year (9 years)	\$3.60
Snoqualmie	King	Fire, EMS, Transportation, Parks and Recreation, Criminal Justice	Single-year levy lid lift (increase of \$0.24 to \$2.99, permanent) for police, firefighters, EMS technicians, street maintenance and improvements, and preservation of parks and open space.	Passed	52.37%	47.63%	November	2012	Single-year (permanent)	\$2.99
Spokane	Spokane	Transportation	Single-year levy lid lift (increase of \$0.57, 20 years) for street repairs and improvements, replacing an existing tax and resulting in no net tax increase.	Passed	77.56%	22.44%	November	2014	Single-year (20 years)	\$0.57
Tacoma	Pierce	Transportation	Utility tax increase (10 years, 1.5%) and single-year levy lid lift (increase of \$0.20, 10 years) for street and pedestrian improvements.	Passed	50.03%	49.97%	November	2015	10	\$0.20
Woodway	Snohomish	Fire, EMS, Transportation, Criminal Justice, Other	Single-year levy lid lift (to \$2.48, permanent) for town operations, including police, fire, EMS, roads, and administration.	Passed	39.68%	60.32%	November	2016	Single-year (permanent)	\$2.48
Yakima	Yakima	Criminal Justice, Fire, Human Services, Parks and Recreation, Transportation	Single-year levy lid lift (increase of \$0.40 to \$3.10, permanent) for public safety, parks and recreation, youth and family services, homelessness, street facilities, and other services.	Failed	37.09%	62.91%	February	2020	1, permanent	\$3.10

Exhibit I – Election Results for Property Tax Excess Levy (Greater than \$1.60)

MRSC Election Results Since 2011

Property Tax EXCESS LEVY (Greater than to \$1.60)

Search Criteria: Washington Cities for Transportation Purposes

Results Summary:

Total Results	91
Measures Passed	72
Measures Failed	19
Advisory Measures	0

Jurisdiction	County	Subject	Ballot Measure Text	Election Results	Yes %	No %	Election Month	Election Year	Duration in Years Levy/Fee	Amount of Levy (Per \$1000 A/V)
Albion	Whitman	Transportation	Excess levy (\$0.98) for street maintenance and repair.	Passed	67.91%	32.09%	November	2015	15	\$0.98
Asotin	Asotin	Transportation, Other	Excess levy (\$0.50) for general operations and street improvements.	Failed	44.09%	55.91%	November	2016	1	\$0.50
Asotin	Asotin	Transportation	Excess levy (\$0.50) for street maintenance and improvements.	Failed	38.99%	61.01%	November	2015	1	\$0.50
Colton	Whitman	Transportation, Water and Sewer, Other	Excess O&M levy (1 year, \$0.88) for general operations, street improvements, and water/sewer	Passed	70.57%	29.43%	November	2020	1	\$0.88
Colton	Whitman	Transportation, Water and Sewer, Other	Excess O&M levy (1 year, \$1.05) for general operations, improvement of town streets, and water/sewer system.	Passed	78.24%	21.76%	November	2019	1	\$1.05
Colton	Whitman	Transportation, Water and Sewer, Other	Excess levy (\$1.09) for general operations, streets, and water/sewer systems.	Passed	76.81%	23.19%	November	2017	1	\$1.09
Colton	Whitman	Transportation, Water and Sewer, Other	Excess levy (\$1.11) for general operations, street improvements, and water/sewer systems.	Passed	74.22%	25.78%	November	2016	1	\$1.11
Colton	Whitman	Transportation, Water and Sewer, Other	Excess levy (\$1.20) for general operations, streets, and water/sewer systems.	Passed	71.11%	28.89%	November	2015	1	\$1.20
Colton	Whitman	Transportation, Water and Sewer, Other	Excess levy (\$1.20) for general operations and improvement of streets and water/sewer systems.	Passed	67.20%	32.80%	November	2014	1	\$1.20
Colton	Whitman	Transportation, Water and Sewer, Other	Excess levy (\$1.20) for general operations and improvement of town streets and water/sewer	Passed	73.99%	26.01%	November	2013	1	\$1.20
Colton	Whitman	Transportation, Water and	Excess levy (\$1.20) for general operations and improvement of	Passed	67.98%	32.02%	November	2012	1	\$1.20
Colton	Whitman	Transportation, Water and	Excess levy (\$1.20) for general operations and improvement of	Passed	68.79%	31.21%	November	2011	1	\$1.20
Endicott	Whitman	Transportation	Excess O&M levy (1 year, \$1.64) for street work and maintenance.	Passed	74.14%	25.86%	November	2020	1	\$1.64
Endicott	Whitman	Transportation	Excess O&M levy (1 year, \$1.64) for street work and maintenance.	Passed	71.70%	28.30%	November	2019	1	\$1.64
Endicott	Whitman	Transportation	Excess levy (\$1.57) for street work and maintenance.	Passed	74.07%	25.93%	November	2014	1	\$1.57
Endicott	Whitman	Transportation	Excess levy (\$1.69) for street work and maintenance.	Passed	75.00%	25.00%	November	2013	1	\$1.69
Endicott	Whitman	Transportation	Excess levy (\$1.74) for street work and maintenance.	Passed	70.18%	29.82%	November	2012	1	\$1.74
Endicott	Whitman	Transportation	Excess levy for street work and maintenance.	Passed	66.38%	33.62%	November	2011	1	
Farmington	Whitman	Transportation	Excess O&M levy (1 year, \$1.57) for street maintenance, repair, and improvements.	Passed	65.22%	34.78%	November	2020	1	\$1.57
Farmington	Whitman	Transportation	Excess O&M levy (1 year, \$1.57) for street maintenance, repair, and improvements.	Failed	51.47%	48.53%	August	2020	1	\$1.57

- Excess Levy continued -

Jurisdiction	County	Subject	Ballot Measure Text	Election Results	Yes %	No %	Election Month	Election Year	Duration in Years Levy/Fee	Amount of Levy (Per \$1000 A/V)
Farmington	Whitman	Transportation	Excess O&M levy (1 year, \$1.64) for street maintenance, repair, and improvements.	Passed	61.54%	38.46%	August	2019	1	\$1.64
Farmington	Whitman	Transportation	Excess levy (\$1.64) for street maintenance, repair, and improvements.	Failed	57.38%	42.62%	August	2018	1	\$1.64
Farmington	Whitman	Transportation	Excess levy (\$1.44) for street maintenance, repair, and improvements.	Failed	57.69%	42.31%	November	2017	1	\$1.44
Farmington	Whitman	Transportation	Excess levy (\$1.44) for street maintenance, repair, and improvements.	Failed	55.36%	44.64%	August	2017	10	\$1.44
Farmington	Whitman	Transportation	Excess levy (\$1.38) for street maintenance, repair, and improvements.	Passed	60.47%	39.53%	November	2016	1	\$1.38
Farmington	Whitman	Transportation	Excess levy (\$1.38) for street maintenance, repair, and improvements.	Failed	57.78%	42.22%	August	2016	1	\$1.38
Farmington	Whitman	Transportation	Excess levy (\$1.08) for the city street maintenance fund.	Passed	64.06%	35.94%	August	2015	1	\$1.08
Farmington	Whitman	Transportation	Excess levy (\$0.84) for street maintenance fund.	Passed	71.60%	28.40%	November	2014	1	\$0.84
Farmington	Whitman	Transportation	Excess levy (\$0.84) for street maintenance fund.	Failed	53.23%	46.77%	August	2014	1	\$0.84
Farmington	Whitman	Transportation	Excess levy (\$1.37) for city street maintenance fund.	Passed	66.67%	33.33%	August	2013	1	\$1.37
Farmington	Whitman	Transportation	Excess levy (\$1.78) for street maintenance fund.	Passed	67.16%	32.84%	August	2012	1	\$1.78
Farmington	Whitman	Transportation	Excess levy (\$2.24) for street maintenance fund.	Passed	66.38%	33.62%	November	2011	1	\$2.24
Garfield	Whitman	Transportation	Excess O&M levy (1 year, \$2.59) for street maintenance, repair, and improvements.	Passed	62.89%	37.11%	August	2020	1	\$2.59
Garfield	Whitman	Transportation	Excess O&M levy (1 year, \$2.59) for street maintenance, repair, and improvements.	Passed	71.28%	28.72%	November	2019	1	\$2.59
Garfield	Whitman	Transportation	Excess levy (\$2.59) for street maintenance, repair, and improvements.	Passed	69.79%	30.21%	August	2018	1	\$2.59
Garfield	Whitman	Transportation	Excess levy (\$2.63) for street maintenance, repair, and improvements.	Failed	58.25%	41.75%	August	2017	1	\$2.63
Garfield	Whitman	Transportation	Excess levy (\$2.64) for street maintenance, repair, and improvement.	Failed	53.80%	46.20%	November	2016	1	\$2.64
Garfield	Whitman	Transportation	Excess levy (\$2.64) for street maintenance, repair, and improvements.	Passed	62.76%	37.24%	August	2016	1	\$2.64
Garfield	Whitman	Transportation	Excess levy (\$2.55) for street maintenance, repair, and improvements.	Passed	65.57%	34.43%	November	2015	1	\$2.55
Garfield	Whitman	Transportation	Excess levy (\$2.55) for street maintenance, repair, and improvements.	Failed	56.13%	43.87%	August	2015	1	\$2.55
Garfield	Whitman	Transportation	Excess levy (\$2.41) for street maintenance, repairs, and improvements.	Passed	67.74%	32.36%	August	2014	1	\$2.41
Garfield	Whitman	Transportation	Excess levy (\$2.65) for street maintenance, repairs, and improvements.	Passed	74.60%	25.40%	August	2013	1	\$2.65
Garfield	Whitman	Transportation	Excess levy (\$2.64) for street maintenance, repair, and improvements.	Passed	67.01%	32.99%	August	2012	1	\$2.64

- Excess Levy continued -

Jurisdiction	County	Subject	Ballot Measure Text	Election Results	Yes %	No %	Election Month	Election Year	Duration in Years Levy/Fee	Amount of Levy (Per \$1000 A/V)
Oakesdale	Whitman	Transportation	Excess O&M levy (1 year, \$2.22) for street work and maintenance.	Passed	74.51%	25.49%	November	2020	1	\$2.22
Oakesdale	Whitman	Transportation	Excess O&M levy (1 year, \$2.71) for chip sealing streets.	Passed	67.32%	32.68%	November	2020	1	\$2.71
Oakesdale	Whitman	Transportation	Excess O&M levy (1 year, \$2.20) for street work, street lights, street expenses, and maintenance.	Passed	79.52%	20.48%	November	2019	1	\$2.20
Oakesdale	Whitman	Transportation	Excess O&M levy (1 year, \$2.70) for chip sealing streets.	Passed	74.55%	25.45%	November	2019	1	\$2.70
Oakesdale	Whitman	Transportation	Excess O&M levy (1 year, \$2.25) for street work, street lights, and other street expenses.	Passed	76.58%	23.42%	November	2018	1	\$2.25
Oakesdale	Whitman	Transportation	Excess levy (\$2.38) for street maintenance and expenses.	Passed	79.87%	20.13%	November	2017	1	\$2.38
Oakesdale	Whitman	Transportation	Excess levy (\$2.10) for street maintenance.	Passed	79.64%	20.36%	November	2015	1	\$2.10
Oakesdale	Whitman	Transportation	Excess levy (\$1.89) for street work and maintenance.	Passed	77.11%	22.89%	November	2014	1	\$1.89
Oakesdale	Whitman	Transportation	Excess levy (\$2.22) for street lights and street maintenance.	Passed	73.86%	26.14%	November	2013	1	\$2.22
Oakesdale	Whitman	Transportation	Excess levy (\$1.90) for street lights and street maintenance.	Passed	73.52%	26.48%	November	2012	1	\$1.90
Palouse	Whitman	Transportation	Excess O&M levy (1 year, \$0.74) for street improvements and street oiling.	Passed	74.24%	25.76%	November	2019	1	\$0.74
Palouse	Whitman	Transportation	Excess O&M levy (1 year, \$0.74) for street improvements and street oiling.	Passed	66.07%	33.93%	November	2018	1	\$0.74
Palouse	Whitman	Transportation	Excess levy (\$0.78) for street improvements and oiling.	Passed	74.68%	25.32%	November	2017	1	\$0.78
Palouse	Whitman	Transportation	Excess levy (\$0.80) for street improvements and street oiling.	Passed	67.54%	32.46%	November	2016	1	\$0.80
Palouse	Whitman	Transportation	Excess levy (\$0.82) for street improvements and oiling.	Passed	69.68%	30.32%	November	2015	1	\$0.82
Palouse	Whitman	Transportation	Excess levy (\$0.76) for street improvements and oiling.	Passed	65.17%	34.83%	November	2014	1	\$0.76
Palouse	Whitman	Transportation	Excess levy (\$0.91) for street improvements and street oiling.	Passed	65.53%	34.47%	November	2013	1	\$0.91
Palouse	Whitman	Transportation	Excess levy (\$0.83) for street improvements and street oiling.	Passed	71.12%	28.88%	November	2012	1	\$0.83
Palouse	Whitman	Transportation	Excess levy (\$0.83) for street improvements and street oiling.	Passed	60.97%	39.03%	November	2011	1	\$0.83
Rosalia	Whitman	Transportation	Excess O&M levy (1 year, \$4.41) for street maintenance and improvements.	Failed	57.06%	42.94%	November	2020	1	\$4.41
Rosalia	Whitman	Transportation	Excess O&M levy (1 year, \$4.62) for city street fund.	Passed	62.77%	37.23%	November	2019	1	\$4.62
Rosalia	Whitman	Transportation	Excess O&M levy (1 year, \$4.57) for the city street fund.	Passed	62.78%	37.22%	November	2018	1	\$4.57
Rosalia	Whitman	Transportation	Excess levy (\$4.55) for city street fund.	Failed	54.78%	45.22%	February	2018	1	\$4.55
Rosalia	Whitman	Transportation	Excess levy (\$3.35) for street maintenance and repair.	Failed	55.93%	44.07%	February	2017	1	\$3.35
Rosalia	Whitman	Transportation	Excess levy (\$0.34) for city street fund.	Passed	65.76%	34.24%	April	2016	1	\$0.34
Rosalia	Whitman	Transportation	Excess levy (\$3.06) for city street fund, including street lights, paving, snow removal, capital improvements, and normal maintenance and operations.	Failed	58.93%	41.07%	February	2015		\$3.06

- Excess Levy continued -

Jurisdiction	County	Subject	Ballot Measure Text	Election Results	Yes %	No %	Election Month	Election Year	Duration in Years Levy/Fee	Amount of Levy (Per \$1000 A/V)
Rosalia	Whitman	Transportation	Excess levy (\$0.62) for street improvements, maintenance, and capital projects.	Passed	60.57%	39.43%	February	2014	1	\$0.62
Rosalia	Whitman	Transportation	Excess levy (\$0.62) for city street fund.	Passed	63.64%	36.36%	February	2013	1	\$0.62
St. John	Whitman	Transportation	Excess O&M levy (1 year, \$1.56) for street improvements and maintenance.	Passed	73.18%	26.82%	November	2020	1	\$1.56
St. John	Whitman	Transportation	Excess O&M levy (1 year, \$1.59) for street improvements and maintenance.	Passed	64.79%	35.21%	November	2019	1	\$1.59
St. John	Whitman	Transportation	Excess O&M levy (1 year, \$1.57) for street improvements and maintenance.	Passed	61.46%	38.54%	November	2018	1	\$1.57
St. John	Whitman	Transportation	Excess levy (\$2.17) for street improvements and maintenance.	Passed	62.50%	37.50%	November	2017	1	\$2.17
St. John	Whitman	Transportation	Excess levy (\$2.17) for street improvements and maintenance.	Passed	61.59%	38.41%	November	2016	1	\$2.17
St. John	Whitman	Transportation	Excess levy (\$2.17) for street improvements and maintenance.	Passed	65.95%	34.05%	August	2015	1	\$2.17
St. John	Whitman	Transportation	Excess levy (\$2.17) for street improvements and maintenance.	Failed	57.74%	42.26%	November	2014	1	\$2.17
St. John	Whitman	Transportation	Excess levy (\$2.27) for street improvements and maintenance.	Passed	63.03%	36.97%	November	2013	1	\$2.27
St. John	Whitman	Transportation	Excess levy (\$2.16) for street improvements and maintenance.	Passed	66.78%	33.22%	November	2012	1	\$2.16
St. John	Whitman	Transportation	Excess levy (\$1.74) for street improvements and maintenance.	Passed	66.21%	33.79%	November	2011	1	\$1.74
Tekoa	Whitman	Transportation	Excess O&M levy (1 year, \$1.60) for street oiling/chip sealing and sidewalks.	Passed	66.10%	33.90%	November	2020	1	\$1.60
Tekoa	Whitman	Transportation	Excess O&M levy (1 year, \$1.60) for oiling of gravel streets and chip sealing roads.	Passed	64.82%	35.18%	November	2019	1	\$1.60
Tekoa	Whitman	Transportation	Excess O&M levy (1 year, \$0.84) for oiling of gravel streets and chip sealing roads.	Failed	58.15%	41.85%	November	2018	1	\$0.84
Tekoa	Whitman	Transportation	Excess levy (\$1.60) for street chip sealing and use as matching money for a Transportation	Passed	66.54%	33.46%	November	2017	1	\$1.60
Tekoa	Whitman	Transportation	Excess levy (\$1.64) for operation and maintenance of street department.	Failed	58.72%	41.28%	November	2016	1	\$1.64
Tekoa	Whitman	Transportation	Excess levy (\$1.85) for street department.	Failed	58.59%	41.41%	November	2015	1	\$1.85
Tekoa	Whitman	Transportation	Excess levy (\$2.15) for operation and maintenance of street department.	Passed	64.52%	35.48%	November	2014	1	\$2.15
Tekoa	Whitman	Transportation	Excess levy (\$2.06) for street department maintenance and operation.	Passed	67.12%	32.88%	November	2013	1	\$2.06
Tekoa	Whitman	Transportation	Excess levy (\$2.15) for street department operation and maintenance.	Passed	64.93%	35.07%	November	2012	1	\$2.15
Tekoa	Whitman	Transportation	Excess levy (\$2.19) for street department maintenance and operation.	Passed	67.20%	32.80%	November	2011	1	\$2.19

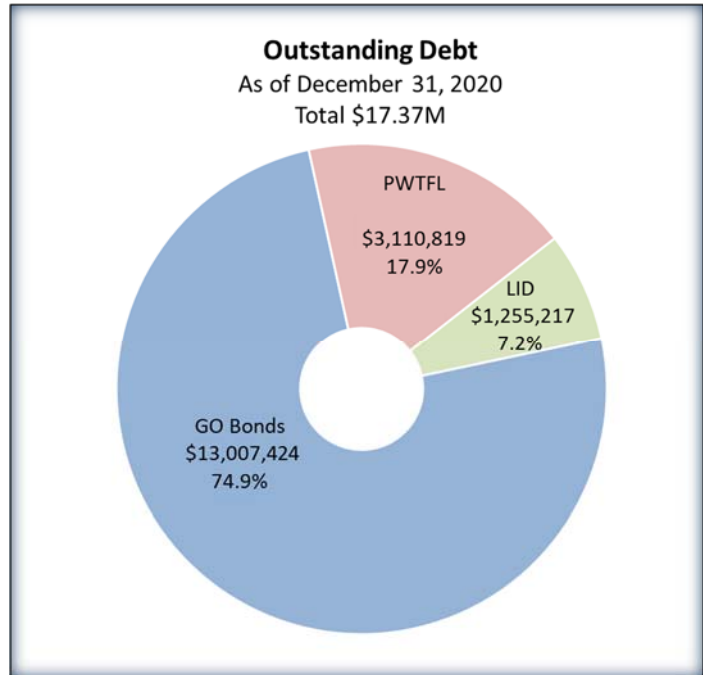
Exhibit J – City of Lakewood Computation of Debt Limitation & Outstanding Debt

Under RCW 39.36.020(2), the public may vote to approve bond issues for general government in an amount not to exceed 2.5% of the value of all taxable property within the City.

Within the 2.5% limit, the City Council may approve bond issues not to exceed 1.5% of the City's assessed valuation. Therefore, the City's remaining debt capacity without voter approval is \$98.8M and an additional \$746.3M may be accessed with voter approval.

The voter-approved capacity is generally referred to as unlimited tax general obligation debt, which requires 60% voter approval and the election must have a voter turnout of at least 40% of those who voted in the last State general election. With this vote, the voter approves additional property tax be levied above and beyond the constitutional and statutory caps on property tax.

In addition to this general purpose debt capacity, RCW 39.36.030(4) also allows voter approval of park facilities and utility bond issues, each limited to 2.5% of the City's assessed valuation. Therefore, legally the City can issue up to a total of 7.5% of the City's assessed valuation in bonds for \$546.2M.



The tables below show the City's available debt capacity and outstanding debt as of December 30, 2020, which does not include \$6.60M in bonds for transportation capital project in 2021.

Computation of Limitation of Indebtedness As of December 31, 2020					
Description	General Purpose		Excess Levy	Excess Levy	Total
	Councilmanic (Limited GO)	Excess Levy (with a vote)	Open Space & Park (voted)	Utility Purposes (voted)	Debt Capacity
AV = \$7,456,764,386 (A)					
1.50%	\$ 111,851,466	\$ (111,851,466)			\$ -
2.50%		\$ 186,419,110	\$ 186,419,110	\$ 186,419,110	\$ 559,257,329
Add: Cash on Hand for Redemption (B)	\$ -				\$ -
Less: Bonds Outstanding	\$ (13,007,424)	\$ -	\$ -	\$ -	\$ (13,007,424)
Remaining Debt Capacity	\$98,844,042	\$74,567,644	\$186,419,110	\$186,419,110	\$546,249,905
General Capacity (C)	\$173,411,686				
(A) Final Assessed Valuation for 2020 Property Tax Collection					
(B) Debt Service Prefunding (the City currently does not prefund debt service)					
(C) Combined Total for Councilmanic and Excess Levy Capacities					

There is also \$4.0M in surface water revenue bonds that will be issued during the 2021/2022 biennium, however, similar to special assessments, revenue bond debt does not count against debt capacity.

Exhibit K – City of Lakewood Computation of Debt Limitation & Outstanding Debt

Summary of Outstanding Debt As of December 31, 2020								
Description	Purpose	Issue Date	Final Maturity	Interest Rate %	Amount Issued	Outstanding Debt	Average Annual Payment	Funding Source
2020 Limited Tax General Obligation Bonds (LTGO)	Transportation Projects	12/9/2020	12/1/2035	2.00%	\$ 3,029,885	\$ 3,029,885	\$ 183,000	REET
2019 Limited Tax General Obligation Bonds (LTGO)	Transportation Projects	5/8/2019	12/1/2038	3.0 - 5%	\$ 7,460,000	\$ 7,200,000	\$ 270,000	REET
2016 Limited Tax General Obligation Bonds (LTGO)	Refunding 2009 LTGO	4/19/2016	12/1/2028	1.40 - 2.41%	\$ 1,884,032	\$ 1,536,314	\$ 210,000	General Fund
LOCAL Financing	LED Streetlight Retrofit	3/24/2015	12/1/2027	2.33%	\$ 1,460,000	\$ 960,000	\$ 156,000	General Fund
59th Avenue Promissory Note	Right-of-Way / Roadway in Lakewood Towne Center	4/30/2005	4/30/2024	3.74%	\$ 1,071,000	\$ 281,225	\$ 77,000	General Fund
Subtotal					\$ 14,904,917	\$ 13,007,424	\$ 896,000	
PWTFL 04-691-PRE-132	American Lake Gardens/ Tillicum Sewer	7/7/2005	7/7/2024	1.00%	\$ 593,864	\$ 118,861	\$ 31,000	Assessments on all Lakewood Sewer Accounts
PWTFL 06-962-022	American Lake Gardens/ Tillicum Sewer	9/18/2006	9/18/2026	0.50%	\$ 5,000,000	\$ 1,766,892	\$ 302,000	Assessments on all Lakewood Sewer Accounts
PWTFL 08-951-025	American Lake Gardens/ Tillicum Sewer	3/1/2008	7/1/2028	0.50%	\$ 1,840,000	\$ 832,209	\$ 107,000	Assessments on all Lakewood Sewer Accounts
PWTFL 12-951-025	American Lake Gardens/ Tillicum Sewer	6/1/2012	6/1/2031	0.50%	\$ 500,000	\$ 392,857	\$ 37,000	Assessments on all Lakewood Sewer Accounts
Subtotal					\$ 7,933,864	\$ 3,110,819	\$ 477,000	
Combined Local Improve District (CLID) 1101/1103	Street Improvements	12/1/2006	12/1/2026	3.75 - 4.65%	\$ 2,824,704	\$ 210,000	\$ 167,000	Assessment on Eight Property Owners
Local Improvement District (LID) 1108	Street Improvements	1/1/2008	12/1/2027	4.22 - 5.3%	\$ 880,000	\$ 122,460	\$ 56,000	Assessment on Single Business
Local Improvement District (LID) 1109	Street Improvements	3/2/2020	3/1/2033	2.76 - 3.47%	\$ 922,757	\$ 922,757	\$ 71,000	Assessment on Single Business
Subtotal					\$ 4,627,461	\$ 1,255,217	\$ 294,000	
Total					\$ 27,466,242	\$ 17,373,460	\$ 1,714,000	