



## LAKWOOD CITY COUNCIL AGENDA

Monday, April 15, 2024

7:00 P.M.

City of Lakewood

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 participate via Zoom by either visiting <https://us02web.zoom.us/j/86872632373> or calling by telephone: Dial +1(253) 215- 8782 and enter participant ID: 868 7263 2373.

**Virtual Comments:** If you would like to provide virtual Public Comments or Testimony on Public Hearings during the meeting, you will need to join the Zoom meeting as an attendee by calling by telephone Dial +1(253) 215- 8782 and enter participant ID: 868 7263 2373 or visiting <https://us02web.zoom.us/j/86872632373>.

**By Phone:** For those participating by calling in by telephone (+1(253) 215- 8782 and enter participant ID: 868 7263 2373), to use the "Raise Hand" feature press \*9 on your phone, to be called upon by the Mayor during the Public Comments or Public Hearings portion of the agenda. Your name or the last three digits of your phone number will be called out when it is your turn to speak. When using your phone to call in you may need to press \*6 to unmute yourself. When you are unmuted please provide your name and city of residence. Each speaker will be allowed (3) three minutes to speak during the Public Comment and at each Public Hearing.

**By ZOOM:** For those using the ZOOM link (<https://us02web.zoom.us/j/86872632373>), upon entering the meeting, please enter your name or other chosen identifier. Use the "Raise Hand" feature to be called upon by the Mayor during the Public Comments or Public Hearings portion of the agenda. When you are unmuted please provide your name and city of residence. Each speaker will be allowed (3) three minutes to speak.

Outside of Public Comments and Public Hearings, all attendees on ZOOM will continue to have the ability to virtually raise your hand for the duration of the meeting. You will not be acknowledged and your microphone will remain muted except for when you are called upon.

*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.*

<http://www.cityoflakewood.us>

**CALL TO ORDER****ROLL CALL****PLEDGE OF ALLEGIANCE****PROCLAMATIONS AND PRESENTATIONS****PUBLIC COMMENTS****C O N S E N T   A G E N D A**

(5) A. Approval of the minutes of the City Council study session of March 25, 2024.

(9) B. Approval of the minutes of the City Council retreat of March 30, 2024.

(11) C. Approval of the minutes of the City Council meeting of April 1, 2024.

(18) D. Motion No. 2024-23

Authorizing the purchase of materials and supplies in support of the Tenzler Library log relocation to Fort Steilacoom Park.

(21) E. Items filed in the Office of the City Clerk:

1. Planning Commission meeting minutes of January 17, 2024.
2. Parks and Recreation Advisory Board meeting minutes of January 23, 2024.
3. Public Safety Advisory Committee meeting minutes of February 7, 2024.
4. Planning Commission meeting minutes of February 7, 2024.
5. Community Services Advisory Board meeting minutes of February 20, 2024.
6. Parks and Recreation Advisory Board meeting minutes of February 27, 2024.
7. Planning Commission meeting minutes of March 6, 2024.
8. Planning Commission meeting minutes of March 20, 2024.

**R E G U L A R   A G E N D A****PUBLIC HEARINGS AND APPEALS**

- (40) This is the date set for a public hearing on the FY 2024 Consolidated Annual Action Plan.
- (103) 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 the city may have in unopened right-of-way as described herein and requested by abutting property owner Grange Properties, LLC.

**ORDINANCE**

- (104) Ordinance No. 802

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.

- (175) Ordinance No. 803

Amending the Lakewood Municipal Code, Title 3, Revenue and Finance Property Tax Exemptions for Multifamily Housing, Chapter 3.64.030 Residential Target Area Designation and Standards Expanding the Central Business District Residential Target Area.

**RESOLUTION**

- (202) Resolution No. 2024-06

Acknowledging the operation of the nonuser statute and relinquishing any interest, the city may have in unopened right-of-way as described herein and requested by abutting property owner Grange Properties, LLC.

**UNFINISHED BUSINESS****NEW BUSINESS**

(240) Motion No. 2024-24

Approving the Edgewater Park Master Plan.

(243) Resolution No. 2024-07

Authorizing the City Manager to seek grant funding assistance managed through the Washington State Recreation and Conservation Office for the Edgewater Park capital improvement projects.

**REPORTS BY THE CITY MANAGER****CITY COUNCIL COMMENTS****ADJOURNMENT**



## **LAKWOOD CITY COUNCIL MEETING MINUTES**

Monday, March 25, 2024

City of Lakewood

6000 Main Street SW

Lakewood, WA 98499

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

Telephone via Zoom: +1(253) 215-8782

Participant ID: 868 7263 2373

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### **CALL TO ORDER**

Mayor Whalen called the meeting to order at 7:00 p.m.

### **ROLL CALL**

Councilmembers Present: 7 – Mayor Jason Whalen, Deputy Mayor Mary Moss, Councilmembers Mike Brandstetter, Ryan Pearson, Patti Belle, J. Trestin Lauricella and Paul Bocchi (virtually).

### **ITEMS FOR DISCUSSION:**

#### **Review of Human Services Strategies and Funding Recommendations.**

Shannon Bennett, Human Services Coordinator introduced herself and Kyle Franklin, Chair, Community Services Advisory Board (CSAB). Franklin provided an overview of the Human Services funding strategies and application materials. He shared that the CSAB recommends deferring use of opioid funds for 2022-2025 to gather more information on community needs. He then shared the timeline for the 2025-2026 human services funding process which will begin in June, 2024 followed by recommendations to City Council in November, 2024. Discussion ensued.

#### **Review of FY 2024 HOME and Community Development Block Grant (CDBG) Annual Action Plan.**

Program Manager Jeff Gumm provided an overview of the HOME and Community Development Block Grant (CDBG) programs, annual planning process, goals, outcomes and funding recommendations. Discussion ensued.

#### **Review of 2024 National Community Survey Findings.**

Assistant to the City Manager Michael Vargas provided an overview of the 2024 National Community Survey findings. He reviewed the survey recipient map by district and demographics noting that there were 416

total responses. He then reviewed survey ratings, responses and equity insights. Discussion ensued.

### **Review proposed Ordinance amending the Central Business District Residential Target Area Boundary.**

Economic Development Manager Becky Newton provided an overview of the proposed Ordinance recommending amendments to the Central Business District (CBD) Residential Target Area Boundary. Discussion ensued.

### **ITEMS TENTATIVELY SCHEDULED FOR THE APRIL 1, 2024, CITY COUNCIL MEETING:**

1. Proclamation recognizing April as Fair Housing Month.  
– *Tacoma Pierce County Association of Realtors*
2. Proclamation declaring April 15-19, 2024 as Black Wellness Week. –  
*Keith Blocker, Momentum Professional Strategy Partners*
3. Proclamation declaring April 27, 2024 as Parks Appreciation Day.
4. Recognizing Councilmember Michael Brandstetter for his service to South Sound 911. – *Chair Julie Door and Executive Director Deborah Grady, South Sound 911*
5. Youth Council Report.
6. Clover Park School District Report.
7. Accepting a donation from Virginia Mason Franciscan Health, in the amount of \$8,000, in support of SummerFEST. – (Motion – Consent Agenda)
8. Authorizing the execution of an agreement with Hemisphere Design and Marketing for the Build Your Better Here Campaign. – (Motion – Consent Agenda)
9. Authorizing the execution of a professional services agreement with Perteet, Inc., in the amount of \$232,727, for services related to the Interlaaken Drive project. – (Motion – Consent Agenda)
10. This is the date set for a public hearing on an Ordinance to amend 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. – (Public Hearings and Appeals – Regular Agenda)

11. 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 possible utility easements the city may have in unopened right-of-way as described herein and requested by abutting property owner Habersetzer. – (Public Hearings and Appeals – Regular Agenda)
12. Acknowledging application 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 Habersetzer. – (Resolution – Regular Agenda)

## **REPORTS BY THE CITY MANAGER**

City Manager Caulfield thanked Economic Development Manager Becky Newton for serving as Interim Community and Economic Development Director. He shared that the Police Citizens Academy will begin accepting applications on April 8<sup>th</sup> through May 6<sup>th</sup> and the academy will begin on June 11<sup>th</sup> for six weeks.

He then announced the following upcoming meetings and events:

- March 27, 9:00 A.M., JBLM Civilian Hall of Fame Induction Ceremony
- March 27, 11:30 A.M., Community Healthcare Luncheon, Hotel Murano Bicentennial Pavilion
- March 28, 6:00 P.M., Coffeehouse with the Mayor, Fort Steilacoom Park Pavilion

## **CITY COUNCIL COMMENTS**

Councilmember Belle thanked those who presented this evening.

Councilmember Pearson shared that he attended the Student Voice on Fentanyl Awareness and the Economic Development Board Annual meeting. This week he will attend the Parks and Recreation Advisory Board, the Puget Sound Regional Council meeting and City Council Retreat.

Councilmember Lauricella thanked those who presented this evening. He shared that this week he will attend Pierce County Opioid Abatement Council meeting.

Councilmember Bocchi shared that this week he attended the Pierce County Regional Council meeting.

Councilmember Brandstetter shared that he looks forward to attending the City Council Retreat on March 30<sup>th</sup>. This week he attended the Student Voice on Fentanyl Awareness and the Tacoma Pierce County Opioid Summit. He spoke about the dates and times for the Tax Increment Finance Area public briefing opportunities.

Deputy Mayor Moss shared that last week she attended the Economic Development Board Annual meeting and she will be inducted into the JBLM Civilian Hall of Fame this week.

Mayor Whalen thanked those who presented this evening. He shared that last week he attended the Pierce County Opioid Summit, Student Voice on Fentanyl Awareness event and the YMCA State Championship for Mock Trial. This week he will attend the JBLM Civilian Hall of Fame Induction Ceremony and City Council Retreat.

## **ADJOURNMENT**

There being no further business, the meeting adjourned at 10:18 p.m.

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JASON WHALEN, MAYOR

ATTEST:

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BRIANA SCHUMACHER  
CITY CLERK





## **LAKEWOOD CITY COUNCIL MEETING MINUTES**

Saturday, March 30, 2024

City of Lakewood

6000 Main Street SW

Lakewood, WA 98499

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

Telephone via Zoom: +1(253) 215-8782

Participant ID: 868 7263 2373

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### **CALL TO ORDER**

Mayor Whalen called the meeting to order at 8:41 A.M.

### **ROLL CALL**

Councilmembers Present: 7 – Mayor Jason Whalen, Deputy Mayor Mary Moss, Councilmembers Mike Brandstetter, Ryan Pearson, Patti Belle, J. Trestin Lauricella and Paul Bocchi.

### **WELCOME AND INTRODUCTIONS**

Mayor Whalen, Deputy Mayor Moss and City Councilmembers introduced themselves. Michael Pendleton, Consultant provided an overview of the ground rules and reviewed the agenda for today's retreat.

### **PLANNING FOR THE FUTURE**

At 10:07 a.m., Mayor Whalen announced that the City Council will recess. The City Council reconvened at 10:24 a.m.

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Discussion ensued regarding future planning specific to the Downtown Park uses, the 2024 Comprehensive Plan, the City's vision process, the H-Barn restoration project, city communications, art funding, re-visiting cannabis businesses in Lakewood, revitalizing neighborhood associations, economic development, and Diversity, Equity, and Inclusion.

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At 12:00 p.m., Mayor Whalen announced that the City Council will recess for approximately 1 hour. The City Council reconvened at 12:45 p.m.

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At 2:37 p.m., Mayor Whalen announced that the City Council will recess for approximately 10 minutes. The City Council reconvened at 2:47 p.m.

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**GOAL SETTING**

Mayor Whalen, Deputy Mayor Moss and City Councilmembers participated in a goal setting exercise where they reviewed goals and priorities for 2025-2026. Discussion ensued.

**ADJOURNMENT**

There being no further business, the meeting adjourned at 4:30 p.m.

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JASON WHALEN, MAYOR

ATTEST:

\_\_\_\_\_  
MICHAEL VARGAS  
ACTING CITY CLERK



## **LAKWOOD CITY COUNCIL MEETING MINUTES**

Monday, April 1, 2024

City of Lakewood

6000 Main Street SW

Lakewood, WA 98499

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

Telephone via Zoom: +1(253) 215-8782

Participant ID: 868 7263 2373

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### **CALL TO ORDER**

Mayor Whalen called the meeting to order at 7:00 p.m.

### **ROLL CALL**

Councilmembers Present: 7 – Mayor Jason Whalen, Deputy Mayor Moss, Councilmembers Mike Brandstetter, Ryan Pearson, Patti Belle, J. Trestin Lauricella and Paul Bocchi.

### **PLEDGE OF ALLEGIANCE**

Mayor Whalen paused for a moment of silence, recognized the life of Edith Owen Wallace who passed away on March 29, 2024 and led the Pledge of Allegiance.

### **PROCLAMATIONS AND PRESENTATIONS**

#### **Proclamation recognizing April 2024 as Fair Housing Month.**

MAYOR WHALEN PRESENTED A PROCLAMATION RECOGNIZING APRIL 2024 AS FAIR HOUSING MONTH TO JASMYN JEFFERSON, MAIA LILOC RICE AND JIM HENDERSON, TACOMA PIERCE COUNTY ASSOCIATION OF REALTORS.

#### **Proclamation declaring April 15-19, 2024 as Black Wellness Week.**

MAYOR WHALEN PRESENTED A PROCLAMATION DECLARING APRIL 15, 2024 THROUGH APRIL 19, 2024 AS BLACK WELLNESS WEEK TO KEITH BLOCKER, MOMENTUM PROFESSIONAL STRATEGY PARTNERS.

#### **Proclamation declaring April 27, 2024 as Parks Appreciation Day.**

COUNCILMEMBER PEARSON PRESENTED A PROCLAMATION DECLARING APRIL 27, 2024 AS PARKS APPRECIATION DAY TO VITO IACOBAZZI, VICE-CHAIR, PARKS AND RECREATION ADVISORY BOARD.

**Recognizing Councilmember Michael Brandstetter for his service to South Sound 911.**

Chair Julie Door, Tacoma City Councilmember Sarah Rumbaugh and Executive Director Deborah Grady, South Sound 911 recognized Councilmember Michael Brandstetter for his service to South Sound 911.

**Youth Council Report.**

None.

**Clover Park School District Report.**

None.

**PUBLIC COMMENTS**

Speaking before the Council were:

*Mark Pfeiffer, Lakewood resident,* spoke in opposition to Edgewater Park Master Plan.

*John Gardner, Lakewood resident,* spoke in opposition to the proposed development behind Barnes and Noble.

*Ebrahim Mirjalili, Lakewood resident,* spoke in opposition to the Edgewater Park Master Plan.

*James Dunlop, Lakewood resident,* spoke about gaslighting.

*Vicky Stanich, Lakewood resident,* spoke in opposition to the proposed development behind Barnes and Noble.

*Steve Hibbs, Lakewood resident,* spoke about the paved path along Fort Steilacoom Park.

*Dennis Haugen, Sioux Falls,* spoke about education across the United States.

*Christina Manetti, Lakewood resident,* spoke about the format of public comments in the City Council meeting minutes.

**C O N S E N T   A G E N D A**

- A. Approval of the minutes of the City Council study session of March 11, 2024.
- B. Approval of the minutes of the City Council meeting of March 18, 2024.
- C. Approval of claims vouchers, in the amount of \$4,682,842.15, for the period of February 16, 2024 through March 15, 2024.
- D. Approval of payroll checks, in the amount of \$3,124,184.48, for the period of February 16, 2024 through March 15, 2024.

E. Motion No. 2024-20

Accepting donations from Virginia Mason Franciscan Health and Twin Star Credit Union in support of City of Lakewood programs and events.

F. Motion No. 2024-21

Authorizing the execution of an agreement with Hemisphere Design and Marketing for the Build Your Better Here Campaign.

G. Motion No. 2024-22

Authorizing the execution of a professional services agreement with Perteet, Inc., in the amount of \$232,727, for services related to the Interlaaken Drive project.

- H. Items filed in the Office of the City Clerk:
- 1. Lakewood Arts Commission meeting minutes of February 5, 2024.
  - 2. Parks and Recreation Advisory Board meeting minutes of February 6, 2024.

COUNCILMEMBER BRANDSTETTER MOVED TO ADOPT THE CONSENT AGENDA. SECONDED BY COUNCILMEMBER BOCCHI. VOICE VOTE WAS TAKEN AND CARRIED UNANIMOUSLY.

**R E G U L A R   A G E N D A****PUBLIC HEARINGS AND APPEALS**

**This is the date set for a public hearing on an Ordinance to amend 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.**

The City Council received written testimony in advance from Kathryn Castleberry, Tricia Imholt Parsons, Dave Iverson, Carlo and Judith Manetti, Christina Manetti and Wendy Zicht.

Speaking before Council were:

*Jennifer Imholt, Lakewood resident, spoke in opposition.*

*Lisa Bonifant, Lakewood resident, spoke in opposition.*

*Kerry Hills, Lakewood resident, spoke in opposition.*

*Walter Neary, Lakewood resident, spoke in opposition.*

*Melissa Jackson, Lakewood resident, spoke in opposition.*

*Mark Bergin-Sperry, Lakewood resident, spoke in opposition.*

*James Guerrero, Lakewood resident, spoke in support.*

*Elizabeth Cross, Lakewood resident, spoke in opposition.*

*James Dunlop, Lakewood resident, spoke in opposition.*

*Ebrahim Mirjalili, Lakewood resident, spoke in opposition.*

*Christina Manetti, Lakewood resident, spoke in opposition.*

*Tricia Parsons, Lakewood resident, spoke in opposition.*

*Kim Underwood, Lakewood resident, spoke in opposition.*

*Brian Parsons, Lakewood resident, spoke in opposition.*

*Wendy Zicht, Lakewood resident, spoke in opposition.*

*Todd Stewart, Lakewood resident, spoke in opposition.*

There being no further testimony, the public hearing was declared closed at 8:53 p.m.

**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 possible utility easements the city may have in unopened right-of-way as described herein and requested by abutting property owner Habersetzer.**

Speaking before Council were:

*Ebrahim Mirjalili, Lakewood resident, spoke in opposition.*

There being no further testimony, the public hearing was declared closed at 9:08 p.m.

## **RESOLUTION**

**Resolution No. 2024-05 Acknowledging an application 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 Habersetzer.**

COUNCILMEMBER PEARSON MOVED TO ADOPT RESOLUTION NO. 2024-05. SECONDED BY COUNCILMEMBER BRANDSTETTER. VOICE VOTE WAS TAKEN AND CARRIED UNANIMOUSLY.

## **UNFINISHED BUSINESS**

None.

## **NEW BUSINESS**

None.

## **REPORTS BY THE CITY MANAGER**

City Manager Caulfield shared that St. Joseph-St. John Episcopal Church will be planning to hold a Juneteenth event on Saturday, June 15<sup>th</sup> in the City Hall Council Chambers and the Sound Transit Board approved the Sound Transit Lakewood Station Access Improvements Projects, next steps include development of a proposed agreement.

He then reported that the Pierce County Library System continues to move forward with the construction of the interim library at the Alfaretta and Gravelly Lake Drive location and that the City continues to discuss the draft Memorandum of Understanding regarding the Camp Murray Boat Launch improvements.

He then announced the following upcoming meetings and events:

- April 6, 1:00 P.M. to 3:00 P.M., General (LTG) William “Bill” Harrison Memorial Service, First Baptist Church
- April 11, 10:30 A.M., Emergency Food Network’s New Distribution Center ribbon cutting event, 3311 92<sup>nd</sup> Street S
- April 17, 7:30 A.M., LASA Annual FriendRaising Breakfast, McGavick Conference Center
- April 24, 5:30 P.M., Lakes High School Student Celebration of Art, St. Clare Hospital
- April 25, 6:00 P.M., Lakeview Light & Power’s 102<sup>nd</sup> Annual Meeting, Lakewood City Hall
- April 26, 5:30 P.M. with top-off at 6:30 P.M., 15th Annual Cops versus Teachers Charity Basketball Game/Silent Auction, Lakes High School
- April 27, Parks Appreciation Day, Harry Todd Park, Fort Steilacoom Park, Community Garden, Edgewater Park, and Kiwanis Park
- April 27, 12:00 P.M., Ribbon cutting dedication of the new ball fields at Fort Steilacoom Park
- April 27 and 28, 8:00 A.M. to 2:00 P.M., Spring Community Clean-up, Lakewood Transfer Station, 3869 94<sup>th</sup> St SW

### **CITY COUNCIL COMMENTS**

Councilmember Bocchi spoke about the Parks and Recreation Advisory Board meeting specific to the Edgewater Park Master Plan Update.

Councilmember Pearson spoke about the City Council Retreat and requested additional information about Architectural Review Boards for multifamily development.

Councilmember Belle spoke about the City Council Retreat and thanked those who provided public comment and testimony this evening.



Councilmember Lauricella spoke about the City Council Retreat and thanked those who provided public comment and testimony this evening as well as participated in the Edgewater Park Master Plan meeting.

Councilmember Brandstetter spoke about public comment and testimony, thanked those who acknowledged him for his service to South Sound 911, expressed his sympathy for the passing of Edith Owen Wallace and spoke about the City Council Retreat. He spoke about the importance of acknowledging topics of public commenters in the meeting minutes.

Deputy Mayor Moss thanked those who spoke during public comment and testimony. She shared that last week she attended the ALS Graduation Ceremony and was inducted into the JBLM Civilian Hall of Fame.

Mayor Whalen spoke about the City Council Retreat. He shared that last week he attended the JBLM Civilian Hall of Fame Induction Ceremony, the Mayor's Coffeehouse at Fort Steilacoom Park and his experience with Youth Council Chair Angel Calderon who shadowed him today. He spoke about the importance of acknowledging topics of public commenters in the meeting minutes.

## **ADJOURNMENT**

There being no further business, the meeting adjourned at 9:44 p.m.

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JASON WHALEN, MAYOR

ATTEST:

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BRIANA SCHUMACHER  
CITY CLERK

# REQUEST FOR COUNCIL ACTION

<b>DATE ACTION IS REQUESTED:</b> April 15, 2024	<b>TITLE:</b> Library Log Relocation Expenditure Approvals	<b>TYPE OF ACTION:</b> — ORDINANCE NO. — RESOLUTION NO. X MOTION NO. 2024-23 — OTHER
<b>REVIEW:</b> November 20, 2023 March 4, 2024	<b>ATTACHMENTS:</b> Log design documents	

**SUBMITTED BY:** Mary Dodsworth, Parks, Recreation & Community Services Director


**RECOMMENDATION:** It is recommended that City Council authorize the City Manager to execute contracts for the supplies and services valued over \$50,000 needed to relocate the Tenzler Library log to Fort Steilacoom Park.

**DISCUSSION:** The Tenzler Library Log relocation planning and design efforts have been underway since late last year. As a condition of their building permit, the Pierce County Library System (PCLS) cannot demolish the Tenzler Library until the log is moved. Fort Steilacoom Park has been selected as the location to house this unique artifact that is being given by PCLS. This relocation effort also provides synergy to an ongoing partnership between the City and the Nisqually Tribe. As part of these relocation efforts, the Tenzler Log will be an important thematic stop along a planned interpretive trail loop throughout the park.

There are several steps and coordinated services needed to accomplish this project while meeting our City and State procurement requirements. Moving, relocating and housing an almost 10-ton artifact is no easy feat. **Discussion Continued page 2**

**ALTERNATIVE(S):** Council could not procure the supplies and services to support moving the log. Without the proper materials and supplies, the log may not be able to be moved or supported and protected at the park.

**FISCAL IMPACT:** \$250,000 - the City estimated \$150,000 in project costs to move, support and preserve the log. Once quotes and bids were received to do the various project elements, it was determined that additional resources will be needed to complete the project. **See chart on page 2**

Mary Dodsworth Prepared by  Department Director	 City Manager Review
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**DISCUSSION Continued:** To date, construction drawings and permitting have been completed to create the cradle that will hold up the log. A specialized shelter kit was ordered to cover and house the log. Engineered drawings are being completed for the required permitting to install the shelter building. Special fencing material is needed to protect the log in a public park. The weight of the material will contribute to the construction and permitting requirements. This fencing will be added onto the shelter structure prior to and during construction of the shelter. In addition, in-kind support to reseal the log has been secured and other coordinated services such as moving the log and developing interpretive signage, are supporting this project.

**Timeline:**

- April -June - Finalize agreements with various vendors, build cradle for log and schedule relocation with PCLS. Oversee safe relocation and construction of the varied components for Tenzler Log.

**FISCAL IMPACT Continued:** Following is a breakdown of the supplies, services and costs needed to relocate the log to Fort Steilacoom Park. Getting three quotes for the various project elements has been challenging as some of the jobs are unique, too small to generate interest or contractors are not available. The chart below is the latest information based on quotations received for various scopes of work, including the estimated in-kind donations to make this project possible.

<b>301.0055 Fort Steilacoom Park: Tenzler Log Relocation</b>	
<b>Project Expenditures Summary</b>	<b>Cost to City of Lakewood</b>
A+E	\$12,960.00
Permitting (allowance)	\$3,000.00
Special Inspections (allowance)	\$3,000.00
Relocation of Log from Library to Fort Steilacoom Park	N/A
Treatment and Resealing Tenzler Log at New Location	In-Kind Donation
<b>Professional Services and Permitting Subtotal</b>	<b>\$18,960.00</b>
<b>Construction</b>	
Shelter Kit (Prefabricated material)	\$35,980.00
Shelter Kit Installation	\$40,000.00
Cradle Installation (Permitted)	\$64,300.00
Netting (Material and Installation)	\$67,250.00
<b>Construction Subtotal</b>	<b>\$207,530</b>
<b>WSST 10.1%</b>	<b>\$16,083.24</b>
<b>Construction Total Including WSST)</b>	<b>\$223,613.24</b>
Professional Services and Permitting Subtotal	\$18,960.00
<b>Project Total</b>	<b>\$242,573.24</b>

# Tenzlor Log Relocation Project

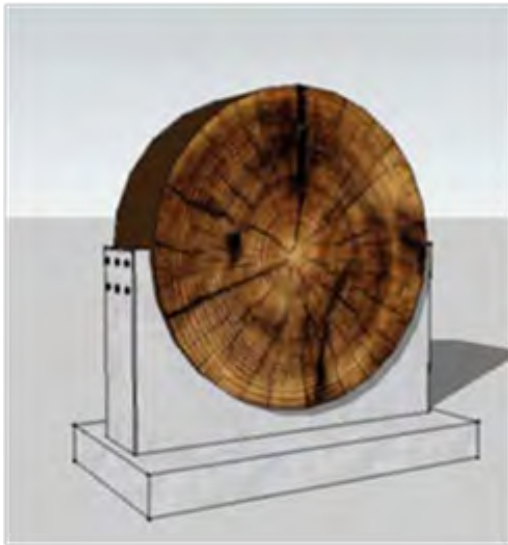


**SITE PLAN**



**SITE PLAN**

Scale 1" = 20'-0"



VIEW LOOKING NORTHEAST



**Lakewood Planning Commission  
January 17, 2024  
Meeting Minutes**

**MEETING PLACE/DATE**

Lakewood City Hall (6000 Main St SW, Lakewood, WA) on 1/17/24

**WELCOME/CALL TO ORDER**

Mr. Robert Estrada, Presiding Chair called the meeting to order at 6:30 p.m.

**ROLL CALL**

**Planning Commission Members Present** Robert Estrada, Chair; Philip Combs, Vice Chair; Sharon Wallace, Mark Herr, Ellen Talbo, and Philip Lindholm.

**Planning Commission Members Excused** Linn Larsen

**Staff** Tiffany Speir, Long Range & Strategic Planning Manager; and Karen Devereaux, Administrative Assistant

**Youth Council Liaison** None in attendance

**Council Liaison** Councilmember Paul Bocchi

**APPROVAL OF MINUTES**

The minutes of the meeting held on January 3, 2024, were approved by voice vote 6-0 as written. M/S/C Herr/Wallace.

**AGENDA UPDATES** None.

**PUBLIC COMMENT**

No public attended the meeting, and no online participants were present to comment.

**UNFINISHED BUSINESS** None.

**NEW BUSINESS**

Overview of 2024 Comprehensive Plan Periodic Review

Ms. Tiffany Speir reviewed the processes for review explaining that it must be completed and submitted by December 31, 2024; future periodic reviews will be conducted every 10 years starting in 2034. In addition, Lakewood will be required to submit an "implementation progress report" on key outcomes five (5) years after each period review and revision of the Comprehensive Plan (i.e., the first implementation progress report is due December 31, 2029, 5 years after the 24CPR is complete.)

Ms. Speir explained the legislative schedule for the Planning Commission as follows:

January – April 2024: Technical review and drafting new policies and regulations; Open Houses; Steering Committee Work; Focus Topic Discussions at Planning Commission and City Council meetings.

May 1, 2024: Introduction of Official 24CPPR Package to Planning Commission

June 5, 2024: Planning Commission Public Hearing

June 26, 2024: Planning Commission Action on Recommendation to City Council

## REPORTS

### Council Liaison Comments

Councilmember Bocchi updated commissioners on the following topics:

Introductions were made and Councilmember Bocchi thanked commissioners for taking on the responsibility of their appointed position. Mr. Bocchi explained that the City Council is dependent on their work, and it is appreciated.

Commissioners were invited to attend the Ft. Steilacoom Welcome Walk around Waughop Lake on Saturday, January 20, 2024, from 11 a.m. to 2:00 p.m.

### City Staff Comments


Ms. Speir reviewed the upcoming meeting schedule with the Planning Commission:

- January 23: 24CPPR Steering Committee Meeting at the Lakewood Ft. Steilacoom Pavilion 5:30 – 7:00 PM
- February 7: MFTE Program and Downtown RTA Map update introduction
- February 21: Public Hearing re MFTE Downtown RTA Map; 24CPPR TWSP status, subarea biennial reviews

**Commission Members Comments** None.

**NEXT MEETING** The Planning Commission would next meet on February 7, 2024.

**ADJOURNMENT** Meeting adjourned at 7:39 p.m.



Robert Estrada, Chair



Karen Devereaux, Clerk



# City of Lakewood

## Parks and Recreation Advisory Board Meeting Minutes

Tuesday January 23, 2024

City of Lakewood – Council Chambers

6000 Main Street SW Lakewood, WA 98499

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

Telephone via Zoom: 253.215.8782 Participant ID: 920 3804 6123

### CALL TO ORDER

Jason Gerwen called the meeting to order at 5:35 p.m.

### ROLL CALL

Parks and Recreation Advisory Board Members Present: Jason Gerwen-Chair, Vito Iacobazzi- Vice Chair, Alan Billingsley, Anessa McClendon, Janet Spingath, Shelly Thiel

Parks and Recreation Advisory Board Members Excused: Kate Read,

Staff Present: Mary Dodsworth – Director, Nikki York – Office Assistant

Youth Council Liaison Present: None

City Council Liaison Present: Ryan Pearson

### APPROVAL OF MINUTES

**ALAN BILLINGSLEY MOVED TO ADOPT THE PARKS AND RECREATION ADVISORY BOARD MEETING MINUTES OF TUESDAY NOVEMBER 28, 2023. SECONDED BY VITO IACOBAZZI. NO FURTHER DISCUSSION. VOICE VOTE WAS TAKEN AND MPU.**

### NEW BUSINESS

#### Elect Chair/Vice Chair

Alan Billingsley made the motion to have Jason Gerwen and Vito Iacobazzi continue in their respective positions of chair and vice chair. Shelly Thiel seconded. MPU

#### Special Event Update

Lani Neil gave a special event update sharing highlights of the years events including the Welcome Walk, MLK Virtual Video Series, Parks Appreciation Day, Youth Fishing Event, Street Festivals, Farmers Market with healthy bucks, SNAP/EBT and new in 2024

themed pop up market days, Summer Concerts overlap with the Market, SummerFEST, Fiesta de la Familia, Truck and Tractor Day, Holiday Parade of lights and the possibility of partnering on a Juneteenth event. Mary Dodsworth recognized that Sally Martinez is a creative visionary and wonderful at building relationships and procuring sponsorships.

### **Directors Report**

Mary Dodsworth provided a report with updates including: Tensler Log and Nisqually Partnership Program

### **NEXT MEETING**

The next special meeting of the Parks and Recreation Advisory Board is scheduled for Tuesday, February 6, 2024 at 5:30 p.m. in the Council Chambers at Lakewood City Hall, 6000 Main St SW, Lakewood, WA 98499

The next regular meeting of the Parks and Recreation Advisory Board is scheduled for Tuesday, February 27, 2024 at 5:30 p.m. in the American Lake Room at Lakewood City Hall, 6000 Main St SW, Lakewood, WA 98499

### **ADJOURNMENT**

Alan Billingsley moved to adjourn the meeting at 6:56 p.m. Shelly Theil seconded. MPU.

  
\_\_\_\_\_  
Jason Gerwen, Chair

  
\_\_\_\_\_  
Nikki York, Office Assistant





City of  
Lakewood

**Lakewood Public Safety Advisory Committee  
Meeting Minutes**

**MEETING PLACE/DATE:**

Lakewood Police Department, February 7, 2024

**CALL TO ORDER:**

5:17 p.m.

**ATTENDANCE:**

**Lakewood Public Safety Advisory Committee Members Present:** Alan Hart, Mark Piela, Karen Ferreira, James Hairston, Kamarie Wilson, Ray Dotson, Tod Wolf, Teresa Imholt-King, and Martin Pullman

**Lakewood Public Safety Advisory Committee Members Excused:** Ken Witkoe

**Staff:** Lieutenant Chris Westby , Assistant Chief John Unfred and Committee Staff Support Joanna LaVergne, Administrative Assistant

**Youth Council Liaison:** Kaitlyn Miller, Lincoln Estrada Perez, and Kimberly Estrada

**Council Liaison:** Trestin Lauricella

**West Pierce Fire and Rescue Liaison:** Assistant Fire Chief Michael Dobbs

**APPROVAL OF MINUTES**

Alan Hart motioned to approve the minutes. All ayes; minutes approved.

**PUBLIC COMMENT:**

No public comment.

**PUBLIC SPEAKER:**

Lieutenant Chris Westby, Lakewood Police Department

Lieutenant Chris Westby gave a presentation on the speed cameras survey results from the school zones and red-light cameras. They are hoping to have the new cameras installed by summer. Discussion ensued.

**CITY COUNCIL LIAISON COMMENTS:**

Councilmember Trestin Lauricella discussed the citizen survey, the upcoming Farmers Market, which would be starting again soon, and gave an update on their efforts to speak to State Legislature on public safety issues, as well as the construction projects around the City. Discussion ensued.

Committee member Mark Piela asked about the state law re: ADU's. Discussion ensued. Councilmember Trestin Lauricella stated that the next town hall meeting regarding ADU's would be on February 28<sup>th</sup> and invited everyone to attend.

**FIRE DEPARTMENT COMMENTS:**

Assistant Fire Chief Michael Dobbs gave a summary of their call volume, and stated that they had responded to a lot of burst pipes during our recent freeze.

**POLICE COMMENTS:**

Assistant Chief John Unfred recapped Shop with an Officer and Holiday Meals, as well as giving a hiring update. We are currently fully staffed, though quite a few of those new hires are still going through the academy, so it will be a little longer before we see the numbers reflected on the streets.

Assistant Chief John Unfred went over the 4<sup>th</sup> Quarter stats, and let everyone know that we would be presenting the Year End Report to City Council next week. That report would be uploaded to the website after the presentation. During his presentation Assistant Chief Unfred noted that juvenile crime has continued to skyrocket and stated there was a deep need for safe spaces for teens to go to keep them off the streets where they can find themselves getting into trouble. Discussion ensued.

**YOUTH COUNCIL COMMENTS:**

Lincoln Estrada Perez gave a recap on the Youth Council's last meeting.

**UNFINISHED BUSINESS:**

**Board Comments:**

Neighborhood Connections Program Coordinator Chris Davis gave an update on his plans for revitalizing Neighborhood Associations. Discussion ensued.

Chair Kamarie Wilson asked about the Business Public Safety Survey. Discussion ensued. It was agreed the subcommittee would come up with a new list of questions based on the Chief's input, making sure to steer clear of questions already asked in the Citizen Survey put out by the City last month, to present to the Committee at the April meeting for approval/suggestions. Secretary Joanna LaVergne will make sure this is added to the April agenda.

**NEW BUSINESS:**

**Board Comments:**

Preview of next meeting included confirming if the Emergency Management plans would be ready to look at in April. Assistant Chief John Unfred did not think they would be, but they could have West Pierce Coalition do a presentation on the entity and their goals and plans going forward.


**REPORTS FROM BOARD MEMBERS AND STAFF:**

**Board Comments:**

Members discussed their Neighborhood Associations, as applicable. Secretary Joanna LaVergne will update the Lake City meeting times on the handout- next meeting will be in March, not February, and Tod Wolf will try to attend.

**ADJOURNMENT:**

Alan Hart motioned to adjourn the meeting; all ayes. Meeting adjourned at 6:53 p.m.

  
Kamarie Wilson, Chair

  
Joanna LaVergne, Staff Person/Minutes



**Lakewood Planning Commission  
February 7, 2024  
Meeting Minutes**

**MEETING PLACE/DATE**

Lakewood City Hall (6000 Main St SW, Lakewood, WA) on 2/7/24.

**WELCOME/CALL TO ORDER**

Mr. Robert Estrada, Chair, called the meeting to order at 6:30 p.m.

**ROLL CALL**

**Planning Commission Members Present** Robert Estrada, Chair; Philip Combs, Vice Chair; Sharon Wallace, Mark Herr, Ellen Talbo, Philip Lindholm, and Linn Larsen.

**Planning Commission Members Excused** None

**Staff** Tiffany Speir, Long Range & Strategic Planning Manager; Becky Newton, Economic Development Manager; and Karen Devereaux, Administrative Assistant

**Youth Council Liaison** None in attendance

**Council Liaison** Councilmember Paul Bocchi

**APPROVAL OF MINUTES**

The minutes of the meeting held on January 17, 2024, were approved by voice vote 7-0 as written. M/S/C Combs/Wallace.

**AGENDA UPDATES** None.

**PUBLIC COMMENT**

Mr. Paul Krakow, Tacoma Golf and Country Club, spoke regarding a gated entry the private club would like to install. The current Lakewood Municipal code does not allow such. Mr. Krakow informed commissioners he is working with planning and legal department staff to create a code amendment which would allow others to put in gates. He stated property owners are making more requests for security measures to include lighting, fencing and secured entry gates for their communities.

**UNFINISHED BUSINESS** None.

**NEW BUSINESS**

Introduction to Lakewood Multifamily Tax Exemption (MFTE) Program

Ms. Becky Newton started the discussion with an overview of the MFTE Program to bring the newly appointed Commissioners up to date. Ms. Newton reviewed the latest updates to State code and explained the requirements for more comprehensive

reporting and auditing processes. Ms. Newton answered questions regarding the application and approval processes for these types of projects. A list of current and pending projects was provided.

Central Business District Proposed Expansion

During the November 6, 2023, City Council Public Hearing on MFTE public comment was received in support of expansion in the Central Business District (CBD) Residential Target Area (RTA) along Gravelly Lake Drive SW. Ms. Newton explained that City Council requested that this be addressed in the first quarter of 2024. It was explained that there is high potential to attract one or more projects within the designated expansion area. The CBD has the highest need for residential and commercial development per subarea plan.

The Planning Commission is to hold a public hearing on the topic at the February 21 meeting at 6:30 p.m. Their recommendation would then be forwarded to City Council.

**REPORTS**

**Council Liaison Comments** None.

**City Staff Comments**

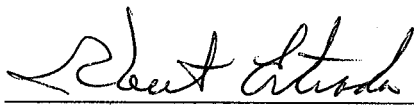
Ms. Spier reviewed the upcoming meeting schedule with the Planning Commission:

- February 21: Public Hearing re MFTE Downtown RTA Map; 2024 Subarea Biennial Reviews

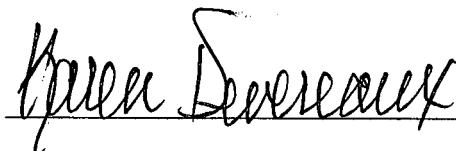
**Commission Members Comments** None.

**NEXT MEETING** The Planning Commission would next meet on February 21, 2024.

**ADJOURNMENT** Meeting adjourned at 7:49 p.m.



Robert Estrada, Chair



Karen Devereaux, Clerk



**Community Services Advisory Board  
Meeting Minutes**

MEETING PLACE/DATE:

**Wednesday, February 20, 2024**

**In-Person and Zoom Virtual Meeting**

**American Lake Conference Room, City Hall Lobby**

**6000 Main St SW Lakewood, WA 98499**

**5:30-6:30PM**

**CALL TO ORDER:**

Kyle Franklin called the meeting to order at 5:33 pm

**ATTENDANCE:**

**Community Services Advisory Board Members Present:**

Kyle Franklin, Michael LaCadie, Darrin Lowry, Denise Nicole Franklin and Shelby Taylor

**Community Services Advisory Board Members Excused:**

Edith Owen-Wallace and Laurie Maus

**Staff:** Shannon Bennett provided staff support

**Guests:**

None

**Youth Council Liaison:**

Ariano Melo, Reinida Benavente and Bentley Webster

**Council Liaison:**

Michael Brandstetter

**APPROVAL OF MINUTES:** November 15 and January 17 minutes were unanimously approved.

**PUBLIC COMMENT:** None

**UNFINISHED BUSINESS:** None

## **NEW BUSINESS:**

### **Chair and Vice-Chair Election**

Kyle was nominated as Chair and Darrin was nominated as Vice-Chair. Both were unanimously voted in.

### **CDBG-Review of draft 2024 Action Plan**

Jeff Gumm presented on the Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) FY 2024 Annual Action Plan. Jeff told members a community needs consultant will be hired for the 5-year consolidated plan. CM Brandstetter suggested the consultant target CDBG qualified neighborhoods to pull community input. Denise shared that food and raffle will bring people to the community meetings. Jeff said he gets much interest for rental assistance so maybe TBRA is an option. Denise asked if education could be covered and if housing voucher assistance could get matching funds. Jeff agreed they could and suggested there be further conversation about it. Jeff asked members to share their questions and thoughts during the meeting and beyond. CM Brandstetter suggested we focus the funds on need gaps. Jeff suggested more focus on housing, to include emergency rental assistance programs.

### **CDBG-Public Hearing for 2024 Action Plan**

Kyle opened the public hearing at 5:30pm. No public was present, so the comment period was immediately closed and no input was received.

### **OPIOID SETTLEMENT FUNDS**

Members discussed issuing a Request for Qualification (RFQ) seeking a community needs consultant to work on the fiscal year 2025 CDBG 5 YR consolidated plan and the opioid settlement funds, with the opioid funds having a separate and specific scope of work. If this route is taken, the RFQ is anticipated to be released in summer of 2024, with work starting in the fall of the same year and wrap up and a recommendation presented to Council in spring of 2025.

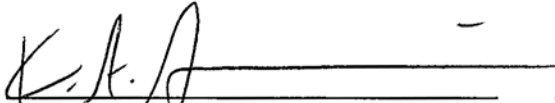
CM Brandstetter suggested the community needs research specific to use of the opioid funds should reflect what the data and analysis show of how the epidemic is impacting our community and that the Council is not in a hurry to spend the funds, but rather, wants to ensure they're spent well and is looking to CSAB to feed the process.

**BOARD MEMBER HIGHLIGHTS:** Denise Ncole Franklin presented the Palmer Scholars annual report. May 16<sup>th</sup> at McGavick Center annual Stand Up and Cheer, a Toast to New Beginnings.

**MEETING ADJOURN:** Kyle Franklin adjourned the meeting at 6:39 pm.

### **NEXT MEETING:**

March 20, 2024, from 5:30-6:30PM



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Kyle Franklin, Chair



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Shannon Bennett, Staff Person





# City of Lakewood

## Parks and Recreation Advisory Board Meeting Minutes

Tuesday February 27, 2024

City of Lakewood – Council Chambers

6000 Main Street SW Lakewood, WA 98499

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

Telephone via Zoom: 253.215.8782 Participant ID: 920 3804 6123

### CALL TO ORDER

Jason Gerwen called the meeting to order at 5:30 p.m.

### ROLL CALL

Parks and Recreation Advisory Board Members Present: Jason Gerwen-Chair, Vito Iacobazzi- Vice Chair, Alan Billingsley, Anessa McClendon, Kate Read, Janet Spingath, Shelly Thiel

Staff Present: Mary Dodsworth – Director, Nikki York – Office Assistant

Youth Council Liaison Present: None

City Council Liaison Present: Ryan Pearson

Guests: Stacey Reding

### APPROVAL OF MINUTES

**VITO IACOBAZZI MOVED TO ADOPT THE PARKS AND RECREATION ADVISORY BOARD MEETING MINUTES OF TUESDAY JANUARY 23, 2024 & FEBRUARY 6, 2024. SECONDED BY JANET SPINGATH. NO FURTHER DISCUSSION. VOICE VOTE WAS TAKEN AND MPU.**

### UNFINISHED BUSINESS

#### Edgewater Master Plan Public Meeting Recap

Mary Dodsworth and Stacey Reding reviewed the public comments from the February 6<sup>th</sup> meeting and provided an update on potential changes based on the comments which included changing the one way from south bound to north bound, adjusting the parking spaces from 33 to about 17, adjusting parking along foster to reduce the number of trees impacted, relocating the boat launch and creating a swim area, refining the boat launch parking area, adding an area for a sanican or Portland Loo, adding lighting, and reducing the shelter area. The board discussed fishing, swimming, pocket beach, wetlands and stumps. The next meeting will have the preferred master plan design and

should include a cost estimate and phased approach. When ready, the board should make a recommendation to the Council and anticipate review in April.

## **NEW BUSINESS**

### **Fort Steilacoom Park Boundary Line Adjustment**

Mary Dodsworth provided an update regarding the Fort Steilacoom Park Boundary Line Adjustment which removed a portion of the paved path around Waughop Lake and the Lake which were on Pierce College property. Mary showed the property lines on a map indicating that the area that burned last year is located on Pierce College property.

## **DIRECTORS REPORT**

Mary Dodsworth provided a report with updates including: CIP projects, Old Settlers Cemetery, Nisqually Partnership Program, and upcoming Street End Prioritization by the PRAB.

## **BOARD MEMBER COMMENTS**

There will be an artist reception on Monday March 18<sup>th</sup> for Ron Snowden.

Jason Gerwen said that the Fort Steilacoom Ballfields look great!

Vito Iacobazzi asked about the H Barn. Alan Billingsley provided an update that Partners for Parks is working diligently on fundraising and is on track to achieve the current goal of \$3.5 million.

Shelly Thiel gave Mary Dodsworth kudos for the way she managed the Edgewater meeting.

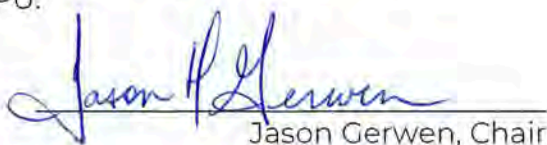
Vito Iacobazzi asked about the downtown park. The City Council is committed to having a downtown park in Lakewood in the future.

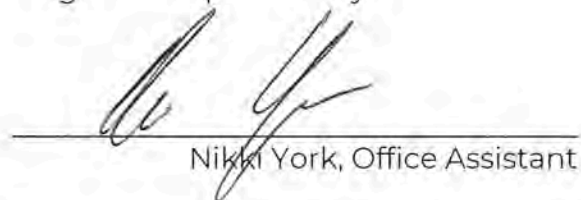
## **NEXT MEETING**

The next regular meeting of the Parks and Recreation Advisory Board is scheduled for Tuesday, March 26, 2024 at 5:30 p.m. in the Council Chambers at Lakewood City Hall, 6000 Main St SW, Lakewood, WA 98499

## **ADJOURNMENT**

Alan Billingsley moved to adjourn the meeting at 6:45 p.m. Shelly Thiel seconded. MPU.

  
Jason Gerwen, Chair

  
Nikki York, Office Assistant



**Lakewood Planning Commission  
March 6, 2024 Meeting Minutes**

**WELCOME/CALL TO ORDER**

Mr. Robert Estrada, Chair, called the meeting to order at 6:30 p.m.

**ROLL CALL**

**Planning Commission Members Present** Robert Estrada, Chair; Phillip Combs, Vice Chair; Sharon Wallace, Mark Herr, Ellen Talbo, Linn Larsen, and Philip Lindholm.

**Planning Commission Members Excused** None

**Staff** Tiffany Speir, Long Range & Strategic Planning Manager; Becky Newton, Economic Development Manager; and Karen Devereaux, Administrative Assistant

**Youth Council Liaison** None in attendance

**Council Liaison** Councilmember Paul Bocchi

**APPROVAL OF MINUTES**

The minutes of the meeting held on February 21, 2024, were approved by voice vote 6-0 as written. M/S/C Herr/Lindholm. (Mr. Combs arrived one minute after the vote.)

**AGENDA UPDATES** None.

**PUBLIC COMMENT** None.

**PUBLIC HEARING**

Continuation, Proposed Expansion of Downtown Residential Target Area (RTA) Map for Multifamily Tax Exemption (MFTE) Program

Tiffany Speir and Becky Newton summarized the issues being considered during the continued public hearing.

Mr. Robert Estrada, Chair, opened the public hearing for comment and testimony.

Mr. James Guerrero, Lakewood resident and local architect, spoke in support of the expansion of the CBD RTA. Mr. Guerrero stated he supported the idea of such density in the CBD and getting into a walkable neighborhood with localized amenities.

Mr. Dave Iverson, Lakewood resident, testified in support of the staff recommendation to expand the CBD residential target area.

No one was present online requesting to make comments. The public hearing was closed.

**UNFINISHED BUSINESS**

Action on Proposed Expansion of Downtown Residential Target Area (RTA) Map for Multifamily Tax Exemption (MFTE) Program

Motion and second were made to approve the expansion of the Downtown Residential Target Area Map as shown by voice vote, 5-2. M/S/C Herr/Lindholm.

## **NEW BUSINESS**

### Review of City of Lakewood Annual Housing Report

Ms. Tiffany Speir presented the CED 2024 Annual Housing Report, explaining that it was related in many ways to the 2024 Comprehensive Plan Periodic Review and provides information on the following topics:

- Lakewood Resident and Workforce Demographics
- Regional and Local Housing Market Conditions
- Lakewood Housing Production 2013 – 2023
- 2024 10-year Comprehensive Plan Period Review, PSRC Centers Review, and City Subarea Reviews related to Housing
- Changing State Laws affecting Planning for and Permitting Housing
- Regional Affordable and Subsidized Housing Efforts
- Short Term Rentals in Lakewood -Policies and Regulations
- Residential Parking in Lakewood – Policies, Regulations, and Funding

Discussion ensued. Ms. Speir would provide responses to several questions asked for the March 20 Planning Commission meeting.

## **REPORTS**

### **Council Liaison Comments**

Councilmember Bocchi updated commissioners on the following topics:

The City Council approved adoption of the 2021 Building Codes on Monday, March 4, 2024, and these will be in place March 15, 2024. Depending on a pending Thurston County Judge decision regarding specifically the Wildland Urban Interface Code, the Lakewood City Council might have to rescind their decision to adopt it.

The City Council would hold a facilitated retreat on March 30, 2024.

### **City Staff Comments**

Ms. Speir reviewed the upcoming meeting schedule with the Planning Commission: March 20:

- Guest presentation on Climate Change 101
- Guest presentation on Annual CDBG Action Plan

**NEXT MEETING** The Planning Commission would next meet on March 20, 2024.

**ADJOURNMENT** Meeting adjourned at 7:59 p.m.



Robert Estrada, Chair



Karen Devereaux, Clerk



## Lakewood Planning Commission March 20, 2024 Meeting Minutes

### **WELCOME/CALL TO ORDER**

Mr. Robert Estrada, Chair, called the meeting to order at 6:30 p.m.

### **ROLL CALL**

**Planning Commission Members Present** Robert Estrada, Chair; Phillip Combs, Vice Chair; Mark Herr, Ellen Talbo, and Philip Lindholm.

**Planning Commission Members Excused** Sharon Wallace

**Planning Commission Members Absent** Linn Larsen

**Staff** Tiffany Speir, Long Range & Strategic Planning Manager; and Karen Devereaux, Administrative Assistant

**Youth Council Liaison** None in attendance

**Council Liaison** Councilmember Paul Bocchi was not present.

### **APPROVAL OF MINUTES**

The minutes of the meeting held on March 6, 2024, were approved by voice vote 5-0 as written. M/S/C Herr/Lindholm.

**AGENDA UPDATES** None.

**PUBLIC COMMENT** None.

**PUBLIC HEARING** None.

**UNFINISHED BUSINESS** None.

### **NEW BUSINESS**

*Climate Change 101 Guest Speaker Alyssa Wilbur, ICLIE*

Due to technical difficulties, Ms. Wilbur's presentation was not possible. Ms. Wilbur would provide a recording for the City in the near future.

*Community Development Block Grant (CDBG) and HOME Annual Action Plan*

Jeff Gumm, Lakewood Housing Programs Manager, presented the 2024 CDBG/HOME Annual Action Plan to the Commission. Mr. Gumm explained that the Plan is part of the City's FY 2024 (July 1, 2024 – June 30, 2025) CDBG and HOME funding process as required by HUD. He also reported that 2024 would be year 5 of current 5-YR 2020-2024 Consolidated Plan, and the 2025-2030 Consolidated Plan would be developed by Lakewood and Tacoma for adoption and implementation by July 1, 2025.

The five primary goals established in the 2020-2024 Consolidated Plan include, in no particular order and of equal weight:

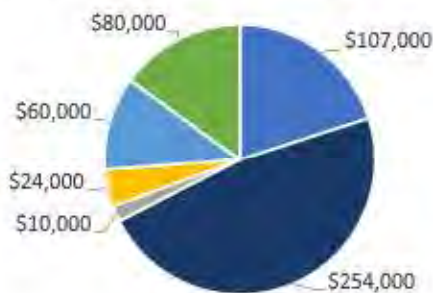
1. Stabilize existing residents;
2. Increase rental and homeownership opportunities.
3. Prevent and reduce homelessness;
4. Need for accessible, culturally competent services; and
5. Support of public infrastructure improvements.

Due to the unanticipated effects of the COVID-19 pandemic, the outcomes during the 2020-2024 Consolidated Plan were not completely consistent with the set goals, not meeting some and exceeding others:

GOALS	Measure	# Proposed	# Actual	Percent Complete
1. Stabilize existing residents	Homeowner Housing Units Rehabilitated	50	24	48.00%
	Tenant-Based Rental Assistance- Persons	50	415	824.00%
	Jobs Created/Retained	5	38	760.00%
	Businesses Assisted	2	15	750.00%
2. Increase rental and homeownership opportunities	Homeowner Housing Added	30	1	3.33%
	Rental Housing Units Rehabilitated	64	64	100.00%
3. Prevent and reduce homelessness	Public Service Activities- Persons	80	160	200.00%
	Homelessness Prevention- Persons	50	553	1106.00%
4. Need for accessible, culturally competent services	Public Service Activities	50	8515	170300.00%
5. Support of public infrastructure improvements	Public Infrastructure- Persons	25,775	5,345	20.74%

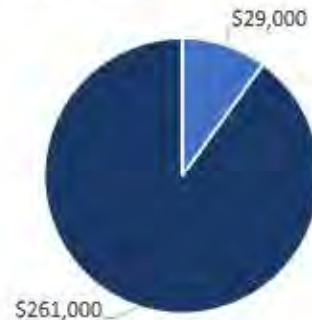
Mr. Gumm also presented the proposed Lakewood CDBG & HOME fund allocations in 2024 that would be reviewed by the City Council starting on March 25:

### CDBG - \$535,000



- Administration
- Major Home Repair
- CDBG Admin of HOME Housing
- EADR
- Habitat for Humanity- Aging-In-Place Rehab.
- CDBG Emergency Payments

### HOME - \$290,000



- Administration (Tacoma 10%)
- Affordable Housing Fund

**REPORTS**

**Council Liaison Comments** None.

**City Staff Comments** None.

**NEXT MEETING** The Planning Commission would next meet on April 3, 2024.

**ADJOURNMENT** Meeting adjourned at 7:40 p.m.

*Robert Estrada*  
Robert Estrada (Apr 8, 2024 11:27 PDT)

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Robert Estrada, Chair

*Karen Devereaux*  
Karen Devereaux (Apr 12, 2024 12:54 PDT)

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Karen Devereaux, Clerk



**TO:** Mayor and City Council

**FROM:** Jeff Gumm, Program Manager Housing Division

**THROUGH:** Tho Kraus, Deputy City Manager *Tho Kraus*

**DATE:** April 15, 2024

**SUBJECT:** PUBLIC HEARING ON DRAFT FY 2024 ANNUAL ACTION PLAN

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**Introduction:** This memorandum will provide the City Council with a brief description of the review and approval process associated with the Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funding allocations for FY 2024 (July 1, 2024 – June 30, 2025).

**Public Participation Process:** As part of the CDBG and HOME consolidated planning process, grantees are required to include a public participation component as it determines how funding is be allocated to meet housing and community development needs for low- and moderate-income individuals. This public process involves a minimum of two steps- a public hearing during development of the plan, and a minimum 30-day comment period to receive comments from citizens on the consolidated plan specifics. The process began on February 21, 2024, with an online and in-person hearing before the Community Services Advisory Board (CSAB). Additional actions involved posting of the public comment period on the City’s website and social media sites, as well as broad outreach seeking direct input from various housing and services providers, housing authorities, government agencies, and other parties of interest. Comments received focused on the development of affordable housing, down payment assistance in support of homebuyer activities, housing counseling for first-time homebuyers, financial literacy counseling services for youths, and expanded program information in multiple languages for persons with limited English.

To complete the public participation component, the City is providing for a 30-day public comment period (March 29, 2024 – April 29, 2024) and is holding a public hearing on April 15, 2024 to accept comments on the City’s proposed use of funds for FY 2024.



**Timeline:** The timeline below provides milestones and upcoming actions relating to the FY 2024 Annual Action Plan.

- February 21, 2024 – Public hearing before CSAB on CDBG/HOME funding priorities for FY 2024 Annual Action Plan.
- March 20, 2024 - CSAB and Planning Commission review of proposed CDBG/HOME funding priorities for FY 2024 Annual Action Plan.
- March 25, 2024 – Council review of Draft FY 2024 Annual Action Plan.
- March 29 - April 29, 2024 – Formal citizen review & comment period for Plan.
- April 15, 2024 – *Lakewood City Council conducts public hearing on the Draft Annual Action Plan.*
- May 6, 2024 – Lakewood City Council adopts FY 2024 Annual Action Plan.
- May 15, 2024 – Submit Annual Action Plan to HUD. Submittal to be made jointly with Lakewood and Tacoma due to HOME Consortium status.

**FY 2024 Annual Action Plan:**

Tables 1 and 2 below provide a listing of CDBG and HOME funds available and proposed use of funds for the upcoming fiscal year. Should Lakewood’s CDBG and HOME allocations differ from the allocations as listed for any reason, staff is recommending a pro rata adjustment to all proposed uses of funds.

<b>TABLE 1 CDBG FUNDING RECOMMENDATIONS – FY 2024</b>				
	<b>CDBG</b>	<b>Program Income</b>	<b>TOTAL</b>	<b>Consistent With 5-YR Goal</b>
Housing – Major Home Repair	\$254,000	\$100,000	\$354,000	#1 – Stabilize existing residents. Homeowner units rehabilitated- 8 households.
Housing – Emergency Assistance for Displaced Residents.	\$24,000	\$0	\$24,000	Goal #3 – Prevent & reduce homelessness. Homeless prevention- 12 individuals.
Housing – Habitat for Humanity- Aging-in-Place Program	\$60,000	\$0	\$60,000	#1 – Stabilize existing residents. Homeowner units rehabilitated- 8 households.
Services – CDBG Emergency Payments Program	\$80,000	\$0	\$80,000	Goal #3 – Prevent & reduce homelessness. Public Service activities and Homeless prevention- 50 individuals.
CDBG Admin of HOME Housing Services	\$10,000	\$0	\$10,000	#2 – Increase rental and homeownership opportunities. Homeowner/renter housing added- 33 new units.
Administration	\$107,000	\$0	\$107,000	Administration
NSPI Abatement Program	\$0	\$292,000	\$292,000	#1 – Stabilize existing residents. Buildings demolished- 3 buildings.
<b>Total Funding</b>	<b>\$535,000</b>	<b>\$392,000*</b>	<b>\$927,000</b>	

*\*Program Income: The City anticipates approximately \$100,000 in program income to be received in repayments from the Major Home Repair Revolving Loan Fund and NSPI Abatement Fund (\$292,000) in FY 2023. Program income will be used in accordance with HUD's requirements for RLF funds and shall be used to fund similar activities. (NOTE: CDBG projects current year program income rather than using previous year program income.)*

<b>TABLE 2 HOME FUNDING RECOMMENDATIONS – FY 2024</b>				
	<b>HOME</b>	<b>Program Income</b>	<b>TOTAL</b>	<b>Consistent With 5-YR Goal</b>
Affordable Housing Fund	\$261,000	\$68,754.91	\$329,754.91	#2 – Increase rental and homeownership opportunities.
Administration (Tacoma 10%)	\$29,000	\$0	\$29,000	Administration
<b>Total Funding</b>	<b>\$290,000</b>	<b>\$68,754.91*</b>	<b>\$358,754.91</b>	

*\*Program Income: Program income already received from previous year repayments as part of the HOME Affordable Housing Fund. Program income will be used in accordance with HUD's requirements for RLF funds and shall be used to fund similar activities. (NOTE: HOME uses previous year program income rather than projecting current year program income.)*



# City of Lakewood

## **2024 Consolidated Annual Action Plan - Draft**

July 1, 2024 – June 30, 2025

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Tacoma-Lakewood

HOME Consortium

March 12, 2024

# Executive Summary

## AP-05 Executive Summary - 91.200(c), 91.220(b)

### 1. Introduction

The FY 2024 Consolidated Plans for the Tacoma-Lakewood Consortium provide a framework for addressing housing and community development needs in these cities. The Plans are developed for the U.S. Department of Housing and Urban Development to define how funding is to be allocated for the following federal programs: Community Development Block Grant Program (CDBG), HOME Investment Partnership Act (HOME), and for the City of Tacoma, Emergency Shelter Grants (ESG).

The FY 2024 Annual Action Plan (July 1, 2024 – June 30, 2025), Lakewood's fifth and final under the 5-YR Consolidated Plan (2020-2024), is a one-year plan that addresses local community and economic development needs and the resources necessary to meet the needs of low- and moderate-income households. The Plan identifies unique needs and assets in Lakewood and Tacoma, as well as on a regional basis. Goals and priorities of the Annual Action Plan are to be consistent with national objectives and priorities established by HUD and shall be consistent with the goals and strategies identified in the 5-YR Consolidated Plan.

Strategies identified in this Plan were built upon a broad citizen participation process in consultation with public and private agencies. Through this planning process, FY 2024 policies and priorities were developed to be consistent with those long-term goals established as part of the 5-YR Consolidated Plan (2020-2024). Priority needs identified as part of the Plan include housing instability among residents, including homelessness; a limited supply of diverse rental and homeownership opportunities; the need for accessible, culturally competent services; and the need for safe, accessible homes and facilities. All needs identified were prioritized as high.

### 2. Summarize the objectives and outcomes identified in the Plan.

*This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.*

The 2024 Annual Action Plan will focus on the following priority needs identified in the 5-YR Consolidated Plan:

- Housing instability among residents, including homelessness – Programs continue to prioritize housing affordability through rehabilitation of owner-occupied housing units, neighborhood revitalization through the removal of blighted properties, and relocation assistance for low-income households displaced through no fault of their own.
- Limited supply of diverse rental and homeownership opportunities – FY 2024 looks to bring online eight new homes for low-income homebuyers currently being constructed in the Tillicum neighborhood. Additionally, FY 2024-25 will see Living Access Support Alliance (LASA) begin construction of 25 new units of affordable rental housing units in the downtown core.
- Need for accessible, culturally competent services – Services include the provision of emergency assistance payments for basic services such as food, clothing, or housing-related expenses to low-income households, especially for those elderly, disabled, and minority populations. Fair housing counseling services will be provided through previous year’s allocations and current program administration funding.

Recommended funding allocations for FY 2024 include:

• *Housing Improvements* – Funding totaling \$354,000 (2024 CDBG allocation of \$254,000 and \$100,000 in program income) is recommended in support of Major Home Repair; \$10,000 in support of CDBG Administration of HOME housing; \$60,000 in support of Tacoma/Pierce County Habitat for Humanity’s aging-in-place housing rehabilitation program; and \$24,000 in support of Emergency Assistance for Displaced Residents. A total of \$392,000 in anticipated program income is to be reallocated as part of this Plan - \$100,000 in revolving loan funds in support of Major Home Repair, and \$292,000 in Neighborhood Stabilization Program 1 (NSP1) revolving loan funds for similar activities.

A total of \$329,754.91 (2024 HOME allocation of \$261,000, plus reallocation of \$68,754.91 in program income) in HOME funding is recommended in support of increasing the supply of affordable homeownership and rental opportunities for low-income Lakewood residents. In 2023-24, Council approved an allocation of \$1 million in ARPA funding, \$1 million in HOME funding, and \$1.175 million in HOME-ARP funding in support of LASA’s construction of new affordable rental housing in the downtown core. HOME funding allocations for Lakewood may be found in Tacoma's 2024 Joint Consolidated Annual Action Plan.

- *Public Services* – \$80,000 is recommended in support of emergency assistance payments for basic services such as food, clothing or housing-related expenses to low-income households, especially for cost-burdened, elderly, disabled, and minority populations disproportionately affected by lower household incomes and rising housing costs. Fair housing counseling services will be funded through prior year funding and program administration. Funding in support of public and human services programs is provided as part of the City's 1% General Fund allocation totaling \$425,150 in 2024.

- *Physical/Infrastructure Improvements* – No funding recommended.

- *Administrative Activities* – Funding totaling \$107,000 in support of general administrative activities for CDBG.

Note: Funding allocations noted above are projections as CDBG and HOME funding allocations have not yet been officially announced. Should awarded funding differ from the above projections, funding allocations will be adjusted on a pro rata basis.

### **3. Evaluation of past performance.**

*This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.*

The 5-YR Consolidated Plan (2020-2024) for Lakewood identified five primary goals: 1) Stabilize existing residents; 2) Increase rental and homeownership opportunities; 3) Prevent and reduce homelessness; 4) Need of accessible, culturally competent services; and 5) Support of public infrastructure improvements.

As the Consolidated Plan moves into its fifth and final year, the City is on track to meet five-year benchmarks identified in the Plan, with the exception of its goal to serve 25,775 persons through public infrastructure improvements. To date, the City has served 5,345 persons through infrastructure improvements as potential public infrastructure projects have been cancelled or postponed due to community input and construction delays. Instead, the City has refocused its efforts towards the provision and expansion of affordable housing for low-income households. Access to safe, decent, affordable housing remains the primary objective of the planning process moving forward as the City seeks to complete its remaining housing goals and objectives identified in the 5-YR Consolidated Plan.

With additional funding streams becoming available in recent years, both at the State and federal levels, the City has positioned itself to take advantage of these

opportunities, refocusing priorities in the wake of the coronavirus pandemic towards the development of affordable rental opportunities and the construction of new affordable housing options for low- and moderate-income households. In 2024, the City looks forward to LASA breaking ground on its development of 25-units of new rental housing for low-income families. The project will culminate a long-time effort to secure \$10.5 million in local, state, and federal funding partnerships to bring this project to fruition.

As Lakewood area rents continue to rise and housing prices continue to remain out of reach for many of Lakewood's low- and moderate-income households, the urgency to develop long-term strategies to increase the supply of affordable housing options for low- and moderate-income households remains strong. This becomes especially apparent when looking to address housing issues for Lakewood's most impacted households – those living in poverty in the last 12 months (12.7% of Lakewood's population) and those cost-burdened families or those households who pay more than 30 percent of their income for housing expenses (54% for renter households and 24.1% for owner-occupied households).

A complete evaluation of the performance measures, including program expenditures and accomplishments, will be provided as part of the Consolidated Annual Performance Evaluation Report (CAPER) for FY 2023.

#### **4. Summary of Citizen Participation Process and consultation process.**

*Summary from citizen participation section of plan.*

The FY 2024 Annual Action Plan was developed in coordination with the City of Tacoma and local organizations, agencies, and stakeholders. The Plan was developed in accordance with requirements established by the U.S. Department of Housing and Urban Development and the Citizen Participation Plan as adopted by the City of Lakewood. Citizen activities included notification in the Tacoma News Tribune on January 31, 2024, of a February 21, 2024 public hearing before the Community Services Advisory Board, concerning the FY 2024 Plan (July 1, 2024 – June 30, 2025) for Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) program funding. Additional public input was solicited by posting notices on the City's website, other social media sites, and by email solicitation of housing and services providers throughout Lakewood and Pierce County.

Notification of the Draft FY 2024 Annual Action Plan will be published in the Tacoma News Tribune indicating where the document will be available for review during the 30-day citizen comment period (March 29, 2024 – April 29, 2024). A public

hearing will be held by the Lakewood City Council on April 15, 2024 to solicit comments from citizens, local for-profit and non-profit agencies, neighborhood associations, the State of Washington, Pierce County, City of Tacoma, local public housing authorities, and other interested parties on the draft document. Copies of the Plan will be posted on the City's website and available to those requesting copies. Records on the proposed housing and community development projects will be made accessible to the general public. Comments received at these public hearings will be summarized later in this report.

## **5. Summary of public comments.**

*This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.*

The following comments were received as part of the FY 2024 citizen participation process. They include testimony provided at the February 21, 2024 public hearing, written comments received, and the Lakewood City Council public hearing on April 15, 2024:

### 2024 Annual Action Plan Public Hearing – Community Services Advisory Board – February 21, 2024

No comments were received.

City's website, other social media sites, and by email solicitation:

(Insert comments here)

### 30-Day Public Comment Period (March 29, 2024 – April 29, 2024) and City Council Public Hearing on Approval of the FY 2024 Annual Action Plan (April 15, 2024)

(Insert comments here)

## **6. Summary of comments or views not accepted and the reasons for not accepting them.**

### 2024 Annual Action Plan Public Hearing – Community Services Advisory Board – February 21, 2024

No comments received.

City's website, other social media sites, and by email solicitation:



(Insert comments here)

30-Day Public Comment Period (March 29, 2024 – April 29, 2024) and City Council Public Hearing on Approval of the FY 2024 Annual Action Plan (April 15, 2024)

(Insert comments here)

**7. Summary**

Section 108 – Principal repayment for 2024 includes \$35,000 in principal repayment by Curbside Motors and \$18,000 in principal for repayment by LASA for the Client Service Center project. The table below summarizes the City's Section 108 outstanding balances and scheduled principal repayments:

<b>PROJECT</b>	<b>SECTION 108 BALANCE</b>	<b>ANTICIPATED INCOME - 2024</b>	<b>PRINCIPAL REPAYMENT - 2024</b>
Curbside Motors	\$444,000	\$51,476.24	\$35,000
LASA Client Service Center	\$245,000	\$27,171.50	\$18,000

**Table 1 - Section 108 Loan Program - 2024**

## **PR-05 Lead & Responsible Agencies - 91.200(b)**

### **1. Agency/entity responsible for preparing/administering the Consolidated Plan.**

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

<b>Agency Role</b>	<b>Name</b>	<b>Department/Agency</b>
Lead Agency	Lakewood, WA	Community Development
CDBG Administrator	Lakewood, WA	Community Development

**Table 1 – Responsible Agencies**

### **Narrative**

In the City of Lakewood, CDBG funding is administered by the Community Development Department with oversight provided by the Council-appointed Community Services Advisory Board (CSAB) and Lakewood City Council. As a member of the Tacoma-Lakewood HOME Consortium, Lakewood receives HOME funding through the Tacoma Community Redevelopment Authority (TCRA). HOME funding allocations are initially approved by the Lakewood City Council before they are forwarded to the TCRA for final review and approval.

### **Consolidated Plan Public Contact Information**

City of Lakewood  
Community Development Department  
Attn: Mr. Jeff Gumm, Program Manager  
6000 Main Street SW.  
Lakewood, WA 98499  
(253) 589-2489  
jgumm@cityoflakewood.us

## **AP-10 Consultation - 91.100, 91.200(b), 91.215(I)**

### **1. Introduction**

The FY 2024 Annual Action Plan was developed to provide a general framework for addressing housing and community development needs in the City of Lakewood. In a larger sense, the plan involves a regional element to coordinate and address economic development, transportation, public services, special needs, housing, and homelessness throughout Pierce County. Coordination included consultation with the City of Tacoma, Pierce County, Pierce County Continuum of Care, Pierce County Housing Authority, Living Access Support Alliance (LASA), Tacoma/Pierce County Habitat for Humanity, Rebuilding Together South Sound, South Sound Housing Affordability Partners, Tacoma/Pierce County Affordable Housing Consortium, and other stakeholders as provided in the Plan.

### **Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I)).**

As part of the planning process, the City of Lakewood established a committee to provide public oversight, comment on the process, and to review funding recommendations for both the CDBG and HOME programs. As part of the development of the 5-YR Consolidated Plan (2020-2024), the City solicited input through interviews, meetings, and public hearings to determine community need, priorities, and approaches to meeting those needs. Since the development of the 5-Year Plan, the City has continued to consult with many of the agencies and organizations originally polled.

The Pierce County Housing Authority and the Tacoma Housing Authority continue to work closely with the cities of Lakewood and Tacoma coordinating efforts to improve housing choice for low-income households in both communities. Additionally, local housing and services providers such as Living Access Support Alliance (LASA), Greater Lakes Mental Health, Tacoma-Pierce County Habitat for Humanity, Associated Ministries, Tacoma/Lakewood/Pierce County Continuum of Care, South Sound Housing Affordability Partners, and the Tacoma/Pierce County Affordable Housing Consortium among others continue to provide input and support for mental health, services, and housing options in Lakewood, Tacoma, and throughout Pierce County.

As part of the City's human services funding process, monthly coalition meetings are held at the City to bring together non-profits, service providers and governmental agencies to help determine and better understand the need for housing and human

services in Lakewood and throughout Pierce County. Coordination through the South Sound Military and Communities Partnership (SSMCP) continues an ongoing partnership with Joint Base Lewis McChord to better understand what level of assistance military personnel and veterans are experiencing in terms of housing need, health and human services, and mental health care assistance.

Lakewood sought comment internally from City departments on housing and community development needs and services to low-income and special needs populations. On a regional level, the consolidated planning process involved consultation with Pierce County Community Connections, the City of Tacoma, United Way of Pierce County, Pierce County Housing Authority, Tacoma-Pierce County Habitat for Humanity, the Homeownership Center of Tacoma, Living Access Support Alliance (LASA), South Sound Housing Affordability Partners, Tacoma/Pierce County Affordable Housing Consortium, Lakewood Community Services Advisory Board, Tacoma/Lakewood/Pierce County Continuum of Care, local school districts, police and fire departments, and the State of Washington, to better understand the needs of at risk populations such as homeless families with children, single parent households, victims of domestic violence, individuals with disabilities, ethnic minorities, and the elderly.

Additional efforts to enhance and coordinate efforts between housing, health, and services providers are described throughout the Plan.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

The cities of Tacoma and Lakewood are actively engaged members of the Tacoma/Lakewood/Pierce Continuum of Care Committee. The three jurisdictions are the most involved governmental entities in the Continuum, cooperatively working on programs to meet needs for housing and services. Both Tacoma and Lakewood support the Continuum's priorities focusing on the needs of the most vulnerable populations including chronically homeless persons, unaccompanied youth, families with children, and veterans, among others. The mission of the Continuum of Care is to promote community wide commitment to ending homelessness through policy and resource alignment by implementing activities to achieve the goals and objectives of the Plan to End Homelessness.

In recent years, the Continuum has moved from a single point of access, or centralized intake, to that of a coordinated entry system providing many points of entry. This system, when coupled with an active diversion program, known as

Housing Solutions Conversations, aims at keeping those in housing crisis from entering the system by supporting their own identification of a solution and prioritizes them for a specific housing referral based on their vulnerabilities and the severity of their barriers to secure housing. Through this partnership and implementation of the Five-Year Plan to Address Homelessness, stands a countywide commitment to ensure all persons facing homelessness have access to shelter and support, no matter their social or economic circumstances or where they live within Pierce County.

As housing prices and market-rate rents continue to rise at alarming rates, further destabilizing housing affordability and limiting housing options for low- and moderate-income households, this coordinated and cooperative effort to ensure affordable housing stability and access to a safe home endure as a realistic and attainable goal for all in our community.

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS.**

The cities of Tacoma and Lakewood work closely with the Collaborative Applicant of the Continuum of Care (Pierce County) planning for allocation and use of Emergency Solutions Grant (ESG) funds. ESG policies and procedures were created and are updated periodically in cooperation with Pierce County and Tacoma to ensure that ESG subrecipients are operating programs consistently across eligible activities. Performance is reviewed by both entities. The Collaborative Applicant is also the HMIS lead and works closely with City of Tacoma to maximize use of HMIS resources and to draw data for reports on project performance and program outcomes. The City of Lakewood does not receive ESG funding.

**2. Agencies, groups, organizations and others who participated in the process and consultations.**

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	City of Tacoma
	<b>Agency/Group/Organization Type</b>	Other government - Local

<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Public Housing Needs  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Needs - Veterans  Homelessness Needs - Unaccompanied youth  Homelessness Strategy  Non-Homeless Special Needs  Market Analysis  Economic Development  Anti-poverty Strategy  Lead-based Paint Strategy</p>
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	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>As the lead member of the Tacoma-Lakewood HOME Consortium, Tacoma remains a key partner in the development and implementation of the consolidated planning process. The City of Tacoma was consulted in the development of priorities and strategies designed to meet the various community and economic development needs identified in this Plan. Lakewood and Tacoma will continue to coordinate their efforts to ensure the goals and outcomes identified in the 5-YR Consolidated Plan (2020-2024) are satisfied.</p>
2	<p><b>Agency/Group/Organization</b></p>	<p>Pierce County Community Connections</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Other government - Local</p>



	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Public Housing Needs  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Needs - Veterans  Homelessness Needs - Unaccompanied youth  Homelessness Strategy  Non-Homeless Special Needs  Market Analysis  Economic Development  Anti-poverty Strategy  Lead-based Paint Strategy</p>
	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Pierce County Community Connections is a partner agency in a regional effort to end homelessness, encourage community and economic development efforts benefitting low-income individuals, to expand safe, decent, affordable housing, and in the provision of public and human services to individuals in need. As a recipient of CDBG, HOME, and ESG funding, the County is a natural partner with the cities of Lakewood and Tacoma in determining a regional approach to housing and community development activities. Pierce County is actively engaged in a funding partnership with Lakewood to fund the development of 25 units of new affordable rental housing in the Lakewood downtown core.</p>
3	<p><b>Agency/Group/Organization</b></p>	<p>Pierce County Continuum of Care</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Regional organization  Regional Continuum of Care</p>

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Tacoma, Lakewood, and Pierce County all take active rolls on the Continuum of Care Committee. The goal of the Continuum is to promote community wide commitment to ending homelessness through policy and resource alignment by implementing activities to achieve the goals and objectives of the Plan to End Homelessness. Members of the Continuum strive to ensure all persons facing homelessness have critical access to shelter and support designed to make homelessness a brief event.
4	<b>Agency/Group/Organization</b>	Pierce County Housing Authority
	<b>Agency/Group/Organization Type</b>	PHA
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homelessness Strategy Market Analysis Anti-poverty Strategy

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>The Pierce County Housing Authority (PCHA) is a vital partner to the City of Lakewood in its efforts to increase and preserve affordable housing options for low-income households. PCHA manages a number of programs such as scattered site public housing, Section 8 vouchers, and enterprise fund apartments to provide housing stability to many low-income Lakewood households. As an operator and developer of affordable housing serving in excess of 5,000 individuals, the housing authority was consulted to provide information on the need for public housing in Lakewood and in greater-Pierce County. As recently as FY 2022, Lakewood partnered with PCHA and fund the rehabilitation of two low-income public housing complexes within the City of Lakewood - Village Square and Oakleaf Apartments, serving 64 total households. Once developed, PCHA will provide housing vouchers to LASA for two low-income households at LASA's new 25-unit rental development in Lakewood.</p>
5	<p><b>Agency/Group/Organization</b></p>	<p>Tacoma/Pierce County Habitat for Humanity</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Housing</p>
	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Homeless Needs - Families with children  Homelessness Needs - Veterans  Non-Homeless Special Needs  Market Analysis  Anti-poverty Strategy</p>

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Tacoma/Pierce County Habitat for Humanity remains an integral part of Lakewood's approach to providing safe, decent, affordable housing to low-income households in Lakewood and Tacoma. Lakewood recognizes the crucial link between wealth building and homeownership, especially for minority and low-income households. Consultation with the agency focused on housing need, market analysis, anti-poverty strategy, veteran housing opportunities, and special needs housing. Lakewood looks forward to ongoing and continued coordination with Habitat as it seeks to expand affordable housing options for low-income families and make much needed improvements to distressed communities through redevelopment activities focused on replacing older blighted homes with newly constructed affordable single-family homes. As housing and land prices continue to spiral, the City and Habitat have begun to explore land trust models to ensure investments in affordable housing continue for generations to come. In 2024-25, Habitat will bring online eight newly constructed homes in the Tillicum neighborhood for low-income homeownership opportunities.</p>
6	<p><b>Agency/Group/Organization</b></p>	<p>LASA</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Housing Services - Housing Services-homeless</p>

	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Needs - Veterans  Homelessness Needs - Unaccompanied youth  Homelessness Strategy</p>
	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>LASA was consulted as part of the planning process to better define and understand the scope and type of homeless need in Pierce County. LASA continues to be an integral provider in the fabric of homeless services and housing assistance to the homeless and those at risk of homelessness. With LASA's ongoing partnerships with the Pierce County and Tacoma Housing Authorities, and operation of housing and services facilities for the homeless, LASA is uniquely positioned to understand and assist the homeless population in Lakewood and Pierce County. Partnership and coordination with LASA allows Lakewood a better understanding of the needs of those living at or below the poverty rate, as well as what seems to be an ever-increasing demand for homeless services. Partnerships include the recent expansion of the client services facility to include showers, laundry and bathroom facilities at LASA's downtown headquarters. In 2024-25, LASA will begin construction of 25 new affordable rental units located in the downtown core.</p>
7	<p><b>Agency/Group/Organization</b></p>	<p>South Sound Housing Affordability Partners</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Regional organization  Housing</p>

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Market Analysis Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	South Sound Housing Affordability Partners (SSHA <sup>3</sup> P) is an intergovernmental collaboration between the Cities and Towns of Auburn, DuPont, Edgewood, Fife, Fircrest, Gig Harbor, Lakewood, Milton, Puyallup, Sumner, Steilacoom, Tacoma, and University Place, Pierce County and the Puyallup Tribe of Indians, working together to create and preserve affordable, attainable, and accessible housing throughout the participating communities. Consultation focused on market trends, analysis of housing affordability, and means of advocacy to generate dedicated revenue streams in support of affordable housing development throughout Pierce County.
8.	<b>Agency/Group/Organization</b>	Tacoma/Pierce County Affordable Housing Consortium
	<b>Agency/Group/Organization Type</b>	Regional organization Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Market Analysis Anti-poverty Strategy

<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Tacoma/Pierce County Affordable Housing Consortium is a non-profit organization designed to bring together various groups, organizations, business, and governmental agencies and jurisdictions with a focus on developing and preserving access to decent, safe, and high-quality affordable housing. Consultation is typically ongoing with advocacy efforts to fund and develop affordable housing, as well as current and ongoing market trends that may be causing inequities in the housing market.</p>
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**Identify any Agency Types not consulted and provide rationale for not consulting.**

N/A

**Other local/regional/state/federal planning efforts considered when preparing the Plan.**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Pierce County	The mission of the Road Home Continuum of Care is to promote community wide commitment to ending homelessness through policy and resource alignment by implementing activities to achieve the goals and objectives of the Plan to End Homelessness.
City of Lakewood Comprehensive Plan	City of Lakewood	The plan encourages infill housing, cottage-style development, changes in zoning to permit higher densities, and incentivizes the construction of affordable housing.

**Table 3 - Other local / regional / federal planning efforts**

**Narrative**

## **AP-12 Participation - 91.401, 91.105, 91.200(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation. Summarize citizen participation process and how it impacted goal-setting.**

Citizen input for the FY 2024 Annual Action Plan was conducted in accordance with the requirements established by the U.S. Department of Housing and Urban Development and the City of Lakewood Citizen Participation Plan. Citizen participation was encouraged throughout the process culminating in the development of this FY 2024 Annual Action Plan.

The process included:

- Input from community-based organizations, service providers, and local non-profit organizations.
- Engagement and review provided by the City of Lakewood Community Services Advisory Board and the Tacoma Community Redevelopment Authority (TCRA).
- Input and coordination with the City of Lakewood, City of Tacoma, and Pierce County.
- Meetings with Lakewood and Tacoma City Councils.
- Review of planning documents for local agencies.
- Solicitation of public input.

Effort to encourage citizen participation in the development of the Plan included notification of public hearings on housing and community development need, notice of availability of the plan, and community input concerning approval the final plan. Public hearings were advertised in the Tacoma News Tribune as follows:

- February 21, 2024 – Public hearing before CSAB on housing and community development needs
- March 29 - April 29, 2024 – Public Comment Period
- April 15, 2024 – Public hearing on FY 2024 Annual Action Plan
- Public outreach through City's website, other social media sites, and by email solicitation

A draft of the FY 2024 Annual Action Plan will be made available to the public for review beginning March 29, 2024. Comments received through the citizen participation process will be incorporated into the Plan. Formal approval of the final Plan will be made by City Council on May 6, 2024.



**Citizen Participation Outreach**

<b>Sort Order</b>	<b>Mode of Outreach</b>	<b>Target of Outreach</b>	<b>Summary of response/attendance</b>	<b>Summary of comments received</b>	<b>Summary of comments not accepted and reasons</b>	<b>URL (If applicable)</b>
1	Newspaper Ad	Non-targeted/broad community	Notification of February 21, 2024 public hearing on housing and community development needs for CDBG and HOME funding.	Comments detailing the public hearing are summarized in item #2 below.	N/A	
2	Public Meeting	Non-targeted/broad community	February 21, 2024 public meeting on FY 2024 Annual Action Plan funding priorities for CDBG and HOME programs – CSAB public hearing.	No comments received.	N/A	

<b>Sort Order</b>	<b>Mode of Outreach</b>	<b>Target of Outreach</b>	<b>Summary of response/attendance</b>	<b>Summary of comments received</b>	<b>Summary of comments not accepted and reasons</b>	<b>URL (If applicable)</b>
3	Newspaper Ad	Non-targeted community	Notification of April 15, 2024 public hearing and March 29 - April 29, 2024 public comment period.	Comments detailing the public hearing will be summarized in item #7 below.		
4	Internet Outreach	Non-targeted/broad community; Housing and services providers, local organizations, agencies, and stakeholders	General comment notification to housing and services providers, as well as local organizations, agencies, and stakeholders.	Comments detailing general notification and outreach will be summarized in item #5 below.		
5	Internet Outreach	Non-targeted/broad community; Housing and services providers, local organizations, agencies, and stakeholders	General comments received	Insert comments here		

<b>Sort Order</b>	<b>Mode of Outreach</b>	<b>Target of Outreach</b>	<b>Summary of response/attendance</b>	<b>Summary of comments received</b>	<b>Summary of comments not accepted and reasons</b>	<b>URL (If applicable)</b>
6	Internet Outreach	Non-targeted/broad community	Notification of April 15, 2024 public hearing, March 29 – April 29, 2024 public comment period, and provision of Annual Action Plan.	Comments detailing general notification and the public hearing will be summarized in items #7 and #8 below.		
7	Public Hearing	Non-targeted/broad community	April 15, 2024 public hearing held by the Lakewood City Council.	Insert comments here		
8	30-Day Public Comment Period	Non-targeted/broad community	March 29 - April 29, 2024 30-day public comment period.	Insert comments here		

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

#### Introduction

Funding for FY 2024 is provided by the U.S. Department of Housing and Urban Development through the Community Development Block Grant (CDBG) Program. Additional programmatic funding is being generated through program income received through revolving loan fund activities. All funds received, and otherwise reprogrammed, will be allocated to activities in support of the goals and objectives identified in the 5-YR Consolidated Plan. Additional funding for public service activities will be supported with General Fund in accordance with a City Council-adopted strategic plan for human services. Local funds in support of affordable housing will be made available through the implementation of SHB-1406 affordable housing sales tax credit to assist households with income at or below 60% of the area median income.

CDBG funding in FY 2024 will focus on housing instability among residents, including homelessness; the expansion of affordable rental and homeownership opportunities; and the need for accessible, culturally competent services. Specifically, investments will include the rehabilitation of owner-occupied housing units; neighborhood revitalization through the removal of blighted properties; relocation assistance for low-income households displaced through no fault of their own; provision of emergency assistance payments to low-income households; and fair housing counseling services.

Additional activities will include ongoing assistance and programs funded through previous Annual Action Plans, including Habitat for Humanity's construction of eight new affordable housing units in the Tillicum neighborhood, and LASA's construction of 25 units of affordable rental housing in the downtown core. Program income generated in FY 2024 will continue to support housing affordability efforts through the City's Major Home Repair Revolving Loan Fund. Finally, activities seeking the stabilization of existing residents through the creation of safe, accessible homes and facilities will focus on the redevelopment of slum and blight conditions in communities adversely impacted by disproportionate foreclosure and vacancy rates through the City's Neighborhood Stabilization Program 1 (NSP1) Dangerous and Nuisance Abatement Revolving Loan Fund.

Additional HOME-funded activities in support of the expansion of affordable rental and homeownership opportunities will include the funding of the HOME Affordable

Housing Fund, intended to support the development of new rental housing and homeownership opportunities for low-income households. Program income will support affordable housing development. HOME funding activities are detailed in Tacoma's Annual Action Plan as lead agency in the Tacoma-Lakewood HOME Consortium.

The City of Lakewood continues to employ a conservative approach for estimating CDBG and HOME allocations and program income for FY 2024. Differences in actual funding allocations will be addressed on a pro rata basis.

### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	535,000	100,000	0	635,000	0	Anticipated program income of \$100,000 is composed of RLF activities for Major Home Repair. Section 108 income of \$78,647.74 is not included in this total.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Economic Development Housing Public Improvements Other	0	292,000	0	292,000	0	NSPI funds were awarded to Lakewood in 2009 through the Washington State Department of Commerce to address issues of slums and blight through the demolition of homes that have been foreclosed, abandoned or have been left vacant. Funds may also be used to acquire and redevelop foreclosed and abandoned properties for the purpose of constructing safe, decent, affordable housing for low-income individuals. Anticipated program income of \$292,000 for NSPI Abatement Fund RLF activities.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Admin and Planning Housing	190,000	0		190,000	0	The City's SHB 1406 Home Repair Program is intended to utilize state tax revenues raised pursuant to RCW 82.14.540 in support of affordable housing. The goal of the program is to foster and maintain affordable housing for the citizens of Lakewood by providing affordable housing opportunities, eliminating slum and blight, and conditions which are detrimental to the health and safety of the public welfare. Housing and services may be provided only to persons whose income is at or below 60% of area median income. Annual tax revenue of approximately \$190,000.

**Table 5 - Expected Resources – Priority Table**



**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied.**

Leveraging for 2024 CDBG projects will continue to be generated through the matching of goods and services provided through homeowner rehabilitation activities performed by Tacoma/Pierce County Habitat for Humanity and through Rebuilding Together South Sound (RTSS). Lakewood funds for program staffing for Habitat and RTSS (RTSS activities were funded as part of FY 2023 AAP) are expected to return leverage funding ratios between 4:1 and 5:1 for program activities. Additional leveraging will come in the way of conventional financing, secured by low-income homebuyers through private-sector banking and lending institutions, as part of the City's efforts to construct new homeownership opportunities through partnership with Habitat for Humanity. The City anticipates leverage ratios of between 3:1 and 4:1 for homebuyer activities. Lakewood's largest leveraging funding will come in the way of \$5 million in State funding allocated to LASA for their development of 25 units of affordable rental housing in the downtown core (total project cost of \$10.5 million). All other CDBG activities, including homeowner rehabilitation, emergency payments, and relocation assistance typically see little to no leveraging of funds as these programs are designed as emergency safety nets, providing assistance where none would otherwise exist, and low- or no-interest loans to assist clients who would otherwise be unable to pursue commercial loans to repair their home were it not for this type of assistance. Many clients have credit issues restricting their access to funding, limited incomes, and are often occupied by the elderly or minority populations dealing with certain systemic housing-related inequities limiting their access to safe, decent, and affordable housing.

HOME funds match requirements and leverage is provided as part of the Tacoma-Lakewood HOME Consortium and is reported in Tacoma's portion of the Plan.

**If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.**

No publicly owned land or property is scheduled to be included as a part of this plan.

**Discussion**

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Stabilize existing residents	2020	2024	Affordable Housing Homeless Non-Housing Community Development		Housing instability, including homelessness Need for safe, accessible homes and facilities	CDBG: \$418,000 NSPI: \$292,000 SHB-1406: \$190,000	Homeowner Housing Rehabilitated: 16 Household Housing Unit Buildings Demolished: 3 Buildings
2	Increase rental and homeownership opportunities	2020	2024	Affordable Housing Public Housing		Affordable rental and homeowner opportunities	CDBG: \$10,000	Homeowner Housing Added: 8 Household Housing Unit
3	Prevent and reduce homelessness	2020	2024	Affordable Housing Homeless Non-Homeless Special Needs		Housing instability, including homelessness Need for accessible, culturally competent services	CDBG: \$104,000	Public service activities other than Low/Moderate Income Housing Benefit: 40 Persons Assisted Homelessness Prevention: 22 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Need of accessible, culturally competent services	2020	2024	Homeless Non-Housing Community Development		Housing instability, including homelessness Need for accessible, culturally competent services		Public service activities other than Low/Moderate Income Housing Benefit: 30 Persons Assisted

**Table 6 – Goals Summary**

### Goal Description

1	<b>Goal Name</b>	Stabilize existing residents
	<b>Goal Description</b>	Funding provides support of the stabilization of residents experiencing homelessness or displacement pressure. Activities include the creation of new or maintenance of existing affordable housing stock for low- and moderate-income homeowners and the elimination of slums and blight through the demolition and redevelopment of blighted properties. Programs include Major Home Repair, Tacoma/Pierce County Habitat for Humanity Aging-in-Place Homeowner Rehabilitation, NSPI Abatement Program, and SHB-1406 Housing Rehabilitation.
2	<b>Goal Name</b>	Increase rental and homeownership opportunities
	<b>Goal Description</b>	Projects in support of rental and homeownership opportunities include activities to create new homeownership opportunities for low- and moderate-income households through the construction of new, affordable single-family housing units. Funding includes CDBG Administration of HOME Housing services.

<b>3</b>	<b>Goal Name</b>	Prevent and reduce homelessness
	<b>Goal Description</b>	Funding provides for services engaged in the reduction and prevention of homelessness through the provision of emergency assistance payments to low- and moderate-income households, with a focus on the elderly, disabled, and minority populations, and through relocation assistance for households displaced through no fault of their own. Programs include CDBG Emergency Assistance Payments and Emergency Assistance for Displaced Residents.
<b>4</b>	<b>Goal Name</b>	Need of accessible, culturally competent services
	<b>Goal Description</b>	Provides for increased access to culturally competent services for low- and moderate-income individuals with emphasis on extremely low-income individuals, persons of color, immigrants, and the elderly. Activities include fair housing counseling aimed at those households disproportionately impacted by the lingering effects of the coronavirus pandemic. Assistance is anticipated to be provided through CDBG Administrative activities focusing on fair housing education/outreach, and landlord tenant education, and as such, will not be able to be reported as clients served in IDIS due to CDBG Administration reporting requirements. Lakewood will report clients served for this goal in text only in annual Consolidated Annual Performance Evaluation Reports (CAPER). Additional fair housing education and outreach assistance will be provided through prior year (FY 2021) CDBG programmatic funding; activities will be reported under activity #231.

## AP-35 Projects - 91.420, 91.220(d)

### Introduction

The City of Lakewood will aim to implement its federal funds in 2024 to accomplish the following goals and corresponding activities:

- **Stabilize existing residents** – Through funds for owner-occupied housing rehabilitation and renovation programs to maintain existing affordability, and through the removal of slums and blight by addressing and demolishing dangerous structures.
- **Increase diverse rental and homeownership opportunities** – Providing homeownership opportunities to low- and moderate-income families through the construction of new affordable housing.
- **Prevent and reduce homelessness** – Funding provides for emergency assistance payments to low- and moderate-income households, with a focus on cost-burdened, elderly, disabled, and minority populations, and through relocation assistance for households displaced through no fault of their own.
- **Increase availability of accessible, culturally competent services** – Through funds for fair housing activities designed to assist low- and moderate-income households maintain housing access and affordability, and to provide landlord tenant education and outreach.

The projects listed and described in this plan represent the proposed use of funds for the FY 2024 CDBG program.

#	Project Name
1	Administration
2	CDBG Administration of HOME Housing Services
3	Major Home Repair Program
4	Habitat for Humanity Aging-in-Place Homeowner Rehabilitation
5	CDBG Emergency Assistance Payments
6	Emergency Assistance for Displaced Residents
7	NSPI Abatement Program

**Table 7 – Project Information**

### Describe the reasons for allocation priorities and any obstacles to addressing underserved needs.

Funding in FY 2024 will focus primarily upon the following goals: 1) the need to

stabilize existing residents; 2) the need to increase rental and homeownership opportunities; and 3) the need to prevent and reduce homelessness. The City will secondarily address the need of accessible, culturally competent services to low- and moderate-income households through the provision of fair housing education and outreach training activities in FY 2024. Funding priorities were established as part of the City's 5-YR 2020-2024 Consolidated Plan and continue to be evaluated with each subsequent Annual Action Plan to ensure established goals and benchmarks are met. Allocation priorities identified in this plan are identified through input from community partners and neighboring entitlement communities, elected leaders, Community Services Advisory Board members, and public input. When allocating CDBG and HOME funds, the City evaluates community need, the ability of a project to leverage partnerships and other non-federal funding streams, project impact, and the ability to complete a project within the requirements of the 5-YR Consolidated Plan goals, objectives, and timelines.

With Lakewood's average year-over-year home sales price increasing 16.8% to a reported \$505,000 (Redfin, January 31, 2024) and year-over-year median rent increasing 2.7% to \$1,534 (Zillow, January 31, 2024), many low- and moderate-income families continue struggling to keep up. This is of special significance when looking at Lakewood's median household income of \$65,531 (27.4% less than WA State average of \$90,325) and the fact that 12.7% of Lakewood's population is living at or below the poverty line (nearly 1.3 times the rate of WA State rate of 9.9%). With housing and rent prices continuing to increase, 40.6% of total Lakewood households are considered cost-burdened (paying 30 percent or more of income for housing expenses) and 16.2% of total households being considered extremely cost-burdened (paying 50 percent or more of income for housing expenses). A deeper look into these numbers reveals that more than half (54%) of renter households are cost-burdened and nearly a quarter (23%) are extremely cost-burdened. With housing costs continuing to outpace income growth, especially for those who are retired or on fixed incomes, affordable housing development and alternative programs in support of housing affordability remain a priority for many jurisdictions.

Activities to be carried out in FY 2024 will continue the funding of housing rehabilitation programs aimed at assisting low- and moderate-income households with housing repairs and renovations they may not otherwise be able to afford through conventional financing options; renovation activities focused on accessibility improvements and upgrades, ensuring elderly householders can safely age in place; providing housing stability and homelessness prevention through the provision of emergency assistance payments to low- and moderate-income households, with a focus on cost-burdened, elderly, disabled, and minority populations, and through relocation assistance for families displaced through no fault of their own; the reduction of slums and blight in low-income neighborhoods

with the demolition and redevelopment of dangerous buildings; fair housing activities focusing on housing inequities often borne by minority and low-income households; and finally, a continuation of funding in support of the development of new homeownership and rental housing opportunities for low-income households.

# AP-38 Project Summary

## Project Summary Information

1	<b>Project Name</b>	Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	Need of accessible, culturally competent services
	<b>Needs Addressed</b>	Need for accessible, culturally competent services
	<b>Funding</b>	CDBG: \$107,000
	<b>Description</b>	Administration to implement and manage the Consolidated Plan funds. Activities include providing fair housing and landlord tenant outreach and education.
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Administration funds are anticipated to be expended in support of general administration activities to administer the 2024 Annual Action Plan, including funding for fair housing activities in support of 30 low- and moderate-income individuals. Fair housing activities will not be able to be reported as clients served in IDIS due to CDBG Administration reporting requirements. Lakewood will report clients served for this goal in text only in annual Consolidated Annual Performance Evaluation Reports (CAPER).
	<b>Location Description</b>	
	<b>Planned Activities</b>	Administration funds are anticipated to be expended in support of general administration activities to administer the 2024 Annual Action Plan, including funding for fair housing activities in support of 30 low- and moderate-income individuals.
2	<b>Project Name</b>	CDBG Administration of HOME Housing Services
	<b>Target Area</b>	
	<b>Goals Supported</b>	Increase rental and homeownership opportunities
	<b>Needs Addressed</b>	Affordable rental and homeowner opportunities
	<b>Funding</b>	CDBG: \$10,000
	<b>Description</b>	Program administration and housing services in support of HOME Program.



	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	A total of 8 low- and moderate-income households will be assisted with HOME-funded activities, through the construction of eight new housing units constructed in the Tillicum neighborhood for low-income homebuyers.
	<b>Location Description</b>	
	<b>Planned Activities</b>	Program administration and housing services in support of HOME Program.
<b>3</b>	<b>Project Name</b>	Major Home Repair Program
	<b>Target Area</b>	
	<b>Goals Supported</b>	Stabilize existing residents
	<b>Needs Addressed</b>	Housing instability, including homelessness Need for safe, accessible homes and facilities
	<b>Funding</b>	CDBG: \$354,000 Other - SHB-1406: \$190,000
	<b>Description</b>	Program provides home repair and/or sewer connection loans to eligible low-income homeowners. Funding for program provided through FY 2024 entitlement funding and revolving loan funds.
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	A total of 8-10 low- and moderate-income households will be assisted with owner-occupied, housing rehabilitation activities.
	<b>Location Description</b>	City-wide
	<b>Planned Activities</b>	The project will provide major home repair loans which include connection of side-sewer to sewer main, decommissioning of septic systems, roofing, removal of architectural barriers, plumbing, electrical, weatherization, major systems replacement/upgrade, and general home repairs for eligible low- and moderate-income homeowners. Program funding includes \$100,000 in anticipated program income.

<b>4</b>	<b>Project Name</b>	Tacoma/Pierce County Habitat for Humanity Aging-in-Place Homeowner Rehabilitation
	<b>Target Area</b>	
	<b>Goals Supported</b>	Stabilize existing residents
	<b>Needs Addressed</b>	Housing instability, including homelessness Need for safe, accessible homes and facilities
	<b>Funding</b>	CDBG: \$60,000
	<b>Description</b>	Project will provide funding for small-scale accessibility improvements and repairs to existing owner-occupied housing units occupied by elderly or disabled homeowners.
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	A total of 8 low- and moderate-income households will be assisted through accessibility improvements and related repairs.
	<b>Location Description</b>	City-wide
	<b>Planned Activities</b>	The project will provide funding for accessibility improvements of owner-occupied affordable housing units.
<b>5</b>	<b>Project Name</b>	CDBG Emergency Assistance Payments
	<b>Target Area</b>	
	<b>Goals Supported</b>	Stabilize existing residents Prevent and reduce homelessness
	<b>Needs Addressed</b>	Housing instability, including homelessness Need for accessible, culturally competent services
	<b>Funding</b>	CDBG: \$80,000
	<b>Description</b>	Program provides for the provision of emergency assistance payments for basic services such as food, clothing or housing-related expenses to low-income households, with a focus on cost-burdened households, elderly, disabled, and minority populations.
	<b>Target Date</b>	6/30/2025

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	A total of 50 low- and moderate-income individuals will be assisted through the provision of emergency assistance payments to low-income households, with a focus on cost-burdened households, elderly, disabled, and minority populations.
	<b>Location Description</b>	City-wide
	<b>Planned Activities</b>	Program provides funding for services engaged in the reduction and prevention of homelessness through the provision of emergency assistance payments to low- and moderate-income households, with focus on cost burdened households, elderly, disabled, and minority populations continuing to be disproportionately impacted.
<b>6</b>	<b>Project Name</b>	Emergency Assistance for Displaced Residents
	<b>Target Area</b>	
	<b>Goals Supported</b>	Stabilize existing residents Prevent and reduce homelessness
	<b>Needs Addressed</b>	Housing instability, including homelessness Need for safe, accessible homes and facilities
	<b>Funding</b>	CDBG: \$24,000
	<b>Description</b>	Program provides emergency relocation assistance to eligible low-income households displaced through no fault of their own during building and code enforcement closures, fires, redevelopment, and other incidences resulting in homelessness.
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	12 individuals will be assisted with emergency relocation assistance for persons displaced due to no fault of their own.
	<b>Location Description</b>	City-wide
	<b>Planned Activities</b>	Activities include emergency relocation assistance to low-income individuals displaced due to no fault of their own. Assistance to include rental assistance, deposits, and other related relocation expenses.
<b>7</b>	<b>Project Name</b>	NSPI Abatement Program

<b>Target Area</b>	
<b>Goals Supported</b>	Stabilize existing residents
<b>Needs Addressed</b>	Housing instability, including homelessness Need for safe, accessible homes and facilities
<b>Funding</b>	NSPI: \$292,000
<b>Description</b>	Provides funding for the abatement of dangerous buildings that have been foreclosed, abandoned or are vacant. Activities funded with revolving loan fund.
<b>Target Date</b>	6/30/2025
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The City of Lakewood anticipates it will demolish a total of 3 dangerous buildings located in low-income block groups in FY 2024 with the NSPI Abatement Fund.
<b>Location Description</b>	City-wide
<b>Planned Activities</b>	Provides funding for the abatement of dangerous buildings that have been foreclosed, abandoned or are vacant. Funding for the program is provided through revolving loan funds generated from previous NSPI abatement activities. Program funding includes a total of \$292,000 in anticipated program income to be used for similar RLF activities.

## **AP-50 Geographic Distribution - 91.420, 91.220(f)**

### **Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed.**

This being the fifth and final year of the City's 5-YR Consolidated Plan, the City will continue targeting CDBG and HOME funds expenditures in block groups with at least 51% low- and moderate-income populations, as many of Lakewood's minority and ethnic populations continue to be concentrated in these areas. Many of these block groups tend to have large concentrations of aging housing stock suffering from a lack of routine maintenance and infrastructure that is either inadequate or are outdated in accordance with current development standards.

In 2024, CDBG funding prioritization will focus on increasing and preserving affordable housing stock through owner-occupied housing rehabilitation; the prevention and reduction of homelessness through emergency assistance payments to low- and moderate-income households, with a focus on cost-burdened households, elderly, disabled, and minority populations; through relocation assistance for households displaced through no fault of their own; neighborhood revitalization through the removal of blighted properties; and improved access to fair housing counseling services. HOME funding in FY 2024 will continue to support ongoing homeownership activities being developed by Habitat for Humanity and through LASA's construction of new affordable rental housing in the downtown core.

The City intends to target households living in Census Tracts 718.05, 718.06, 718.07, 718.08 and 720.00 for its Major Home Repair, Tacoma/Pierce County Habitat for Humanity Aging-in-Place Homeowner Rehabilitation, and CDBG Emergency Assistance Payments and Emergency Assistance for Displaced Residents programs, which assist with the preservation of housing stability and prevention of homelessness through owner-occupied housing repairs, and relocation and emergency assistance payments for basic services such as food, clothing or housing-related expenses to low-income households.

For all other funding, the City has not identified specific targeted areas; programs are open to eligible low- and moderate-income individuals citywide.

**Geographic Distribution**

Target Area	Percentage of Funds

**Table 8 - Geographic Distribution**

**Rationale for the priorities for allocating investments geographically.**

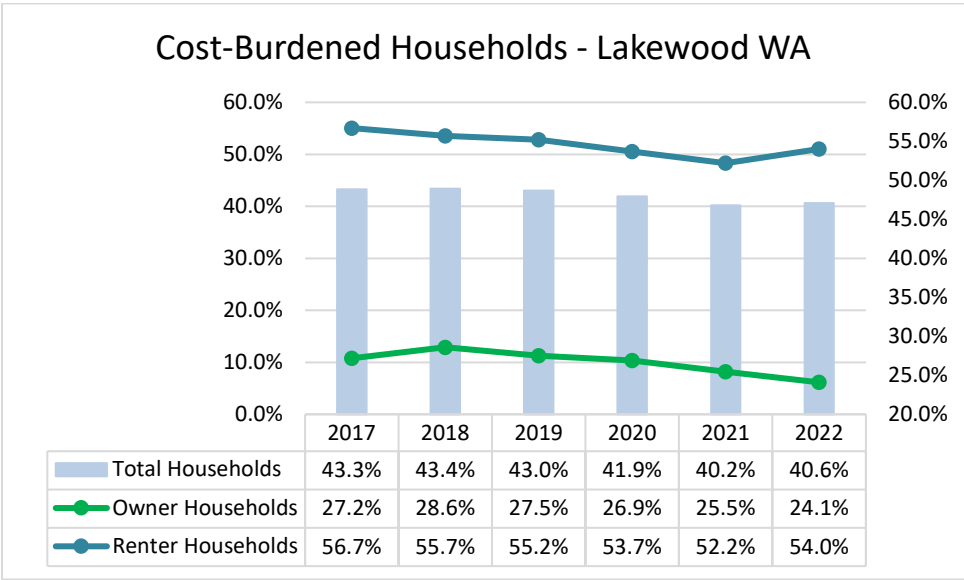
N/A

**Discussion**

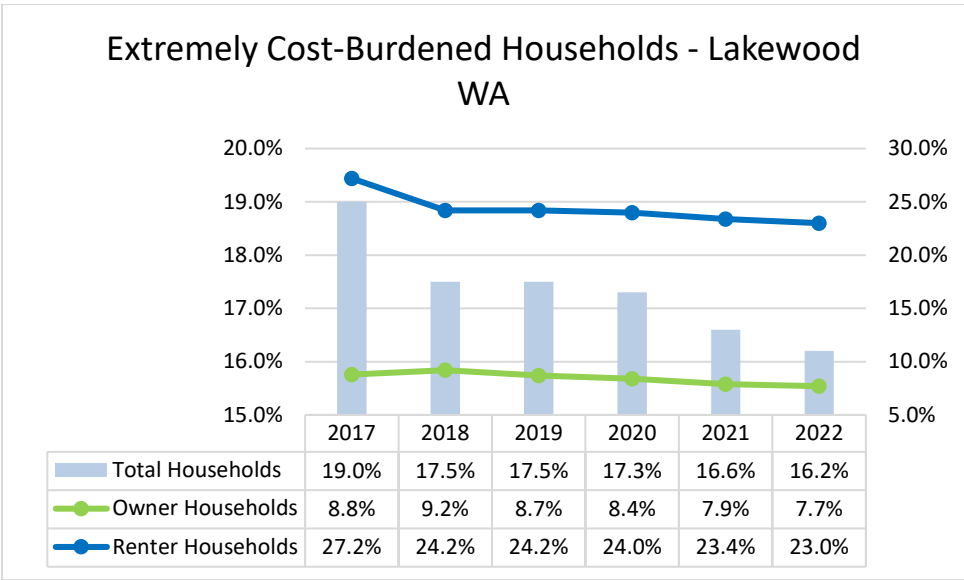
## **AP-75 Barriers to affordable housing -91.420, 91.220(j)**

### **Introduction**

As identified in the 5-YR Consolidated Plan (2020-2024), low- and fixed-incomes, high housing costs, overcrowding, homelessness, and aging all present challenges to Lakewood residents, posing negative impacts upon quality of life. Most common among these housing problems for Lakewood residents is housing affordability, as measured through cost burdens. Renters in particular, continue to face more acute cost burdens than do homeowners, with 54% of Lakewood's rental households considered cost-burdened compared to 24.1% of owner households. Those households facing extreme cost burden, or where at least 50 percent of total household income is used for housing expenses, again show renters disproportionately impacted with 23% considered extremely cost-burdened compared to just 7.7% of owner households. Renter-occupied households in Lakewood are more than twice as likely to be cost-burdened and nearly three times more likely to be extremely cost burdened than owner-occupied households. In all, 40.6% of Lakewood households are considered cost-burdened and 16.2% are considered extremely cost- burdened (2018-22 American Community Survey).



**Table 9 – Cost-Burdened Households- Lakewood WA**



**Table 10 – Extremely Cost-Burdened Households- Lakewood WA**



Although household incomes have seen increases in recent years, Lakewood's median income of \$65,531 continues a trend of lagging behind that of the county (\$91,486), Washington (\$90,325), and the United States (\$75,149). Of additional concern is Lakewood's apparent concentration of households living at or below the poverty rate, currently 12.7% of households, much higher than that of the county at 8.7%, Washington at 9.9%, and on par with the United States at 12.5% (2018-22 American Community Survey). The disparate impacts of households living in poverty comes into focus when looking at Black, Indigenous, and People of Color (BIPOC). In Lakewood Black or African American households experience poverty at a rate of 15.7%, Hispanic or Latino households 10.6%, and Asian households 10.5%, compared to 13.6% for White households.

While Lakewood's median income saw a rise in 2022 to \$65,531, a 30.6% increase over the most recent five-year period, at the same time, median house values rose 63.8% to \$406,500 and median rents increased 35.7% over the same period to \$1,318. Even though median incomes continue to see improvement in Lakewood, they are being outstripped by escalating housing-related expenses, leaving little relief for already cost-burdened households. This is of special concern when looking at households experiencing poverty who have children under the age of eighteen- 13.6% of all families with related children under 18 years old live in poverty, and 29.4% of single-female households with related children under 18 years old live in poverty. This number increases to an alarming 39.5% of single-female households with multiple related children under 5 years old and between 5 and 17 years old. In addition to single-female household, disabled households appear to be disproportionately impacted and experience poverty at an elevated rate of 22.4%. Elderly households and those on fixed incomes also remain a concern as 11.3% of households 60 and older and 9.4% of households 65 and older are considered to be living in poverty. Additionally, 10.7% of veterans have been identified as living in poverty in the last 12 months (2018-22 American Community Survey).

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment.**

The City of Lakewood encourages the development of affordable housing through the City's Comprehensive Plan. The Plan addresses future housing needs for current and future residents of all incomes. Policies offer density bonuses to developers of affordable housing, encourage infill housing, cottage-style development, changes in zoning to permit higher densities, and incentivizes the construction of affordable

housing. Recent legislation at the State level will see additional incentives incorporated into Lakewood's Comprehensive Plan update in 2024, providing for higher density through middle housing and accessory dwelling unit initiatives.

Additional means used to encourage affordable development is through the City's Multifamily Tax Credit Program which allows developers to defer taxes on valuation improvements for all housing repairs for up to 12 years within certain urban use centers. This is especially important in areas where development is stymied by conditions of blight, the lack of infrastructure, or where rents are not conducive to sustaining redevelopment activities. With the tax deferral, the development of new housing or the modernization of existing substandard units can be incentivized as a means of neighborhood revitalization.

## **Discussion**

Lakewood's housing demographics have remained constant over the recent ten years with a trend favoring renter-occupied (56.4%) to owner-occupied (43.6%) (2018-22 American Community Survey). These numbers are reflected in the inverse when looking at Pierce County with a 64.6% owner-occupied rate, Washington at 63.8% owner-occupied, and the United States at 64.8% owner-occupied rate.

As a majority of Lakewood's population live in rental households, the steady increase in the cost of rents year-over-year remains of concern, especially for those low- and moderate-income Lakewood households who are already cost-burdened. With the current median monthly rent now standing at \$1,534 (Zillow, January 31, 2024), housing cost is easily outstripping income growth, especially for low- and moderate-income households. These issues of rising housing costs relative to household incomes become strikingly apparent when looking at the percentages of Lakewood households where monthly housing cost exceeds 35 percent of household income- 17.6% for households with a mortgage and 41.8% for households who rent (2018-22 American Community Survey).

While Lakewood has seen continued improvement in median income over the recent five-year period (increase of 30.6% to \$65,531), these improvements continue to be stripped away by the ever-increasing cost of housing. During this same period, median house value increased 63.8% to \$406,500 and median rents increased 35.7% to \$1,318 (American Community Survey 2018 - 2022). Housing costs continue to be the largest expense for both owner and renter households. For homeowners, median monthly housing costs as a percentage of household income makes up 19.5% of a homeowner's gross income. Median gross rent as a percentage of household income makes up 31.6% of a renter's gross income; over 1.6 times the percentage of a Lakewood homeowner.

These same market trends pushing property and housing valuations higher are also driving housing investment towards market rate housing, away from affordable housing. Additionally, as house valuations have risen, single-family homes once dedicated to rental uses are seeing increased pressure to sell and realize profits, ultimately turning them from rental to owner-occupied. As investment shifts toward higher return market-rate housing and more and more housing units are converted from rental to homeowner use, the pressure to develop and maintain affordable housing grows.

Of additional concern for the future of affordable housing development are the outdated and lagging regulatory policies of the HOME and CDBG programs. In today's frenzied economy, with ever-increasing property valuations and construction costs spiraling out of sight, the very programs designed to assist communities in the support and development of affordable housing are hindering that development. Certain regulations like the restriction of investment in homes whose value exceeds that of 95% of median purchase price valuations, outdated per-unit investment subsidy limits, onerous environmental regulations, construction and materials regulations, and a restriction of CDBG investments in the constructing of new housing units unless conducted by a Community Based Development Organization. As economies and markets evolve, regulatory policies need to be evaluated and updated to keep pace with the changing economic times.

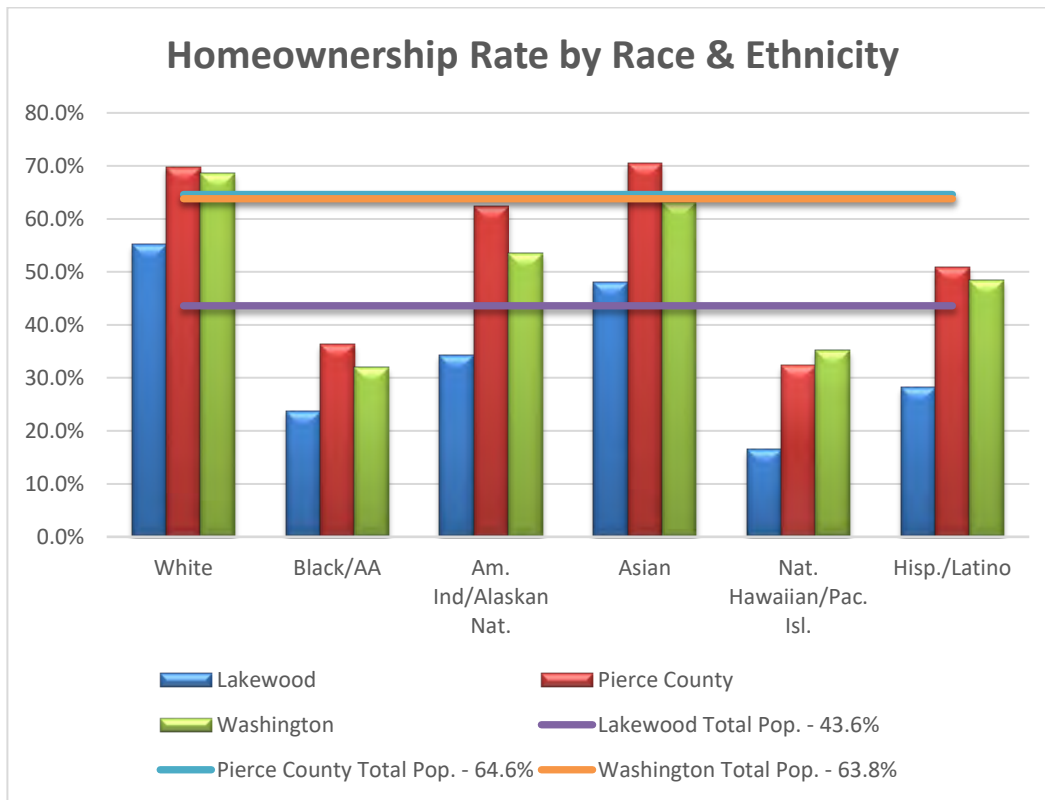
## **AP-85 Other Actions - 91.420, 91.220(k)**

### **Introduction**

For the majority of households, economic opportunity and familial wealth are tied directly to homeownership. Through homeownership a household maintains an asset that most typically increases in valuation over generations causing the accumulation of wealth, provides various access points to economic leverage, serves as a hedge against rising housing costs, provides various tax benefits, and realizes a lower taxation rate than other forms of investments. It is through this historical wealth building opportunity that most households have grown and passed along wealth. Unfortunately, many black and minority populations have been shut out of this system through various institutional and de facto discriminatory practices: from slavery, segregation, and disenfranchisement of Black Americans, to expropriation of land, forced relocation, and anti-immigration policies against Native American and Hispanic populations. Historically, the benefits of homeownership have not been shared equally across the race spectrum.

While homeownership rates for Lakewood remain well below the state and national averages, the disparity in homeownership between Black and minority households and that of White households continues to remain relatively unchanged since 1970. In Lakewood, homeownership rates for White households stands at 53.2 percent, compared to 23.8 percent for Black households, 28.2 percent for Hispanic households, and just 16.5 percent for Native Hawaiians and Pacific Islanders (2018-2022 American Community Survey). Homeownership and home equity remain key drivers to wealth and continue to remain the largest percentage of wealth for all households in the United States today. A recent study by Pew Research Center (*Wealth Surged in the Pandemic, but Debt endures for Poorer Black and Hispanic Families*, December 4, 2023) found that in December 2021, after the effects of the pandemic, average median household wealth stood at \$166,900, of which \$109,000 was homeowner equity; White households were found to have an average median wealth of \$250,400, of which \$146,000 was homeowner equity. The study also found that during the same period, Black and Hispanic households' median wealth was substantially lower than the national average. For the Black household, average median net worth was \$27,100, of which \$18,800 was homeowner equity. Hispanic households saw only slightly improved numbers with an average median net worth of \$48,700, of which \$30,400 was homeowner equity. These numbers reflect the average White household has a median net worth of over 9 times greater than its Black counterpart, and over 5 times greater than a Hispanic household. When looking at median homeowner equity, White household equity was over 12.5 times that of Black households and nearly 6 times that of Hispanic households. Although homeowner equity remains a clear driver of overall household wealth, racial

inequities remain, especially for those minority households attempting to build the American dream.



**Table 11 – Homeownership Rate by Race & Ethnicity**

**Actions planned to address obstacles to meeting underserved needs.**

In 2024, Lakewood will continue its efforts to stabilize existing homeowners through various rehabilitation programs and through the revitalization of neighborhoods by removal and remediation of blighted properties. Additional programs will support low- and moderate-income households struggling with housing affordability to ensure those households do not end up experiencing homelessness resulting from discriminatory practices, fires, building enforcement, redevelopment activities, and other lingering effects of the coronavirus pandemic. Fair housing counseling services will focus on ameliorating housing inequities often borne by minority and low-income households.

Efforts to support affordable rental and homeownership opportunities will continue in 2024 with LASA's development of 25-units of affordable rental housing and Habitat for Humanity's construction of eight new single-family homes in the Tillicum neighborhood. As housing and rental prices have continued to see significant increases over the recent five-year period, the need to maintain existing affordable housing, and the need to develop new, remain a priority for Lakewood.

Additional actions to address the needs of Lakewood's underserved population are addressed through the ongoing 1% allocation from the City's general fund; strategic priorities include emotional supports and youth programs, housing assistance and homelessness services, crisis stabilization and advocacy, access to health & behavioral health, and access to food. For 2024, the City has allocated \$425,150 in general fund dollars in support of these programs.

In March 2021, the City received \$13,766,236 in American Rescue Plan Act (ARPA) funding to aid in the recovery from the budgetary, public health, economic, and financial impacts of the COVID-19 pandemic. To date, the City allocated in excess of \$1.2 million for various youth programs, \$3 million in support of local food banks, in excess of \$4.1 million for housing and homelessness programs, \$1.9 million for public health and safety, nearly \$600,000 for workforce development, in excess of \$1.2 million for Lakewood park improvements, and \$1.8 million in administration and city hall upgrades.

### **Actions planned to foster and maintain affordable housing.**

Lakewood recognizes the importance affordable housing and homeownership play in building vibrant communities and the direct connection they afford low-income households in wealth-building opportunities. In 2024, the City continues its partnership with LASA and Habitat for Humanity in developing new affordable housing. Habitat is nearing completion of the construction of eight new single-family homes in the Tillicum neighborhood and LASA anticipates it will begin construction of 25-units of affordable rental housing in late-2024.

Support for existing affordable owner-occupied housing will continue through Major Home Repair and HOME Housing Rehabilitation, while single-family and multifamily housing development is supported and encouraged through Lakewood's HOME Affordable Housing Fund and zoning density bonuses offered to developers of affordable housing.

Additional efforts in support of housing stability come from an annual 0.0073% sales and use tax (SHB-1406) to be used to provide financing for the development and maintenance of affordable housing for households at or below 60% of area median

income. The fund has a current balance in excess of \$200,000 with additional revenue of approximately \$95,000 to be received annually to support affordable housing development and rental assistance programs.

Rental habitability and affordability remain a priority for the City. With approximately 56.4 percent of Lakewood's housing stock being rental, and 43 percent of Lakewood's housing stock constructed prior to 1960, the importance of maintaining these units as viable affordable housing options remains a top priority.

In 2017, the City began its Rental Housing Safety Program (RHSP) requiring all residential rental properties (apartments, single-family homes, duplexes, etc.) within the city limits be registered on an annual basis and maintain specific life and safety standards for those properties. Since substandard housing disproportionately affects the poor, minorities, working class families, seniors, the disabled, and persons who suffer from chronic illness, it is the aim of the RHSP to eliminate all substandard rental housing in Lakewood and improve the quality of life for all Lakewood residents. Since the program's inception, the City has inspected all rental properties and has seen substantial improvements in both the quality and condition of many of the City's substandard rental properties.

### **Actions planned to reduce lead-based paint hazards.**

Consistent with Title X of the Housing and Community Development Act of 1992, Lakewood provides information on lead-safe practices to owners of all properties receiving up to \$5,000 of federal assistance. If work on painted surfaces is involved in properties constructed prior to 1978, the presence of lead is assumed, and safe work practices are followed if testing is not conducted.

In addition to the above, homes with repairs in excess of \$5,000 in federally funded rehabilitation assistance are assessed for risk (completed by a certified Lead Based Paint firm) or are presumed to have lead. If surfaces to be disturbed are determined to contain lead, interim controls are exercised, occupants notified, and clearance testing performed by an EPA-certified firm. Properties constructed prior to 1978 and acquired with federal funds are inspected for hazards and acquired rental properties are inspected periodically.

With approximately 75% of Lakewood's 27,370 housing units being built prior to 1980, there exists the potential for some 20,000 housing units to contain lead-based paint hazards. To inform the community of the hazards of lead-based paint, the City offers copies of the EPA's "Protect Your Family from Lead in Your Home" and HUD's "Renovate Right" pamphlets at City Hall and provides copies of these pamphlets to all housing repair program applicants. As part of the City's single and multifamily housing programs, XRF paint inspections and Risk Assessments are conducted,

lead-safe work is conducted by Washington State certified RRP renovation contractors, abatement work is conducted by certified abatement contractors, and clearance testing of all disturbed surfaces is performed by certified Risk Assessors.

The City conducts lead paint inspections on all pre-1978 properties where persons are relocated to with the Emergency Assistance for Displaced Residents and where homeownership assistance is provided for existing housing. Risk assessments are to be conducted on all pre-1978 homes served by housing repair programs where painted surfaces are to be disturbed as part of the scope of repairs. When completed, all homes will be free of lead-based paint hazards.

### **Actions planned to reduce the number of poverty-level families.**

The goals in the Strategic Plan have the capacity to reduce the number of households living in poverty. The goals emphasize stable and affordable housing and services as a means to address poverty and high-quality infrastructure as a way to revitalize communities.

For instance, the goal to address housing instability among residents, including homelessness includes projects which address long-term housing stability through housing rehabilitation programs designed to address housing repairs and renovations vital to maintaining existing affordable housing stock. Housing improvements also provide for accessibility and energy efficiency improvements providing for safer and more economical housing. Funding used to acquire blighted properties and replace them with new homeownership opportunities revitalizes neighborhoods, increases the value of neighboring properties, and creates ownership avenues designed to build household wealth and move families from poverty.

The goal to address the limited supply of diverse rental and homeownership opportunities includes funding for the construction of new, safe and affordable housing units for low-income homebuyers. By subsidizing project development costs, the City is able to effectively decrease the share of total income a family commits for housing cost, allowing the household to use those extra funds to pay down short-term debt and pay for other necessities, such as transportation, healthcare, and food, or save for the future.

To address the need for accessible, culturally competent services, programs will focus on various systemic inequities being faced by many minority and low-income households. Funding in 2024 will provide for fair housing counseling services and landlord-tenant trainings to targeted communities. An additional \$100,000 in funding will be allocated in support of homelessness prevention through emergency



assistance payments to low- and moderate-income households, with a focus on the elderly, disabled, and minority populations, and through relocation assistance for households displaced through no fault of their own.

Additional effort to reduce the number of poverty-level families include funding through the 1% human services allocation which provides a broad spectrum of services including, supportive and emergency services, human services programs targeting basic human needs, homelessness intervention and prevention, fair housing assistance, crisis stabilization and advocacy, youth programs, access to health and behavioral services, access to food, and activities to increase self-sufficiency (e.g., workforce training, employment readiness, and education). For 2024, the City has allocated \$425,150 in general fund dollars in support of these programs.

### **Actions planned to develop institutional structure.**

Lakewood, Tacoma, and Pierce County have a long history of working closely together to coordinate funding activities and ensure funding strategies don't overlap or conflict. This is especially true today, as all three jurisdictions have been working towards regional coordination on anti-poverty strategies, affordable housing strategies, and homelessness initiatives. These initiatives aim to increase the supply of affordable housing (both rental and homeownership), lower the overall cost of housing for residents, create access to financial assistance and services, increase the earning potential of low-income households, reduce or eliminate the time a family is homeless, and create pathways to build wealth and assets. Funding allocations and recommendations for many local projects are reviewed and approved jointly.

Both Tacoma and Lakewood are represented on the Tacoma/Pierce County Affordable Housing Consortium to work on issues of affordable housing, including state-level policies and programs to increase resources and opportunities to address local housing needs. Tacoma and Lakewood participate in a multicounty planning system (Puget Sound Regional Council) that looks at regional growth and economic development, as well as equal access to opportunities. The City of Lakewood is also a founding member of the South Sound Housing Affordability Partners (SSHAP), a voluntary collaboration among 14 governments, whose goal is to provide a regional approach to preserve affordable, attainable, and accessible housing throughout Pierce County.

On a local level, Lakewood continues to coordinate federal funding opportunities and general fund expenditures through the Community Services Advisory Board (CSAB). The CSAB is tasked with policymaking and general funding recommendation authority as they relate to community development and human

services activities citywide. Board responsibilities include facilitating the cooperation and coordination of human services and Consolidated Plan activities, holding public hearings to receive input on community development and human service's needs, developing policy guidance and program evaluation criteria, and making funding recommendations.

With regard to the Tacoma-Lakewood HOME consortium and the allocation of HOME funds, the City of Tacoma has established the Tacoma Community Redevelopment Authority (TCRA), a public corporation organized and dedicated to the administration of federal grants and programs such as the Community Development Block Grant and HOME Investment Partnerships Program. The TCRA is responsible for administering the HOME Program, including the review of all housing programs for both Tacoma and Lakewood. The Board is staffed by ten Board members and is supported by City of Tacoma staff.

### **Actions planned to enhance coordination between public and private housing and social service agencies.**

The City is the convener of monthly human services Collaboration meetings. Collaboration partners include for-profit and nonprofit providers of housing, services, homeless programs, dv and family services, youth programs, food banks, and healthcare services.

City of Lakewood staff routinely coordinate with City of Tacoma, as part of the HOME Consortium, and participate in regional efforts coordinating planning efforts and service delivery. The Cities participate in the Tacoma/Lakewood/Pierce County Continuum of Care and are active in the Tacoma Pierce County Affordable Housing Consortium, the Economic Development Board for Tacoma-Pierce County, the Pierce County Human Services Coalition and other public entities and associations that set priorities for use of resources in the region, set goals, and measure progress in meeting those goals. Lakewood staff participate in monthly meetings with service providers and coordinate the development of plans and strategies.

Coordination with public and assisted housing providers along with governmental agencies for health, mental health, and other services focuses on economic development, transportation, public services, special needs, homelessness, and housing. As the need for affordable housing and services continues to increase, the Cities of Tacoma and Lakewood, Pierce County, and the Puget Sound Regional Council continue to collaborate on long-term priorities to leverage limited funding to meet the needs of the community. Current coordination includes partnership with the City, Pierce County, WA State, and the federal government, bringing together approximately \$11 million dollars in support of LASA's construction of 25-units of affordable rental housing in Lakewood's downtown core.

Additional coordination efforts with housing and social service agencies involve funding through the City's 1% human services allocation. This fund targets programs that provide low-income housing and homelessness assistance, crisis stabilization and advocacy, emotional supports & youth programs, access to health and behavioral services, and access to food. Through the City's annual allocation process, relationships have been maintained with providers of services such as, the Rescue Mission, Emergency Food Network, Community Healthcare, Rebuilding Hope, YWCA, Communities in Schools, Children's Therapy Center, Making a Difference Foundation, Linqvist Dental, Your Money Matters, LASA, Rebuilding Together South Sound, Asian Pacific Cultural Center, Oasis Youth Center, Multicultural Child and Family Hope Center, Nourish Pierce County, St. Leo's Food Connection, Pierce County AIDS Foundation, Pierce County Project Access, and Lakewood's Promise, offering programs to low- and moderate-income households throughout the County. Collaboration continues with both the Pierce County Housing Authority and the Tacoma Housing Authority on the expansion of safe, decent, affordable housing options for low-income citizens.

## **Discussion**

# Program Specific Requirements

## AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

### Introduction

#### Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	100,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>100,000</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

### Discussion

The City of Lakewood anticipates it will receive \$100,000 in CDBG program income and \$292,000 in NSP1 program income. Presently, the IDIS system allows a grantee to enter CDBG program income into the system; however, NSP program income is

not accounted for in the same manner. The program income amount entered in line 1 of AP-90 is therefore understated by \$292,000.

## **Attachments – SF-424 & Certifications**

*(To be attached upon submittal to HUD)*

# REQUEST FOR COUNCIL ACTION

<b>DATE ACTION IS REQUESTED:</b> April 15, 2024	<b>TITLE:</b> Public Hearing regarding Resolution 2024-06 acknowledging the operation of the nonuser statute – Grange Remy.	<b>TYPE OF ACTION:</b>  — ORDINANCE. — RESOLUTION — MOTION — OTHER
<b>PUBLIC HEARING:</b> April 15, 2024		
<b>REVIEW:</b> April 15, 2024	<b>ATTACHMENTS:</b> Resolution 2024-06, Exhibit A, Exhibit B, Aerial image.	

**SUBMITTED BY:** Paul A. Bucich, P.E., Public Works Engineering Director/City Engineer

**RECOMMENDATION:** This is the date set for a public hearing to consider a Resolution acknowledging the application of the non-user statute to property owned by Grange Properties LLC, located at 7517 Grange St. W. (subject property). It is the recommendation that City Council execute Resolution No. 2024-06.

**DISCUSSION:** In 1993, Pierce County Cause Number 93-2-02450-4, ordered title in the northerly portion of this alley be quieted as against any and all claims by Pierce County. Facts listed in the claim and order include that the property was platted in 1890 and that the alley was never opened or used by the public within 5 years of the plat being recorded.

Given its location adjacent to the above alley and parcels as were identified in the 1993 Judgment, as well as additional research on the non-user statute and the use of resolutions to acknowledge its application to properties, staff has concluded that the non-user statute is applicable to the subject property and that the City should acknowledge this in the form of a resolution, with public notice. Should the owner of the subject property bring an action against the City in Superior Court, it is likely that a court would determine that the non-user statute applies to the subject property and the City may be found liable for attorney’s fees and costs.

**ALTERNATIVE(S):** The Council may choose not to move forward with the Resolution.

**FISCAL IMPACT:** There is no fiscal impact to this action if passed. If not, an action may be brought against the City and the City may incur costs of that litigation.

Paul A. Bucich  
Prepared by

Paul A. Bucich  
Department Director



Acting City Manager

# REQUEST FOR COUNCIL ACTION

<b>DATE ACTION IS REQUESTED:</b> April 15, 2024	<b>TITLE:</b> LAKEWOOD DOWNTOWN TAX INCREMENT AREA ORDINANCE	<b>TYPE OF ACTION:</b> <input checked="" type="checkbox"/> ORDINANCE NO. 802 <input type="checkbox"/> RESOLUTION NO. <input type="checkbox"/> MOTION NO. <input type="checkbox"/> OTHER
<b>REVIEW:</b> April 8, 2024	<b>ATTACHMENT A:</b> Draft Ordinance; EXHIBIT B: Downtown TIF Project Analysis; EXHIBIT C: OST TIF Project Analysis Review	

**SUBMITTED BY:** Becky Newton, Economic Development Manager

**RECOMMENDATION:** Adopt the Tax Increment Finance Ordinance No. 802 as presented.

**DISCUSSION:** Washington State Legislature passed Bill 1189 authorizing TIF in 2021. TIF is a powerful economic development tool designed to fund public infrastructure in targeted areas to encourage private development and investment.

Considerable analysis has been prepared and reviewed by the state with outreach to affected taxing districts, and briefings for the public.

There is no impact to individual property owners.


A TIF strategy review was conducted on April 8, 2024 with Lakewood City Council.

Issuance of the TIF Ordinance does not obligate the City of Lakewood to issue debt.

The Ordinance will allow the City a total of up to \$15 Million in bond capacity for public park land acquisition and park amenities.

**ALTERNATIVE(S):** Adopt the Ordinance as presented; or, deny adoption of the Ordinance.

**FISCAL IMPACT:** No fiscal impact unless debt is issued.

Becky Newton Prepared by	 Acting City Manager Review
Jeff Rimack Department Director	



## ORDINANCE NO. 802

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 124 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" as amended by Chapter 354, Laws of 2023, 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**, 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 currently exists no TIA within the City and the TIA designated by this ordinance 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 West Pierce Fire & Rescue (Fired Protection District No. 3). It represents only 1% of the districts assessed value of \$18,489,641,063 (2023 assessment values for 2024 taxes).

**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 Chief Financial Officer 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 124 acres of land designated by Section 2 of this ordinance as the "Lakewood Downtown."

"Project Analysis" means the Lakewood Downtown Final Project Analysis dated December 13, 2023 and submitted to the Washington State Treasurer on December 27, 2023 for its review and comment.

"Treasurer's Review Letter" means the letter to the City from the Office of State Treasurer dated March 12, 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 124 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 designated by the ordinance (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 \$11,150,721,653 (2023 assessment values for 2024 taxes).

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 of land: \$2 million
- o Park Amenities \$13 million (including 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 passage 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 Finance Director, in consultation with the County Treasurer, will adopt accounting procedures sufficient to document the use of tax allocation revenues to reimburse debt service payments previously made from other revenues, consistent with the City's intention and expectation that its general obligation bonds issued to finance public improvement costs are to be payable entirely from tax allocation revenues (as permitted by the Act).

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 April 15, 2029, the date five years from the date of passage 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 passage 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 "General Risks", "Concerns with the Projects Analysis" 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 39.114.010(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 April 9, 2024, and April 11, 2024. Public notice was published at least two weeks prior to each public briefing in the Tacoma News Tribune, 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, Pierce County Library District, Sound Transit, and the Flood Control District.

Section 12. Publication of Notice and Delivery of Ordinance Designating Increment Area. On April 1, 2024, which is at least two weeks before the date of adoption of this ordinance, the City published in the Tacoma News Tribune, a legal newspaper of general circulation within the jurisdiction of the City, a notice concerning how information may be obtained regarding the Lakewood TIF project. Following the adoption of this ordinance, the City will deliver a certified copy of this passed 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 passed.

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 thirty (30) days following its publication as required by law.

PASSED by the City Council of the City of Lakewood, Washington this 15th day of April, 2024.

CITY OF LAKEWOOD

\_\_\_\_\_  
Jason Whalen, Mayor

Attest:

\_\_\_\_\_  
Briana Schumacher, City Clerk

Approved as to form:

\_\_\_\_\_  
Heidi Ann Wachter, City Attorney

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

The attached copy of Ordinance No. 802 (the "Ordinance") is a full, true and correct copy of the Ordinance duly passed at a regular meeting of the Lakewood City Council held on April 15, 2024 (the "Meeting"), as that Ordinance appears on the minute book of the City.

The Ordinance is in full force and effect.

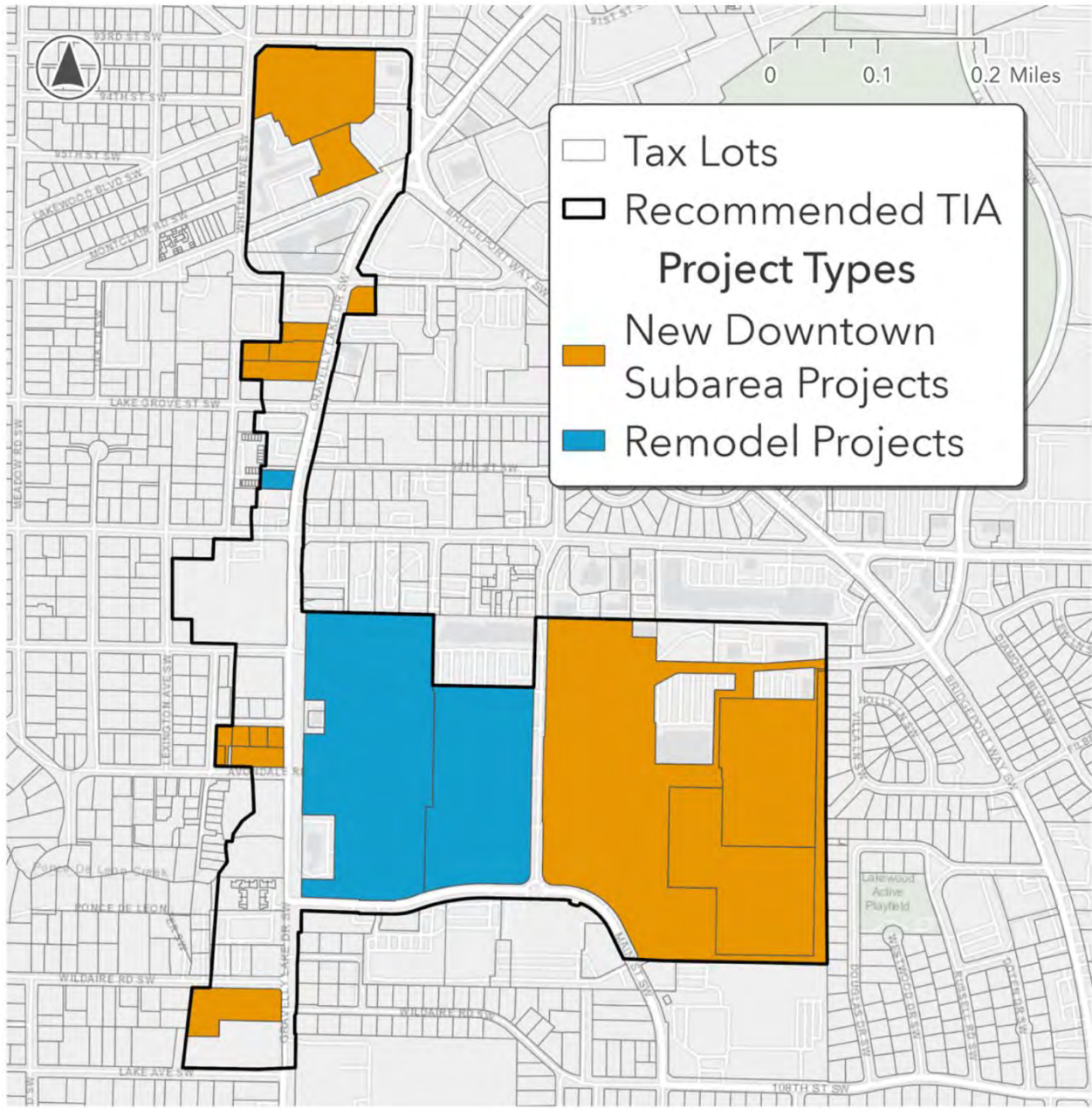
The Meeting was duly convened and held in all respects in accordance with law, the public was notified of the access options for remote attendance via the City's website, a quorum of the members of the Council was present throughout the meeting and a sufficient number of members of the Council present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

Dated: \_\_\_\_\_

\_\_\_\_\_

City Clerk

Exhibit A: Tax Increment Area (TIA)





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

0219021020	4002240090
0219021051	4002240110
0219021053	5030000273
0219021059	5030000280
0219022008	5030000300
0219022036	5030001881
0219022041	5030001930
0219022081	5030001940
0219022127	5030001950
0219022143	5030001960
0219022168	5030001970
0219022194	5030001983
0219022195	5030001990
0219022196	5030002011
0219022239	5030002670
0219022240	5030002682
0219022253	5030002683
0219022259	5030002684
0219022260	5030002991
0219022265	5030003002
0219023088	5140001010
0219026009	5140001040
4002240010	5140001070
4002240030	5140001191
4002240070	5140001201
4002240080	5140001252
5140001331	5231000100
5140001351	5231000110
5231000010	5231000120
5231000020	5231000130
5231000030	5231000140
5231000040	5231000150
5231000050	5231000160
5231000060	5231000170
5231000070	5231000180
5231000080	5231000190
5231000090	5231000200

# EXHIBIT 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 Bugar, 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 today's 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.

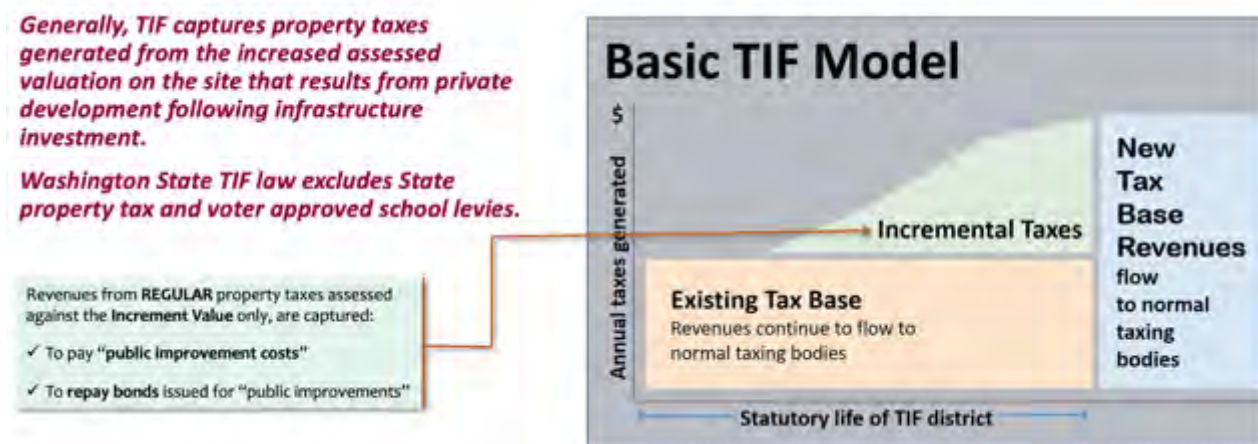
### Highlights

- \$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

### Statutory limits on TIF

- No more than two 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 is 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).

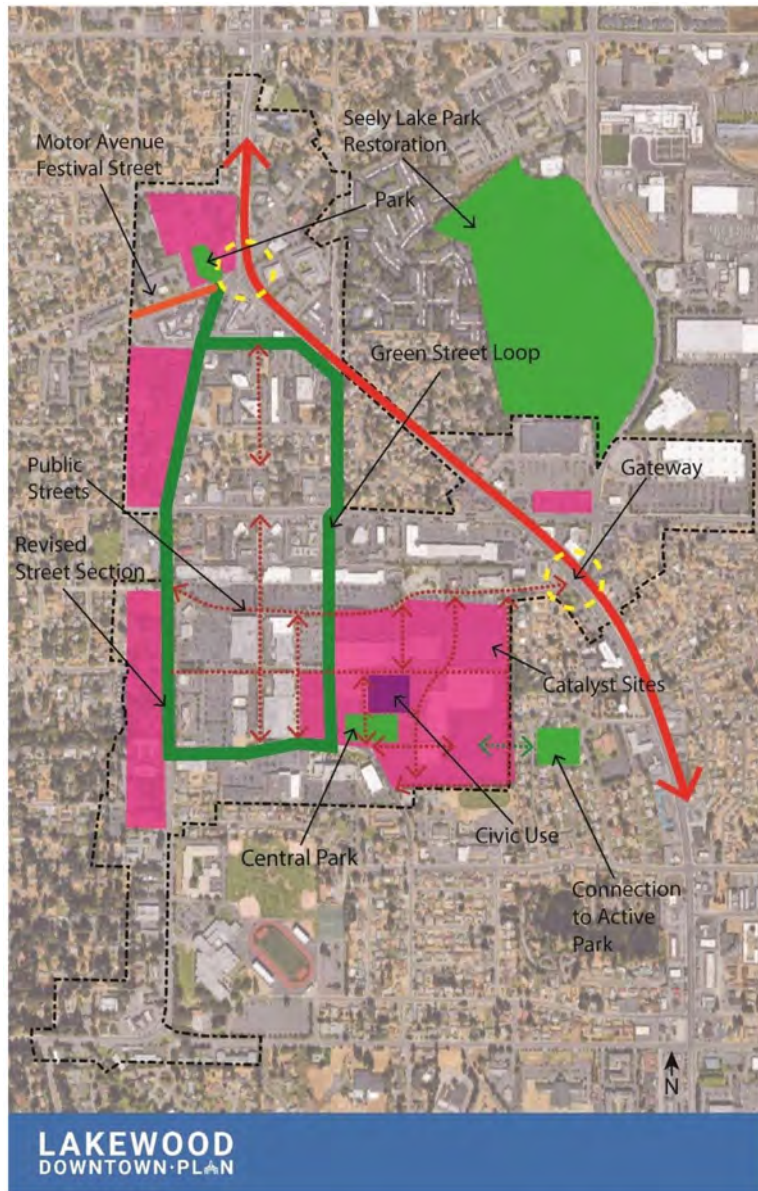
Colonial: This district includes colonial-style commercial buildings. It includes the historic Lakewood Theater, which has not operated for approximately 20 years.

Figure 2: Downtown



Source: City of Lakewood, 2023

Figure 3: Downtown Plan Vision



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

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

**The Plan’s Vision**

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

Source: City of Lakewood, 2023

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:

<b>Acquisition:</b>	<b>\$2 million</b>
<i>(an additional \$2 million will be dedicated through the City Opportunity Fund)</i>	
<b>Park Amenities*</b>	<b>\$13 million</b>
<b>Total (TIF)</b>	<b>\$15 million</b>

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

**Figure 4: Park Concepts**

### Park Concepts

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

Figure 44. Park Concepts for Downtown Lakewood



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

<b>AGGRESSIVE</b>						
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
<b>TOTAL</b>						<b>521,600,000</b>
* MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED						
** Includes 50 Town Homes						

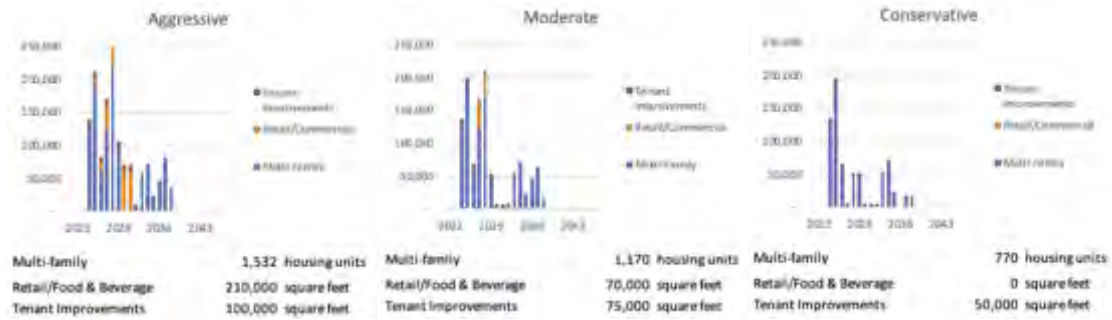
Source: Stowe Development & Strategies, 2023

Figure 5.1: Development Program Scenarios

<b>MODERATE</b>							
Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value	
<b>Alliance Residential *</b>	<b>Multi-family</b>	<b>420</b>	<b>\$ 300,000</b>	<b>2024</b>	<b>2</b>	<b>\$ 126,000,000</b>	✓
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	
<b>KITE Mixed Use</b>	<b>Multi-family **</b>	<b>250</b>	<b>\$ 300,000</b>	<b>2025</b>	<b>2</b>	<b>\$ 75,000,000</b>	✓
<b>KITE Mixed Use</b>	<b>Retail/Commercial</b>	<b>20,000</b>	<b>\$ 325</b>	<b>2025</b>	<b>2</b>	<b>\$ 6,500,000</b>	✓
<b>Senior Housing</b>	<b>Multi-family</b>	<b>150</b>	<b>\$ 300,000</b>	<b>2025</b>	<b>2</b>	<b>\$ 45,000,000</b>	✓
<b>Tenant Improvements ***</b>	<b>Retail/Commercial</b>	<b>75,000</b>	<b>\$ 100</b>	<b>2025</b>	<b>10</b>	<b>\$ 7,500,000</b>	✓
<b>TOTAL</b>						<b>260,000,000</b>	
* MULTI-FAMILY 8-Yr TAX EXEMPTION EXPECTED							
** Includes 50 Town Homes							
*** 3/4 OF TENANT IMPROVEMENTS OF AGGRESSIVE							
<b>CONSERVATIVE</b>							
Project Name	Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value	
<b>Alliance Residential *</b>	<b>Multi-family</b>	<b>420</b>	<b>\$ 300,000</b>	<b>2024</b>	<b>2</b>	<b>\$ 126,000,000</b>	✓
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	
<b>KITE Mixed Use</b>	<b>Multi-family**</b>	<b>250</b>	<b>\$ 300,000</b>	<b>2025</b>	<b>2</b>	<b>\$ 75,000,000</b>	✓
<b>KITE Mixed Use</b>	<b>Retail/Commercial</b>	<b>20,000</b>	<b>\$ 325</b>	<b>2025</b>	<b>2</b>	<b>\$ 6,500,000</b>	✓
Senior Housing	Multi-family	150	\$ 300,000	2025	2	\$ 45,000,000	
<b>Tenant Improvements ***</b>	<b>Retail/Commercial</b>	<b>50,000</b>	<b>\$ 100</b>	<b>2025</b>	<b>10</b>	<b>\$ 5,000,000</b>	✓
<b>TOTAL</b>						<b>\$ 212,500,000</b>	
* 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



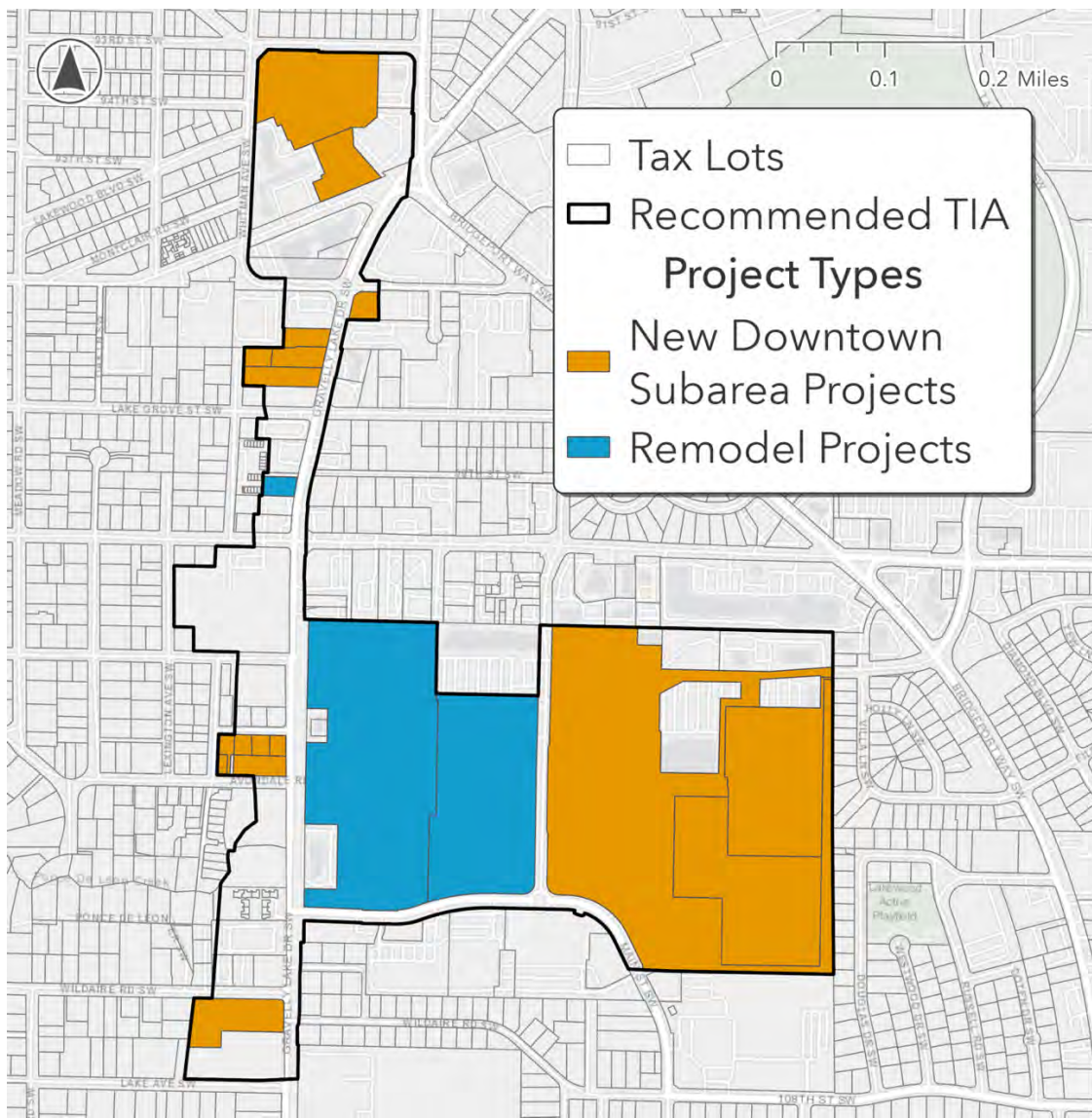
Source: ECONorthwest, 2023

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

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
<b>Total</b>	<b>\$23,370,000</b>	<b>\$47,316,000</b>

**Figure 10.1: TIA Allocation Revenues - Moderate Scenario**

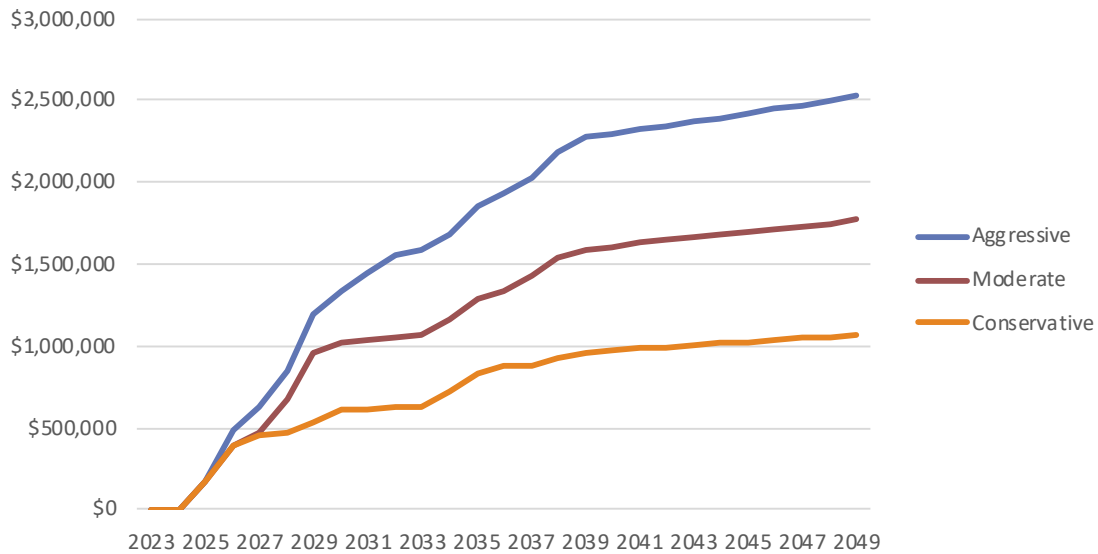
TIA Revenue Allocations		
	Present Value	Nominal Value
Lakewood	\$3,160,000	\$6,344,000
Pierce County	\$3,410,000	\$6,848,000
Port of Tacoma	\$590,000	\$1,190,000
Sound Transit	\$690,000	\$1,391,000
EMS	\$1,830,000	\$3,683,000
Fire District	\$5,490,000	\$11,042,000
Library	\$1,480,000	\$2,983,000
Flood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

**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
<b>Total</b>	<b>\$11,010,000</b>	<b>\$21,770,000</b>

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



# 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 \$164,289,641 million 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

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

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					Moderate					Conservative				
	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2024	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
2025	\$168,000	\$0	\$168,000	\$168,000		\$168,000	\$0	\$168,000	\$168,000		\$168,000	\$0	\$168,000	\$168,000	
2026	\$508,000	\$160,485	\$347,515	\$515,515	3.17	\$424,000	\$160,485	\$263,515	\$431,515	2.64	\$423,000	\$160,485	\$262,515	\$430,515	2.64
2027	\$683,000	\$160,485	\$522,515	\$1,038,030	4.26	\$513,000	\$160,485	\$352,515	\$784,030	3.20	\$511,000	\$160,485	\$350,515	\$781,030	3.18
2028	\$904,000	\$160,485	\$743,515	\$1,781,544	5.63	\$732,000	\$160,485	\$571,515	\$1,355,544	4.56	\$519,000	\$160,485	\$358,515	\$1,139,544	3.23
2029	\$1,263,000	\$1,203,639	\$59,361	\$1,840,906	1.05	\$1,019,000	\$1,203,639	-\$184,639	\$1,170,906	0.85	\$589,000	\$1,203,639	-\$614,639	\$524,906	0.49
2030	\$1,414,000	\$1,203,639	\$210,361	\$2,051,267	1.17	\$1,097,000	\$1,203,639	-\$106,639	\$1,064,267	0.91	\$662,000	\$1,203,639	-\$541,639	-\$16,733	0.55
2031	\$1,510,000	\$1,203,639	\$306,361	\$2,357,628	1.25	\$1,111,000	\$1,203,639	-\$92,639	\$971,628	0.92	\$671,000	\$1,203,639	-\$532,639	-\$549,372	0.56
2032	\$1,609,000	\$1,203,639	\$405,361	\$2,762,989	1.34	\$1,126,000	\$1,203,639	-\$77,639	\$893,989	0.94	\$680,000	\$1,203,639	-\$523,639	-\$1,073,011	0.56
2033	\$1,630,000	\$1,203,639	\$426,361	\$3,189,350	1.35	\$1,141,000	\$1,203,639	-\$62,639	\$831,350	0.95	\$689,000	\$1,203,639	-\$514,639	-\$1,587,650	0.57
2034	\$1,723,000	\$1,203,639	\$519,361	\$3,708,712	1.43	\$1,228,000	\$1,203,639	\$24,361	\$855,712	1.02	\$770,000	\$1,203,639	-\$433,639	-\$2,021,288	0.64
2035	\$1,883,000	\$1,203,639	\$679,361	\$4,388,073	1.56	\$1,351,000	\$1,203,639	\$147,361	\$1,003,073	1.12	\$888,000	\$1,203,639	-\$315,639	-\$2,336,927	0.74
2036	\$1,969,000	\$1,203,639	\$765,361	\$5,153,434	1.64	\$1,401,000	\$1,203,639	\$197,361	\$1,200,434	1.16	\$932,000	\$1,203,639	-\$271,639	-\$2,608,566	0.77
2037	\$2,061,000	\$1,203,639	\$857,361	\$6,010,795	1.71	\$1,487,000	\$1,203,639	\$283,361	\$1,483,795	1.24	\$942,000	\$1,203,639	-\$264,639	-\$2,870,205	0.78
2038	\$2,211,000	\$1,203,639	\$1,007,361	\$7,018,156	1.84	\$1,602,000	\$1,203,639	\$398,361	\$1,882,156	1.33	\$979,000	\$1,203,639	-\$224,639	-\$3,094,844	0.81
2039	\$2,291,000	\$1,203,639	\$1,087,361	\$8,105,518	1.90	\$1,646,000	\$1,203,639	\$442,361	\$2,324,518	1.37	\$1,017,000	\$1,203,639	-\$186,639	-\$3,281,482	0.84
2040	\$2,315,000	\$1,203,639	\$1,111,361	\$9,216,879	1.92	\$1,663,000	\$1,203,639	\$459,361	\$2,783,879	1.38	\$1,027,000	\$1,203,639	-\$176,639	-\$3,458,121	0.85
2041	\$2,340,000	\$1,203,639	\$1,136,361	\$10,353,240	1.94	\$1,680,000	\$1,203,639	\$476,361	\$3,260,240	1.40	\$1,038,000	\$1,203,639	-\$165,639	-\$3,623,760	0.86
2042	\$2,364,000	\$1,203,639	\$1,160,361	\$11,513,601	1.96	\$1,698,000	\$1,203,639	\$494,361	\$3,754,601	1.41	\$1,049,000	\$1,203,639	-\$154,639	-\$3,778,399	0.87
2043	\$2,389,000	\$1,203,639	\$1,185,361	\$12,698,962	1.98	\$1,716,000	\$1,203,639	\$512,361	\$4,266,962	1.43	\$1,060,000	\$1,203,639	-\$143,639	-\$3,922,038	0.88
2044	\$2,414,000	\$1,203,639	\$1,210,361	\$13,909,324	2.01	\$1,734,000	\$1,203,639	\$530,361	\$4,797,324	1.44	\$1,071,000	\$1,203,639	-\$132,639	-\$4,054,676	0.89
2045	\$2,439,000	\$1,203,639	\$1,235,361	\$15,144,685	2.03	\$1,752,000	\$1,203,639	\$548,361	\$5,345,685	1.46	\$1,082,000	\$1,203,639	-\$121,639	-\$4,176,315	0.90
2046	\$2,465,000	\$1,043,154	\$1,421,846	\$16,566,531	2.36	\$1,770,000	\$1,043,154	\$726,846	\$6,072,531	1.70	\$1,094,000	\$1,043,154	\$50,846	-\$4,125,469	1.05
2047	\$2,491,000	\$1,043,154	\$1,447,846	\$18,014,377	2.39	\$1,789,000	\$1,043,154	\$745,846	\$6,818,377	1.71	\$1,105,000	\$1,043,154	\$61,846	-\$4,063,623	1.06
2048	\$2,517,000	\$1,043,154	\$1,473,846	\$19,488,224	2.41	\$1,808,000	\$1,043,154	\$764,846	\$7,583,224	1.73	\$1,117,000	\$1,043,154	\$73,846	-\$3,989,776	1.07
2049	\$2,543,000	\$0	\$2,543,000	\$22,031,224		\$1,827,000	\$0	\$1,827,000	\$9,410,224		\$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

	<b>Baseline</b>	<b>Alt 1</b>	<b>Alt 2</b>
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**

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

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-going 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
<b>Total</b>	<b>\$17,580,000</b>	<b>\$9,700,000</b>	<b>\$4,020,000</b>

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

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	

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	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	\$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**

Year	Moderate					
	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: ECNorthwest 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 than 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**

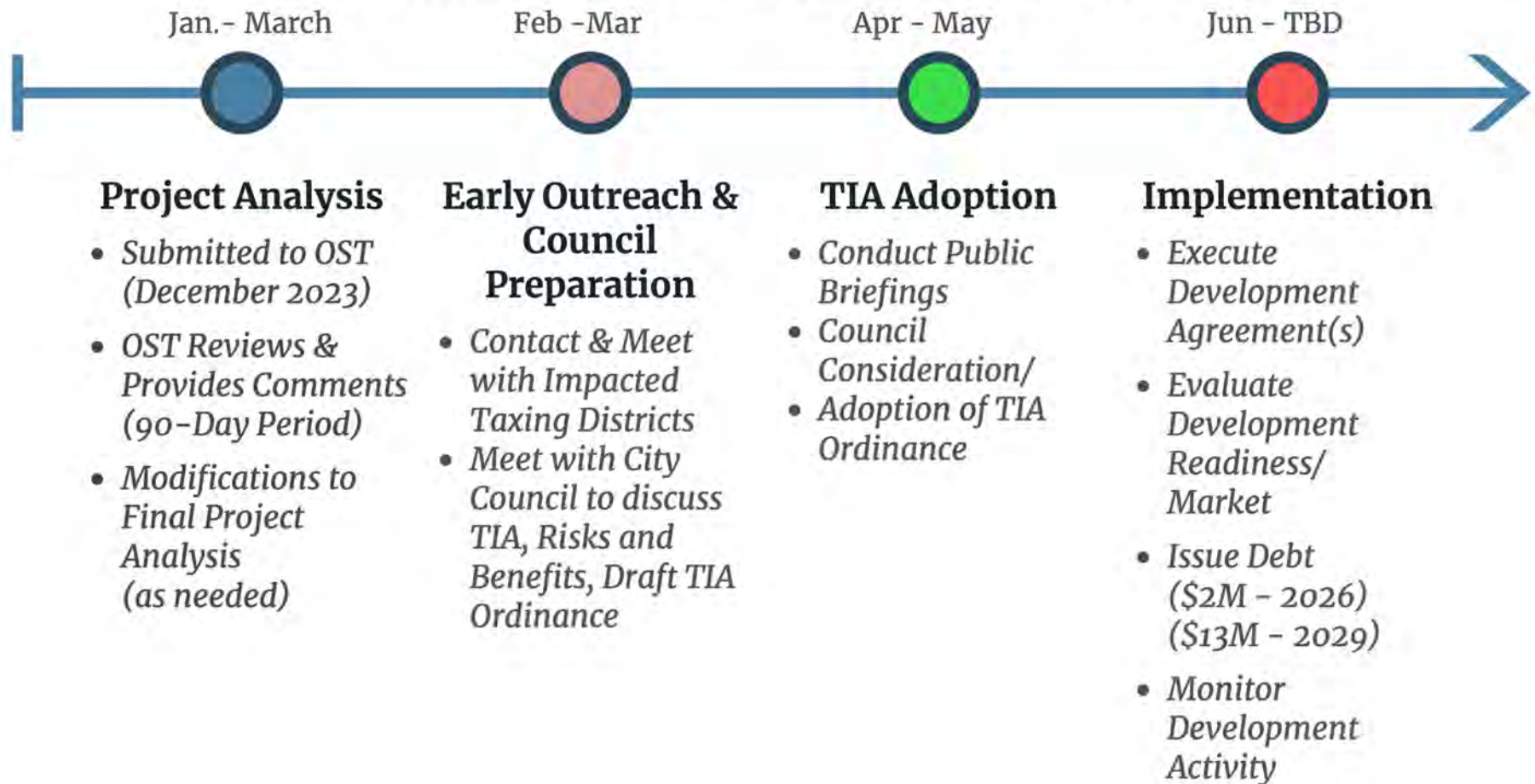
- Bob Stowe, Stowe Development & Strategies (TIF Project Manager)
- Morgan Shook, ECONorthwest

## **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



## 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.



# APPENDICES

- State Audit Report Summary
- Consultant Team Bios



# State Audit Report Summary



## Lakewood Debt Service Summary

	2018	2019	2020	2021	2022	2023
Lakewood - Funds Available for Debt Service	Total	Total	Total	Total	Total	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
<b>Operating Income (Loss)</b>	<b>3,005,158</b>	<b>3,767,619</b>	<b>7,586,108</b>	<b>11,663,556</b>	<b>596,950</b>	<b>(2,162,017)</b>
<b>Total Revenue Available for Debt Service</b>	<b>8,451,366</b>	<b>8,454,203</b>	<b>13,118,088</b>	<b>23,395,442</b>	<b>18,448,876</b>	<b>11,995,579</b>
<b>Debt Service (General Obligation)</b>						
GO Bond Debt Obligation (No TIF)	398,847	600,602	981,556	1,222,095	1,686,078	2,521,978
<b>Total Debt Service</b>	<b>398,847</b>	<b>600,602</b>	<b>981,556</b>	<b>1,222,095</b>	<b>1,686,078</b>	<b>2,521,978</b>
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
<b>Total Reserved</b>	<b>5,011,692</b>	<b>5,194,795</b>	<b>4,958,179</b>	<b>6,560,615</b>	<b>7,664,283</b>	<b>7,456,273</b>
<b>Ending Cash Available for Debt Service</b>	<b>4,897,928</b>	<b>5,715,083</b>	<b>11,495,270</b>	<b>19,454,363</b>	<b>15,261,265</b>	<b>3,898,217</b>

# Consultant Team Bios



## 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



*Prepared by:*



*In association with:*



# EXHIBIT C

## TAX INCREMENT FINANCING PROJECT ANALYSIS REVIEW

— CITY OF LAKEWOOD —

MARCH 12, 2024





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.

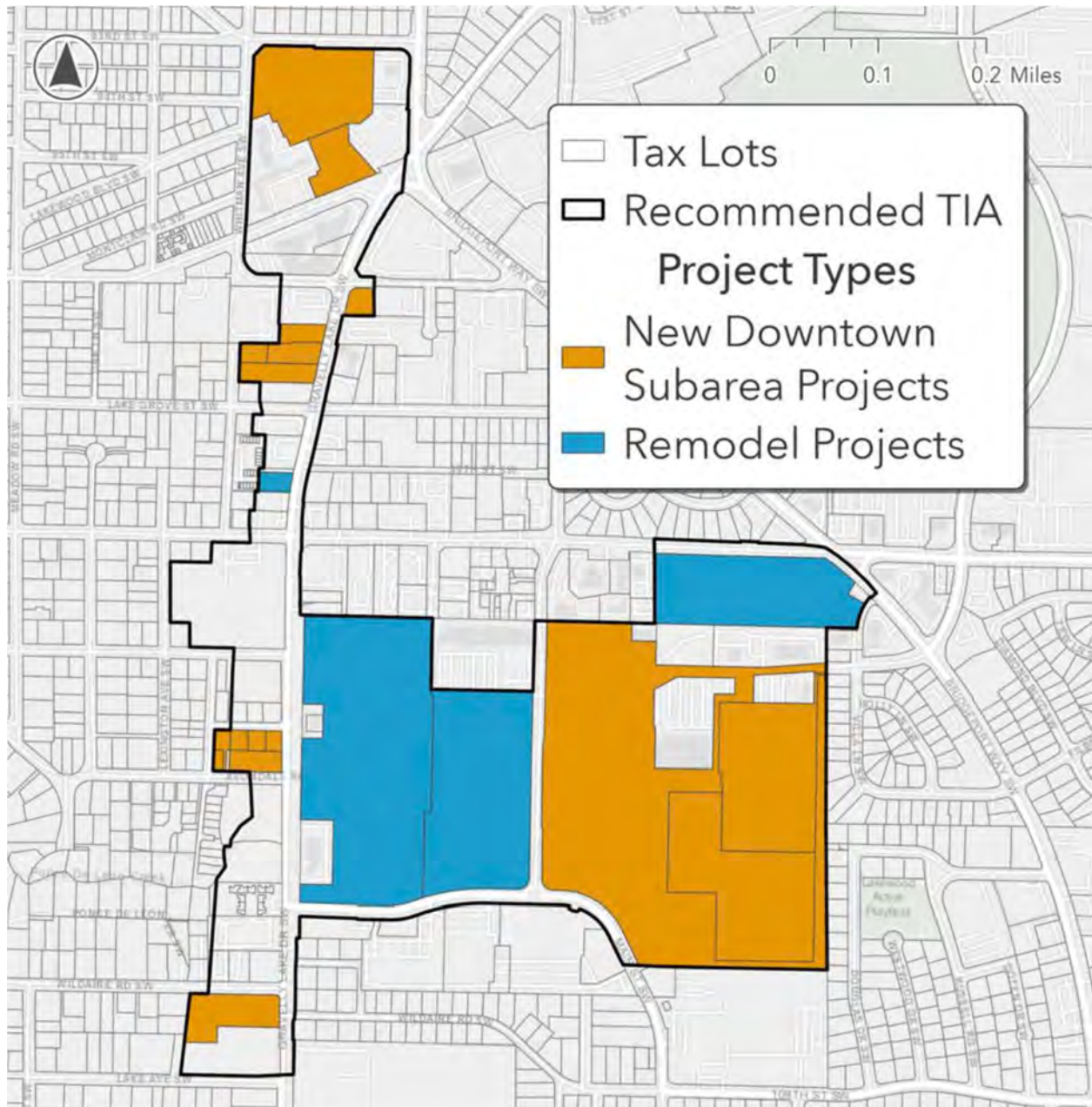
**Project Team**

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

**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.

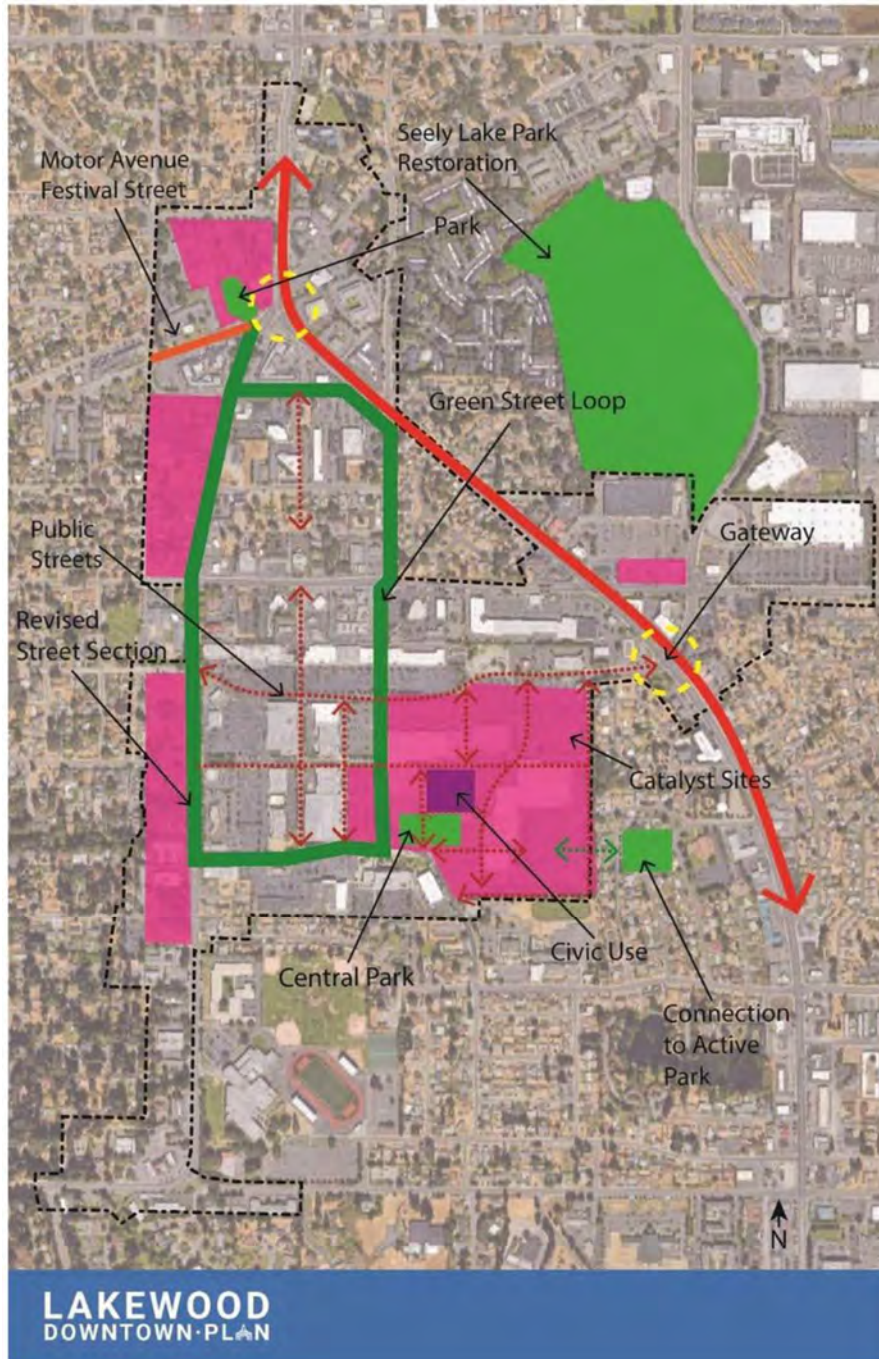
While the entire Downtown plan includes six different elements, the public improvements included as part of the TIA to facilitate the private developments are the **Central Park** project:

- **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
<b>Total</b>							<b>\$ 212,500,000</b>
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
<b>Total (including Conservative Scenario)</b>							<b>\$ 260,000,000</b>
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
<b>Total (including Conservative and Moderate Scenarios)</b>							<b>\$ 521,600,000</b>

\*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**

	<b>Issue 1</b>	<b>Issue 2</b>	<b>Total</b>
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 \$147,852,002 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
<b>Projected Remaining Non-Voted Capacity</b>	<b>132,852,002</b>
<b>Projected Remaining Non-Voted Capacity %</b>	<b>80.86%</b>

### 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	Aggressive 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 <sup>1</sup>	\$ 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

<sup>1</sup> 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<sup>th</sup> 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

# REQUEST FOR COUNCIL ACTION

<b>DATE ACTION IS REQUESTED:</b> April 15, 2024	<b>TITLE:</b> TITLE 3, REVENUE & FINANCE, CBD RESIDENTIAL TARGET AREA EXPANSION ORDINANCE.	<b>TYPE OF ACTION:</b> <input checked="" type="checkbox"/> ORDINANCE NO. 803 <input type="checkbox"/> RESOLUTION NO. <input type="checkbox"/> MOTION NO. <input type="checkbox"/> OTHER
<b>REVIEW:</b> March 25, 2024 and April 1, 2024	<b>ATTACHMENTS:</b> A: Ordinance Amending CBD RTA; B: Resolution 2024-02; Public Testimony	

**SUBMITTED BY:** Becky Newton, Economic Development Manager

**RECOMMENDATION:** Adopt the Ordinance to amend the CBD Residential Target Area.


**DISCUSSION:** City Council updated the Multifamily Tax Exemption (MFTE) program in 2023 to be in compliance with Chapter 84.14 RCW. At that time there was discussion around expanding the Central Business District (CBD) RTA which is an area that allows for the MFTE. City Council deferred expansion of the CBD to 2024 and asked that this be discussed by the Planning Commission Q1 2024.

Lakewood Planning Commission reviewed the CBD expansion proposal on February 7, 2024 and conducted an open public hearing February 21, continued through March 6, 2024. Resolution 2024-02 recommending expansion of the Central Business District (CBD) Residential Target Area (RTA) passed.

Lakewood City Council reviewed the Planning Commission Resolution on March 25th and conducted a public hearing on April 1, 2024. Several public comments were recorded.

**ALTERNATIVE(S):** Adopt the Ordinance as presented; Deny adoption of the Ordinance; Send the item back to the Planning Commission for further review.

**FISCAL IMPACT:** Property tax exemption if a project is granted the MFTE.

Becky Newton Prepared by	 Acting City Manager Review
_____ Department Director	

**ORDINANCE NO. 803**

**AN ORDINANCE AMENDING THE CITY OF LAKEWOOD MUNICIPAL CODE, TITLE 3, REVENUE & FINANCE, PROPERTY TAX EXEMPTIONS FOR MULTIFAMILY HOUSING, CHAPTER 3.64.030 RESIDENTIAL TARGET AREA DESIGNATION AND STANDARDS EXPANDING THE CENTRAL BUSINESS DISTRICT RESIDENTIAL TARGET AREA.**

WHEREAS, on March 16, 2015, the City Council adopted Resolution 2015-10 establishing residential target areas (RTAs) for its multifamily tax exemption (MFTE) program; and

WHEREAS, the Lakewood Planning Commission held an open public hearing on February 21, 2024 that was continued to March 6, 2024, regarding a proposed expansion to the 2021 Central Business District (CBD) RTA boundaries; and

WHEREAS, the Lakewood Planning Commission determined that the proposed CBD RTA boundaries expansion are consistent with the Growth Management Act and the provisions of the City's Comprehensive Plan; and

WHEREAS, the Lakewood Planning Commission found that the proposed CBD RTA boundaries expansion further the goals and policies of the Comprehensive Plan and promote the community's overall health, safety, and welfare; and

WHEREAS, on March 6, 2024 the Lakewood Planning Commission of the City of Lakewood recommended amendments to the City's Central Business District (CBD) Residential Target Area (RTA) as presented; and

WHEREAS, the City Council reviewed the Planning Commission Resolution on March 25th and conducted a public hearing on April 1, 2024.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON, DO ORDAIN as follows:

Section 1. Adoption of Amendments to the Lakewood Municipal Code, attached as Exhibit A.

Amendments to the City's Lakewood Municipal Code, Title 3, Revenue & Finance, Property Tax Exemptions for Multifamily Housing, Chapter 3.64.030, C. *Designated Residential Target Areas (RTAs)*.



Section 2. Severability. If any portion of this Ordinance or its application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances shall not be affected.

Section 3. Effective Date. That this Ordinance shall be in full force and effect thirty (30) days after publication of the Ordinance Summary.

PASSED by the City Council this 15<sup>th</sup> day of April, 2024.

CITY OF LAKEWOOD

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Jason Whalen, Mayor

Attest:

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Briana Schumacher, City Clerk

Approved as to form:

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Heidi Ann Wachter, City Attorney

## **EXHIBIT A**

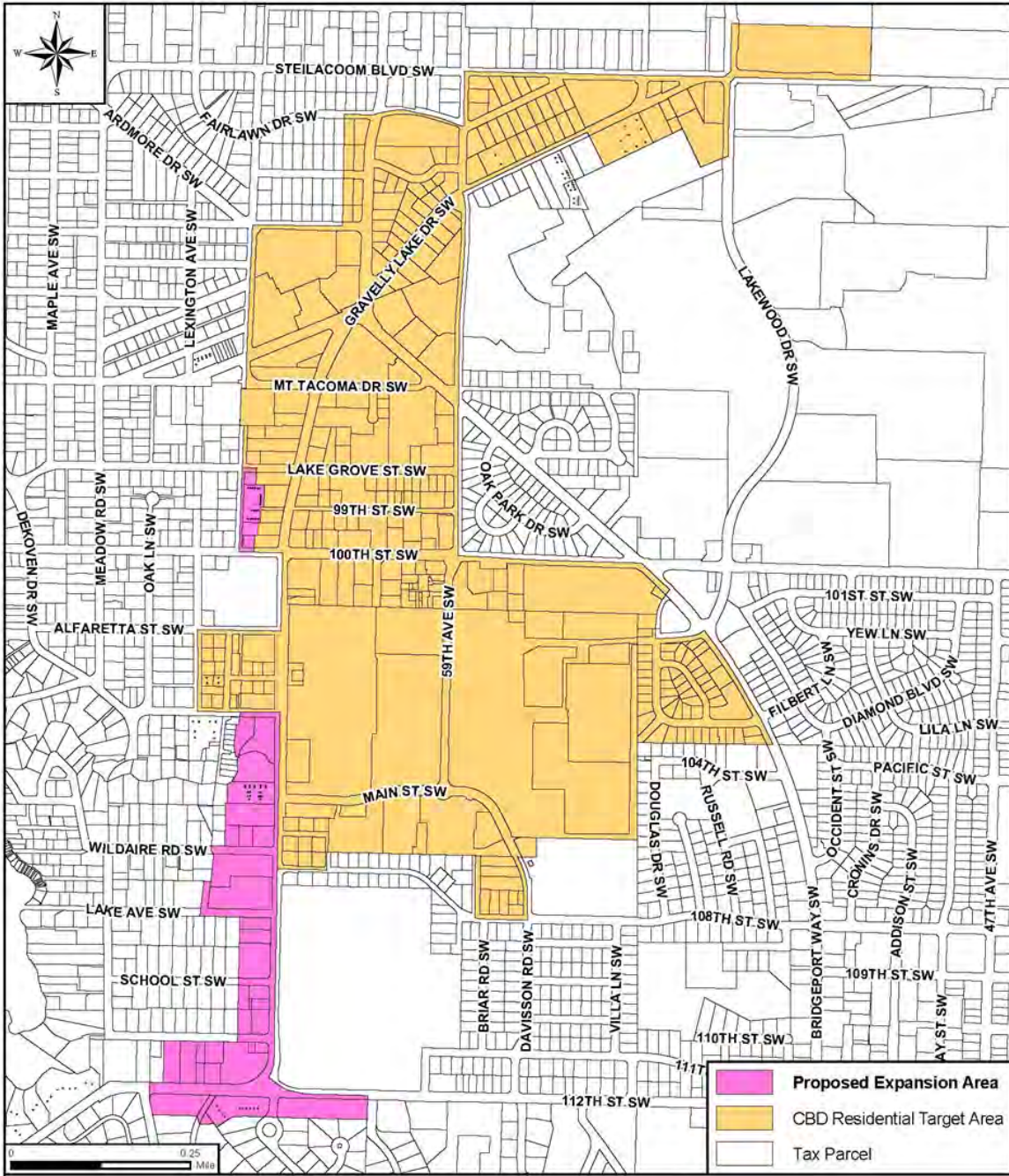
### **Chapter 3.64.030**

### **RESIDENTIAL TARGET AREA DESIGNATION AND STANDARDS**

#### *C. Designated Residential Target Areas (RTAs).*

1. The proposed boundaries of the “residential target areas” include the boundaries of the geographic areas listed below and as indicated in the comprehensive plan, which are incorporated herein by reference and on file in the City Clerk’s Office.

# Map 1: CBD Residential Target Area

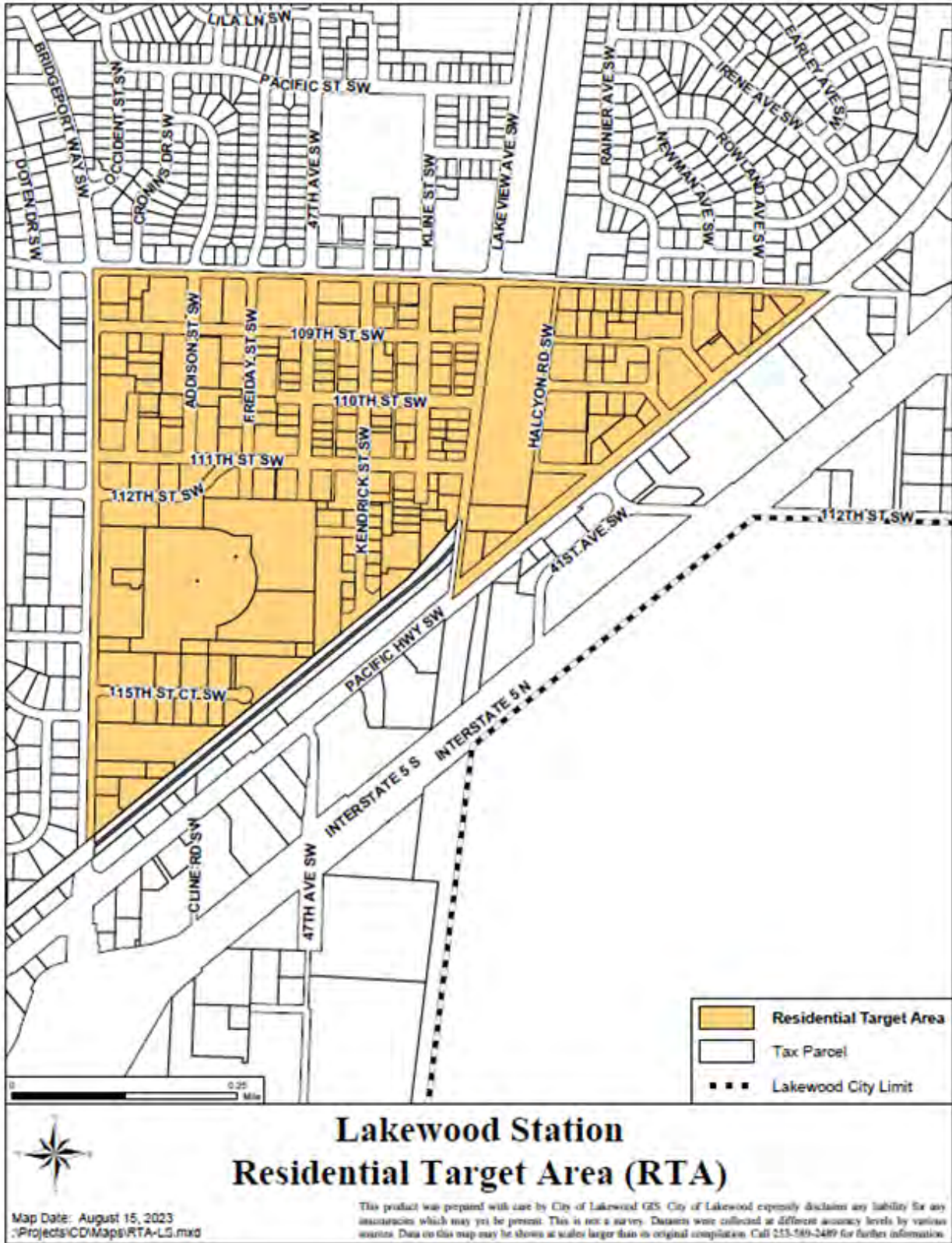


## Central Business District Residential Target Area (RTA) Proposed Expansion

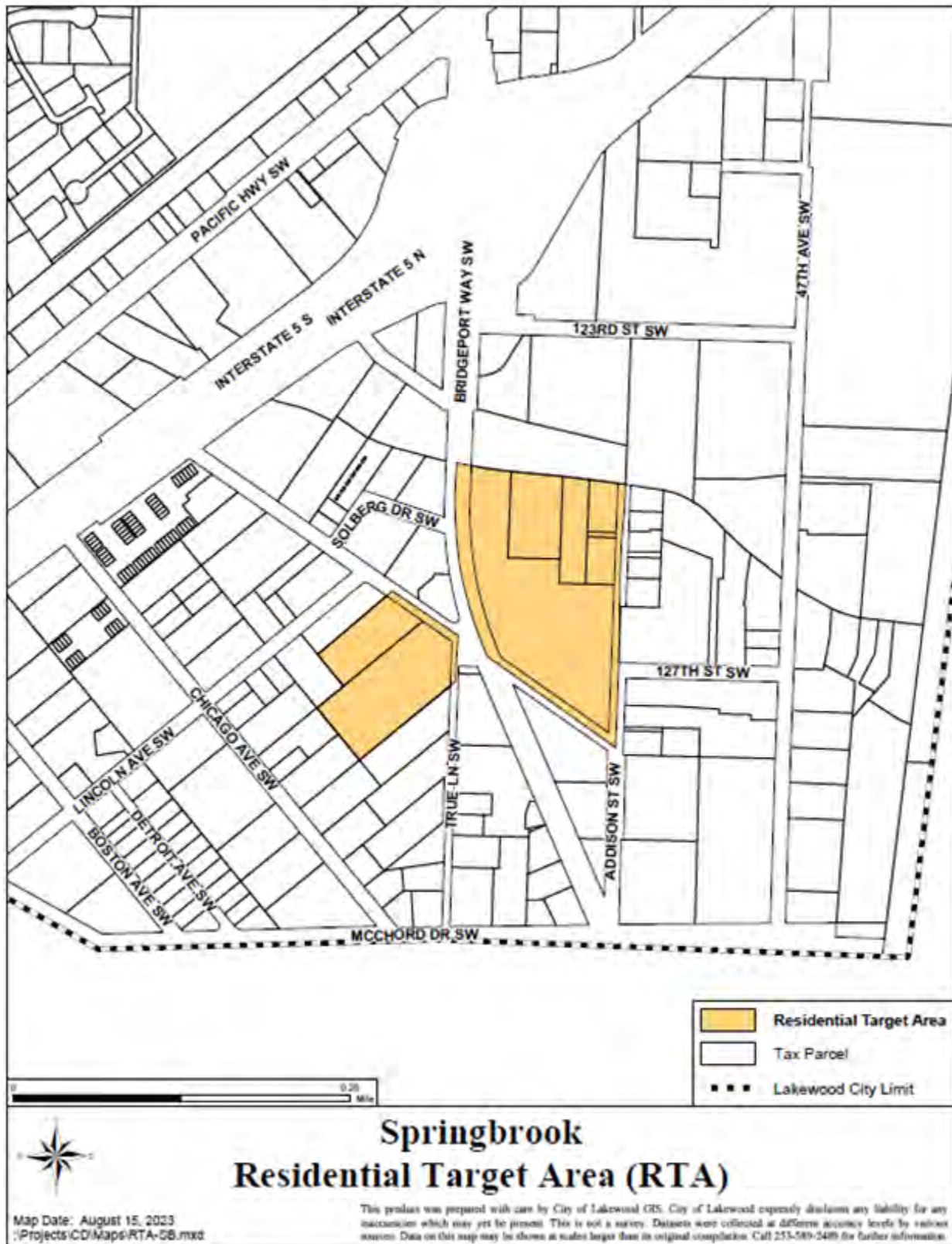
Map Date: November 08, 2023  
 :Projects\CD\Maps\RTA-CBD-PrExp.mxd

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

**Map 2: Lakewood Station District Target Area**



Map 3: Springbrook Target Area



ATTACHMENT B

**PLANNING COMMISSION RESOLUTION NO. 2024-02**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LAKEWOOD, WASHINGTON, CONCERNING THE PROPOSED EXPANSION OF THE CENTRAL BUSINESS DISTRICT RESIDENTIAL TARGET AREA BOUNDARIES AND FORWARDING ITS RECOMMENDATIONS TO THE LAKEWOOD CITY COUNCIL FOR CONSIDERATION AND ACTION.**

WHEREAS, the City of Lakewood is a code city planning under the Growth Management Act, codified in RCW 36.70A, and

WHEREAS, the City Council adopted its Comprehensive Plan via Ordinance No. 237 on July 10, 2000; and

WHEREAS, the Lakewood City Council adopted Title 18A, Land Use and Development Code, of the Lakewood Municipal Code (LMC) via Ordinance No. 264 on August 20, 2001; and

WHEREAS, on March 16, 2015, the City Council adopted Resolution 2015-10 establishing residential target areas (RTAs) for its multifamily tax exemption (MFTE) program; and

WHEREAS, the Lakewood Planning Commission held an open public hearing on February 21, 2024 that was continued to March 6, 2024, regarding a proposed expansion to the 2021 Central Business District (CBD) RTA boundaries; and

WHEREAS, the Lakewood Planning Commission determined that the proposed CBD RTA boundaries expansion are consistent with the Growth Management Act and the provisions of the City's Comprehensive Plan; and

WHEREAS, the Lakewood Planning Commission finds that the proposed CBD RTA boundaries expansion further the goals and policies of the Comprehensive Plan and promote the community's overall health, safety, and welfare; and

WHEREAS, on March 6, 2024, the Planning Commission completed review.

**NOW, THEREFORE, THE LAKEWOOD PLANNING COMMISSION OF THE CITY OF LAKEWOOD, WASHINGTON, DOES RECOMMEND AS FOLLOWS:**

**Section 1.** Amendments to the City's Central Business District (CBD) Residential Target Area (RTA) is included in full in Exhibit A, attached hereto.

**Section 2:** The Lakewood Planning Commission hereby directs staff to transmit its recommendations as contained herein to the Lakewood City Council in a timely manner.

**Section 3:** If any provisions of this Resolution or the amendments to the Development Regulations are found to be illegal, invalid or unenforceable, the remaining provisions of this Resolution shall remain in full force and effect.

PASSED AND ADOPTED at a regular meeting of the City of Lakewood Planning Commission this 6<sup>th</sup> day of March 2024, by the following vote:

AYES: 5 BOARDMEMBERS: Phillip Combs, Linn Larsen, Mark Herr, Philip Lindholm, Ellen Talbo

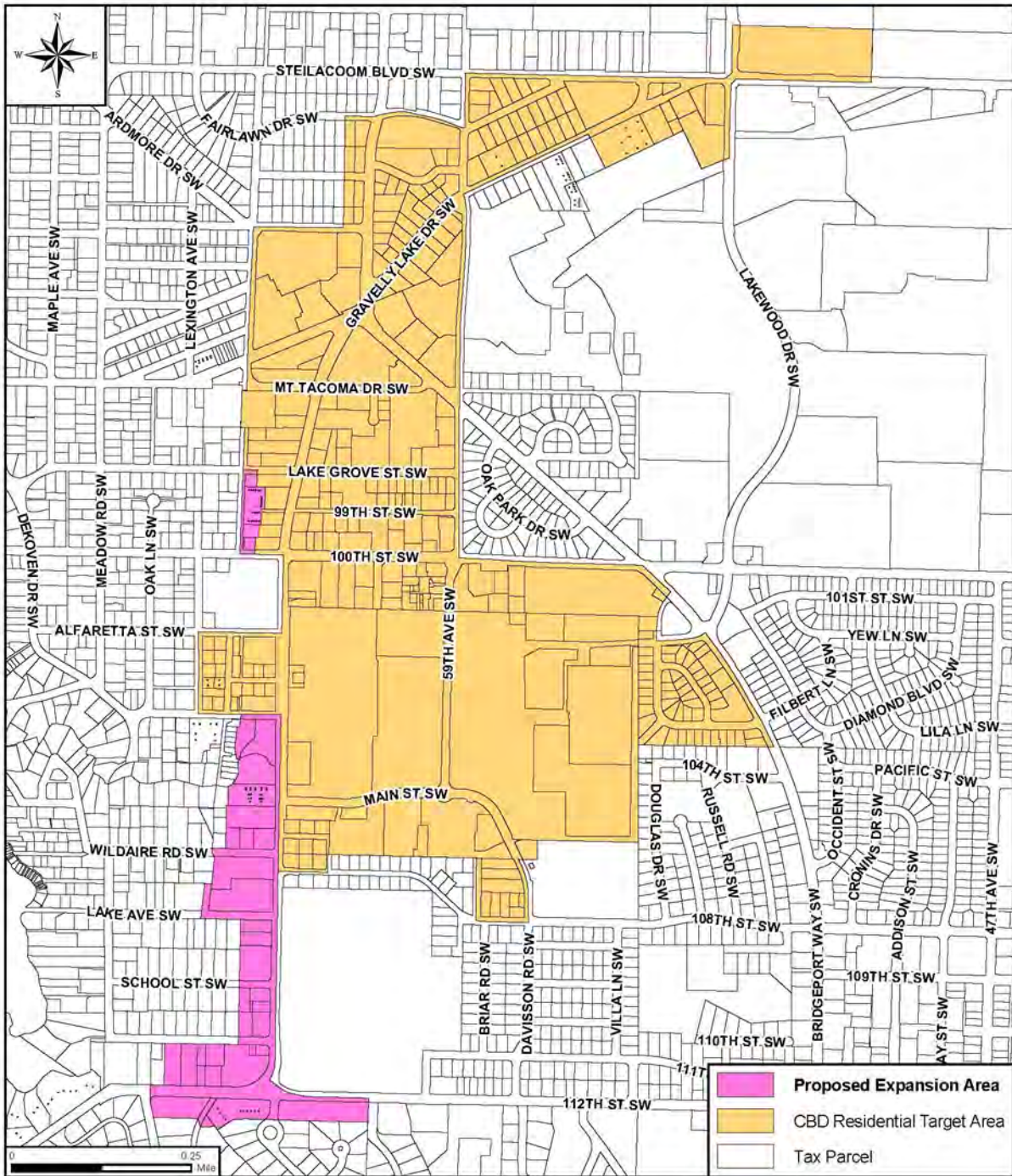
NOES: 2 BOARDMEMBERS: Robert Estrada, Sharon Wallace

*Robert Estrada* 14-Mar-2024  
Robert Estrada (Mar 14, 2024 16:33 PDT)  
ROBERT ESTRADA, CHAIR, PLANNING COMMISSION

ATTEST:  
  
*Karen Devereaux* 14-Mar-2024  
KAREN DEVEREAUX, SECRETARY

# EXHIBIT A

## Proposed Expansion of Central Business District Residential Target Area



## Central Business District Residential Target Area (RTA) Proposed Expansion

Map Date: November 08, 2023  
 \Projects\CDMaps\RTA-CBD-PrExp.mxd

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



April 1, 2024

To the Members of the Lakewood City Council:

This is a public comment for today's Public Hearing on a proposed Ordinance amending the Central Business District (CBD) Residential Target Area Boundary. Please make us a party of record and inform us of any future decisions, comment deadlines or public hearings related to this matter.

First, we would like to stress that we received no notice from the City of Lakewood about the proposed changes to the Residential Target Area Boundary, even though we live less than 100 feet away from the proposed new boundary.

We live a few hundred feet from the former Lakewood public library. Our home location is probably best described as being in what some may think of as downtown Lakewood.

It is clear to us that the City is determined to change the way of life for a large segment of Lakewood residents. It is also clear that the needs and preferences of the homeowners are largely disregarded.

Ours has been a stable residential neighborhood predominantly of single-family homes down through the decades. While it is highly likely that construction of multiple residence dwellings will be to meet the increasing demand for "affordable housing", it is obvious that these should be constructed in previously under-developed areas – best of all, in areas that can be redeveloped.

Gravelly Lake Drive is perhaps our most attractive thoroughfare, with many Garry oaks in the area across from Clover Park High School. It has the feel of a refined neighborhood. A further increase in vehicular traffic, which at times is already beginning to clog this main road, would be nerve-wracking in this neighborhood.

Please keep in mind that the scores of us who live in proximity to the pink areas on your rezoning plan to allow apartment buildings will be severely impacted by this poorly conceived plan. We remind you that our family pays a large property tax, and we feel our concerns and well-being are being ignored.

We have become deeply discouraged by the response of the City Council to various important issues in the past couple of years. We have very recently seen what results

when residents gather together and protest against ill-advised decisions. We are ignored.

True, the entire city is not affected by what happens near us, and we should not expect everyone to stand by our side. Nevertheless, some of these issues did impact the entire city: the prime example of this being the Lakewood Library, which closed with little real warning, for dubious reasons, with nothing having replaced it.

We've been treated by the City Council as though its Council members are against stability of the community and its time-honored institutions, against learning, and against preservation of noteworthy structures, community resources, and homeownership.

We sincerely hope that those suspicions are unwarranted. The site of the former public library is evidently now part of what looks like a land-grab to attract real estate developers.

We have perused the photos provided in today's agenda of the architecture of some multi-family buildings in Lakewood that received this proposed incentive. The impression is one of cheap-looking, aesthetically unappealing designs that are not likely to be a source of pride for Lakewood.

In Lakewood, the City administration's careless disregard for the special ambience of what had been for many years a charming setting in which to have a home has become profoundly disturbing. In fact, it has become so upsetting that some long-time residents have begun talking about moving elsewhere. Surely the City doesn't want to drive residents away?

We have lived in our home for more than forty years. We like living in Lakewood. We want and need this suburban community to retain a dignified ambience. We understand the need for additional affordable housing, but what is being proposed is going to create an atmosphere in which people will likely become increasingly less neighborly, more hurried, and indifferent to other people with whom we all must share this corner of our planet. It doesn't have to be that way.

Take for example the Royal Oaks complex (now renamed Timbre Apartments) at 8200 Bridgeport Way SW. While it may be aging, it is an example of an excellent idea of how an apartment community can be sited in a pleasant area, providing residents with a home-like setting among the Garry oaks. There is also the benefit for the surrounding nearby neighbors in the area which allows them to be undisturbed by the comings and goings of large numbers of people.

We ask that you reject this proposal to expand the Central Business District RTA along Gravelly Lake Drive and seek out instead other, more suitable locations, best of all – redevelopment opportunities of sites that have long sat vacant, on roads that will be capable of accommodating such a large increase in car and bus traffic. We also ask that you hold future developers to high standards in their designs, which should be durable and aesthetically pleasing, while respecting the native trees that may be present. This will help guarantee that Lakewood continues to be a pleasant place to live.

Sincerely,

Carlo and Judith Manetti, Lakewood



April 1, 2024

To: Lakewood City Council

To Whom It May Concern:

The following is a public comment submitted by the Garry Oak Coalition, a Washington State 501c3 non-profit based in Lakewood, for today's Public Hearing on a proposed Ordinance amending the Central Business District (CBD) Residential Target Area Boundary. Please make us a party of record and inform us of any future decisions, comment deadlines or public hearings related to this matter.

We oppose the expansion of the Residential Target Area Boundary to include the area of Gravelly Lake Drive from the Community Health Clinic to the former Key Antiques building because there is a large number of Garry oaks in this area that would be adversely impacted were it to be devoted to multi-family housing.

Sincerely,

Christina Manetti, Ph.D.  
President, Garry Oak Coalition (501c3)

**From:** [David Iverson](#)  
**To:** [Briana Schumacher](#)  
**Subject:** MFTE  
**Date:** Friday, March 29, 2024 10:12:17 AM

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**Use caution when following links or opening attachments as they could lead to malicious code or infected web sites. When in doubt, please contact the HelpDesk.**

- [helpdesk@cityoflakewood.us](mailto:helpdesk@cityoflakewood.us) ext. 4357

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According to the Washington state dept of commerce, "*over the next 20 years Washington State will need an additional 1.1 million new homes and more than half of them need to be affordable for residents at the lowest income levels.*" There is no doubt the MFTE program helps the City and State with this problem.

This visionary, targeted growth accomplishes many things.

1. Provides more housing. Lower and mid range income.
2. Helps stimulate redevelopment and growth in an area (the Central Business District) and follows the City's long term growth and development plans that it has presented
3. New housing will generate property tax dollars, create jobs and stimulate the local economy from additional resident spending and sales tax that is created. Allowing more money to flow into our economy and fund improvements in our City. Local, downtown businesses of all sizes will benefit and be able to sustain themselves with more potential customers. Allowing our City to attract and retain quality retailers.
4. Motivates reinvestment in our City and specifically areas already in need and that have been targeted as areas to increase housing.

This tax exemption is for improvements only(land property tax is still collected as usual), has to meet architectural guidelines that have higher standards than other multi family projects and it is only temporary with most exemptions lasting 8 years before sunseting..

Please follow the lead of the Planning Commission by supporting this change to the MFTE zone that aligns it with the CBD map overlay.

Thank you - Dave Iverson

**From:** [Kathryn Castleberry](#)  
**To:** [Briana Schumacher](#)  
**Subject:** MFTE Zoning  
**Date:** Thursday, March 28, 2024 2:07:22 PM

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*- helpdesk@cityoflakewood.us ext. 4357*

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Dear Lakewood City Council Members,

I am writing to urge you to consider and vote in favor of expanding the Multi-Family Tax Exemption (MFTE) zoning to align with the Central Business District overlay area in our community of Lakewood. As a resident deeply invested in the well-being and prosperity of our city, I know that this expansion is crucial for the continued growth and success of Lakewood.

Lakewood, a thriving and beautiful community, faces significant challenges due to a housing shortage. This shortage affects the quality of life for current residents and poses obstacles for local businesses. As our population grows, it is imperative that we have sufficient housing options to accommodate the needs of our residents.

Expanding the MFTE zoning to match the Central Business District overlay area will allow for the development of multi-family residential options. This expansion is not only necessary but beneficial.

First and foremost, expanding the zoning will address the pressing issue of housing affordability in Lakewood. By providing more housing options, particularly apartments, we can ensure that individuals and families of diverse socioeconomic backgrounds can afford to live in our city. This inclusivity is essential for fostering a vibrant community.

Furthermore, increased residential development in the Central Business District will support local businesses, both small and large. As businesses rely on a nearby customer base, having more residents living in close proximity to commercial areas will drive foot traffic and stimulate economic activity. Groceries, restaurants, gyms, specialty stores, and other establishments will benefit from more residents, leading to their sustained success, reinvestment, and growth.

Moreover, promoting housing growth in the Central Business District will help revitalize the area and prevent decline. In recent years, we have witnessed the departure of various businesses from the district, signaling a downward trend that

could have detrimental consequences for our community. By encouraging residential development, we can breathe new life into the district and create a vibrant urban environment that attracts both residents and visitors alike.

In addition to economic benefits, expanding the MFTE zoning will contribute to the social and financial health of Lakewood as a whole. A thriving community is built on the foundation of accessible housing, booming businesses, and strong social connections. By investing in housing growth, we are investing in the future of Lakewood and ensuring that it remains a desirable place to live, work, and raise a family.

In conclusion, I urge you to prioritize the expansion of the MFTE zoning to match the Central Business District overlay area. This decision is not only necessary for addressing our housing shortage but also essential for supporting local businesses and fostering the overall well-being of our community. I trust that you will carefully consider the benefits of this expansion and make the choice that will lead to the continued success and prosperity of Lakewood.

Thank you for your attention to this matter.

Sincerely,

Kathryn

--

**Kathryn L. Castleberry**  
M (808)333-0204  
[kathryn.l.weber@gmail.com](mailto:kathryn.l.weber@gmail.com)

From: [Tricia Parsons](#)  
To: [Council](#); [Briana Schumacher](#)  
Subject: RTA Proposed Expansion Comments  
Date: Wednesday, March 27, 2024 3:12:53 PM

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- [helpdesk@cityoflakewood.us](mailto:helpdesk@cityoflakewood.us) ext. 4357

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Hello Council Members, (+ Briana :-))

My name is Tricia Parsons, I was born in Lakewood and I am a current resident of Lakewood. This email is to share my thoughts on the Residential Target Area Proposed Expansion and to voice my concerns about it's expansion along Gravelly Lake Drive across from Clover Park High School.

I've been attending meetings frequently post covid and I'm deeply concerned about some of the decisions being made for our city.

**In short these issues can be quickly listed as:**

- Vacant buildings and vacant lots (areas where buildings once stood all over town that are now patches of pavement and weeds)
- The removal of hundreds of Garry Oaks that make our city unique and beautiful.
- The Edgewater park plan that will add another patch of pavement in our city and cause more issues to our natural habitat than good, not to mention another area for unsavory citizens to use drugs adding more work for our depleted police force
- Speaking of police, the fact that Lakewood is in the top 10 for crime in our state. How will adding more development help this issue?
- The density push in general but with no infrastructure to support it, we live in a one grocery store town (and that grocery store can feel scary at times), businesses do not seem to thrive here or want to be Lakewood located, but we want to build a ton of housing with no where for anyone to shop? University Place has three grocery stores within two minutes of each other.
- I'm concerned we have too heavily focused on Grants and keeping people busy rather than actually future-casting for what would make for a beautiful community for Lakewood citizens.

**Concerns specific to the RTA Expansion Proposal:**

- Gravelly lake is already a bottlenecked street most hours of the day, so the expansion would push traffic onto quiet, residential streets filled with children walking or on bicycles, families and elderly residents walking their dogs, and many nurses and other workers walking on their breaks. Not to mention the effects on the natural wildlife in the area which is a broad variety. The area east and north of the Town Center seems to be a much more reasonable spot for development and more appropriate for mixed-use purposes.
- Gravelly Lake Drive in the area proposed is the longest stretch of a tree lined street in our main city area, it makes a section of our city beautiful when a majority of it is a pavement wasteland (note the lack of trees on Bridgeport way), I know you're seeing



the same things I'm seeing when we drive down the road, it is depressing, and adding more apartments to this street and removing trees will add to that. Do we need to give people tax breaks so badly that it destroys the overall neighborhood feel of our city?

- I'm deeply concerned about the Tenzler Library and the Garry oaks on that property that have been home there for hundreds of years. The whole library issue is actually suspicious and I know folks are digging deeper into that subject. Why are we not rendering that building a historical property?

- I'm concerned about the old Key Antiques building for the same reason I'm concerned about the RTA running along the CPHS area of Gravelly Lake Drive. Where will all this extra traffic flow? Through residential streets. That area is ripe for an awesome retail spot or quaint restaurant, it's not suitable for a multi story apartment building. This area can not support the kind of expansion being sought. There are plenty of areas in our city that offer a better Infrastructure that are already in the existing plan. The areas off of Bridgeport Way and near the Lowes are great places to start, they are closer to amenities, have better traffic flow and offer easier access to public transportation, they are easier to develop, require a minimal amount of tree removal, and in many cases are already home to dilapidated eye sore homes or buildings. There are certainly lots north on Gravelly Lake drive near the Harborstone that would also be much better for this purpose.

I want to be more involved and I believe your citizens would be more involved if we had better access to information. How can public participation be improved in more of these big decisions? It feels like this information is being hidden in hundred+ page documents. Social Media for the city is used for fluff pieces and not actual issues where citizens want to be involved (Postings are going up more frequently, which is great, but the information is vague, how can this be more clearly communicated with imagery instead of buried in the text.) I want to believe that each and every one of you has our city's best interest at heart, but sometimes it feels like things are being hidden and it hints at undocumented deal making with folks who have a lot of city clout, even if that is not the intent. How can that be fixed and made more transparent?

To me it feels like the city is also being handcuffed by decisions in Olympia and thus not thinking creatively and with the future in mind about how we can handle these requirements. I think what we should be focusing on instead of this expansion area is how we improve Lakewood so retail/commercial businesses want to set up shop here, which will in turn make it more appealing for people to want to live close to these amenities and frequent them.

I fail to see how expansion into this area of Gravelly Lake Drive will help our city. Most of the people speaking out against this are honest, hardworking, reasonable people who just want good things for this city, their neighborhoods, and good things for future citizens. Expansion of the RTA on Gravelly Lake Drive is not one of them.

I will be reading a similar message on Monday night, and I want to thank you for taking the time to read this and for taking the time to truly evaluate what is right for your citizens. I love this city, I volunteer in this city, I support local clubs in this city, I support the schools in this city, and I spend 90% of my earnings in this city - as do my

closest friends, I want to grow old here and I want to see my family thrive here. I'm concerned these changes will push out your most caring citizens.

-Tricia Imholt Parsons

Law Office Of  
Wendy E. Zicht

Attorney/Mediator

2207 North 30<sup>th</sup> Street  
Tacoma, Washington 98403  
Phone: (253) 752-8880  
Facsimile: (253) 572-2625  
attyzicht@earthlink.net

March 30, 2024

Lakewood City Council  
6000 Main Street SW  
Lakewood, Washington 98499

***Re: Planning Commission Resolution No. 2024-02,***

Dear Council:

Below I express concerns regarding the Planning Commission's Resolution No. 2024-02, which proposes Amendments to the City's Central Business District Residential Target Area. I live on Brook Lane, not far from the intersection of Wildaire Road SW. I walk this neighborhood nearly every day, including Wildaire Road SW, School Street, Lake Avenue, and 112<sup>th</sup> street. These streets are included in your CBD Residential Target Area Map 1. As I address below, the Map does not include the salmon watershed which will be negatively affected.

**LACK OF NOTICE**

First, I did not receive notice of this proposal until I saw Mr. Walter Neary's letter about it in the Suburban Times on Tuesday. There were many comments to Mr. Neary's letter from area residents, none of whom received notice. The City of Lakewood should have provided meaningful notice to residents in the target area.

Additionally, I did not receive notice of the Planning Commissions' public hearing. It is my understanding that only two people showed up to comment, and these were developers. Consequently, I assume there was a general lack of notice of this hearing.

Please advise how to ensure that I receive notice of proposals that affect my property in the future.

Ms. Zicht  
Re: No. 2024-02  
March 30, 2024

## IMPACT ON THE FRAGILE SALMON WATERSHED AND OTHER WILDLIFE

Lakewood is aptly named. And, the proposed target expansion area is flanked by Ponce De Leon Creek, Lake Steilacoom, and Clover Creek, all part of the salmon watershed. Map1 fails to show these water courses.

Additionally, there is an expansive green canopy, which includes old Gerry Oaks, Cedar, and Fir. The water courses feed a variety of birds, including owls, bald eagles, osprey, heron, and cormorants. These depend upon the canopy for nesting and protection from predators. Bald eagles and osprey annually nest in old Fir trees near my property.

“Protecting existing habitat, restoration of lost habitat, and preservation of water conditions is crucial to salmon.” *Watershed Management for Salmon Recovery a Reference Guid*, [www.govlink.org](http://www.govlink.org).

The watersheds “support the economy, provide food for orcas and other wildlife, and are intricately linked to the health and well-being of the region. Their fate is determined by society’s decisions about how to accommodate an increase in human population and its use of land and water.” *State of Salmon Watersheds, 2022*, <https://stateofsalmon.wa.gov>.

Lake Steilacoom, a freshwater lake, drains into the Puget Sound through Chambers Creek. The lake is fed at its southeastern end by two creeks, Ponce de Leon Creek which originates in springs below what is now Lakewood Town Center as well as Clover Creek.

Ponce de Leon Creek “is located in the Chambers-Clover Creek watershed. It flows approximately 0.6 miles from Gravelly Lake Drive to Steilacoom Lake. Ponce de Leon Creek supports runs of Coho and Kokanee Salmon.” *Report of Pierce County Conservation District, 2019*.

According to the 2019 Report of Pierce County Conservation District, Ponce de Leon Creek failed to meet the dissolved oxygen state standard during half of the sampling times in 2018 and 2019. It also failed to meet low PH standards in November 2018 and August 2019. The Report explains the importance of various factors, which I excerpt below, with emphasis added.

“Temperature and dissolved oxygen are two very important water quality features, and their levels determine what can live in our streams. High water temperatures reduce the ability of water to hold oxygen and stresses plants and animals that live in the stream. Warm water temperatures can be caused by **lack of shading, erosion, stormwater runoff, and flow.**”

“Aquatic plants and animals are sensitive to high or low PH. Factors that affect PH levels include photosynthesis, respiration, decomposition, **stormwater runoff, and chemical spills.**”

“Nitrate is one form of nitrogen that can easily be used by plants and animals. The concentration and supply of nitrates in a stream depend on the surrounding land use.

Ms. Zicht  
Re: No. 2024-02  
March 30, 2024

*Sources of nitrates include human and animal waste, fertilizers, and storm water run off. Excessive amounts of nitrates stimulate increased plant and algae growth which leads to lower oxygen levels as they begin to die off.”*

*“Turbidity is a measure of a stream’s overall clarity. This generally varies throughout the year within any stream system, but large variations throughout a given year can be an indicator of **problems with runoff, erosion, deforestation, or human activity.** Clearwater is important for many types of aquatic animal and plants species throughout their lifespan and the hallmark of clear, cool water is especially important to **Andromous salmonoid species in the area.***

The City addressed this concern in the City of Lakewood Stormwater Management Action Plan: Receiving Water Conditions Assessment, March 2022. The Report states that Ponce de Leon Creek’s “desired use” is as a salmon habitat. The Report states that this “desired use” is not being met because dissolved oxygen and pH standards are consistently not met. The Report classifies Ponce de Leon Creek as impaired and states that it is a “water of concern” by the Department of Ecology. The report also cites the report from the Pierce County conservation district quoted above. Moreover, the Report notes that “Ponce de Leon Creek has also been included in several studies assessing the sources of phosphorus in Lake Steilacoom.”

To allow for development for multifamily units adjacent to Ponce de Leon Creek and its environs, which will include deforestation and increased human activity, is certainly incongruent with the “desired use” of this area as a salmon habitat. The sample pictures provided with the Maps confirm that multifamily home development usually involves deforestation in favor of concrete.

#### **ASSUMPTION THAT PEOPLE OF LOW INCOME PREFER APARTMENT OR TOWN HOME LIVING TO A SINGLE-FAMILY HOME**

If older homes in need of “TLC” are bought up by developers and turned into multifamily dwellings, it will remove the single-family home option to those who cannot afford the “high end” homes in this area. The proposed expansion area contains mostly older homes, many of them single story homes occupied by retired residents. Brook Court (not shown on your map but part of your target area), runs adjacent to Ponce De Leon Creek and contains older homes, several needing renovation and several that have been renovated or restored to beauty after being sold. There are million-dollar homes in this neighborhood next to homes that would be an affordable starter for a first time home buyer.

I moved from Tacoma’s North End to Lakewood in 2004, selling my 650 square foot home on a busy street and moving into a 2300 square foot home on a fairly quiet street, with a large private yard. Renovations have occurred over the years, but I could not have afforded such a home in Tacoma. It is still the case that home buyers are more likely to be able to afford a home in Lakewood than in Tacoma.

Ms. Zicht  
Re: No. 2024-02  
March 30, 2024

Lakewood already has a reputation for having extremes—the wealthy in the Gravelly Lake area and the struggling in Tillicum. Do not take away the lower valued single-family homes in this desirable neighborhood, further magnifying the gap between the “haves” and the “have nots.”

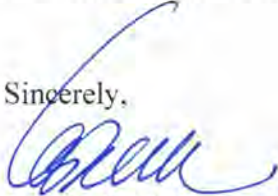
### **SAFETY CONCERNS DUE TO INCREASED TRAFFIC**

Brook Lane, Wildare Road SW, Lake Avenue, School Street, and other adjacent roads provide quiet and safe routes for walking, without sidewalks. On hot days, the trees provide shade and cool breezes. The two rambling creeks provide peaceful background noise. A variety of birds provide distraction for birders. I believe it is because of these features that various organizations use our neighborhood for charitable runs/walks. Clover Park High School Students jog our streets.

I have met many of the long-time residents through my daily walks. We look out for one another, stop for quick chats, pet each other’s dogs, etc. I usually do not have to worry about speeding traffic, like I did in the North End of Tacoma. I am thankful for this beautiful neighborhood full of older homes nestled in nature. I enjoy sharing it with my friends from Tacoma who had a mistaken belief that Lakewood is full of gang crime, transients, drugs, overcrowding and dilapidated buildings.

Thank you for your consideration.

Sincerely,



Wendy E. Zicht

**From:** [Tiffany Speir](#)  
**To:** [Becky Newton](#)  
**Cc:** [Jeff Gumm](#); [Briana Schumacher](#)  
**Subject:** FW: CDBG & Home Funding Action Plan and proposed incentives for housing development on Gravelly Lake Drive  
**Date:** Sunday, April 7, 2024 3:31:10 PM

---

I believe these comments are related to the proposed RTA expansion for the downtown

---

Tiffany Speir, Esq., CPM®  
Long Range & Strategic Planning Manager  
253.983.7702 | [tspeir@cityoflakewood.us](mailto:tspeir@cityoflakewood.us)

*Please be advised: All e-mail correspondence sent to and from this e-mail address is subject to the State of Washington's Public Records Act (Chapter 42.56 RCW).*

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**From:** Jeff Gumm <[JGumm@cityoflakewood.us](mailto:JGumm@cityoflakewood.us)>  
**Sent:** Sunday, April 7, 2024 1:36 PM  
**To:** Tiffany Speir <[tspeir@cityoflakewood.us](mailto:tspeir@cityoflakewood.us)>  
**Subject:** FW: CDBG & Home Funding Action Plan and proposed incentives for housing development on Gravelly Lake Drive

Follow up. Not sure if she has me confused with someone else.

---

**From:** Donna Parker <[dmparker255@outlook.com](mailto:dmparker255@outlook.com)>  
**Sent:** Sunday, April 7, 2024 12:49 PM  
**To:** Jeff Gumm <[JGumm@cityoflakewood.us](mailto:JGumm@cityoflakewood.us)>  
**Subject:** Re: CDBG & Home Funding Action Plan and proposed incentives for housing development on Gravelly Lake Drive

**This email originated outside the City of Lakewood.**  
Use caution when following links or opening attachments as they could lead to malicious code or infected web sites. When in doubt, please contact the HelpDesk.  
*- [helpdesk@cityoflakewood.us](mailto:helpdesk@cityoflakewood.us) ext. 4357*

Thank you, Mr. Gumm.

My husband and I realize you are voting on providing an incentive for development in the proposed area rather than a zoning change. To be clear, we oppose the incentive because encouragement of further density on Gravelly on the stretch between 112<sup>th</sup> and Nyanza would be a disaster for the reasons cited in our original comments; there was not appropriate notification to neighbors, traffic density will be dangerous and multi-dwelling housing would profoundly impact our quiet, single-family home neighborhood. Additionally, it would likely have a negative impact on Clover Creek, something that needs all the protection we can muster.

Finally, I do not know why my earlier comments were flagged as coming outside Lakewood, but I assure you we are here watching the ducks in Clover Creek. I did note I had mistakenly typed in the wrong zipcode. Hit eights instead of nines in my rush to communicate. I apologize for the sloppiness.

Sincerely,  
Donna Parker

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**From:** Jeff Gumm <[JGumm@cityoflakewood.us](mailto:JGumm@cityoflakewood.us)>  
**Sent:** Monday, April 1, 2024 11:18 AM  
**To:** Donna Parker <[dmparker255@outlook.com](mailto:dmparker255@outlook.com)>  
**Subject:** Re: CDBG & Home Funding Action Plan and proposed incentives for housing development on Gravely Lake Drive

Thank you for your comments. I will include your comments as Council considers approval of the 2024 Annual Action Plan for CDBG and HOME funding.

---

**From:** Donna Parker <[dmparker255@outlook.com](mailto:dmparker255@outlook.com)>  
**Sent:** Saturday, March 30, 2024 12:02 PM  
**To:** Jeff Gumm  
**Subject:** CDBG & Home Funding Action Plan and proposed incentives for housing development on Gravely Lake Drive

**This email originated outside the City of Lakewood.**  
Use caution when following links or opening attachments as they could lead to malicious code or infected web sites. When in doubt, please contact the HelpDesk.  
*- [helpdesk@cityoflakewood.us](mailto:helpdesk@cityoflakewood.us) ext. 4357*

Dear Mr. Gumm and City Council Members,

I support efforts to expand affordable and higher density housing options in Lakewood. However, planning should include dedicated efforts to inform and seek comment from affected neighboring residents. Such expanded housing efforts should focus on areas of compatible density and pay close attention to impacts on traffic. The proposal to increase higher density housing along Gravely Lake Drive from Nyanza Rd SW to 112<sup>th</sup> St SW fails on both counts. I urge the City Council to reject this proposal and others that compromise traffic safety and the character of current residential neighborhoods.



First, I would like to express my disappointment that our family was never informed of this proposal which surrounds our neighborhood. We live on Clover Crest Dr. SW. The action proposes to increase high density housing on both sides of the entrance to Clover Crest Drive SW and across the street. We heard about it based on a Letter to the Editor of the Suburban Times. This is the sort of action that requires dedicated efforts to reach out to residents of affected neighborhoods.

Secondly, our neighborhood is an old neighborhood of single family homes largely built on half acre plots. It's quiet. That's why we live here. High density housing would compromise our reason for living here.

Finally, while our street is quiet, the traffic on Gravelly Lake Drive is congested and, sometimes, unsafe for pedestrians, especially between Nyanza which funnels many cars onto Gravelly Lake Drive, and 112<sup>th</sup> which does the same thing. At certain times of the day, it is difficult to pull into traffic with a car. High density housing will increase the traffic dramatically. It may also endanger the safety of children living in the proposed apartment and condo complexes.

We support your efforts to increase affordable housing but oppose efforts that do not include sufficient notification to affected neighbors, dramatically change the character of existing neighborhoods, and compromise traffic safety.

Sincerely,

Donna Parker

11537 Clover Crest Dr. SW

Lakewood, WA 98488

# REQUEST FOR COUNCIL ACTION

<b>DATE ACTION IS REQUESTED:</b> April 15, 2024	<b>TITLE:</b> Resolution 2024-06 acknowledging the operation of the nonuser statute – Grange Remy.	<b>TYPE OF ACTION:</b> ___ ORDINANCE. <u>  X  </u> RESOLUTION 2024-06 ___ MOTION ___ OTHER
<b>PUBLIC HEARING:</b> April 15, 2024	<b>ATTACHMENTS:</b> Resolution 2024-06, Exhibit A, Exhibit B, Aerial image.	
<b>REVIEW:</b> April 15, 2024		

**SUBMITTED BY:** Paul A. Bucich, P.E., Public Works Engineering Director/City Engineer

**RECOMMENDATION:** Tonight, the City Council will consider a Resolution acknowledging the application of the non-user statute to property owned by Grange Properties LLC, located at 7517 Grange St. W. (subject property). It is the recommendation that City Council execute Resolution No. 2024-06.

**DISCUSSION:** In 1993, Pierce County Cause Number 93-2-02450-4, ordered title in the northerly portion of this alley be quieted as against any and all claims by Pierce County. Facts listed in the claim and order include that the property was platted in 1890 and that the alley was never opened or used by the public within 5 years of the plat being recorded.

Given its location adjacent to the above alley and parcels as were identified in the 1993 Judgment, as well as additional research on the non-user statute and the use of resolutions to acknowledge its application to properties, staff has concluded that the non-user statute is applicable to the subject property and that the City should acknowledge this in the form of a resolution, with public notice. Should the owner of the subject property bring an action against the City in Superior Court, it is likely that a court would determine that the non-user statute applies to the subject property and the City may be found liable for attorney’s fees and costs.

**ALTERNATIVE(S):** The Council may choose to not move forward with the Resolution.

**FISCAL IMPACT:** There is no fiscal impact to this action if passed. If not, an action may be brought against the City and the City may incur costs of that litigation.

Paul A. Bucich _____ Prepared by  Paul A. Bucich _____ Department Director	 _____ Acting City Manager
--	--

## RESOLUTION NO. 2024-06

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD ACKNOWLEDGING THE OPERATION OF THE NONUSER STATUTE AND RELINQUISHING ANY INTEREST THE CITY MAY HAVE IN UNOPENED RIGHT-OF-WAY AS DESCRIBED HEREIN AND REQUESTED BY ABUTTING PROPERTY OWNER GRANGE PROPERTIES LLC.**

**WHEREAS**, the City of Lakewood, a Municipal Corporation of the State of Washington, and Grange properties LLC, owner of property located at 7517 Grange Street W., Lakewood, Washington (Property), stipulate and agree that certain property abutting the Property was vacated by operation of law and consistent with a 1993 court judgment; and

**WHEREAS**, Grange Properties LLC (Property Owner), represented by Claude Remy, is the current owner of property located at 7517 Grange St. W. Lakewood, Washington (Property), Pierce County Parcel Number 3905000270, which is legally described as follows:

Lots 7 to 12, inclusive, Block 12, Flett, according to plat recorded in Volume 5 of Plats, page 17, Records of Pierce County Auditor.

Together with the vacated north 30 feet of Deschutes Avenue attached thereto and abutting thereon, vacated by resolution No. 3380 of the Pierce County Commissioners. Situate in the City of Lakewood, County of Pierce, State of Washington.

**WHEREAS**, The original nonuser statute operated to vacate a road or alley that was created, but was left unused, 5 years after it was created. If the road or alley was later incorporated or annexed into a city, the property owner bore the burden of proving that the road vacation occurred during the effective period of the original statute: 1890 through 1904. The original nonuser statute states:

Any county road, or part thereof, which has heretofore been or may hereafter be authorized, which remains unopened for public use for the space of five years after the order is made or authority granted for opening the same, shall be and the same is hereby vacated, and the authority for building the same barred by lapse of time.

*Laws of 1889-90, ch. 19, § 32.*

**WHEREAS**, In 1909, the Legislature amended the original non-user statute. The amendment excludes roads dedicated by plat, whether the plat was in a city or county, from the vacation provision. The nonuser statute, as now codified states:

Any county road, or part thereof, which remains unopen for public use for a period of five years after the order is made or authority granted for opening it, shall be thereby vacated, and the authority for building it barred by lapse of time: PROVIDED, That this section shall not apply to any highway, road, street, alley, or other public place dedicated as such in any plat, whether the land included in such plat is within or without the limits of an incorporated city or town, or to any land conveyed by deed to the state or to any county, city or town for highways, roads, streets, alleys, or other public places.

*RCW 36.87.090.*

**WHEREAS**, The identified alley between Block 11 and Block 12 of Flett in Lakewood, Washington was created as part of the plat of Flett, Pierce County, Washington State, as per recorded in Volume 5 of Plats at Page 17, Records of Pierce County, Washington on May 23, 1890; and

**WHEREAS**, The City of Lakewood incorporated in 1996 and the City's jurisdictional boundaries include the property within the Flett plat and the Subject Property; and

**WHEREAS**, On March 9, 1993, in Pierce County Cause Number 93-2-02450-4, an Order of Judgment was entered based on the Stipulated Facts and Judgment presented by Noble manor Company, Richard Hayes and Pierce County (1993 Judgment). The 1993 Judgment concluded that a portion of the identified alley between Block 11 and Block 12 of Flett, created as part of the Flett plat and abutting properties adjacent to the subject Properties had never been opened and used by the public, and more than five years has elapsed since the authority for that use has been granted:

1. Title in and to the following described real property be and hereby is quieted as against any and all claims by Pierce County and the public in favor of Noble manor Company, a Washington corporation:

The West 10 feet of the alleyway as shown on the Flett Addition according to the plat thereof, recorded in Volume 5 of Plats at Page 17, which lies Easterly of and adjacent to Lots 1 through 6, Block 12 of Flett Addition. Records of Pierce County, Wash.

2. Title in and to the following described real property be and hereby is quieted as against any and all claims by Pierce County and the public in favor of Richard Hayes, a single person:

The East 10 feet of the alleyway as shown on the Flett Addition according to the plat thereof, recorded in Volume 5 of Plats at Page 17, which lies Westerly of and adjacent to Lots 1 through 5, Block 11 of Flett Addition. Records of Pierce County, Wash.

*1993 Judgment, attached as **EXHIBIT A**.*

**WHEREAS**, the City has received a request from the Property Owner to acknowledge that any rights the City may have to the property originally dedicated in 1890 as right-of-way abutting the Property have been vacated by operation of law; and

**WHEREAS**, in consideration for reimbursing the City for its administrative costs to review the request, the City is willing to acknowledge operation of the non-user statute on the unopened right-of-way abutting the Property and relinquish all interest in the unopened right-of-way; and

**WHEREAS**, the City Clerk or designee has provided not less than 20 days' notice to the time, place and purpose of the hearing for the this resolution by A) publishing written notice once in the City's official newspaper; B) posting a placard in a conspicuous place near the end of the street or alley sought to be relinquished; C) mailing written notice to all owners of property abutting the street or alley proposed to be relinquished, as shown on the records of the Pierce County Assessor; and D) mailing written notice to all owners of property which lie within 300 feet beyond the street or alley to be relinquished, measuring in both directions from the area to be relinquished.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The City Council of the City of Lakewood hereby acknowledges that the 1993 Judgment described above determined that a portion of the right-of-way created in the Flett plat and abutting Lots 1 through 6 Block 12, and Lots 1 through 5 Block 11 was "quieted as against any and all claims by Pierce County and the public"

**Section 2.** The City Council of the City of Lakewood hereby acknowledges that the Property now under consideration is Lots 7 through 12 inclusive Block 12 and is located adjacent to the lots benefiting from the 1993 judgment described above, and further, that the portion of the right-of-way abutting the Property, like the portion

of the right-of-way abutting the properties benefiting from the 1993 Judgment, was quieted pursuant to the non-user statute.

**Section 3.** The City Council of the City of Lakewood hereby relinquishes all interest that the City may have in that portion of unopened right-of-way described in **EXHIBIT B**, attached and incorporated herein.

**Section 4.** This resolution does not affect any third party's rights in the right-of-way described above, if any.

**Section 5.** Severability. If any sections, sentence, clause or phrase of this Resolution shall be held to be invalid or unconstitutional by a court of competent jurisdiction, or its application held inapplicable to any person, property or circumstance, such invalidity or unconstitutionality or inapplicability shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Resolution or its application to any other person, property or circumstance.

PASSED by the City Council this 15<sup>th</sup> day of April, 2024.

CITY OF LAKEWOOD

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Jason Whalen, Mayor

Attest:

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Briana Schumacher, City Clerk

Approved as to Form:

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Heidi Ann Wachter, City Attorney



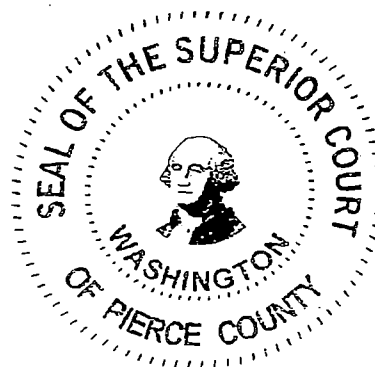
# EXHIBIT A

# ARCHIVE

# RECORD

STATE OF WASHINGTON, County of Pierce; I Constance R. White, Clerk of the Pierce County Superior Court, do hereby certify that this instrument is a true and correct copy of the original taken under my direction and control on the date attached hereto.  
IN WITNESS WHEREOF, I hereunto set my hand and the seal of said Court.

Constance R. White, Pierce County Clerk



1 MAR 16 1993 P.M.

MAR 16 1993

2 PIERCE COUNTY WASHINGTON  
3 DEPUTY CLERK  
4 DEPUTY

5 SUPERIOR COURT OF WASHINGTON, PIERCE COUNTY

6 NOBLE MANOR COMPANY, a Washington )  
7 corporation, and RICHARD HAYES )

NO.

93 2 02450 4

8 Plaintiffs, )

SUMMONS

9 vs. )

10 PIERCE COUNTY, a Municipal )  
11 corporation, )

12 Defendant. )

13  
14 A lawsuit has been started against you in the above-  
15 entitled Court by Noble Manor Company, a Washington corporation  
16 and Richard Hayes, Plaintiffs. Plaintiffs claim is stated in  
17 the written complaint, a copy of which is served upon you with  
18 this summons.

19 In order to defend against this lawsuit, you must respond  
20 to the complaint by stating your defense in writing, and serve a  
21 copy on the undersigned attorney for the Plaintiffs within  
22 twenty (20) days after the service of this summons, excluding  
23 the day of service, or a default judgment may be entered against  
24 you without notice. A default judgment is one where Plaintiffs  
25 are entitled to what they ask for because you have not  
26 responded. If you serve a notice of appearance on the  
27 undersigned attorney, you are entitled to notice before a  
28 default judgment may be entered.

29 You may demand that the Plaintiffs file this lawsuit with  
30 the Court. If you do so, the demand must be in writing and must  
31 be served upon the Plaintiffs. Within fourteen (14) days after  
32 you serve the demand, the Plaintiffs must file this lawsuit  
33 with the Court, or the service on you of this summons and  
34 complaint will be void.

35 If you wish to seek the advice of an attorney in this  
36 matter, you should do so promptly so that your written response,  
37 if any, may be served on time.

38 This summons is issued pursuant to Rule 4 of the Superior

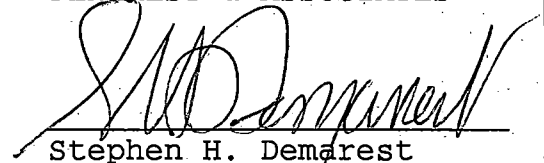
SUMMONS-1  
(167.19P12.1)



1 Court Civil Rules of the State of Washington.

2 DATED: February 25, 1993

DEMAREST & ASSOCIATES

3 

4 Stephen H. Demarest

5 WSBA #13469

6 Attorney for Plaintiffs

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SUMMONS-2  
(167.19P12.1)

 **DEMAREST**  
ASSOCIATES  
ATTORNEYS

6430 Tacoma Mall Boulevard  
Tacoma, WA 98409  
(206) 474-6228

FILED  
IN COUNTY CLERK'S OFFICE

AM MAR 16 1993 PM

PIERCE COUNTY WASHINGTON  
PIERCE COUNTY CLERK  
BY 

MAR 16 1993

SUPERIOR COURT OF WASHINGTON, PIERCE COUNTY

NOBLE MANOR COMPANY, a Washington )  
corporation, and RICHARD HAYES, a )  
single person, )

Plaintiffs, )

vs. )

PIERCE COUNTY, a Municipal )  
corporation, )

Defendant. )

93 2 02450 4  
NO.

COMPLAINT TO QUIET TITLE

Noble Manor Company, a Washington corporation and Richard Hayes, a single person, by and through Stephen H. Demarest of DEMAREST & ASSOCIATES, Attorneys at Law, complain and allege as follows:

JURISDICTION AND VENUE

1.1 Plaintiffs consent to the jurisdiction of this court.

1.2 Defendant is subject to the jurisdiction of this court.

1.3 The real property involved in this action is situated in Pierce County.

1.4 Venue is proper in Pierce County.

FACTS

2.1 In the early 1900's certain real property was subdivided into the Flett Addition and the plat thereof was

COMPLAINT TO QUIET TITLE-1  
(167.19P12.2)

 DEMAREST  
& ASSOCIATES  
ATTORNEYS

6430 Tacoma Mall Boulevard  
Tacoma, WA 98409  
(206) 474-6228

1 recorded in Volume 5 of Plats, Page 17, Records of Pierce  
2 County, Washington.

3 2.2 Plaintiff, Noble Manor Company, is currently the  
4 record title owner of Lots 1 through 6, inclusive, all in Block  
5 12, Flett Addition.

6 2.3 Plaintiff, Richard Hayes, is the record title holder  
7 of Lots 1 through 5, inclusive, all in Block 11, Flett Addition.

8 2.4 According to the subdivision map there exists an alley  
9 being 20+/- feet wide and lying between the properties of the  
10 two plaintiffs.

11 2.5 Said alley way has never been opened and used by the  
12 public and more than five years has elapsed since the authority  
13 for that use has been granted.

14 2.6 Plaintiffs and each of them claim ownership of said  
15 alley up to the centerline thereof.

16 2.7 Defendant, Pierce County has or may claim an interest  
17 in said alley way.

18 CLAIM

19 3.1 Plaintiffs and each of them pray for an order quieting  
20 title in said alley making the property appurtenant to the  
21 plaintiffs now existing properties.

22 RELIEF

23 WHEREFORE, Plaintiffs pray for relief as follows:

24 (a) an order quieting title in favor of Noble Manor  
25 Company and against Pierce County in the following described  
26 property:

27 The West 10 +/- feet of the alleyway as  
28 shown on the Flett Addition according to the

COMPLAINT TO QUIET TITLE-2  
(167.19P12.2)





5 APR 01 1993

IN THE PIERCE COUNTY SUPERIOR COURT, FOR THE STATE OF WASHINGTON

CAUSE NO. 93 2 02450 4

NOBLE MANOR COMPANY, A WASHINGTON CORPORATION, ET AL.,

DECLARATION OF SERVICE OF SUMMONS AND COMPLAINT TO QUIET TITLE

VS plaintiff/ /petitioner

PIERCE COUNTY, A MUNICIPAL CORPORATION,

defendant/ /respondent

HEARING DATE

FILED IN COUNTY CLERK'S OFFICE A.M. MAR 31 1993 P.M. PIERCE COUNTY, WASHINGTON TED RUTT, COUNTY CLERK DEPUTY

DECLARATION:

The undersigned hereby declares: That (s)he is now and at all times herein mentioned was a citizen of the United States and resident of the State of Washington, over the age of eighteen, not an officer of a plaintiff corporation, not a party to nor interested in the above entitled action, and is competent to be a witness herein.

That on 03/29/93, at 10:15AM, at 2401 S. 35TH ST., ROOM 200, TACOMA, within PIERCE County, Washington, 98409, this declarant duly served the above described documents, upon

PIERCE COUNTY AUDITOR

by then and there personally delivering 1 true and correct copy(ies) thereof, by then presenting to and leaving the same with

LINDA DAWSON, DEPUTY AUDITOR

I further declare that none of the said defendants is in the active military services of the United States of America.

I HEREBY DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF WASHINGTON THAT THE FOREGOING IS TRUE AND CORRECT.

DATED 03/30/93 IN TACOMA, WA

[Signature] K.G. PICARD PIERCE CO#2061

Table with 3 columns: SERVICE FEES, Amount, and Quantity. Rows include Service \$ (10.00, 1), Travel (5.00, X 20), Aff. Return (7.00), and TOTAL \$ (22.00).

Additional address: \$0.00

SHD INVOICE NUMBER 107522 Personal (PERL) P1001

Return to: SHD DEMAREST & ASSOCIATES 6430 TACOMA MALL BLVD TACOMA, WA 98401 474-6228

ABC-LMI

FILED  
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SUPERIOR COURT OF WASHINGTON, PIERCE COUNTY

NOBLE MANOR COMPANY, a Washington )  
corporation, and RICHARD HAYES )  
 )  
Plaintiffs, )  
 )  
vs. )  
 )  
PIERCE COUNTY, a Municipal )  
corporation, )  
 )  
Defendant. )

NO. 93 2 02450 4  
SUMMONS

A lawsuit has been started against you in the above-entitled Court by Noble Manor Company, a Washington corporation and Richard Hayes, Plaintiffs. Plaintiffs claim is stated in the written complaint, a copy of which is served upon you with this summons.

In order to defend against this lawsuit, you must respond to the complaint by stating your defense in writing, and serve a copy on the undersigned attorney for the Plaintiffs within twenty (20) days after the service of this summons, excluding the day of service, or a default judgment may be entered against you without notice. A default judgment is one where Plaintiffs are entitled to what they ask for because you have not responded. If you serve a notice of appearance on the undersigned attorney, you are entitled to notice before a default judgment may be entered.

You may demand that the Plaintiffs file this lawsuit with the Court. If you do so, the demand must be in writing and must be served upon the Plaintiffs. Within fourteen (14) days after you serve the demand, the Plaintiffs must file this lawsuit with the Court, or the service on you of this summons and complaint will be void.


If you wish to seek the advice of an attorney in this matter, you should do so promptly so that your written response, if any, may be served on time.

This summons is issued pursuant to Rule 4 of the Superior

SUMMONS-1  
(167.19P12.1)

A.M. APR 12 1993 P.M.

5 APR 13 1993

PIERCE COUNTY, WASHINGTON  
TED RUTT, COUNTY CLERK  
BY  DEPUTY

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
IN AND FOR THE COUNTY OF PIERCE

NOBLE MANOR COMPANY, a Washington )  
CORPORATION, and RICHARD HAYES, )

NO. 93-2-02450-4

Plaintiffs, )

NOTICE OF APPEARANCE

vs. )

PIERCE COUNTY, a municipal )  
corporation, )

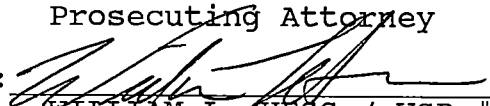
Defendant. )

TO: NOBLE MANOR COMPANY and RICHARD HAYES, Plaintiff above-named; and  
TO: STEPHEN H. DEMAREST, Plaintiffs' attorney:

YOU AND EACH OF YOU WILL PLEASE TAKE NOTICE that PIERCE COUNTY, a  
legal subdivision of the State of Washington, defendant, by and  
through its attorneys, JOHN W. LADENBURG, Prosecuting Attorney, and  
WILLIAM L. HESS, Deputy Prosecuting Attorney, enter their appearance  
herein and direct that all further pleadings and notices, except  
process, be served upon the undersigned attorneys.

DATED this 9th day of April, 1993.

JOHN W. LADENBURG  
Prosecuting Attorney

By:   
WILLIAM L. HESS / WSB # 7646  
Deputy Prosecuting Attorney  
Attorneys for Pierce County  
PH: (206) 591-6503



FILED 5 APR 22 1993  
MUNICIPALITY CLERK'S OFFICE  
AM. APR 21 1993 P.M.

PIERCE COUNTY WASHINGTON  
TED RUTT, COUNTY CLERK  
DEPUTY

SUPERIOR COURT OF WASHINGTON, PIERCE COUNTY

NOBLE MANOR COMPANY, a Washington )  
corporation, and RICHARD HAYES, a ) NO. 93-2-02450-4  
single person, )  
Plaintiffs, ) MOTION FOR DEFAULT  
vs. )  
PIERCE COUNTY, a Municipal )  
corporation, )  
Defendant. )

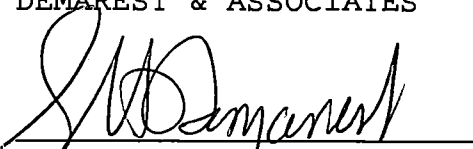
1. Relief Sought. Noble Manor Company, a Washington corporation and Richard Hayes, a single person by and through Stephen H. Demarest of DEMAREST & ASSOCIATES, Attorneys at Law, moves this Court for an order of default against the Defendants herein.

2. Grounds. William Hess has appeared on behalf of Pierce County, however, no Answer has been filed within the time required by law.

3. Basis. This motion is based on Civil Rule 55, the records and files herein and the attached affidavit of in support of default.

DATED: April 21, 1993

DEMAREST & ASSOCIATES

  
Stephen H. Demarest  
WSBA #13469  
Attorney for Plaintiffs

MOTION FOR DEFAULT - 1  
(167.19P20.1)

 DEMAREST  
& ASSOCIATES  
ATTORNEYS

6430 Tacoma Mall Boulevard  
Tacoma, WA 98409  
(206) 474-6228

5 APR 22 1993

SUPERIOR COURT OF WASHINGTON, PIERCE COUNTY

NOBLE MANOR COMPANY, a Washington )  
 corporation, and RICHARD HAYES, a ) NO. 93-2-02450-4  
 single person, )  
 Plaintiffs, ) AFFIDAVIT IN SUPPORT OF  
 vs. ) DEFAULT  
 PIERCE COUNTY, a Municipal )  
 corporation, )  
 Defendant. )

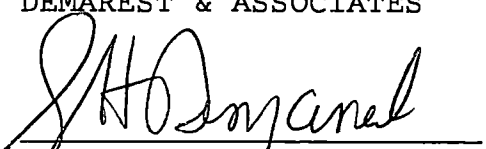
**FILED**  
 COUNTY CLERK'S OFFICE  
 APR 21 1993 P.M.  
 PIERCE COUNTY WASHINGTON  
 TED RUTT, COUNTY CLERK  
 BY \_\_\_\_\_ DEPUTY

STATE OF WASHINGTON )  
 ) ss.  
 COUNTY OF PIERCE )

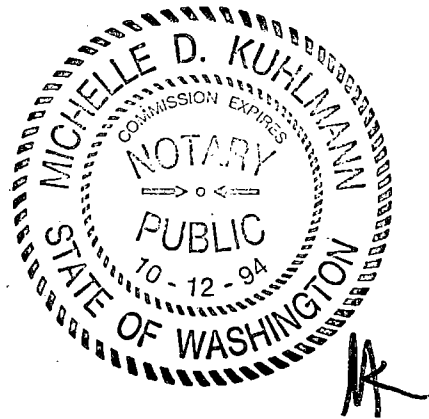
Stephen H. Demarest, being first duly sworn, states:

1. I am the attorney of record for one of the parties herein, am competent to testify, and have personal knowledge of the statements made hereunder.
2. This action was commenced and service was complete more than twenty (20) days ago.
3. Defendant is not in the military service.
4. Venue is proper in Pierce County.
5. Defendant has appeared but has otherwise failed to answer or defend.

DATED: April 21, 1993

DEMAREST & ASSOCIATES  
  
 Stephen H. Demarest  
 WSBA #13469  
 Attorney for Plaintiffs

1 SUBSCRIBED AND SWORN to before me this 21<sup>st</sup> day of April,  
2 1993.



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*Michelle D. Kuhlmann*  
NOTARY PUBLIC in and for  
the State of Washington.  
My Commission expires:  
10-12-94

AFFIDAVIT IN SUPPORT OF DEFAULT - 2  
(167.19P20.1)

43043

SUPERIOR COURT OF WASHINGTON - COUNTY OF PIERCE

APR 21 1993  
COUNTY CLERK'S OFFICE  
AM. APR 21 1993 PM  
PIERCE COUNTY WASHINGTON  
TED RUTT. COUNTY CLERK  
DEPUTY

Noble Manor Company, a Washington  
corporation, & Richard Hayes  
Plaintiff(s)  
vs.  
Pierce County, a Municipal corporation  
Defendants(s)

Case No. 93-2-02450-4

NOTE FOR MOTION DOCKET

TO THE CLERK OF THE SUPERIOR COURT AND TO:

Name: William Hess WSB # 7646  
Address: 901 Tacoma Ave. S., Suite 204 Attorney For: Pierce County  
Tacoma, WA 98402 Phone: 591-6503

(Please note additional attorneys on reverse side)

Please take notice that the undersigned will bring on for hearing  
a motion for: Motion for Default

(Type of Motion)

The hearing is requested to be held during the regular motion  
calendar on:

DATE REQUESTED FOR HEARING/MOTION  
Friday, April 30, 1993

Nature of Case: Alleyway Vacation  
Dated: 4/21/93 Signed: [Signature]  
Name: Stephen H. Demarest WSB # 13469  
Address: 6430 Tacoma Mall Blvd. Attorney For: Plaintiffs  
Tacoma, WA 98409 Phone: 474-6228

THE ABOVE INFORMATION MUST BE COMPLETED AND SIGNED

FOR CLERK'S USE ONLY

Assigned to: [Signature] Date: 4.21.93 BY: [Signature]

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SUPERIOR COURT OF WASHINGTON, PIERCE COUNTY

NOBLE MANOR COMPANY, a Washington )  
corporation, and RICHARD HAYES, a )  
single person, )  
Plaintiffs, )  
vs. )  
PIERCE COUNTY, a Municipal )  
corporation, )  
Defendant. )

NO. 93-2-02450-4

MOTION FOR JUDGMENT ON THE PLEADINGS

FILED  
IN COUNTY CLERK'S OFFICE  
A.M. JUN - 3 1993 P.M.  
PIERCE COUNTY WASHINGTON  
TED RUST, COUNTY CLERK  
BY \_\_\_\_\_ DEPUTY  
JUN 3 1993

1. Relief Sought. Noble Manor Company, a Washington corporation and Richard Hayes, a single person, by and through their attorney, Stephen H. Demarest of Demarest & Associates, attorneys at law, moves this Court for entry of Judgment on the Pleadings.

2. Grounds. Plaintiff's allege facts sufficient to quiet title in an unopened alleyway between their respective properties. The answer by Defendant neither admits nor denies the allegations except for one allegation which is admitted.

3. Basis. This Motion is based on Civil Rule 12(c), which provides for the procedure of a Motion for Judgment on the Pleadings and Civil Rule 8(b), which outlines the general rules of pleadings as follows:

A party shall state in short and plain terms his defenses to each claim asserted and shall admit or deny the averments upon which the adverse party relies. If he is without knowledge or

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information sufficient to form a belief as the truth of an averment, he shall so state and this has the effect of a denial. Denial shall fairly meet the substance of the averments denied.

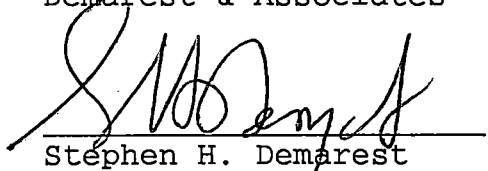
This rule is followed by Civil Rule 8d as to the effect of a failure to deny.

Averments in a pleading to which a responsive pleading is required other than those as to the amount of damage are admitted when not denied in the response of a pleading.

The answer which by it's own terms "neither admits nor denies the allegations" in the complaint is, according to Civil Rule 8(d), a failure to deny and is therefore an admission. The allegations in the Complaint having been so admitted, the Plaintiff's are entitled to the relief requested.

DATED: June 3, 1993.

Demarest & Associates



Stephen H. Demarest  
WSBA #13469  
Attorney for Plaintiffs

CERTIFICATE

I hereby certify that on 4-23-93  
I delivered a true and accurate  
copy of the attached document  
to LEGAL MESSENGERS, INC. for  
delivery to

S.H. Demarest  
Attorney for Plaintiff

Mario Bauer  
Prosecutor's Office

5 APR 26 1993

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON

IN AND FOR THE COUNTY OF PIERCE

NOBLE MANOR COMPANY, a Washington )  
CORPORATION, and RICHARD HAYES, )

Plaintiffs, )

vs. )

PIERCE COUNTY, a municipal )  
corporation, )

Defendant. )

NO. 93-2-02450-4

ANSWER OF DEFENDANT  
PIERCE COUNTY

**FILED**  
IN COUNTY CLERK'S OFFICE  
AM. APR 23 1993 PM  
PIERCE COUNTY WASHINGTON  
TRICIA R. COUNTY CLERK  
BY \_\_\_\_\_ DEPUTY

COMES NOW the Defendant, PIERCE COUNTY, by and through its undersigned attorneys, and by of answer to the allegations contained in the plaintiff's complaint filed herein, admits, denies and alleges as follows:

I.

In answer to paragraphs 1.1 through 1.4 of plaintiff's complaint, defendant Pierce County neither admits or denies the allegations contained therein.

II.

In answer to paragraphs 2.1 through 2.6 of plaintiff's complaint, defendant Pierce County neither admits or denies the allegations contained therein.

In answer to paragraph 2.7 of plaintiff's complaint, defendant Pierce County admits the same.

WHEREFORE, having fully answered plaintiff's complaint, defendant

1  
2 Pierce County prays as follows:

3 1. For an order denying plaintiff's claim for an order quieting  
4 title.

5 2. That plaintiff's prayer be denied in full.

6 3. That plaintiff's complaint be dismissed with prejudice.

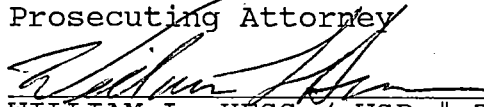
7 4. That defendant Pierce County be awarded reasonable  
8 attorney's fees and costs.

9 5. For such other and further relief as the court deems just  
10 and equitable in the premises.

11 DATED this 23<sup>d</sup> day of April, 1993.

12 JOHN W. LADENBURG  
13 Prosecuting Attorney

14 By:

  
15 WILLIAM L. HESS / WSB # 7646  
16 Deputy Prosecuting Attorney  
17 Attorneys for Def., Pierce  
18 County  
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2 JUN 11 1993

SUPERIOR COURT OF WASHINGTON, PIERCE COUNTY

NOBLE MANOR COMPANY, a Washington )  
corporation, and RICHARD HAYES, a )  
single person, )  
Plaintiffs, )  
vs. )  
PIERCE COUNTY, a Municipal )  
corporation, )  
Defendant. )

NO. 93-2-02450-4

MOTION FOR JUDGMENT ON THE PLEADINGS

**FILED**  
IN COUNTY CLERK'S OFFICE  
A.M. JUN 11 1993  
PIERCE COUNTY CLERK  
DEPUTY

1. Relief Sought. Noble Manor Company, a Washington corporation and Richard Hayes, a single person, by and through their attorney, Stephen H. Demarest of Demarest & Associates, attorneys at law, moves this Court for entry of Judgment on the Pleadings.

2. Grounds. Plaintiff's allege facts sufficient to quiet title in an unopened alleyway between their respective properties. The answer by Defendant neither admits nor denies the allegations except for one allegation which is admitted.

3. Basis. This Motion is based on Civil Rule 12(c), which provides for the procedure of a Motion for Judgment on the Pleadings and Civil Rule 8(b), which outlines the general rules of pleadings as follows:

A party shall state in short and plain terms his defenses to each claim asserted and shall admit or deny the averments upon which the adverse party relies. If he is without knowledge or

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information sufficient to form a belief as the truth of an averment, he shall so state and this has the effect of a denial. Denial shall fairly meet the substance of the averments denied.

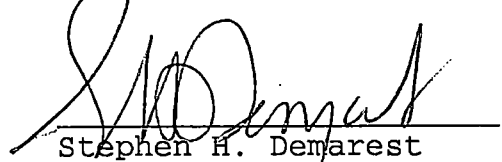
This rule is followed by Civil Rule 8d as to the effect of a failure to deny.

Averments in a pleading to which a responsive pleading is required other than those as to the amount of damage are admitted when not denied in the response of a pleading.

The answer which by it's own terms "neither admits nor denies the allegations" in the complaint is, according to Civil Rule 8(d), a failure to deny and is therefore an admission. The allegations in the Complaint having been so admitted, the Plaintiff's are entitled to the relief requested.

DATED: June 11, 1993.

Demarest & Associates



Stephen H. Demarest  
WSBA #13469  
Attorney for Plaintiffs

FILED  
IN COUNTY CLERK'S OFFICE  
JUN 25 1993  
PIERCE COUNTY WASHINGTON  
TED RUTZ, COUNTY CLERK  
BY: \_\_\_\_\_ DEPUTY

3 JUN 25 1993

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
IN AND FOR THE COUNTY OF PIERCE

NOBLE MANOR COMPANY, a Washington )  
CORPORATION, and RICHARD HAYES, )

NO. 93-2-02450-4

Plaintiffs, )

DEFENDANT PIERCE COUNTY'S  
MOTION TO AMEND ANSWER

vs. )

PIERCE COUNTY, a municipal )  
corporation, )

Defendant. )

COMES NOW the defendant PIERCE COUNTY, by and through its  
attorneys, JOHN W. LADENBURG, Prosecuting Attorney, and WILLIAM L.  
HESS, Deputy Prosecuting Attorney, and moves the Court to Amend its  
Answer, as attached hereto, pursuant to CR 15(a).

DATED this 25<sup>th</sup> day of June, 1993.

JOHN W. LADENBURG  
Prosecuting Attorney

By: \_\_\_\_\_

WILLIAM L. HESS / WSB # 7646  
Deputy Prosecuting Attorney  
Attorneys for Pierce County  
PH: 591-6503

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5 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
6 IN AND FOR THE COUNTY OF PIERCE

7 NOBLE MANOR COMPANY, a Washington )  
CORPORATION, and RICHARD HAYES, )

8 )  
9 ) Plaintiffs, )

10 vs. )

11 PIERCE COUNTY, a municipal )  
corporation, )

12 )  
13 ) Defendant. )

NO. 93-2-02450-4

AMENDED ANSWER  
OF DEFENDANT  
PIERCE COUNTY

14 COMES NOW the Defendant, PIERCE COUNTY, by and through its  
15 undersigned attorneys and by way of answer to the allegations  
16 contained in the Plaintiff's complaint filed herein, admits, denies  
17 and alleges as follows:

18 I.

19 In answer to paragraphs 1.1 through 1.4 of plaintiff's complaint,  
20 defendant Pierce County is without knowledge or information sufficient  
21 to form a belief as to the truth of the averments, and therefore,  
22 neither admits or denies the allegations contained therein.

23 II.

24 In answer to paragraphs 2.1 through 2.6 of plaintiff's complaint,  
25 defendant Pierce County is without knowledge or information sufficient  
26 to form a belief as to the truth of the averments, and therefore,  
27 neither admits or denies the allegations contained therein.  
28

1  
2 In answer to paragraph 2.7 of plaintiff's complaint, defendant  
3 Pierce County admits the same.

4 WHEREFORE, having fully answered plaintiff's complaint, defendant  
5 Pierce County prays as follows:

6 1. For an order denying plaintiff's claim for an order quieting  
7 title.

8 2. That plaintiff's prayer be denied in full.

9 3. That plaintiff's complaint be dismissed with prejudice.

10 4. That defendant Pierce County be awarded reasonable  
11 attorney's fees and costs.

12 5. For such other and further relief as the court deems just  
13 and equitable in the premises.

14 DATED this \_\_\_\_\_ day of June, 1993.

15 JOHN W. LADENBURG  
16 Prosecuting Attorney

17 By:

18 WILLIAM L. HESS / WSB # 7646  
19 Deputy Prosecuting Attorney  
20 Attorneys for Pierce County  
21 PH: 591-6503

SUPERIOR COURT OF WASHINGTON - COUNTY OF PIERCE

JUN 11 1993

NOBLE MANOR COMPANY, a Washington corp.,

RICHARD HAYES, a single person

Plaintiff(s)

vs.

PIERCE COUNTY, a Municipal corporation,

Defendants(s)

Case No. 93-2-02450-5

NOTE FOR MOTION DOCKET

TO THE CLERK OF THE SUPERIOR COURT AND TO:

Name: William Hess

WSB # 7646

Address: 901 Tacoma Ave.S., #204

Attorney For: Pierce County

Tacoma, WA 98402

Phone: 596-6732

(Please note additional attorneys on reverse side)

Please take notice that the undersigned will bring on for hearing

a motion for: Motion for Judgment on the Pleadings  
(Type of Motion)

The hearing is requested to be held during the regular motion calendar on:

DATE REQUESTED FOR HEARING/MOTION  
Friday, June 18, 1993 July 2

FILED  
IN COUNTY CLERK'S OFFICE  
A.M. JUN 11 1993  
TED BURT COUNTY CLERK  
DEPUTY

Nature of Case: Quiet Title

Dated: 6/11/93

Signed: [Signature]

Name: Stephen H. Demarest

WSB # 13469

Address: 6430 Tacoma Mall Blvd.

Attorney For: Plaintiffs

Tacoma, WA 98409

Phone: 474-6228

THE ABOVE INFORMATION MUST BE COMPLETED AND SIGNED

FOR CLERK'S USE ONLY

Assigned to: \_\_\_\_\_ Date: \_\_\_\_\_ By: \_\_\_\_\_

SUPERIOR COURT OF WASHINGTON - COUNTY OF PIERCE

JUN 11 1993

NOBLE MANOR COMPANY, a Washington corp., )

RICHARD HAYES, a single person, )

Plaintiff(s) )

vs. )

PIERCE COUNTY, a Municipal corporation, )

Defendant(s)

Case No. 93-2-02450-4

NOTE FOR TRIAL SETTING

TO THE CLERK OF THE SUPERIOR COURT AND TO:

Name: William Hess Attorney For: Pierce County

Address: 901 Tacoma Ave. S., #204

Tacoma, WA 98402 Phone: 596-6732

(Please note additional attorneys on reverse side)

This case is at issue, and not subject to Mandatory Arbitration under the provisions of MAR 1.2, and is requested to be placed on the regular trial assignment calendar:

DATE REQUESTED FOR ASSIGNMENT OF TRIAL DATE Friday, July 2, 1993 July 2

FILED IN COUNTY CLERK'S OFFICE JUN 11 1993 AM DEPUTY

Nature of case: Quiet Title

Date filed: March 16, 1993 Estimated trial time: 1/2 day

A jury of (six/twelve) persons (has/has not) been demanded.

Dated: 6/11/93 Signed: [Signature]

Name: Stephen H. Demarest Attorney for: Plaintiff

Address: 6430 Tacoma Mall Blvd.

Tacoma, WA 98409 WSB # 13469 Phone: 474-6228

THE ABOVE INFORMATION MUST BE COMPLETED AND SIGNED

FOR CLERK'S USE ONLY

Z-2949a Assigned to: Date: By:





1 This motion is further based on Civil Rule 56(a), which  
2 provides as follows:

3 A party seeking to recover upon a claim  
4 . . . may . . . move with or without  
5 supporting affidavits for a summary judgment  
6 in his favor upon all or any part thereof.

7 (c) . . . the judgment sought shall be  
8 rendered forthwith if the pleadings, . . .  
9 together with the affidavits, if any, show  
10 that there is no genuine issue as to any  
11 material fact and that the moving party is  
12 entitled to a judgment as a matter of law.

13 This motion is further based on the evidence rule which allows  
14 heresay testimony on matters of general property history:

15 The following are not excluded by the  
16 heresay rule, even though the declarant is  
17 available as a witness:

18 . . .

19 (20) Reputation concerning boundaries or  
20 general history. AND THOSE reputation in a  
21 community, arising before the controversy,  
22 as to boundaries or customs affecting lands  
23 in the community, and reputation as to  
24 events of general history important to the  
25 community or state or nation in which  
26 located.

27 Evidence Rule 803(a)-Heresay Exceptions; availability of  
28 declarant immaterial.

Respectfully submitted this 2<sup>nd</sup> day of July, 1993.

Demarest & Associates

*S. H. Demarest*

*By: Ernest B. Chappell*

Stephen H. Demarest

WSBA #13469

Attorney for Plaintiffs

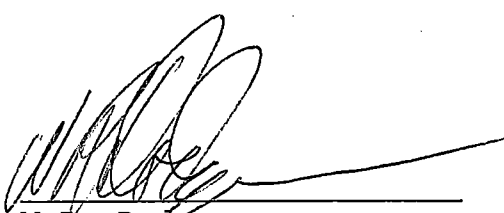
MOTION FOR SUMMARY JUDGMENT - 2  
(167.19P6.1)

**DEMAREST**  
**& ASSOCIATES**  
**ATTORNEYS**

6430 Tacoma Mall Boulevard  
Tacoma, WA 98409  
(206) 474-6228

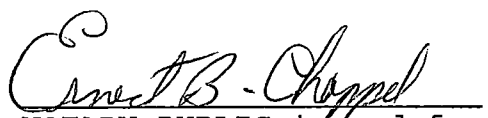


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W.R. Dodge

SUBSCRIBED AND SWORN to before me this 6<sup>th</sup> day of July, 1993.



  
NOTARY PUBLIC in and for  
the State of Washington,  
My Commission expires:  
4-21-98

5 JUL 30 1993

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SUPERIOR COURT OF WASHINGTON, PIERCE COUNTY

NOBLE MANOR COMPANY, a Washington )	
corporation, and RICHARD HAYES )	NO. 93-2-02450-4
Plaintiffs, )	JUDGMENT QUIETING TITLE
vs. )	
PIERCE COUNTY, a Municipal )	
corporation, )	
Defendant. )	

FILED  
IN COURT OF PIERCE COUNTY  
JUL 30 1993  
PIERCE COUNTY WASHINGTON  
JES SUIT COUNTY CLERK

HEARING AND APPEARANCES

Hearing Date: July 16, 1993

Appearances: Plaintiffs, Noble Manor Company and Richard Hayes appeared by and through Stephen H. Demarest. Pierce County appeared by and through William Hess, Attorney at Law.

Purpose: To consider Plaintiff's request for a Judgment Quieting Title.

JUDGMENT

This matter having come on for hearing and the court being fully advised in the premises, it is hereby

ORDERED, ADJUDGED AND DECREED, that:

1. Title in and to the following described real property be and hereby is quieted as against any and all claims by Pierce County and the public in favor of Noble Manor Company, a Washington corporation:

The West 10 <sup>8.00</sup>~~10~~ feet of the alleyway as shown on the Flett Addition according to the plat thereof, recorded in Volume 5 of Plats

JUDGMENT QUIETING TITLE-1  
(167.19P12.4)

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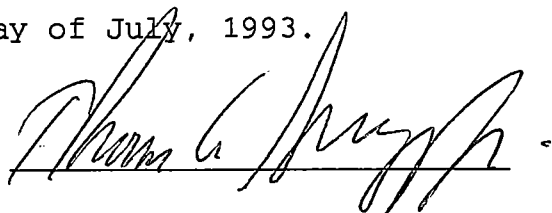
at Page 17, which lies Easterly of and adjacent to Lots 1 through 6, Block 12 of Flett Addition. Records of Pierce County, Wash.

2. Title in and to the following described real property be and hereby is quieted as against any and all claims by Pierce County and the public in favor of Richard Hayes, a single person:


The East 10 <sup>AND</sup>~~7~~ feet of the alleyway as shown on the Flett Addition according to the plat thereof, recorded in Volume 5 of plats at Page 17, which lies Westerly of and adjacent to the Lots 1 through 5, Block 11 of Flett Addition. Records of Pierce County Wash.

3. That this action be and hereby is ordered dismissed with prejudice and without further costs and with each party bearing its own costs.

Done in open Court this 30 day of July, 1993.



Presented by:



Stephen H. Demarest  
WSBA #13469  
Attorney for Plaintiff

FILED  
IN COUNTY CLERK'S OFFICE  
JUL 30 1993  
PIERCE COUNTY WASHINGTON  
160 BENTLEY COUNTY CLERK  
BY \_\_\_\_\_ DEPUTY

Approved to Entry:



William Hess  
WSBA #7646  
Attorney for Pierce County

JUDGMENT QUIETING TITLE-2  
(167.19P12.4)

DEMAREST  
& ASSOCIATES  
ATTORNEYS

6430 Tacoma Mall Boulevard  
Tacoma, WA 98409  
(206) 474-6228

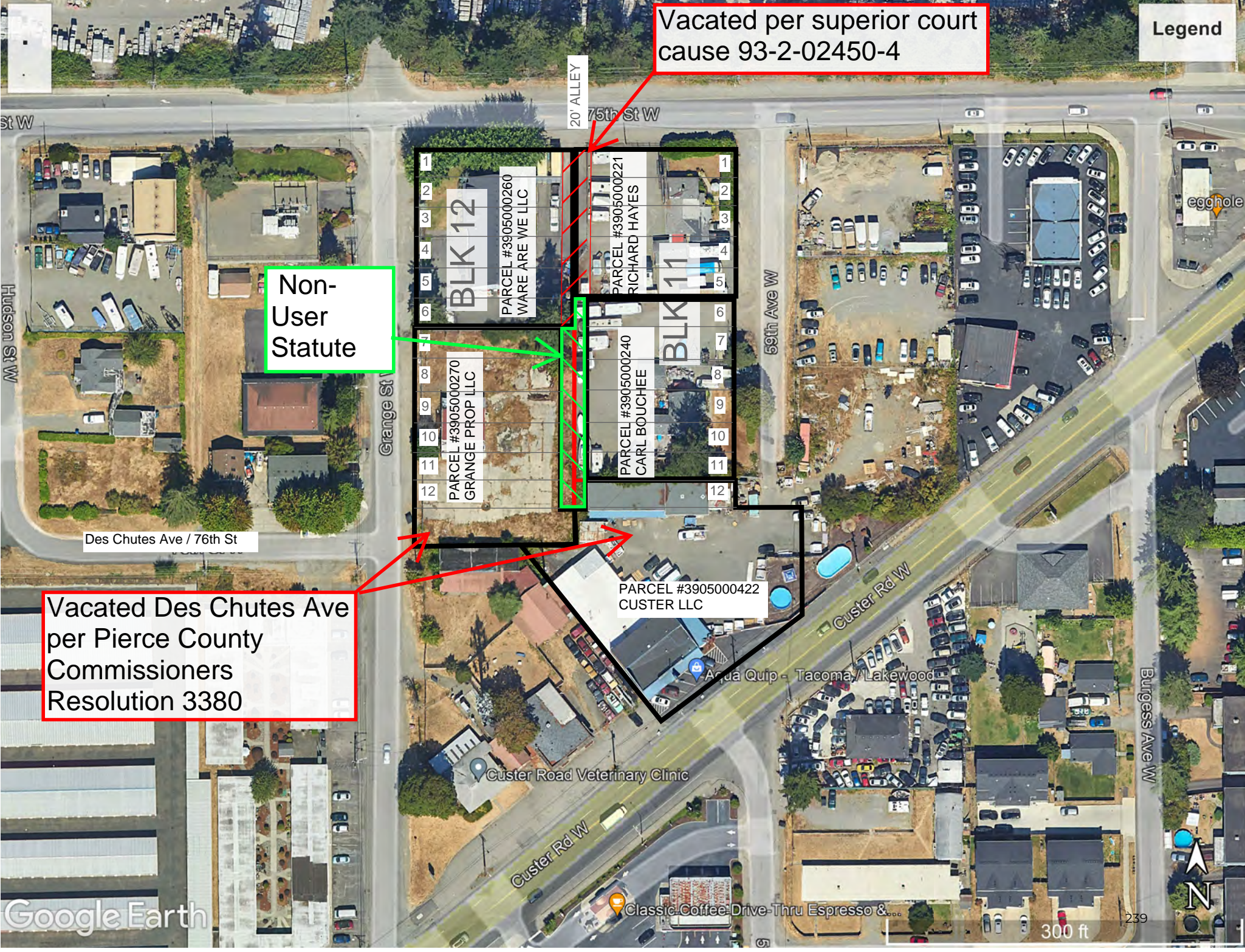


Legend

Vacated per superior court cause 93-2-02450-4

Non-User Statute

Vacated Des Chutes Ave per Pierce County Commissioners Resolution 3380



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BLK 12

PARCEL #3905000260  
WARE ARE WE LLC

PARCEL #3905000221  
RICHARD HAYES

BLK 11

PARCEL #3905000240  
CARL BOUCHEE

PARCEL #3905000422  
CUSTER LLC

PARCEL #3905000270  
GRANGE PROP LLC

# REQUEST FOR COUNCIL ACTION

<b>DATE ACTION IS REQUESTED:</b> April 15, 2024	<b>TITLE:</b> Edgewater Park Master Plan Approval	<b>TYPE OF ACTION:</b> <input type="checkbox"/> ORDINANCE NO. <input type="checkbox"/> RESOLUTION NO. <input checked="" type="checkbox"/> MOTION NO. 2024-24 <input type="checkbox"/> OTHER
<b>REVIEW:</b> April 8, 2024	<b>ATTACHMENTS:</b> Edgewater Park Master Plan	


**SUBMITTED BY:** Mary Dodsworth, Parks, Recreation & Community Services Director

**RECOMMENDATION:** It is recommended that City Council approve the Edgewater Park Master Plan as recommended and forwarded by the Parks and Recreation Advisory Board (PRAB).

**DISCUSSION:** The City has worked on developing a master site plan to improve Edgewater Park since 2018. Although input has been gathered in many ways over the past five (5) years, the issues and concerns have remained primarily the same. Several improvements to the area were considered to address the issues with safety being the #1 priority. At the April 8, 2024, study session the City Council reviewed the information gathered over the last 5 years and discussed a draft master plan recommended and forwarded by the PRAB. **(Discussion Continued page 2)**

**ALTERNATIVE(S):** Council could not approve the plan which would delay the City's ability to apply for grants to improve the site which would require more investment from City resources to improve the site.

**FISCAL IMPACT:** No fiscal impact created by approving the plan. Fiscal impacts would occur when elements of the plan are implemented.

Mary Dodsworth Prepared by	 Acting City Manager Review
_____ Department Director	



**Discussion Continued:** Council noted that a master plan is not a construction document, it's a conceptual drawing of ideas and various park improvements to address need, growth, fill gaps in a park system, and address safety issues. Sometimes it takes years to implement a park plan, but you need a strategic plan to make improvements, to understand where you are today and where you want to be in the future. A park master plan is a tool to establish a long- range vision and development plan for a park site. It's also a requirement for grant funding.

A phasing plan was discussed along with potential grant opportunities that meet the grant criteria and ideas reflected in the master plan.

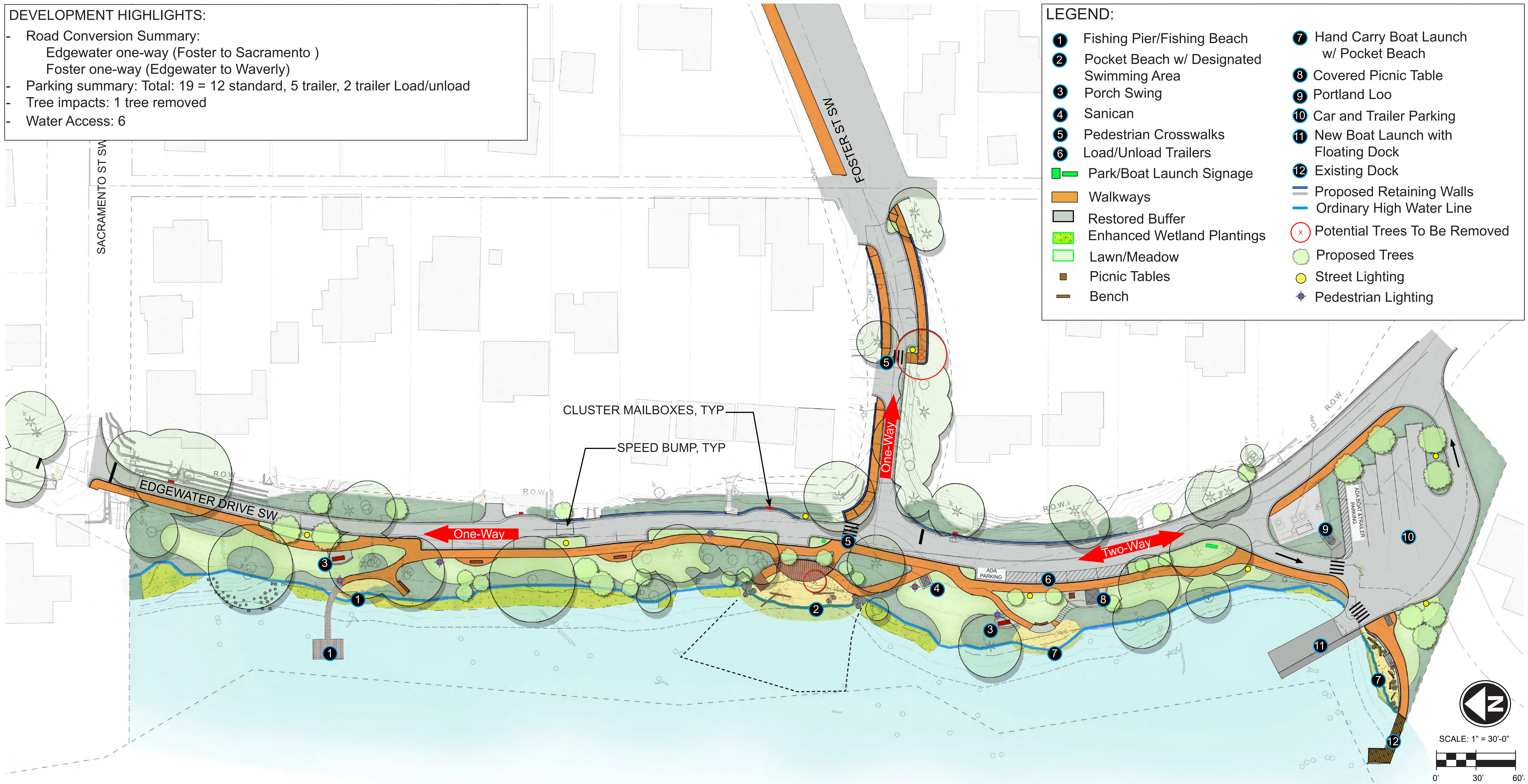
If approved, next steps include applying for various grants in 2024 and if funded start working on design and permitting in 2025 to create an improvement plan that can be built in the Edgewater Park area and along the shoreline of Lake Steilacoom.

**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

**LEGEND:**

- |  |  |
|--|--|
| ① Fishing Pier/Fishing Beach               | ⑦ Hand Carry Boat Launch w/ Pocket Beach |
| ② Pocket Beach w/ Designated Swimming Area | ⑧ Covered Picnic Table                   |
| ③ Porch Swing                              | ⑨ Portland Loo                           |
| ④ Sanican                                  | ⑩ Car and Trailer Parking                |
| ⑤ Pedestrian Crosswalks                    | ⑪ New Boat Launch with Floating Dock     |
| ⑥ Load/Unload Trailers                     | ⑫ Existing Dock                          |
| ■ Park/Boat Launch Signage                 | ▬ Proposed Retaining Walls               |
| ▬ Walkways                                 | ▬ Ordinary High Water Line               |
| ▬ Restored Buffer                          | ⊗ Potential Trees To Be Removed          |
| ■ Enhanced Wetland Plantings               | ● Proposed Trees                         |
| ■ Lawn/Meadow                              | ● Street Lighting                        |
| ■ Picnic Tables                            | ◆ Pedestrian Lighting                    |
| ■ Bench                                    |  |



**Draft Master Plan**

City of Lakewood - Edgewood Park

March 26, 2024



# REQUEST FOR COUNCIL ACTION

<b>DATE ACTION IS REQUESTED:</b> April 15, 2024	<b>TITLE:</b> Recreation and Conservation Office (RCO) authorizing grant resolution	<b>TYPE OF ACTION:</b> ___ ORDINANCE NO. <u>X</u> RESOLUTION NO. 2024-07
<b>REVIEW:</b> April 8, 2024	<b>ATTACHMENTS:</b> Resolution	== MOTION NO. ___ OTHER

**SUBMITTED BY:** Mary Dodsworth, Parks, Recreation & Community Services Director

**RECOMMENDATION:** It is recommended that the City Council approve the RCO authorizing resolution allowing the City to apply for funding assistance for City of Lakewood park capital projects.


**DISCUSSION:** The City has been successful in receiving grants to offset the cost of park capital improvements. The City plans to submit for at least three grants managed by the Recreation and Conservation Office (RCO) for park capital improvement projects. An authorizing resolution from the City is required for grant eligibility.

We plan to apply for the following grants which can be used to match each other.

- Boating Facilities Program grant up to \$1 million
- Aquatic Land Enhancement Act grant – up to \$500,000
- WWRC Water Access grants – Up to \$2 million

**ALTERNATIVE(S):** Council could not approve the resolution which would not allow us to apply for the grants and would increase the city investment needed to implement the projects and or delay the projects into the future.

**FISCAL IMPACT:** No fiscal impact to approve the resolution. Fiscal impacts would occur when elements of the plan are implemented. City Council would review and approve any future development of the site.

<u>Mary Dodsworth</u> Prepared by	 Acting City Manager Review
<u>Mary Dodsworth</u> Department Director	

RESOLUTION NO. 2024-07

A RESOLUTION of the City Council of the City of Lakewood, Washington, authorizing the City Manager to seek grant funding assistance managed through the Washington State Recreation and Conservation Office for Water Access, Aquatic Land Enhancement, and Boating Facilities grants for the Edgewater Park capital improvement projects.

WHEREAS, state grant assistance is requested by our organization to aid in financing the cost of the Projects listed above.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON, HEREBY RESOLVES, as follows:

Section 1. Our organization has applied for or intends to apply for funding assistance managed by the Washington State Recreation and Conservation Office for the above "Project".

Section 2. John J. Caulfield, City Manager is authorized to act as a representative/agent for our organization with full authority to execute the following documents binding our organization on the above projects: (1) approve submission of grant application, (2) enter into a project agreement(s) on behalf of our organization, (3) sign any amendments thereto on behalf of our organization, (4) designate a project contact and (5) to administer the day-to-day management of the grant..

Section 3. Our organization acknowledges and warrants, after conferring with its legal counsel, that its authorized representative(s)/agent(s) have full legal authority to act and sign on behalf of the organization for their assigned role/document.

Section 4. Grant assistance is contingent on a signed Agreement. Entering into any Agreement with the Office is purely voluntary on our part.

Section 5. Our organization understands that grant policies and requirements vary depending on the grant program applied to, the grant program and source of funding in the Agreement, the characteristics of the project, and the characteristics of our organization.

Section 6. Any grant assistance received will be used for only direct eligible and allowable costs that are reasonable and necessary to implement the project(s) referenced above.

Section 7. Our organization acknowledges that the grant will only be used for maintenance of local park property owned by our organization.

Section 8. This Resolution is deemed to be part of the formal grant application to the Office.

Section 9. Our organization warrants and certifies that this Resolution was properly and lawfully adopted following the requirements of our organization and applicable laws and policies and that our organization has full legal authority to commit our organization to the warranties, certifications, promises and obligations set forth herein.

Section 10. That this Resolution shall be in full force and effect upon passage and signatures hereon.

PASSED by the City Council this 15<sup>th</sup> day of April, 2024.

CITY OF LAKEWOOD

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Jason Whalen, Mayor

Attest:

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Briana Schumacher, City Clerk

Approved as to form:

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Heidi Ann Wachter, City Attorney