

Don Anderson
Mayor

April 18, 2014

Jason Whaler
Deputy Mayor

Mary Moss
Councilmember

7

NOTICE

Michael D. Brandstetter
Councilmember

LAKWOOD CITY COUNCIL MEETING WITH STATE LEGISLATORS

John Simpson
Councilmember

Notice is hereby given that the Lakewood City Council will be meeting with State legislators on Monday, April 28, 2014. The meeting will be held at 6:00 p.m., at Lakewood City Hall, City Council Chambers, 6000 Main Street SW, Lakewood, Washington.

Marie Barth
Councilmember

Paul Bocch
Councilmember

The purpose of the meeting is to discuss an overview of the 2014 legislative session.

Alice M. Bush, MMC
City Clerk

John J. Caulfield
City Manager



LAKEWOOD CITY COUNCIL AGENDA

Monday, April 21, 2014
7:00 P.M.
City of Lakewood
City Council Chambers
6000 Main Street SW
Lakewood, WA 98499

Page No.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

CITY MANAGER REPORT

PROCLAMATIONS AND PRESENTATIONS

1. Proclamation declaring April 26, 2014 as Parks Appreciation Day. – *Mr. Jason Gerwen, Chair, Parks and Recreation Advisory Board*
2. Proclamation declaring May 5 – 11, 2014 as Teachers Appreciation Week. – *Ms. Myra Johnson, President, Clover Park Education Association*
3. Business Show Case of Davinci Salon and Spa. – *Ms. Sunny Galaviz, Owner*

PUBLIC COMMENTS

C O N S E N T A G E N D A

- (6) A. Approval of the minutes of the City Council meeting of April 7, 2014.
- (14) B. Approval of the minutes of the City Council Study Session of April 14, 2014.

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>

City Hall will be closed 15 minutes after adjournment of the meeting.

- (19) C. Items Filed in the Office of the City Clerk:
1. Community Development Block Grant Citizens' Advisory Board meeting minutes of February 26, 2014.
 2. Public Safety Advisory Committee meeting minutes of March 5, 2014.
 3. Redevelopment Advisory Board meeting minutes of March 11, 2014.
 4. Planning Advisory Board meeting minutes of March 19, 2014.

- (32) D. Resolution No. 2014-07

Setting Monday, May 19, 2014, at approximately 7:00 p.m., as the date for a public hearing by the City Council on the proposed amendment to the Lakewood Municipal Code relative to the Tax Incentive Urban Use Center.

R E G U L A R A G E N D A

PUBLIC HEARINGS AND APPEALS

- (38) This is the date set for a public hearing by the City Council on the Fiscal Year 2014 Consolidated Annual Action Plan and amendments to the Fiscal Years 2009, 2012 and 2013 Annual Action Plans and proposed use of funds for the Community Development Block Grant and HOME Investment Partnership Act.
- (41) This is the date set for a public hearing by the City Council on the proposed 2013-2014 biennial budget amendments.

RESOLUTION

- (100) Resolution No. 2014-08

Waiving formal bidding requirements for the purchase of specific traffic signal equipment. – *Public Works Director*

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(106) Resolution No. 2014-09

Authorizing the submittal of a grant application to the Washington Wildlife and Recreation Program for the Springbrook Park Acquisition Project. – *Parks, Recreation and Community Services Director*

(110) Resolution No. 2014-10

Authorizing the submittal of a grant application to the Washington Wildlife and Recreation Program for the Springbrook Park Expansion and Waughop Lake Trail Development Project. – *Parks, Recreation and Community Services Director*

UNFINISHED BUSINESS**NEW BUSINESS**(112) Motion No. 2014-21

Authorizing the execution of an agreement with Tindale Oliver Associates, in an amount not to exceed \$100,000, for conducting a community visioning program. – *Assistant to the City Manager for Development Services*

(131) Motion No. 2014-22

Authorizing the execution of a loan agreement with Gravelly Lake Townhomes, LLC, in the amount of \$316,920, for the redevelopment of 8919 Gravelly Lake Drive SW. – *Assistant to the City Manager for Development Services*

BRIEFING BY THE CITY MANAGER

(156) Review of a proposed Lakewood Visioning Committee.

CITY COUNCIL COMMENTS**ADJOURNMENT**

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City Hall will be closed 15 minutes after adjournment of the meeting.

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

MEETING SCHEDULE
April 21, 2014 – April 25, 2014

Date	Time	Meeting	Location
April 21	6:00 P.M.	Youth Council	Clover Park School District Student Services Center, Room 18
	7:00 P.M.	City Council	Lakewood City Hall Council Chambers
April 22	5:30 P.M.	Citizens Transportation Advisory Committee	Lakewood City Hall 1st Floor, Conference Room 1E
April 23	No Meetings Scheduled		
April 24	No Meetings Scheduled		
April 25	No Meetings Scheduled		

TENTATIVE MEETING SCHEDULE
April 28, 2014 – May 3, 2014

Date	Time	Meeting	Location
April 28	5:30 P.M.	Parks and Recreation Advisory Board	Lakewood City Hall 1 st Floor, Conference Room 1D
	6:00 P.M.	City Council and State Legislators	Lakewood City Hall Council Chambers
	7:00 P.M.	City Council Study Session	Lakewood City Hall Council Chambers
April 29	6:00 P.M.	Pacific Neighborhood Association	Children of the Light Ministries 5105 Solberg Drive SW
April 30	No Meetings Scheduled		
May 1	9:30 A.M.	Civil Service Commission	Lakewood City Hall 1 st Floor, Conference Room 1E
May 2	No Meetings Scheduled		
May 3	9:30 A.M.	City Council Tour of Camp Murray	Lakewood City Hall 6000 Main St. SW

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.



LAKESWOOD CITY COUNCIL MINUTES

April 7, 2014
City of Lakewood
City Council Chambers
6000 Main Street SW
Lakewood, WA 98499

CALL TO ORDER

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

ROLL CALL

Councilmembers Present: 6 – Mayor Don Anderson; Deputy Mayor Jason Whalen; Councilmembers Mary Moss, Mike Brandstetter, John Simpson, and Paul Bocchi.

Councilmember Excused: 1 – Councilmember Marie Barth.

FLAG SALUTE

The Pledge of Allegiance was led by Mayor Anderson.

REPORTS BY THE CITY MANAGER

City Manager Caulfield deferred his report to later in the agenda under the Briefing by the City Manager.

PROCLAMATIONS AND PRESENTATIONS

Youth Council Report.

The Youth Council reported on the Daddy Daughter Dance, World Vision, Youth Empowerment Program and upcoming events of the Youth Council including the human services collaboration panel, Lakewood United presentation, Fairy Garden Tea Party, Arts Festival and the Lions Club Crab Feed.

Youth Council members who were accepted into various colleges were announced.

Recognizing the Clover Park School District STEM students.

Mayor Anderson presented Clover Park School District STEM (science, technology, engineering and math) students who were gold award recipients with certificates of achievement.

Presentation by the 4/2 and 2/2 Stryker Brigades

Colonel Jody Miller, 4/2 Stryker Brigade Commander, presented the Shield of Sparata to Ms. Denise Dhane for her significant contribution to supporting the infantry and families of the Stryker Brigade. Colonel Miller then presented Mayor Anderson with the Order of Saint Maurice award for supporting the Raider Brigade for the unit's nine year tenure. Colonel Miller then introduced 2/2 Commander Louis Zeisman who spoke about building a partnership and relationship with the City.

Clover Park School District Board Report.

Clover Park School District (CPSD) Board Director Vlaming spoke about the naming of three elementary schools Meriwether, Rainier and Four Heroes. He then provided an update on the construction of the schools.

PUBLIC COMMENTS

Speaking before the Council was:

Becky Huber, Lakewood resident, announced that the Lakewood Historical Society's April 15, 2014 meeting topic will be history of the Lakewood Water District. She announced that the Arts Festival and International Festival will be held on April 25-26, 2014.

C O N S E N T A G E N D A

- A. Approval of the minutes of the City Council meeting of March 17, 2014.
- B. Approval of the minutes of the City Council Study Session of March 24, 2014.
- C. Approval of payroll checks in the amount of \$2,187,299.97, for the period February 16, 2014 through March 15, 2014.
- D. Approval of claim vouchers in the amount of \$1,263,861.62, for the period February 26, 2014 through March 24, 2014.
- E. Items Filed in the Office of the City Clerk:
 - 1. Public Safety Advisory Committee meeting minutes of December 4, 2013.
 - 2. Landmarks and Heritage Advisory Board meeting minutes of January 23, 2014.
 - 3. Parks and Recreation Advisory Board meeting minutes of February 18, 2014.
 - 4. Planning Advisory Board meeting minutes of February 19, 2014.

5. Human Services Funding Advisory Board meeting minutes of February 20, 2014.
6. Citizens' Transportation Advisory Committee meeting minutes of February 25, 2014.

F. Motion No. 2014-16

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 2013-2014 biennial budget amendments.

DEPUTY WHALEN MOVED TO APPROVE THE CONSENT AGENDA AS PRESENTED. SECONDED BY COUNCILMEMBER MOSS. VOICE VOTE WAS TAKEN AND CARRIED UNANIMOUSLY.

R E G U L A R A G E N D A

ORDINANCE

Ordinance No. 580 amending Chapter 3.36 of the Lakewood Municipal Code relative to transient occupancy tax.

COUNCILMEMBER SIMPSON MOVED TO ADOPT ORDINANCE NO. 580. SECONDED BY DEPUTY MAYOR WHALEN.

COUNCILMEMBER BRANDSTETTER MOVED TO AMEND ORDINANCE NO. 580 SECTION 3.36.050 OF THE LAKEWOOD MUNICIPAL CODE TO READ "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 INTO ONE OF TWO ACCOUNTS WITHIN THIS FUND AS FOLLOWS: 4/7 INTO AN ACCOUNT 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; AND 3/7 INTO AN ACCOUNT TO BE USED SOLELY FOR THE PURPOSE OF PAYING ALL OR ANY PART OF THE COST OF ACQUISITION AND/OR CONSTRUCTION OF TOURISM-RELATED FACILITIES." SECONDED BY DEPUTY MAYOR WHALEN.

ROLL CALL WAS TAKEN RESULTING AS FOLLOWS:

AYES: 1 - COUNCILMEMBER BRANDSTETTER.

NAYS: 5 – COUNCILMEMBER MOSS, BOCCHI, SIMPSON, DEPUTY MAYOR WHALEN AND MAYOR ANDERSON.

THE AMENDMENT TO ORDINANCE NO. 580 FAILED.

DEPUTY MAYOR WHALEN MOVED TO AMEND SECTION 03.36.055, SECTION A.2. OF THE LAKEWOOD MUNICIPAL CODE TO READ:

“2. ANY PROPOSALS FOR THE IMPOSITION OR EXPENDITURE OF HOTEL-MOTEL LODGING TAX FUNDS, WHETHER IT INVOLVES THE IMPOSITION OF A TAX, AN INCREASE IN THE RATE OF A TAX, REPEAL OF AN EXEMPTION FROM A TAX, OR A CHANGE IN THE USE OF REVENUE RECEIVED SHALL BE SUBMITTED ~~THE PROPOSAL~~ TO THE LODGING TAX ADVISORY COMMITTEE FOR REVIEW AND COMMENT...” SECONDED BY COUNCILMEMBER SIMPSON. VOICE VOTE WAS TAKEN AND CARRIED UNANIMOUSLY.

VOICE VOTE WAS TAKEN ON THE AMENDED ORDINANCE NO. 580 AND CARRIED WITH COUNCILMEMBER BRANDSTETTER VOTING IN OPPOSITION.

UNFINISHED BUSINESS

Motion No. 2014-17 approving the Lodging Tax Advisory Committee’s recommendation to allocate \$33,040 of lodging tax funds for administering the lodging tax program.

COUNCILMEMBER BOCCHI MOVED TO APPROVE THE LODGING TAX ADVISORY COMMITTEE’S RECOMMENDATION TO ALLOCATE \$33,040 OF LODGING TAX FUNDS FOR ADMINISTERING THE LODGING TAX PROGRAM. SECONDED BY COUNCILMEMBER MOSS. VOICE VOTE WAS TAKEN AND CARRIED WITH COUNCILMEMBER BRANDSTETTER VOTING IN OPPOSITION.

NEW BUSINESS

Motion No. 2014-18 authorizing the execution of an agreement with Brown and Caldwell, in the amount of \$195,409 to prepare a lake management plan for Waughop Lake.

COUNCILMEMBER SIMPSON MOVED TO AUTHORIZE THE EXECUTION OF AN AGREEMENT WITH BROWN AND CALDWELL, IN THE AMOUNT OF \$195,409, TO PREPARE A LAKE MANAGEMENT PLAN FOR WAUGHOP LAKE. SECONDED BY DEPUTY MAYOR WHALEN. VOICE VOTE WAS TAKEN AND CARRIED UNANIMOUSLY.

Motion No. 2014-19 authorizing the execution of a five year agreement with Best Parking Lot Cleaning, Inc., in the amount of \$116,828.26, for street sweeping services.

COUNCILMEMBER SIMPSON MOVED TO AUTHORIZE THE EXECUTION OF A FIVE YEAR AGREEMENT WITH BEST PARKING LOT CLEANING, INC., IN THE AMOUNT OF \$116,828.26, FOR STREET SWEEPING SERVICES. SECONDED BY DEPUTY MAYOR WHALEN. VOICE VOTE WAS TAKEN AND CARRIED UNANIMOUSLY.

Motion 2014-20 authorizing the execution of an agreement with the Washington State Department of Transportation for a \$126,000 grant for right-of-way acquisition and design of the 111th/112th Street Bridgeport Way to Kendrick Street improvement project.

COUNCILMEMBER MOSS MOVED TO AUTHORIZE THE EXECUTION OF AN AGREEMENT WITH THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION FOR A \$126,000 GRANT FOR RIGHT-OF-WAY ACQUISITION AND DESIGN OF THE 111TH/112TH STREET BRIDGEPORT WAY TO KENDRICK STREET IMPROVEMENT PROJECT. SECONDED BY COUNCILMEMBER BRANDSTETTER. VOICE VOTE WAS TAKEN AND CARRIED UNANIMOUSLY.

BRIEFING BY THE CITY MANAGER

Review of sole source traffic signal equipment.

City Manager Caulfield called on Ms. Winkler who provided an overview of the process for purchasing specific traffic signal equipment.

Transportation Division Manager Winkler reported that at the next regular City Council meeting, staff will be asking the Council to consider waiving competitive bidding for the purchase of specific traffic signal equipment.

Review of City Council Comprehensive Plan amendments.

City Manager Caulfield called on Assistant City Manager Bugher who provided an update on the Comprehensive Plan amendments and process.

Assistant City Manager Bugher explained the process that the City Council may consider in proposing City Council Comprehensive Plan amendments.

He then reported on the Planning Advisory Board's Resolution of a proposed amendment to the zoning at the Ruby Apartments development in Oakbrook.

Councilmember Bocchi asked what is included in the housing section of the code and the subdivision code. Assistant City Manager Bugher indicated that the

housing section amendments relate to housing incentives and the subdivision amendments relate to housing. Councilmember Bocchi spoke about traffic impacts when building high density housing (ie Ruby Apartments) on the rest of the neighborhood. He expressed concern about high density buildings in areas where there is no access to public transit which causes high vehicular traffic volumes. He suggested that high density buildings be within a certain distance to public transit.

Mayor Anderson suggested that the Council schedule a special meeting in May 2014 for the Council's review of proposed amendments to the Comprehensive Plan.

City Manager Caulfield reported that RPAI agents have submitted base plans for three new restaurants in the Towne Center.

He reported that at the Council's April 14, 2014 Study Session, the Council will be provided an update on the City's finances.

He indicated that on April 28, 2014 from 6:00 pm to 7:00 pm, a special Council meeting is scheduled to meet with State legislators to review the 2014 legislative session.

He then spoke about a meeting he attended with the Washington State Department of Transportation (WSDOT), City of Lacey and City of Tumwater to discuss a WSDOT facilities replacement revenue account for replacing some of their aging properties. He indicated that WSDOT has aging facilities in Lakewood that could be moved out to free up property in Lakewood.

He then reported that the City received formal notice from Tacoma Public Utilities that beginning October 1, 2015 they will no longer be providing street lighting maintenance services.

He reported that Sound Transit indicated that they will be erecting train control towers along the rail lines.

He noted that there is new legislation for local elected officials to take training on open government and the City Clerk will be providing information on these upcoming training opportunities.

He recognized Christine Badger, Emergency Management Coordinator, and Lt. John Unfred who are assisting the City of Oso with the mud slide disaster that occurred in their city.

He reported that the Parks and Recreation Director will be receiving the Washington Parks and Recreation Association award for the City's healthy start program.

He suggested that the Council's photo re-take be scheduled for April 21, 2014 prior to the Council's meeting.

He announced that the April 10, 2014 Tactical Tailor tour is cancelled and will be rescheduled.

He announced that the Jermaine Kearsce celebration will be held at 1:00 p.m. on Saturday, April 12, 2014. He suggested that the Council arrive a little early.

He then announced that April 26, 2014 is Parks Appreciation Day.

He also announced that a City Council Goal Setting Retreat is scheduled for May 10, 2014.

CITY COUNCIL COMMENTS

Councilmember Moss commented on a civic leadership tour of Travis Air Force base she attended. She then reported on the Community Health Care event she attended.

Councilmember Brandstetter also commented on the Community Health Care event he attended.

Deputy Mayor Whalen spoke about a swearing-in ceremony he attended for Pierce County Superior Court Judge Sorensen. He announced that the Lakewood Rotary Sportsman dinner will be held on April 12, 2014. He noted that he had attended the Arts Commission meeting tonight and asked for clarification if the Council liaison to the Arts Commission is to be Councilmember Barth. He also announced that April 25-26, 2014 is the Arts Festival and International Festival.

Councilmember Simpson commented on a Meet the Press meeting with General Lanza. He spoke about cultivating relationships the City has with JBLM. He reported that Pierce College wants to get further engaged in the discussions about the amphitheater in Ft. Steilacoom Park. He noted that he will be representing the City at a Pierce College dinner. He commented that he will be meeting with the Attorney General to discuss legislation regarding military active duty and veteran benefits.

Mayor Anderson also commented on the Travis Air Force base tour he attended. He reported that he will be attending the Coffee with the Mayor on April 8, 2014.

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Executive Session

Mayor Anderson announced that Council will recess into Executive Session for approximately 20 minutes to discuss the performance of a public official.

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Council recessed into Executive Session at 10:00 p.m. and reconvened at 10:20 p.m.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:20 p.m.

DON ANDERSON, MAYOR

ATTEST:

ALICE M. BUSH, MMC
CITY CLERK



LAKWOOD CITY COUNCIL STUDY SESSION MINUTES

April 14, 2014
City of Lakewood
City Council Chambers
6000 Main Street SW
Lakewood, WA 98499

CALL TO ORDER

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

ROLL CALL

Councilmembers Present: 6 – Mayor Don Anderson; Deputy Mayor Jason Whalen; Councilmembers Mary Moss, Mike Brandstetter, John Simpson, and Marie Barth.

Councilmember Absent: 1 – Councilmember Paul Bocchi (arrived at 7:08 p.m.)

ITEMS FOR DISCUSSION:

Review of the Community Visioning Plan and process.

Principal Planner Catron spoke about the Community Visioning Plan process for the City's Comprehensive Plan amendments. He indicated that staff is seeking a consultant to assist with the visioning process. He indicated that the consultant is recommending the creation of a visioning committee, developing public involvement activities, creating a vision information sheet and developing a survey. A meeting with community organizations will be held by the consultants including an intensive community visioning week consisting of a tour and a community-wide visioning workshop. The consultant will present community findings to the City Council and formulate a visioning document, action plan and performance measurements.

Councilmember Bocchi arrived at 7:08 p.m.

A list of staff's recommendation for the visioning committee includes a representative from the Planning Advisory Board, Citizens Transportation Advisory Board, Parks and Recreation Advisory Board, a representative from the Lakewood industrial park, the Oakbrook Homeowners Association, Lake Steilacoom Improvement Club or American Lake Improvement Club, Tillicum/Woodbrook Industrial area, the Boo Han family or the Korean Women's Association.

Discussion ensued on the consultant's experience with like-size communities; what will be the deliverable product of the consultant; potentially having the Lakewood Chamber, Realtors Association, Program Manager Dan Penrose (to cover the military), member of the Arts Commission, and a higher education representative or Clover Park School District to serve on the committee.

Further discussion ensued on whether there were any negative responses/findings in the consultant's review; will there be sufficient lead time to draw citizens for the one-week intensive visioning process; who is developing the performance measurements and how are they determined; and what is the timeframe for the Council to provide input on the make-up of the committee members.

Review of a proposed Home Investment Partnership Act (HOME) loan agreement with Claude Remy relative to the Gravelly Lake Townhomes project at 8919 Gravelly Lake Drive SW.

Program Manager Gumm reviewed a proposed loan agreement with Claude Remy to fund the Gravelly Lake Townhomes phase 3 project at 8919 Gravelly Lake Drive SW. He explained that the loan is a ten-year interest bearing loan at 3%, 4% or 5%. He reviewed the collateral for this project, cash flow and loan-to-value ratio.

Discussion ensued on Phase 3 of the project to allow for adequate parking; did Phases 1 and 2 get approved without parking (no Phase 1 and 2 provided minimum parking); what is the deadline for the City of Tacoma and Lakewood to commit HOME funds (May 30, 2014) and are there other projects under review to qualify for the HOME commitment (LASA project and a \$213,000 HOME project in the FY 2014 Consolidated Plan); in reviewing the net operating expenses and income, the real estate taxes look low and what is the long range impact of a project that is within a tax deferred zone; if there is a foreclosure does the City become the holder of the property (Phase 1 and 2 would go to a trustee and Phase 3 would be the City); does the City want to get into the real estate business; is the applicant a successful developer; is there a personal guarantee on this loan; were the fire sprinkler requirements for this project reviewed by the US Department of Housing and Urban Development; why isn't a commercial lender making this loan; was the Phase 3 property appraised as a stand-alone property or part of the phase 1 and 2 project (appraised as a stand-alone); concerns of other foreclosed properties by the developer and litigation involving guarantees and trustee sales and the City's fiduciary duties to the public; and what is the value of the Phase 3 property.

Presentation of the 2013 Year End Finance Report.

Assistant City Manager Kraus reviewed the 2013 Year End Finance Report.

Discussion ensued on what is the better methodology for forecasting; what constitutes whole sale retail businesses; why are revenues down in parks and recreation; are there ratio recovery standards for similar size cities; are there efficacies in recovery ratios; are revenues going to be decreased in 2014 for Ft. Steilacoom Park since the County will no

long be funding the park; and will funds from USGA be included in the 2014 revenues (it will be included under Ft. Steilacoom Park); does the REET tax go into the street capital fund and not street maintenance; and is there a way to track the number of businesses that closed and new businesses started.

Review of the 2014 budget amendments.

Assistant City Manager Kraus reviewed the 2014 budget amendments and the purpose of the amendments.

Discussion ensued on the 2013 Fire Marshal contract amount; is there a reduction in City staff from moving street landscape maintenance to parks maintenance and what are the efficiencies; providing the details of accounting for Community Development Block Grant (CDBG) funds and past transfers; how are CDBG funds accounted for in accounts receivable relative to loans; is there a sunset on CDBG funds for the City's use; and is there any activity in the City Hall Fund 502 account (not at this time).

BRIEFING BY THE CITY MANAGER

City Manager Caulfield recognized Assistant City Manager Kraus and the Finance staff for their work. He also recognized the department directors for finding funds for computer replacement within their existing budgets.

He recognized Parks and Recreation Director Dodsworth for receiving the Washington Association of Parks and Recreation award. He provided an update on the Lakewood Gateway Planning meeting that was held last week. He then reported on the Lakewood Rotary Club's efforts for funding an amphitheater and a community meeting that is being planned at Ft. Steilacoom Park. An outreach effort has been made to the State to extend the Ft. Steilacoom Park lease agreement in order to apply for grant funding.

He reported that the City is beginning to work on cleaning up the city entrances.

Pierce County announced that there are sewer grants available to Lakewood and the City is looking to apply for a \$750,000 grant to extend sewers to Woodbrook. He then commented on a \$500,000 fiscal analysis grant to convert to LED lights and that staff is reaching out to Puget Sound Energy to consider replacing their street lights with LED.

City Manager Caulfield reported that on Monday, April 28, 2014, from 6:00 p.m. to 7:00 p.m., a meeting with the State Legislators is scheduled to review the 2014 legislative session.

He then recognized the Human Resources Department and the efforts of the Wellness Committee.

He also recognized Brent Champaco for his work in facilitating the Jermaine Kearsse event. He also thanked the Police and Parks Departments and Clover Park School District who helped organize the event. He also thanked Adam Lincoln and Briana Schumacher for their efforts.

He announced that the Council's photo re-take is scheduled for April 21, 2014 at 6:00 p.m.

He also announced that the annual employee picnic will be held on June 4, 2014, 3:30 p.m., at Ft. Steilacoom Park.

ITEMS TENTATIVELY SCHEDULED FOR THE APRIL 21, 2014 REGULAR CITY COUNCIL MEETING:

1. Authorizing the execution of an agreement for the Community Visioning Plan and process.
2. Authorizing the execution of a Home Investment Partnership Act (HOME) loan agreement with Claude Remy relative to the Gravelly Lake Townhomes project at 8919 Gravelly Lake Drive SW.
3. Proclamation declaring May 5 - 11, 2014 as Teachers Appreciation Week. - Ms. Myra Johnson, President, Clover Park Education Association
4. Proclamation declaring April 26, 2014 as Parks Appreciation Day. – Mr. Jason Gerwen, Chair, Parks and Recreation Advisory Board
5. Business Show Case of Davinci Salon and Spa. – Ms. Sunny Galaviz, Owner
6. Setting Monday, May 19, 2014, at approximately 7:00 p.m., as the date for a public hearing by the City Council on the proposed amendment to the Lakewood Municipal Code relative to the Tax Incentive Urban Use Center.
7. This is the date set for a public hearing by the City Council on the Fiscal Year 2014 Consolidated Annual Action Plan and amendments to the Fiscal Years 2009, 2012 and 2013 Annual Action Plans and proposed use of funds for the Community Development Block Grant and HOME Investment Partnership Act.
8. This is the date set for a public hearing by the City Council on the proposed 2013-2014 biennial budget amendments.
9. Waiving competitive bidding requirements for the purchase of specific traffic signal equipment.

CITY COUNCIL COMMENTS

Councilmember Moss commented on the Jermaine Kearse event she attended on April 12, 2014.

Councilmember Bocchi commented on the Pierce County Regional Council meeting he attended.

Councilmember Brandstetter reported that a meeting is scheduled for April 16, 2014 to continue the discussion on the Citizens Advisory Boards and Committees work.

Councilmember Barth spoke about the Affordable Housing Forum she attended.

Councilmember Simpson commented on the meeting he had with the Attorney General about veterans. He also commented on the Lake City Neighborhood Association meeting he attended.

Deputy Mayor Whalen commented on the Jermaine Kearse celebration and the Lakewood Rotary event. He then announced that the kick-off event on the Joint Land Use study is scheduled for April 15, 2014. Also, on April 16, 2014 the Emergency Food Network recognition event will be held and on April 17, 2014, SSMCP will be meeting at DuPont City Hall.

Mayor Anderson noted that he will be attending the April 17, 2014 SSMCP event. He then commented on the Coffee with the Mayor event that was held last week. He spoke about the meeting he and the City Manager had with OEA. He also noted that he had attended an AUSA meeting in Portland and attended the Police Department open house.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:25 p.m.

DON ANDERSON, MAYOR

ATTEST:

ALICE M. BUSH, MMC
CITY CLERK



**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
CITIZENS ADVISORY BOARD
Regular Meeting Minutes
WEDNESDAY – February 26, 2014
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 5:30 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

APPROVAL OF JANUARY 22, 2014 MINUTES

MICHAEL LACADIE MOTIONED TO APPROVE THE JANUARY 22, 2014 CDBG CITIZENS ADVISORY BOARD MEETING MINUTES. THE MOTION WAS SECONDED BY LAURIE MAUS. VOICE VOTE WAS TAKEN AND THE MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

There was no one present who wished to comment.

NEW BUSINESS

Review and Approval of Draft FY 2014 Consolidated Annual Action Plan, including Amendments to FY 2009, 2012 and 2013 Annual Action Plans (CAB recommendations for FY 2014 funding)

Mr. Gumm reviewed the Draft FY 2014 Annual Action Plan including proposed funding allocations for FY 2014 projects. Minor punctuation and typographical errors were proposed. No other changes were proposed.

MICHAEL LACADIE MADE A MOTION TO APPROVE THE FY 2014 CONSOLIDATED ANNUAL ACTION PLAN, INCLUDING AMENDMENTS TO FY 2009, 2012 AND 2013 ANNUAL ACTION PLANS, WITH PROPOSED CORRECTIONS. THE MOTION WAS SECONDED BY LAURIE MAUS. VOICE VOTE WAS TAKEN AND THE MOTION CARRIED UNANIMOUSLY.

OTHER

LASA Prairie Oaks

Mr. Gumm announced that the LASA Prairie Oaks Section 108 loan documents have been received from HUD National Headquarters and discussed the next steps in the process.

Habitat for Humanity

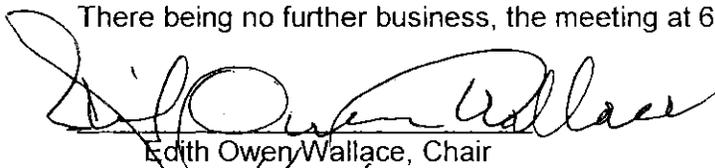
Mr. Gumm informed the Board that the State has allocated an additional NSP funds to be used on the Habitat for Humanity NSP project. The \$82,887.48 allocation is unexpended funds from other jurisdictions.

NEXT MEETING

The next meeting is a Council review of the Draft FY 2014 Annual Action Plan, including Amendments to FY 2009, 2012 and 2013 Annual Action Plans is scheduled for Monday, March 10, 2014, 7:00 p.m., in the Council Chambers.

ADJOURNMENT

There being no further business, the meeting at 6:47 p.m.


Edith Owen Wallace, Chair

4/9/14
Date



PUBLIC SAFETY ADVISORY COMMITTEE

Regular Meeting Minutes
Wednesday, March 5, 2014
Lakewood Police Department
9401 Lakewood Drive SW
Lakewood, WA 98499

CALL TO ORDER

The Meeting was called to order at 5:16 p.m.

ROLL CALL

Public Safety Advisory Committee Members Present: Bryan Thomas, Ray Dotson, Lonnie Lai Sam Ross, Renee Hanna, Alan Hart and Julio Perez-Tanahashi

Public Safety Advisory Committee Members Excused: Sheri Badger and Aaron Young

Public Safety Advisory Committee Members Absent: none

City Councilmember Present: Marie Barth

Fire Department Staff Present: Assistant Fire Chief Karl Roth

Lakewood Youth Council Present: Amanda Thomas

Staff Present: Lieutenant Chris Lawler and Committee Staff Support Joanna Nichols, Administrative Assistant

APPROVAL OF MINUTES

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

PUBLIC COMMENT

No one from the public was present.

CITY COUNCIL LIAISON COMMENTS

Councilmember Marie Barth discussed DSHS and the WSH Enhanced Service Facility move which would enable WSH to place patients into Oakbrook group homes. Councilmember Barth stated that the Council had prepared a resolution and were asking citizens to send their written comments to the City. Discussion ensued.

FIRE CHIEF COMMENTS

Assistant Fire Chief Karl Roth stated that WPFR was looking into the accreditation process; it could end up being too cost-prohibitive but they were researching it.

Assistant Fire Chief Karl Roth stated that they had received a letter from the Washington State Surveying and Rating Bureau who will be coming in and rating the department. They did it last prior to the merger, to it will be interesting to see where they stand now. It is WPFR's hope that the merger will help the department pick up a point or two.

Assistant Fire Chief Karl Roth discussed WPFR numbers. Discussion ensued.

POLICE CHIEF COMMENTS

Handout-Crime and Incident Report (January 2014)

Lieutenant Chris Lawler discussed some recent cases while going over the monthly report. Discussion regarding gangs and gang activity in Lakewood, specifically, ensued.

Lieutenant Chris Lawler stated that Washington's Most Wanted would be featuring a recent DV case, because we can't find the suspect and need help locating him. It is on the CrimeStoppers website as well.

YOUTH COUNCIL COMMENTS

Amanda Thomas discussed what the Youth Council was doing, to include the Father/Daughter dance on the 15th and the fact that they were all getting their food handler's permits in order to help at events. Biggest public safety issue for them still was the safe place for teens to go after school.

UNFINISHED BUSINESS

We moved the agenda around for our guest speaker, Sergeant Andy Gildehaus.

Sergeant Andy Gildehaus explained the Lakewood Officer's Charities- the Make a Difference Fund and the Benevolence Officer Down Fund and the differences between the two, as well as what events the Charity was involved in and fundraising efforts both past and future. Bryan Thomas stated that PSAC wanted to do a fundraiser for the Make a Difference Fund; currently they were looking at having a dunk tank at SummerFest. Sergeant Gildehaus stated he thought this was a good idea. Other ideas were thrown out and discussion ensued. It was agreed that Renee Hanna would check with her PTA, who does a dunk tank every year, and Ray Dotson would check with JBLM for quotes on the price to rent a dunk tank and get those numbers to

Joanna Nichols. Joanna will also check with Assistant City Attorney Anita Booker-Hay on any possible liability issues with having the dunk tank.

When the Committee has made a decision, they will bring their idea to the Charity for consideration and we will go from there. A final decision will be made at next month's meeting regarding which idea to bring to the Charity for consideration, based on cost, manpower needs, etc.

NEW BUSINESS

Bryan Thomas stated that he felt the committee was floundering a little bit. They had a couple of new projects like the diversity in recruiting but Bryan felt it might be time to request a meeting with the City Council and/or City Manager to garner input from them as to what they wanted the committee to do next. He was asking for permission from the Committee to make this meeting happen. Councilmember Marie Barth typed up an email to Council while the discussion ensued; it was agreed to send an email through Councilmember Barth requesting that the Council give more direction to PSAC in regards to what they want them to accomplish and tackle next, as everyone on the Committee wants to be productive and useful to the City. This is why they joined PSAC and they are feeling very underutilized right now. They will wait to hear back from Councilmember Barth on what the next steps will be with this request.

Joanna Nichols reminded everyone of the Blood/Bone Marrow Drive happening on March 17th, and handed out flyers asking each member to take those to their Neighborhood Association meetings this month and to help spread the word. Assistant Fire Chief Karl Roth told Joanna to contact Hallie McCurdy at WPFR so she could put the flyer up on their reader board. Councilmember Marie Barth told Joanna to contact Mike Larson at Harold Allen Real Estate to do the same.

REPORTS FROM BOARD MEMBERS & STAFF

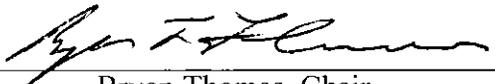
Bryan Thomas stated he would be attending the Tillicum Neighborhood Association Meeting and they had said they would be discussing the no smoking but drinking okay in Lakewood parks concern that had come up at the last meeting, apparently.

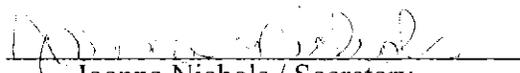
ADJOURNMENT

Renee Hanna motioned to adjourn the meeting; all ayes. Meeting adjourned at 6:25 p.m.

Public Safety Advisory Committee

Attest:


Bryan Thomas, Chair


Joanna Nichols / Secretary



REDEVELOPMENT ADVISORY BOARD (REDAB)

TUESDAY – MARCH 11, 2014 – 7:30 a.m.
Lakewood City Hall, Conference Room 3A
6000 Main Street SW, Lakewood, WA 98499

CALL TO ORDER: Chair Jim Charboneau called the meeting to order at 7:31 a.m.

ROLL CALL

REDAB Members Present: Bruce Bodine, Chair Jim Charboneau, Dan Durr, Robert Estrada, James Guerrero, Louis Imhof, Timothy Johnson, Matthew Wallin and Denise Yochum

City Council Liaison Present: Deputy Mayor Jason Whalen

Staff Present: Assistant City Manager of Development/Community Development Director David Bugher, Economic Development Manager Ellie Chambers-Grady, Economic Development Specialist Becky Newton and Administrative Assistant Melody Perrussel

APPROVAL OF MINUTES: *Denise Yochum moved and Dan Durr seconded the motion to approve the January 14, 2014, REDAB minutes. The motion passed unanimously.*

PUBLIC COMMENTS: Lisa Klein, Associate Principal at AHBL, introduced herself. She is working on the Springbrook project, previously Fir Acres Mobile Home Park. The new project will have 208 apartment units with a 3-4 story range. AHBL is working to understand the city's process and hoping to submit applications soon.

COMMUNITY ENCOURAGEMENT: Hobby Lobby opens on March 24th. Big Lots will open about a week behind them. RallyPoint/6 took an old building and renewed it. Enterprise Car is moving to a new facility farther down South Tacoma Way.

OLD BUSINESS: Economic Development Manager Ellie Chambers-Grady relayed that the Mayor and City Manager met with a number of people in Washington, D.C. around the EB-5 program. They were surprised to find out that although the number of EB-5 program designated sites has grown, the government staffing did not. Economic development staff met with another EB-5 prospect with a different model. This EB-5 contact has three home projects underway and has not worked with hotels yet.

Ms. Chambers-Grady said RPAI is working on the proposed new three Towne Center restaurants. The city has seen their concepts, but aren't sure if we've seen the final. RPAI is looking at multiple tenants for the empty Joe's store.

NEW BUSINESS:

Multi-Family Tax Credit: Assistant City Manager of Development/Community Development Director David Bugher said that an Ordinance around Multi-Family Tax Credits was adopted in 2002 and revised in 2007. Two apartment communities totaling 308 units are currently in the program. The city wants to expand the Ordinance into other city areas including Springbrook.

Group discussion ensued on specific changes of criteria that would be included in the revision. One member suggested allowing this multi-family tax credit citywide. Mr. Bugher said he is focusing on the Springbrook area for now and will come back for Lake City.

New member Matthew Wallin confirmed he is employed at Momentum Partners which is working on the new Springbrook project. He recused himself from voting.

Denise Yochum moved and Tim Johnson seconded the motion that REDAB approves the updated Multi-Family Tax Credit program in Springbrook. The motion passed unanimously.

Housing Forum:

Economic Development Specialist Becky Newton announced a Housing Forum will be put on by the city on May 15th at Clover Park Technical College's McGavick Center. The city has a disproportionate number of older homes inhabited by lower income families, especially in Tillicum where the average home was built in the 1960s. The Master Builders Association is holding its own Housing Forum on April 17th.

Potential topics for our forum are:

- Lending patterns and future lending trends for housing construction.
- Why Lakewood and why now?
- Builders panel of successful projects like Echelon Apartments and Eagle Point et al.
- Revitalization of older communities.
- What's possible? Mixed use? Cottage housing? Senior housing? High end? Multifamily housing?
- What resources do we have to attract development?

A NAIOP speaker recently said new construction is moving to urban areas and away from city cores. We do not want to miss opportunities. Group discussion ensued on tax credits or abatements being attractive to housing developers, the idea of using CDBG funds to rehab older homes, and that housing is important to Lakewood's economic growth.

OTHER BUSINESS: James Guerrero talked about being on a new city committee that is discussing city gateways, what are wanted at those entry points, discussing the development of uniform guidelines for all city entrances. He did design work on the city's north and south gateways early on. There will be a public meeting to get citizen input.

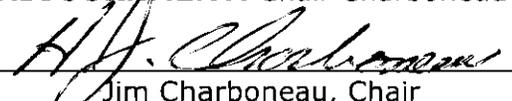
Bruce Bodine relayed his surprise at reading about the possibility of allowing Lakewood to designate historic properties without owner consent in The News Tribune. The possible change wasn't discussed by REDAB, and he categorized the proposal as 'a taking' and an economic development issue. He spoke against the proposal to the City Council as an individual and mentioned he is a REDAB member. Other members agreed that designating a property historical tremendously de-values the property.

Mr. Bugher asked for a REDAB volunteer to review three Visioning Process Requests for Proposals during the fourth week in March. Chair Charboneau volunteered.

Mr. Bugher announced the March 24th Council meeting will look at current and future economic development activities. He invited members to attend.

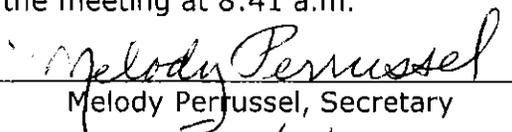
NEXT MEETING DATE: April 8, 2014 at 7:30 a.m

ADJOURNMENT: Chair Charboneau adjourned the meeting at 8:41 a.m.



 Jim Charboneau, Chair
 4/8/14

 Dated



 Melody Perrussel, Secretary
 4/8/14

 Dated



**PLANNING ADVISORY BOARD
REGULAR MEETING
WEDNESDAY, March 19, 2014
Council Chambers
6000 Main Street SW
Lakewood, WA 98499**

Call to Order

The meeting was called to order at 6:30 p.m.

Roll Call

Planning Advisory Board (PAB) Members Present: Don Daniels, Chair; Jeff Brown, Paul Calta, Connie Coleman-Lacadie, Bob Zawilski, Jim Taylor

PAB Member Excused: Doug Babbit

Staff Present: Dave Bugher, Assistant City Manager-Development; Dan Catron, Principal Planner, Staci Vukovich, Recording Secretary

Council Liaison Present: Mary Moss

Approval of Minutes

Minutes of the meeting held on January 19, 2014, were unanimously approved.
M/S/C Zawilski/Brown

Changes to Agenda - None

Public Comments – None

Public Hearing - None

New Business: Proposed City Initiated Comp Plan & Zoning Ordinance Amendments. Mr. Daniels invited the representative from the Oakbrook 4th Addition Homeowners Association (HOA) and the developer of the proposed Ruby Apartments at 7701 Ruby Drive SW to each speak.

Don MacSparran, 7125 Turquoise Drive SW, Lakewood. Mr. MacSparran represented the Oakbrook 4th Addition HOA. Mr. MacSparran said he is in support of the zoning request submitted by the HOA. He states the parcel in question is a part of the 4th Addition. He said the rezoning of the property from single family residential (SFR) to multi-family (MF) in 2000 was done without

sufficient due process and notification. He said allowing the development of a multi family complex will aggravate the traffic congestion on Zircon Drive and Onyx Drive.

Linn Larsen, 11531 Clovercrest Drive SW, Lakewood. Mr. Larsen represented Eaton Family II (owner of 7701 Ruby Drive SW). The owners of the property do not support the zoning change proposed.

Jake Sampson, JR Sampson Company Developer. He is proposing a 62 unit apartment complex. He said his vision is similar to the Echelon Apartments, an upscale, luxury apartment building using upper end building materials. Mr. Sampson said that current apartment rents in the same area are at 92-98 cents per square foot. He said his apartments will rent to \$1.10 to \$1.18 per square foot. His apartments will draw in the type of clientele that will use the golf course.

Mr. Daniels asked if the project could go through if it were zoned R3, or R4 for lesser density. Mr. Sampson said no it has been fully designed for 62 units. Mr. Daniels asked if other properties in Lakewood had been looked at for the same project. Mr. Sampson replied that there are none like his project.

Mr. Taylor wanted to know what the project density was. Mr. Sampson replied with the MF2 zoning it comes out 21 units per acre.

Mr. Zawilski wanted to know "how did we get to where we are". Mr. Larsen replied that the Eaton Family II came into ownership of the property because it had loaned the Oakbrook Golf and Country Club a substantial amount of money. The debt was converted to real estate that the Country Club had at the time in order to not have to pay the money back. Eventually the Country Club did fail when it was sold to RMG enterprises. Through that process, Mr. Eaton received this and other properties in return for forgiveness of his loan. This occurred subsequent to the zoning of the property in 2000.

Ms. Coleman-Lacadie asked about curbs, gutters and sidewalks. Mr. Sampson replied that they are a part of the plan.

Mr. Daniels invited citizens in the audience who wished to speak on this matter.

Nancy Dilworth, 7611 Zircon Drive, Lakewood. Ms. Dilworth believes the proposed project density is inappropriate, and questions the integrity of the neighborhood and the intent of the comp plan. She is concerned about increased traffic. She is also concerned about the addition of curbs, sidewalks and gutters as they will be in conflict with the existing vegetation. She is concerned about the disruption of the eagle nests in the area and the loss of Douglas fir trees.

Wally Christopherson, 7605 Zircon Drive, Lakewood. Mr. Christopherson is concerned that there isn't enough room in the plan for visitor parking. Density is an issue for him and he feels the whole project is a negative effect for the area.

Karen Hanson, 7108 Citrine Lane SW, Lakewood. Ms. Hanson has environmental concerns. She said there is a lot of wildlife in the area. She is worried about the density as the area is mostly a single family community. Traffic is a major concern as the streets are narrow and there are very few stop signs.

Andy Franco, 7901 Sapphire Drive SW, Lakewood. Mr. Franco wanted to know about the parking and would it be underground making the project four stories high. Car traffic will increase dramatically. The apartment will not help his property value at all. There is a lot of deer and current residents watch for them, he doubts renters will. He said the proposed sidewalks will destroy the beautiful appearance of Oakbrook.

Linda Rutledge, 7610 Ruby Drive SW, Lakewood. Ms. Rutledge wants the property to stay as is. Traffic is the biggest issue and sidewalks will not mitigate that circumstance. The streets are too narrow. If the project goes forward, she said that the view out of her home would be of the 127 parking spots.

John Lewis, 4427 6th Avenue, Tacoma. Mr. Lewis is the broker on the project. There are 1,440 multi-family units in Oakbrook. The addition of 62 units does not upset the apple cart. He said since 2000, people have had ample time to examine that property and he thinks it was viewed properly because it is all multi-family and parking lot around it. Mr. Lewis asked the PAB to keep the zoning in place. He noted that the eagles are not on the protected list and the other 1,440 multi-family units have not affected their habitat which is closer to Chambers Creek than this project.

Judy Schwartz, 7802 Ruby Drive SW, Lakewood. She is concerned about traffic. She said the 1,440 units that Mr. Lewis spoke of are a mile and a half away from the project. She estimates 400 vehicle trips per day will be on a very narrow street that exits across from her home. She is also concerned about the wildlife. She thinks the 50 year old covenants should be honored.

Scott Shields, 7212 Turquoise Drive SW, Lakewood. Mr. Shields said people of Oakbrook have made it their home and the neighborhood that it is. He said the developers are not concerned about the eagle, the symbol of the United States of America. He also feels that the project is all about money and the developers don't care about the neighborhood or the people. He said an apartment that is 800 square feet is not upscale.

Edward Mitchell, 7121 Citrine Lane, Lakewood. He is worried about the clientele of apartments. He thinks there will be transients which will increase crime. It will destroy the area.

Julie Franco, 7901 Sapphire Drive SW, Lakewood. She is concerned for her son who walks a quarter of a mile twice a day to catch the bus at Citrine and Sapphire. Where there is no stop sign or speed bumps..

Kathy Theo, 7425 Ruby Drive SW, Lakewood. She stated that the Oakbrook Condominiums community is mostly retired individuals. Her concerns are density and traffic.

Scott Drysdale, 7022 Turquoise Drive, Lakewood. His concern is regarding the County Club on the north side of Zircon Drive, with the bank falling into Chambers Creek. It's not very stable. People park cars/trucks with tailgates down and they put their golf carts out into the street. The Club does not have adequate parking for the golfers and the public restaurant. An overflow parking area was designed for the project site, and was to provide overflow parking for the Club. It was never constructed but the club didn't really need it. With the conversion of the Club to a private facility, traffic has increased substantially and now there is not enough parking.

Mr. Calta asked Mr. Lewis if the apartments will be 55 and older or will there be children. Mr. Lewis replied that has not been determined by Mr. Sampson. He added that the project is not about profit, but the safety of the investment. He said Mr. Sampson wants to keep the project, and not sell it.

Mr. Calta asked why was it changed in 2000 and why didn't the City think of single family homes. Mr. Bugher replied that the City Council in 2000 adopted a higher density on this piece of property. In 2001 the City Council established the MF1 zoning district. The primary reason that the City Council looked at a higher density in these areas was because of the Growth Management Act (GMA).

Mr. Bugher further stated that the next stage for the apartment project is for the City to issue a threshold determination which cannot be issued until all the information is in. The traffic impact analysis is due and the City will also provide its own analysis of that report before moving on to the next part of the process. Citizens have a right of appeal to the hearing examiner.

Mr. Taylor wanted to know what the rental rate schedule for the project will be. Mr. Sampson did not have the information with him but he will provide it to the PAB.

Ms. Coleman-Lacadie wanted to know why the developer could not model what is already in Oakbrook (condos/townhomes) versus a three story structure. Mr. Sampson said within the condos adjacent to the project, there is a three story building that exists and his project is within City parameter. He said he is not bringing anything "worse" than what is currently in the area by way of higher rent.

Mr. Sampson addressed Mr. Calta's question by stating it will not be 55 and older only. Mr. Sampson said they have saved all but one white oak tree. The Douglas firs and cedars by the Country Club will be limbed up. It will not affect the wildlife. He isn't worried about landslides and by the addition of curbs/gutters/sidewalks, Zircon will be wider. Mr. Sampson extended his offer to contribute for speed bumps on Zircon or Ruby.

Mr. Brown wanted to know what Mr. Sampson's market analysis showed as far as the likely demographic to rent. Mr. Sampson replied the analysis showed that upper military ranks and people 55 years old and older.

Mr. Daniels asked Mr. MacSparron now that a project has come forth from 2001 to today, did he think the voices of the 4th Addition back 2001 were not loud enough. Mr. MacSparron replied he didn't know what the scope of the notification was. He said unless someone knew about a piece of property was going to be rezoned that would have an impact on you, you won't appear at a public hearing. What triggered the HOA about this project were the yellow notice signs on the property.

Mr. Brown asked Mr. Bugher if because there is an application in process, is the developer vested or should the PAB be a change of the zoning in the Comp Plan. Mr. Bugher responded by saying the developer has submitted a SEPA checklist only.

Mr. Bugher stated that the City did follow the process that was in place in 2001. He does not believe the City made an error in designating the property. If the PAB wishes to sponsor the amendment they can do so through a resolution of intent.

The PAB members made to a motion to bring back a resolution of intent to consider amending the Comp Plan and zoning designation for the property known as the Ruby Apartments. M/S/C Brown/Coleman-Lacadie.

Expansion of Multifamily Tax Exemption. Mr. Bugher stated that the City Council has received a request from the Fir Acres Investment Company for a multi-family tax exemption for a project located on Bridgeport Way. This project is the site of the old Fir Acres Mobile Home Park. Mr. Bugher said this may be the spark that may encourage some level of investment where very little is currently taking place. There is an 8 year sunset provision for market rate units, and 12 years for affordable units.

Lisa Klein, Land Planner from AHBL was in the audience and wished to speak on the topic. Her client the Springbrook Development LLC is in favor of the tax exempt proposal. A motion was made by the PAB recommending that the City Council approve a multi-family tax credit for the Springbrook neighborhood. M/S/C Zawilski/Calta.

Unfinished Business – Comp Plan Update – Housing. Mr. Bugher will be adding another table and map to the materials that the PAB received in their packet. Mr. Bugher added that according to the county's building lands report the City more than meets the housing capacity requirements under GMA.

Additional Questions

Mr. Taylor wanted to know if the City's legal department had an opinion regarding the Ruby Apartments situation as it pertains to covenants. Mr. Bugher replied that municipalities do not enforce covenants, codes and restrictions.

Mr. Zawilski wanted to know if code enforcement will be involved with the parking issues that the citizens tonight were concerned about regard the Ruby Apartments. Mr. Bugher said if the PAB wants staff to focus on enforcement, it may have negative impacts on RMG operations. It will force people to park in other locations and may not turn out as people have planned.

Reports from Board Members and Staff:

Enhanced Services Facilities (ESF). Mr. Bugher noted a letter, which was in the PAB's packet, sent to DSHS regarding ESFs. This could expand adult family homes and allow for a variety of other uses including housing of persons with mental health problems. The intent of DSHS is to create 42 beds. Currently, Lakewood is not one of the communities, but that could change.

Clover Park School District Demographics/Enrollment Study. Mr. Bugher stated this was just an information item. On a side note, Ms. Coleman-Lacadie said the new school which combines Oakwood and Southgate will be called Four Heroes after the fallen police officers.

Sub-Division Code. Mr. Catron distributed the draft version.

Meeting Adjourned: 7:35 pm

Next Meeting: The next PAB meeting is April 2, 2014


Don Daniels, Chair
Planning Advisory Board


Staci Vukovich, Secretary
Planning Advisory Board

REQUEST FOR COUNCIL ACTION

DATE ACTION IS REQUESTED: April 21, 2014	TITLE: Setting Monday, Monday May 21, 2014 as the date for a public hearing by the City Council to consider amending the City's Tax Incentive Urban Use Centers	TYPE OF ACTION: — ORDINANCE <input checked="" type="checkbox"/> RESOLUTION 2014-07 — MOTION — OTHER
REVIEW: February 24, 2014	ATTACHMENTS: Resolution Map of Current Tax Incentive Urban Use Center & Residential Target Area Map of Proposed Tax Incentive Urban Use Center & Residential Target Area	

SUBMITTED BY: David Bugher, Assistant City Manager for Development Services/Community Development Director

RECOMMENDATION: It is recommended that the Mayor and City Council set Monday, May 19, 2014, at approximately 7:00 PM as the date for a public hearing by the City Council to consider amending the City's Tax Incentive Urban Use Centers.

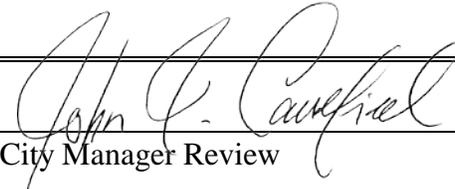
DISCUSSION: This proposal came before the City Council on February 24. The request from the Fir Acres Development Company (FADC), through their consultant, AHBL, to obtain a multifamily tax exemption for property located at 12623 Bridgeport Way. The exemption would be used to redevelop the now defunct Fir Acres Mobile Home Park into a 208-unit multifamily development on a 5.08 acre site. The development is referred to as the Springbrook Apartments. The subject property is located in the Springbrook Neighborhood. The property is zoned MF3 which would allow up to 54 units per acre or 274-units. To allow the tax exemption, the City Council would be required to create a new and/or revised Urban Use Center and Residential Target Area (RTA).

To take such action, the City Council is required to conduct a Public Hearing pursuant to the Lakewood Municipal Code (LMC) 3.64.020(B). A Draft Resolution this effect has been attached to this report.

Review by Advisory Boards: By way of information, the Planning Advisory and the Redevelopment Advisory Boards reviewed the proposal on March 19 and April 8, respectively. Both boards recommended approval of the amended boundaries. *(Continued to page 2)*

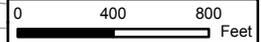
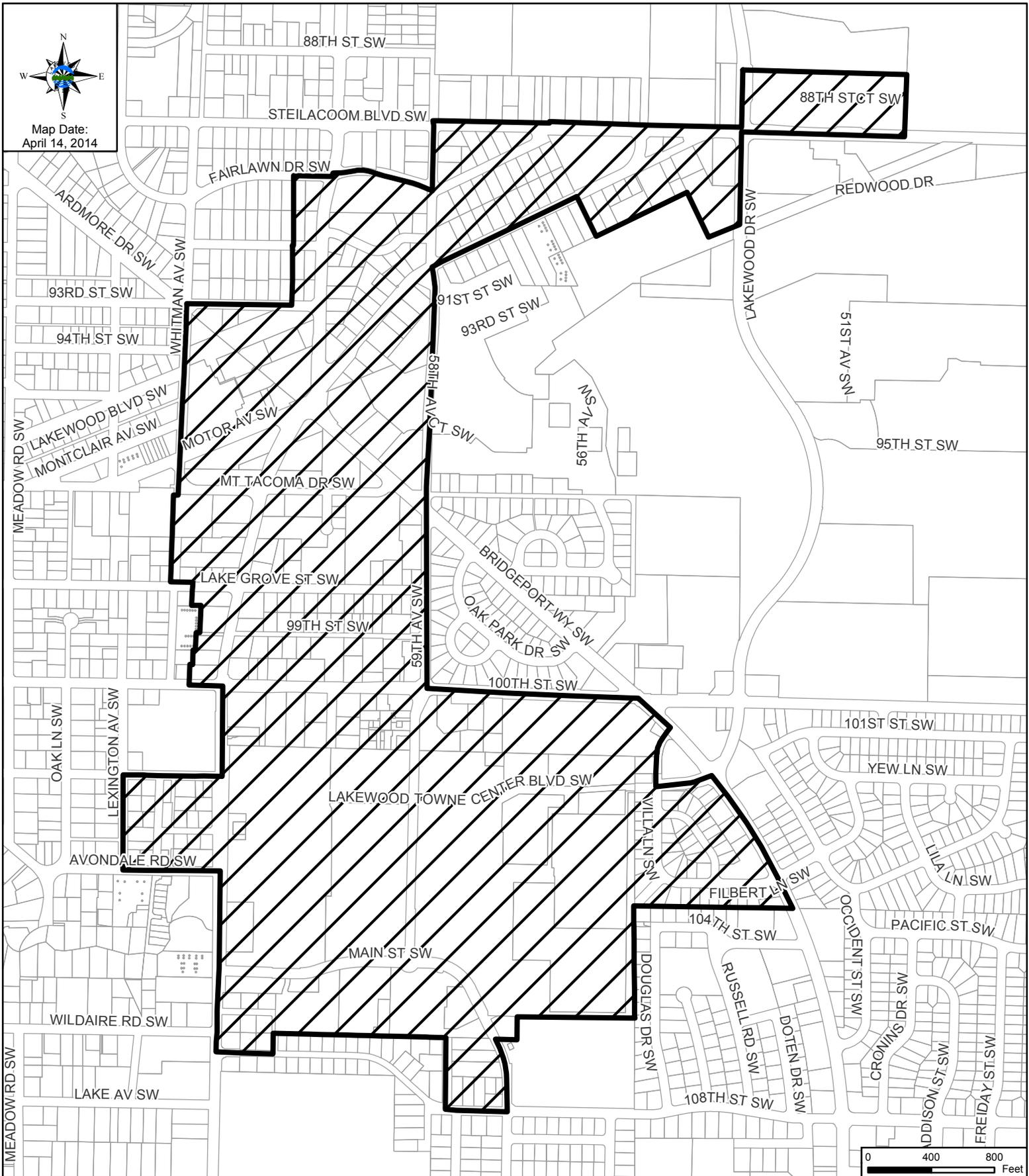
ALTERNATIVE(S): Hold the Public Hearing on another date, or do NOT conduct a Public Hearing.

FISCAL IMPACT: There is no fiscal impact to holding a public hearing.

Prepared by _____ Department Director _____	 City Manager Review
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Timeline:

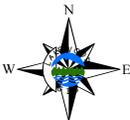
May 1, 2014 and May 8, 2014	Publish Public Hearing Notice in <i>The News Tribune</i>
May 19, 2014	Council conducts Public Hearing
June 2, 2014	Adopt an Ordinance amending the Tax Incentive Urban Use Center; and Adopt an Ordinance designating the Residential Target Area within the Tax Incentive Urban Use Center.
July 30, 201	Date Ordinances take effect.



Existing Tax Incentive Urban Use Center & Residential Target Area (CBD)

Tax Parcel

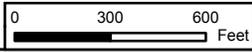
This product was prepared with care by City of Lakewood GIS. City of Lakewood expressly disclaims any liability for any inaccuracies which may yet be present. This is not a survey. Datasets were collected at different accuracy levels by various sources. A north arrow on this map may be shown at scales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



Map Date:
April 14, 2014



 Tax Parcel
 City Limit



Proposed Tax Incentive Urban Use Center & Residential Target Area (Springbrook)

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.

RESOLUTION NO. 2014-07

A RESOLUTION of the City of Lakewood City Council, setting a public hearing on May 19, 2014 for consideration on an amendment to the Tax Incentive Urban Use Centers.

WHEREAS, pursuant to Chapter 3.64 of the Lakewood Municipal Code the City has enacted a comprehensive guide for the designation of Tax Incentive Urban Use Centers;

WHEREAS a request has been received to designate a Residential Target Area which is currently outside of the current Tax Incentive Urban Use Center; and

WHEREAS, pursuant to LMC 3.64.020(B) the current Residential Target and may be amended following a public hearing and receive public comments on any amendments prior to adoption of said program.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON HEREBY RESOLVES, as follows:

Section 1. The Lakewood City Council hereby expresses its intent to amend its Tax Incentive Urban Use Center(s) to include the Residential Target Area as indicated on the map attached hereto. A public hearing on the proposed amendment is hereby set for May 19, 2014 at 7:00 p.m. at the City of Lakewood Council Chambers, 6000 Main Street S.W., Lakewood, Washington 98499. The City Clerk is authorized to provide notice of this public hearing as required by law.

Section 2. That this Resolution shall be in full force and effect upon passage and signatures hereon.

PASSED by the City Council this ____ day of April, 2014.

CITY OF LAKEWOOD

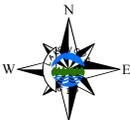
Don Anderson, Mayor

Attest:

Alice M. Bush, MMC, City Clerk

Approved as to Form:

Heidi Ann Wachter, City Attorney



Map Date:
April 14, 2014



	Tax Parcel
	City Limit

Exhibit "A"



Tax Incentive Urban Use Center & Residential Target Area (Springbrook)

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.

037



March 18, 2014

NOTICE OF PUBLIC HEARING

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

Notice is hereby given that on Monday, April 21, 2014, at 7:00 p.m., or soon thereafter, the City Council will hear public testimony and receive additional information on the Fiscal Year 2014 Consolidated Plan, and amendments to the Fiscal Year 2009, 2012 and 2013 Annual Action Plans and proposed use of funds for the Community Development Block Grant and HOME Investment Partnership Act. Copies of the Plan may be viewed on the City's website at www.cityoflakewood.us and at:

- Lakewood City Hall, Community Development Department, 6000 Main Street SW, Lakewood
- Lakewood Library, 6300 Wildaire Road SW, Lakewood
- Tillicum Library, 14916 Washington Avenue SW, Lakewood
- Tacoma City Hall, Tacoma Community & Economic Development Department, 747 Market Street, 10th Floor, Tacoma

If you have comments about this matter and want them to be known and considered, they must be presented at the hearing, or written comments can be submitted to the City Clerk, 6000 Main Street SW, Lakewood, WA 98499, prior to the hearing.

The public hearing will take place at City of Lakewood, Council Chambers, 6000 Main Street SW, Lakewood, Washington.

For further information, please contact Mr. Jeff Gumm, Program and Grants Coordinator, at (253) 589-2489.

Alice M. Bush, MMC
City Clerk

(Resolution No. 2014-05)

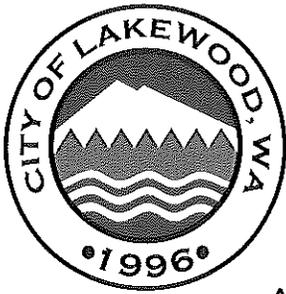
The Council Chambers is accessible to persons with disabilities. Equipment is available for the hearing impaired. Persons requesting special accommodations or language interpreters should contact the City Clerk's Office, 589-2489, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.

**CDBG PROGRAM YEAR 2014
& REPROGRAMMED FY 2009, 2012, AND 2013 FUNDING**

	Amount Requested	CAB RECOMMENDATIONS		
		CDBG FY 2014	CDBG Reprogram FY 2009, 2012, and 2013	CDBG FY 2014 & Reprogram
PHYSICAL IMPROVEMENTS				
City of Lakewood – San Francisco Street Improvements	\$150,000.00	\$116,341.76	\$43,658.24	\$160,000.00
Subtotal- Physical Improvements	\$150,000.00	\$116,341.76	\$43,658.24	\$160,000.00
PUBLIC SERVICE (15% Cap)				
South Sound Outreach Services – Financial and Housing Counseling Program	\$15,000.00	\$9,500.00	\$0	\$9,500.00
YMCA – Childcare Scholarship Program	\$15,000.00	\$14,000.00	\$0	\$14,000.00
CenterForce – Foodservice Education & Training Program	\$10,000.00	\$11,500.00	\$0	\$11,500.00
LASA – Services for Homeless Families	\$35,000.00	\$29,000.00	\$0	\$29,000.00
Subtotal- Public Service	\$75,000.00	\$64,000.00	\$0	\$64,000.00
HOUSING				
Associated Ministries – Paint Tacoma-Pierce Beautiful	\$20,000.00	\$21,600.00	\$0	\$21,600.00
Major Home Repair/Sewer Loan Program	\$200,000.00	\$69,479.24	\$0	\$69,479.24
City of Lakewood Parks Department – Emergency Assistance for Displaced Residents	\$25,000.00	\$12,000.00	\$0	\$12,000.00
Pierce County Housing Authority – Village Square Apartments	\$29,099.00	\$34,099.00	\$0	\$34,099.00
Subtotal- Housing	\$274,099.00	\$137,178.24	\$0	\$137,178.24
ECONOMIC DEVELOPMENT				
NWBCDC – Veteran’s Business Development Program	\$75,000.00	\$50,000.00	\$0	\$50,000.00
Subtotal- Economic Development	\$75,000.00	\$50,000.00	\$0	\$50,000.00
OTHER/ADMIN (20% Cap)				
Administration	\$90,000.00	\$94,350.40	\$0	\$94,350.40
Subtotal- Administration	\$90,000.00	\$94,350.40	\$0	\$94,350.40
Contingency (5% Max.)	\$0	\$9,881.60	\$0	\$9,881.60
Subtotal- Contingency	\$0	\$9,881.60	\$0	\$9,881.60
TOTAL	\$664,099.00	\$471,752.00	\$43,658.24	\$515,410.24

Please note that this Table includes the reallocation of FY 2009 Contingency and Minor Home Repair funds in the amount of \$1,626.20, FY 2012 Tillicum Community Center funds in the amount of \$30,493.74, and FY 2013 Tillicum Community Center funds in the amount of \$11,538.30 to supplement FY 2014 City of Lakewood – San Francisco Street Improvements.

FY 2014 HOME FUNDING - LAKEWOOD'S SHARE	
HOUSING	TOTAL
Administration (10% Tacoma)	\$23,635.00
Affordable Housing	\$212,719.00
TOTAL	\$236,354.00



April 10 and 17, 2014

Don Anderson
Mayor

Jason Whalen
Deputy Mayor

Mary Moss
Councilmember

Michael D. Brandstetter
Councilmember

John Simpson
Councilmember

Marle Barth
Councilmember

Paul Bocchi
Councilmember

John J. Caulfield
City Manager

NOTICE OF PUBLIC HEARING

CITY OF LAKEWOOD 2013-2014 BIENNIAL BUDGET AMENDMENTS

Notice is hereby given that on Monday, April 21, 2014, at 7:00 p.m., or soon thereafter, a public hearing will be held by the Lakewood City Council on the amendments to the 2013-2014 City of Lakewood biennial budget. This hearing will take place at the City of Lakewood, Council Chambers, 6000 Main Street SW, Lakewood, Washington.

If you have concerns about this matter and want those concerns to be known and considered, they must be presented at the hearing or written comments can be submitted to the City Clerk, 6000 Main Street SW, Lakewood, WA 98499-5027, prior to the hearing.

Beginning April 11, 2014, copies of the amendments to the 2013-2014 City of Lakewood biennial budget will be made available in the Finance Department or can be viewed at www.cityoflakewood.us For further information, please call Tho Kraus, Assistant City Manager/Finance & Administrative Services, at (253) 983-7706.

Alice M. Bush, MMC
City Clerk

(Motion No. 2014-16)

REQUEST FOR COUNCIL ACTION

DATE ACTION IS REQUESTED: April 21, 2014 REVIEW: April 14, 2014 April 21, 2014	TITLE: An Ordinance amending the 2013-2014 Biennial Budget ATTACHMENTS: <ul style="list-style-type: none"> • Staff Memo • Public Works O&M Facility – Project Summary • Summary of Proposed Adjustments • Ordinance & Exhibits 	TYPE OF ACTION: ORDINANCE NO. RESOLUTION NO. MOTION OTHER <input checked="" type="checkbox"/> Public Hearing
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SUBMITTED BY: Tho Kraus, Assistant City Manager/Finance & Administrative Services

RECOMMENDATION: It is recommended that the City Council adopt this Ordinance amending fiscal year 2014 of the City’s 2013-2014 Biennial Budget.

DISCUSSION: The Revised Code of Washington (RCW) Chapter 35A.34 stipulates that a public hearing be held in connection with the modification process. Following the RCW guidelines, the City is holding a public hearing on the 2014 Carry Forward Budget Adjustment ordinance on April 21, 2014. The proposed budget adjustment makes the following types of modifications to fiscal year 2014: revise the beginning balance by adjusting the estimated amount to reflect the final 2013 ending fund balance; incorporate items previously approved by Council; appropriate projects funded by grants and contributions; continuation of capital projects; changing operating trends and conditions; and new allocations on an exception basis.

ALTERNATIVE(S): The City Council may approve the budget ordinance with modifications.

FISCAL IMPACT: The proposed budget adjustment for all funds:

- increases beginning fund balance by \$2,211,405 in 2014;
- increases revenues by \$19,526,637 in 2014;
- increases expenditures by \$19,037,345 in 2014; and
- increases ending fund balance by \$7,878,275 in 2014.

Tho Kraus _____ Prepared by Tho Kraus _____ Department Director	 _____ City Manager Review
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To: Mayor and City Councilmembers
From: Tho Kraus, Assistant City Manager/Finance & Administrative Services
Through: John J. Caulfield, City Manager *John J. Caulfield*
Date: April 21, 2014
Subject: 2014 Carry Forward Budget Adjustment

BACKGROUND

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

- Revise the beginning fund balance by adjusting the estimated amount to reflect the final 2013 ending fund balance;
- Housekeeping adjustments to incorporate items previously approved by Council;
- Appropriate projects funded by grants and contributions;
- Continuation of capital projects;
- Changing operating trends and conditions; and
- New allocations, on an exception basis.

PROPOSED BUDGET ADJUSTMENT SUMMARY

The proposed budget adjustment:

- Increases total beginning fund balance for all funds by \$2.21M, resulting in a total revised beginning fund balance estimate of \$19.54M;
- Increases total revenues for all funds by \$19.53M, resulting in a total revised revenue estimate of \$76.08M;
- Increases total expenditures for all funds by \$19.04M, resulting in a total revised expenditure estimate of \$77.51M; and
- Increases total ending fund balance for all funds by \$2.70M, resulting in a total revised ending fund balance estimate of \$18.12M.

The table below provides a breakout of the proposed 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
Total Year 2014	\$ 17,330,678	\$ 2,211,405	\$ 19,542,083	\$ 56,558,068	\$ 19,526,637	\$ 76,084,705	\$ 58,470,978	\$ 19,037,345	\$ 77,508,323	\$ 15,417,768	\$ 2,700,697	\$ 18,118,465
General	1,737,359	372,993	2,110,352	34,247,355	1,120,649	35,368,004	34,702,730	233,266	34,935,996	1,281,984	1,260,376	2,542,360
Special Revenue	5,104,254	(1,033,275)	4,070,980	16,092,583	17,658,028	33,750,611	17,113,453	16,777,010	33,890,463	4,083,384	(152,257)	3,931,127
Debt Service	803,235	97,022	900,257	828,470	287,758	1,116,228	746,905	287,758	1,034,663	884,800	97,022	981,822
Capital Projects	551,922	94,373	646,295	558,180	-	558,180	277,120	-	277,120	832,982	94,373	927,355
Enterprise	4,053,266	2,214,343	6,267,610	2,981,640	386,201	3,367,841	4,407,540	1,829,744	6,237,284	2,627,366	770,800	3,398,167
Replace Reserves	5,080,643	465,947	5,546,590	1,849,840	74,000	1,923,840	1,223,230	(90,434)	1,132,796	5,707,253	630,381	6,337,634

PROPOSED BUDGET ADJUSTMENT 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

Non-Departmental/City-Wide:

- *Ordinance Correction* – Reduce expenditures by \$402,580 to reflect actual expenditure appropriation. The correction is due to the adopted budget combining ending fund balance with expenditures as expenditure appropriation.
- *Computer Replacement for Migration from Windows XP to Windows 7 (Approved by Council on 3/3/2014)* – Appropriate \$327,498 (offset by department expenditure reductions & transfer in of \$100,000 from the seizure funds to partially fund Police Department’s portion) for the replacement of 160 computers that are currently on Windows XP to computers that will use the Windows 7 operating system, replace monitors as needed, and purchase Microsoft Office licenses with software assurance. Included in the computer replacement program are 16 replacement computers for the training room located at City Hall and 12 Senior Center lab computers used for software training program offered to the senior community. The information technology division is continuing discussions with departments to confirm the replacements prior to purchasing. The replacement of the training room computers is still to be determined due to potential change in use. Below is the itemization of the \$327,498:
 - \$1,930 City Council
 - \$2,165 City Manager
 - \$23,704 Community & Economic Development

- \$14,751 Finance & Administrative Services
 - \$4,024 Finance & Administrative Services (Pool Laptops)
 - \$16,240 Finance & Administrative Services (Training Room)
 - \$19,587 Legal
 - \$15,532 Municipal Court
 - \$17,075 Parks, Recreation & Community Services
 - \$12,180 Parks, Recreation & Community Services (Senior Lab)
 - \$189,184 Police
 - \$11,125 Public Works
- *Police Facility Debt Service* – Eliminate expenditures of \$204,670 for the police facility debt service and add transfer out of \$210,758 to Fund 201 General Obligation Bond Debt Service to account for the police facility debt service in a debt service fund.
 - *59th Street Debt Service* – Eliminate expenditures of \$79,000 for the 59th Street debt service and add transfer out of \$77,000 to Fund 201 General Obligation Bond Debt Service to account for the 59th Street debt service in a debt service fund.

City Council:

- *Reduce Expenditures to Fund Computer Replacement* – Reduce professional services and special events line items by a total \$1,930 to fund computer replacement.

City Manager:

- *Reduce Expenditures to Fund Computer Replacement* – Reduce professional services and special events line items by a total of \$2,165 to fund computer replacement.

Finance & Administrative Services:

- *Reduce Expenditures to Fund Computer Replacement for Finance & Administrative Services* – Reduce expenditures by \$14,751 to fund computer replacements for the department by reducing overtime, travel & training, and telecommunications.
- *Reduce Expenditures to Fund Computer Replacement for Pool Laptops for Check Out* – Reduce expenditures by \$4,024 to fund computer replacement by reducing telecommunications.
- *Reduce Expenditures to Fund Computer Replacement for IT Training Room* – The replacement of the training room computers is still to be determined due to potential change in use. If it is determined that the replacement is needed, it will cost \$16,240, funded by expenditure reductions within the General Fund (specific line items to be determined).

Legal:

- *Reduce Expenditures to Fund Computer Replacement* – Reduce salaries & benefits by \$18,600 from vacant office technician position to fund computer replacement.
- *iPad Key boards* – Carry over from 2013 \$1,619 for iPad keyboards as the keyboards did not arrive until 2014.

Community & Economic Development:

- *Transfer to Office of Economic Adjustment Fund for 2014 SSMCP* – Appropriate \$50,000 for the City’s contribution from the General Fund as an Executive Leadership Team member to SSMCP to carry out the Joint Base Lewis McChord Growth Coordination Plan.
- *Eliminate Professional Services Funding for FRAUSE* – Eliminate \$15,000 expenditure line item for FRAUSE as it pertains to economic development and marketing efforts allocated through the General Fund. FRAUSE, however, would maintain their \$24,000 allocation for tourism promotion, advertisement and marketing services funded through the 2014 Hotel/Motel Lodging Tax Fund.
- *Eliminate Professional Services Funding for National Development Council Contract (NDC)* – Eliminate \$60,000 expenditure line item for NDC. NDC provides financial underwriting for the Section 108 loan program, in addition to financial access to other federal loan and tax credit programs. However, if there is a need to use NDC for future development projects, it is the current administrative policy to require the applicant to fund NDC directly rather than using City’s General Fund. In such circumstances, the City acts as a pass-through agent.
- *Eliminate Professional Services Funding for Buxton* – Eliminate \$13,200 expenditure line item for Buxton Contract. Buxton provides analytical solutions that facilitate cost-effective, successful marketing, merchandising and real estate strategies. Other resources are available online or through the public library system free of charge. Note, these resources are not exactly the same as Buxton’s data, but similar.
- *Reduce Expenditures to Fund Computer Replacement* – No line item is identified for the department’s computer replacement as elimination of the professional services for FRAUSE, and National Development Council and Buxton will more than offset the \$20,704 needed.
- *City Visioning (New Allocation)* – Appropriate \$100,000 for City Visioning. This proposal originated with the City Council in the fall of 2013, and is a part of the comprehensive plan update. Visioning is a process in which community members discuss past and present community issues, determine positive qualities and assets, identify future goals, design a plan for the community, carry out a series of actions, and evaluate the outcomes.
- *Fire Marshal Contract Payment* – Appropriate \$205,281 to West Pierce Fire & Rescue for services provided in 2013. With budget adjustment, the 2014 budget will include funding for two payments due to timing delay. Lakewood Fire District 2 provides year-round essential emergency services on American lake to ensure the safety and protection of Lakewood and Pierce County residents and guest who use the lake year-round. Additionally, a boathouse is dedicated for the use by both the City and fire district in order to provide and support the services required by the users of American Lake. The payment is in accordance with the contract and is for Fire Marshal fees in the amount of \$200,000 (personnel costs) and boat house lease and maintenance fees of \$5,281.

Municipal Court:

- *Transfer In From Fund 501 Equipment Replacement* – Appropriate \$34,039 in revenues transferred in from Fund 501 Equipment Replacement for the purchase of a 2013 Ford E350 Van that replaced the 2004 Ford E350 Van used by Court Work Crew. The 2004 Ford E350 had the

reserves to cover the cost of the new purchase. The 2004 Ford E350 was kept by the Court and converted into a Court Transport vehicle. The funds are being transferred as the purchases were not originally budgeted for 2013 in Fund 501 and had to be paid for out of the General Fund.

- *Reduce Expenditures to Fund Computer Replacement* – Reduce salaries and benefits from the vacant court operations supervisor position by \$15,532 to fund Municipal Court’s share of computer replacement.
- *Court Overtime* – Appropriate \$50,322 in expenditures for court overtime funded by elimination of the remaining salaries and benefits from the vacant court operations supervisor position.
- *Public Defender Contract (New Allocation)* – Increase public defender contract by \$100,000. This adjustment increases the public defender (includes \$20,000 for conflict defender) budget from \$245,000 to \$345,000. The increase is due to new laws that determine case load management for public defense services.

Parks, Recreation & Community Services

- *Transfer In From Fund 501 Equipment Replacement* – Appropriate \$40,920 in revenues transferred in from Fund 501 Equipment Replacement for the purchase a 2013 Ford Econoline Truck and an Aeravator. These had reserves in two vehicles that were surplus last year: a 1991 Ford Van and a 1999 Ford Van. The funds are being transferred as the purchases were not originally budgeted for in 2013 in Fund 501 and had to be paid for out of the General Fund.
- *Farmers Market* – Appropriate \$30K in expenditures in 2014 for the Lakewood Farmer’s Market. The allocation is comprised of \$20,000 for market staff, \$1,000 to attend the WSFMA Conference and training, \$6,000 for publicity and promotion, and \$3,000 for entertainment and demonstrations. The Lakewood Farmers Market is expected to generate \$39,100 in revenue. The revenue is comprised of the following sources: \$6,100 from a grant received in December 2013 from the Nisqually Tribe, \$7,500 in sponsorship from St. Clare Hospital, \$2,500 in sponsorship from WSECU, \$500 in sponsorship from LeMay/Waste Connections, \$1,000 in sponsorship from Pierce County, \$500 in sponsorship from the Port of Tacoma, \$10,000 in revenue from the Lodging Tax Grant, and \$11,000 in Vendor Stall Fees.
- *Math Relay* – Appropriate \$6,100 of expenditures for Lakewood in partnership with CPSD to host the Math Relay. The City received a grant from the Nisqually Tribe in December of 2013, and a portion of this grant would be used to fund the Math Relay. The \$6,100 would be used to cover the costs of procuring the event, equipment, holding the event, and ensuring strong participation after a three year absence by offering a transportation stipend to participating school districts.
- *Springbrook Park Demolition (New Allocation)* – Appropriate \$30K in expenditures to demolish the house at Springbrook park and open the site for public use. The \$30K is to cover the costs for abatement, removal, and disposal of the house. Council was informed at the time of purchase of the property that the City’s intent was to demolish the house, remove the fences, and allow the community to utilize the property. The proposed funding source is \$25,000 from General Fund ending fund balance and \$5,000 donation from Partners for Parks.
- *Street Landscaping* – Transfer \$134K in expenditures originally budgeted for 2014 in the Street Operations & Maintenance Fund 101 to the PRCS Department. In December 2013, City

leadership made the decision to move oversight of street landscape services to the PRCS Department since the Parks maintenance personnel have the expertise in grounds maintenance. The \$134,000 was originally budgeted in Fund 101 for personnel, supplies, equipment, dues, debris disposal, work gear, fuel and vehicle/equipment repairs and maintenance.

Police:

- *Transfer from Fund 180 Narcotics Seizure* – Transfer \$14,061 from Fund 180 for partial funding of the police department computer replacement.
- *Transfer from Fund 181 Felony Seizure* – Transfer \$85,939 from Fund 181 for partial funding of the police department computer replacement.
- *Smartphones as Hotspots* –Reduce expenditures for aircards by \$3,000 (estimate 6 months savings). All police officers will be issued a smartphone to increase productivity and communications. The phones will also replace the laptop aircards, using them as hotspots. The City of Tacoma has extensively tested with success and the City’s own police department and information technology division successfully completed one month of testing with total success. The phones are provided by Verizon at no cost to the City and have unlimited voice/data. Once the phones are in place and working as hotspots, the department’s anticipated savings of \$550 per month or \$6,600 annually will be redirected to General Fund.
- *Evidence Vehicle (New Allocation, funded by revenues received in 2013)* – Appropriate \$28,000 for the purchase of a full size cargo van to transport evidence from search warrants, to court, and for destruction. Currently, a small pick-up truck is used for this purpose. When taking firearms, metal items, and narcotics for destruction, the Evidence section borrows the CSO van (small van) and still has to use the small truck and also place items into the back seat of the police escort vehicle in order to transport all the property to Tacoma and Seattle for destruction. The addition of the full size van would ensure all items fit into one vehicle. The full size van would also be beneficial for picking up items at search warrants. The small pick-up is not large enough to transport most property and cannot pull a trailer when needed. The funding source is property room revenues generated from either unclaimed and/or forfeited monies and/or the sale of unclaimed and/or forfeited property.
- *Teamsters Contract Settlement* – Appropriate \$10,490 in expenditures to account for the added costs in salaries and benefits resulting from the settlement of the Teamsters Contract. The contract was settled in 2014, but was retroactive to 01/01/2013. The portion of the allocation relating to fiscal year 2013 is \$7,851, and the portion relating to fiscal year 2014 is \$2,639.
- *Community Service Resource Team (CSRT) Donation* – Appropriate \$1,162 of expenditures in 2014 to account for donations made to CSRT in 2013. The donations will be spent on both education and improving the National Night Out annual event. The unspent balance of the donation at the end of 2013 is being carried over into 2014.
- *FBI Pacific Northwest Innocence Lost Task Force (PNILTF)* – Appropriate \$17,202 in revenues and \$22,576 in expenditures in 2014 to account for the contract payments. The allocation is comprised of \$12,902 in revenue and \$16,932 in expenditures for the period 10/1/2013 through 9/30/2014 and \$4,300 in revenues and \$5,644 in expenditures for the period 10/1/2014 through 9/30/2015. The contract is ongoing for the duration of the City’s participation in the task force and provides reimbursement for wages paid to law enforcement personnel but not related

benefits. The mission of the PNILTF is to identify and target for prosecution organized crime groups responsible for promotion of prostitution, specifically juvenile prostitution, interstate, or through the use of interstate commerce, drug trafficking, money laundering and alien smuggling.

- *FBI Safe Streets Task Force (SSTF)* – Appropriate \$17,202 in revenues and \$6,171 in expenditures in 2014 to account for contract payments. The allocation is comprised of 12,902 in revenue and \$17,530 in expenditures for the period 10/1/2013 through 9/30/2014 and \$4,300 in revenues and \$5,843 in expenditures for the period 10/1/2014 through 9/30/2015. The contract is ongoing for the duration of the City’s participation in the task force and provides reimbursement for wages paid to law enforcement personnel but not related benefits. The mission of the SSTF is to identify and target for prosecution organized crime groups responsible for drug trafficking, money laundering, alien smuggling, crimes of violence (murder), robber (aggravated assault), violent street gangs, as well as an intensified focus on the apprehension of dangerous fugitives.
- *Washington State Patrol (WSP) Missing and Exploited Children* – Appropriate \$7,250 in revenues and \$9,586 in expenditures to account for contract payments for the period of January 1 through January 31, 2014. The contract has been cancelled as of January 31, 2014 and there is no plan to renew.
- *Pierce County Sex Offender Address Verification* – Appropriate \$13,980 in revenues in 2014 to account for grant payments for the period July 1, 2013 through June 30, 2014. The purpose of the grant is to aid in the verification of all registered sex offenders’ places of residence for level I offenders every twelve months, level II offenders every six months, and level III offenders every three months in Pierce County. The related expenditures are already budgeted in the General Fund. The grant balance at the end of 2013 is being carried over into 2014.

Public Works:

- *Reduce Transfer Out to Fund 101 Street O&M* – Reduce transfers to Fund 101 Street Operations & Maintenance by \$20,052 due to the elimination of the public works senior accountant 1.0 FTE (0.34 of FTE charged to Fund 101).

Fund 101 – Street Operations & Maintenance

- *Transfer Street Landscaping to the PRCS Department* – Transfer \$134,400 in expenditures originally budgeted for 2014 in the Street Operations & Maintenance Fund 101 to the PRCS Department. In December 2013, City leadership made the decision to move oversight of street landscape services to the PRCS Department since the Parks maintenance personnel have the expertise in grounds maintenance. The \$134,400 was originally budgeted in Fund 101 Street Operations & Maintenance for personnel, supplies, equipment, dues, debris disposal, work gear, fuel and vehicle/equipment repairs and maintenance.
- *Eliminate Public Works Senior Accountant 1.0 FTE (0.34 of FTE Charged to Fund 101 Street Operations & Maintenance)* – Reduce salary and benefits by \$20,052 due to the elimination of the public works senior accountant position. The financial and accounting work previously performed by this position will be absorbed by the finance division.

Fund 102 - Street Capital

- *Custer/John Dower Road Project* – Appropriate \$180,000 in expenditures for street improvements at the Custer/John Dower Road intersection. This project is funded by a WSDOT grant with a 13.5% City match. The City match will be funded with REET revenue.
- *Lakewood Station Connection* – Appropriate \$20,000 in expenditures for improvements to the Lakewood Station Connection. This project is being funded through a cooperative agreement between the City of Lakewood and Sound Transit. A new agreement is in the process of being finalized.
- *96th Street Roadway Improvements* – Appropriate \$46,647 in expenditures for roadway improvements on 96th Street. This project is being funded through mitigation funds.
- *City-Wide Traffic Signal Management* – Appropriate \$243,032 in expenditures for traffic signal improvements as part of City-Wide Traffic Signal Management. This project is being funded through a WSDOT grant with a 13.5% match. The City match will be funded with REET revenue.
- *Gravelly Lake Drive (100th to Bridgeport Way)*– Appropriate \$267,683 in expenditures for right of way acquisitions to make street improvements on Gravelly Lake Drive between 100th and Bridgeport Way. This project is funded by a WSDOT grant with a 13.5% City match. The City match will be funded with REET revenue and a transfer in from Fund 401 SWM.
- *Bridgeport Way (83rd to 75th)* – Appropriate \$4,270,000 in expenditures for street improvements on Bridgeport Way between 83rd and 75th. This project is funded by a TIB grant, a federal grant, a contribution from the water district, and a transfer from Fund 401 SWM.
- *South Tacoma Way (SR-512 to 96th)* – Reduce the original appropriation for the South Tacoma Way (SR-512 to 96th) project by \$120,000 in expenditures for street improvements on South Tacoma Way between SR-512 and 96th. This project is funded by a TIB grant.
- *Dower Elementary Safe Routes to Schools* – Appropriate \$15,000 in expenditures for street improvements to Dower Elementary. This project is funded by a WSDOT grant.
- *Madigan Access Improvements* – Appropriate \$547,758 in expenditures to improve the Freedom Bridge overpass and nearby intersections. \$5,000,000 was previously budgeted for 2014. This project is funded by a \$5,700,000 grant from OEA.
- *Camp Murray Gate Relocation* – Appropriate \$96,805 in expenditures for the Camp Murray Gate Relocation. This project is being funded through traffic mitigation received.
- *City Wide Safety Improvements* – Appropriate \$189,000 in expenditures for City-wide safety improvements by improving signal phasing and visibility of traffic signal heads. This project is funded by a WSDOT grant.
- *Steilacoom Blvd Safety Improvements* – Appropriate \$1,701,297 in expenditures for right of way acquisitions and street improvements for the Steilacoom Blvd Safety Improvements. This project is funded by a WSDOT grant.

- *South Tacoma Way (Steilacoom Blvd to 88th)* – Appropriate \$1,059,425 in expenditures for street improvements on South Tacoma Way (Steilacoom Blvd to 88th). This project is funded by a TIB grant.
- *Bridgeport Way (JBLM to I-5) (Grant has not been awarded)* – Appropriate \$3,600,000 in expenditures for street improvements on Bridgeport Way between JBLM to I-5. The City is seeking a WSDOT grant to fund this project. The grant would require a 13.5% match which is proposed to be funded by a transfer in of \$492,750 from Fund 401 SWM for storm water portion of the infrastructure improvement.
- *LED Street Lights* – Appropriate \$2,370,000 in expenditures for upgrading City street lights to LED. The City was awarded a \$500,000 grant from the State Department of Commerce as part of the 2013-2015 Energy Efficiency and Solar Grant and \$220,000 in utility rebates. The department anticipates using operations & maintenance savings to finance the remaining \$1,650,000.
- *112th/111th (Bridgeport Way to Kendrick St) (new grant)* – Appropriate \$156,000 in revenues for street improvements on 112th/111th from Bridgeport Way to Kendrick Street. This project is being funded by a federal grant. There is a 60% match for this grant. A majority of the match is being paid for with an agreement with Sound Transit, and the rest of the match is being funded with REET.
- *Transfer to Fund 401 Surface Water Management* – Appropriate \$187,975 in expenditures for street capital portion of the public O&M facility.
- *Minor Capital Program* – Appropriate an additional \$100,000 for miscellaneous projects including patching and pavement markings.
- *Eliminate Public Works Senior Accountant 1.0 FTE (0.33 of FTE Charged to Fund 102 Street Capital)* – Reduce salary and benefits by \$20,052 due to the elimination of the public works senior accountant position. The financial and accounting work previously performed by this position will be absorbed by the finance division.

Fund 106 – Public Art

- *Arts Commission Program* – Appropriate \$2K in expenditures to support public art related programs in the PRCS Department. The Arts commission wants to allocate the funds to the following programs in 2014: \$150 for the Dr. MLK, Jr. Event Essay, \$200 for National Literacy Month, \$100 for MayFest, \$250 for stage, booth, and activities at SummerFEST, \$350 for the community garden artwork and sign, \$200 for banner updates, \$500 for the Asian Film Festival, \$150 for the City Hall rotating art exhibit, and \$100 for miscellaneous printing expenses.

Fund 180 – Narcotics Seizure

- *Eliminate Negative Revenue Estimate* – Eliminate the original negative revenue estimate of \$3,000.
- *Transfer to Fund 001 General* – Transfer \$14,061 to Fund 001 General for partial funding of the Police Department Computer Replacement.

- *Purchase of Vehicle* – Appropriate \$20,481 in expenditures for the purchase of a vehicle that will be used exclusively by the Special Operations unit of the Police Department. There will be no replacement funds accumulated for this vehicle. Once the vehicle reaches the end of its useful life, it will be sold and any salvage received will be deposited in Fund 180.
- *Purchase of Vehicle* – Appropriate \$19,932 in expenditures for the purchase of a vehicle will be used exclusively by the Special Operations unit of the Police Department. There will be no replacement funds accumulated for this vehicle. Once the vehicle reaches the end of its useful life, it will be sold and any salvage received will be deposited in Fund 180.
- *Organized Crime Drug Enforcement Task Force (OCDETF)* – Appropriate \$5,000 in revenues and expenditures to account for grant funding for the period October 1, 2013, through September 30, 2014. The grant provides funding for overtime wages for law enforcement personnel to aid State and Local Law Enforcement Agencies in the investigation and prosecution of major drug trafficking organizations. Officers perform a variety of functions including, but not limited to: interviewing witnesses, conducting surveillance, performing undercover assignments, executing search and arrest warrants, and testifying at trials. The grant balance at the end of 2013 is being carried over into 2014.
- *Organized Crime Drug Enforcement Task Force (OCDETF)* – Appropriate \$4,639 in revenues and expenditures to account for grant funding for the period October 1, 2013, through September 30, 2014. The grant provides funding for overtime wages for law enforcement personnel to aid State and Local Law Enforcement Agencies in the investigation and prosecution of major drug trafficking organizations. Officers perform a variety of functions including, but not limited to: interviewing witnesses, conducting surveillance, performing undercover assignments, executing search and arrest warrants, and testifying at trials. The grant balance at the end of 2013 is being carried over into 2014.
- *Organized Crime Drug Enforcement Task Force (OCDETF)* – Appropriate \$5,289 in revenues and expenditures to account for grant funding for the period October 1, 2013, through September 30, 2014. The grant provides funding for overtime wages for law enforcement personnel to aid State and Local Law Enforcement Agencies in the investigation and prosecution of major drug trafficking organizations. Officers perform a variety of functions including, but not limited to: interviewing witnesses, conducting surveillance, performing undercover assignments, executing search and arrest warrants, and testifying at trials. The grant balance at the end of 2013 is being carried over into 2014.
- *Organized Crime Drug Enforcement Task Force (OCDETF)* – Appropriate \$19,037 in revenues and expenditures to account for grant funding for the period October 1, 2013, through September 30, 2014. The grant provides funding for overtime wages for law enforcement personnel to aid State and Local Law Enforcement Agencies in the investigation and prosecution of major drug trafficking organizations. Officers perform a variety of functions including, but not limited to: interviewing witnesses, conducting surveillance, performing undercover assignments, executing search and arrest warrants, and testifying at trials. The grant balance at the end of 2013 is being carried over into 2014.
- *Organized Crime Drug Enforcement Task Force (OCDETF)* – Appropriate \$5,000 in revenues and expenditures to account for grant funding for the period October 1, 2013, through September 30, 2014. The grant provides funding for overtime wages for law enforcement personnel to aid

State and Local Law Enforcement Agencies in the investigation and prosecution of major drug trafficking organizations. Officers perform a variety of functions including, but not limited to: interviewing witnesses, conducting surveillance, performing undercover assignments, executing search and arrest warrants, and testifying at trials. The grant balance at the end of 2013 is being carried over into 2014.

Fund 181 – Felony Seizure

- *Transfer to Fund 001 General* – Transfer \$85,939 to Fund 001 General for partial funding of the Police Department Computer Replacement.
- *Reduce Expenditures to Reflect 2013 Actual Balances* – Reduce expenditures by \$18,338 to reflect actual balances available due to close out of year 2013.

Fund 190 – CDBG (and Other Grants)

- *Transfer to Fund 001 General Fund* – The remaining balance of \$840,056 will be transferred back to the General Fund (the original source of funds), as all projects have been determined to be complete.
- *Correction to Ordinance* - Reduce expenditures by \$325,000 to correct the adopted budget.
- *STOP Grant* - Eliminate the original grant budget (\$14,000 revenues and \$16,720 expenditures) and replace with actual grant award. The actual award is from the US Department of Justice through the Washington State Department of Commerce. Appropriate \$26,218 in revenue and expenditures for 2014. These funds are provided for a portion of the office assistant position in the legal department to provide support on STOP activities that will enhance prosecution's response to adult or teen victims of domestic violence. The allocation is for \$21,218 for wages and benefits, and \$5,000 for goods and services such as laptops.
- *CDBG – Economic Development* – Add \$24,718 revenue from 2012 loan and program to 2014 current \$5,000 budgeted revenue. Add \$2,052 to reflect interest to be received for program payments. Carry forward program balance for expenditures of \$31,770. Economic Development Loans are low interest business loans for the purpose of creating and/or retaining low-income jobs.
- *CDBG – Section 108* – Carry forward 2013 program revenue allocation of \$503,610 and add \$497,960 in 2014 additional revenue allocation. Add \$503,610 to existing 2014 expenditure allocation of \$507,960. Currently, there is \$10K allocated in 2014 program income revenue. The allocations are to fund the LASA and Curbside Motor projects. The Section 108 guaranteed loan pool is for the funding of projects which will be used for investment in key economic development projects located within the City of Lakewood. The City of Lakewood has received a Loan Guarantee Commitment from the Department of Housing and Urban Development for \$2,888,000. Any amount of this commitment that is not used by September 30, 2017 will be cancelled.
- *CDBG – Entitlement Programs* – 2012 and 2013 grant program revenue carry forward of \$38,400 and \$231,918 respectively. Add additional 2014 program revenue of \$41,690. Carry forward of 2012 and 2013 grant balance expenditure allocations of: Administration \$21,082 reduction; Public Service \$42,457; Physical Improvements \$84,866; Housing Major Rehabilitation \$97,299;

and Housing \$66,778. The entitlement year runs from 7/1 through 6/30. The funding allocation priorities are approved through the City of Lakewood Annual Action Plan process. The City of Lakewood receives an entitlement from the Department of Housing and Urban Development each year.

- *HOME Tacoma/Lakewood Consortium*- Account correction of 2014 - \$210,000 program revenue carry forward. Roll forward 2013 program balance expenditure allocation of \$116,840. In addition to 2014 expenditure allocation of \$432,020, new allocations approved through the Tacoma/Lakewood Consortium Five Year Annual Action Plan include program grant revenue of \$704,760 and \$482,740 in expenditure allocation. This is funding for LASA – Prairie Oaks and other Affordable Housing projects of \$388,440, and administration / staff wages and benefits of \$94,300. The primary objective of the HOME program is to benefit low and moderate income individuals either through the creation of, or accessibility to affordable housing.
- *Nisqually Emergency Assistance for Displaced Residents* – Allocate \$12,056 in revenue received into the General Fund in 2013 and transferred to fund 190. Allocate expenditures in 2014 to be used in conjunction with CDBG funds for providing emergency rental relocation assistance to families and individuals displaced through no fault of their own during building and code enforcement closures, fires, drug activity closures, health department actions, and other incidences that create homelessness.

Fund 191 - Neighborhood Stabilization Program (NSP)

- *NSP 1* – Carry forward of 2011 grant balance allocation of \$158,549 into 2014 - Reflects allocation of revenue and expenditures to be spent by 3/31/2014. The NSP 1 grant provides funds to remove and redevelop blighted structures from abandoned, vacant, or foreclosed properties.
- *NSP 3* – Carry forward of 2011 grant balance allocations of revenue and expenditures of \$13,144, and adds an additional appropriation of \$82,887. The additional award is to supplement contractual acquisition and construction costs of the project. This funding is to be used by 3/8/2014. The NSP 3 grant provides funds to improve the stabilization of a community that has 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)

- *OEA04 Program* – Carry forward of 2013 grant program allocation balance of \$45,774 for revenue and expenditures funded by the Office of Economic Adjustment. This grant was extended from December 31, 2013 until May 31, 2014. The OEA grant totals \$236,000 for the funding period from January 1, 2013 to May 31, 2014. 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.
- *OEA05 Program* – Carry forward grant award of \$426,003 for years 2014 and 2015. Eliminates program estimates of \$660,363 in program expenditures and replaces with actual revenue and expenditures allocations of \$426,003. This award is from the Department of Defense Community

Planning Assistance Funds through the Office of Economic Adjustment. These funds are for a Joint Land Use Study (JLUS) for Joint Base Lewis Mc Chord. These funds pay for program staff costs of \$66,003, and contractual costs of \$360,000.

- *2014 SSMCP* – Carry forward \$129,500 of SSMCP revenue from partnership participation and a \$50,000 transfer in from the General Fund for City of Lakewood 2014 Executive Leadership participation. Eliminate \$660,363 in projected revenue estimation and allocates \$186,624 in expenditures for 2014. SSMCP plans on remaining using fund balance from prior years of partnership dues to offset expenditures. The budget includes expenditures of \$132,874 for staff wages and benefits, as well as \$53,750 for program costs such as supplies, advertising, printing, travel, and professional services. 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. SSMCP provides the local match for the OEA04 and OEA05 grant programs. The 2014 match amount for OEA04 is \$37,058. The OEA05 match amount for 2014 and 2015 is \$50,661.

Fund 195 – Public Safety Grants

- *Emergency Management Preparedness Grant* – Appropriate a total of \$48,177 in revenues and expenditures in 2014 to account for the grant funding for the period June 1, 2013, through 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. The grant balance at the end of 2013 is being carried over into 2014.
- *WA Auto Theft Prevention Authority Grant* – Appropriate a total of \$23,209 in revenues and expenditures in 2014 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 the 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. The Fife Police Department is taking over as the Lead WATPA Agency in 2014 so the grant balance being carried over into 2014 is the estimated revenues and expenditures prior to the completion of the transition. The transition is expected to be complete by the end of 2014.
- *JAG Metal Theft - Detection and Prevention of Illegal Purchasing of Stolen Metals Grant* – Appropriate a total of \$50,997 in revenues and expenditures in 2014 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 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. The grant balance at the end of 2013 is being carried over into 2014.

- *Therapeutic Justice Problem Gambling Court* – Appropriate a total of \$45,641 in revenues and expenditures in 2014 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. The grant balance at the end of 2013 is being carried over into 2014.
- *Bullet Proof Vest Grant* - Appropriate a total of \$3,216 in revenues and expenditures in 2014 to account for the grant funding which expires August 30, 2015. The grant funds the purchase of ballistic vests and requires a 50% match which is already budgeted in the General Fund. The grant balance at the end of 2013 is being carried over into 2014.
- *Nisqually Metal Theft Grant* – Transfer \$12,176 of revenue from the General Fund to the Public Safety Grant Fund for the grant received in 2013. Appropriate \$12,176 of expenditures in 2014 to account for the grant funding. No local match is required. The allocation is comprised of \$1,371 for training and \$10,805 for bait and tracking equipment.
- *Washington Traffic Safety Commission Impaired Driving Emphasis* – Appropriate a total of \$5,015 in revenues and expenditures in 2014 to account for the grant funding for the period October 1, 2012 through September 30, 2014. No local match is required. The grant provides funding for overtime wages and related benefits for law enforcement personnel to participate in scheduled multi-jurisdictional DUI patrols. The grant balance at the end of 2013 is being carried over into 2014.
- *Washington Traffic Safety Commission Seatbelt Emphasis* – Appropriate a total of \$2,000 in revenues and expenditures in 2014 to account for the grant funding for the period October 1, 2012 through September 30, 2014. No local match is required. The grant provides funding for overtime wages and related benefits for law enforcement personnel to participate in scheduled multijurisdictional seatbelt-focused patrols. The grant balance at the end of 2013 is being carried over into 2014.
- *Washington Traffic Safety Commission Target Zero Teams* – Appropriate a total of \$12,091 in revenues and expenditures in 2014 to account for the grant funding for the period October 1, 2012 through September 30, 2014. No local match is required. The grant provides funding for overtime wages and related benefits for law enforcement personnel to participate in DUI patrols deployed at times and locations where data indicates that the most safety benefit can be realized as determined by the Tacoma/Pierce County DUI and Traffic Safety Task Force. The grant balance at the end of 2013 is being carried over into 2014.

Fund 401 – Surface Water Management

- *Transfer Out to Street Capital Fund 102* – Appropriate \$1,527,750 in transfers out to Street Capital Fund 102 for the Storm Water portion of infrastructure improvements. This amount is comprised of: \$20,000 for the Custer/John Dower project, \$15,000 for the Gravelly Lake Drive (100th to Bridgeport Way) project, \$900,000 for the Bridgeport Way (83rd to 75th) project, \$100,000 for the South Tacoma Way (Steilacoom to 88th) project, and \$492,750 for the Bridgeport Way (JBLM to I-5) project.

- *Public Works O&M Facility* – Appropriate \$625K for the shop building. The original scope of the project was to construct a 5,000 square foot shop and that has not been started. The shop is needed for both housing materials & equipment, and use as work bays by the operations and maintenance division. The City continues to pay \$26K annually in rental charges for both storage containers at the Front Street site and enclosed work space at the Lakeview Avenue site. Working out of one site would improve operational efficiency as well as save on rental costs
- *Municipal Stormwater Capacity Grant* – Appropriate the balance of \$14,989 (original grant of \$50,000) in expenditures for the implementation and management of the City’s National Pollutant Discharge Elimination System (NPDES) Municipal Stormwater Permit.
- *Purchase of Wards Lake parcels* – Allocate \$189,430 in expenditures for the purchase of two parcels of the Wards Lake property funded by \$275,000 Pierce County conservations grant (paid directly to escrow) and \$189,430 surface water utility local match. The property will be classified as open space and the City will be responsible for maintenance of the property.
- *Replace 2002 Chevy Express Van* – Appropriate an additional \$1,237 in expenditures for the replacement of the 2002 Chevy Express Van. The 2014 budget already included \$30K for the replacement of this vehicle. The amount in reserves for this vehicle is \$31,237. The funding source is a transfer in of \$31,237 from Fund 501 Vehicle and Equipment Replacement.
- *Drywell Replacement* – Appropriate \$2,000 in expenditures to complete the closeout of this project. This project is funded by a Department of Ecology grant and has a 25% match. The City match is funded from an allocation of SWM fees.
- *Clover Creek Fish Passage* – Appropriate \$125,000 in expenditures for the construction of the Clover Creek Fish Passage. This project was budgeted in 2013, but not constructed due to challenges with obtaining permission from one property owner with access to the creek. It is the goal to build the project in 2014, but it may be pushed off until 2015. The funding for this project is \$85,000 from an allocation of SWM fees and a \$40,000 grant received from the Nisqually Tribe in 2012.
- *Waughop Lake Management Plan Grant (new grant)* – Appropriate \$190,000 in expenditures to prepare a lake management plan for Waughop Lake to determine what efforts are needed to improve the water quality and restore the lake to a more usable condition. The total cost of the project will be \$200,000 (\$150,000 from grants, \$40,000 additional expenditures for grant match, and \$10,000 existing personnel budget). The funding for the project is a \$150K grant from the Department of Ecology and a \$50K City match. The City match will be funded through an allocation of SWM fees.
- *Eliminate Public Works Senior Accountant 1.0 FTE (0.33 of FTE Charged to Fund 401 Surface Water Management)* – Reduce salary and benefits by \$20,052 due to the elimination of the public works senior accountant position. The financial and accounting work previously performed by this position will be absorbed by the finance division.

Fund 501 – Equipment Replacement

- *Replace 1999 Ford F250 with 2008 Ford F250* – Allocate \$24,600 in expenditures to replace the Parks Maintenance 1999 Ford F250 with a 2008 Ford F250. The 1999 Ford was originally part of Parks Maintenance. When it reached the end of its useful life in 2008, Parks Maintenance

replaced the vehicle. It was transferred to the Public Works Department at that time as the Public Works Department was beginning the street maintenance function of the City. Public Works replaced the motor of the engine at some point, but the truck is old and tired with wear and tear. This truck is the primary vehicle for the street landscape program and is used on a daily basis to carry additional equipment and haul debris from work sites. The other vehicle in this program cannot handle the towing capabilities required for use in this program.

- *Transfer Out To Fund 401 Surface Water Management for Replacement of 2002 Chevy Express Van (one-time)* – Allocate \$31,237 for a transfer out to Fund 401 for the replacement of the 2002 Chevy Express Van. The SWM fund has contributed \$31,237 in reserves for the replacement of this vehicle.
- *Transfer Out to Fund 001 General for Parks Vehicle and Equipment Replacement* – Allocate \$40,920 as a transfer out to Fund 001 General to account for the reserves that were spent in 2013 to purchase a 2013 Ford Econoline Truck and an Aeravator. These had reserves in two vehicles that were surplusd last year: a 1991 Ford Van and a 1999 Ford Van.
- *Transfer Out to Fund 001 General for Municipal Court Vehicle Replacement* – Allocate \$34,039 as a transfer out to Fund 001 General to account for the reserves that were spent in 2013 to purchase a 2013 Ford E350 Van that replaced the 2004 Ford E350 Van used by Court Work Crew. The 2004 Ford E350 had the reserves to cover the cost of the new purchase. The 2004 Ford E350 was kept by the Court and converted into a Court Transport vehicle.
- *Replace Totaled Police Vehicle* – Appropriate \$45,000 for the replacement of the 2012 Chevy Tahoe that was totaled. The funding source is insurance proceeds.
- *Eliminate Original Budget Estimate for Police Vehicle Replacement* – Eliminate the original budget estimate of \$675,000 that was not specifically itemized and replace with the itemized vehicle replacement (see \$957,000 itemized request below).
- *Replace Police Vehicles Funded* – Appropriate a total of \$957,000 for the replacement of 29 police vehicles funded by: \$914,025 accumulated replacement reserves; \$29,000 proceeds from the sale of vehicles; and \$13,975 from Fund 501 Vehicle & Equipment Replacement fund balance. The following is the list of vehicles proposed to be replaced and the related funding source.

Police Department Vehicle Replacement Request - Qty 29	Replacement Cost	Accumulated Reserves @ 12/31/2014	Proceeds from Sale of Vehicle	Fund 501 Fund Balance	Total Funding Sources
Veh # 15-22-013 2004 Crown Vic	\$ 40,000	\$ 43,998	\$ 1,000	\$ (4,998)	\$ 40,000
Veh # 15-22-040 2005 Crown Vic	40,000	43,998	1,000	(4,998)	\$ 40,000
Veh # 15-22-041 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-043 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-060 2005 Crown Vic	40,000	31,332	1,000	7,668	\$ 40,000
Veh # 15-22-061 2005 Crown Vic	40,000	43,998	1,000	(4,998)	\$ 40,000
Veh # 15-22-062 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-063 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-067 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-068 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-069 2005 Crown Vic	40,000	43,998	1,000	(4,998)	\$ 40,000
Veh # 15-22-083 2005 Crown Vic	40,000	27,714	1,000	11,286	\$ 40,000
Veh # 15-70-039 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-070 2006 Crown Vic	40,000	37,563	1,000	1,437	\$ 40,000
Veh # 15-22-021 2006 Crown Vic	40,000	41,902	1,000	(2,902)	\$ 40,000
Veh # 15-70-015 2006 Chevy Impala	40,000	36,195	1,000	2,805	\$ 40,000
Veh # 15-22-084 2007 Crown Vic	30,000	53,356	1,000	(24,356)	\$ 30,000
Veh # 15-22-085 2007 Crown Vic	30,000	31,332	1,000	(2,332)	\$ 30,000
Veh # 15-22-086 2007 Crown Vic	30,000	54,796	1,000	(25,796)	\$ 30,000
Veh # 15-22-087 2007 Crown Vic	30,000	54,134	1,000	(25,134)	\$ 30,000
Veh # 15-21-003 2004 Fort Taurus	21,000	21,313	1,000	(1,313)	\$ 21,000
Veh # 15-21-004 2004 Fort Taurus	21,000	14,422	1,000	5,578	\$ 21,000
Veh # 15-21-005 2004 Fort Taurus	21,000	21,313	1,000	(1,313)	\$ 21,000
Veh # 15-21-009 2004 Fort Taurus	21,000	19,344	1,000	656	\$ 21,000
Veh # 15-21-027 2004 Fort Taurus	21,000	19,404	1,000	596	\$ 21,000
Veh # 15-22-001 2004 Fort Taurus	21,000	15,899	1,000	4,101	\$ 21,000
Veh # 15-70-012 1999 Fort Taurus	21,000	5,148	1,000	14,852	\$ 21,000
Veh# 15-22-044 2001 Chevy Astro Van	25,000	27,953	1,000	(3,953)	\$ 25,000
Veh# 15-22-024 2002 Chevy Astro Van	25,000	19,589	1,000	4,411	\$ 25,000
Total	\$ 957,000	\$ 914,025	\$ 29,000	\$ 13,975	\$ 957,000

ENDING FUND BALANCE

The proposed budget adjustment results in a revised 2014 ending fund balance of \$2.54M, which equates to 7.4% of General Fund operating revenues.

In support of the City's financial integrity, the following fund balance reserves, totaling 12% of General Fund operating revenues equating to \$4.1M, will be proposed as part of the financial policies discussion scheduled to occur in May/June 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 revenues 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 revenues 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 revenues equates to roughly \$1.70M.

NEXT STEPS

The following are upcoming financial documents currently under development and will be presented to Council in the near future:

- Fleet and Equipment Plan (Apr 2014)
- Information Technology Strategic Plan (Apr 2014)
- Financial Policies (May/June 2014)
- 6-Year Financial Forecast (May/June 2014)
- 1st Quarter, 2014 Financial Report (June 2014)

ATTACHMENTS

- O&M Facility Summary
- Summary of Proposed Adjustments
- Draft Budget Ordinance & Related Exhibits
 - Exhibit A(1) – Current Revised Budget By Fund- Year 2014
 - Exhibit A(2) – Proposed Revised Budget By Fund- Year 2014

PUBLIC WORKS O&M FACILITY – PROJECT SUMMARY

During the 2011/12 Biennial Budget process, Council approved \$1,050,000 for the purchase of the land. The property was acquired in November 2012 for \$627,744, which is \$422,256 below budget.

During the 2013/14 Biennial Budget process (prior to the City acquiring the property in November 2012) the property acquisition estimate was reduced from \$1,050,000 to \$750,000. Additionally \$750,000 was budgeted for the construction of the O&M facility which included a 2,500 square foot office building, a 5,000 square foot shop building and site development work involving demolition, grading, paving, underground utilities, site lighting and fencing

The total revised project cost totaled \$1,500,000 per the adopted 2013/14 Biennial Budget. On the funding side, it was anticipated that Fund 102 Street Capital would pay for 50% of the project cost equating to \$750,000 to be paid over a three year period as follows: \$300,000 in 2013; \$300,000 in 2014; and \$150,000 in 2015.

During the 2013/14 Mid-Biennium Budget Adjustment, Council approved an additional \$575,950 which covered the anticipated project expenditures thru the end of 2013 and included the correction of a scribblers error in the original 2013/2014 adopted budget which had denoted project expenses at \$550,000 versus the \$750,000.

The increase in project cost is due to:

1. Unanticipated costs related to removing 4,600 yards of unsuitable soil from the site and replacing same with good suitable material necessary to support both building, foundations and paved areas of the site;
2. Unforeseen necessity to use outside contractors due to both a health issue with a city employee and state statute limiting the dollar value of work that could be performed by city staff; and
3. Added cost attributed to the prepping the site for the potential future installation of an onsite emergency power system, a future fueling station, and a shed row for equipment and material storage. No additional funding from Fund 102 Street Capital was identified at the time of the budget adjustment.

The revised life-to-date project budget as of the 2013/14 Mid-Biennium Budget Adjustment is \$1,875,950.

The life-to-date project budget of \$1,875,950 and actual expenditures of \$1,729,288 as of December 31, 2013 is as follows:

O&M Facility	Budget as of 2013/14 Mid-Bien Adj	Life-to-Date Actual 12/31/2013
Property Acquisition	\$ 750,000	\$ 627,744
Office Building	150,000	231,003
Shop Building	200,000	-
Site Development	400,000	870,541
Increase in Project Cost	375,950	-
Total	\$ 1,875,950	\$ 1,729,288

Note – the budgets for the office and shop buildings were purposely low in anticipation that the work would be done in house which proved unworkable.

Contribution towards this project as of December 31, 2013 is as follows: \$300,000 from Fund 102 Street Capital; and \$1,429,288 from Fund 401 Surface Water Management. Street Capital will continue paying for its share in 2014 and 2015.

The proposed 2014 Carry Forward Budget Adjustment includes a request to appropriate \$625,000 for the shop building. The original scope of the project was to construct a 5,000 square foot shop and that has not been started. The shop is needed for both housing materials & equipment, and use as work bays by the O&M division. The City

continues to pay \$26K annually in rental charges for both storage containers at the Front Street site and enclosed work space at the Lakeview Avenue site. Working out of one site would improve operational efficiency as well as save on rental costs.

The additional \$625K expenditure appropriation is proposed to be split between Fund 401 Surface Water Management and Fund 102 Street Capital or \$312,500 from each fund.

The total proposed revised project budget of \$2,354,288 as of the 2014 Carry Forward Budget Adjustment is as follows:

O&M Facility	Budget as of 2014		Life-to-Date Actual	
		Carry Forward Adj		12/31/2013
Property Acquisition	\$	627,744	\$	627,744
Office Building		231,003		231,003
Shop Building		625,000		-
Site Development		870,541		870,541
Total	\$	2,354,288	\$	1,729,288

Also, included in the 2014 Carry Forward Budget Adjustment is additional \$187,975 transfer from Fund 102 Street Capital to Fund 401 Surface Water Management for Street Capital portion of the net \$375,950 appropriated during the 2013/14 Mid-Biennium Budget Adjustment. The existing 2013/2014 adopted already includes a \$300,000 transfer from 102 fund to the 401 fund.

Below is the summary of sources and uses for the total O&M Facility Project Budget, including the 2014 Carry Forward Budget Adjustments:

Surface Water Management Fund	\$1,177,144
Street Capital Fund (*)	<u>\$1,177,144</u>
Total Sources	\$2,354,288

* Street Contributions of \$300,000 in 2013; \$487,975 in 2014; and \$389,169 in 2015

O&M Facility	Budget as of		Budget as of 2013/14		Budget as of 2014		Life-to-Date Actual	
	2011/12 Adopted	2013/14 Adopted	Mid-Bien Adj	Carry Forward Adj		12/31/2013		
Property Acquisition	\$ 1,050,000	\$ 750,000	\$ 750,000	\$ 627,744	\$	627,744	\$	
Office Building	-	150,000	150,000	231,003		231,003		
Shop Building	-	200,000	200,000	625,000		-		
Site Development	-	400,000	400,000	870,541		870,541		
Increase in Project Cost	-	-	375,950	-		-		
Total	\$ 1,050,000	\$ 1,500,000	\$ 1,875,950	\$ 2,354,288	\$	1,729,288	\$	

**2014 Carry Forward Budget Adjustment
Summary of Proposed Requests**

	Year 2014	
	Revenue	Expenditure
Grand Total - All Funds	\$ 19,526,635	\$ 19,037,344
Grand Total - Fund 001 General	\$ 1,120,649	\$ 233,266
Ordinance Correction - Adopted Budget Correction, Expenditures Overstated	-	(402,580)
Police Facility Debt Service - Account for in Fund 201 Debt Service - Principal & Interest	-	(79,000)
Police Facility Debt Service - Account for in Fund 201 Debt Service - Transfer Out to Fund 201 Debt Service	-	77,000
59th Street Debt Service - Account for in Fund 201 Debt Service - Principal & Interest	-	(204,670)
59th Street Debt Service - Account for in Fund 201 Debt Service - Transfer Out to Fund 201 Debt Service	-	210,758
Transfer in From Fund 190 Grant - Return Unspent General Fund Source	840,056	-
Subtotal - Non-Departmental/City-Wide	\$ 840,056	\$ (398,492)
Computer Replacement - City Council	-	1,930
Computer Replacement - Reduce Expenditures to Fund Computer Replacement	-	(1,930)
Subtotal - City Council	\$ -	\$ -
Computer Replacement - City Manager	-	2,165
Computer Replacement - Reduce Expenditures to Fund Computer Replacement	-	(2,165)
Subtotal - City Manager	\$ -	\$ -
Computer Replacement - Finance & Administrative Services	-	14,751
Computer Replacement - Pooled Laptops Available for Checkout	-	4,024
Computer Replacement - IT Training Room (Replacement Pending)	-	16,240
Computer Replacement - Reduce Expenditures to Fund Computer Replacement	-	(35,015)
Subtotal - Finance & Administrative Services	\$ -	\$ -
Transfer In from Fund 501 Fleet Reserves for Municipal Court Vehicle Purchased in 2013	34,039	-
Computer Replacement - Municipal Court	-	15,532
Computer Replacement - Reduce Salaries/Benefits from Vacant Court Operations Supervisor Position	-	(15,532)
Court Overtime	-	50,322
Reduce Salaries/Benefits from Vacant Court Operations Supervisor Position	-	(50,322)
Public Defender Contract Increase (New Allocation)	-	100,000
Subtotal - Municipal Court	\$ 34,039	\$ 100,000
Computer Replacement - Legal	-	19,587
Computer Replacement - Reduce Expenditures to Fund Computer Replacement	-	(19,587)
Ipad Keyboards	-	1,619
Subtotal - Legal	\$ -	\$ 1,619
Transfer to Fund 192 for SSMCP Fund for City's Contribution (2014)	-	50,000
Computer Replacement - Community & Economic Development, Funded by Professional Svcs Reductions	-	23,704
City Visioning (New Allocation)	-	100,000
Fire Marshall Contract - 2013 Payment Made in 2014	-	205,281
Reduce Economic Development Professional Services - Eliminate National Development Council Funding	-	(60,000)
Reduce Economic Development Professional Services - Eliminate Buxton Consultant Funding	-	(13,200)
Reduce Economic Development Professional Services - Eliminate Balance of Frause Consultant Funding	-	(15,000)
Subtotal - Community & Economic Development	\$ -	\$ 290,785
Computer Replacement - Parks, Recreation & Community Services	-	17,075
Computer Replacement - Reduce Expenditures to Fund Computer Replacement	-	(17,075)
Computer Replacement - Parks, Recreation & Community Services (Senior Lab, Pending)	-	12,180
Computer Replacement - Reduce Expenditures to Fund Computer Replacement	-	(12,180)
Transfer In from Fund 501 Fleet Reserves for Parks Vehicle & Equipment Purchased in 2013	40,920	-
Farmers Market - Funded by Sponsorships and Vendor Fees	30,000	30,000
Math Relay - Funded by Nisqually Tribe Grant Received in 2013	-	6,100
Springbrook Park Demolition (New Allocation) - Partially Funded by Donation From Partners for Parks	5,000	30,000
Street Landscaping - Function Transferred from Public Works Dept to Parks Dept	-	134,400
Street Landscaping - Reduce General Fund Transfer to Street Fund	-	(134,400)

**2014 Carry Forward Budget Adjustment
Summary of Proposed Requests**

	Year 2014	
	Revenue	Expenditure
Street Landscaping - Function Transferred from Public Works, Funded by Transfer In from SWM	15,000	15,000
Street Landscaping - Facilities - Function Transferred from Public Works Dept to Parks Dept		54,000
Subtotal - Parks	\$ 90,920	\$ 135,100
Computer Replacement - Police	-	189,184
Computer Replacement - Transfer In From Felony (Civil) Seizures to Fund Computer Replacement	85,939	-
Computer Replacement - Transfer In From Narcotics Seizures to Fund Computer Replacement	14,061	-
Computer Replacement - Reduce Expenditure to Fund Computer Replacement	-	(89,184)
Teamsters Contract Settlement	-	10,490
Community Services Resource Team Donation Received in 2013	-	1,162
Overtime - Funded by Pacific Northwest Innocence Lost Grant	17,202	17,202
Overtime - Funded by Safe Streets Task Force Grant	17,202	17,202
Sex Offender Address Verification Funding (Expenditures Already Budgeted in 2014)	13,980	-
Overtime - Funded by WA State Patrol Missing and Exploited Children Grant	7,250	7,250
Evidence Vehicle - Funded by Property Revenue Received in 2013	-	28,000
Smartphones as Hot Spots Replacing Aircards - Expenditures Savings	-	(3,000)
Subtotal - Police	\$ 155,634	\$ 178,306
Computer Replacement - Public Works	-	11,125
Computer Replacement - Reduce General Fund Transfer to Street Fund	-	(11,125)
Street Landscaping - Facilities - Function Transferred from Public Works to Parks, Recreation & Comm Svcs		(54,000)
Reduce Transfer Transfer to Street Fund Due to Elimination of Public Works Senior Accountant		(20,052)
Subtotal - Public Works / Property Management	\$ -	\$ (74,052)
Grand Total - Special Revenue Funds	\$ 17,658,027	\$ 16,777,010
Total - Fund 101 Street Operations & Maintenance	\$ (163,716)	\$ (154,452)
Street Landscaping - Function Transferred from Public Works Dept to Parks Dept	-	(134,400)
Street Landscaping - Reduce General Fund Transfer to Street Fund	(134,400)	-
Eliminate Public Works Senior Accountant - Salaries & Benefits; Reduce Transfer In From General Fund	(20,052)	(20,052)
Computer Replacement - Reduce General Fund Transfer to Street Fund	(965)	-
Computer Replacement - Reduce General Fund Transfer to Street Fund	(8,299)	-
Total - Fund 102 Street Capital	\$ 15,554,220	\$ 14,754,328
Transfer In From Fund 401 SWM for Storm Water Portion of Gravelly Lake Dr - 100th to Bridgeport	15,000	-
Transfer In From Fund 401 SWM for Storm Water Portion of Bridgeport Way - 83rd to 75th	900,000	
Transfer In From Fund 401 SWM for Storm Water Portion of Custer/John Dower	20,000	
Transfer In From Fund 401 SWM for Storm Water Portion of So Tacoma Way - Steilacoom to 88th	100,000	
Transfer In From Fund 401 SWM for Storm Water Portion of Bridgeport Way - JBLM I-5	492,750	
Transfer To Fund 401 SWM for Street Capital Portion of PW O&M Facility	-	187,975
Custer/John Dower Road - Funded by WSDOT Grant	150,000	180,000
Lakewood Station Connections - Funded by Cooperative agreement with Sound Transit	26,800	20,000
96th Roadway Improvements - Funded by Mitigation	46,647	46,647
City-Wide Traffic Signal Management - Funded by WSDOT Grant	233,032	243,032
Gravelly Lake Drive (100th - Bridgeport Way) - Funded by WSDOT Grant	252,683	267,683
Bridgeport Way (83rd to 75th) - Funded by TIB Grant	3,500,000	4,270,000
South Tacoma Way (SR-512 to 96th) - Funded by TIB Grant	13,900	(120,000)
Dower Elementary Safe Routes to Schools - Funded by WSDOT Grant	15,000	15,000
Madigan Access Improvements - Funded by OEA Grant	747,758	547,758
Camp Murray Gate Relocation - Funded by Traffic Mitigation Payments	96,563	96,563
City-Wide Safety Improvements - Funded by WSDOT Grant	180,000	189,000
Steilacoom Blvd Safety Improvements - Funded by WSDOT Grant	1,886,297	1,701,297
South Tacoma Way (Steilacoom Blvd to 88th) - Funded by TIB Grant	1,065,540	1,059,425
Bridgeport Way (JBLM to I-5) - Grant has not been received	3,286,250	3,600,000

**2014 Carry Forward Budget Adjustment
Summary of Proposed Requests**

	Year 2014	
	Revenue	Expenditure
LED Street Lights - Funded by Dept of Commerce (\$500,000) and Remaining Funding to be Determined	2,370,000	2,370,000
112th/11th (Bridgeport to Kendrick) - Funded by WSDOT and Sound Transit	156,000	-
Minor Capital Projects for Miscellaneous Projects including Patching & Pavement Markings	-	100,000
Eliminate Public Works Senior Accountant - Salaries & Benefits	-	(20,052)
Total - Fund 104 Hotel/Motel Lodging Tax	\$ -	\$ (1,150)
Eliminate Original Estimate	-	(497,040)
2014 Allocation	-	495,890
Total - Fund 106 Public Art Fund	\$ -	\$ 2,000
Arts Commission Programs	-	2,000
Total - Fund 180 Narcotics Seizure	\$ 41,965	\$ 93,439
Remove negative revenue budget figure	3,000	-
Transfer to Fund 001 General Fund to Partially Fun Police Laptop Computer Replacement	-	14,061
Purchase of Vehicle - Funded by Fund Balance	-	20,481
Purchase of Vehicle - Funded by Fund Balance	-	19,932
Orgnized Crime Drug Enforcement Task Force - Grant Balance	5,000	5,000
Orgnized Crime Drug Enforcement Task Force - Grant Balance	4,639	4,639
Orgnized Crime Drug Enforcement Task Force - Grant Balance	5,289	5,289
Orgnized Crime Drug Enforcement Task Force - Grant Balance	19,037	19,037
Orgnized Crime Drug Enforcement Task Force - Grant Balance	5,000	5,000
Total - Fund 181 Felony Seizure	\$ (10,000)	\$ 67,601
Transfer to Fund 001 General Fund to Partially Fun Police Laptop Computer Replacement	-	85,939
Eliminate Revenue Estimate	(10,000)	-
Reduce Expenditure Due to Eliminating Revenue Estimate & 2014 Beginning Balance Less Than Projected	-	(18,338)
Total - Fund 182 Federal Seizure	\$ -	\$ -
	-	-
Total - Fund 190 Grants	\$ 2,069,382	\$ 1,825,049
STOP Grant Pierce County - Legal Domestic Violence Program - Eliminate Original Estimate	(14,000)	(16,720)
STOP Grant Pierce County - Legal Domestic Violence Program - 2014 Grant	26,218	26,218
CDBG - Economic Development - 2012 Grant Program - Funded by Grant, Program Income, Fund Balance	26,770	31,770
CDBG - Section 108 - 2013 Program	503,610	503,610
CDBG - Section 108 - 2014 Program	497,960	-
CDBG - 2012 Program (Public Service, Physical Improvements, Major Rehab, Housing)	38,400	38,400
CDBG - 2013 Program (Public Service, Physical Improvements, Major Rehab, Housing)	273,608	231,918
HOME - 2012 & 2013 Program	704,760	482,740
Nisqually Grant - Emergency Assistance Displaced Residence	12,056	12,056
Correction to Ordinance - Reduce Expenditures - Adopted Budget Correction	-	(325,000)
Transfer to Fund 001 General - Return Unspent General Fund Source	-	840,057
Total - Fund 191 Neighborhood Stabilization Program (NSP)	\$ 254,580	\$ 254,580
NSP 1 - 2011 Program	158,549	158,549
NSP 3 - 2011 Program	13,144	13,144
NSP 3 - 2011 Program Amendment - Council Approved on 2/28/2014	82,887	82,887
Total - Fund 192 Office of Economic Adjustment (OEA)	\$ (9,086)	\$ 14,173
OEA 04 - 2013 Program - Difference funded by SSMCP Partnership carry forward	45,774	61,909
OEA 05 - 2014 & 2015 Program - Joint Land Use Study - Office of Economic Adjustment	426,003	426,003
SSMCP - 2014 Partnership Participation	(660,363)	(660,363)
SSMCP - 2014 Partnership Participation	179,500	186,624
Total - Fund 193 Office of Economic Adjustment (OEA)	\$ -	\$ (300)
Eliminate 2014 Budget - Grant Complete	-	(300)
Total - Fund 195 Public Safety Grants	\$ (79,318)	\$ (78,258)

**2014 Carry Forward Budget Adjustment
Summary of Proposed Requests**

	Year 2014	
	Revenue	Expenditure
JAG Metal Theft Grant	50,997	50,997
JAG Therapeutic Justice Grant	45,641	45,641
Nisqually Metal Theft Grant	12,176	12,176
Bulleproof Vest Partnership Grant	3,216	3,216
Emergency Management Planning Grant - Eliminate Original Estimate	-	(5,000)
Emergency Management Planning Grant	48,177	48,177
Washington Traffic Safety Commission Grant - Impaired Driving	5,015	5,015
Washington Traffic Safety Commission Grant - Seatbelts	2,000	2,000
Washington Traffic Safety Commission Grant - Target Zero Teams	12,091	12,091
Washington Auto Theft Prevention Authority Grant	23,209	23,209
Washington Auto Theft Prevention Authority Grant - Eliminate Original Estimate	(281,840)	(267,840)
US Coast Guard Boater Safety - Eliminate Original Estimate - Grant Not Yet Awarded	-	(4,300)
Reduce Expenditures Due (Revenues & Expenditures Not Equal Resulting in Negative Ending Fund Balance)	-	(3,640)
Grand Total - Debt Service Funds	\$ 287,758	\$ 287,758
Total - Fund 201 Debt Service - General Obligation Bonds	\$ 287,758	\$ 287,758
59th Street Debt Service - Principal & Interest - Funded by Transfer in From General Fund	77,000	77,000
Police Facility Debt Service - Principal & Interest - Funded by Transfer in From General Fund	210,758	210,758
Grand Total - Enterprise Funds	\$ 386,201	\$ 1,829,744
Total - Fund 401 Surface Water Management	\$ 386,201	\$ 1,829,744
2012 Drywell Replacement, Funded by Department of Ecology Grant \$1,500 and SWM \$500	2,000	2,000
Clover Creek Fish Passage, Funded by Nisqually Tribe Grant \$40,000 and SWM \$85,000	-	125,000
Transfer To Fund 102 Street Capital for Storm Water Portion of Gravelly Lake Dr - 100th to Bridgeport	-	15,000
Transfer To Fund 102 Street Capital for Storm Water Portion of Bridgeport Way - 83rd to 75th	-	900,000
Transfer To Fund 102 Street Capital for Storm Water Portion of Bridgeport Way - JBLM I-5	-	492,750
Transfer In From Fund 401 SWM for Storm Water Portion of Custer/John Dower	-	20,000
Transfer In From Fund 401 SWM for Storm Water Portion of So Tacoma Way - Steilacoom to 88th	-	100,000
Public Works O&M Facility - Shop Building and Transfer in from Street Capital	187,975	625,000
Municipal Stormwater Capacity Grant	14,989	14,989
Replace 2002 Chevy Express Van - Funded by Transfer In From Fund 501 Fleet Replacement Reserves	31,237	1,237
Street Landscaping - Transfer to Fund 001 General Fund for SWM Portion (Pacific Highway)	-	15,000
Purchase of Wards Lake Property	-	189,430
Waughop Lake Management Plan Grant-Department of Ecology	150,000	190,000
Eliminate Public Works Senior Accountant - Salaries & Benefits	-	(20,052)
Eliminate Depreciation	-	(840,610)
Grand Total - Replacement Funds	\$ 74,000	\$ (90,434)
Total - Fund 501 Equipment Replacement	\$ 74,000	\$ (90,434)
PK- Replace Parks 1999 2WD with Ford F250 - Funded by Replacement Reserves	-	24,600
PW/SWM - Transfer to Fund 401 - Replace 002 Chevy Express G1500 Van - Funded by Replacement	-	31,237
PD - Replace Totaled 2012 Chevy Tahoe - Funded by Insurance Replacement	45,000	45,000
PD - Eliminate Original Non-Itemized Vehicle Replacement Budget	-	(675,000)
PD - Replace 13 Vehicles - Funded by \$914,025 Replacement Reserves, \$29,000 Estimated Proceeds from Sale of Vehicles and \$13,975 Vehicle & Equipment Ending Fund Balance	29,000	957,000
MC - Transfer to General Fund - Replacement Reserves for Municipal Court Vehicle Purchased in 2013	-	34,039
PK - Transfer to General Fund - Replacement Reserves for Parks Vehicle & Equipment Purchased in 2013	-	40,920
Eliminate Depreciation	-	(548,230)

ORDINANCE NO.

AN ORDINANCE of the City Council of the City of Lakewood, Washington, amending the 2013-2014 Budget.

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;

WHEREAS, the City of Lakewood adopted Ordinance 559 on March 4, 2013 to amend the original adopted to reflect the receipt of the additional grants and to make adjustments necessary to accurately reflect the revenues and the expenditures for 2013 and 2014 within Fund 102 Street Capital Improvement;

WHEREAS, the City of Lakewood adopted ordinance 575 on December 16, 2013 as the result of the mid-biennial review; and

WHEREAS, the City of Lakewood finds it necessary to revise the 2013-2014 Biennial Budget to adjust the 2014 beginning fund balance from the estimated amount to actual as fiscal year 2013 activities are concluded; continue existing projects by appropriating projects that were budgeted in the prior year, but not yet completed and will continue during the current year; appropriate projects funded by grants and contributions; and on an exception basis, new allocations.

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

Section 1. Budget Amendment. The 2013-2014 Budget, as originally set forth in Ordinance 556, Section 2, and as amended by Ordinance 559 and Ordinance 575, 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 A(1) and A(2) 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 year 2014 and five (5) days after publication as required by law.

ADOPTED by the City Council this ___day of May, 2014.

CITY OF LAKEWOOD

Don Anderson, Mayor

Attest:

Alice M. Bush, MMC, City Clerk

Approved as to Form:

Heidi Ann Wachter, City Attorney

EXHIBIT A(1)
CURRENT 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	
General Fund (001)	\$ 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
Special Revenue Funds:										
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	181,145	638,575	11,354,570	-	11,354,570	11,283,880	(46,070)	11,237,810	755,335
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
Debt Service Funds:										
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
Capital Project Funds:										
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
Enterprise Fund:										
401 Surface Water Management	4,302,660	(249,394)	4,053,266	3,031,640	(50,000)	2,981,640	4,407,540	-	4,407,540	2,627,366
Replacement Reserve Funds:										
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
Correction to Ord. 556	-	-	-	422,670	(422,670)	-	422,670	(422,670)	-	-
Total All Funds	\$11,739,090	\$ 5,591,588	\$17,330,678	\$ 57,708,395	\$ (1,150,327)	\$56,558,068	\$ 59,207,295	\$ (736,317)	\$58,470,978	\$ 15,417,768

EXHIBIT A(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	
General Fund (001)	\$ 1,737,359	372,993	\$ 2,110,352	\$ 34,247,355	\$ 1,120,649	\$ 35,368,004	\$ 34,702,730	\$ 233,266	\$ 34,935,996	\$ 2,542,360
Special Revenue Funds:										
101 Street Operations & Maintenance	155,892	(72,923)	82,969	2,220,930	(163,716)	2,057,214	2,220,930	(154,452)	2,066,478	73,705
102 Street Capital Projects	638,575	202,548	841,124	11,354,570	15,554,220	26,908,790	11,237,810	14,754,328	25,992,138	1,757,776
103 Transportation Benefit District	-	-	-	-	-	-	-	-	-	-
104 Hotel/Motel Lodging Tax	870,097	65,278	935,374	430,000	-	430,000	499,000	(1,150)	497,850	867,524
105 Property Abatement	219,927	18,244	238,171	50,000	-	50,000	100,000	-	100,000	188,171
106 Public Art	5,000	7,001	12,001	5,000	-	5,000	5,000	2,000	7,000	10,001
180 Narcotics Seizure	223,457	554,717	778,173	325,000	41,966	366,966	250,000	93,440	343,440	801,699
181 Felony Seizure	97,319	4,342	101,662	10,000	(10,000)	-	20,000	67,601	87,601	14,061
182 Federal Seizure	0	40,239	40,240	69,520	-	69,520	69,520	-	69,520	40,240
190 CDBG	2,703,892	(1,862,624)	841,268	689,000	2,069,382	2,758,382	1,773,390	1,825,049	3,598,439	1,211
191 Neighborhood Stabilization Program	171,344	1	171,345	-	254,580	254,580	-	254,580	254,580	171,346
192 Office of Economic Adj (OEA) Grant	12,517	16,135	28,652	660,363	(9,086)	651,277	660,363	14,173	674,536	5,393
193 Police ARRA Grant	300	(300)	-	-	-	-	300	(300)	-	-
195 Public Safety Grants	5,934	(5,934)	-	278,200	(79,318)	198,882	277,140	(78,258)	198,882	-
Debt Service Funds:										
201 Debt Service - General Obligation Bond	-	-	-	-	287,758	287,758	-	287,758	287,758	-
202 Debt Service - LID	3,995	(3,846)	149	288,470	-	288,470	288,470	-	288,470	149
204 Debt Service - Sewer Project	408,457	99,793	508,250	540,000	-	540,000	458,435	-	458,435	589,815
251 Debt Service - LID Guaranty	390,783	1,075	391,858	-	-	-	-	-	-	391,858
Capital Project Funds:										
301 General Government CIP	0	276	276	-	-	-	-	-	-	276
311 Sewer Project CIP	190,972	(64,764)	126,208	185,650	-	185,650	184,830	-	184,830	127,028
312 Sanitary Sewer Connection	360,949	158,862	519,811	372,530	-	372,530	92,290	-	92,290	800,051
Enterprise Fund:										
401 Surface Water Management	4,053,266	2,214,343	6,267,610	2,981,640	386,201	3,367,841	4,407,540	1,829,744	6,237,284	3,398,167
Replacement Reserve Funds:										
501 Equipment Replacement	4,628,523	465,225	5,093,748	1,849,840	74,000	1,923,840	1,223,230	(90,434)	1,132,796	5,884,792
502 City Hall Service	452,120	722	452,842	-	-	-	-	-	-	452,842
Total All Funds	\$17,330,678	\$ 2,211,405	\$19,542,083	\$ 56,558,068	\$ 19,526,637	\$76,084,705	\$ 58,470,978	\$ 19,037,345	\$77,508,323	\$ 18,118,465

2014 Carry Forward Budget Adjustment

City Council

April 21, 2014



Council Packet Information

- Staff Memo
- Public Works O&M Facility Summary
- Summary of Proposed Requests
- Ordinance & Exhibits

Purpose of Budget Adjustments

- Update 2014 beginning fund balance
- Incorporate items previously approved by Council
- Appropriate projects funded by grants and contributions
- Continuation of capital projects
- Changing operating trends and conditions
- New allocations, on an exception basis

Total Adjustments for All Funds

- Increase beginning balance by \$2.21M for a total budget of \$19.54M
- Increase revenues by \$19.53M for a total budget of \$76.08M
- Increase expenditures by \$19.04M for a total budget of \$77.51M
- Increase ending balance by \$2.7M for a total budget of \$18.12M

Highlights - Fund 001 General

- Adopted budget ordinance correction
- Computer replacement funded by seizure funds & existing department budgets
- Move debt service payments to debt service fund
- Transfer in unspent general fund source from grant fund
- Transfer in reserves for vehicle & equipment replacement

Transfer In Unspent General Fund Source from Grant Fund

Fund 190 CDBG (& Other Grants)				
Year	Ending		Transfers In From General Fund	
	Fund Balance		By Year	Running Total
1996	\$	-	\$	-
1997		23,409	39,135	39,135
1998		(6,032)	41,900	81,035
1999		93,332	46,880	127,915
2000		85,659	306,140	434,055
2001		8	-	434,055
2002		500,192	327,220	761,275
2003		624,246	156,220	917,495
2004		600,770	198,220	1,115,715
2005		658,587	139,920	1,255,635
2006		615,305	134,540	1,390,175
2007		697,559	138,790	1,528,965
2008		554,900	13,146	1,542,111
2009		814,833	-	1,542,111
2010		821,384	-	1,542,111
2011		843,831	-	1,542,111
2012		849,722	-	1,542,111
2013	\$	841,268	\$	1,542,111

Transfer In Unspent General Fund Source from Grant Fund

Fund 190 CDBG (& Other Grants)									
Year	Revenues Over / (Under) Expenditures								
	CDBG	Running Total	PD/Legal/Court	Running Total	Other Grants	Running Total	General Fund	Running Total	Running Total - All
1996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1997	-	-	-	-	(15,726)	(15,726)	39,135	39,135	23,409
1998	-	-	1,512	1,512	(72,853)	(88,579)	41,900	81,035	(6,032)
1999	(44,587)	(44,587)	6,755	8,267	90,317	1,738	46,880	127,915	93,333
2000	46,224	1,637	2,831	11,098	(362,868)	(361,130)	306,140	434,055	85,660
2001	-	1,637	-	11,098	(85,650)	(446,780)	-	434,055	10
2002	-	1,637	(2,002)	9,096	174,966	(271,814)	327,220	761,275	500,194
2003	-	1,637	(8,611)	485	(23,556)	(295,370)	156,220	917,495	624,247
2004	2,167	3,804	(24,654)	(24,169)	(199,208)	(494,578)	198,220	1,115,715	600,772
2005	999	4,803	(63,882)	(88,051)	(19,220)	(513,798)	139,920	1,255,635	658,589
2006	23,547	28,350	(81,700)	(169,751)	(119,669)	(633,467)	134,540	1,390,175	615,307
2007	(15,420)	12,930	(71,281)	(241,032)	30,205	(603,262)	138,790	1,528,965	697,601
2008	19,909	32,839	(47,704)	(288,736)	(128,049)	(731,311)	13,146	1,542,111	554,903
2009	(26,026)	6,813	70,469	(218,267)	215,490	(515,821)	-	1,542,111	814,836
2010	5,389	12,202	(174)	(218,441)	1,336	(514,485)	-	1,542,111	821,387
2011	25,337	37,538	-	(218,441)	(2,890)	(517,375)	-	1,542,111	843,833
2012	5,891	43,428	-	(218,441)	-	(517,375)	-	1,542,111	849,723
2013	\$ (8,454)	\$ 34,973	\$ -	\$ (218,441)	\$ -	\$ (517,375)	\$ -	\$ 1,542,111	\$ 841,268

Other grants include: Park projects, human services, DSHS, CTED, GMA, records management, airport aid, etc.

Highlights - Fund 001 General

- Add court overtime, funded by vacant court operations supervisor position
- Ipad keyboards
- Transfer to SSMCP for city's partnership contribution
- City visioning (new allocation)
- Fire Marshal contract
- Eliminate funding for National Development Council, FRAUSE, & Buxton
- Farmers Market
- Math Relay
- Springbrook Demolition (new allocation)
- Street landscape maintenance function from public works to parks maintenance

Highlights - Fund 001 General

- Teamsters contract settlement
- CSRT donation
- Police overtime funded by various grants
- Evidence vehicle funded by property room proceeds (new allocation)
- Smartphones as hotspots, expenditure savings

- Eliminate public works senior accountant position

Pending Items - Fund 001 General

- Professional services - comprehensive plan & fiscal analysis for economic development opportunities
- Information technology strategic plan
- Fleet & equipment plan
- Other miscellaneous

Highlights - Fund 101 Street O&M

- Street landscape maintenance function from public works to parks maintenance
- Eliminate public works senior accountant position
- Computer replacement

Highlights – Fund 102 Street Capital

- Continuation of capital projects
- Grant funded projects
- O&M facility
- Eliminate public works senior accountant

Highlights – Fund 106 Public Art

- Arts Commission funding

Highlights – Fund 180 Narcotics Seizure

- Correct revenue estimate
- Funding for police computer replacement
- Purchase 2 vehicles for special operations unit
- Organized Crime Drug Enforcement Task Force grants

Highlights – Fund 181 Felony Seizure

- Funding for police computer replacement
- Eliminate revenue estimate
- Reduce expenditures to reflect actual funding available

Highlights – Fund 190 CDBG (& Other Grants)

- Fund previously used to account for city-wide grants
- Fund currently used to account for CDBG grants (& a domestic violence grant)
- Return unspent general fund source back to the General Fund, projects complete
 - Minimal ending fund balance for CDBG program income
- Appropriate revenues and expenditures, reimbursement basis
- Correct original adopted ordinance, expenditures overstated

Highlights – Fund 190 CDBG (& Other Grants)

Net Ending Balance by Project	2014 Current Adopted Budget	Proposed Adjustments	2014 Proposed Revised Budget
STOP Domestic Violence Grant:	\$ (2,720)	\$ 2,720	\$ -
Revenue	14,000	12,218	26,218
Expenditures	16,720	9,498	26,218
CDBG Home Program:	\$ (222,020)	\$ 222,020	\$ -
Revenue	210,000	704,760	914,760
Expenditures	432,020	482,740	914,760
CDBG Major Repairs Assistance Revolving Loans:	\$ (41,690)	\$ 41,690	\$ -
Revenue	450,000	312,008	762,008
Expenditures	491,690	270,318	762,008
CDBG Economic Development Business Loans:	\$ 5,000	\$ (5,000)	\$ -
Revenue	5,000	26,770	31,770
Expenditures	-	31,770	31,770
CDBG Section 108:	\$ (497,960)	\$ 497,960	\$ -
Revenue	10,000	1,001,570	1,011,570
Expenditures	507,960	503,610	1,011,570
Nisqually Grant:	\$ -	\$ -	\$ -
Revenue	-	12,056	12,056
Expenditures	-	12,056	12,056

Highlights – Fund 191 Neighborhood Stabilization Program

- NSP 1 – 1st round of funds
- NSP 3 – 3rd round (City did not receive 2nd round of allocations)
- Ending fund balance represents NSP1 program income (liens from abatement)

Highlights – Fund 192 Office of Economic Adjustment

- Office of Economic Adjustment grants
- 2014 SSMCP program
- Ending fund balance represents 2014 SSMCP general membership revenues

Highlights – Fund 193 Police ARRA Grants

- Eliminate expenditure budget, grant is complete

Highlights – Fund 195 Public Safety Grants

- Various police department grants

Highlights – Fund 201 GO Bond Debt Service

- 59th street and police facility debt service

Highlights – Fund 401 Surface Water Management

- Continuation of capital projects
- Grant funded projects
- O&M facility
- Eliminate public works senior accountant
- Eliminate depreciation budget

Highlights – Fund 401 Surface Water Management

- 5,000 square foot shop – house materials & equipment, use as work bays
 - Currently paying rental charges for storage containers and enclosed work space
- 50% usage and cost split between SWM and street capital

O&M Facility	Budget as of 2011/12 Adopted	Budget as of 2013/14 Adopted	Budget as of 2013/14 Mid-Bien Adj	Budget as of 2014 Carry Forward Adj	Life-to-Date Actual 12/31/2013
Property Acquisition	\$ 1,050,000	\$ 750,000	\$ 750,000	\$ 627,744	\$ 627,744
Office Building	-	150,000	150,000	231,003	231,003
Shop Building	-	200,000	200,000	625,000	-
Site Development	-	400,000	400,000	870,541	870,541
Increase in Project Cost	-	-	375,950	-	-
Total	\$ 1,050,000	\$ 1,500,000	\$ 1,875,950	\$ 2,354,288	\$ 1,729,288

Highlights – Fund 501 Vehicle & Equipment Replacement

- Transfer to General Fund for court and parks vehicle & equipment, reserves
- Transfer to SWM Fund for vehicle purchase, reserves
- Replace parks maintenance vehicle, reserves
- Replace totaled police vehicle, insurance proceeds
- Eliminate original police vehicle replacement budget, non-itemized
- Replace police vehicles, reserves, some surplus proceeds & ending fund balance
- Eliminate depreciation budget

Ending Fund Balance

- General Fund Ending Fund Balance
 - Estimated ending fund balance is \$2.54M
 - Equates to 7.4% of operating revenues of \$34.2M
- Goal – 12% of General Fund operating revenue
 - 2% Contingency Reserves
 - 5% General Fund Reserves
 - 5% Strategic Reserves
- Need \$2.0M to meet goal at end of 2013

Reserve Funds - Goal

2% Contingency Reserves = \$700K

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.

5% General Fund Reserves = \$1.7M

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.

5% Strategic Reserves = \$1.7M

To provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters or similarly major, unanticipated events.

Next Steps

- Adoption of Ordinance scheduled for May 5, 2014

Next Steps – Information to Council

- Fleet & Equipment Plan (April 2014)
- Information Technology Plan (April 2014)
- 6-Year Financial Forecast (June 2014)
- Financial Policies (June 2014)
- 1st Quarter, 2014 Financial Report (June 2014)

REQUEST FOR COUNCIL ACTION

DATE ACTION IS REQUESTED: April 21, 2014	TITLE: Resolution authorizing waiving of competitive bidding requirements to purchase specific signal equipment.	TYPE OF ACTION: — ORDINANCE <input checked="" type="checkbox"/> RESOLUTION 2014-08 — MOTION — OTHER
REVIEW: April 21, 2014	ATTACHMENTS: Resolution	

SUBMITTED BY: Don E. Wickstrom, Public Works Director

RECOMMENDATION: It is recommended that the City Council adopt a resolution authorizing the City Manager to waive competitive bidding requirements to purchase specific signal equipment.

DISCUSSION: Over the past nine years, the city has developed an overall traffic signal management plan and has systematically been implementing the plan including: replacement of all traffic signal controllers and communication equipment; purchase and implementation of a new central control system; and signal display and operational upgrades. Much of the traffic signal equipment is patented and proprietary and must remain consistent throughout in order provide for traffic signal coordination. State law allows for waiving of bidding requirements if purchases are clearly and legitimately limited to a single source of supply (RCW 39.04.280). In addition, federal grant requirements also allow for exemptions to open specifications of materials when it is found that patented and proprietary equipment is required for the public’s best interest. (continued on page 2).

ALTERNATIVE(S): (1) Adopt this resolution to allow for waiving of bidding and open specification requirements of specific signal equipment. (2) Do not adopt this resolution and require signal equipment and materials be procured via open bid and awarded to lowest responsive bidder.

FISCAL IMPACT: The resolution itself provides for the ability to waive public works bidding procedures for the purchase of specific materials. Signal equipment is purchased for specific capital projects and on-going operations and maintenance of which the associated budget is within the existing adopted budget. The largest purchase of proprietary signal equipment / software will be first phase of the video management and traffic camera surveillance system (8 to 12 cameras) estimated to cost \$150,000 of which \$128,000 is being paid by a federal grant and the match covered by Real Estate Excise Tax (REET).

_____ Prepared by _____ Department Director	 _____ City Manager Review
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DISCUSSION (continued from page 1): Major equipment and software selection has been made through stakeholder development of system needs; requests for proposals; evaluation of proposals against system needs; interviews and on-site reviews of existing in-place equipment.

Other equipment has been evaluated over time by our engineering and operations and maintenance staff and selected to provide consistency throughout the system. This consistency is important for the signal users (i.e. the signal displays should look the same as not to be distracting and confusing) as well as for efficiencies in operation and maintenance. Learning how to operate and maintain one set of equipment is more efficient, requires less spare part stock to be maintained, and allows for interchangeability.

This resolution will update our current patented and proprietary equipment and add the soon-to-be procured video management system. This video management system will be utilized to view and control the traffic signal video surveillance system through our soon-to-be-constructed Traffic Management Center (TMC). An open Request for Information (RFI) was advertised and vendors, materials, and software evaluated against stakeholder requirements including interviews and site visits with current system users.

RESOLUTION NO. 2014-08

A RESOLUTION of the City Council of the City of Lakewood, Washington, waiving competitive bidding requirements of the purchase of specific traffic signal equipment

WHEREAS, following incorporation, the City of Lakewood, following an exhaustive process, which is memorialized in the whereas clauses of Resolution 2007-24, engaged in a waiver of competitive bidding for various traffic signal projects throughout the City; and

WHEREAS, following a process, it is necessary to upgrade and improve those signals and the City has determined that a system compatible with the already-existing infrastructure is appropriate; and

WHEREAS, under the provisions of RCW 39.04.280(2)(a), a municipality electing to waive competitive bidding requirements may do so by resolution. When done by resolution, the factual basis for the exception must be recorded and open to public inspection.

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

Section 1: The City Council authorizes the City Manager or designee to purchase the list of proprietary/patented signal equipment from the authorized local vendors as allowed by current budget authorizations as identified on the attached Exhibit A and incorporated by reference.

Section 2 Findings. Pursuant to RCW 39.04.280, the City makes the following findings in exempting from competitive bidding those items identified in Section 1 of this Resolution:

1. Upon incorporation of the City of Lakewood in 1996, the City accepted responsibility for traffic signalization throughout the City, which system intended to protect the public health, safety and welfare;

2. In order to assist in traffic signalization and traffic patterns throughout the City, via Resolution 2007-24, the City selected and implemented a new sole source traffic signal control and communication system. The City also completed a "Traffic Signal Deployment Plan" identifying the full system build-out including Intelligent Transportation System (ITS) elements of traffic video surveillance; and,

3. Since the enactment of Resolution 2007-24, the City has fully implemented this signal control system citywide, completed LED display upgrades, deployed improved signal

operations (such as flashing yellow arrow operations), and hired and trained staff for full in-house operation and maintenance of the signal system; and,

4. Through the process of implementation of these upgrades, have identified functional requirements of various signal system elements; and,

5. Over the course of approximately six months, staff and the consultant reviewed the existing traffic signal system, assessed needs, compared various available video management systems, issued a publicly advertised Request for Information (RFI) to signal system vendors, completed hands-on review of two systems, and interviewed other governmental agencies currently utilizing these systems; and,

6. At the conclusion of this process it was determined that the FLIR 360 Surveillance system with PELCO Esprit cameras meet the City's operational requirements and future signal system needs; and

7. In order to provide consistent and efficient operations, it is in the public's best interest that the City's entire signal system needs to be operating with the same equipment; and

8. The procurement of other equipment would impede the City's ability to utilize the already-installed traffic equipment.

9. The acquisition of the above-itemized equipment, constitutes a "[p]urchase[] that [is] clearly and legitimately limited to a single source of supply," and a "purchase[] involving special facilities," justifying a waiver of competitive bidding as set forth and defined by RCW 39.04.280(1)(a) and RCW 39.04.280(1)(b) respectively. These grounds are independent for waving competitive bidding requirements, such that if a court of competent jurisdiction invalidates this waiver on one ground, the City's decision would remain the same under the other.

Section 3. The City Manager or designee is authorized to develop written policies in conformity with RCW 39.04.280(2)(a) for subsequent waivers of public bidding requirements.

Section 4. Severability. If any sections, sentence, clause or phrase of this Resolution shall be held to be invalid or unconstitutional by a court of competent jurisdiction, or its application held inapplicable to any person, property or circumstance, such invalidity or unconstitutionality or inapplicability shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Resolution or its application to any other person, property or circumstance.

Section 5. This Resolution shall be in full force and effect upon passage and signatures hereon.

PASSED by the City Council this ____ day of April, 2014.

CITY OF LAKEWOOD

Don Anderson, Mayor

Attest:

Alice M. Bush, MMC, City Clerk

Approved as to Form:

Heidi A. Wachter City Attorney

EXHIBIT A: PATENTED / PROPRIETARY EQUIPMENT FOR LAKEWOOD TRAFFIC SIGNALS

Item Name	Item Source and/or Manufacturer*	Justification	Selection
Traffic Signal Controller	Naztec	Due to patented technology contained in the system, the signalization system is available only from sole source vendor. Meets the City's functional requirements and future signal system needs.	FY2006-2007: Stakeholder group developed list of functional requirements. Request for Qualifications; ranking of top systems; interviews; and on-site review of in-place systems.
Advanced Traffic Management System (ATMS)	Naztec		
Ethernet Over Copper Communications Equip/System	Actellis		This MMU works properly with Naztec controllers with advanced flashing-yellow operations. Maintain systemwide consistency.
Malfunction Monitor Unit (MMU)	RENO		
Video Management System	Flir 360 Surveillance		
Pan Tilt Zoom (PTZ) Camera System	PELCO		
Video Encoder	Axis or PELCO		Countywide adopted standard prior to incorporation.
Emergency Vehicle Pre-emption	3M Opticom		
Fiber Communications Switch/Equip/System	TBD	To provide consistent and efficient operations and maintenance, the City's entire signal system needs to be operating with the same equipment. Meets the City's functional requirements and future signal system needs. Minimize on-hand stockage of replacement parts. Familiarity of operations and maintenance personnel only required for selected source thereby improving efficiencies. Consistency for the traveling public.	Reviewing various manufacturers based on functional requirements; quality; reliability; price; service; and ease of maintenance
Traffic Signal Control Cabinet	Western Systems, Cascade Signal Corporation, McCain		Working with these three vendors over the years to develop standard "Lakewood" cabinet. All on State of Washington Contract. Have local support to modify / repair cabinets.
Traffic Signal Control Cabinet powerstrip	Cyberpower		Meet functional requirements and work best with our traffic signal cabinet design and layout.
Traffic Signal Vehicle Detection System Termination Panel	Cascade Signal		Systemwide standard adopted in 2002 based on review of various manufacturers for quality, reliability, price, service and ease of maintenance.
Power Service Cabinets and Uninterrupted Power Supply	TESCO		
Induction detection loop amplifiers	RENO or EDI		Have become system wide standard since most commonly supplied by cabinet manufacturers. Meet functional requirements and are reliable. Competitively priced.
Bus Interface Unit	RENO or EDI		Have become system wide standard since most commonly supplied by cabinet manufacturers. Meet functional requirements and are reliable. Competitively priced.
Traffic Signal Vehicle Detection System	Trafficon / FLIR		Trafficon was adopted system wide in 2004 based on confirmation of Pierce County and WSDOT adopted standard. FLIR selected for functional requirements of infrared technology and works with existing Trafficon video system cards.
Accessible Pedestrian Signals	POLARA		Reviewed various manufacturers based on functional requirements, quality, reliability, price, service, and ease of maintenance.
Traffic Signal Vehicle Head, BackPlates with 3M tape & Pedestrian Heads	McCain		Were the low bidder for the citywide safety improvement project and therefore are located systemwide. Maintain system wide consistency for traveling public.
Traffic and Pedestrian Signal Indications	Dialight or LeoTek		Were the low bidder for LED upgrade project and therefore are located system wide. Field review determined other LEDs do not look the same. Maintain system wide consistency for traveling public.
Internally illuminated street name sign	TBD		Reviewing various manufacturers based on quality; reliability; price; service; and ease of maintenance

*item source includes successors recognizing that companies are sold from time to time

REQUEST FOR COUNCIL ACTION

DATE ACTION IS REQUESTED April 21, 2014	TITLE: RCO Grant Authorizing Resolutions	TYPE OF ACTION: — ORDINANCE NO. <u>X</u> RESOLUTION NO. 2014-09 Acquisition 2014-10 Development — MOTION NO. — OTHER
REVIEW: April 21, 2014	ATTACHMENTS: Resolutions supporting Springbrook Park and Waughop Lake Trail Projects	

SUBMITTED BY: Mary Dodsworth, Parks, Recreation and Community Services Director

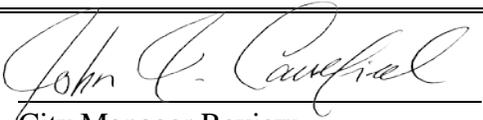
RECOMMENDATION: It is recommended that the City Council authorize the City Manager to forward authorizing resolutions which support various acquisition and development grant applications to the Recreation and Conservation Office.

DISCUSSION: The City is applying for two grants from the State Resource Conservation Office (RCO – state funding source). One grant will support the development of the Springbrook Park Master Plan and the other will support the restoration of the trail around Waughop Lake at Fort Steilacoom Park. Both of these projects were outlined in the recently approved Legacy Plan and are both included in the six year Capital Improvement Plan (CIP). The Waughop Lake Trail Project was the #1 rated project and the Springbrook Park project was rated #4 (of 7 projects).

In 2013 The City received a waiver of retroactivity from the Recreation Conservation Office (which allows us to apply for a grant to include property acquisition costs and future development costs during the next funding cycle. (continued page 2).

ALTERNATIVE(S): We could not approve the resolutions. If we did not approve the specific resolutions provided by the state by May 1, 2014, we would not be eligible for the RCO funding.

FISCAL IMPACT: We will request \$500,000 for the Waughop Lake Project and \$ 310,000 for Springbrook Park. A 50% match is required although we get credit for the Springbrook acquisition costs. The match would be required at the time of contract – approximately June, 2015.

_____ Prepared by	 _____ City Manager Review
_____ Department Director	

DISCUSSION (continued):

Project	Costs	Match	Comments
Springbrook Park Acquisition and Development	\$ 135,000 acquisition <u>\$ 175,000 development</u> \$ 310,000 Total	\$25,000	Although the true match is \$155,000 we will receive credit for \$135,000 in previous acquisition costs. PFP had committed \$5,000 towards the project.
Waughop Lake Trail Development	\$500,000	\$250,000	Partners for Parks has committed fundraising proceeds towards this project. We also anticipate other community support.

RESOLUTION NO. 2014-09

A RESOLUTION of the City Council of the City of Lakewood, Washington, authorizing the submittal of an application for grant funding assistance for Washington Wildlife and Recreation Program project(s) to the Recreation and Conservation Office as provided in Chapter 79A.15 RCW, Acquisition of habitat conservation and outdoor recreation lands, WAC 286 and subsequent Legislative action for the Springbrook Park Acquisition Project.

WHEREAS, the City of Lakewood has approved a comprehensive parks and recreation or habitat conservation plan that includes this project; and

WHEREAS, under the provisions of the Washington Wildlife and Recreation Program (WWRP), state grant assistance is requested to aid in financing the cost of land acquisition and facility development; and

WHEREAS, the City of Lakewood considers it in the best public interest to complete the project described in the application(s).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON, BE IT RESOLVED that:

Section 1. The City Manager or designee is authorized to make formal application to the Recreation and Conservation Office for grant assistance;

Section 2. Any grant assistance received will be used for direct costs associated with implementation of the project referenced above;

Section 3. The City of Lakewood hereby certifies that our matching share of project funding will be derived from City Funds, Community Donations and in-kind services of applicant matching share and that we are responsible for supporting all non-cash commitments to this project should they not materialize.

Section 4. The City of Lakewood acknowledge that the grant assistance, if approved, will be paid on a reimbursement basis, meaning we will only request payment from the Recreation and Conservation Office after eligible and allowable costs have been incurred and payment remitted to our vendors, and that the Recreation and Conservation Office will hold retainage until the project is deemed complete.

Section 5. The City of Lakewood acknowledge that any property acquired and/or facility developed through grant assistance from the Recreation and Conservation Funding Board must be reasonably maintained and made available to the general public at reasonable hours and times of the year according to the type of area or facility unless other restrictions have been agreed to by the Recreation and Conservation Office Director or the Recreation and Conservation Funding Board.

Section 6. The City of Lakewood acknowledge that any property acquired and/or facility developed with grant assistance from the Recreation and Conservation Funding Board must be dedicated for public outdoor recreation purposes, and be retained and maintained for such use for perpetuity unless otherwise provided and agreed to by our organization and the Recreation and Conservation Funding Board.

Section 7. The City of Lakewood acknowledge that any property acquired using Recreation and Conservation Funding Board assistance must be developed within five years of the acquisition closing.

Section 8. This resolution becomes part of a formal application to the Recreation and Conservation Office for grant assistance; and

Section 9. The City of Lakewood provided appropriate opportunity for public comment on this application.

PASSED by the City Council this 21st day of April, 2014.

CITY OF LAKEWOOD

Don Anderson, Mayor

Attest:

Alice M. Bush, MMC, City Clerk

Approved as to Form:

Heidi A. Wachter City Attorney

RESOLUTION NO. 2014-10

A RESOLUTION of the City Council of the City of Lakewood, Washington, authorizing the submittal of an application for grant funding assistance for Washington Wildlife and Recreation Program project(s) to the Recreation and Conservation Office as provided in Chapter 79A.15 RCW, Acquisition of habitat conservation and outdoor recreation lands, WAC 286 and subsequent Legislative action for the Springbrook Park Expansion and Waughop Lake Trail Development Project.

WHEREAS, the City of Lakewood has approved a comprehensive parks and recreation plan or habitat conservation plan that includes this project; and

WHEREAS, under the provisions of the Washington Wildlife and Recreation Program (WWRP), state grant assistance is requested to aid in financing the cost of facility development; and

WHEREAS, the City of Lakewood considers it in the best public interest to complete the project described in the application.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON, BE IT RESOLVED that:

Section 1. The City Manager or designee is authorized to make formal application to the Recreation and Conservation Office for grant assistance.

Section 2. Any grant assistance received will be used for direct costs associated with implementation of the project referenced above.

Section 3. The City of Lakewood hereby certifies that our matching share of project funding will be derived from City funds, community donations and in kind support of applicant matching share and that we are responsible for supporting all non-cash commitments to this project should they not materialize.

Section 4. The City of Lakewood acknowledge that the grant assistance, if approved, will be paid on a reimbursement basis, meaning we will only request payment from the Recreation and Conservation Office after eligible and allowable costs have been incurred and payment remitted to our vendors, and that the Recreation and Conservation Office will hold retainage until the project is deemed complete.

Section 5. The City of Lakewood acknowledge that any facility developed through grant assistance from the Recreation and Conservation Funding Board must be reasonably maintained and made available to the general public at reasonable hours and times of the year according to the type of area or facility unless other restrictions have been agreed to by the Recreation and Conservation Office Director or the Recreation and Conservation Funding Board.

Section 6. The City of Lakewood acknowledge that any facility developed with grant assistance from the Recreation and Conservation Funding Board must be dedicated for public outdoor recreation purposes, and be retained and maintained for such use for perpetuity unless otherwise provided and agreed to by our organization and the Recreation and Conservation Funding Board.

Section 7. This resolution becomes part of a formal application to the Recreation and Conservation Office for grant assistance.

Section 8. The City of Lakewood provided appropriate opportunity for public comment on this application.

PASSED by the City Council this 21st day of April, 2014.

CITY OF LAKEWOOD

Don Anderson, Mayor

Attest:

Alice M. Bush, MMC, City Clerk

Approved as to Form:

Heidi A. Wachter City Attorney

REQUEST FOR COUNCIL ACTION

DATE ACTION IS REQUESTED April 21, 2014 REVIEW: April 14, 2014	TITLE: Authorization of an Agreement with Tindale Oliver Associates to Provide Services Relative to the 2014 Visioning Project ATTACHMENTS: Draft Contract for Services	TYPE OF ACTION: ___ ORDINANCE NO. ___ RESOLUTION NO. <u>XX</u> MOTION NO. 2014-21 ___ OTHER
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SUBMITTED BY: Principal Planner Dan Catron

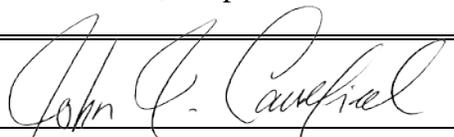
RECOMMENDATION: It is recommended that the City Council execute a contract with Tindale Oliver Associates to provide consulting services in connection with the City’s 2014 Visioning Project.

DISCUSSION: In conjunction with the 2014 Comprehensive Plan Update, the Community Development Department is proposing to conduct a community visioning program to solicit input from citizens regarding the policy direction of the city. The City interviewed three firms and selected Tindale-Oliver Associates as the firm best suited to meet the City’s needs. The firm will work in conjunction with Fregonese Associates to communicate with existing community groups, hold public visioning meetings, and solicit community input through other communication channels.

After completion of the community outreach activities, the consultant will develop a draft Community Vision document. The Community Vision document will include a Vision Statement with associated goals, and a Strategic Action Plan addressing specific topics. The Community Vision document will include milestones and performance measures to track progress in reaching identified goals. A draft Vision Plan is scheduled to be delivered in early November 2014, with final adoption by the Council scheduled for the end of 2014.

ALTERNATIVE(S): Alternatively, the Council could elect not to move forward with the Visioning project, or could select a different consultant.

FISCAL IMPACT: The cost of the project is not to exceed \$100,000 per the terms of the contract.

_____ Prepared by Dan Catron, AICP Principal Planner _____ Dave Bugher, Assistant City Manager for Development	 _____ City Manager Review
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CITY OF LAKEWOOD AGREEMENT FOR CONSULTING SERVICES

THIS CONTRACT, made and entered into on this ___ day of April, 2014, by and between the City of Lakewood, Washington, a municipal corporation of the State of Washington, hereinafter referred to as "City", and Oliver-Tindale Associates, hereinafter referred to as the "Consultant."

WITNESSETH:

WHEREAS, the City is in need of services of individuals, employees or firms for financial, damages, accounting analysis, as well as general business and management consulting; and,

WHEREAS, the City desires to retain the Consultant to provide certain services in connection with the City's work on the 2014 Visioning Project; and,

WHEREAS, the Consultant is qualified and able to provide consulting services in connection with the City's needs for the above described work, and is willing and agreeable to provide such services upon the terms and conditions herein contained.

NOW, THEREFORE, the parties hereto agree as follows:

1. **SCOPE OF SERVICES:** The Consultant agrees to perform in a good and professional manner the tasks described on Exhibit "A" attached hereto and incorporated herein by this reference. (The tasks described on Exhibit "A" shall be individually referred to as a "task", and collectively referred to as the "services".) The Consultant shall perform the services as an independent contractor and shall not be deemed, by virtue of this Agreement and the performance thereof, to have entered into any partnership, joint venture, employment or other relationship with the City.
2. **ADDITIONAL SERVICES:** From time to time hereafter, the parties hereto may agree to the performance by the Consultant of additional services with respect to related work or projects. Any such agreement(s) shall be set forth in writing and shall be executed by the respective parties prior to the Consultant's performance of the services thereunder, except as may be provided to the contrary in Section 3 of this Agreement. Upon proper completion and execution of an addendum (agreement for additional services), such addendum shall be incorporated into this Agreement and shall have the same force and effect as if the terms of such addendum were a part of this Agreement as originally executed. The performance of services pursuant to an addendum shall be subject to the terms and conditions of this Agreement except where the addendum provides to the contrary, in which case the terms and conditions of any such addendum shall control. In all other respects, any addendum shall supplement and be construed in accordance with the terms and conditions of this Agreement.
3. **PERFORMANCE OF ADDITIONAL SERVICES PRIOR TO EXECUTION OF AN**

ADDENDUM: The parties hereby agree that situations may arise in which services other than those described on Exhibit "A" are desired by the City and the time period for the completion of such services makes the execution of addendum impractical prior to the commencement of the Consultant's performance of the requested services. The Consultant hereby agrees that it shall perform such services upon the oral request of an authorized representative of the City pending execution of an addendum, at a rate of compensation to be agreed to in connection therewith. The invoice procedure for any such additional services shall be as described in Section 7 of this Agreement.

4. **CONSULTANT'S REPRESENTATIONS:** The Consultant hereby represents and warrants that he has all necessary licenses and certifications to perform the services provided for herein, and is qualified to perform such services.
5. **CITY'S RESPONSIBILITIES:** The City shall do the following in a timely manner so as not to delay the services of the Consultant:
 - A. Designate in writing a person to act as the City's representative with respect to the services. The City's designee shall have complete authority to transmit instructions, receive information, interpret and define the City's policies and decisions with respect to the services.
 - B. Furnish the Consultant with all information, criteria, objectives, schedules and standards for the project and the services provided for herein.
 - C. Arrange for access to the property or facilities as required for the Consultant to perform the services provided for herein.
 - D. Examine and evaluate all studies, reports, memoranda, plans, sketches, and other documents prepared by the Consultant and render decisions regarding such documents in a timely manner to prevent delay of the services.
6. **ACCEPTABLE STANDARDS:** The Consultant shall be responsible to provide, in connection with the services contemplated in this Agreement, work product and services of a quality and professional standard acceptable to the City.
7. **COMPENSATION:** As compensation for the Consultant's performance of the services provided for herein, the City shall pay the Consultant the fees and costs specified on Exhibit "A" attached hereto and made a part hereof (or as specified in an addendum). The Consultant shall submit to the City an invoice or statement of time spent on tasks included in the scope of work provided herein, and the City shall process the invoice or statement in the next billing/claim cycle following receipt of the invoice or statement, and shall remit payment to the Consultant thereafter in the normal course, subject to any conditions or provisions in this Agreement or addendum.
8. **TIME FOR PERFORMANCE:** The Consultant shall perform the services provided for

herein in accordance with the direction and scheduling provided by the City Manager. Services provided for under this contract shall commence no later than May 1, 2014, and shall be completed no later than December 31, 2014.

9. **OWNERSHIP AND USE OF DOCUMENTS:** All documents, reports, memoranda, diagrams, sketches, plans, surveys, design calculations, working drawings and any other materials created or otherwise prepared by the Consultant as part of his performance of this Agreement (the "Work Products") shall be owned by and become the property of the City, and may be used by the City for any purpose beneficial to the City.
10. **RECORDS INSPECTION AND AUDIT:** All compensation payments shall be subject to the adjustments for any amounts found upon audit or otherwise to have been improperly invoiced, and all records and books of accounts pertaining to any work performed under this Agreement shall be subject to inspection and audit by the City for a period of up to three (3) years from the final payment for work performed under this Agreement.
11. **CONTINUANCE OF PERFORMANCE:** In the event that any dispute or conflict arises between the parties while this Contract is in effect, the Consultant agrees that, notwithstanding such dispute or conflict, the Consultant shall continue to make a good faith effort to cooperate and continue work toward successful completion of assigned duties and responsibilities.
12. **CONTRACT ADMINISTRATION:** This Agreement shall be administered by Elizabeth Schuck and Ginger Corless, on behalf of the Consultant, and by the City Manager of the City, or designee, on behalf of the City. Any written notices required by the terms of this Agreement shall be served on or mailed to the following addresses:

IF TO THE CITY:
City of Lakewood
Lakewood City Hall
6000 Main Street SW
Lakewood, WA 98499-5027

IF TO THE CONTRACTOR:
Tindale Oliver Associates
5301 1st Avenue NW
Seattle, WA 98107
(206) 858-2202

13. **NOTICES:** All notices or communications permitted or required to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered in person or deposited in the United States mail, postage prepaid, for mailing by certified mail, return receipt requested, and addressed, if to a party of this Agreement, to the address set forth next to such party's signature at the end of this Agreement, or if to a person not a party to this Agreement, to the address designated by a party to this Agreement in the foregoing manner. Any party may change his or its address by giving notice in writing, stating his or its new address, to any other party, all pursuant to the procedure set forth in this section of the Agreement.

14. **INSURANCE:**

The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

No Limitation. Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

A. Minimum Scope of Insurance

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability and Commercial General Liability insurance.

1. The Consultant's insurance coverage shall be primary insurance as respect to City. Any insurance, self-insurance, or insurance pool coverage maintained by

the City shall be excess of the Consultant's insurance and shall not contribute with it.

2. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

E. Verification of Coverage

Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

15. **INDEMNIFICATION/HOLD HARMLESS:** The Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the negligent acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.
16. **ASSIGNMENT:** Neither party to this Agreement shall assign any right or obligation hereunder in whole or in part, without the prior written consent of the other party hereto. No assignment or transfer of any interest under this Agreement shall be deemed to release the assignor from any liability or obligation under this Agreement, or to cause any such liability or obligation to be reduced to a secondary liability or obligation.
17. **CONTRACTOR'S EMPLOYEES – EMPLOYMENT ELIGIBILITY REQUIREMENTS:** The Contractor and any subcontractors shall comply with E-Verify as set forth in Lakewood Municipal Code Chapter 1.42. E-Verify is an Internet-based system operated by United States Citizenship and Immigration Services in partnership with the Social Security Administration. E-Verify is free to employers and is available in all 50 states. E-Verify provides an automated link to federal databases to help employers determine employment eligibility of new hires and the validity of their Social Security numbers. The Contractor shall enroll in, participate in and document use of E-Verify as a condition of the award of this contract. The Contractor shall continue participation in E-Verify throughout the course of the Contractor's contractual relationship with the City. If the Contractor uses or employs any subcontractor in the performance of work under this contract, or any subsequent renewals, modifications or extension of this contract, the subcontractor shall register in and participate in E-Verify and certify such participation to the Contractor. The Contractor shall show proof of compliance with this section, and/or proof of subcontractor compliance with this section, within three (3) working days of the date of the City's request for such proof.

18. **AMENDMENT, MODIFICATION OR WAIVER:** No amendment, modification or waiver of any condition, provision or term of this Agreement shall be valid or of any effect unless made in writing, signed by the party or parties to be bound, or such party's or parties' duly authorized representative(s) and specifying with particularity the nature and extent of such amendment, modification or waiver. Any waiver by any party of any default of the other party shall not effect or impair any right arising from any subsequent default. Nothing herein shall limit the remedies or rights of the parties hereto under and pursuant to this Agreement.

19. **TERMINATION AND SUSPENSION:** Either party may terminate this Agreement upon written notice to the other party if the other party fails substantially to perform in accordance with the terms of this Agreement through no fault of the party terminating the Agreement.

The City may terminate this Agreement upon not less than seven (7) days written notice to the Consultant if, in the discretion of the City Manager, the services provided for herein are no longer needed from the Consultant.

If this Agreement is terminated through no fault of the Consultant, the Consultant shall be compensated for services performed prior to termination in accordance with the rate of compensation provided in Exhibit "B" hereof.

20. **PARTIES IN INTEREST:** This Agreement shall be binding upon, and the benefits and obligations provided for herein shall inure to and bind, the parties hereto and their respective successors and assigns, provided that this section shall not be deemed to permit any transfer or assignment otherwise prohibited by this Agreement. This Agreement is for the exclusive benefit of the parties hereto and it does not create a contractual relationship with or exist for the benefit of any third party, including contractors, sub-contractors and their sureties.

21. **COSTS OF PREVAILING PARTY:** In the event of such litigation or other legal action, to enforce any rights, responsibilities or obligations under this Agreement, the prevailing party shall be entitled to receive its reasonable costs and attorney's fees.

22. **APPLICABLE LAW:** This Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Washington and venue for any action hereunder shall be Pierce County, State of Washington; provided, however, that it is agreed and understood that any applicable statute of limitation shall commence no later than the substantial completion by the Consultant of the services.

23. **CAPTIONS, HEADINGS AND TITLES:** All captions, headings or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and shall not constitute a part of this Agreement or act as a limitation of the scope of the particular paragraph or sections to which they apply. As used herein, where appropriate, the singular shall include the plural and vice versa and masculine, feminine and neuter expressions shall be interchangeable. Interpretation or construction of this Agreement shall

not be affected by any determination as to who is the drafter of this Agreement, this Agreement having been drafted by mutual agreement of the parties.

- 24. **SEVERABLE PROVISIONS:** Each provision of this Agreement is intended to be severable. If any provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.
- 25. **ENTIRE AGREEMENT:** This Agreement contains the entire understanding of the parties hereto in respect to the transactions contemplated hereby and supersedes all prior agreements and understandings between the parties with respect to such subject matter.
- 26. **COUNTERPARTS:** This Agreement may be executed in multiple counterparts, each of which shall be one and the same Agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed effective the day and year first set forth above.

TINDALE- OLIVER ASSOCIATES

CITY OF LAKEWOOD

Ginger Corless AICP, Principal

John J. Caulfield, City Manager

Date: _____

Date: _____

Attest:

Alice Bush, MMC, City Clerk

Date: _____

Approved as to Form:

Heidi Wachter, City Attorney

EXHIBIT A

City of Lakewood Community Vision Plan

Scope of Services (April 14, 2014)

Task 1: Community Profile

The purpose of this task is to develop a community profile for the City of Lakewood to serve as the foundation for which, along with community input, the vision is developed.

Task 1.1: Develop Community Profile

The community profile will build upon past planning efforts by the City and others, and use existing data sources related to demographics, socio-economic characteristics, land use trends, community assets and future needs, resources, and environmental conditions within the city. The intent of this task is not to reproduce a voluminous technical report on available background data, but to provide a succinct report highlighting key elements and identifying available resources, strengths, opportunities, and challenges for Lakewood. A draft community profile will be provided to the City Project Manager for dissemination and review. A final community profile will be provided based on receipt of comments.

Task 1.2: Vision Committee Meeting #1

The purpose of this initial Vision Committee meeting is to “kick-off” the project and discuss project goals and approach and to identify and discuss known community resources, strengths, opportunities, and challenges. The City of Lakewood will be responsible for assembling a Vision Committee to serve as a sounding board during the visioning process. It is recommended that the Vision Committee be comprised of 8 to 12 people and include key staff/departmental representatives from the City of Lakewood, as well as citizen or community organization representatives.

Task 1 Responsibilities of the City:

- Task 1.1—Provide Consultant with background material for the community profile.
- Task 1.1—Provide one (1) consolidated set of review comments on the community profile to Consultant.
- Task 1.2—Identify Vision Committee members and organize the meeting (i.e., secure meeting location, send invitations to Committee members, and transmit materials ahead of meeting).

Task 1 Responsibilities of the Consultant:

- Task 1.1—Review background material and provide draft community profile.
- Task 1.1—Provide one (1) revision to the draft community profile based on City's consolidated comments. Revised draft will be considered final.

- Task 1.2—Facilitate Vision Committee Meeting #1 and provide follow-up meeting notes and action items.

Task 2: Public Outreach

Following the completion of Task 1, public outreach activities will be conducted to engage the community in the visioning process and gather input to help develop the community vision, goals, and priorities.

Task 2.1: Visioning Webpage Support

The City of Lakewood will be responsible for providing a dedicated webpage for the visioning effort on the City's website. This will enable a single location of information for the visioning effort and should include the following components:

- Information page (project overview, contact information, project highlights)
- Get Involved page (submit a question, provide email address, request a community presentation)
- Publication/document page

The Consultant will coordinate with the City's webmaster to provide a project description write up for the initial site and provide updates to content and materials throughout the project, including survey links, documents, etc.

Task 2.2: Stakeholder Interviews

The Visioning Committee will help identify a list of ten (10) stakeholders to be interviewed by the Consultant early in the project. These stakeholders should represent a variety of perspectives and may include elected officials, business owners, leaders of civic organizations, citizens, and others who will provide unique insight on the City and its future direction. The Consultant will develop a set of questions to be asked of each stakeholder, to be approved by the City's Project Manager. The interviews will also include an opportunity for open-ended discussion. Input received during interviews will be used, along with the community profile and input from the Vision Committee, to develop the community survey. To maximize efficiency, it is expected that as many of these interviews as possible will be scheduled for a single day. In addition, up to five (5) of these interviews may be held over the phone and may include additional TOA staff. It is expected that these calls will be typically up to one hour in duration.

Task 2.3: Visioning Process Information Sheet and Email Notices

A one-page information sheet detailing the visioning process and ways to become involved will be prepared. This information sheet will be distributed at the neighborhood/community organization meetings attended by the Consultant and also provided to the City in electronic format for placement on the City's project webpage.

Email addresses of participants will be collected throughout the visioning process. The project webpage

will include a form to submit an email address and the Consultant will collect email addresses at all events and meetings. These email addresses will be provided to the City for inclusion in the contact database used to send out City newsletters. The Consultant will prepare up to three email notifications using “Mail Chimp” software to be sent out by the City. Content for the three email notifications could include: 1) an initial notification about the visioning process/website/survey opportunity; 2) advertisement about the vision workshop; 3) notice of the draft vision plan and public workshop to review and provide comments on the draft plan. The Consultant will coordinate with the City’s Project Manager concerning the timing and content of each email notice.

Task 2.4: Web-based Community Survey

The Consultant will prepare a web-based community survey for the City to include as a link on the webpage. The survey will be active for a finite period of time ahead of the “Vision Week” activities. The survey will contain a succinct list of questions for the public to answer to help identify or further clarify issues and opportunities that the vision should address. The TOA Team will also provide the web survey link in a format that the City can post on its social media accounts to gather input from social media users. The Consultant will provide a paper copy of the survey at community meetings or other events. The input received from any paper surveys will be combined with the online survey effort. The Consultant will also be available via phone to review the survey with anyone who has a visual impairment.

The quantitative and qualitative results of the survey will be summarized. Insights gathered will be used to help formulate the approach and materials for the subsequent efforts, including the visioning workshop.

Task 2.5: Neighborhood/Community Organization Meetings

The Consultant will attend and present at up to ten (10) neighborhood/community organization meetings. For formal meetings (e.g., neighborhood association meeting), the Consultant will be prepared to make a brief presentation about the visioning process and seek input from attendees. For events that are less formal (e.g., a farmer’s market), the Consultant will provide an informational board and approach people about the visioning effort.

The City's Project Manager and Visioning Committee will help the Consultant identify organizations to contact about presenting. The project webpage will also include a form to submit a request for the Consultant to come and present. To be most effective, the majority of these meetings should occur earlier on in the project to inform the community about the visioning process and ways they can provide input. Input received from these meetings will also be used to help form the approach for the Community Visioning Workshop

Task 2.6: Vision Week Community Tour

In order to maximize budget efficiency and build excitement around the community vision process, a series of focused public meetings will be held during a one week period known as “Vision Week.” Vision Week will provide a number of different ways that the community can get involved within the visioning

process.

First, the Consultant will conduct a community tour to gain an understanding of the physical context of the city and gain insight from tour participants on the existing conditions and future desires. This tour will include short stops at designated locations to collect photographic documentation and to meet with local community members to discuss specific issues/opportunities. The tour logistics (transportation, tour route, and potential stakeholder meetings) will be coordinated by the City with input from the Consultant. The tour is expected to take approximately 4 to 5 hours, and will be scheduled as the first Vision Week activity.

Task 2.7: Vision Week Workshop

The Community Visioning Workshop will be open to the entire Lakewood community and offer a number of interactive activities and opportunities to provide input into the visioning process and to help develop consensus of the community vision elements. The activities will include informational presentations, interactive polling, map exercises, and other techniques to provide attendees the opportunity to share. The workshop will be held in a centralized location accessible by public transportation. The City will be responsible for reserving the meeting space and required audiovisual equipment, as well as providing public noticing for the workshop. Following the visioning workshop, the results will be summarized and posted by the City on the project webpage. Depending on the number of anticipated participants, it may be necessary for City staff to help facilitate groups during the scenario planning activity.

Task 2.8: City Council Workshop

Following the completion of the Community Tour and Community Visioning Workshop, the Consultant will present its preliminary findings to a workshop with the City Council. This workshop will allow for the Council to share input into the process, and ask questions about the remaining project steps. The TOA Team will coordinate the project schedule to include the City Council workshop at the end of, or shortly following, Vision Week.

Task 2 Responsibilities of the City:

- Task 2.1—Work with the Consultant to develop and maintain visioning webpage(s) on the City's website.
- Task 2.2—Through the Vision Committee, provide a list of ten (10) community stakeholders to be interviewed.
- Task 2.3—Send out the email notifications prepared by the Consultant.
- Task 2.6—Organize the community tour (transportation, tour route, and potential stakeholder meetings along the tour route).
- Task 2.7—Identify locations for the visioning workshop, secure necessary audiovisual equipment, and complete public noticing for the workshop. Depending on the number of participants, it may be necessary for City staff to help facilitate groups during the scenario

planning activity.

- Task 2.8—Schedule City Council presentation.

Task 2 Responsibilities of the Consultant:

- Task 2.1—Work with the appropriate City staff to develop and maintain visioning webpage(s) on the City’s website.
- Task 2.2—Conduct up to ten (10) stakeholder interviews; provide a synopsis of the input received that will be used during the visioning process.
- Task 2.3—Prepare a one-page information sheet on the visioning process.
- Task 2.3—Compile email addresses collected at meetings/presentations and via the website to the City for inclusion in its contact database; prepare up to three (3) email notifications to be sent by the City.
- Task 2.4—Prepare a survey to be placed on the project webpage; summarize results of survey.
- Task 2.5—Conduct up to ten (10) neighborhood/community organization meetings.
- Task 2.6—Provide input to the City Project Manager concerning the logistics of the community tour.
- Task 2.7—Prepare materials for and execute the visioning workshop.
- Task 2.8—Prepare and give a visioning update presentation to the City Council.

Task 3: Scenario Planning

A key part of this visioning process will be to create and evaluate alternative scenarios for the future of the City of Lakewood. These scenarios will be “crash-test dummies” that teach us how today’s decisions about the city may drive different future outcomes. These scenarios will help expose opportunities and risks, identify key variables of success, recommend the best alternatives from a range of outcomes, and focus proactive strategies on the highest priorities for success. These scenarios can also become powerful tools to bring people together, build consensus about a vision and strategy, and create sustainable momentum.

Task 3.1: Develop Future Scenarios

The Consultant team will create three (3) alternative scenarios from the results of the vision workshop process. These scenarios will be developed in detail and “fed” into models to measure the different levels of success when compared to the project’s goals. During this analysis, the alternative future scenarios will be examined to determine important information such as areas of change and stability, rough costs of implementation, and overall land use patterns. These results will be packaged in non-technical language to disseminate this valuable information to the public as well.

Task 3.2: Analyze and Compare Scenarios

The alternative scenarios will be modeled to determine their desirability according to numerous indicators or benchmarks. The indicators will be tied to the goals and priorities identified through the various outreach methods and will include the following measures:

- Land use changes in terms of location, housing mix, infill percentage, and investment.
- Housing types and distribution, and how well they match the forecast future population and its market demand.
- Employment and job distribution, and the match between the scenario and the expected jobs profile. The impacts of the scenario on cost of living in various forms, including both monetary and time related.

Task 3.3: Vision Committee Meeting #2

The results of the scenario planning process will be presented to the Vision Committee for discussion, including focus on how the scenarios will be used to develop the Community Vision Plan.

Task 3 Responsibilities of the City:

- Task 3.3—Organize Vision Committee Meeting #2 (i.e., secure meeting location, send invitations to Committee members, and transmit materials ahead of meeting).

Task 3 Responsibilities of the Consultant:

- Tasks 3.1 and 3.2—Provide the following deliverables for these tasks: maps, descriptive memorandum, and GIS layers for modeling.
- Task 3.3—Facilitate Vision Committee Meeting #2 and provide follow-up meeting notes.

Task 4: Community Vision Plan

Following the community engagement and scenario planning processes, the Consultant will develop the Community Vision Plan.

Task 4.1: Vision and Goals Development

Following the completion of Vision Week activities, the TOA Team will formulate a draft Community Vision and associated goals (or focus areas) stemming from the community profile and during the outreach process. The refined Community Vision and goals will then serve as the guiding framework to develop implementation milestones and performance measures that will be used to track community progress in achieving the vision.

Task 4.2: Action Plan and Performance Measures

Once the Community Vision and Goals are identified, the Consultant will develop a series of action items or strategies to support the implementation of each goal (or focus area). In addition, performance measures to track the progress of implementing the action items will be provided. These performance

measures could cover topics such as infrastructure costs, community engagement, development type, and fiscal sustainability, and will build upon the indicators identified during the scenario planning process.

Task 4.3: Prepare Draft Community Vision Plan

The results of the visioning process will be documented into a draft Community Vision Plan. The Plan will document the project process (i.e., community profile, outreach process, scenario planning, etc.) but the core of the Plan will focus on the implementation plan (vision, goals/focus areas, action items, performance measures, timeframe, lead/support partners). The Plan will identify the next steps that should be undertaken to begin the implementation process, such as policy/planning initiatives, public engagement activities, and community investments.

Task 4.4: Plan Review and Adoption Process

The draft Community Vision Plan will be shared with the Vision Committee for their review and comments. Changes to the draft Plan will be made based on Vision Committee input, as appropriate.

Following Vision Committee Meeting #3, a two-hour open-house style public meeting will be held to unveil the draft Plan elements to the public and gather input. The Plan will be refined, as appropriate, into a draft final version based on comments and input received during meeting.

Once the draft final Plan has been prepared, a summary document will be prepared to highlight key findings of the Community Vision Plan. The purpose of this summary document is to provide an easy-to-read, succinct document that the City can use to help "promote" the vision. The format of this summary could be an executive summary of the report, a brochure, a newsletter, etc. The exact format of this deliverable will be discussed with the Vision Committee.

Following the completion of the draft final Community Vision Plan and summary document, the Consultant will present the findings to the City Council for their review/approval. Any final comments received at this meeting will be incorporated, as appropriate, into the final Plan and summary document.

Task 4 Responsibilities of the City:

- Task 4.4—Organize Vision Committee Meeting #3 (i.e., secure meeting location, send invitations to Committee members, and transmit materials ahead of meeting).
- Task 4.4—Schedule the City Council presentation.
- Task 4.4—Secure a meeting location for the open-house style public meeting.

Task 4 Responsibilities of the Consultant:

- Task 4.3—Prepare draft Community Vision Plan based on effort completed in Tasks 4.1 and 4.2.
- Task 4.4—Facilitate the Vision Committee Meeting #3 and provide revised draft Plan based on comments received by Committee members.

- Task 4.4—Hold a public meeting to obtain feedback on draft Plan elements.
- Task 4.4—Refine draft Plan based on comments received from public meeting.
- Task 4.4—Prepare Plan summary document in the format discussed with the Vision Committee.
- Task 4.4—Present findings of draft final Plan to City Council.
- Task 4.4—Provide final Plan and summary document based on comments received at City Council meeting.

PROJECT BUDGET:

The total project budget is \$99,961. A summary of the budget by sub-task is provided on page 9.

PROJECT SCHEDULE:

A project schedule for the completion of tasks/major activities is provided on page 10.

PROJECT INVOICES:

Monthly invoices will be sent to the City Project Manager based on the percent complete for each sub-task during the invoice period. Each invoice will include a progress report outlining the activities completed.

Project Budget by Task

Task/Sub-Task	Budget
Task 1: Community Profile	\$8,861
<i>Task 1.1: Develop Community Profile</i>	\$6,954
<i>Task 1.2: Vision Committee Meeting #1</i>	\$1,907
Task 2: Public Outreach	\$34,703
<i>Task 2.1: Visioning Webpage Support</i>	\$3,391
<i>Task 2.2: Stakeholder Interviews</i>	\$4,942
<i>Task 2.3: Visioning Process Information Sheet and Email Notices</i>	\$3,743
<i>Task 2.4: Web-based Community Survey</i>	\$2,422
<i>Task 2.5: Neighborhood/Community Organization Meetings</i>	\$4,528
<i>Task 2.6: Vision Week Community Tour</i>	\$4,165
<i>Task 2.7: Vision Week Workshop</i>	\$9,493
<i>Task 2.8: City Council Workshop</i>	\$2,019
Task 3: Scenario Planning	\$14,865
<i>Task 3.1: Develop Future Scenarios</i>	\$6,537
<i>Task 3.2: Analyze and Compare Scenarios</i>	\$6,251
<i>Task 3.3: Vision Committee Meeting #2</i>	\$2,077
Task 4: Community Vision Plan	\$41,532
<i>Task 4.1: Vision and Goals Development</i>	\$9,975
<i>Task 4.2: Action Plan and Performance Measures</i>	\$8,255
<i>Task 4.3: Prepare Draft Community Vision Plan</i>	\$10,995
<i>Task 4.4: Plan Review and Adoption Process</i>	\$12,307
PROJECT TOTAL	\$99,961

Project Schedule:

Tasks	2014								2015		
	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	
Task 1: Community Profile											
Task 2: Public Outreach											
Task 3: Scenario Planning											
Task 4: Community Vision Plan											

-  Vision Committee Meeting
-  Visioning Information Sheet
-  Neighborhood/Community Meetings
-  City vision webpage
-  Open-House Public Meeting
-  Tech Memo/Draft Report
-  Stakeholder Interviews
-  "Vision Week" Activities
-  Web-Based Survey
-  City Council Meeting
-  Final Report

EXHIBIT B

Personnel Category	Team Member(s)	Hourly Rate
Tindale-Oliver & Associates, Inc.		
Principal	Gonger Corless, Milgun Kamp	\$196.20
Project Manager	Elisabeth Schuck	\$138.85
Senior Planner	Evan Johnson	\$109.37
Project Planner	Mark Erquitt, Eric Changry, Chris Keller	\$87.14
Clerical	Firm accounting/administration staff	\$61.37
Fregonese Associates		
Principal	Scott fregonese	\$142.79
Project Manager	Alex Joyce	\$93.75
Planner	Nadine Appenbrink	\$69.23

REQUEST FOR COUNCIL ACTION

DATE ACTION IS REQUESTED: May 5, 2014	TITLE: Authorization of HOME Loan Agreement for Gravelly Lake Townhomes' redevelopment of 8919 Gravelly Lake Dr. SW	TYPE OF ACTION: — ORDINANCE — RESOLUTION ✓ MOTION 2014-22 — OTHER
REVIEW: April 14, 2014	ATTACHMENTS: 1. Gravelly Lake Townhomes Loan Analysis	

SUBMITTED BY: David Bugher, Assistant City Manager for Development Services/Community Development Director

RECOMMENDATION: It is recommended that the Mayor and City Council authorize the City Manager to execute a HOME Investment Partnership Act (HOME) Loan Agreement with Gravelly Lake Townhomes, LLC to provide \$316,920 in funding for the redevelopment of 8919 Gravelly Lake Dr. SW. Funding would provide for the construction of 28 offsite parking spaces for permanent rental housing being constructed at 8911 Gravelly Lake Dr. SW and would secure two affordable, three bedroom housing units for a period of 20 years. The funding agreement would be in the form of an interest bearing loan with payments amortized over 10 years.

DISCUSSION: Each year, the City of Lakewood receives U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnership Program (HOME) funding through its consortium agreement with the City of Tacoma. The primary objective of the HOME Program is to benefit low- and moderate- income individuals either through the creation of, or accessibility to, affordable housing.

Funding for this project would be provided through Lakewood's 2013 HOME Affordable Housing Fund allocation. The HOME Affordable Housing Fund was funded as part of Lakewood's FY 2013 Consolidated Annual Action Plan. The fund has a balance of \$353,309.37 in HOME funds available to be allocated to eligible projects. *(Continued to page 2)*

ALTERNATIVE(S): The Council can choose to modify the total amount of funding provided, the terms or interest rate of the loan, or may choose not to authorize funding at all.

FISCAL IMPACT: There is no fiscal impact to the City. These funds are part of the City's FY 2013 annual allocation of HOME Investment Partnership Act funds.

Prepared by _____ _____ Department Director	 _____ City Manager Review
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Project Information: Application was made by Mr. Claude Remy to acquire a single family residence located at 8919 Gravelly Lake Dr. SW (the “Project”), parcel #5130001840, to construct off street parking for permanent rental housing being constructed at 8911 Gravelly Lake Dr. SW. The Project includes acquisition and demolition of a single family residence and the construction of fourteen (14) parking spaces and fourteen (14) garage spaces. Two affordable, 3-bedroom housing units (“HOME rental units”) are to be provided to meet HOME Program eligibility requirements pursuant to 24 CFR 92.205 and will carry rent restrictions and affordability requirements for a period of 20 years. Total project costs are \$412,701. The current zoning, Neighborhood Commercial 2 (NC2), is consistent with the intended use.

Application for Phase 3 would be partnered with two other project phases to complete a larger-scale, 52 unit townhome development located on 8911 Gravelly Lake Dr. SW. Activities on this site consist of three distinct projects or phases- Phase 1, construction of 24 housing units; Phase 2, construction of 28 housing units, two of which are to be HOME units; and Phase 3, acquisition and construction of off street parking for phases 1 and 2 (HOME funding application). Phase 1 was completed in 2010 and is not being reviewed as part of this funding request. Phase 2 is a stand-alone project and is not receiving any HOME funding; however, Phase 2 is being evaluated and underwritten to ensure there is sufficient cash flow to debt service the proposed City of Lakewood HOME loan. Phase 2 is also providing the required HOME rental units for eligibility purposes. Phase 3 includes the construction of 28 off street parking spaces and is slated to be completed in 2015. Phase 3 project costs include acquisition and related costs, architectural and engineering, permit fees, surveys, and other project related soft costs; no construction costs are being funded.

The HOME rental units will carry an affordability period of 20 years and will bill secured via deed of trust and covenant running with the land. Property maintenance standards (HUD Housing Quality Standards and International Existing Building Codes) will be enforced upon all common areas of the property and on all HOME units for the duration of the affordability period. Inspections of the property are to be conducted annually by City CDBG program staff.

For a detailed project review see HOME Project Specific Review as attached.

Use of Funds: Funding will be used to fund the following land acquisition costs, architectural and engineering, surveys and other project soft costs:

Development Costs	Budget
Acquisition and Closing Fees	\$182,520
Development Costs (appraisal, engineering, architect, legal, surveys, etc.)	\$57,350
Project Related Soft Costs (insurance, construction period interest/utilities permits, accounting, taxes, etc.)	\$77,050
Total Development Costs	\$316,920

Proposed Terms: Staff has proposed a 10-year, 4% interest loan with interest only payments in year 1; amortization will be on a 9-year schedule in years 2 – 10. Payments are to be made by borrower monthly with revenue generated from Phase 2 operations. For a complete amortization table of the proposed loan see HOME Project Specific Review as attached.

Council does have the authority to set the interest rate and terms of the loan for this project. To provide Council with additional options, staff has prepared loan terms sheets for a 3%, 4%, and 5% loan. See Optional Interest Terms as included them in the loan document appendix.

Required Conditions Prior to Closing:

1. Receipt of appraisal for Phase 3 as completed (parcel #5130001840);
2. Completion of environmental review and approval of Request to Release Funds from HUD;

3. Satisfaction of insurance requirements including Owner’s General Liability, Builder’s Risk, and Property;
4. Receipt of an updated Lender’s Title Policy in favor of the City of Lakewood; and
5. Receipt of updated documents (budgets, contracts, financials, other documents) as requested by City.

Additional Developer Project Costs: Funding for the HOME program requires projects to maintain a minimum number of HOME affordable units and restrict the rent on those units for a minimum period of time, the “affordability period”. This project is required to provide two, three-bedroom HOME units with an affordability period of 20 years. Rent on the HOME units is restricted to a maximum of \$1,178 per unit over the affordability period. This rent restriction will result in a total rent reduction over the 20 year affordability period of approximately \$9,720, which equates to an equivalent 0.56% interest rate increase over the term of the proposed loan. See Developer Cost Analysis below for additional details.

Additional HOME requirements for this project include the design and construction of accessible units for persons with disabilities. Section 504 of the Rehabilitation Act of 1973 requires new construction of multifamily rental projects to include a minimum of 5% of the dwelling units in a project to be made accessible to individuals with mobility impairments, and an additional 2% be made accessible to individuals with sensory impairments. For this project three units must be made accessible, two for mobility impairments, and one for sensory impairments. Total additional construction costs to comply with Section 504 provisions are estimated at \$10,839.0 for mobility improvements and \$4,258.38 for sensory improvements, which equates to an equivalent interest rate increase over the life of the proposed loan of 0.63% and 0.25%, respectively. See Developer Cost Analysis below for additional details.

Total additional developer project costs are estimated at \$24,817.88, equating to a total interest rate equivalent of 1.44% over the proposed life of the loan.

DEVELOPER COST ANALYSIS

Rental Income Reduction	Fair Market Rent	Max HOME Rent	Difference	HOME units	Annual Rent Reduction	Affordability Period	Total Rent Reduction - Life of Project	Interest Rate Equivalent
3-Bedroom unit	\$1,421.00	\$1,178.00	(\$243.00)	2	(\$486.00)	20 years	(\$9,720.00)	0.56%

Section 504 Costs	Units	Construction cost/unit (less land, utilities, landscaping, etc)	Additional construction costs	Interest Rate Equivalent
Mobility (5% of units)	2	\$77,425.00	\$10,839.50	0.63%
Sensory (2% of units)	1	\$77,425.00	\$4,258.38	0.25%

Total Additional Developer Project Costs	\$24,817.88
Total Interest Rate Equivalent	1.44%

HOME Funding Requirements and Timing of Request: In accordance with HOME regulations, funding allocations must be used to assist in the creation or retention of affordable housing and shall be consistent with approved consolidated planning documents. The proposed use of funds is consistent with the City’s 5-Yr Consolidated Plan and FY 2013 Consolidated Annual Action Plans as adopted by Council on May 3, 2010 and May 6, 2013, respectively. As part of the FY 2013 Annual Action Plan, a HOME Affordable Housing Fund allocation was set aside for the expansion of affordable housing opportunities through collaboration with

partners and housing providers. Gravelly Lake Townhomes proposed use of funds would be consistent with these approved plans.

Additionally, HOME funding must be committed to projects within two years and expended within four years of receipt. Currently, the Tacoma-Lakewood consortium needs to commit \$1,043,294 to meet its 2-year program commitment requirement or risk losing uncommitted funding. Staff has been coordinating funding schedules with Tacoma to ensure funding deadlines are met. This project, along with the City's HOME funding of the LASA Prairie Oaks Client Services Center (\$250,000) would commit a total of \$566,920 towards meeting this goal. Tacoma's current HOME projects would fulfill the remaining funding commitment requirement.

It is with these program requirements in mind that staff is requesting concurrence with the proposal to authorize the City Manager to execute a HOME Loan Agreement in the amount of \$316,920, which funds will be used for the purpose of funding Gravelly Lake Townhomes, LLC to redevelop 8919 Gravelly Lake Dr. SW. Staff has recommended a 10-year, 3% interest loan, and is requesting Council to approve the terms of the loan or to make an alternative recommendation. Upon completion, redevelopment will consist of fourteen off street parking spaces and 14 garage spaces serving the 52-unit townhome development and will provide two, three-bedroom HOME units with an affordability period of 20 years.

Attachments/Appendix:

1. HOME Project Specific Review
2. Source & Uses
3. Phase 1 Operating Pro Forma
4. Phase 2 Operating Pro Forma
5. Residential Pro Forma
6. Harborstone 1st-2nd-3rd terms
7. Optional Interest Terms
8. Cash on Cash Return

ATTACHMENTS/APPENDIX

1. HOME Project Specific Review: Summarizes the proposed development project. This summary details project eligibility under HUD program requirements, lists the affordability period and rent restrictions, details property standards, provides financial underwriting guidelines, discusses collateral position, and details proposed loan terms and repayment structure.
2. Sources & Uses: Lists total project funding sources and corresponding uses of funds (by project phase).
3. Phase 1 Operating Pro Forma: Details total revenue and expenses, total debt service, and cash flow from operations for Phase 1 (24 units; completed in 2010). Phase 1 provided for informational purposes only to demonstrate total cash flow for entire project development. For federal qualification purposes, Phase 1 is not considered as a part of the “Project” as it was completed prior to application of federal funding for Phase 3.
4. Phase 2 Operating Pro Forma: Details total revenue and expenses, total debt service, and cash flow from operations for Phase 2 (28 units; to be completed in 2015). Phase 2 provided to document cash flow required to debt service HOME loan.
5. Residential Pro Forma: City projected analysis of income, expenses, debt service, and cash flow. Further establishes a project’s debt coverage ratio (DCR), loan schedule, fair market value (FMV), and combined loan to value (CLTV).
Debt coverage ratios are used to determine if a project has sufficient cash flow to debt service a proposed loan, and if said proposed loan is using a reasonable portion of cash flow available. Staff utilizes a 1.2 – 1.5 range for private sector housing development projects and 1.1 – 1.3 for typical nonprofit, low income housing developer projects.

Fair market value can be used to confirm an appraisal’s valuation. A property’s valuation can be determined by dividing a project’s net operating income by current market cap rate (cap rate is a number real estate appraisers use to determine value and is arrived at by reviewing comparable properties and dividing their net operating income by sales price. Example: $\$24,000/\$300,000 = 8\%$ cap rate). The cap rate for this project was determined to be 6.12% on March 4, 2014 by Ronald J. Hauswirth of Strickland, Heischman & Hoss, Inc.

Combined loan to value is used to determine if a project has reasonable or excessive levels of debt by combining existing debt with proposed debt and compares it to total project valuation. Typical housing projects combined loan to value should not exceed 80% combined loan to value.

6. Harborstone 1st-2nd-3rd terms: This spreadsheet shows the City projections used to determine future debt service payments for Phases 1 & 2. Multifamily rental housing projects typically have a construction period loan (1 year term) and a 7-10 year term loan that takes out the construction loan once the project is placed in service. In order to determine project cash flow, annual debt service payments need to be projected over the project’s affordability period (20 years). Staff estimated a 6.5% interest rate for the project’s second loan term and 7% for the third.
7. Optional Interest Terms: Project pro formas and loan amortization schedules are projected for loans with 4% and 5% interest rates (term remains at 10 years).
8. Cash on Cash Return: Summarizes rate of return a project generates for the project owner. Cash on cash return is figured by dividing yearly cash flow by total equity investment. This spreadsheet allows return to be evaluated yearly and cumulatively over the life of the project.

HOME PROJECT-SPECIFIC REVIEW

PROJECT: GRAVELLY LAKE TOWNHOMES – PHASE 3	
APPLICANT: GRAVELLY LAKE TOWNHOMES, LLC – CLAUDE REMY	LOAN AMOUNT: \$316,920

PROJECT SUMMARY

Gravelly Lake Townhomes, LLC is proposing to acquire 8919 Gravelly Lake Dr. SW, parcel number 5130001840, to construct off street parking for permanent rental housing being constructed at 8911 Gravelly Lake Dr. SW (the "Project"). The Project includes acquisition and demolition of a single family residence and the construction of fourteen (14) parking spaces and fourteen (14) garage spaces. Two affordable housing units ("HOME rental units") are to be provided in order to meet eligible activity requirements pursuant to 24 CFR 92.205.

Activities on the site consist of three distinct projects or phases- Phase 1, construction of 24 housing units; Phase 2, construction of 28 housing units, two of which are to be HOME units; and Phase 3, acquisition and construction of off street parking for phases 1 and 2. Phase 1 was completed in 2010 and is not being reviewed as part of this funding request. Phase 2 is a stand alone project and is not receiving any HOME funding; however, this phase is being evaluated and underwritten to ensure there is sufficient cash flow to debt service the proposed City of Lakewood HOME loan. Phase 2 is also providing the required HOME rental units for eligibility purposes. Phase 3 (the Project) includes the construction of 28 off street parking spaces and is slated to be completed in 2015. Phase 3 project costs include acquisition and related costs, architectural and engineering, permit fees, surveys, and other project related soft costs; no construction costs are being funded. The current zoning, Neighborhood Commercial 2 (NC2), is consistent with the intended use.

By acquiring and demolishing the existing single family residence, the Project will likely improve the cohesiveness of the entire development. Removal of the single family residence will allow the construction of garages that will better blend into the project as a whole. If the property is not acquired as part of this project, the neighborhood will be left with a single family residence closely surrounded on three sides by the development.

Project Development:

Construction methods and finishes will be consistent with existing development at Phase 1. Garage units will be conventional wood framed, with beveled-panel siding and composition roofing. The site will receive asphalt paving for parking areas, on-site lighting and other fixtures, and landscaping improvements.

In addition to the construction of two HOME rental units, Phase 2 will be required to design and construct two units for persons with mobility impairments and one additional unit for persons with sensory impairments. Design standards for these units shall be in accordance with Section 504 at 24 Part 8.22(a). Note: HOME affordable rental units may or may not be Section 504 units; under no circumstance shall 504 units be required to be HOME affordable units.

HOME PROJECT-SPECIFIC REVIEW

PROJECT REVIEW

Criteria for review of project-specific HOME Affordable Housing Fund applications are in accordance with 24 CFR 91 and 92.

A. Community Development Objectives of the City

The proposed rental housing project will provide additional affordable housing opportunities to low and moderate income households and will meet the following Community Development Objectives of the City's 2010-2014 Consolidated Plan (pg. 111):

- Pursue long-range sustainable solutions, including development of improved coordination with and among housing providers, preservation of housing and public facilities' and reduction of barriers to affordable housing.

The project meets the following Anti-Poverty Strategies of the City's 2010-2014 Consolidated Plan (page 116) through:

- Reduction of barriers to affordable housing; and
- Development of new affordable housing.

B. HOME eligible activity under 24 CFR 92.205(a)

HOME funds will provide incentives to develop and support affordable rental housing. Specifically, Gravelly Lake Townhomes will be required to provide two units for affordable housing opportunities for low and moderate income persons. These units will have rental and income restrictions imposed for a period of 20 years ("Affordability Period").

Rent on the affordable units will be restricted so as not to exceed: 1) a rent that does not exceed 30 percent of the adjusted income of a household whose income equals 65% of the area median income, adjusted for unit size and tenant-paid utilities; or 2) the Section 8 Fair Market Rent, less tenant-paid utilities.

Household incomes in these units will also be restricted. Initially, all HOME units must be occupied by households at or below 60 percent of area median, with all subsequent renters being restricted to households that do not exceed 80 percent of area median income.

Documentation on rents and client eligibility will be collected and reviewed by the City as part of the compliance monitoring requirements of this loan. Minimum property and maintenance standards will be required of the HOME units, and all common areas of the development for the life of the Affordability Period.

C. Form of assistance under 24 CFR 92.205(b)

HOME funds shall be provided as a repayable interest-bearing loan.

D. Subsidy layering requirements under 24 CFR 92.250.

The project was reviewed in accordance with the HOME Final Rule as implemented on August 23, 2013. Per unit subsidy limits are in accordance with 221(d)(3) program limits.

HOME PROJECT-SPECIFIC REVIEW

E. Property Standards – 24 CFR 92.251

Upon completion of construction, the property must meet all applicable International Building Codes, State of Washington Disaster Mitigation Standards, state and local codes, and new construction program standards prior to occupancy. HOME affordable units and all common areas must be maintained for the life of the Affordability Period and comply with Housing Quality Standards (HQS) and International Existing Building Codes.

F. Affordability Period requirements – 24 CFR 92.252

The HOME affordable units will be required to comply with rent and income restrictions for a period of 20 years.

G. Financial Underwriting Guidelines:

1. Project management

The management of the development project will be undertaken by Gravelly Lake Townhomes, LLC. Gravelly Lake Townhomes is owned and operated by Claude Remy and Claire Spain-Remy. Their capacity is addressed below in item 7.

2. Proposed Costs

The total development budget for Phase 3 is estimated to be \$412,701. Costs include architectural and engineering, permit fees, surveys, and other project related soft costs, with a majority of the budget, 44%, to be expended at acquisition.

3. Project Funding

Lakewood HOME	\$316,920
<u>Gravelly Lake Townhomes, LLC</u>	<u>\$95,781</u>
Total sources:	\$412,701

4. Evidence of Site Control

Gravelly Lake Townhomes, LLC has executed a Purchase & Sale Agreement dated August 21, 2013.

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

The proposed loan will carry a 10-year term with interest-only payments in year 1; amortization on a 9-year schedule in years 2-10. Staff is proposing a fixed interest rate of 3%. Monthly payments shall be made by borrower from Phase 2 project operations. The initial interest period is being established to provide for initial rent up of the development. A loan fee of \$900 shall be paid to the City upon closing to cover costs associated with loan packaging, including title report fees, credit report fees, and recording fees.

6. Financial Feasibility

- a. Ability to Repay – Financial statements were reviewed for 2011, 2012, and 2013. The revenue stream the borrower will use for repayment is primarily derived from Phase 2. The 28 units are projected to generate an Effective Gross Rent (EGR) of \$457,986 at stabilization. Expenses of \$115,419 (\$4,122.10 per unit) were budgeted, resulting in a Net Operating

HOME PROJECT-SPECIFIC REVIEW

Income of \$342,567. Debt service in year one is projected at \$204,808 based on an interest only period from the City and Harborstone Bank loans. An interest reserve in the amount of \$196,000 has been established as part of Harborstone's construction loan to Gravelly Lake Townhomes.

- b. Collateral – the City will take a 1st lien position Deed of Trust and Assignment of Rents and Leases on the subject property (parcel # 5130001840) and a 3rd lien position Deed of Trust and Assignment of Rents and Leases on the entire project (Phase 1 and 2 – parcels # 5130001810, 5130001820, 5130001830, 5130001850, and 5130001860). The 3rd position lien will be behind two Harborstone liens- the first in the amount of \$3,574,846 on Phase 1; and the second in the amount of \$3,720,000 on Phase 2.

An appraisal of Phases 1 and 2 was conducted on March 21, 2014 by SH&H Valuation and Consulting with a resulting valuation of \$9,825,000. The proposed combined loan to value for the subject properties, including the City of Lakewood loan in the amount of \$316,920, would be \$7,611,766, or 77.5%, well within program guidelines of 80% loan to value. Note: This valuation does not include the subject property acquisition which has a current assessed valuation of \$120,400 (land \$39,300; improvements \$81,100).

7. Developer/Owner Capacity

Gravelly Lake Townhomes, LLC is owned and operated by Claude Remy and Claire Spain-Remy. Mr. Remy has a background in commercial real estate consulting and development, while Mrs. Spain-Remy is Senior Vice President of MultiCare Medical Associates. Mr. Remy acts as daily managing partner of Gravelly Lake Townhomes, LLC and will be the point of contact for this project. Mr. Remy has served as a member of the Tacoma Community Redevelopment Advisory Board and is familiar with the HOME funding rules and procedures. Recent developments by Mr. Remy include a 53-unit townhome community in Tacoma and a 24-unit townhome development in Lakewood (Phase 1), in addition to multiple smaller rental properties and single family residences owned and operated in excess of 10 years.

8. Developer/Owner Commitment

Gravelly Lake Townhomes, LLC has assembled the land required to complete both Phase 1 and 2. Phase 1, 24-units was completed in 2010 and is fully occupied and operational. Predevelopment capital investments have been made to move the Phase 2 sites to construction, including design and engineering, and permitting. Full financing for Phase 2 is in place and construction began in early 2014.

9. Project Monitoring

As funding is not being provided to fund construction, federal prevailing wage requirements are not triggered on this project. City staff will monitor construction progress to ensure the project is on target to meet the December 2014 completion date. Disbursements of HOME funds shall be provided in accordance with project schedules, with a majority of HOME funds being disbursed to acquire the property and reimburse predevelopment expenses. Once the development is complete, staff will monitor ongoing compliance and reporting requirements, including property maintenance, unit rents, and household income information to ensure HOME

HOME PROJECT-SPECIFIC REVIEW

rental units are maintained and remain affordable to low and moderate income households for the duration of the Affordability Period.

10. Project Readiness

The project is ready to proceed. All other funding sources have been fully committed. Construction on Phase 2 was started in early 2014 and is progressing. The project is ready to begin construction following closing on all financing by the end of May 2014.

11. Environmental Review

Review of the project requires a Part 58 National Environmental Policy Act (NEPA) review. Initial review of the project is nearly completed; no significant impact on the quality of the human environment is anticipated.

Conclusion and Recommendation:

The project meets both the HOME project eligibility requirements and the financial feasibility/underwriting guidelines of the HOME program. Based on this review and the proposed loan structure, it is recommended that the Gravelly Lake Townhomes Phase 3 project be approved for up to \$316,920 in HOME Affordable Housing funds subject to the following terms and conditions:

Loan structure:

- 10-year term with interest-only payments in year 1; amortization on a 9-year schedule in years 2-10;
- Interest rate fixed at closing at 3%;
- A loan fee of \$900 shall be paid to the City upon closing to cover costs associated with loan packaging, including title report fees, credit report fees, and recording fees.

Repayment:

- Repayment from borrower from Phase 2 operations.

Collateral:

- 1st lien position Deed of Trust and Assignment of Rents and Leases on the subject property and a 3rd lien position Deed of Trust and Assignment of Rents and Leases on the entire project (Phase 1 and 2) as recorded on title. The 3rd position lien will be behind two Harborstone liens- the first in the amount of \$3,574,846 on Phase 1; and the second in the amount of \$3,720,000 on Phase 2.

Recommended Conditions prior to Closing:

- Completion of environmental review and approval of City of Lakewood Request to Release Funds from HUD;
- Receipt of executed HOME Developer Agreement from borrower;
- 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 and the Tacoma Community Redevelopment Authority for HOME funds;
- Receipt of updated documents (budgets, contracts, other documents) as requested by City.

HOME PROJECT-SPECIFIC REVIEW

Schedule for Repayment of Loan

In requesting approval of this HOME loan, staff is requesting a commitment for a 10-year term at 3% interest. Payments will be made by borrower on a monthly basis with revenue generated from Phase 2 operations. The Proposed Loan Amortization and Payment Table is below:

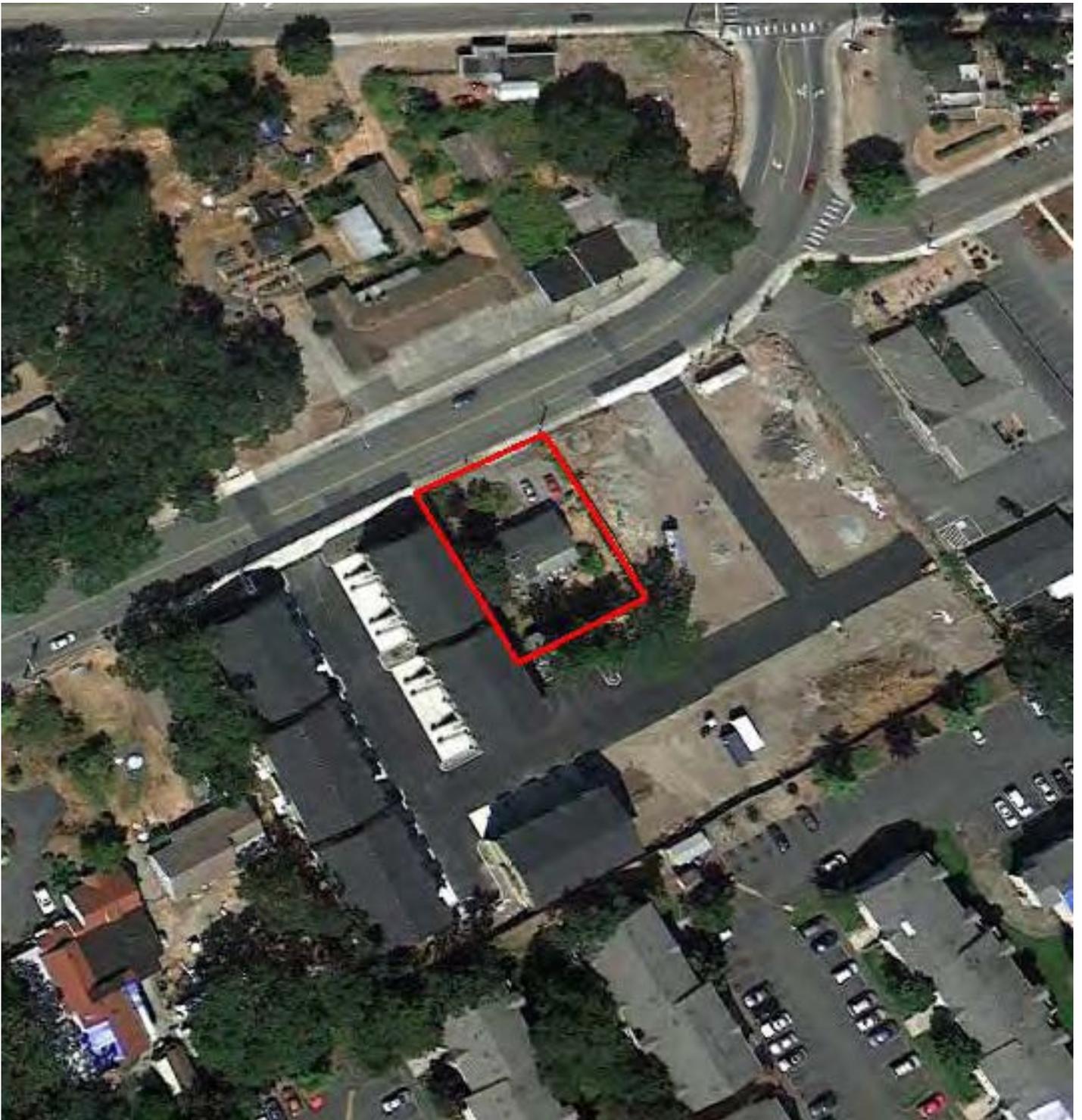
Proposed Loan Amortization and Payment

Yr	Balance	Interest	Principal	Total PMT
1	316,920	\$9,508	\$0	\$9,508
2	316,920	\$9,508	\$31,196	\$40,703
3	285,724	\$8,572	\$32,132	\$40,703
4	253,593	\$7,608	\$33,095	\$40,703
5	220,497	\$6,615	\$34,088	\$40,703
6	186,409	\$5,592	\$35,111	\$40,703
7	151,298	\$4,539	\$36,164	\$40,703
8	115,134	\$3,454	\$37,249	\$40,703
9	77,884	\$2,337	\$38,367	\$40,703
10	39,518	\$1,186	\$39,518	\$40,703

City of Lakewood Contact:

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

Aerial View- 8919 Gravelly Lake Dr. SW



Street View- 8919 Gravelly Lake Dr. SW



Sources & Uses

RESIDENTIAL SOURCES & USES - Phase 3 (Acquisition/Garages)

TOTAL DEVELOPMENT COSTS	412,701	100%
City of Lakewood - HOME	316,920	77%
Equity	95,781	23%
<hr/>		
TOTAL SOURCES (RESIDENTIAL):	412,701	

RESIDENTIAL SOURCES & USES - Phase 2 (28 units)

TOTAL DEVELOPMENT COSTS	4,607,863	100%
Harborstone Credit Union	3,720,000	81%
Equity	887,863	19%
<hr/>		
TOTAL SOURCES (RESIDENTIAL):	4,607,863	

TOTAL COMBINED SOURCES & USES - Phases 2 & 3

TOTAL DEVELOPMENT COSTS	5,020,564	100%
Harborstone Credit Union	3,720,000	74%
City of Lakewood - HOME	316,920	6%
Equity	983,644	20%
<hr/>		
TOTAL SOURCES (RESIDENTIAL):	5,020,564	

Residential Pro Forma

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Total Residential Income	482,090	496,553	511,449	526,793	542,597	558,874	575,641	592,910	610,697	629,018	647,889	667,325	687,345	707,965	729,204	751,081	773,613	796,821	820,726	845,348
3.00% escalation (Vacancy)	(24,105)	(24,828)	(25,572)	(26,340)	(27,130)	(27,944)	(28,782)	(29,645)	(30,535)	(31,451)	(32,394)	(33,366)	(34,367)	(35,398)	(36,460)	(37,554)	(38,681)	(39,841)	(41,036)	(42,267)
Effective Gross Income	457,986	471,725	485,877	500,453	515,467	530,931	546,859	563,264	580,162	597,567	615,494	633,959	652,978	672,567	692,744	713,526	734,932	756,980	779,690	803,080
Operating Expenses 5.00% escalation	115,419	121,172	127,214	133,557	140,217	147,210	154,553	162,264	170,359	178,860	187,785	197,157	206,997	217,330	228,179	239,570	251,531	264,090	277,277	291,124
Net Operating Income	342,567	350,553	358,663	366,896	375,250	383,720	392,305	401,001	409,803	418,707	427,709	436,802	445,980	455,237	464,565	473,956	483,401	492,890	502,412	511,957
Harborstone - temporary	195,300	246,636																		
Harborstone - 1st 7-yr term loan			245,496	245,496	245,496	245,496	245,496	245,496	245,496											
Harborstone - 2nd 7-yr term loan										247,708	247,708	247,708	247,708	247,708	247,708	247,708				
Harborstone - 3rd 7-yr term loan																	209,183	209,183	209,183	209,183
HOME - City of Lakewood	9,508	40,703	40,703	40,703	40,703	40,703	40,703	40,703	40,703	40,703										
Cash Flow to Owner(s)	137,759	63,213	72,464	80,697	89,050	97,521	106,106	114,802	123,604	130,296	180,001	189,094	198,272	207,529	216,857	226,248	274,218	283,707	293,229	302,774
DCR	1.67	1.22	1.25	1.28	1.31	1.34	1.37	1.40	1.43	1.45	1.73	1.76	1.80	1.84	1.88	1.91	2.31	2.36	2.40	2.45

Notes to Pro Forma:
Revenue from Phase 2 operations.

HOME Loan Amortization

Principal 316,920 Annual D/S: \$40,703.26
Interest 3.00%
Term 10 Yrs
Amort. 9 Yrs

Yr	Balance	Interest	Principal	Total PMT
1	316,920	\$9,508	\$0	\$9,508
2	316,920	\$9,508	\$31,196	\$40,703
3	285,724	\$8,572	\$32,132	\$40,703
4	253,593	\$7,608	\$33,095	\$40,703
5	220,497	\$6,615	\$34,088	\$40,703
6	186,409	\$5,592	\$35,111	\$40,703
7	151,298	\$4,539	\$36,164	\$40,703
8	115,134	\$3,454	\$37,249	\$40,703
9	77,884	\$2,337	\$38,367	\$40,703
10	39,518	\$1,186	\$39,518	\$40,703
Balance:	-		\$375,837	

Phase 2 (28 units)	
Fair Market Value	
NOI	\$342,567
Cap Rate	6.12%
FMV	\$5,597,492
Loan to Value (80% max)	
FMV x 80%	\$4,477,993
Combined Loan to Value (80% max)	
Harborstone	\$3,720,000
Lakewood - HOME	\$0
Total all Loans	\$3,720,000
CLTV	66%

Phase 3 (garages/parking)	
Fair Market Value	
Market Valuation	\$169,000
Loan to Value (80% max)	
FMV x 80%	\$135,200
Combined Loan to Value (80% max)	
Harborstone	\$0
Lakewood - HOME	\$316,920
Total all Loans	\$316,920
CLTV	188%

Phase 1 (24 units- already completed)	
Fair Market Value	
NOI	\$305,126
Cap Rate	6.12%
FMV	\$4,985,719
Loan to Value (80% max)	
FMV x 80%	\$3,988,575
Combined Loan to Value (80% max)	
Harborstone	\$3,574,846
Lakewood - HOME	\$0
Total all Loans	\$3,574,846
CLTV	72%

Combined Properties Valuation	
Fair Market Value	
NOI	\$647,693
Cap Rate	6.12%
FMV	\$10,583,211
Loan to Value (80% max)	
FMV x 80%	\$8,466,569
Combined Loan to Value (80% max)	
Harborstone	\$7,294,846
Lakewood - HOME	\$316,920
Total all Loans	\$7,611,766
CLTV	72%

Harborstone 1st-2nd-3rd terms

Phase 2 & 3				
Balance remaining on Harborstone after 1st 7-yr term:				
Beginning Loan Balance		3,668,664		
Fixed Interest Rate:		5.25% (est.)		
Interest-only period		0		
Amortization		30 yrs		
Term		7 yrs		
Monthly Payment		\$20,457.98		
Annual Debt Service		\$245,495.75		
Harborstone 1st 7-yr term loan				
7 yr term				
Balance	Int	Princ	Pmt	
3,668,664	192,605	52,891	245,496	
3,615,773	189,828	55,668	245,496	
3,560,105	186,906	58,590	245,496	
3,501,515	183,830	61,666	245,496	
3,439,849	180,592	64,904	245,496	
3,374,945	177,185	68,311	245,496	
3,306,634	173,598	71,897	245,496	
3,234,737	BALANCE DUE IN YR 2023			

Phase 1				
Balance remaining on Harborstone after 1st 7-yr term:				
Beginning Loan Balance		3,525,513		
Fixed Interest Rate:		5.25% (est.)		
Interest-only period		0		
Amortization		30 yrs		
Term		7 yrs		
Monthly Payment		\$19,659.71		
Annual Debt Service		\$235,916.52		
Harborstone 1st 7-yr term loan				
7 yr term				
Yr	Balance	Int	Princ	Pmt
1	3,525,513	185,089	50,827	235,917
2	3,474,686	182,421	53,496	235,917
3	3,421,190	179,612	56,304	235,917
4	3,364,886	176,657	59,260	235,917
5	3,305,626	173,545	62,371	235,917
6	3,243,255	170,271	65,646	235,917
7	3,177,610	166,825	69,092	235,917
	3,108,518	BALANCE DUE IN YR 2018		

Harborstone 2nd 7-yr term:				
Beginning Loan Balance		3,234,737		
Fixed Interest Rate:		6.50% (est.)		
Interest-only period		0		
Amortization		30 yrs		
Term		7 yrs		
Monthly Payment		\$20,642.32		
Annual Debt Service		\$247,707.87		
Harborstone 2nd 7-yr term loan				
7 yr term				
Balance	Int	Princ	Pmt	
3,234,737	169,824	77,884	247,708	
3,156,853	165,735	81,973	247,708	
3,074,880	161,431	86,277	247,708	
2,988,603	156,902	90,806	247,708	
2,897,797	152,134	95,574	247,708	
2,802,223	147,117	100,591	247,708	
2,701,632	141,836	105,872	247,708	
2,595,760	BALANCE DUE IN YR 2030			

Harborstone 2nd 7-yr term:				
Beginning Loan Balance		3,108,518		
Fixed Interest Rate:		6.50% (est.)		
Interest-only period		0		
Amortization		30 yrs		
Term		7 yrs		
Monthly Payment		\$19,836.86		
Annual Debt Service		\$238,042.33		
Harborstone 2nd 7-yr term loan				
7 yr term				
Balance	Int	Princ	Pmt	
3,108,518	163,197	74,845	238,042	
3,033,672	159,268	78,775	238,042	
2,954,898	155,132	82,910	238,042	
2,871,988	150,779	87,263	238,042	
2,784,725	146,198	91,844	238,042	
2,692,881	141,376	96,666	238,042	
2,596,214	136,301	101,741	238,042	
2,494,473	BALANCE DUE IN YR 2025			

Harborstone 3rd 7-yr term:				
Beginning Loan Balance		2,595,760		
Fixed Interest Rate:		7.00% (est.)		
Interest-only period		0		
Amortization		30 yrs		
Term		7 yrs		
Monthly Payment		\$17,431.91		
Annual Debt Service		\$209,182.94		
Harborstone 3rd 7-yr term loan				
7 yr term				
Balance	Int	Princ	Pmt	
2,595,760	136,277	72,906	209,183	
2,522,854	132,450	76,733	209,183	
2,446,121	128,421	80,762	209,183	
2,365,359	124,181	85,002	209,183	
2,280,358	119,719	89,464	209,183	
2,190,894	115,022	94,161	209,183	
2,096,733	110,078	99,104	209,183	
1,997,628	BALANCE DUE IN YR 2037			

Harborstone 3rd 7-yr term:				
Beginning Loan Balance		2,494,473		
Fixed Interest Rate:		7.00% (est.)		
Interest-only period		0		
Amortization		30 yrs		
Term		7 yrs		
Monthly Payment		\$16,751.72		
Annual Debt Service		\$201,020.64		
Harborstone 3rd 7-yr term loan				
7 yr term				
Balance	Int	Princ	Pmt	
2,494,473	130,960	70,061	201,021	
2,424,413	127,282	73,739	201,021	
2,350,674	123,410	77,610	201,021	
2,273,063	119,336	81,685	201,021	
2,191,378	115,047	85,973	201,021	
2,105,405	110,534	90,487	201,021	
2,014,918	105,783	95,237	201,021	
1,919,681	BALANCE DUE IN YR 2032			

Phase 1 Operating Pro Forma

Sponsor Name:	Gravelly Lake Townhomes, LLC
Project Name:	Gravelly Lake Townhomes- Phase 1 (completed)

Instructions:
 • Complete all 20 years of the pro forma. **Cells shaded green are input cells**; all others will autocalculate.
 • If project has rental subsidies, provide two separate pro formas - one with subsidy and one without.

REVENUES			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Residential Income									
Annual Gross Tenant Paid Rental Income	Inflation Factor	2.50% per year	\$ 404,640.00	\$ 414,756.00	\$ 425,124.90	\$ 435,753.02	\$ 446,646.85	\$ 457,813.02	\$ 469,258.34
Other: Miscellaneous Rent Income			\$ 3,500.00	\$ 3,587.50	\$ 3,677.19	\$ 3,769.12	\$ 3,863.35	\$ 3,959.93	\$ 4,058.93
Other: Garage Rental			\$ 15,510.00	\$ 15,897.75	\$ 16,295.19	\$ 16,702.57	\$ 17,120.14	\$ 17,548.14	\$ 17,986.84
Other:			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	=		\$ 423,650.00	\$ 434,241.25	\$ 445,097.28	\$ 456,224.71	\$ 467,630.33	\$ 479,321.09	\$ 491,304.12
Total Annual Service Funding			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Residential Income			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME	=		\$ 423,650.00	\$ 434,241.25	\$ 445,097.28	\$ 456,224.71	\$ 467,630.33	\$ 479,321.09	\$ 491,304.12
Less Residential Vacancy	Vacancy Rate	5.00% per year	\$ (21,182.50)	\$ (21,712.06)	\$ (22,254.86)	\$ (22,811.24)	\$ (23,381.52)	\$ (23,966.05)	\$ (24,565.21)
Less Non-Residential Vacancy	Vacancy Rate	10.00% per year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	=		\$ 402,467.50	\$ 412,529.19	\$ 422,842.42	\$ 433,413.48	\$ 444,248.81	\$ 455,355.03	\$ 466,738.91

EXPENSES			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Operating Expenses-									
Heat	Inflation Factor	2.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric	Cost Per Unit	\$ 69.17	\$ 1,660.00	\$ 1,701.50	\$ 1,744.04	\$ 1,787.64	\$ 1,832.33	\$ 1,878.14	\$ 1,925.09
Water & Sewer		\$ 65.42	\$ 1,570.00	\$ 1,609.25	\$ 1,649.48	\$ 1,690.72	\$ 1,732.99	\$ 1,776.31	\$ 1,820.72
Garbage Removal		\$ 41.67	\$ 1,000.00	\$ 1,025.00	\$ 1,050.63	\$ 1,076.89	\$ 1,103.81	\$ 1,131.41	\$ 1,159.69
Contract Repairs		\$ 105.83	\$ 2,540.00	\$ 2,603.50	\$ 2,668.59	\$ 2,735.30	\$ 2,803.68	\$ 2,873.78	\$ 2,945.62
Maintenance and janitorial		\$ 291.67	\$ 7,000.00	\$ 7,175.00	\$ 7,354.38	\$ 7,538.23	\$ 7,726.69	\$ 7,919.86	\$ 8,117.85
Management - Off-site		\$ 672.92	\$ 16,150.00	\$ 16,553.75	\$ 16,967.59	\$ 17,391.78	\$ 17,826.58	\$ 18,272.24	\$ 18,729.05
Management - On-site		\$ 576.92	\$ 13,846.00	\$ 14,192.15	\$ 14,546.95	\$ 14,910.63	\$ 15,283.39	\$ 15,665.48	\$ 16,057.12
Insurance		\$ 333.33	\$ 8,000.00	\$ 8,200.00	\$ 8,405.00	\$ 8,615.13	\$ 8,830.50	\$ 9,051.27	\$ 9,277.55
Accounting		\$ 69.17	\$ 1,660.00	\$ 1,701.50	\$ 1,744.04	\$ 1,787.64	\$ 1,832.33	\$ 1,878.14	\$ 1,925.09
Marketing		\$ 75.00	\$ 1,800.00	\$ 1,845.00	\$ 1,891.13	\$ 1,938.40	\$ 1,986.86	\$ 2,036.53	\$ 2,087.45
Real Estate Taxes		\$ 216.67	\$ 5,200.00	\$ 5,330.00	\$ 5,463.25	\$ 5,599.83	\$ 5,739.83	\$ 5,883.32	\$ 6,030.41
Other: Legal Fees		\$ 62.50	\$ 1,500.00	\$ 1,537.50	\$ 1,575.94	\$ 1,615.34	\$ 1,655.72	\$ 1,697.11	\$ 1,739.54
Other: Landscaping/Maintenance Services		\$ 134.58	\$ 3,230.00	\$ 3,310.75	\$ 3,393.52	\$ 3,478.36	\$ 3,565.32	\$ 3,654.45	\$ 3,745.81
Total Residential Operating Expenses			\$ 65,156.00	\$ 66,784.90	\$ 68,454.52	\$ 70,165.89	\$ 71,920.03	\$ 73,718.03	\$ 75,560.98
Replacement Reserve		\$ 378.58	\$ 9,086.00	\$ 9,313.15	\$ 9,545.98	\$ 9,784.63	\$ 10,029.24	\$ 10,279.98	\$ 10,536.97
Operating Reserve		\$ 962.50	\$ 23,100.00	\$ 23,677.50	\$ 24,269.44	\$ 24,876.17	\$ 25,498.08	\$ 26,135.53	\$ 26,788.92
Total Reserves			\$ 32,186.00	\$ 32,990.65	\$ 33,815.42	\$ 34,660.80	\$ 35,527.32	\$ 36,415.50	\$ 37,325.89
Service Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES	=		\$ 97,342.00	\$ 99,775.55	\$ 102,269.94	\$ 104,826.69	\$ 107,447.35	\$ 110,133.54	\$ 112,886.88
NET OPERATING INCOME (EGI - Total Expenses)	=		\$ 305,125.50	\$ 312,753.64	\$ 320,572.48	\$ 328,586.79	\$ 336,801.46	\$ 345,221.50	\$ 353,852.03

Debt Service on	Loan Amount	Rate (%)	Amortization	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Harborstone- 2 yr temp	\$ 3,574,846.00	5.25%	360	\$ 187,679.00	\$ 237,012.00	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (1st)	\$ 3,525,513.00	5.25%	360	\$ -	\$ -	\$ 235,917.00	\$ 235,917.00	\$ 235,917.00	\$ 235,917.00	\$ 235,917.00
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE				\$ 187,679.00	\$ 237,012.00	\$ 235,917.00	\$ 235,917.00	\$ 235,917.00	\$ 235,917.00	\$ 235,917.00
Projected Gross Cash Flow				\$ 117,446.50	\$ 75,741.64	\$ 84,655.48	\$ 92,669.79	\$ 100,884.46	\$ 109,304.50	\$ 117,935.03
Debt Coverage Ratio (DCR)				1.63	1.32	1.36	1.39	1.43	1.46	1.50

Phase 1 Operating Pro Forma

Sponsor Name: Gravelly Lake Townhomes, LLC
 Project Name: Gravelly Lake Townhomes- Phase 1 (completed)

REVENUES		Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Residential Income									
Annual Gross Tenant Paid Rental Income		\$ 480,989.80	\$ 493,014.55	\$ 505,339.91	\$ 517,973.41	\$ 530,922.75	\$ 544,195.81	\$ 557,800.71	\$ 571,745.73
Other: Miscellaneous Rent Income		\$ 4,160.40	\$ 4,264.41	\$ 4,371.02	\$ 4,480.30	\$ 4,592.30	\$ 4,707.11	\$ 4,824.79	\$ 4,945.41
Other: Garage Rental		\$ 18,436.52	\$ 18,897.43	\$ 19,369.86	\$ 19,854.11	\$ 20,350.46	\$ 20,859.23	\$ 21,380.71	\$ 21,915.22
Other:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	=	\$ 503,586.72	\$ 516,176.39	\$ 529,080.80	\$ 542,307.82	\$ 555,865.51	\$ 569,762.15	\$ 584,006.20	\$ 598,606.36
Total Annual Service Funding		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Residential Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME	=	\$ 503,586.72	\$ 516,176.39	\$ 529,080.80	\$ 542,307.82	\$ 555,865.51	\$ 569,762.15	\$ 584,006.20	\$ 598,606.36
Less Residential Vacancy		\$ (25,179.34)	\$ (25,808.82)	\$ (26,454.04)	\$ (27,115.39)	\$ (27,793.28)	\$ (28,488.11)	\$ (29,200.31)	\$ (29,930.32)
Less Non-Residential Vacancy		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	=	\$ 478,407.38	\$ 490,367.57	\$ 502,626.76	\$ 515,192.43	\$ 528,072.24	\$ 541,274.04	\$ 554,805.89	\$ 568,676.04

EXPENSES		Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Operating Expenses-									
Heat		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric		\$ 1,973.22	\$ 2,022.55	\$ 2,073.11	\$ 2,124.94	\$ 2,178.06	\$ 2,232.52	\$ 2,288.33	\$ 2,345.54
Water & Sewer		\$ 1,866.24	\$ 1,912.89	\$ 1,960.71	\$ 2,009.73	\$ 2,059.98	\$ 2,111.48	\$ 2,164.26	\$ 2,218.37
Garbage Removal		\$ 1,188.69	\$ 1,218.40	\$ 1,248.86	\$ 1,280.08	\$ 1,312.09	\$ 1,344.89	\$ 1,378.51	\$ 1,412.97
Contract Repairs		\$ 3,019.26	\$ 3,094.74	\$ 3,172.11	\$ 3,251.41	\$ 3,332.70	\$ 3,416.02	\$ 3,501.42	\$ 3,588.95
Maintenance and janitorial		\$ 8,320.80	\$ 8,528.82	\$ 8,742.04	\$ 8,960.59	\$ 9,184.61	\$ 9,414.22	\$ 9,649.58	\$ 9,890.82
Management - Off-site		\$ 19,197.27	\$ 19,677.21	\$ 20,169.14	\$ 20,673.37	\$ 21,190.20	\$ 21,719.95	\$ 22,262.95	\$ 22,819.53
Management - On-site		\$ 16,458.54	\$ 16,870.01	\$ 17,291.76	\$ 17,724.05	\$ 18,167.15	\$ 18,621.33	\$ 19,086.86	\$ 19,564.04
Insurance		\$ 9,509.49	\$ 9,747.22	\$ 9,990.90	\$ 10,240.68	\$ 10,496.69	\$ 10,759.11	\$ 11,028.09	\$ 11,303.79
Accounting		\$ 1,973.22	\$ 2,022.55	\$ 2,073.11	\$ 2,124.94	\$ 2,178.06	\$ 2,232.52	\$ 2,288.33	\$ 2,345.54
Marketing		\$ 2,139.63	\$ 2,193.13	\$ 2,247.95	\$ 2,304.15	\$ 2,361.76	\$ 2,420.80	\$ 2,481.32	\$ 2,543.35
Real Estate Taxes		\$ 6,181.17	\$ 6,335.70	\$ 6,494.09	\$ 6,656.44	\$ 6,822.85	\$ 6,993.42	\$ 7,168.26	\$ 7,347.46
Other: Legal Fees		\$ 1,783.03	\$ 1,827.60	\$ 1,873.29	\$ 1,920.13	\$ 1,968.13	\$ 2,017.33	\$ 2,067.77	\$ 2,119.46
Other: Landscaping/Maintenance Services		\$ 3,839.45	\$ 3,935.44	\$ 4,033.83	\$ 4,134.67	\$ 4,238.04	\$ 4,343.99	\$ 4,452.59	\$ 4,563.91
Total Residential Operating Expenses		\$ 77,450.01	\$ 79,386.26	\$ 81,370.92	\$ 83,405.19	\$ 85,490.32	\$ 87,627.58	\$ 89,818.27	\$ 92,063.72
Replacement Reserve		\$ 10,800.40	\$ 11,070.41	\$ 11,347.17	\$ 11,630.85	\$ 11,921.62	\$ 12,219.66	\$ 12,525.15	\$ 12,838.28
Operating Reserve		\$ 27,458.64	\$ 28,145.11	\$ 28,848.73	\$ 29,569.95	\$ 30,309.20	\$ 31,066.93	\$ 31,843.61	\$ 32,639.70
Total Reserves		\$ 38,259.04	\$ 39,215.52	\$ 40,195.90	\$ 41,200.80	\$ 42,230.82	\$ 43,286.59	\$ 44,368.76	\$ 45,477.98
Service Expenses	From Service Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES	=	\$ 115,709.05	\$ 118,601.77	\$ 121,566.82	\$ 124,605.99	\$ 127,721.14	\$ 130,914.17	\$ 134,187.02	\$ 137,541.70

NET OPERATING INCOME (EGI - Total Expenses) = \$ 362,698.33 \$ 371,765.79 \$ 381,059.94 \$ 390,586.44 \$ 400,351.10 \$ 410,359.87 \$ 420,618.87 \$ 431,134.34

Debt Service on	Loan Amount	Rate (%)	Amortization	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Harborstone- 2 yr temp	\$ 3,574,846.00	5.25%	360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (1st)	\$ 3,525,513.00	5.25%	360	\$ 235,917.00	\$ 235,917.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (2nd)	\$ 3,108,518.00	6.50%	360	\$ -	\$ -	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00
TOTAL DEBT SERVICE				\$ 235,917.00	\$ 235,917.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00

Projected Gross Cash Flow = \$ 126,781.33 \$ 135,848.79 \$ 143,017.94 \$ 152,544.44 \$ 162,309.10 \$ 172,317.87 \$ 182,576.87 \$ 193,092.34
Debt Coverage Ratio (DCR) = 1.54 1.58 1.60 1.64 1.68 1.72 1.77 1.81

Phase 1 Operating Pro Forma

Sponsor Name: Gravelly Lake Townhomes, LLC
 Project Name: Gravelly Lake Townhomes- Phase 1 (completed)

		Year 16	Year 17	Year 18	Year 19	Year 20
REVENUES						
Residential Income						
Annual Gross Tenant Paid Rental Income		\$ 586,039.37	\$ 600,690.35	\$ 615,707.61	\$ 631,100.30	\$ 646,877.81
Other: Miscellaneous Rent Income		\$ 5,069.04	\$ 5,195.77	\$ 5,325.66	\$ 5,458.81	\$ 5,595.28
Other: Garage Rental		\$ 22,463.10	\$ 23,024.68	\$ 23,600.30	\$ 24,190.31	\$ 24,795.06
Other:		\$ -	\$ -	\$ -	\$ -	\$ -
Other:		\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	=	\$ 613,571.52	\$ 628,910.81	\$ 644,633.58	\$ 660,749.42	\$ 677,268.15
Total Annual Service Funding		\$ -				
Total Non-Residential Income		\$ -				
TOTAL PROJECT INCOME	=	\$ 613,571.52	\$ 628,910.81	\$ 644,633.58	\$ 660,749.42	\$ 677,268.15
<i>Less Residential Vacancy</i>		<i>\$ (30,678.58)</i>	<i>\$ (31,445.54)</i>	<i>\$ (32,231.68)</i>	<i>\$ (33,037.47)</i>	<i>\$ (33,863.41)</i>
<i>Less Non-Residential Vacancy</i>		<i>\$ -</i>				
EFFECTIVE GROSS INCOME (EGI)	=	\$ 582,892.94	\$ 597,465.27	\$ 612,401.90	\$ 627,711.94	\$ 643,404.74

EXPENSES						
Operating Expenses-						
Heat		\$ -	\$ -	\$ -	\$ -	\$ -
Electric		\$ 2,404.17	\$ 2,464.28	\$ 2,525.89	\$ 2,589.03	\$ 2,653.76
Water & Sewer		\$ 2,273.83	\$ 2,330.67	\$ 2,388.94	\$ 2,448.66	\$ 2,509.88
Garbage Removal		\$ 1,448.30	\$ 1,484.51	\$ 1,521.62	\$ 1,559.66	\$ 1,598.65
Contract Repairs		\$ 3,678.68	\$ 3,770.64	\$ 3,864.91	\$ 3,961.53	\$ 4,060.57
Maintenance and janitorial		\$ 10,138.09	\$ 10,391.54	\$ 10,651.33	\$ 10,917.61	\$ 11,190.55
Management - Off-site		\$ 23,390.02	\$ 23,974.77	\$ 24,574.13	\$ 25,188.49	\$ 25,818.20
Management - On-site		\$ 20,053.14	\$ 20,554.46	\$ 21,068.33	\$ 21,595.03	\$ 22,134.91
Insurance		\$ 11,586.39	\$ 11,876.04	\$ 12,172.95	\$ 12,477.27	\$ 12,789.20
Accounting		\$ 2,404.17	\$ 2,464.28	\$ 2,525.89	\$ 2,589.03	\$ 2,653.76
Marketing		\$ 2,606.94	\$ 2,672.11	\$ 2,738.91	\$ 2,807.39	\$ 2,877.57
Real Estate Taxes		\$ 7,531.15	\$ 7,719.43	\$ 7,912.41	\$ 8,110.23	\$ 8,312.98
Other: Legal Fees		\$ 2,172.45	\$ 2,226.76	\$ 2,282.43	\$ 2,339.49	\$ 2,397.98
Other: Landscaping/Maintenance Services		\$ 4,678.00	\$ 4,794.95	\$ 4,914.83	\$ 5,037.70	\$ 5,163.64
Total Residential Operating Expenses		\$ 94,365.32	\$ 96,724.45	\$ 99,142.56	\$ 101,621.12	\$ 104,161.65
Replacement Reserve		\$ 13,159.24	\$ 13,488.22	\$ 13,825.42	\$ 14,171.06	\$ 14,525.34
Operating Reserve		\$ 33,455.69	\$ 34,292.08	\$ 35,149.38	\$ 36,028.12	\$ 36,928.82
Total Reserves		\$ 46,614.92	\$ 47,780.30	\$ 48,974.81	\$ 50,199.18	\$ 51,454.15
Service Expenses	<i>From Service Budget</i>	\$ -				
Non-Residential Expenses		\$ -				
TOTAL PROJECT EXPENSES	=	\$ 140,980.24	\$ 144,504.75	\$ 148,117.36	\$ 151,820.30	\$ 155,615.81

NET OPERATING INCOME (EGI - Total Expenses) = **\$ 441,912.70** **\$ 452,960.52** **\$ 464,284.53** **\$ 475,891.65** **\$ 487,788.94**

Debt Service on	Loan Amount	Rate (%)	Amortization			
Harborstone- 2 yr temp	\$ 3,574,846.00	5.25%	360	\$ -	\$ -	\$ -
Harborstone- 7 yr term (1st)	\$ 3,525,513.00	5.25%	360	\$ -	\$ -	\$ -
Harborstone- 7 yr term (2nd)	\$ 3,108,518.00	6.50%	360	\$ 238,042.00	\$ -	\$ -
Harborstone- 7-yr term (3rd)	\$ 2,494,473.00	7.00%	360	\$ -	\$ 201,021.00	\$ 201,021.00
TOTAL DEBT SERVICE				\$ 238,042.00	\$ 201,021.00	\$ 201,021.00
Projected Gross Cash Flow				\$ 203,870.70	\$ 251,939.52	\$ 263,263.53
Debt Coverage Ratio (DCR)				1.86	2.25	2.31

Phase 2 Operating Pro Forma

Sponsor Name: Gravelly Lake Townhomes, LLC
 Project Name: Gravelly Lake Townhomes- Phase 3 (Phase 2 proforma included as cash flow to pay for Phase 3)

Instructions:
 • Complete all 20 years of the pro forma. **Cells shaded green are input cells;** all others will autocalculate.
 • If project has rental subsidies, provide two separate pro formas - one with subsidy and one without.

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
REVENUES								
Residential Income								
	Inflation Factor							
Annual Gross Tenant Paid Rental Income	3.00% per year	\$ 463,080.00	\$ 476,972.40	\$ 491,281.57	\$ 506,020.02	\$ 521,200.62	\$ 536,836.64	\$ 552,941.74
Other: Miscellaneous Rent Income		\$ 3,500.00	\$ 3,605.00	\$ 3,713.15	\$ 3,824.54	\$ 3,939.28	\$ 4,057.46	\$ 4,179.18
Other: Garage Rental		\$ 15,510.00	\$ 15,975.30	\$ 16,454.56	\$ 16,948.20	\$ 17,456.64	\$ 17,980.34	\$ 18,519.75
Other:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	=	\$ 482,090.00	\$ 496,552.70	\$ 511,449.28	\$ 526,792.76	\$ 542,596.54	\$ 558,874.44	\$ 575,640.67
Total Annual Service Funding		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Residential Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME	=	\$ 482,090.00	\$ 496,552.70	\$ 511,449.28	\$ 526,792.76	\$ 542,596.54	\$ 558,874.44	\$ 575,640.67
Less Residential Vacancy	Vacancy Rate 5.00% per year	\$ (24,104.50)	\$ (24,827.64)	\$ (25,572.46)	\$ (26,339.64)	\$ (27,129.83)	\$ (27,943.72)	\$ (28,782.03)
Less Non-Residential Vacancy	Vacancy Rate 10.00% per year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	=	\$ 457,985.50	\$ 471,725.07	\$ 485,876.82	\$ 500,453.12	\$ 515,466.72	\$ 530,930.72	\$ 546,858.64

		Inflation Factor	Cost Per Unit	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
EXPENSES										
Operating Expenses-		5.00%								
Heat			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric	\$ 64.67		\$ 1,940.00	\$ 2,037.00	\$ 2,138.85	\$ 2,245.79	\$ 2,358.08	\$ 2,475.99	\$ 2,599.79	
Water & Sewer	\$ 61.00		\$ 1,830.00	\$ 1,921.50	\$ 2,017.58	\$ 2,118.45	\$ 2,224.38	\$ 2,335.60	\$ 2,452.38	
Garbage Removal	\$ 39.17		\$ 1,175.00	\$ 1,233.75	\$ 1,295.44	\$ 1,360.21	\$ 1,428.22	\$ 1,499.63	\$ 1,574.61	
Contract Repairs	\$ 98.67		\$ 2,960.00	\$ 3,108.00	\$ 3,263.40	\$ 3,426.57	\$ 3,597.90	\$ 3,777.79	\$ 3,966.68	
Maintenance and janitorial	\$ 283.33		\$ 8,500.00	\$ 8,925.00	\$ 9,371.25	\$ 9,839.81	\$ 10,331.80	\$ 10,848.39	\$ 11,390.81	
Management - Off-site	\$ 628.33		\$ 18,850.00	\$ 19,792.50	\$ 20,782.13	\$ 21,821.23	\$ 22,912.29	\$ 24,057.91	\$ 25,260.80	
Management - On-site	\$ 538.47		\$ 16,154.00	\$ 16,961.70	\$ 17,809.79	\$ 18,700.27	\$ 19,635.29	\$ 20,617.05	\$ 21,647.90	
Insurance	\$ 326.67		\$ 9,800.00	\$ 10,290.00	\$ 10,804.50	\$ 11,344.73	\$ 11,911.96	\$ 12,507.56	\$ 13,132.94	
Accounting	\$ 64.67		\$ 1,940.00	\$ 2,037.00	\$ 2,138.85	\$ 2,245.79	\$ 2,358.08	\$ 2,475.99	\$ 2,599.79	
Marketing	\$ 80.00		\$ 2,400.00	\$ 2,520.00	\$ 2,646.00	\$ 2,778.30	\$ 2,917.22	\$ 3,063.08	\$ 3,216.23	
Real Estate Taxes	\$ 216.67		\$ 6,500.00	\$ 6,825.00	\$ 7,166.25	\$ 7,524.56	\$ 7,900.79	\$ 8,295.83	\$ 8,710.62	
Other: HOME Rental Compliance Monitoring Fee	\$ 175.00		\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	
Other: Legal Fees	\$ 58.33		\$ 1,750.00	\$ 1,837.50	\$ 1,929.38	\$ 2,025.84	\$ 2,127.14	\$ 2,233.49	\$ 2,345.17	
Other: Landscaping/Maintenance Services	\$ 125.67		\$ 3,770.00	\$ 3,958.50	\$ 4,156.43	\$ 4,364.25	\$ 4,582.46	\$ 4,811.58	\$ 5,052.16	
Total Residential Operating Expenses			\$ 77,919.00	\$ 81,797.45	\$ 85,869.82	\$ 90,145.81	\$ 94,635.60	\$ 99,349.88	\$ 104,299.88	
Replacement Reserve	\$ 353.33		\$ 10,600.00	\$ 11,130.00	\$ 11,686.50	\$ 12,270.83	\$ 12,884.37	\$ 13,528.58	\$ 14,205.01	
Operating Reserve	\$ 1,793.33		\$ 26,900.00	\$ 28,245.00	\$ 29,657.25	\$ 31,140.11	\$ 32,697.12	\$ 34,331.97	\$ 36,048.57	
Total Reserves			\$ 37,500.00	\$ 39,375.00	\$ 41,343.75	\$ 43,410.94	\$ 45,581.48	\$ 47,860.56	\$ 50,253.59	
Service Expenses	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Residential Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL PROJECT EXPENSES	=		\$ 115,419.00	\$ 121,172.45	\$ 127,213.57	\$ 133,556.75	\$ 140,217.09	\$ 147,210.44	\$ 154,553.47	
NET OPERATING INCOME (EGI - Total Expenses)	=		\$ 342,566.50	\$ 350,552.62	\$ 358,663.24	\$ 366,896.37	\$ 375,249.63	\$ 383,720.27	\$ 392,305.17	

Debt Service on	Loan Amount	Rate (%)	Amortization (years)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Harborstone- 2 yr temp	\$ 3,720,000.00	5.25%	360	\$ 195,300.00	\$ 246,636.00	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (1st)	\$ 3,668,664.00	5.25%	360	\$ -	\$ -	\$ 245,496.00	\$ 245,496.00	\$ 245,496.00	\$ 245,496.00	\$ 245,496.00
City of Lakewood- Sec 108	\$ 316,920.00	3.00%	108	\$ 9,508.00	\$ 40,703.00	\$ 40,703.00	\$ 40,703.00	\$ 40,703.00	\$ 40,703.00	\$ 40,703.00
TOTAL DEBT SERVICE				\$ 204,808.00	\$ 287,339.00	\$ 286,199.00	\$ 286,199.00	\$ 286,199.00	\$ 286,199.00	\$ 286,199.00
Projected Gross Cash Flow				\$ 137,758.50	\$ 63,213.61	\$ 72,464.24	\$ 80,697.37	\$ 89,050.63	\$ 97,521.27	\$ 106,106.17
Debt Coverage Ratio (DCR)				1.67	1.22	1.25	1.28	1.31	1.34	1.37

Phase 2 Operating Pro Forma

Sponsor Name: Gravelly Lake Townhomes, LLC
 Project Name: Gravelly Lake Townhomes- Phase 3 (Phase 2 proforma included as cash flow to pay for Phase 3)

	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
REVENUES								
Residential Income								
Annual Gross Tenant Paid Rental Income	\$ 569,529.99	\$ 586,615.89	\$ 604,214.37	\$ 622,340.80	\$ 641,011.02	\$ 660,241.35	\$ 680,048.59	\$ 700,450.05
Other: Miscellaneous Rent Income	\$ 4,304.56	\$ 4,433.70	\$ 4,566.71	\$ 4,703.71	\$ 4,844.82	\$ 4,990.16	\$ 5,139.87	\$ 5,294.06
Other: Garage Rental	\$ 19,075.34	\$ 19,647.60	\$ 20,237.03	\$ 20,844.14	\$ 21,469.47	\$ 22,113.55	\$ 22,776.96	\$ 23,460.27
Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	\$ 592,909.89	\$ 610,697.19	\$ 629,018.10	\$ 647,888.65	\$ 667,325.31	\$ 687,345.07	\$ 707,965.42	\$ 729,204.38
Total Annual Service Funding	\$ -							
Total Non-Residential Income	\$ -							
TOTAL PROJECT INCOME	\$ 592,909.89	\$ 610,697.19	\$ 629,018.10	\$ 647,888.65	\$ 667,325.31	\$ 687,345.07	\$ 707,965.42	\$ 729,204.38
Less Residential Vacancy	\$ (29,645.49)	\$ (30,534.86)	\$ (31,450.91)	\$ (32,394.43)	\$ (33,366.27)	\$ (34,367.25)	\$ (35,398.27)	\$ (36,460.22)
Less Non-Residential Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	\$ 563,264.40	\$ 580,162.33	\$ 597,567.20	\$ 615,494.21	\$ 633,959.04	\$ 652,977.81	\$ 672,567.15	\$ 692,744.16

EXPENSES		Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Operating Expenses-									
Heat		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric		\$ 2,729.77	\$ 2,866.26	\$ 3,009.58	\$ 3,160.06	\$ 3,318.06	\$ 3,483.96	\$ 3,658.16	\$ 3,841.07
Water & Sewer		\$ 2,574.99	\$ 2,703.74	\$ 2,838.93	\$ 2,980.88	\$ 3,129.92	\$ 3,286.42	\$ 3,450.74	\$ 3,623.27
Garbage Removal		\$ 1,653.34	\$ 1,736.01	\$ 1,822.81	\$ 1,913.95	\$ 2,009.65	\$ 2,110.13	\$ 2,215.64	\$ 2,326.42
Contract Repairs		\$ 4,165.02	\$ 4,373.27	\$ 4,591.93	\$ 4,821.53	\$ 5,062.60	\$ 5,315.93	\$ 5,581.52	\$ 5,860.60
Maintenance and janitorial		\$ 11,960.35	\$ 12,558.37	\$ 13,186.29	\$ 13,845.60	\$ 14,537.88	\$ 15,264.78	\$ 16,028.02	\$ 16,829.42
Management - Off-site		\$ 26,523.84	\$ 27,850.04	\$ 29,242.54	\$ 30,704.66	\$ 32,239.90	\$ 33,851.89	\$ 35,544.49	\$ 37,321.71
Management - On-site		\$ 22,730.30	\$ 23,866.82	\$ 25,060.16	\$ 26,313.16	\$ 27,628.82	\$ 29,010.26	\$ 30,460.78	\$ 31,983.82
Insurance		\$ 13,789.58	\$ 14,479.06	\$ 15,203.02	\$ 15,963.17	\$ 16,761.33	\$ 17,599.39	\$ 18,479.36	\$ 19,403.33
Accounting		\$ 2,729.77	\$ 2,866.26	\$ 3,009.58	\$ 3,160.06	\$ 3,318.06	\$ 3,483.96	\$ 3,658.16	\$ 3,841.07
Marketing		\$ 3,377.04	\$ 3,545.89	\$ 3,723.19	\$ 3,909.35	\$ 4,104.81	\$ 4,310.06	\$ 4,525.56	\$ 4,751.84
Real Estate Taxes		\$ 9,146.15	\$ 9,603.46	\$ 10,083.63	\$ 10,587.82	\$ 11,117.21	\$ 11,673.07	\$ 12,256.72	\$ 12,869.56
Other: HOME Rental Compliance Monitoring Fee		\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00
Other: Legal Fees		\$ 2,462.43	\$ 2,585.55	\$ 2,714.82	\$ 2,850.57	\$ 2,993.09	\$ 3,142.75	\$ 3,299.89	\$ 3,464.88
Other: Landscaping/Maintenance Services		\$ 5,304.77	\$ 5,570.01	\$ 5,848.51	\$ 6,140.93	\$ 6,447.98	\$ 6,770.38	\$ 7,108.90	\$ 7,464.34
Total Residential Operating Expenses		\$ 109,497.37	\$ 114,954.74	\$ 120,684.98	\$ 126,701.73	\$ 133,019.31	\$ 139,652.78	\$ 146,617.92	\$ 153,931.31
Replacement Reserve		\$ 14,915.26	\$ 15,661.03	\$ 16,444.08	\$ 17,266.28	\$ 18,129.60	\$ 19,036.08	\$ 19,987.88	\$ 20,987.27
Operating Reserve		\$ 37,851.00	\$ 39,743.55	\$ 41,730.73	\$ 43,817.27	\$ 46,008.13	\$ 48,308.54	\$ 50,723.96	\$ 53,260.16
Total Reserves		\$ 52,766.27	\$ 55,404.58	\$ 58,174.81	\$ 61,083.55	\$ 64,137.73	\$ 67,344.61	\$ 70,711.84	\$ 74,247.43
Service Expenses	<i>From Service Budget</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES		\$ 162,263.64	\$ 170,359.32	\$ 178,859.79	\$ 187,785.28	\$ 197,157.04	\$ 206,997.39	\$ 217,329.76	\$ 228,178.75

NET OPERATING INCOME (EGI - Total Expenses) = **\$ 401,000.76** **\$ 409,803.01** **\$ 418,707.41** **\$ 427,708.94** **\$ 436,802.00** **\$ 445,980.42** **\$ 455,237.39** **\$ 464,565.41**

Debt Service on	Loan Amount	Rate (%)	Amortization	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Harborstone- 2 yr temp	\$ 3,720,000.00	5.25%	360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (1st)	\$ 3,668,664.00	5.25%	360	\$ 245,496.00	\$ 245,496.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (2nd)	\$ 3,234,737.00	6.50%	360	\$ -	\$ -	\$ 247,708.00	\$ 247,708.00	\$ 247,708.00	\$ 247,708.00	\$ 247,708.00	\$ 247,708.00
City of Lakewood- Sec 108	\$ 316,920.00	3.00%	120	\$ 40,703.00	\$ 40,703.00	\$ 40,703.00	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE				\$ 286,199.00	\$ 286,199.00	\$ 288,411.00	\$ 247,708.00				

Projected Gross Cash Flow = **\$ 114,801.76** **\$ 123,604.01** **\$ 130,296.41** **\$ 180,000.94** **\$ 189,094.00** **\$ 198,272.42** **\$ 207,529.39** **\$ 216,857.41**
Debt Coverage Ratio (DCR) = **1.40** **1.43** **1.45** **1.73** **1.76** **1.80** **1.84** **1.88**

Phase 2 Operating Pro Forma

Sponsor Name:	Tacoma Housing Authority
Project Name:	Prairie Oaks

	Year 16	Year 17	Year 18	Year 19	Year 20
REVENUES					
Residential Income					
Annual Gross Tenant Paid Rental Income	\$ 721,463.55	\$ 743,107.46	\$ 765,400.68	\$ 788,362.70	\$ 812,013.58
Other: Miscellaneous Rent Income	\$ 5,452.89	\$ 5,616.47	\$ 5,784.97	\$ 5,958.52	\$ 6,137.27
Other: Garage Rental	\$ 24,164.07	\$ 24,889.00	\$ 25,635.67	\$ 26,404.74	\$ 27,196.88
Other:	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	\$ 751,080.51	\$ 773,612.93	\$ 796,821.32	\$ 820,725.95	\$ 845,347.73
Total Annual Service Funding	\$ -				
Total Non-Residential Income	\$ -				
TOTAL PROJECT INCOME	\$ 751,080.51	\$ 773,612.93	\$ 796,821.32	\$ 820,725.95	\$ 845,347.73
Less Residential Vacancy	\$ (37,554.03)	\$ (38,680.65)	\$ (39,841.07)	\$ (41,036.30)	\$ (42,267.39)
Less Non-Residential Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	\$ 713,526.49	\$ 734,932.28	\$ 756,980.25	\$ 779,689.66	\$ 803,080.35

EXPENSES					
Operating Expenses-					
Heat	\$ -	\$ -	\$ -	\$ -	\$ -
Electric	\$ 4,033.12	\$ 4,234.78	\$ 4,446.52	\$ 4,668.84	\$ 4,902.28
Water & Sewer	\$ 3,804.44	\$ 3,994.66	\$ 4,194.39	\$ 4,404.11	\$ 4,624.32
Garbage Removal	\$ 2,442.74	\$ 2,564.88	\$ 2,693.12	\$ 2,827.78	\$ 2,969.17
Contract Repairs	\$ 6,153.63	\$ 6,461.31	\$ 6,784.37	\$ 7,123.59	\$ 7,479.77
Maintenance and janitorial	\$ 17,670.89	\$ 18,554.43	\$ 19,482.16	\$ 20,456.26	\$ 21,479.08
Management - Off-site	\$ 39,187.80	\$ 41,147.19	\$ 43,204.55	\$ 45,364.77	\$ 47,633.01
Management - On-site	\$ 33,583.01	\$ 35,262.16	\$ 37,025.26	\$ 38,876.53	\$ 40,820.35
Insurance	\$ 20,373.50	\$ 21,392.17	\$ 22,461.78	\$ 23,584.87	\$ 24,764.11
Accounting	\$ 4,033.12	\$ 4,234.78	\$ 4,446.52	\$ 4,668.84	\$ 4,902.28
Marketing	\$ 4,989.43	\$ 5,238.90	\$ 5,500.84	\$ 5,775.89	\$ 6,064.68
Real Estate Taxes	\$ 13,513.03	\$ 14,188.68	\$ 14,898.12	\$ 15,643.03	\$ 16,425.18
Other: HOME Rental Compliance Monitoring Fee	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00
Other: Legal Fees	\$ 3,638.12	\$ 3,820.03	\$ 4,011.03	\$ 4,211.58	\$ 4,422.16
Other: Landscaping/Maintenance Services	\$ 7,837.56	\$ 8,229.44	\$ 8,640.91	\$ 9,072.95	\$ 9,526.60
Total Residential Operating Expenses	\$ 161,610.38	\$ 169,673.40	\$ 178,139.57	\$ 187,029.05	\$ 196,363.00
Replacement Reserve	\$ 22,036.64	\$ 23,138.47	\$ 24,295.39	\$ 25,510.16	\$ 26,785.67
Operating Reserve	\$ 55,923.17	\$ 58,719.33	\$ 61,655.29	\$ 64,738.06	\$ 67,974.96
Total Reserves	\$ 77,959.81	\$ 81,857.80	\$ 85,950.69	\$ 90,248.22	\$ 94,760.63
Service Expenses <i>From Service Budget</i>	\$ -				
Non-Residential Expenses	\$ -				
TOTAL PROJECT EXPENSES	\$ 239,570.19	\$ 251,531.20	\$ 264,090.26	\$ 277,277.27	\$ 291,123.63

NET OPERATING INCOME (EGI - Total Expenses)	\$ 473,956.30	\$ 483,401.08	\$ 492,889.99	\$ 502,412.39	\$ 511,956.71
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Debt Service on	Loan Amount	Rate (%)	Amortization					
Harborstone- 2 yr temp	\$ 3,720,000.00	5.25%	360	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (1st)	\$ 3,668,664.00	5.25%	360	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (2nd)	\$ 3,234,737.00	6.50%	360	\$ 247,708.00	\$ -	\$ -	\$ -	\$ -
Harborstone- 7-yr term (3rd)	\$ 2,595,760.00	7.00%	360	\$ -	\$ 209,183.00	\$ 209,183.00	\$ 209,183.00	\$ 209,183.00
City of Lakewood- Sec 108	\$ 316,920.00	3.00%	120	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE	\$ 247,708.00	\$ 209,183.00						
Projected Gross Cash Flow	\$ 226,248.30	\$ 274,218.08	\$ 283,706.99	\$ 293,229.39	\$ 302,773.71			
Debt Coverage Ratio (DCR)	1.91	2.31	2.36	2.40	2.45			

Optional Interest Terms

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Total Residential Income	482,090	496,553	511,449	526,793	542,597	558,874	575,641	592,910	610,697	629,018	647,889	667,325	687,345	707,965	729,204	751,081	773,613	796,821	820,726	845,348
3.00% escalation (Vacancy)	(24,105)	(24,828)	(25,572)	(26,340)	(27,130)	(27,944)	(28,782)	(29,645)	(30,535)	(31,451)	(32,394)	(33,366)	(34,367)	(35,398)	(36,460)	(37,554)	(38,681)	(39,841)	(41,036)	(42,267)
Effective Gross Income	457,986	471,725	485,877	500,453	515,467	530,931	546,859	563,264	580,162	597,567	615,494	633,959	652,978	672,567	692,744	713,526	734,932	756,980	779,690	803,080
Operating Expenses 5.00% escalation	115,419	121,172	127,214	133,557	140,217	147,210	154,553	162,264	170,359	178,860	187,785	197,157	206,997	217,330	228,179	239,570	251,531	264,090	277,277	291,124
Net Operating Income	342,567	350,553	358,663	366,896	375,250	383,720	392,305	401,001	409,803	418,707	427,709	436,802	445,980	455,237	464,565	473,956	483,401	492,890	502,412	511,957
Harborstone - temporary	195,300	246,636																		
Harborstone - 1st 7-yr term loan			245,496	245,496	245,496	245,496	245,496	245,496	245,496											
Harborstone - 2nd 7-yr term loan										247,708	247,708	247,708	247,708	247,708	247,708	247,708				
Harborstone - 3rd 7-yr term loan																	209,183	209,183	209,183	209,183
HOME - City of Lakewood	12,677	42,624	42,624	42,624	42,624	42,624	42,624	42,624	42,624	42,624										
Cash Flow to Owner(s)	134,590	61,293	70,544	78,777	87,130	95,601	104,186	112,881	121,683	128,376	180,001	189,094	198,272	207,529	216,857	226,248	274,218	283,707	293,229	302,774
DCR	1.65	1.21	1.24	1.27	1.30	1.33	1.36	1.39	1.42	1.44	1.73	1.76	1.80	1.84	1.88	1.91	2.31	2.36	2.40	2.45

Notes to Pro Forma:
Revenue from Phase 2 operations.

HOME Loan Amortization

Principal 316,920 Annual D/S: \$42,623.52
Interest 4.00%
Term 10 Yrs
Amort. 9 Yrs

Yr	Balance	Interest	Principal	Total PMT
1	316,920	\$12,677	\$0	\$12,677
2	316,920	\$12,677	\$29,947	\$42,624
3	286,973	\$11,479	\$31,145	\$42,624
4	255,829	\$10,233	\$32,390	\$42,624
5	223,438	\$8,938	\$33,686	\$42,624
6	189,752	\$7,590	\$35,033	\$42,624
7	154,719	\$6,189	\$36,435	\$42,624
8	118,284	\$4,731	\$37,892	\$42,624
9	80,392	\$3,216	\$39,408	\$42,624
10	40,984	\$1,639	\$40,984	\$42,624
Balance:	-		\$396,288	

Phase 2 (28 units)	
Fair Market Value	
NOI	\$342,567
Cap Rate	6.12%
FMV	\$5,597,492
Loan to Value (80% max)	
FMV x 80%	\$4,477,993
Combined Loan to Value (80% max)	
Harborstone	\$3,720,000
Lakewood - HOME	\$0
Total all Loans	<u>\$3,720,000</u>
CLTV	66%

Phase 3 (garages/parking)	
Fair Market Value	
Market Valuation	\$169,000
Loan to Value (80% max)	
FMV x 80%	\$135,200
Combined Loan to Value (80% max)	
Harborstone	\$0
Lakewood - HOME	<u>\$316,920</u>
Total all Loans	<u>\$316,920</u>
CLTV	188%

Phase 1 (24 units- already completed)	
Fair Market Value	
NOI	\$305,126
Cap Rate	6.12%
FMV	\$4,985,719
Loan to Value (80% max)	
FMV x 80%	\$3,988,575
Combined Loan to Value (80% max)	
Harborstone	\$3,574,846
Lakewood - HOME	<u>\$0</u>
Total all Loans	<u>\$3,574,846</u>
CLTV	72%

Combined Properties Valuation	
Fair Market Value	
NOI	\$647,693
Cap Rate	6.12%
FMV	\$10,583,211
Loan to Value (80% max)	
FMV x 80%	\$8,466,569
Combined Loan to Value (80% max)	
Harborstone	\$7,294,846
Lakewood - HOME	<u>\$316,920</u>
Total all Loans	<u>\$7,611,766</u>
CLTV	72%

Optional Interest Terms

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Total Residential Income	482,090	496,553	511,449	526,793	542,597	558,874	575,641	592,910	610,697	629,018	647,889	667,325	687,345	707,965	729,204	751,081	773,613	796,821	820,726	845,348
3.00% escalation (Vacancy)	(24,105)	(24,828)	(25,572)	(26,340)	(27,130)	(27,944)	(28,782)	(29,645)	(30,535)	(31,451)	(32,394)	(33,366)	(34,367)	(35,398)	(36,460)	(37,554)	(38,681)	(39,841)	(41,036)	(42,267)
Effective Gross Income	457,986	471,725	485,877	500,453	515,467	530,931	546,859	563,264	580,162	597,567	615,494	633,959	652,978	672,567	692,744	713,526	734,932	756,980	779,690	803,080
Operating Expenses 5.00% escalation	115,419	121,172	127,214	133,557	140,217	147,210	154,553	162,264	170,359	178,860	187,785	197,157	206,997	217,330	228,179	239,570	251,531	264,090	277,277	291,124
Net Operating Income	342,567	350,553	358,663	366,896	375,250	383,720	392,305	401,001	409,803	418,707	427,709	436,802	445,980	455,237	464,565	473,956	483,401	492,890	502,412	511,957
Harborstone - temporary	195,300	246,636																		
Harborstone - 1st 7-yr term loan			245,496	245,496	245,496	245,496	245,496	245,496	245,496											
Harborstone - 2nd 7-yr term loan										247,708	247,708	247,708	247,708	247,708	247,708	247,708				
Harborstone - 3rd 7-yr term loan																	209,183	209,183	209,183	209,183
HOME - City of Lakewood	15,846	44,588	44,588	44,588	44,588	44,588	44,588	44,588	44,588	44,588										
Cash Flow to Owner(s)	131,421	59,329	68,580	76,813	85,166	93,637	102,222	110,917	119,720	126,412	180,001	189,094	198,272	207,529	216,857	226,248	274,218	283,707	293,229	302,774
DCR	1.62	1.20	1.24	1.26	1.29	1.32	1.35	1.38	1.41	1.43	1.73	1.76	1.80	1.84	1.88	1.91	2.31	2.36	2.40	2.45

Notes to Pro Forma:
Revenue from Phase 2 operations.

HOME Loan Amortization

Principal 316,920 Annual D/S: \$44,587.50
Interest 5.00%
Term 10 Yrs
Amort. 9 Yrs

Yr	Balance	Interest	Principal	Total PMT
1	316,920	\$15,846	\$0	\$15,846
2	316,920	\$15,846	\$28,742	\$44,588
3	288,178	\$14,409	\$30,179	\$44,588
4	258,000	\$12,900	\$31,688	\$44,588
5	226,312	\$11,316	\$33,272	\$44,588
6	193,041	\$9,652	\$34,935	\$44,588
7	158,105	\$7,905	\$36,682	\$44,588
8	121,423	\$6,071	\$38,516	\$44,588
9	82,906	\$4,145	\$40,442	\$44,588
10	42,464	\$2,123	\$42,464	\$44,588
Balance:	0			\$417,134

Phase 2 (28 units)	
Fair Market Value	
NOI	\$342,567
Cap Rate	6.12%
FMV	\$5,597,492
Loan to Value (80% max)	
FMV x 80%	\$4,477,993
Combined Loan to Value (80% max)	
Harborstone	\$3,720,000
Lakewood - HOME	\$0
Total all Loans	<u>\$3,720,000</u>
CLTV	66%

Phase 3 (garages/parking)	
Fair Market Value	
Market Valuation	\$169,000
Loan to Value (80% max)	
FMV x 80%	\$135,200
Combined Loan to Value (80% max)	
Harborstone	\$0
Lakewood - HOME	<u>\$316,920</u>
Total all Loans	<u>\$316,920</u>
CLTV	188%

Phase 1 (24 units- already completed)	
Fair Market Value	
NOI	\$305,126
Cap Rate	6.12%
FMV	\$4,985,719
Loan to Value (80% max)	
FMV x 80%	\$3,988,575
Combined Loan to Value (80% max)	
Harborstone	\$3,574,846
Lakewood - HOME	<u>\$0</u>
Total all Loans	<u>\$3,574,846</u>
CLTV	72%

Combined Properties Valuation	
Fair Market Value	
NOI	\$647,693
Cap Rate	6.12%
FMV	\$10,583,211
Loan to Value (80% max)	
FMV x 80%	\$8,466,569
Combined Loan to Value (80% max)	
Harborstone	\$7,294,846
Lakewood - HOME	<u>\$316,920</u>
Total all Loans	<u>\$7,611,766</u>
CLTV	72%

Cash on Cash Return

Total Project Cost:	\$ 5,020,564.00	100%
Owner Investment:	\$ 983,644.00	20%
Other Financing:	\$ 4,036,920.00	80%

3% Int. Rate	YEAR	Cash Flow	CoC Return
	1	\$ 137,758.50	14.00%
	2	\$ 63,213.36	6.43%
	3	\$ 72,463.99	7.37%
	4	\$ 80,697.11	8.20%
	5	\$ 89,050.37	9.05%
	6	\$ 97,521.02	9.91%
	7	\$ 106,105.91	10.79%
	8	\$ 114,801.50	11.67%
	9	\$ 123,603.75	12.57%
	10	\$ 130,296.15	13.25%
	11	\$ 180,000.94	18.30%
	12	\$ 189,094.00	19.22%
	13	\$ 198,272.42	20.16%
	14	\$ 207,529.39	21.10%
	15	\$ 216,857.41	22.05%
	16	\$ 226,248.30	23.00%
	17	\$ 274,218.08	27.88%
	18	\$ 283,706.99	28.84%
	19	\$ 293,229.39	29.81%
	20	\$ 302,773.71	30.78%
		\$ 3,387,442.30	0.1721884

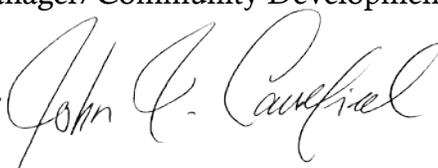
4% Int. Rate	YEAR	Cash Flow	CoC Return
	1	\$ 134,589.70	13.68%
	2	\$ 61,293.10	6.23%
	3	\$ 70,543.73	7.17%
	4	\$ 78,776.85	8.01%
	5	\$ 78,776.85	8.01%
	6	\$ 95,600.75	9.72%
	7	\$ 104,185.65	10.59%
	8	\$ 112,881.24	11.48%
	9	\$ 121,683.49	12.37%
	10	\$ 128,375.89	13.05%
	11	\$ 180,000.94	18.30%
	12	\$ 189,094.00	19.22%
	13	\$ 198,272.42	20.16%
	14	\$ 207,529.39	21.10%
	15	\$ 216,857.41	22.05%
	16	\$ 226,248.30	23.00%
	17	\$ 274,218.08	27.88%
	18	\$ 283,706.99	28.84%
	19	\$ 293,229.39	29.81%
	20	\$ 302,773.71	30.78%
		\$ 3,358,637.89	0.1707243

5% Int. Rate	YEAR	Cash Flow	CoC Return
	1	\$ 131,420.50	13.36%
	2	\$ 59,329.11	6.03%
	3	\$ 68,579.74	6.97%
	4	\$ 76,812.87	7.81%
	5	\$ 85,166.13	8.66%
	6	\$ 93,636.77	9.52%
	7	\$ 102,221.67	10.39%
	8	\$ 110,917.26	11.28%
	9	\$ 119,719.51	12.17%
	10	\$ 126,411.91	12.85%
	11	\$ 180,000.94	18.30%
	12	\$ 189,094.00	19.22%
	13	\$ 198,272.42	20.16%
	14	\$ 207,529.39	21.10%
	15	\$ 216,857.41	22.05%
	16	\$ 226,248.30	23.00%
	17	\$ 274,218.08	27.88%
	18	\$ 283,706.99	28.84%
	19	\$ 293,229.39	29.81%
	20	\$ 302,773.71	30.78%
		\$ 3,346,146.12	0.1700893



To: Mayor and City Councilmembers

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

Through: John J. Caulfield, City Manager 

Date: April 21, 2014

Subject: Establishing a Lakewood Visioning Committee

Background: On April 14, the City Council considered a community visioning contract for services with the firm Tindale-Oliver Associates. The process includes the creation of an ad hoc visioning committee comprised of key stakeholders from community groups, and the business community. The consultant had suggested a committee composed of between eight to 12 persons. Staff presented a list of possible committee participants. The participants included one representative from each of the following groups:

1. Planning advisory board
2. Redevelopment advisory board
3. Parks & recreation advisory board
4. The Korean community (Boo Han and/or Korean Women's Association)
5. Oakbrook Homeowners Association
6. Lakewood Industrial Park
7. Lake Steilacoom Improvement Club
8. Tillicum/Woodbrook Neighborhood

Some council members wanted to add participants including a representative from:

1. The citizens' transportation advisory committee
2. The arts commission
3. The Lakewood Chamber of Commerce
4. The local realtors association
5. Pierce College
6. Clover Park Technical College
7. Clover Park School District
8. Joint Base Lewis McChord (JBLM)

What's Next? This topic returns to the council in an effort to finalize committee membership. Of the 16, five potential committee members originate from the city's advisory boards, three members represent neighborhood groups, three members represent education, three members represent business groups, and there are two special interest groups, the Korean community and JBLM.

Committee membership exceeds 12 persons, so the question before the Council is there a desire to pare down the size of the committee?

If the answer is yes, then the Council may want to reduce advisory board representation since it comprises the largest singular grouping. Another option would be to reduce the education and business category representation from three to two persons, respectively. Using this approach the Council could reduce the size of the committee from 16 to either 12 or 13. If the committee size is reduced it does not mean that those under consideration will not have an opportunity to participate. Ten stakeholder meetings and 10 neighborhood/community organization meetings are planned; there will remain ample opportunities to engage in the visioning process. If the committee is too big, committee members may feel as if they are not needed. Additionally, a larger committee requires a greater level of facilitation.

If the answer is no, that the Council desires greater inclusivity, then leave the membership alone. Staff would point out that with 16 members, those who would likely attend, are already very busy people. It is doubtful that all of the committee members will be able to attend all of the meetings; thus, committee attendance would fluctuate.

Recommendation: Providing a staff recommendation on this issue is challenging since there is no right or wrong answer, and in the end the City Council has the final say. Nevertheless, for the sake of efficacy, staff would recommend a visioning committee with the following membership representation:

1. Planning advisory board
2. Redevelopment advisory board
3. Parks & recreation advisory board
4. The Korean community (Boo Han or the Korean Women's Association)
5. Oakbrook Homeowners Association
6. Lakewood Industrial Park
7. Lake Steilacoom Improvement Club
8. Tillicum/Woodbrook Neighborhood
9. The Lakewood Chamber of Commerce
10. Local real estate organization
11. Clover Park School District
12. JBLM

City staff and the consultant will not hold a committee position, but will act as liaisons on behalf of the committee. The City team will be led by the assistant city manager/community development director and will include representation from planning, economic development, parks and recreation, public safety, public works and the SSMCP.