



LAKWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, October 23, 2023

6:00 P.M.

City of Lakewood
Council Chambers
6000 Main Street SW
Lakewood, WA 98499

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 meeting ID: 868 7263 2373

Page No.

CALL TO ORDER

ITEMS FOR DISCUSSION:

- (4) 1. Joint Public Safety Advisory Committee meeting. – (Workplan)
- (5) 2. Joint Community Services Advisory Board meeting. – (Workplan)
- (6) 3. Review of 2024 Human Services Funding Recommendations. – (Memorandum)
- (10) 4. Review of Tax Increment Financing Strategy. – (Memorandum)

ITEMS TENTATIVELY SCHEDULED FOR NOVEMBER 6, 2023 REGULAR CITY COUNCIL MEETING:

1. Proclamation declaring November 2023 as Native American Heritage month. – *Nisqually Indian Tribe*
2. Proclamation declaring November 11, 2023 as Veterans Day and the month of November 2023 as Veterans Appreciation month. – *MAJ Brian Molloy, Brigade Executive Officer, 2/2 Stryker Brigade Combat Team*
3. Proclamation recognizing November 6 – 11, 2023 as Operation Green Light for Veterans.

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.

4. Recognition of Gomer Roseman, Habitat for Humanity.
5. Business Showcase. – *AA Meats, Tammy Faelnar*
6. Youth Council Report. – *Lincoln Estrada Perez, Jacqueline Rodriguez Leal, Neveah Tutt and Chase Washington, Youth Councilmembers*
7. Clover Park School District Report. – *Alyssa Anderson Pearson, Board President*
8. Approving the 2024 Human Services Funding Recommendations. – (Motion – Consent Agenda)
9. Approving the 2024 Federal, State and County Legislative Agenda. – (Motion – Consent Agenda)
10. Authorizing the execution of an agreement with Gordon Thomas Honeywell Governmental Affairs for state governmental affairs. – (Motion – Consent Agenda)
11. Authorizing the execution of an agreement with Johnston Group for federal governmental affairs. – (Motion – Consent Agenda)
12. Awarding a bid for the Ardmord / Whitman/ 93rd Street project. – (Motion – Consent Agenda)
13. Authorizing the execution of an amendment to an agreement with RWD Landscape Architects to support additional design for the American Lake Park Improvement project. – (Motion – Consent Agenda)
14. Authorizing the execution of an agreement for the Western State Hospital Plan review. – (Motion – Consent Agenda)
15. Appointing an American Lake – Lake Management District No. 1 Advisory Committee member. – (Motion – Consent Agenda)
16. This is the date set for a public hearing on the 2023 Miscellaneous Zoning and Development Regulation Code Amendments. – (Public Hearings and Appeals – Regular Agenda)

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.

17. This is the date set for public hearing on the Multifamily Tax Exemption Code Amendments. – (Public Hearings and Appeals – Regular Agenda)
18. This is the date set for a public hearing on the 2024 Property Tax Levy Ordinance. – (Public Hearings and Appeals – Regular Agenda)
19. Approving the Tax Increment Area Boundary and Infrastructure Needs. – (Resolution – Regular Agenda)

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.

PUBLIC SAFETY ADVISORY COMMITTEE (PSAC) 2023 WORK PLAN AND SIGNIFICANT ACCOMPLISHMENTS

Members:

Chair Martin Pullman
James Hairston
Kamarie Wilson
Mark Peila
Alan Hart

Vice Chair Karen Ferreira
Ray Dotson
Tod Wolf
Teresa Imholt-King
Ken Witkoe

Council Liaison:

Councilmember Trestin Lauricella

City Staff Support:

Chief Patrick D. Smith
Admin Assistant Joanna LaVergne

Meeting Schedule:

1st Wednesday, every other month, 5:15 p.m., Police Department

Accomplishments:

Date	Topic(s)
2/1/23	Guest Speaker from Western State Hospital (WSH) to inform on future plans for WSH
6/7/23	Speakers from Sound Transit re: railroad crossing safety and plans for Clover Creek Park crossing specifically.
8/2/23	Speaker from Courts on their role in Public Safety
10/4/23	Traffic Safety- Red light and School Speed Cameras Presentation

(Current Year) Work Plan:

1.	Adult/Group Family Home/Western State Plans
2.	Business Public Safety Survey
3.	Municipal Courts Role in Public Safety
4.	Neighborhood Association Revitalization Road Map

COMMUNITY SERVICES ADVISORY BOARD WORK PLAN AND SIGNIFICANT ACCOMPLISHMENTS

Members:

Chair: Edith Owen-Wallace
 Vice-Chair: Kyle Franklin
 Laurie Maus
 Michael Lacadie
 Darrin Lowry
 Denise Nicole' Franklin
 Shelby Taylor

Council Liaison:

Councilmember: Mike Brandstetter

Youth Council Liaison:

Ariana Melo
 Bentley Webster
 Maddisyn Matthews
 Dontah Janzen

City Staff Support:

Director: Mary Dodsworth
 Shannon Bennet, Human Services Coordinator (HSC)
 Jeff Gumm, CDBG/HOME Program Manager
 Martha Larkin, CDBG/HOME Program Coordinator

Meeting Schedule:

Third Wednesday of the Month, 5:30pm, American Lake Conference Room

Accomplishments:

Date	Topic(s)
3/15	Welcomed new members, elected chair and co-chair, held a public hearing and reviewed FY 2023 CDBG/HOME Annual Action Plan
5/17	Focused on 2025 Human Services Funding Strategies
6/21	Participated in presentation and discussion with Human Service program providers.
7/19	Participated in presentation and discussion with Human Service program providers.
8/28	Received opioid funds presentation and discussed how to allocate them.
9/20	Continued opioid funds discussion and prepared for joint meeting w/ Council
10/18	Finalized funding recommendations and approved work plan to Council
11/14	Funding recommendations presented to City Council
12/20	Review 2023 contract performance for human services organization

(Current Year) Work Plan:

1.	2023 human services contract performance
2.	Opioid funding recommendations
3.	2024-2025 human services allocations process and funding recommendations
4.	Approve FY 2023 CAPER
5.	Public hearing on community development, housing and services needs
6.	FY 2023 CDBG/HOME funding strategies



TO: Mayor and City Council

FROM: Shannon Bennett, Human Services Coordinator

THROUGH: John Caulfield, City Manager *John F. Caulfield*

DATE: October 23, 2023

SUBJECT: 2024 Human Services Funding

**ATTACHMENTS: 1. 2024 Funding Recommendations
2. 2023 3rd Quarter Funding & Contract Status**

SUMMARY

Since incorporation the City of Lakewood has been a consistent human services funding source using 1% of its general funds to support services and programs assisting Lakewood residents. For the 2023-24 biennium this allocation is \$457,500 per year.

REVIEW PROCESS

Consistent with past practices, the Community Services Advisory Board (CSAB) met to review the contract outputs and spending levels through three quarters, as well as site visit results, for each organization receiving human services funding. This review was followed by a discussion for each organization to determine whether to recommend maintaining, increasing, or decreasing funding levels for 2024.

Of the 21 programs, all but three are on track to meet or exceed their 2023 contractual outcome numbers by the end of the year. The three agencies who haven't met or exceeded outcomes are:

Rebuilding Together South Sound (RTSS) fell short in Lakewood residents served and rehab projects performed. Thus far staff has spent a majority of time with community outreach and processing applications. Currently there is one approved project ready to schedule for the construction team in October and four applications ready for house-visits. Based on the application information, staff anticipates approving all four projects to complete by the end of the year and expects to meet their goal of completing seven projects and serving a total of eight residents in 2023.

Although Living Access Support Alliance (LASA) has exceeded their annual goal for the Emergency Shelter program, they did fall short of their performance goals in the hygiene center category. Staff reports The Hygiene Center is not opened yet due to being under construction for the last four months. It's estimated the center will open at the beginning of November and the 2023 performance goals of serving 250 unduplicated Lakewood residents and providing 450

basic and essential needs and 1,125 number of case management hours will be met by the end of the year.

Young Women's Christian Association (YWCA) fell short in the number of unduplicated number of Lakewood residents served, advocacy hours, crisis calls and shelter beds provided. Staff reports still experiencing residual impacts of the pandemic, but have recently reported seeing positive signs of recovery. The numbers have been gradually trending upwards. In response to the low performance numbers and to ensure all goals are met by the end of the year, staff has adapted to changing circumstances, implemented new strategies, and is reaching out to a wider audience. Staff remains fully committed to meeting their contractual obligations by the end of the contract year and are continuously assessing their strategies, fine-tuning outreach efforts, and working closely with dedicated staff to ensure they reach and support as many children and survivors as possible

CSAB RECOMMENDATION: Based on performance and data provided by all organizations, and the Boards discussion and consideration of the feedback provided by RTSS, LASA and YWCA, Board members recommends fully funding all organizations in 2024.

NEXT STEPS:

- November 20th - Council consideration of 2024 Human Service funding recommendations.
- 2024 - Develop opioid fund grant program to integrate with human services funding allocation process.
- Spring 2024 - Council review of 2025 human service funding allocation process, to include opioid funding distribution.
- July 2024 – Release application for 2025/2026 human service funding.
- November 2024 – Council consideration of 2025 human services funding recommendations, to include opioid funds.

Attachment One includes the CSAB recommendations for 2024 human services allocations to fund all contracts at their current levels.

Attachment Two is the 3rd Quarter Funding and Contract Status summary. The summary includes the status of billing, contract performance, and results of the site monitoring visit for each program.

Attachment One: 2024 Human Services Funding Recommendations			
Agency	Program Name	Amount	2023
Asian Pacific Cultural Center	Promised Leaders of Tomorrow	\$ 22,500.00	Exceeded Goals
Oasis Youth Center	Center for LGBTQ Youth	\$ 20,000.00	Exceeded Goals
Communities in Schools	School-wide supports	\$ 25,000.00	Exceeded Goals
Lakewood's Promise	HSC staff costs, Youth Council & 5 Promises	\$ 32,650.00	N/A
Children's Therapy Center	Therapy program for special needs youth	\$ 22,500.00	Exceeded Goals
EMOTIONAL SUPPORTS TOTAL			\$ 122,650.00
Emergency Food Network	Co-op Food Purchasing	\$ 22,500.00	Exceeded Goals
Emergency Food Network	Food Delivery	\$ 22,500.00	Exceeded Goals
Making a Difference Foundation	Lakewood Food Delivery Program	\$ 22,500.00	Exceeded Goals
Nourish PC	Nutritious food for families	\$ 22,500.00	Exceeded Goals
Multicultural Child and Family Hope Center	Distributes basic needs boxes to families in need	\$ 22,500.00	Exceeded Goals
St. Leo Food Connection	Children's Program and Sprinbrook Mobile	\$ 15,000.00	Exceeded Goals
ACCESS TO FOOD TOTAL			\$ 127,500.00
Lindquist Dental	Uncompensated Care	\$ 25,000.00	Exceeded goals
Community Health Care	Lakewood Prompt Care	\$ 15,000.00	Exceeded goals
Pierce County AIDS Foundation	Provides support to people living with AIDS	\$ 14,850.00	Exceeded goals
Your Money Matters	Financial literacy programs available to BIPOC youth	\$ 15,000.00	Exceeded goals
PC Project Access	Donated Care	\$ 15,000.00	Exceeded goals
HEALTH & BEHAVIORAL HEALTH TOTAL			\$ 84,850.00
The Rescue Mission	Shelter Services	\$ 15,000.00	Exceeded goals
LASA	Hygeine Stations	\$ 22,500.00	The Hygiene Center is not opened yet. Has been under construction for the lasts 4 months. Estimated opening is beginning of November.
LASA	Emergency Shelter	\$ 15,000.00	Exceeded goals
Rebuilding Together	Free home repairs provided to low income older adults, people with disabilities, veterans and families with children.	\$ 25,000.00	Fell short in Lakewood residents served and rehab projects performed. Thus far have spent a majority of time with community outreach and processing applications. Currently have 1 approved project ready to schedule for the construction team in October and 4 applications ready for house-visits. Based on the application information, we anticipate approving all 4 projects to complete by the end of the year. Currently, we expect to meet our goal of completing 7 projects serving a total of 8 residents this year.
HOUSING ASSISTANCE TOTAL			\$ 77,500.00
YWCA	Crisis intervention and advocacy services	\$ 22,500.00	Fell short in all three categories. Staff reports residual impacts of the pandemic, but have recently reported seeing positive signs of recovery. In addition, staff has adpting to changing circumstances, implementing new strategies, and reaching out to a wider audience.
REBUILDING HOPE	Advocacy and Therapy Program	\$ 22,500.00	Exceeded Goals
STABILIZATION TOTAL			\$ 45,000.00
TOTAL FUNDING			\$ 457,500.00

Attachment Two: 3rd Quarter Funding and Contract Status summary

	Agency	Program Name	2023 Q1 Invoice Submitted	2023 Q2 Invoice Submitted	2023 Q3 Invoice Submitted	2023 Q4 Invoice Submitted	2023 Site Visit Completed
1	Asian Pacific Cultural Center	Promised Leaders of Tomorrow	Yes	yes	yes		Good
2	Children's Therapy Center	Direct Services for Children and Youth	YES	yes	pending payroll back-up		Good
3	Oasis Youth Center	Oasis Center for LGBTQ Youth	pending	pending	pending		Good
4	Communities in Schools	School-wide supports	YES	yes	yes		Good
EMOTIONAL SUPPORTS TOTAL = 4							
5	Emergency Food Network (2)	Co-op Food Purchasing					Good
6		Mobile Delivery	Yes	yes	yes		
7	Multicultural Child & Family Hope Center	Mobile Food Box Deliveries	Yes	yes	yes		Good
8	Making a Difference	Lakewood Food Delivery Program	Yes	yes	pending		Good
9	Nourish PC	Nutritious food for families	Yes	yes	Pending payroll back-up		Good
10	St. Leo's Food Connection	Children's Program and Sprinbrook Mobile	yes	yes	yes		Good
FOOD TOTAL = 6							
11	Lindquist Dental	Uncompensated Care	Yes	yes	pending		Good
12	Community Healthcare	Lakewood Prompt Care	yes	yes	yes		Good
13	PC Project Access	Donated Care	yes	yes	pending		Good
14	PC AIDS Foundation	Support to persons living with AIDS	yes	yes	pending		Pending due to staff turnover. Have exceeded performance goals
15	Your Money Matters	BIPOC Youth Financial Literacy					Good
HEALTH & BEHAVIORAL HEALTH TOTAL = 5							
16	The Rescue Mission	Shelter Services	yes	yes	yes		Good
17	LASA	Emergency Shelter	YES	yes	pending		Good
18	LASA	Hygeine Stations	YES	yes	pending		Good
19	Rebuilding Together	Rebuilding Day/Year-round Services	yes	yes	yes		Good
HOUSING ASSISTANCE & HOMELESS PREVENTION TOTAL = 4							
20	YWCA	Domestic Violence Survivor Services	yes	yes	pending		Good
21	REBUILDING HOPE	Advocacy and Therapy Program	yes	yes	pending		Good
STABILIZATION TOTAL = 2							



TO: Mayor and City Council

FROM: Becky Newton, Economic Development Manager

THROUGH: John J. Caulfield, City Manager *John J. Caulfield*

DATE: October 23, 2023

SUBJECT: Tax Increment Financing (TIF) Strategy

ATTACHMENTS:

- MEMORANDUM, BOB STOWE, STOWE DEVELOPMENT & STRATEGIES
- STATE OF WASHINGTON TIF PROJECTS
- POWERPOINT PRESENTATION

Tax Increment Financing (TIF) is a tool by which the City may bond against future anticipated increases in property taxes due to private investment.

The City of Lakewood is considering various funding strategies to purchase and develop Downtown park space. Developing a park in the Downtown is one of City Council's top priorities to serve the community, realize the Downtown Subarea plan and vision, and to help promote private sector developments.

The purpose of this review with City Council is to determine whether or not to proceed with step 2 of the TIF project: implementation and Report which will: (i) refine the information in the attached memorandum; (ii) prepare the Project Analysis Report required to be submitted to the Office of the State Treasurer for comment; (iii) conduct public and tax districts outreach; and, (iv) prepare the TIA Ordinance for Council consideration.

At the study session, an overview and discussion of the information contained herein will be led by Consultant Bob Stowe.

A resolution will be presented on November 6th authorizing submission to the State of Washington for review, should City Council decide to continue with step 2.

October 3, 2023

MEMORANDUM

TO: John Caulfield, City Manager, City of Lakewood
Becky Newton, Economic Development Manager, City of Lakewood

FROM: Bob Stowe, Stowe Development & Strategies

SUBJECT: LAKEWOOD TAX INCREMENT FINANCING (TIF) STRATEGY

In June 2023, the City of Lakewood selected Stowe Development & Strategies in association with ECONorthwest (SDS/ECO team) to conduct a tax increment financing analysis for the purpose of spurring viable development supporting the Lakewood’s Town Center and Downtown Sub Area Plan (Downtown Plan)

Our workplan includes a two-step approach designed to provide a predictable sequence of actions delivering a targeted and high value TIF Strategy and Implementation Plan. The two-step approach was also planned to coincide with the development and adoption of the City’s Downtown Plan.

Below are the key elements of the two-step approach.

Step 1: TIF Strategy	Step 2: TIF Implementation & Report
<p>Goals:</p> <ul style="list-style-type: none"> Identify and assess potential targeted TIF infrastructure improvements in collaboration with the City. Evaluate several potential TIA's leading to preliminary TIA Prepare preliminary But-For-Requirement Analysis Project preliminary TIF revenues available to support the City's identified targeted public improvements. 	<p>Goals:</p> <ul style="list-style-type: none"> Prepare and submit the Project Analysis Report to the Office of the State Treasurer including a comparison of scenarios with the proposed public improvements and without the proposed public improvements: The But-For-Requirement. Recommend potential refinements to the TIA as needed. Refine TIF Revenues. Prepare potential financing plan based on selected targeted improvements. Create and manage the Public Briefings, including reaching out to impacted taxing districts. Create the TIA Ordinance for Council Consideration.

The purpose of this memorandum is to summarize Step 1 actions, address any questions, and affirm or modify the recommended TIF Strategy before proceeding to Step 2.

Introduction/Summary

A Steering Committee, comprised of various City Staff and consultants, led by Economic Development Manager Becky Newton held several meetings with the SDS/ECO team to provide direction to create the best strategy moving forward when considering a TIF for the City's Downtown Plan.

Tax Increment Financing (TIF) is a powerful economic development tool and was adopted into law in Washington State in 2021. The Washington State Legislature created the TIF authority through House Bill 1189 (codified as Chapter 39.114 RCW) for a city, county, or port to create a tax increment area (TIA). TIFs are used throughout the United States to promote economic development.

In general, our State's TIF is a financing option that allows a public agency (city, county, or port) to fund publicly-owned infrastructure determined necessary to encourage the envisioned private development within a TIA designated by the public agency. As private development occurs (as a result of the public agencies investment in the identified public improvements), property values rise, and the public agency uses the property tax generated by that development in the TIA to pay for the public improvement projects. After the project costs are paid, the public agency retires the TIA.

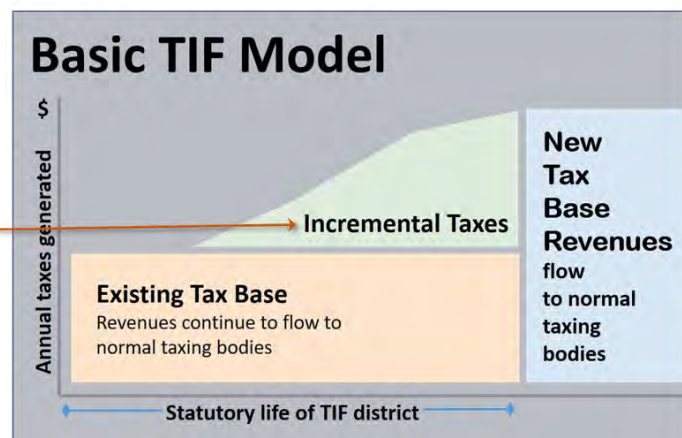
Figure 1: Basic TIF Model

Generally, TIF captures property taxes generated from the increased assessed valuation on the site that results from private development following infrastructure investment.

Washington State TIF law excludes State property tax and voter approved school levies.

Revenues from REGULAR property taxes assessed against the **Increment Value** only, are captured:

- ✓ To pay "public improvement costs"
- ✓ To **repay bonds** issued for "public improvements"



Source: Stowe Development & Strategies, 2023

There are several key limitations to TIF in this State which include the following:

- No more than two active increment areas per sponsoring jurisdiction and they may not overlap.
- Increment areas may not total more than \$200 million in assessed valuation, or more than 20% of the total assessed valuation of the sponsoring jurisdiction, whichever is less.
- Cannot add additional public improvements or change the boundary of the increment area once adopted.
- Must include a deadline of 5 years following the TIF adoption ordinance by when construction of public improvements will begin (ability to extend for good cause).
- The local government may only receive TIF revenues for the period of time necessary to pay the costs of the public improvements.
- If the local government finances the public improvements, the increment area must be retired no more than 25 years after the adoption of the ordinance designating the increment area.

A key element and consideration when forming a TIA is to evaluate the risks associated with such an action along with the development of a mitigation plan. Using local property tax revenues to finance certain public improvements can encourage and generate the desired or envisioned private development; however, using TIF has risks. The largest risks are that: 1) the expected private development does not occur; occurs slower than expected; and/or, the type of development and its magnitude is less than expected, and, 2) the cost projected for the infrastructure improvements is higher than projected. These risks impact the expected revenues to be generated within the TIA or the costs for the identified public infrastructure improvements. If risks are not mitigated, a local government must then use other sources of revenue to pay for the public improvements. Other related risks include over-investment of infrastructure funding by TIF which can waste limited tax dollars for other uses. Local governments can guard against and potentially avoid the over-investing and under-investing by carefully evaluating the local market conditions and performing the analysis associated with the But-For-Requirement identified in this memorandum. When TIF is used correctly, the growth and development pay for the infrastructure investments that encouraged it.

A risk and mitigation plan will be developed during Step 2 along with other analysis identified in the Next Steps at the conclusion of this memorandum. This plan will also examine other anticipated revenues from the projected private development (e.g., sales tax on construction, on-going sales tax and utility taxes) and the potential to sequence the appropriate infrastructure improvements with multiple bond issues over time (e.g. 5-year period) to better manage potential development and revenue risk

The City of Lakewood has been planning for land use and public improvements for its downtown as part of its Council approved Downtown Plan adopted in October of 2018. A major goal of the City of Lakewood is to create a Downtown focused in the Central Business District (CBD) zone, redeveloping it into a rich urban area with civic amenities, walkable streets, and a mix of uses including housing, entertainment, restaurants, and retail.

The Lakewood Downtown Plan encompasses over 315 parcel acres, with three districts that illustrate different characters (see Figure 2).

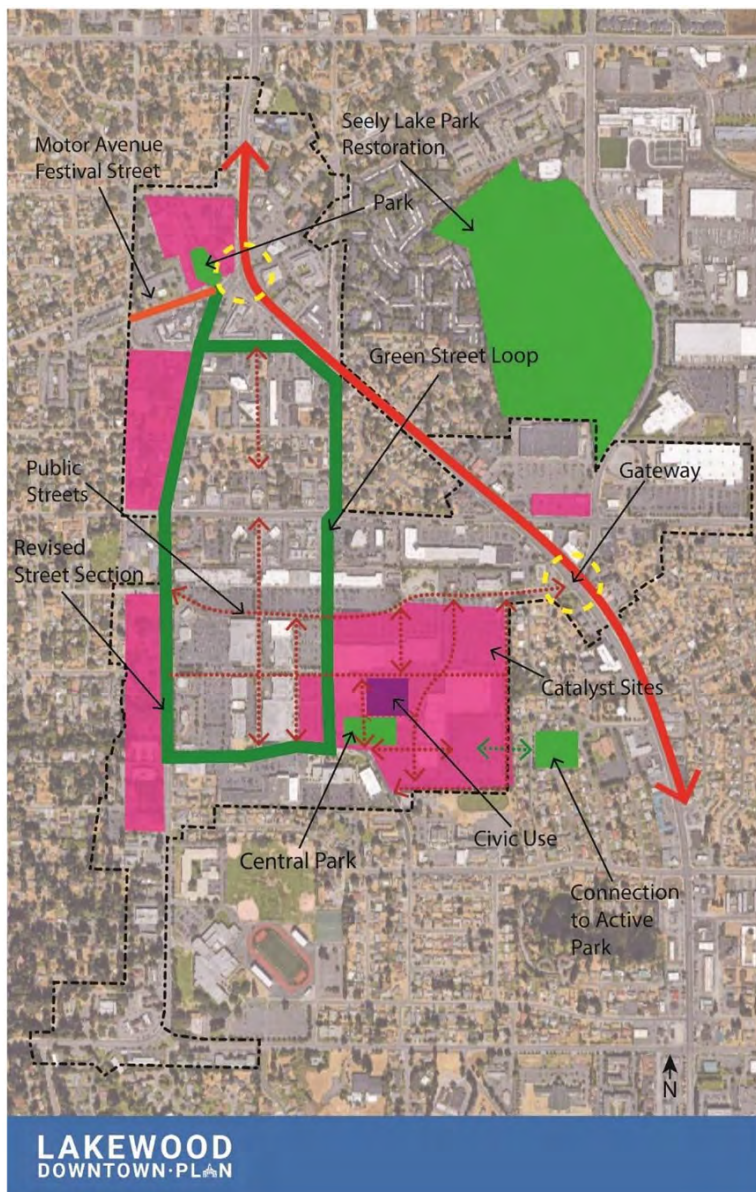
Colonial: This district includes colonial-style commercial buildings. It includes the historic Lakewood Theater, which has not operated for approximately 20 years.

Figure 2: Downtown Plan Area



Source: City of Lakewood, 2023

Figure 3: Downtown Plan Vision



Source: City of Lakewood, 2023

Town Center: This district contains the upgraded Lakewood Towne Center, an auto-oriented shopping area with stores and restaurants, a transit center, the Lakewood Playhouse, and City Hall. Referring to the district as a whole, “town” is used. Referring to the private mall, “towne” is used.

East District: This district at the intersection of Bridgeport Way SW and 100th Street SW has a mix of large auto-oriented commercial centers and smaller strip-commercial properties along arterials.

The Plan’s Vision

The City vision for downtown is that it is seen as the heart of Lakewood. Downtown is where people go to do fun things, see friends and neighbors, eat good food, and experience the cultural diversity of the City. Downtown brings a strong sense of pride for the community by celebrating all things Lakewood and bringing a strong sense of identity to the City and its people. Downtown is best experienced by walking or accessible, and connected.

Downtown has a mix of retail, restaurant, employment, and housing options that are cohesively and well-designed, and support civic life and a strong economy.

Guiding Principles

To help implement the vision, the City’s Plan considers the following guiding principles when making a decision or allocating resources.

Concept Plan: The overall concept plan was initially developed during the 2017 charrette and informed by the public design exercise, public input to date, and insights from the planning and design team based on best practices and experience on similar projects (See Figure 3). The following are highlights from the concept plan:

Green Street Loop: To address the lack of park space, improve public streets, and improve circulation for pedestrians and bicyclists the Green Street Loop will include park like elements, green infrastructure, and support redevelopment in Downtown.

New Public Streets: The Downtown lacks a dense and walkable street grid to support urban development, circulation, and an active public realm.

Central Park: A new urban park of between two to four acres is proposed just north of City Hall to serve as the main gathering space for the community and to include a variety of features and programming.

Revised Gravelly Lake Drive: As part of the Green Street Loop, a revised road design for Gravelly Lake Drive SW is proposed. The revision will allow for expanded sidewalks and a multi-use path on the east side of the street.

Catalyst Sites: Catalyst sites are the best opportunities to weave together public improvements in infrastructure and amenities with infill and redevelopment by the private sector. The best opportunities for redevelopment based on vacant and underutilized sites, and large surface parking areas, and surrounding context have been identified as catalyst sites in the near term to further the implementation of this Plan.

Motor Avenue Plaza: The City recently constructed a large central plaza, a pedestrian promenade, street trees, landscaping, and public art opportunities.

The City Downtown Plan was created to ensure the following

- The heart of the community and civic life
- Where all modes of travel are possible
- Designed for people to walk and bike
- Designed to be accessible by all ages and abilities
- Safe and welcoming
- Livable and affordable
- Where people of all ages go to do fun things, indoor and outdoor
- Rich with cultural diversity
- Sustainable and connected to nature
- Part of a thriving local economy and offering entrepreneurial opportunities
- A source of pride and identity for Lakewood
- Where people live, work, meet, play, shop, and eat

But-For-Requirement

Washington State's TIF law requires its local government sponsor to make the following findings:

- (i) The public improvements proposed to be paid or financed with tax allocation revenues are expected to encourage private development within the increment area and to increase the assessed value of real property within the increment area;
- (ii) Private development that is anticipated to occur within the increment area as a result of the proposed public improvements will be permitted consistent with the permitting jurisdiction's applicable zoning and development standards;
- (iii) The private development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future without the proposed public improvements; and,
- (iv) The increased assessed value within the increment area that could reasonably be expected to occur without the proposed public improvements would be less than the increase in the assessed value estimated to result from the proposed development with the proposed public improvements.

These findings (specifically sections i, ii, and iv) are commonly referred to as the "But-For-Requirement". The name comes from the assertion that private development would not occur but-for the use of TIF. This requirement is a foundational element of TIF which directs public tax dollars generated by the development to only those public improvement projects necessary to support the proposed development. Although TIF is new to Washington State governments, the But-For-Requirement and associated analysis is not. Many local governments that have invested in infrastructure as part of economic development projects have examined the public agency's return on its infrastructure investment from the generation of on-going tax revenues associated with new development. Additionally, for most local governments, infrastructure demand exceeds revenue capacity, forcing local governments to make priority decisions regarding infrastructure projects that get funded with tax dollars and determining which projects can be paid for by developers. The But-For-Requirement for TIF formalizes the analysis and requires the local government sponsoring TIF to provide convincing evidence showing that tax dollars from the TIA are necessary to make the development possible.

If proposed development would occur without TIF, public tax dollars should not be used because it will cost taxpayers more than it should for the resulting development or growth. However, if TIF is used to encourage a development that would not otherwise happen, the tax base can be increased. A larger tax base helps pay for needed services and can control the growth of new taxes. The But-For-Requirement is critical as a means to determining the proper use for public tax dollars.

If the cost of the proposed TIF infrastructure below (estimated at \$15 million) were required to be funded by private developers it would likely mean that only the most profitable developments could be built, reducing the size and scale of the public amenities associated with the proposed two large parks designed to attract private development.

During Step 2, we will further examine the But-For-Requirement achieving compliance with State law.

Infrastructure Need

The City has identified potential park areas that will incentivize private development within the TIA. Park areas were identified as part of the City’s recently adopted Downtown Plan. Actual locations have not yet been determined. Cost estimates for park space include:

Acquisition:	\$2 million	(an additional \$2 million will be dedicated through the City Opportunity fund)
Park Amenities	\$13 million	
Total (TIF)	\$15 million	

**grass, restroom, water feature/splash facility, benches, play features, etc.*

Figure 4: Park Concepts

Park Concepts

Recognizing the value of gathering spaces and active, healthy lifestyles by residents and businesses, coupled with the current lack of parks and recreation space, this Plan proposes a focal central park and a linear green street connection most of the Plan area. Connections to adjacent parks, including Active Park and Seeley Lake Park, are also proposed.

Central Park Case Studies



Downtown Puyallup – Pioneer Park – 2 acres

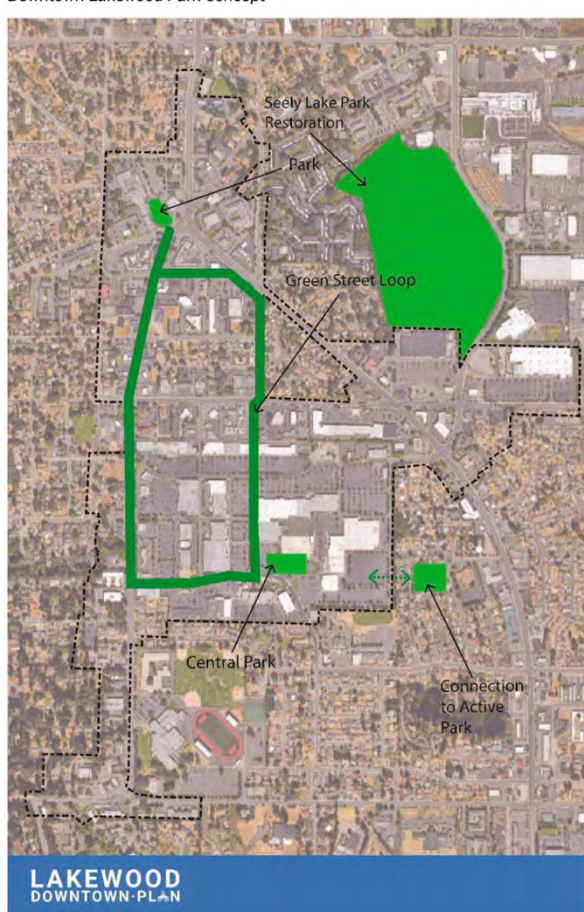


Downtown Burien – 1 acre



Downtown Redmond – 2 Acres, Under Construction

Downtown Lakewood Park Concept

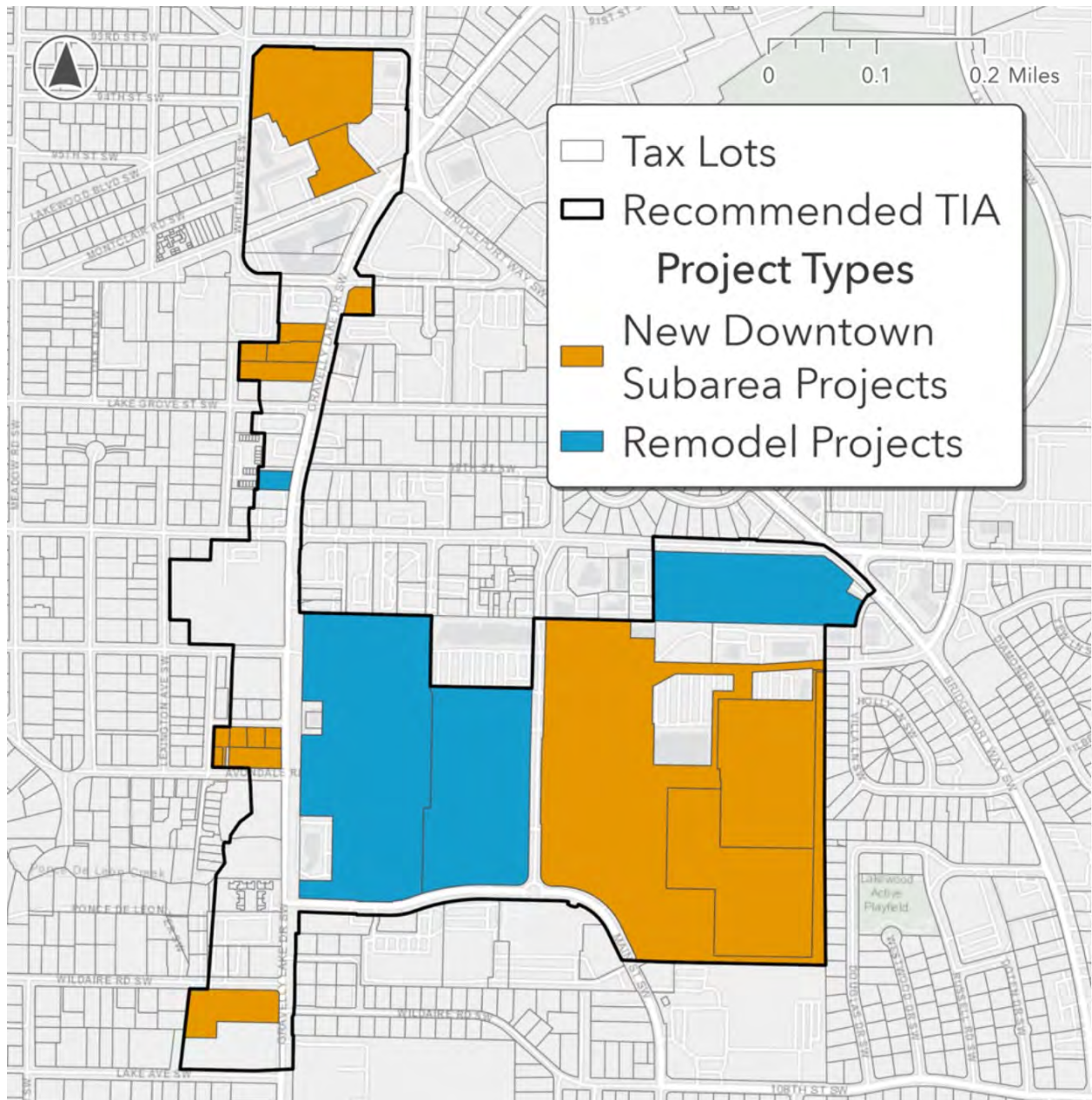


Source: City of Lakewood, 2023

Tax Increment Area

The TIA includes a large portion of the Downtown Plan area of approximately 131 acres. The assessed valuation of the TIA in 2023 is approximately \$191 million (2022 certified values for 2023 taxes), just below either the \$200 million assessed valuation threshold or 20 percent of the City of Lakewood’s total regular assessed valuation of \$10,952,642,723 since the TIA is 1.7% of the total valuation. The TIA boundary was selected in part because it represents key areas that are expected to redevelop over time as the result of the infrastructure improvements funded by TIF.

Figure 5: Recommended Tax Increment Area



Source: ECONorthwest, 2023

Tax Increment Revenue Projections

Overview of TIF Allocation Revenues

Following guidance issued by the Washington State Department of Revenue (June 29, 2022), the analysis estimates the apportionment of taxes to the TIA. These revenues are available to the sponsoring local jurisdiction for funding the identified public infrastructure projects (that are named in the ordinance). Under the TIF legislation, only certain regular levies are available to the TIA. Using tax year 2023 levy rates in the Lakewood Downtown TIA, only \$3.83 of the \$10.04 total levy, approximately 38.2%, would be available.

Since these are regular levies, the taxes must conform with the constitutional 1% limit as well as the \$5.90 aggregate limits. Both parts of the State School levy as well as local school district excess levies are excluded. In addition, any taxes levied by port districts for the purpose of making payment on bonds would be excluded.

Broadly, TIF in Washington allocates a portion of incremental property taxes to the TIA based on the amount of assessed value added to the TIA. This means that each taxing district in the TIA will receive that portion of its regular property taxes produced by the rate of tax levied by the taxing district based on the assessed value of real property located in the area for taxes imposed in the year that the TIA was created. This amount will flow to the member districts for the period that the TIA is in place. The local government that created the TIA will receive a portion of the regular property taxes levied by each taxing district based off the increment value within the increment area. For the local government that created the TIA, this includes their own portion of their regular levy. Those affected levies will be able to include an increment add-on value (similar to the new construction add-on value) as part of their levy for the years that TIF is in place. Property taxes from the TIA begin on the calendar year following the passage of the ordinance. The County Treasurer will distribute these funds to the agency that created the TIA. The table on the following page shows the Levy Rate Composition for 2023 Taxes.

Figure 6: TIA Levy

Levy Code Area 0300	2023 Taxes Rates	Exempt: State Property Tax	Exempt: Excess and Other Levies	Available for TIF allocation
Total	\$10.04184	\$2.3122	\$3.8968	\$3.8328
State				
Part 1	\$2.31224	\$2.3122		\$0.0000
Part 2		\$0.0000		\$0.0000
County				
Regular_Current Expense	\$0.75395			\$0.7539
Port				
General Fund	\$0.13295			\$0.1330
Flood Control				
Regular Levy	\$0.10043			\$0.1004
Sound Transit				
Regular Levy	\$0.15576			\$0.1558
City of Lakewood				
Regular Levy	\$0.71014			\$0.7101
EMS				
Regular Levy	\$0.41147			\$0.4115
School #400				
Enrichment	\$2.18314		\$2.1831	\$0.0000
Bond	\$0.94997		\$0.9500	\$0.0000
Fire District #21				
Regular Levy	\$1.23471			\$1.2347
Bond Fund	\$0.76374		\$0.7637	\$0.0000
Library District				
Regular Levy	\$0.33334			\$0.3333

Source: ECONorthwest, 2023

TIA Allocation Revenue Modeling

New incremental development in the TIA will drive future growth in incremental assessed value. These values will then be multiplied by the levy rate in the respective years to estimate the amount of TIA allocation revenues. To accomplish this, there are four separate analyses that must be completed.

- **Forecast incremental TIA assessed value.** Based on the development program, the future assessed value is estimated by assigning market-based improvement prices based on the land use and size of the proposed development.
- **Forecast jurisdiction assessed value.** Outside of growth in the incremental assessed value in the TIA, it is necessary to forecast growth in the City’s overall assessed value (not counting the incremental growth in the TIA).
- **Forecast highest lawful levy.** For each taxing jurisdiction in the TIA, future levies must be estimated. To do so, the amount of new construction, other add-on value, 101% limit factor, total levy limit, and the maximum allowable levy must be taken into consideration. From that interplay, it is possible to estimate what the given levy will be for any respective jurisdiction in the future.
- **Forecast levy rates.** Once the levy and assessed value are known in future years, it is possible to calculate the levy rate (divide levy by thousands of assessed value). TIA allocations are made by multiplying the levy rate by the incremental TIF assessed value.

To model TIA allocation property tax revenues, a 25-year cash flow model was created to reflect development over time and applied the appropriate property tax base productivity and property tax rates to estimate the stream of future property tax revenues.

Private Development

Based on discussions with the City, the following three development program scenarios have been generated for purposes of the Phase 1 TIF analysis):

Aggressive: Represents the most aggressive development that is likely to occur in the TIA and represents nearly \$508 million of private market value among nine different development sites plus all the tenant improvements within the TIA.

Moderate: Includes three of the development sites plus 75% of the tenant improvements from the Aggressive Scenario representing nearly \$224 million of private development market value.

Conservative: The most conservative scenario and includes only two development sites and 50% the tenant improvements from the Aggressive Scenario representing \$176 million of private development market value.

Figure 7: Development Program Scenarios

AGGRESSIVE						
Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Out/Years	Market Value
KITE Residential *	Multi-family	420	\$ 300,000	2024	2	\$ 126,000,000
Durr/Brooks	Multi-family	150	\$ 300,000	2028	2	\$ 45,000,000
Petersen	Multi-family	162	\$ 300,000	2025	2	\$ 48,600,000
Former QFC	Multi-family	400	\$ 300,000	2027	2	\$ 120,000,000
Former QFC	Retail	70,000	\$ 325	2027	2	\$ 22,750,000
KITE Lakewood Towne Center	Retail	100,000	\$ 325	2028	2	\$ 32,500,000
Target Expansion	Retail	40000	\$ 325	2028	2	\$ 13,000,000
Former Library Site	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000
Senior Housing	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000
Tenant Improvements	Retail	100,000	\$ 100	2025	10	\$ 10,000,000
TOTAL						507,850,000
* MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED						

Source: Stowe Development & Strategies, 2023

Figure 7.1: Development Program Scenarios

MODERATE						
Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value
KITE Residential *	Multi-family	420	\$ 300,000	2024	2	\$ 126,000,000
Durr/Brooks	Multi-family	150	\$ 300,000	2028	2	\$ 45,000,000
Petersen	Multi-family	162	\$ 300,000	2025	2	\$ 48,600,000
Former QFC	Multi-family	400	\$ 300,000	2027	2	\$ 120,000,000
Former QFC	Retail	70,000	\$ 325	2027	2	\$ 22,750,000
KITE Lakewood Towne Center	Retail	100,000	\$ 325	2028	2	\$ 32,500,000
Target Expansion	Retail	40000	\$ 325	2028	2	\$ 13,000,000
Former Library Site	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000
Senior Housing	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000
Tenant Improvements **	Retail	75,000	\$ 100	2025	10	\$ 7,500,000
TOTAL						223,500,000
* MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED						
** 3/4 OF TENANT IMPROVEMENTS OF AGGRESSIVE						

Source: Stowe Development & Strategies, 2023

Figure 7.2: Development Program Scenarios

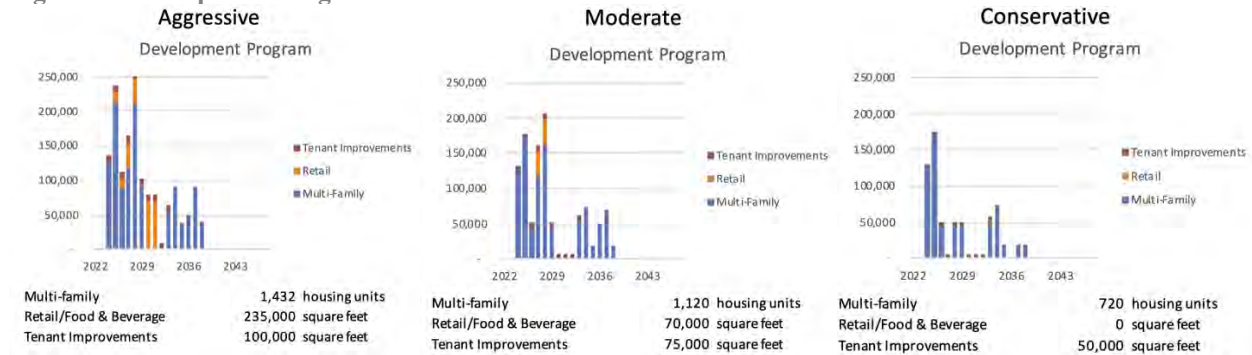
CONSERVATIVE						
Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Out/Years	Market Value
KITE Residential *	Multi-family	420	\$ 300,000	2024	2	\$ 126,000,000
Durr/Brooks	Multi-family	150	\$ 300,000	2028	2	\$ 45,000,000
Petersen	Multi-family	162	\$ 300,000	2025	2	\$ 48,600,000
Former QFC	Multi-family	400	\$ 300,000	2027	2	\$ 120,000,000
Former QFC	Retail	70,000	\$ 325	2027	2	\$ 22,750,000
KITE Lakewood Towne Center	Retail	100,000	\$ 325	2028	2	\$ 32,500,000
Target Expansion	Retail	40000	\$ 325	2028	2	\$ 13,000,000
Former Library Site	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000
Senior Housing	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000
Tenant Improvements ***	Retail	50,000	\$ 100	2025	10	\$ 5,000,000
TOTAL						\$ 176,000,000

* MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED

*** 1/2 OF TENANT IMPROVEMENTS OF AGGRESSIVE

Source: Stowe Development & Strategies, 2023

Figure 8: Development Program Scenarios Chart



Source: ECONorthwest, 2023

These scenarios have been developed to help assess potential risk based on different levels of development within the TIA. Understanding and accepting a certain level of risk is important as the City will be obligated for the repayment of any bond debt that is issued for the infrastructure improvements, regardless if the projected private development and property tax materialize. The City has identified the Moderate Scenario as the most likely development scenario to occur. Additional sensitivity analysis, including different interest rates, split debt issuance, and interest only debt for the first 4-5 years will be conducted as part of Step 2 to further help assess the risks and provide for greater certainty that the City will have sufficient resources to pay for the proposed infrastructure improvements prior to the issuance of any bonds.

TIA Allocation Results

Assumptions on Incremental Assessed Value Growth

Using the assumptions identified in the three Development Program Scenarios, future assessed values of those improvements are estimated and serve as a foundation for the expected TIA allocation revenues.

TIA Allocation Revenues

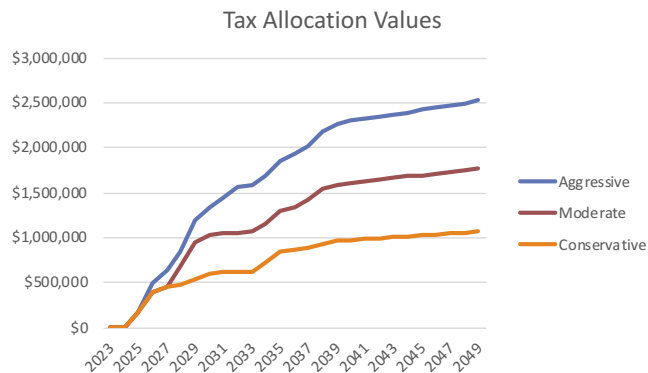
The following tables summarizes the discounted value of 25 years of TIA allocation revenues that would flow to the Downtown’s TIA created by the City of Lakewood (first year of revenues is 2025) based on the three development program scenarios identified above of Aggressive, Moderate, and Conservative. The revenues are discounted at a rate of 5% to approximate the City’s cost of capital (debt and issuance costs). The Aggressive development scenario supported by TIF could support approximately \$22 million in TIF allocation revenues. The Moderate and Conservative development scenarios could generate between \$16 million and \$10 million respectively. The table below the discounted value of the TIF allocation revenues to account for the time value of money; allowing for those future dollars to be shown in the equivalent of 2023 values. This discounting method helps provide a good estimate of what those future revenues might be able to support in terms of debt issuance.

Figure 9: TIF Allocation

5.00% Discount Rate			
	Aggressive	Moderate	Conservative
Lakewood	\$4,130,000	\$2,990,000	\$1,880,000
Pierce County	\$4,460,000	\$3,220,000	\$2,030,000
Port of Tacoma	\$770,000	\$560,000	\$350,000
Sound Transit	\$910,000	\$660,000	\$410,000
EMS	\$2,400,000	\$1,730,000	\$1,090,000
Fire District	\$7,190,000	\$5,200,000	\$3,270,000
Library	\$1,940,000	\$1,400,000	\$880,000
Flood Control	\$580,000	\$420,000	\$260,000
Total	\$22,380,000	\$16,180,000	\$10,170,000

Source: ECONorthwest, 2023

Figure 9.1: TIF Allocation



Source: ECONorthwest, 2023

The table below shows the nominal value of those TIF tax allocation dollars in relative to the nominal payments of debt (\$15 million of park improvements with a split debt issuance of \$2 million in 2026 and \$13 million in 2029) in the corresponding years (20-year term at 5% interest). The table gives a more accurate picture of how revenues might compare to debt payments. All of the scenarios will require some interim debt support from the City until private development stabilizes and TIF revenue is able to support the full amount of the debt service. The City will also be able to pay itself back for any initial debt support from future TIF revenues that are generated in excess of its debt payments.

For example, the Aggressive Scenario includes one year of debt support from the City; after which the City can pay itself back from future TIF revenue the following year. The Moderate Scenario would require six years of financial support from other funds until TIF revenues are sufficient to pay for the full cost of the debt. The Conservative Scenario does not generate enough revenue over the 25-year period to fully support \$15 million in park improvements. If private development occurs based on this scenario, the City would need to financially support the project with approximately \$4.2 million or issue less debt to correspond with the expected private development.

Figure 10: TIF Nominal Values

Year	Aggressive					Moderate					Conservative				
	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2024	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
2025	\$174,000	\$0	\$174,000	\$174,000		\$165,000	\$0	\$165,000	\$165,000		\$165,000	\$0	\$165,000	\$165,000	
2026	\$488,000	\$160,485	\$327,515	\$501,515	3.04	\$395,000	\$160,485	\$234,515	\$399,515	2.46	\$394,000	\$160,485	\$233,515	\$398,515	2.46
2027	\$631,000	\$160,485	\$470,515	\$972,030	3.93	\$461,000	\$160,485	\$300,515	\$700,030	2.87	\$459,000	\$160,485	\$298,515	\$697,030	2.86
2028	\$846,000	\$160,485	\$685,515	\$1,657,544	5.27	\$673,000	\$160,485	\$512,515	\$1,212,544	4.19	\$466,000	\$160,485	\$305,515	\$1,002,544	2.90
2029	\$1,193,000	\$1,203,639	-\$10,639	\$1,646,906	0.99	\$951,000	\$1,203,639	-\$252,639	\$959,906	0.79	\$534,000	\$1,203,639	-\$669,639	\$332,906	0.44
2030	\$1,338,000	\$1,203,639	\$134,361	\$1,781,267	1.11	\$1,026,000	\$1,203,639	-\$177,639	\$782,267	0.85	\$603,000	\$1,203,639	-\$600,639	-\$267,733	0.50
2031	\$1,447,000	\$1,203,639	\$243,361	\$2,024,628	1.20	\$1,040,000	\$1,203,639	-\$163,639	\$618,628	0.86	\$612,000	\$1,203,639	-\$591,639	-\$859,372	0.51
2032	\$1,558,000	\$1,203,639	\$354,361	\$2,378,989	1.29	\$1,054,000	\$1,203,639	-\$149,639	\$468,989	0.88	\$620,000	\$1,203,639	-\$583,639	-\$1,443,011	0.52
2033	\$1,579,000	\$1,203,639	\$375,361	\$2,754,350	1.31	\$1,068,000	\$1,203,639	-\$135,639	\$333,350	0.89	\$629,000	\$1,203,639	-\$574,639	-\$2,017,650	0.52
2034	\$1,684,000	\$1,203,639	\$480,361	\$3,234,712	1.40	\$1,162,000	\$1,203,639	-\$41,639	\$291,712	0.97	\$717,000	\$1,203,639	-\$486,639	-\$2,504,288	0.60
2035	\$1,848,000	\$1,203,639	\$644,361	\$3,879,073	1.54	\$1,287,000	\$1,203,639	\$83,361	\$375,073	1.07	\$836,000	\$1,203,639	-\$367,639	-\$2,871,927	0.69
2036	\$1,925,000	\$1,203,639	\$721,361	\$4,600,434	1.60	\$1,329,000	\$1,203,639	\$125,361	\$500,434	1.10	\$874,000	\$1,203,639	-\$329,639	-\$3,201,566	0.73
2037	\$2,024,000	\$1,203,639	\$820,361	\$5,420,795	1.68	\$1,421,000	\$1,203,639	\$217,361	\$717,795	1.18	\$883,000	\$1,203,639	-\$320,639	-\$3,522,205	0.73
2038	\$2,186,000	\$1,203,639	\$982,361	\$6,403,156	1.82	\$1,545,000	\$1,203,639	\$341,361	\$1,059,156	1.28	\$922,000	\$1,203,639	-\$281,639	-\$3,803,844	0.77
2039	\$2,271,000	\$1,203,639	\$1,067,361	\$7,470,518	1.89	\$1,591,000	\$1,203,639	\$387,361	\$1,446,518	1.32	\$962,000	\$1,203,639	-\$241,639	-\$4,045,482	0.80
2040	\$2,295,000	\$1,203,639	\$1,091,361	\$8,561,879	1.91	\$1,608,000	\$1,203,639	\$404,361	\$1,850,879	1.34	\$972,000	\$1,203,639	-\$231,639	-\$4,277,121	0.81
2041	\$2,319,000	\$1,203,639	\$1,115,361	\$9,677,240	1.93	\$1,625,000	\$1,203,639	\$421,361	\$2,272,240	1.35	\$982,000	\$1,203,639	-\$221,639	-\$4,498,760	0.82
2042	\$2,343,000	\$1,203,639	\$1,139,361	\$10,816,601	1.95	\$1,642,000	\$1,203,639	\$438,361	\$2,710,601	1.36	\$992,000	\$1,203,639	-\$211,639	-\$4,710,399	0.82
2043	\$2,368,000	\$1,203,639	\$1,164,361	\$11,980,962	1.97	\$1,659,000	\$1,203,639	\$455,361	\$3,165,962	1.38	\$1,003,000	\$1,203,639	-\$200,639	-\$4,911,038	0.83
2044	\$2,393,000	\$1,203,639	\$1,189,361	\$13,170,324	1.99	\$1,677,000	\$1,203,639	\$473,361	\$3,639,324	1.39	\$1,013,000	\$1,203,639	-\$190,639	-\$5,101,676	0.84
2045	\$2,418,000	\$1,203,639	\$1,214,361	\$14,384,685	2.01	\$1,694,000	\$1,203,639	\$490,361	\$4,129,685	1.41	\$1,024,000	\$1,203,639	-\$179,639	-\$5,281,315	0.85
2046	\$2,443,000	\$1,043,154	\$1,399,846	\$15,784,531		\$1,712,000	\$1,043,154	\$668,846	\$4,798,531		\$1,035,000	\$1,043,154	-\$8,154	-\$5,289,469	
2047	\$2,469,000	\$1,043,154	\$1,425,846	\$17,210,377		\$1,730,000	\$1,043,154	\$686,846	\$5,485,377		\$1,046,000	\$1,043,154	\$2,846	-\$5,286,623	
2048	\$2,495,000	\$1,043,154	\$1,451,846	\$18,662,224		\$1,748,000	\$1,043,154	\$704,846	\$6,190,224		\$1,057,000	\$1,043,154	\$13,846	-\$5,272,776	
2049	\$2,521,000	\$0	\$2,521,000	\$21,183,224		\$1,766,000	\$0	\$1,766,000	\$7,956,224		\$1,068,000	\$0	\$1,068,000	-\$4,204,776	

Source: ECONorthwest, 2023

Years of Shortfall:

1 year

6 years

18 Years

NEXT STEPS

Based on the City’s direction, we are prepared to proceed to Step 2: Implementation and Report, which will: (i) refine the information in this memorandum; (ii) prepare the Project Analysis Report required to be submitted to the Office of the State Treasurer for comment; (iii) conduct public and tax districts outreach; and, (iv) prepare the TIA Ordinance for Council consideration.

Listed below are some of the key elements that will be conducted as part of Step 2 – Implementation & Report. A TIA can only be adopted prior to June of each year. We estimate that we can complete the Project Analysis of Step 2 and submit it to the Office of the State Treasurer (OST) in November-December 2023. Following the OST’s 90-day review period and any necessary modifications to the Project Analysis, holding two public briefings of the proposed TIA, an ordinance forming the TIA will be presented for Council consideration in April-May 2024 allowing the TIA to be authorized before June 1, 2024 so that property tax revenues from private development could be received beginning in the 2025. Establishing a TIA at the next available date (June 2024) will allow the City to utilize TIF revenues from any private development that may occur in anticipation of the infrastructure improvements and the ability to use those TIF revenues to assist with both design and construction of the proposed public improvements. Establishing the TIA sooner, rather than later, also locks in the base assessed value of the TIA, avoiding likely increases that will reduce the overall capacity of a future TIA because increment areas cannot exceed a combined total of \$200 million in assessed value.

Step 2 Elements

- Timing of Debt Issuance
- Debt Service Payments and Coverage
- Development and TIF Revenue Sensitivity Testing (e.g., scope and timing of development, debt interest rates)
- But-For-Requirement Analysis
- Identify Other Incremental Taxes
- Tax Base Productivity Assumptions
- Jobs Analysis
 - Construction Employment
 - On-Going Employment
- Impact Assessment and Mitigation
 - Affordable Housing
 - Local Business Community
 - Local School Districts
 - Local Fire Service
- Financing Plan/Duration of TIA
- Debt Capacity
- Early Outreach to Impacted Taxing Districts
- Risk Assessment and Mitigation Plan (e.g., other revenues from development, multiple/split debt issuance to coincide with development progress/needs)
- Findings |Bottom Line

Remaining TIF Schedule

Lakewood TIF Project Schedule		Start Month	Duration Months	2023												2024													
				May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Jul	May	June	Jul								
Activity/Actions				1	1	2	3	4	5	6	7	8	9	10	11	12	13												
Step 1	COMPLETED																												
	Prepare Project Analysis Report																												
Step 2	Prepare Draft Report for City Review			5	2																								
	Finalize Report for State Treasurer Review			7	1																								
	State Treasurer 90 Day Review Period			8	3																								
	Create and Manage Public Briefings/Outreach																												
	Prepare Presentation and Conduct Public Briefings			9	2																								
	Early Outreach to Affected Tax Districts			8	2																								
	Mitigation Support																												
	Develop Mitigation Agreements as needed			9	2																								
	Prepare TIA Formation Ordinance																												
	Prepare Draft Ordinance for City Staff Review			10	1																								
	Present TIA Ordinance to City Council for Consideration			11	2																								

PROJECT END

Tax Increment Financing

Stowe Development & Strategies

Washington State

Stowe Development & Strategies (SDS) has significant experience helping cities navigate and implement the new TIF law and program in Washington State. SDS has been selected by ten different cities as the prime consultant to guide their TIF programs. Of those cities, SDS has completed a Project Analysis (requirement of the new law) for five cities and keenly understand the objectives and interest areas of the Office of the State Treasurer (OST) who is responsible for reviewing each analysis.

Tax Increment Financing

Washington State Legislature Passed Bill 1189 authorizing TIF in 2021. Now Codified as Chapter 39.114 RCW

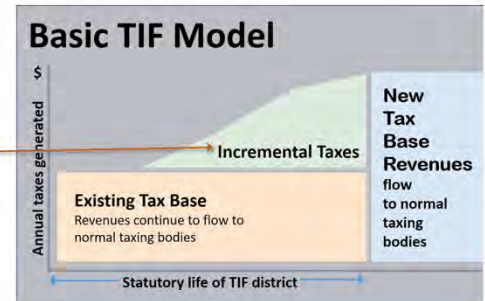
Model

Generally, TIF captures property taxes generated from the increased assessed valuation on the site that results from private development following infrastructure investment.

Washington State TIF law excludes State property tax and voter approved school levies.

Revenues from REGULAR property taxes assessed against the Increment Value only, are captured:

- ✓ To pay "public improvement costs"
- ✓ To repay bonds issued for "public improvements"



SDS has teamed with ECONorthwest (ECO) - A leading economic and fiscal analysis firm serving the Northwest. Morgan Shook has worked on every form of tax increment financing in Washington state and brings his knowledge of land development, infrastructure funding, and taxation to each project.

We provide a comprehensive and thorough approach to creating a tax increment area (TIA). Our approach to the work is built on decades of experience in both land development and tax increment financing. Additionally, because of our direct experience, allows us to advance a project quickly and efficiently in terms of cost control, while also understanding the unique elements specific to Washington State TIF law.

The SDS/ECO team have completed a Project Analysis for the five cities below effective June 1, 2023 and are working with several more cities for the next Tax Increment Area (TIA) formation which occurs June 1, 2024. Although planning work is proceeding on the below projects, no city below known to SDS has issued debt yet for the construction of the public improvements.

City	Public Improvements	TIF Revenue Support
City of Pasco	Streets, utilities, signalization, & highway loop ramp	\$32 - \$39 million
City of Kirkland	Sewer main, park development, & roadway widening	\$18 - \$58 million
City of Chelan	Reservoir/booster pump & related water main extensions	\$9 - \$16 million
City of College Place	Streets, signalization, & downtown parking lots	\$8.2 million
City of Blaine	Streets, electrical, sewer, & water	\$3.5 million

All the above cities, except Blaine, have formed a TIA effective June 1, 2023. Additional information attached.

Additional TIF Projects

According to the Washington State Department of Revenue, the below agencies have also completed a TIF Project Analysis: Port of Pasco, Port of Vancouver, City of Wenatchee, Port of Grays Harbor, City of Federal Way, and the City of Ridgefield. The below table indicates the type of public improvements and the status if the Project Analysis has been reviewed by the State and a Tax increment area adopted or if the Project Analysis has been reviewed by the State.

City	Public Improvements	Status
Port of Grays Harbor	Terminal 4 expansion.	State Review Completed/TIA Adopted
Port of Pasco	Infrastructure for Reimann Industrial Center	State Review Completed TIA Adopted
Port of Vancouver	Park like open space, re-build dock planned for a public market.	State Review Completed TIA Adopted
Port of Wenatchee	Build "Confluence Parkway", including "Boulevard Gateway" with median landscaping and lighting.	State Review Completed TIA Adopted
City of Federal Way	Public improvement in the City Center, including a civic plaza and parking garage	State Review Completed
City of Ridgefield	Fund infrastructure within I-5 Junction subarea to support employment center.	State Review Completed

TIF PROJECTS

Project Analysis Completed by Stowe Development & Strategies/ECONorthwest

BROADMOOR TIF PROJECT ANALYSIS



August 2022

KIRKLAND NE 85TH STREET STATION AREA Tax Increment Financing (TIF) PROJECT ANALYSIS



Final | March 6, 2023
Draft | November 7, 2022

COLLEGE PLACE STONE CREEK & DOWNTOWN DEVELOPMENT TAX INCREMENT FINANCING (TIF) PROJECT ANALYSIS



February 1, 2023

CITY OF CHELAN EAST CHELAN AREA Tax Increment Financing (TIF) PROJECT ANALYSIS



January 30, 2023 : Draft
March 30, 2023 : Final

EAST BLAINE Tax Increment Financing (TIF) PROJECT ANALYSIS



Draft: February 27, 2023
Final: April 12, 2023

Note: All cities, except Blaine, have formed a TIA

TIF PROJECTS: City of Pasco

Public Improvements	TIF Improvement Supported	Private Development Value	Private Development Type	Gross Acres
Streets, Utilities, Signalization & Highway Lop Ramp	\$32M - \$39M (max)	\$500M to \$1.7B	Vacant Land: Horizontal/vertical Mixed-Use, Retail, Commercial Big Box, some Single Family	451

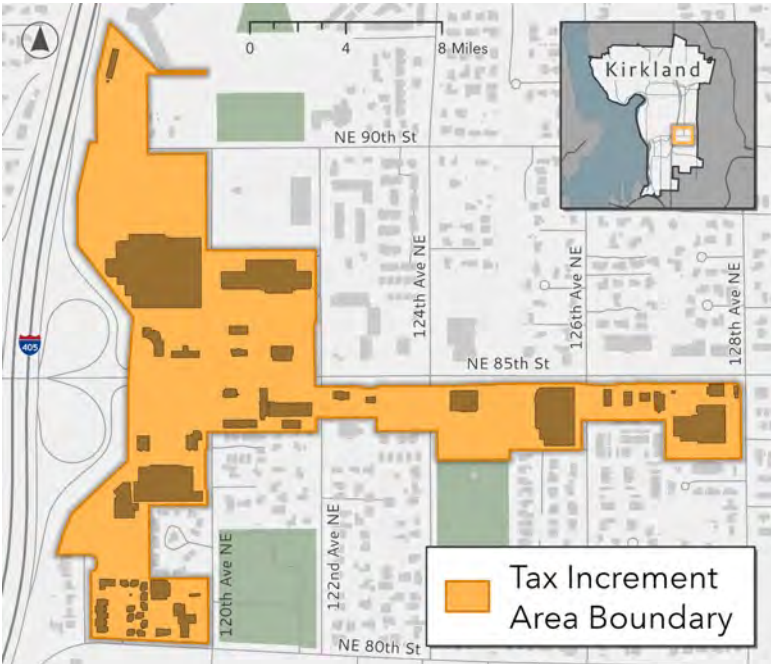
4,900 residential homes and over 1 million SF of commercial space (Retail/Office)



TIF PROJECTS: City of Kirkland

Public Improvements	TIF Improvement Supported	Private Development Value	Private Development Type	Gross Acres
Sewer Main, Park Development, Roadway Widening	\$18M - \$58M (max)	\$2.7B	In-fill Development Horizontal/vertical Mixed-Use – Office, Tech, Retail, Housing	52.5

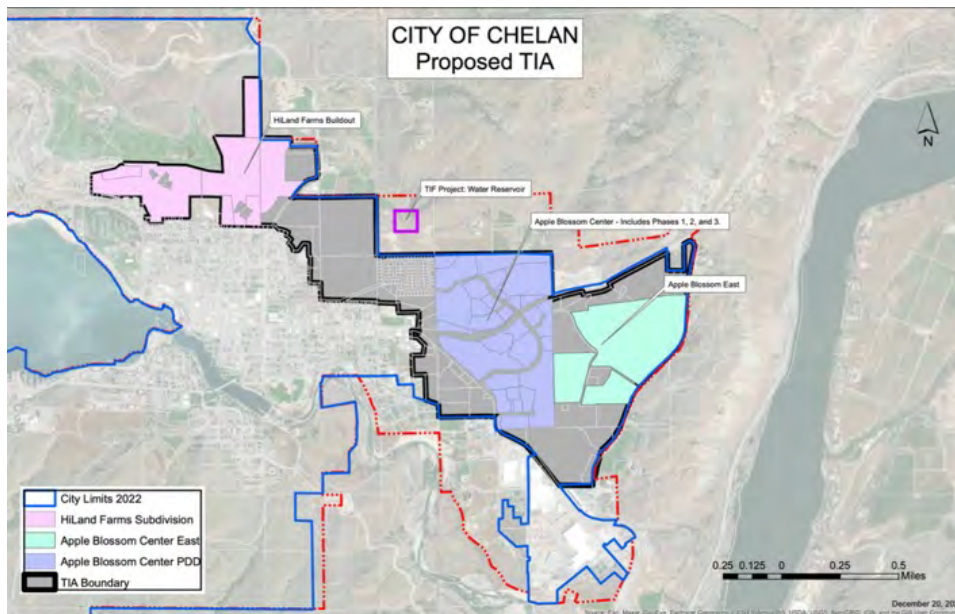
2,700 MF homes, technology campus 1.8 million SF; Retail of 456,000 SF, Office of 2.8 million SF



TIF PROJECTS: City of Chelan

Public Improvements	TIF Improvement Supported	Private Development Value	Private Development Type	Gross Acres
Reservoir/Booster Pump and related Water Main Extensions	\$9M - \$16M (max)	\$312M	Largely Vacant Land: Horizontal/vertical Apartments, Town Homes, Senior Housing, Retail, Winery	758

868 residential homes; 50,000 SF of commercial space and 8,000 SF of light industrial space when fully built-out.



TIF PROJECTS: City of College Place

Public Improvements	TIF Improvement Supported	Private Development Value	Private Development Type	Gross Acres
Streets, Signalization, & Downtown Parking Lots	\$8.2M	\$414M	Largely Vacant Land: Apartments, Town Homes, Single family, Retail, Hospitality	259

829 residential homes and 290,000 SF of commercial space; 200-room hotel when fully built-out.



TIF PROJECTS: City of Blaine

Public Improvements	TIF Improvement Supported	Private Development Value	Private Development Type	Gross Acres
Streets, Electrical, Sewer, Water	\$3.5M (max)	\$628M	Vacant Land: Single Family, Apartments, and Some Retail	833

1,442 residential homes and 50,000 SF of commercial space when fully built-out.



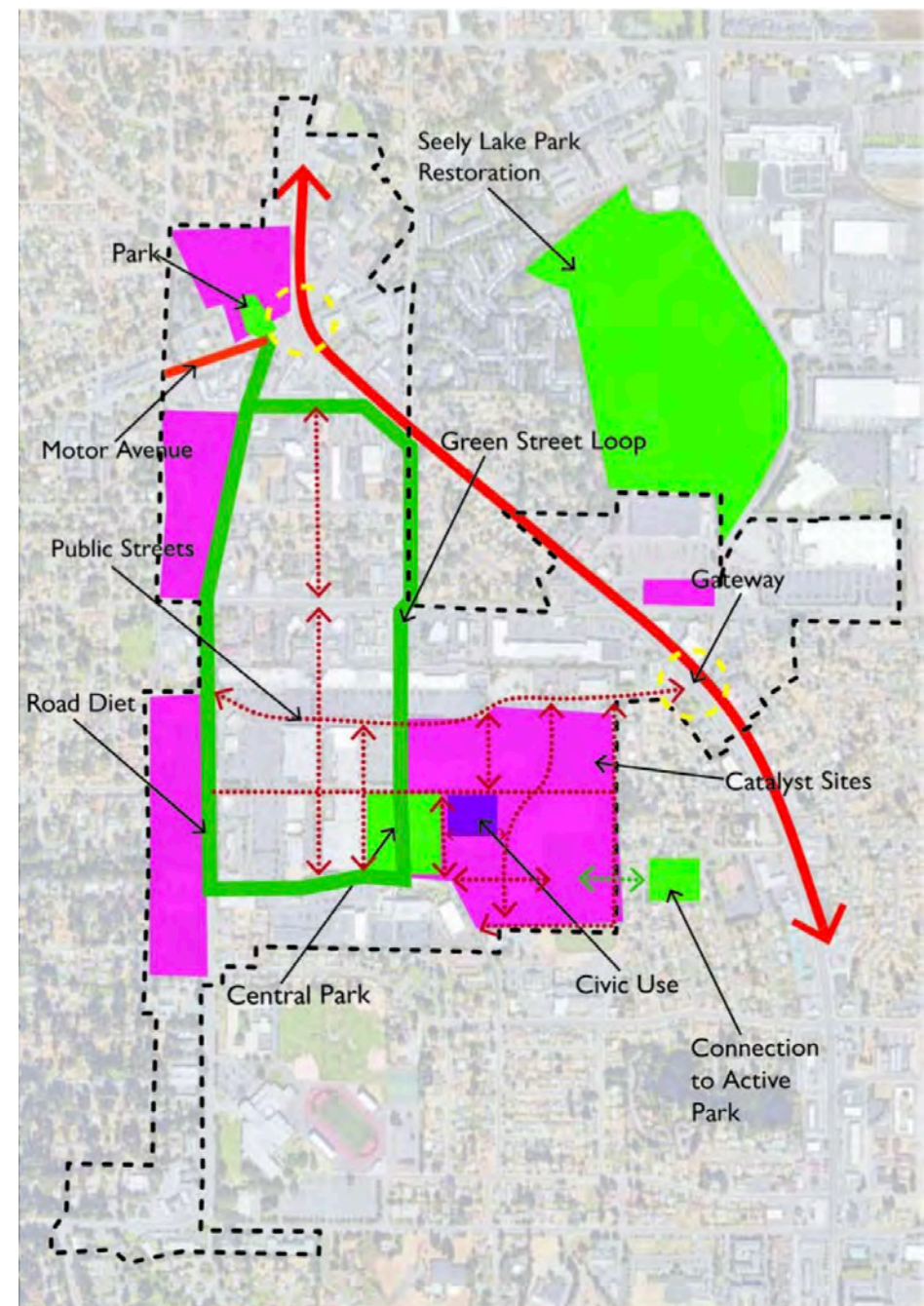


CITY OF LAKEWOOD

TIF | Lakewood City Council
October 23, 2023



In Association with:



AGENDA

1. TIF Model
2. TIA Options & Recommended TIA
3. Public Improvements
4. TIF Levy Rates
5. Private Development
6. Development Program
7. TIF Revenue
8. Next Steps

TAX INCREMENT FINANCING

Washington State Legislature Passed Bill 1189 authorizing TIF in 2021. Now Codified as Chapter 39.114 RCW

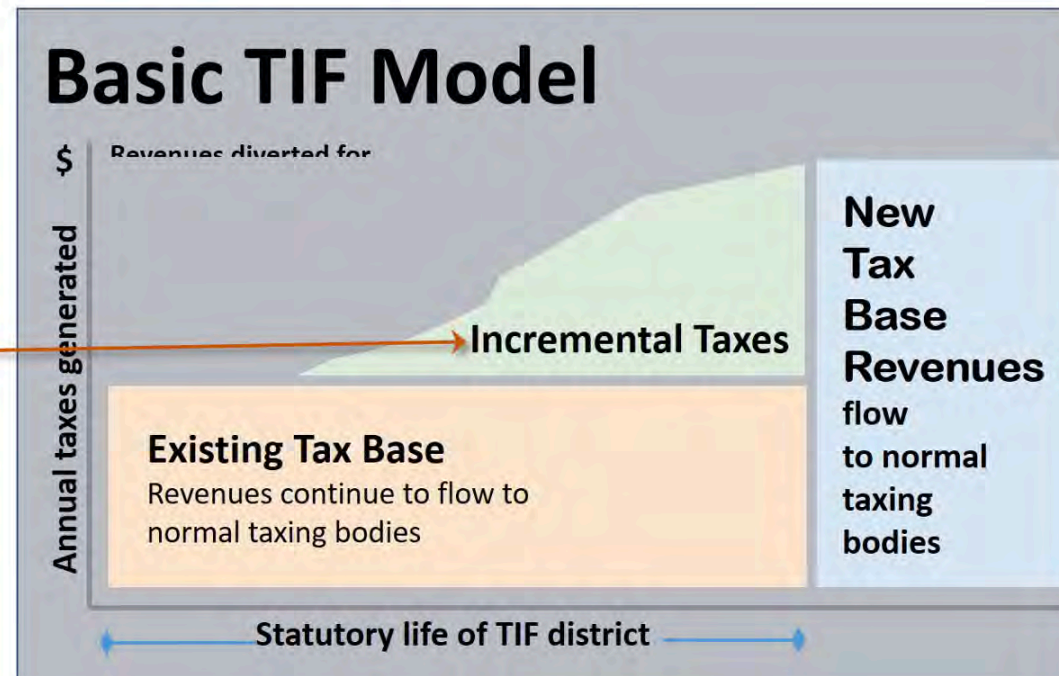
Model

Generally, TIF captures property taxes generated from the increased assessed valuation on the site that results from private development following infrastructure investment.

Washington State TIF law excludes State property tax and voter approved school levies.

Revenues from **REGULAR** property taxes assessed against the **Increment Value** only, are captured:

- ✓ To pay “**public improvement costs**”
- ✓ To **repay bonds** issued for “public improvements”



TIF APPROACH

Step 1: TIF Strategy

Goals:

- Identify and assess potential targeted TIF infrastructure improvements in collaboration with the City.
- Evaluate several potential TIA's leading to preliminary TIA
- Prepare preliminary But-For-Requirement Analysis
- Project preliminary TIF revenues available to support the City's identified targeted public improvements.

Step 2: TIF Implementation & Report

Goals:

- Prepare and submit the Project Analysis Report to the Office of the State Treasurer including a comparison of scenarios with the proposed public improvements and without the proposed public improvements: The But-For-Requirement.
- Recommend potential refinements to the TIA as needed.
- Refine TIF Revenues.
- Prepare potential financing plan based on selected targeted improvements.
- Create and manage the Public Briefings, including reaching out to impacted taxing districts.
- Create the TIA Ordinance for Council Consideration.

TIF OVERVIEW

SUMMARY

- Available to cities, counties, and ports.
- Powerful economic development tool.
- Designed for specific project/site – Not build infrastructure and hope/wait for development.
- Projects will not occur “but for” the public investment in infrastructure – “But-For” Requirement
- Results in creation of new assessed value, public benefits, construction of desired development and short/long-term jobs.
- Taxes from the development fund the public infrastructure needed by the development; no impact on individual property owners.

TIF OVERVIEW

INFRASTRUCTURE

Eligible Infrastructure improvements owned by a local government within or outside of and serving the increment area that include:

- Street and Road Construction;
- Water and Sewer System Construction And Improvements;
- Sidewalks and Other Non-motorized Transportation Improvements and Streetlights;
- Parking, Terminal, and Dock Facilities;
- Park and Ride Facilities or Other Transit Facilities;
- Park and Community Facilities and Recreational Areas;
- Stormwater and Drainage Management Systems;
- Electric, Broadband, or Rail Service;
- Mitigation of Brownfields; **Or**

Eligible expenditures for any of the following purposes:

- Purchasing, Rehabilitating, Retrofitting for Energy Efficiency, and Constructing Housing for the Purpose of Creating or Preserving Long-term Affordable Housing;
- Purchasing, Rehabilitating, Retrofitting for Energy Efficiency, and Constructing Child Care Facilities Serving Children and Youth that are Low-income, Homeless, or in Foster Care;
- Providing Maintenance and Security for the Public Improvements;
- Historic Preservation Activities Authorized Under RCW 35.21.395.

TIF OVERVIEW

KEY ELEMENTS

City, county, or port adopts an ordinance (effective June 1 of each year) designating increment area, and identifying the public improvements to be financed, and whether bonds will be issued. Limitations:

- No more than two active increment areas per sponsoring jurisdiction and they may not overlap.
- Increment areas may not total more than \$200 million in assessed valuation, or more than 20% of the total assessed valuation of the sponsoring jurisdiction, whichever is less.
- Cannot add additional public improvements or change the boundary of the increment area once adopted.
- Must include a deadline by when construction of public improvements will begin.
- Applies to local property taxes only.
- The local government may only receive TIF revenues for the period of time necessary to pay the costs of the public improvements.
- Additional revenues not needed to repay bonds or pay other costs of the public improvements are then allocated back to the taxing districts in proportion to their regular tax levy rates.
- If the local government finances the public improvements, the increment area must be retired no more than 25 years after the adoption of the ordinance designating the increment area.

TIF OVERVIEW

KEY ELEMENTS

Project Analysis to be submitted to State Treasurer's Office

- Boundaries and duration of the increment area.
- A description of the expected private development within the increment area, including a comparison of scenarios with and without proposed public improvements.
- A description of the public improvements, estimated public improvement costs, and the estimated amount of bonds or other obligations expected to be issued.
- Assessed value of real property within the increment area and an estimate of the increment value and tax allocation revenues expected.
- Estimate of the job creation reasonably expected to result from the public improvements and the private development.
- An assessment of any impacts and necessary mitigation to address impacts on affordable and low-income housing, local business community, local school districts, local fire service
 - If 20% of the assessed valuation of fire district is within the increment level or there is an increase in level of service to the increment area, must negotiate a mitigation plan.

TIF OVERVIEW

KEY ELEMENTS

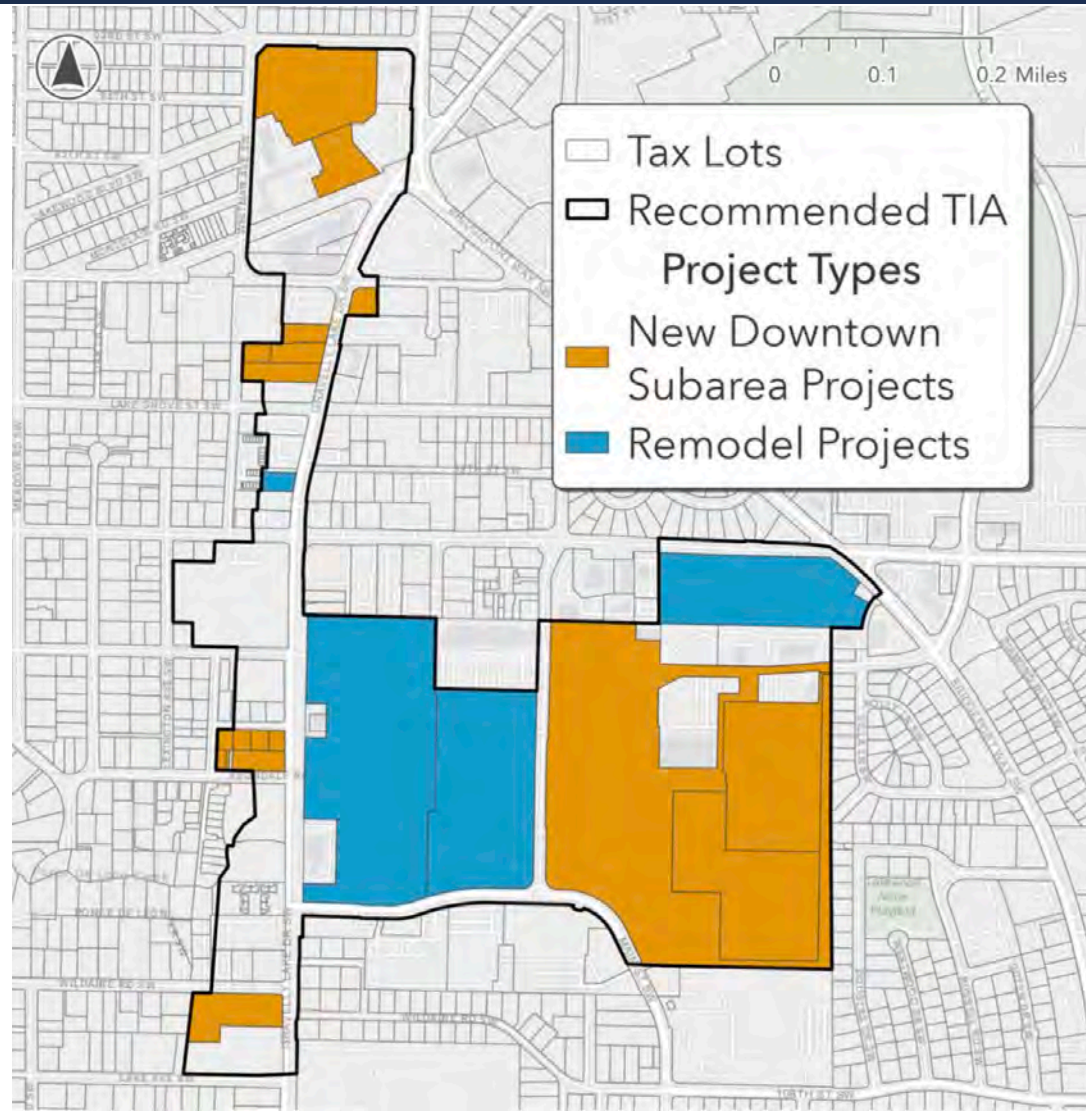
Required Outreach

- Hold two public briefings exclusively on the project.
- Submit a project analysis to the State Treasurer for review.
- Publish notice in public newspaper.
- Notice to county treasurer, county assessor, and governing body of each taxing district where the increment area is located.

TIF STEP 1 STRATEGY

- Identify potential TIA.
- Assess private development scope and timing
- Project TIF revenues based on expected private development
- Nexus between needed public improvements and private development – focus on public improvements that are outside of private developments ability to fund.
- Recommended TIA

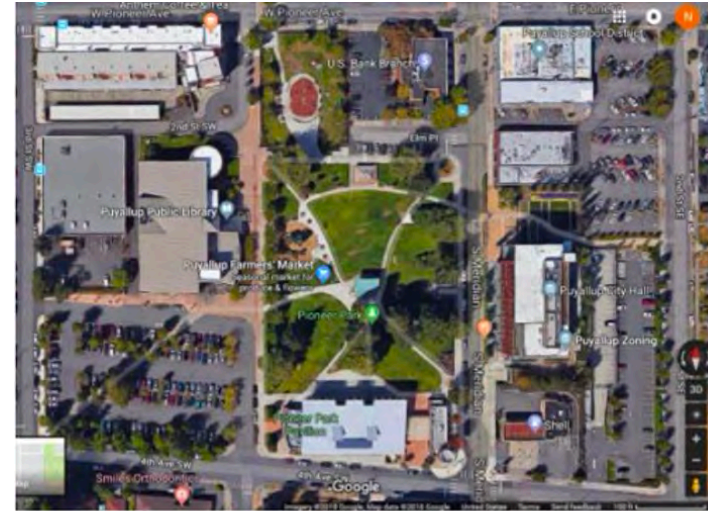
TAX INCREMENT AREA



LEVY RATES

Levy Code Area 0300	2023 Taxes Rates	Exempt: State Property Tax	Exempt: Excess and Other Levies	Available for TIF allocation
Total	\$10.04184	\$2.3122	\$3.8968	\$3.8328
State				
Part 1	\$2.31224	\$2.3122		\$0.0000
Part 2		\$0.0000		\$0.0000
County				
Regular_Current Expense	\$0.75395			\$0.7539
Port				
General Fund	\$0.13295			\$0.1330
Flood Control				
Regular Levy	\$0.10043			\$0.1004
Sound Transit				
Regular Levy	\$0.15576			\$0.1558
City of Lakewood				
Regular Levy	\$0.71014			\$0.7101
EMS				
Regular Levy	\$0.41147			\$0.4115
School #400				
Enrichment	\$2.18314		\$2.1831	\$0.0000
Bond	\$0.94997		\$0.9500	\$0.0000
Fire District #21				
Regular Levy	\$1.23471			\$1.2347
Bond Fund	\$0.76374		\$0.7637	\$0.0000
Library District				
Regular Levy	\$0.33334			\$0.3333

PUBLIC IMPROVEMENTS – Inspirational Images



Downtown Puyallup – Pioneer Park – 2 acres



Downtown Burien – 1 acre



Downtown Redmond – 2 Acres, Under Construction



PUBLIC IMPROVEMENTS - PARKS

Acquisition: \$2 million

(an additional \$2 million will be dedicated through the City Opportunity fund)

Park Amenities \$13 million

Total (TIF) \$15 million

Actual park locations not yet determined



PRIVATE DEVELOPMENT

Three development program scenarios have been generated for purposes of the Phase 1 TIF analysis):

Aggressive: Represents the most aggressive development that is likely to occur in the TIA and represents nearly \$508 million of private market value among nine different development sites plus all the tenant improvements within the TIA.

Moderate: Includes three of the development sites plus 75% of the tenant improvements from the Aggressive Scenario representing nearly \$224 million of private development market value.

Conservative: The most conservative scenario and includes only two development sites and 50% the tenant improvements from the Aggressive Scenario representing \$176 million of private development market value.

PRIVATE DEVELOPMENT

AGGRESSIVE						
Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value
KITE Residential *	Multi-family	420	\$ 300,000	2024	2	\$ 126,000,000
Durr/Brooks	Multi-family	150	\$ 300,000	2028	2	\$ 45,000,000
Petersen	Multi-family	162	\$ 300,000	2025	2	\$ 48,600,000
Former QFC	Multi-family	400	\$ 300,000	2027	2	\$ 120,000,000
Former QFC	Retail	70,000	\$ 325	2027	2	\$ 22,750,000
KITE Lakewood Towne Center	Retail	100,000	\$ 325	2028	2	\$ 32,500,000
Target Expansion	Retail	40000	\$ 325	2028	2	\$ 13,000,000
Former Library Site	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000
Senior Housing	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000
Tenant Improvements	Retail	100,000	\$ 100	2025	10	\$ 10,000,000
TOTAL						507,850,000
<i>* MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED</i>						

PRIVATE DEVELOPMENT

MODERATE

Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value
KITE Residential *	Multi-family	420	\$ 300,000	2024	2	\$ 126,000,000
Durr/Brooks	Multi-family	150	\$ 300,000	2028	2	\$ 45,000,000
Petersen	Multi-family	162	\$ 300,000	2025	2	\$ 48,600,000
Former QFC	Multi-family	400	\$ 300,000	2027	2	\$ 120,000,000
Former QFC	Retail	70,000	\$ 325	2027	2	\$ 22,750,000
KITE Lakewood Towne Center	Retail	100,000	\$ 325	2028	2	\$ 32,500,000
Target Expansion	Retail	40000	\$ 325	2028	2	\$ 13,000,000
Former Library Site	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000
Senior Housing	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000
Tenant Improvements **	Retail	75,000	\$ 100	2025	10	\$ 7,500,000
TOTAL						223,500,000

* MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED

** 3/4 OF TENANT IMPROVEMENTS OF AGGRESSIVE

PRIVATE DEVELOPMENT

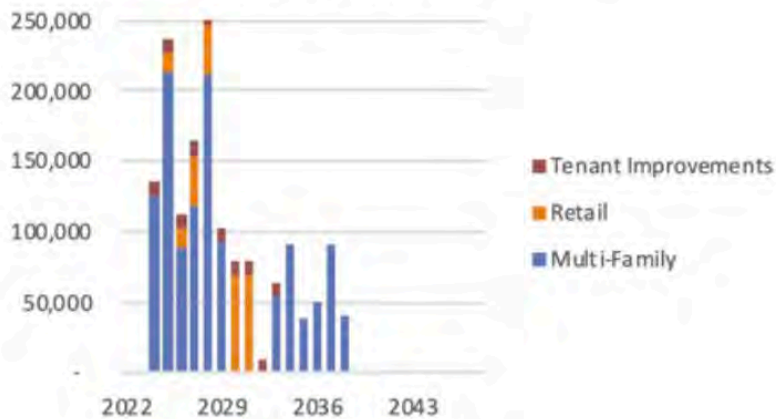
CONSERVATIVE						
Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value
KITE Residential *	Multi-family	420	\$ 300,000	2024	2	\$ 126,000,000
Durr/Brooks	Multi-family	150	\$ 300,000	2028	2	\$ 45,000,000
Petersen	Multi-family	162	\$ 300,000	2025	2	\$ 48,600,000
Former QFC	Multi-family	400	\$ 300,000	2027	2	\$ 120,000,000
Former QFC	Retail	70,000	\$ 325	2027	2	\$ 22,750,000
KITE Lakewood Towne Center	Retail	100,000	\$ 325	2028	2	\$ 32,500,000
Target Expansion	Retail	40000	\$ 325	2028	2	\$ 13,000,000
Former Library Site	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000
Senior Housing	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000
Tenant Improvements ***	Retail	50,000	\$ 100	2025	10	\$ 5,000,000
TOTAL						\$ 176,000,000

* MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED

*** 1/2 OF TENANT IMPROVEMENTS OF AGGRESSIVE

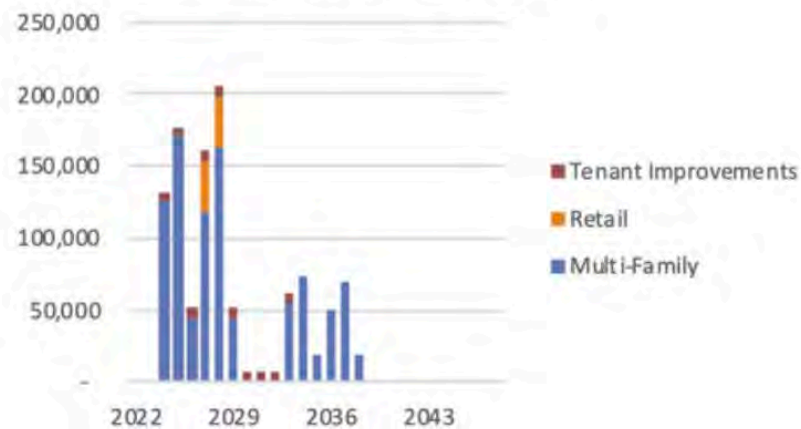
DEVELOPMENT PROGRAM

Aggressive Development Program



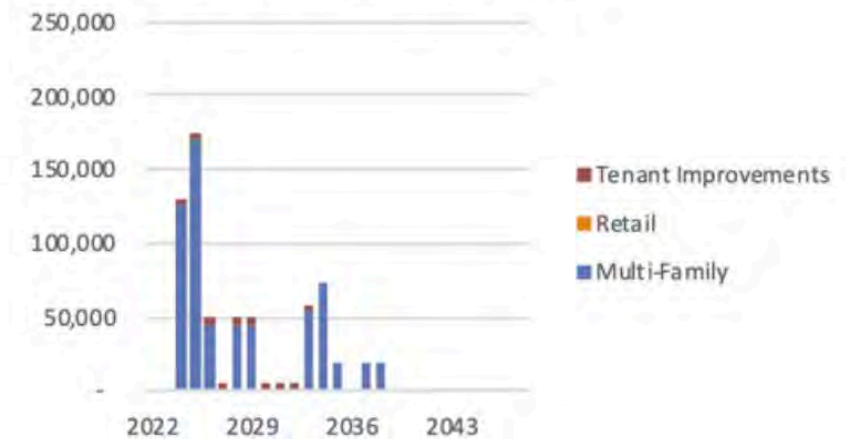
Multi-family 1,432 housing units
 Retail/Food & Beverage 235,000 square feet
 Tenant Improvements 100,000 square feet

Moderate Development Program



Multi-family 1,120 housing units
 Retail/Food & Beverage 70,000 square feet
 Tenant Improvements 75,000 square feet

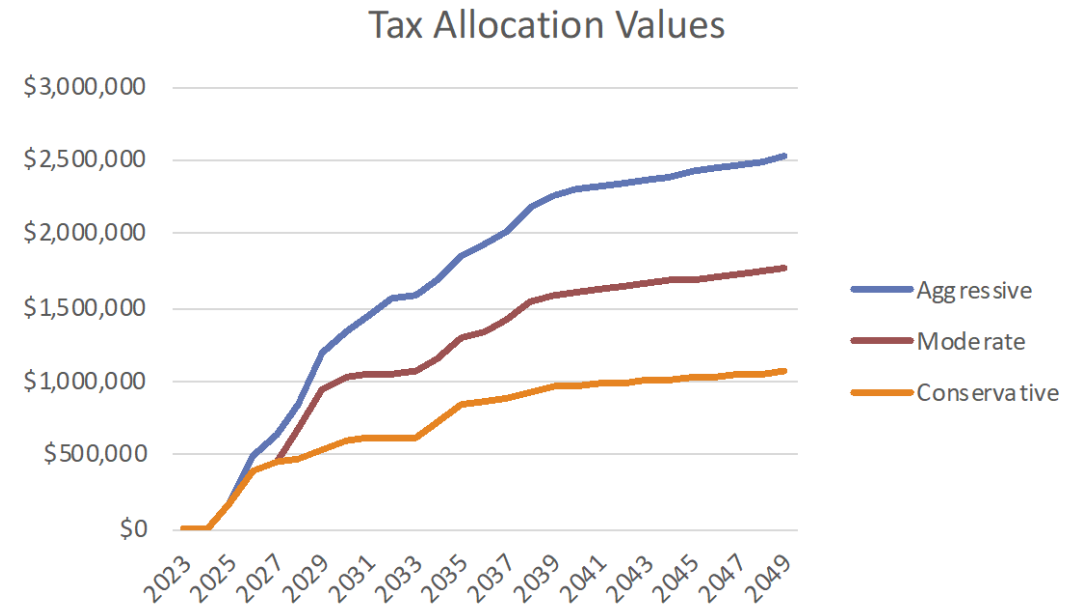
Conservative Development Program



Multi-family 720 housing units
 Retail/Food & Beverage 0 square feet
 Tenant Improvements 50,000 square feet

TIF REVENUE ALLOCATION SUMMARY

5.00% Discount Rate			
	Aggressive	Moderate	Conservative
Lakewood	\$4,130,000	\$2,990,000	\$1,880,000
Pierce County	\$4,460,000	\$3,220,000	\$2,030,000
Port of Tacoma	\$770,000	\$560,000	\$350,000
Sound Transit	\$910,000	\$660,000	\$410,000
EMS	\$2,400,000	\$1,730,000	\$1,090,000
Fire District	\$7,190,000	\$5,200,000	\$3,270,000
Library	\$1,940,000	\$1,400,000	\$880,000
Flood Control	\$580,000	\$420,000	\$260,000
Total	\$22,380,000	\$16,180,000	\$10,170,000



TIF REVENUE ALLOCATION SUMMARY

– Split Debt Service

Year	Aggressive					Moderate					Conservative				
	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2024	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
2025	\$174,000	\$0	\$174,000	\$174,000		\$165,000	\$0	\$165,000	\$165,000		\$165,000	\$0	\$165,000	\$165,000	
2026	\$488,000	\$160,485	\$327,515	\$501,515	3.04	\$395,000	\$160,485	\$234,515	\$399,515	2.46	\$394,000	\$160,485	\$233,515	\$398,515	2.46
2027	\$631,000	\$160,485	\$470,515	\$972,030	3.93	\$461,000	\$160,485	\$300,515	\$700,030	2.87	\$459,000	\$160,485	\$298,515	\$697,030	2.86
2028	\$846,000	\$160,485	\$685,515	\$1,657,544	5.27	\$673,000	\$160,485	\$512,515	\$1,212,544	4.19	\$466,000	\$160,485	\$305,515	\$1,002,544	2.90
2029	\$1,193,000	\$1,203,639	-\$10,639	\$1,646,906	0.99	\$951,000	\$1,203,639	-\$252,639	\$959,906	0.79	\$534,000	\$1,203,639	-\$669,639	\$332,906	0.44
2030	\$1,338,000	\$1,203,639	\$134,361	\$1,781,267	1.11	\$1,026,000	\$1,203,639	-\$177,639	\$782,267	0.85	\$603,000	\$1,203,639	-\$600,639	-\$267,733	0.50
2031	\$1,447,000	\$1,203,639	\$243,361	\$2,024,628	1.20	\$1,040,000	\$1,203,639	-\$163,639	\$618,628	0.86	\$612,000	\$1,203,639	-\$591,639	-\$859,372	0.51
2032	\$1,558,000	\$1,203,639	\$354,361	\$2,378,989	1.29	\$1,054,000	\$1,203,639	-\$149,639	\$468,989	0.88	\$620,000	\$1,203,639	-\$583,639	-\$1,443,011	0.52
2033	\$1,579,000	\$1,203,639	\$375,361	\$2,754,350	1.31	\$1,068,000	\$1,203,639	-\$135,639	\$333,350	0.89	\$629,000	\$1,203,639	-\$574,639	-\$2,017,650	0.52
2034	\$1,684,000	\$1,203,639	\$480,361	\$3,234,712	1.40	\$1,162,000	\$1,203,639	-\$41,639	\$291,712	0.97	\$717,000	\$1,203,639	-\$486,639	-\$2,504,288	0.60
2035	\$1,848,000	\$1,203,639	\$644,361	\$3,879,073	1.54	\$1,287,000	\$1,203,639	\$83,361	\$375,073	1.07	\$836,000	\$1,203,639	-\$367,639	-\$2,871,927	0.69
2036	\$1,925,000	\$1,203,639	\$721,361	\$4,600,434	1.60	\$1,329,000	\$1,203,639	\$125,361	\$500,434	1.10	\$874,000	\$1,203,639	-\$329,639	-\$3,201,566	0.73
2037	\$2,024,000	\$1,203,639	\$820,361	\$5,420,795	1.68	\$1,421,000	\$1,203,639	\$217,361	\$717,795	1.18	\$883,000	\$1,203,639	-\$320,639	-\$3,522,205	0.73
2038	\$2,186,000	\$1,203,639	\$982,361	\$6,403,156	1.82	\$1,545,000	\$1,203,639	\$341,361	\$1,059,156	1.28	\$922,000	\$1,203,639	-\$281,639	-\$3,803,844	0.77
2039	\$2,271,000	\$1,203,639	\$1,067,361	\$7,470,518	1.89	\$1,591,000	\$1,203,639	\$387,361	\$1,446,518	1.32	\$962,000	\$1,203,639	-\$241,639	-\$4,045,482	0.80
2040	\$2,295,000	\$1,203,639	\$1,091,361	\$8,561,879	1.91	\$1,608,000	\$1,203,639	\$404,361	\$1,850,879	1.34	\$972,000	\$1,203,639	-\$231,639	-\$4,277,121	0.81
2041	\$2,319,000	\$1,203,639	\$1,115,361	\$9,677,240	1.93	\$1,625,000	\$1,203,639	\$421,361	\$2,272,240	1.35	\$982,000	\$1,203,639	-\$221,639	-\$4,498,760	0.82
2042	\$2,343,000	\$1,203,639	\$1,139,361	\$10,816,601	1.95	\$1,642,000	\$1,203,639	\$438,361	\$2,710,601	1.36	\$992,000	\$1,203,639	-\$211,639	-\$4,710,399	0.82
2043	\$2,368,000	\$1,203,639	\$1,164,361	\$11,980,962	1.97	\$1,659,000	\$1,203,639	\$455,361	\$3,165,962	1.38	\$1,003,000	\$1,203,639	-\$200,639	-\$4,911,038	0.83
2044	\$2,393,000	\$1,203,639	\$1,189,361	\$13,170,324	1.99	\$1,677,000	\$1,203,639	\$473,361	\$3,639,324	1.39	\$1,013,000	\$1,203,639	-\$190,639	-\$5,101,676	0.84
2045	\$2,418,000	\$1,203,639	\$1,214,361	\$14,384,685	2.01	\$1,694,000	\$1,203,639	\$490,361	\$4,129,685	1.41	\$1,024,000	\$1,203,639	-\$179,639	-\$5,281,315	0.85
2046	\$2,443,000	\$1,043,154	\$1,399,846	\$15,784,531		\$1,712,000	\$1,043,154	\$668,846	\$4,798,531		\$1,035,000	\$1,043,154	-\$8,154	-\$5,289,469	
2047	\$2,469,000	\$1,043,154	\$1,425,846	\$17,210,377		\$1,730,000	\$1,043,154	\$686,846	\$5,485,377		\$1,046,000	\$1,043,154	\$2,846	-\$5,286,623	
2048	\$2,495,000	\$1,043,154	\$1,451,846	\$18,662,224		\$1,748,000	\$1,043,154	\$704,846	\$6,190,224		\$1,057,000	\$1,043,154	\$13,846	-\$5,272,776	
2049	\$2,521,000	\$0	\$2,521,000	\$21,183,224		\$1,766,000	\$0	\$1,766,000	\$7,956,224		\$1,068,000	\$0	\$1,068,000	-\$4,204,776	

Years of shortfall:

1

6

18

NEXT STEPS

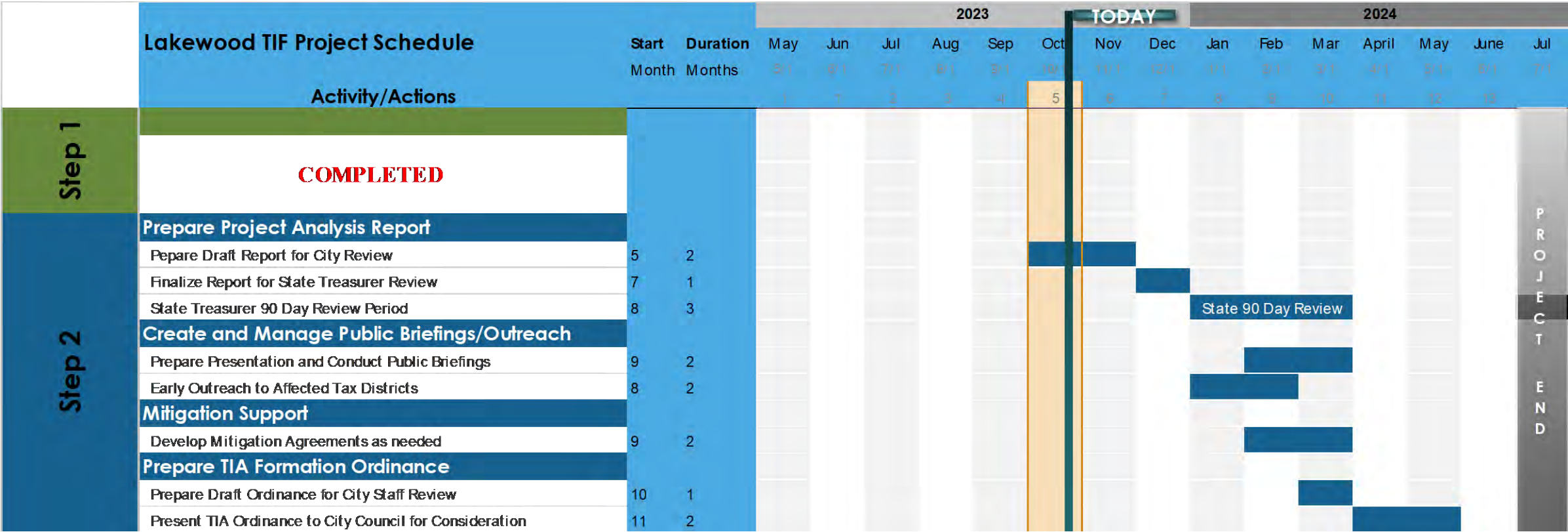
1. Council Discussion - tonight
2. Council adoption of Resolution authorizing Project Analysis Report (Step 2) to be completed and submitted to Office of the State Treasurer (OST) for review and comment – October



Step 2 Elements

- Timing of Debt Issuance
- Debt Service Payments and Coverage
- Development and TIF Revenue Sensitivity Testing (e.g., scope and timing of development)
- But-For-Requirement Analysis
- Identify Other Incremental Taxes
- Tax Base Productivity Assumptions
- Jobs Analysis
- Construction Employment
- On-Going Employment
- Impact Assessment and Mitigation
 - Affordable Housing
 - Local Business Community
 - Local School Districts
 - Local Fire Service
- Financing Plan/Duration of TIA
- Debt Capacity
- Early Outreach to Impacted Taxing Districts
- Risk Assessment and Mitigation Plan (e.g., other revenues from development, multiple/split debt issuance to coincide with development progress/needs)
- Findings |Bottom Line

NEXT STEPS



PROJECT END