

Don Anderson
Mayor

Jason Whalen
Deputy Mayor

Mary Moss
Councilmember

Michael D. Brandstetter
Councilmember

John Simpson
Councilmember

Marie Barth
Councilmember

Paul Bocchi
Councilmember

John J. Caulfield
City Manager

March 21, 2014

NOTICE

LAKWOOD CITY COUNCIL TOUR OF CLASSIC REFLECTIONS COACHWORKS

Notice is hereby given that on Thursday, March 27, 2014, the Lakewood City Council will be touring Classic Reflections Coachworks. The tour will begin at 4:00 p.m., at the Lakewood Industrial Park, 4425 100th Street SW Building 25 Suite H, Lakewood, Washington.

A handwritten signature in cursive script, appearing to read "Alice M. Bush".

Alice M. Bush, MMC
City Clerk



LAKWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, March 24, 2014

7:00 P.M.

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

Page No.

CALL TO ORDER

ITEMS FOR DISCUSSION:

- (5) 1. Joint Citizens' Transportation Advisory Committee meeting.
- (6) 2. Review of the lodging tax collection code amendments and guidelines. - (Memorandum)
- (25) 3. 2013 Year End Police Department Report. - (Memorandum)
- (39) 4. Economic development update. - (Memorandum)

BRIEFING BY THE CITY MANAGER

- (60) Ruby Apartments update
- (63) Property acquisition through a Local Improvement District
- (65) Project comparison to Camp Murray Gate project

ITEMS TENTATIVELY SCHEDULED FOR THE APRIL 7, 2014 REGULAR CITY COUNCIL MEETING:

- 1. Item No. 2 above.
- 2. Recognizing the Clover Park School District STEM students.
- 3. Presentation by the 4/2 and 2/2 Stryker Brigades.
- 4. Setting Monday, April 21, 2014, at approximately 7:00 p.m., as the date for a public hearing by the City Council on the proposed 2014 budget amendments. - (Motion - Consent Agenda)

The City 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.

5. Amending Chapter 3.36 of the Lakewood Municipal Code relative to lodging tax collection. - (Ordinance - Regular Agenda)
6. Approving an agreement relative to the Waughop Lake management project. - (Motion - Regular Agenda)
7. Approving an agreement for street sweeping services. - (Motion - Regular Agenda)
8. Approving a grant agreement for the 111th/112th Street improvement project. - (Motion - Regular Agenda)
9. Approving an agreement with Sound Transit relative to the 111th/112th Street improvement project. - (Motion - Regular Agenda)
10. Approving an amendment to the interlocal agreement with the Town of Steilacoom relative to court transport services. - (Motion - Regular Agenda)

CITY COUNCIL COMMENTS

ADJOURNMENT

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

MEETING SCHEDULE
March 24, 2014 – March 28, 2014

Date	Time	Meeting	Location
March 24	7:00 P.M.	City Council	Lakewood City Hall Council Chambers
March 25	5:30 P.M.	Parks and Recreation Advisory Board	Lakewood City Hall 1st Floor, Conference Room 1D
	5:30 P.M.	Citizens Transportation Advisory Board	Lakewood City Hall 1 st Floor, Conference Room 1E
March 26	No Meetings Scheduled		
March 27	4:00 P.M.	City Council Tour of Classic Reflections Coachworks	4425 100 th St SW Building 25 - Suite H Lakewood, WA
	6:00 P.M.	Landmarks & Heritage Advisory Board	Lakewood City Hall 3 rd Floor, Conference Room 3A
March 28	No Meetings Scheduled		

TENTATIVE MEETING SCHEDULE
March 31, 2014 – April 4, 2014

Date	Time	Meeting	Location
March 31	No Meetings Scheduled		
April 1	No Meetings Scheduled		
April 2	5:15 P.M.	Public Safety Advisory Committee	Lakewood Police Station Multi-Purpose Room 9401 Lakewood Drive SW
	6:30 P.M.	Planning Advisory Board	Lakewood City Hall Council Chambers
April 3	9:30 A.M.	Civil Service Commission	Lakewood City Hall 1 st Floor, Conference Room 1E
	6:30 P.M.	Tillicum/Woodbrook Neighborhood Association	Tillicum Community Center 14916 Washington Avenue SW
April 4	No Meetings Scheduled		

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.

Citizens' Transportation Advisory Committee (CTAC) 2013 Summary & 2014 Work Plan

Members

John Paul Wagemann (Paul), Chair
Robert Pourpasand, Vice-Chair
Charles Maxwell
Christopher Webber
Sisay Telahun
Michael Erickson
Vacant position

Council Liaison

Council Member Paul Bocchi

Staff Support

Don Wickstrom, Public Works Director
Desireé Winkler, Transportation Division Manager
Karen Devereaux-Bibb, Administrative Assistant

Meeting Schedule

CTAC meets on a quarterly basis or as necessary as issues arise except during the 6 year TIP update where they typically meet once monthly or more often as necessary to accomplish the task

2013 Significant Accomplishments

- 6-Year Transportation Improvement Program – Annual Update
- North Gate Road-Neighborhood Traffic Control Program
- Crosswalk Pedestrian Flagging Pilot Project
- TBD Transportation Funding

2014 Work Plan

These are the items by topic that are or will be before the CTAC this year for their review and recommendation:

- LED Street Light Conversion Project
- 6-Year TIP – Annual Update
- City Wide Safety Program – Yellow Flashing Arrows – provide recommendations on public outreach and “optional” signage for city-wide deployment
- Crosswalk Pedestrian Flagging Pilot Project
- Neighborhood Traffic Control Program Projects
- Transportation Funding
- 2015-2016 – Biennial Budget Review



To: Mayor and City Councilmembers
From: Heidi Ann Wachter, City Attorney
Through: John J. Caulfield, City Manager *John J. Caulfield*
Date: March 24, 2014
Subject: Review of hotel-motel lodging tax collection code and guidelines.

The Municipal Code for the City of Lakewood addresses what is commonly known as “hotel-motel lodging tax” at Chapter 3.36 entitled ‘Transient Occupancy Tax’. Most sections of this chapter were originally passed in 1995 and 1997 with the most recent amendments passing in 2000. Meanwhile, few state laws have changed as much as those regulating the implementation, accounting and expenditure of “hotel-motel lodging tax”. The most recent such change is controversial because it proposes to limit Council authority on the expenditure of hotel-motel lodging tax money to items submitted by the Lodging Tax Advisory Committee (LTAC) only as submitted. The purpose of this memo is to outline the current legal requirements under state law, compare state requirements with what our City Code requires, identify necessary changes to City Code (if any) and identify potentially desirable changes to City Code based on available options.

Questions and Brief Answers

1. Are amendments to the City Code necessary in order to comply with current state law regarding hotel-motel lodging tax?

No changes to the Code or practice are necessary to comply with current state law. Code changes may be necessary to ensure an expenditure program consistent with the will of the Council and/or best accounting practices. Because the most recent changes to City Code regarding hotel-motel lodging tax occurred in 2000, with the majority of the Code unchanged since incorporation, discussion of how well Code language suits the current program is in order, particularly with regard to language in the Code versus putting policy direction into program guidelines or a formal policy which is more easily updated to reflect City priorities in a given funding cycle.

2. Under the current state law can hotel-motel lodging tax money be spent on administration?

Yes, provided there is sufficient nexus to tourism as detailed in state law and recommended by the LTAC. Under current state law the determination of the nexus is up to the LTAC; only those expenditures recommended by the LTAC move forward for Council approval. The Council reserves the authority to approve or deny the recommendation of the LTAC. The Council cannot override the LTAC decision to deny the expenditure but can deny a recommendation to make the expenditure.

3. Is the City required to set aside any portion for capital?

Yes. The restriction is in City Code and is not found in state law. Thus, removing this requirement is an option. Such restriction can be accomplished in a variety of ways. The current method of having it codified prevents any flexibility where providing direction through a policy statement with regular review in light of available opportunities in a given funding cycle can accomplish the same goal without forcing the City to forgo potentially beneficial opportunities in order to meet a self-imposed restriction.

4. Is the City required to maintain a separate account for capital expenditures?

The City is not required to maintain separate funds for different types of LTAC expenditures and best practices suggest having one fund for all hotel-motel lodging tax revenue. Separate funds which are so closely related will have to be pulled together for audit purposes and may raise questions about why they are separated at the fund level leaving the potential for the public to not see the full picture of the program. Given the direction to do so, Finance can provide accounting which maintains one fund while respecting any restrictions or limitations the Council directs. This includes maintaining separate accounts within a fund so that it is clear how the entire amount is accounted. The Council can similarly provide policy direction to the LTAC.

5. Can any existing fund balance be used for regional capital projects?

Yes. There is no distinction in law between new revenue and existing fund balance for purposes of spending hotel-motel lodging tax.

Authority and Discussion

Cities are not required to impose a hotel-motel lodging tax, but if a city chooses to impose this tax, there are associated obligations. State law identifies three types of tax which may be imposed on lodging and the City of Lakewood imposes each:

- Transient Rental Income Tax
 - RCW 67.28.180 (codified as LMC 3.36.010) – Cities can levy and collect a 2% special excise tax on lodging which will be credited against the County tax.¹
- Special Motel/Hotel Tax
 - RCW 67.28.181(1) (codified as LMC 3.36.020) – Cities can impose a tax not to exceed the lesser of 2% or a rate that, when combined with all other taxes imposed equals twelve percent. This tax is on top of others with no credit against other entities.
 - RCW 67.28.181(2) (codified as LMC 3.36.030) – Cities meeting certain specifications may impose no more than the rate previously imposed. For the City of Lakewood that is 3% which is on top of others with no credit against other entities.

Together, this is a rate of 7% with 2% credited against the County. Because the City imposes this tax, the regulations associated with the tax apply. See Attachment 1, Table Describing Fund 104 – Hotel-Motel Lodging Tax.

1. Hotel-Motel Lodging Tax revenue must go to a special fund.

All revenue obtained in this way “shall be credited to a special fund in the treasury of the municipality imposing such tax and used solely for the purpose of paying all or any part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities.”² Cities may fund a multijurisdictional tourism facility.³ With regard to the question of separate funds and whether the City is required to allocate a portion of revenue to a capital fund, the answer *under state law* is no. *Current City Code* provides for a special fund with three accounts within the fund. The first two accounts include as detail “such other uses” as are provided for in state law.⁴ The third account is more restrictive: “The taxes collected under this Section shall be credited to a special fund in the treasury of the City, and shall be used solely for the acquisition, construction, expansion, marketing, management, and financing of convention facilities, and facilities necessary to support major tourism destination attractions.”⁵ The third account is tied legislatively to the 3% collected under LMC 3.36.030. Thus, under current City Code, 3% of the 7% total is restricted to expenditures related to convention facilities while the remaining 4% is restricted only to tourism-related activity.

2. Expenditures from the special fund are proscribed by law.

State law provides a broad spectrum of ways revenue from the special fund of hotel-motel lodging tax money can be spent:

¹ See RCW 67.28.1801.

² RCW 67.28.1815

³ Id.

⁴ See LMC 3.36.050 which references “such other uses” as are permitted by RCW 67.28.180 and 181, respectively.

⁵ LMC 3.36.025.

Lodging tax revenues under this chapter may be used, directly by any municipality or indirectly through a convention and visitors bureau or destination marketing organization for:

- (a) Tourism marketing;
- (b) The marketing and operations of special events and festivals designed to attract tourists;
- (c) Supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district created under chapters 35.57 and 36.100 RCW; or
- (d) Supporting the operations of tourism-related facilities owned or operated by nonprofit organizations described under 26 U.S.C. Sec. 501(c)(3) and 26 U.S.C. Sec. 501(c)(6) of the Internal Revenue Code of 1986, as amended.⁶

Fund 104 is the City's special fund for hotel-motel lodging tax. Setting up additional funds requires Council action. As previously discussed, the City has allocated a portion of the revenue to a more restricted account than is necessary under state law. This does not violate the state law nor does it jeopardize the City's ability to continue to collect the tax because all of the funds fall within the parameters of what is allowed under state law. The state law does allow the City to loosen the current restriction on the third fund should it choose to do so.

The City is obligated to expend \$101,850 toward the Sharon McGavick Center each year. This obligation falls within the parameters of acceptable expenditures under State law. What has changed is that this expenditure must go through the process proscribed by State law. The City must apply to the LTAC for this funding and the LTAC must recommend it to the Council who then must authorize it as a legitimate use of hotel-motel lodging tax. Without this authorization, hotel-motel lodging tax cannot be used for this expenditure regardless of how clearly it appears to meet the criteria. Likewise, the City has typically funded portions of administration which support tourism. The administrative work is documented to reflect the tie to tourism. Again, in order to use hotel-motel lodging tax on this expenditure requires the City to apply to the LTAC, receive the recommendation of the LTAC and ultimately the approval of the Council. Administrative support for tourism is generally accepted as a legitimate expenditure of hotel-motel lodging tax revenue, but with the most recent change in law, such expenditure can only be made pursuant to the recommendation by LTAC and authorization by the Council.

3. Pursuant to state law, the LTAC recommends expenditures from the special fund to the City Council which the Council may approve or deny.

State law requires a Lodging Tax Advisory Committee to include at least two members who represent businesses required to collect the tax and at least two who are involved in activities authorized to be funded by the tax.⁷ The representatives of businesses required to collect the tax have been more challenging to recruit and retain. Informal feedback suggests that these business owners are concerned with taking time from their business to serve responsibly on the committee. The current expectation of a committee member is about three evenings a year and

⁶ RCW 67.28.1816(1).

⁷ RCW 67.28.1817(1)

one full day. Filling vacancies to represent authorized funding recipients has been less of a challenge. More representatives of this type are available in the City than businesses required to collect the tax.

The Lodging Tax Advisory Committee has typically met once a year in a joint meeting with City Council and a second meeting held later in the year, usually during late summer or early fall to review applications and hear presentations from firms requesting funds for tourism-oriented projects. While this is typical, the Committee has met three times in some years, two as previously described and a third time to review and respond to an “out of cycle” request.

The funds accrued or collected in a specific year have been allocated for the next year’s tourism activities. For example, tourism funds that came to the city in 2013 are awarded in 2013 for 2014 contracts and deliverables. This timing allows many of our recipients to plan in advance for expenditures such as tourism ads and scheduling television spots or programming. Since our larger tourism season is spring through late fall, publications and programming opportunities are available in January or February to have production complete so that new information is available for the spring through fall season.

Normally the City will advertise that it is open for funding requests in early summer and have a timeframe for submittal so all proposals may be considered at the same time. It gives the committee the opportunity to look at the “whole program” for a year of what will be done to raise awareness of tourism in Lakewood and to grow the lodging nights in our hotels. The requests that have been considered “out of cycle” have been the result of an emerging opportunity that is compelling or pursuant to City Manager request.

The most recent amendment to the state law basically gave authority to the Lodging Tax Advisory Committee to determine which programs qualify to receive an expenditure of this revenue. “The municipality may choose only recipients from the list of candidates and recommended amounts provided by the local lodging tax advisory committee.”⁸ Essentially, the Lodging Tax Advisory Committee determines whether an applicant qualifies for funding and the City Council has veto power. Regardless of whether this revenue source is used to fund administrative expenses associated with tourism in Lakewood or to make payments on the Sharon McGavaick Center, the City must apply to the LTAC and the LTAC decides whether the application should move forward to the City Council for approval. The City Council may approve or deny each recommendation but is not authorized to modify any recommendation or approve expenditure independent of the recommendation of the LTAC.

Options

Options range from exercising the maximum flexibility allowed under the law through to the status quo which includes self-imposed restrictions. In between would be providing restrictions as currently identified in City Code but perhaps presented as the Council’s policy for the program rather than Code language.

⁸ RCW 67.28.1816(b)(ii).

Provided is a draft Code revision reflecting the least language necessary to comply with State law. See Attachment 3. This proposal provides for the collection of hotel-motel lodging tax, a special fund for the revenue, the proper composition of LTAC and the process used to expend funds. This language, without more, provides compliance with State law, identifies one fund to inform the public about this revenue as well as complete flexibility to address any proposals for expenditure.

There has been some discussion regarding setting up additional funds, any of which might be restricted in order to accomplish goals such as capital expenditure. It is entirely appropriate for the Council to set goals for the expenditure of hotel-motel lodging tax revenue but the Council should resist defining accounting methods for the City as a potential departure from their policy role. The Council cannot know the level of detail necessary to properly direct staff at this level of detail. For example, were the hotel-motel lodging tax to be broken into different accounts at the fund level, the City will likely have to combine them each year in order to have a successful audit. A better course is for Council to identify the desired outcome and hold staff accountable for achieving the outcome.

In order to incorporate Council oversight into the program, rather than limiting flexibility the Council should consider formal adoption of policy guidance explaining the intent of the hotel motel lodging tax program in the City of Lakewood and preferences for expenditures. See Attachment 4. It is recommended that the Council calendar regular staff updates on the fund and joint meetings with LTAC to inform the adequacy of the program and formal policy guidance statement. This statement should be regularly updated to support the priorities of the Council. For example, if there is a plan to invest in capital construction, the policy guidance can address it specifically, including how much is to be set aside each year in order to pay for the identified item rather than simply setting aside money for the general concept of capital. One potential interpretation of the latest change in this law is deference to the LTAC to determine appropriate expenditure of this fund. Attempts to restrict the authority of the LTAC may be subject to challenge.

City of Lakewood

Fund 104 - Hotel/Motel Lodging Tax

Tax	Effective Date	Rate	RCW	Tax Base	Tax Rate	Authorized Use
Transient Rental Income Tax	Mar 1996	2.00%	67.28.180	Charges for lodging at hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities for continuous periods of less than one month.	Up to 2%. The tax is credited against the state retail sales tax so that the hotel/motel tax is not an additional tax for the customer but represents sharing of the state retail sales tax receipts on lodging with the city.	Use solely for the purpose of paying all or any part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities. Municipalities may, under chapter 39.34 RCW, agree to the utilization of revenue from taxes imposed under this chapter for the purposes of funding a multi-jurisdictional tourism-related facility.
Special Motel/Hotel Tax	2% in Jun 1996 3% in Jun 1997	5.00%	67.28.181	<u>Special Hotel/Motel Tax:</u> Charges for lodging at hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities for continuous periods of less than one month.	The combined rate of state and local retail sales tax (except RTA tax), the state convention center tax, and any special hotel/motel taxes may not exceed 12%. However, a higher aggregate rate cap applies for jurisdictions that previously levied higher hotel/motel tax rates (such as Lakewood which was grandfathered.)	Use solely for the purpose of paying all or any part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities. Municipalities may, under chapter 39.34 RCW, agree to the utilization of revenue from taxes imposed under this chapter for the purposes of funding a multi-jurisdictional tourism-related facility.
		7.00%	Total Tax Rate			

6.50% State of Washington
 1.00% City of Lakewood
 0.10% Criminal Justice Sales Tax
 0.30% Pierce Transit (reduced from 0.60% due to cap)
 0.40% Sound Transit (reduced from 0.90% due to cap)
 0.10% Pierce County Juvenile Facilities
 0.10% Zoo-Park Fee
 0.00% South Sound 911 (reduced from 0.10% due to cap)

8.50% Total Sales Tax - Lodging Sales
 2.00% Transient Rental Income Tax (State Shared Revenue)
 -2.00% Credit to State Sales Tax
 5.00% Lodging Tax

13.50% Total Tax on Lodging

City of Lakewood
Fund 104 - Hotel/Motel Lodging Tax

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	Estimated 2014	Total 2005 - 2014
Revenues											
Special Hotel/Motel Tax (5%)	\$ 180,041	\$ 204,859	\$ 298,997	\$ 431,145	\$ 344,044	\$ 400,243	\$ 375,170	\$ 341,154	\$ 383,578	\$ 315,000	\$ 3,274,231
Transient Rental Income Tax (2%)	78,602	88,855	82,990	156,789	137,617	160,098	150,069	145,555	153,431	115,000	1,269,007
Interest Income	15,169	30,940	32,059	18,740	4,796	1,936	2,145	1,074	1,093	-	107,951
Total Revenue	\$ 273,812	\$ 324,654	\$ 414,047	\$ 606,675	\$ 486,457	\$ 562,277	\$ 527,384	\$ 487,782	\$ 538,102	\$ 430,000	\$ 4,651,189
Expenditures:											
Advertise Grant Application Open Periods/LTAC Meetings/Investment Fees	-	-	-	-	-	253	444	291	381	-	1,369
Lakewood Economic Dept - Program & Personnel	-	-	-	-	64,344	32,869	29,937	35,586	33,978	33,040	229,755
Subtotal - Program Administration	-	-	-	-	64,344	33,122	30,381	35,877	34,359	33,040	231,123
Asia Pacific Cultural Center (APCC)	-	-	-	-	-	-	10,000	10,000	-	5,000	25,000
Audubon Washington - Birding Map	-	-	-	-	-	-	-	5,000	-	-	5,000
Daffodil Festival dba Daffodilians	-	4,400	-	-	-	4,000	4,000	4,000	4,000	-	20,400
Grave Concerns - Ft Steilacoom Historic Cemetery Brochure/Genealogy	-	-	-	-	-	-	-	2,943	-	-	2,943
Historic Fort Steilacoom Assoc.	2,000	2,000	2,000	-	3,000	7,000	7,000	6,998	8,000	8,000	45,998
Lakewold Gardens	40,000	31,936	38,855	37,904	38,000	52,986	43,453	45,266	44,195	45,000	417,595
*Lakewood Chamber of Commerce	84,000	68,500	62,000	70,000	73,000	56,446	65,000	80,000	80,000	80,000	718,946
Lakewood Economic Dept - International District Cultural Banners + Road Signs	-	-	-	-	-	-	-	-	12,931	-	12,931
Lakewood Historical Society & Museum	25,000	50,000	40,000	40,000	36,835	21,060	39,500	39,500	39,500	39,500	370,895
Lakewood Landmarks & Heritage Advisory Board Historical Driving Tour Brochure	-	-	-	-	-	-	-	-	9,968	-	9,968
Lakewood Parks & Rec Dept - Lakewood Farmers Market	-	-	-	-	-	-	-	5,000	9,957	10,000	24,957
Lakewood Parks & Rec Dept - SummerFEST	-	22,550	6,917	9,000	6,986	10,000	11,000	17,000	17,000	17,000	117,454

City of Lakewood
Fund 104 - Hotel/Motel Lodging Tax

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	Estimated 2014	Total 2005 - 2014
Lakewood Playhouse, Marketing (2 Capital Impr. in 2013 \$20,178.44 & \$8,403.86)	-	-	20,000	33,300	37,000	25,000	25,880	24,976	25,000	25,000	216,156
Buxton Co. - Tourism Profile	-	-	-	-	-	-	46,500	-	-	-	46,500
Lakewood Sister Cities Assn (LSCA) - International Festival (2012 grant was extended to 2013)	-	2,500	3,245	9,000	9,000	3,500	11,998	-	6,000	12,500	57,743
LSCA's Korean Sister City Committee - Soccer Tournament	-	4,168	-	-	-	-	-	-	-	-	4,168
Northwest Korean Cultural Foundation - International	-	-	-	12,500	10,500	12,500	2,677	-	-	-	38,177
Northwest Korean Golf Assoc. (Tacoma Korean Golf Assn)	-	-	7,200	10,000	-	-	-	-	-	-	17,200
Northwest Tae Kwon Do	-	5,000	-	-	-	-	-	-	-	-	5,000
Dean Paulson Photography - Tourism Photos	-	-	-	-	-	-	-	909	-	-	909
Freelance Graphics - Tourism	-	-	-	-	-	-	-	1,366	-	-	1,366
South Sound User's Guide - Tourism Guides	-	-	-	-	-	-	-	547	200	-	747
*Tacoma Regional Convention + Visitor Bureau	-	-	24,000	15,500	25,000	35,000	35,000	39,997	45,000	45,000	264,497
*Tacoma South Sound Sports Commission	20,000	20,000	25,000	25,000	25,000	30,000	25,000	35,000	50,000	50,000	305,000
Washington Museum of Military Technology	5,000	-	-	-	-	-	-	-	-	-	5,000
Subtotal - Tourism	176,000	211,054	229,216	262,204	264,321	257,492	327,008	318,502	351,751	337,000	2,734,549
Lakewood Economic Dept - Promotion & Outreach (FRAUSE, Media Consultant)	-	-	-	-	31,858	-	23,918	24,000	24,000	24,000	127,776
Today in America - Promotional	-	-	-	-	-	-	-	19,800	-	-	19,800
Subtotal - Promotion	-	-	-	-	31,858	-	23,918	43,800	24,000	24,000	147,576
Clover Park Technical College McGavbick Center (2014 is #8 of 20 Payments)	-	-	101,850	101,850	101,850	101,850	101,850	101,850	101,850	101,850	814,800
Lakewood Colonial Center Theater Rehab & Potential Study + Advertising	-	-	-	-	-	20,219	-	-	-	-	20,219
Lakewood Parks & Rec Dept - Boat Launch Improvements	-	120,000	-	-	-	-	-	-	-	-	120,000

City of Lakewood
Fund 104 - Hotel/Motel Lodging Tax

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	Estimated 2014	Total 2005 - 2014
Lakewood Parks & Rec Dept - Fort Steilacoom Park Barn Feasibility Study	-	-	-	10,000	-	-	-	-	-	-	10,000
Lakewood Parks & Rec Dept - Fort Steilacoom Park Bleachers/Soccer Goal Posts	-	-	25,902	-	-	-	-	-	-	-	25,902
Lakewood Parks & Rec Dept - Fort Steilacoom Park Golf Course Feasibility Study + Advertise	-	-	-	-	-	15,113	-	-	-	-	15,113
Lakewood Playhouse, Building Updates	-	40,000	-	-	-	10,000	9,870	12,500	28,582	-	100,952
McCament & Rogers - 2009 Hotel Study + 2011 Update	-	-	-	-	43,888	-	14,070	-	-	-	57,958
Subtotal - Capital	-	160,000	127,752	111,850	145,738	147,182	125,790	114,350	130,432	101,850	1,164,944
Total Expenditures	\$ 176,000	\$ 371,054	\$ 356,968	\$ 374,054	\$ 506,262	\$ 437,796	\$ 507,097	\$ 512,530	\$ 540,542	\$ 495,890	\$ 4,278,192
Revenues Over/(Under) Expenditure	\$ 97,812	\$ (46,400)	\$ 57,079	\$ 232,621	\$ (19,805)	\$ 124,481	\$ 20,287	\$ (24,747)	\$ (2,440)	\$ (65,890)	\$ 372,997
Other Sources / (Uses)											
Transfer In from General Fund	496,490	-	-	-	-	-	-	-	-	-	496,490
Total Net Sources/(Uses)	\$ 496,490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496,490
Beginning Balance	\$ -	\$ 594,302	\$ 547,902	\$ 604,981	\$ 837,601	\$ 817,796	\$ 942,277	\$ 962,564	\$ 937,817	\$ 935,377	\$ -
Ending Balance - "Unallocated":	\$ 594,302	\$ 547,902	\$ 604,981	\$ 837,601	\$ 817,796	\$ 942,277	\$ 962,564	\$ 937,817	\$ 935,377	\$ 869,487	\$ 869,487

* Designated a Tourism Promotion Organization by Washington State

Transfer In from General Fund: Transfer of lodging tax revenue previously accounted for in the General Fund to the newly created Lodging Tax Fund in 2005.

Prior to 2005, lodging tax activity was accounted for in the General Fund.

2014 Ending Fund Balance estimate is accumulation of excess revenues over expenditures.

City of Lakewood

Lodging Tax Funding Policy Guidance 2013-2014

Purpose

The purpose of collecting lodging tax in the City of Lakewood is to enhance the community by supporting projects, which encourage eligible tourism and cultural activities and support tourism facilities in Lakewood. The source of funds is the City's share of sales taxes collected on overnight stays within the City of Lakewood.

The City of Lakewood collects a 7% sales tax on hotels and motels located within the City. The tax is broken down into three sections; a first 2%, a second 2%, and a 3%. These funds can be retained by the City or can be expended for a narrow range of projects and activities established by State law (Chapter 67.28) and City Code (Chapter 3.36).

Objectives for Hotel/Motel Tax Funds:

- Generate increased tourism in Lakewood resulting in over-night stays at local hotels.
- Generate maximum economic benefit through overnight lodging, sale of meals and goods, and construction of tourism-related facilities.
- Increase recognition of Lakewood throughout the region as a destination for tourism.
- Increase opportunities for tourism by developing new visitor activities.

Recommended Priorities:

- McGavick Center
- Towne Center Green
- Fort Steilacoom Park Amphitheater
- Administrative Costs of Program

Allocation Guidelines:

- The City shall seek proposals for funding on an annual basis from organizations seeking to use Hotel/Motel Tax funds for promoting tourism or for acquisition/operation of tourism related facilities.
- Organizations seeking funding must complete an application form.
- The Lodging Tax Advisory Committee shall review the proposals and make recommendations to City Council as to which applications should receive funding.
- The City Council will approval or deny the funding recommendation of the LTAC.
- Once approved for funding an organization must enter into a contract and funding will be provided in quarterly installments or on a reimbursable basis.
- Organizations receiving funding must submit a report at the end of the calendar year.
- Funds collected during previous years will be expended the following year. (i.e. 2013 funds will be distributed in 2014)
- The City shall maintain a reserve fund of at least 25% for future capital projects.

City of Lakewood

Lodging Tax Funding Guidelines

August 16, 2000

Background

The objective of the City of Lakewood Lodging Tax Advisory Committee process is to support projects, which encourage eligible tourism and cultural activities and support tourism facilities in Lakewood. The source of funds is the City's share of sales taxes collected on overnight stays within the City of Lakewood.

The City of Lakewood collects a 7% sales tax on hotels and motels located within the City. The tax is broken down into three sections; a first 2%, a second 2%, and a 3%. These funds can be retained by the City or can be expended for a narrow range of projects and activities established by State law (Chapter 67.28) and City Code (Chapter 3.36).

Eligible Uses:

- 2%+2% - Can be used for tourism promotion, or the acquisition of tourism-related facilities, or operation of tourism-related facilities.
- 3% - Can only be used for the acquisition, construction, expansion, marketing, management, and financing of convention facilities, and facilities necessary to support major tourism destination attractions that serve a minimum of one million visitors per year.

Objectives for Hotel/Motel Tax Funds:

- Generate increased tourism in Lakewood resulting in over-night stays at local hotels.
- Generate maximum economic benefit through overnight lodging, sale of meals and goods, and construction of tourism-related facilities.
- Increase recognition of Lakewood throughout the region as a destination for tourism.
- Increase opportunities for tourism by developing new visitor activities.

Allocation Guidelines:

- The City shall seek proposals for funding on an annual basis from organizations seeking to use Hotel/Motel Tax funds for promoting tourism or for acquisition/operation of tourism related facilities.
- Organizations seeking funding must complete an application form.
- The Lodging Tax Advisory Committee shall review the proposals and make recommendations to City Council as to which applications should receive funding.
- The final funding decision will be made by City Council.
- Once approved for funding an organization must enter into a contract and funding will be provided in quarterly installments or on a reimbursable basis.
- Organizations receiving funding must submit a report at the end of the calendar year.
- Funds collected during previous years will be expended the following year. (i.e. 1999 funds will be distributed in 2000)
- The City shall maintain a reserve fund of at least 25% for future capital projects.

ORDINANCE NO.

AN ORDINANCE of the City Council of the City of Lakewood, Washington, amending Sections 03.36.000, 03.36.010, 03.36.030, 03.36.050, 03.36.055 and repealing Sections 03.36.020, 03.36.025, 03.36.065, 03.36.070, and 03.36.080 of the Lakewood Municipal Code relative to Transient Occupancy Tax.

WHEREAS, the City of Lakewood has reviewed Chapter 3.36.00 of the Lakewood Municipal Code, Transient Occupancy Tax and finds it is in need of clear language as to full compliance with state law and legislative intent; and

WHEREAS, it is appropriate for the City of Lakewood to amend its Code from time to time for such purposes; and

WHEREAS, the City desires to recodify and reorganize those taxes imposed by the City of Lakewood under the Washington State Lodging Tax, chapter 67.28 RCW. These changes are intended to (1) improve the readability of this chapter; (2) simplify and reorganize in one location the taxes imposed; and

WHEREAS, these changes are not intended to affect the nature of the taxes which the City has imposed or otherwise deprive the City of the ability to impose any taxes which may already be in effect as of the date of this Ordinance.

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

Section 1. Chapter 03.36 of the Lakewood Municipal Code, titled, “Transient Occupancy Tax,” is retitled to read as follows:

~~Transient Occupancy~~ Lodging Tax

Section 2. Section 03.36.010 of the Lakewood Municipal Code currently titled “RCW 67.28.180 Tax Levied-Amount” is retitled, “Tax Levied-Amount,” and amended to read as follows:

~~RCW 67.28.180~~ Tax Levied - Amount

~~Pursuant to Section 67.28.180 of the Revised Code of Washington, there is levied a special excise tax of two percent on the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, trailer camp and the granting of any similar license to use real property as distinguished from the renting or leasing of real property; provided, that it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property, and not a mere license to use or enjoy the same. The taxes collected under this Section shall be used for the purposes authorized in Sections 67.28.180 and 67.28.1815. This tax represents the amount of transient occupancy tax, which together with~~

~~the taxes levied pursuant to Sections 3.36.020 and 3.36.025 of this Chapter, was being collected pursuant to RCW Chapter 67.28 or RCW 67.40.100 or both with a total rate exceeding four percent before July 27, 1997, and continuing to be collected through January 1, 1999, and not exceeding the rate actually imposed by the City on January 1, 1999.~~

There is hereby created a special excise tax of seven percent on the sale of or charge made for the furnishing of lodging that is subject to tax under Chapter 67.28 and 82.08 RCW. Of this tax, two percent is assessed pursuant to the terms of RCW 67.28.180, two percent is assessed pursuant to the terms of RCW 67.28.180, two percent is assessed pursuant to the terms of RCW 67.28.181(1) and three percent is assessed pursuant to the terms of 67.28.181(2). The tax imposed under this section applies to the sale of or charge made for the furnishing of lodging by a hotel, motel, rooming house, tourist court, or trailer camp, and the granting of any similar license to use real property as distinguished from the renting or leasing of real property. It shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same.

(Ord. 229 § 1, 2000; Ord. 21 § 1, 1995.)

Section 3. Section 03.36.020 of the Lakewood Municipal Code currently titled “RCW 67.28.182 Tax Levied-Amount,” will be repealed.

~~Pursuant to Section 67.28.181 of the Revised Code of Washington, there is levied an additional special excise tax of two percent on the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, trailer camp and the granting of any similar license to use real property as distinguished from the renting or leasing of real property; provided, that it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property, and not a mere license to use or enjoy the same. The taxes collected under this Section shall be used for the purposes authorized in Sections 67.28.181 and 67.28.1815. This tax represents the amount of transient occupancy tax, which together with the taxes levied pursuant to Sections 3.36.010 and 3.36.025 of this Chapter, was being collected pursuant to RCW Chapter 67.28 or RCW 67.40.100 or both with a total rate exceeding four percent before July 27, 1997, and continuing to be collected through January 1, 1999, and not exceeding the rate actually imposed by the City on January 1, 1999.~~

(Ord. 229 § 2, 2000; Ord. 21 § 2, 1995.)

Section 4: Section 03.36.025 of the Lakewood Municipal Code currently titled “RCW 67.28.181 Additional Tax Levied-Amount” will be repealed.

~~Pursuant to Section 67.28.181 of the Revised Code of Washington, and in addition to the tax levied and imposed pursuant to Section 3.36.020 of this Chapter, there is levied an additional special excise tax of three percent on the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, trailer camp and the granting of any similar license to use real property as distinguished from the renting or leasing of real property; provided, that it~~

~~shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property, and not a mere license to use or enjoy the same. The taxes collected under this Section shall be credited to a special fund in the treasury of the City, and shall be used solely for the acquisition, construction, expansion, marketing, management, and financing of convention facilities, and facilities necessary to support major tourism destination attractions. Until withdrawn for use, the moneys accumulated in such fund may be invested in interest bearing securities by the county or city treasurer in any manner authorized by law. This tax represents the amount of transient occupancy tax, which together with the taxes levied pursuant to Sections 3.36.010 and 3.36.020 of this Chapter, was being collected pursuant to RCW Chapter 67.28 or RCW 67.40.100 or both with a total rate exceeding four percent before July 27, 1997, and continuing to be collected through January 1, 1999, and not exceeding the rate actually imposed by the City on January 1, 1999.~~

(Ord. 367 § 1, 2004; Ord. 229 § 3, 2000; Ord. 120 § 1 (part), 1997.)

Section 5. Section 03.36.030 of the Lakewood Municipal Code currently titled “Definitions” is amended to read as follows:

~~The definitions of "selling price," "seller," "buyer," "consumer," and all other definitions as are now contained in RCW 82.08.010, and subsequent amendments thereto, be, and they are adopted as the definitions for the tax levied in this chapter.~~

The definitions in RCW 82.08.010 are adopted and apply throughout this chapter unless the context clearly requires otherwise.

(Ord. 21 § 3, 1995.)

03.36.040 - Tax Deemed in Addition to License Fee or Other Taxes

The taxes levied herein shall be in addition to any license fee or any tax imposed or levied under any law or any other ordinance of the city; provided, however, that pursuant to RCW Chapter 67.28, such tax shall be deducted from the amount of tax the seller would otherwise be required to collect and to pay to the State Tax Commission under the provisions of RCW Chapter 82.08. (Ord. 229 § 4, 2000; Ord. 21 § 4, 1995.)

Section 6. Section 03.36.050 of the Lakewood Municipal Code is amended to read as follows:

~~There is created a special fund in the treasury of the City, that all such taxes collected pursuant to Sections 3.36.010 and 3.36.020 of the City Code shall be placed one of two accounts within such fund, with the first account being for the purpose of paying all or any part of the costs of purchase, design, construction and remodeling of performing arts, visual arts, heritage and cultural centers, or for such other uses as are permitted by RCW 67.28.180 and amendments~~

thereto; and with the second account being for the purpose of paying all or any part of the costs of visitor and convention promotion and development, including marketing of local convention facilities, or for such other uses as are permitted by RCW 67.28.181 and amendments thereto. There is also created an additional account in the special fund in the treasury of the City referenced hereinabove, into which account shall be placed such taxes as are collected pursuant to Section 3.36.025 of the City Code, which taxes shall be used as directed in Section 3.36.025 of the City Code.

There is created a special revenue fund 104- Hotel-Motel/Lodging Tax Fund in the city and all taxes collected under this chapter shall be placed in this fund to be used solely for the purpose of paying all or any part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities or to pay for any other uses as authorized in Chapter 67.28 RCW, as now or hereafter amended.

(Ord. 229 § 5, 2000; Ord. 120 § 1 (part), 1997; Ord. 21 § 1, 1995.)

Section 7. Section 03.36.055 of the Lakewood Municipal Code is amended to read as follows:

- ~~1. There is hereby established a Lodging Tax Advisory Committee, consisting of at least five members, appointed by the City Council. The Committee membership shall include: (a) At least two members who are representatives of businesses required to collect tax under this Chapter; and (b) at least two members who are persons involved in activities authorized to be funded by revenue received under this Chapter, provided that persons who are eligible for appointment under (a) of this subsection are not eligible for appointment under (b) of this subsection. Persons who are eligible for appointment under (b) of this subsection are not eligible for appointment under (a) of this subsection. Organizations representing businesses required to collect tax under this Chapter, organizations involved in activities authorized to be funded by revenue received under this Chapter, and local agencies involved in tourism promotion may submit recommendations for membership on the Committee. The number of members who are representatives of businesses required to collect tax under this chapter shall equal the number of members who are involved in activities authorized to be funded by revenue received under this chapter. One member shall be an elected official of the City who shall serve as chair of the Committee. The Advisory Committee may include one nonvoting member who is an elected official of Pierce County. The City Council shall review the membership of the Advisory Committee annually and make changes as appropriate.~~
- ~~2. The City shall submit to the lodging tax advisory committee for review and comment proposals for imposition of any new tax under Chapter 67.28 RCW, or for increases in the rate of a tax imposed under Chapter 67.28 RCW, or for the repeal of an exemption from a tax imposed under Chapter 67.28 RCW, or for a change in the use of revenue received under this Chapter. The submission shall occur at least forty five days before final action on or passage of the proposal by the City Council. The Advisory Committee shall submit comments on the proposal in a timely manner to the City Council through the City Manager or designee. The comments shall include an analysis of the extent to~~

~~which the proposal will accommodate activities for tourists or increase tourism, and the extent to which the proposal will affect the long-term stability of the fund created under Section 67.28.1815 of the Revised Code of Washington. Failure of the Advisory Committee to submit comments before final action on or passage of the proposal shall not prevent the City Council from acting on the proposal. The City Council is not required to submit an amended proposal to an advisory committee under this section.~~

A. There is hereby created a lodging tax advisory committee to serve the functions prescribed in Chapter 67.28 RCW.

B. The membership of the lodging tax advisory committee shall be appointed by the city council and shall consist of at least five members: one member shall be an elected official of the city who shall serve as the chair; at least two members shall be representatives of businesses required to collect the tax, and at least two members shall be persons involved in activities authorized to be funded by revenue received from the tax. The number of members who are representatives of businesses required to collect tax under this chapter shall equal the number of members who are involved in activities authorized to be funded by revenue received under this chapter. The council may review the membership of the committee annually and make such changes as the council may deem appropriate. The total number of members may be increased or decreased at the time of the annual review by motion of the council duly adopted but the number of members shall not be less than five.

C. Applicants for use of lodging tax revenue must submit requests to the Lodging Tax Advisory Committee and provide estimates of how any moneys received will result in increases in the number of people traveling for business or pleasure on a trip

i. Away from their place of residence or business and staying overnight in paid accommodations;

ii. To a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or

iii. From another country or state outside of their place of residence or their business.

The Lodging Tax Advisory Committee will evaluate such requests in accordance with guidelines provided by the City Council which shall be reviewed annually for consistency with state law and Council intent. The Lodging Tax Advisory Committee shall submit recommendations consisting of recipient and amount to the City Council. The Council may choose any, all or any combination of proposed recipients at the recommended amount for funding with lodging tax revenue.

(Ord. 229 § 6, 2000; Ord. 133 § 1 (part), 1997)

Section 8: Section 03.36.065 of the Lakewood Municipal Code will be repealed.

~~If on or after July 27, 1997, the taxes imposed under this Chapter are not able to continue being in effect and being imposed and collected at the rates in effect prior to July 27, 1997, whether as the result of court decision, legal interpretation or legislative enactment, then a new tax in an amount equivalent to the total amount of taxes imposed prior to July 27, 1997, is hereby imposed, effective as of July 27, 1997, under Chapter 452, Laws of 1997 and Chapter 67.28 RCW, to the fullest extent available under the law, subject to the restrictions and limitations applicable thereto.~~

(Ord. 133 § 1 (part), 1997)

Section 9: Section 03.36.070 of the Lakewood Municipal Code will be repealed.

~~Any person, firm or corporation violating or failing to comply with the provisions of this chapter or any lawful rule or regulation adopted pursuant hereto shall, upon conviction, be punished by a fine in the sum not to exceed five hundred dollars. Each day of violation will be considered a separate offense.~~

(Ord. 21 § 7, 1995.)

Section 10: Section 03.36.080 of the Lakewood Municipal Code will be repealed.

~~Certified Copies of this Ordinance shall be filed with the Washington State Department of Revenue and with the clerk of the legislative body of Pierce County.~~

(Ord. 21 § 8, 1995.)

Section 11: Savings Clause. This Ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this Ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

Section 12: Effective Date. This ordinance shall take place thirty (30) days after its publication or publication of a summary of its intent and contents.

ADOPTED by the City Council this ____ day of March, 2014.

CITY OF LAKEWOOD

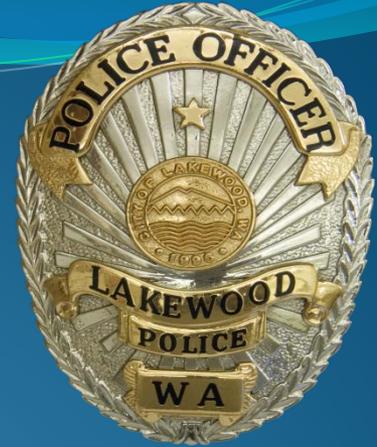
Don Anderson, Mayor

Attest:

Alice M. Bush, MMC, City Clerk

Approved as to Form:

Heidi A. Wachter City Attorney

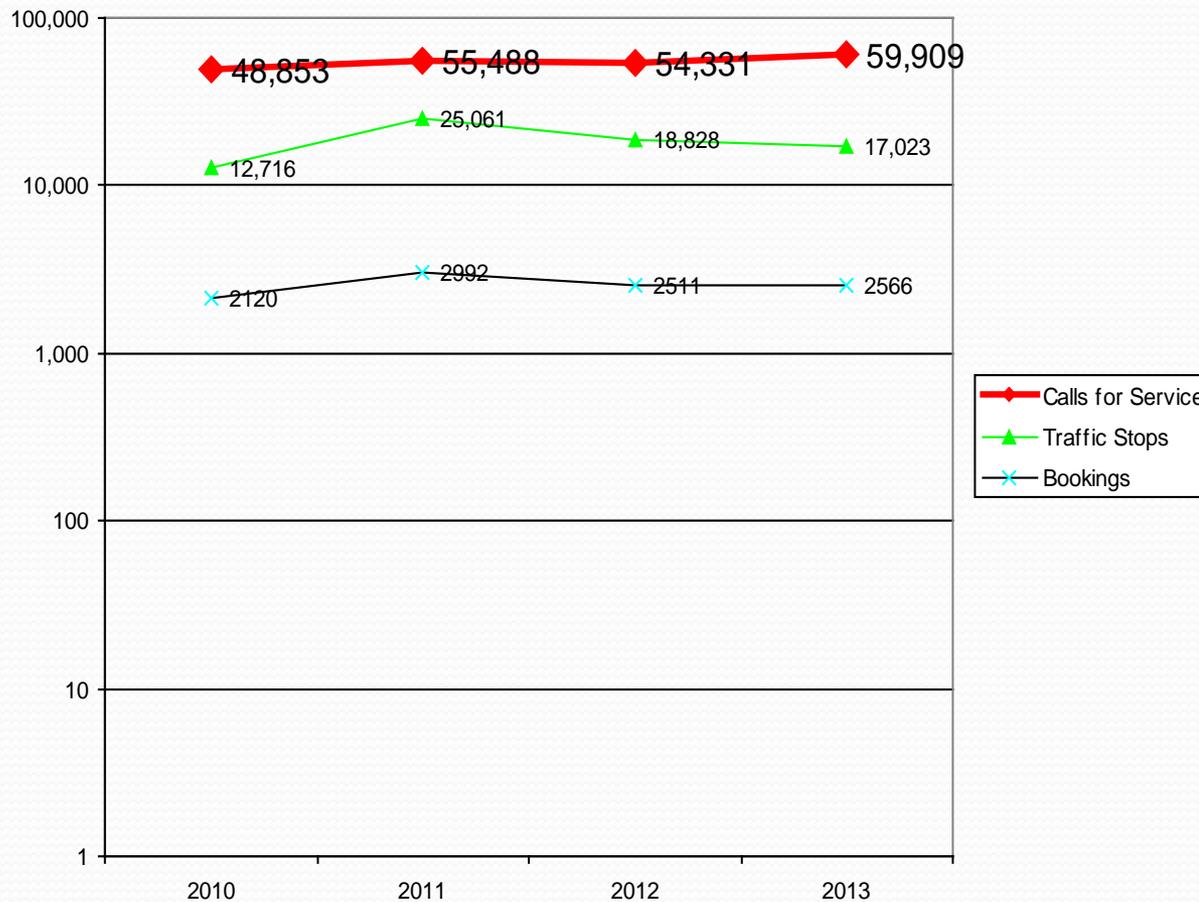


Lakewood Police Department 2013 Annual Reports

Background Information

- Officers complete an internal, administrative report for a Use of Force, Firearm Discharge, Pursuit, or Vehicle Accident.
- These reports are reviewed by the chain of command to determine if the Officer's actions were within policy.
- We also analyze the reports periodically for trends and improvements in training and equipment.

2013 Numbers:



2013 Use of Force:

Year	2010	2011	2012	2013	% change from 2012
Total # of Force Incidents	114	105	109	90	-18%

- No complaints of Excessive Force were received by the Department.
- Taser use dropped by 67%

2013 Use of Force:

- Officers used force in 0.15% of citizen contacts.
- Less than 3.5% of physical arrests required a use of force by the arresting Officer.

2013 Firearms Discharge

We had nine (9) Firearm incidents in 2013.

- 1 Accidental discharge
- 1 Use to take out lighting at an incident scene
- 5 Firearm Discharges to euthanize injured animals
- 2 Firearm Discharges at suspects

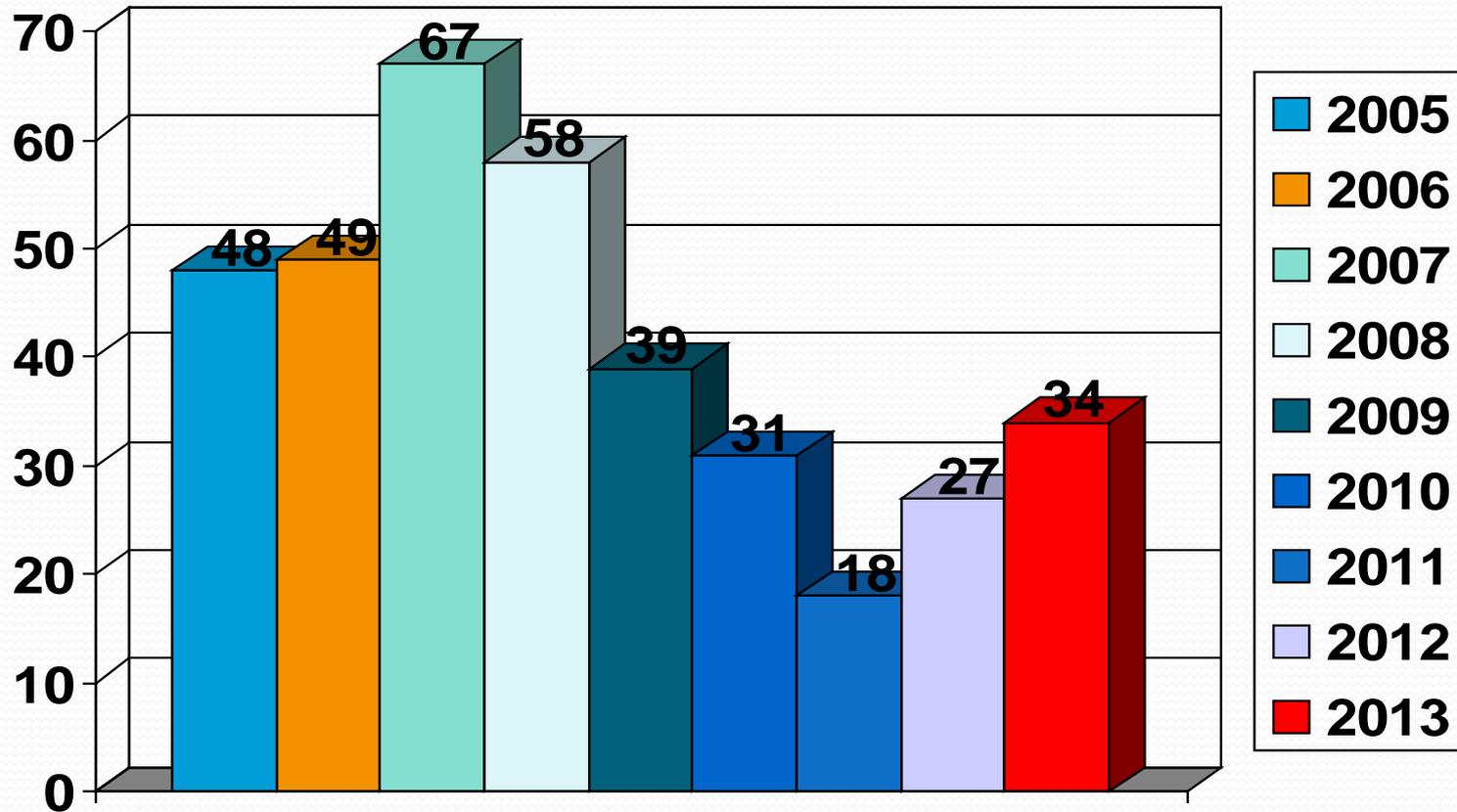
The accidental discharge was found to have occurred outside of policy and the involved employee received discipline.

The use of a rifle shot to disable lighting at a scene, in order to provide better officer safety, was found to be within policy.

All shootings to euthanize animals were found to be within policy.

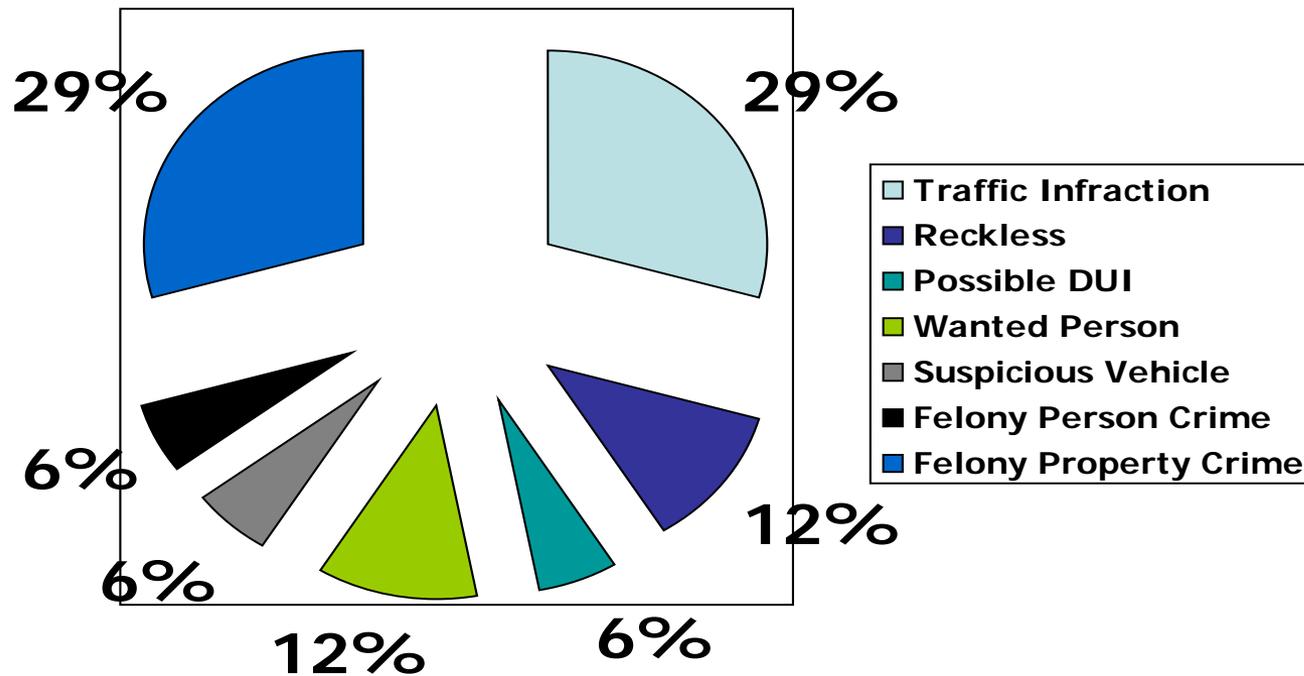
The shooting of 2 suspects (2 separate incidents) were deemed justified by the Pierce County Prosecutor's Office, and within policy by an internal Shooting Review Board.

2013 Pursuits

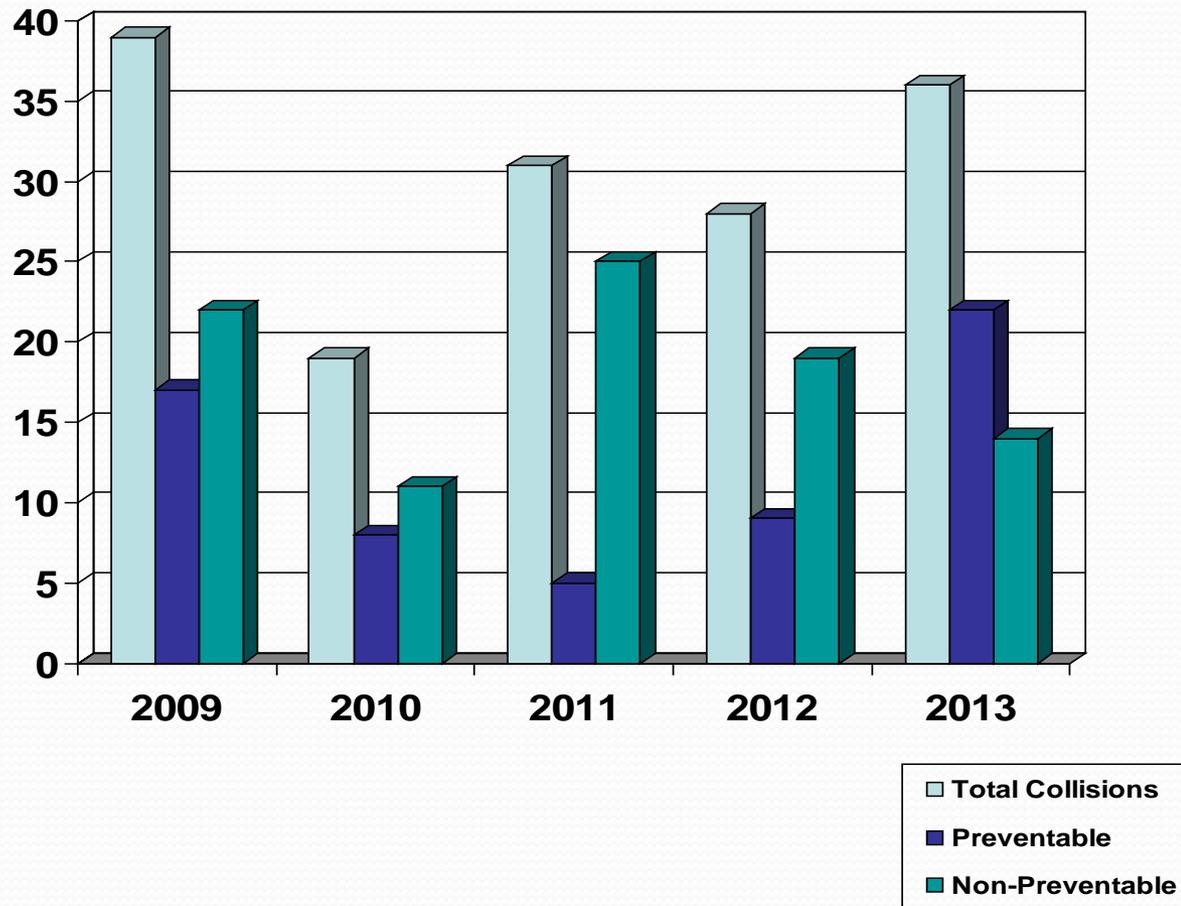


2013 Pursuits

Initiating Offense 2013



2013 Officer Involved Collisions:



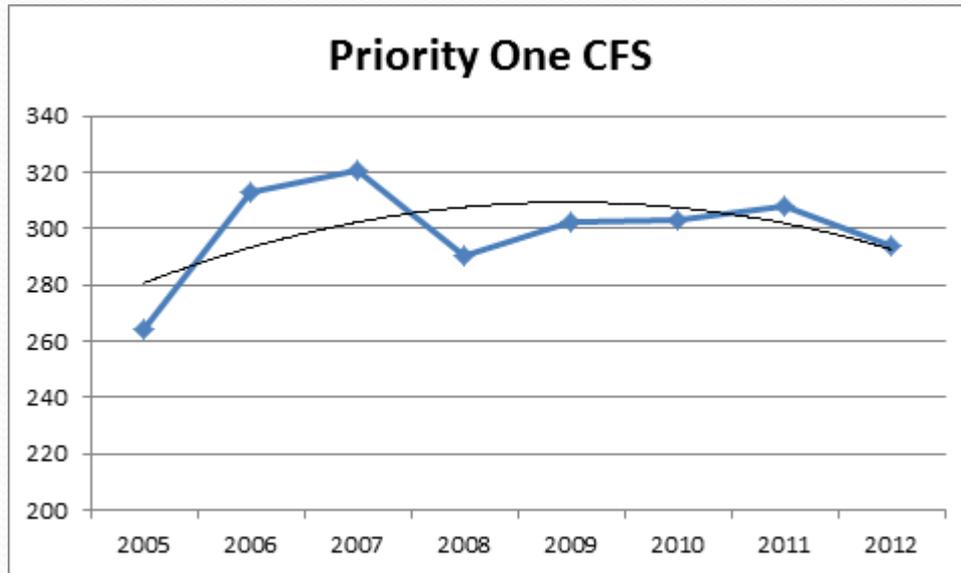
2013 Internal Investigations:

- 13 investigations (7 PSS investigations, 6 Chain of Command)
- 23 Total allegations were ruled:
 - 16 sustained
 - 7 unfounded
 - 1 not sustained
 - 3 exonerated
- 8 Citizen Inquiries
- 1 Complaint of Biased-based policing, which was investigated and ruled unfounded.

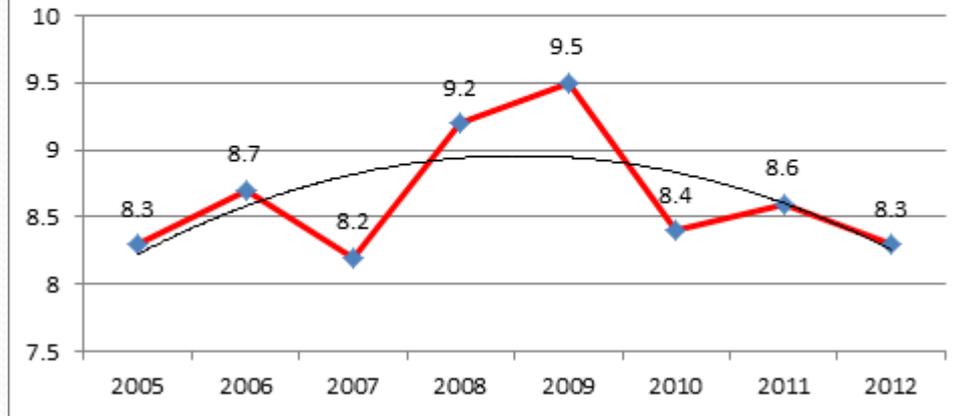
2013 Awards & Praise

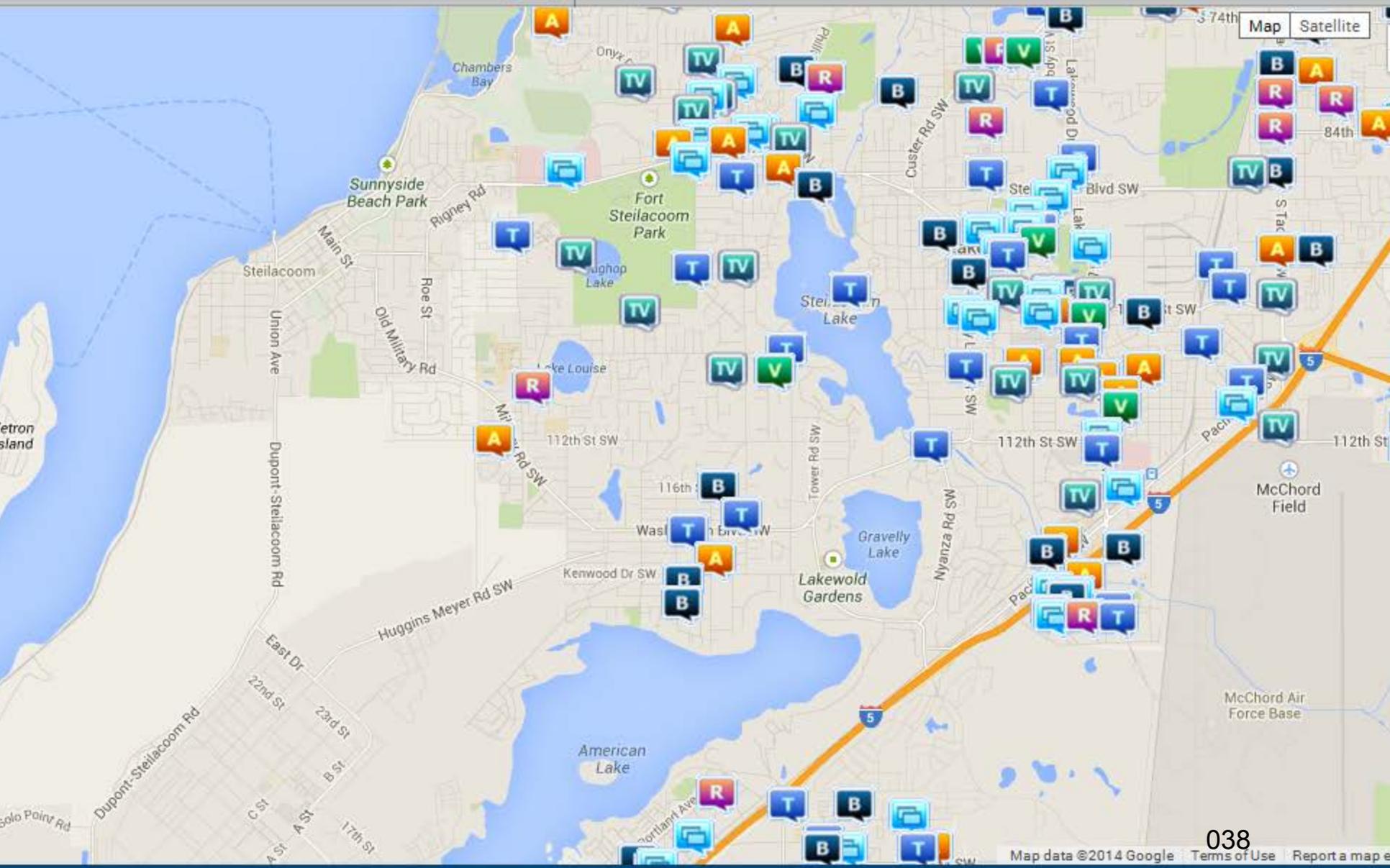
- 39 citizen letters of praise
- 27 department awards were awarded

Is Lakewood Safer?



Lakewood Violent Crime 2005-2012 (Rate Per Thousand)







To: Mayor and City Councilmembers

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

Through: John J. Caulfield, City Manager 

Meeting Date: March 24, 2014

Subject: New Strategic Focus on Economic Development

Economic development is changing its direction. The approach is strategic with results based outcomes. Information contained within this packet will illustrate the areas of concentration.

There are five key areas of focus:

- Business Retention and Expansion (BRE)
- Housing and Real Estate
- Community Image
- Redevelopment, Revitalization and Attraction
- Policy Opportunities

Recent development activity is summarized on two maps identifying “in process” and “completed” projects. BRE visits are increasing and staff is using the information to refine and improve development processes and communication City-wide, and with our partner agencies. The regional housing market is experiencing increased demand. Given our demographics and aging housing stock, staff is aggressively moving forward on several residential fronts. Community image is being addressed City-wide. Twelve target areas for redevelopment and revitalization have been identified. Lastly, policy opportunities will be discussed in relation to the air corridor, the comprehensive plan update, visioning, and transportation funding.

Attachments:

PowerPoint Presentation
JBLM DOD Contracting Data

The image shows the exterior of Lakewood City Hall, a modern building with a prominent, multi-tiered wooden roof structure. The building features large glass windows and a brick base. In the foreground, there are two tall flagpoles; the left one holds the American flag and a green flag, while the right one holds a blue flag. A trash can and a sign are visible near the entrance. The sky is clear and blue.

City of Lakewood

Economic Development Update
March 24, 2014

Moving Forward, New Initiatives,
Strategically Focused



Approach to Economic Development

Overview – Why We're Here

- Strategic Approach to Economic Development
- Change in Direction / New Focus
- Recent Development Activity
- Business Retention & Expansion
- Housing / Real Estate
- Re-imaging
- Redevelopment / Revitalization / Attraction
- Policy Opportunities

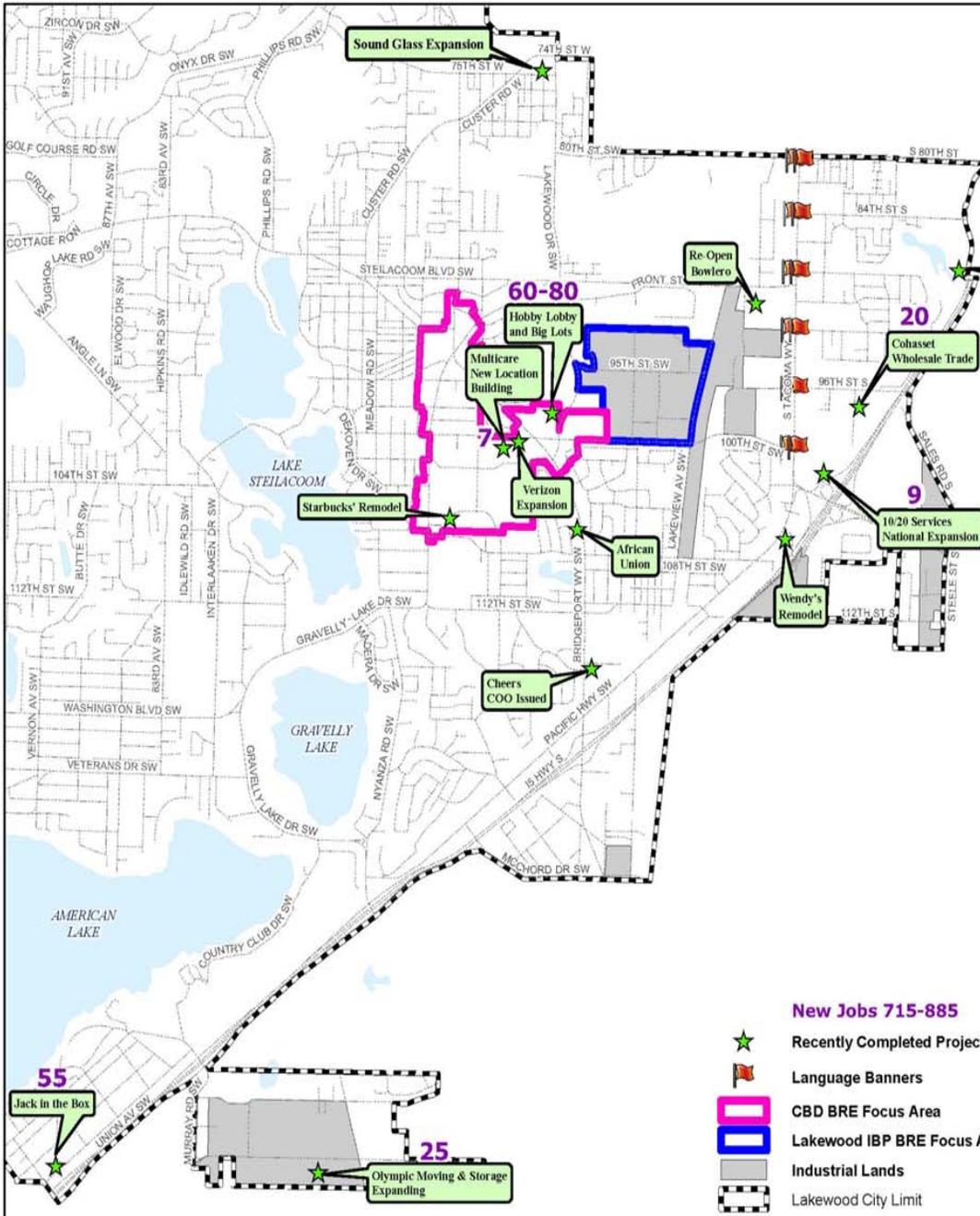
City of Lakewood

Economic Development Department Projects

WORKFORCE - EDUCATION - ECONOMIC DEVELOPMENT

Business Retention and Expansion Visits Oct 1, 2013 - Mar 14, 2014

Industry	# Companies	Jobs
Construction	2	20
Manufacturing		
Durable Goods	8	307
Nondurable Goods	2	23
Trade, Transportation, and Utilities		
Wholesale Trade	1	10
Retail Trade	14	220
Transportation, Warehousing and Utilities	5	145
Information	1	7
Financial Activities		
Finance and Insurance	7	103
Real Estate, Rental and Leasing	5	19
Professional and Business Services		
Professional, Scientific and Technical	5	66
Management of Companies and Enterprises	0	0
Education and Health Services		
Education Services	2	15
Health Services and Social Assistance	2	42
Leisure and Hospitality		
Accommodation and Food Services	3	113
Other Services	2	43
TOTALS	59	1133



New Jobs 715-885

- ★ Recently Completed Project (Since Oct. 2013)
- 🚩 Language Banners
- 📐 CBD BRE Focus Area
- 📐 Lakewood IBP BRE Focus Area
- 🏭 Industrial Lands
- 🗡️ Lakewood City Limit

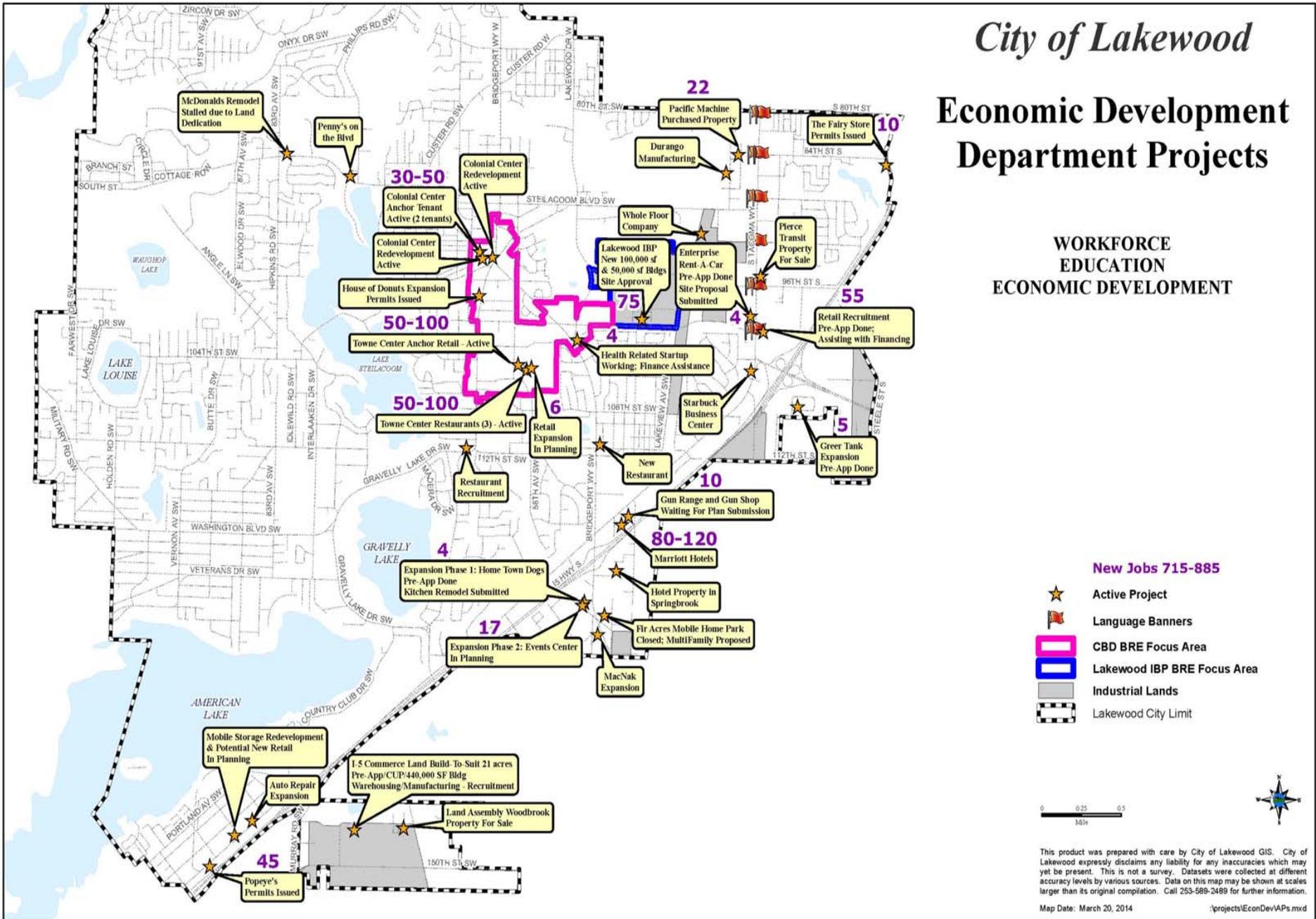


This product was prepared with care by City of Lakewood GIS. City of Lakewood expressly disclaims any liability for any inaccuracies which may yet be present. This is not a survey. Datasets were collected at different accuracy levels by various sources. Data on this map may be shown at scales larger than its original compilation. Call 253-589-2489 for further information.
Map Date: March 20, 2014 :projects\EconDev\RCPs.mxd

City of Lakewood

Economic Development Department Projects

WORKFORCE
EDUCATION
ECONOMIC DEVELOPMENT





Housing

- There is a clear need to update Lakewood housing stock
- 64%-low income, 25%-upper income, 11%-middle income
- Citywide homes average built date - 1974
- Lower income homes average built - 1960's

		Percent	Approximate
Extremely low & very low income	50% of median & below	28%	7,377
Low income	51 to 80% of median	36%	9,353
Middle Income	81 to 120% of median	11%	2,874
Upper Income	Over 120% of median	25%	6,534
Totals	Totals	100%	26,138

Housing Market

- Demand is for newer housing with more amenities
 - For both single and multifamily
 - Military and seniors have increasing population and demand
- Draft Comprehensive Plan housing chapter is being updated



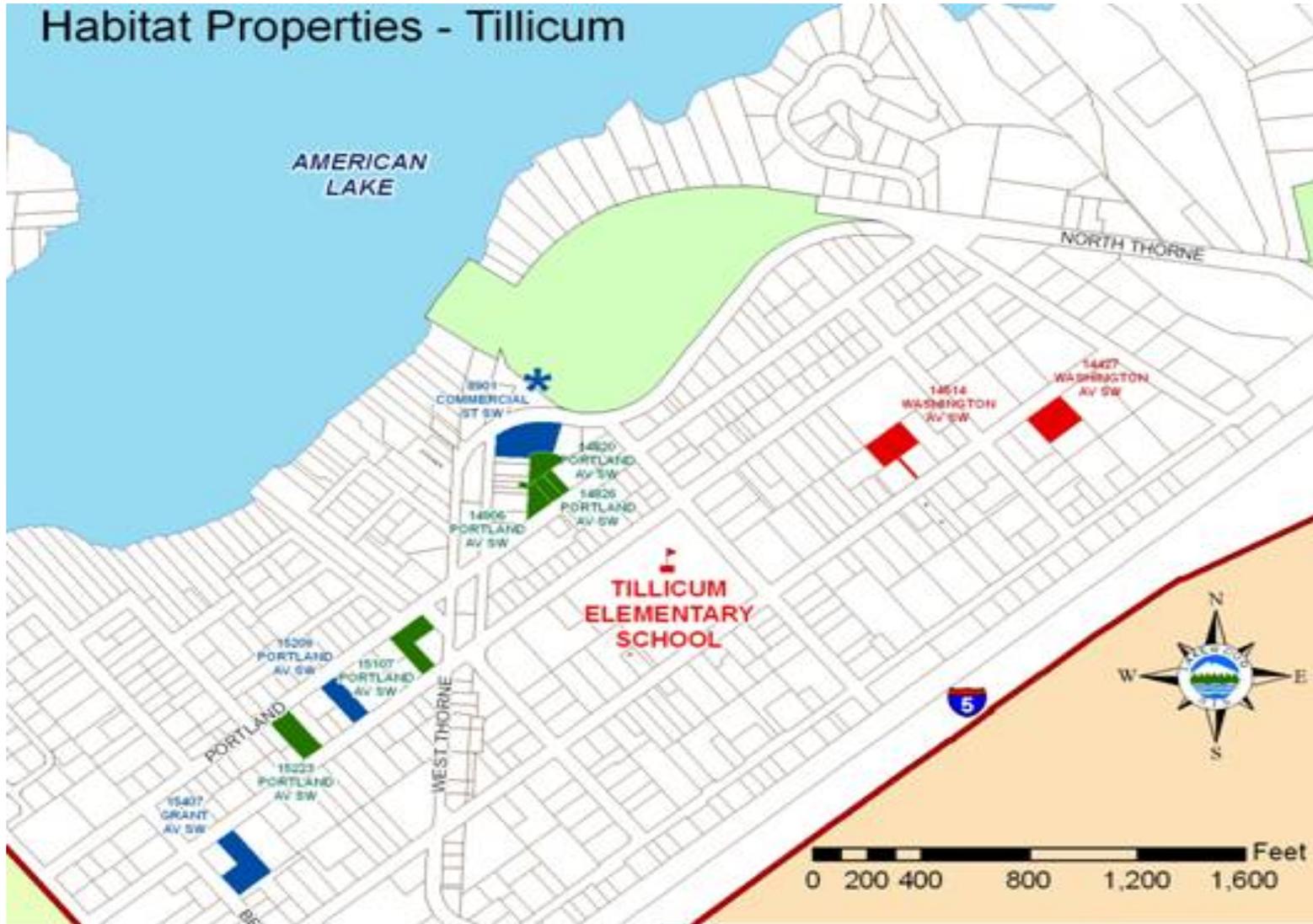
Housing

PROPOSED RESIDENTIAL DEVELOPMENT MARCH 2014		
Location	Multifamily	Single Family
8911 Gravelly Lake Drive SW (Phase2)	28	
7701 Ruby Drive SW	66	
12623 Bridgeport Way	207	
7811 Custer Road SW	5	
9402 Lawndale	17	
107 th Avenue SW, north of Lakes High School		20
10720 Far West Drive SW		7
1000 block of 100 th Street SW		5
Habitat for Humanity, Tillicum Neighborhood Project		31
8716 104 th Street SW short plat		9
99 th Street SW final plat (Senko Plat)		14
10846 Interlaaken Drive SW		2
Totals	323	88
Grand Total		411

- ➔ 79% of proposed residential development is multifamily.
- ➔ 21% of proposed residential development is single family.



Habitat For Humanity





Housing Forum Planned

- May 15 2014 at the CPTC McGavick Center
- Address needs to update housing stock and possibilities for revitalization
- New housing stock in mid-high range in single family, multifamily, and mixed residential (\$250,000-\$500,000)
- Master Builders is partnering on this event
- Topics
 - Outreach to real estate, developers, housing builders and investors
 - Commercial / retail / underutilized
 - Lending – patterns and future trends
 - JBLM housing needs off base
 - Types of housing possible and resources needed
 - Potential areas for revitalization
 - Expert panel on development

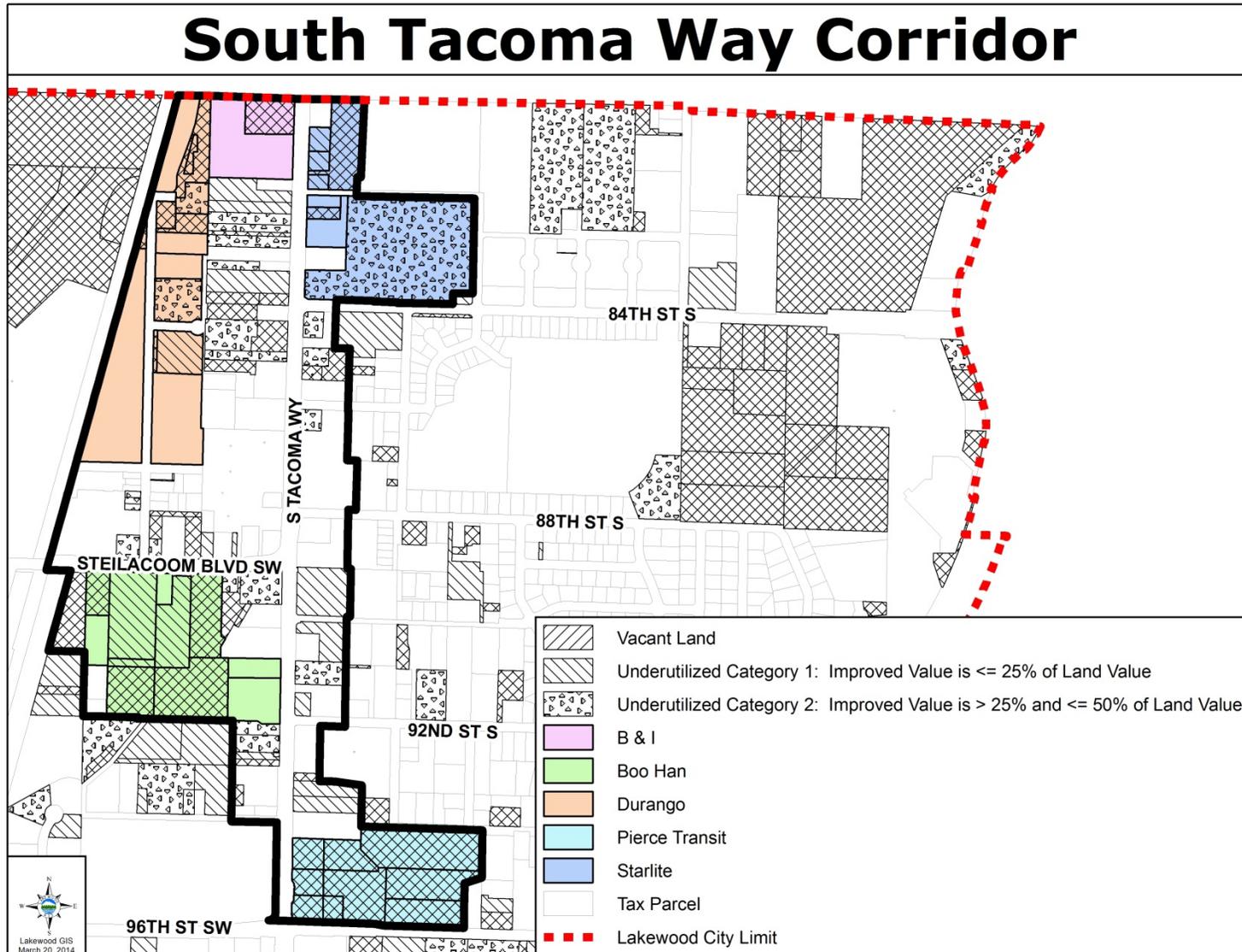


Focused Target Areas

- South Tacoma Way Corridor
- Pacific Highway Corridor
- Springbrook Neighborhood
- Central Business District
- Tillicum and Woodbrook Neighborhoods

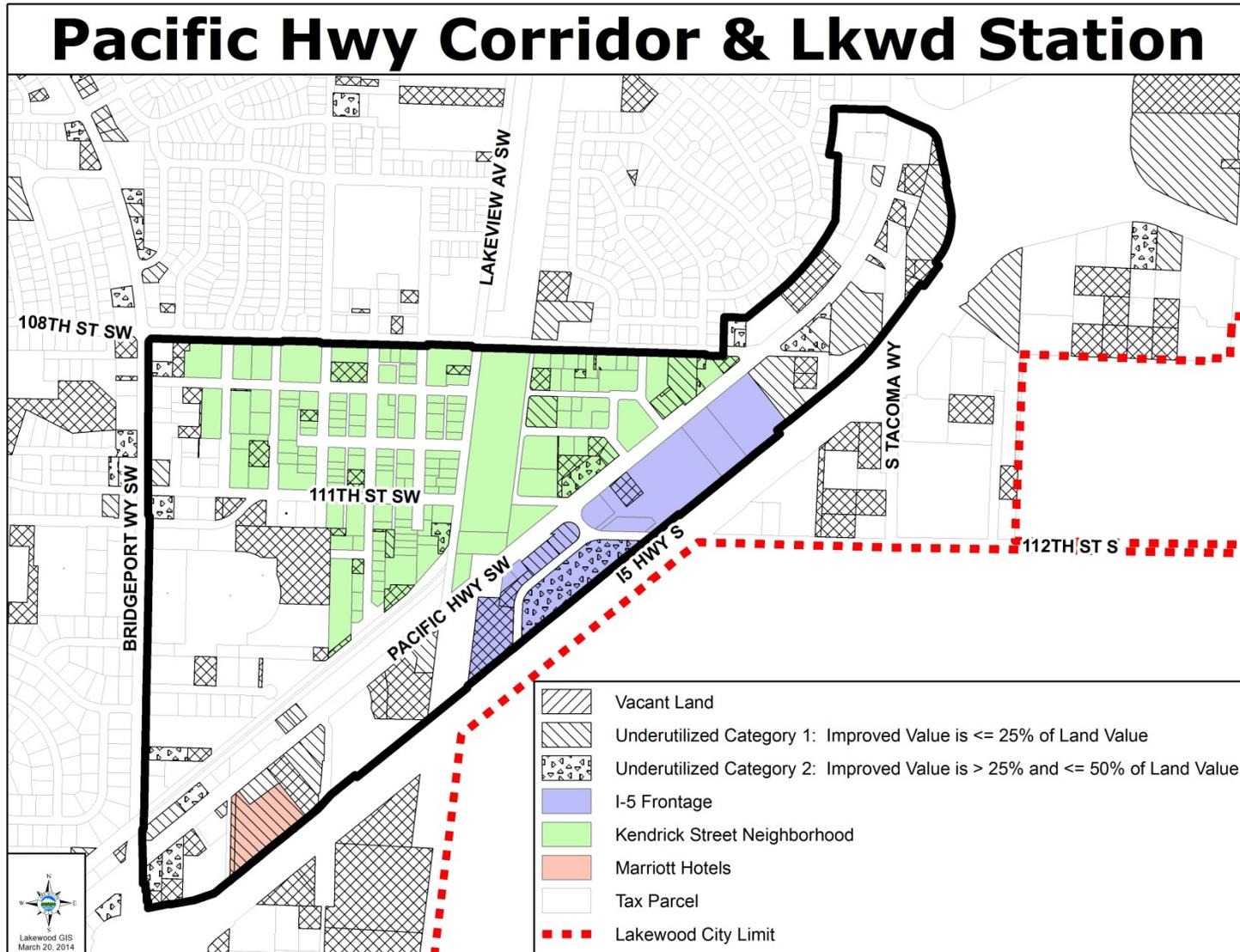


Vacant/Underutilized Property



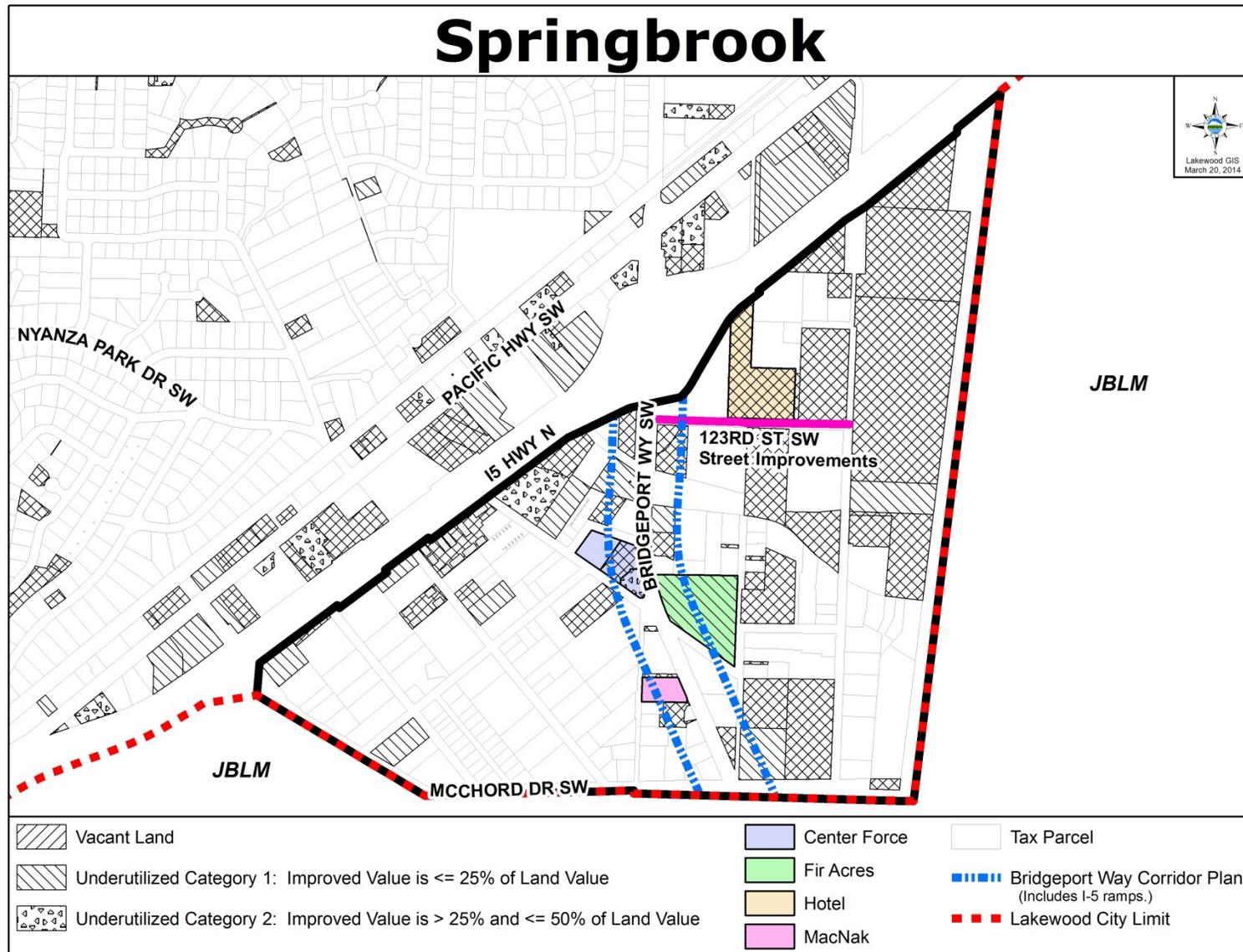


Vacant/Underutilized Property



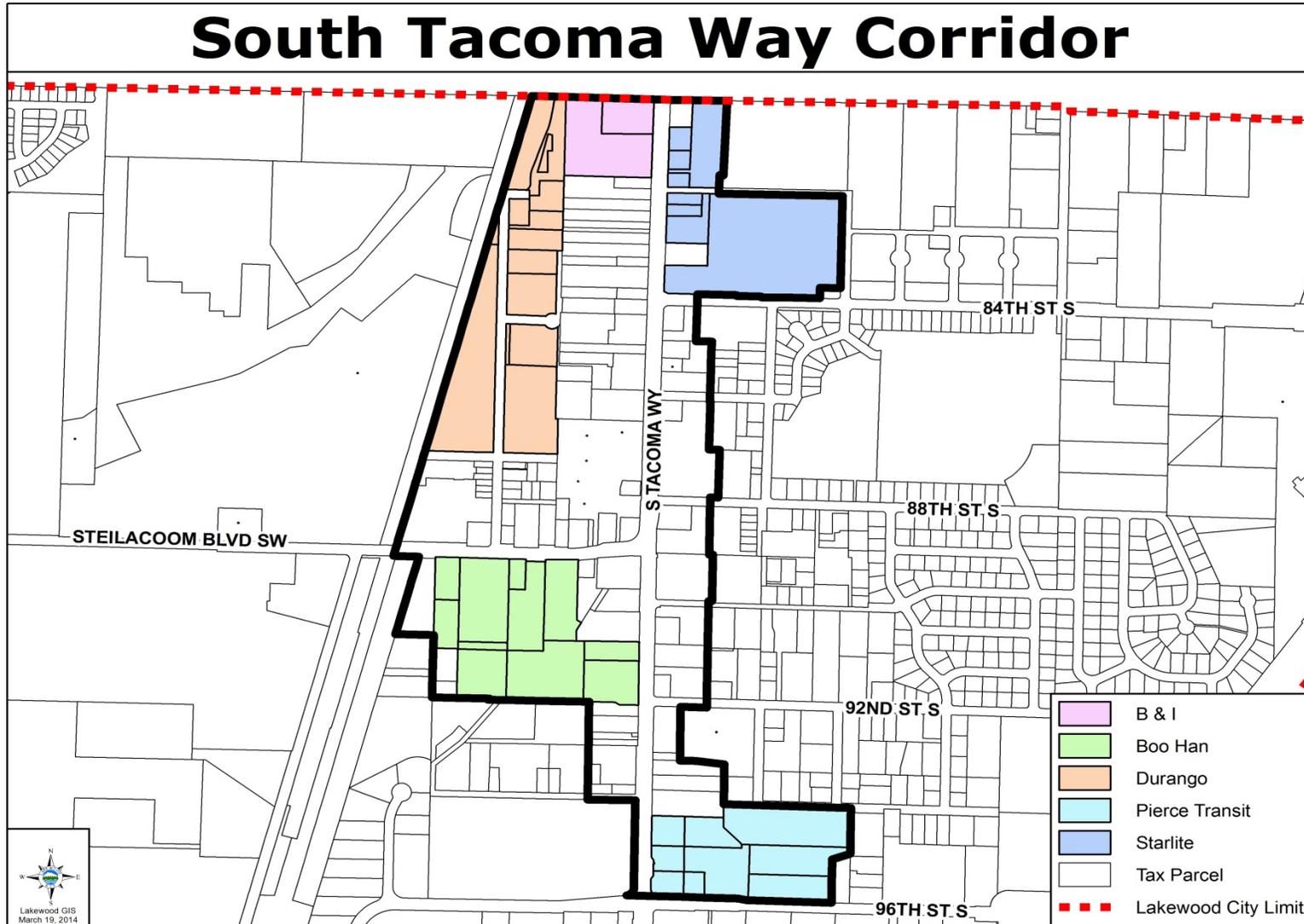


Vacant/Underutilized Property





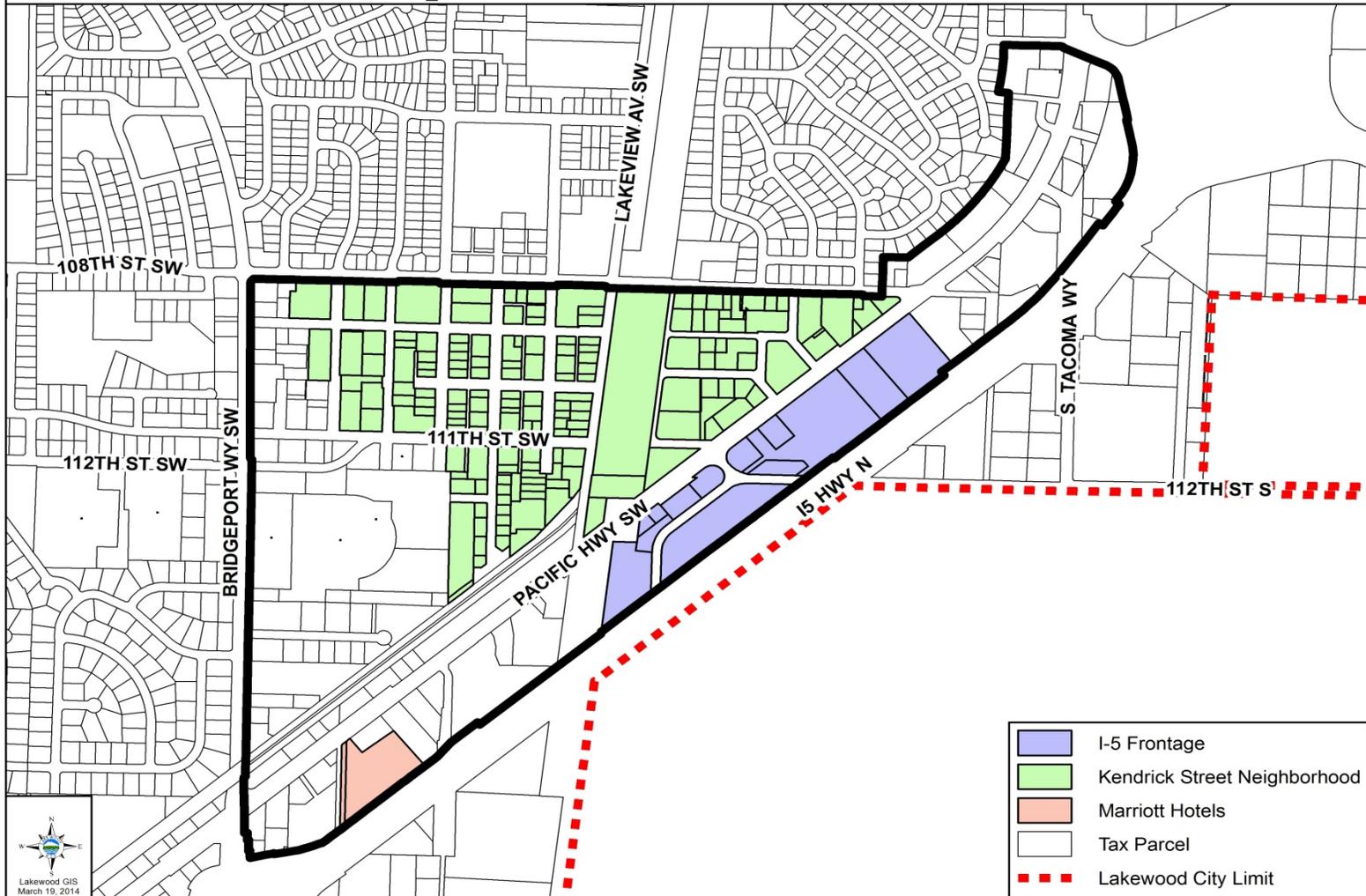
South Tacoma Way Corridor





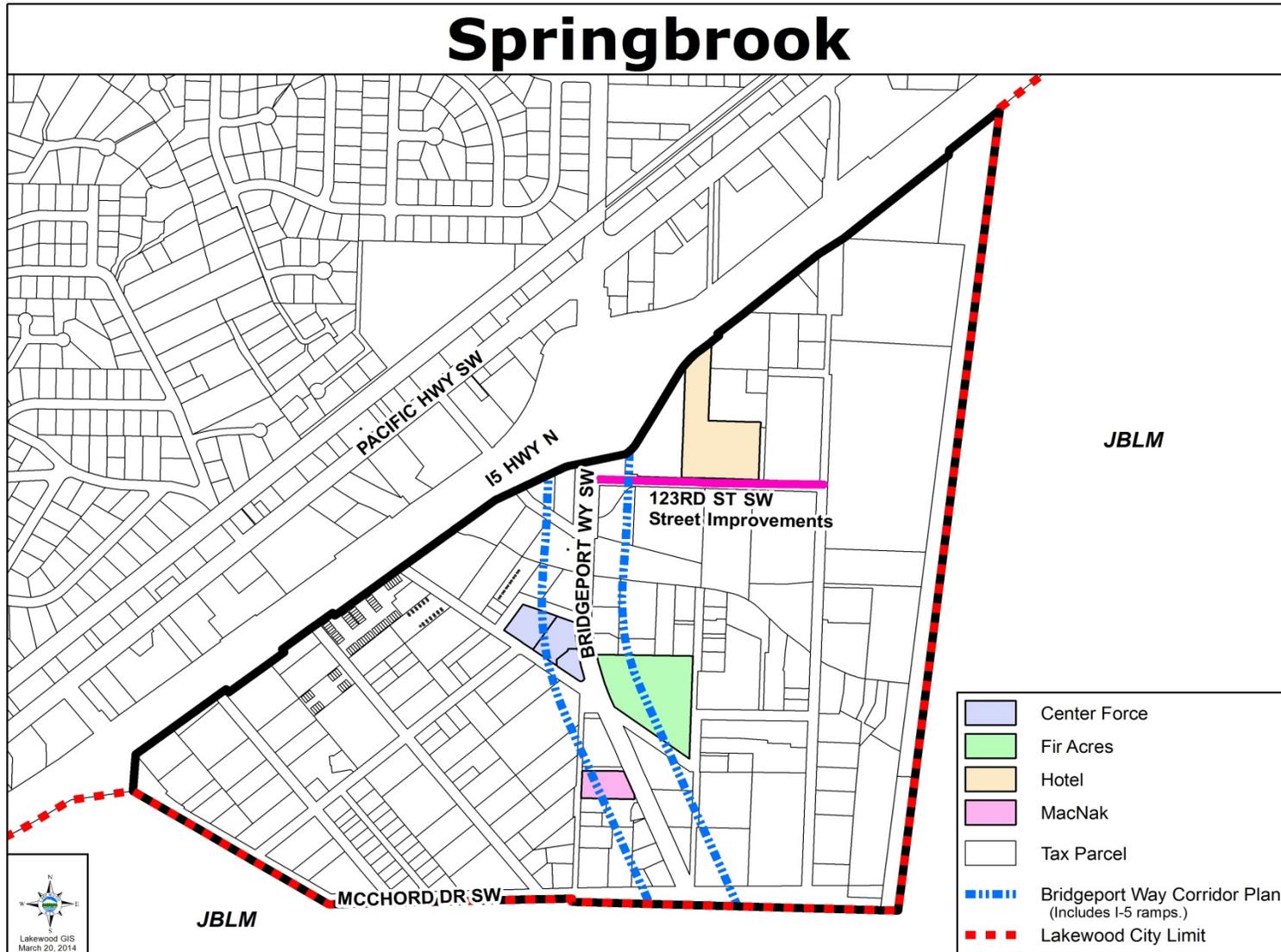
Pacific Highway Corridor

Pacific Hwy Corridor & Lkwd Station



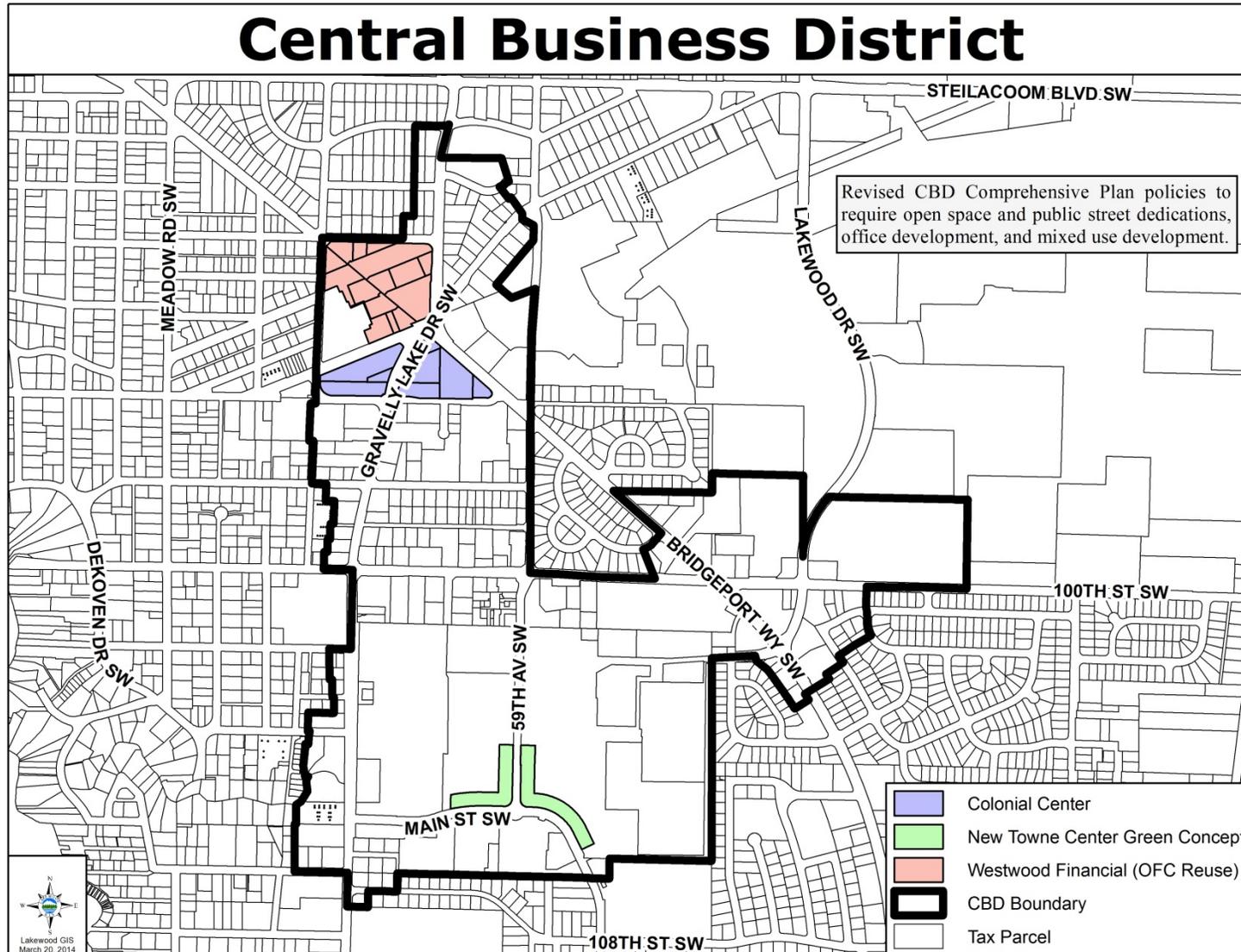


Springbrook Neighborhood



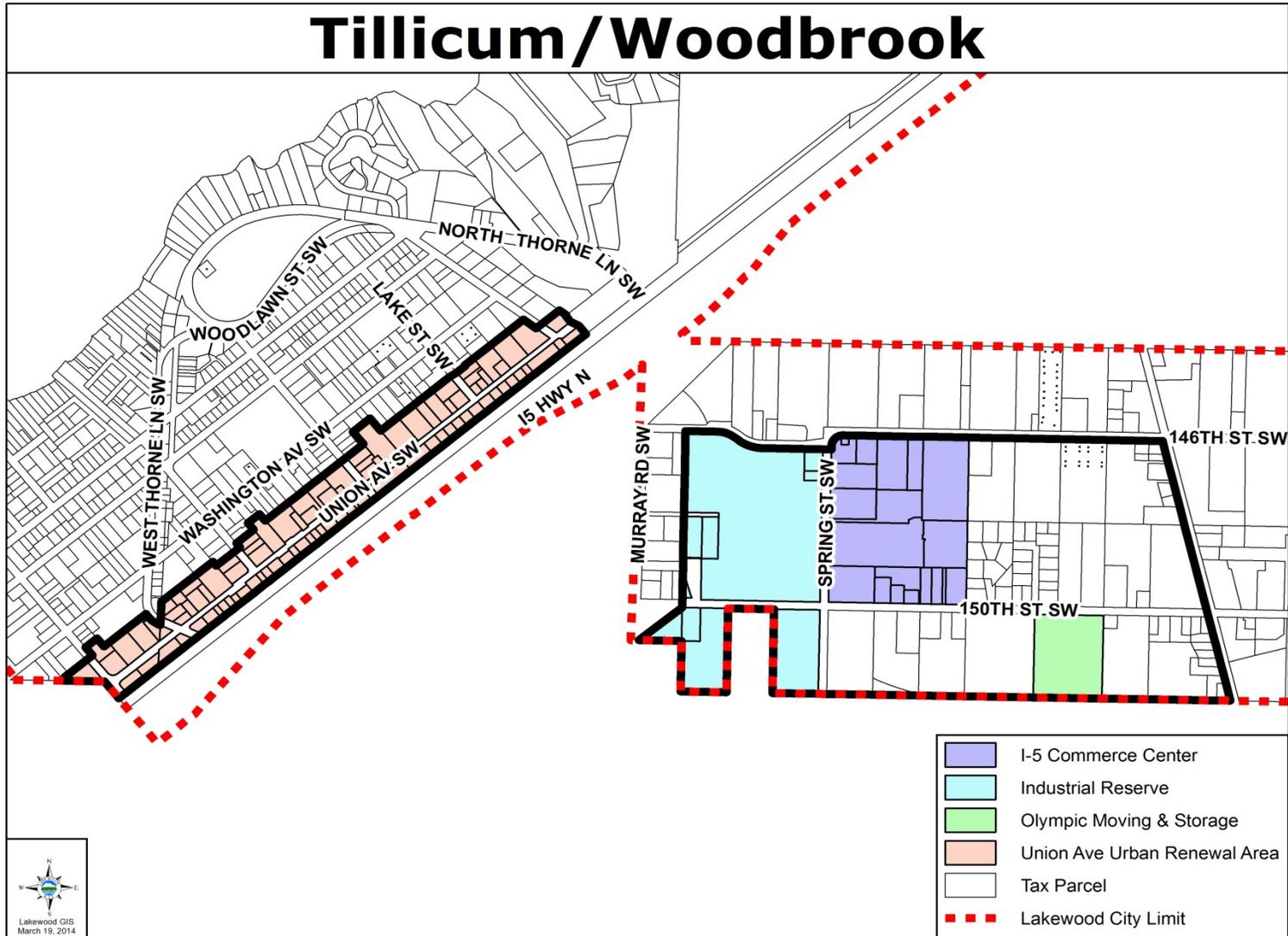


Central Business District





Tillicum and Woodbrook Neighborhoods





Community Image

- Working across City departments on community image
- Improve the sense of place and local pride
 - “I am Lakewood” Campaign
 - Comcast Neighborhoods – Filming 3/24/14
- Social media and spotlight on events
- Gateways projects
- CSRT to focus on clean-up of arterials
- ED newsletter to launch in May-2014
- Business Showcase returns



Policy Opportunities

- Air Corridor
 - Expanded Industrial Development
- Clear Zone Properties
 - Land Acquisition by JBLM
 - Possible Business Relocation Challenges
- Comprehensive Plan Amendment Process
 - Improving Housing Stock
 - Promoting Single Family Development
 - New Vision for the Central Business District
- Visioning Process
 - Upcoming Visioning Exercises May Require The City Council to Revisit Development Policies
- Transportation Funding
 - Defense Roads Language
 - Section 108

JBLM 2013 DOD			
Contracts Awarded	Top 5 Prime Award Contractors	Awardee Location	Dollar Amount
National			\$419,825,261
	Megen Construction	Cincinnati, OH	\$37,416,125
	Garco Construction	Spokane, WA	\$37,044,799
	S.M. Wilson & Co	St. Louis, MO	\$31,523,000
	Rq Construction	Carlsbad, CA	\$27,703,840
	Pae Holding	Arlington, NY	\$19,242,536
Washington State			\$151,049,176
	Garco Construction	Spokane, WA	\$37,416,125
	City of Tacoma	Tacoma, WA	\$19,196,066
	Pease Construction	Lakewood, WA	\$16,546,888
	Puget Sound Energy	Bellevue, WA	\$15,535,886
	Skookum Educational Programs	Bremerton, WA	\$10,522,575
Congressional District 6			\$44,286,922
	City of Tacoma	Tacoma, WA	\$19,196,066
	Skookum Educational Programs	Bremerton, WA	\$10,522,575
	Vet Industrial Inc	Bremerton, WA	\$5,321,273
	Waste Connections	Tacoma, WA	\$2,096,827
	Avalon Contracting	Tacoma, WA	\$2,022,814
Congressional District 8			\$16,457,102
	Puget Sound Energy	Bellevue, WA	\$15,535,886
	Avalon Contracting	Tacoma, WA	\$2,022,814
	Government Contracting Svs.	Tacoma, WA	\$373,390
	Fry Stephen	Tacoma, WA	\$79,960
	Tacoma Pump and Drilling	Tacoma, WA	\$77,850
Congressional District 10			\$28,841,879
	Pease Construction	Lakewood, WA	\$16,474,357
	Waste Connections	Lakewood, WA	\$3,765,481
	Adepartment-Absher	Puyallup, WA	\$1,198,207
	MacNak-Saybr	Lakewood, WA	\$1,156,504
	Blue Mountain Mechanical	Olympia, WA	\$2,077,884
Lakewood			\$18,344,692
	Pease Construction	Lakewood, WA	\$16,474,357
	MacNak-Saybr	Lakewood, WA	\$1,156,504
	David J Magelssen MD	Lakewood, WA	\$228,000
	Clover Park Tech College	Lakewood, WA	\$217,157
	MacNak Construction	Lakewood, WA	\$170,782



To: Mayor and City Councilmembers

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

Through: John J. Caulfield, City Manager 

Date: March 19, 2014

Subject: Ruby Apartments

The table below outlines the permit application status for the Ruby Apartments Complex. As of this writing, the applicant has submitted a SEPA Checklist only. Additional permits are required to develop the property including site plan review, community design, and building permits; these have not been submitted.

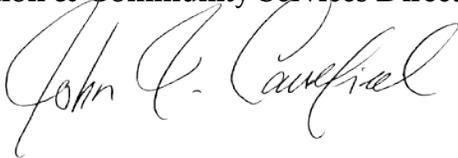
Permit Application Status for the “Ruby Apartment Complex” located at 7701 Ruby Drive SW, Lakewood, WA	
Description	Date
JR Sampson, applicant, submits environmental checklist application to perform the following work: “The removal of an existing pool/pool house and tennis court facilities and the proposal of 4 apartment complex buildings, and office/multipurpose building together with associated site infrastructure totaling 66 units.” Applicant pays \$480 application fee.	Jan 28, 2014
Community development department determines that the proposal is subject to administrative review pursuant to LMC 18A.2.502, 18A.2.545 & 18A.2.670.	Jan 28, 2014
Community development department submits letter indicating the application is incomplete.	Jan 13, 2014
Applicant’s agent, Beyler Consulting, submits a revised SEPA Checklist.	Feb 7, 2014
Community development department deems the SEPA Checklist complete.	Feb 11, 2014
Community development department, pursuant to LMC 18A.2.545 &	

Permit Application Status for the “Ruby Apartment Complex” located at 7701 Ruby Drive SW, Lakewood, WA	
Description	Date
of the right of any person to comment on the application, request a copy of the decision once made, and any appeal rights.	
Public works department required the applicant to provide a traffic impact analysis report.	Feb 13, 2014
West Pierce Fire & Rescue submitted a no comment letter.	Feb 18, 2014
<p>Comment period expired; community development department received over 50 letters and e-mails in opposition to the project.</p> <p>DOE responded timely with comments pertaining to toxic cleanup (Asarco smelter plume), demolition procedures, & erosion control measures.</p> <p>WDFW commented AFTER the comment period had expired; indicated there were no sensitive species on the subject property; requested the city to implement low-impact development standards.</p>	Feb 27, 2014
Public works department provided applicant a scope of work pertaining to the traffic impact analysis report. (As of this writing, the traffic report has not been submitted to the City for review and approval.)	Mar 3, 2014
SEPA threshold determination.	TBD



To: Mayor and City Councilmembers

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

Through: John J. Caulfield, City Manager 

Date: March 17, 2014

Subject: Oakbrook Property Purchase – Local Improvement District Option

Summary: Council requested information regarding whether a Local Improvement District (LID) can be used by residents to purchase park land in their neighborhood area. Legally, yes an LID can be used to purchase park land or park improvements with the necessary showing of benefit to participating properties. In the instance of existing improved open space, it may be difficult to show how the purchase of it will benefit and/or increase local property values enough to cover the cost of the property purchase. Municipal Research Services Center cannot provide any example of another city or town using the LID process to support the purchase of park land when the open space is already being used as a park site.

LID Background Information: LIDs are special assessment districts in which particular improvements will specially benefit the property owners in the district by increasing the value of their property. The City Council has the legislative authority to determine the local improvement area which will become the “district”; but in order to move forward, the LID must be approved by both the local government and benefited property owners.¹

An LID is simply a finance tool used to finance improvements (typically infrastructure improvements). The LID process leads to the sale of bonds to investors and the retirement of those bonds via annual assessments on the property owners identified within a “district”. Special assessments are not “taxes”. They are based on the total cost of the defined benefits divided by the property or area used.

When deciding to do an LID, the City should make the distinction whether the proposed action is a public improvement which benefits the entire community or a local improvement which, although it may benefit the public at large, is made primarily for the accommodation and convenience of the residents of a particular area. An LID can be used for parks land; however, you have to be able to show that by doing the improvement (purchasing or developing the open space) you have increased the property value in the district by what you are assessing each property. Because the Oakbrook open space area is already improved, it may be hard to prove that by purchasing the land you are improving the value of each property by the amount you would expect each property to pay since the land is already

¹ RCW Chapters 35.43-35.56

being used for this purpose. LID assessments must be tied to actual value; speculation will not support an LID.

Conclusion: While an LID can be used for the purchase of park land, in any specific case such purpose must, in an actual and not speculative way, improve each participating property sufficiently to support the necessary assessment.



To: Mayor and City Councilmembers

From: Heidi Ann Wachter, City Attorney

Through: John J. Caulfield, City Manager 

Date: March 24, 2014

Subject: Comparison between process involving projects known in the community as “Camp Murray Gate” and “Ruby Apartments”

You have requested a comparison between the processes involving projects generally known in the community as “Camp Murray Gate” and “Ruby Apartments”. The main difference between the two relates to the opportunity for public input given the location of the respective developments.

“Camp Murray Gate”

The development at issue is the Camp Murray Gate which is located in unincorporated Pierce County outside the boundaries of the City of Lakewood. Based on planning which began as early as 2009, Camp Murray sought to change the location of the main gate for travel to and from the facility. This meant rerouting vehicle traffic from Portland to Berkley and Union in the City of Lakewood. The gate itself is outside the City limits, which begs the question as to how this became such a significant issue for the City. City residents who were impacted by this project did not participate in the process of permitting the gate to any significant degree if at all. After that portion of the permitting was completed by Pierce County, the next step was obtaining a right of way permit from the City of Lakewood to cut into right of way in order to accommodate the flow of traffic through the gate and into the City of Lakewood. The application for Permit No. ROW11192 was approved with conditions on October 10, 2011.

Typically a right of way permit is entirely administrative and involves little process. The public would not have input on the permit itself. For a right of way permit there would be no Environmental Assessment, which is another avenue for public input. By the time this permit was requested from the City, the citizens in the impacted area had become aware of the project and were very concerned about the impact of it. Essentially the City was faced with deep community concerns which had no process through which to provide input, as the permit for the gate had already been issued by Pierce County. In terms of “lessons learned” the City should be clear with neighboring jurisdictions and other entities whose actions or projects impact our citizens to coordinate with the City early in the process to facilitate effective community input rather than simply following the minimum procedural requirements provided by law. In the Camp Murray situation, that opportunity had passed and a right of way permit does not afford a public process.¹

¹ The staff report notes that the sole issue appealed by the neighbors is the ability to connect the new and fully permitted gate with City streets.

Even though Pierce County had already issued the permit for the gate, the City was able to create an opportunity for public process by processing the right of way permit as a Process II Development Permit. This category of permit provides a public comment period. Without this the concerned citizens would have had no avenue for input whatsoever. The down side is that there was never really more than one possible outcome regardless of what the public input was – the gate had already been permitted by another jurisdiction.

Once the City issued the permit for the right of way work, it is treated as an administrative decision for purposes of appeal. In this case the appeal proceeded to the Hearing Examiner, who returned it to the City for additional findings that the permit is sufficiently consistent with the City’s Comprehensive Plan. The City made such findings and the Hearing Examiner upheld the permit. An appeal of this decision would go before Pierce County Superior Court but no such appeal was made.

“Ruby Apartments”

The development at issue is a multifamily development which is entirely within City limits. In 2001, the City adopted the first Comprehensive Plan for the City of Lakewood. The plan, pursuant to the recommendation of the Planning Advisory Board, identifies the general area known as Oakbrook to be underserved in terms of higher density uses. To address this, an area in Oakbrook that is currently a combination of open space, tennis courts and a swimming pool were recommended for multifamily zoning. That zoning was adopted and the area has not changed since.

On January 3, 2014 developer J.R. Sampson submitted to the City a Type II SEPA Checklist. The City embarked on the SEPA process, which includes a public comment period, which has resulted in significant input. The citizens in the impacted area have expressed concern to construct multifamily housing on the parcel, thus eliminating open space, the pool and tennis courts and increasing density in this area which is currently lower density (primarily single family residential with some multifamily). The citizens are providing input to the City to preserve the open space and the lower density of the neighborhood as it currently exists, but this is at odds with a Comprehensive Plan which included public input, albeit some time ago.

The administrative decision in this instance is referred to as the “threshold determination.” Once made, it is ripe for appeal. An appeal would go before the Hearing Examiner and deference is given to the administrative decision maker. Further, as subsequent decisions relevant to this development issue, there are similar rights of appeal. Most appeals will go before the Hearing Examiner and, once administrative remedies have been exhausted, appeals proceed into the Court system, first at the Superior, then Appellate level. This can take years.

Conclusion

The Camp Murray Gate and Ruby Apartment permit processes differ in that Camp Murray Gate process is not entirely within the control of the City while the Ruby Apartment is. With the Camp Murray Gate, the City attempted to reconcile the competing rights of the neighboring jurisdiction to permit the project with the concerns of the citizens. The Ruby Apartment project is consistent with a Comprehensive Plan which involved input from our own citizens.

Also noted is that the concerned citizens appealed only the City’s action, not those of other jurisdictions who permitted the gate itself.