

City of Lakewood, Washington



2025 Federal Policy Agenda

Adopted Oct. 21, 2024

Lakewood City Council Vision Statement:

“Lakewood is a thriving, urban, South Puget Sound City, possessing the core values of family, community, education, economic prosperity, and the equitable delivery of municipal services. We will advance these values by recognizing our past, taking action in the present, and pursuing a dynamic future.”



Lakewood City Council

- Jason Whalen, *Mayor*
- Mary Moss, *Deputy Mayor*
- Ryan Pearson, *Councilmember*
- Paul Bocchi, *Councilmember*
- Patti Belle, *Councilmember*
- Michael Brandstetter, *Councilmember*
- Trestin Lauricella, *Councilmember*

Contact Information

JOHN CAULFIELD, CITY MANAGER
JCAULFIELD@CITYOFLAKEWOOD.US
(253) 983-7703

JAKE JOHNSTON, JOHNSTON GROUP
JAKE@JOHNSTONGR.COM
(206) 240-3133

**MICHAEL VARGAS, ASST. TO THE CITY
MANAGER/POLICY ANALYST**
MVARGAS@CITYOFLAKEWOOD.US
(253) 983-7717

Introduction

The City of Lakewood has established a productive and trusted relationship with its congressional delegation over the past many years. The result is a delegation that actively partners with the City in support of shared goals, whether they be funding for critical infrastructure and economic development, or offering legislative language to modify Department of Defense policies. The City thanks the congressional delegation for securing improvements for the Lakewood community over the years.

2024 Accomplishments

The City continued its track record of partnering with its congressional delegation in 2024.

Following the City's successful support for a \$1 million award to the LASA Campus Project in 2023, the City was awarded a 2024 \$1.1 million RAISE Planning Grant for the "Green Street Loop" project in the Downtown Subarea. This funding completes 30% project design for an updated motorized and non-motorized transportation network in the downtown area, a critical first step in implementing the City's vision of a modern downtown core. This transformative planning project was championed by Congresswoman Marilyn Strickland, Senator Patty Murray, and Senator Maria Cantwell.

The City also built support within the delegation and specifically with House Armed Services Committee Ranking Member Adam Smith for the appropriate and needed changes at the Department of Defense that streamlines the purchasing of private land for compliance with military safety buffer zones. In the 2024 National Defense Authorization Act, the City successfully included language that furthers this goal. The delegation will help the City's continued efforts in resolving the issue of North Clear Zone encroachment.

2025 Policy Opportunities

The City has identified a number of infrastructure and housing needs to prioritize in 2025 that would benefit the community. Congress and the Biden Administration are providing numerous funding opportunities for the City to pursue these important projects. Congress and the Biden Administration have provided numerous funding opportunities for the City to pursue via historic infrastructure and climate mitigation programs. The City is not submitting a federal earmark request for 2025, as several key City Council Goals for 2025-2026, to include development of a Downtown Community Center, are not ready for a competitive request for one-time construction funding.

The City is instead supporting a 2025 OLDCC Planning grant for a competitive SSMCP project: a Defense Community Corridor Study, to include all state and local transportation networks that lead to JBLM in Pierce and Thurston county.

In 2025, Congress is expected to begin hearings on the reauthorization of the Transportation bill, which is expected to be before congress in 2026. Lakewood's biggest priority in this bill is the expansion of the medium sized city set aside to all federal infrastructure grant programs and will be working with Rep. Rick Larsen (ranking member, House Transportation Committee), Senator Maria Cantwell (Chair, Senate Commerce committee with jurisdiction over transportation) and the state congressional delegation to move this agenda forward.

Additionally, the City will partner with local, regional and state entities in support of a multi-year plan to secure significant federal support for the Nisqually Interstate 5 replacement project. The City also supports the continuation and funding of the Bureau of Justice Assistance grant for therapeutic courts, which the City has leveraged for its own community court. Last, the City will continue efforts to change the Defense Community Infrastructure Program (DCIP) project eligibility to prioritize transportation projects, as several transportation projects around the City that improve military preparedness would benefit from DCIP funding access.

Congressional Delegation Opportunities

Lakewood's Congressional Delegation is extraordinarily well positioned to help the City in terms of committee assignments and seniority.

Congresswoman Strickland serves on the Transportation Committee and the Armed Services Committee with jurisdiction over JBLM and who's Ranking Member, Congressman Adam Smith, is also from Washington State. Senator Murray is the Chairwoman of the Senate Appropriations Committee and the Senate President Pro Tem, placing her fourth in the line of presidential ascension.

Senator Cantwell is the Chair of the Senate Commerce Committee with jurisdiction over a majority of transportation policy. From a statewide perspective, Washington State has three members on the Appropriations Committee and two on the Armed Services Committee. In 2025, the Washington State Congressional delegation will have a minimum of two new members and their committee assignments are not yet known.

Strategy

Lakewood's congressional delegation knows the Lakewood community's needs, as well as the City's funding and policy priorities. The City's legislative effort in 2025 will be to continue to drive major policy changes within the Department of Defense and the Department of Transportation and bring federal funding to City needs. The City's objective will be a sustained partnership with the federal government to bring federal funding into the City

to support economic, infrastructure, housing, and environmental priorities.

The 2025 scope of work builds on the City's latest legislative efforts and continues to build support in 2025 and for longer-term initiatives in the years ahead. Additionally, the City will follow the work being done by partner agencies and organizations and will levy support when and where appropriate. Some of these organizations include the Association of Washington Cities, the Association of Defense Communities, the Puget Sound Regional Council and Pierce County, among others

Policy Priorities

1) Bringing federal funding to the City's top infrastructure and housing priorities

Background: As Members of Congress restored earmarking authority in 2021, the City has ample opportunity to position its priority projects for federal support. In 2022, the City secured \$2.5 million to complete the South Tacoma Way project and has led the federal lobbying for funding for the LASA project in Lakewood – a project that has secured \$1 million in 2023.

Action: The City's work in 2025 will be to use the new earmark rules and regulations to revisit the City's capital projects and position them for federal support. The City will make a decision about which projects to put forward from the transportation, economic development, watershed infrastructure and community development areas. With four years of earmarks to review and the successful positioning of the South Tacoma Way Project and the LASA project for funding, the City of Lakewood can continue to put needed projects forward for federal funding with a keen understanding of which projects compete well for congressional consideration.

Additionally, the City will partner with local, regional and state entities in support of a multi-year plan to secure significant federal support for the Nisqually Interstate 5 replacement project.

2) Supporting the ongoing efforts in the North Clear Zone

Background: The South Sound Military and Community Partnership (SSMCP) has been the driving leader in supporting the Air Force and Army funding the acquisition of property in the JBLM North Clear Zone. The City has successfully secured legislative language with its congressional delegation to clarify the appropriate use of federal dollars. Despite multiple round of increasingly clarifying language, the property acquisition process at the Army

remains burdensome, unable to meet the specific property relocation needs of the business in the McChord Field Clear Zone and too slow to meet market conditions. The delegation is aligned with the city's support of changes to this process and continues to champion improvements in partnership with the City and SSMCP.

Action: The City will continue to lobby for funding and policy support for this effort. The House and Senate Armed Services Committees are both watching the work being done at the North Clear Zone at JBLM and the City has a strategy ready to enact should the contemporary work being done on the ground prove stuck. The City will also monitor the implementation of the language that was successfully added to the 2022 NDAA to ensure it meets local needs. The City will also push for DOD Land Acquisition funding to be placed in an escrow account to be able to be activated as properties become available to reduce the delay currently in place.

3) Defense Community Infrastructure Program (DCIP)

Background: In 2018, Congress included the creation of the Defense Community Infrastructure Program (DCIP) in the Defense Authorization bill with an initial authorization of \$100 million for the program. This program was the result of a multiple-year effort led by the City of Lakewood and pushed by former Congressman Denny Heck with the support of Congressman Derek Kilmer and Congressman Adam Smith. This new federal initiative created a new funding program for the Department of Defense to help cities construct infrastructure that serves military installation.

Congress failed to fund the program in 2018 but we were able to get \$50 million appropriated in 2019 to establish the program and support the first round of grants. As 2020 unfolded, the Office of Local Defense Community Cooperation (OLDCC, formerly known as the Office of Economic Assessment) established the DCIP with an emphasis on projects that enhanced military quality of life and de-emphasized infrastructure.

In 2021, Lakewood successfully lobbied for an increase in the amount of funding available to \$60 million and successfully re-prioritized infrastructure in the grant award criteria. This is key to the City's strategy of using the DCIP to fund the infrastructure improvements needed to connect JBLM North with the main base.

Thanks to the City's steadfast efforts, in 2023 the DCIP funding has grown to

its fully authorized amount of \$100 million and has a dedicated title for infrastructure-specific projects. The City successfully supported Lakewood Water District's DCIP funding request for addressing PFAS contamination from JBLM migrating into the City's aquifers.

Action: In 2025, the City will continue to support the fully authorized amount of funding for DCIP, and re-prioritization of infrastructure/transportation projects and look for specific projects within the City that might be strong fits for this program.

4) Transportation, Climate, and Infrastructure Program and Funding

Background: Congress and President Biden enacted the Bipartisan Infrastructure Bill in December 2021 and the Inflation Reduction Act of 2022 in August 2022. These two bills provide dozens of grant and program funding opportunities for the City of Lakewood. The City will evaluate these programs to determine if they are viable funding sources for the City's needs and priorities. The City has substantial concern that national grant programs disadvantage medium sized cities without a specific set aside so that cities of similar size compete on equal ground.

Action: Several proposals in both House and Senate bills have new programs identified for competitive grant funding (see below for a selected list). Influencing how these programs are developed by the agencies and ensuring they are set up in ways that make Lakewood's projects accessible and competitive will be a top priority. Each of these new programs provide an opportunity for the City to position projects and compete for funding. The City will work to modify the Infrastructure grant programs to create a medium sized city set aside and to ensure that program criteria meet the needs of the community. Each of these new programs has gone through at least one full funding cycle so far so the City will have experience with the specific criteria to evaluate good fits for Lakewood as well as to make recommendations for program modifications to congress, to include a medium city set aside. Some of the recent grant programs include:

- Clean Heavy Duty Vehicles
- Climate Pollution Reduction Grants

- Environmental and Climate Justice Block Grants
- Neighborhood Access and Equity Grant Program
- Latest and Zero Building Energy Code Adoption
- Safe Streets and Roads for All Program
- Reconnecting Communities Pilot Grant Program
- Culvert Removal, Replacement and Restoration Program
- Broadband Development and Deployment
- Charging and Fueling Infrastructure
- Bridge Investment Program
- Carbon Reduction Program
- Local and Regional Project Assistance Grant

Influencing how these programs are developed by the agencies and ensuring they are set up in ways that make Lakewood's projects accessible and competitive will be a top priority. Each of these new programs provide an opportunity for the City to position projects and compete for funding. The City will work to modify the Infrastructure grant programs to create a medium sized city set aside and to ensure that program criteria meet the needs of the City of Lakewood.

5) Medium Sized City Set Aside

Background: Most federal infrastructure spending has a rural set aside which is critical for smaller communities to be able to access federal dollars. There is no comparable medium sized city set aside. Instead, medium sized cities compete against large cities like Seattle, Portland and Los Angeles for limited resources. Medium sized cities need a defined pool to compete within so as to make federal funds available in a way that simply aren't in their current status.

The RAISE program is the key federal funding program for local infrastructure investments. Yet, all cities compete within the same funding pool, putting smaller and medium sized cities at a competitive disadvantage for funding even as the transit and commuter challenges are similar to those of larger communities. There are efforts in Congress to create funding tiers so that cities of similar size can compete for federal funds. The City has supported efforts to designate a portion of federal transportation spending for cities between 10,000 and 75,000 in population size. In 2020, the RAISE grant

criteria was changed so that half of all funding in the program went to cities below 200,000 in population size. While the City appreciates and supports this action, it puts all but three cities in Washington State in the same competitive pool and is not a true medium sized city set aside.

The issue applies beyond the RAISE program. With dozens of new and augmented federal grant programs for cities funded in the Infrastructure and Climate bills, ensuring these funds are accessible to medium sized cities is a top priority.

As for proof as to why this set aside is needed, since the RAISE program, formerly known as the BUILD or TIGER, was created in 2009 through 2021, not a single award was made to a city in Washington State between 10,000 and 75,000 in population size.

In 2022, there were signs that this legislative effort is seeing results. Of the six RAISE grant awards made in Washington State, two awards went to medium sized cities (Lynnwood and Bothell). This progress is a result of the work done by many Washington State cities and sets a good precedent for us to continue to refine population tiers for grant funding. In 2023, the City of Shoreline was awarded \$20 million through the RAISE program.

In 2023, the City submitted an unsuccessful RAISE Planning Grant but had excellent and insightful feedback from USDOT about our application. As a result, the City resubmitted the grant in 2024 and was awarded \$1.1 million.

Action: The City will continue to lobby for a portion of federal infrastructure dollars be set aside for medium sized cities. This policy position is consistent with the work the City has been doing for years and is supported broadly by similar sized cities throughout the state.

6) Continuation of Earmark Authority

Action: Congress reinstated its earmarking authority in 2021 and the City should continue to support the use of congressionally-directed spending in 2025 and beyond with full transparency and conflict of interest checks.

Defense Policies

7) Base Realignment and Closure (BRAC)

Background: A BRAC round is the best way to direct military construction and infrastructure funding to the bases and locations that need the most investments. While the prospects of a BRAC round over the next few years are unlikely, the DOD and the City's congressional delegation are supportive, including most importantly, Congressman Adam Smith who is the Chair of the House Armed Services Committee with jurisdiction over this issue.

Action: The City will continue to support a BRAC round to focus limited federal funding on critical military infrastructure needs. The City urges Congress to invest in the Office of Local Community Cooperation with any BRAC round. Moreover, for bases that see an increase in missions or personnel following a BRAC, Congress should consider creating a new funding support to address deficiencies on those installations.

8) Office of Local Defense Community Cooperation

Background: As Congress moves forward with annual Defense Authorization bills, preserving funding for the Office of Local Defense Community Cooperation (OLDCC) – formerly known as the Office of Economic Adjustment (OEA) – at the Pentagon is a key priority for the City. OLDCC funds economic studies and planning for cities that experience reductions or growth in their military installations.

Action: OLDCC is expected to continue to be a critical partner to the City for many shared initiatives in support of JBLM. The City supports stable funding for OLDCC in recognition of its strong role in the economic growth in the region.

9) Association of Defense Communities Engagement

Background: The Association of Defense Communities (ADC) has become a key ally for the City. The ADC's support for the Defense Community Infrastructure Program was key to enactment in 2018. Additionally, its

steadfast support for the Office of Local Defense Community Cooperation (OLDCC) has been critically important for the viability of that agency.

Action: The City should continue to look for ways to deepen its relationship with ADC, to include participating in ADC conferences and seeking committee and board positions with ADC.

10) Support for Military Projects at JBLM

Background: Congress restored limited earmarking authority to its appropriations bills. In 2021, Military Construction projects were not eligible for earmarking but there were 28 projects selected for earmarked funding in 2022 and dozens more in line to be funded in 2023.

Action: The City will support JBLM by supporting military construction projects that the base has identified as priorities for the Military Construction accounts within the congressional spending bills.

Community Economic Development Policies

11) Community Development Block Grants (CDBG) and the Home Investment Partnership Program (HOME)

Background: The City of Lakewood uses Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) funding to support local initiatives that benefit the City's vulnerable population. Funding in the CDBG program increased by 30% in 2018 after falling to a decade low in 2016 and has been holding steady at that rate since then.

The CDBG program was used by Congress extensively as a distribution mechanism for federal relief funding for the COVID pandemic. However, those program increases in the CDBG budget are temporary and responsive to the pandemic – not permanent increases in the program.

Action: The City will continue to support the CDBG and HOME program at the federal level and lobby for increased funding that could be put to use in Lakewood immediately.

12) *Support for Municipal Tax Policy*

Background: Congress has adjusted various tax policies that have a direct impact on the City of Lakewood, including the New Markets Tax Credit, the Affordable Housing Tax Credit and the State and Local Sales Tax Deduction. These policies, in addition to policies that would negatively value municipal bonding authority, remain under debate in Congress and the City should advocate for strong municipal authority and tax credits that facilitate economic development and meet our region’s critical housing needs

Action: The City will advocate for strong municipal authority and tax credits that facilitate economic development and meet the region’s critical housing needs.