LAKEWOOD CITY COUNCIL
STUDY SESSION AGENDA

Monday, April 8, 2024
7:00 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

CALL TO ORDER

ITEMS FOR DISCUSSION:

(3) 1. State Legislative Session Update. – *Shelly Helder, Gordon Thomas Honeywell Governmental Affairs*

(35) 2. Tax Increment Financing Strategy Review. – (Memorandum)

(130) 3. Edgewater Park Master Plan Update. – (Memorandum)

ITEMS TENTATIVELY SCHEDULED FOR APRIL 15, 2024 REGULAR CITY COUNCIL MEETING:

1. Approving the Edgewater Parka Master Plan. – (Motion – Consent Agenda)

2. Authorizing the purchase of materials and supplies in support of the Tenzler Log relocation. – (Motion – Consent Agenda)

3. Authorizing the City Manager to seek grant funding assistance managed through the Washington State Recreation and Conservation Office. – (Resolution – Consent 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.

4. This is the date set for a public hearing on the FY 2024 Community Development Block Grant (CDBG) Annual Action Plan. – (Public Hearings and Appeals)

5. This is the date set for a public hearing on the proposed Resolution of the City Council acknowledging application of the nonuser statute and relinquishing any interest, except for utility easements, the city may have in unopened right-of-way as described herein and requested by abutting property owner Grange Properties, LLC represented by Claude Remy. – (Public Hearings and Appeals – Regular Agenda)

6. Resolution acknowledging the operation of the nonuser statute and relinquishing any interest, except for possible utility easements, the city may have in unopened right-of way as described herein and requested by abutting property owner Grange Properties, LLC represented by Claude Remy. – (Resolution – Regular Agenda)

7. Designating the Lakewood Downtown Tax Increment Area; setting a sunset date for the increment area; identifying the public improvements to be financed; indicating the city's intent to issue bonds to finance public improvement costs in a maximum principal amount not to exceed $15,000,000; providing that the increment area will take effect on June 1, 2024; imposing a deadline for commencement of construction; and providing for related matters. – (Ordinance– Regular Agenda)

8. Amending Lakewood Municipal Code Title 3, Revenue and Finance, Property Tax Exemptions Chapter 3.64.030 Residential Target Area Designation and Standards Expanding the Central Business District Residential Target Area. – (Ordinance– 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.

GORDON THOMAS HONEYWELL
GOVERNMENT RELATIONS

City of Lakewood
End-of-Session Report
March 29, 2024

Overview of 2024 Legislative Session

The Washington State Legislature convened the 2024 Legislative Session for 60 days, starting January 8th and concluding March 7th. Democrats held strong majorities in both the House of Representatives, 58 to 40, and the State Senate, 29 to 20. Leading up to beginning of the Session, Democrats in the House of Representatives and Senate outlined their priorities for the 2024 session – investing in behavioral health, responding to climate change, increasing gun control, continuing housing efforts from 2023, and improving special education. As the Session progressed, the realities of session lasting a mere 60 days and being immediately followed by a challenging November 2024 election cycle quelled ambitions.

Democrats have had control over the Governor's Office and both chambers of the Legislature for several years and have adopted many policies that Republicans have objected to. In response, in 2023, conservative Republicans mobilized to collect the necessary signatures to file a historic number of initiatives to the Legislature - six. Each of the six initiatives push back on policies advanced by the Democrats in recent years including repealing the Climate Commitment Act, repealing the Capital Gains Tax, allowing taxpayers to opt-in to the payroll tax that funds the Long Term Care Act, increasing parental rights and access to K-12 curriculum and student records, prohibiting the state or local governments from enacting an income tax, and allowing police officers to engage in vehicular pursuits on more occasions. For each initiative, the Legislature could choose whether to 1) adopt the initiative; 2) adopt an alternative to appear on the November ballot alongside the initiative; or 3) take no action and allow the initiative to advance to the November ballot for voter consideration. Initiatives adopted by the Legislature can be amended by future legislatures with a simple majority vote. Initiatives approved by voters at the ballot can only be amended with a 2/3 vote of the Legislature for two years after approval.

The Legislature chose to adopt three of the initiatives as part of an overarching strategy to increase the odds that voters will reject the remaining three initiatives. The Legislature adopted the following three initiatives:

- I-2111 (prohibiting income tax)
- I-2081 (parental rights)
- I-2113 (vehicular pursuits)

The Legislature did not take action on the following three initiatives, and they will appear on the November ballot:

- I-2117 (repealing the Climate Commitment Act)
- I-2109 (repealing the capital gains tax)

- I-2124 (opt out of Washington's long-term care retirement program)

As the second year of the two-year legislative biennium, 1,105 bills introduced during the 2023 session that were not passed into law were carried over for consideration during the 2024 session. In addition to those bills that carried over, an additional 1,560 bills were introduced. Of these, the Legislature passed 376 bills into law. A session can sometimes be defined by what did not pass; this year, several significant policies did not get across the finish line including capping rent rates, lowering the blood-alcohol-content for drunk driving, increasing the real estate excise tax to fund housing, increasing the 1% cap on property tax levies to 3%, and more.

In addition to considering the Initiatives to the legislature and proposed legislation, the Legislature adopted supplemental budgets, making changes to the 2023-25 biennial budgets adopted during the 2023 legislative session. See the budget summary section for more information on the adopted budgets.

One of the major challenges facing the Legislature was the Climate Commitment Act, or Washington State cap-and-trade system for carbon emissions. The Legislature approved the Act in 2022, and the first auctions under the program started in 2023 generating significantly more revenue than was forecasted. This excess in revenue was countered with Initiative-2117, proposing to repeal the Act. Legislators balanced this by allocating Climate Commitment Act funds to several projects and programs but making those appropriations contingent on voters rejecting Initiative-2117.

Following the conclusion of the 2024 legislative session, legislators will transition to focusing on the November 2024 elections. All members of the House of Representatives and roughly half the members of the State Senate will face re-election. The end of the 2024 session brought about several announcements of legislators that do not plan to seek re-election:

- Senator Sam Hunt (D-Olympia) has served in the Legislature since 2000; Rep. Jessica Bateman has announced that she will run for the Senate seat, creating an open House seat.
- Senator Andy Billig (D-Spokane) has served in the Legislature since 2010; Rep. Marcus Riccelli has announced that he will run for the Senate seat, creating an open House seat.
- Senator Karen Keiser (D-SeaTac) has served in the Legislature since 1995.
- Senator Lynda Wilson (R-Vancouver) has served in the Legislature since 2015; Rep. Paul Harris has announced that he will run for the Senate seat, creating an open House seat.
- Representative JT Wilcox (R-Yelm) has served in the Legislature since 2011.
- Representative Joel Kretz (R-Wauconda) has served in the Legislature since 2005.
- Representative Spencer Hutchins (R-Gig Harbor) has served in the Legislature since 2023.
- Representative and former Speaker of the House Frank Chopp (D-Seattle) has served in the Legislature since 1994.

There are also several legislators who have announced they plan to run for higher office, and as a result will not be seeking re-election to their positions:

- Senator Mark Mullet (D-Issaquah) is running for Governor. Rep. Bill Ramos plans to run for the position, leaving an open House seat.
- Senator Kevin Van De Wege (D-Sequim) is running for Commissioner for Public Lands. Rep. Mike Chapman (D-Port Angeles) plans to run for the position, leaving an open House seat.
- Representative Jacquelin Maycumber (R-Republic) is running for the 5th Congressional Seat.
- Representative Kelly Chambers (R-Puyallup) is running for Pierce County Executive.

Still yet, there are legislators who are running for a statewide position but if they are unsuccessful in winning those races will be able to return to the Senate to continue out the remainder of their term (two more years). If they are successful, an appointment process will occur after the November 2024 elections to fill their seats prior to the January 2025 Legislative Session.

- Senator Manka Dhingra (D-Redmond) is running for Attorney General.
- Senator Patty Kuderer (D-Bellevue) is running for the Office of Insurance Commissioner.
- Senator Emily Randall (D-Bremerton) is running for the 6th Congressional Seat.
- Senator Drew MacEwen (R-Shelton) is running for the 6th Congressional Seat.
- Senator Rebecca Saldana (D-Seattle) is running for Commissioner for Public Lands.

Look toward filing week, May 6-10 for more news about who is choosing to file for state legislative offices. Filing week will be followed by the August 6th primary election, and the November 5th general election.

Between legislative retirements and re-election efforts, the Legislature will see yet another re-arranging of the deck chairs prior to the 2025 session. Following the November 5th general election, the Legislature will make new chair and committee assignments for the 2025-27 biennium.

Budget Highlights

Summary of 2024 Supplemental Budgets
The Legislature adopted 2024 supplemental budgets, which make mid-biennial budget adjustments to the 2023-35 budgets that were adopted in April 2023.

Operating Budget: The 2024 Supplemental Operating Budget (click here, labeled "As Passed Legislature") spends $1.1 billion to maintain existing programs, and an additional $1 billion to fund new policy expenditures. The existing programs with the largest increase in cost include Medicaid medical assistance, the Food Assistance Program, K-12 enrollment, and compliance with the *Trueblood* case judgment. The largest new policy expenditures occurred in education and behavioral health.

Capital Budget: The 2024 Supplemental Capital Budget (click here, labeled "As Passed Legislature") allocates $1.3 billion in total funds, with $130.6 million from debt limit bonds and $1.2 billion from other resources including $688.4 million in Climate Commitment Act accounts and $307.5 million from the Common School Construction Fund. Several of the appropriations are contingent on voters rejecting I-2117. The budget also does not appropriate revenue generated from the capital gains tax beyond November 2024.

Transportation Budget: The 2024 Supplemental Transportation Budget (click here, labeled "As Passed Legislature") spends a total of $14.6 billion, including $340 million from Climate Commitment Accounts, which are contingent on voters rejecting I-2117. Funds were predominantly spent on projects already scheduled to receive funding during the 2023-25 biennium. This spending reflects a 0.8 percent decrease in traditional transportation revenues from what was originally forecasted for 2023-25.

Specific subject area appropriations are included in the Policy Manual section below.

Legislative Agenda Items

Effective Dates
Unless otherwise noted, bills approved by the Legislature are effective 90 days from the adjournment of the legislative session. For 2024, that would make most bills effective June 6, 2024.

Public Safety

The Legislature continues to grapple with how best to balance police accountability with public safety. Within the Democrat caucus, some legislators want to advance more police accountability and reform measures while others would prefer to modify previously enacted reforms and invest in hiring more law enforcement personnel. This divide was pronounced during the 2023 session but became more entrenched during the 2024 session with the emergence of a bi-partisan, bi-cameral public safety caucus led by moderate Democrats. With the tension between these factions, only modest public safety proposals passed into law this session.

Tools to Address Auto Theft and Property Crime
The City requested the Legislature provide tools to address auto theft and property crime, including increased state funding to grant programs to support regional enforcement and prosecution efforts. Below is a summary of the Legislature's actions in this category:

> *Basic Law Enforcement Academy:* Every law enforcement agency in the state must send their new recruits to the Basic Law Enforcement Academy (BLEA) that is administered by the Criminal Justice Training Commission (CJTC). In recent years, cities and counties have been required to pay 25% of the cost for training each officer they send. This session, Senator Mark Mullet (D-Issaquah), introduced Senate Bill 6242 which would have permanently eliminated the 25% cost share. Although the bill did not advance, the change was made in the final operating budget as a result of a request from Representative Mari Leavitt. This change will take effect in the new state fiscal year beginning July 1, 2024.
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> During the 2023 session, the Legislature established regional academies to augment the Burien Criminal Justice Training Commission. In 2024, the Legislature provided further direction to expedite the siting and development of facilities by changing the location of a regional facility from Skagit County to Snohomish County.
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> *Prosecutor Training:* The Supplemental budget includes $280,000 for the Washington Association of Prosecuting Attorneys to expand prosecutor training and to meet the increased cost of current training.
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> *Law Enforcement Recruitment & Retention:* Law enforcement advocates, including the Washington Association of Sheriffs and Police Chiefs, advocated for increased funding to hire law enforcement officers. House Bill 2231 proposed providing cities and counties with a credit against the state sales tax to fund officers, while House Bill 2211/Senate Bill 6076 would have authorized cities and counties to councilmanically increase the sales tax to fund public safety. While introduced, none of these proposals advanced significantly through the legislative process.
>
> *Flexibility for Hiring Law Enforcement Officers*: Senate Bill 6157, sponsored by Senator John Lovick (D-44th LD), allows Deferred Action for Childhood Arrivals (DACA) residents to apply for civil service and law enforcement positions. Agencies who hire DACA recipients are protected from liability for breach of contract if there is a change in federal law related to

DACA recipients. House Bill 1530, sponsored by Representative Julio Cortes (D-38th LD), allows law enforcement agencies to hire lawful permanent residents. Senate Bill 5424, sponsored by Senator John Lovick (D-44th LD), allows law enforcement officers to work part-time hours. The 2024 Supplemental Operating Budget allocates $99,000 to the Department of Retirement Systems for the implementation of Senate Bill 5424 (page 185 of the Supplemental Operating Budget).

Vehicular Pursuits

The City requested the Legislature make refinements to the restrictions on vehicular pursuits to allow for the pursuit of stolen vehicles given the number of criminals using stolen vehicles to commit other crimes. The Legislature passed Initiative-2113 which allows an officer to engage in a vehicular pursuit if they have reasonable suspicion to believe the driver has violated the law.

For additional context, initiatives to the Legislature are proposed changes to state law sponsored by the people of Washington. House Bill 1054 from the 2021 session established a statewide standard for when police officers can engage in vehicular pursuits which included what factors must be considered when determining to engage in a pursuit and banning firing a weapon upon a moving vehicle unless necessary to prevent imminent threat. Senate Bill 5352 from the 2023 session made further changes to the statute, expanding the list of eligible reasons to engage in a pursuit under the reasonable suspicion evidentiary threshold, direction as to when to end the pursuit and a requirement that the pursuing officer must have completed emergency vehicle operators' course. The initiative makes no other changes to the vehicular pursuits law. The Initiative will take effect on June 6, 2024.

In addition to passing the Initiative, the Legislature allocated $400,000 to the Office of Financial Management to contract with a consultant to collect, review, and analyze data related to vehicular pursuits and to compile a report. The report must include recommendations to the Legislature on what data should be collected by law enforcement agencies throughout the state so that the Legislature and other policymakers have consistent and uniform information necessary to evaluate policies on pursuits. The report is due June 30, 2025. (page 178 of the 2024 Supplemental Operating Budget).

Therapeutic Courts

The City requested the Legislature commit ongoing state funding for therapeutic courts to satisfy the new state drug possession law. The supplemental operating budget does not allocate new ongoing funding therapeutic courts but $9 million was allocated to the Criminal Justice Training Commission in the biennial budget. Cities are being encouraged to track their costs related to recent changes in the law which will help demonstrate this is an ongoing rather a short-term need. This is an item worth continuing to advance in the 2025 session and perhaps suggesting for consideration on AWC's Legislative Priorities.

Co-Responder Programs

The City requested stable state funding for co-responder programs, such as the City's Behavioral Health Contact Team. The supplemental budget does not include new funding for co-responders but the Legislature did pass House Bill 2088 which extends liability protections for responders dispatched from mobile rapid response crisis teams and community-based crisis teams and applies to responders transporting patients to behavioral health services. Individuals will have immunity when acting in good faith within the scope of the individual's employment responsibilities. The Legislature also considered House Bill 2245, sponsored by Rep. Dan Bronoske, which would have increased the behavioral health care workforce by expanding services and training for co-responders. Unfortunately, that bill did not make it over the finish line this session.

Juvenile Crime
The City requested the Legislature amend state law to allow for a parent or guardian to provide consent for a juvenile to be interviewed by law enforcement. Senator Phil Fortunato (R-Pierce County), introduced Senate Bill 6044, which would have allowed a juvenile to waive their right to an attorney after they were informed of the right by an officer. The bill was never scheduled for a public hearing.

Geographic Equity in Discharge from State Facilities

Based on a 2023 Department of Commerce report, Pierce County far exceeds its proportional share of services and supports needed to serve individuals discharging from long term civil commitment. To address this inequity, the City requested the state prioritize securing housing and treatment facilities in the five underserved health care authority regions of the state: Olympia, North Central, Great Rivers, Greater Columbia, and King. By ensuring there are adequate services and support in all regions of the state, individuals being released will have the choice to be placed in their county of origin.

In response to this request, Representative Leavitt reached out to the Department of Social and Health Services to initiate a dialogue about how to advance this concept. The 2023 Commerce report also concluded that adult family homes are the primary residential service provided to individuals discharged from long term civil commitment. As a result, the main idea that was considered was incentivizing adult family home providers in underserved regions perhaps through a grant program to help cover initial capital costs. In a short session there was not enough time to get this over the finish line but there is a willingness from the Adult Family Home Council and DSHS to continue working on this to make it viable for the 2025 session.

Policy Manual Items

Housing/Homelessness Services

While the Legislature considered several bold policies, such as House Bill 2114, capping rent increases, and House Bill 2276, generating increased revenue through changes to the state real estate excise tax, legislators chose to proceed forward with a more subdued approach. Even more modest proposals including House Bill 2270, proposing to create a Department of Housing separate from the current Department of Commerce; Senate Bill 5334, authorizing cities to impose a 10% tax on short term rentals; House Bill 2353, allowing all counties and cities to utilize the multifamily tax exemption program; and Senate Bill 6030 extending an accessory dwelling unit (ADU) property tax exemption currently available in King County to all counties, did not advance.

Below are those bills that did pass into law and housing/homelessness related budget provisos:

> *Multiunit Residential Buildings Definition:* Senate Bill 5792, sponsored by Senator Mike Padden (R-4th LD), excludes buildings with 12 or fewer units that are no more than three stories from the definition of multiunit residential building if one story is utilized for above or below ground parking, or retail space. The bill is intended to address the condominium construction deficit.
>
> *Affordable Homeownership Unit Development:* Senate Bill 6173, sponsored by Senator T'wina Nobles (D-28th LD), allows local jurisdictions to use revenue from the affordable and

supportive housing sales and use tax for housing and services for people whose income is at or below 80% of the median income of the local jurisdiction that imposes the tax. This is applicable only if the affordable housing development is for owner occupied properties.

Workforce Housing Accelerator: House Bill 1892, sponsored by Representative Mari Leavitt (D-28th LD), creates the Workforce Housing Accelerator Revolving Loan Fund Program within the Department of Commerce. The Department of Commerce will administer loans to eligible organizations to assist with the development of housing for low-income households.

Homeless Housing Programs: $34 million is allocated to local governments for homeless housing programs and services. Of this amount, $12 million is allocated to King County, $3 million is allocated to the City of Tacoma, and $4 million is allocated to the City of Spokane. (page 99 of the 2024 Supplemental Operating Budget).

Extreme Weather Events: House Bill 1012, sponsored by Representative Mari Leavitt (D-28th LD), provides resources for local governments to provide services during extreme weather events. The Military Department can also purchase temporary shelters to loan out to political subdivisions when assisting with extreme weather events. The 2024 Supplemental Operating Budget allocates $1.5 million for the implementation of this bill (page 207).

Housing Assistance: $23,688,000 is allocated for housing assistance, including long-term rental subsidies, permanent supportive housing, and low and no barrier housing beds for unhoused individuals. Priority must be given to individuals with a mental health disorder, substance use disorder, or other complex conditions; individuals with a criminal history; and individuals transitioning from behavioral health treatment facilities or local jails (page 62 of the 2024 Supplemental Operating Budget).

Model for Supportive Housing Demand: Within existing resources, the Department of Commerce is directed to develop a model to estimate demand for operating, maintenance, and services costs for permanent supportive housing units that qualify for the Housing Trust Fund (page 63 of the 2024 Operating Budget).

Emergency Housing Assistance: $2 million is allocated for grants to cities, counties, or nonprofit organizations to support individuals in need of emergency housing assistance. Funds distributed in coordination with the Governor's Office. (page 94 of the 2024 Supplemental Operating Budget).

Homeownership: $1.5 million is allocated for contracts with organizations to increase homeownership. Additionally, $500,000 is allocated to the Housing Finance Commission to develop a plan with specific strategies to increase homeownership. (page 97 of the 2024 Supplemental Operating Budget).

Calculating Average Median Household Income: $250,000 is allocated to the Department of Commerce to evaluate alternative methods for calculating average median household income. The report is due June 30, 2025. (page 108 of the 2024 Supplemental Operating Budget).

Department of Housing: $250,000 is allocated to the Office of Financial Management to provide recommendations on the method and format for studying the transition to a

Department of Housing. Report is due December 1, 2024 (page 180 of the 2024 Supplemental Operating Budget).

Housing Trust Fund: $127 million is provided in the Supplemental Capital Budget for affordable housing projects through the Housing Trust Fund. This is in addition to the $400 million provided in the biennial budget. The $127 million is allocated as follows: $44 million for housing for those with developmental disabilities; $41 million for specific projects; $20 million for rapid conversion or acquisition of housing to address extremely low-income and unhoused populations; $17 million for housing to benefit low-income and special needs populations, including permanent supportive housing; $15 million for the acquisition and preservation of mobile homes; $5 million for affordable housing urgent repairs grants (page 12 of the 2024 Supplemental Capital Budget).

Community and Economic Development

Economic Development Tools

Tax Increment Financing: House Bill 2354, sponsored by Representative Chipalo Street (D-37th LD), makes technical changes to the implementation of the tax increment financing tool. The project analysis that is required to be completed by the sponsoring jurisdiction must now include an assessment on impacts to any junior taxing district, including public hospital service and emergency medical service. This assessment is in addition to the existing assessment on several other special purpose districts, including local fire service. The assessment of impacts for fire service, hospital service and emergency medical service must include any necessary mitigation. Payment for mitigation is an allowable use of TIF revenue. If parties cannot reach agreement on mitigation, the bill outlines an arbitration process.

Technical Changes to Allowable Exemptions for Tourism Promotion Area Assessments: House Bill 2137, sponsored by April Berg (D-44th LD), allows local governments to exempt lodging businesses, units, or guests from lodging charges imposed within a tourism promotion area. The bill is largely technical and stems from recent Department of Revenue feedback to cities on their interpretation of current allowable exemptions.

Match Act: House Bill 1870, sponsored by Representative Stephanie Barnard (R-8th LD) promotes economic development for local communities by requiring the Department of Commerce to assist local communities with federal grant applications and creating a resource guide for federal grant applicants. The bill is null and void unless funded in the budget. The 2024 Supplemental Operating Budget allocates $500,000 to implement this bill (page 131).

Local Authority for Land Use and Planning

The 2023 Legislature approved a slew of bills preempting local governments on land use. The 2024 Legislature introduced many bills to continue that trend, but many of them failed to get across the finish line, including House Bill 2160 regarding transit-oriented development, House Bill 1245 requiring lot splitting, House Bill 2252 allowing businesses in residential areas, and House Bill 2474/House Bill 2113 requiring Commerce approval of local housing development regulations. The Legislature approved several more modest proposals that still contained preemption of local land use:

Residential Parking: Senate Bill 6015, sponsored by Senator Sharon Shewmake (D-42nd LD), requires cities and counties to allow certain parking configurations to satisfy parking requirements for residential development. For example, the bill states that a city cannot require parking to be enclosed or require a garage or carport, and that parking spaces that count towards minimum parking requirements can be enclosed or unenclosed. Tandem parking must be allowed to count toward parking minimums, and a city may not require parking spaces to be greater than 8 feet by 20 feet, except for parking for individuals with disabilities. It also specifies that the existence of non-conforming gravel surfacing in existing designated parking areas may be used to meet local parking standards for buildings with six parking spaces or less. Additionally, cities may not require off-street parking as a condition of permitting a residential project if compliance with tree retention would otherwise make a proposed residential development or redevelopment infeasible. To implement this bill, the 2024 Supplemental Operating Budget allocates $57,000 for fiscal year 2025 (page 119).

Co-Living Housing Bill: House Bill 1998, sponsored by Representative Mia Gregerson (D-33rd LD), requires cities and counties to adopt regulations or controls to allow co-living housing. The bill requires cities and counties to allow co-living housing on any lot within an Urban Growth Area that allows at least six multifamily residential units. Additionally, a city or county may not treat a sleeping unit in co-living housing as more than one-half of a dwelling unit for purposes of calculating fees for sewer connections unless the city or county makes a finding, based on facts, that the connection fees should exceed the one-half threshold.

Wildland Urban Interface Fix: Senate Bill 6120, sponsored by Senator Kevin Van De Wege (D-24th LD), is a “fix” to address concerns with past legislation. The bill changes the Wildland Urban Interface Code to make necessary fire safety updates in the state building code standards. The bill requires a revised map of areas at greatest risk of wildland fire, instead of the wildland urban interface which applies much more broadly. Further, it also allows counties, cities, and towns to complete their own map of areas at greatest risk of wildfire when applying these fire safety codes, so long as substantially similar criteria is applied. Counties, cities, and towns issuing commercial and residential building permits in areas identified as high risk or very high risk on the map must only apply the fire safety code considerations in these areas. The State Building Code Council may not adopt more restrictive fire safety requirements than what is included in statute. Finally, the Department of Natural Resources is required to develop a method by which local governments may update the wildfire hazard map and the wildfire risk map. The bill contains an emergency clause and takes effect immediately. The 2024 Supplemental Operating Budget allocates $307,000 for fiscal year 2025 to implement this bill (page 636).

Middle Housing: House Bill 2321, sponsored by Representative Jessica Bateman (D-22nd LD), modifies certain provisions of the 2023 middle housing policies. The bill requires that cities with a population of at least 25,000 must allow six of the nine types of middle housing. Cities with less than 25,000 people can choose the number of middle housing types that meet minimum density requirements. The bill also allows middle housing to be built on lots where a portion of the lot is a critical area. Finally, middle housing densities only apply around bus rapid transit stops once construction of those stops has begun. Areas designated as sole-source aquifers by the United States Environmental Protection Agency on islands in the Puget Sound from the density requirements. To implement this bill the 2024 Supplemental Operating Budget allocates $213,000 for fiscal year 2025 (page 118).

Residential Housing Regulations: House Bill 2071, sponsored by Representative Davina Duerr (D-1st LD), concerns residential housing regulations. The bill directs the State Building Code Council to convene two technical advisory groups: one to recommend changes to apply the Washington State Residential Code to multiplex housing, and another to recommend changes needed to the International Building Code (IBC) to allow dwelling units with less than 190 square feet. Additionally, the Office of Regulatory and Innovation Assistance is directed to develop an optional standard energy code plan set that meets or exceeds all energy code regulations for residential housing, subject to the international residential code. The 2024 Supplemental Operating Budget allocates $225,000 (page 31) and $180,00 (page 215) for the implementation of this bill.

Integration of Special Purpose Districts into the Growth Management Act: $250,000 is allocated to convene a task force to make recommendations to integrate water, sewer, school, and port districts into the Growth Management Act (GMA). Preliminary report due June 30, 2025; final report due December 1, 2025. (page 117 of the 2024 Supplemental Operating Budget).

Permitting Workforce: $25,000 is allocated to the State Board for Community and Technical Colleges to collaborate with a nonprofit, professional association of state, county, city, and town officials engaged in development, enforcement, and administration of building construction codes and ordinances to design and implement training programs to accelerate the hiring of city and county permit technicians. (page 770 of the 2024 Supplemental Operating Budget).

Transit-Oriented Development: $250,000 is provided to the Joint Transportation Committee to contract out to complete a review of transit-oriented development conditions in cities in King, Pierce, Spokane, Clark, and Snohomish Counties over 12,500 in population that have at least one major transit stop. The review must look at comprehensive plans, housing-focused tax and fee programs, and development regulations required to be adopted on or before December 31, 2024. It must include examples of local or national best practices for transit-oriented affordable and workforce housing development. The report must include recommendations for state policies to expand transit-oriented development, minimizing displacement of existing communities, and ensuring affordability. The review is due to the Legislature by June 30, 2025. (page 24 of the 2024 Supplemental Transportation Budget).

Transportation & Infrastructure

<u>I-5 South Sound Corridor Improvements</u>

The supplemental transportation budget continues the funding previously awarded to the I-5 JBLM Corridor. $208.8 million is scheduled for this biennium and an additional $66 million for the 2025-27 biennium. There is still $260 million allocated to the I-5 HOV expansion from S 38th Street to JBLM but the funding is slated for a “future” biennium, beyond 2029.

<u>Future Commercial Airfields – JBLM</u>

The 2023 Legislature disbanded the previous Commercial Aviation Coordination Committee and created the Commercial Aviation Workgroup. The workgroup was directed to submit an annual progress report to the Governor and Transportation Committees on the increased need for commercial aviation services. The initial report must list the areas that will not have further review as they conflict with operations of a military installation. The report must also identify unsuitable geographies due to either environmental impacts or impacts to overburdened communities. Separate from the workgroup, $300,000 is provided for the Port of Bremerton to determine the feasibility of offering commercial service at the Port of Bremerton airport. (page 57 of the 2024 Supplemental Transportation Budget). Finally, the supplemental budget pushes out the initial report date to December 1, 2024; future reports will be due each July 1. (page 161 of the 2024 Supplemental Transportation Budget).

Stormwater & Culvert Funding
The supplemental capital budget includes $22 million for local culvert replacement projects. This is in addition to the $48 million appropriated in the biennial budget (page 103). These resources are provided from the Climate Commitment Act (CCA) and are null and void if the CCA is repealed.

Electric Vehicle Charging Stations
$105 million is appropriated for the development of community electric vehicle charging infrastructure, including local governments. This funding is void if the CCA is repealed. (page 59 of the 2024 Supplemental Capital Budget).

Infrastructure

Emergency Management Infrastructure Assistance Program: House Bill 2020, sponsored by Representative Joe Timmons (D-42nd LD), is agency-request legislation from the Military Department. It creates a state administered public infrastructure assistance program to assist counties and tribal governments for costs associated with disaster related response if public infrastructure is damaged during a Governor's emergency proclamation. Counties would then distribute resources to cities as needed. The bill allows the Military Department to initiate rulemaking to implement the program's funds from county governments to recipients within the county. The 2024 Supplemental Operating Budget allocates $250,000 for the implementation of this bill (page 208).

Amtrak Service
$335,000 is provided for the Amtrak Cascades service development plan to analyze current and future market conditions. An additional $500,000 is provided for the Amtrak Cascades corridor planning, in coordination with Oregon DOT and $50,000 is provided for WSDOT to coordinate with partners on Amtrak long distance rail service. (page 104 and 105 of the 2024 Supplemental Transportation Budget).

Procurement

Study of Public Works Contracts: $175,000 is allocated to the municipal research and services center (MRSC) to conduct a public works study. The study shall evaluate the application of public works requirements, including prevailing wage and apprentice utilization, on publicly funded construction, including those supported in part or in whole with state funds, the granting or loaning of public dollars, and tax deferrals or reimbursements. A report is due June 30, 2025. (page 449 the 2024 Supplemental Operating Budget).

Study of Registered Apprenticeship Programs: $75,000 is allocated to the Department of Labor and Industries to survey registered apprenticeship programs and assimilate data that documents the fee structure and contractual elements of partnerships between the various registered apprenticeship programs and community and technical college system. A report is due November 15, 2024. (page 449 of the 2024 Supplemental Operating Budget).

Work and Change Orders: Senate Bill 6192, sponsored by Senator Curtis King (R-14th LD), requires private construction projects, including subcontractors and suppliers, to issue a change order no later than 30 days after satisfactory completion of any additional work projects. The latest version of the bill does not grant any rights to a contractor, subcontractor, or supplier that is not in a written contract with, excluding residential projects of 12 units or less. It also requires contractors and subcontractors to issue change orders within 10 days of receipt of a change order.

Prompt Payment: Senate Bill 6040, sponsored by Senator Javier Valdez (D-46th LD), requires the Capital Projects Advisory Review Board (CPARB) to review the extent to which prompt pay statutes meet the needs of small businesses, particularly women and minority-owned businesses. The review must also consider a requirement that within ten days of payment, the prime contractor and each higher tier subcontractor must make payment to its subcontractor until the small business or women, or minority-owned business has received payment. CPARB must present findings and recommendations to the Legislature on or before November 1, 2024. The bill takes effect on July 1, 2024.

Finances

City Financial Liability for Indigent Defense

Leading up to session, counties – especially those in Eastern Washington – indicated a challenge in recruiting public defenders and prosecutors. In response, legislators introduced a variety of ideas including incrementally increasing the state's contribution to public defense costs over time (Senate Bill 5773) and creating a state program to assist local governments with public defense costs (House Bill 2202). These are just two of the many proposals that did not advance, below are those that did pass the Legislature.

Public Defense: Senate Bill 5780, sponsored by Senator Nikki Torres (R-15th LD), expands training opportunities for public defense. The bill directs the Office of Public Defense to administer a law student rural public defense program, expand capacity for its defense training academy program, and directs the Criminal Justice Training Commission to provide a similar program for prosecutors and the administration of a law student rural public prosecution program. The 2024 Supplemental Operating Budget allocates $611,000 (page 23) and $694,000 (page 433) to implement this bill.

The 2024 Supplemental Operating Budget allocates $442,000 (page 22) for the Office of Public Defense to administer a public defense recruitment program. The program should engage with students at colleges and law schools; provide technical assistance and training to public defense and offer recruitment strategies.

Public Safety

Traffic Enforcement Cameras

Automated Traffic Safety Cameras: House Bill 2384, sponsored by Representative Brandy Donaghy (D-44th LD), allows cities and counties expanded authority to use automated traffic safety cameras (school zone cameras, red-light cameras, speed cameras, and bus lane enforcement cameras). Additionally, cameras are authorized to be used on state routes within the city that are classified as city streets, and in work zones on city streets and county roads. All revenue generated by each authorized camera remains with the local government. In cities with a population of 10,000 or more, all revenues generated from the cameras must be used for traffic safety purposes, and a proportionate share of the revenue must be spent in census tracts with household incomes in the lowest quartile and in areas that experience above average rates of injury crashes. In cities with a population less than 10,000, such revenue must be informed by the Department of Health's environmental health disparities map. Cities currently utilizing revenue from red-light cameras and school-zone cameras are exempt from these requirements and may continue to spend revenue consistent with purposes outlined in an existing ordinance. Only trained and authorized civilian employees are to review and issue infractions to automated school bus safety camera violations. Additionally, to review traffic camera violations an employee must be a civilian employee who works for the law enforcement agency, public works, or transportation department, and must be sufficiently trained and certified by peace officers or traffic engineers. Individuals on public assistance are also able to receive a 50% reduction in a fine resulting from an infraction captured by a camera. The 2024 Supplemental Operating Budget allocates $560,000 to implement the bill (page 19).

Speed Safety Camera Systems: SB 6115, sponsored by Senator Curtis King (R-14th LD), is Department of Transportation (WSDOT) request legislation. The bill modifies the administration, penalty structure, and enforcement of speed safety camera system violations in state highway work zones. It requires the WSDOT to make a website to educate the public about the speed safety camera system. The WSDOT is also required to conduct a public awareness campaign to inform the public of the use of speed safety camera systems during the 30-day period after the first speed safety camera system is put in place and requires speed safety camera systems to be processed in the same manner as parking infractions generally. The 2024 Supplemental Transportation Budget allocates $38,000 to implement this bill (page 49).

Basic Law Enforcement Academy

Basic Law Enforcement Academy Donations: Senate Bill 6301, sponsored by Senator John Lovick (D-44th LD), allows the Criminal Justice Training Commission (CJTC) to accept donated money or properties for the purpose of carrying out CJTC's statutory purposes.

Western State Hospital & Other Behavioral Health Investments

Leading up to the 2024 Legislative Session, a federal court fined Washington State $100 million for its failure to comply with a settlement agreement associated with the *Trueblood* court decision. The 2024 Supplemental Operating Budget reflects paying that fine and continuing to invest in behavioral health by a total of $660 million. The Legislature also considered ways to increase the behavioral health care workforce by expanding services and training for co-responders as outlined in House Bill 2245. Although this bill did not advance, the Legislature passed the following bills pertaining to the behavioral health care system.

Siting of Behavioral Health Facilities: Funding is allocated to retain a behavioral health facility siting administrator to coordinate the development of effective behavioral health housing options and provide technical assistance in siting facilities. (page 115 of the 2024 Supplemental Operating Budget).

Olympic Heritage Behavioral Health Campus: The Capital Budget provides $30 million for the purchase of the Olympic Heritage Behavioral Health Facility, and $25 million is provided for modernization. (page 87 of the 2024 Supplemental Capital Budget). In the Operating Budget, $134 million is allocated to operate 72 beds and three wards in the facility. $1.25 million is allocated to conduct a study on the future long-term uses of the Olympic heritage behavioral health campus. (page 175 of the 2024 Supplemental Operating Budget).

State Behavioral Health Facilities: $20 million is allocated to operate an additional 30 beds at Western State Hospital. $9.3 million is allocated to operate an additional 8 beds at Eastern State Hospital. (page 244 of the 2024 Supplemental Operating Budget). An additional $800,000 in capital funding is provided for rapid bed capacity at the Maple Lane facility. (page 88 of the 2024 Supplemental Capital Budget).

Community Based Behavioral Health Beds: $48 million is provided for specific facilities in communities across the state. (page 23 of the 2024 Supplemental Capital Budget).

Trueblood Phase 3 Facility: $10 million is provided for a crisis stabilization facility to comply with Trueblood Phase 3 implementation. (page 45 of the 2024 Supplemental Capital Budget).

Special Commitment Center Releases: $189,000 is allocated to establish one position for a special commitment center communications manager to support information sharing to the public related to conditional release for less restrictive alternative placements. (page 301 of the 2024 Supplemental Operating Budget).

Civil Conversion Cases: $100,000 is allocated to analyze historical trends of admissions for felony civil conversion cases based on behavioral health administrative service organization regions. A report is due November 1, 2024 and shall include a recommendation about how best to predict and model future admissions for this population by region. (page 303 of the 2024 Supplemental Operating Budget).

General Government

The Legislature considered several proposals that would have broadly changed how local governments do business. Many of those proposals, including House Bill 1932, allowing local agencies to transition to even-year elections; House Bill 1990, would have established a statewide aerial imagery service available to local governments; Senate Bill 6232, and House Bill 2307, attempting to assist agencies in managing public records; and Senate Bill 5924 mandating access to personnel records, and more were considered but did not get across the finish line. However, several proposals did get across the finish line.

Public Comment Notice: House Bill 1105, sponsored by Representative Shelley Kloba (D-1st LD), requires that whenever a public agency is mandated by law to provide notice that it is soliciting written public comment, the notice must specify the first and last date by which such public comment must be submitted. A public agency that violates the public comment notice requirements is subject to a civil penalty of $500 for the first violation and $1,000 for any subsequent violation, but no member of the agency is personally liable for a violation.

Adult Entertainment: Senate Bill 6105, sponsored by Senator Rebecca Saldana (D-37th LD), requires adult entertainment establishments to provide training to employees about sexual harassment prevention, conflict de-escalation, and first aid. Additional requirements for establishments include panic buttons, customer behavior, security personnel, notice of termination and limits to certain charges to entertainers. An establishment must have written policies addressed in this bill. The Liquor and Cannabis Board (LCB) is required to modify or adopt rules to allow adult entertainment establishments to hold liquor licenses. If an establishment receives a citation for a violation of laws related to adult entertainers and establishments and has not abated the violation, then the LCB can suspend the establishment's liquor license. The LCB is also to notify Labor & Industries regarding violations related to workplace health and safety standards. The 2024 Supplemental Operating Budget allocates $40,000 (page 59), $99,000 (page 202), and $561,000 (page 450) to implement this bill.

Study on Electric Security Alarms: $50,000 allocated for the Department of Labor and industries to work with the Association of Washington Cities (AWC) and associated stakeholders having an interest in the installation and maintenance of electric security alarm systems to identify appropriate pathways to streamline the permitting process and any other recommendations to facilitate the installation of these systems in the state. The report is due December 15, 2024 (page 450 of the 2024 Supplemental Operating Budget).

Military Affairs

South Sound Military & Communities Partnership

Military Family Quality of Life: The Legislature passed three additional occupational licensing compacts; the social worker, physician assistant and the interstate teaching mobility compact. The interstate teaching mobility compact was one of the final pieces of legislation to be approved on the last day of session. Additionally, the Legislature passed Senate Bill 6038, expanding the business and occupation tax exemption for childcare providers, and eliminating the annual licensing fees. The capital budget also allocates $17 million for competitive affordable housing projects statewide and $18.3 million for grant funding for homeownership opportunities.

Defense Community Compatibility Account: Since this is the off year for the DCCA grant program, there was no expectation for additional funding to be available. The City was awarded $900,000 in 2023 toward the purchase of properties in the North Clear Zone and the likelihood of receiving more awards will increase if previously awarded funds are spent. The supplemental capital budget does include an additional $1.86 million for Lakewood Water District via the DCCA program. This is a project that was ranked and recommended for funding by the Department of Commerce in the 2023 report.

I-5 Mounts Road to Tumwater & Nisqually River Delta: The supplemental transportation budget allocates an additional $4.493 million this biennium to the Vail Road roundabout at SR 507. The I-5 Nisqually Delta has $32.5M in the 25-27 biennium and $21.507M in the 27-29 biennium.

American Lake Veterans Golf Course Tax Exemption

House Bill 1862, sponsored by Rep. Mari Leavitt, authorizes a business and occupation tax exemption and sales tax exemption for the American Lake Veterans Golf Course. The facility became subject to these taxes in 2017 when the VA decided to have the golf course run by a nonprofit rather than the federal government. This change to state law was necessary to continue the tax exemptions the golf course has historically received.

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City of Lakewood
2024 Legislative Session Bill Report

Bills that Passed the Legislature

Community & Economic Development

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
ESHB 1998 (SSB 5901)	Co-living housing	Concerning co-living housing.	Del to Gov	Gregerson	
ESHB 2039	Env. & land use appeals	Modifying the appeals process for environmental and land use matters.	Del to Gov	Fitzgibbon	
2SHB 2071	Residential housing	Concerning residential housing regulations.	Del to Gov	Duerr	
HB 2137 (SB 6202)	Tourism promotion exemptions	Concerning technical changes to allowable exemptions for tourism promotion area assessments.	C 68 L 24	Berg	Support
ESHB 2321	Middle housing requirements	Modifying middle housing requirements and the definitions of transit stop.	Del to Gov	Bateman	
E2SHB 2354 (SB 6230)	Tax increment areas	Creating an option for impacted taxing districts to provide a portion of their new revenue to support any tax increment area proposed within their jurisdiction.	Del to Gov	Street	Support
SSB 6015	Residential parking	Concerning residential parking configurations.	Del to Gov	Shewmake	Oppose

Finances

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
2SSB 5780	Public defense & prosecution	Expanding training opportunities for public defense.	Del to Gov	Torres	Support

General Government

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
SHB 1012	Extreme weather events	Addressing the response to extreme weather events.	Del to Gov	Leavitt	Support

Housing/ Homelessness Services

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
SHB 1892	Workforce housing prg.	Concerning the workforce housing accelerator program.	Del to Gov	Leavitt	Support
SB 5792	Multiunit res./definition	Concerning the definition of multiunit residential buildings.	C 122 L 24	Padden	Support
SB 6173 (HB 2413)	Housing sales tax/use	Encouraging investments in affordable homeownership unit development.	C 136 L 24	Nobles	Support

Military Affairs

Return to Agenda

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
HB 1917	Physician assistant compact	Adopting the physician assistant compact.	C 53 L 24	Leavitt	Support
SHB 1939	Social work compact	Adopting the social work licensure compact.	Del to Gov	Orwall	Support
SB 5180	Out-of-state teachers	Adopting the interstate teacher mobility compact.	Del to Gov	Hunt	Support

Public Safety

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
SHB 2015	Adult family homes capacity	Concerning incentivizing adult family homes to increase bed capacity to seven or eight beds.	Del to Gov	Senn	
EHB 2088	Crisis teams/liability	Extending liability protections for responders dispatched from mobile rapid response crisis teams and community-based crisis teams.	Del to Gov	Orwall	Support
SI 2113 (HI 2113)	Police vehicular pursuits	Concerning vehicular pursuits by peace officers.	S Pres Signed		
HI 2113 (SI 2113)	Police vehicular pursuits	Concerning vehicular pursuits by peace officers.	C 6 L 24		Support
ESHB 2384 (SB 5959)	Traffic safety cameras	Concerning automated traffic safety cameras.	Del to Gov	Donaghy	Oppose
SSB 6301 (HB 2475)	Basic law enf. academy	Concerning basic law enforcement academy.	Del to Gov	Lovick	

Bills that Died

Community & Economic Development

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
HB 1611 (Dead)	Local government permitting	Concerning local government permitting.	H Finance	Reed	Oppose
HB 1723 (Dead) (SSB 5651)	GMA/equity and env. justice	Concerning equity and environmental justice in the growth management act.	H Local Govt	Duerr	
2SHB 2113 (Dead)	GMA housing element	Concerning compliance with the housing element requirements of the growth management act.	H Rules X	Bateman	
E2SHB 2160 (Dead) (SB 6024)	Housing development	Promoting community and transit-oriented housing development.	H Rules 3C	Reed	
SHB 2252 (Dead)	Small businesses/residential	Allowing small business establishments in residential zones.	H Rules 3C	Klicker	
HB 2468 (Dead)	Child care facility siting	Concerning the siting of child care facilities.	H Local Govt	Jacobsen	
ESHB 2474 (Dead)	Transitional housing siting	Concerning compliance with siting requirements for transitional housing, permanent supportive housing, indoor	H Rules 3C	Peterson	

		emergency shelters, and indoor emergency housing.			
SB 5418 (Dead)	Definition of public work	Expanding the definition of public work.	S State Govt & E	Conway	
SB 5456 (Dead) (SHB 1351)	Minimum parking requirements	Prohibiting the imposition of minimum parking requirements except under certain circumstances.	S Loc Gov, Land	Frame	Oppose
SB 5539 (Dead) (HB 1527)	Tax increment financing	Making technical corrections to the local tax increment financing program.	S Ways & Means	Cleveland	Support
SSB 5609 (Dead)	Housing approval	Establishing housing approval requirements that will eliminate Washington's housing shortage.	S Ways & Means	Braun	Oppose
SSB 5651 (Dead) (HB 1723)	GMA/equity and env. justice	Concerning equity and environmental justice in the growth management act.	S Ways & Means	Lovelett	
SSB 5901 (Dead) (ESHB 1998)	Co-living housing	Concerning co-living housing.	S Rules X	Salomon	
SB 6024 (Dead) (E2SHB 2160)	Housing development	Promoting community and transit-oriented housing development.	S Loc Gov, Land	Trudeau	
SB 6202 (Dead) (HB 2137)	Tourism promotion exemptions	Concerning technical changes to allowable exemptions for tourism promotion area assessments.	S Rules 3	Kauffman	Support
SB 6230 (Dead) (E2SHB 2354)	Tax increment areas	Creating an option for impacted taxing districts to provide a portion of their new revenue to support any tax increment area proposed within their jurisdiction.	S Loc Gov, Land	Rivers	Oppose

Finances

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
HB 1670 (Dead)	Property tax limit factor	Raising the limit factor for property taxes.	H Rules X	Ormsby	Support
HB 2202 (Dead)	Local public defense costs	Providing a state program of assistance for local government indigent public defense and law enforcement costs.	H Approps	Couture	
HB 2450 (Dead) (SB 6285)	Use of impact fees	Ensuring the timely and balanced use of impact fees.	H Local Govt	Hutchins	
HB 2451 (Dead) (SB 6284)	Impact fees	Increasing the consistency and transparency of impact fees.	H Local Govt	Hutchins	
HB 2452 (Dead)	Manuf housing/building codes	Addressing the impacts of certain codes on manufactured housing inventory.	H Rules X	Barkis	
SB 5059 (Dead)	Prejudgment interest	Concerning prejudgment interest.	S Ways & Means	Kuderer	Oppose
SB 5568 (Dead)	Liquor revenue/local gov.	Restoring liquor sales revenue distributions to local governments.	S Ways & Means	Wagoner	

SB 5618 (Dead)	Local property tax limit	Increasing the local property tax revenue growth limit.	S Loc Gov, Land	Kuderer	Support
SSB 5770 (Dead)	Property tax	Providing state and local property tax reform.	S Rules X	Pedersen	
SB 5773 (Dead)	Public defense services	Concerning public defense services.	S Law & Justice	Torres	
SB 6235 (Dead)	Criminal justice assistance	Concerning the city and county criminal justice assistance accounts.	S Ways & Means	Wilson	
SB 6284 (Dead) (HB 2451)	Impact fees	Increasing the consistency and transparency of impact fees.	S Ways & Means	Braun	
SB 6285 (Dead) (HB 2450)	Use of impact fees	Ensuring the timely and balanced use of impact fees.	S Ways & Means	Braun	

General Government

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
HB 1597 (Dead) (SB 5571)	Public records act requests	Limiting frivolous claims by modifying administrative and judicial review processes for public records request responses.	H State Govt & T	Springer	
ESHB 1932 (Dead)	Even-numbered year elections	Shifting general elections for local governments to even-numbered years to increase voter participation.	H Rules 3C	Gregerson	
HB 2307 (Dead)	Public records reviews	Limiting vexatious claims by modifying administrative and judicial review processes for public records requests and responses.	H State Govt & T	Schmick	Support
SB 5571 (Dead) (HB 1597)	Public records act requests	Limiting frivolous claims by modifying administrative and judicial review processes for public records request responses.	S State Govt & E	Rivers	
SSB 5924 (Dead)	Access to personnel records	Concerning access to personnel records.	S Ways & Means	Kuderer	

Housing/ Homelessness Services

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
E2SHB 1167 (Dead)	Residential housing	Concerning residential housing regulations.	H Housing	Duerr	
ESHB 1245 (Dead) (SSB 5364)	Lot splitting	Increasing housing options through lot splitting.	H Rules 3C	Barkis	Oppose
HB 1276 (Dead) (SSB 5235)	Accessory dwelling units	Concerning accessory dwelling units.	H Housing	Pollet	
HB 1296 (Dead) (2SSB 5290)	Local permit review	Concerning consolidating local permit review processes.	H Approps	Peterson	
SHB 1351 (Dead) (SB 5456)	Minimum parking requirements	Prohibiting the imposition of minimum parking requirements except under certain circumstances.	H Local Govt	Reed	Oppose

HB 1517 (Dead) (ESSB 5466)	Transit-oriented development	Promoting transit-oriented development.	H Housing	Reed	
2SHB 1628 (Dead)	Real estate excise tax	Increasing the supply of affordable housing by modifying the state and local real estate excise tax.	H Rules X	Chopp	
SHB 1633 (Dead)	Homes for heroes program	Creating a homes for heroes program.	H Cap Budget	Connors	
HB 1817 (Dead) (SB 5741)	Housing gap voucher pilot	Establishing a housing gap voucher pilot program.	H Housing	Rule	
HB 2219 (Dead)	Affordable housing/tax ex.	Providing tax relief for nonprofit development of affordable housing.	H Finance	Hackney	
SHB 2276 (Dead) (SB 6191)	Housing/taxes	Increasing the supply of affordable and workforce housing.	H Rules R	Berg	
HB 2413 (Dead) (SB 6173)	Housing sales tax/use	Encouraging investments in affordable homeownership unit development.	H Local Govt	Walen	Support
SSB 5060 (Dead)	Rental & vacant properties	Requiring the registration of rental and vacant housing units.	S Ways & Means	Kuderer	
SSB 5118 (Dead)	Multifamily property tax ex.	Concerning modifying the multifamily property tax exemption to promote development of long-term affordable housing.	S Ways & Means	Kuderer	
SSB 5190 (Dead) (E2SHB 1110)	Middle housing	Increasing middle housing in areas traditionally dedicated to single-family detached housing.	S Ways & Means	Trudeau	
SSB 5235 (Dead) (HB 1276)	Accessory dwelling units	Concerning accessory dwelling units.	S Rules X	Shewmake	
ESSB 5334 (Dead)	Affordable housing funding	Providing a local government option for the funding of essential affordable housing programs.	S Rules 3	Lovelett	
ESSB 5466 (Dead) (HB 1517)	Transit-oriented development	Promoting transit-oriented development.	S Rules X	Liias	
SB 5473 (Dead)	Project permit timelines	Concerning project permit timelines.	S Loc Gov, Land	Gildon	
ESSB 5657 (Dead)	Kit home permitting	Concerning city and town permitting of kit homes.	S Rules 3	Wilson	
SB 6249 (Dead)	Homeowner property tax ex.	Providing housing safety, security, and protection by creating the homeowner relief property tax exemption.	S Ways & Means	Robinson	

Military Affairs

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
HB 1437 (Dead)	Interstate massage compact	Concerning the interstate massage compact.	H Postsec Ed & W	Kloba	Support

SB 5021 (Dead) (HB 1001)	Audiology & speech compact	Concerning the audiology and speech-language pathology interstate compact.	S Health & Long	Wagoner	Support
SB 5219 (Dead)	Counseling compact	Enacting the interstate counseling compact for licensed mental health counselors.	S Health & Long	Muzzall	Support
SB 5845 (Dead)	Military housing taxation	Concerning taxation of military housing.	S Ways & Means	Muzzall	Oppose

Parks, Recreation & Community Services

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
HB 2051 (Dead)	Small off-road engines	Reducing emissions from small off-road engines.	H Env & Energy	Walen	
SSB 6010 (Dead)	SEPA/trails and paths	Streamlining certain decisions pertaining to the development or extension of a trail or path from the state environmental policy act.	S Rules 3	Shewmake	

Public Safety

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
2SHB 1025 (Dead)	Police/private actions	Creating a private right of action for harm from violations of the state Constitution or state law by peace officers.	H Civil R & Judi	Thai	
HB 1053 (Dead)	Vehicular pursuits	Concerning vehicular pursuits.	H Community Safe	Robertson	
2SHB 1062 (Dead) (SB 6293)	Law enf. officers/deception	Concerning deception by law enforcement officers during custodial interrogations.	H Rules X	Peterson	Oppose
SHB 1363 (Dead) (ESB 5352)	Vehicular pursuits	Concerning vehicular pursuits.	H Rules X	Rule	
HB 1380 (Dead)	Law enf. officer funding	Providing funding for the recruitment, retention, and support of law enforcement officers.	H Approps	Stokesbary	
ESHB 1387 (Dead)	Law enf. applicant pool	Requiring the criminal justice training commission to establish a program to recruit and train a pool of applicants who may be employed by certain law enforcement agencies in the state.	H Community Safet	Ramos	
HB 1415 (Dead)	Controlled sub. possession	Making the knowing possession of a controlled substance a gross misdemeanor offense under criminal violations of Title 69 RCW.	H Community Safe	Maycumber	
2SHB 1445 (Dead)	Law enf. misconduct	Concerning law enforcement and local corrections agency misconduct through investigations and legal actions.	H Rules X	Hansen	Oppose
2SHB 1586 (Dead)	Vehicular pursuits work grp.	Requiring the criminal justice training commission to establish a work group and grant program related to vehicular pursuits.	H Rules X	Goodman	

HB 1613 (Dead) (SB 5467)	Controlled sub. possession	Encouraging treatment for possession of certain counterfeit drugs or controlled substances.	H Community Safe	Rule	
SHB 1650 (Dead)	Cannabis prohibitions	Requiring voter approval for local government prohibitions on cannabis businesses.	H Approps	Wylie	Oppose
HB 1654 (Dead) (SSB 5506)	Behavior support homes	Establishing an enhanced behavior support homes model.	H Human Svc, You	Harris	
HB 1734 (Dead) (SB 5544)	Alt. placement contracting	Providing notice regarding less restrictive alternative placement contracting.	H Community Safe	Couture	
HB 1751 (Dead)	Sex offender facility siting	Concerning siting of sex offender and sexually violent predator facilities.	H Community Safe	Couture	
HB 1813 (Dead)	Community transition facs.	Establishing a moratorium on the siting and use of secure community transition facilities.	H Community Safe	Griffey	
HB 1949 (Dead) (SSB 6106)	DSHS competency rest./PSERS	Including in the public safety employees' retirement system specified competency restoration workers at department of social and health services institutional and residential sites that serve civilly committed residents or serve patients under not guilty by reason of insanity findings.	H Rules 3C	Leavitt	
HB 2093 (Dead)	Sexually violent predators	Improving community safety and justice in the civil commitment of sexually violent predators.	H Community Safe	Griffey	
HB 2096 (Dead)	Local communities/LRAP	Ensuring adequate notice to and consideration of local communities when establishing housing options for individuals qualifying for a less restrictive alternative placement.	H Community Safe	Leavitt	
2SHB 2113 (Dead)	GMA housing element	Concerning compliance with the housing element requirements of the growth management act.	H Rules X	Bateman	
HB 2211 (Dead) (SB 6076)	Criminal justice local tax	Granting local taxing authority to fund criminal justice.	H Local Govt	Stearns	
HB 2231 (Dead)	Law enforcement funding	Incentivizing cities and counties to attract and retain commissioned law enforcement officers.	H Local Govt	Walen	Support
E2SHB 2245 (Dead)	Co-response services	Establishing co-response services and training as an essential component of the crisis care continuum.	H Rules 3C	Bronoske	Support
SHB 2258 (Dead)	Regional 911 funding	Providing funding for municipalities participating in the regional 911 emergency communications system.	H Rules X	Ormsby	
SHB 2390 (Dead) (SB 6200)	Eluding & resisting arrest	Concerning penalties related to eluding police vehicles and resisting arrest.	H Approps	Shavers	Support

HB 2420 (Dead)	Law enforcement training	Concerning law enforcement training.	H Community Safe	Donaghy	
HB 2472 (Dead)	Mental health/matching funds	Providing state matching funds for programs supported by the county sales and use tax for chemical dependency, mental health treatment, and therapeutic courts.	H Approps	Hutchins	
HB 2475 (Dead) (SSB 6301)	Basic law enf. academy	Concerning basic law enforcement academy.	H Community Safe	Lekanoff	
SB 5034 (Dead)	Vehicular pursuits	Concerning the authority for a peace officer to engage in a vehicular pursuit.	S Law & Justice	Padden	
SB 5035 (Dead)	Controlled sub. possession	Concerning possession of controlled substances.	S Law & Justice	Padden	
SB 5302 (Dead) (HB 1265)	Adult family homes/prop. tax	Establishing a property tax exemption for adult family homes that serve people with intellectual or developmental disabilities and are owned by a nonprofit.	S Rules X	Mullet	
SSB 5361 (Dead) (HB 1446)	Law enf. officers/increase	Incentivizing cities and counties to increase employment of commissioned law enforcement officers.	S Ways & Means	Holy	
SB 5467 (Dead) (HB 1613)	Controlled sub. possession	Encouraging treatment for possession of certain counterfeit drugs or controlled substances.	S Law & Justice	Salomon	
SSB 5506 (Dead) (HB 1654)	Behavior support homes	Establishing an enhanced behavior support homes model.	S Ways & Means	Kauffman	
SSB 5533 (Dead)	Model vehicle pursuit policy	Concerning the creation of a model vehicle pursuit policy.	S Ways & Means	Lovick	
SB 5544 (Dead) (HB 1734)	Alt. placement contracting	Providing notice regarding less restrictive alternative placement contracting.	S Human Services	MacEwen	
SB 5624 (Dead)	Substance use recovery serv.	Implementing the recommendations of the substance use recovery services advisory committee.	S Law & Justice	Dhingra	
SB 5676 (Dead)	Behavioral health siting	Siting intensive behavioral health treatment facilities.	S Health & Long T	Short	
SB 5682 (Dead)	State hospitals/police costs	Concerning policing costs driven by proximity to state hospitals.	S Law & Justice	Holy	
SB 5739 (Dead)	Sex. violent predator notice	Providing notice to members of the community where a sexually violent predator will reside.	S Human Services	Fortunato	
SB 5959 (Dead) (ESHB 2384)	Traffic safety cameras	Concerning automated traffic safety cameras.	S Transportation	Liias	Support
SB 6044 (Dead)	Juvenile access to attorney	Concerning juvenile access to an attorney.	S Human Services	Fortunato	
SB 6153 (Dead)	Peace officer hiring & cert.	Concerning peace officer hiring and certification.	S Law & Justice	Kuderer	

SB 6200 (Dead) (SHB 2390)	Eluding & resisting arrest	Concerning penalties related to eluding police vehicles and resisting arrest.	S Law & Justice	Lovick	Support
SB 6242 (Dead)	Law enforcement training	Concerning law enforcement training.	S Rules 3	Mullet	Support

Transportation & Infrastructure

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
HB 1099 (Dead)	Public works wages	Requiring certain wages in public works contracts to be at least the prevailing wage in effect when the work is performed.	H Cap Budget	Berry	
HB 1198 (Dead) (SB 5402)	PTBA/limited law enforcement	Authorizing public transportation benefit areas to become limited authority Washington law enforcement agencies.	H Community Safet	Bronoske	Support
SSB 5303 (Dead)	Public works trust account	Creating the public works assistance revolving account.	S Rules X	Mullet	
SB 5402 (Dead) (HB 1198)	PTBA/limited law enforcement	Authorizing public transportation benefit areas to become limited authority Washington law enforcement agencies.	S Law & Justice	Randall	Support

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CITY OF LAKEWOOD

2024 LEGISLATIVE SESSION

Shelly Helder
State Lobbyist

GORDON THOMAS HONEYWELL
GOVERNMENT RELATIONS

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PURPOSE

- Overview of the 2024 Legislative Session
- City of Lakewood Priorities
- Additional Legislative Issues
- Next Steps

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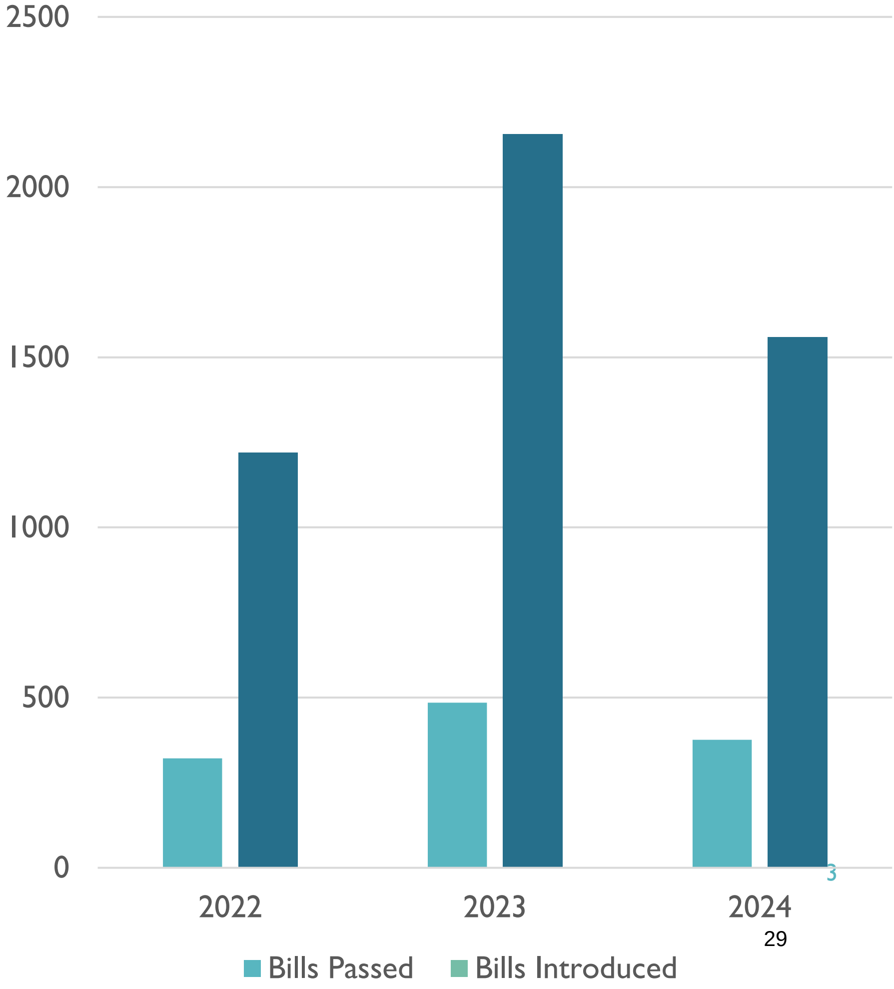
OVERVIEW OF 2024 LEGISLATIVE SESSION

General Context

- Second year of the biennium, 60-day session
- Adopted supplemental operating, capital, and transportation budgets
- 1,560 bills introduced, 376 passed into law

Political Context

- Democrats held strong majorities in House and Senate
- 6 Initiatives to the Legislature



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OVERVIEW OF 2024 SUPPLEMENTAL BUDGETS

Operating

- Funds all state agency operations
- February revenue forecasts $1.2 billion increase from when budgets were enacted
- $2.1 billion in additional spending for a $71.9 billion biennial budget
- Local Investments: Eliminates local 25% cost share for BLEA, $34M for grants to local governments for homeless housing programs and services

Capital

- Funds public and nonprofit construction projects
- $1.3B of additional investments for a $10.3B biennial budget
  - Combination of bond capacity, CCA, federal funds, MTCA, etc.
  - Many investments are contingent on failure of I-2117
- $72.5M allocated for local community projects ($62M in 2022)
- Key investments in housing & homelessness, behavioral health, education

Transportation

- Funds the state's transportation system including highways, ferries, transit and transportation related agencies
- $1B of new spending, $14.6B biennial budget
  - Federal funds, CCA $, increased MAW revenues
  - Many investments are contingent on failure of I-2117
- Traditional revenues (gas tax, license fees, permits, etc.) are down by $56M, an 8% decrease

2024 LEGISLATIVE PRIORITIES

Public Safety

- Tools to address auto theft and property crime
- Refinements to restrictions on vehicular pursuits
- Ongoing state funding for therapeutic courts
- Ongoing funding for co-responder programs
- Allow a parent or guardian to provide consent for a juvenile interview by law enforcement

Geographic Equity in Discharge from State Facilities

- Prioritize securing housing and treatment facilities in the five underserved regions of the state
- Institute fair share policies for discharge planning from state hospitals and secure community transition facilities

POLICY MANUAL ITEMS

Housing & Homelessness Services

- House Bill 1892, the workforce housing accelerator program
- Senate Bill 6173, affordable homeownership unit development

Tax Increment Financing

- House Bill 2354 makes changes to TIF implementation

Traffic Safety Cameras

- House Bill 2384 expands authority for traffic safety camera enforcement

Military Affairs

- South Sound Military & Communities Partnership
- HB 1862 provides tax exemptions at American Lake Veterans Golf Course

NEXT STEPS

- Thank the City's legislative delegation
- Implement new policies & take advantage of grant programs
- Interim Action Plan to Prepare for the 2025 session
- 2025 Legislative Session begins January 13th

QUESTIONS?

Shelly Helder
shelder@gth-gov.com
360-209-3338

City of Lakewood

TO:	Lakewood City Council
FROM:	Becky Newton, Economic Development Manager
THROUGH:	John Caulfield, City Manager and Jeff Rimack, Community and Economic Development Director
DATE:	April 8, 2024
SUBJECT:	Tax Increment Financing Strategy Review
ATTACHMENTS:	Draft Ordinance (Attachment A); Final Project Analysis (Attachment B); Summary of Project Analysis Clarifications (Attachment C); Office of the State Treasurer Review Letter (Attachment D); Public Outreach Summary (Attachment E); PowerPoint Presentation

John P. Caulfield

Background

Advocates from the Association of Washington Cities, Washington Public Ports Association, Washington Economic Development Association and NAIOP, among other organizations worked to get Tax Increment Financing (TIF) legislation approved in 2021. Washington State's approach to TIF does not raise property taxes on residents but allows new development to pay for public infrastructure.

TIF is a tool that allows cities, counties, and ports, or any combination thereof to fund public infrastructure in targeted areas to encourage private development and investment.

Considerable analysis is required and is reviewed by the state with outreach to affected taxing districts, and briefings for the public.

This is a review of the strategy for Lakewood's proposed TIF.

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ATTACHMENT A: DRAFT ORDINANCE NO._____

AN ORDINANCE OF THE CITY OF LAKEWOOD, WASHINGTON, DESIGNATING THE LAKEWOOD DOWNTOWN TAX INCREMENT AREA; SETTING A SUNSET DATE FOR THE INCREMENT AREA; IDENTIFYING THE PUBLIC IMPROVEMENTS TO BE FINANCED; INDICATING THE CITY'S INTENT TO ISSUE BONDS TO FINANCE PUBLIC IMPROVEMENT COSTS IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED $15,000,000: PROVIDING THAT THE INCREMENT AREA WILL TAKE EFFECT ON JUNE 1, 2024; IMPOSING A DEADLINE FOR COMMENCEMENT OF CONSTRUCTION; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, for many years the City has been studying, evaluating, designing and completing key infrastructure improvements to enable a residential and commercial use development within the Lakewood Downtown; and

WHEREAS, the City has identified a proposed Tax Increment Area (TIA) of approximately 131 acres of property that is being planned for residential and commercial development and is in need of substantial infrastructure improvements to support the desired development; and

WHEREAS, the TIA has the opportunity, if developed, to provide a variety of housing types, parks, open space and commercial amenities for the community providing for increased tax revenues to support City services and providing employment opportunities for the residents of the City; and

WHEREAS, the Washington State Legislature, during its 2021 legislative session, enacted Engrossed Substitute House Bill 1189 as Chapter 207, Laws of 2021, titled "AN ACT Relating to tax increment financing" and codified as Chapter 39.114 RCW (the "TIF Act"), which authorizes local governments, including cities, to carry out tax increment financing of public improvements needed to support vital private economic development projects; and

WHEREAS, that the TIF ACT authorizes the allocation of property tax revenues generated from the increased assessed valuation of properties improved by private development that are within a TIA to pay for public improvements that are needed to support the private development; and

WHEREAS, City management has identified the TIF public improvements (TIF Projects) to support the desired development based on market conditions necessary to accommodate housing demands and commercial tenants; and

WHEREAS, the TIF Projects are estimated to cost approximately $15 million to construct; and

WHEREAS, City management anticipates bringing forward for Council consideration an agreement between the City and future developers that memorializes the infrastructure improvement responsibilities and private development associated with the TIF Projects; and

WHEREAS, the City has prepared a Project Analysis for the Lakewood Downtown and submitted such to the Office of the State Treasurer for review and comment as required by law; and

WHEREAS, there exists no TIA within the City and the TIA does not consist of the entire geographical area of the City and does not have an assessed valuation of more than $200,000,000 or more than 20% of the City's total assessed valuation;

WHEREAS, the Office of the State Treasurer has completed its review of the Lakewood Downtown Project Analysis and has stated that the Project Analysis, generally addresses the topics listed in subsection (2) of RCW 39.114.020; and

WHEREAS, the City has conducted public briefings on and provided notice of the proposed TIA to inform the community and other public agencies about the anticipated benefits and impacts associated with the development; and

WHEREAS, State law requires a mitigation plan if the TIA will impact at least 20 percent of the assessed value of an impacted fire district. The TIA is within Fire District 21. It represents only % of the District's assessed value $____________ (2023 assessment values).

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON, AS FOLLOWS:

Section 1. Definitions. Capitalized terms used in this ordinance shall have the meanings set forth in the recitals to this ordinance above and in this Section 1. The uncapitalized terms "public improvement costs," "regular property taxes," and "tax allocation revenues," used in this ordinance shall have the meanings provided for those terms by RCW 39.114.010, as the context requires.

"City" means the City of Lakewood, Washington

"Code" means the Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

"Council" means the Lakewood City Council, acting in its legislative capacity.

"County" means Pierce County, Washington.

"Finance Director" means the Director of Finance of the City or such other officer of the City who succeeds to substantially all of the responsibilities of that office.

"Increment Area" means the approximately 131 acres of land designated by Section 2 of this ordinance as the "Lakewood Downtown."

"Project Analysis" means the Lakewood Downtown Final Project Analysis submitted to the Washington State Treasurer on ________, 2023 for its review and comment.

"Treasurer's Review Letter" means the letter to the City from the Office of State Treasurer dated ________, 2024, summarizing its review of and providing comments, recommendations and acceptance with respect to the Project Analysis for consideration by the City.

Section 2. Designation of Increment Area. Pursuant to the TIF Act, the City designates the approximately 131 acre parcel of land known as the Lakewood Downtown and described in Exhibit A to this ordinance. In making this designation, the Council finds that the Increment

Area (i) is the only increment area designated by the City under the TIF Act, (ii) is located within the boundaries of the City, (iii) does not include the City's entire territory, and (iv) does not have an assessed value on the date of this ordinance greater than the lesser of $200,000,000 or 20 percent of the total assessed value of taxable property within the City of $__________________.

Section 3. Sunset Date of the Increment Area. The sunset date of the Increment Area is hereby set as (i) December 31, 2050, which is the date not later than 25 years after the first year (calendar year 2025) in which tax allocation revenues will be collected on taxable property within the Increment Area (the "outside sunset date"), or (ii) if earlier, the date ("an early sunset date") on which the City certifies to the County Treasurer that all public improvement costs to be paid or reimbursed with tax allocation revenues derived from the Increment Area have been fully paid, including but not limited to reimbursements to the City for principal and interest payments required to be made by the City from revenue sources other than tax allocation revenues on limited tax general obligation bonds issued to finance the portion of public improvement costs that are intended to be paid and retired, in whole, from tax allocation revenues, as authorized by RCW 39.114.060(1).

Section 4. Identification of Public Improvements to Be Financed. The public improvements to be financed consist of the following infrastructure improvements to be owned by the City and located within or outside of and serving the Increment Area:

$15 Million Total TIF Public Improvements

- o Acquisition: $2 million
- o Park Amenities $13 million (*grass, restroom, water feature/splash facility, benches, play features, etc.)*

The exact timing, specifications, and features of the public improvements described above are to be determined by the City. As authorized by RCW 39.114.020(1)(h), the City may expand, alter, or add to the public improvements identified above only if the City Council determines that such changes are necessary to assure that the public improvements identified above can be constructed or operated as intended. If the City Council determines that it has become impractical to acquire, construct, or equip any, or any portion of, the public improvements by reason of changed conditions, or costs substantially in excess of the amount of bond proceeds or tax allocation revenues, the City shall not be required to acquire, construct or equip such public improvements or portions.

Section 5. Expected Issuance of Bonds to Finance a Portion of the Public Improvement Costs. Pursuant to RCW 39.114.060 and other law, including the applicable provisions of Chapters 39.36 and 39.46 RCW, the City intends to incur general indebtedness and issue limited tax general obligation bonds with a term of approximately 25 years to finance a portion (the "bond-financed portion") of the public improvement costs to be paid in whole or in part from tax allocation revenues. The City expects to pledge the tax allocation revenues received by the City from the Increment Area, the City's other regular property tax revenues, other lawfully available revenues of the City, and the full faith and credit of the City. The bonds are expected to be issued as tax-exempt bonds under the applicable provisions of the Code; however, if and to the extent that bond counsel determines that any of the public improvements (or portions thereof) do not qualify to be financed with tax-exempt bonds, the City expects to allocate funding sources other than proceeds of tax-exempt bonds, including but not limited to proceeds of taxable bonds, to the financing of those public improvements (or portions thereof).

As of the date of adoption of this ordinance, the estimated maximum principal amount of bonds expected to be issued by the City to finance the bond-financed portion of the public improvement costs is $15 million. This estimated maximum principal amount of bonds is subject to change based upon the final timing, specifications, and features of the public improvements and the final public improvement costs of the public improvements identified in Section 4 of this ordinance. The amount of proceeds of such bonds also may vary (be lower or higher than the maximum principal amount of $15 million) to the extent that the bonds are sold with original issue premium or original issue discount (respectively).

While the City will pledge its full faith and credit as well as its regular property tax revenues and other lawfully available revenues, in addition to tax allocation revenues received by the City from the Increment Area, to pay debt service on the bonds, the City intends that debt service on the bonds shall be payable, in whole, from tax allocation revenues as authorized by RCW 39.114.060(1). Accordingly, if and to the extent debt service payments on its general obligation bonds issued to finance the public improvements are required to be made from the City's other regular property tax revenues and/or from other lawfully available revenues because the amount of tax allocation revenues received are insufficient for that purpose, those debt service payments to that extent may be reimbursed from later-received tax allocation revenues that become available to reimburse the City for those debt service payments.

The City intends that the provisions of Section 4 of this ordinance (identifying the public improvements to be financed) and this Section 5 (stating the estimated maximum amount of bonds expected to be issued) together shall constitute a declaration of official intent under Treasury Regulations §1.150-2 to reimburse with bond proceeds any original expenditures for the public improvements paid before the issue date of the bonds that are intended to finance the bond-financed portion of the public improvement costs.

Section 6. Increment to Take Effect on June 1, 2024. The Increment Area designated in Section 2 of this ordinance shall take effect on June 1, 2024.

Section 7. Deadline for Commencement of Construction of Public Improvements. The City expects that construction of the public improvements identified in Section 4 of this ordinance will commence after June 1, 2024. In no event will construction of those public improvements commence later than _________, 2029, the date five years from the date of adoption of this ordinance, unless that deadline is extended for good cause.

Section 8. Required Findings by the City Council. Based upon the Project Analysis, the Council finds that:

The public improvements proposed to be paid or financed with tax allocation revenues are expected to encourage private development within the Increment Area-i.e., the private development of the Lakewood Downtown, and to increase the assessed value of real property within the Increment Area;

The 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 applicable zoning and development standards of the City, which is expected to be the permitting jurisdiction for the Increment Area;

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

The increased assessed value of taxable property 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 private development with the proposed public improvements.

Section 9. Preparation and Consideration of Project Analysis. As required by RCW 39.114.020(2), the Council has caused the Project Analysis, attached hereto as Exhibit B, to describe and analyze, among other matters, the factors and considerations listed in that statute. The Council takes note of the conclusion expressed in the Treasurer's Review Letter that the City's Project Analysis generally addresses the topics listed in subsection (2) of RCW 39.114.020. In its consideration and adoption of this ordinance, the Council has reviewed and considered, among other things, the Project Analysis and the Treasurer's Review Letter, attached hereto as Exhibit C, including the "Key Risks to the City”" and "Recommendations" noted in the Treasurer's Review Letter.

Section 10. Reimbursement of Expenses Incurred by County Assessor and County Treasurer. Pursuant to RCW 39.114.020(6), the City may enter into arrangements to reimburse the County Assessor and County Treasurer for the expenses incurred by those officials in connection with the implementation and ongoing administration of the Increment Area as described in RCW 39.114.0l0(6)(e). Such expenses shall be a portion of the public improvement costs to be paid or reimbursed from tax allocation revenues derived from the Increment Area.

Section 11. Public Briefings Held by the City. As required by RCW 39.114.020(7)(a), the City has held two public briefings for the community regarding the Lakewood Downtown development and the public improvements needed to serve the Increment Area. These public briefings were held on ________, 2024, and _______, 2024, and announced to the public at least two weeks prior to the date each briefing was held by publishing notice in the __________, a legal newspaper of general circulation in the City and the greater County area, and by posting information on the City’s website and on all of its social media sites. Each public briefing included a description of the Increment Area, the public improvements proposed to be financed with tax allocation revenues derived from the Increment Area, and a detailed estimate of tax revenues for the participating local governments and taxing districts, including the amounts allocated to the public improvements serving the Increment Area. The City also has provided additional briefings for elected and administrative officials of the County Assessor and Treasurer, Fire District, EMS, Library District, the Flood Control District.

Section 12. Publication of Notice and Delivery of Ordinance Designating Increment Area. On ___, which is at least two weeks before the date of adoption of this ordinance, the City published in the _________________, a legal newspaper of general circulation within the jurisdiction of the City, a notice that describes the public improvements, describes the boundaries of the Increment Area, and identifies the location and times where this ordinance and other public information concerning the public improvements may be inspected. Following the adoption of this ordinance, the City will deliver a certified copy of this adopted ordinance to the County Treasurer, the County Assessor, and the governing body of each taxing district within which the Increment Area is located at the respective addresses specified pursuant to RCW 42.56.040 within 10 days of the date on which the ordinance was adopted.

Section 13. General Authorization and Ratification. The appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the tax increment financing of the public improvements serving the Increment Area contemplated in connection with this ordinance. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 14. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 15. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council of the City of Lakewood, Washington this ___ day of _________, 2024.

I, the undersigned, City Clerk of the City of Lakewood, Washington (the "City"), hereby certify as follows:

The attached copy of Ordinance No. _____ (the "Ordinance") is a full, true and correct copy of the Ordinance duly adopted at a regular meeting of the Lakewood City Council held on ________, 2024 (the "Meeting"), as that Ordinance appears on the minute book of the City.

The Ordinance is in full force and effect.

The Meeting was duly convened and held in all respects in accordance with law, the public was notified of the access options for remote attendance via the City's website, a quorum of the members of the Council was present throughout the meeting and a sufficient number of members of the Council present voted in the proper manner for the adoption of the Ordinance.

Dated: ______________________________

____

City Clerk

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Exhibit A: Tax Increment Area (TIA)

Insert

Parcels in the Lakewood Downtown TIA, Pierce County WA include:

Insert

Exhibit B: Lakewood Downtown Project Analysis

Exhibit C: Office of State Treasurer Project Analysis Review Letter

ATTACHMENT B

LAKEWOOD DOWNTOWN
TAX INCREMENT FINANCING (TIF)
PROJECT ANALYSIS

December 27, 2023
Updated March 20, 2024

ACKNOWLEDGEMENTS

This Project Analysis was prepared for the City of Lakewood by Stowe Development & Strategies, LLC in association with ECONorthwest (SDS/ECO team).

The Project Analysis represents a thorough and comprehensive evaluation of a future Tax Increment Financing program and establishment of a Tax Increment Area for a significant development opportunity in the Lakewood Town Center and Downtown Sub Area Plan. The production of this report would not have been possible without the participation, collaboration, and guidance of the following individuals and groups.

Lakewood Mayor & City Council

- Mayor Jason Whalen
- Deputy Mayor Mary Moss
- Councilmember Don Anderson
- Councilmember Mike Brandstetter
- Councilmember Patti Belle
- Councilmember Trestin Lauricella
- Councilmember Paul Bocchi

City of Lakewood Staff

- John Caulfield, City Manager
- Becky Newton, Economic Development Manager
- Heidi Wachter, City Attorney
- Tho Kraus, Deputy City Manager/Chief Financial Officer
- Dave Buger, Assistant City Manager, Community & Economic Development Director
- Paul Bucich, Public Works Director/Engineer
- Mary Dodsworth, Parks and Recreation Director
- Tiffany Speir, Long Range Planning & Strategic Planning Manager

Legal and Financial Consultants

- Stacie Amasaki, Bond Counsel, Foster Garvey PC – Principal
- Scott Bauer, Financial Advisor, Northwest Municipal Advisors

Increment Financing Consultants

- Bob Stowe, Stowe Development & Strategies (TIF Project Manager)
- Morgan Shook, ECONorthwest

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About Lakewood

Lakewood is home to nearly 64,000 residents and has one of the most culturally diverse populations in Washington. With lush parks, lakes, thriving businesses, and plenty of opportunities we are happy to call Lakewood home.

On October 1, 2018, the Lakewood City Council adopted the Downtown Subarea Plan, Downtown Development Code, and Planned Action Ordinance. The Plan went into effect on November 1, 2018. The Proposed Tax Increment Area (TIA) of this Project Analysis lies with the City's Downtown Subarea.

Following a 2017 economic analysis of Lakewood's downtown and the local area, the City Council directed the Downtown to be focused on meeting the daily needs of residents. In terms of retail and services, this is the opportunity to provide:

- Daily goods and services, including groceries, personal care products, restaurants, coffee shops, and bars.
- Professional and healthcare services, including financial services, dental offices, and trend toward retail-based medical providers.

The Plan reflects input from hundreds of Lakewood citizens of all ages and walks of life. It reflects both Lakewood's unique past and desires to create a Downtown area that works for todays and tomorrow's residents. This includes incentivizing new types of housing and services within walking distance of each other. The area in and around the Towne Center is envisioned as a magnet for intensive mixed-use urban development including higher-density office and residential uses.

At the north end of the Plan area, the Colonial Center will serve as the hub of Lakewood's cultural activity. Higher quality, higher density urban redevelopment is expected within the TIA. This will noticeably increase social, cultural, and commercial activity. Streetscape and other urban design improvements will make this area more accessible and inviting to pedestrians.

The Planned Action Ordinance will also make developing Downtown easier and faster for property owners and developers. It includes the required environmental analysis for the entire area. This means that when an individual application is submitted, the permit review will be streamlined. The Downtown Development Code is user-friendly and allows for creativity while requiring the desired design standards expressed by citizens.

Introduction/Summary

This Project Analysis explains in detail the proposed TIA designation of the City's public improvement projects, envisioned private development, and associated tax increment revenue to fund the public improvement projects.

Highlights

- $15 Million Total TIF Public Improvements
  - Acquisition: $2 million
  - Park Amenities $13 million (*grass, restroom, water feature/splash facility, benches, play features, etc.)*

- **Up to $23.4 million (present value) of TIF increment Property Tax Revenue at Full Build-Out Over 25 Years**
  - Aggressive: $23.4 million
  - Moderate (Most Likely): $17.1 million
  - Conservative: $11.0 million

- **Private Development at Build-Out:**
  - 1,532 multi-family residential units (Including 150 Senior Housing units)
  - 230,000 SF of retail development
  - 100,000 SF of commercial tenant improvements

- **$260 Million of Market Value of Private Development at Build-Out (Moderate Scenario)**

- **$9.7 million (present value at 5.0%) Additional Tax Revenue (Moderate Scenario)**

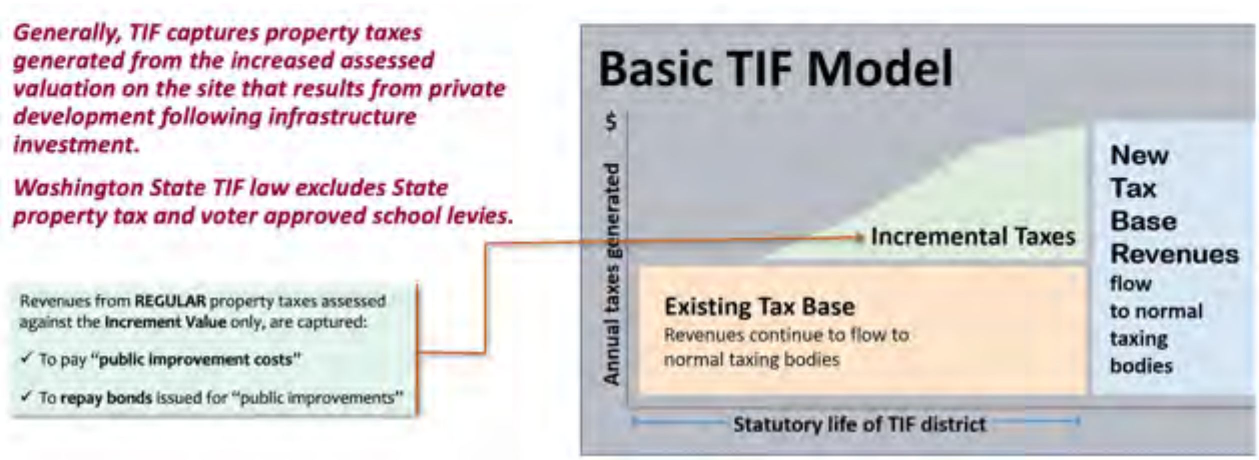
- **1,310 Temporary Construction Jobs (Moderate Scenario)**

- **110 Ongoing Jobs (Moderate Scenario)**

Tax Increment Financing (TIF) is a powerful economic development tool adopted into law in Washington State in 2021. The Washington state legislature created the TIF authority through House Bill 1189 (now codified as chapter 39.114, Revised Code of Washington (RCW) for a city, county, or port district to designate a geographical area within the jurisdiction as a tax increment area (TIA). The increment property tax revenue funds the public infrastructure needed by private development in the TIA. Jurisdictions throughout the United States use TIFs to promote economic development.

In general, our State's TIF is a financing option which allows a city, county, or port to fund publicly owned infrastructure determined necessary to encourage private development within a TIA. As private development occurs because of the public agency's investment in public improvements, property values rise, and the public agency uses the newly generated property tax dollars to pay for the public improvements. After the costs are paid, the public agency retires the TIA. Sponsoring jurisdictions identify TIAs and the public infrastructure, including costs of construction by ordinance. The sponsoring jurisdiction may incur debt through bond issuance to secure financing to make public improvements in the TIA.

Figure 1: TIF Model



Source: Stowe Development & Strategies, 2023

<u>Statutory limits on TIF</u>

- No more than <u>two</u> active increment areas per sponsoring jurisdiction, which cannot overlap, and cannot be changed.
- 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.
- Once public improvements are identified, additional public improvements cannot be TIF financed.
- Construction of public improvements must begin within 5 years following adoption of the TIF ordinance (with an ability to extend for good cause).
- Sponsoring jurisdiction may only receive TIF revenues for the time period necessary to pay for the public improvements.
- TIA must be retired no more than 25 years after the adoption of the ordinance.

Risks

Because increased tax revenue is generated after a local government begins construction on public infrastructure and after private development occurs, using TIF is risky. 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 whether the projected private development and property tax materialize. Sponsoring jurisdictions must evaluate risks associated with TIF. The two main risks are: 1) 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) cost for infrastructure improvements is higher than projected. These risks impact the expected TIF revenues and/or the public infrastructure improvements cost. If revenues are not sufficient to cover the cost, the sponsoring jurisdiction must then use other sources of revenue to pay for the public infrastructure. A mitigation plan may alleviate some risks. Other risks include over-investment of infrastructure, or building infrastructure which isn't necessary for development to occur, resulting in loss of tax dollars that could have been used for other public purposes. Local governments can guard against and potentially avoid over-investing and under-development by carefully evaluating the local market conditions and analyzing the But-For requirement. Utilized correctly, growth and development in a TIA will pay for the infrastructure investments that encouraged it.

A risk and mitigation plan are included in this Project Analysis.

Other Revenues and Options

This Project Analysis also examines other anticipated revenues from the projected private development, including sales tax on construction and ongoing sales tax. Additionally, we examine sequencing appropriate infrastructure improvements with multiple bond issues over time (e.g., 5-year period) as well as structuring debt service to align with projected property tax revenues generated to better manage risks. Following TIA adoption, the City has multiple levers to direct a successful project utilizing TIA generated revenues and safeguarding its other resources. These options include amount of debt issued and when to issue debt based upon expected private development type and scale, as well as refinement of infrastructure cost estimates.

Private development interest and anticipated interest rates will drive the City's actions; the City can proceed with the development plan identified here, or, because the City has up to five years after passing the TIF ordinance, may modify it as conditions may change. The City could choose not to issue any debt, especially if development interest substantially changes to a very low level or the cost of debt it too high. The City could use a pay-as-you-go strategy for the infrastructure; however, doing so will likely delay the timing and reduce the scale of the private development. Finally, the City could also rescind or retire the TIA by ordinance prior to incurring debt.

Planning

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.

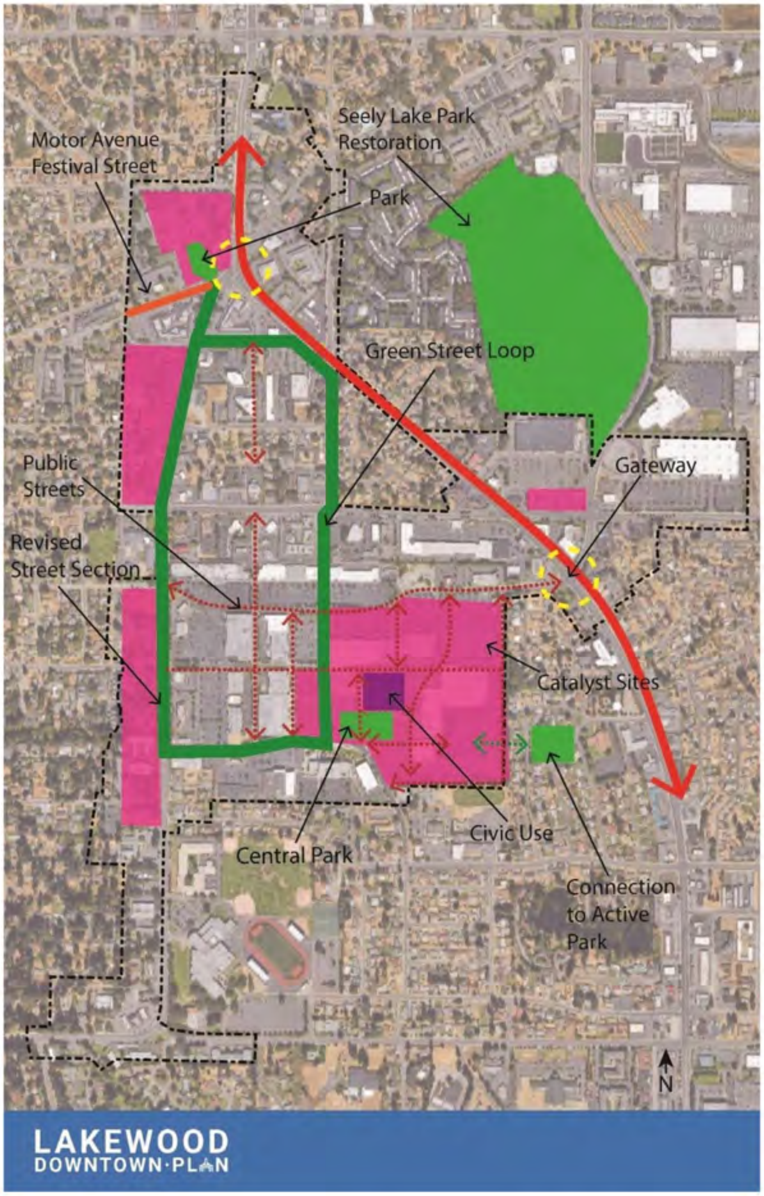
The Lakewood Downtown Plan encompasses over 315 parcel acres, with three districts that illustrate different characters (see Figure 2).

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

Source: City of Lakewood, 2023

Figure 3: Downtown Plan Vision



Source: City of Lakewood, 2023

<u>Town Center</u>: 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.

<u>East District:</u> 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 biking and is safe, 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 deciding 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

Infrastructure Needs

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 but are anticipated to be in the northern and southern parts of the TIA. 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

Source: City of Lakewood, 2023

The infrastructure is needed to create park space within the downtown per the Downtown Subarea Plan adopted October 2018. The park space is intended to be at either end of a green street loop within the Downtown. Downtown Lakewood is a Regional Center as designated by the Puget Sound Regional Council. The community, leadership, developers, and those engaged in the subarea planning process identified a strong need for parks within the Downtown for beautification and as a catalyst for future development, particularly in the Lakewood Towne Center and Colonial Center areas. The open space with special amenities for the residents and visitors will further enhance place-making for the Downtown and encourage additional cultural and creative endeavors, attract professional services and boutique shops in and around the area.

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 development that is likely to occur in the TIA and represents nearly $522 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 $260 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 nearly $213 million of private development market value.

Figure 5: Development Program Scenarios

AGGRESSIVE

Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value
Alliance 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
KITE Lakewood Towne Center	Retail/ Commercial	100,000	$ 325	2028	2	$ 32,500,000
Target Expansion	Retail/ Commercial	40,000	$ 325	2028	2	$ 13,000,000
KITE Mixed Use	Multi-family**	250	$ 300,000	2025	2	$ 75,000,000
KITE Mixed Use	Retail/ Commercial	20,000	$ 325	2025	2	$ 6,500,000
Senior Housing	Multi-family	150	$ 300,000	2025	2	$ 45,000,000
Tenant Improvements	Retail/ Commercial	100,000	$ 100	2025	10	$ 10,000,000
TOTAL						**521,600,000**

** MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED*

** Includes 50 Town Homes

Source: Stowe Development & Strategies, 2023

Figure 5.1: Development Program Scenarios

MODERATE

Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value
Alliance 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
KITE Lakewood Towne Center	Retail/ Commercial	100,000	$ 325	2028	2	$ 32,500,000
Target Expansion	Retail/ Commercial	40,000	$ 325	2028	2	$ 13,000,000
KITE Mixed Use	**Multi-family ****	**250**	**$ 300,000**	**2025**	**2**	**$ 75,000,000**
KITE Mixed Use	**Retail/ Commercial**	**20,000**	**$ 325**	**2025**	**2**	**$ 6,500,000**
Senior Housing	**Multi-family**	**150**	**$ 300,000**	**2025**	**2**	**$ 45,000,000**
Tenant Improvements ***	**Retail/ Commercial**	**75,000**	**$ 100**	**2025**	**10**	**$ 7,500,000**
TOTAL						**260,000,000**

** MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED*

** Includes 50 Town Homes

**** 3/4 OF TENANT IMPROVEMENTS OF AGGRESSIVE*

CONSERVATIVE

Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value
Alliance 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
KITE Lakewood Towne Center	Retail/ Commercial	100,000	$ 325	2028	2	$ 32,500,000
Target Expansion	Retail/ Commercial	40,000	$ 325	2028	2	$ 13,000,000
KITE Mixed Use	**Multi-family****	**250**	**$ 300,000**	**2025**	**2**	**$ 75,000,000**
KITE Mixed Use	**Retail/ Commercial**	**20,000**	**$ 325**	**2025**	**2**	**$ 6,500,000**
Senior Housing	Multi-family	150	$ 300,000	2025	2	$ 45,000,000
Tenant Improvements ***	**Retail/ Commercial**	**50,000**	**$ 100**	**2025**	**10**	**$ 5,000,000**
TOTAL						**$ 212,500,000**

** MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED*

** Includes 50 Town Homes

**** 1/2 OF TENANT IMPROVEMENTS OF AGGRESSIVE*

Source: Stowe Development & Strategies, 2023

Figure 6: Development Program Scenarios Chart

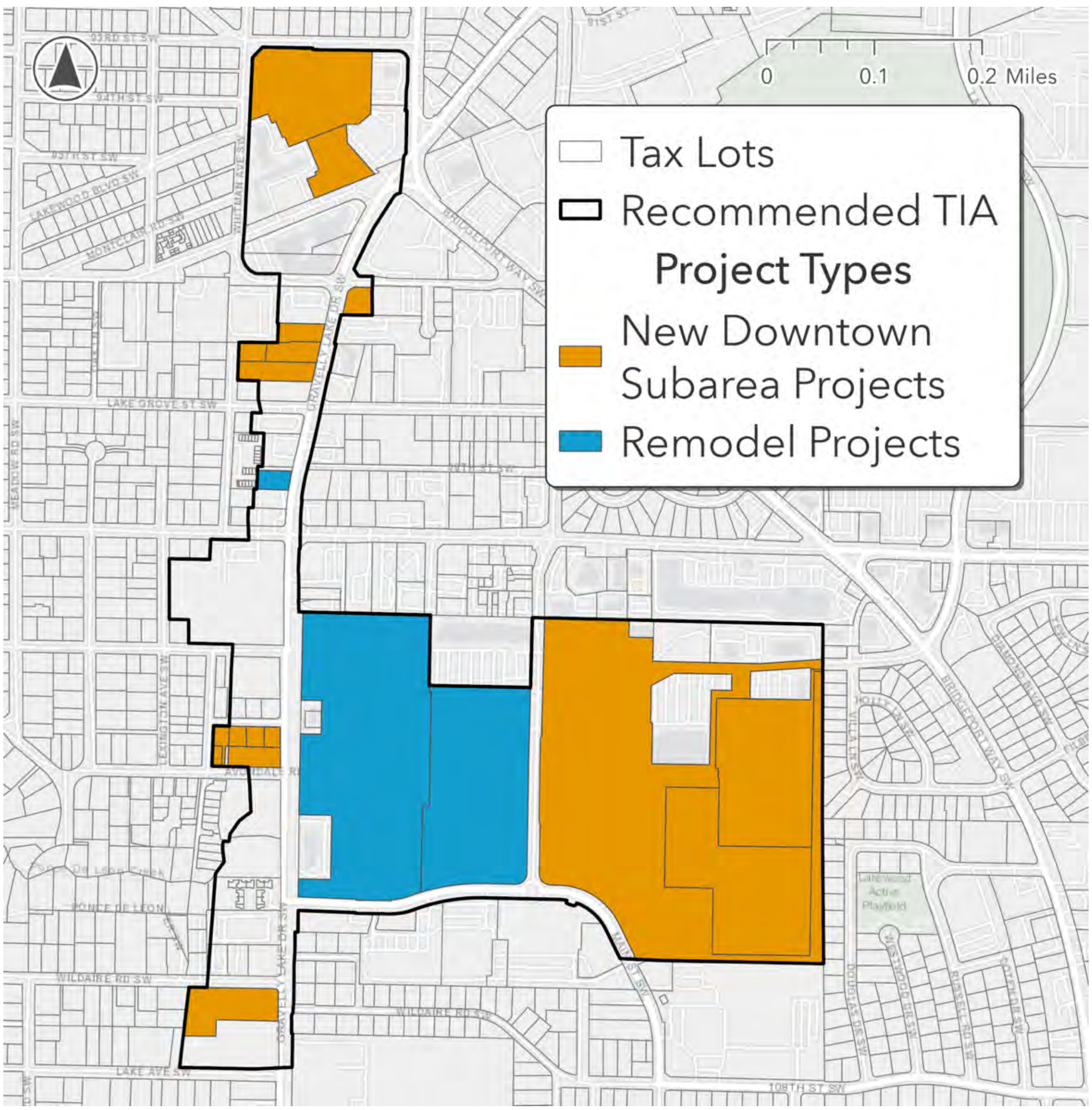
Source: ECONorthwest, 2023

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 of whether the projected private development and property tax materialize. The City has identified the Moderate Scenario as the most likely development scenario to occur.

Tax Increment Area

The TIA includes a large portion of the Downtown Plan area of approximately 124 acres. The base value of the TIA is equal to the sum of the taxable assessed value of real property in the tax year that the district is formed. In this case, this means using the certified taxable assessed values for 2023 for 2024 tax year. The taxable assessed valuation of the TIA in 2024 is approximately $182.4 million (2023 certified values for 2024 taxes) and below either the $200 million assessed valuation threshold or 20 percent of the City of Lakewood's total regular assessed valuation of $11,150,721,653 since the TIA is 1.6% 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 7: Recommended Tax Increment Area



Source: ECONorthwest, 2023

The below table in Figure 8 summarizes the parcel identification numbers and assessed values of properties in the TIF area.

Figure 8: Summary TIF Parcels

Parcel ID	Area (acres)	Appraised Land Value	Appraised Improvement Value	Total Taxable Appraised Value
219021020	0.2341	$194,500	$128,400	$0
219021051	7.81	$5,310,000	$9,361,200	$14,671,200
219021053	3.0399	$3,121,500	$5,496,800	$8,618,300
219021059	1.2899	$1,254,200	$188,400	$0
219022008	0.8078	$674,500	$21,700	$696,200
219022036	0.2724	$224,200	$0	$224,200
219022041	0.5199	$545,000	$879,400	$1,424,400
219022081	0.4553	$345,100	$0	$345,100
219022127	0.1147	$169,300	$141,600	$310,900
219022143	0.4049	$424,100	$0	$424,100
219022168	0.5977	$491,700	$540,700	$1,032,400
219022194	0.2361	$264,200	$280,700	$544,900
219022195	0.078	$87,400	$0	$87,400
219022196	0.6199	$442,000	$0	$442,000
219022239	0.1469	$176,700	$1,792,600	$1,969,300
219022240	0.3746	$404,900	$5,700	$410,600
219022253	0.4	$545,300	$0	$545,300
219022259	0.18	$192,300	$126,400	$318,700
219022260	0.3781	$468,100	$378,100	$846,200
219022265	0.557	$468,100	$378,100	$846,200
219023088	1.23	$1,511,600	$1,866,500	$3,378,100
219026009	0.9985	$1,021,400	$1,085,000	$2,106,400
4002240010	25.44	$16,018,800	$19,006,200	$35,025,000
4002240030	11.12	$7,001,900	$17,453,300	$24,455,200
4002240070	8.67	$5,039,300	$3,899,000	$8,938,300
4002240080	2.44	$1,536,400	$1,248,700	$2,785,100
4002240090	18.65	$12,800,600	$23,905,600	$36,706,200
4002240110	0.98	$617,100	$627,500	$1,244,600
5030000273	0	$0	$0	$0
5030000280	1.2758	$1,827,600	$1,356,300	$3,183,900
5030000300	1.2294	$832,700	$1,135,100	$1,967,800
5030001881	6.2103	$4,832,300	$8,480,800	$0
5030001930	0.1951	$196,800	$178,900	$375,700
5030001940	0.202	$241,300	$234,500	$475,800
5030001950	0.1836	$223,500	$198,800	$422,300
5030001960	0.1951	$196,800	$198,300	$395,100
5030001970	0.5853	$665,800	$244,800	$910,600
5030001983	0.2089	$200,600	$0	$200,600
5030001990	0.1951	$196,800	$235,400	$432,200
5030002011	1.0944	$865,100	$0	$865,100
5030002670	1.3324	$1,387,500	$1,966,000	$0
5030002682	0.5766	$617,800	$432,300	$1,050,100
5030002683	0.3573	$351,600	$334,900	$0
5030002684	0.3573	$334,900	$0	$334,900
5030002991	2.04	$1,938,200	$3,772,900	$0
5030003002	2.1855	$6,785,000	$2,075,700	$0
5140001010	0.9935	$960,200	$0	$960,200
5140001040	0.2662	$257,400	$0	$257,400
5140001070	1.7206	$1,662,900	$890,100	$2,553,000
5140001191	1.5822	$1,387,200	$425,700	$1,812,900
5140001201	3.05	$2,499,500	$1,812,500	$4,312,000
5140001252	1.6927	$2,196,500	$1,763,900	$3,960,400
5140001331	1.0602	$1,006,500	$848,400	$1,854,900
5140001351	5.21	$2,703,900	$610,000	$3,313,900
5231000010	0.065	$73,100	$94,800	$167,900
5231000020	0.065	$73,100	$94,800	$167,900
5231000030	0.065	$77,200	$100,200	$177,400
5231000040	0.0674	$70,200	$91,100	$161,300
5231000050	0.0688	$70,200	$91,100	$161,300
5231000060	0.0803	$82,500	$107,000	$189,500
5231000070	0.0803	$94,300	$122,300	$216,600
5231000080	0.0674	$73,100	$94,800	$167,900
5231000090	0.0674	$73,100	$94,800	$167,900
5231000100	0.0361	$47,800	$62,000	$109,800
5231000110	0.0624	$73,400	$95,300	$168,700
5231000120	0.0624	$80,800	$104,800	$185,600
5231000130	0.0674	$85,400	$100,700	$186,100
5231000140	0.0674	$77,600	$100,600	$178,200
5231000150	0.0687	$77,600	$100,600	$178,200
5231000160	0.0803	$91,100	$118,200	$209,300
5231000170	0.0845	$104,200	$135,100	$239,300
5231000180	0.0674	$80,800	$104,800	$185,600
5231000190	0.0674	$73,400	$95,300	$168,700
5231000200	0.0374	$47,800	$62,000	$109,800
5400000035	0.1273	$204,700	$635,600	$840,300

Source: ECONorthwest and Pierce County Assessor, 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 tax year 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 that includes the TIA within its boundaries 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 (the base value). This amount will flow to those taxing districts for the period that the TIA is in place. The local government that created the TIA will receive the additional portion of the regular property taxes levied by each taxing district based on the increment value within the increment area. For the local government that created the TIA, this includes its 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 9: TIA Levy

Levy Code Area 760	2023 Taxes Rates	Exempt: State Property Tax	Exempt: Excess and Other Levies	Available for TIF allocation
Total	$10.0418	$2.3122	$3.8968	$3.8328
State				
Part 1	$2.3122	$2.3122		$0.0000
Part 2		$0.0000		$0.0000
County				
Regular_Current Expense	$0.7539			$0.7539
Port				
General Fund	$0.1330			$0.1330
Flood Control				
Regular Levy	$0.1004			$0.1004
Sound Transit				
Regular Levy	$0.1558			$0.1558
City of Lakewood				
Regular Levy	$0.7101			$0.7101
EMS: West Pierce				
Regular Levy	$0.4115			$0.4115
School #400				
Enrichment	$2.1831		$2.1831	$0.0000
Bond	$0.9500		$0.9500	$0.0000
Fire District: West Pierce				
Regular Levy	$1.2347			$1.2347
M&O Fund	$0.7637		$0.7637	$0.0000
Library District				
Regular Levy	$0.3333			$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. For this analysis, incremental assessed value within the TIA assumes both the value of construction of new projects as well as some underlying appreciation of all properties.
- **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. Historical rates of assessed value growth are used for the analysis.
- **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.
- **Multifamily Property Tax Exemption.** In this analysis, some of the planned residential projects will participate in the City's multifamily property tax exemption program (MFTE). It's anticipated that these projects will utilize the eight-year program. This means that the residential portion of these developments won't be subject to taxation, effectively postponing the increase in assessed value for these projects. In our analysis, we're treating this condition as a flat exemption applied to all residential properties, corresponding to the expected number of units that would be exempt. This modeling choice will result in lower incremental assessed valuations for all residential properties throughout the analysis period. However, it's important to recognize that in reality, the cash flows generated from these incremental assessed valuations will depend on the specific projects that take advantage of the MFTE program.

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 $23.4 million in TIF allocation revenues. The Moderate and Conservative Development Scenarios could generate between $17.1 million and $11.0 million respectively. The table below the discounted value of the TIF allocation revenues is meant 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. Nominal values are also shown since this is ultimately the amount that the City can draw upon to service principal and interest (5%) on its debt payments.

Figure 10: TIA Allocation Revenues - Aggressive Scenario

	TIA Revenue Allocations	
	Present Value	Nominal Value
Lakewood	$4,310,000	$8,734,000
Pierce County	$4,660,000	$9,433,000
Port of Tacoma	$810,000	$1,637,000
Sound Transit	$950,000	$1,918,000
EMS	$2,500,000	$5,068,000
Fire District	$7,510,000	$15,207,000
Library	$2,030,000	$4,104,000
Flood Control	$600,000	$1,215,000
Total	$23,370,000	$47,316,000

Figure 10.1: TIA Allocation Revenues - Moderate Scenario

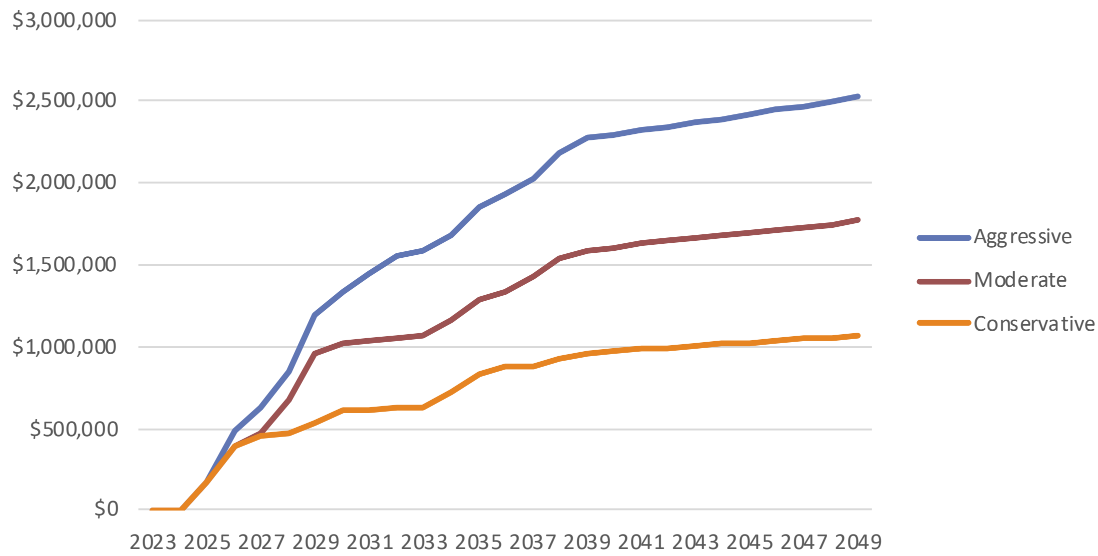
	TIA Revenue Allocations	
	Present Value	Nominal Value
Lakewood	$3,160,000	$6,344,000
Pierce County	$3,410,000	$6,848,000
Port of Tacoma	$590,000	$1,190,000
Sound Transit	$690,000	$1,391,000
EMS	$1,830,000	$3,683,000
Fire District	$5,490,000	$11,042,000
Library	$1,480,000	$2,983,000
Flood Control	$440,000	$882,000
Total	$17,090,000	$34,363,000

Figure 10.2: TIA Allocation Revenues - Conservative Scenario

	TIA Revenue Allocations	
	Present Value	Nominal Value
Lakewood	$2,030,000	$4,020,000
Pierce County	$2,190,000	$4,340,000
Port of Tacoma	$380,000	$752,000
Sound Transit	$450,000	$885,000
EMS	$1,180,000	$2,333,000
Fire District	$3,540,000	$6,994,000
Library	$960,000	$1,886,000
Flood Control	$280,000	$560,000
Total	$11,010,000	$21,770,000

Source: ECONorthwest, 2023

Figure 11: Chart of TIF Allocation Revenues (Nominal Values)



Source: ECONorthwest, 2023

Figure 12 below summarizes the property taxes that will remain in the affected taxing districts and identifies the property tax allocation values that will flow to the TIA as party of the Moderate Scenario. They are shown for:

- The City of Lakewood
- Pierce County
- The Port of Tacoma
- Emergency Medical District (EMS): West Pierce Fire & Rescue
- Pierce County Library
- West Pierce Fire & Rescue
- Sound Transit
- Flood Control District

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Figure 12: TIF Allocation Revenues to City and Other Taxing Jurisdictions – Moderate Scenario

Lakewood

Assessment Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Base Value	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840
Increment Value	$0	$0	$48,513,323	$149,026,669	$203,712,666	$273,944,514	$388,544,123	$441,848,878	$479,526,660	$518,981,967	$534,078,905	$573,524,082	$636,760,002	$676,280,428	$719,082,578	$783,754,576	$825,112,916	$846,978,409	$869,423,336	$892,463,055	$916,113,326	$940,390,329	$965,310,673	$990,891,405	$1,017,150,028	$1,044,104,503	$1,071,773,273
Levy Rate	$0.67675	$0.66619	$0.65580	$0.64556	$0.63549	$0.62557	$0.61581	$0.60620	$0.59674	$0.58742	$0.57826	$0.56923	$0.56035	$0.55160	$0.54300	$0.53452	$0.52618	$0.51797	$0.50989	$0.50193	$0.49410	$0.48638	$0.47879	$0.47132	$0.46397	$0.45673	$0.44960
Total Property Tax	$129,656	$127,633	$157,456	$219,886	$251,207	$291,222	$357,248	$383,986	$400,477	$417,404	$419,620	$435,525	$464,163	$478,719	$494,489	$521,341	$534,967	$537,944	$540,993	$544,115	$547,309	$550,576	$553,915	$557,328	$560,813	$564,372	$568,004
Tax Allocated to TIF	$0	$0	$31,815	$96,206	$129,457	$171,371	$239,268	$267,847	$286,151	$304,862	$308,835	$326,468	$356,808	$373,039	$390,459	$418,934	$434,158	$438,708	$443,306	$447,952	$452,647	$457,391	$462,185	$467,029	$471,924	$476,870	$481,868
Tax Allocated to Lakewood	$129,656	$127,633	$125,641	$123,680	$121,750	$119,850	$117,980	$116,139	$114,326	$112,542	$110,786	$109,057	$107,355	$105,680	$104,030	$102,407	$100,809	$99,236	$97,687	$96,162	$94,662	$93,184	$91,730	$90,299	$88,889	$87,502	$86,137

Pierce County

Assessment Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Base Value	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840
Increment Value	$0	$0	$48,513,323	$149,026,669	$203,712,666	$273,944,514	$388,544,123	$441,848,878	$479,526,660	$518,981,967	$534,078,905	$573,524,082	$636,760,002	$676,280,428	$719,082,578	$783,754,576	$825,112,916	$846,978,409	$869,423,336	$892,463,055	$916,113,326	$940,390,329	$965,310,673	$990,891,405	$1,017,150,028	$1,044,104,503	$1,071,773,273
Levy Rate	$0.75395	$0.71937	$0.70815	$0.69709	$0.68622	$0.67551	$0.66496	$0.65459	$0.64437	$0.63432	$0.62442	$0.61467	$0.60508	$0.59564	$0.58634	$0.57719	$0.56818	$0.55932	$0.55059	$0.54200	$0.53354	$0.52521	$0.51701	$0.50895	$0.50100	$0.49319	$0.48549
Total Property Tax	$144,445	$137,821	$170,025	$237,439	$271,260	$314,469	$385,766	$414,638	$432,446	$450,724	$453,117	$470,292	$501,215	$516,933	$533,963	$562,958	$577,672	$580,886	$584,179	$587,550	$590,999	$594,526	$598,132	$601,817	$605,581	$609,424	$613,346
Tax Allocated to TIF	$0	$0	$34,354	$103,886	$139,791	$185,051	$258,368	$289,229	$308,994	$329,199	$333,488	$352,529	$385,291	$402,818	$421,628	$452,376	$468,816	$473,729	$478,694	$483,711	$488,781	$493,903	$499,080	$504,310	$509,596	$514,937	$520,334
Tax Allocated to Pierce County	$144,445	$137,821	$135,671	$133,553	$131,469	$129,417	$127,398	$125,410	$123,453	$121,526	$119,629	$117,763	$115,925	$114,116	$112,335	$110,582	$108,856	$107,157	$105,485	$103,839	$102,218	$100,623	$99,053	$97,507	$95,985	$94,487	$93,013

Port of Tacoma

Assessment Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Base Value	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840
Increment Value	$0	$0	$48,513,323	$149,026,669	$203,712,666	$273,944,514	$388,544,123	$441,848,878	$479,526,660	$518,981,967	$534,078,905	$573,524,082	$636,760,002	$676,280,428	$719,082,578	$783,754,576	$825,112,916	$846,978,409	$869,423,336	$892,463,055	$916,113,326	$940,390,329	$965,310,673	$990,891,405	$1,017,150,028	$1,044,104,503	$1,071,773,273
Levy Rate	$0.12686	$0.12488	$0.12293	$0.12101	$0.11912	$0.11726	$0.11543	$0.11363	$0.11186	$0.11011	$0.10839	$0.10670	$0.10504	$0.10340	$0.10178	$0.10019	$0.09863	$0.09709	$0.09558	$0.09409	$0.09262	$0.09117	$0.08975	$0.08835	$0.08697	$0.08561	$0.08428
Total Property Tax	$24,304	$23,924	$29,515	$41,217	$47,088	$54,589	$66,965	$71,977	$75,068	$78,241	$78,657	$81,638	$87,006	$89,735	$92,691	$97,724	$100,278	$100,836	$101,408	$101,993	$102,592	$103,204	$103,830	$104,470	$105,123	$105,790	$106,471
Tax Allocated to TIF	$0	$0	$5,964	$18,034	$24,266	$32,123	$44,850	$50,207	$53,638	$57,146	$57,890	$61,196	$66,883	$69,925	$73,191	$78,528	$81,382	$82,235	$83,097	$83,968	$84,848	$85,737	$86,635	$87,543	$88,461	$89,388	$90,325
Tax Allocated to Port of Tacoma	$24,304	$23,924	$23,551	$23,184	$22,822	$22,466	$22,115	$21,770	$21,430	$21,096	$20,767	$20,442	$20,123	$19,809	$19,500	$19,196	$18,896	$18,601	$18,311	$18,025	$17,744	$17,467	$17,195	$16,926	$16,662	$16,402	$16,146

Sound Transit

Assessment Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Base Value	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840
Increment Value	$0	$0	$48,513,323	$149,026,669	$203,712,666	$273,944,514	$388,544,123	$441,848,878	$479,526,660	$518,981,967	$534,078,905	$573,524,082	$636,760,002	$676,280,428	$719,082,578	$783,754,576	$825,112,916	$846,978,409	$869,423,336	$892,463,055	$916,113,326	$940,390,329	$965,310,673	$990,891,405	$1,017,150,028	$1,044,104,503	$1,071,773,273
Levy Rate	$0.14862	$0.14630	$0.14401	$0.14177	$0.13956	$0.13738	$0.13523	$0.13312	$0.13105	$0.12900	$0.12699	$0.12501	$0.12305	$0.12113	$0.11924	$0.11738	$0.11555	$0.11375	$0.11197	$0.11023	$0.10851	$0.10681	$0.10514	$0.10350	$0.10189	$0.10030	$0.09873
Total Property Tax	$28,473	$28,029	$34,578	$48,288	$55,166	$63,953	$78,453	$84,325	$87,946	$91,663	$92,150	$95,643	$101,932	$105,128	$108,592	$114,488	$117,481	$118,134	$118,804	$119,490	$120,191	$120,908	$121,642	$122,391	$123,157	$123,938	$124,736
Tax Allocated to TIF	$0	$0	$6,987	$21,127	$28,429	$37,634	$52,544	$58,820	$62,840	$66,949	$67,821	$71,694	$78,356	$81,921	$85,746	$91,999	$95,343	$96,342	$97,352	$98,372	$99,403	$100,445	$101,497	$102,561	$103,636	$104,722	$105,820
Tax Allocated to Sound Transit	$28,473	$28,029	$27,591	$27,161	$26,737	$26,320	$25,909	$25,504	$25,106	$24,715	$24,329	$23,949	$23,576	$23,208	$22,845	$22,489	$22,138	$21,792	$21,452	$21,118	$20,788	$20,464	$20,144	$19,830	$19,520	$19,216	$18,916

EMS: West Pierce

Assessment Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Base Value	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840
Increment Value	$0	$0	$48,513,323	$149,026,669	$203,712,666	$273,944,514	$388,544,123	$441,848,878	$479,526,660	$518,981,967	$534,078,905	$573,524,082	$636,760,002	$676,280,428	$719,082,578	$783,754,576	$825,112,916	$846,978,409	$869,423,336	$892,463,055	$916,113,326	$940,390,329	$965,310,673	$990,891,405	$1,017,150,028	$1,044,104,503	$1,071,773,273
Levy Rate	$0.39261	$0.38648	$0.38045	$0.37451	$0.36867	$0.36291	$0.35725	$0.35167	$0.34618	$0.34078	$0.33546	$0.33023	$0.32508	$0.32000	$0.31501	$0.31009	$0.30525	$0.30049	$0.29580	$0.29118	$0.28664	$0.28217	$0.27776	$0.27343	$0.26916	$0.26496	$0.26083
Total Property Tax	$75,218	$74,044	$91,345	$127,563	$145,733	$168,946	$207,250	$222,762	$232,329	$242,149	$243,435	$252,661	$269,275	$277,719	$286,868	$302,446	$310,351	$312,078	$313,847	$315,658	$317,511	$319,406	$321,343	$323,323	$325,345	$327,409	$329,517
Tax Allocated to TIF	$0	$0	$18,457	$55,812	$75,102	$99,418	$138,807	$155,386	$166,005	$176,860	$179,164	$189,394	$206,995	$216,411	$226,517	$243,036	$251,868	$254,508	$257,176	$259,871	$262,594	$265,347	$268,128	$270,938	$273,777	$276,647	$279,546
Tax Allocated to EMS: West Pierce	$75,218	$74,044	$72,888	$71,751	$70,631	$69,529	$68,444	$67,376	$66,324	$65,289	$64,270	$63,267	$62,280	$61,308	$60,351	$59,409	$58,482	$57,570	$56,671	$55,787	$54,916	$54,059	$53,215	$52,385	$51,567	$50,763	$49,971

Fire District: West Pierce

Assessment Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Base Value	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840
Increment Value	$0	$0	$48,513,323	$149,026,669	$203,712,666	$273,944,514	$388,544,123	$441,848,878	$479,526,660	$518,981,967	$534,078,905	$573,524,082	$636,760,002	$676,280,428	$719,082,578	$783,754,576	$825,112,916	$846,978,409	$869,423,336	$892,463,055	$916,113,326	$940,390,329	$965,310,673	$990,891,405	$1,017,150,028	$1,044,104,503	$1,071,773,273
Levy Rate	$1.17809	$1.15971	$1.14161	$1.12379	$1.10626	$1.08899	$1.07200	$1.05527	$1.03880	$1.02259	$1.00663	$0.99092	$0.97546	$0.96023	$0.94525	$0.93050	$0.91598	$0.90168	$0.88761	$0.87376	$0.86012	$0.84670	$0.83349	$0.82048	$0.80767	$0.79507	$0.78266
Total Property Tax	$225,706	$222,184	$274,099	$382,778	$437,301	$506,959	$621,898	$668,443	$697,151	$726,618	$730,476	$758,163	$808,015	$833,354	$860,807	$907,551	$931,271	$936,453	$941,761	$947,196	$952,756	$958,443	$964,256	$970,196	$976,264	$982,459	$988,782
Tax Allocated to TIF	$0	$0	$55,383	$167,475	$225,358	$298,323	$416,518	$466,269	$498,132	$530,705	$537,620	$568,317	$621,131	$649,387	$679,711	$729,281	$755,783	$763,704	$771,708	$779,796	$787,969	$796,227	$804,572	$813,004	$821,525	$830,135	$838,836
Tax Allocated to Fire District: Wes	$225,706	$222,184	$218,716	$215,303	$211,943	$208,635	$205,379	$202,174	$199,019	$195,913	$192,856	$189,846	$186,884	$183,967	$181,096	$178,270	$175,488	$172,749	$170,053	$167,400	$164,787	$162,215	$159,684	$157,192	$154,739	$152,324	$149,947

Library

Assessment Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Base Value	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840
Increment Value	$0	$0	$48,513,323	$149,026,669	$203,712,666	$273,944,514	$388,544,123	$441,848,878	$479,526,660	$518,981,967	$534,078,905	$573,524,082	$636,760,002	$676,280,428	$719,082,578	$783,754,576	$825,112,916	$846,978,409	$869,423,336	$892,463,055	$916,113,326	$940,390,329	$965,310,673	$990,891,405	$1,017,150,028	$1,044,104,503	$1,071,773,273
Levy Rate	$0.31805	$0.31309	$0.30820	$0.30339	$0.29866	$0.29400	$0.28941	$0.28489	$0.28045	$0.27607	$0.27176	$0.26752	$0.26335	$0.25924	$0.25519	$0.25121	$0.24729	$0.24343	$0.23963	$0.23589	$0.23221	$0.22859	$0.22502	$0.22151	$0.21805	$0.21465	$0.21130
Total Property Tax	$60,935	$59,984	$74,000	$103,340	$118,060	$136,866	$167,896	$180,462	$188,213	$196,168	$197,209	$204,684	$218,143	$224,984	$232,395	$245,015	$251,419	$252,818	$254,251	$255,718	$257,219	$258,754	$260,324	$261,928	$263,566	$265,238	$266,945
Tax Allocated to TIF	$0	$0	$14,952	$45,214	$60,841	$80,539	$112,449	$125,880	$134,483	$143,276	$145,143	$153,431	$167,689	$175,317	$183,504	$196,887	$204,042	$206,180	$208,341	$210,525	$212,731	$214,960	$217,213	$219,490	$221,790	$224,115	$226,464
Tax Allocated to Library	$60,935	$59,984	$59,048	$58,126	$57,219	$56,326	$55,447	$54,582	$53,730	$52,891	$52,066	$51,254	$50,454	$49,666	$48,891	$48,128	$47,377	$46,638	$45,910	$45,193	$44,488	$43,794	$43,110	$42,438	$41,775	$41,123	$40,482

Flood Control

Assessment Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Base Value	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840	$191,585,840
Increment Value	$0	$0	$48,513,323	$149,026,669	$203,712,666	$273,944,514	$388,544,123	$441,848,878	$479,526,660	$518,981,967	$534,078,905	$573,524,082	$636,760,002	$676,280,428	$719,082,578	$783,754,576	$825,112,916	$846,978,409	$869,423,336	$892,463,055	$916,113,326	$940,390,329	$965,310,673	$990,891,405	$1,017,150,028	$1,044,104,503	$1,071,773,273
Levy Rate	$0.09433	$0.09286	$0.09141	$0.08998	$0.08858	$0.08720	$0.08584	$0.08450	$0.08318	$0.08188	$0.08060	$0.07934	$0.07811	$0.07689	$0.07569	$0.07451	$0.07334	$0.07220	$0.07107	$0.06996	$0.06887	$0.06780	$0.06674	$0.06570	$0.06467	$0.06366	$0.06267
Total Property Tax	$18,073	$17,791	$21,948	$30,650	$35,015	$40,593	$49,796	$53,523	$55,822	$58,181	$58,490	$60,707	$64,699	$66,728	$68,926	$72,669	$74,568	$74,983	$75,408	$75,843	$76,288	$76,744	$77,209	$77,685	$78,171	$78,667	$79,173
Tax Allocated to TIF	$0	$0	$4,435	$13,410	$18,045	$23,887	$33,351	$37,335	$39,886	$42,494	$43,048	$45,506	$49,735	$51,997	$54,425	$58,395	$60,517	$61,151	$61,792	$62,439	$63,094	$63,755	$64,423	$65,098	$65,781	$66,470	$67,167
Tax Allocated to Flood Control	$18,073	$17,791	$17,513	$17,240	$16,971	$16,706	$16,445	$16,188	$15,936	$15,687	$15,442	$15,201	$14,964	$14,730	$14,501	$14,274	$14,052	$13,832	$13,616	$13,404	$13,195	$12,989	$12,786	$12,587	$12,390	$12,197	$12,006

Financing Plan/Duration of TIA

The City anticipates issuing Limited Tax General Obligation (LTGO no-voted debt) tax-exempt bonds to pay for the TIF park improvement projects in the amount not to exceed $15 million with a split debt issuance of $2 million in 2026 and $13 million in 2029 to coincide with the public improvements and private development timelines.

The City plans the LTGO bonds to be structured with a 20-year amortization and a 10-year par call. Additionally, the City is not currently expecting to capitalize interest during the first three years of the financing when TIF revenues alone are not expected to be sufficient to cover debt service. Instead, the City plans to pay any difference between debt service and TIF revenues from non-TIF revenues. The City will reimburse itself for any feasibility studies, including engineering design work to accurately project costs that occurred prior to the expected adoption of the Ordinance designating a TIA in May 2024. The City also plans to reimburse itself for any non-TIF revenue sources that are needed to meet the City's debt service payments associated with the TIF Infrastructure.

Debt Capacity

The maximum limit for LTGO non-voted debt cannot exceed 1.5 percent of the value of taxable property within the City. Based on an assessed value of $10,952,642,723 in 2023, the City has $164,289,641million in total non-voted debt capacity and will have $147,852,002 after accounting for outstanding non-voted debt. As shown below, the City has sufficient capacity for the issuance of the proposed $15 million LTGO bonds related to the TIF public improvements and is expected to have approximately $132,852,002 in debt capacity available after the proposed issuance.

Figure 13: Debt Capacity Table

	2023
Assessed Valuation for 2023 Collections	$10,952,642,723
Non-Voted Debt Capacity (1.5% of AV)	$164,289,641
Less: Outstanding Non-Voted Debt	$16,437,639
New Non-Voted Debt	$147,852,002
Less: Financing Proposed	$15,000,000
Projected Remaining Non-Voted Capacity	$132,852,002

Source: EcoNorthwest, 2023

Debt Service Payments and Coverage

Assuming the City issues $2 million of debt in 2026 and $13 million in 2029 to fund the proposed public park improvements, it will need to service that debt with available resources regardless of whether the anticipated private development occurs and regardless of whether assessed values increase within the TIA. The debt service in Figure 14 assumes an interest rate of 5% and the schedule is illustrative of the range of debt but does not have the precision of working with bond professionals in the issuance of debt.

However, given the nature of TIF, incremental revenues early in the TIF period may not be sufficient to service the debt as private development construction will be in progress, and it will take time to build incremental assessed value contributions that ultimately determine the TIF allocation revenues estimated in this report.

Figure 15 summarizes potential debt service payments (assuming equal debt service) relative to the different TIF tax allocation revenue scenarios that would flow to the City. Until private development (and more specifically increases in assessed valuation in the TIA) catches up and matches the City's debt service payment, the City will need to cover these early deficits by using revenues identified in this Project Analysis (see Additional Incremental Tax and Impact Assessment and Mitigation Sections below) or structure their debt payments to align with anticipated revenue stream (such as interest only).

Figure 14: Illustrative Debt Service Schedule – Level Payments

Year	Issue 1	Issue 2	Combined Debt
2023			
2024			
2025			
2026	$160,485		$160,485
2027	$160,485		$160,485
2028	$160,485		$160,485
2029	$160,485	$1,043,154	$1,203,639
2030	$160,485	$1,043,154	$1,203,639
2031	$160,485	$1,043,154	$1,203,639
2032	$160,485	$1,043,154	$1,203,639
2033	$160,485	$1,043,154	$1,203,639
2034	$160,485	$1,043,154	$1,203,639
2035	$160,485	$1,043,154	$1,203,639
2036	$160,485	$1,043,154	$1,203,639
2037	$160,485	$1,043,154	$1,203,639
2038	$160,485	$1,043,154	$1,203,639
2039	$160,485	$1,043,154	$1,203,639
2040	$160,485	$1,043,154	$1,203,639
2041	$160,485	$1,043,154	$1,203,639
2042	$160,485	$1,043,154	$1,203,639
2043	$160,485	$1,043,154	$1,203,639
2044	$160,485	$1,043,154	$1,203,639
2045	$160,485	$1,043,154	$1,203,639
2046		$1,043,154	$1,043,154
2047		$1,043,154	$1,043,154
2048		$1,043,154	$1,043,154
2049			

Source: ECONorthwest calculations

The table below shows the nominal value of those TIF tax allocation dollars 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 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 Development Scenario includes no years of deficits; however, initial proceeds are sufficient where no additional support is needed. The Moderate Development Scenario would require five years of financial support from other funds until TIF revenues are sufficient to pay for the full cost of the debt. The Conservative Development 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 Conservative scenario, the City will need to financially support the project with approximately $2.9 million or issue less debt to correspond with the expected private development.

Figure 15: TIF Nominal Values

Year	Aggressive				
	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2024	$0	$0	$0	$0	
2025	$168,000	$0	$168,000	$168,000	
2026	$508,000	$160,485	$347,515	$515,515	3.17
2027	$683,000	$160,485	$522,515	$1,038,030	4.26
2028	$904,000	$160,485	$743,515	$1,781,544	5.63
2029	$1,263,000	$1,203,639	$59,361	$1,840,906	1.05
2030	$1,414,000	$1,203,639	$210,361	$2,051,267	1.17
2031	$1,510,000	$1,203,639	$306,361	$2,357,628	1.25
2032	$1,609,000	$1,203,639	$405,361	$2,762,989	1.34
2033	$1,630,000	$1,203,639	$426,361	$3,189,350	1.35
2034	$1,723,000	$1,203,639	$519,361	$3,708,712	1.43
2035	$1,883,000	$1,203,639	$679,361	$4,388,073	1.56
2036	$1,969,000	$1,203,639	$765,361	$5,153,434	1.64
2037	$2,061,000	$1,203,639	$857,361	$6,010,795	1.71
2038	$2,211,000	$1,203,639	$1,007,361	$7,018,156	1.84
2039	$2,291,000	$1,203,639	$1,087,361	$8,105,518	1.90
2040	$2,315,000	$1,203,639	$1,111,361	$9,216,879	1.92
2041	$2,340,000	$1,203,639	$1,136,361	$10,353,240	1.94
2042	$2,364,000	$1,203,639	$1,160,361	$11,513,601	1.96
2043	$2,389,000	$1,203,639	$1,185,361	$12,698,962	1.98
2044	$2,414,000	$1,203,639	$1,210,361	$13,909,324	2.01
2045	$2,439,000	$1,203,639	$1,235,361	$15,144,685	2.03
2046	$2,465,000	$1,043,154	$1,421,846	$16,566,531	2.36
2047	$2,491,000	$1,043,154	$1,447,846	$18,014,377	2.39
2048	$2,517,000	$1,043,154	$1,473,846	$19,488,224	2.41
2049	$2,543,000	$0	$2,543,000	$22,031,224	

Year	Moderate				
	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2024	$0	$0	$0	$0	
2025	$168,000	$0	$168,000	$168,000	
2026	$424,000	$160,485	$263,515	$431,515	2.64
2027	$513,000	$160,485	$352,515	$784,030	3.20
2028	$732,000	$160,485	$571,515	$1,355,544	4.56
2029	$1,019,000	$1,203,639	-$184,639	$1,170,906	0.85
2030	$1,097,000	$1,203,639	-$106,639	$1,064,267	0.91
2031	$1,111,000	$1,203,639	-$92,639	$971,628	0.92
2032	$1,126,000	$1,203,639	-$77,639	$893,989	0.94
2033	$1,141,000	$1,203,639	-$62,639	$831,350	0.95
2034	$1,228,000	$1,203,639	$24,361	$855,712	1.02
2035	$1,351,000	$1,203,639	$147,361	$1,003,073	1.12
2036	$1,401,000	$1,203,639	$197,361	$1,200,434	1.16
2037	$1,487,000	$1,203,639	$283,361	$1,483,795	1.24
2038	$1,602,000	$1,203,639	$398,361	$1,882,156	1.33
2039	$1,646,000	$1,203,639	$442,361	$2,324,518	1.37
2040	$1,663,000	$1,203,639	$459,361	$2,783,879	1.38
2041	$1,680,000	$1,203,639	$476,361	$3,260,240	1.40
2042	$1,698,000	$1,203,639	$494,361	$3,754,601	1.41
2043	$1,716,000	$1,203,639	$512,361	$4,266,962	1.43
2044	$1,734,000	$1,203,639	$530,361	$4,797,324	1.44
2045	$1,752,000	$1,203,639	$548,361	$5,345,685	1.46
2046	$1,770,000	$1,043,154	$726,846	$6,072,531	1.70
2047	$1,789,000	$1,043,154	$745,846	$6,818,377	1.71
2048	$1,808,000	$1,043,154	$764,846	$7,583,224	1.73
2049	$1,827,000	$0	$1,827,000	$9,410,224	

Year	Conservative				
	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2024	$0	$0	$0	$0	
2025	$168,000	$0	$168,000	$168,000	
2026	$423,000	$160,485	$262,515	$430,515	2.64
2027	$511,000	$160,485	$350,515	$781,030	3.18
2028	$519,000	$160,485	$358,515	$1,139,544	3.23
2029	$589,000	$1,203,639	-$614,639	$524,906	0.49
2030	$662,000	$1,203,639	-$541,639	-$16,733	0.55
2031	$671,000	$1,203,639	-$532,639	-$549,372	0.56
2032	$680,000	$1,203,639	-$523,639	-$1,073,011	0.56
2033	$689,000	$1,203,639	-$514,639	-$1,587,650	0.57
2034	$770,000	$1,203,639	-$433,639	-$2,021,288	0.64
2035	$888,000	$1,203,639	-$315,639	-$2,336,927	0.74
2036	$932,000	$1,203,639	-$271,639	-$2,608,566	0.77
2037	$942,000	$1,203,639	-$261,639	-$2,870,205	0.78
2038	$979,000	$1,203,639	-$224,639	-$3,094,844	0.81
2039	$1,017,000	$1,203,639	-$186,639	-$3,281,482	0.84
2040	$1,027,000	$1,203,639	-$176,639	-$3,458,121	0.85
2041	$1,038,000	$1,203,639	-$165,639	-$3,623,760	0.86
2042	$1,049,000	$1,203,639	-$154,639	-$3,778,399	0.87
2043	$1,060,000	$1,203,639	-$143,639	-$3,922,038	0.88
2044	$1,071,000	$1,203,639	-$132,639	-$4,054,676	0.89
2045	$1,082,000	$1,203,639	-$121,639	-$4,176,315	0.90
2046	$1,094,000	$1,043,154	$50,846	-$4,125,469	1.05
2047	$1,105,000	$1,043,154	$61,846	-$4,063,623	1.06
2048	$1,117,000	$1,043,154	$73,846	-$3,989,776	1.07
2049	$1,128,000	$0	$1,128,000	-$2,861,776	

Source: ECONorthwest, 2023

Years of Shortfall: None 5 years 17 Years

Jobs Analysis

The job analysis considers two sources of employment tied to the TIA. First, the construction of private development will create jobs in the construction industry. These jobs will occur during the construction and are therefore "one-time" events. Once the buildings are constructed, commercial-oriented buildings will be used to for commercial purposes. These jobs are "ongoing", meaning they are permanent on the condition of occupation within the TIA. The following sections summarize these job estimates, and the methods used to derive them.

Construction Employment

Construction of the development over the anticipated build-out period would create temporary construction jobs within the region and state. The jobs estimated in Figure 17 are derived by using the 2023 value of construction investment for the Development Program Scenarios (Aggressive, Moderate, and Conservative) and interpolating them into the Washington State Office of Financial Management's Input/Output model.

The model relates spending in an industry sector to the number of jobs directly supported by that same investment. While the model estimates the number of jobs generated in the state of Washington, it is likely that most of these workers would come from the immediate region. The region is rapidly growing in population, such that many of the jobs created would be additive to existing jobs within the region. Ultimately, the income earned by workers would bring additional spending to the City that would not have otherwise occurred.

ECONorthwest estimated the total number of construction jobs based on the spending by scenario. The number of jobs at any given time would vary depending on the timing and scale of development. As expected, the scale of the investment in the Baseline scenario produces the largest amount of construction jobs, in this case, 1,810 construction jobs.

Figure 16: Construction Jobs

	Baseline	Alt 1	Alt 2
Construction Jobs	1,810	1,310	830
Investment (millions)	$530	$381	$236

Source: ECONorthwest calculations and Office of Financial Management Input/Output Model, 2022.

Ongoing Employment

Based on the types of uses and square feet of building area, ECONorthwest estimated the potential number of jobs the development would support when built. These numbers are derived from ratio estimate building area to number of employees. The U.S. Energy Information Administration releases data from the 2018 Commercial Buildings Energy Consumption Survey (CBECS) that provides building characteristics information for commercial buildings in 2018 in the U.S. (the latest year of data). The data contain the average building square foot per worker by building use. Using the amount of planned development square footage by building use at full buildout of the scenarios, these ratios can be applied (less a vacancy rate of 5%) to estimate the number of ongoing jobs. The Baseline scenario, by measure of having more commercial space than either of the other scenarios has the largest number of ongoing jobs at 220.

Figure 17: Ongoing Jobs

Employment Uses	Jobs: Aggressive	Jobs: Moderate	Jobs: Conservative	Mean SqFt/Work
Retail and Food & Beverage	130	40	0	1,589
Services	90	70	50	1,265
Total Jobs	220	110	50	

Source: 2018 CBECS, Table B1. Summary table: total and means of floorspace, number of workers, and hours of operation, 2018 (Release date: September 2021)

Impact Assessment and Mitigation

Affordable Housing:

No residential housing will be displaced from the envisioned development. It is expected that as additional housing is built, demand is lowered, and housing costs are reduced over the long-term and become more affordable. The increased number of housing units from this development will help house the growing population base, meeting the demand with supply. Without additional housing in Lakewood and Pierce County, affordability will only become increasingly challenging. Additionally, the City's Multifamily Tax Exemption program allows for 8-year property tax exemption at market rate or 12-year if the project includes a minimum of 20% affordable units to low to moderate income households.

Local Business Community: In addition to the new residents, between 50 and 220 ongoing jobs will be introduced depending on which development scenario occurs. Likewise, between 830 and 1,810 construction jobs will be introduced based on private investment for development between $213 million to $522 million based on the specific Development Program growth scenario. These new jobs supported by significant private investment will benefit other businesses in the City as well as the surrounding jurisdictions.

Local School District: The Lakewood School District's property tax levies (enrichment, capital, and bond) are excluded from the TIF under the law. The increased assessed values generated in the TIA will operate to lower the rate per thousand of assessed value of levies imposed by the district. School district Enrichment and Capital Levies are excess levies, and the districts periodically ask voters to maintain existing levels of purchasing power via voted ballots. Bond levies ask voters to approve bonds to expand or improve their facilities and to approve excess property tax levies as necessary to pay debt service on the bonds. The effect of growth in the tax base coming from TIF will have two implications. First, it increases the tax base of the district, meaning that lower overall tax rates (per thousand of AV) are needed to fund a similar level of service. Second, it increases the proportion of the tax base that is commercial which leverages the relative voting power of residential households to support school expenditures backed by these excess levies (voter approved or otherwise).

Local Fire Service: State law requires a mitigation plan if the TIA will impact at least 20 percent of the assessed value of an impacted fire district. The TIA is within the fire district of the West Pierce Fire & Rescue (WPFR) and represents 1.0% of the district's assessed value of $18,489,641,063 (2023 assessment values for 2024 taxes).

Early Outreach to Impacted Taxing Districts

While Washington State law requires formal notice to be provided to each impacted taxing districts upon approval of the Tax Increment Area (TIA), the City plans to engage the Pierce County Council, Treasurer and Assessor, and the Port of Tacoma earlier in the process. This early outreach will allow the City to collect feedback focused on the logistics of implementing TIF.

The taxing districts whose property tax levy would be directly impacted by TIF include:

- The City of Lakewood
- Pierce County
- The Port of Tacoma
- Flood Control District
- Sound Transit
- Emergency Medical District (EMS): West Pierce Fire & Rescue
- Library District
- West Pierce Fire & Rescue

The levy rate from each of these jurisdictions will be applied to the increased assessed valuation within the TIA and remitted to the City to pay the bonds associated with constructing the public infrastructure to support the anticipated private development. Alternatively, if TIF revenues exceed the amount necessary to pay the bonds then excess revenues will be distributed to these taxing districts.

The City will provide the formal notice regarding the proposed TIA to the various taxing districts in accordance with State law.

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 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 provision of the public improvements through 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 have examined its return on infrastructure investment from the generation of ongoing tax revenues associated with private development projects. Additionally, for most local governments, infrastructure demand exceeds revenue capacity, forcing local governments to make priority decisions regarding infrastructure projects that are 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 reasonably necessary to make the development possible.

If the 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 be reasonably expected to 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 to determining the proper use of public tax dollars.

The proposed TIA is an area of Lakewood which has not seen new levels of development in the recent past. As part of recently adopted Lakewood Downtown Plan, park area has been identified to incentivize private development. If these public improvements (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. Likewise, additional development that mixes commercial and retail activity at a larger scale will require park area amenities to underwrite the mix of residential and commercial rents necessary to support their viability.

Expected Development Without TIF Improvements

The City studied the expected development within the TIA. Without the proposed TIF funding, the area is expected to accommodate development only on the Conservative Scenario sites and have approximately 60 percent less development from the Aggressive Scenario. This includes multi-family housing project delays for the former Library site, Senior Housing site, Petersen site, and Durr/Brooks sites. The former QFC (mixed use of housing & retail) site may still develop but at a smaller scale, and take longer to begin development. The figure below compares the amount of assessed valuation growth anticipated in the area with TIF and without TIF for each development scenario. It is assumed that the Alliance project would start construction in 2024 and would be partially captured as part of assessment year 2024 for the purposes of assessed value assessments.

The figure below compares the amount of assessed valuation growth in both conditions.

Figure 18: Comparison of Incremental Assessed Value Growth Between TIF Scenarios and No TIF

Assessment Year	2024	2028	2033	2038	2043	2048
Aggressive	$48,513,000	$388,544,000	$573,524,000	$825,113,000	$940,390,000	$1,071,773,000
Moderate	$48,513,000	$313,483,000	$408,645,000	$592,635,000	$675,433,000	$769,799,000
Conservative	$48,513,000	$181,349,000	$256,332,000	$366,124,000	$417,275,000	$475,573,000
No TiF	$29,108,000	$110,235,000	$157,486,000	$224,351,000	$255,696,000	$291,419,000

Source: ECONorthwest calculations, 2023

Summary of "But-For-Requirement"

Based on the above analysis the proposed private development could not be reasonably expected to occur without the identified TIF infrastructure improvements. Additionally, the assessed values from projected private development within the TIA would be less than the increase in assessed values from private development with the TIF improvements.

Additional Incremental Taxes

The City's LTGO bonds will be backed the City's full faith and credit, meaning bondholders can make a legal claim against the general revenue of the City if a default occurs. However, the City can use any unrestricted revenue sources it has available to satisfy its debt obligations. Washington state tax policy has conditions that allow governments that grow their tax bases to collect additional revenues. This relationship creates a mutually reinforcing benefit of housing and commercial development with additional tax revenues. New land development represents a direct financial investment in land preparation and building structures. Those structures, occupied by residential neighborhoods and businesses, increase the lands' productive economic capacity. That economic value generates taxable bases at the land, business operation, and transaction levels, represented in land value, retail sales, business income, etc. State tax policy allows government jurisdictions to tax these bases (subject to rate, annual increase and other limitations) to fund needed public services and infrastructure.

Outside of the TIF property tax, the development and occupation of buildings in the TIA will also generate other incremental taxes which are differentiated into the three categories below:

- **One-time Revenues**. These revenues are tied to construction. Specifically, they include the retail sales tax on construction (materials and labor), which is taxable under Washington state law.
- **Recurring Revenues.** These revenues are derived from the occupation of structures by residents and businesses. Specific revenues include retail sales tax, and utility taxes.
- **Capital Restricted Revenues**. These revenues are restricted to capital and include real estate excise taxes.

City of Lakewood

The City of Lakewood is the local service provider for police, public works, community development, parks, and other local services. To support these services, the City collects a range of general and restricted taxes, these include the following.

Sales & Use Taxes

Sales Tax. Of the 10.1% sales tax currently collected in the City on general retail purchases, a 1% "local" share of the tax accrues to local jurisdictions. The City receives 85% of the 1% local tax

and Pierce County gets 15%. This tax is levied on businesses in the area, and on construction activity and some transactions related to housing and business, such as certain online purchases and the delivery of personal and commercial goods. The current rate accruing to the City for the local option is 0.85%. The incremental growth of this revenue is based on pro-rata population growth in the TIF development. The City also receives a population pro rata share of 90% of the city allocation of Pierce County's 0.1% criminal justice sales tax. Increase in the criminal justice tax is modeled on net increases in population due to development.
The sales tax relies on estimates of new construction value and consumer taxable retail sales spending. These assumptions are driven by valuation and use assumptions in the development program detailed below.

Utility Taxes

The City imposes utility taxes on gross purchases of electricity, water, wastewater, solid waste, telephones, cable, and natural gas. Current tax rates are used for this analysis. A generalized utility expenditure productivity factor (on a per person and employee basis) was used to generate estimates of utility purchases with the follow utility tax rates.

- Wastewater: 6%
- Electric: 5%
- Natural Gas: 5%
- Solid Waste: 6%
- Cable/Internet: 6%
- Telephone/Mobile: 6%

State Shared Motor Vehicle Fuel Tax & Liquor Board/Taxes

Local governments receive a gas tax distribution unrestricted for street purposes from the State. The distribution is determined using a formula that is heavily weighted towards population. ECONorthwest used a proxy of this formula to derive these revenues to the City. Cities also receive pro rata payments from Liquor Excise Tax & Liquor Board Profits.

Real Estate Excise Tax (REET)

Real estate transactions are subject to a 0.5% on the value of the transaction. REET revenues are placed in the capital restricted funds to finance capital projects. REET revenues are uncertain given volatility in the real estate market. Since REET is based on the total value of real estate transactions each year, the amount of REET revenues the City receives can vary substantially from year to year based on the normal fluctuations in the real estate market. During years when the real estate market is active, revenues are higher, and during softer real estate markets, revenues are lower. For the purposes of this analysis, it is assumed that all new completed projects would be sold and then 8.4 percent of all property value would turn over (re-sold) in any given year (this ratio in the historical average of REET sales to total assessed value in the City in 2022).

Tax Base Productivity Assumptions

It is assumed that each housing unit will house on average 2.4 persons and that the development will be 90% occupied (to account for times when homes sit vacant). Construction costs represent the average per square foot cost for different building types based on recent construction comparable projects (note: these costs are different from what a project is assessed at for property tax purposes).

The below costs are subject to retail sales taxes on construction activity:

- Retail: $245 per square foot
- Multi-family Unit: $225,000 per unit
- Townhouses: $285,000 per unit

On-ongoing taxable retail sales are based on assumed comparable businesses:

- Retail: $325 per square foot
- Multi-family Unit: $2,500 per unit
- Townhouses: $3,500 per unit

Summary of Additional Tax Results

Based on the approximate timing of the new development the Aggressive Scenario is estimated to generate approximately $17.6 million in additional tax revenues generated from the private development for the City (Figure 20). The Moderate Scenario generates respectively less at $9.7 million and the Conservative Scenario at $4.0 million. These figures represent a 25-year cash flow of incremental tax revenues to the City in 2023 dollars (e.g., all future tax revenues have been discounted at 5% back to 2023 values).

Figure 19: Summary of additional tax benefits (present value, 2023$)

5.00% Discount Rate			
	Aggressive	Moderate	Conservative
Sales Tax on Construction	$2,910,000	$2,340,000	$1,470,000
Ongoing Sales Tax	$11,530,000	$5,080,000	$1,110,000
Utility Taxes	$830,000	$590,000	$360,000
REET	$2,310,000	$1,690,000	$1,080,000
Total	$17,580,000	$9,700,000	$4,020,000

Source: ECONorthwest calculations, 2023

Risk Assessment and Mitigation Plan

As stated in the summary and introduction above, TIF is a powerful tool available to local governments for encouraging development. 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 private vertical (office, retail, housing) development and its magnitude is less than expected; and, 2) the cost projected for the public improvements is higher than projected. These risks impact the expected revenues to be generated within the TIA or the costs for the public infrastructure improvements. If revenue is not as expected, a local government must then use other sources of revenue to pay for the public improvements. The City will be obligated to pay for the TIF infrastructure even if little or no private development materializes. As stated previously in this report, the City anticipates issuing LTGO bonds which will be backed by the City's full faith and credit, meaning bondholders can make a legal claim against the general revenue of the City if a default occurs. The City should have a mitigation plan to address a shortfall in revenue or overrun of infrastructure improvement costs.

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 report. When TIF is used correctly, the growth and development pay for the infrastructure investments that encouraged it.

For purposes of this Project Analysis, the City has identified the Moderate Development Scenario as the most likely development scenario. Based on this scenario, the TIA is projected to generate approximately $17.1 (present value) in additional property tax revenues over a 25-year TIF period (2024-2049). This value exceeds the projected public improvement cost of $15 million.

The City will need to fill the financial gap (e.g., the difference between TIF allocation revenues and debt payments) projected to occur for 5 years for a total gap of $524,195 in the Moderate Development Scenario with other sources of revenue that are identified below. This amount can then be repaid from increased TIF revenues after the proposed private development stabilizes in later years or from additional local taxes coming from the development. Notwithstanding these projections, the City has prepared the mitigation plan below to respond to possible development and financial risks.

Figure 20: Summary of Moderate TIF Allocations & Debt

	Moderate				
Year	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2024	$0	$0	$0	$0	
2025	$168,000	$0	$168,000	$168,000	
2026	$424,000	$160,485	$263,515	$431,515	2.64
2027	$513,000	$160,485	$352,515	$784,030	3.20
2028	$732,000	$160,485	$571,515	$1,355,544	4.56
2029	$1,019,000	$1,203,639	-$184,639	$1,170,906	0.85
2030	$1,097,000	$1,203,639	-$106,639	$1,064,267	0.91
2031	$1,111,000	$1,203,639	-$92,639	$971,628	0.92
2032	$1,126,000	$1,203,639	-$77,639	$893,989	0.94
2033	$1,141,000	$1,203,639	-$62,639	$831,350	0.95
2034	$1,228,000	$1,203,639	$24,361	$855,712	1.02
2035	$1,351,000	$1,203,639	$147,361	$1,003,073	1.12
2036	$1,401,000	$1,203,639	$197,361	$1,200,434	1.16
2037	$1,487,000	$1,203,639	$283,361	$1,483,795	1.24
2038	$1,602,000	$1,203,639	$398,361	$1,882,156	1.33
2039	$1,646,000	$1,203,639	$442,361	$2,324,518	1.37
2040	$1,663,000	$1,203,639	$459,361	$2,783,879	1.38
2041	$1,680,000	$1,203,639	$476,361	$3,260,240	1.40
2042	$1,698,000	$1,203,639	$494,361	$3,754,601	1.41
2043	$1,716,000	$1,203,639	$512,361	$4,266,962	1.43
2044	$1,734,000	$1,203,639	$530,361	$4,797,324	1.44
2045	$1,752,000	$1,203,639	$548,361	$5,345,685	1.46
2046	$1,770,000	$1,043,154	$726,846	$6,072,531	1.70
2047	$1,789,000	$1,043,154	$745,846	$6,818,377	1.71
2048	$1,808,000	$1,043,154	$764,846	$7,583,224	1.73
2049	$1,827,000	$0	$1,827,000	$9,410,224	

Source: ECONorthwest, 2023

Development Mitigation

Development Program Sensitivity Analysis: Three different private development program scenarios (Aggressive, Moderate and Conservative) have been developed and evaluated to identify potential TIF revenues and sufficient mitigation measures should development not occur (worst case) or occur at a different speed and magnitude.

Development Agreement: The City of Lakewood may seek development agreements with developers of key development sites in order to provide predictable timeframes and possible assurances that private development will occur.

Financial Mitigation

The following mitigation plan is proposed to provide multiple levels of financial protection to fill any financial gaps that occur in the early years of the TIA until private development and TIF revenues stabilize or should the expected private development occur slower than planned.

Level 1:

Debt Issuance Timing & Structure. The City may reduce its financial exposure related to the timing and scope of private development by strategically timing the issuance of LTGO bond debt to coincide with the public infrastructure and private development timelines. The City may issue $2 million in debt in 2026 (funding for park land acquisition) and the remaining $13 million in debt in (funding the park improvements) no later than 2029, subject to private development advancement providing for greater development and TIA revenue certainty.

The City may also make additional adjustments in the timing of the initial debt issuance based on development activity, the nexus between the identified infrastructure improvements and the proposed private development providing for greater development and tax revenue certainty to help pay the debt service associated with TIF infrastructure improvements. Figure 22 below is a modified debt service structure (interest only for first 5 years) designed to limit the City's need to borrow from other sources to pay the projected debt service under the Moderate Development Scenario. In this situation, the interest only structure shows the City will need to fill the financial gap (e.g., the difference between TIF allocation revenues and debt payments) projected to be at 3 years but the cumulative annual deficits are reduced from $524,195 to $355,402 over that time.

Figure 21: Net Surplus Deficit with Interest Only Debt Service (first five years)

Year	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
	Moderate				
2024	$0	$0	$0	$0	
2025	$168,000	$0	$168,000	$168,000	
2026	$424,000	$100,000	$324,000	$492,000	4.24
2027	$513,000	$100,000	$413,000	$905,000	5.13
2028	$732,000	$100,000	$632,000	$1,537,000	7.32
2029	$1,019,000	$750,000	$269,000	$1,806,000	1.36
2030	$1,097,000	$750,000	$347,000	$2,153,000	1.46
2031	$1,111,000	$842,685	$268,315	$2,421,315	1.32
2032	$1,126,000	$842,685	$283,315	$2,704,631	1.34
2033	$1,141,000	$842,685	$298,315	$3,002,946	1.35
2034	$1,228,000	$1,445,134	-$217,134	$2,785,812	0.85
2035	$1,351,000	$1,445,134	-$94,134	$2,691,678	0.93
2036	$1,401,000	$1,445,134	-$44,134	$2,647,543	0.97
2037	$1,487,000	$1,445,134	$41,866	$2,689,409	1.03
2038	$1,602,000	$1,445,134	$156,866	$2,846,275	1.11
2039	$1,646,000	$1,445,134	$200,866	$3,047,140	1.14
2040	$1,663,000	$1,445,134	$217,866	$3,265,006	1.15
2041	$1,680,000	$1,445,134	$234,866	$3,499,872	1.16
2042	$1,698,000	$1,445,134	$252,866	$3,752,737	1.17
2043	$1,716,000	$1,445,134	$270,866	$4,023,603	1.19
2044	$1,734,000	$1,445,134	$288,866	$4,312,469	1.20
2045	$1,752,000	$1,435,959	$316,041	$4,628,510	1.22
2046	$1,770,000	$1,252,450	$517,550	$5,146,060	1.41
2047	$1,789,000	$1,252,450	$536,550	$5,682,610	1.43
2048	$1,808,000	$1,192,809	$615,191	$6,297,801	1.52
2049	$1,827,000	$0	$1,827,000	$8,124,801	

Source: ECONorthwest, 2023

Alternatively, debt could be structured to proportionally match the expected tax allocation revenues with a longer interest only payment or more back-loaded payments by capitalizing the interest. The tradeoff with both of these measures is that more interest will be paid on the bonds.

Level 2:

Additional Taxes from Moderate Development Scenario:

Based on the Moderate Development Scenarios, it is projected the City will receive a present value of $9.7 million in additional tax revenues generated by the proposed development. A portion of these incremental additional taxes can be used to support any infrastructure debt service gap in TIF revenues. Netting out tax revenues restricted to specific uses (and not available to service debt such as criminal justice sales taxes) and holding 30% to cover potential increases in public service operating costs, additional revenues that may service debt is shown below. Applying these additional tax revenues (assumed to be 70% of the total) and interest only for the first 5-years to this Moderate Development Scenario, the number of years of deficit drops from 3 to 0 years and the amount of deficit decreases from $355,402 to positive surpluses (as compared to the interest only example).

Figure 22: Comparison of Debt Payment Surplus/Deficits; Other Additional Taxes; Interest Only Example

	Moderate					
Year	TIF Allocation Revenues	Incremental Taxes	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2024	$0	$430,000	$0	$430,000	$430,000	
2025	$168,000	$930,000	$0	$1,098,000	$1,528,000	
2026	$424,000	$690,000	$100,000	$1,014,000	$2,542,000	4.24
2027	$513,000	$810,000	$100,000	$1,223,000	$3,765,000	5.13
2028	$732,000	$1,360,000	$100,000	$1,992,000	$5,757,000	7.32
2029	$1,019,000	$1,120,000	$750,000	$1,389,000	$7,146,000	1.36
2030	$1,097,000	$710,000	$750,000	$1,057,000	$8,203,000	1.46
2031	$1,111,000	$660,000	$842,685	$928,315	$9,131,315	1.32
2032	$1,126,000	$680,000	$842,685	$963,315	$10,094,631	1.34
2033	$1,141,000	$710,000	$842,685	$1,008,315	$11,102,946	1.35
2034	$1,228,000	$840,000	$1,445,134	$622,866	$11,725,812	0.85
2035	$1,351,000	$930,000	$1,445,134	$835,866	$12,561,678	0.93
2036	$1,401,000	$860,000	$1,445,134	$815,866	$13,377,543	0.97
2037	$1,487,000	$930,000	$1,445,134	$971,866	$14,349,409	1.03
2038	$1,602,000	$1,000,000	$1,445,134	$1,156,866	$15,506,275	1.11
2039	$1,646,000	$950,000	$1,445,134	$1,150,866	$16,657,140	1.14
2040	$1,663,000	$940,000	$1,445,134	$1,157,866	$17,815,006	1.15
2041	$1,680,000	$960,000	$1,445,134	$1,194,866	$19,009,872	1.16
2042	$1,698,000	$980,000	$1,445,134	$1,232,866	$20,242,737	1.17
2043	$1,716,000	$1,000,000	$1,445,134	$1,270,866	$21,513,603	1.19
2044	$1,734,000	$1,020,000	$1,445,134	$1,308,866	$22,822,469	1.20
2045	$1,752,000	$1,040,000	$1,435,959	$1,356,041	$24,178,510	1.22
2046	$1,770,000	$1,070,000	$1,252,450	$1,587,550	$25,766,060	1.41
2047	$1,789,000	$1,090,000	$1,252,450	$1,626,550	$27,392,610	1.43
2048	$1,808,000	$1,110,000	$1,192,809	$1,725,191	$29,117,801	1.52
2049	$1,827,000	$1,140,000	$0	$2,967,000	$32,084,801	

Source: ECONorthwest Calculations, 2023

Level 3:

General Fund Reserves & Re-Prioritization of Existing Capital Projects. Over the last 6 years (2018 to 2023), the City has averaged approximately $10 million in available General Fund reserves not allocated to any specific operating or capital expense. These unallocated funds can pay the debt service for infrastructure improvements if property tax revenue from the TIA is insufficient. Additionally, the City may reprioritize some capital project expenditures to respond to any gaps between TIF revenues and debt payments.

Financial Mitigation Summary:

Depending on the actual revenue-debt gap, the City will likely be required to use multiple levels of mitigation identified above to satisfy its debt obligations if development does not occur as expected in accordance with the Moderate Development Scenario.

Additional Mitigation Measures

Public Improvement Cost Containment. Municipal agencies have vast experience with building horizontal infrastructure (streets, water, sewer, parks, etc.). The City is no exception and takes pride in its ability to provide conservative construction estimates, create clear construction bid documents, and effectively manage the construction delivery process. The cost estimates for the TIF public infrastructure improvements are currently planning level estimates and include a 30%

contingency to buffer any volatility in the construction industry. Construction costs will be further refined prior to the issuance of any debt.

There are other risks that a municipal government faces regularly such as: construction delays, which increase costs for public infrastructure improvements; economic slowdown or recession; higher borrowing costs then even accounted for in the Project Analysis; and lower levy rates within the TIA than anticipated. The City has been successful in addressing these secondary type risks by using conservative estimates and adherence to prudent fiscal and construction management policies. The City will continue these same practices as it implements the proposed TIA and the associated infrastructure improvements.

Lakewood TIF Team

City of Lakewood Place Staff

- John Caulfield, City Manager
- Becky Newton, Economic Development Manager
- Heidi Wachter, City Attorney
- Tho Kraus, Deputy City Manager/Chief Financial Officer
- Dave Buger, Assistant City Manager, Community & Economic Development Director
- Paul Bucich, Public Works Director/Engineer
- Mary Dodsworth, Parks and Recreation Director
- Tiffany Speir, Long Range Planning & Strategic Planning Manager

Legal and Financial Consultants

- Stacie Amasaki, Bond Counsel, Foster Garvey PC – Principal
- Scott Bauer, Financial Advisor, Northwest Municipal Advisors

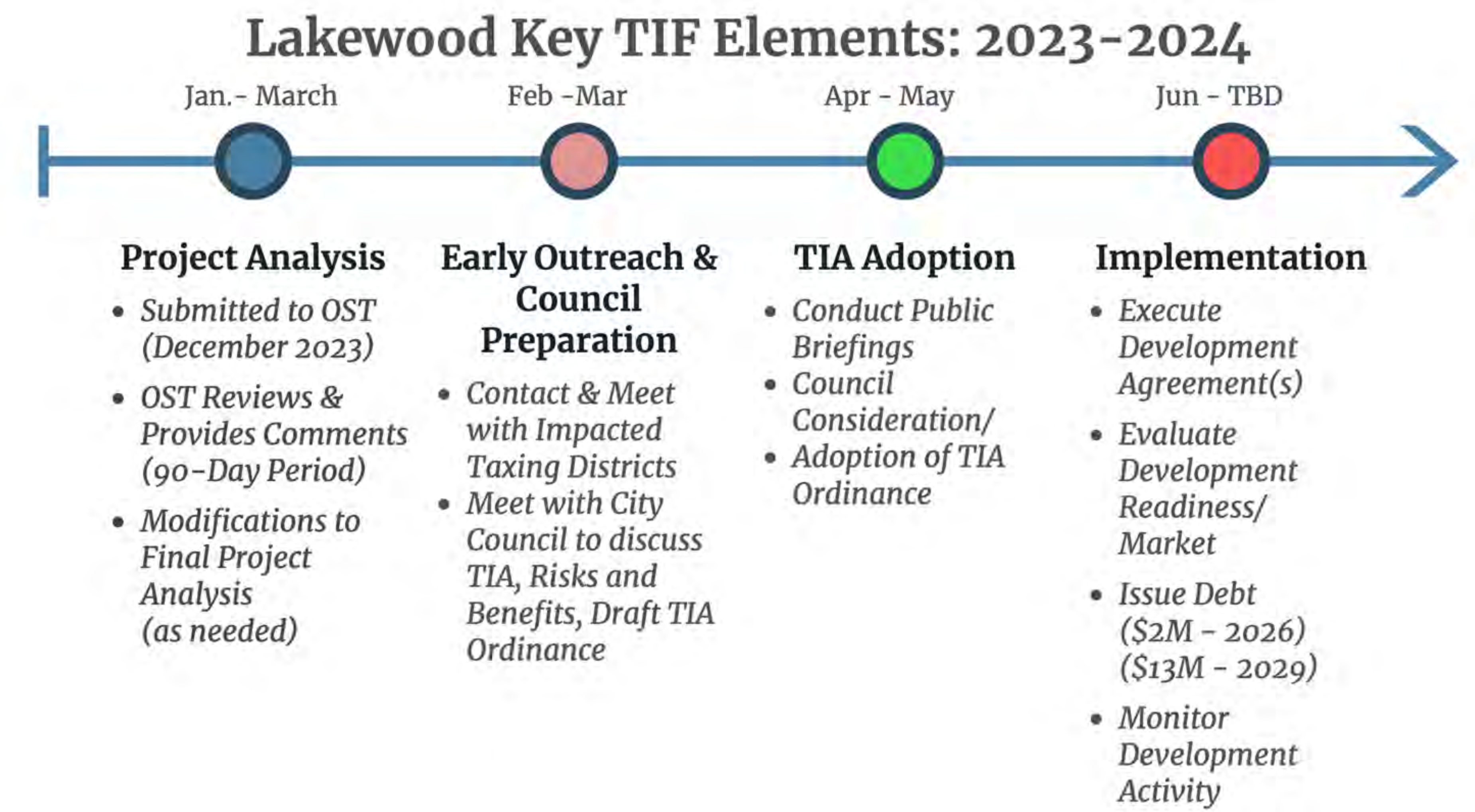
Increment Financing Consultants

- Bob Stowe, Stowe Development & Strategies (TIF Project Manager)
- Morgan Shook, ECONorthwest

Future TIF Actions

There are a number of actions that will occur before the Lakewood City Council formally considers the formation of a TIA within the City's Downtown area. First, is to receive and review feedback offered by the Office of the State Treasurer related to this Project Analysis. Second, based on any feedback, the TIF team will evaluate and make appropriate adjustments to its proposed TIF program. Third, is to conduct two separate public briefings on the proposed TIA and provide formal notice in the local newspaper. The City will continue to engage its local partners and taxing districts as discussions continue. There are also a number of planning, engineering, finance, and legal activities that will occur to advance the proposed public improvements and private development for Lakewood's Downtown area. Below is an expected schedule for the future TIF actions.

Timeline


Lakewood Key TIF Elements: 2023-2024
Jan.- March
Feb -Mar
Apr - May
Jun - TBD
Project Analysis
• Submitted to OST (December 2023)
• OST Reviews & Provides Comments (90-Day Period)
• Modifications to Final Project Analysis (as needed)
Early Outreach & Council Preparation
• Contact & Meet with Impacted Taxing Districts
• Meet with City Council to discuss TIA, Risks and Benefits, Draft TIA Ordinance
TIA Adoption
• Conduct Public Briefings
• Council Consideration/
• Adoption of TIA Ordinance
Implementation
• Execute Development Agreement(s)
• Evaluate Development Readiness/ Market
• Issue Debt ($2M - 2026) ($13M - 2029)
• Monitor Development Activity

Findings | Bottom Line

The envisioned Downtown Development within the TIA would not be viable without the City's intervention to provide the identified park improvements. The City has demonstrated a strong nexus between the proposed development and the proposed park improvements. The City is conservatively estimating the potential revenues generated by the formation of a TIA and has available resources to pay for infrastructure debt service should the expected TIA revenues not materialize.

There are no negative impacts to affordable housing, the local business community, the local school district, and the local fire districts. The Downtown TIA development will provide for jobs and investment into the local and regional economy.

Based on all of the above findings and information contained in this Project Analysis, the Lakewood Downtown development and its proposed TIA meets both the spirit and the letter of Washington's State's TIF law.

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APPENDICES

- State Audit Report Summary
- Consultant Team Bios

State Audit Report Summary

Lakewood Debt Service Summary

Lakewood - Funds Available for Debt Service	2018 Total	2019 Total	2020 Total	2021 Total	2022 Total	2023 Current Budget
Beginning Cash Available for Debt Service	5,446,208	4,686,584	5,531,980	11,731,886	17,851,926	14,157,596
Operating Revenues Available for Debt Service						
Operating Revenue	44,289,048	46,130,217	45,089,508	50,798,448	51,300,120	48,471,112
Operating Expenditures	41,283,890	42,362,598	37,503,400	39,134,892	50,703,170	50,633,129
Operating Income (Loss)	**3,005,158**	**3,767,619**	**7,586,108**	**11,663,556**	**596,950**	**(2,162,017)**
Total Revenue Available for Debt Service	**8,451,366**	**8,454,203**	**13,118,088**	**23,395,442**	**18,448,876**	**11,995,579**
Debt Service (General Obligation)						
GO Bond Debt Obligation (No TIF)	398,847	600,602	981,556	1,222,095	1,686,078	2,521,978
Total Debt Service	**398,847**	**600,602**	**981,556**	**1,222,095**	**1,686,078**	**2,521,978**
Other Inflows (Outflows)	(3,553,438)	(2,739,120)	(1,622,818)	(3,941,079)	(3,187,611)	(8,097,362)
Reserved For:						
2% Contingency Reserves	835,282	865,799	826,363	926,769	944,047	909,379
5% General Fund Reserves	2,088,205	2,164,498	2,065,908	2,316,923	2,360,118	2,273,447
5% Strategic Reserves	2,088,205	2,164,498	2,065,908	2,316,923	2,360,118	2,273,447
Set Aside for Economic Development Opportunity Fund	-	-	-	1,000,000	2,000,000	2,000,000
Total Reserved	**5,011,692**	**5,194,795**	**4,958,179**	**6,560,615**	**7,664,283**	**7,456,273**
Ending Cash Available for Debt Service	**4,897,928**	**5,715,083**	**11,495,270**	**19,454,363**	**15,261,265**	**3,898,217**

Consultant Team Bios

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Bob Stowe - Principal

Bob Stowe is the principal and founder of Stowe Development & Strategies — a company he formed in 2016 to help public sector clients succeed with their economic and community development interests. With 34 years of experience in progressive community transformations, Bob is one of the Northwest's most innovative and entrepreneurial real estate and community developers. He uses sound long- range fiscal planning skills and has achieved enviable results in leading redevelopment efforts from the dream stage to construction. This is true for projects large and small, straightforward and complex.

Bob's understanding and experience with tax increment financing, master plan development, transit oriented development, placemaking, negotiation of purchase and sale agreements, development agreements, public benefit agreements, and his ability to create public private partnerships make him an ideal public sector development partner.

Bob has been responsible for leading, managing, coordinating, and implementing a wide variety of complex and multi-faceted projects including, downtown revitalization plans, civic center plans and development, master plans, public-private partnerships, and transit-oriented developments to name a few.

Bob was the City Manager for the City of Bothell, Washington from 2005 to 2016 where he was the architect and leader of Washington's largest and most successful publicly-led downtown revitalization. Under Bob's leadership, this project utilized a Local Infrastructure Financing Tool award (AKA TIF light) as part of the funding package that stimulated private investment of over $300 million; a very big step in achieving the City's 25-year goal of $650 million. The fact that nearly half that goal was reached in just a few years, during the Great Recession, and with leverage from public/private collaboration, made it all the more remarkable.

Bob guided the development of approximately $150 million in public sector improvements (relocation of a state highway, creation of new streets, storm water system, parks, environmental clean-up, etc.) identified as necessary to achieve the revitalization vision. The massive public development plan and schedule also needed to align with private sector purchase of surplus land from the City, environmental remediation, public streets to be developed by the private sector, and on-site mixed-use development. Precise scheduling, communication and the ability to respond to changing conditions were skills that Bob successfully delivered on this project.

Before arriving in Bothell, Bob was the City Manager for the City of Mill Creek for nine years and helped lead development of the award-winning Mill Creek Town Center in the early 2000s. His first downtown transformation project began with the revitalization of Downtown Dayton, Washington in the late 1980s.

The hallmark of Bob's effort is his commitment to create well designed and environmentally sustainable places where people want to live, work, and come together to celebrate. Bob has tackled the most difficult and complex projects, achieving the redevelopment and economic dreams of several communities with his failure is not an option approach.

EDUCATION

- MBA, Albers School of Business & Economics, Seattle University (with honors).
- BA, Urban and Regional Planning, Eastern Washington University.

Morgan Shook - Director/Partner

Morgan Shook is a Senior Policy and Economic Analyst working in real estate, land use, and transportation economics, and finance. He has deep expertise in economic, market and financial analytics that he brought to bear in business, enterprise, and policy settings.

Morgan has worked for a range of government, business, and non-profit clients to advance their missions that in diverse set areas and topics.

Morgan has worked on every form of tax increment financing in Washington including Community Revitalization Financing, Local Infrastructure Financing Tool, Local Revitalization Financing LRF, Landscape Conservation and Local Infrastructure Program, as well as the recently passed Tax Increment Financing bill in the 2021 legislative session.

Before joining ECONorthwest, Morgan worked in biotechnology development at the Institute for Systems Biology, and health disparities research at the University of Chicago. Morgan recently served on the Seattle Planning Commission.

EDUCATION

- M.U.R.P., Portland State University
- B.S. Molecular Biology, University of Puget Sound
- Certificate in Commercial Real Estate Development, University of Washington Extension

Areas of Expertise

- Economic Development
- Affordable Housing
- Land Use Planning
- Market & Feasibility Analysis
- Infrastructure & Finance Funding
- Transit-Oriented Development

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Prepared by:

STOWE DEVELOPMENT & STRATEGIES
A Real Estate and Community Development Strategy and Execution Company

In association with:

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ATTACHMENT C

Summary of Project Analysis Clarifications/Edits
March 20, 2024

Project Analysis Page #	OST LTR. Page #	Topic Heading	Clarification or Edit
11	5 & 14	Infrastructure Need	Clarified that the proposed park areas are anticipated to be built in northern and southern parts of the TIA.
15 & 16	6 & 13	Tax Increment Area	Updated assessed values and modified the proposed TIA slightly to be below $200M of AV (182.4M).
18	7, 12, & 13	Revenue Modeling	Clarified that the TIA includes the values of new construction plus some appreciation of all properties within the TIA. Clarified that the revenue analysis includes projected projects that are likely to utilize the City's multi-family property tax exemption program.
21 & 22	13	Allocation Revenues	Corrected some labeling issues identifying West Pierce Fire & Rescue.
25	10	Debt Service Payments & Coverage	Corrected that the Aggressive Development scenario includes no years of deficit funding from TIF property tax revenues.
27	4 & 13	Impact Assessment & Mitigation	Corrected West Pierce Fire & Rescue Districts Assessed Value.
28	13	Early Outreach	Corrected some labeling issues identifying West Pierce Fire & Rescue.
29 & 30	7, 13, & 14	Expected Development without TIF Improvements	Clarified that without TIF improvements, the TIA is only expected to accommodate development based on the Conservative Development scenario sites and will have approximately 60 percent less development than the Aggressive Development scenario. Corrected some AV values and calculations.

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ATTACHMENT D

Tax Increment Financing Project Analysis Review

– City of Lakewood –

March 12, 2024

Legislative Building, P.O. Box 40200 Olympia, Washington 98504-0200
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March 12, 2024

John Caulfield
City Manager
City of Lakewood
6000 Main St. SW
Lakewood, WA 98499

Dear Mr. Caulfield:

This letter confirms the Office of the State Treasurer's ("OST") receipt and review of the City of Lakewood's (the "City") tax increment financing ("TIF") project analysis dated December 27, 2023. OST and PFM Financial Advisors LLC, the state's municipal advisor, have reviewed the provided materials. Based on our review, which is detailed in the sections to follow, we believe that the City's revised project analysis generally addresses the topics listed in section 020(2) of RCW 39.114 (the "TIF Statute").

Please note that this review is based on the information, projections, and assumptions provided by the City and its consultants in the project analysis. OST has not independently verified the data or its accuracy or performed any feasibility analyses or projections of its own.

Executive Summary

The purpose of the City's proposed tax increment area (the "TIA") is to fund a portion of the cost of the property acquisition and development of a Central Park in downtown Lakewood. The public improvements are expected to encourage private retail, commercial, and multi-family housing (including senior housing) development and/or redevelopment within the City's downtown core. The private developments are expected to add 230,000 square feet ("SF") of retail space, 100,000 SF of commercial tenant improvements, and 1,532 residential units, equaling a total market value of $260 million in the base scenario.

As described in the City's project analysis, the total cost of the TIF-related public improvements is estimated to be $17 million. To finance the Central Park project, the City intends to issue Limited Tax General Obligation ("LTGO") bonds, which will be backed by the full faith and credit of the City, to fund $15 million of the $17 million estimated cost of the project. It is expected that the remaining $2 million will come from a contribution from the City's Opportunity Fund.

Our review of the project analysis found potential risks worth consideration. A discussion of these risks, as well as other factors that could impact tax increment revenue projections are included later in this review.

Statutory Role and Purpose of Review

As enacted by the 2021 Washington State Legislature, section RCW 39.114.020(7)(b) of the TIF Statute requires that prior to the adoption of an ordinance authorizing the creation of a TIA, the local government proposing the TIA must provide a project analysis to OST for review. Upon completing the review, OST must provide to the local government sponsor any comments regarding suggested revisions or enhancements to the project analysis that OST deems appropriate. OST received the City's project analysis on December 27, 2023.

OST's primary goal in our statutorily mandated review is to ensure that the project analysis addresses the topics listed in the TIF Statute and to disclose key risks to the City that may result from the implementation of the project.

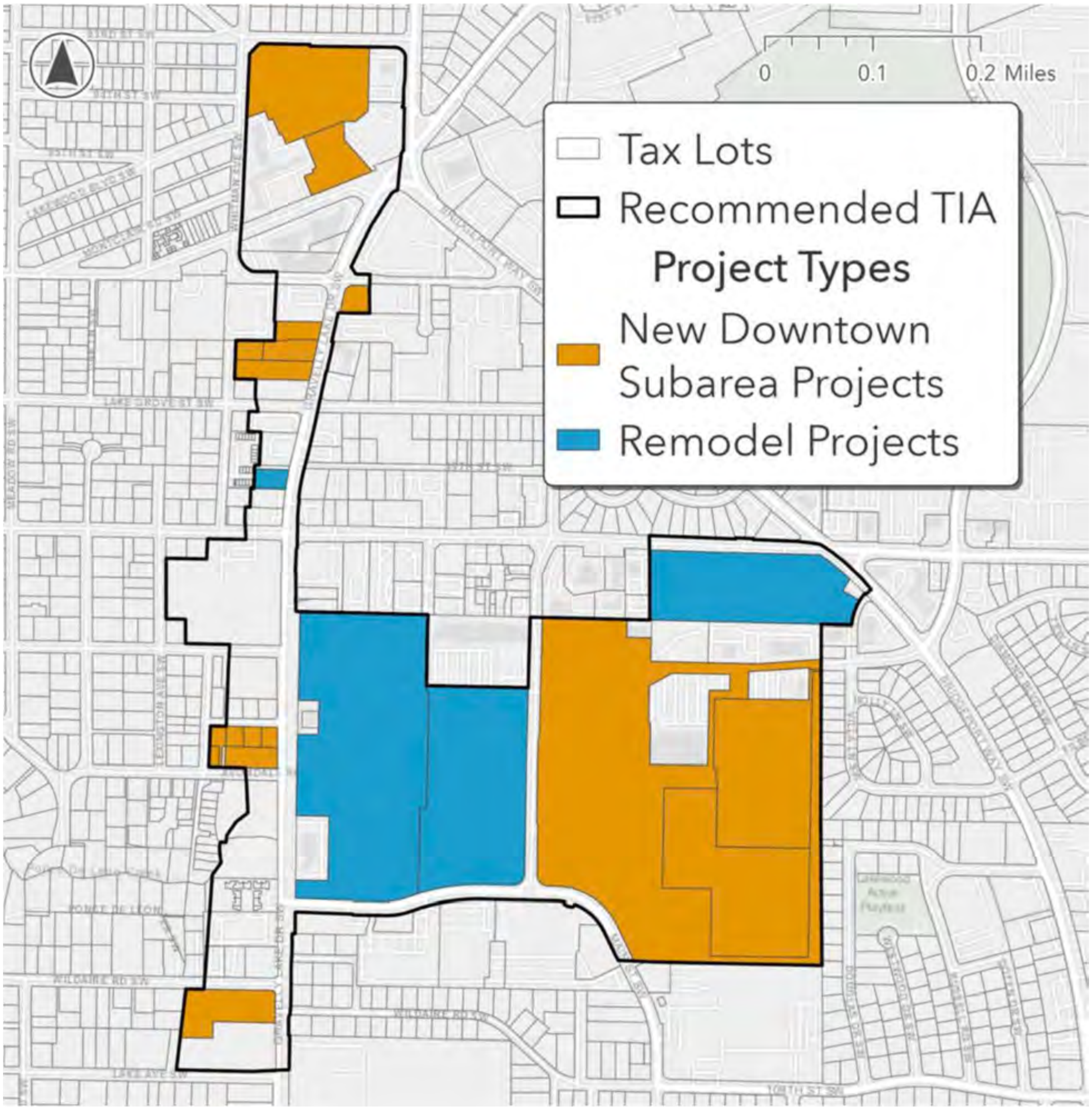
Project Team

Jurisdiction: City of Lakewood
County: Pierce County
Redevelopment Area: Downtown Lakewood
Consultants: Stowe Development & Strategies, LLC ECONorthwest Foster Garvey PC (bond counsel) Northwest Municipal Advisors (municipal advisor)

Proposed Tax Increment Area

The City's proposed TIA includes 131 acres in downtown Lakewood (see Figure 1). The TIA boundary was selected by the City to include areas that are expected to be redeveloped over time as a result of the public improvements. The bulk of the TIA consists of Lakewood Towne Center, an auto-oriented shopping center. The public improvements are expected to take place in this section of downtown Lakewood. The TIA also includes a portion of the Colonial District, which includes colonial style commercial buildings, and to a lesser degree the East District, which is also a large, auto-oriented commercial center including smaller strip-commercial properties.

Figure 1 – Map of Proposed Tax Increment Area



Source: City of Lakewood

Impacted Taxing Districts

Eight taxing districts with regular property tax levies will be directly impacted by the TIA. These districts are:

(1) Pierce County Current Expense;
(2) Port of Tacoma General Fund;
(3) Pierce County Flood Control Zone District;
(4) Sound Transit;

(5) City of Lakewood General Fund;
(6) EMS Regular Levy;
(7) Fire District #21; and
(8) Pierce County Library District.

The levy rate for each of these jurisdictions will be applied to the increased assessed valuation ("AV") within the TIA and remitted to reimburse the City for debt service on City-issued bonds and to potentially pay other eligible public improvement costs.

While the project analysis lists Fire District #21 as the impacted taxing district, the City is served by Pierce County Fire District #3 (d/b/a West Pierce Fire & Rescue). For clarity, West Pierce Fire & Rescue's Station #21 (as opposed to Fire District #21) is located in Lakewood. While it appears the levy rate included for the Fire District in the analysis is correct, we recommend the City review its revenue projections for the Fire District to ensure that the appropriate levy rate is being applied.

The TIF Statute requires a mitigation plan if at least 20% of a regional fire protection district's AV is expected to be impacted. The City stated in the project analysis that less than 20% of the West Pierce Fire & Rescues AV is expected to be impacted by the TIA. From our review, it appears that the aggregate AV amount provided in the project analysis for the West Pierce Fire & Rescue District of $5,577,808,275 may be incorrect. Per the Pierce County Assessor's 2023 assessments for the 2024 tax year, the aggregate AV for West Pierce Fire & Rescue appears to be equal to $18,498,641,063. We recommend that the City double check this value to ensure that there is no requirement for a mitigation plan.

Project Description

Public Improvements Within the TIA

The City has been planning for land use and public improvements for its downtown since at least 2018, when City Council approved the Downtown Plan, with a focus of developing the Central Business District into an urban area with civic amenities, walkable streets, and a mix of uses. The entire Downtown Plan includes 315 acres. The proposed TIA consists of 131 of the 315 acres included in the Downtown Plan.

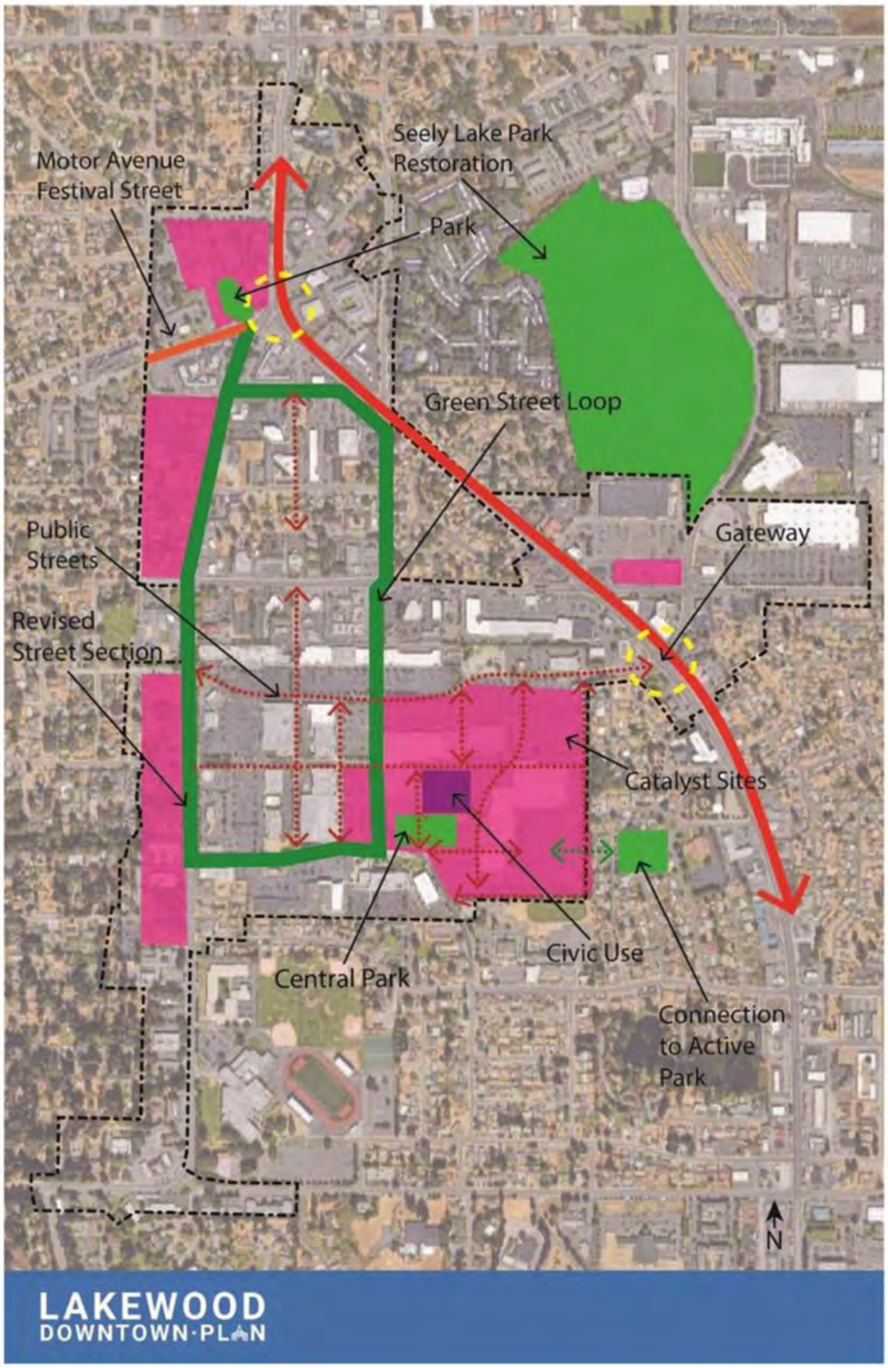
While the entire Downtown plan includes six different elements, the public improvements included as part of the TIA to facilitate the private developments are the **Central Park** project:

- **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 (see Figure 2 – Downtown Plan Vision).

The total project cost is estimated to be $17 million, of which $4 million will be used for property acquisition and $13 million for park amenities, such as grass, restrooms, a water feature/splash facility, benches, and play features. The City expects to contribute $2 million from the City Opportunity Fund, with the remaining $15 million supported through tax increment revenues. Specific timelines for the public improvements were not provided, however the financing schedules imply that the acquisition would take place in 2026 with construction starting in 2029. The TIF Statute requires that the construction of the public improvements begins within 5-years from formation of the TIA. Assuming a June 1, 2024 effective date, this would require construction of the Central Park to begin no later than June 1, 2029.

The TIF Statute also (39.114.020(2)(b)) states that the project analysis requires a statement as to the property within the TIA that the local government intends to acquire. We note that the parcel the City intends to acquire was not defined in the project analysis.

Figure 2 – Downtown Plan Vision



Source: City of Lakewood

Private Development Within the TIA

The project analysis identifies 12 potential private development projects that could be developed within the TIA. The City provided three development scenarios for the projects, with the "Moderate" scenario designated as the most likely outcome and baseline. The project analysis did not provide any additional context into the expected private developments other than what is highlighted in each table, such as whether any have already begun the permitting process.

The Conservative scenario is expected to generate a market value of $212.5 million across four projects. The Moderate scenario adds a multi-family senior housing project and additional tenant improvements, totaling a market value of $260.0 million. The Aggressive scenario adds three multi-family, two retail/commercial, and additional tenant improvements to those included in the Conservative and Moderate scenarios, totaling a market value of $521.6 million. A summary of the projects can be viewed in Table 1, below.

Table 1 – Summary of Private Developments

Development Scenario	Project Name	Product Type	Units/SF	Value per Unit/SF	Start	Build-Out/Years	Market Value
Conservative	Alliance Residential*	Multi-family	420	$ 300,000	2024	2	$ 126,000,000
	KITE Mixed Use	Multi-family**	250	300,000	2025	2	75,000,000
	KITE Mixed Use	Retail/Commercial	20,000	325	2025	2	6,500,000
	Tenant Improvements***	Retail/Commercial	50,000	100	2025	10	5,000,000
	Total						**$ 212,500,000**
Moderate	Senior Housing	Multi-family	150	$ 300,000	2025	2	$ 45,000,000
	Tenant Improvements***	Retail/Commercial	25,000	100	2025	10	2,500,000
	Total (including Conservative Scenario)						**$ 260,000,000**
Aggressive	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
	KITE Lakewood Town Center	Retail/Commercial	100,000	325	2028	2	32,500,000
	Target Expansion	Retail/Commercial	10,000	325	2028	2	13,000,000
	Tenant Improvements	Retail/Commercial	25,000	100	2025	10	2,500,000
	Total (including Conservative and Moderate Scenarios)						**$ 521,600,000**

*Multi-family 8-yr tax exemption expected
**Includes 50-Town Homes
***Conservative and Moderate scenarios represent 50% and 75% of total tenant improvements, respectively

Assessed Value of the TIA

According to the project analysis, the 2023 taxable AV of the TIA was $191,585,840, representing 1.75% of the City's total AV of $10,952,642,723. These figures are close to, but within the statutory size limit (equal to the lesser of $200 million in AV and 20% of the City's total AV). According to the Pierce County Assessors' website, the City's AV for 2024 is increasing to $11,150,721,653. However, the City did not provide 2024 AV of the TIA, so OST is unable to confirm if the AV of the TIA will be under the $200 million statutory threshold for 2024.

Given the relatively high current AV of the proposed TIA and the increase in AV citywide, prior to approval of the TIA, we recommend that the City carefully review its calculations and confirm the assumptions used to calculate the TIA's total AV with the County Assessor's office to ensure that the size of the TIA will not need to be reduced, in order to remain below the $200 million threshold.

We note that in the project analysis' discussion of the "But-For-Requirement", the City included a table that demonstrates expected AV growth between the three scenarios as well as a "No TIF" scenario, which the City estimates would capture 60% less development overall (it is unclear which scenario this is in comparison to). Curiously, despite starting with a lower AV in the TIA in 2024, the "No TIF" scenario ends up with greater AV growth than the Conservative scenario. It is unclear why the starting AV in 2024 is lower in the "No TIF" scenario than in the other three scenarios, as it appears that the "Alliance Residential" project, scheduled to start in 2024, is going to happen in advance of any TIF related construction or acquisitions taking place.

Tax Allocation Revenue Projections

The TIA is expected to take effect on June 1, 2024, with 2025 being the first year in which the City expects to receive tax increment revenues. The term of the TIA is assumed to be 25-years (the maximum allowed by statute) with 2049 being the final year in which tax increment revenues will be received. The City estimates a 2024 tax increment base AV of $191.6 million and estimates $769.8 million in additional AV will be added between 2025 and 2049 through new construction. It is unclear if appreciation or speculative development was included in the analysis in addition to the expected new developments. We recommend clarifying this point in the City's project analysis.

Under the TIF Statute, only certain regular levies are available to the TIA. Both parts of the state school levy, local school district excess levies, voted bond levies, and levies of Port districts for bond payments are excluded from the TIA levy rate. The TIA's annual levy rate may change year-to-year based on factors including future incremental increases to the AV of the TIA, future AV of the taxing districts, and relevant levy limits. The project analysis calculated the levy rate for each of these jurisdictions and applied the levy rates to the projected incremental AV within the TIA to calculate the projected tax allocation revenues summarized in Table 2.

The City projects that in the Moderate scenario, $33.5 million of tax increment revenues will be collected over the 25-year term of the TIA (see Table 2 – Tax Allocation Revenues). This compares to $45.1 million and $21.2 million in the Aggressive and Conservative scenarios, respectively.

The project analysis notes that the Alliance Residential project, which is expected to begin construction in 2024, is expected to be subject to an 8-year multi-family tax exemption. However, it is not clear whether this exemption has been factored into the TIA's revenue projections. Based on the information provided, it appears that the AV growth projected to be generated from this project is not being excluded from projections for the 8-year period. Our understanding is that the Alliance Residential project represents approximately 48% of the total expected market value projected to be generated from the private developments in the Moderate growth scenario. As such, we would expect to see a large step-up in revenues in year nine, when the exemption expires. However, the revenue projections in Table 4 don't show a material bump up in year nine. We recommend that the City review the exemption associated with the Alliance Residential Project to determine if adjustments to the TIA's revenue projections are needed. If such adjustments are warranted, it could represent a material change to the revenue projections.

Table 2 – Tax Allocation Revenues

Year	Aggressive	Moderate	Conservative
1	$ 168,000	$ 168,000	$ 168,000
2	508,000	424,000	423,000
3	683,000	513,000	511,000
4	904,000	732,000	519,000
5	1,263,000	1,019,000	589,000
6	1,414,000	1,097,000	662,000
7	1,510,000	1,111,000	671,000
8	1,609,000	1,126,000	680,000
9	1,630,000	1,141,000	689,000
10	1,723,000	1,228,000	770,000
11	1,883,000	1,351,000	888,000
12	1,969,000	1,401,000	932,000
13	2,061,000	1,487,000	942,000
14	2,211,000	1,602,000	979,000
15	2,291,000	1,646,000	1,017,000
16	2,315,000	1,663,000	1,027,000
17	2,340,000	1,680,000	1,038,000
18	2,364,000	1,698,000	1,049,000
19	2,389,000	1,716,000	1,060,000
20	2,414,000	1,734,000	1,071,000
21	2,439,000	1,752,000	1,082,000
22	2,465,000	1,770,000	1,094,000
23	2,491,000	1,789,000	1,105,000
24	2,517,000	1,808,000	1,117,000
25	2,543,000	1,827,000	1,128,000
Total	$ 46,104,000	$ 33,483,000	$ 21,211,000

Source: City of Lakewood

Financing Plan for Public Improvements

To fund a portion of the proposed public improvements, the City plans to issue two series of LTGO Bonds (the "Bonds"), one in 2026 and the other in 2029. As stated in the project analysis, because of the general obligation pledge, the City will be required to pay the full debt service due on the Bonds from available resources, regardless of the amount of tax increment revenues generated within the TIA. The base financing scenario assumed project fund deposits of $2 million in 2026 and $13 million in 2029. Both series utilize 5% interest rates and level debt service. A summary of the two issuances is included in Table 3, below.

Table 3 – Estimated Financing Scenarios

	Issue 1	Issue 2	Total
Issuance Date	2026	2029	-
Final Maturity	2045	2048	2048
Project Proceeds	2,000,000	13,000,000	15,000,000
Total Debt Service	3,209,700	20,863,080	24,072,780
Interest Rates	5.00%	5.00%	-

Source: City of Lakewood

The City's debt service estimates assume a 20-year amortization per series, with the final maturity of Issue 2 occurring one year prior to the final year of the increment area (2049). We would note, extending the final maturity of Issue 2 to the final year of the increment area (2049) could help reduce annual debt service payments thereby potentially reducing any revenue shortfalls.

Debt Capacity

Based on the City's 2023 total AV, the City has $164,289,641 total non-voted debt capacity (1.5% of 2023 AV). Per the project analysis, the City has $16,437,639 of outstanding non-voted general obligation debt, resulting in $147,582,002 in remaining capacity. The City projects to have $132,852,002 of remaining non-voted debt capacity after the issuance of TIA related debt, or 80.86% of total non-voted capacity.

Table 4– Debt Capacity (2025 Issuance)

Assessed Valuation for 2023 Tax Year	$ 10,952,642,723
Non-Voted Debt Capacity (1.5% of AV)	164,289,641
Less: Outstanding Non-Voted Debt*	16,437,639
Remaining Non-Voted Debt Capacity	147,852,002
Less: Financing Proposed (in total)	15,000,000
Projected Remaining Non-Voted Capacity	**132,852,002**
Projected Remaining Non-Voted Capacity %	**80.86%**

Projected Debt Service Coverage

Tax increment revenue is projected to be sufficient to cover debt service for Issue 1 in all years, in each of the three scenarios.

When Issue 2 is included, only the Aggressive scenario shows sufficiency in all years.

The Moderate scenario projects annual shortfalls ranging from $184,639 to $62,639 ($524,195 in total) after Issue 2 debt service begins in 2029 through 2033. However, because of the surpluses before 2029, the Moderate scenario does not develop a cumulative shortfall.

An alternative scenario that assumes a bond structure with five years of interest-only payments was also presented in the "Financial Mitigation" section for the Moderate scenario. This scenario pushes the annual shortfall out five years, with annual deficiencies of $217,134 to $44,134 in 2034 through 2036. This strategy lowers the amount of the total shortfall to $355,402 over the three-year period while increasing total debt service costs by $1.29 million.

The Conservative scenario projects annual shortfalls for 17 years, beginning in 2029, with a cumulative shortfall of $2.86 million.

We note that the text of the project analysis states on page 24 that “the Aggressive Development Scenario includes one year of deficits…”. We recommend reviewing this statement as it does not match the data provided in Table 16 of the project analysis.

Table 5 – Tax Allocation Revenues and Debt Service Coverage

Scenario	First Year Tax Increment Revenues Exceed Debt Service	Years of Shortfall	Year That Tax Increment Revenues Fully Reimburse Debt Service Shortfalls	Total Projected TIF Revenue ($MMs)	Total Projected TIF Debt Service ($MMs)	Projected Maximum Cumulative Shortfall ($MMs)	Total Surplus/ (Shortfall) Through End of TIA ($MMs)	Aggregate Debt Service Coverage Ratio*
Aggressive	2026	0	N/A	$46.10	$24.07	N/A	$22.03	1.92x
Moderate	2026, 2034	5	N/A	$33.48	$24.07	N/A	$9.41	1.39x
Moderate (5-Years of Interest Only)	2026, 2037	3	N/A	$33.48	$25.36	N/A	$8.12	1.32x
Conservative	2026, 2046	17	N/A	$21.21	$24.07	$4.18	($2.86)	0.88x

Source: City of Lakewood

**Note: Aggregate debt service coverage is for the full 25-year proposed term of the TIA*

Table 6 – TIF Debt Service Coverage

Year	Aggresive Scenario					Moderate Scenario					Moderate Scenario (Interest Only)					Conservative Scenario				
	TIF Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF DSC	TIF Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF DSC	TIF Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF DSC	TIF Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF DSC
2025	$ 168,000	$ -	$ 168,000	$ 168,000		$ 168,000	$ -	$ 168,000	$ 168,000		$ 168,000		$ 168,000	$ 168,000		$ 168,000	$ -	$ 168,000	$ 168,000	
2026	508,000	160,485	347,515	515,515	3.17x	424,000	160,485	263,515	431,515	2.64x	424,000	100,000	324,000	492,000	4.24x	423,000	160,485	262,515	430,515	2.64x
2027	683,000	160,485	522,515	1,038,030	4.26x	513,000	160,485	352,515	784,030	3.2x	513,000	100,000	413,000	905,000	5.13x	511,000	160,485	350,515	781,030	3.18x
2028	904,000	160,485	743,515	1,781,545	5.63x	732,000	160,485	571,515	1,355,545	4.56x	732,000	100,000	632,000	1,537,000	7.32x	519,000	160,485	358,515	1,139,545	3.23x
2029	1,263,000	1,203,639	59,361	1,840,906	1.05x	1,019,000	1,203,639	(184,639)	1,170,906	0.85x	1,019,000	750,000	269,000	1,806,000	1.36x	589,000	1,203,639	(614,639)	524,906	0.49x
2030	1,414,000	1,203,639	210,361	2,051,267	1.17x	1,097,000	1,203,639	(106,639)	1,064,267	0.91x	1,097,000	750,000	347,000	2,153,000	1.46x	662,000	1,203,639	(541,639)	(16,733)	0.55x
2031	1,510,000	1,203,639	306,361	2,357,628	1.25x	1,111,000	1,203,639	(92,639)	971,628	0.92x	1,111,000	842,685	268,315	2,421,315	1.32x	671,000	1,203,639	(532,639)	(549,372)	0.56x
2032	1,609,000	1,203,639	405,361	2,762,989	1.34x	1,126,000	1,203,639	(77,639)	893,989	0.94x	1,126,000	842,685	283,315	2,704,630	1.34x	680,000	1,203,639	(523,639)	(1,073,011)	0.56x
2033	1,630,000	1,203,639	426,361	3,189,350	1.35x	1,141,000	1,203,639	(62,639)	831,350	0.95x	1,141,000	842,685	298,315	3,002,945	1.35x	689,000	1,203,639	(514,639)	(1,587,650)	0.57x
2034	1,723,000	1,203,639	519,361	3,708,711	1.43x	1,228,000	1,203,639	24,361	855,711	1.02x	1,228,000	1,445,134	(217,134)	2,785,811	0.85x	770,000	1,203,639	(433,639)	(2,021,289)	0.64x
2035	1,883,000	1,203,639	679,361	4,388,072	1.56x	1,351,000	1,203,639	147,361	1,003,072	1.12x	1,351,000	1,445,134	(94,134)	2,691,677	0.93x	888,000	1,203,639	(315,639)	(2,336,928)	0.74x
2036	1,969,000	1,203,639	765,361	5,153,433	1.64x	1,401,000	1,203,639	197,361	1,200,433	1.16x	1,401,000	1,445,134	(44,134)	2,647,543	0.97x	932,000	1,203,639	(271,639)	(2,608,567)	0.77x
2037	2,061,000	1,203,639	857,361	6,010,794	1.71x	1,487,000	1,203,639	283,361	1,483,794	1.24x	1,487,000	1,445,134	41,866	2,689,409	1.03x	942,000	1,203,639	(261,639)	(2,870,206)	0.78x
2038	2,211,000	1,203,639	1,007,361	7,018,155	1.84x	1,602,000	1,203,639	398,361	1,882,155	1.33x	1,602,000	1,445,134	156,866	2,846,275	1.11x	979,000	1,203,639	(224,639)	(3,094,845)	0.81x
2039	2,291,000	1,203,639	1,087,361	8,105,516	1.9x	1,646,000	1,203,639	442,361	2,324,516	1.37x	1,646,000	1,445,134	200,866	3,047,141	1.14x	1,017,000	1,203,639	(186,639)	(3,281,484)	0.84x
2040	2,315,000	1,203,639	1,111,361	9,216,877	1.92x	1,663,000	1,203,639	459,361	2,783,877	1.38x	1,663,000	1,445,134	217,866	3,265,007	1.15x	1,027,000	1,203,639	(176,639)	(3,458,123)	0.85x
2041	2,340,000	1,203,639	1,136,361	10,353,238	1.94x	1,680,000	1,203,639	476,361	3,260,238	1.4x	1,680,000	1,445,134	234,866	3,499,873	1.16x	1,038,000	1,203,639	(165,639)	(3,623,762)	0.86x
2042	2,364,000	1,203,639	1,160,361	11,513,599	1.96x	1,698,000	1,203,639	494,361	3,754,599	1.41x	1,698,000	1,445,134	252,866	3,752,739	1.17x	1,049,000	1,203,639	(154,639)	(3,778,401)	0.87x
2043	2,389,000	1,203,639	1,185,361	12,698,960	1.98x	1,716,000	1,203,639	512,361	4,266,960	1.43x	1,716,000	1,445,134	270,866	4,023,605	1.19x	1,060,000	1,203,639	(143,639)	(3,922,040)	0.88x
2044	2,414,000	1,203,639	1,210,361	13,909,321	2.01x	1,734,000	1,203,639	530,361	4,797,321	1.44x	1,734,000	1,445,134	288,866	4,312,471	1.2x	1,071,000	1,203,639	(132,639)	(4,054,679)	0.89x
2045	2,439,000	1,203,639	1,235,361	15,144,682	2.03x	1,752,000	1,203,639	548,361	5,345,682	1.46x	1,752,000	1,435,959	316,041	4,628,512	1.22x	1,082,000	1,203,639	(121,639)	(4,176,318)	0.9x
2046	2,465,000	1,043,154	1,421,846	16,566,528	2.36x	1,770,000	1,043,154	726,846	6,072,528	1.7x	1,770,000	1,252,450	517,550	5,146,062	1.41x	1,094,000	1,043,154	50,846	(4,125,472)	1.05x
2047	2,491,000	1,043,154	1,447,846	18,014,374	2.39x	1,789,000	1,043,154	745,846	6,818,374	1.71x	1,789,000	1,252,450	536,550	5,682,612	1.43x	1,105,000	1,043,154	61,846	(4,063,626)	1.06x
2048	2,517,000	1,043,154	1,473,846	19,488,220	2.41x	1,808,000	1,043,154	764,846	7,583,220	1.73x	1,808,000	1,192,809	615,191	6,297,803	1.52x	1,117,000	1,043,154	73,846	(3,989,780)	1.07x
2049	2,543,000	-	2,543,000	22,031,220		1,827,000	-	1,827,000	9,410,220		1,827,000	-	1,827,000	8,124,803		1,128,000	-	1,128,000	(2,861,780)	
Total[1]	$ 46,104,000	$ 24,072,780	$ 22,031,220		1.92x	$ 33,483,000	$ 24,072,780	$ 9,410,220		1.39x	$ 33,483,000	$ 25,358,197	$ 8,124,803		1.32x	$ 21,211,000	$ 24,072,780	$ (2,861,780)		0.88x

[1] Totals may not foot due to rounding

Source: City of Lakewood, ECONorthwest

General Risks

From OST's review of the project analysis, it appears that the anticipated public improvements and corresponding economic development will provide economic and recreational benefits to the City. Nonetheless, the proposed project comes with certain risks and costs to the City, which we attempt to summarize below:

General Obligation Pledge: The LTGO Bonds expected to be issued in connection with the project's plan of finance will obligate the City to pay the full amount of debt service due from City revenues and resources regardless of the amount of tax increment revenues generated from the TIA. Because of the project's potential cost to the City's general fund, it is essential that decision makers understand and accept the project's risks and potential long-term costs in comparison to its benefits.

Assessed Valuations: As private developments are completed, the actual assessed values will depend on factors considered by the County Assessor's office. Tax increment revenues could potentially be lower than projected if the assessed values of the projects are lower than projected or take longer than anticipated to be reflected on the County's tax rolls.

Escalation of Project Costs: Given the timeline for the construction of the public improvements, inflation could have a material impact on the cost of these projects.

Construction Delays: Any delay in the construction timelines of the expected private development could reduce the amount of tax increment revenues produced by the TIA.

Permits: It is unclear where the private developments are in the permitting process. Delays in permits could negatively impact the construction of the private developments within the TIA, potentially reducing the amount of tax increment revenues generated.

Economic Conditions: Growth in the TIA's AV could be negatively impacted by depressed economic conditions. A variety of economic factors could negatively impact the demand for development, jeopardizing the timeline, scale, and market value of private development, potentially reducing tax increment revenues.

Interest Rate Risk: The City will be exposed to interest rate risk until its bonds are sold. The 5% interest rate assumption included in the analysis is generally conservative and helps to mitigate this risk.

Legislative Risk: From time to time the State Legislature amends State Statute. It is possible that an amendment to the TIF Statute could reduce or limit the amount of revenues generated by the TIA.

Risk Summary: The general impact to the City from any of the risk factors outlined above could potentially be lower than projected tax increment revenues and a greater than expected reliance on the City's general revenues and reserves to pay the debt service due on the bonds issued to fund the public improvements, reducing the City's ability to allocate those funds to other projects or operations.

Concerns With the Project Analysis

Multi-Family Tax Exemption: The project analysis identified at least one project (Alliance Residential), expected to begin construction in 2024, that will be subject to an 8-year multi-family tax exemption. It is unclear if this exemption is factored into the City's project analysis. As Table 2 (above) does not show a significant step-up in revenue in the 9^{th} year after the formation of the TIA, it appears that the exemption is not factored into the TIA's revenue projections. If this is true, it can be expected that factoring the exemption into projections will materially reduce the TIA's projected revenues, as the Alliance Residential project makes up just under 50% of the total expected market value to be added by the private developments.

Impacted Fire District: The project analysis appears to have conflicting information about the impacted fire district. If the incorrect fire district was included in the project analysis, calculations involving fire district AV and levy rates may need to be revisited.

Fire District AV: The project analysis appears to list the aggregate AV for the West Pierce Fire & Rescue as $5,577,808,275. However, the Pierce County Assessor's 2023 assessments appear to provide an aggregate AV of $18,489,641,063. We recommend that the City double check this value for accuracy.

But For Requirement: In the project analysis' "But-For-Requirement" section, the included projections show the Conservative scenario generating less tax increment growth than if the City elects to not form the proposed TIA. The section also shows the "No TIF" scenario having a lower starting AV in 2024 than what is used in the other three scenarios. If our review is correct, we recommend correcting these assumption errors to help improve the City's but-for analysis.

Recommendations

To help ensure the financial success of the project, and to minimize unanticipated costs and risks, we recommend the City consider the following measures:

1. Prior to approving the TIA, we recommend that the City discuss and establish a policy regarding how much debt service it is able and willing to pay from City general revenues and reserves on an annual basis, to offset projected as well as unanticipated tax increment revenue shortfalls.

2. Prior to approving the TIA, we recommend that the City review and clarify whether the 8-year multi-family tax exemption is factored into the revenue projections contained in the project analysis. If not, we suggest amending the projections and resubmitting the project analysis for OST review.

3. Prior to approving the TIA, we recommend that the City carefully review its calculations and confirm the assumptions used to calculate the TIA's total AV, including assumptions related to any tax-exemptions and fire district assessed valuations, with the County Assessor's office and legal counsel. This is important to ensure that the City's TIA is in compliance with statutory requirements limiting the size of the TIA to the lesser of $200 million in AV and 20% of the City's total AV.

4. Prior to approving the TIA, we suggest that the City clarify whether appreciation or speculative development was included in tax increment revenue projections in addition to the expected new developments.

5. Prior to approving the TIA, we recommend the City coordinate closely with the taxing districts impacted by the project, and the County Assessor's Office, to ensure that all parties have an accurate understanding of how the TIA will impact them and provide sufficient time to work through any concerns.

6. As the project moves forward, we recommend the City coordinate with the County Assessor's Office to help ensure that the tax increment revenue projections match the County's assessment process and are as accurate as possible.

7. Given the timeline for public improvements, we recommend the City revisit public improvement cost projections frequently and utilize a publicly recognized inflation index to inform inflation projections, while being mindful of the 5-year construction initialization requirement for the TIA as defined in Statute.

8. The project analysis did not identify the specific parcel that the City intends to acquire as part of the public improvements. The TIF Statute requires the project analysis include "a statement as to the property within the increment area, if any, that the local government may intend to acquire." As such, we recommend that the City update the project analysis to include this information.

9. We recommend amending Figure 19 in the project analysis to clarify why the "No TIF" scenario is expected to outpace the growth of the "Conservative" scenario.

10. We recommend that the City review and clarify why the 2024 assessed value shown in Figure 19 of the project analysis is projected to be lower in the "No TIF" scenario compared to the other scenarios, as real 2024 AV should be final for the current year.

Thank you for the opportunity to review the City's project analysis. Based upon the information provided to date in connection with this project, this concludes our review. If there are material changes in the scope, timing, projections, or cost of the project, please let us know. We wish the City all the best with its project.

Respectfully,

Mike Pellicciotti
Washington State Treasurer

Jason Richter
Deputy Treasurer

Legislative Building, P.O. Box 40200 Olympia, Washington 98504-0200
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ATTACHMENT E

Public Outreach Summary

City Council authorized to proceed to step 2 and prepare a project analysis on October 23, 2023.

City Manager John Caulfield had initial conversations with the Port of Tacoma, Pierce County Library System, and West Pierce Fire November/December 2023.

Project analysis completed and submitted to the Office of the State Treasurer for review December 27, 2023.

Outreach briefings to taxing districts with Bob Stowe, Morgan Shook, and Becky Newton:

- Pierce County Library System, February 7
- Port of Tacoma, February 12
- West Pierce Fire, February 19
- Sound Transit, February 22
- Economic & Infrastructure Development Committee, Pierce County Council, March 12
- County Executive and Finance for Pierce County, March 18
- County Assessor-Treasurer, March 21

Public briefings:

- April 9 and 11 via Zoom
- April 15 in person and via Zoom

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CITY OF LAKEWOOD

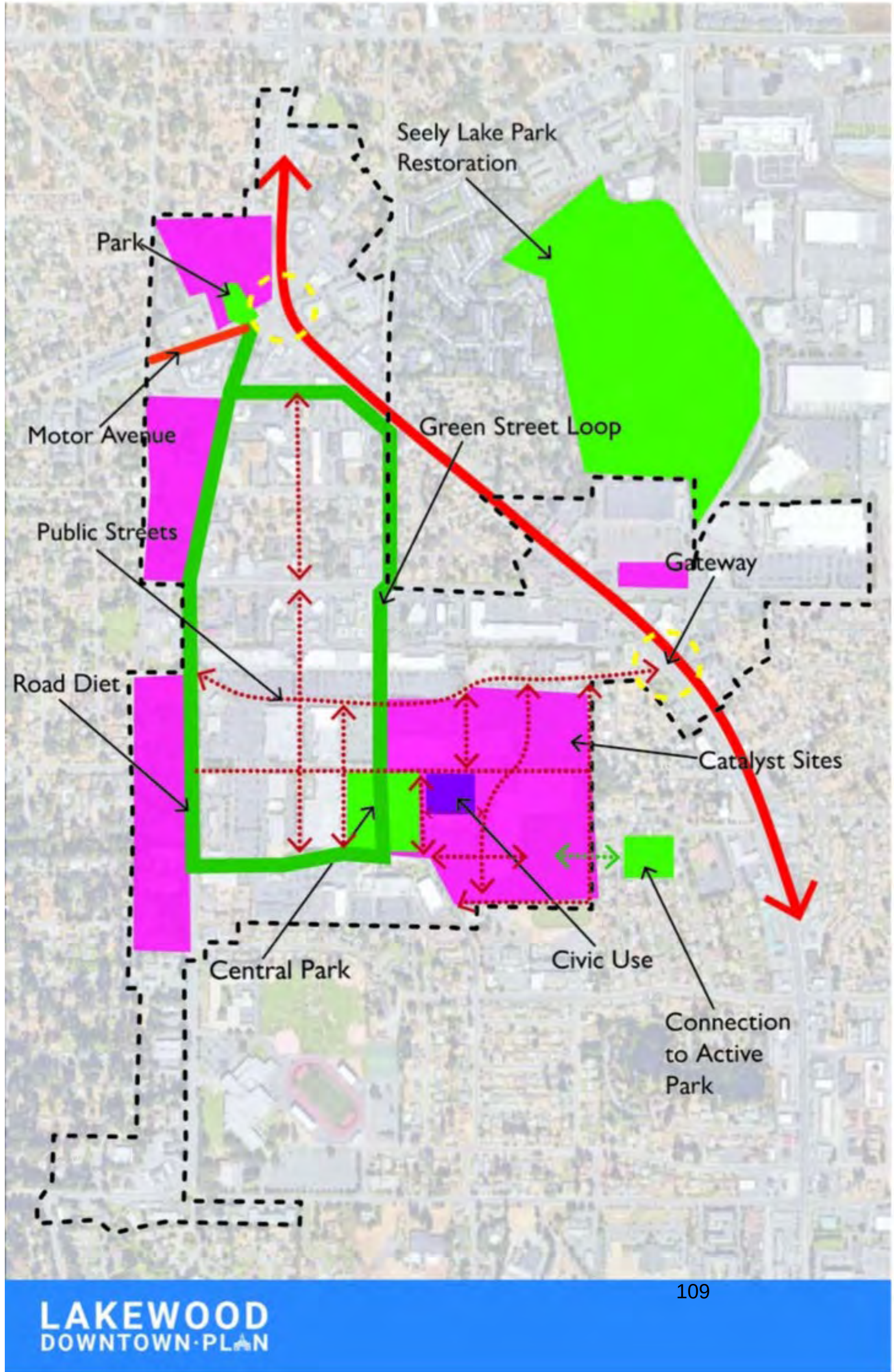
TIF | Lakewood City Council

April 8, 2024

STOWE DEVELOPMENT & STRATEGIES
A Real Estate and Community Development Strategy and Execution Company

In Association with:

ECONorthwest
ECONOMICS · FINANCE · PLANNING



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AGENDA

1. TIF Model
2. TIF Overview
3. Proposed TIA
4. TIF Levy Rates
5. Public Improvements
6. Private Development
7. TIF Revenue
8. Jobs
9. Summary
10. Next Steps

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TAX INCREMENT FINANCING

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

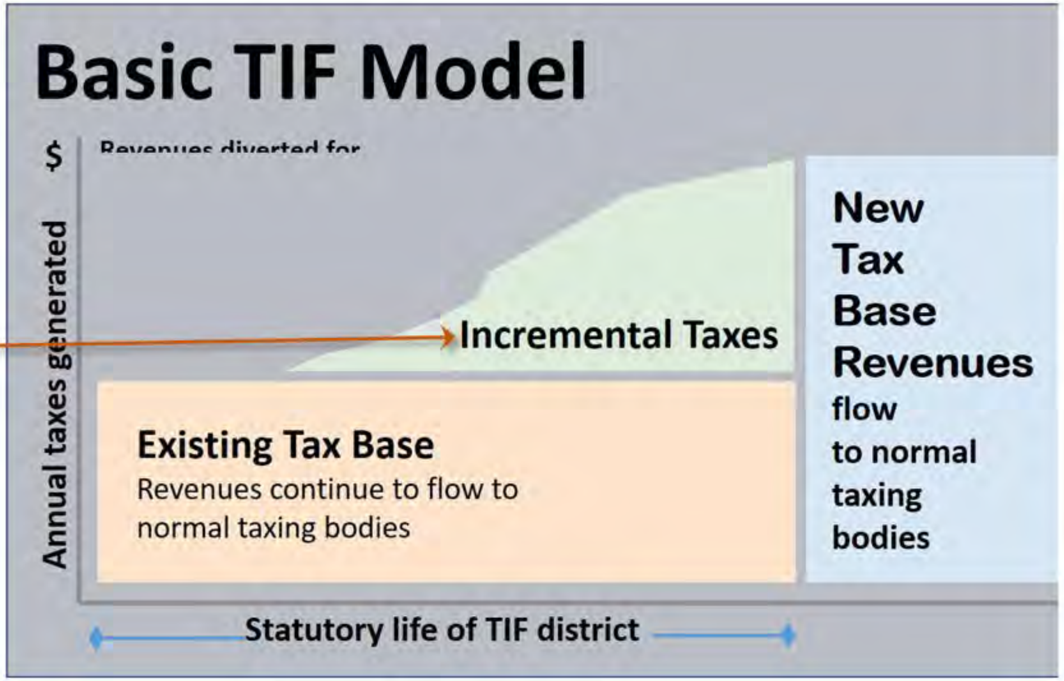
Model

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"



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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.

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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.

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TIF OVERVIEW

No Harm Provisions

In addition to the 101% growth limit calculation, affected taxing districts can grow their levies under a different calculation as a result of their contribution of tax allocation dollars. The two key provisions used in establishing this different calculation are described below:

1. First, the inclusion of the **increment value** “add-on” (similar to the new construction add-on value) is part of an affected taxing district’s levy calculation for the years that the tax increment area (TIA) is in place, which is then multiplied by the levy rate used as the revenue directed to the TIF sponsor. This change to the levy calculation process was intended to direct the incremental property tax dollars generated as a result of the TIF infrastructure, to the TIF sponsor and address concerns that TIF would result in a loss of property tax notwithstanding the growth to new construction value. Conceptually, the basis of the tax allocation value and levy growth are the same (e.g., increment value).

2. Second, the result of including the increment add-on value in the levy calculation allows those affected taxing districts to increase their maximum allowable levy for the following year if not limited by their statutory rate maximum. This does not impact the computation of the highest lawful levy. The result of this gain in allowable levy capacity is that those taxing districts will receive additional property tax that approximates what they would have received if a TIA had not formed and private development occurred anyway, just one year later.

In summary, the two key no-harm provisions identified above provides:1) a new source of revenue from the increment value add-on that supports the TIF infrastructure; and, 2) additional levy capacity to those affected taxing districts to pay for service demands caused by the TIA development.

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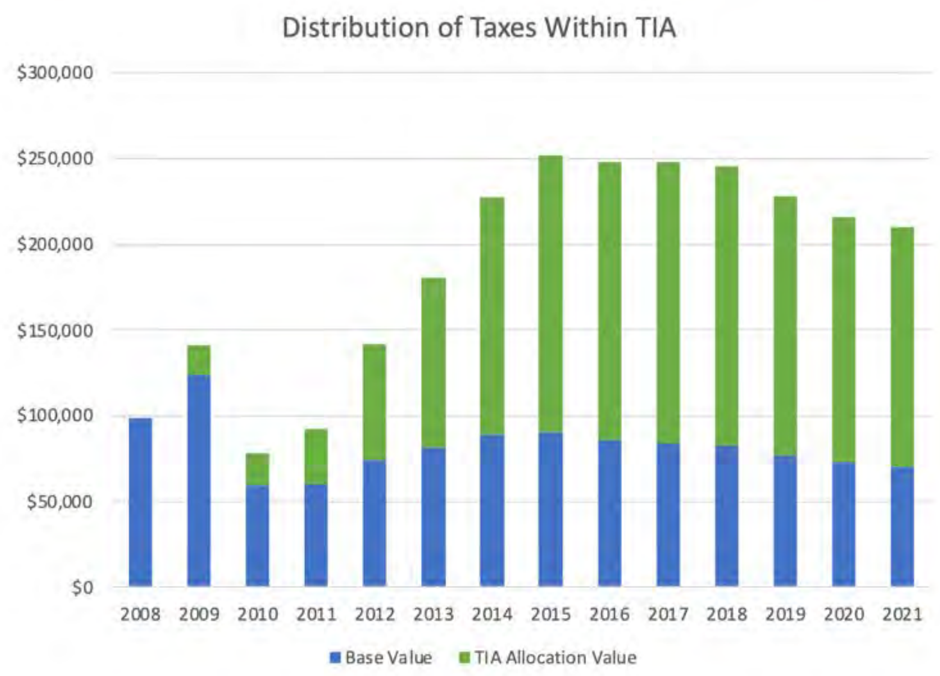
TIF OVERVIEW

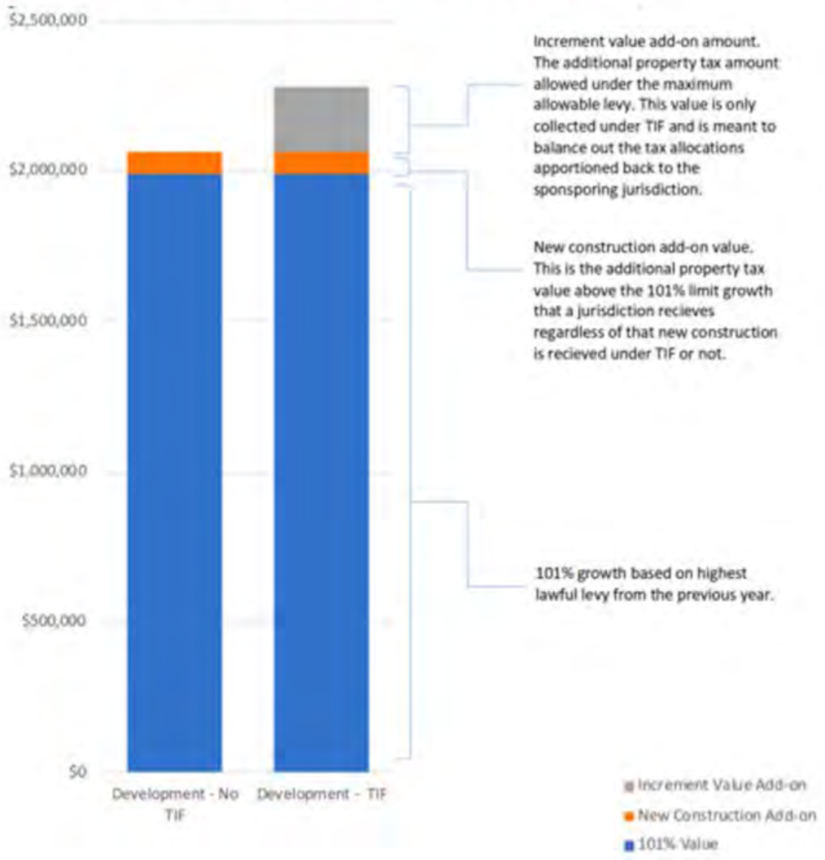
No Harm Provisions

Taxes are apportioned to TIF within the TIA



However

Levy is Expanded at the District Level



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TIF OVERVIEW

No Harm Provisions

The increment add-on value is enabled under TIF. This added value to the levy is meant to offset the loss of tax allocations going to the sponsoring jurisdiction.

The increment value does not include new construction value since it has already been accounted for under b) as part of the levy calculation.

This allows the affected levy to collect additional property tax in those TIF years (e.g., the maximum allowable levy.)

The underlying highest lawful levy, used to set the 101% limit factor for the subsequent year, remains unchanged since the increment add-on value is excluded from the calculation.

Figure 13: Example Levy Calculation from DOR Special Notice

a.)	Highest lawful levy	$25,000,000	x	101% limit factor	=$25,250,000
b.)	New construction	$1,800,000	x	$1.25 per $1,000 assessed value	=$2,250
c.)	Utility increase	$1,700,000	x	$1.25	=$2,125
d.)	Increment value	$2,200,000	x	$1.25	=$2,750
e.)	Total levy limit (sum of a-d)				=$25,257,125
f.)	Statutory maximum	$10,000,000,000	x	$3.375	=$33,750,000
g.)	Max. allowable levy for this year (lesser of e or f)				=$25,257,125
h.)	New highest lawful levy since 1985 (lesser of e-d, or f)				=$25,254,375

New construction valued across the district (including in the TIA) is included in this calculation.

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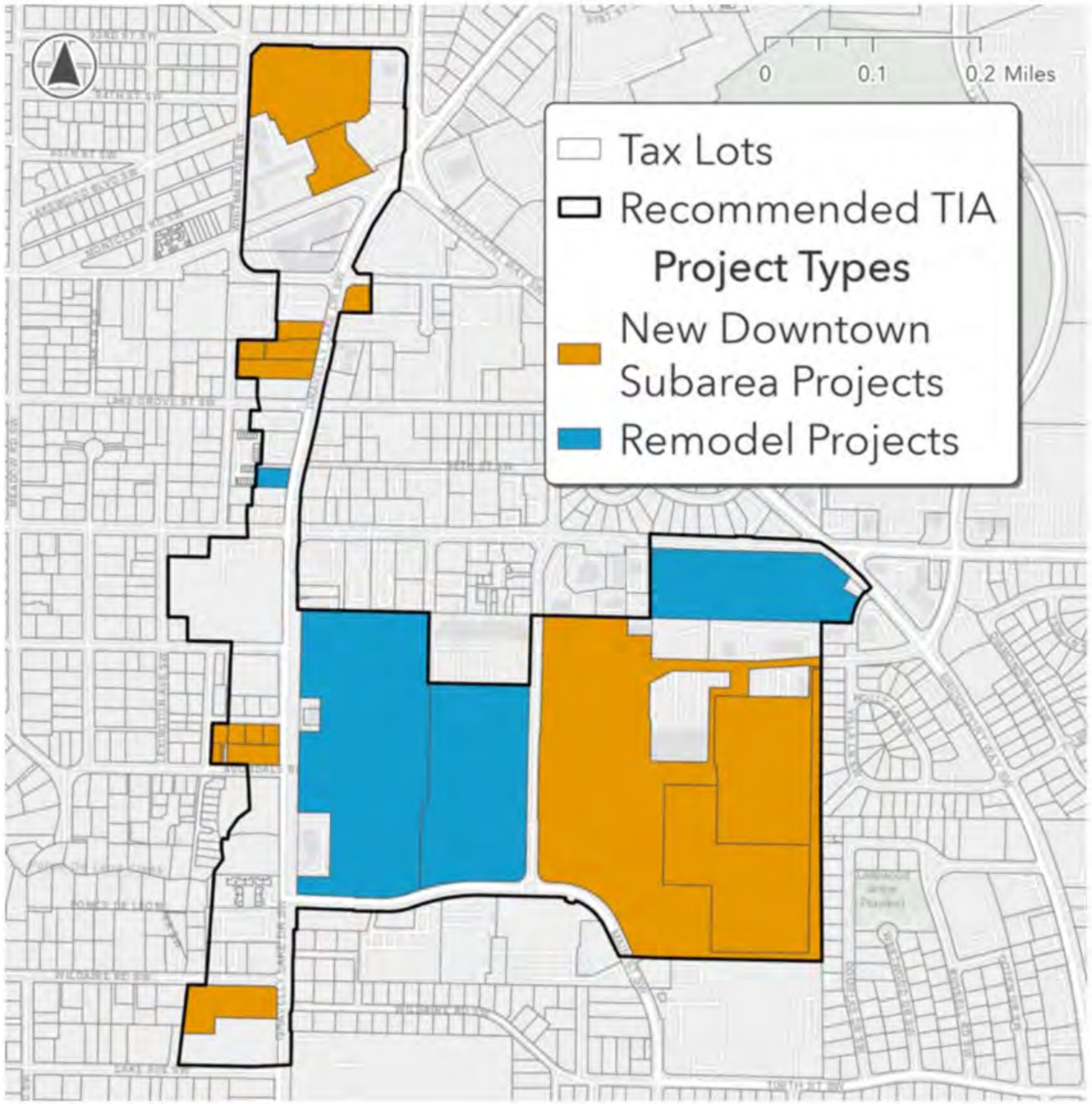
TAX INCREMENT AREA



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LEVY RATES

Levy Code Area 760	2023 Taxes Rates	Exempt: State Property Tax	Exempt: Excess and Other Levies	Available for TIF allocation
Total	$10.0418	$2.3122	$3.8968	$3.8328
State				
Part 1	$2.3122	$2.3122		$0.0000
Part 2		$0.0000		$0.0000
County				
Regular_Current Expense	$0.7539			$0.7539
Port				
General Fund	$0.1330			$0.1330
Flood Control				
Regular Levy	$0.1004			$0.1004
Sound Transit				
Regular Levy	$0.1558			$0.1558
City of Lakewood				
Regular Levy	$0.7101			$0.7101
EMS: West Pierce				
Regular Levy	$0.4115			$0.4115
School #400				
Enrichment	$2.1831		$2.1831	$0.0000
Bond	$0.9500		$0.9500	$0.0000
Fire District: West Pierce				
Regular Levy	$1.2347			$1.2347
M&O Fund	$0.7637		$0.7637	$0.0000
Library District				
Regular Levy	$0.3333			$0.3333

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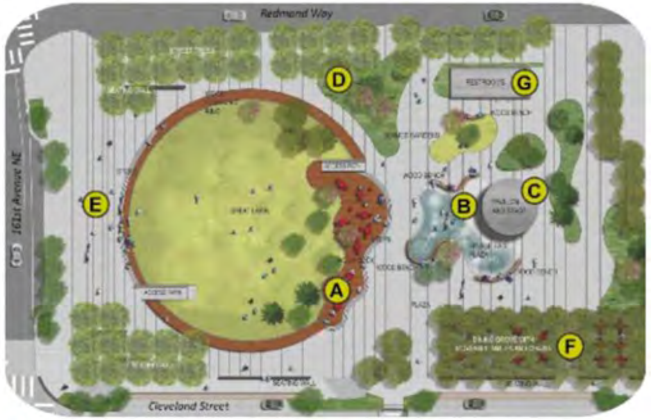
PUBLIC IMPROVEMENTS – Inspirational Images

Downtown Puyallup – Pioneer Park – 2 acres

Downtown Burien – 1 acre



Downtown Redmond – 2 Acres, Under Construction

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PUBLIC IMPROVEMENTS - PARKS

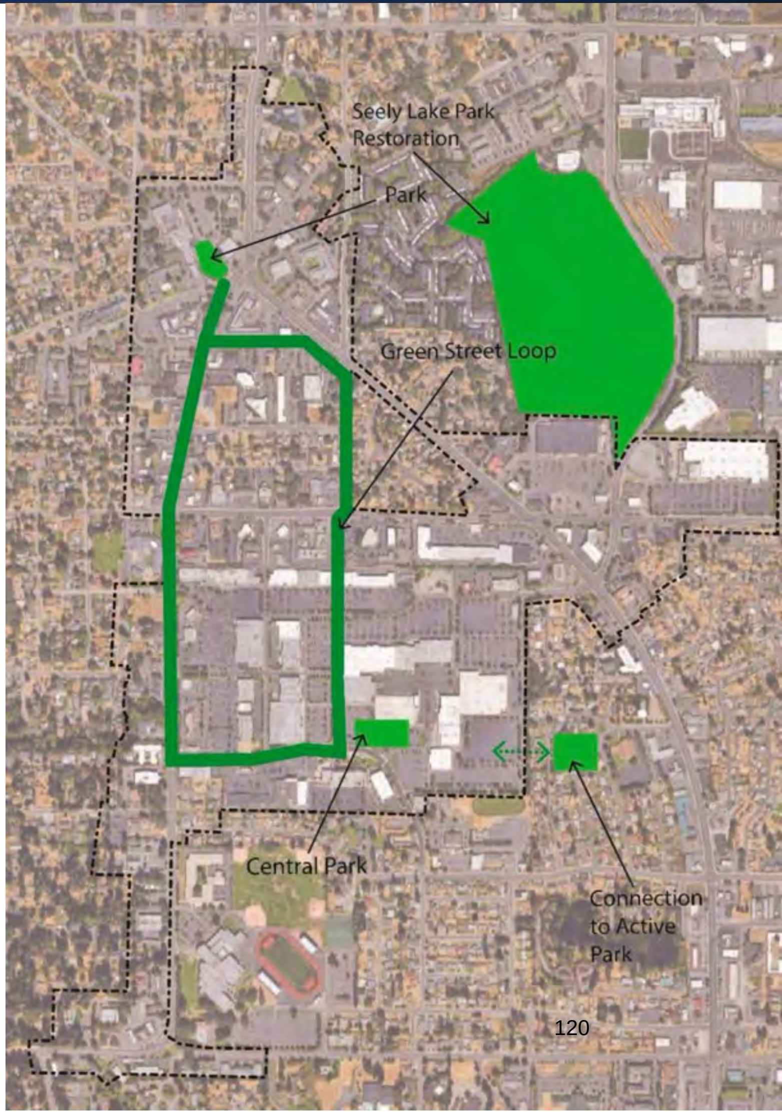
Acquisition: $2 million

(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



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PRIVATE DEVELOPMENT

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

Aggressive: Represents the most aggressive development that is likely to occur in the TIA and represents nearly $522 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 $260 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 $213 million of private development market value.

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PRIVATE DEVELOPMENT

AGGRESSIVE

Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value
Alliance 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
KITE Lakewood Towne Center	Retail/ Commercial	100,000	$ 325	2028	2	$ 32,500,000
Target Expansion	Retail/ Commercial	40,000	$ 325	2028	2	$ 13,000,000
KITE Mixed Use	Multi-family**	250	$ 300,000	2025	2	$ 75,000,000
KITE Mixed Use	Retail/ Commercial	20,000	$ 325	2025	2	$ 6,500,000
Senior Housing	Multi-family	150	$ 300,000	2025	2	$ 45,000,000
Tenant Improvements	Retail/ Commercial	100,000	$ 100	2025	10	$ 10,000,000
TOTAL						**521,600,000**

** MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED*

** Includes 50 Town Homes

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PRIVATE DEVELOPMENT

MODERATE

Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value
Alliance 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
KITE Lakewood Towne Center	Retail/ Commercial	100,000	$ 325	2028	2	$ 32,500,000
Target Expansion	Retail/ Commercial	40,000	$ 325	2028	2	$ 13,000,000
KITE Mixed Use	Multi-family **	250	$ 300,000	2025	2	$ 75,000,000
KITE Mixed Use	Retail/ Commercial	20,000	$ 325	2025	2	$ 6,500,000
Senior Housing	Multi-family	150	$ 300,000	2025	2	$ 45,000,000
Tenant Improvements ***	Retail/ Commercial	75,000	$ 100	2025	10	$ 7,500,000
TOTAL						**260,000,000**

** MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED*

** Includes 50 Town Homes

**** 3/4 OF TENANT IMPROVEMENTS OF AGGRESSIVE*

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PRIVATE DEVELOPMENT

CONSERVATIVE

Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value	
Alliance 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	
KITE Lakewood Towne Center	Retail/ Commercial	100,000	$ 325	2028	2	$ 32,500,000	
Target Expansion	Retail/ Commercial	40,000	$ 325	2028	2	$ 13,000,000	
KITE Mixed Use	Multi-family**	250	$ 300,000	2025	2	$ 75,000,000	✓
KITE Mixed Use	Retail/ Commercial	20,000	$ 325	2025	2	$ 6,500,000	✓
Senior Housing	Multi-family	150	$ 300,000	2025	2	$ 45,000,000	
Tenant Improvements ***	Retail/ Commercial	50,000	$ 100	2025	10	$ 5,000,000	✓
TOTAL						**$ 212,500,000**	

** MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED*

** Includes 50 Town Homes

**** 1/2 OF TENANT IMPROVEMENTS OF AGGRESSIVE*

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TIF REVENUE ALLOCATION SUMMARY

Aggressive

	TIA Revenue Allocations	
	Present Value	Nominal Value
Lakewood	$4,310,000	$8,734,000
Pierce County	$4,660,000	$9,433,000
Port of Tacoma	$810,000	$1,637,000
Sound Transit	$950,000	$1,918,000
EMS	$2,500,000	$5,068,000
Fire District	$7,510,000	$15,207,000
Library	$2,030,000	$4,104,000
Flood Control	$600,000	$1,215,000
Total	$23,370,000	$47,316,000

Moderate

	TIA Revenue Allocations	
	Present Value	Nominal Value
Lakewood	$3,160,000	$6,344,000
Pierce County	$3,410,000	$6,848,000
Port of Tacoma	$590,000	$1,190,000
Sound Transit	$690,000	$1,391,000
EMS	$1,830,000	$3,683,000
Fire District	$5,490,000	$11,042,000
Library	$1,480,000	$2,983,000
Flood Control	$440,000	$882,000
Total	$17,090,000	$34,363,000

Conservative

	TIA Revenue Allocations	
	Present Value	Nominal Value
Lakewood	$2,030,000	$4,020,000
Pierce County	$2,190,000	$4,340,000
Port of Tacoma	$380,000	$752,000
Sound Transit	$450,000	$885,000
EMS	$1,180,000	$2,333,000
Fire District	$3,540,000	$6,994,000
Library	$960,000	$1,886,000
Flood Control	$280,000	$560,000
Total	$11,010,000	$21,770,000

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TIF REVENUE ALLOCATION SUMMARY – Split Debt Service: $2M in 2026 & $13M in 2029

Aggressive

Year	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2024	$0	$0	$0	$0	
2025	$168,000	$0	$168,000	$168,000	
2026	$508,000	$160,485	$347,515	$515,515	3.17
2027	$683,000	$160,485	$522,515	$1,038,030	4.26
2028	$904,000	$160,485	$743,515	$1,781,544	5.63
2029	$1,263,000	$1,203,639	$59,361	$1,840,906	1.05
2030	$1,414,000	$1,203,639	$210,361	$2,051,267	1.17
2031	$1,510,000	$1,203,639	$306,361	$2,357,628	1.25
2032	$1,609,000	$1,203,639	$405,361	$2,762,989	1.34
2033	$1,630,000	$1,203,639	$426,361	$3,189,350	1.35
2034	$1,723,000	$1,203,639	$519,361	$3,708,712	1.43
2035	$1,883,000	$1,203,639	$679,361	$4,388,073	1.56
2036	$1,969,000	$1,203,639	$765,361	$5,153,434	1.64
2037	$2,061,000	$1,203,639	$857,361	$6,010,795	1.71
2038	$2,211,000	$1,203,639	$1,007,361	$7,018,156	1.84
2039	$2,291,000	$1,203,639	$1,087,361	$8,105,518	1.90
2040	$2,315,000	$1,203,639	$1,111,361	$9,216,879	1.92
2041	$2,340,000	$1,203,639	$1,136,361	$10,353,240	1.94
2042	$2,364,000	$1,203,639	$1,160,361	$11,513,601	1.96
2043	$2,389,000	$1,203,639	$1,185,361	$12,698,962	1.98
2044	$2,414,000	$1,203,639	$1,210,361	$13,909,324	2.01
2045	$2,439,000	$1,203,639	$1,235,361	$15,144,685	2.03
2046	$2,465,000	$1,043,154	$1,421,846	$16,566,531	2.36
2047	$2,491,000	$1,043,154	$1,447,846	$18,014,377	2.39
2048	$2,517,000	$1,043,154	$1,473,846	$19,488,224	2.41
2049	$2,543,000	$0	$2,543,000	$22,031,224	

Moderate

Year	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2024	$0	$0	$0	$0	
2025	$168,000	$0	$168,000	$168,000	
2026	$424,000	$160,485	$263,515	$431,515	2.64
2027	$513,000	$160,485	$352,515	$784,030	3.20
2028	$732,000	$160,485	$571,515	$1,355,544	4.56
2029	$1,019,000	$1,203,639	-$184,639	$1,170,906	0.85
2030	$1,097,000	$1,203,639	-$106,639	$1,064,267	0.91
2031	$1,111,000	$1,203,639	-$92,639	$971,628	0.92
2032	$1,126,000	$1,203,639	-$77,639	$893,989	0.94
2033	$1,141,000	$1,203,639	-$62,639	$831,350	0.95
2034	$1,228,000	$1,203,639	$24,361	$855,712	1.02
2035	$1,351,000	$1,203,639	$147,361	$1,003,073	1.12
2036	$1,401,000	$1,203,639	$197,361	$1,200,434	1.16
2037	$1,487,000	$1,203,639	$283,361	$1,483,795	1.24
2038	$1,602,000	$1,203,639	$398,361	$1,882,156	1.33
2039	$1,646,000	$1,203,639	$442,361	$2,324,518	1.37
2040	$1,663,000	$1,203,639	$459,361	$2,783,879	1.38
2041	$1,680,000	$1,203,639	$476,361	$3,260,240	1.40
2042	$1,698,000	$1,203,639	$494,361	$3,754,601	1.41
2043	$1,716,000	$1,203,639	$512,361	$4,266,962	1.43
2044	$1,734,000	$1,203,639	$530,361	$4,797,324	1.44
2045	$1,752,000	$1,203,639	$548,361	$5,345,685	1.46
2046	$1,770,000	$1,043,154	$726,846	$6,072,531	1.70
2047	$1,789,000	$1,043,154	$745,846	$6,818,377	1.71
2048	$1,808,000	$1,043,154	$764,846	$7,583,224	1.73
2049	$1,827,000	$0	$1,827,000	$9,410,224	

Conservative

Year	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2024	$0	$0	$0	$0	
2025	$168,000	$0	$168,000	$168,000	
2026	$423,000	$160,485	$262,515	$430,515	2.64
2027	$511,000	$160,485	$350,515	$781,030	3.18
2028	$519,000	$160,485	$358,515	$1,139,544	3.23
2029	$589,000	$1,203,639	-$614,639	$524,906	0.49
2030	$662,000	$1,203,639	-$541,639	-$16,733	0.55
2031	$671,000	$1,203,639	-$532,639	-$549,372	0.56
2032	$680,000	$1,203,639	-$523,639	-$1,073,011	0.56
2033	$689,000	$1,203,639	-$514,639	-$1,587,650	0.57
2034	$770,000	$1,203,639	-$433,639	-$2,021,288	0.64
2035	$888,000	$1,203,639	-$315,639	-$2,336,927	0.74
2036	$932,000	$1,203,639	-$271,639	-$2,608,566	0.77
2037	$942,000	$1,203,639	-$261,639	-$2,870,205	0.78
2038	$979,000	$1,203,639	-$224,639	-$3,094,844	0.81
2039	$1,017,000	$1,203,639	-$186,639	-$3,281,482	0.84
2040	$1,027,000	$1,203,639	-$176,639	-$3,458,121	0.85
2041	$1,038,000	$1,203,639	-$165,639	-$3,623,760	0.86
2042	$1,049,000	$1,203,639	-$154,639	-$3,778,399	0.87
2043	$1,060,000	$1,203,639	-$143,639	-$3,922,038	0.88
2044	$1,071,000	$1,203,639	-$132,639	-$4,054,676	0.89
2045	$1,082,000	$1,203,639	-$121,639	-$4,176,315	0.90
2046	$1,094,000	$1,043,154	$50,846	-$4,125,469	1.05
2047	$1,105,000	$1,043,154	$61,846	-$4,063,623	1.06
2048	$1,117,000	$1,043,154	$73,846	-$3,989,776	1.07
2049	$1,128,000	$0	$1,128,000	-$2,861,776	

Years of shortfall: 0 (Aggressive), 5 (Moderate), 17 (Conservative)

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Jobs

	Baseline	Alt 1	Alt 2
Construction Jobs	1,810	1,310	830
Investment (millions)	$530	$381	$236

Employment Uses	Jobs: Aggressive	Jobs: Moderate	Jobs: Conservative	Mean SqFt/Work
Retail and Food & Beverage	130	40	0	1,589
Services	90	70	50	1,265
Total Jobs	220	110	50	

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Summary

Highlights

- $15 Million Total TIF Public Improvements
  - Acquisition: $2 million
  - Park Amenities $13 million (*grass, restroom, water feature/splash facility, benches, play features, etc.)*

- **Up to $23.4 million (present value) of TIF increment Property Tax Revenue at Full Build-Out Over 25 Years**
  - Aggressive: $23.4 million
  - Moderate (Most Likely): $17.1 million
  - Conservative: $11.0 million

- **Private Development at Build-Out:**
  - 1,532 multi-family residential units (Including 150 Senior Housing units)
  - 230,000 SF of retail development
  - 100,000 SF of commercial tenant improvements

- **$260 Million of Market Value of Private Development at Build-Out (Moderate Scenario)**

- **$9.7 million (present value at 5.0%) Additional Tax Revenue (Moderate Scenario)**

- **1,310 Temporary Construction Jobs (Moderate Scenario)**

- **110 Ongoing Jobs (Moderate Scenario)**

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NEXT STEPS

Lakewood Key TIF Elements: 2023-2024

Project Analysis
Jan.- March

- *Submitted to OST (December 2023)*
- *OST Reviews & Provides Comments (90-Day Period)*
- *Modifications to Final Project Analysis (as needed)*

Early Outreach & Council Preparation
Feb -Mar

- *Contact & Meet with Impacted Taxing Districts*
- *Meet with City Council to discuss TIA, Risks and Benefits, Draft TIA Ordinance*

TIA Adoption
Apr - May

- *Conduct Public Briefings*
- *Council Consideration/*
- *Adoption of TIA Ordinance*

Implementation
Jun - TBD

- *Execute Development Agreement(s)*
- *Evaluate Development Readiness/ Market*
- *Issue Debt ($2M - 2026) ($13M - 2029)*
- *Monitor Development Activity*

TO: Mayor and City Council

FROM: Mary Dodsworth, Parks, Recreation & Community Services Director

THROUGH: John Caulfield, City Manager

DATE: April 8, 2024

SUBJECT: Edgewater Park Draft Master Plan

ATTACHMENTS: Three (3) Draft Concept Plans
PRAB recommended Preferred Master Plan

Summary: The City has worked on developing a master site plan to improve Edgewater Park since 2018. A variety of issues have interrupted or complicated the process. In 2023 and 2024 the Park and Recreation Advisory Board (PRAB) held a number of public meetings to learn more about the Edgewater Park neighborhood and site and a consultant team was hired to research site issues and develop a conceptual plan. At their March 26th meeting, the PRAB forwarded a recommended draft master plan for Council consideration.

Background: Edgewater Park is a 2.8 acre linear park located along the shores of Lake Steilacoom. At approximately 306 acres, Lake Steilacoom is the second largest lake in Lakewood. The site is undeveloped except for a single lane boat launch which was updated with the help of the Washington State Department of Fish and Wildlife (WSDFW) in 2006. After a community engagement process, that began in 2018, a draft master plan was completed in 2019. The plan identified dangerous trees which were removed in 2021 and surveys discovered a number of encroachment issues in this area which delayed continuation of the planning process. After taking a pause, due to Covid and other site issues occurring near Edgewater Park, Council requested that the PRAB review the draft plan, reach out for additional public input and recommend plan updates. Knowing that waterfront development and permitting takes time and can be expensive, a current or updated and approved plan is needed for grant eligibility to support future improvements to the area.

Why do a master site plan? A park master plan is a tool to establish a long-range vision and development plan for a park site. The development of a master plan is a way to engage residents from throughout the community to assess needs and system gaps, address issues and concerns, promote new ideas and develop partnerships that help sustain the site into the future. The plan enables municipalities to visually show concepts and ideas and make changes and improvements that will help their parks system keep pace with community needs and align with community goals and plans and create healthy and vibrant places to visit, gather and play. A site master plan is required by most agencies as a grant application requirement.

Planning Process: The PRAB hosted a series of planning meetings to gather information for the updated plan. Since several years have passed since the last set of meetings, the Board wanted to hear from those who participated in the past process along with any new people living in the area.

Community outreach included posting information on the City's website and sending links to social media sites; articles were included in the City's Connection magazine and in the Suburban Times; post cards were sent to those living in the area; and signs were posted in the park announcing the various meeting dates and times. Information and updates were provided at the following meetings:

- <u>October 24, 2023</u> –shared site history, previous master planning process to include the 2019 draft preferred master plan, updated, current site analysis, studies, surveys, lake classification and regulatory issues, previous meeting notes, neighborhood issues and concerns, suggested solutions, street end report and various outcomes from this work / information.

- <u>February 6, 2024</u> – reviewed public comments from previous meetings to include issues, concerns and potential solutions, updated survey data, wetland assessments, traffic and boat launch use and studies, and three (3) alternative design options. Meeting participants were given time to review the alternatives and then provide feedback regarding various solutions to issues regarding parking, traffic revisions, boat launch location and use, fishing, swimming, lighting, public art, viewpoints and site amenities.

- <u>March 26</u> – provided a quick review of the planning process to date including comments regarding site issues and potential solutions. A draft plan was presented which was developed after selecting the most popular options from three previous alternative plans and addressed safety and site limitations and neighborhood issues and concerns.

<u>Site Issues and Concerns</u>: Although input has been gathered in many ways over the past five (5) years, the issues and concerns have remained basically the same. A summary of the main site issues include:

- Lack of parking and illegal parking – during hot summer days, cars are everywhere, blocking driveways and emergency access vehicles.

- No enforcement -Illegal activities in the park or on the lake.

- Traffic – speeding in neighborhood –shortcuts to get to Steilacoom Blvd

- No sidewalks/pathways on road/through park to get from here to there.

- Lack of maintenance – invasive plants, blackberries blocking views.
- Boat launch - steep, shallow water, no parking for trailers, in-water stumps are dangerous. Need a moorage dock near the boat launch.
- Safety conflicts in water – boat launch / swimmers / fishing
- Increase use of park and lake
- No ADA access, bathrooms, places to fish, or site furnishings

Solutions: Master plan options and solutions were developed to address identified safety issues and feedback from neighbors and park visitors. Improvements were identified by area:

- Roadway Improvements – proposed one-way streets for traffic calming and to reduce speeding. North direction on Edgewater keeps garbage cans and cluster mailboxes on residential side of street (requested by neighbors)
- Parking - added defined parking spots to reduce impacts to neighbors and located the areas to reduce impact to established trees.
- Pedestrian Safety - added pathways, sidewalks, crosswalks and speed bumps for pedestrian safety and created ADA access throughout site.
- Boat Launch - moved boat launch for better access, added vehicle trailer parking and temporary moorage dock which creates separation for boating, fishing, wading and swimming.
- Water Safety - added a pier for fishing and wildlife viewing, defined swim area and created a hand carry launch to separate water use areas.
- Environmental Protection - Created water access and beach areas to direct shoreline use and reduce impact to wetlands. Removed invasive plants, added native plants, landscaping and irrigation for sustainability.
- Park Amenities - added benches, picnic tables, small picnic shelter, trash cans, a restroom, signage and other site amenities.
- Enforcement – many requests for increased patrol and enforcement.

Phasing: The master plan is a used as a guide for future development of a site. Phases were established based on need, funding availability or to address specific criteria related to funding sources. The Edgewater Master Plan is divided into three phases.

1. Boat Launch and parking
2. Edgewater Drive North from Foster to Sacramento
3. Foster Street from Edgewater Drive to Waverly

Cost Estimate: The cost estimate for all improvements is over $8 million dollars. Staff is continuing to work on reducing cost estimates and look for alternate funding sources.

301.0019 Edgewater Park Improvements Project Expenditures Summary					
	%	Phase 1	Phase 2	Phase 3	Project Total All Phases
Expenses					
A+E	**12%**	$410,458	$396,547	$109,233	$916,238
Permitting		$50,000	$50,000	$20,000	$120,000
Construction Subtotal		$1,906,753	$1,629,575	$389,034	$3,925,362
Cost Escalation to 2027-2035	**5%**	$286,012	$488,872	$194,517	$969,401
Contractor OH & Profit	**12%**	$263,131	$254,213	$70,026	$587,370
Design Contingency	**15%**	$405,591	$391,845	$107,938	$905,374
Construction Contingency	**10%**	$310,953	$300,414	$82,752	$694,119
WSST	**10%**	$248,045	$239,638	$66,011	$553,694
Total		$3,880,943	$3,751,104	$1,039,511	**$8,671,558**
*Projected construction year earlier construction will reduce cost as escalation is included		2027	2031	2035	

The following grants are eligible for the various phases:

Phase	Grant	Funding Limits	Match / Comments
1	Boating Facilities Program	$1,000,000	50% match - can be matched by Water Access and ALEA grants
2	ALEA	$500,000	50% match – ALEA can be matched by Water Access grant
2	Water Access	No Limit historically $600,000-$1.8 mil	50% match – Water Access can be matched by ALEA grant, a percentage of grant must be used for acquisition grants first and then development projects
3	No eligible for RCO grant programs / funds		Considered a transportation project so future PWE grants / funds could be used

Current Status and Next Steps:

- April 8 study session – Review of the planning process and master plan elements to include cost estimates and potential phasing.
- April 15 – City Council consideration of master plan approval and permission to apply for state and federal grants.
- 2024 – 2025 - Grant Phasing and Funding
- 2025 - 2026 – If funded, design and permitting for approved phases
- 2027 – 2028 – Construction

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DEVELOPMENT HIGHLIGHTS:

- Road Conversion Summary:
  - Edgewater one-way (Foster to Sacramento)
  - Foster one-way (Edgewater to Waverly)
- Parking summary: Total: 19 = 12 standard, 5 trailer, 2 trailer Load/unload
- Tree impacts: 1 tree removed
- Water Access: 6

March 26, 2024

Draft Master Plan

City of Lakewood - Edgewood Park

City of Lakewood

j.a. brennan associates PLLC

Return to Agenda

DEVELOPMENT HIGHLIGHTS:

- Road Conversion Summary:
  - Edgewater one-way (Sacramento to Foster)
  - Foster one-way (Edgewater to Waverly)
- Parking summary: Total: 39 = 37 standard, 2 trailer load/unload
- Tree impacts: 8-10 trees removed
- Water Access: 5

LEGEND:

1. Park Sign
2. Nature Play Feature
3. Fishing Pier/Fishing Beach
4. Pedestrian Crosswalks
5. Pocket Beach
6. Improved Boat Launch w/ Floating Dock
7. Load/Unload Trailers
8. Designated Swimming Area

- Walkways
- Restored Buffer and Wetland Plantings
- Potential Trees To Be Removed
- Proposed Retaining Walls

Option 1

January 31, 2024

City of Lakewood - Edgewood Park

City of Lakewood

j.a. brennan associates PLLC

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DEVELOPMENT HIGHLIGHTS:

- Road Conversion Summary:
  - Edgewater one-way (Sacramento to Foster)
  - Foster one-way (Edgewater to Waverly)
- Parking summary: Total: 31 = 27 standard, 4 trailer, 2 trailer Load/unload
- Tree impacts: 6-8 trees removed
- Water Access: 6

Option 2

January 31, 2024

City of Lakewood - Edgewood Park

City of Lakewood

j.a. brennan associates PLLC

DEVELOPMENT HIGHLIGHTS:

- Road Conversion Summary:
  Edgewater one-way (Sacramento to Foster) – Promenade Street
  Foster two-way
- New boat launch. Existing boat launch to remain until new launch is completed.
- Removed existing boat launch as required mitigation for new/relocated launch.
- Parking summary: Total: 33 = 26 standard, 5 trailer, 2 trailer load/unload
- Tree impacts: 7-8 trees removed
- Water Access: 7

Option 3

January 31, 2024

City of Lakewood - Edgewood Park

City of Lakewood

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April 1, 2024

Draft Master Plan-Phasing Approach

City of Lakewood - Edgewood Park

City of Lakewood

j.a. brennan associates PLLC