

Don Anderson  
Mayor

November 22, 2013

Jason Whalen  
Deputy Mayor

## NOTICE

Mary Moss  
Councilmember

### LAKWOOD CITY COUNCIL SPECIAL MEETING AND LAKWOOD CITY COUNCIL STUDY SESSION

Michael D. Brandstetter  
Councilmember

Notice is hereby given that the Lakewood City Council will hold a Special Meeting on Monday, November 25, 2013, at 7:00 p.m., in the City Council Chambers, Lakewood City Hall, 6000 Main Street SW, Lakewood, Washington.

Helen McGovern-Pilant  
Councilmember

Marie Barth  
Councilmember

The purpose of the special meeting is to consider a proclamation of appreciation of Councilmember Helen McGovern-Pilant for her dedicated service to the Lakewood City Council and citizens of Lakewood and to consider an ordinance adopting the 2014 property tax levy.

Paul Bocchi  
Councilmember

Following the special meeting of the City Council, the Lakewood City Council will hold its regular Council Study Session at the same location.

John J. Caulfield  
City Manager

Alice M. Bush, MMC  
City Clerk



## LAKWOOD CITY COUNCIL SPECIAL MEETING

Monday, November 25, 2013

7:00 P.M.

City of Lakewood

City Council Chambers

6000 Main Street SW

Lakewood, WA 98499

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Page No.

**Call to Order**

**Roll Call**

**Flag Salute**

### R E G U L A R   A G E N D A

#### **Proclamation and Presentations**

Proclamation extending appreciation of Helen McGovern-Pilant for her dedicated service to the Lakewood City Council and citizens of Lakewood. -

*Councilmember Helen McGovern-Pilant*

#### **Ordinance**

(1) Ordinance No. 571

Adopting the 2014 property tax levy. - *Assistant City Manager for Finance and Administrative Services*

#### **Adjournment**

*The Council Chambers is accessible to persons with disabilities. Equipment is available for the hearing impaired. Persons requesting special accommodations or language interpreters should contact the City Clerk's Office, 589-2489, 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>

*The Council Chambers will be closed 15 minutes after adjournment of the meeting.*

# REQUEST FOR COUNCIL ACTION

<b>DATE ACTION IS REQUESTED:</b> 11/25/13 Special Meeting	<b>TITLE:</b> An <b>ORDINANCE</b> of the City Council setting the 2014 Levy for the City of Lakewood's collection of property tax.	<b>TYPE OF ACTION:</b> <input checked="" type="checkbox"/> <b>ORDINANCE</b> NO. 571
<b>REVIEW:</b> 11/4/13 11/18/13	<b>ATTACHMENTS:</b> 1. <b>ORDINANCE</b> 2. <b><u>Preliminary Certification</u></b> of Assessed Values from the Pierce County Assessor's Office for tax collections in 2014. 3. Pierce County <b><u>Assessor's Property Tax Worksheet</u></b> for the calculation of the levy lid cap – levy rate for the City of Lakewood and for budget year 2014.	<input type="checkbox"/> <b>RESOLUTION</b> <input type="checkbox"/> <b>MOTION</b> <input type="checkbox"/> <b>OTHER</b>

**SUBMITTED BY:** Tho Kraus, Assistant City Manager/Finance & Administrative Services

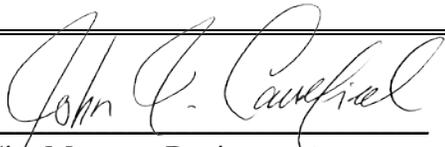
**RECOMMENDATION:** It is recommended that the City Council adopt this **ORDINANCE** to increase the property tax levy by 1% as allowed by law, in addition to increases related to new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and administrative refunds.

**DISCUSSION:** The City of Lakewood will assess a levy on all property within the boundaries of the City. The Pierce County Assessor submitted to the City on September 13, 2013 the 2014 preliminary certification of assessed values and subsequent property tax working papers. This working paper identifies the Statutory Rate Limitations for the levy calculation and the lid level rate calculations (101%).

- Continued to page 2 -

**ALTERNATIVES:** The City Council may elect to reduce the property tax revenues/receivables budget, which would impact the levy rate accordingly and have associated impacts to the 2014 budget.

**FISCAL IMPACT:** Property Tax is allocated in the 2014 budget under BARS number 001.311.10.00.000 within the General Fund.

<u>Tho Kraus/Mary Ann Norquist</u> Prepared by	 _____ City Manager Review
<u>Tho Kraus</u> Department Director	

**DISCUSSION:** - continued -

The highest lawful levy for collection in 2014 is \$6,281,033 plus the 1% increase of \$62,810, plus additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and administrative refunds. The preliminary levy limit calculation includes additional revenue from new construction in the amount of \$20,978 for a total preliminary 2014 property tax levy of \$6,364,821.

The dollar amount of the increase over the actual 2013 levy of \$6,347,649 (which is the regular levy of \$6,281,033 plus administrative refunds of \$66,616) is \$0 and 0 percent (mandated language from Pierce County). This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and administrative refunds.

ORDINANCE NO. 571

AN ORDINANCE of the City Council of the City of Lakewood, Washington, relating to ad valorem property taxes; establishing the amount to be raised in 2014 by taxation on the assessed valuation of the property of the City; and setting the property tax levy rate for 2014.

WHEREAS, the City Council of the City of Lakewood has met and considered its budget for the budget years 2013 - 2014;

WHEREAS the City Council conducted the public hearing on the 2014 property tax levy on November 4, 2013;

WHEREAS, the City Council, after hearing and duly considering all relevant evidence and testimony, determined that it is necessary to meet the expenses and obligations of the City, to increase the regular property tax levy by the 1.0% limit factor as prescribed in RCW 84.55.101;

WHEREAS, the district's actual levy amount from the previous year was \$6,347,649.00; and,

WHEREAS, the population of this district is more than 10,000; and,

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

SECTION 1. Increase in the Highest Lawful Levy. The highest lawful levy for collection in 2014 is \$6,281,033 plus the 1% increase of \$62,810, plus additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and administrative refunds. The preliminary levy limit calculation includes additional revenue from new construction in the amount of \$20,978 for a total preliminary 2014 property tax levy of \$6,364,821.

SECTION 2. Dollar and Percentage Increase from 2013 Actual Property Tax Levy. The dollar amount of the increase over the actual 2013 levy of \$6,347,649 (which is the regular levy of \$6,281,033 plus administrative refunds of \$66,616) is \$0 and 0 percent. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and administrative refunds.

SECTION 3. Estimated Tax Levy. The estimated 2014 regular property tax levy is established at the maximum 101 percent limit. The annual amount of property taxes and rates necessary to raise the estimated budget revenue in 2014 is hereby levied upon real and personal

property subject to taxation in the City is as follows:

Estimated 2014 Tax Levy

True and Fair Value of Tax Base: \$4,489,549,212  
Estimated Levy Rate: \$1.4177

SECTION 4. Maximum Allowable Levy and Certification. The estimated property tax revenues and rates will be subsequently adjusted by Pierce County Assessor-Treasurer to the maximum allowable amount as specified by state law, including administrative refunds, when the property values are finally certified. The levy certifications will then be completed using the final certified figures and forwarded to the Assessor-Treasurer.

SECTION 5. Effective Date. That this Ordinance shall be in full force and effect five (5) days after publication of the Ordinance as required by law.

ADOPTED by the City Council this 25<sup>th</sup> day of November, 2013.

CITY OF LAKEWOOD

\_\_\_\_\_  
Don Anderson, Mayor

Attest:

\_\_\_\_\_  
Alice M. Bush, MMC, City Clerk

Approved as to Form:

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

City of Lakewood  
Lakewood City Hall  
6000 Main Street SW  
Lakewood, WA 98499  
(253) 589-2489

**(Legal Notice)**

November 26, 2013.

**NOTICE OF ORDINANCE PASSED  
BY LAKEWOOD CITY COUNCIL**

The following is a summary of an Ordinance passed by the City of Lakewood City Council on the 25th day of November, 2013.

**ORDINANCE NO. 571**

AN ORDINANCE of the City Council of the City of Lakewood, Washington, relating to ad valorem property taxes; establishing the amount to be raised in 2014 by taxation on the assessed valuation of the property of the City; and setting the property tax levy rate for 2014.

Section 1 of the Ordinance provides for an Increase in the Highest Lawful Levy to be collected in the 2014 tax year.

Section 2 of the Ordinance provides for a dollar and percentage increase from the 2013 Actual Property Tax Levy.

Section 3 of the Ordinance provides for an estimated tax levy for 2014 regular property tax levy at the maximum 101 percent limit.

Section 4 of the Ordinance provides for a maximum allowable levy and certification.

Section 5 of the Ordinance shall be in full force and effect five (5) days after publication of the Ordinance Summary, and as provided by law.

The full text of the Ordinance is available at the City Clerk's Office, Lakewood City Hall, 6000 Main Street SW, Lakewood, Washington 98499, (253) 589-2489. A copy will be mailed out upon request.

Alice M. Bush, MMC, City Clerk

**Published in the Tacoma News Tribune:** \_\_\_\_\_



## LAKWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, November 25, 2013  
*Following City Council Special Meeting*  
City of Lakewood  
City Council Chambers  
6000 Main Street SW  
Lakewood, WA 98499

Page No.

### **Call to Order**

### **Items for Discussion:**

- ( 1) 1. Review of the Living Access Support Alliance Prairie Oaks Section 108 loan. - (Memorandum)
- (26) 2. Review of the 2014 proposed lodging tax funding allocations. - (Memorandum)
- (29) 3. Economic Development and Development Services update. - (Memorandum)
- (34) 4. Review of the South Sound Military and Communities Partnership 2014 Memorandum of Agreement. - (Memorandum)
- (46) 5. 2013-2014 Mid-Biennial Budget Review, Proposed 2013 Budget Amendments. - (Memorandum)
- (64) 6. Review of the Comprehensive Plan visioning process and request for consulting services. - (Memorandum)
- (69) 7. Review of amendments to the criminal code. - (Memorandum)
- (71) 8. Review of amendments to Chapter 2.16 of the Lakewood Municipal Code relative to the Municipal Court judge salary and caseload. - (Memorandum)

### **Briefing by the City Manager**

### **Items Tentatively Scheduled for the December 2, 2013 Regular City Council Meeting:**

1. Item Nos. 1, 2, 4, 7 and 8 above.

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<http://www.cityoflakewood.us>

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2. Swearing-in ceremony of new Councilmember.
3. This is the date set for a public hearing on the proposed 2013-2014 biennial budget amendments.
4. Confirming the appointment of a Municipal Court Judge. - (Motion - Regular Agenda)
5. Confirming the City Manager's appointment of Stafford Smith as Hearings Examiner and Phil Olbrechts as Hearings Examiner Pro-Tem and authorizing the execution of agreements for said services. - (Motion- Regular Agenda)
6. Approving the street vacation for a portion of 104<sup>th</sup> Street Court right-of-way. - (Ordinance - Regular Agenda)
7. Authorizing the execution of an agreement with the Humane Society for Tacoma-Pierce County, in the amount of \$106,050, for animal sheltering services from January 1, 2014 through December 31, 2014. - (Motion - Regular Agenda)
8. Authorizing the execution of a grant agreement with the Washington State Department of Ecology, in the amount of \$300,000 for the stormwater outfall program. - (Motion - Regular Agenda)

### **City Council Comments**

### **Adjournment**

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**LAKWOOD CITY HALL**  
 6000 Main Street SW, Lakewood, WA 98499-5027  
 (253) 589-2489

**MEETING SCHEDULE**  
**November 25, 2013 – November 29, 2013**

Date	Time	Meeting	Location
November 25	7:00 P.M.	City Council Special Meeting	Lakewood City Hall Council Chambers
	<i>Following the Council Special Meeting</i>	City Council Study Session	Lakewood City Hall Council Chambers
November 26	5:30 P.M.	Parks and Recreation Advisory Board	Lakewood City Hall 1st Floor, Conference Room 1D
November 27	No Meetings Scheduled		
November 28	No Meetings Scheduled	City Hall Closed in observance of Thanksgiving	
November 29	No Meetings Scheduled	City Hall Closed – Day after Thanksgiving	

**TENTATIVE MEETING SCHEDULE**  
**December 2, 2013 – December 6, 2013**

Date	Time	Meeting	Location
December 2	4:30 P.M.	Arts Commission	Lakewood City Hall 3 <sup>rd</sup> Floor, Executive Conference Room 3A
	6:00 P.M.	Youth Council	Lakewood City Hall 3 <sup>rd</sup> Floor, Executive Conference Room 3A
	7:00 P.M.	City Council	Lakewood City Hall Council Chambers
December 3	No Meetings Scheduled		
December 4	5:15 P.M.	Public Safety Advisory Committee	Lakewood Police Station Multi-Purpose Room 9401 Lakewood Drive SW
December 5	9:30 A.M.	Civil Service Commission	Lakewood City Hall 1 <sup>st</sup> Floor, Conference Room 1E
	6:30 P.M.	Tillicum/Woodbrook Neighborhood Association	Tillicum Community Center 14916 Washington Avenue SW
December 6	No Meetings Scheduled		
December 7	No Meetings Scheduled		
December 8	1:00 P.M.	Joint City Council and Youth Council trip to Pacific Science Center	Meet at City Hall Pacific Science Center 200 Second Avenue N. Seattle, WA

NOTE: The City Clerk's Office has made every effort to ensure the accuracy of this information. Please confirm any meeting with the sponsoring City department or entity.



TO: MAYOR AND CITY COUNCIL MEMBERS

FROM: JEFF GUMM, PROGRAM GRANTS COORDINATOR

THROUGH: JOHN J. CAULFIELD, CITY MANAGER *John J. Caulfield*

DATE: NOVEMBER 25, 2013 (COUNCIL STUDY SESSION)

SUBJECT: LIVING ACCESS SUPPORT ALLIANCE (LASA) PRAIRIE OAKS  
SECTION 108 LOAN GUARANTEE ASSISTANCE

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**Introduction:** The purpose of this memorandum is to provide information and general framework for the proposed Section 108 loan guarantee assistance for the LASA Client Services Center project, commonly known as Prairie Oaks.

**CDBG & Section 108 Background:**

**CDBG** - The Community Development Block Grant (CDBG) program was enacted under Title 1 of the Housing and Community Development Act of 1974, as amended. The CDBG program's main objective is to create vibrant communities through the creation of decent affordable housing, the provision of services to the most vulnerable, and through economic opportunities and job creation. As required of this statute, the CDGB program requires that all activities meet one of three national objectives, which are to: 1) benefit low and moderate income citizens, 2) remove slums and blight, and 3) meet an urgent need.

As an entitlement city, the City of Lakewood receives an annual CDBG allocation directly from the Department of Housing and Urban Development (HUD). Over the years this amount has varied from a high of \$943,000 in 2001 to a low of \$470,895 in 2012; for the current year, FY 2013 (July 1, 2013 – June 30, 2014), the City was awarded \$481,589 in CDBG funding. Funding priorities for FY 2013 were established by Council at your October 7, 2013 meeting as follows: 1) Economic Development; 2) Public Service; 3) Physical/Infrastructure Improvements; and 4) Housing. The Prairie Oaks project as proposed qualifies under physical/infrastructure improvements for the purposes of CDBG and Section 108 financing.

**Section 108** - The Section 108 Loan Guarantee program was authorized under Section 108 of the Housing and Community Development Act of 1974, as amended. The program provides communities with a source of financing for large scale, capital-intensive economic development, housing, public facilities, and large-scale infrastructure and community

development projects. The Section 108 program enables CDBG grantees to access additional CDBG funding by borrowing up to five times their annual entitlement grant, minus any outstanding Section 108 commitments and/or principal balances of Section 108 loans. Eligible activities under the program are different than those under the regular CDBG program; however, the overarching objectives of benefit to low and moderate income individuals, aid in the elimination or prevention of slums and blight, or meeting an urgent need remain the same.

#### General Loan Details:

- Section 108 obligations are financed by HUD through underwritten public offerings through an interim lending facility.
- Principal security for the loan guarantee is a pledge by the public entity of its current and future CDBG funds. Additional security from the borrower will also be required to assure repayment of guarantee obligations, typically assets financed by the loan or other collateral owned by the borrower.
- Maximum repayment period is 20 years; terms can be flexible when structuring the principal amortization to better match the need of the borrower and project.
- Interest rates for projects are initially set with an interim rate and are typically converted to a fixed rate sometime after project completion. Interim rates are based on the 3 month London Bank Offered Rate (LIBOR) plus 20 basis points (.2%). Permanent financing is pegged to yields on U.S. Treasuries of similar maturity, with a small basis point spread being added to determine final rate.

**Lakewood Section 108 Loan Pool:** The City of Lakewood applied for and was awarded \$2,888,000 in Section 108 funding on July 27, 2012. This award represents 5 times Lakewood's FY 2011 CDBG allocation of \$577,790. Were application made today, Lakewood's Section 108 loan pool would be capped at \$2,407,000 (5 times current CDBG allocation of \$481,589; rounded down to the nearest thousand).

The purpose of the Section 108 application was to create a loan pool to assist with economic and community development activities throughout the city. Loan proceeds are to be used as gap financing primarily for development and business loans to facilitate economic development. Eligible activities include the following - 1) acquisition, clearance, demolition, and redevelopment of property for economic development purposes; 2) other economic development activities; 3) housing rehabilitation; and 4) public facilities and infrastructure improvements.

As a condition of award, the city was to submit its first Section 108 project loan agreement to HUD for review and approval prior to June 30, 2013, or the loan fund would be subject to termination. In late June, the city requested and was granted a 6 month extension of the loan submittal date to reevaluate the city's initial project, Prairie Oaks. The extension was requested to provide additional time to reevaluate the funding package as the State made a last minute funding change by substituting Housing Trust Fund dollars in place of Low Income Housing Tax Credit dollars. Pending Council approval, staff is on schedule to present HUD with loan agreements to comply with the conditions of award prior to the December 31, 2013 deadline.

**Prairie Oaks Client Services Center Project:** The Living Access Support Alliance (LASA), a 501c3 nonprofit organization, is proposing to construct a new mixed use development that will include a 4,000 square foot Client Services Center consisting of supportive service space that will serve low income households throughout the City (the Commercial Condominium, or the “Project”); and 15 new permanent residential units that will serve formerly homeless households (the Residential Condominium). The two condominiums will be part of a single building that will be constructed on a site located at 8954, 8956 and 8960 Gravelly Lake Drive SW in Lakewood. The subject of the proposed Section 108 Loan Guarantee is solely the Client Services Center condominium.

The property, currently owned by LASA, is zoned Arterial Residential Commercial (ARC) and is therefore consistent with the intended use. Total costs for the project are \$4,844,360 for the housing portion and \$1,200,191 for the client services center/offices. The cost breakdown is outlined in Table 1. For purposes of the Section 108 assistance, the project is proposing to fund only the portion of the project that is the client services center (shaded column of Table 1).

**Proposed Use of Funds:**

<b>Table 1</b>			
Fund Origination	Housing	Services Ctr. & Office	Project Totals
Pierce County CDBG	-	\$250,000	\$250,000
Lakewood CDBG	-	\$250,000	\$250,000
Pierce County 2163	-	\$275,000	\$275,000
<b><i>Proposed Lakewood Section 108</i></b>	-	<b><i>\$310,000</i></b>	<b><i>\$310,000</i></b>
LASA- Cash on Hand	-	\$30,000	\$30,000
LASA- Developer Fee	-	\$85,191	\$85,191
Lakewood HOME	\$250,000	-	\$250,000
Pierce County “2163”	\$258,697	-	\$258,697
State Housing Trust Fund	\$4,035,663	-	\$4,035,663
THA Bridge Loan of Capital Campaign	\$300,000	-	\$300,000
<b>Total Development Costs</b>	<b>\$4,844,360</b>	<b>\$1,200,191</b>	<b>\$6,044,551</b>

**Actions to Date:**

- March 4, 2013 – Council approval of \$250,000 in HOME funding for THA (housing funding).
- May 6, 2013 – Council approval of \$250,000 in CDBG funding for LASA (service center funding).
- October 31, 2013 – Publish proposed amendment to FY 2013 Annual Action Plan (AAP) for \$310,000 in Section 108 assistance for services center.
- November 1 - December 2, 2013 – 30 day public comment period on AAP amendment. Comment period closes at 9:00 am on December 2<sup>nd</sup>.
- November 6, 2013 – Public Hearing on proposed amendment to FY 2013 AAP held by CDBG Citizens Advisory Board. No public comments provided.
- November 25, 2013 – Council review of proposed \$310,000 Section 108 loan.

**Actions Pending:**

- December 2, 2013 – Council approval of proposed \$310,000 Section 108 loan.
- December 3, 2013 – Submittal of loan application to HUD for initial review and approval. Preparation of final loan documents in accordance with HUD Section 108 loan terms sheet.
- December 16 – 20, 2013 – Loan closing; submittal of final approved loan documents to HUD for approval.

**Consistency with Approved Five-Year FY 2010-2014 Consolidated Plan for Housing and Community Development and FY 2013 Consolidated Annual Action Plan:** The proposed use of funds is consistent with the 5-Yr Consolidated Plan and FY 2013 Consolidated Annual Action Plan as adopted by Council on May 6, 2013. As part of the Plan's proposed use of funds, CDBG and HOME funding allocations were set aside for the THA/LASA Prairie Oaks project to maintain and improve community facilities and public infrastructure and to further expand affordable housing opportunities for low and moderate income individuals.

Staff is requesting concurrence with the proposal to authorize the City Manager to execute a Section 108 Loan Guarantee Agreement in the amount of \$310,000, which funds will be used for the purpose of funding Living Access Support Alliance to construct a client services center at 8954, 8956, and 8960 Gravelly Lake Drive SW. This concurrence will take the form of a resolution to commit said funds at your next regular meeting on December 2, 2013.

**Attached:**

1. 2013 Annual Action Plan Third Amendment
2. Section 108 Loan Application and Project-Specific Review

# **I. FY 2013 ANNUAL ACTION PLAN THIRD AMENDMENT**

## **INTRODUCTION**

In April 2012, the City of Lakewood requested \$2,888,000 under Section 108 of the Housing and Community Development Act of 1974, as amended, to establish a loan pool to assist with economic and community development activities. The loan pool will be used as gap financing for development and as business loans to facilitate development projects that will have positive economic and community benefits, including job creation. The City's application was approved by the Department of Housing and Urban Development (HUD) on July 27, 2012. In accordance with the conditions of this agreement, the City of Lakewood is to submit notes or other obligations for inspection and guarantee by the Secretary of Housing and Urban Development before December 31, 2013.

The Third Amendment to the FY 2013 Consolidated Annual Action Plan involves the application of \$310,000 in Section 108 assistance for the Living Access Support Alliance (LASA) Prairie Oaks Client Services Center project as described below. This Amendment was prepared in accordance with requirements established by the Department of Housing and Urban Development for local jurisdictions receiving assistance through Section 108 of the Housing and Community Development Act of 1974, as amended, and the Community Development Block Grant funding through the provisions of the National Affordable Housing Act of 1990, as amended.

## **PURPOSE**

The purpose of this Chapter is to describe the amendment to the FY 2013 Consolidated Annual Action Plan for Housing and Community Development.

## **CITIZEN PARTICIPATION PROCESS**

In accordance with Lakewood's Citizens Participation Plan, projects that are substantially changed are submitted to the CDBG Citizens Advisory Board for comments or recommendations prior to implementation by the City Council. On November 6, 2013, the CDBG Citizens Advisory Board reviewed the third amendment to the FY 2013 Consolidated Annual Action Plan to apply for \$310,000 in Section 108 assistance to support the Living Access Support Alliance Prairie Oaks Client Services Center project (FY 2013-01). Notification of the proposed amendment to the FY 2013 Consolidated Annual Action Plan was published in THE NEWS TRIBUNE, a paper of general circulation, on October 31, 2013. The notification provides for a 30-day citizen comment period. An opportunity for citizens, general public, local agencies and other interested parties to provide public comment was afforded at the CDBG Citizens Advisory Board meeting of November 6, 2013.

## **FY 2013 PROJECT ACTIVITIES AMENDMENT**

The amendment to the FY 2013 Consolidated Annual Action Plan provides for the City of Lakewood to apply to the Department of Housing and Urban Development for a Section 108 loan in the amount of \$310,000 for the Living Access Support Alliance Prairie Oaks Client Services Center project (FY 2013-01) located at 8954 – 8960 Gravelly Lake Dr. SW, Lakewood, WA.

## II. NOTICE OF PUBLICATION

### City of Lakewood

#### 2013 Consolidated Annual Action Plan Amendment Section 108 Loan Guarantee Program

#### Notice of Public Hearing and Comment Period

The City of Lakewood is proposing to amend its Fiscal Year 2013 Consolidated Annual Action Plan (AAP) to allow for the application and approval of a Section 108 Loan Guarantee from the U.S. Department of Housing and Urban Development (HUD) up to \$320,000 for the following activity:

#### **FY 2013 Living Access Support Alliance (LASA) - Prairie Oaks Client Services Center**

A public hearing will be conducted to provide an opportunity for citizens and agencies to provide testimony on the activity described above. The public hearing will be held on Wednesday, November 6, 2013 at 5:30 p.m. in Conference Room 3A of Lakewood City Hall, 6000 Main St. SW, Lakewood, WA.

Persons requiring special accommodations during the hearing are requested to call 253-589-2489 before 5:00 p.m., November 4, 2013.

The Draft FY 2013 AAP Amendment for the Proposed Section 108 Loan Guarantee Application will be available for public review for a period of 30 days from November 1, 2013 to December 2, 2013. Copies of the amendment and application are available for review at the City of Lakewood Community Development Department or on the City's website at [www.cityoflakewood.us](http://www.cityoflakewood.us).

The proposed amendment will be submitted to the Department of Housing and Urban Development for review and approval. Any citizen who wishes to submit written comments regarding this document may do so up to 9:00 am, December 2, 2013 at:

City of Lakewood, Community Development Department,  
Attn: Dave Bugher, Assistant City Manager for Development  
6000 Main St. SW, Lakewood, WA 98499

Ad published in the News Tribune on October 31, 2013

# THE NEWS TRIBUNE

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City of Lakewood  
2013 Consolidated Annual Action Plan  
Amendment  
Section 108 Loan Guarantee Program  
Notice of Public Hearing and Comment Period  
The City of Lakewood is proposing to amend its  
Fiscal Year 2013 Consolidated Annual Action Plan  
(AAP) to allow for the application and approval of a  
Section 108 Loan Guarantee from the U.S.  
Department of Housing and Urban Development  
(HUD) up to \$320,000 for the following activity:  
FY 2013 Living Access Support Alliance (LASA) -  
Prairie Oaks Client Services Center

A public hearing will be conducted to provide an  
opportunity for citizens and agencies to provide  
testimony on the activity described above. The  
public hearing will be held on Wednesday,  
November 6, 2013 at 5:30 p.m. in Conference  
Room 3A of Lakewood City Hall, 6000 Main St,  
SW, Lakewood, WA.

Persons requiring special accommodations during  
the hearing are requested to call 253-589-2489  
before 5:00 p.m., November 4, 2013.

The Draft FY 2013 AAP Amendment for the  
Proposed Section 108 Loan Guarantee Application  
will be available for public review for a period of 30  
days from November 1, 2013 to December 2,  
2013. Copies of the amendment and application  
are available for review at the City of Lakewood  
Community Development Department or on the  
City's website at [www.cityoflakewood.us](http://www.cityoflakewood.us).

The proposed amendment will be submitted to the  
Department of Housing and Urban Development for  
review and approval. Any citizen who wishes to  
submit written comments regarding this document  
may do so up to 9:00 a.m., December 2, 2013 at:

City of Lakewood, Community  
Development Department,  
Attn: Dave Dugher, Assistant City Manager for  
Development  
6000 Main St. SW, Lakewood, WA 98499

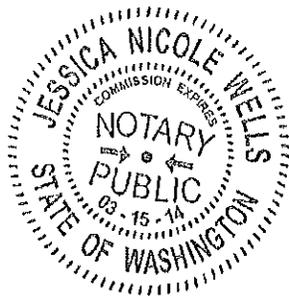
AFFIDAVIT OF PUBLICATION  
STATE OF WASHINGTON  
COUNTY OF PIERCE

I, Katie Calhoun, being first duly sworn, on oath, says that she is the legal clerk of The News Tribune, a weekly newspaper, published in Tacoma, Pierce County, Washington, and of general circulation in said state, and having a weekly circulation of over 96,000 copies. That said newspaper is now and at all times hereinafter mentioned as a legal newspaper as defined by the laws of the state, duly approved by the Superior Court of Pierce County, Washington. That the advertisement, of which the attached is a printed copy as it was published in the regular issue of said newspaper, was published 1 time(s), commencing on the 31st day of October 2013 and ending on the 31st day of October 2013.

Ad Number 0000748199  
ACCT# 256525 CITY OF LAKEWOOD

*K. Calhoun*

Subscribed and sworn to before me on this  
31st day of October, 2013



*Jessica Wells*

Notary Public in and for the state of  
Washington, residing in Pierce County.  
1950 So. State St. Tacoma, WA 98405

## SECTION 108 PROJECT-SPECIFIC REVIEW

<b>PROJECT: PRAIRIE OAKS CLIENT SERVICES CENTER - LASA</b>	
<b>APPLICANT: CITY OF LAKEWOOD</b>	<b>LOAN AMOUNT: \$310,000</b>

### PROJECT SUMMARY

The Living Access Support Alliance (LASA), a 501c3 nonprofit organization, is proposing to construct a new mixed use development that will include a 4,000 square foot Client Services Center consisting of supportive service space that will serve low income households throughout the City (the Commercial Condominium, or the "Project"); and 15 new permanent residential units that will serve formerly homeless households (the Residential Condominium). The two condominiums will be part of a single building that will be constructed on a site located at 8954, 8956 and 8960 Gravelly Lake Drive SW in Lakewood. **The subject of the proposed Section 108 Loan Guarantee is solely the Client Services Center condominium.**

#### **Services to be provided:**

LASA's client services will be available to the target population of homeless families, those in imminent danger of homelessness, and those living in transitional or temporary housing who are seeking stability and permanent housing. The array of services to be provided is focused on crisis intervention as well as building the self sufficiency of the target populations. Services will include:

- 4 -6 FTE case managers dedicated to serving an estimated 65 Pierce County families experiencing homelessness in scattered site housing.
- a part time prevention specialist to provide resources and referral information.
- shower facilities will be available for clients who lack access to bathing facilities
- access to off-site laundry services provided by a voucher that will be made available to local school nurses/counselors and to LASA's Prevention Specialist on an as needed basis.
- Basic supplies and essential needs such as diapers and toiletries.
- Space provided for a case manager from Healthcare for the Homeless in conjunction with Metropolitan Development Council.
- Computer lab to provide access to internet and general computer usage for families seeking services, housing or other needs.
- Meeting space for client gatherings and other community building events.
- Quarterly Speakers such as tax preparation or financial literacy.
- Kids Book nook to provide a lending library for homeless children.

#### **Development Program:**

Site development work including the following have been apportioned to the CSC condominium on a pro rata basis: demolition of 3 existing vacant houses and 2 garages with minor asbestos abatement; new installation of underground utilities and on-site drainage and infiltration system; asphalt parking lot with installation of on-site lighting and other site fixtures and landscaping improvements. Building development will consist of a new two-story wood framed slab on grade building with one-hour fire separation between office and residential space. The CSC will be located on the ground floor. Exterior

## SECTION 108 PROJECT-SPECIFIC REVIEW

finish consists of cement-board shingle panels or beveled siding with vinyl double-pane windows throughout. The 4,000 square feet of Client Services space will have a separate exterior entrance, separate electric heat pump and HVAC system and separate utility metering. The development also requires improvements to the street frontage along Gravelly Lake Drive. The costs of these improvements is divided between the CSC and the residential condo on a pro rata basis.

### PROJECT REVIEW

*Criteria for review of project-specific Section 108 loan applications is detailed in the approved Section 108 Loan Fund Policies. These underwriting and review guidelines will be applied to all prospective Section 108 loan proposals under this Loan Fund, regardless of whether required under Section 570.203.*

#### A. HUD National Priority Areas

The new Client Services Center meets one of the three National Priorities identified by HUD under the Suitable Living Environments category. Specifically, through creation of a new service delivery space for LASA's homeless clients city-wide, the facility meets national priority 2-c) **support delivery of human services to targeted low-income clientele.**

#### B. Community Development Objectives of the City

By providing the proposed array of services to low income households, the new Client Services Center will meet the following Community Development Objectives of the City's 2010-2016 Consolidated Plan (pg. 109):

- Focus resources on activities that provide opportunities for lower income persons to achieve their maximum self-sufficiency. Use CDBG and HOME funds to leverage other funding.
- Promote and facilitate self-sufficiency among persons served by funded activities.

By coordinating services within a housing development with links to other service resources, the project supports the following Community Development Objective (p. 117):

- Support the efforts of the 10-year Regional Plan to end chronic homelessness
  - The City Council-adopted Plan calls for housing and services and improved coordination among providers to meet the needs of homeless persons who cycle in and out of homelessness.

#### C. Section 108 eligible Activity under 24CFR 570.703

The Client Services Center will be open to the public and will provide social services to low income individuals. As such the use meets a HUD eligible activity for Section 108:

**570.703(I)** – Acquisition, construction, reconstruction, rehabilitation or installation of **public facilities** (except for buildings for the general conduct of government), public streets, sidewalks, and other site improvements and public utilities; where Public Facilities is defined as eligible under 24 CFR 570.201(c).

#### D. National Objective under 24 CFR 570.208

The LASA Client Services Center will meet a HUD national objective for Section 108 under 24CFR **570.208(a)(2)(A) Limited Clientele** – meaning an activity that benefits a clientele who are generally

## SECTION 108 PROJECT-SPECIFIC REVIEW

presumed to be principally low and moderate income persons. The Client Services Center will serve a group of persons who fit the categories to be presumed Low or Moderate Income (LMI) population (homeless, formerly homeless and families in transition).

- E. Public Benefit Standard (if applicable) as required for projects qualifying under 570.703(i) and 570.203 or 570.204 activities. **[Not Applicable]**
- F. Citizen Participation Requirements: the City fulfilled its Citizen Participation requirements by publishing the proposed actions and soliciting public comment on October 31, 2013. It held a Public Hearing on November 6, 2013 to receive input from the public on the proposed Action Plan amendment as well as the proposed use of Section 108 funds for the Project. The 30-day comment period closes December 2<sup>nd</sup>. See Appendix A for copies of the public notice, meeting agenda and meeting minutes and any comments received.
- G. Financial Underwriting Guidelines: The project was analyzed using the City's approved Loan Fund underwriting guidelines.
  - 1. Project management  
The management of the development project will be undertaken by LASA's development partner, the Tacoma Housing Authority. Their capacity is addressed below in item 9. The Client Services Center will be owned and operated by LASA, a nonprofit provider of housing and supportive services to homeless and formerly homeless families in Lakewood. LASA was formed in 1989 to address the needs of Lakewood's homeless families. Its organizational profile is discussed below in item 11. As a partner in the development, LASA will bring the critical supportive services to the project's residents as well as continue to serve households City-wide from this location. It currently owns four different properties providing housing for up to seventeen families at a given time. LASA's main site for service delivery is currently located at the subject site in one of the houses that will be torn down for the new development.
  - 2. Public Benefit  
The Prairie Oaks Client Services Center will provide critical supportive services that assist very low income families to find emergency assistance, connect with housing opportunities, build a stable base for self-sufficiency in the community and prevent or minimize homelessness. Their services supported nearly 75 families including approximately 89 children last year through a variety of services, assistance and referrals.
  - 3. Proposed Costs  
The total development budget for the Client Services Center is estimated to be \$1,200,191 according to LASA's development partner, the Tacoma Housing Authority (THA). THA has recently obtained construction cost information through a competitive bid process and has selected the general contractor. The Construction Hard Cost will be confirmed prior to closing with receipt of an executed Guaranteed Maximum Price

## SECTION 108 PROJECT-SPECIFIC REVIEW

(GMP) contract, along with an updated Development Budget that incorporates all costs. The development computes to \$300 per square foot, which is on the high end of development costs for this type of construction. Factors contributing to the higher than typical cost include the requirements of Federal Prevailing Wage rates for non-residential structures, design requirements to meet Evergreen Sustainable Design Standards (ESDS), on-site lighted parking lot and City-required street frontage improvements.

### 4. Commitment of Funds

Proposed Section 108 loan proceeds in the amount of \$310,000 will supplement the balance of committed funding sources that include:

Lakewood CDBG	\$250,000
Pierce County CDBG	250,000
THA Bridge of Capital Campaign:	275,000
LASA cash in hand	30,000
<u>LASA developer fee</u>	<u>85,191</u>
Total sources (w/108):	\$1,200,191

### 5. Need for Section 108 Assistance / Non-substitution of Funds:

Financing sources for non-residential social service space are extremely limited. As a nonprofit social service provider, LASA's operating cash flow is minimal; and thus its ability to secure conventional financing at terms that are sustainable for the organization is similarly limited. In the last two fiscal years, LASA has operated at essentially break-even while drawing upon a small pool of cash reserves. LASA was able to receive a small bridge financing commitment from its development partner to bridge its planned capital campaign for the project. That bridge financing will be repaid from cash received as campaign donations come in. After exhausting other available local grant sources (all committed to the project) LASA did obtain a commitment from a conventional lender for the \$300,000 gap. The terms of that loan, however, were at higher interest and for a shorter term which would have required a large balloon payment (approximately \$141,000) to be paid in year 10 within the HOME and Trust Fund affordability period. These terms were determined to be unsustainable for the organization both for the higher cost of financing imposed on the project and the significant risk that would be placed on the organization when it had to repay or refinance at an unknown interest rate in year ten. The relatively lower interest rate and longer financing term provided by the Section 108 loan provides LASA with an assured payment projection and the ability to fully retire the debt well within the project's net operating income capacity as detailed in Item 8.

### 6. Evidence of Site Control

LASA currently owns the three parcels to be developed. As part of the development LASA will convey its fee ownership in the parcels to a Limited Liability Limited

## SECTION 108 PROJECT-SPECIFIC REVIEW

Partnership (LLLP) consisting of LASA and THA as members. The partners will develop the improvements. The condominiums will be declared and recorded such that THA and LASA will share ownership of the Residential condominium (51% / 49% respectively) and LASA will own 100% of the Client Services Center condominium.

### 7. Loan Structure (Term, Interest Rate, Origination Fee, other expenses)

The proposed loan will carry a 20-year term, 20-year amortization, with interest-only payments in years 1-5; amortization on a 15-year schedule in years 6-20. The interest rate will be fixed at closing at 4.25% (Initial Rate) and will be subject to conversion at such time when this loan is included in any HUD public offering. The Conversion Rate shall be the lesser of: 4.25% or the rate due on each of the City's Principal Payments plus 50 basis points or 0.5% (HUD Public Offering Rate). The loan will carry a 1% loan origination fee to be paid to the City upon closing to cover costs associated with loan packaging, underwriting and documentation (eligible Program Delivery costs pursuant to Section 570.500). Repayment shall be from Borrower from project operations. There will be one other loan to Borrower (the THA Bridge Loan) that is not secured by the property, but by a pledge of all capital campaign proceeds for the project. LASA is currently engaged in a capital campaign for the project that is targeting area foundations, businesses and individual donors. To date, approximately \$30,000 has been raised.

### 8. Financial Feasibility

a. Ability to Repay – An analysis was done of the organization's audited financial statements for the FY2010, 2011 and 2012 along with un-audited interim financials for FY 2013. Based on the most recent income and expense statements for the past two years and the current 2014 program budget, LASA's operating cash flow would by itself be insufficient to repay the debt. For this reason, the Residential operations of the subject property were relied upon for the financial feasibility review. The 15 units to be developed have a commitment of project based Section 8 rental assistance for an initial term of 20 years. The units are projected to generate an Effective Gross Rent (EGR) of \$150,355 at stabilization. Expenses of \$88,825 (nearly \$6,000 per unit) were budgeted according to THA, resulting in a Net Operating Income of \$61,530. The first payment out of NOI will be to cover the Section 108 interest-only payment (\$12,675 per annum). The balance of available cash flow would be available for project reserves, or to be shared between LASA and THA as determined by the partnership agreement. This provides for a contingent repayment to the Bridge lender in the event that the LASA Capital Campaign falls short of its \$275,000 goal. Should the capital campaign funds not materialize, the THA Bridge could be repaid strictly from residential operations within a six-year time period. Once the Section 108 amortization begins in year 6, City loan terms will require that the borrower maintain a 1.20 Debt Coverage Ratio on Net Operating Income (NOI) in the Residential Condominium of the Project. Because the

## SECTION 108 PROJECT-SPECIFIC REVIEW

ownership of the Residential condominium is split between LASA and THA, the City will require a review of the final executed partnership agreement prior to execution of the City loan documents to confirm that this condition will be met. The debt service payment on the Section 108 loan will be the first priority for Net Operating Income, ahead of all other uses of cash. The debt service as projected based on the Initial Rate and 15-year amortization is approximately \$28,371. The DCR in the initial payment year (year 6) is projected to be 2.28 (based on NOI of \$64,616).

- b. Collateral – the City will take a 1st position Deed of Trust on all Borrower property associated with Project (including, but not limited to: 100% interest in the CSC Condominium and a deed or other form of collateral on LASA’s 49% interest in the Residential Condominium as recorded on title) based on verification of the executed LLLP agreement between LASA and THA. The value of the collateral has been preliminarily reviewed and deemed to be sufficient based on the following analysis: 1) assessed valuation of the existing land is \$482,600 according to Pierce County assessor’s records. This valuation is assumed to be significantly lower than the as-completed value of the building improvements. 2) The overall development cost of the Residential and CSC condominiums exceeds \$6 million. Given the lien position of the Section 108 loan, the LTV ratio would be well within range if viewed from a cost basis. 3) An analysis using the income approach to value with only the residential Net Operating Income yields a value of \$769,120 based on a conservative 8% cap rate. LASA’s 49% interest in the residential condo yields a value of \$376,869, leading to a resulting Loan to Value from this portion alone of 82%. Additional value is expected from the 4,000 office and service space, which is expected to reduce the LTV to within acceptable range per the underwriting guidelines. **An appraisal has been requested from an MAI-certified appraiser to confirm the as-completed value of the project prior to closing.**

### 9. Development Team Capacity

LASA as borrower of the Section 108 funding has a demonstrated capacity to manage the financial reporting and compliance requirements and to maintain and operate its Client Services Center in accordance with the requirements of the funding sources. LASA’s nearly 25 year track record at providing supportive services will ensure that the project’s services operations are carried out in an effective and capable manner throughout the duration of the financing period. In addition LASA has developed, owns and manages 14 units of transitional housing using many of the same financing sources contemplated by this project. Through this experience, LASA has demonstrated ability to provide development support to its THA partner as required. To supplement its development capacity for this mixed-use project, the THA provides a nearly 74-year track record of successful residential and mixed use development of affordable housing and related spaces. THA’s staff has previous experience with all aspects of the

## SECTION 108 PROJECT-SPECIFIC REVIEW

development process, procurement, compliance monitoring, reporting and management for the project. THA currently owns and manages over 1,400 residential units throughout Tacoma, and has developed several large scale projects including residential mixed use development.

### 10. Developer/Owner Commitment

Both the Tacoma Housing Authority and LASA have demonstrated significant investment and financial commitment in the project thus far. LASA invested its capital to assemble the land over a period of years. The Tacoma Housing Authority has invested over \$425,000 in its own predevelopment capital and considerable staff resources to get the project to the point of full financing and construction start. In addition, both parties have worked to secure the other resources that comprise full financing commitments from more than seven different sources.

### 11. Borrower Background and Character

LASA is a mission-driven nonprofit organization formed in 1989 by a group of concerned community members to address the growing needs of Lakewood's homeless families. It was originally housed in the basement of the St. Francis Cabrini building. It is governed by a 13-member Board of Directors who set policy and guide the organizations overall mission. LASA has ten full-time and part-time staff and one volunteer who provide the case management, support services, maintenance on facilities and day to day management, administrative and financial functions of the organization. It is additionally supported by a wide array of long-term volunteers who provide in-kind support and assistance to LASA's client families. LASA's Executive Director, Janne Hutchins, has provided leadership and overall oversight of LASA operations since 1996. A diverse array of public, foundation, business and individual community members support the operations of the organization and its \$850,000 annual operating budget. Approximately 28% of LASA's operating revenue comes from program revenue from public funding sources. Foundation, business and faith-based organizations contribute about 62% and contributions from individuals make up the remaining 10% of the organization's annual revenue. As a partner in the development, LASA will bring the critical supportive services to the project's residents as well as continue to serve households City-wide from this location. It currently owns nine different properties providing housing for up to 50 to 60 families at a given time in single units, duplexes and group living environments. It provides a full continuum of housing from emergency shelter to permanent rentals. LASA's main site for service delivery is currently located at the subject site in one of the houses that will be torn down for the new development. The services will be temporarily moved to Trinity Baptist Church in Lakewood during construction.

### 12. Pro Rata Disbursement of Section 108 Funds with Other Funding Sources

## SECTION 108 PROJECT-SPECIFIC REVIEW

It is anticipated that all other funds would be made available first, or that Sec. 108 funds will be disbursed on a pro rata basis with other funds.

### 13. Project Monitoring

The City of Lakewood CDBG Program Manager will be responsible for monitoring construction progress and disbursement of the Section 108 funds during construction. The City will require that it receive copies of the monthly construction monitor Site Visit Report (SVR) that will be performed on behalf of other funders in the project. This SVR will provide confirmation that funds are being spent in accordance with the project's construction scope and will monitor timeliness and budget for the project. Once the development is complete, the Lakewood CDBG Program Manager will monitor ongoing compliance and reporting requirements, including collecting client services information from the Borrower on the client population served. To the extent that the project continues to provide services primarily to homeless, formerly homeless or households in transition from homelessness, the client population will be presumed to be Low-Moderate Income as a Limited Clientele according to Section 570.208(a)(2) and no further specific income documentation will be required. Should additional services be provided that would serve other low income or other client populations, a mechanism may be required to track the income level of the clients served.

### 14. Interim Benchmark Measurements

Upon completion of construction, LASA has charted a scale-up plan for operations and service delivery. The expected array of programs and initial year targets have been reviewed as part of this underwriting. The City will monitor the actual performance of the CSC in providing the various types of services proposed as well as the overall number of households served on an annual basis.

### 15. Project Readiness

The project is ready to proceed. All other funding sources have been fully committed. The construction contract has been negotiated and approved. The contractor is ready to begin construction following closing on all financing by the end of December 2013.

### **Conclusion and Recommendation:**

The project meets both the HUD eligibility requirements and the financial feasibility guidelines of the approved Lakewood Section 108 Loan Fund. Based on this review and the proposed Loan structure, it is recommended that the LASA Prairie Oaks Client Services Center be approved for up to \$310,000 in Section 108 Loan Guarantee funds subject to the following terms and conditions:

#### Loan structure:

- 20-year term with interest-only payments in years 1-5; amortization on a 15-year schedule

## SECTION 108 PROJECT-SPECIFIC REVIEW

in years 6-20;

- Interest Rate fixed at closing at 4.25%, subject to Conversion at time of HUD public offering at the lesser of: 4.25% or the rate due on each of the City's Principal Payments plus 50 basis points or 0.5% (HUD Public Offering Rate).
- Loan Fee: a 1% loan origination fee shall be paid to the City upon closing to cover costs associated with loan packaging, underwriting and documentation.

### Repayment:

Repayment from Borrower from project operations. Borrower is required to maintain a 1.20 Debt Coverage Ratio on Net Operating Income in the Residential Condominium of the Project.

### Primary & Secondary Collateral:

- 1<sup>st</sup> position Deed of Trust on Commercial Condominium and 1<sup>st</sup> position Deed of Trust or pledge of borrower's 49% interest in Residential Condominium as recorded on title;
- Pledge of all current and future City CDBG entitlement funds or funds eligible to be received under Section 570.705(b)(2).

### Recommended Conditions prior to Closing:

- Receipt of executed funding agreements from all other sources (both Residential and Commercial sources)
- Receipt of executed partnership agreement between LASA and Tacoma Housing Authority detailing revenue sharing terms consistent with City underwriting assumptions
- Satisfaction of insurance requirements including Owner's General Liability, Builder's Risk and Property
- Receipt of an updated Lender's Title Policy in favor of the City of Lakewood Section 108
- Completion of HUD Environmental clearance
- Approval and execution of construction contract
- Executed Performance & Payment Bonds with Dual Obligee Rider for City of Lakewood
- Receipt of approval from HUD
- Receipt and execution of Loan documents from HUD to City
- Receipt of updated documents (budgets, contracts, other documents) as requested by City

### H. Pledge of CDBG Guarantee

The City of Lakewood understands that if the participants in this Section 108 loan fund fail to make timely payments and the City of Lakewood therefore fails to make a required payment on its notes, HUD will deduct that payment from the City of Lakewood's CDBG Letter of Credit and in accepting this loan guarantee, the City of Lakewood will pledge its CDBG funds and all other applicable grants as security for the guarantee.

### I. Schedule for City's Repayment of Loan

In requesting approval of this loan guarantee, the City of Lakewood is requesting a commitment for a 20-year term. The City of Lakewood will act as borrower and issue the

## SECTION 108 PROJECT-SPECIFIC REVIEW

guaranteed debt obligations, consistent with RCW 35.21.735. The source of repayment will be payment on the loans from LASA. Please use the following principal repayment schedule.

### Proposed Principal Repayment Schedule

Yr	Principal		Yr	Principal
1	\$0		11	\$18,712
2	\$0		12	\$19,507
3	\$0		13	\$20,336
4	\$0		14	\$21,201
5	\$0		15	\$22,102
6	\$15,196		16	\$23,041
7	\$15,842		17	\$24,020
8	\$16,515		18	\$25,041
9	\$17,217		19	\$26,105
10	\$17,949		20	\$27,215
				\$310,000

**J. City of Lakewood Contact:**

Jeff Gumm, CDBG Program Manager  
 City of Lakewood  
 6000 Main St. SW  
 Lakewood, WA 98499  
 Ph: (253) 983-7773

**Required Attachments:**

1. Combined Federal Certifications
2. SF424 – Application for Federal Assistance
3. Lobbying Certification
4. Annual Action Plan Amendment excerpt
5. Approved Council Resolution and Council meeting minutes
6. Public Comments and City responses as applicable
7. Evidence of compliance with Environmental Review

**Appendix:**

1. Evidence of compliance with Citizen Participation requirements
2. LASA CSC Detailed Sources & Uses and 20-Year Operating Pro Forma (Residential Condo)
3. Detailed description of Client Services
4. Site Plan & Schematics

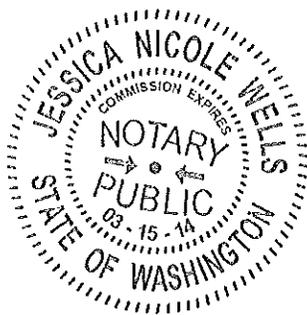
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I, Katie Calhoun, being first duly sworn, on oath, says that she is the legal clerk of The News Tribune, a weekly newspaper, published in Tacoma, Pierce County, Washington, and of general circulation in said state, and having a weekly circulation of over 96,000 copies. That said newspaper is now and at all times hereinafter mentioned as a legal newspaper as defined by the laws of the state, duly approved by the Superior Court of Pierce County, Washington. That the advertisement, of which the attached is a printed copy as it was published in the regular issue of said newspaper, was published 1 time(s), commencing on the 31st day of October 2013 and ending on the 31st day of October 2013.

Ad Number 0000748199  
ACCT# 256525 CITY OF LAKEWOOD

*K. Calhoun*

Subscribed and sworn to before me on this  
31st day of October, 2013



*Jessica Wells*

Notary Public in and for the state of  
Washington, residing in Pierce County.  
1950 So. State St. Tacoma, WA 98405

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<b>Net Amount</b> \$243.53	<b>Tax Amount</b> \$0.00	<b>Total Amount</b> \$243.53
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<b>Payment Amt</b> \$0.00	<b>Amount Due</b> \$243.53
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City of Lakewood 2013 Consolidated Annual Action Plan Amen		

City of Lakewood  
2013 Consolidated Annual Action Plan  
Amendment  
Section 108 Loan Guarantee Program  
Notice of Public Hearing and Comment Period  
The City of Lakewood is proposing to amend its  
Fiscal Year 2013 Consolidated Annual Action Plan  
(AAP) to allow for the application and approval of a  
Section 108 Loan Guarantee from the U.S.  
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review and approval. Any citizen who wishes to  
submit written comments regarding this document  
may do so up to 9:00 am, December 2, 2013 at:  
City of Lakewood, Community  
Development Department,  
Attn: Dave Bugher, Assistant City Manager for  
Development  
6000 Main St. SW, Lakewood, WA 98499



**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
CITIZENS ADVISORY BOARD  
Regular Meeting Minutes  
WEDNESDAY – November 6, 2013,  
Lakewood City Hall, Conference Room 3A  
6000 Main Street SW, Lakewood, WA**

**CALL TO ORDER**

Chair Edith Owen Wallace called the meeting to order at 5:35 p.m.

**ATTENDANCE**

Board Members Present: Chair Edith Owen Wallace, Michael Lacadie, Laurie Maus, Sharon Taylor, Kathleen Lind, and Mumbi Ngari-Turner.

Council Liaison Present: Councilmember Marie Barth

City Staff Present: Jeff Gumm, Martha Larkin

**APPROVAL OF MINUTES – SEPTEMBER 18, 2013 AND SEPTEMBER 25, 2013**

MICHAEL LACADIE MOVED TO APPROVE THE SEPTEMBER 18, 2013 AND SEPTEMBER 25, 2013 CDBG CITIZEN'S ADVISORY BOARD MEETING MINUTES AS WRITTEN. THE MOTION WAS SECONDED BY LAURIE MAUS. VOICE VOTE WAS TAKEN AND THE MOTION CARRIED UNANIMOUSLY.

**NEW BUSINESS**

Introduction of new Board Members – Kathleen Lind and Mumbi Ngari-Turner

Everyone introduced themselves and welcomed the new members.

Discussion/Review of LASA/THA Prairie Oaks Homeless/Client Services Center

Jeff Gumm reviewed the proposed project which will be fully funded with the proposed \$300,000 Section 108 loan. The Prairie Oaks project will include 15 units of housing for homeless families and a client services center. Its funding sources include City of Lakewood HOME, CDBG, and Section 108 loan, Pierce County CDBG and 2163, Washington State Housing Trust Fund, and a Tacoma Housing Authority bridge loan. Mr. Gumm explained how the loans would work, the budget, and the cash flow needed to service the debt.

**PUBLIC HEARING**

A Public Hearing on the proposed FY 2013 Annual Action Plan Amendment for the Proposed Section 108 Loan Guarantee Application for the LASA/THA Prairie Oaks project was held, however, there was no one present who wished to comment.

**NEXT MEETING**

The next meeting will be held on January 8, 2014 at 5:30 p.m. in Conference Room 3A.

**ADJOURNMENT**

The meeting adjourned at 6:35 pm.

\_\_\_\_\_  
Edith Owen Wallace, Chair

\_\_\_\_\_  
Date

**LASA Underwriting Analysis - Section 108**

**REVISED Sources & Uses**

**RESIDENTIAL SOURCES & USES**

<b>TOTAL DEVELOPMENT COSTS</b>	4,844,360
Housing Trust Fund	4,035,663
Pierce Co. 2163	258,697
THA Bridge	300,000
<u>City of Lakewood HOME</u>	<u>250,000</u>
<b>TOTAL SOURCES (RESIDENTIAL):</b>	<b>4,844,360</b>

**SOURCES & USES (COMMERCIAL)**

<b>TOTAL DEVELOPMENT COSTS (Inc. 108 Costs)</b>	<b>1,200,191</b>
Lakewood CDBG	250,000
Pierce Co. CDBG	250,000
Lasa Equity (fm. Dev. Fee) - see Note	85,191
Capital Campaign Cash-in-hand	30,000
Pierce Co. 2163	275,000
<u>Bank or Sec. 108 Loan</u>	<u>310,000</u>
<b>TOTAL SOURCES (COMMERCIAL):</b>	<b>1,200,191</b>

**OWNERSHIP STRUCTURE**

Limited Partnership owns Housing Condo

THA	51% (assumed split of CF)
LASA	49% (assumed split of CF)

LASA Owns Commercial Condo

Assessed Valuation (3 Parcels): 482,600

**Fair Market Value Calculation (Income Approach)**

Residential Condo:

Net Operating Income Yr. 1):	61,530
Cap Rate (conservative):	8%
Fair Market Value (NOI/Cap):	769,120
LASA 49% Ownership Interest:	49%
Value of proportionate interest:	376,869

**LTV of Sec. 108 Loan: 82%**

**\*Value to be Supported by Appraisal**

**THA Bridge Loan Repayment Terms:**

2% Simple interest on outstanding balance  
 10-yr term  
 Principal out of Capital Campaign or Cash Flow  
 Interest is Junior/Subordinate to Section 108 Loan

\$ 300 per SF

**LASA Underwriting Analysis - Section 108**

**Section 108 & Bridge Pro Forma**

	1	2	3	4	5	6	7	8	9	10	11
Total Residential Income	158,268	162,225	166,280	170,437	174,698	179,066	183,542	188,131	192,834	197,655	202,596
2.50% escalation											
(Vacancy)	(7,913)	(8,111)	(8,314)	(8,522)	(8,735)	(8,953)	(9,177)	(9,407)	(9,642)	(9,883)	(10,130)
Effective Gross Income	150,355	154,113	157,966	161,915	165,963	170,112	174,365	178,724	183,192	187,772	192,467
Operating Expenses (without taxes or services)*	5,921.67										
3.50% escalation	88,825	91,934	95,152	98,482	101,929	105,496	109,189	113,010	116,966	121,059	125,296
<b>Net Operating Income</b>	<b>61,530</b>	<b>62,180</b>	<b>62,815</b>	<b>63,434</b>	<b>64,035</b>	<b>64,616</b>	<b>65,177</b>	<b>65,714</b>	<b>66,227</b>	<b>66,713</b>	<b>67,170</b>
Section 108 Loan	13,175	13,175	13,175	13,175	13,175	28,371	28,371	28,371	28,371	28,371	28,371
DCR on Section 108 Loan	N/A (Interest-only payments during this period)					<b>2.28</b>	<b>2.30</b>	<b>2.32</b>	<b>2.33</b>	<b>2.35</b>	<b>2.37</b>
Cash Flow to Partners	48,355	49,005	49,640	50,259	50,860	36,245	36,805	37,343	37,856	38,342	38,799
THA Portion of CF (Bridge Loan Repayment Schedule)	45,937	46,554	47,158	47,746	48,317	34,433	25,150		-		
LASA Portion of CF	2,418	2,450	2,482	2,513	2,543	1,812	11,655	<b>Split to be determined between LASA &amp; THA but subject</b>			

Notes to Pro Forma:

1. Minimum Split of NOI to LASA beginning in Year 6 must be at least \$32,947 to provided for 1.20 DCR on Section 108 loan

**LASA Underwriting Analysis - Section 108**

**Section 108 & Bridge Pro Forma**

	12	13	14	15	16	17	18	19	20
Total Residential Income	207,661	212,853	218,174	223,629	229,219	234,950	240,823	246,844	253,015
2.50% escalation									
(Vacancy)	(10,383)	(10,643)	(10,909)	(11,181)	(11,461)	(11,747)	(12,041)	(12,342)	(12,651)
Effective Gross Income	197,278	202,210	207,265	212,447	217,758	223,202	228,782	234,502	240,364
Operating Expenses (without taxes or services)*	5,921.67								
3.50% escalation	129,682	134,221	138,918	143,781	148,813	154,021	159,412	164,991	170,766
<b>Net Operating Income</b>	<b>67,596</b>	<b>67,990</b>	<b>68,347</b>	<b>68,667</b>	<b>68,945</b>	<b>69,181</b>	<b>69,370</b>	<b>69,510</b>	<b>69,598</b>
Section 108 Loan	28,371	28,371	28,371	28,371	28,371	28,371	28,371	28,371	28,371
DCR on Section 108 Loan	<b>2.38</b>	<b>2.40</b>	<b>2.41</b>	<b>2.42</b>	<b>2.43</b>	<b>2.44</b>	<b>2.45</b>	<b>2.45</b>	<b>2.45</b>
Cash Flow to Partners	39,225	39,618	39,976	40,295	40,574	40,810	40,999	41,139	41,227
THA Portion of CF (Bridge Loan Repayment Schedule)									
LASA Portion of CF	<b>to Section 108 conditions</b>								

Notes to Pro Forma:

1. Minimum Split of NOI to LASA beginning in Year 6 must be at least \$32,947

**LASA – PRAIRIE OAKS CLIENT SERVICES CENTER  
PROPOSED SERVICES**

LASA will dedicate approximately 4,000 Sq feet to a Center for client services which will be adjacent to the Prairie Oaks housing project. We anticipate a growing number of people utilizing services in the future. In year one we will be placing protocols in place and advertising services and the number of people needing services may start out slowly.

The Client Services Center will :

- house 4 -6 FTE case managers dedicated to serving an estimated 65 Pierce County families experiencing homelessness in scattered site housing. Families will keep appointments both in their home and in the CSC **Impact: 80 Households per year.**
- house a part time prevention specialist whose job will be to serve individuals needing laundry or bathing services and other services as listed. The specialist will also act as a resource person for those in need. **Impact: 100 Households per year.**
- be designed for a shower facility to provide access to bathing to people living on the street or for some other reason don't have bathing facilities. At this time it is difficult to estimate how popular a feature this will be. Research is currently being conducted to determine policies we should adopt and to give us an idea of how many folks may wish to avail themselves of this service. **Impact: TBD**
- offer laundry service. This will be provided by a voucher that will be made available to local school nurses/counselors and to LASA's Prevention Specialist on an as needed basis. We anticipate being able to help 5 to 10 families per week with this service. Since this is a new service we anticipate the number of people requesting service will be slow at first and demand will grow as more are aware of it. **Impact: 100 Households per year**
- house an essential needs closet; this closet will offer diapers and toiletries. We have been seeing 2 to 3 households requesting services each day and anticipate that once we promote these services that the number will rise to 10 or more per day. **Impact: 250 Households per year**
- host Healthcare for the Homeless: LASA is working with MDC on this service. LASA will provide space and MDC will provide the service to provide 15-20 appointments twice a month For a total of 30-40 individuals seeing a health care provider. **Impact: 200 Households per year**
- Host computer space dedicated to internet and general computer usage. Two people per day **Impact: 200 Households per year**
- Offer meeting space for client birthday parties and other community building events **Impact: 50 Households per year**
- Quarterly Speakers such as tax preparation **Impact: 75 Households per year**
- sponsor a Kids Book nook The goal is to send every family home with a book. **Impact: 500 books per year per year**



TO: MAYOR AND CITY COUNCIL MEMBERS

FROM: ELLIE CHAMBERS-GRADY  
ECONOMIC DEVELOPMENT MANAGER

THROUGH: JOHN CAULFIELD, CITY MANAGER 

DATE: NOVEMBER 25, 2013

SUBJECT: 2014 LODGING TAX GRANT RECOMMENDATIONS

#### Overview

As authorized under state law, the City of Lakewood has enacted a lodging tax. The City receives a “local portion” of the taxes collected from lodging-related businesses located within the City. Revenue obtained in this manner is credited to a special fund of the City and is to be used for the purpose of paying all or a part of the cost of tourism promotion, acquisition of tourist-related facilities by the City, or operation of tourism-related facilities by the City or non-profit organizations.

This memorandum discusses the City’s Lodging Tax Advisory Committee (LTAC) generally, the eligibility requirements applicable to entities that apply for grant funding, how the funds may be used, and new reporting requirements associated with the use of lodging tax funds.

#### Lodging Tax Advisory Committee

If a city collects lodging tax, State law requires the formation of a Lodging Tax Advisory Committee. The committee must have at least five members and each member must be appointed by the City Council. At least two of the members of the committee must represent businesses required to collect the tax, and at least two of the members of the committee must represent entities who are involved in activities authorized to be funded by the tax. The fifth member of the committee must be an elected official of the City, who shall serve as chair of the committee. There is no maximum number of participants on the LTAC, although the representation between tax collectors and fund recipients must be equal.

One role of the LTAC is to consider requests for use of lodging tax funds. The LTAC considers these requests in a public process, which is intended to generate comments and funding recommendations. These are forwarded to the Lakewood City Council who, in turn, reviews all of LTAC’s proposals and votes yes or no to each one. The Council cannot modify the recommended amounts or vendors provided to them by LTAC.

## 2014 Grant Requests

In the summer of 2013, the City solicited for and received 16 qualifying proposals requesting \$489,440. The proposals were presented by applicants to the Lodging Tax Advisory Committee on October 2, 2013. In addition, the City previously committed to an annual payment of \$101,850 for 20 years to Clover Park Technical College for construction of the 1,500 seat Sharon McGavick Student/Conference Center. The first payment was made in 2007.

## 2014 Grant Recommendations

The LTAC used a 2014 projected revenue amount of \$430,000 to base their recommendations to the City Council. The uncommitted Hotel/Motel balance effective August 31, 2013, is \$119,932.28 plus \$200,000.00 which has been placed in a safe high-yield account. Ideally, an uncommitted Hotel/Motel balance is to provide the ability to respond or partner in future available tourism facility developments or projects.

Prior to modifications to Washington State law effective July 1, 2013, municipalities funded small numbers of projects without going through their LTAC's presentation approval process. The new law ended that practice, and two economic development proposals were presented to the committee by Ellie Chambers-Grady this year, for the first time. The two requests were previously budgeted for 2014 and approved by Council in the same amounts recommended by LTAC; \$33,040 for the tourism program and personnel costs, and \$24,000 for tourism promotion and outreach.

The projected revenue of \$430,000 does not allow for the continued funding of requests from a variety of providers that LTAC historically recommended along with the two economic development proposals, which the committee felt were important to the whole program's success. LTAC recommends funding these two proposals out of the uncommitted Hotel/Motel balance.

LTAC recommends funding the other eleven proposals from the estimated 2014 fund revenues. The final 2014 funding is \$394,040 plus \$101,850 and totals \$495,890.

## Next Step

The City Council will be requested to authorize the City Manager to enter into service contracts for the provision of tourism services in 2014.

## 2014 LAKEWOOD LODGING TAX ADVISORY COMMITTEE RECOMMENDATIONS

LODGING TAX GRANT FUND APPLICANTS	2013 FUNDS GRANTED	2014 FUNDS REQUESTED	2014 FINAL RECOMMENDATIONS
Asia Pacific Cultural Center	Did Not Apply	\$ 15,000	\$ 5,000
Daffodil Festival dba Daffodilians	\$ 4,000.00	\$ 5,000	Not Recommended
Historic Fort Steilacoom Association	\$ 8,000.00	\$ 8,000	\$ 8,000
Lakewold Gardens	\$ 45,000.00	\$ 45,000	\$ 45,000
Lakewood Chamber of Commerce	\$ 80,000.00	\$ 80,000	\$ 80,000
Lakewood Economic Development Program & Personnel**	\$ 32,570.00	\$ 33,040	\$ 33,040**
Lakewood Economic Development Promotion & Outreach**	\$ 24,000.00	\$ 24,000	\$ 24,000**
Lakewood Economic Development International District Cultural Banners	\$ 14,000.00	Did Not Apply	Did Not Apply
Lakewood Historical Society & Museum	\$ 39,500.00	\$ 39,500	\$ 39,500
Lakewood Parks Farmers Market	\$ 10,000.00	\$ 37,500	\$ 10,000
Lakewood Parks SummerFEST 2014	\$ 17,000.00	\$ 12,000	\$ 17,000
Lakewood Parks SummerFEST Triathlon 2014 <i>(2013-SummerFEST/Triathlon was combined)</i>	SummerFEST/ Triathlon Combined	\$ 14,000	Combined with SummerFEST
Lakewood Playhouse Marketing	\$ 25,000.00	\$ 30,000	\$ 25,000
Lakewood Playhouse <i>(2013-Two capital improvements)</i>	\$ 20,178.44 \$ 8,403.86	Did Not Apply	Did Not Apply
Lakewood Sister Cities Association <i>(2012 approved grant was extended to 2013)</i>	\$ 12,500.00	\$ 14,500	\$ 12,500
Landmarks & Heritage Advisory Board Historical Driving Tour Brochure	\$ 10,000.00	Did Not Apply	Did Not Apply
Northwest Cultural Foundation	Did Not Apply	\$ 27,900	Not Recommended
Tacoma Regional Convention + Visitor Bureau	\$ 45,000.00	\$ 49,000	\$ 45,000
Tacoma South Sound Sports Commission	\$ 50,000.00	\$ 55,000	\$ 50,000
<b>SUBTOTALS</b>	<b>\$ 445,152.30</b>	<b>\$ 489,440</b>	<b>\$ 394,040</b>
PLUS 2014 Clover Park Technical College McGavick Center Payment #8 of 20	\$ 101,850.00	\$ 101,850	\$ 101,850
<b>TOTALS</b>	<b>\$ 547,002.30</b>	<b>\$ 591,290</b>	<b>\$ 495,890</b>
LESS Estimated Budgeted Fund Earnings	\$ 430,000.00	\$ 430,000	\$ 430,000
<b>OVERAGE</b>	<b>\$ 117,002.30</b>	<b>\$ 161,290</b>	<b>\$ 65,890</b>

\*\*LTAC recommends these two amounts be paid out of the 2014 Hotel/Motel uncommitted balance.



To: Mayor and City Councilmembers

From: David Bugher, Assistant City Manager/ Community Development Director  
Ellie Chambers-Grady, Economic Development Manager

Through: John Caulfield, City Manager *John E. Caulfield*

Date: November 25, 2013

Subject: Economic Development and Development Services update

**ECONOMIC DEVELOPMENT ACTIVITY:** Attached is a map which provides a significant amount of data on recent economic development activity. There are numerous call-outs which provide the locations and generalized descriptions of active and recently completed projects. Call-outs in green show completed projects. Call-outs in yellow show projects that are currently underway. Economic development focus areas are designated. The number of estimated new jobs is also shown (between 794 and 964).

Information is also provided on the number of business retention and expansion interviews. Between January and September, economic development staff met with 81 companies that employ 2,045 people within the City. Data is provided on Buxton information requests – 56 clients and 277 reports. Lastly, the map is used to compile media coverage data. Between January and September, FRAUSE, a media consultant, provided 159 placements throughout the Puget Sound region on many topics designed to promote economic development, tourism and the City generally.

There is a special notation in regards to the use of the map. The map is fluid; projects change rapidly based on a number of factors that are not always in the City's control. For example, increasing energy costs can have a dramatic impact on proposed industrial development. It is common for projects to come and go, so what is displayed on the map today may be gone the next time the map is updated.

**DEVELOPMENT SERVICES:** The community development department staff has been working with RPAI's consultant, BCRA, on developing a two phased application process for the development of the three proposed commercial pads located across the street from City Hall. That work has been completed and the department is waiting on the BCRA to submit development applications.

Other development services are underway, mostly reviewing pre-application projects, and responding to zoning and development regulation inquiries.

Work continues on the integration of the new permit software. Some software glitches have been uncovered and staff training continues. Overall, the conversion process has gone as well as can be expected. One of the changes in systems brought about by the new software has been a new approach to the permitting process. Previously, permit review was linear. Plans would be submitted. They would go to the current planning division first, and then to building division and thereafter the public works department if there was a site development permit required. Sometimes permits would get “stuck” in one department waiting on revised submittals. That has now changed. Once the permit is received, it is immediately distributed to all of the departments having review authority. The intent with this change is to improve processing times.

In the latter half of 2013 and the first quarter of 2014, community development will begin the process of renewing business licenses. This is a busy time for the department since November, December, January and February have the most number of licenses which expire during this timeframe.

Beginning in 2014, the Community Safety and Resource Team (CSRT) and community development will reactivate the City’s dangerous building abatement program. In 2013, the City Council adopted a summary process to address dangerous building abatements. During the fall and winter, CSRT and the legal department have been developing new administrative procedures. Following the holiday season, the program will ramp up throughout the remainder of the year.

The department is also working on developing a plan for service club and way-finding signs. This work is about 50% complete. The desire is to have this program in place by the end of this year.

**NEXT STEPS:** On December 14<sup>th</sup>, the City Council will conduct a mini-retreat, a part of which will focus on economic development implementation. Council will discuss implementation measures specifically related to the Towne Center, the Pacific Highway Corridor and the Woodbrook Business Park. In advance of that meeting, staff has taken the opportunity to review economic development implementation. Basically it has been broken down into different types of program options; these are listed below, and to-date formulates how the City has performed economic development.

**Improving the local business investment climate.** Measures to improve the local business climate include improving processes and procedures for businesses wanting to locate or expand in Lakewood, in addition to improving licensing registration. This includes providing technical support and resources to enable the growth, retention and strengthening of existing local businesses, in addition to supporting individuals who desire to set up and establish new businesses. To-date, the City has initiated its Business Retention Expansion (BRE) program and assisted start-ups in establishing their businesses here. Also, a new business licensing software system was installed in 2013.

**Investment in “hard” strategic infrastructure.** The City has taken great strides to improve its transportation infrastructure, even with a limited budget. Examples include the road improvements to Pacific Highway SW, Bridgeport Way, Union Avenue SW,

100<sup>th</sup> Street SW, and this next year, South Tacoma Way. Improving public infrastructure generally results in significant economic investment which has been realized along the I-5 Corridor. In the future, I-5 Corridor improvements will play a major role in the redevelopment of Pacific Highway, Tillicum and the establishment of the Woodbrook Business Park.

**Investment in “soft” infrastructure.** This category is about improving the commercial business environment through regulatory reform, skills training and business-focused education, “one-stop shop” advisory services, business networking, and guidance to accessing capital and finance sources. Examples include the economic development staff’s attendance at chamber events, local and regional business functions, procurement and technical events, and help with guiding clients through the permitting process. Lakewood’s CDBG program has been of assistance in providing capital for reinvestment of single family housing. Moreover, the City has been using the services of the National Development Council (NDC) to establish both the Grow America (GAF), SBA Program and the Section 108 loan program, and they have assisted staff with multiple client projects. NDC assisted loan programs are gaining momentum.

One area which needs to be brought to the Council’s attention is the Puget Sound Regional Council’s desire to require a subarea plan for Lakewood’s Regional Growth Center (RGC). A little known fact is that Lakewood’s RGC is identified as a strong job center. It is the fifth fastest growing employment center of all of 27 RGCs (7.9% between 2000 to 2010). The requirement for a subarea plan is a draft recommendation, but it is a topic which your community development staff is monitoring. A subarea plan has not been budgeted in 2014. Why this is important is that it has direct ties to future grant funding opportunities.

**Promoting investment.** This category attempts to attract businesses to our community from outside our region, state and beyond. This approach was used to bring the Marriot Hotel products to Lakewood. It continues to be a part of the tourism and economic development strategy. Working in partnership with regional, state and national partners connects us to recruitment opportunities. Use of targeted data and analytics support our case.

**Area targeting/regeneration strategies.** This is a category where the City has been successful and will continue to work on into the near future. The strategy addresses specific area-based problems such as regenerating declining commercial zones or neighborhoods. The efforts, however, should be targeted where market potential is already demonstrated by emerging private investment (e.g., along area transport corridors). A good example of such efforts has been the City’s efforts to remove businesses engaged in illegal activity, the demolition of dangerous commercial buildings, or the removal land uses which are incompatible with existing and future redevelopment activity.

**Did we miss something?** While the City has been relatively successful in these areas, there are other programs where certain strategies have not been considered. The first is the investment in sites and premises for buildings. This category covers the provision and availability of land and sites, premises and units for productive economic and business development. It continues to be problematic to carry out such functions in Washington State given the lack of local enabling legislation. Further, it can be

considered controversial since some will conclude that government is interfering with private sector investment. There are instances where it can be helpful in carrying out redevelopment. A good example is the purchase of the City Hall property which indirectly helped create stability in the Towne Center. To-date, Lakewood has not had sufficient resources to carry out this function.

**CLOSING REMARKS:** As the Council reviews these topics at its study session and upcoming mini-retreat, the options for economic development are many and varied. To help focus the discussion, councilmember's may want to use the following questions to hone in on its economic development outcomes:

- Where do the urgent priorities lie?
- What resources can be made available to support a specific strategy?
- What options are relatively inexpensive to implement?
- What options offer immediate benefits?
- Does the community have the capacity to implement a specific option?
- What are the risks? Can the risks be minimized?

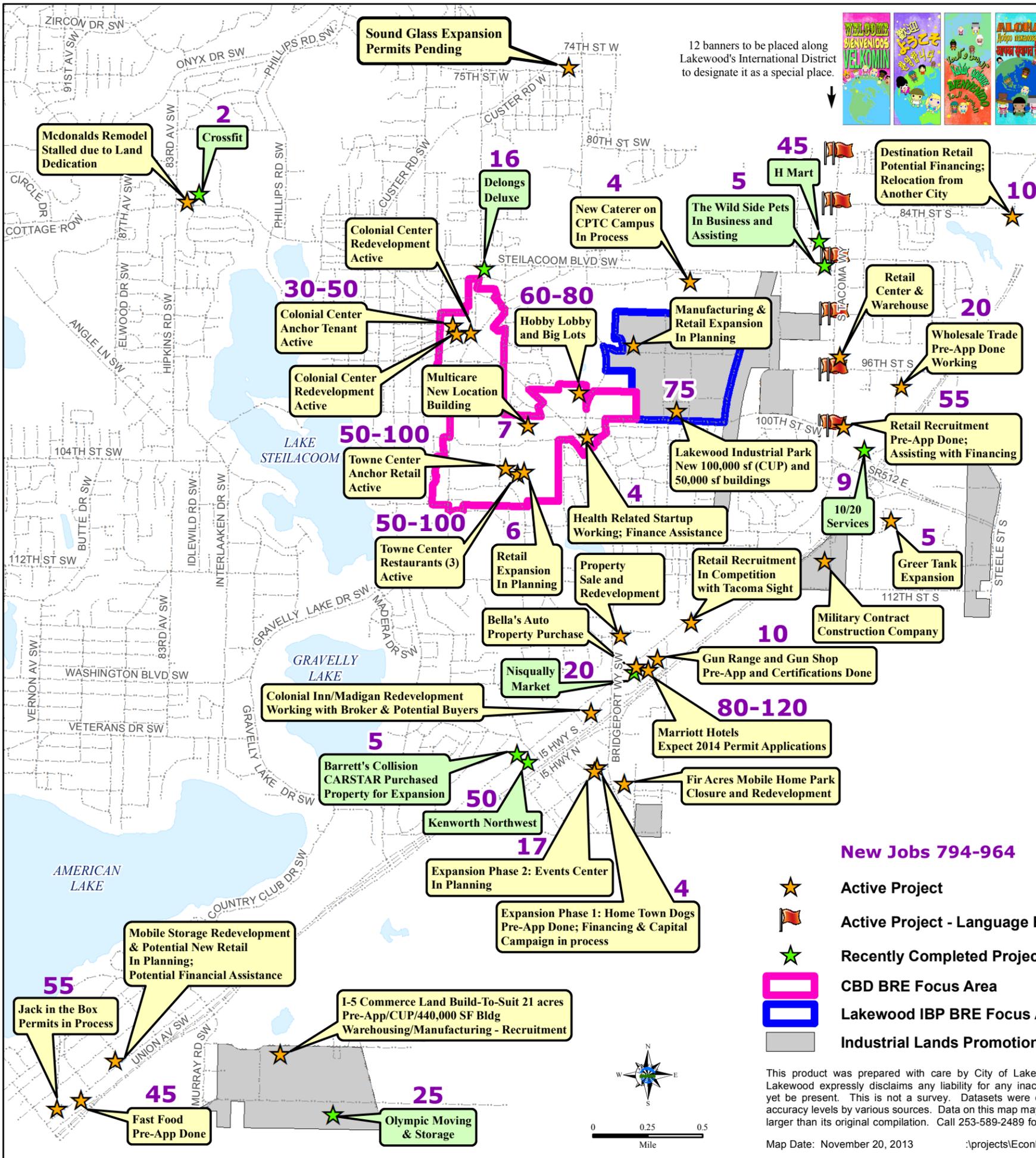
Attachment:

Economic development project map

# City of Lakewood

## Economic Development Department Projects

### WORKFORCE - EDUCATION - ECONOMIC DEVELOPMENT



Industry	# Companies	Jobs
Construction	4	128
Manufacturing		
Durable Goods	7	181
Nondurable Goods	5	147
Trade, Transportation, and Utilities		
Wholesale Trade	1	32
Retail Trade	20	268
Transportation, Warehousing and Utilities	3	445
Information	3	10
Financial Activities		
Finance and Insurance	5	186
Real Estate, Rental and Leasing	7	45
Professional and Business Services		
Professional, Scientific and Technical Services	3	44
Management of Companies and Enterprises	2	15
Education and Health Services		
Education Services	2	15
Health Services and Social Assistance	5	322
Leisure and Hospitality		
Accommodation and Food Services	11	194
Other Services	3	13
<b>TOTALS</b>	<b>81</b>	<b>2045</b>

# Clients	# Reports	Report types
56	277	
<ul style="list-style-type: none"> <li>10 ED Commandments +1</li> <li>Plan and Keep it Flexible</li> <li>Fill Land with New Value</li> <li>Train for a Highly Skilled and Creative Workforce</li> <li>Assess Existing Markets</li> <li>Invest in Citizens and Communities</li> <li>Encourage Innovation - NOW</li> </ul>		
<ul style="list-style-type: none"> <li>Recognize Assets and Build on Them</li> <li>Improve Transportation Systems</li> <li>Seek Out Global Opportunities</li> <li>Improve Quality of Living</li> <li>Celebrate Success</li> </ul>		
<b>Client Types</b> <ul style="list-style-type: none"> <li>Brokers</li> <li>City Staff &amp; Council</li> <li>Developers</li> <li>Financial Service Companies</li> <li>Educational Institutes</li> <li>Food Services</li> <li>Health Care Professionals</li> <li>Other Services</li> <li>Property Owners</li> <li>Retailers</li> </ul>		

Recruitment Cases	Advisory Boards
Washington Filmworks Photo Package	Lodging Tax (LTAC)
495 Productions - MTV Third Wheel	Redevelopment (REDAB)
Startup Assistance and Referrals	Sister Cities (LSCA)
Sign Code Amendment Input	
Comp Plan Existing Conditions Report	
Business Showcase Stories	
Congressional Staff Assistance for Federal Loan Programs and Local Government Procurement	
Point Defiance Rail Bypass Outreach	
Industrial Lands Promotion	
Quarterly Business Mailings	
Real Estate Mailing - Tools for Economic Development	
Economic Development Practitioners Meetings and Regional Participation (PSRC/Other)	
Miscellaneous Boards, Committees, Club Presentations.	

*The Name of the Game is Spoiling our Customers!*

### New Jobs 794-964

- ★ Active Project
- 🚩 Active Project - Language Banners
- ★ Recently Completed Project
- 📦 CBD BRE Focus Area
- 📦 Lakewood IBP BRE Focus Area
- 📦 Industrial Lands Promotion - In Planning

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.

### FRAUSE Media Coverage

# News Releases	# Pitches	Earned Coverage	Ad Equivalency	Top Media Placements
16	5	159 Placements	\$33,386.60	<ul style="list-style-type: none"> <li>Puget Sound Business Journal</li> <li>Seattle Weekly</li> <li>The Loop</li> <li>Seattle Business Journal</li> <li>Tacoma News Tribune</li> <li>Airliifter/Ranger</li> <li>Sound Sound Magazine</li> <li>Showcase Magazine</li> <li>Weekly Volcano</li> <li>Q13 Fox</li> <li>Seattle Met Nosh Pit</li> <li>Lakewood Patch</li> <li>Northwest Military</li> <li>Daily Journal of Commerce</li> <li>Parent Map</li> <li>Tacoma Weekly</li> <li>Seattle Times</li> <li>South Puget Sound News</li> <li>Suburban Times</li> <li>Business Examiner</li> <li>Tacoma Daily Index</li> <li>Pierce News</li> </ul>



TO: MAYOR AND CITY COUNCILMEMBERS

FROM: DAN PENROSE, PROGRAM MANAGER  
SOUTH SOUND MILITARY & COMMUNITIES PARTNERSHIP

THROUGH: JOHN J. CAULFIELD, CITY MANAGER *John J. Caulfield*

DATE: NOVEMBER 25, 2013

SUBJECT: SOUTH SOUND MILITARY & COMMUNITIES PARTNERSHIP  
2014 MEMORANDUM OF AGREEMENT

ATTACHMENT: 2014 MEMORANDUM OF AGREEMENT

**SUMMARY:**

As the convener of the South Sound Military & Communities Partnership (SSMCP), the City of Lakewood is recognized as a leader in the region's collaborative efforts between local governments and Joint Base Lewis-McChord. The 2013 Memorandum of Agreement (MOA) formalizes Lakewood's leadership role on the Executive Leadership Team and establishes objectives for future efforts to coordinate activities between local agencies, governments and the Department of Defense.

**BACKGROUND:**

In April 2011 the City of Lakewood initiated a Memorandum of Agreement (MOA) with cities, counties, special districts and related services groups adjacent to Joint Base Lewis-McChord with the common goal of providing a framework for collaboration that would better coordinate efforts that might arise as a result of the presence and benefit of this important military installation.

That 2011 MOA has been renewed on an annual basis in each of the last two years. This year, as federal grant funding from the Office of Economic Adjustment shifts to a focus on the Joint Land Use Study efforts, the SSMCP is restructuring the organization to rely more on local contributions from member governments and other regional stakeholders. Pursuant to our role as a key member of the Partnership, the City has been asked to update and revise the MOA to recognize the leadership role that Lakewood holds on the SSMCP. The City of Lakewood will be joined on the Executive Leadership Team by Pierce County and City of Lacey.

The document has been reviewed by both the Finance and Legal departments, and by member agencies in the SSMCP Steering Committee.

**FISCAL IMPACT:**

The Memorandum of Agreement outlines three different levels of participation for the SSMCP: general membership; Steering Committee; and Executive Leadership Team. Consistent with the City's role and commitment to this effort, the City would contribute \$50,000 toward the 2014 SSMCP budget.

**NEXT STEP:**

Should the agreement be acceptable to the City, the proper process would be for the Council, by legislative action, to authorize the City Manager to enter the Memorandum of Agreement on behalf of the City.

Attached for reference are both the 2013 Memorandum of Agreement and the original MOA from 2011 that created the South Sound Military & Communities Partnership.



# SOUTH SOUND MILITARY & COMMUNITIES PARTNERSHIP

## MEMORANDUM OF AGREEMENT

This agreement is made between the undersigned parties and hereto it is agreed as follows:

### I. Purpose:

The purpose of this Memorandum of Agreement (MOA) is to establish the South Sound Military & Communities Partnership. The South Sound Military & Communities Partnership (the Partnership) provides a framework for collaboration with local governments, military installations, State and Federal agencies to better coordinate efforts in areas such as military relations, transportation and land use planning, environment protection, emergency preparedness, data coordination, grant applications, health care coordination, population forecasting, workforce, education, housing and community development, economic development, and other issues that may arise.

### II. Objectives:

1. Support efforts by agencies and service providers in the region to implement the recommendations and strategies of the 2010 JBLM Growth Coordination Plan.
2. Serve as a "single point of contact" to ensure that communities are fully aware of troop deployments and other base activities likely to result in impacts on or benefits to the region.
3. Assume an active role to ensure that growth coordination related recommendations are funded and sustained over the foreseeable future.
4. Work collaboratively to create, expand, and improve opportunities to collect and disseminate information and best practices that address the challenges of the communities, residents, and military families in our region.

### III. Responsibilities:

1. Create a vision, organizational structure, brand, and a 5-Year Work Plan for the Partnership consistent with the recommendations and strategies identified in the Growth Coordination Plan.
2. Form technical sub-committees that support the Partnership and the implementation of the recommendations in the Growth Coordination Plan. Consider stakeholders involved in the ten Expert Panels of the Growth Coordination Plan effort for these sub-committees.
3. Formalize a method for data sharing between JBLM and the surrounding communities which would include the most recent military related population changes including incoming personnel, deployments, Department of Defense (DoD) civilian operations, and construction projects.
4. Develop and commit to a schedule of regular meetings for the Partnership and its technical sub-committees.
5. Hold an annual forum of all JBLM and regional stakeholders to share news, report major changes at JBLM and local jurisdictions, discuss progress on recommendations and other plans, network, recognize outstanding service, and celebrate new partnerships and programs.
6. Establish periodic memoranda or press releases to share with the public, business, and real estate community regarding expansion/contraction of JBLM personnel, mobilization, and deployment.
7. Work with JBLM and the real estate community to consistently relay mobilization information as soon as it is announced to help extrapolate and anticipate housing needs (owners and renters).
8. Support information-sharing with state and federal legislative bodies. Accept an active role to ensure that growth coordination related recommendations are funded and sustained over the foreseeable future.
9. Create a regional timeline or schedule of critical JBLM and local planning events / dates that all partners could review to inform one-another of pressing items of each entity. The graphically illustrative schedule(s) could include known items such as:
  - a. Incoming and outgoing JBLM personnel movements and major construction plans.
  - b. JBLM planning and budgeting cycles.
  - c. Local plan and policy updates and budgeting cycles.
  - d. JBLM and regional standing committee events and dates.

#### IV. Membership:

1. The Elected Officials Council (EOC) will be formed to advocate for military issues of mutual concern in the south Puget Sound region. Attendance at EOC meetings is open to all elected leaders within Pierce and Thurston Counties, the surrounding cities and legislative districts, but a single representative from each agency would be requested to represent their interests on the EOC. The EOC would be convened by the Mayor of Lakewood, the Pierce County Executive, and the Chair of the Thurston County Commissioners 3-4 times annually to receive updates on military and community issues, review and confirm the annual workplan, coordinate legislative strategies and suggest outreach efforts to maintain a high level of visibility for these issues.
2. The South Sound Military & Communities Partnership is open to any group, agency, or organization interested in community/military issues in the Pierce and Thurston region. The Partnership is intended to be as inclusive as necessary to address the numerous topical areas covered in the Growth Coordination Plan.
3. A Steering Committee, which is responsible to coordinate work of the Partnership and develop an annual work plan to implement strategies of the Plan. The Steering Committee is formed by representatives from the military, affected communities, service districts, and stakeholders who participated in the creation of the JBLM Growth Coordination Plan. Steering Committee membership includes the chief appointed officials from the following 14 agencies:
  - a. Camp Murray, Washington Military Department
  - b. City of DuPont
  - c. City of Lacey
  - d. City of Lakewood
  - e. City of Tacoma
  - f. Clover Park School District
  - g. Joint Base Lewis-McChord (non-voting advisory member)
  - h. Pierce County
  - i. Tacoma-Pierce County Chamber of Commerce
  - j. Tacoma-Pierce County Health Department
  - k. Thurston County
  - l. Thurston Regional Planning Council
  - m. United Way of Pierce County
  - n. Washington State Department of Transportation
4. The Steering Committee shall meet as necessary in order to coordinate the activities of assigned staff and clarify issues, formulate strategies, and propose action plans.
5. Criteria for future membership on the Steering Committee will be determined as the vision and 5-year work plan is developed.
6. The Steering Committee shall submit within three (3) months of the execution of this MOA, and semi-annually thereafter, a progress report to the Partnership. Releases to the press, public announcements, and communication with the legislature and Congress concerning efforts conducted under this MOA may be made by Steering Committee members following coordination with the other members.

#### V. Funding:

1. There is no financial commitment required to participate in the Partnership. Agencies represented on the Steering Committee will endeavor to provide a basic level of financial commitment to help implement the Growth Coordination Plan. Plan implementation costs are expected to include administration, consultant efforts, and the commissioning of special studies.
2. For the first year, the aggregate contribution rate from Steering Committee members is expected to be no less than 10% of the total annual costs for Plan implementation. The maximum contribution required from each member for the first year will not exceed \$2,500, but members may contribute more than this amount if desired.
3. Future financial commitments will be based on the scope of projects undertaken and will be determined by the consent of the Steering Committee.

#### VI. Formation of Sub-Committees:

The Partnership may be supported by technical experts, advisors, and community staff and leadership in various agency, jurisdictional, non-profit, and institutional capacities. Subcommittees will be formed by action of the Steering Committee as necessary to carry out the specific recommendations and strategies of the Plan.

#### VII. Review/Changes:

The signatories (or their successors) will review this MOA periodically, but no less than annually. Proposed changes to this MOA will be in writing and shall be subject to approval in any event by the signatories or their successors.

VIII. Effective Date and Termination:

This MOA is effective on May 1, 2011. Any member partner may terminate its membership in the Partnership by providing no less than 30 days written notice to the Partnership of the desired termination date. A majority of the member agencies may act to terminate this MOA at any time.

IX. Effect of Agreement:

This MOA is an internal agreement and does not confer any rights upon any individual or other entity. This MOA sets forth mutual goals and approaches. This MOA is not intended to create any rights, benefits, or other responsibilities, either substantive or procedural, nor is it enforceable as law or equity by a party against the U.S., its agencies, its officers, or any other person.

Nothing in this MOA shall obligate members to expend other monies or enter into any contract or other obligation. Nothing in the MOA shall be interpreted as limiting, superseding, or otherwise affecting the Parties' normal operations or decisions in carrying out their statutory or regulatory duties. This MOA does not limit or restrict members from participating in similar activities or arrangements with other agencies.

Signed, dated and acknowledged:

  
Camp Murray, Washington Military Department Date

 4/8/11  
Pierce County Date

 4-26-11  
City of DuPont Date

  
Tacoma-Pierce County Chamber of Commerce Date

 4-22-11  
City of Lacey Date

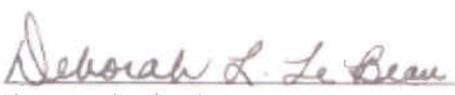
 6/29/11  
Tacoma-Pierce County Health Department Date

 4-29-11  
City of Lakewood Date

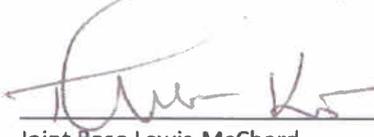
 3/9/2011  
Thurston County Date

 5/11/11  
City of Tacoma Date

 5-13-11  
Thurston Regional Planning Council Date

 4/22/11  
Clover Park School District Date

 8-6-'11  
United Way of Pierce County Date

 13 May 11  
Joint Base Lewis-McChord Date

 4/22/11  
Washington State Dept. of Transportation Date



## MEMORANDUM OF AGREEMENT

This agreement is made between the undersigned parties and hereto it is agreed as follows:

### I. Establishment:

This Memorandum of Agreement (MOA) establishes the structure, roles and responsibilities of the South Sound Military & Communities Partnership (SSMCP, or the Partnership). This MOA is built upon a previous MOA dated May 1, 2011 and supersedes that document.

### II. Purpose:

The Partnership provides a framework for collaboration in the south Puget Sound region between local governments, military installations, State agencies, and Federal agencies to better coordinate efforts in areas such as: military relations; transportation and land use planning; environmental protection; emergency preparedness; data coordination; funding requests (e.g., grant applications); health care coordination; population forecasting; workforce development; education; housing; community development; economic development; and other issues that may arise. The Partnership provides actionable recommendations to regional leaders on initiatives, programs, and topics that strengthen the role that Joint Base Lewis-McChord (JBLM), the National Guard, and Reserves play in America's defense strategy and the economic health and vitality of the region and the State of Washington. The Partnership:

- a. Focuses on the intersection of issues between local governments and the military community, engaging the support of the business, healthcare, education, workforce development, and social services communities;
- b. Assists in the coordination of governmental efforts so that all citizens of the community can receive the full benefits of the economic, civil, commercial, cultural, and educational opportunities presented to them, and so that the impact of the military community will be fairly shared;
- c. Promotes the general welfare of the region;
- d. Acts on behalf of the members as the regional organization recognized by the Federal government for applying for community assistance and grants related to mission changes and/or growth at JBLM and Camp Murray; and
- e. Acts as the regional representative of the member governments to coordinate with JBLM and Camp Murray regarding the ability of each installation to accomplish its current and future projected mission.

### III. Objectives:

1. Work collaboratively to create, expand, and improve opportunities to collect and disseminate information and best practices that address the challenges of the local communities, residents, businesses, and military installations in our region to succeed in meeting their own needs without preventing the others from meeting their needs, both now and in the future. Specifically:

- a. Coordinate and provide recommendations to the region's leaders to remedy and protect JBLM from encroachment or other initiatives that could result in degradation of or restriction to military operations on or based out of JBLM.
- b. Notify the local military installations of development proposals or other projects in the surrounding communities that may impact military operations.
2. Coordinate with commanders, communities, and State and Federal agencies on affairs that affect the installation and may require State coordination and assistance.
3. Serve as a "single point of contact" to ensure that communities, the military, Washington State's congressional delegation, and other Federal agencies, as appropriate, are fully aware of activities likely to result in impacts or benefits to the region.
4. Support efforts by agencies and service providers in the region to implement the recommendations and strategies of the 2010 JBLM Growth Coordination Plan (GCP), which include:
  - a. A sound infrastructure system, adequate housing and education, and transition support into Pierce and Thurston county workforces for military members and their families, military retirees, and veterans;
  - b. Support for economic development organizations and initiatives that focus on leveraging the military and related business opportunities to help create jobs and expand defense and homeland security related economic development activity in the South Sound.
5. Adopt processes, similar to those already in place for artillery firing notices, to ensure that the military installations provide timely advance notification of operations which are likely to impact other partner members, and that other partner members provide the same courtesy to the military installations.
6. Discuss and potentially act upon other issues or matters that the SSMCP deems essential to fulfilling its purpose.

#### IV. Responsibilities:

1. Maintain a vision, organizational structure, brand, and a Work Plan for the Partnership consistent with the recommendations and strategies identified in the GCP and subsequent documents.
2. Form Working Groups (WG) that support the Partnership and the implementation of the recommendations in the GCP. Consider stakeholders involved in the ten Expert Panels of the GCP effort for these working groups, but also be open to new stakeholders.
3. Develop and commit to a schedule of regular meetings for the Partnership and the WGs.
4. Hold an annual forum open to all members that includes speakers from JBLM and regional stakeholders to share news; report on major changes at JBLM and in local jurisdictions; discuss progress on GCP strategies and other plans; network; recognize outstanding service; and celebrate new partnerships and programs.
5. Formalize a method for data sharing between JBLM and the surrounding communities which would include the most recent military related population changes, including incoming personnel, deployments, Department of Defense (DoD) civilian operations, and construction projects.
6. Develop periodic memoranda, schedules or press releases to share with members regarding expansion/contraction of JBLM personnel, mobilization, and deployment.
7. Support information-sharing with state and federal legislative bodies.
8. Accept an active role to ensure that GCP-related recommendations are funded and sustained through the foreseeable future.

## V. Membership:

To ensure efforts of the Partnership are planned, coordinated, and implemented with a focus on outcomes, the structure of the SSMCP is as follows:

### 1. **General Membership.**

Role: The primary role of the general membership is to provide expertise, perspective and guidance to the Steering Committee on specific topics that promote the objectives of the SSMCP. Members will gather at least annually (more often, if necessary) to share best practices and receive information on changes at JBLM and Camp Murray, and in adjacent communities. They will also be encouraged to share their insights on existing conditions and growth trends; assist in the development of the GCP implementation; and to review any studies, products, and other information developed by staff. Working Groups (WG) will be established based on the strategies outlined in the GCP and on other topics of interest within the SSMCP membership. Each WG will select a spokesperson/chair that will serve on the Steering Committee to represent their strategy area/topic of interest. WG chairs will be expected to report on GCP strategy progress, and may also take new initiatives to the Steering Committee for consideration as part of the Partnership's annual work plan. The WGs already established include Transportation & Infrastructure (TI), Business & Development (BD), Social Services (SS), and Healthcare (HC).

Participants: The Partnership is open to any person, association, group, or organization having an interest in the purpose and objectives of the SSMCP and will be considered a member upon payment of the annual dues established by the Steering Committee. The Partnership is intended to be as inclusive as necessary to address the numerous topical areas covered in the GCP.

### 2. **Executive Leadership Team.**

Role: The Executive Leadership Team (ELT) is operational in nature, overseeing the day-to-day work of Partnership staff, activities and budget and serving as a sounding board for staff on emerging issues, problems, and initiatives that may occur during the interval between meetings of the full Steering Committee. The ELT is structured to promote timely and manageable communication and coordination between leadership and staff.

### 3. **Steering Committee.**

Role: The Steering Committee (SC) is the foundation of the Partnership and the members are committed to remaining actively involved in the Partnership moving forward. The SC provides broad oversight to the implementation of the recommendations, strategies and action items outlined in the GCP and subsequent documents. The Committee coordinates the work of assigned staff with members of the Partnership, helps develop an annual work plan to implement GCP strategies, approves the annual work plan, authorizes the annual budget, and is committed to ensuring that the SSMCP remains sustainable and has high value for the region. Finally, the SC is responsible for authorizing the creation of WGs that reflect the needs, opportunities and intersection of military and community issues. Regular members will typically represent the local military installations, local and state governments, and affected service districts in the region. The SC shall meet as necessary, but not less than quarterly, in order to coordinate the activities of assigned staff and clarify issues, formulate strategies, and propose action plans.

### 4. **Elected Officials Council.**

Role: The current Elected Officials Council (EOC) role and structure will be maintained to continue advocating for military issues of mutual concern in the south Puget Sound region.

Participants: All elected leaders within Pierce and Thurston Counties, the surrounding cities and legislative districts are invited to attend EOC meetings, but a single representative from each governmental body is requested to represent their interests on the EOC. The EOC would continue

to be convened by the Mayor of Lakewood, the Pierce County Executive, and the Chair of the Thurston County Commissioners 2-3 times annually to receive updates on military and community issues, review the annual work plan, coordinate legislative strategies, and suggest outreach efforts to maintain a high level of visibility for these priorities. EOC meetings will conform to the Open Public Meetings Act of the State of Washington, 42.30 RCW.

#### VI. Funding:

There is a financial commitment required to participate in the Partnership. To ensure smooth and continuous operations through over time, it is desirable to structure for maximum financial stability. To that end, the dues for ELT and SC members are set based on the funds needed for pay, benefits, and program overhead for two full-time SSMCP staff members to focus on the work plan priorities established by the SC. Costs are also expected to include operations and administration, consultant efforts, and the commissioning of special studies as well as other activities as approved by the Steering Committee. Each year, in conjunction with preparation of the Annual Work Plan and Budget, dues will be calculated based on a methodology agreed to by a majority of the combined ELT and SC members. This commitment is outlined in Appendix A of this Agreement.

#### VII. Formation of Subcommittees:

The Partnership may be supported by technical experts, advisors, and community staff and leadership in various agency, jurisdictional, non-profit, and institutional capacities. Subcommittees will be formed by action of the SC as necessary to carry out the specific recommendations and strategies of the GCP.

#### VIII. Review/Changes:

The signatories (or their successors) will review this MOA periodically, but no less than annually. Proposed changes to this MOA will be in writing and shall be subject to approval in any event by the signatories or their successors.

#### IX. Effective Date and Termination:

This Agreement is effective when signed and shall remain in effect until terminated by a majority of the Steering Committee members in good standing. Any member partner may terminate its membership in the Partnership by providing no less than 30 days written notice to the Partnership of the desired termination date.

#### X. Indemnification:

Each Party shall defend, indemnify and hold each other harmless from any and all claims, demands, suits, actions, judgments, recoveries, liabilities, penalties, costs and expenses, including, but not limited to reasonable attorneys' fees, resulting from damage or bodily injury, including death, to the extent caused by a Party's breach of this Agreement or the negligent actions or omissions of that Party, or its employees, agents, or officers, elected or appointed. The foregoing indemnity specially covers actions brought by the Party's own employees, and each Party agrees that the foregoing indemnity is specifically and expressly intended to constitute a waiver of immunity under Washington's Industrial Insurance Act, RCW Title 51, but only as to the Party entitled to indemnity and only to the extent necessary to provide a full and complete indemnity as required under this Section. The indemnification obligation provided in this section shall survive the expiration or earlier termination of this Agreement for the duration of any applicable statute of limitations.

XI. Effect of Agreement:

This MOA is an internal agreement and does not confer any rights upon any individual or other entity. This MOA sets forth mutual goals and approaches. This MOA is not intended to create any rights, benefits, or other responsibilities, either substantive or procedural, nor is it enforceable as law or equity by a party against the U.S., its agencies, its officers, or any other person.

Nothing in this MOA shall obligate members to expend other monies or enter into any contract or other obligation. Nothing in the MOA shall be interpreted as limiting, superseding, or otherwise affecting the Parties' normal operations or decisions in carrying out their statutory or regulatory duties. This MOA does not limit or restrict members from participating in similar activities or arrangements with other agencies.

Signed, dated and acknowledged:

City of DuPont	Tacoma - Pierce County Chamber of Commerce
City of Lacey	Tacoma - Pierce County Health Department
City of Lakewood	Thurston County
City of Tacoma	Thurston Regional Planning Council
City of Yelm	United Way of Pierce County
Joint Base Headquarters, Joint Base Lewis-McChord	Washington Military Department, Camp Murray
Pierce County	Washington State Department of Transportation

# EXHIBIT A

## Membership and Annual Financial Commitment

The Executive Leadership Team (ELT) will be comprised of the following members:

1. City of Lacey
2. City of Lakewood
3. Pierce County
4. Joint Base Lewis-McChord Headquarters (advisory only)

The chief appointed official from each of the local governments will represent their jurisdiction on the ELT. JBLM will be represented by the Joint Base Commander (JBC) and/or his Chief of Staff. ELT members will also be members of the Steering Committee, and on an annual rotating basis (or other arrangement) each member of the ELT will serve as chair of the Steering Committee at the regular monthly meeting.

The Steering Committee (SC) will be comprised of regular members and Working Group (WG) Chairs. Regular members will consist of government representatives from the following:

1. City of DuPont
2. City of Tacoma
3. City of Yelm
4. Nisqually Tribe
5. Joint Base Lewis-McChord Headquarters
6. Thurston Regional Planning Council
7. Washington Military Department (Camp Murray)

The chief appointed official from each of the local governments will represent their jurisdiction on the SC.

The SC will also include a representative from each of the Working Groups (WG) that comprises the numerous public and private sector interests in our region. The WG chairs will be the chief appointed officials or their designees from the following:

1. Tacoma-Pierce County Chamber (as Chair of the Business and Development WG)
2. United Way of Pierce County (as Chair of the Health and Social Services WG)
3. Washington State Department of Transportation (as Chair of the Transportation WG).
4. If needed, other WG will be formed at the request of the SC, and Chairs will be appointed accordingly.

## Financial Commitments

Financial commitments are tiered based on level of involvement, as follows:

1. Executive Leadership Team (ELT): City of Lacey \$20,000, City of Lakewood \$50,000, Pierce County \$50,000.
2. Steering Committee: \$6,500 annually unless this amount is prohibited by law, regulation, or local policy.
3. Working Group (WG) Chairs may be from nongovernmental entities. Their contribution will each be \$2,500 annually for as long as they actively chair a WG.
4. General Members: General member dues are \$500 annually.

Membership costs may be reduced through in-kind donations with advance approval of the majority of SC members in good standing. An example of an acceptable in-kind donation is staff time dedicated to SC Work Plan priorities that is significantly above and beyond that expected of all SC members in their role on the SC.

The City of Lakewood will act as the fiduciary agent for the SSMCP and will be responsible for invoicing the members pursuant to this agreement.

#### **Invoicing**

After signature, members will be invoiced for 2014 membership fees. Membership fee payment that is not received by February 1, 2014 will be considered late and will suspend the member's meeting attendance and voting privileges. A member's good standing will be reinstated upon receipt of the full membership fee.



To: Mayor and City Councilmembers

From: Tho Kraus, Assistant City Manager/Finance & Administrative Services

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

Date: November 21, 2013

Subject: 2013-2014 Mid-Biennial Budget Review, Proposed Budget Amendments

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**BACKGROUND:**

Washington state law requires cities that are on a biennial budget cycle perform a mid-biennial review and modification of the biennial budget. The review is to occur no sooner than eight months after the start nor later than the conclusion of the first year of the biennium. The proposed budget amendment is focused primarily on year 2013 with related adjustments to year 2014. We are currently reviewing the 2014 budget in greater detail and will submit to Council a more comprehensive budget adjustment request in April 2014.

The proposed budget adjustment makes the following types of modifications to the current biennium:

- Revise the beginning fund balance by adjusting the estimated amount used during the original adopted budget process to reflect the final 2012 ending fund balance;
- Housekeeping adjustments to incorporate items previously approved by Council;
- Reflect appropriate projects funded by grants and contributions;
- Changing operating trends and conditions; and
- New allocations.

**PROPOSED BUDGET AMENDMENTS - SUMMARY:**

The proposed budget adjustment:

- Increases total beginning fund balance for all funds by \$7.74M in 2013 and \$5.59M in 2014, resulting in a total revised beginning fund balance estimate of \$19.69M and \$17.33, respectively;
- Increases total revenues for all funds by \$3.09M in 2013 and decrease by \$850K in 2014, resulting in a total revised revenue estimate of \$57.69M and \$56.86M, respectively;

- Increases total expenditures for all funds by \$5.23M in 2013 and \$64K in 2014, resulting in a total revised expenditure estimate of \$60.05M and \$59.27M, respectively; and
- Increases total ending fund balance for all funds by \$5.59M in 2013 and \$4.68M in 2014, resulting in a total revised ending fund balance estimate of \$17.33M and \$14.92M, respectively.

The table below provides a breakout of the proposed 2013 and 2014 budget adjustment totals by fund group.

Fund Group	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance		
	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget
<b>Total Year 2013</b>	\$ 11,953,450	\$ 7,738,125	\$ 19,691,575	\$ 54,607,310	\$ 3,085,132	\$ 57,692,442	\$ 54,821,670	\$ 5,231,669	\$ 60,053,339	\$ 11,739,090	\$ 5,591,588	\$ 17,330,678
General	-	2,615,306	2,615,306	34,176,740	684,781	34,861,521	33,774,160	1,965,309	35,739,469	402,580	1,334,779	1,737,359
Special Revenue	3,076,730	598,537	3,675,267	14,633,620	997,131	15,630,751	13,443,700	1,058,064	14,501,764	4,266,650	537,604	4,804,254
Debt Service	-	723,969	723,969	-	838,220	838,220	-	758,954	758,954	-	803,235	803,235
Capital Projects	116,640	652,744	769,384	505,480	-	505,480	324,550	398,392	722,942	297,570	254,352	551,922
Enterprise	6,200,000	536,556	6,736,556	4,142,500	565,000	4,707,500	6,039,840	1,050,950	7,090,790	4,302,660	50,606	4,353,266
Replace Reserves	2,560,080	2,611,013	5,171,093	1,148,970	-	1,148,970	1,239,420	-	1,239,420	2,469,630	2,611,013	5,080,643
Correction*	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Year 2014</b>	\$ 11,739,090	\$ 5,591,588	\$ 17,330,678	\$ 57,708,395	\$ (850,327)	\$ 56,858,068	\$ 59,207,295	\$ 63,683	\$ 59,270,978	\$ 10,240,190	\$ 4,677,578	\$ 14,917,768
General	402,580	1,334,779	1,737,359	34,265,355	(18,000)	34,247,355	34,204,905	497,825	34,702,730	463,030	818,954	1,281,984
Special Revenue	4,266,650	537,604	4,804,254	17,580,710	(1,488,127)	16,092,583	18,671,830	(1,258,377)	17,413,453	3,175,530	307,854	3,483,384
Debt Service	-	803,235	803,235	-	828,470	828,470	-	746,905	746,905	-	884,800	884,800
Capital Projects	297,570	254,352	551,922	558,180	-	558,180	277,120	-	277,120	578,630	254,352	832,982
Enterprise	4,302,660	50,606	4,353,266	3,031,640	250,000	3,281,640	4,407,540	500,000	4,907,540	2,926,760	(199,394)	2,727,366
Replace Reserves	2,469,630	2,611,013	5,080,643	1,849,840	-	1,849,840	1,223,230	-	1,223,230	3,096,240	2,611,013	5,707,253
Correction*	-	-	-	422,670	(422,670)	-	422,670	(422,670)	-	-	-	-

\* The 2014 adopted budget included \$422,670 in revenues and expenditures that are not accounted for in any fund. The elimination of \$422,670 in revenues and expenditures as proposed has no impact to any funds since it was included in the total of all funds, but not allocated specifically to any fund.

#### PROPOSED BUDGET AMENDMENTS - HIGHLIGHTS:

The narrative below provides additional information on the various proposed adjustments. A complete listing of all proposed budget adjustments is attached.

#### Fund 001 - General Fund

*ICMA Forfeiture Funds (one-time source)* – In 2013 the City received a refund of employer’s contributions forfeited as a result of employees departing city employment prior to being fully vested.

The total refund was roughly \$357K of which \$317K was receipted in the General Fund and \$40K of which was receipted to the Surface Water Management Fund. This adjustment results in the *elimination of the miscellaneous revenue* of \$100K budgeted in each year of 2013 and 2014. Roughly \$43K of the refunds were spent earlier this year on new computers and software licenses. The balance of the ICMA forfeiture funds was used to partially pay for the total \$800K Cost Management Services judgment.

*Transfer In from General Government CIP (one-time source)* – The original source of funds is General Fund. This transfer of \$398K in 2013 results in a return of unspent proceeds which is proposed to be returned to the General Fund due to no projects currently anticipated in the General Government CIP Fund. Roughly \$24K of the transfer was spent earlier this year on the new gate at the police facility, and the balance was used to partially pay for the total \$800K Cost Management Services judgment.

*IPads for Council and Select Staff (one-time use)* – Add adjustment of \$11K for the purchase of eleven iPads for use by Council, City Manager, City Attorney, City Clerk and information technology staff (to be able to provide support) and \$15K mobile device management software. The iPads would allow Council and staff to access agenda packets and other city documents, email and calendar.

*Transfer to Office of Economic Adjustment Fund for 2014 SSMCP(one-time use)* – Allocate \$50K in 2014 for the City's contribution as an Executive Leadership Team member to SSMCP to carry out the Joint Base Lewis McChord Growth Coordination Plan.

*Liquor Excise Tax Revenue (ongoing source)* – Add liquor excise tax allocation of \$68K in 2013 and \$136K in 2014. The state had temporarily suspended distribution of liquor excise tax revenue to cities during the state's fiscal period July 1, 2012 through June 30, 2013 and has since lifted the temporary suspension.

*Criminal Justice High Crime and Violent Crime Funding (one-time source)* – Add criminal justice high crime funding of \$148K each year of 2013 and 2014 to reflect the City's qualification of high crime funding (distributed based on population to cities that have a crime rate in excess of 125% of the state-wide average). Also, add \$60K in 2013 and \$30K in 2014 to reflect the City's qualification of violent crimes funding (distributed based on population to cities that have had an average violent crime rate in the last three years that is 150% of the state-wide average for those three years). The City has received high crime funding since 1997 and violent crimes funding since 1996; however, due to the requalifying requirement, it is considered a one-time source. The City will know around July 2014 if it qualifies for this funding for the period of July 1, 2014 through June 30, 2015.

*Streamlined Sales Tax Mitigation (ongoing source)* – Ongoing revenue estimate of \$48K in each year of 2013 and 2014 to reflect current trend. Actual revenue collections totaled \$49K in 2012, \$40K in 2011, \$63K in 2010, \$38K in 2009 and \$11K in 2008.

*Red Light & School Zone Infraction Revenue (ongoing source)* – Decrease the annual revenue estimate by \$180K from \$1.0M to \$780K in each year of 2013 and 2014 based on the current trend and is consistent with 2012 actual revenue collections of \$820K.

*Public Funds Interest Income (ongoing source)* – Eliminate \$100K interest earnings in each year of 2013 and 2014 to reflect actual earnings. The current interest earnings rate is 0.05%.

*Redirect 0.50 FTE Finance Analyst from Street Capital to General Fund (ongoing use)* – Reallocate \$44K in 2013 and \$46K in 2014 of the half-time analyst position to the General Fund. The original adopted budget anticipated that half of the finance analyst time would be spent on street capital projects; however, actual staff time is not allocable.

*Update Disk Storage Infrastructure (one-time use)* – Add adjustment of \$65K in 2013 for city hall and police facility for storing information related to public works projects, police in-car video images, police evidence documents, email archiving and more. The request is proposed under the caveat that it is pending the IT consultant’s recommendation.

*Add New SQL Server Required for Eden System Upgrade (one-time use)* – Appropriate \$24K in 2013 to replace the existing server that is 6 to 9 years old and will not support a new server and SQL software that is needed for various Eden modules. Additionally, the software company has announced that they will no longer support programs that are running on the old server. The project was previously approved to move forward.

*New Computers & Additional Hardware for Tyler Cashiering Module (one-time use)* – Appropriate \$23K in 2013 to replace computers and purchase additional hardware (receipt printers, cash drawers, scanners, credit card readers) in order to implement the new cash receipting module. This program was authorized as part of the new permits and licensing software to reduce duplication of effort in that the permitting system will interface with the cash receipting system.

*Pending Item: Replace Computers & Laptops for Migration from Windows XP to Windows 7 (one-time use)* – Microsoft security updates and support the Windows XP operating system will end in April 2014. It is recommended that the City complete the conversion within six months of expiration (early October 2015). Staff will be evaluating the current inventory, needs and estimated costs in order to submit a proposal during the 2014 budget adjustment request.

*DUI Emphasis (ongoing source & use)* – In accordance with ordinance 449, allocate 85% or \$22K to DUI emphasis and 15% or \$4K to traffic safety. The funding source is year-to-date September 30<sup>th</sup> DUI reimbursement revenue.

*South Sound 911 (ongoing use, one-time reduction)* – Increase 2013 budget by \$100K, from \$2.26M to \$2.36M and decrease 2014 budget by \$318K, from \$2.26M to \$1.94M based on actual assessment. The 2014 reduction represents the available 2012 LESA ending fund balance. Since LESA was fully funded by the agencies, the Policy Board felt these funds should be distributed back by reducing allocation costs. This is a one-time reduction representing cost savings of approximately 11% in communications and 22% in information services. Future annual assessments estimated to be in the \$2.6M range will be incorporated in the upcoming six-year financial forecast.

*Implement Lakewood Police Management Guild Contract (ongoing use)* – Add \$33K in 2013 and \$53K in 2014 to implement Council’s approval on August 26, 2013 of the three year contract effective February 1, 2013 to December 31, 2015. The additional allocation provides for incremental salary increases every six months of the contract and signing bonuses of \$2K for lieutenants with over four years of experience in Lakewood. The fiscal impact to future years will be incorporated in the upcoming six-year financial forecast.

*Implement Lakewood Police Independent Guild Contract (ongoing use)* – Add \$259K in 2013 and \$267K in 2014 to implement Council’s approval on August 12, 2013 of the three year contract effective January 1, 2013 to December 31, 2015. The additional allocation provides for a 3% wage increase and related benefits. Please note – the budget adjustment figures are higher than those shown on the fiscal impact statement as adopted by Council of \$216K in 2013 and \$222K in 2014 as these figures were understated. The fiscal impact to future years will be incorporated in the upcoming six-year financial forecast.

*Red Light & School Zone Infractions Vendor Payment (ongoing use)* – Vendor payments to Redflex for red light photo and school zone cameras were inadvertently excluded from the 2013/2014 Adopted Budget. The City currently has eight cameras operating at five locations. The monthly red light photo vendor payments are \$3,904 for each of the four red light photo cameras at Bridgeport Blvd SW & San Francisco Ave SW and Steilacoom Blvd SW & Phillips Road SW and \$4,118 for the two red light photo cameras at South Tacoma Way & SR 512. The monthly school zone photo vendor payments are based on the number of citations issued at the 5405 Steilacoom Blvd and 9904 Gravelly Lake Drive and are \$4,870 (up to 100 issued citations), \$5,870 (101 – 160 issued citations), and \$6,870 (161+ issued citations). The estimated annual vendor payment is \$450K in each year of 2013 and 2014.

*New Gate for the Police Facility* – Appropriate \$24K in 2013 for the purchase of the new gate at the police facility and is funded by a transfer in from the General Government capital fund. The invoice was paid in July 2013.

### **Fund 101 – Street Operations & Maintenance Fund**

*Transfer In From Street Capital Fund (one-time)* – Appropriate \$56K in revenues and expenditures in 2013 to account for the transfer of motor vehicle excise tax for the purpose of patching streets to preserve pavement due to limited resources in the Street O&M Fund.

### **Fund 102 - Street Capital Fund**

*Transfer to Street Operations & Maintenance Fund (one-time)* – Appropriate expenditures of \$56K in 2013 to account for the transfer of motor vehicle excise tax for the purpose of patching streets to preserve pavement due to limited resources in the Street O&M Fund.

*Transfer to Surface Water Management Fund for O&M Facility* – Increase transfer to Fund 401 Surface Water Management by \$300K to a total of \$600K in each year of 2013 and 2014. The source of funds is real estate excise tax. Additional information is provided under Fund 401.

### **Fund 103 Transportation Benefit District**

*Eliminate the Original Budget Estimate* – Eliminate revenue estimate of \$2M and expenditure estimate of \$2M in 2014. The updated budget will be added when Council adopts a funding plan.

### **Fund 182 - Federal Seizure Fund**

*Reduce Expenditures Due to Reflect 2012 Actual Balances* – Reduce expenditures by \$24K in 2013 to \$0.5K to reflect actual balances available due to close out of year 2012. An adjustment to all seizure funds (Narcotics, Felony and Federal) will be made during the 2014 budget adjustment to reflect actual balances available due to close out of year 2013.

### **Fund 191 - Neighborhood Stabilization Program (NSP) Fund**

*NSP 1* – Eliminate the original revenue estimate of \$24K in 2014 and expenditure budget of \$75K in each year of 2013 and 2014 and replace with the actual grant balance of \$193K in revenues and expenditures in 2013. Additionally, the proposed adjustment allocates \$2K in revolving loan principal and interest revenue and \$33K in abatement program income that must be spent in 2013. The NSP 1 grant provides funds to remove blighted structures from abandoned properties.

NSP 3 – Eliminate the original revenue estimate of \$5K in 2014 and expenditure budget of \$225K in 2013 and \$2K in 2014 and replace with actual grant balance of \$177K in revenues and expenditures in 2014. The NSP 3 grant provides funds to improve the stabilization of a community that suffered from foreclosures and/or abandonment by acquiring and rehabilitating or building single-family housing units in the Tillicum neighborhood for the purpose of reselling them to low-income families.

### **Fund 192 – Office of Economic Adjustment (OEA) Fund**

*Eliminate Original Estimates* - Eliminate the original estimates for revenues of \$268K and expenditures of \$214K in 2013 and revenues of \$119K and expenditures of \$95K in 2014. These estimates are replaced with actual allocations for the OEA04 grant program and 2014 South Sound Military & Communities Partnership (SSMCP) as follows:

*OEA04 Program* – Appropriate revenues of \$219K in 2013 comprised of grants and contract contributions and expenditures of \$239K funded by an Office of Economic Adjustment grant and current & prior years' contract contributions. The OEA grant totals \$236K for the funding period from January 1, 2013 to December 31, 2013. Staff is submitting an extension request to carry forward \$46K into 2014 to fund a portion of the 2014 SSMCP program. The purpose of the current phase of the effort is to build upon regional communication and coordination successes and deepen relationships between JBLM and the community, conduct ongoing data gathering and analysis in order to monitor trends in the region, update service member and family demographics and needs for off base services, and work with JBLM and entities in the region to continue to meet the challenges outlined in the Growth Coordination Plan.

*2014 SSMCP* – Appropriate revenues of \$660K in 2014 comprised of grants, contributions from the executive leadership team (includes City's \$50K contribution from the General Fund), steering committee and general memberships. The purpose of the SSMCP is to carry out the Joint Base Lewis McChord Growth Coordination Plan. The partnership will promote mutually beneficial investments and maximize opportunities for joint community and military cooperation. Grant balances at the end of 2014 will be carried over into year 2015.

### **Fund 195 – Public Safety Grant Fund**

*Emergency Management Preparedness Grant* – Appropriate a total of \$139K in revenues and expenditures in 2013 to account for the grant funding. The allocation is comprised of \$91K for the funding period June 1, 2012 to August 31, 2013 and \$48K for funding period June 1, 2013 to August 31, 2014. The grant requires a 50% match which is already budgeted in the General Fund (portion of match from SS911 Information Services and City's emergency management budget). The grant is for the purpose of paying the salary and benefits of an emergency management coordinator in cooperation with West Pierce Fire & Rescue. Grant balances at the end of 2013 will be carried over into year 2014.

*WA Auto Theft Prevention Authority Grant* – Appropriate a total of \$332,300 in revenues and expenditures in 2013 to account for the City's share of this grant for the funding period from July 1, 2013 to June 30, 2015. No local match is required. The grant provides funding for the Auto Crimes Enforcement (ACE) Task Force, including salaries and benefits for detectives and deputy assistant prosecutor, rental of vehicle, rental of ACE facility and necessary office contracts, funding for undercover operations, training, public awareness and prosecution of criminals to aid in auto theft prevention. The purpose of these task forces is to reduce incidence of vehicle theft in Washington State and the Puget Sound Region through pro-active enforcement efforts, apprehension of criminals who steal vehicles, and increasing public awareness of auto theft, thereby improving the quality of life in our communities. Grant balances at the end of 2013 will be carried over into 2014.

*Detection and Prevention of Illegal Purchasing of Stolen Metals Grant* – Appropriate a total of \$53,590 in revenues and expenditures in 2013 to account for the grant funding for the funding period from October 1, 2012 to September 30, 2016. No local match is required. The grant provides funds for overtime wages and related benefits, benefits for law enforcement personnel to investigate violations at illegal metal recycling businesses and to interrupt the purchase of illegally gained metals at metal recycling shops. The grant also includes funding for four GPS micro-trackers that will be affixed to scrap metal and used to track illegal purchases along with tracking services. Grant balances at the end of 2013 will be carried over into 2014.

*Therapeutic Justice Problem Gambling Court* – Appropriate a total of \$55,503 in revenues and expenditures in 2013 to account for the grant funding for the funding period from October 1, 2011 to September 30, 2015. No local match is required. The grant provides funds for overtime wages and related benefits for law enforcement personnel to provide computer voice stress analysis for clients participating in gambling addiction treatment in relation to a partnership with the Pierce County Superior Court, the Evergreen Council on Problem Gambling, and Pierce County Alliance, as well as funds for training. Grant balances at the end of 2013 will be carried over into 2014.

*Bullet Proof Vest Grant* - Appropriate a total of \$6K in revenues and expenditures in 2013 to account for the grant funding. The allocation is comprised of \$1K for the balance of the 2012 grant which expires August 31, 2014 and \$5K for the 2013 grant which expires August 30, 2015. The grant is for the purpose of funding ballistic vests. The grant requires a 50% match which is already budgeted in the General Fund. Grant balances at the end of 2013 will be carried over into 2014.

#### **Fund 202 – Local Improvement District (LID) Debt Service Fund**

The purpose of the proposed budget adjustment is to incorporate scheduled debt payments into the budget ordinance in order to comply with legal budgetary authority at the fund level. In the future, debt service payments will be presented and adopted during the original adopted budget process.

This fund accounts for the debt service payments for the City’s Combined Local Improvement District (CLID) and the Local Improvement District (LID):

*CLID 1101* – Appropriate expenditures of \$213K in each year of 2013 and 2014 to reflect annual debt service payments and revenues of \$213K in each year of 2013 and 2014 to reflect assessments received from eight property owners. This CLID was issued for the purpose of constructing curb, gutter, sidewalk, storm drainage, street lighting and related street improvements in the area of Lakewood Drive SW and Steilacoom Boulevard SW. The debt totaling \$2.82M was issued on December 11, 2006 and matures December 1, 2022 with an interest rate ranging from 3.75% to 4.65%. One principal redemption payment is made per year, based upon the amount of assessments from the property owners. The outstanding principal as of December 31, 2013 is \$1.41M.

*LID 1108* - Appropriate expenditures of \$85K in 2013 and \$76K in 2014 to reflect annual debt service payments and revenues of \$85K in 2013 and \$76K in 2014 to reflect assessments received from a single party. This LID was issued for the purpose of constructing half-street improvements including road widening, curb, gutter, sidewalk, storm drainage, street lighting and landscaping along street frontage of South Tacoma Way SW, 112<sup>th</sup> Street, and 34<sup>th</sup> Avenue S. The debt totaling \$880K was issued on January 7, 2008 and matures December 1, 2024 with an interest rate ranging from 4.22% to 5.0%. Principal payment varies by year but is roughly \$50K annually. The outstanding principal balance as of December 31, 2013 is \$514K.

### **Fund 204 – Sewer Project Debt Service Fund**

The purpose of the proposed budget adjustment is to incorporate scheduled debt payments into the budget ordinance in order to comply with legal budgetary authority at the fund level. In the future, debt services payments will be presented and adopted during the original budget process.

*Sewer Project Debt Service* - Appropriate expenditures of \$461K in 2013 and \$458K in 2014 to reflect annual debt service payments and \$540K in each year of 2013 and 2014 to reflect surcharges received in accordance with Resolution 2004-28 which authorizes a 4.75% surcharge on all Lakewood sewer accounts for the purpose of financing sewer extensions in Tillicum and American Lake Gardens. The surcharges collected are used to pay the debt service on the three public works trust fund loans. The combined PWTFL debt totaling \$7.43M was in 2005, 2006 and 2008 with interest rate ranging from 0.50% to 1.0% with final maturity September 1, 2028. The outstanding principal as of December 31, 2013 is \$5.72M.

### **Fund 301 – General Government CIP Fund**

*Transfer to General Fund* – Transfer \$398K to the General Fund for the purpose of partially funding \$375K of the Cost Management Services judgment and \$24K for the new gate for the police facility. The original source of funds in the General Government capital fund is General Fund.

### **Fund 401 – Surface Water Management Fund**

*ICMA Forfeiture Funds - ICMA Forfeiture Funds (one-time source)* – In 2013 the City received a refund of employer's contributions forfeited as a result of employees departing city employment prior to being fully vested. The total refund was roughly \$357K of which \$317K was received in the General Fund and \$40K was received to the Surface Water Management Fund.

*Public Funds Interest Income* – Eliminate \$50K interest earnings in each year of 2013 and 2014 to reflect actual earnings. The current interest earnings rate is 0.05%.

*Wards Lake Property Expansion* – Appropriate expenditures of \$475K in 2013 for the purchase of two parcels of the Wards Lake property funded by \$275K Pierce County conservations grant and \$200K surface water utility local match. The property will be classified as open space and the City will be responsible for maintenance of the property.

*O&M Facility Cost Increase & Transfer In from Street Capital Fund* – The Project was originally budgeted at \$1.5M. The revised budget with additional expenditures for the O&M building is \$2.5M. Increased costs are related to an unsuitable soil base for paving or for building footings, necessity to use an outside contractor due to a health issue with a city employee, improvements along the property line that cover the sand/salt stock pile so they are not an eye-sore to the neighboring property owner, and an increase in the scope of the project by adding emergency power, a fueling station, and a shed row for equipment and material. \$625K was spent on the project in 2012. The budget for 2013 will be \$1.125M, which is \$576K more than what was originally budgeted. Additional costs for 2014 and 2015 will be \$500K and \$250K respectively. Due to the increased costs of the project, the Street Capital Fund will increase its transfer to Fund 401 by adding an additional \$300K in both 2013 and 2014.

**ENDING FUND BALANCE:**

The proposed budget adjustment results in a revised 2014 ending fund balance of \$1.28M, which is 3.7% of General Fund operating expenditures.

In consideration of the City's financial integrity, the following fund balance reserves, totaling 12% of General Fund operating expenditures of \$4.1M, will be proposed as part of the financial policies discussion scheduled to occur in March 2014:

*2% General Fund Contingency Reserves:* The purpose of this reserve is to accommodate unexpected operational changes, legislative impacts, or other economic events affecting the City's operations which could not have been reasonably anticipated at the time the original budget was prepared. A 2% reserve fund based on the General Fund operating expenditures equates to roughly \$700K.

*5% General Fund Ending Fund Balance Reserves:* The purpose of this reserve is to provide financial stability, cash flow for operations and the assurance that the City will be able to respond to revenue shortfalls with fiscal strength. A 5% reserve fund based on the General Fund operating expenditures equates to roughly \$1.70M.

*5% Strategic Reserves:* The purpose of this reserve is to provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters or similarly major, unanticipated events. A 5% reserve fund based on the General Fund operating expenditures equates to roughly \$1.70M.

**NEXT STEPS:**

- Develop and present to Council the 3<sup>rd</sup> quarter financial report (December 2013)
- Evaluate, develop and present to TBD Board Transportation Benefit District options (February 2014)
- Develop and present to Council the 6-year financial forecast (March 2014)
- Develop and present to Council the proposed financial policies (March 2014)
- Evaluate, develop and present to Council a fleet & equipment plan (April 2014)
- Evaluate, develop and present to Council an information technology plan (April 2014)
- Evaluate and present to Council the proposed 2014 budget amendments (April 2014)
- Present to Council the 2013 Year-End Financial Report (May 2014)

**ATTACHMENTS:**

- Summary of Proposed Adjustments
- Draft Budget Ordinance & Related Exhibits
- Exhibit A – Original Adopted 2013-2014 Budget By Fund Per Ord. No. 556 Adopted 11/26/12
  - Exhibit B(1) – Current Revised Budget By Fund- Year 2013 Per Ord. 559 Adopted 3/4/13
  - Exhibit B(2) – Current Revised Budget By Fund- Year 2014 Per Ord. 559 Adopted 3/4/13
  - Exhibit C(1) – Proposed Revised Budget By Fund- Year 2013
  - Exhibit C(2) – Proposed Revised Budget By Fund- Year 2014

**2013-14 Mid-Biennial Budget Adjustment  
Summary of Proposed Requests**

	YEAR 2013		Year 2014	
	Revenue	Expenditure	Revenue	Expenditure
<b>Grand Total - All Funds</b>	<b>\$ 3,085,133</b>	<b>\$ 5,231,662</b>	<b>\$ (850,327)</b>	<b>\$ 63,683</b>
<b>Grand Total - Fund 001 General</b>	<b>\$ 684,781</b>	<b>\$ 1,965,310</b>	<b>\$ (18,000)</b>	<b>\$ 497,825</b>
ICMA Forfeiture Funds	316,873	-	-	-
Transfer in From General Government CIP, Unrestricted Source	374,617	-	-	-
CMS Judgement, Funded Partially by Transfer In From General Government CIP and ICMA Forfeiture Funds	-	800,000	-	-
Ipads for Council, & Various Staff - Qty 11 \$11,000 and Mobile Device Management Software \$26,000	-	26,000	-	-
Transfer to Fund 192 Office of Economic Adjustment (OEA) for City's Contribution to 2014 SSMCP	-	50,000	-	-
Eliminate Miscellaneous Revenue Line Item	(100,000)	-	(100,000)	-
Liquor Excise Tax	68,000	-	136,000	-
Criminal Justice High Crime Funding	148,000	-	148,000	-
Criminal Justice Violent Crimes Funding	60,000	-	30,000	-
Streamlined Sales Tax Mitigation	48,000	-	48,000	-
Red Light/School Zone Camera Infractions	(180,000)	-	(180,000)	-
Public Funds Interest Income	(100,000)	-	(100,000)	-
<b>Subtotal - City-Wide/Non-Departmental</b>	<b>\$ 635,490</b>	<b>\$ 876,000</b>	<b>\$ (18,000)</b>	<b>\$ -</b>
Redirect 0.50 FTE Finance Analyst From Street Capital Fund to General Fund	-	44,060	-	46,070
Disk Storage Infrastructure Update, Pending IT Plan	-	65,000	-	-
Replace Computers for Finance, Info Tech, & Community Development - Paid on 5/16/13, Funded by ICMA Forfeiture Refund	-	19,530	-	-
New Software License for Finance - Paid on 7/25/13, Funded by ICMA Forfeiture Refund	-	11,855	-	-
New Software Licenses for IS and CD - Paid on 7/25/13, Funded by ICMA Forfeiture Refund	-	11,350	-	-
Replace SQL Server Required for Eden System Upgrade (Project Previously Scheduled to Move Forward)	-	24,000	-	-
Replace Computers & Add'l Hardware for Tyler Cashiering Module (Project Previously Scheduled to Move Forward)	-	22,600	-	-
City Manager Recruitment Costs, Funded by Redirection of City Attorney Personnel Costs Charged to City Manager Budget during Acting City Manager Assignment	-	21,671	-	-
Reduce Assistant City Attorney Position Costs Due to Charging Acting City Manager Pay to CM Budget - Fund City Manager Recruitment Cost	-	(21,671)	-	-
<b>Subtotal - Finance &amp; Administrative Services</b>	<b>\$ -</b>	<b>\$ 198,395</b>	<b>\$ -</b>	<b>\$ 46,070</b>
Add Traffic Camera Redflex Vendor Payments Currently Not Budgeted	-	450,000	-	450,000
Allocated DUI Reimbursement to DUI Emphasis Per Ordinance 449 (85% DUI Emphasis Overtime / 15% Traffic Safety Requirements)	25,516	25,516	-	-
Implement Lakewood Police Independent Guild Contract 1/1/2013-12/31/2015 - Approved by Council 8/26/13 2013 Fiscal Impact = Original \$216K / Revised \$259K 2014 Fiscal Impact = Original \$222K / Revised \$267K	-	259,000	-	267,000
Implement Lakewood Police Management Guild Contract. 2/1/2013-12/31/2015	-	32,650	-	52,800
South Sound 911 Assessment Decrease in 2014 is one-time due to available LESA 2012 ending fund balance.	-	99,974	-	(318,045)
<b>Subtotal - Police</b>	<b>\$ 25,516</b>	<b>\$ 867,140</b>	<b>\$ -</b>	<b>\$ 451,755</b>
New Gate for the Police Facility, Funded by Transfer In From General Government CIP - Paid on 7/1/2013	23,775	23,775	-	-
<b>Subtotal - Property Management</b>	<b>\$ 23,775</b>	<b>\$ 23,775</b>	<b>\$ -</b>	<b>\$ -</b>

**2013-14 Mid-Biennial Budget Adjustment  
Summary of Proposed Requests**

	YEAR 2013		Year 2014	
	Revenue	Expenditure	Revenue	Expenditure
<b>Grand Total - Special Revenue Funds</b>	<b>\$ 997,131</b>	<b>\$ 1,058,064</b>	<b>\$ (1,488,127)</b>	<b>\$ (1,258,377)</b>
<b>Total - Fund 101 Street Operations &amp; Maintenance</b>	<b>\$ 56,000</b>	<b>\$ 56,000</b>	<b>\$ -</b>	<b>\$ -</b>
Patching Needed to Preserve Pavement, Funded by Transfer In from Street Capital Motor Vehicle Fuel Tax	56,000	56,000	-	-
<b>Total - Fund 102 Street Capital</b>	<b>\$ -</b>	<b>\$ 311,940</b>	<b>\$ -</b>	<b>\$ 253,930</b>
Increase transfer to Surface Water Management Fund for O&M Facility	-	300,000	-	300,000
Transfer MVET to Street O&M Fund for Patching Needed to Preserve	-	56,000	-	-
Redirect 0.50 FTE Finance Analyst From Street Capital Fund to General Fund	-	(44,060)	-	(46,070)
<b>Total - Fund 103 Transportation Benefit District</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,000,000)</b>	<b>\$ (2,000,000)</b>
Eliminate Original Budget Estimate Appropriate new budget once Council approves the funding plan.	-	-	(2,000,000)	(2,000,000)
<b>Total - Fund 182 Federal Seizure</b>	<b>\$ -</b>	<b>\$ (24,129)</b>	<b>\$ -</b>	<b>\$ (480)</b>
Decrease Due to 2013 Actual Beginning Balance Less than Budget	-	(24,129)	-	(480)
<b>Total - Fund 191 Neighborhood Stabilization Program (NSP)</b>	<b>\$ 404,184</b>	<b>\$ 102,926</b>	<b>\$ (29,110)</b>	<b>\$ (77,280)</b>
Eliminate Original NSP 1 Budget Estimate	-	(75,000)	(24,110)	(75,000)
Appropriate Actual NSP 1 Grant Balance	193,228	193,228	-	-
Eliminate Original NSP 3 Budget Estimate	-	(224,690)	(5,000)	(2,280)
Appropriate Actual NSP 3 Grant Balance	176,670	176,670	-	-
Abatement - Revolving Loan Principal & Interest	1,568	-	-	-
Abatement - NSP 1 Program Income, Must be Spent in 2013	32,718	32,718	-	-
<b>Total - Fund 192 Office of Economic Adjustment (OEA)</b>	<b>\$ (48,865)</b>	<b>\$ 25,515</b>	<b>\$ 540,983</b>	<b>\$ 565,453</b>
Eliminate Original Estimates	(268,240)	(213,860)	(119,380)	(94,910)
OEA04 Grant - Funding Period 1/1/2013 - 12/31/2013 (Extension Request of \$46K for 2014 SSMCP in Progress) Grant \$235,735 Local Match \$89,669 (\$50,000 contract & \$39,669 personnel)	189,375	239,375	46,360	46,360
Contributions from Partner Billings for OEA04 Grant Program	30,000	-	-	-
Joint Land Use Study (JLUS) Grant - Funding Period 1/1/2014 -12/31/2015 For 2014 SSMCP, Balance of Grant to Be Carried Over	-	-	426,003	426,003
Contributions from Executive Leadership Team for 2014 SSMCP (Excluding City of Lakewood)	-	-	70,000	70,000
Contribution from Executive Leadership Team for 2014 SSMCP - City's Portion Funded by Transfer In From General Fund	-	-	50,000	50,000
Contribution from Steering Committee for 2014 SSMCP	-	-	55,500	55,500
Contribution from General Membership	-	-	12,500	12,500
<b>Total - Fund 195 Public Safety Grants</b>	<b>\$ 585,812</b>	<b>\$ 585,812</b>	<b>\$ -</b>	<b>\$ -</b>
Emergency Mgmt Preparedness Grant, Funding Period 6/1/2012 - 8/31/2013 - WA State Military Dept of Homeland Security	90,699	90,699	-	-
Emergency Management Grant, Funding Period 6/1/2013 - 8/31/2014 - WA State Military Dept of Homeland Security	48,177	48,177	-	-
WA Auto Theft Prevention Authority Grant, Funding Period 7/1/2013-6/30/2015 - WA Association of Sheriffs and Police Chiefs	332,300	332,300	-	-
Detection and Prevention of Illegal Purchasing of Stolen Metals Grant, Funding Period 10/1/2012-9/30/2016 - US Dept of Justice Edward Byrne Justice Assistance Grant	53,590	53,590	-	-
Therapeutic Justice Problem Gambling Court, Funding Period 10/1/2011-9/30/2015 - US Dept of Justice Edward Byrne Justice Assistance Grant	55,503	55,503	-	-
Bullet Proof Vest Grant 2012 Grant Balance - Bureau of Justice Assistance Grant	1,085	1,085	-	-
Bullet Proof Vest Grant 2013 Grant Balance - Bureau of Justice Assistance Grant	4,458	4,458	-	-

**2013-14 Mid-Biennial Budget Adjustment  
Summary of Proposed Requests**

	YEAR 2013		Year 2014	
	Revenue	Expenditure	Revenue	Expenditure
<b>Grand Total - Debt Service Funds</b>	\$ 838,221	\$ 758,946	\$ 828,470	\$ 746,905
<b>Total - Fund 202 LID Debt Service</b>	\$ 298,221	\$ 298,221	\$ 288,470	\$ 288,470
Combined Local Improvement District (CLID) 1101 Debt Service	213,296	213,296	212,874	212,874
Local Improvement District (LID) 1108 Debt Service	84,925	84,925	75,596	75,596
<b>Total - Fund 204 Sewer Project Debt Service</b>	\$ 540,000	\$ 460,725	\$ 540,000	\$ 458,435
Sewer Project Debt Service	540,000	460,725	540,000	458,435
<b>Grand Total - Capital Improvement Project Funds</b>	\$ -	\$ 398,392	\$ -	\$ -
<b>Total - Fund 301 General Government CIP</b>	\$ -	\$ 398,392	\$ -	\$ -
Transfer to General Fund for CMS Judgement	-	374,617	-	-
Transfer to General Fund for New Gate at Police Facility	-	23,775	-	-
<b>Grant Total - Enterprise Funds</b>	\$ 565,000	\$ 1,050,950	\$ 250,000	\$ 500,000
<b>Total - Fund 401 Surface Water Management</b>	\$ 565,000	\$ 1,050,950	\$ 250,000	\$ 500,000
Wards Lake Park Expansion Project - Funded by \$275K Conservation Futures Grant & \$200K City Match	275,000	475,000	-	-
Public Funds Interest Income	(50,000)	-	(50,000)	-
Transfer In from Street Capital for O&M Facility Building Construction	300,000	-	300,000	-
O&M Facility Building Construction Cost Increase- Project was originally budgeted at \$1,500,000. The revised budget with additional expenditures for the O&M building is \$2,490,000. \$624,050 was spent in 2012. The budget will be \$1,125,090 for 2013, \$500,000 for 2014, and \$240,000 for 2015.	-	575,950	-	500,000
ICMA Forfeiture Funds	40,000	-	-	-
<b>Correction to Ordinance 556</b>	\$ -	\$ -	\$ (422,670)	\$ (422,670)

ORDINANCE NO.

AN ORDINANCE of the City Council of the City of Lakewood, Washington, amending Ordinance No. 556, the 2013-2014 Budget Ordinance, originally adopted on November 26, 2012.

WHEREAS, pursuant to Chapter 35A.34 RCW, the City of Lakewood has created an biennial budget with the most recent budget having commenced on January 1, 2013;

WHEREAS, the City of Lakewood adopted Ordinance 556 on November 26, 2012 implementing the 2013 and 2014 Budget. It subsequently adopted Ordinance No. 559 on March 4, 2013 to amend original adopted 2013-2014 Budget Ordinance to reflect the receipt of the additional grants and to make the adjustments necessary to accurately reflect the revenues and the expenditures for 2013 & 2014 within the Street Capital Improvement fund (Fund 102); and

WHEREAS, the City of Lakewood finds it necessary to revise the 2013-2014 Biennial Budget as result of the mid-biennial review;

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

Section 1. Budget Amendment. Ordinance 556, Section 2, is amended to adopt the revised budget for the 2013-2014 biennium in the amounts and for the purposes as shown on the attached Exhibits C(1) and C(2) 2013-2014 Budget By Fund.

Section 2. Severability. If any section, sentence, clause or phrase of this Ordinance 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 Ordinance or its application to any other person, property or circumstance.

Section 3: Effective Date. This Ordinance shall be in full force and effect for the fiscal years 2013 & 2014 and five (5) days after publication as required by law.

ADOPTED by the City Council this 16<sup>th</sup> day of December, 2013.

CITY OF LAKEWOOD

\_\_\_\_\_  
Don Anderson, Mayor

Attest:

\_\_\_\_\_  
Alice M. Bush, MMC, City Clerk

Approved as to Form:

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

**EXHIBIT A**  
**2013-2014 ORIGINAL ADOPTED BUDGET BY FUND**  
**Per Ordinance 556 Adopted November 26, 2012**

Fund	2013				2014			
	Beginning Fund Balance	Revenue	Expenditure	Ending Fund Balance	Beginning Fund Balance	Revenue	Expenditure	Ending Fund Balance
<b>General Fund (001)</b>	\$ -	\$ 34,176,740	\$ 33,774,160	\$ 402,580	\$ 402,580	\$ 34,265,355	\$ 33,802,325	\$ 865,610
<b>Special Revenue Funds:</b>								
101 Street Operations & Maintenance	100	2,165,500	2,165,500	100	100	2,220,930	2,220,930	100
102 Street Capital Projects	470,000	7,225,800	7,238,370	457,430	457,430	10,613,570	10,542,880	528,120
103 Transportation Benefit District	-	-	-	-	-	2,000,000	2,000,000	-
104 Lodging Tax Fund	859,440	430,000	497,720	791,720	791,720	430,000	499,000	722,720
105 Property Abatement	85,000	50,000	85,000	50,000	50,000	50,000	100,000	-
106 Public Art	-	7,000	2,000	5,000	5,000	5,000	5,000	5,000
180 Narcotics Seizure	200,000	205,660	390,000	15,660	15,660	325,000	250,000	90,660
181 Felony Seizure	108,250	200	58,450	50,000	50,000	10,000	20,000	40,000
182 Federal Seizure	100,480	-	70,000	30,480	30,480	69,520	70,000	30,000
190 Grants	800,000	3,637,760	1,783,590	2,654,170	2,654,170	689,000	1,773,390	1,569,780
191 Neighborhood Stabilization Program	453,460	-	299,690	153,770	153,770	29,110	77,280	105,600
192 OEA Grant	-	268,240	213,860	54,380	54,380	119,380	94,910	78,850
193 Police ARRA Grant	-	8,300	8,000	300	300	-	300	-
195 Public Safety Grants	-	370,160	366,520	3,640	3,640	278,200	277,140	4,700
<b>Debt Service Funds:</b>								
202 LID Debt Service	-	-	-	-	-	-	-	-
204 Sewer Project Debt	-	-	-	-	-	-	-	-
251 LID Guaranty	-	-	-	-	-	-	-	-
<b>Capital Project Funds:</b>								
301 General Government CIP	-	-	-	-	-	-	-	-
311 Sewer Project CIP	-	235,580	234,610	970	970	185,650	184,830	1,790
312 Sanitary Sewer Connection	116,640	269,900	89,940	296,600	296,600	372,530	92,290	576,840
<b>Enterprise Fund:</b>								
401 Surface Water Management	6,200,000	4,142,500	6,039,840	4,302,660	4,302,660	3,031,640	4,407,540	2,926,760
<b>Replacement Reserve Funds:</b>								
501 Equipment Replacement	2,560,080	1,148,970	1,239,420	2,469,630	2,469,630	1,849,840	1,223,230	3,096,240
502 City Hall Service	-	-	-	-	-	-	-	-
<b>Correction to Ord. 556</b>	-	-	-	-	-	<b>422,670</b>	<b>422,670</b>	-
<b>Grand Total All Funds</b>	<b>\$ 11,953,450</b>	<b>\$ 54,342,310</b>	<b>\$ 54,556,670</b>	<b>\$ 11,739,090</b>	<b>\$ 11,739,090</b>	<b>\$ 56,967,395</b>	<b>\$ 58,063,715</b>	<b>\$ 10,642,770</b>

**EXHIBIT B(1)**  
**CURRENT REVISED BUDGET BY FUND - YEAR 2013**  
**Per Ordinance No. 559 Adopted March 4, 2013**

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Fund (001)</b>	\$ -	\$ -	\$ -	\$ 34,176,740	\$ -	\$ 34,176,740	\$ 33,774,160	\$ -	\$ 33,774,160	\$ 402,580
<b>Special Revenue Funds:</b>										
<b>101</b> Street Operations & Maintenance	100	-	100	2,165,500	-	2,165,500	2,165,500	-	2,165,500	100
<b>102</b> Street Capital Projects	470,000	-	470,000	7,225,800	265,000	7,490,800	7,238,370	265,000	7,503,370	457,430
<b>103</b> Transportation Benefit District	-	-	-	-	-	-	-	-	-	-
<b>104</b> Lodging Tax Fund	859,440	-	859,440	430,000	-	430,000	497,720	-	497,720	791,720
<b>105</b> Property Abatement	85,000	-	85,000	50,000	-	50,000	85,000	-	85,000	50,000
<b>106</b> Public Art	-	-	-	7,000	-	7,000	2,000	-	2,000	5,000
<b>180</b> Narcotics Seizure	200,000	-	200,000	205,660	-	205,660	390,000	-	390,000	15,660
<b>181</b> Felony Seizure	108,250	-	108,250	200	-	200	58,450	-	58,450	50,000
<b>182</b> Federal Seizure	100,480	-	100,480	-	-	-	70,000	-	70,000	30,480
<b>190</b> Grants	800,000	-	800,000	3,637,760	-	3,637,760	1,783,590	-	1,783,590	2,654,170
<b>191</b> Neighborhood Stabilization Program	453,460	-	453,460	-	-	-	299,690	-	299,690	153,770
<b>192</b> OEA Grant	-	-	-	268,240	-	268,240	213,860	-	213,860	54,380
<b>193</b> Police ARRA Grant	-	-	-	8,300	-	8,300	8,000	-	8,000	300
<b>195</b> Public Safety Grants	-	-	-	370,160	-	370,160	366,520	-	366,520	3,640
<b>Debt Service Funds:</b>										
<b>202</b> LID Debt Service	-	-	-	-	-	-	-	-	-	-
<b>204</b> Sewer Project Debt	-	-	-	-	-	-	-	-	-	-
<b>251</b> LID Guaranty	-	-	-	-	-	-	-	-	-	-
<b>Capital Project Funds:</b>										
<b>301</b> General Government CIP	-	-	-	-	-	-	-	-	-	-
<b>311</b> Sewer Project CIP	-	-	-	235,580	-	235,580	234,610	-	234,610	970
<b>312</b> Sanitary Sewer Connection	116,640	-	116,640	269,900	-	269,900	89,940	-	89,940	296,600
<b>Enterprise Fund:</b>										
<b>401</b> Surface Water Management	6,200,000	-	6,200,000	4,142,500	-	4,142,500	6,039,840	-	6,039,840	4,302,660
<b>Replacement Reserve Funds:</b>										
<b>501</b> Equipment Replacement	2,560,080	-	2,560,080	1,148,970	-	1,148,970	1,239,420	-	1,239,420	2,469,630
<b>502</b> City Hall Service	-	-	-	-	-	-	-	-	-	-
<b>Correction to Ord. 556</b>	-	-	-	-	-	-	-	-	-	-
<b>Total All Funds</b>	<b>\$11,953,450</b>	<b>\$ -</b>	<b>\$11,953,450</b>	<b>\$ 54,342,310</b>	<b>\$ 265,000</b>	<b>\$54,607,310</b>	<b>\$ 54,556,670</b>	<b>\$ 265,000</b>	<b>\$54,821,670</b>	<b>\$ 11,739,090</b>

**EXHIBIT B(2)**  
**CURRENT REVISED BUDGET BY FUND - YEAR 2014**  
**Per Ordinance No. 559 Adopted March 4, 2013**

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Fund (001)</b>	\$402,580		\$ 402,580	\$ 34,265,355	\$ -	\$ 34,265,355	\$ 34,204,905		\$ 34,204,905	\$ 463,030
<b>Special Revenue Funds:</b>										
101 Street Operations & Maintenance	100		100	2,220,930	-	2,220,930	2,220,930	-	2,220,930	100
102 Street Capital Projects	457,430		457,430	10,613,570	741,000	11,354,570	10,542,880	741,000	11,283,880	528,120
103 Transportation Benefit District	-		-	2,000,000	-	2,000,000	2,000,000	-	2,000,000	-
104 Lodging Tax Fund	791,720		791,720	430,000	-	430,000	499,000	-	499,000	722,720
105 Property Abatement	50,000		50,000	50,000	-	50,000	100,000	-	100,000	-
106 Public Art	5,000		5,000	5,000	-	5,000	5,000	-	5,000	5,000
180 Narcotics Seizure	15,660		15,660	325,000	-	325,000	250,000	-	250,000	90,660
181 Felony Seizure	50,000		50,000	10,000	-	10,000	20,000	-	20,000	40,000
182 Federal Seizure	30,480		30,480	69,520	-	69,520	70,000	-	70,000	30,000
190 Grants	2,654,170		2,654,170	689,000	-	689,000	1,773,390	-	1,773,390	1,569,780
191 Neighborhood Stabilization Program	153,770		153,770	29,110	-	29,110	77,280	-	77,280	105,600
192 OEA Grant	54,380		54,380	119,380	-	119,380	94,910	-	94,910	78,850
193 Police ARRA Grant	300		300	-	-	-	300	-	300	-
195 Public Safety Grants	3,640		3,640	278,200	-	278,200	277,140	-	277,140	4,700
<b>Debt Service Funds:</b>										
202 LID Debt Service	-		-	-		-	-		-	-
204 Sewer Project Debt	-		-	-		-	-		-	-
251 LID Guaranty	-		-	-		-	-		-	-
<b>Capital Project Funds:</b>										
301 General Government CIP	-		-	-		-	-		-	-
311 Sewer Project CIP	970		970	185,650	-	185,650	184,830		184,830	1,790
312 Sanitary Sewer Connection	296,600		296,600	372,530	-	372,530	92,290	-	92,290	576,840
<b>Enterprise Fund:</b>										
401 Surface Water Management	4,302,660		4,302,660	3,031,640	-	3,031,640	4,407,540	-	4,407,540	2,926,760
<b>Replacement Reserve Funds:</b>										
501 Equipment Replacement	2,469,630		2,469,630	1,849,840	-	1,849,840	1,223,230	-	1,223,230	3,096,240
502 City Hall Service	-		-	-	-	-	-	-	-	-
<b>Correction to Ord. 556</b>	-	-	-	<b>422,670</b>	-	<b>422,670</b>	<b>422,670</b>	-	<b>422,670</b>	-
<b>Total All Funds</b>	<b>\$11,739,090</b>	<b>\$ -</b>	<b>\$11,739,090</b>	<b>\$ 56,967,395</b>	<b>\$ 741,000</b>	<b>\$57,708,395</b>	<b>\$ 58,466,295</b>	<b>\$ 741,000</b>	<b>\$59,207,295</b>	<b>\$ 10,240,190</b>

**EXHIBIT C(1)**  
**PROPOSED REVISED BUDGET BY FUND - YEAR 2013**

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Fund (001)</b>	\$ -	\$ 2,615,306	\$ 2,615,306	\$ 34,176,740	\$ 684,781	\$ 34,861,521	\$ 33,774,160	\$ 1,965,309	\$ 35,739,469	\$ 1,737,359
<b>Special Revenue Funds:</b>										
101 Street Operations & Maintenance	100	155,792	155,892	2,165,500	56,000	2,221,500	2,165,500	56,000	2,221,500	155,892
102 Street Capital Projects	470,000	193,085	663,085	7,490,800	-	7,490,800	7,503,370	311,940	7,815,310	338,575
103 Transportation Benefit District	-	-	-	-	-	-	-	-	-	-
104 Lodging Tax Fund	859,440	78,377	937,817	430,000	-	430,000	497,720	-	497,720	870,097
105 Property Abatement	85,000	169,927	254,927	50,000	-	50,000	85,000	-	85,000	219,927
106 Public Art	-	-	-	7,000	-	7,000	2,000	-	2,000	5,000
180 Narcotics Seizure	200,000	207,797	407,797	205,660	-	205,660	390,000	-	390,000	223,457
181 Felony Seizure	108,250	47,319	155,569	200	-	200	58,450	-	58,450	97,319
182 Federal Seizure	100,480	(54,609)	45,871	-	-	-	70,000	(24,129)	45,871	0
190 Grants	800,000	49,722	849,722	3,637,760	-	3,637,760	1,783,590	-	1,783,590	2,703,892
191 Neighborhood Stabilization Program	453,460	(283,684)	169,776	-	404,184	404,184	299,690	102,926	402,616	171,344
192 OEA Grant	-	32,517	32,517	268,240	(48,865)	219,375	213,860	25,515	239,375	12,517
193 Police ARRA Grant	-	0	0	8,300	-	8,300	8,000	-	8,000	300
195 Public Safety Grants	-	2,294	2,294	370,160	585,812	955,972	366,520	585,812	952,332	5,934
<b>Debt Service Funds:</b>										
202 LID Debt Service	-	3,995	3,995	-	298,220	298,220	-	298,220	298,220	3,995
204 Sewer Project Debt	-	329,191	329,191	-	540,000	540,000	-	460,734	460,734	408,457
251 LID Guaranty	-	390,783	390,783	-	-	-	-	-	-	390,783
<b>Capital Project Funds:</b>										
301 General Government CIP	-	398,392	398,392	-	-	-	-	398,392	398,392	0
311 Sewer Project CIP	-	190,002	190,002	235,580	-	235,580	234,610	-	234,610	190,972
312 Sanitary Sewer Connection	116,640	64,349	180,989	269,900	-	269,900	89,940	-	89,940	360,949
<b>Enterprise Fund:</b>										
401 Surface Water Management	6,200,000	536,556	6,736,556	4,142,500	565,000	4,707,500	6,039,840	1,050,950	7,090,790	4,353,266
<b>Replacement Reserve Funds:</b>										
501 Equipment Replacement	2,560,080	2,158,893	4,718,973	1,148,970	-	1,148,970	1,239,420	-	1,239,420	4,628,523
502 City Hall Service	-	452,120	452,120	-	-	-	-	-	-	452,120
<b>Correction to Ord. 556</b>	-	-	-	-	-	-	-	-	-	-
<b>Total All Funds</b>	<b>\$11,953,450</b>	<b>\$ 7,738,125</b>	<b>\$19,691,575</b>	<b>\$ 54,607,310</b>	<b>\$ 3,085,132</b>	<b>\$57,692,442</b>	<b>\$ 54,821,670</b>	<b>\$ 5,231,669</b>	<b>\$60,053,339</b>	<b>\$ 17,330,678</b>

**EXHIBIT C(2)**  
**PROPOSED REVISED BUDGET BY FUND - YEAR 2014**

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Fund (001)</b>	\$ 402,580	\$1,334,779	\$ 1,737,359	\$ 34,265,355	\$ (18,000)	\$ 34,247,355	\$ 34,204,905	\$ 497,825	\$ 34,702,730	\$ 1,281,984
<b>Special Revenue Funds:</b>										
101 Street Operations & Maintenance	100	155,792	155,892	2,220,930	-	2,220,930	2,220,930	-	2,220,930	155,892
102 Street Capital Projects	457,430	(118,855)	338,575	11,354,570	-	11,354,570	11,283,880	253,930	11,537,810	155,335
103 Transportation Benefit District	-	-	-	2,000,000	(2,000,000)	-	2,000,000	(2,000,000)	-	-
104 Lodging Tax Fund	791,720	78,377	870,097	430,000	-	430,000	499,000	-	499,000	801,097
105 Property Abatement	50,000	169,927	219,927	50,000	-	50,000	100,000	-	100,000	169,927
106 Public Art	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000	5,000
180 Narcotics Seizure	15,660	207,797	223,457	325,000	-	325,000	250,000	-	250,000	298,457
181 Felony Seizure	50,000	47,319	97,319	10,000	-	10,000	20,000	-	20,000	87,319
182 Federal Seizure	30,480	(30,480)	0	69,520	-	69,520	70,000	(480)	69,520	0
190 Grants	2,654,170	49,722	2,703,892	689,000	-	689,000	1,773,390	-	1,773,390	1,619,502
191 Neighborhood Stabilization Program	153,770	17,574	171,344	29,110	(29,110)	-	77,280	(77,280)	-	171,344
192 Office of Economic Adj (OEA) Grant	54,380	(41,863)	12,517	119,380	540,983	660,363	94,910	565,453	660,363	12,517
193 Police ARRA Grant	300	0	300	-	-	-	300	-	300	0
195 Public Safety Grants	3,640	2,294	5,934	278,200	-	278,200	277,140	-	277,140	6,994
<b>Debt Service Funds:</b>										
202 LID Debt Service	-	3,995	3,995	-	288,470	288,470	-	288,470	288,470	3,995
204 Sewer Project Debt	-	408,457	408,457	-	540,000	540,000	-	458,435	458,435	490,021
251 LID Guaranty	-	390,783	390,783	-	-	-	-	-	-	390,783
<b>Capital Project Funds:</b>										
301 General Government CIP	-	0	0	-	-	-	-	-	-	0
311 Sewer Project CIP	970	190,002	190,972	185,650	-	185,650	184,830	-	184,830	191,792
312 Sanitary Sewer Connection	296,600	64,349	360,949	372,530	-	372,530	92,290	-	92,290	641,189
<b>Enterprise Fund:</b>										
401 Surface Water Management	4,302,660	50,606	4,353,266	3,031,640	250,000	3,281,640	4,407,540	500,000	4,907,540	2,727,366
<b>Replacement Reserve Funds:</b>										
501 Equipment Replacement	2,469,630	2,158,893	4,628,523	1,849,840	-	1,849,840	1,223,230	-	1,223,230	5,255,133
502 City Hall Service	-	452,120	452,120	-	-	-	-	-	-	452,120
<b>Correction to Ord. 556</b>	-	-	-	<b>422,670</b>	<b>(422,670)</b>	-	<b>422,670</b>	<b>(422,670)</b>	-	-
<b>Total All Funds</b>	<b>\$11,739,090</b>	<b>\$ 5,591,588</b>	<b>\$17,330,678</b>	<b>\$ 57,708,395</b>	<b>\$ (850,327)</b>	<b>\$56,858,068</b>	<b>\$ 59,207,295</b>	<b>\$ 63,683</b>	<b>\$59,270,978</b>	<b>\$ 14,917,768</b>



To: Mayor and City Councilmembers

From: David Bugher, Assistant City Manager/ Community Development Director

Through: John J. Caulfield, City Manager 

Date: November 25, 2013

Subject: Possible Scope of Services, Comprehensive Plan Visioning Process

**SUMMARY:** On September 9<sup>th</sup>, the community development department provided a status report on the comprehensive plan update. The update included revisions to the public participation plan and a review of the timeline for the comprehensive plan work plan. Council members reviewed many topics. One item that was of keen interest to the Council was visioning. Staff had proposed a limited visioning process, but the Council, however, wanted a much broader program. This memorandum provides the City Council with information on various types of visioning options and includes a staff recommendation.

**COMPREHENSIVE PLAN VISIONING HISTORY:** When the City first incorporated, the Council initiated a staff driven visioning process. Two community meetings were held in the late spring and early summer of 1997. At the first meeting citizens focused on the desires of the community and the basic strengths and weaknesses of the City. During this process, citizens made over 280 vision statements describing Lakewood in the year 2020. At the second meeting, citizens were to create recommended actions to implement the goals and general vision statements from the first session. Attendance at both sessions totaled nearly 250 people.

During the second session, citizens formed discussion groups in part to develop a list of possible actions. Of all the action items, people felt most strongly about:

Urban Design (or image) – defining a sense of place.

Residential Land Use - maintaining the character of single-family homes, especially suburban lots or estates in the Lakewood urban area.

In 2004, another brief visioning process took place, again staff driven, as part of a 2004 update required by Washington State Department of Commerce. This update relied heavily on the work that had already been done. Lakewood's comprehensive plan was adopted in 2000, and implementing regulations were adopted one year thereafter. Since the plan had been in place for such a short time, the need for a broad-based visioning process was seen as

unnecessary. Staff conducted a series of public open houses to meet Department of Commerce's public participation requirements.

**TYPES OF VISIONING PROCESSES:** Community visioning is a three part participatory process that engages local residents in developing a consensus on 1) what they want their community to be; 2) where the community seems to be heading; and 3) what has to be done to correct that trend to achieve the desired common vision. In most cases the process has a tendency to focus on neighborhoods.

The visioning process has basically three parts. Part I is the brainstorming process and developing a draft vision statement using a group of local stakeholders.

Part II is public involvement. Here, the City conducts facilitated public workshops with the community to discuss existing trends based on the current master plan, zoning ordinance and development strategies. The public is allowed to participate and suggest changes. Initial discussion points will be determined, but not limited to, the topics discussed with the "citizen visioning" committee. Multiple meetings are likely to insure that the maximum amount of public involvement is possible. The final outcome of the meetings is to reach consensus on a vision of the community.

Part III is the creation of the vision statement and final report. Additional public meetings are required to allow the public to review outcomes.

**VISIONING MODELS:** A number of visioning models have been developed in cities that can be considered when preparing a vision. These models vary with regard to how public participation occurs in the visioning process, how and when data is used in the workshops, and the length of time prescribed for conducting the process. Most are geared toward developing a broad community vision and action plan in a relatively short period of time. Below are examples of community visioning models that have been used in different types of communities.

**The Charrette:** A Charrette is a meeting or series of meetings in which the public is directly involved with forming ideas for the future of the community. Typically focusing on physical design and land use, Charrettes allow for maximum public input, as the participants make decisions regarding on-the-ground changes. The ideas put forth by the public in a Charrette are then synthesized into the goals and objectives of the comprehensive plan. These Charrettes are the most detailed pictures of what you want the community to become; it is also the most expensive. It may involve hiring a multi-disciplinary team of architects, landscape architects, transportation engineers, and land use planners. The product would be a visually stunning rendering of what the people have said they want their community to look like.

**The Transect:** The Transect is a land use planning model that focuses on the ordered progression of suburbia to an urban core. The Transect can be applied to new and existing developments. Using the Transect allows the public a structured method of applying land-use, density and design controls to their community. The Transect model is not frequently used. A Transect also requires the use of a multi-disciplinary team.

**The Oregon Model:** The Oregon Model for community visioning involves a four-step process. Each step focuses on a driving question, involves different activities, and results in specific products. While all four steps are recommended, a community may choose to follow only some of them or to undertake specific activities at different points in the process.

The model allows for these kinds of changes and flexibility. The four steps in the Oregon Model are:

Where are we now? (Profiling the community)

Where are we going? (Analyzing trends)

Where or what do we want to be? (Creating the vision)

How do we get there? (Developing an Action Plan)

**SO, IF LAKEWOOD WANTED A BROADER VISIONING PROCESS WHAT WOULD IT LOOK LIKE?** The Council would first need to determine if it wants to use existing staff resources or to hire an outside consultant. Community development staff is currently resource constrained. If the Council wants to move forward timely, then hiring a consultant would be advised. A visioning process would take at least four months. Costs are estimated at \$50,000 and it would require approval of a budget adjustment in the first quarter of 2014. This price tag is not unreasonable. Thurston County Regional Planning budgeted \$90,000 for a visioning process regarding the “old” brewery site located in Olympia/Tumwater. The City of Milton budgeted \$25,000 for a visioning process as part of its comprehensive plan update. Costs may be reduced if the City performs public notification and arranges for meeting locations and setup.

One area of concern is the means by which the City outreaches to its ethnic population. Lakewood is very diverse. Over one-third of residents as of the 2010 census identified themselves as some race other than white alone; and 15% identified themselves as Hispanic. Traditionally, these groups do not participate in visioning processes. Non-traditional methods of outreach are likely to be required which could impact budget.

**RECOMMENDATION:** Community visioning allows different points of view to be heard and early agreements established in an inclusive manner up front. Thus, implementation has greater buy-in, and goes smoother, and more quickly. This go slow to go fast model facilitates future problem solving efforts. It builds new relationships between the public and elected officials which enhances civic engagement. It is recommended that the City Council release a Request for Proposal for community visioning. A draft scope of work has been prepared and is attached.

Attachment:

Draft Scope of Work

**Scope of Services**  
**City of Lakewood Comprehensive Plan Visioning Process**

1. The visioning process is to take four months.
2. Consultant shall review existing planning and related documents.
3. Consultant will assist city staff with organizing public forums and facilitate three public forums in different geographic locations (Tillicum/Woodbrook, Oakbrook, and Lakeview)
4. Consultant will conduct two focus group meetings and conduct interviews:
  - One with selected members of the City's advisory boards.
  - One with the local business community.
5. Consultant will develop a tailored outreach program for minority populations (African-American, Asian and Hispanic). Minority group representatives will be used to help develop the outreach strategy.
6. Consultant will present two progress reports at 30-day intervals to the City Council.
7. Consultant will synthesize, organize, and analyze the results of these public forums and focus groups and deliver the following documents:
  - Draft visioning goals in a format suitable for inclusion in an updated comprehensive plan.
  - Draft vision action plan containing strategies that would set a direction and general guidance for implementing one or more of the elements of the visioning goals, again in a format suitable for inclusion in the comprehensive plan. Each strategy would have at least one action that supports the implementation of the strategy. The action plan should be logically structured to include a description of the action, lead partner to bring forward the implementation effort, potential partners for implementation, timeframe and priorities for implementation.
  - Draft recommended mechanisms and timeframes for community partners to gather and maintain focus on the vision and vision action plan. Recommendations should also be made regarding the process to keep the vision and vision action plan current. The vision and vision action plan will need regular updates adjustments to reflect accomplishments and changes in the community.

- The record of the public forums/focus groups and any supporting technical information.

Cost: \$50,000



To: Mayor and City Councilmembers

From: Anita Booker-Hay, Assistant City Attorney

Through: John J. Caulfield, City Manager 

Date: November 25, 2013

Subject: Proposed Amendment to Chapters 3.70, 09A.03, 09A.06, 09A.12, and 10.04 of the Lakewood Municipal Code, Creating Sections 09A.03.081 and 09A.03.085 and repealing Section 09A.12.030.

Amendments to City Code are proposed in order to ensure consistency with State law and City practice.

The first proposed amendment relates to Emergency Response Caused by a person's intoxication. State law requires defendants who are convicted of specific crimes involving intoxication to pay for the emergency response costs incurred by the public agency responding to the incident. The current code section lists the crimes of Physical Control and Negligent Driving in the First Degree among the crimes that result, upon conviction, in liability for the expenses related to emergency response. The proposed amendment removes criminal charges in section 03.70.020 so that the code will be consistent with state law.

The following proposed amendments all involve adoption of specific RCW sections:

1. Sections 09A.03.000 and 09A.03.081 are related to Pawnbrokers, secondhand dealers, and the manner in which pawnbrokers and secondhand dealers conduct business. In Section 09A.03.000, we ask the City Council to specifically adopt Title 19.60 and Title 19.290 of the Revised Code of Washington. Adoption of RCW 19.60, entitled "Pawnbrokers and Secondhand Dealers" and its specific sections, (RCW 19.60.066 and RCW 19.60.067) will allow the City to prosecute two gross misdemeanors related to the operation of pawnbrokers and secondhand dealers as well as secondhand metal dealers. Further, adoption of Title 19.290 will allow the City to prosecute crimes related to scrap metal businesses.
2. RCW 19.60.066 makes it a gross misdemeanor to alter identifying numbers or markings on property that was purchased, cosigned or received in pledge at a pawn or secondhand store. The section also establishes and restricts conditions under which pawnbrokers and secondhand dealers may receive property or transact business. For example, secondhand and pawn brokers may not accept property from intoxicated persons, people under 18 or anyone with a conviction for burglary robbery, theft or possessing stolen property within the last ten years.

3. RCWs 19.290.070 and RCW 19.290.100 create two new gross misdemeanors. RCW 19.290.070 establishes restrictions similar to those established for pawnbrokers and secondhand dealers for scrap metal dealers. It is unlawful for a scrap metal dealer to alter identifying markings on scrap metal, to enter into business transactions with individuals who have removed markings from scrap metal, to engage in business transactions with people who are either under the age of 18 or who are known to have criminal convictions within the last 10 years for specifically named theft- related crimes or crimes involving substance abuse.
4. Section 09A.03.130 of the Lakewood Municipal Code adopts Title 69 of the RCW entitled “Food, Drugs, Cosmetics, and Poisons” by reference. The City has previously adopted specific sections of title 69 relative to the possession of marijuana. It is recommended that the City adopt section 69.50.4013 entitled Possession of Controlled Substance-Penalty-Possession of Useable Marijuana or Marijuana Infused products as well. This section addresses the decriminalization of useable marijuana or marijuana infused products in amounts not exceeding those authorized by law. Amendments to LMC 09A.06.010 entitled “Loitering with Intent of Engaging in Drug-Related Activity” are also recommended. Amendments to this section remove sections of the Lakewood Municipal Code that have previously been repealed and reference the current law relative to authorized possession of useable or infused marijuana by authorized persons in amounts not exceeding those set forth in state law.
5. Section 09A.12.000 is amended to repeal section 09A.12.030 of the Lakewood Municipal code entitled “Discharge of Firearms in City Prohibited”. This section is codified in section 09A.14.030 of the code and was modified in 2013.
6. Finally, Section 10.04.030 of the municipal code entitled Additional Code Sections Adopted by Reference is amended to reflect a new infraction and a new crime relative to vehicles. RCW 46.08.185 creates a \$124.00 infraction for parking in any area that is designated as an electric vehicle charging station without hooking the electric car up to the charge. RCW 46.37.685 creates a gross misdemeanor for displaying a license that does not match the vehicle on which it is being displayed, or installing or selling any device used to flip a license plate or any use of technology to change the appearance of a vehicle license plate.



To: Mayor and City Councilmembers

From: Anita Booker-Hay, Assistant City Attorney

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

Date: November 25, 2013

Subject: Proposed Amendment to Chapter 2.16 of the Lakewood Municipal Code

Pursuant to City Code, Lakewood Municipal Court judicial officers are appointed by the City Manager and subsequently ratified by the City Council. When the Lakewood Municipal Court was created, the judicial officer's salary was directly linked with the percentage of criminal and traffic infraction cases filed in municipal court. The judge's salary increases or decreases quarterly depending upon the corresponding increase or decrease in criminal and traffic cases filed. Based on quarterly filing statistics, Lakewood Municipal Court consistently qualifies for a three-quarter time judge. Given that the caseload for the Lakewood Municipal Court is now established with some accuracy, the formula in the Municipal Court is no longer needed and should be removed. Future salaries can be determined by contract.