



## LAKWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, October 12, 2015

7:00 P.M.

City of Lakewood

City Council Chambers

6000 Main Street SW

Lakewood, WA 98499

Page No.

### CALL TO ORDER

### ITEMS FOR DISCUSSION:

- ( 3) 1. Joint Lakewood Arts Commission meeting.
- ( 5) 2. Economic Development update. – (Memorandum)
- ( 18) 3. Review of proposed development services fee schedule amendments. – (Memorandum)
- ( 74) 4. Review of sanitary sewer permitting proposals. - (Memorandum)
- (125) 5. Review of Title 5 business license code implementation. – (Memorandum)
- (134) 6. Review of repealing sections of Chapter 3.09 of the Lakewood Municipal Code relative to Municipal Court Trust Fund and Section 125 Fund. – (Memorandum)
- (137) 7. Review of 2015-2016 biennial budget amendments. – (Memorandum)
- (166) 8. Review of Transportation Benefit District assumption. – (Memorandum)

### REPORTS BY THE CITY MANAGER

### ITEMS TENTATIVELY SCHEDULED FOR THE OCTOBER 19, 2015 REGULAR CITY COUNCIL MEETING:

- 1. Item No. 6 above.

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

Page No.

2. Business showcase. – *Mt. View Funeral Home*
3. Presentation of the 2015-2016 Stormwater Pollution Prevention and Water Conservation Calendar. – *Idlewild Elementary School*
4. Setting Monday, November 2, 2015, at approximately 7:00 p.m., as the date for a public hearing by the City Council on the Transportation Benefit District assumption. – (Resolution – Consent Agenda)
5. Adopting the City of Lakewood community visioning statement. – (Resolution – Consent Agenda)
6. Adopting the 2015-2017 State Legislative Agenda, Legislative Policy Manual and Federal priorities. – (Motion – Consent Agenda)
7. Adopting the Fiscal Year 2016 Community Development Block Grant and HOME Investment Policy Act funding policies. – (Resolution – Regular Agenda)
8. Approving the Washington State Department of Social and Health Services agreement relative to the Western State Hospital community policing program. – (Motion – Regular Agenda)
9. Approving the Washington State Department of Social and Health Services agreement relative to the Western State Hospital community partnership program. – (Motion – Regular Agenda)

## **COUNCIL COMMENTS**

## **ADJOURNMENT**

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## Arts Commission Work Plan 2015-2016

### Members:

Kurtiss Erickson, Chairperson  
Susan Coulter, Vice Chair  
Kathy Flores  
Retha Hayward  
Tony Lamb  
Robert Lawrence  
Peggy Leach  
Connie Perra  
Phillip Raschke  
Barbara Vest  
Jean Witte

### Council Liaison:

Councilmember Marie Barth

### Youth Council Liaison:

Will Joy

### Meeting Schedule:

First Monday of each month in room 3A from 4:30 to 6:00 p.m.

### Significant Accomplishments To-Date:

- ML King Jr. Celebration: Student Essay Contest, "The Dream in Action"
- ArstFest: Juried Art Show, Six awards were given in various categories.
- Pierce County Reads: Supported the Pierce County Library System with this month long event. The 2015 book was: The Boys in the Boat by Brian O'Raleigh.
- MayFest: Juried Art Show
  - 6<sup>th</sup> year of partnering with Lakewold Gardens
- SummerFEST: Arts Commission Stage, Kid's Mural Project
  - Featuring the Pierce County Band, Sue & the Fun Singers, Clover Park Cheerleaders, Charisma School of Dance and Spectra (the Dave O'Keeffe band)
- Asian Film Festival
  - Third year
  - New location: Lakewood Elks
  - 346 attendees
  - Multiple local sponsors
- National Literacy Month: Proclamation by City Council
  - Lakewood a City that Reads project done in partnership with Lakewood Library
- City Hall Rotating Art Exhibit
  - ArtsFest Juried Competition Winner Display (new in 2015)
- Dedicated funding stream for Public Art from McGavick Ctr. Rentals
  - Total to date: \$21,000
- Community Garden Art
  - Garden entry way & gate completed
    1. Eagle Scout project: Levi Ott

## **2015-16 Goals:**

### ***Promotion of the Visual, Performing & Literary Arts***

Continue the events that are currently being held

- ML King Jr. Celebration: Student Essay Contest (Jan. 2016)
- ArtsFest (2016)
- MayFest: Juried Art Show (May 2016)
- SummerFEST: Arts Commission Stage, Kid's Mural Project (July 2016)
- Asian Film Festival (Aug. 2016)
- Lakewood: "A City that Reads" (September 2016)
- City Hall Rotating Art Exhibit (Quarterly)

### ***Encourage the Creative Contribution of Local Artists***

- Continue the recruitment of local artists for our events
- Continue to work with the Clover Park School District to encourage young artists

### ***Public Art installation***

- Research matching funds for public art
  - Tacoma Community Foundation
  - Pierce County Arts Commission
  - National Endowment for the Arts
- Public Art Site
  - Washington & Gravelly Lake Drive
- Potential permanent or temporary wall sculpture for first floor lobby area. (December 2015)



To: Mayor and City Councilmembers

From: Becky Newton, Economic Development Manager

Through: John J. Caulfield, City Manager

Meeting Date: October 12, 2015

Subject: Economic Development Update

Enclosed is a presentation of economic development activities for 2015, year-to-date. A detailed review of all current projects, at various stages of development including recently completed, will be provided at the meeting.

The areas of focus for this presentation are:

- Overview of Objectives & Actions
- Detailed Review of Current Projects
- Business Retention & Expansion, and New Business Activity
- Regional Comparisons and Opportunity

While permit activity slowed in September, Lakewood has a number of short, mid, and long-term projects in the pipeline. This includes retail and food services that will draw people in, particularly to the Central Business District. Buildings and land are available to fill the South Sound's increasing need for industrial users. Mixed use development, healthcare, senior housing, JBLM, I-5 frontage, and improved infrastructure all represent opportunity for a lively and robust future.

The average assessed value of new single family residences being built in Lakewood is \$323,799. Subdivision activity and proposed re-zoning to higher density residential will encourage development, and meet the need for more attractive market rate single family homes.

Attachment:

PowerPoint Presentation



# Economic Development Update

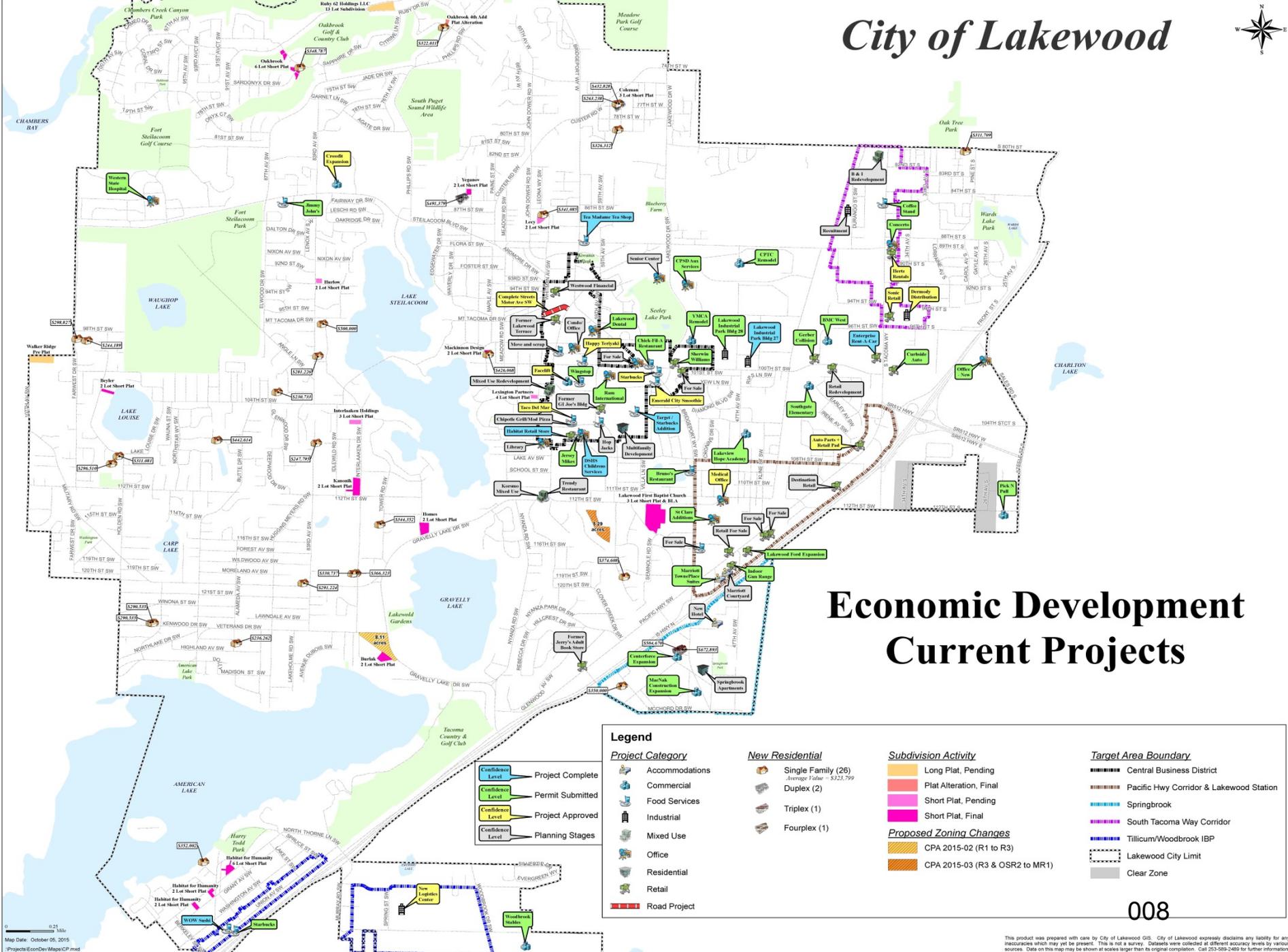
Lakewood City Council  
October 12, 2015



# Objectives & Actions

*Support a dynamic and robust economy with balanced and sustainable growth that supports job creation and improves the tax base.*

- *Leadership & Partnerships*
- *Regulations, Policies & Processes*
- *Attractive Housing & Quality of Life*
- *BRE, Recruitment & Attraction*
- *Access, Visibility & Competitive Advantages*



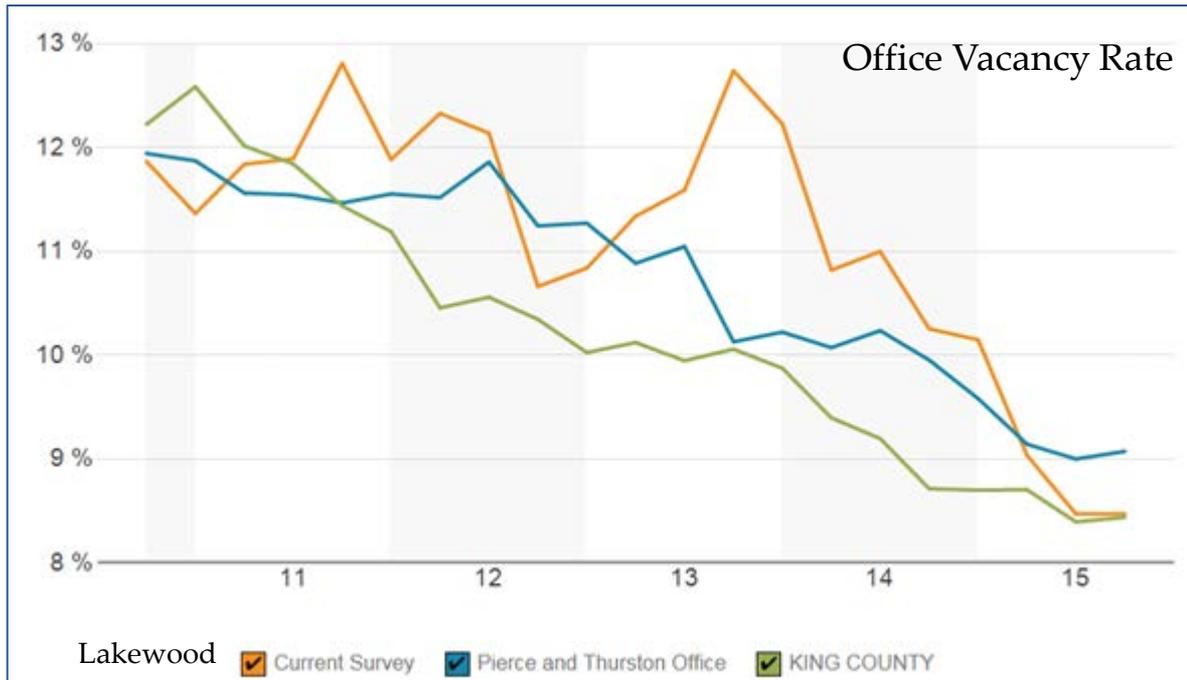
## Economic Development Current Projects

**Legend**

<ul style="list-style-type: none"> <li><span style="border: 1px solid blue; padding: 2px;">Project Complete</span> Project Complete</li> <li><span style="border: 1px solid green; padding: 2px;">Permit Submitted</span> Permit Submitted</li> <li><span style="border: 1px solid yellow; padding: 2px;">Project Approved</span> Project Approved</li> <li><span style="border: 1px solid orange; padding: 2px;">Planning Stages</span> Planning Stages</li> </ul>	<ul style="list-style-type: none"> <li> Accommodations</li> <li> Commercial</li> <li> Food Services</li> <li> Industrial</li> <li> Mixed Use</li> <li> Office</li> <li> Residential</li> <li> Retail</li> <li> Road Project</li> </ul>	<p><b>New Residential</b></p> <ul style="list-style-type: none"> <li> Single Family (26) Average Value - \$323,799</li> <li> Duplex (2)</li> <li> Triplex (1)</li> <li> Fourplex (1)</li> </ul>	<p><b>Subdivision Activity</b></p> <ul style="list-style-type: none"> <li> Long Plat, Pending</li> <li> Plat Alteration, Final</li> <li> Short Plat, Pending</li> <li> Short Plat, Final</li> </ul> <p><b>Proposed Zoning Changes</b></p> <ul style="list-style-type: none"> <li> CPA 2015-02 (R1 to R3)</li> <li> CPA 2015-03 (R3 &amp; OSR2 to MR1)</li> </ul>	<p><b>Target Area Boundary</b></p> <ul style="list-style-type: none"> <li> Central Business District</li> <li> Pacific Hwy Corridor &amp; Lakewood Station</li> <li> Springbrook</li> <li> South Tacoma Way Corridor</li> <li> Tillicum/Woodbrook IBP</li> <li> Lakewood City Limit</li> <li> Clear Zone</li> </ul>
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# Online Access & Vacancy



**Average Rate/SF**

Seattle = \$31.34  
Bellevue = \$30.47  
Tacoma = \$20.94  
Federal Way = \$21.51  
Lakewood = \$12.74

[Short Plat Activity](#)

[New Residential](#)

[Current Projects](#)

Commercial Property Search

Government Transparency



# Business Retention, and Expansion

<b>Business Retention, and Expansion (BRE) Visits YTD 9/30/15</b>			Opportunities	Challenges
Industry	# Companies	# Jobs		
Construction	4	39	Demand	Cost of Materials
<b>Manufacturing</b>				
Durable Goods	4	190	High growth - niche	Competition; Efficiencies
Nondurable Goods	4	172	High growth - niche	Surplus
<b>Trade, Transportation, and Utilities</b>				
Wholesale Trade	2	17	Export Potential	Competition; Fragmented; Workforce
Retail Trade	13	125	Economy Strengthening	Rapid Shifts
Transportation, Warehousing and Utilities	4	605	Ports; FTZ; Trade	Movement of Freight
<b>Finance and Real Estate</b>				
Finance and Insurance	5	261	Cash on Hand	Mergers; Credit
Real Estate, Rental and Leasing	6	55	Activity	Negative Home Values
<b>Education and Health Services</b>				
Professional, Scientific and Technical	5	48	High Growth Industries	Competition & Insurance
Training and Education	2	19	More Seeking	Cost & Supply Chain
<b>Leisure and Hospitality</b>				
Accommodation and Food Services	4	80	JBLM; Tourism Increase	JBLM
Arts and Leisure	3	51	Increased Demand	Part time-Seasonal Empl.
Automotive Sales/Repair	3	38	Increased need	Perception; Reliability
	59	1700		

Worries: Workforce (particularly trades), Disruption of the Economy, Minimum Wage, Cost of Education, Transportation and Infrastructure.



# Jobs in Lakewood

	2013		2008		2002	
	Count	Share	Count	Share	Count	Share
Total All Jobs	24,662	100.0%	24,394	100.0%	22,665	100.0%
<b>Jobs by NAICS Industry Sector</b>						
	2013		2008		2002	
	Count	Share	Count	Share	Count	Share
Agriculture, Forestry, Fishing and Hunting	10	0.0%	21	0.1%	8	0.0%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	0	0.0%	0	0.0%
Utilities	63	0.3%	55	0.2%	65	0.3%
Construction	823	3.3%	1,336	5.5%	688	3.0%
Manufacturing	715	2.9%	833	3.4%	988	4.4%
Wholesale Trade	911	3.7%	1,102	4.5%	970	4.3%
Retail Trade	3,242	13.1%	3,018	12.4%	2,951	13.0%
Transportation and Warehousing	1,697	6.9%	1,696	7.0%	1,348	5.9%
Information	242	1.0%	174	0.7%	144	0.6%
Finance and Insurance	614	2.5%	839	3.4%	788	3.5%
Real Estate and Rental and Leasing	544	2.2%	563	2.3%	533	2.4%
Professional, Scientific, and Technical Services	777	3.2%	658	2.7%	638	2.8%
Management of Companies and Enterprises	94	0.4%	26	0.1%	4	0.0%
Administration & Support, Waste Management and Remediation	594	2.4%	645	2.6%	798	3.5%
Educational Services	3,312	13.4%	3,317	13.6%	3,477	15.3%
Health Care and Social Assistance	5,682	23.0%	4,997	20.5%	4,709	20.8%
Arts, Entertainment, and Recreation	573	2.3%	816	3.3%	693	3.1%
Accommodation and Food Services	2,684	10.9%	2,289	9.4%	2,023	8.9%
Other Services (excluding Public Administration)	1,577	6.4%	1,396	5.7%	1,366	6.0%
Public Administration	508	2.1%	613	2.5%	474	2.1%



# Commercial Businesses

Business Type	Number of New Businesses	Number of Closed Businesses
Arts/Advertising/Entertainment	8	3
Auto Sales/ Repair	2	0
Construction	0	1
Education/ Training	4	
Food Services	14	6
Manufacturing	6	0
Personal Services	24	17
Prof. Services – Insurance/Tax/ Real Estate	7	8
Prof. Services – Legal/Finance/ Security	13	6
Prof. Services – Health/Dental/ Social Services	17	14
Retail Sales - General	34	11
Utilities	3	1
Other Services	5	4

137 Total New General Business Licenses Issued YTD September 30, 2015

Does not include B&I, 2<sup>nd</sup> Hand Sales, Contractors, or Home Occupation

Net Gain = 66



# How do we Compare?

Jurisdiction	Population	Job Growth 2002 - 2013	Number of Primary Jobs	Total Retail Sales 2014 (Millions)	Retail Sales Per Capita	Grad Rate, 4-Yr Cohort	Poverty Rate	Crime Index
WA State	7,061,410	28%	2,661,467	\$124,844	\$17,680	81.5%	13.4%	1,694
Pierce County	831,928	14%	3,712	N/A	\$4,471	N/A	12.4%	N/A
Tacoma	202,300	1%	93,878	\$4,318	\$21,345	78.3%	18.0%	3,913
Federal Way	90,760	11%	28,336	\$1,397	\$15,392	76.2%	16.2%	2,718
Redmond	59,180	23%	91,279	\$2,309	\$39,017	90.2%	6.7%	1,185
Lakewood	58,400	7%	22,664	\$1,397	\$15,433	74.2%	19.7%	3,201
Shoreline	54,500	0.50%	14,825	\$863	\$15,835	88.2%	11.0%	1,513
Olympia	51,020	1%	44,890	\$1,843	\$36,123	85.4%	15.8%	2,071
Sammamish	49,980	32%	3,780	\$423	\$8,463	90.2%	2.4%	244
Burien	48,810	10%	13,031	\$655	\$13,419	62.9%	19.9%	3,304
Lacey	46,020	58%	17,717	\$962	\$20,904	79.2%	10.7%	1,301
Puyallup	38,950	22%	22,758	\$1,918	\$49,243	84.6%	9.2%	2,974
Bothell	36,567	20%	26,153	\$1,091	\$25,586	90.3%	8.9%	1,062
University Place	31,720	11%	4,958	\$328	\$10,340	88.8%	10.4%	1,520
Fife	9,545	9%	15,289	\$725	\$75,956	84.3%	12.9%	3,797

Sources: Office of Financial Management; Employment Security Department; Department of Revenue; OSPI



# JBLM Partnership

	Total Number of Transactions	Total of Prime Award Transactions
2015 YTD		
JBLM DOD Contracts Awarded	1,330	\$174,811,833
WA State Contractors	725	\$60,704,846
Lakewood Contractors	32	\$9,913,939
2014		
JBLM DOD Contracts Awarded	2,930	\$436,254,253
WA State Contractors	1,480	\$178,605,723
Lakewood Contractors	169	\$16,863,834
2013		
JBLM DOD Contracts Awarded	2,601	\$418,204,910
WA State Contractors	1,120	\$150,859,504
Lakewood Contractors	117	\$18,146,039
2012		
JBLM DOD Contracts Awarded	2,734	\$448,144,418
WA State Contractors	1,217	\$169,552,531
Lakewood Contractors	59	\$5,219,011

JBLM				
FY	2001	2012	2015	2017
# BCTs	2	3	2	2
Soldiers	16.3K	31.0K	26.3K	25.1K
AC Structure	482.2K	570K	490K	450K
Ft Lewis % of AC	3.4%	5.4%	5.4%	5.6%
Army Reduction: ~8%				
Ft Lewis Reduction: ~5%				

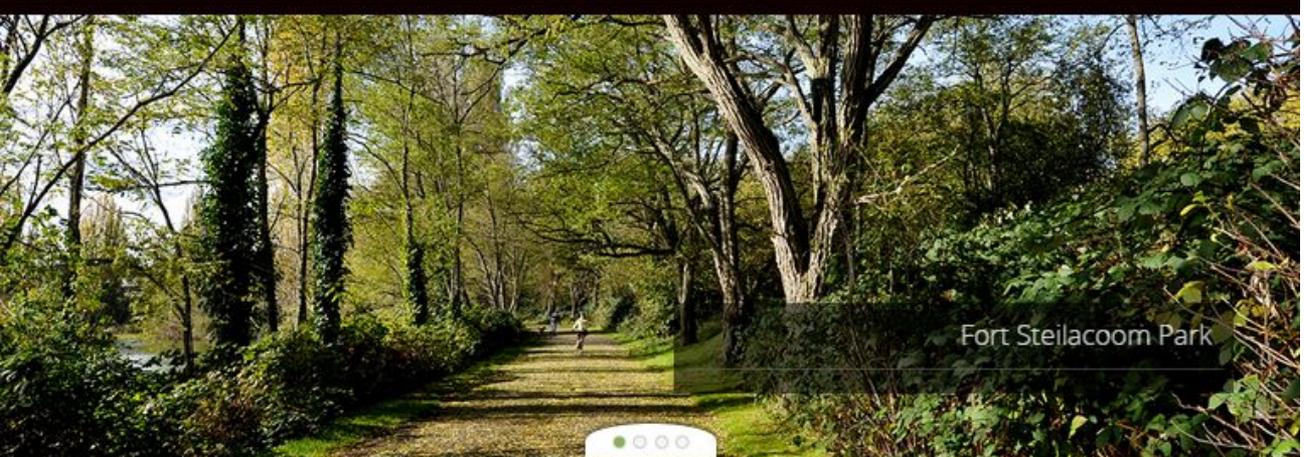
Protection from Urban Encroachment – Clear Zone



# Marketing & Promotion

## Pandora Internet Radio





## Lakewood, Washington: Adventure in Every Direction

Start your adventure here, in beautiful Lakewood, Wash. A short drive from Tacoma and Seattle, Lakewood boasts some of the most beautiful lakes and best golf courses around. It is also the Gateway to the Puget Sound and Mount Rainier, and offers an array of shopping and cultural dining options. Come stay. Come play.

Restaurants/Dining



Attractions



Invest in Lakewood



Did you Know?



American Lake



All Things Golf



- Social Media
- Connection – Magazine Style
- ED “Index” Newsletter and Economic Indicators
- Business Showcase #IamLakewood Videos
- First Impressions Matter
- Recruitment Brochure
- Video Segments
- Fill That Vacancy
- Commercial Property Search



# Priorities (3-6 Months)

## City Visioning

- Contracting Forums (1/29 & 2/19)
- Developers Forum (3/10)
- Developer Outreach / Middle Market Housing
- Motor Avenue “Complete Streets” Project
- CBD – Town Center Development
- Pac Hwy – I-5 / TOC Retail Development
- BRE, Recruitment, and Attraction City-Wide
- Complete Comp Plan/Zoning Changes
- JBLM Business Survey
- North Clear Zone



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**- COST RECOVERY REPORT –  
- REVISED & UPDATED -  
Community & Economic Development  
Public Works Development Services  
October 12, 2015**

The Cost Recovery Report, which was prepared this summer, has been revised. The recommendations presented to the City Council have been updated. The reader is referred to page 29 of this report.

The Fire Marshal, under contract with West Pierce Fire and Rescue, has updated fire code fees. Some fire code fees were deleted, and new fire code fees have been proposed, namely for certain types of commercial and industrial activities.

The previous report did not provide information on fee comparisons for public works related fees. This information has now been provided. The reader is directed to Section II, User Fee Background, Subheading F., beginning on page 14 of this report.

Included within this report are four attachments. These are found at the end of the document.

Attachment “A” lists revised building permit fees.  
Attachment “B” lists revised fire code fees.  
Attachment “C” lists revised planning and development fees.  
Attachment “D” lists revised public works fees.

Each attachment describes the fee, lists the existing fee amount and the revised fee, and, finally, provides a brief explanation as to why the fee is being changed.

## **I. EXECUTIVE SUMMARY**

This year, a cost recovery analysis for both the community and economic development department (CED) and the public works (PW) development services division was sought by the city manager and city council. This analysis was made a part of CED’s work plan. This exercise is the first time since incorporation that the City has attempted to quantify fees in relation to the services provided.

The report consists of six parts: 1) a user fee background; 2) cost recovery approach and methodology; 3) Lakewood user fee discussion on cost recovery, 4) subsidization, and elasticity; 5) permit analysis; 6) setting in place cost recovery policy; and 7) recommendations, both short-term and long-term.

This report identifies the costs of City services as determined through evaluation of department staff job functions and time allocations. The reality of the current fee environment is that significant increases to achieve 100 percent cost recovery is not feasible, desirable, or appropriate depending on policy direction – particularly in a single year. Some fees are proposed to be increased. Other fees would be lowered and some fees would stay the same. The recommended fees which will be identified in a subsequent report are either at or less than full cost recovery.

## **II. USER FEE BACKGROUND**

### **A. Background**

As part of a general cost recovery strategy, local governments adopt user fees to fund programs and services that provide limited or no direct benefit to the community as a whole. As cities struggle to maintain levels of service and the variability of demand, they have become increasingly aware of subsidies provided by the General Fund and have implemented cost-recovery targets. To the extent that governments use general tax monies to provide individuals with private benefits, and not require them to pay the full cost of the service (and, therefore, receive a subsidy), the government is limiting funds that may be available to provide other community-wide benefits. In effect, the government is using community funds to pay for private benefit. Unlike most revenue sources, cities have more control over the level of user fees they charge to recover costs, or the subsidies they can institute.

### **B. Objectives**

As Lakewood seeks to efficiently manage limited resources and adequately respond to increased service demands, it needs a variety of tools. These tools provide assurances that the City has the information and the resources available to make sound decisions, fairly and legitimately set fees, maintain compliance with local policies, and meet the needs of the City and its constituency. Given the limitations on raising revenue in local government, Lakewood recognizes that a User Fee Study is a cost effective way to understand the total cost of services and identify potential fee deficiencies.

Essentially, a User Fee is a payment for a requested service provided by a local government that primarily benefits an individual or group. The total cost of each service included in this analysis is based on the full cost of providing services, including direct salaries and benefits of staff, direct departmental costs, and indirect costs from central service support. This study determines the full cost recovery fee for the City to provide each service; however, each fee is set at the City's discretion, up to 100% of the total cost, as specified in this report.

The principle goal of the study was to determine the full cost of the services that the City provides.

However, there are additional objectives including:

- Developing a rational basis for setting fees;
- Identifying subsidy amounts;
- Enhancing fairness and equity;
- Setting forth cost recovery policy; and
- Developing an updatable and comprehensive list of fees.

This effort will help identify true costs of providing services and may serve as a basis for making informed policy decisions regarding the most appropriate fees, if any, to collect from individuals and organizations that require individualized services.

### **C. Lakewood's User Fee History**

Lakewood's development fees were designed to pay for part of the development application costs, but not all. Fees were set by a master fee resolution and did not include a detailed staffing analysis. Some types of land use permits routinely require multiple reviews. The current fee schedule does not accurately reflect all of the time spent on subsequent reviews by City departments.

Building fees generally pay for the operations of the building division, in addition to offsetting current planning fees associated with building permit reviews.

Present/existing land use development fees do not fully fund current planning, while the advanced planning division is almost entirely subsidized by the General Fund.

Appeals are heavily subsidized. Most appeals are for administrative actions, such as SEPA actions, business license revocation (usually involving bars and taverns, and poorly operated apartment complexes), or proposals to demolish dangerous buildings.

The PW development fees do not fully fund the PW department development review section.

As part of the user fee history, revenues generated from fees were compared against the operating budgets for CED and PW departments. The comparison for CED is relatively straightforward, but not so for PW. It is more difficult to analyze PW because of the manner in which they are funded. Further, those who work within development services also work on other PW capital projects.

The following tables provide information on CED and PW departments operating budgets and revenues. The data was derived from the City's most recently adopted budget. Table 1 shows the CED's revenues and operating budget for years 2007 through 2016 estimate.

The information does not contain overhead costs. On a direct comparison of revenues versus costs, without overhead, the cost recovery rate, based on a five year average is 63 percent.

<b>Table 1: Community &amp; Economic Development (2007 Actual through 2016 Estimate)</b>										
Description	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Est	2016 Est
<b>Revenues</b>										
Building Permits	\$ 471,921	\$ 640,677	\$ 470,691	\$ 338,983	\$ 499,942	\$ 476,429	\$ 379,184	\$ 443,123	\$ 423,000	\$ 430,000
Other Building Permit Fee	148,972	121,074	108,161	84,175	88,780	89,525	118,595	100,147	105,000	106,000
Plan Review/Plan Check	436,230	472,990	273,491	244,348	293,257	332,160	252,755	370,397	310,000	310,000
Fire District Review	111,215	94,870	97,976	99,210	37,215	77,716	64,253	96,233	65,000	65,000
Zoning/Development Fee	129,464	90,497	52,436	47,613	41,949	50,512	48,682	86,993	70,450	71,970
<b>Total Revenues</b>	<b>\$ 1,297,802</b>	<b>\$ 1,420,108</b>	<b>\$ 1,002,755</b>	<b>\$ 814,329</b>	<b>\$ 961,143</b>	<b>\$ 1,026,342</b>	<b>\$ 863,469</b>	<b>\$ 1,096,893</b>	<b>\$ 973,450</b>	<b>\$ 982,970</b>
<b>Expenditure</b>										
Current Planning <sup>(1)</sup>	847,438	978,445	806,750	747,322	793,082	822,696	680,926	676,742	552,030	577,570
Advanced Planning	-	-	-	-	-	-	-	-	333,300	348,890
Building	1,101,772	688,142	1,176,515	888,501	808,503	535,815	848,485	817,591	854,010	895,290
<b>Total Expenditures</b>	<b>\$ 1,949,210</b>	<b>\$ 1,666,587</b>	<b>\$ 1,983,265</b>	<b>\$ 1,635,823</b>	<b>\$ 1,601,585</b>	<b>\$ 1,358,511</b>	<b>\$ 1,529,411</b>	<b>\$ 1,494,333</b>	<b>\$ 1,739,340</b>	<b>\$ 1,821,750</b>
<b>Rev Over/(Under) Exp</b>	<b>\$ (651,408)</b>	<b>\$ (246,479)</b>	<b>\$ (980,510)</b>	<b>\$ (821,494)</b>	<b>\$ (640,442)</b>	<b>\$ (332,169)</b>	<b>\$ (665,942)</b>	<b>\$ (397,440)</b>	<b>\$ (765,890)</b>	<b>\$ (838,780)</b>
<b>Cost Recovery %</b>	<b>67%</b>	<b>85%</b>	<b>51%</b>	<b>50%</b>	<b>60%</b>	<b>76%</b>	<b>56%</b>	<b>73%</b>	<b>56%</b>	<b>54%</b>
<b>Average Cost Recovery (2010 - 2014) = 63%</b>										
<b>Average General Fund Subsidy = \$571,497</b>										

<sup>(1)</sup> Prior to 2014, current and advanced planning were combined.

Table 2 shows the PW department's revenues (actual and projected) from 2007 through 2016, specific to development services. This same Table also shows expenditures; however, historical data is not available with this report. The cost recovery rate is estimated at 14% in 2015 and 13% in 2016.

<b>Table 2: Public Works (2007 Actual through 2016 Estimate)</b>										
Description	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Est	2016 Est
<b>Revenues</b>										
Oversize load permits	\$ -	\$ -	\$ -	\$ 2,900	\$ 10,400	\$ 12,413	\$ 6,674	\$ 3,635	\$ 1,500	\$ 1,500
Right-of-way permits	107,010	35,170	66,754	67,220	36,136	78,317	43,967	59,202	20,000	20,000
Site development permits	8,950	6,500	3,732	2,900	1,950	8,362	10,092	21,816	6,500	6,500
Street vacation permits	-	-	-	-	-	-	-	-	-	-
Street opening permits	320	-	-	-	-	-	-	-	-	-
Sale of bid documents	125	125	-	-	-	-	-	-	-	-
Engineering fees	706	825	1,600	200	850	3,400	300	1,303	300	300
<b>Total Revenues</b>	<b>\$ 117,111</b>	<b>\$ 42,620</b>	<b>\$ 72,086</b>	<b>\$ 73,220</b>	<b>\$ 49,336</b>	<b>\$ 102,492</b>	<b>\$ 61,033</b>	<b>\$ 85,956</b>	<b>\$ 28,300</b>	<b>\$ 28,300</b>
<b>Expenditure</b>										
Engineering Services & Development Review (Total 2.1 FTEs)	-	-	-	-	-	-	-	-	202,390	211,151
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 202,390</b>	<b>\$ 211,151</b>
<b>Rev Over/(Under) Exp</b>	<b>\$ 117,111</b>	<b>\$ 42,620</b>	<b>\$ 72,086</b>	<b>\$ 73,220</b>	<b>\$ 49,336</b>	<b>\$ 102,492</b>	<b>\$ 61,033</b>	<b>\$ 85,956</b>	<b>\$ (174,090)</b>	<b>\$ (182,851)</b>
<b>Cost Recovery %</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>14%</b>	<b>13%</b>

Historical expenditures not available.

Based on a review of these tables, the General Fund subsidizes CED by about one-third, while the PW department, specifically the engineering services division, is significantly subsidized due to the low amount of revenue that is generated through fees.

#### **D. Activity Levels**

As part of the fee study, staff has included current permitting information for the first and second quarters of 2015. Performance measures have also been included. Development activity is generally slower during this time of the year, and picks up through the summer months.

Tables 3 and 4 provide building division activity levels and related performance measures for the first and second quarters. The data is often difficult to analyze given the complexity of the construction project, or the content of the plan documents. Targeted review times are reported as average number of days to review and issue a building permit. However, this measurement can be easily skewed if an applicant has to revise and resubmit plans or is slow to pick up permits.

Table 5 lists building permits issued for the first and second quarters.

Tables 6 and 7 provide current planning division activity levels and related performance measures for the same time frame. These tables list a small number of planning permits that were originally identified as performance measurements. There are many other types of permits reviewed and approved by the current planning division, but these were not a part of the performance criteria.

Table 8 shows historical information on planning permits from 2013 through July 2015. The types of planning permits the department process most often are pre-application reviews, home occupations, and tree removal permits. Tree removal permits are free-of-charge and within the last year have become increasingly difficult. Tree removal at the Oakbrook Golf Course continues to generate complaints. In another example, a property owner, Shane Clark, removed mature trees without authorization. He was fined over \$30,000; the case is now in superior court. Tree removal adjacent to the City's shorelines is another area of contention.

While not a part of this report, CED staff performs a significant amount of work related to business licensing. Not only does it impact counter operations, but when businesses are run poorly or generate a significant amount of serious police calls, CED in coordination with CSRT and the legal department, will issue either a conditional business license or revoke/deny a business license. Inevitably, this leads to an appeal before the Hearing Examiner. Conditional licenses and revocations/denials are currently administered by the CED Director.

Table 3: Performance Measures - Building Division First Quarter													
Description	Target Review Time (Days)	January			February			March			Total - Quarter 1		
		# of Apps Received	# Reviews Completed	Ave #	# of Apps Received	# Reviews Completed	Ave #	# of Apps Received	# Reviews Completed	Ave #	# of Apps Received	# Reviews Completed	Ave #
Com - Addition	30	1	1	16	0	0					1	1	16
Change of Use	30	2	2	14	3	3	16	1	1	8	6	6	13
New Commercial Building	30	1	1	14	3	3	15	2	2	13	6	6	14
New Single Family	30	0	0		5	5	14	2	1	3	7	6	9
Comm - Remodel	30	11	11	14	8	8	15	4	4	8	23	23	12
Monument Signs	20	2	2	7	1	1	9				3	3	8
Pole Sign	20	0	0		1	1	9				1	1	9
Wall Signs	20	16	16	10	3	3	12				19	19	11
Res - Accessory Structures	30	2	2	14	2	2	16	7	4	12	11	8	14
Res-Addition	30	5	5	13	0	0					5	5	13
Adult Family Homes	30	1	1	19	2	2	14	1	1	4	4	4	12
Res - Remodel/Repair	30	3	3	12	2	2	15	9	6	13	14	11	13
<b>Total</b>		<b>44</b>	<b>44</b>	<b>13</b>	<b>30</b>	<b>30</b>	<b>13</b>	<b>26</b>	<b>19</b>	<b>9</b>	<b>100</b>	<b>93</b>	<b>12</b>

\*\* Those permits that have not been reviewed have application dates of 03/26 and after.

Table 4: Performance Measures - Building Division Second Quarter													
Description	Target Review Time (Days)	April			May			June			Total - Quarter 2		
		# of Apps Received	# Reviews Completed	Ave #	# of Apps Received	# Reviews Completed	Ave #	# of Apps Received	# Reviews Completed	Ave #	# of Apps Received	# Reviews Completed	Ave #
Com - Addition	30	0	0	0	1	1	15	0	0	0	1	1	16
Change of Use	30	2	2	6	1	1	26	1	1	19	4	4	17
New Commercial Building	30	1	1	20	5	5	16	2	0	0	8	6	12
New Single Family	30	0	0		3	3	21	5	5	24	8	8	23
Comm - Remodel	30	8	8	13	12	12	13	20	15	16	40	35	14
Monument Signs	20	1	1	6	0	0	0	1	1	5	2	2	3
Pole Sign	20	2	2	7	16	16	9	0	0	0	18	18	9
Wall Signs	20	11	11	7	14	14	9	4	4	15	29	29	8
Res - Accessory Structures	30	0	0	0	1	1	8	0	0	0	1	1	3
Res-Addition	30	3	3	18	4	4	21	3	3	19	10	10	13
Adult Family Homes	30	5	5	17	0	0	0	0	0	0	5	5	6
Res - Remodel/Repair	30	13	13	8	9	9	13	6	5	16	28	27	12
<b>Total</b>		<b>46</b>	<b>46</b>	<b>10</b>	<b>66</b>	<b>66</b>	<b>12</b>	<b>42</b>	<b>34</b>	<b>11</b>	<b>154</b>	<b>146</b>	<b>11</b>

Table 5: CED Building Permit Activity (1 <sup>st</sup> & 2 <sup>nd</sup> Quarters 2015)						
Permit Type Description	Year To Date 2014			Year To Date 2015		
	No. of Permits	Permit Fees	Valuation	No. of Permits	Permit Fees	Valuation
Adult Family Home	0	\$0.00	\$0	4	\$530.00	\$0
Change of Use	8	\$10,436.33	\$665,500	11	\$9,867.88	\$312,938
Comm over-the-counter mechanical	18	\$2,220.50	\$0	18	\$1,170.00	\$0
Comm over-the-counter plumbing	7	\$1,252.20	\$0	1	\$70.00	\$0
Comm re-roof over-the-counter	4	\$5,936.29	\$664,477	11	\$2,918.95	\$112,130

**Table 5: CED Building Permit Activity  
(1<sup>st</sup> & 2<sup>nd</sup> Quarters 2015)**

Permit Type Description	Year To Date 2014			Year To Date 2015		
	No. of Permits	Permit Fees	Valuation	No. of Permits	Permit Fees	Valuation
Comm window replacement OTC	26	\$4,295.85	\$140,120	1	\$227.11	\$4,000
Commercial Retaining Wall	0	\$0.00	\$0	1	\$483.14	\$5,000
<b>Commercial Addition</b>	<b>5</b>	<b>\$9,106.35</b>	<b>\$547,000</b>	<b>4</b>	<b>\$52,766.01</b>	<b>\$5,145,368</b>
Commercial Carport	0	\$0.00	\$0	0	\$0.00	\$0
Commercial Deck	0	\$0.00	\$0	0	\$0.00	\$0
Commercial Demolition Permit	7	\$1,218.85	\$50,500	7	\$7,717.29	\$741,300
Commercial Gate	0	\$0.00	\$0	1	\$418.14	\$5,000
Commercial Mechanical	42	\$5,706.94	\$0	25	\$4,328.75	\$0
Commercial Plumbing	24	\$3,723.92	\$0	25	\$7,275.00	\$0
<b>Commercial Remodel</b>	<b>77</b>	<b>\$123,398.91</b>	<b>\$5,973,416</b>	<b>50</b>	<b>\$81,122.82</b>	<b>\$4,214,894</b>
Commercial Re-roof	7	\$11,396.20	\$521,564	1	\$2,436.40	\$125,000
Commercial Swimming Pool/Spa	0	\$0.00	\$0	0	\$0.00	\$0
Commercial Window Replacement	4	\$3,861.09	\$74,585	0	\$0.00	\$0
Day Care	3	\$248.00	\$0	1	\$93.50	\$0
Manufactured Home - MH Park	1	\$145.50	\$5,000	4	\$582.00	\$0
Manufactured Home - residential lot	0	\$0.00	\$0	0	\$0.00	\$0
Monument Sign	3	\$127.42	\$19,970	5	\$1,502.91	\$35,465
New Commercial Bldg - Multi-Family	0	\$0.00	\$0	0	\$0.00	\$0
<b>New Commercial Building</b>	<b>6</b>	<b>\$23,328.97</b>	<b>\$3,815,810</b>	<b>13</b>	<b>\$173,206.74</b>	<b>\$17,590,369</b>
<b>New Single Family Residence</b>	<b>19</b>	<b>\$79,909.06</b>	<b>\$8,009,623</b>	<b>24</b>	<b>\$135,762.75</b>	<b>\$8,019,796</b>
Pole Sign	3	\$771.03	\$16,700	18	\$2,513.50	\$45,625
Res over-the-counter mechanical	142	\$8,602.00	\$0	197	\$11,812.00	\$0
Res over-the-counter plumbing	34	\$2,257.00	\$0	25	\$1,523.70	\$0
Res re-roof over-the-counter	6	\$1,789.38	\$66,418	12	\$4,105.13	\$186,267
Res Window replacement OTC	11	\$2,056.90	\$46,206	18	\$2,811.24	\$80,979
Residential Accessory Dwelling Unit	0	\$0.00	\$0	2	\$3,830.41	\$150,652
Residential Accessory Structure	0	\$0.00	\$0	10	\$12,657.66	\$453,173
<b>Residential Addition</b>	<b>13</b>	<b>\$13,711.89</b>	<b>\$461,633</b>	<b>9</b>	<b>\$13,171.26</b>	<b>\$491,817</b>
<b>Residential Demolition Permit</b>	<b>7</b>	<b>\$1,673.76</b>	<b>\$68,325</b>	<b>17</b>	<b>\$2,317.64</b>	<b>\$95,997</b>
Residential Gate	0	\$0.00	\$0	0	\$0.00	\$0
Residential Mechanical	27	\$3,852.00	\$0	9	\$1,450.00	\$0
Residential Plumbing	26	\$4,960.90	\$0	10	\$2,377.60	\$0
<b>Residential Remodel/Repair</b>	<b>29</b>	<b>\$79,180.75</b>	<b>\$956,430</b>	<b>43</b>	<b>\$39,191.15</b>	<b>\$1,212,404</b>
Residential Re-roof	0	\$0.00	\$0	0	\$0.00	\$0
Residential Window Replacement	4	\$491.82	\$8,929	10	\$1,677.07	\$43,874
Wall Sign	44	\$6,248.22	\$125,097	48	\$7,730.12	\$132,601
<b>Totals</b>	<b>607</b>	<b>\$411,908.03</b>	<b>\$22,237,303</b>	<b>635</b>	<b>\$589,647.87</b>	<b>\$39,204,649</b>



**Table 6: Performance Measures - Current Planning Division First Quarter**

Table 6: Performance Measures - Current Planning Division First Quarter													
Month		January			February			March			Total - Quarter 1		
	Target Review Time (Days)	# of Apps Received	# of Reviews Completed	Avg # Days for Review	# of Apps Received	# of Reviews Completed	Avg # Days for Review	# of Apps Received	# of Reviews Completed	Avg # Days for Review	# of Apps Received	# of Reviews Completed	Avg # Days for Review
Zoning Certification	30	5	3	8	3	2	11	2	1	5	10	6	8
Administrative Use Permit	120	1	0	n/a	0	0	n/a	0	0	n/a	1	0	n/a
Conditional Use Permit	120	0	0	n/a									
Sign Permit	20	19	16	8	5	5	5	0	0	n/a	24	21	6
Site Development Permit	90	0	0	n/a									
Shoreline Permit	180+	0	0	n/a	2	1	10	0	0	n/a	2	1	10
Short Plat	90	1	0	n/a	1	0	n/a	1	0	n/a	3	0	n/a
Long Plat	120	0	0	n/a									
Building Permits (not including signs)	20	25	15	7	24	13	10	17	14	6	66	42	8
Total		67*	39**		42*	26**		32*	21**		141*	86**	

\*Includes all land use application types and building permits requiring planning review.

\*\* Includes review of application types not listed above.

**Table 7: Performance Measures - Current Planning Division Second Quarter**

Table 7: Performance Measures - Current Planning Division Second Quarter													
Month		April			May			June			Total - Quarter 2		
	Target Review Time (Days)	# of Apps Received	# of Reviews Completed	Avg # Days for Review	# of Apps Received	# of Reviews Completed	Avg # Days for Review	# of Apps Received	# of Reviews Completed	Avg # Days for Review	# of Apps Received	# of Reviews Completed	Avg # Days for Review
Zoning Certification	30	2	1	11	4	4	4	6	6	9	12	11	8
Administrative Use Permit	120	0	0	n/a									
Conditional Use Permit	120	0	0	n/a									
Sign Permit	20	14	8	n/a	30	30	4	5	5	11	47	43	6
Site Development Permit	90	0	0	n/a									
Shoreline Permit	180+	0	0	n/a	3	2	5	2	1	7	5	3	6
Short Plat	90	0	0	n/a	1	1	10	2	2	24	3	3	17
Long Plat	120	0	0	n/a									
Building Permits (not including signs)	20	22	13	8	30	24	8	33	27	6	85	64	7
Total		55*	33**		77*	67**		58*	51**		190	151	

\*Includes all land use application types and building permits requiring planning review.

\*\* Includes review of application types not listed above.

**Table 8: Historical Planning Permits (2013 – 2015)**

Permit Description	2013	2014	2015 (as of July 13)
State Environmental Policy Act (SEPA) Checklist	16	19	6
Pre-application review	33	36	16
Zoning certification	23	17	25
Administrative Use Permit (AUP)	5	0	2
Conditional Use Permit (CUP)	1	3	0
Temporary Use Permit (TUP)	12	15	3
Variance (VAR)	1	1	1
Design Review (DR)	7	8	8
Tree Removal	57	56	24
Special Event	0	7	1
Kennel	0	1	0

**Table 8: Historical Planning Permits (2013 – 2015)**

Permit Description	2013	2014	2015 <i>(as of July 13)</i>
Home Occupations	38	32	6
Wetland Review	0	1	0
Lot Combination	7	3	3
Boundary Line Adjustment (BLA)	22	2	8
Binding Site Plan (BSP)	1	2	1
Short Plat	3	4	1
Preliminary Plat	0	1	0
Shoreline Exemption	7	7	6
Substantial Shoreline Development Permit	2	3	0
Comprehensive Plan/Zoning Amendments	4	2	1
Appeals	2	4	1
<b>Totals</b>	<b>241</b>	<b>224</b>	<b>113</b>

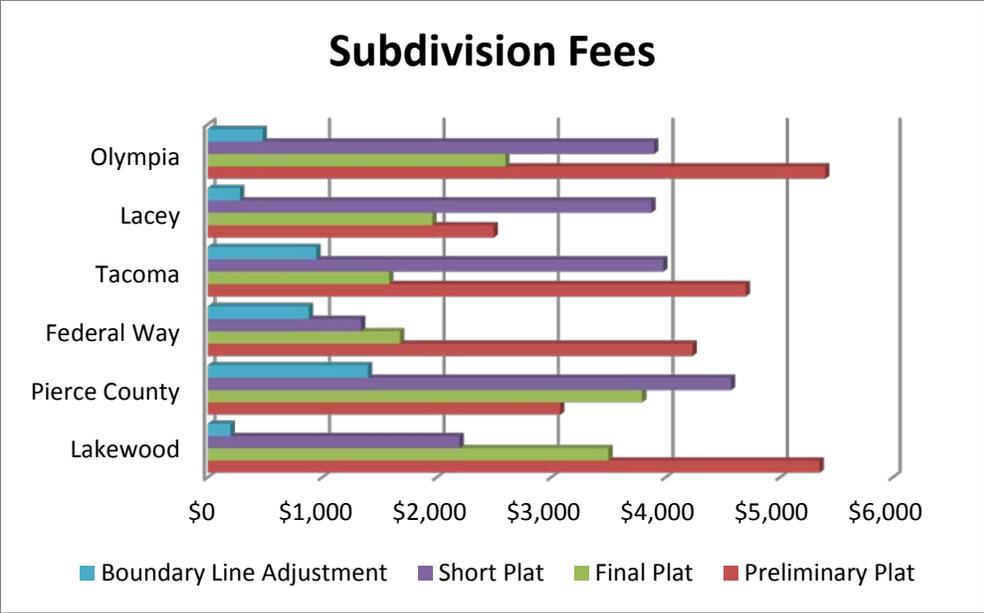
**E. Fee Comparisons**

City staff examined Lakewood’s planning fees in relation to nearby cities and Pierce County. The cities include Olympia, Lacey, Tacoma, and Federal Way. Fees for planning services vary widely, and oftentimes the comparisons are not necessarily “apples to apples.” The fees surveyed were subdivision fees (4 types), discretionary permit fees (3 types), shoreline/SEPA fees (4 types), other fees (4 types), and plan amendment fees (2 types). Lakewood’s planning fees have no set pattern. Some fees are high, others are within the mid-range of other public agencies, and in some cases, the fees are quite low, or even free.

**Table 9: Subdivision Fee Comparison**

Fee Type	Lakewood	Pierce County	Federal Way	Tacoma	Lacey	Olympia
Preliminary Plat	\$5,350	\$3,080	\$4,236	\$4,701	\$2,498	\$5,400
Final Plat	\$3,500	\$3,795	\$1,680	\$1,585	\$1,962	\$2,600
Short Plat	\$2,200	\$4,572	\$1,340	\$3,979	\$3,876	\$3,900
Boundary Line Adjustment	\$200	\$1,400	\$883	\$950	\$282	\$480

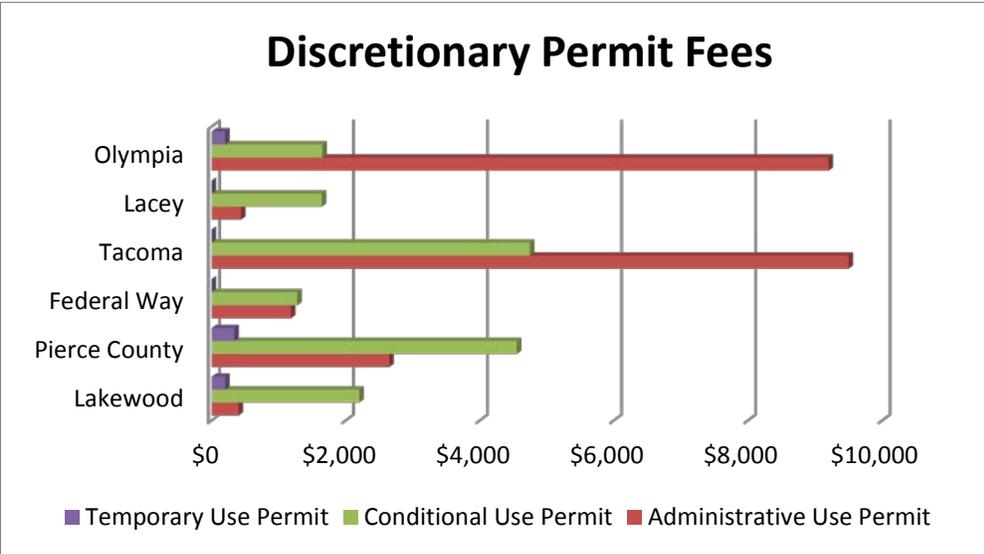
- 1. Preliminary/Final plat based on 15 lots on 3 acres. Does not include additional fees such as public works, fire, hearing examiner.*
- 2. Short plat based on 9 lots. Does not include additional fees such as public works, fire.*
- 3. Boundary line adjustment based on 1 boundary line. Lakewood charges staff time for more than 4 hours review.*



**Table 10: Discretionary Permit Fee Comparisons**

Fee Type	Lakewood	Pierce County	Federal Way	Tacoma	Lacey	Olympia
Administrative Use Permit	\$400	\$2,650	\$1,180	\$9,498	\$436	\$9,200
Conditional Use Permit	\$2,200	\$4,550	\$1,277	\$4,749	\$1,642	\$1,650
Temporary Use Permit	\$200	\$340	\$0	\$0	\$0	\$200

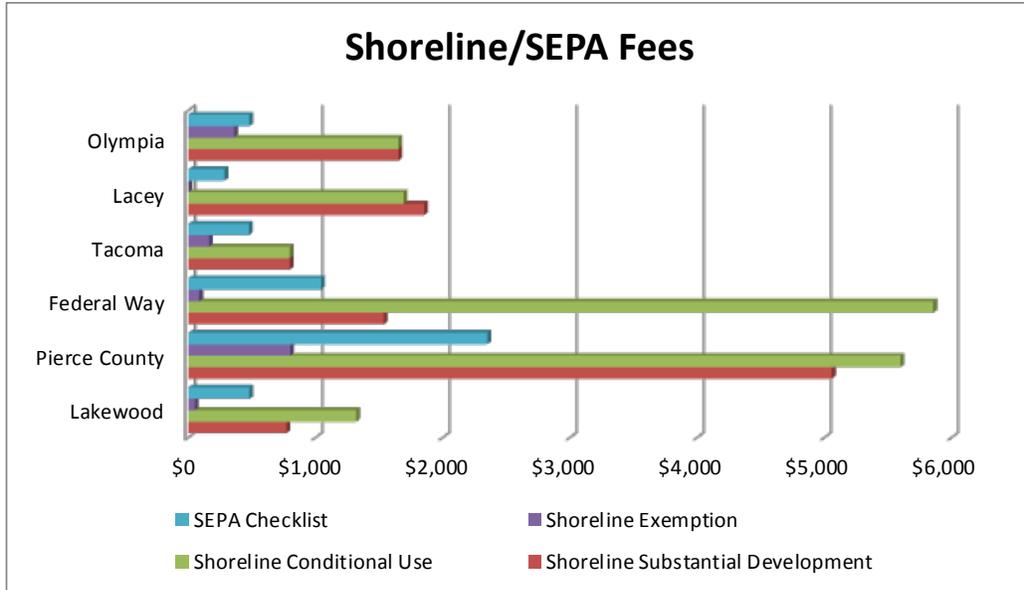
1. In Federal Way, Process II and III permits are administrative. Fee shown is an average for a project of less than 25,000sf.
2. Olympia's land use/site plan review fees are on a sliding scale. Figure shown is for a 16,000-24,000 sf building.
3. Pierce County fees are on a sliding scale based on number of acres for commercial projects. Fee shown is for a 0-5 acre project.
4. Conditional use figure listed for Olympia is based on a project not subject to SEPA.



**Table 11: Shoreline/SEPA Fees Comparisons**

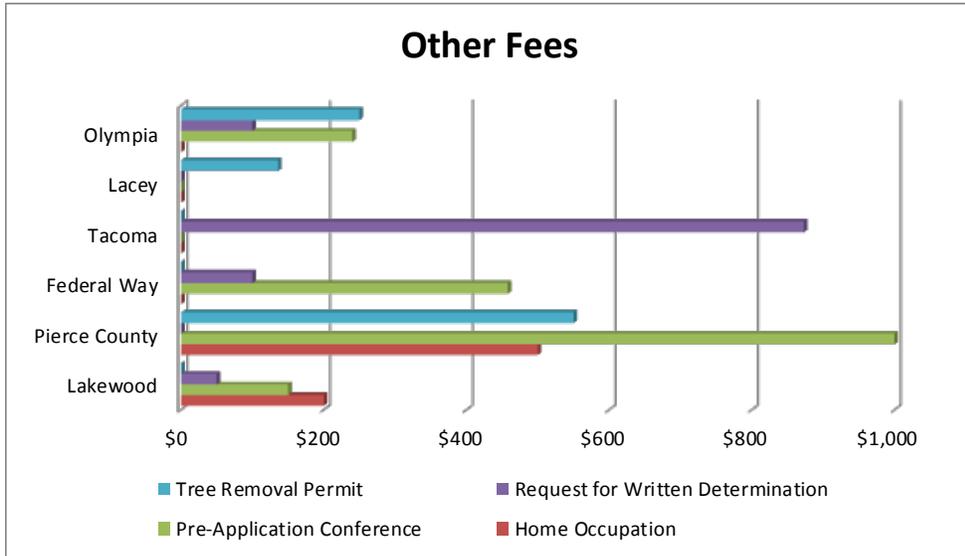
Fee Type	Lakewood	Pierce County	Federal Way	Tacoma	Lacey	Olympia
Shoreline Substantial Development	\$770	\$5,060	\$1,537	\$795	\$1,852	\$1,650
Shoreline Conditional Use	\$1,320	\$5,600	\$5,857	\$795	\$1,690	\$1,650
Shoreline Exemption	\$50	\$800	\$86	\$160	\$0	\$360
SEPA Checklist	\$480	\$2,350	\$1,043	\$475	\$282	\$480

1. Pierce County fees are on a sliding scale. Fee shown is for a project from \$0-\$10,000.
2. Federal Way fees are on a sliding scale. Fee shown is for a project from \$0-\$15,000.
3. Tacoma fees are on a sliding scale. Fee shown is for a single family residence.



**Table 12: Other Fees Comparison**

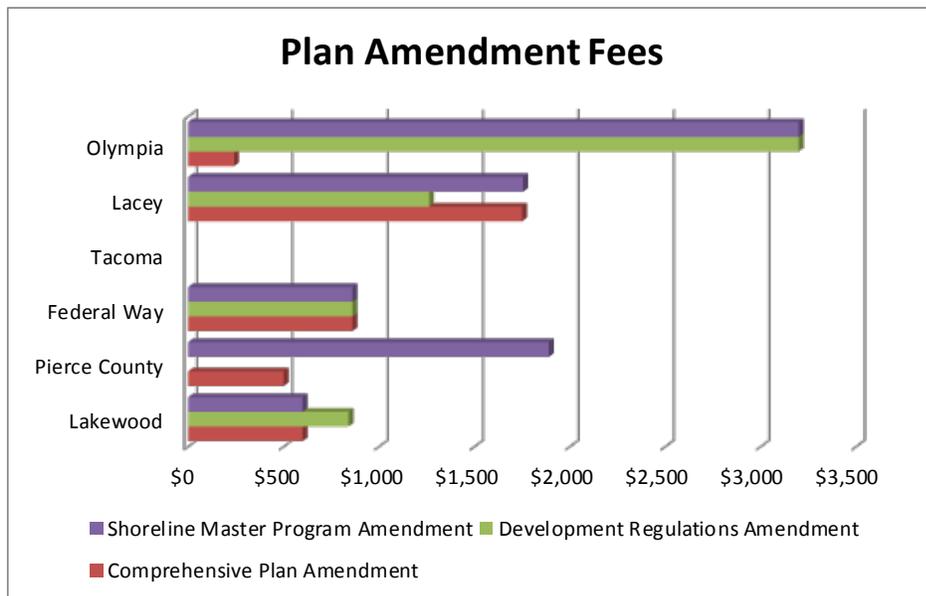
Fee Type	Lakewood	Pierce County	Federal Way	Tacoma	Lacey	Olympia
Home Occupation	\$200	\$500	\$0	\$0	\$0	\$0
Pre-Application Conference	\$150	\$1,000	\$458	\$0	\$0	\$240
Request for Written Determination	\$50	\$0	\$100	\$873	\$0	\$100
Tree Removal Permit (open space/commercial)	\$0	\$550	\$0	\$0	\$136	\$250



**Table 13: Plan Amendment Fee Comparisons**

Fee Type	Lakewood	Pierce County	Federal Way	Tacoma	Lacey	Olympia
Comprehensive Plan Amendment	\$600	\$500	\$861		\$1,750	\$240
Amendments to Development Regulations	\$840		\$861		\$1,262	\$3,200
Amendment to Shoreline Master Program	\$600	\$1,890	\$861		\$1,754	\$3,200

1. Federal Way also charges \$85.00 per acre for comp plan amendments in addition to the base fee.



In addition to a review of planning fees, CED also examined impact fees from surrounding jurisdictions.

#### Transportation Impact Fees

- Lakewood - None.
- Pierce County - Fees vary depending on service area and type of use: Single Family Residence from \$144.90 to \$3,509.84 per unit; Multifamily from \$54.81 to \$1,998.37 per unit; Hotel from \$53.95 to \$1,966.98 per room; Industrial \$1.12 to \$3.12 per sf/GFA; Fast-Food Restaurant from \$0.67 to \$22.55 per sf/GFA; Supermarket from \$0.26 to \$9.32 per sf/GFA.
- Federal Way - Single Family Residence \$3,111.94; Multifamily \$2,019.46 per unit; Hotel \$2,077.56 per room; Industrial \$3.03 - \$3.42 per sf/GFA; Fast Food Restaurant \$29.79 per sf/GFA; Supermarket \$14.56 per sf/GFA.
- Tacoma - None.
- Lacey - Single Family Residence cap is \$1,752/unit. Actual fee is based on a formula using TAZ's {Traffic Analysis Zones}. The general rule is \$1,000 per trip generated; this same formula is used for commercial and industrial projects.
- Olympia - Single Family Residence \$3,167; Multifamily \$2,055 per unit; Hotel/Motel \$2,115 per room; Industrial \$3.93 per sf/GFA; Fast Food Restaurant \$30.32 per sf/GFA; Supermarket \$14.82 per sf/GFA.

#### Parks Impact Fees

- Lakewood - None.
- Pierce County - Single Family Residence \$385; Multifamily \$195 per unit.
- Federal Way - None.
- Tacoma - None.
- Lacey - None.
- Olympia - Single Family Residence \$5,334; Multifamily \$3,628 per unit.

#### School Impact Fees

- Lakewood - None.
- Pierce County - Maximum fee obligation is \$3,270 per unit; maximum obligation for Fife \$2,640.
- Federal Way - Single Family Residence, \$4,464 plus administrative fee of \$223; Multifamily, \$1,562 per unit plus administrative fee of \$78 per unit.
- Tacoma - None.

- Lacey – Fees are collected by North Thurston Public Schools: Single Family Residence \$3,728; Multi-Family \$1,184 per unit.
- Olympia - Single Family Residence \$4,978; Multifamily \$1,676 per unit.

Building permit fees were also surveyed from Pierce County and six surrounding cities. The information is contained in Table 11. Table 11 makes recommendations to adjust building permit fees.

Building permit fees are calculated using information provided by the International Code Council (ICC). The ICC provides the “average” construction costs per square foot, which can be used in determining building permit and plan review fees for a jurisdiction. Construction costs do not include the price of land on which the building is built.

Permit fee schedules are addressed in Section 109.2 of the 2012 International Building Code (IBC); Section 109.3 addresses building permit valuations. Permit fees are established by using a valuation table and a permit fee multiplier. Fees are based on a square foot construction cost table. The table reflects the relative value of one construction classification/occupancy group to another so that more expensive construction is assessed greater permit fees than less expensive construction. ICC has developed this system as an aid in calculating permit fees. It is important to note that the construction cost table is not intended to be used as an estimating guide because the data only reflects average costs and is not representative of specific construction.

Plumbing, mechanical, electrical, and fire plan check fees are separate from the building permit fee and plan review calculation and are typically based on the number of fixtures. Electrical permits are not issued by the City. Within the PSE and Lakeview Light & Power service areas, electrical permits are issued by Labor & Industries. Within the Tacoma Power service area, electrical permits are issued by that agency. Lakewood has chosen to not issue electrical permits since there is not sufficient work to justify hiring an electrical inspector.

<b>Table 14: Comparison of Building Permit Fees</b>									
Type of Permit	Lakewood (existing)	Lakewood (proposed)	University Place	Puyallup	Pierce Co.	Federal Way	Olympia	Auburn	SeaTac
New 2,500 SF single family residence w/400 SF garage	\$4,810.28	\$4,451.28	\$4,071.78	\$3,617.05	\$3,232.35	\$5,283.30	\$4,840.39	\$5,264.82	\$4,348.06
1,500 SF office space tenant improvement	\$1,185.87	\$1,080.75	\$1,005.09	\$1,420.23	\$770.14	\$1,319.18	\$1,188.87	\$1,207.47	\$1,077.86
20,000 SF new elementary school	\$28,332.78	\$24,035.55	\$24,051.14	\$14,479.55	\$21,265.20	\$30,693.30	\$31,466.88	\$33,194.37	\$23,614.40
30,000 SF 2 story new office building	\$37,055.92	\$30,846.75	\$30,860.36	\$21,664.40	\$28,502.10	\$40,055.98	\$41,564.49	\$43,409.85	\$30,323.44
250,000 SF warehouse building	\$127,336.08	\$85,517.85	\$93,418.80	\$70,382.81	\$103,346.51	\$124,469.25	\$145,994.45	\$149,072.55	\$99,708.61
<i>"SF" means square foot.            All fees shown are building permit plus plan review fees, but do not include other fees such as land use review, fire review, and other ancillary permits.</i>									

## F. PW Fee Comparisons

The following tables compare site development, right-of-way permits and street vacation permits for the cities of Lakewood, Federal Way, Olympia, Lacey, Federal Way, Renton, Kent, and

Pierce County. Tacoma was not included because staff had difficulty obtaining the information. As a result, staff added Renton and Kent, similarly-sized cities, although both are located in King County. Please also note that the following tables' formats are slightly different than the tables above; this has to do with the variance in the way some cities calculate fees. At the end of this section, a figure has been enclosed summarizing public works fees. Lakewood's public works fees were found to be the lowest amongst comparison cities.

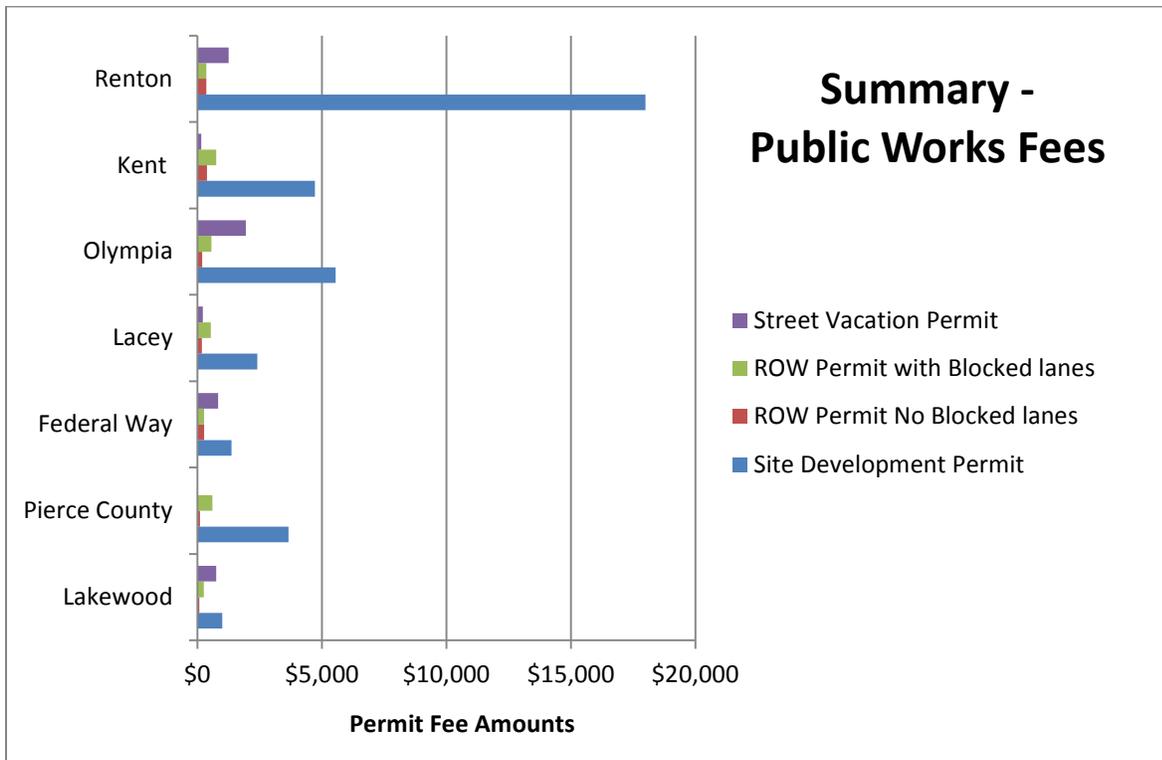
<b>Table 15: Comparison of Site Development Permit Fees</b>			
(Assumes 400'x400', 3.7 Acre, 6-lot plat. Improvements include only curb and gutter, sidewalk, driveways, road, and onsite storm drain. Excludes impact fees.)			
<b>Municipality</b>	<b>Permit Fee Type</b>	<b>Cost</b>	<b>Notes</b>
City of Olympia	À la carte	\$5,541.90	
City of Lacey	À la carte	\$2,395.72	
City of Federal Way	Hourly	\$1,370.00	(Assumes 20 hours)
Pierce County	Fixed Fee	\$3,650.00	
City of Renton	Percentage	\$18,000.00	(6% of cost at \$300,000 estimate min.)
City of Kent	Fixed Fee	\$ 4,723.00	
Average		\$5,946.77	
<b>City of Lakewood</b>	<b>Hourly</b>	<b>\$1,000.00</b>	<b>(Assumes 20 hours)</b>

<b>Table 16: Comparison of ROW Permit Type 1 - Street Obstruction – Shoulder/No Lanes Blocked</b>			
<b>Municipality</b>	<b>Permit Fee Type</b>	<b>Cost</b>	<b>Notes</b>
City of Olympia	Fixed fee	\$184.00	
City of Lacey	Fixed fee	\$176.00	
City of Federal Way	Fixed fee	\$262.50	
Pierce County	Fixed fee	\$100.00	
City of Renton	Fixed fee	\$350.00	
City of Kent	Fixed fee	\$377.00	
Average		\$241.58	
<b>City of Lakewood</b>	<b>Fixed fee</b>	<b>\$70.00</b>	

<b>Table 17: Comparison of ROW Permit Type 2 - Street Obstruction – Shoulder/Lanes Blocked</b>			
<b>Municipality</b>	<b>Permit Fee Type</b>	<b>Cost</b>	<b>Notes</b>
City of Olympia	Fixed fee	\$562.00	
City of Lacey	Fixed fee depending on age	\$528.00	Assuming cut in 3 year old pavement
City of Federal Way	Fixed minimum + hourly charge	\$262.50	Assumes 1 inspection
Pierce County	Fixed fee	\$600.00	
City of Renton	Fixed fee	\$350.00	
City of Kent	Fixed fee	\$754.00	
Average		\$509.42	
<b>City of Lakewood</b>	<b>Hourly</b>	<b>\$250.00</b>	<b>5 hour minimum</b>

**Table 18: Comparison of Street Vacation Permits**

Municipality	Permit Fee Type	Cost	Notes
City of Olympia	Fixed fee	\$1,943.00	
City of Lacey	Fixed fee	\$215.00	
City of Federal Way	Fixed for first 300 feet of frontage	\$833.50	Assumes less than 300 feet
Pierce County	Unknown	0.00	
City of Renton	Filing fee	\$1,250.00	Minimum based on valuation
City of Kent	Fixed fee	\$150.00	
Average		\$878.30	
<b>City of Lakewood</b>	<b>Fixed fee</b>	<b>\$750.00</b>	



**G. Additional Policy Considerations**

In recent years, there has been a growing trend for municipalities to update their fee schedules to reflect the actual costs of certain public services primarily benefiting users. User Fees recover costs associated with the provision of specific services benefiting the user, thereby reducing the use of General Fund monies for such purposes.

In addition to collecting the direct cost of labor and materials associated with processing and administering user services, it is common for local governments to recover overhead costs. Overhead costs are those costs relating to a local government's central service departments that

are properly allocable to the local government's operating departments. Central services support cost allocations may add 15% to 30% to the base fees.

Fee structures may also include excess revenue designed to build a reserve account for use when there is a down cycle in applications, avoiding the need to layoff trained staff or other disruptive activities. A general rule of thumb is to have in place a reserve account for up to nine months, although for long-term down cycles a reserve equal to 12 months of the normal budget is being used in some communities.

As labor effort and costs associated with the provision of services fluctuate over time, a significant element in the development of any fee schedule is that it has the flexibility to remain current. Therefore, it is recommended that the City include an inflationary factor in the resolution adopting the fee schedule. It is also recommended that the City perform this internal review annually with a comprehensive review of services and fees performed every three to five years, which would include adding or removing fees for any new or eliminated programs/services.

Full cost recovery may also need to be modified for small applications such as a water heater, deck, or small residential additions. Fees for these types of projects do not cover a large percentage of the actual costs of service. However, the City also recognizes that providing oversight in these is often of more importance to the community than full cost recovery.

Many communities use a surcharge to fund special long-term improvements to permitting processes. A common practice is to add on a technology fee to pay for hardware/software upgrades. It is recommended that the City adopt a technology fee to help offset information technology costs.

Along with the technology fee, there is a separate recommendation to adopt a document management fee as a means to move away from paper to digital formats. CED's data storage needs are significant. In addition, there are more public disclosure requests being filed for planning and building permits.

Finally, this report relates only to processing fees and not impact fees. Lakewood does not charge impact fees, but if it did, impact fees require a different type of analysis, and, therefore, are not a part of this analysis.

### **III. PROJECT APPROACH & METHODOLOGY**

#### **A. Scope of the Study**

The scope of this study encompasses a review and calculation of the user fees charged by the following Lakewood departments/divisions:

- Current Planning (includes application, plan review, inspections, and permit counter)
- Building (includes plan review, inspections, and permit counter)
- PW (development services and related inspections)

The study involved the identification of existing and potential new fees, fee schedule restructuring (particularly for the building division), data collection and analysis, consultation, and calculation of individual service costs (fees) or program cost recovery levels.

**B. Conceptual Approach**

The basic concept of a User Fee Study is to determine the reasonable cost of each service provided by the City for which it charges a user fee. The full cost of providing a service may not necessarily become the City’s fee, but it serves as the objective basis as to the maximum amount that may be collected. One of the critical methods used to ensure full cost recovery rates was to establish annual productive (or billable) hours for staff. This study reduced the full-time annual hours (2,080) by the non-billable hours, such as holiday, vacation, and sick leave. By using the number of billable hours per employee, the study ensures that allowable costs are recovered during the actual hours of operation of the City.

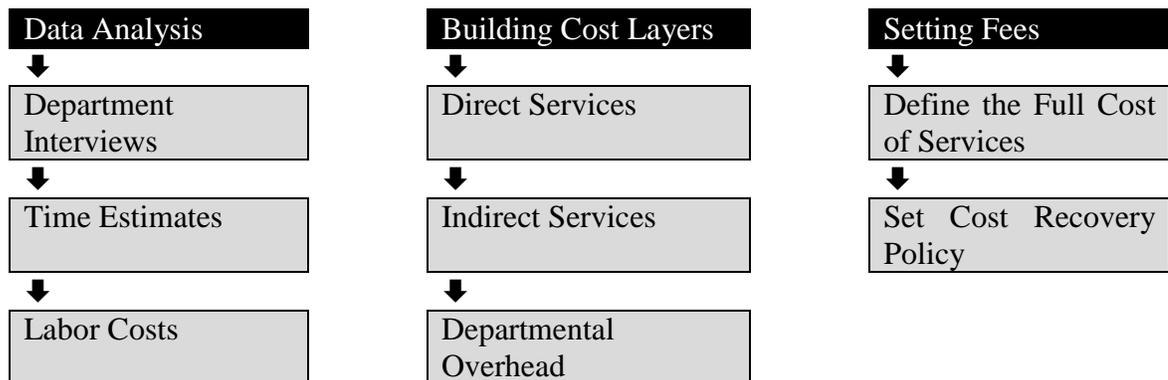
The standard fee limitation is the estimated, reasonable cost principle. In order to maintain compliance with this standard, every component of the fee study process included a related review. The use of budget figures, time estimates, and improvement valuation clearly indicates reliance upon estimates for some data. The cost figures used as the basis for the study were from the Lakewood 2015/16 Adopted Budget.

**C. Fully Burdened Hourly Rates**

The total cost of each service included in this analysis is primarily based on the Fully Burdened Hourly Rates (FBHRs) that were determined for City personnel directly involved in providing services. The FBHRs include not only personnel salary and benefits, but also departmental overhead costs (operation costs and administration personnel costs) and central services overhead costs. The FBHRs are then multiplied by the average estimated number of hours, or portion thereof, by position, typically needed to complete each service.

**D. Summary Steps of Report**

The methodology to evaluate most User Fee levels is straightforward and simple in concept. The following list provides a summary of the study process steps:





## E. Allowable Costs

This report identifies three types of costs that, when combined, constitute the fully burdened cost of a service. Costs are defined as direct labor, including salary and benefits, departmental overhead costs, and the City's central services overhead, where departmental and central service overhead costs constitute support costs. These cost types are defined as follows:

- Direct labor: The costs related to staff salaries for time spent directly on fee-related services.
- Departmental Overhead: A proportional allocation of departmental overhead costs, including operation costs such as supplies and materials that are necessary for the department to function.
- Central Services Overhead: These costs, detailed in the City's Cost Allocation Plan, represent services provided by those Central Services Departments whose primary function is to support other City departments. Central Services Departments include finance, information technology, risk management, human resources, the egal department, the city clerk, and the city manager's office.

## F. Methodology

The three methods of analysis for calculating fees used in this report are:

Case Study Method: This approach estimates the labor and material costs associated with providing a unit of service to a single user. This analysis is suitable when City staff time requirements do not vary dramatically for a service, or for special projects where the time and cost requirements are easy to identify at the project's outset. Examples include the review and approval of a new single family residential permit (provided it is not adjacent to a creek or a lake), a boundary line adjustment, or the renewal of a general business license. Further, the method is effective in instances when a staff member from one department assists on an application, service or permit for another department on an as-needed basis. Costs are estimated based upon interviews with City staff regarding the time typically spent on tasks, a review of available records, and a time and materials analysis.

Programmatic Approach: The standard Case Study approach relies upon the analysis of specific time estimates, salaries and benefits, expenditures, and overhead costs. In many instances, the underlying data are not available or vary widely, leaving a standard unit cost build-up approach impractical. In addition, market factors and policy concerns (as opposed to actual costs) tend to influence fee levels more than other types of services. Examples of these types of permits include conditional use permits, substantial shoreline development permits, long plats, and comprehensive plan/zoning amendments.

Valuation Based Fees: This manner of collection is used when the valuation of the improvement can be used as a proxy for the amount of effort it would take for City staff to complete the service provided. This approach is commonly used for certain User Fees in the building division.

#### **IV. LAKEWOOD USER FEES**

##### **A. Cost Recovery**

Table 19 is a summary of the time allocation model to process permits for CED. The percentage of time spent is broken down into two categories: fee supported; and non-fee supported. Certain employee positions have also been exempted from the study including those positions affiliated with the CDBG and SSMCP programs. Some notable trends are worthy of mention. Fifty-nine percent of staff time is spent processing permits with the remainder of the time spent on non-fee related items.

Too much time is spent on business licensing. There are three reasons for this phenomenon: inadequate staff training on the use of the current software system; inadequate numbers of staff (until recently, the inability to fill a permit technician position); and the impact of temporary business licensing at the permit counter.

The time allocation model for the engineering services division within the PW department is different than that of CED. It too is based on a percentage of time spent on permitting; however, in this instance, when public works FTEs are not working on development review, their time is relegated to capital projects.

Table 20 lists the total personnel costs to process permits for both CED and PW. Table 21 calculates CED and development services operating and overhead costs. Table 22 calculates FBHRs.

Based on current staffing levels, the total costs to process development permits within Lakewood is \$1,335,373. Table 19 then compares FBHRs to revenues. In sum, the General Fund subsidizes current planning and public works development review services. The level of subsidy, however, is relational to whether or not general business licensing is included in the recovery allocation.

<b>Table 19</b>																
<b>Development Services Time Allocation</b>		<b>Percentage of Time Spend per FTE</b>														
<b>Work Item</b>	<b>% of FTE</b>	<b>Office Assistant</b>	<b>Permit Tech 1</b>	<b>Permit Tech 2</b>	<b>Assistant Planner</b>	<b>Associate Planner</b>	<b>Planning Manager 1</b>	<b>Planning Manager 2</b>	<b>Inspector 1</b>	<b>Inspector 2</b>	<b>Plans Examiner</b>	<b>Building Official</b>	<b>Director</b>	<b>Admin Assistant</b>	<b>Economic Development Manager</b>	
<b>Development Services</b>																
<b>Fee Supported Activities</b>																
Building Permits (Bld., Plumbing, Mech, etc)																
Review	87%	0%	0%	0%	20%	6%	0%	5%	2%	6%	40%	8%	0%	0%	0%	
Inspection	122%	0%	0%	0%	0%	1%	0%	0%	55%	65%	0%	1%	0%	0%	0%	
Processing	85%	5%	30%	45%	0%	1%	0%	0%	0%	0%	4%	0%	0%	0%	0%	
Land Use Permits - development (BLA, Lot Combo, Plats, etc)																
Review	30%	0%	0%	0%	10%	4%	1%	8%	0%	0%	1%	1%	5%	0%	0%	
Inspection	2%	0%	0%	0%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Processing	24%	4%	6%	8%	1%	1%	0%	2%	0%	0%	0%	0%	0%	0%	0%	
Land Use Permits - Discretionary (Home Occ., Temp/Cond. Use, etc)																
Processing	74%	0%	2%	2%	10%	40%	5%	12%	0%	0%	0%	0%	3%	0%	0%	
Business Licensing																
Counter/phone/email assistance on projects	92%	15%	3%	2%	10%	10%	0%	5%	10%	10%	22%	5%	0%	0%	0%	
Fire prevention in conjunction with Fire Marshal Office	20%	0%	0%	0%	0%	0%	0%	0%	8%	4%	2%	6%	0%	0%	0%	
Addressing	4%	1%	0%	0%	0%	0%	0%	0%	1%	1%	1%	2%	0%	0%	0%	
Pre-applications	22%	1%	1%	1%	5%	5%	0%	2%	0%	0%	4%	2%	1%	0%	0%	
Records maintenance and archiving	52%	33%	5%	5%	1%	1%	2%	1%	1%	1%	0%	2%	1%	0%	0%	
Sign permits	15%	1%	1%	1%	5%	5%	0%	1%	0%	0%	0%	0%	0%	0%	0%	
Ombudsman support	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	
<b>FTE's in fee supported activities</b>	<b>7.44</b>	<b>0.80</b>	<b>0.88</b>	<b>0.84</b>	<b>0.68</b>	<b>0.76</b>	<b>0.08</b>	<b>0.38</b>	<b>0.80</b>	<b>0.88</b>	<b>0.75</b>	<b>0.35</b>	<b>0.13</b>	<b>0.00</b>	<b>0.10</b>	
<b>Non Fee Supported Activities</b>																
Departmental Administration		80%	0%	0%	0%	0%	2%	22%	0%	0%	0%	20%	20%	16%	N/A	
Counter/Phone/email Assistance (general inquires not related to a project)		84%	5%	4%	6%	20%	15%	5%	5%	5%	10%	4%	0%	0%	N/A	
Code development and revision		34%	0%	0%	0%	1%	1%	11%	5%	0%	0%	1%	5%	10%	0%	N/A
General Systems (Permitting, Applications and Brochures)		29%	4%	3%	4%	2%	0%	1%	5%	1%	1%	5%	3%	0%	0%	N/A
Reporting		19%	0%	2%	3%	1%	0%	3%	2%	1%	1%	3%	2%	1%	0%	N/A
Abatements		16%	0%	0%	0%	0%	0%	0%	0%	3%	0%	0%	10%	3%	0%	N/A
Code Enforcement support/other enforcement actions		26%	0%	0%	0%	1%	1%	0%	5%	8%	3%	0%	5%	3%	0%	N/A
Public Works Permit processing		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A
Community Outreach		17%	0%	0%	0%	0%	0%	10%	1%	0%	0%	1%	5%	0%	0%	N/A
Education & Training, Professional Assoc.		16%	1%	1%	1%	1%	1%	2%	2%	1%	1%	2%	1%	1%	1%	N/A
City Council & preparation of materials		35%	0%	0%	0%	0%	0%	20%	0%	0%	0%	0%	15%	0%	0%	N/A
Committee support (Planning Comm)		40%	0%	0%	0%	0%	0%	15%	0%	0%	0%	0%	10%	15%	0%	N/A
Outside agencies		15%	0%	0%	0%	1%	1%	5%	1%	0%	0%	1%	3%	3%	0%	N/A
General Staff meetings on operations		54%	1%	2%	2%	3%	3%	2%	10%	1%	1%	3%	6%	10%	10%	N/A
Special Projects		36%	0%	0%	0%	2%	2%	15%	4%	0%	0%	1%	4%	5%	3%	N/A
Public Records Requests		16%	9%	0%	0%	0%	0%	1%	0%	0%	0%	0%	1%	5%	0%	N/A
<b>FTE's in non-fee supported activities</b>	<b>5.2</b>	<b>0.20</b>	<b>0.12</b>	<b>0.16</b>	<b>0.32</b>	<b>0.24</b>	<b>0.92</b>	<b>0.62</b>	<b>0.20</b>	<b>0.12</b>	<b>0.25</b>	<b>0.65</b>	<b>0.87</b>	<b>0.50</b>	<b>N/A</b>	
<b>Development Services Total FTE's</b>	<b>12.61</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>0.5</b>	<b>N/A</b>	

**Table 20: Personnel Costs**

<b>FTE</b>	<b>Annual Salary w/Benefits</b>	<b>FTE's in Fee Supported Activities</b>	<b>Total Personnel Costs</b>
<b>Current Planning</b>			
Assistant Planner	\$ 71,010	0.68	\$ 48,287
Associate Planner	\$ 107,430	0.76	\$ 81,647
Planning Manager 1	\$ 120,480	0.08	\$ 9,638
Planning Manager 2	\$ 103,290	0.38	\$ 39,250
Economic Development Manager	\$ 117,090	0.10	\$ 11,709
Director	\$ 166,600	0.13	\$ 21,658
<b>Subtotal - Current Planning</b>		<b>2.13</b>	<b>\$ 212,189</b>
<b>Building</b>			
Office Assistant	\$ 65,600	0.80	\$ 52,480
Permit Tech 1	\$ 73,750	0.88	\$ 64,900
Permit Tech 2	\$ 67,650	0.84	\$ 56,826
Inspector 1	\$ 99,350	0.80	\$ 79,480
Inspector 2	\$ 106,600	0.88	\$ 93,808
Plans Examiner	\$ 103,650	0.75	\$ 77,738
Building Official	\$ 135,320	0.35	\$ 47,362
<b>Subtotal - Building</b>		<b>5.3</b>	<b>\$ 472,594</b>
<b>Public Works Development Services</b>			
Construction Inspector	\$ 105,820	0.50	\$ 52,910
Assistant Civil Engineer	\$ 84,480	0.75	\$ 63,360
Associate Civil Engineer	\$ 96,520	0.75	\$ 72,390
Division Manager	\$ 137,300	0.10	\$ 13,730
<b>Subtotal - Public Works Development Services</b>		<b>2.1</b>	<b>\$ 202,390</b>
<b>Personnel Costs for Fee Supported Activities</b>		<b>9.53</b>	<b>\$ 887,173</b>

**Table 21: Calculation of Operating & Overhead Costs**

Description / Department	CED	PW
<b>Operating Cost</b>		
Department operating costs	\$ 386,640	\$ 650,370
Total number of employees within the department	16	29.5
Operating cost per FTE	\$ 24,165	\$ 22,046
Number of FTEs assigned to User Fee Study	7.44	2.10
<b>Total operating costs used in the User Fee Study</b>	<b>\$ 179,788</b>	<b>\$ 46,298</b>
<b>Overhead Cost</b>		
Administrative Services	\$ 190,703	\$ 351,608
Legal Services	\$ 80,556	\$ 48,525
City Manager	\$ 39,576	\$ 72,968
Risk Management	\$ 62,091	\$ 114,480
Total Overhead Costs	\$ 372,926	\$ 687,582
Total number of employees within the department	16	29.5
Overhead cost per FTE	\$ 23,308	\$ 23,308
Number of FTEs assigned to User Fee Study	7.44	2.10
<b>Total overhead costs used in the User Fee Study</b>	<b>\$ 173,410</b>	<b>\$ 48,946</b>

**Table 22: Fully Burdened Hourly Rates**

Divisions	Total Personnel Costs	Operating Costs	Overhead Costs	Total Burden
Current Planning	\$ 212,189	\$ 51,471	\$ 49,879	\$ 313,539
Building	\$ 472,594	\$ 128,075	\$ 123,532	\$ 724,200
<i>CED Sub Total</i>	<i>\$ 684,783</i>	<i>\$ 179,546</i>	<i>\$ 173,410</i>	<i>\$ 1,037,739</i>
PW Engineering Services	\$ 202,390	\$ 46,298	\$ 48,946	\$ 297,634
<b>Total</b>	<b>\$ 887,173</b>	<b>\$ 225,843</b>	<b>\$ 222,357</b>	<b>\$ 1,335,373</b>

**Table 23: Comparison of Fully-Burdened Hourly Rates vs. Revenues**

<b>Divisions</b>	<b>Total Burden</b>	<b>Revenues</b>	<b>Cost Recovery %</b>
Current Planning	\$ 313,539	\$ 55,149.80	18%
Building	\$ 724,200	\$ 822,360.00	114%
<i>CED Sub Total</i>	\$ 1,037,739	\$ 877,509.80	85%
PW Engineering Services	\$ 297,634	\$ 74,407.40	25%
<b>Totals</b>	<b>\$ 1,335,373</b>	<b>\$ 951,917</b>	<b>71%</b>

*Note - All revenues are based on 5-year average (2010 - 2014)*

It is important to note that in providing services, a number of employees are often involved in various aspects of the process, spending anywhere from a few minutes to several hours on the service.

The principle goal of this study was to identify the cost of City services, in order to provide information to help the City make informed decisions regarding the actual fee levels and charges. The responsibility to determine the final fee levels is a complicated task. City staff must consider many issues in formulating recommendations, and the City Council must consider those same issues and more in making the final decisions.

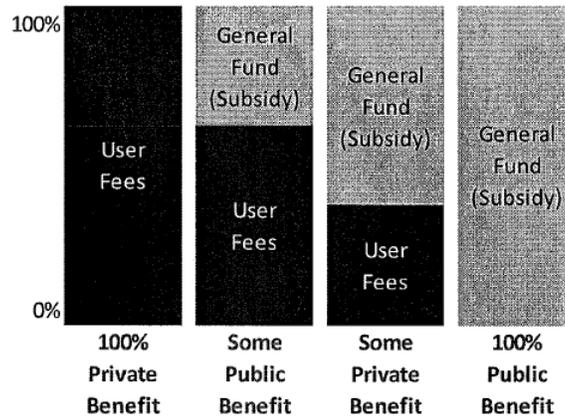
City staff assumes the responsibility to develop specific fee level recommendations to present to the City Council. Unfortunately, there are no hard and fast rules to guide the City Council, since many of the considerations are based on the unique characteristics of Lakewood, and administrative and political discretion. However, in setting the level of full cost recovery for each fee, one should consider whether the service solely benefits one end user or the general community.

**B. Subsidization**

Recalling the definition of a user fee helps guide decisions regarding subsidization. The general standard is that individuals (or groups) whom receive a wholly private benefit should pay 100% of the full cost of the services. In contrast, services that are simply public benefit should be funded entirely by the general fund's tax dollars. Unfortunately, for the decision makers, a large number of services fall into the range between these two extremes (some planning services). The graphic on the following page illustrates the potential decision basis.

Further complicating the decision, opponents of fees often assert that the activities subject to the fees provide economic, cultural, "quality of life," or other community benefits that exceed the costs to the City. It is recommended the City Council consider such factors during its deliberations regarding appropriate fee levels.

Subsidization can be an effective public policy tool, since it can be used to reduce fees to encourage certain activities or allow some people to be able to afford to receive services they otherwise could not at the full cost. In addition, subsidies can be an appropriate and justifiable action, such as to allow citizens to rightfully access services, (such as appeals of discretionary actions) without burdensome costs.



Despite the intent, it is important for the City and public to understand that subsidies must be covered by another revenue source, such as the General Fund. Therefore, the general taxpayer will potentially help to fund private benefits, and/or other City services will not receive funds that are otherwise directed to cover subsidies.

**C. Impact on Demand (Elasticity)**

Economic principles of elasticity suggest that increased costs for services (higher fees) will eventually curtail the demand for the services; whereas lower fees may spark an incentive to utilize the services and encourage certain actions. Either of these conditions may be a desirable effect to the City. However, the level of the fees that would cause demand changes is largely unknown. The Cost of Service Study did not attempt to evaluate the economic or behavioral impacts of higher fees; nevertheless, the City should consider the potential impacts of these issues when deciding on fee levels.

**D. Summary**

If the City Council’s overriding goal were to maximize revenues from user fees, then the staff would recommend setting user fees at 100% of the full cost as identified in this report. However, revenue enhancement is not the only goal of a cost of service study, and sometimes full-cost recovery is not needed, desired, or appropriate. Other City and departmental goals, City Council priorities, policy initiatives, past experience, implementation issues, and other internal and external factors influence staff recommendations and City Council decisions. In this case, the proper identification of additional services (new or existing services) and creation of a consistent and comprehensive fee schedule has been a primary objective.

**V. PERMIT ANALYSIS**

Permit Review includes application processing, current planning, building, and public works development services.

## **A. Current Planning**

Current planning reviews proposed development for compliance with the City's Comprehensive Plan, zoning, and business licensing regulations. The division is also responsible for issuing shoreline, land use and building permits, appeals, SEPA studies, and other associated environmental impact reviews.

The FBHR for current planning, which includes operating and central services costs, is \$313,539. Operating costs account for 16 percent of the FBHR. Central services account for 16 percent of the FBHR.

The five-year average for current planning revenues is \$55,150.

The cost for responding to public records requests was lower than expected at least within this division.

As it pertains to current planning, the current master fee schedule is cumbersome to use. Some of the fees are below what other surrounding cities charge. The hourly FTE rates are slightly below minimum standards.

## **B. Building**

Building reviews architectural and structural plans for compliance with applicable building, plumbing, electrical, mechanical, and energy codes, and conducts site inspections of buildings under construction to ensure compliance with these codes.

The FBHRs for the building division, which includes operating and central services costs, is \$724,200. Operating costs account for 18 percent of the FBHR. Central services account for 17 percent of the FBHR.

The five-year average for building division revenues are \$822,360.

Larger commercial/industrial projects underwrite residential permits.

The cost of providing services is determined by establishing a percentage of cost that should be recovered through building permit fee activity. This cost reflected in the Building Permit Fee table that relates project valuation to determine the fee. Various steps within the Table are set by evaluating the cost to provide the services and are graduated to be equitable. The fees reflect the amount of time and effort the building division spends in providing these permit services.

The current building permit fee schedule contains some built-in modifiers that are difficult to use and creates confusion for clients. Any proposed changes should eliminate these problems and provide a simpler table with fees which are competitive with surrounding jurisdictions.

### **C. General Findings on Current Planning & Building**

Fifty-nine percent of current planning, and the building division staff time is actually spent processing applications of all types. The remainder is spent on client services, committee/ commission/council support, and administration. Operating costs account for 17 percent of the FBHR. Central services account for 17 percent of the FBHR.

Fourteen percent of staff time is spent processing business licenses.

### **D. Permit Counter Operations**

Until very recently, the Permit Counter operated with two permit technicians and one office assistant. The technicians process building, planning, public works, and business license permits. The office assistant directed walk-ins, routed telephone calls, processed temporary business licenses, and performed records maintenance and archiving. While permits were routed to departments for review and approval, no one person was directly responsible to manage or track the status of permits as they are submitted, reviewed, and approved. Unintentionally, permits can get caught in between the cracks of city departments and outside agencies. This problem has been realized for some time, but because of resource issues it has not been addressed, until recently.

In the last month, the office assistant resigned. Rather than fill the position, it was requested and approved that the position be changed to a permit coordinator. The permit coordinator would oversee the day-to-day operations of the Permit Counter, track incoming/outgoing permits, manage workflow, prepare the monthly reports, and act as the primary point person for all aspects of the automated permitting system. The City is currently in the process of filling the position.

Table 15, the Time Allocation Table, does not currently show this position since the changes in personnel and organizational structure are so new. If the office assistant position were deleted from the table and replaced with the permit coordinator, development services costs would increase albeit minimally. Of a greater concern, is the change in duties. Previously, the office assistant handled almost all of the temporary business license applications. With the recent changes in business licensing and a new \$60 fee, the numbers of applications have decreased dramatically. Permit technicians now process temporary business licenses. The more significant issue is records management and archiving. Tracking records, given both public disclosure requests and the volume of records, is becoming increasingly difficult. This topic is further addressed under the recommendations section of this report.

### **E. Public Works**

Development services reviews projects for compliance with the City's site development regulations. These regulations include curb, gutter, sidewalk, street trees, driveways, stormwater, street lights, and road improvements.

The FBHR is \$297,634. The five-year average for development services revenue is \$74,086. The time spent processing development services related applications vary depending on the FTE at either 50 percent to 75 percent. Operating costs account for 16 percent of the FBHR. Central services account for 16 percent of the FBHR.

## **VI. COST RECOVERY POLICIES**

The City has to-date not set policy on cost recovery. As such, it would seem fitting to include a discussion of this topic within this report. Draft cost recovery policies have been outlined below. Should the council wish to adopt these policies or others, it would return for formal adoption at a later date.

### **A. Ongoing Review**

1. Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery.
2. A comprehensive analysis of City costs and fees should be made at least every five years.

### **B. General Concepts Regarding the Use of Service Charges**

1. Revenues should not exceed the reasonable cost of providing the service.
2. Cost recovery goals should be based on the total cost of delivering the service, including direct costs, departmental administration costs, and organization-wide support costs such as accounting, personnel, data processing, vehicle maintenance and insurance.
3. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
4. Rate structures should be sensitive to the "market" for similar services as well as to smaller, infrequent users of the service.
5. A unified approach should be used in determining cost recovery levels for various programs based on the factors discussed above.

### **C. Development Review Programs**

The following cost recovery policies apply to the development review programs:

1. Services provided under this category include:
  - a. Planning (long and short plats, privately initiated rezonings and comprehensive plan amendments, variances, use permits).
  - b. Building and safety (building permits, structural plan checks, inspections).
  - c. Engineering (public improvement plan checks, inspections, subdivision requirements, encroachments, right-of-way permits).

- d. Fire plan check.

Cost recovery for these services should generally be very high. In most instances, the City's cost recovery goal should be 85 percent.

However, in setting cost recovery levels, the City needs to clearly establish and articulate standards for its performance in reviewing developer applications to ensure that there is "value for cost."

#### **D. Comparability With Other Communities**

1. In setting user fees, the City will consider fees charged by other agencies in accordance with the following criteria:
  - a. They reflect the "market" for these fees and can assist in assessing the reasonableness of Lakewood's fees.
  - b. If prudently analyzed, other agencies fee structures can serve as a benchmark for how cost-effectively Lakewood provides its services.
2. Fee surveys should never be the sole or primary criteria in setting City fees as there are many factors that affect how and why other communities have set their fees at their levels. For example:
  - a. What level of cost recovery is their fee intended to achieve compared with our cost recovery objectives?
  - b. What costs have been considered in computing the fees?
  - c. When was the last time that their fees were comprehensively evaluated?
  - d. What level of service do they provide compared with our service or performance standards?
  - e. Is their rate structure significantly different than ours and what is it intended to achieve?

These can be very difficult questions to address in fairly evaluating fees among different communities. As such, the comparability of Lakewood's fees to other communities should be one factor among many that is considered in setting City fees.

#### **VII. RECOMMENDATIONS**

1. Continue to develop and improve upon the online, automated permitting and plan review systems. The recommendation is not a direct topic of the cost recovery report; however, it is integral in establishing greater efficiencies.

Minor building and public works right-of-way permits are now being processed online although the system is on the "clunky side." A permit coordinator position was advertised and filled. Staff continues to make adjustments in the software programming in an effort to improve upon client delivery.

2. Related to Recommendation 1, train CED and PW staff on the use of Blue Beam software. Blue Beam software allows the City staff to perform electronic plan review. The use of this system also has benefits in relation to record keeping.

The City has purchased Blue Beam software and established a “drop box” for automated plan review. Planning, building and public works staff received training on the use of this software system. Automated planning division review started with the Marriott Hotel project. One commercial building plan review is underway. CED staff is in the process of developing written procedures.

3. Transition the automated permitting system day-to-day operations and maintenance activities from the plans examiner to the permit coordinator. This proposal will allow the plans examiner to concentrate on plan review.

This recommendation has been accomplished.

4. Move business licensing (all or part) to another department as well as the location for issuing business licenses (general and temporary). Combining business licensing with development review impacts the ability of CED to concentrate on one of its core functions.

This proposal is still underway. Currently, written procedures are being developed to facilitate transition. City staff is also proposing to offer online business license renewals beginning in January 2016.

5. Amend the Master Fee Schedule as follows:

The following recommendations have been incorporated into Attachment “A.” Staff is recommending that these fee adjustments be adopted as an amendment to the City’s Master Fee Schedule on November 2, 2016, having an effective date of January 1, 2016.

- a. Amend the Master Fee Schedule and simplify the method by which the City calculates building permit fees. The current method is overly complicated and creates confusion for staff and the public.
- b. Reduce building permit fees for large warehouse/industrial projects. The City is currently charging more for these projects than some of the other surrounding municipalities. The recommendation would be to reduce the fee by about 25 percent under this category.
- c. Adjust building permit fees for single family and some commercial uses. Fees would be reduced although in relatively minor amounts.
- d. Charge a flat fee for demolition permits. Currently, the City charges a fee based on the value of the debris to be hauled away. This method of calculation substantially

increases the permit fee more so than the actual cost of performing the follow-up service. Staff regularly receives criticism from applicants that the City is overcharging.

- e. Increase the FTE billable hours from \$44 per hour to \$51 per hour. City is currently undercharging for some services. The fee adjustment, although minor, would help offset the current subsidy.

6. Adopt the cost recovery policies contained within this report by resolution, also on November 2, 2015. Contained within the resolution are two policies, one of which establishes the City's cost recovery rate for development services at 85 percent, and that some fees are to gradually increase over a two-year period.

- 7. Prior to the beginning of the year, meet with members of the development community and review the findings and recommendations of the Cost Recovery Report. Thereafter, share those comments with the City Council.

Staff has met with the Master Builders Association (MBA). They appeared to support the City's fee adjustments. When staff met with the MBA, it was reported that there would be increases in public works fees, but the exact amounts were unknown at the time.

- 8. Based on the Cost Recovery Report and any comments from the development community, consider other amendments to the Master Fee Schedule:

- a. Increase fire review fees. Fire review is performed by the West Pierce Fire and Rescue based on a contract for service. The contract allows the district to perform fire marshal services, fire plan review and inspections, and fire prevention on behalf of the City. The district collects permit fees and then returns them to the City each January. The amount of the fees will vary based on the level of construction activity for the previous year.

The fee increases are minor and supported by both the City and the Fire District staff. The fire code fee structure is contained in Attachment "B." Staff is recommending that these fee adjustments be adopted as an amendment to the City's Master Fee Schedule on November 2, 2016, having an effective date of January 1, 2016.

These two fees have been incorporated into one fee.

- b. Incorporate an automatic, annual CPI adjustment. The CPI number would have a cap not to exceed 3% percent in any given year.
- c. Incorporate a new technology fee. The fee would be used to update the department's permitting systems. The amount of the fee would be 2% for all permit fees. The surcharge would generate about \$22,000 annually.

Staff is recommending that Items b. and c. be adopted as an amendment to the City’s Master Fee Schedule on November 2, 2016, having an effective date of January 1, 2016.

- d. Incorporate a new document management fee specific to CED and PW services. The CED department alone is processing about 5,700 permits annually. This number includes building permits, land use permits, and business licenses. Multiply that number by 19 years (years of incorporation) and it equals 108,300 records. Unique to CED and PW is the format/style of the documents. Minus business licensing, all permits contain oversized plans. These plans take up considerable space and are difficult to archive. The City Hall basement is inundated with rolled plans. It is becoming increasingly burdensome to manage these documents. The department is working on a better way to manage paperwork and would like to move forward with a digital system. A document management fee is recommended, although the exact amount and means of collection have yet to be determined. Staff is also reexamining retention schedules.

At this time, staff is not proposing a document management fee. Until the City has a formal estimate, to propose a fee now, and not knowing the actual cost of the system, is not the best approach. CED staff needs to perform some additional work, return with an estimate, and then request Council authorization to increase fees.

- e. Increase some planning fees so that they are line with that of surrounding cities (Olympia, Lacey, Tacoma, and Federal Way) and Pierce County. A summary of the changes is found below. Details are listed in Attachment “C.” Staff is recommending that these fee adjustments be adopted as an amendment to the City’s Master Fee Schedule on November 2, 2016, having an effective date of January 1, 2016.

<b>Table 24: Proposed Planning Fee Adjustments</b>		
<b>Fees:</b>	<b>From:</b>	<b>To:</b>
Short Plat	\$2,200	\$3,500
Boundary Line Adjustment	\$200	\$600
Administrative Use Permit	\$400	\$1,500
Design Review	\$200	\$500
Shoreline Substantial Development	\$770	\$2,300
Shoreline Conditional Use Permit	\$1,320	\$3,100
Shoreline Exemption	\$50	\$200
Pre-Application	\$150	\$200
Request for Written Determination	\$50	\$150
Tree Removal Permit	\$0	\$0
Kennel, Pet Shop, Cattery	\$0	\$500
Comprehensive Plan Amendment	\$600	\$850
Development Amendment Regulation	\$840	\$850
Amendment to Shoreline Master Program	\$600	\$1,800

- f. Increase engineering services fees so that they are in line with that of surrounding cities and Pierce County, and are recovering a higher percentage of costs. Details of the proposed fee increases are contained in Attachment "D." Right-of-way and street vacation fees would increase. Improvement plan approval and inspection fees would be based on a percentage of the estimated construction value. The exact amount of the fee has yet to be determined.

Staff is recommending that these fee adjustments be adopted as an amendment to the City's Master Fee Schedule on November 2, 2016, having an effective date of January 1, 2016.

- g. For current planning and development services, use deposit-based fees where they are sensible, and to set a flat fee for more standard and defined fees. Staff would note that Lakewood is a built-out community. The residential development which takes place is either redevelopment or infill. In both cases the cost for development service review is much higher than "greenfield" development. Plats always generate conflict with adjoining property owners. Since incorporation, nearly every preliminary plat is appealed. Each development has special and unique sets of development issues. Road and street improvements usually dominate the discussion. A \$5,000 Hearing Examiner bill is not that uncommon. Staff is proposing to increase fees to offset costs where there is a direct benefit to the developer.

Staff is recommending that these fee adjustments be adopted as an amendment to the City's Master Fee Schedule on November 2, 2016, having an effective date of January 1, 2016.

10. ~~Adopt a cost recovery policy for CED and PW in the form of a resolution.~~

**ATTACHMENT “A”**

<b>D. GENERAL REQUIREMENTS FOR ALL CONSTRUCTION - RELATED PERMITS Community &amp; Economic Development</b>	
	<b>Explanation</b>
1) <del>On buildings, structures, signs, gas, mechanical and plumbing systems or alterations requiring a permit, a fee for each permit shall be paid prior to issuance.</del>	This language is proposed to be deleted since it is already found within current code provisions.
2) <del>The Building Official may authorize the refunding of:  — 100% of any fee erroneously paid or collected;  — up to 80% of the permit fee paid when no work has been done under a permit issued in accordance with this Code; and/or  — Up to 80% of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before plan reviewing is done.</del>	This language is proposed to be deleted since it is already found within current code provisions.
3) <del>The applicant for a permit shall provide an estimated permit value at time of application. Fees shall be calculated from the permit value.</del>	This language is proposed to be deleted since it is already found within current code provisions.
4) <del>Permit valuations for new construction is based on square footage. Square footages shall mean the gross area measured from the exterior face, outside dimensions, or exterior column line of a building including basements, cellars, and balconies but not including unexcavated areas. Where walls and columns are omitted in the construction of a building, such as an open shed or marquee, the exterior wall of the open side or sides will be the edge of the roof.</del>	This language is proposed to be deleted since it is already found within current code provisions.
5) <del>Permit valuations made by the applicant shall include the total value of work, including materials and labor, for which the permit is being issued, such as electrical, gas, mechanical, plumbing fixtures, all finish work, roofing, and any other permanent systems or equipment. Permit valuations may be updated at the conclusion of the project to reflect the actual total value of the work.</del>	This language is proposed to be deleted since it is already found within current code provisions.
6) <del>If, in the opinion of the Building Official, the valuation is underestimated on the application, the applicant may show detailed estimates to meet the approval of the Building Official. Should the applicant fail to show detailed estimates, then the Building Official</del>	This language is proposed to be deleted since it is already found

D. GENERAL REQUIREMENTS FOR ALL CONSTRUCTION - RELATED PERMITS Community & Economic Development		Explanation
	<del>shall assign a valuation. In the absence of a permit value from the applicant, the Building Official shall assign a valuation. Final building permit valuation shall be set by the Building Official.</del>	within current code provisions.
	<del>17) Building Permit fees shall be based upon valuation. The valuation shall be determined by the Building Official. For most projects the square footage costs in determination shall be made on the basis of the most current Building Valuation Data Table including Regional Modifier published by the International Code Council (ICC) may be employed. contained in the nationally published and distributed Building Safety Journal. For projects not covered by the table construction estimation tools such as Construction Cost Data by R.S. Means or the BNI Construction Costbook may be referenced as a guide.</del>	The text has been modified to meet the standards already found within current code provisions.
	<del>8) In addition to the Regional Modifier, the City shall include a Local Modifier, 0.30. The Regional and Local Modifiers shall be added together and used to determine permit fees.</del>	This calculation has been combined.
	<del>9) Permit fees shall be calculated from valuation in the following manner:</del>	The calculation process has been incorporated into another section of the Master Fee Schedule.
	2) Administrative Fee <ul style="list-style-type: none"> <li>- Includes a technology fee equal to 2 percent of the total building permit cost.</li> <li>- Includes an annual, and automatic Consumer Price Index (CPI) adjustment based on the Seattle-Tacoma-Bremerton area and as prepared by the U.S. Department of Labor.</li> </ul>	The technology fee would help offset IT costs.  The average CPI over the last five years was 1.92%.
	<b>Valuation</b>	<b>Corresponding Permit Fee</b>
	\$0 – \$500	\$23.50
	\$501 – \$2,000	\$23.50 for the first \$500.00 plus \$3.05 for each additional \$100.00 or fraction thereof, to and including \$2,000.00.
	\$2,001 – \$25,000	\$69.25 for the first \$2,000.00 plus \$14.00 for each additional \$1,000.00 or fraction thereof, to and including \$25,000.00.
	\$25,001 – \$50,000	\$391.25 for the first \$25,000.00 plus \$10.10 for each additional \$1,000.00 or fraction thereof, to and including \$50,000.00
	\$50,001 – \$100,000	\$643.75 for the first \$50,000.00 plus \$7.00 for each additional \$1,000.00 or fraction
		This section is proposed to be deleted and replaced with a revised valuation table found below.

<b>D. GENERAL REQUIREMENTS FOR ALL CONSTRUCTION - RELATED PERMITS Community &amp; Economic Development</b>		
		<b>Explanation</b>
	thereof, to and including \$100,000.00.	
\$100,001—\$500,000	\$993.75 for the first \$100,000.00 plus \$5.60 for each	
\$500,001—\$1,000,000	\$3,233.75 for the first \$500,000.00 plus \$4.75 for each additional \$1,000.00 or fraction thereof, to and including \$1,000,000.00	
Plan Check Fees	65% of the permit fee (must be paid at the time of permit application)	
State Building Code Council (SBCC) Surcharge	\$4.50 for each issued building permit, or as specified under current RCW	
State Building Code Council (SBCC) Fee for Multi Family	\$4.50 for first unit and \$2.00 for each additional unit, or as specified under current RCW	
<u>Project Valuation</u>	<u>Fee</u>	
<u>0 - \$500</u>	<u>\$30</u>	
<u>\$501 - \$2,000</u>	<u>\$30 for the first \$500 plus \$4.00 for each additional \$100.00 or fraction thereof, to and including \$2,000</u>	
<u>\$2,001 - \$25,000</u>	<u>\$90 for the first \$2,000 plus \$17.50 for each additional \$1,000 or fraction thereof, to and including \$25,000</u>	
<u>\$25,001 - \$50,000</u>	<u>\$492.50 for the first \$25,000 plus \$12.50 for each additional \$1,000 or fraction thereof, to and including \$50,000</u>	
<u>\$50,001 - \$100,000</u>	<u>\$805.00 for the first \$50,000 plus \$9.00 for each additional \$1,000 or fraction thereof, to and including \$100,000</u>	
<u>\$100,001 - \$500,000</u>	<u>\$1,255.00 for the first \$100,000 plus \$7.25 for each additional \$1,000 or fraction thereof, to and including \$500,000</u>	
<u>\$500,001 - \$1,000,000</u>	<u>\$4,155.00 for the first \$500,000 plus \$6.00 for each additional \$1,000 or fraction thereof, to and including \$1,000,000</u>	
<u>\$1,000,001 - \$5,000,000</u>	<u>\$7,155 for the first \$1,000,000 plus \$4.00 for each additional \$1,000 or fraction thereof, to and including \$5,000,000</u>	
<u>\$5,000,001 and up</u>	<u>\$23,155 for the first \$5,000,000 plus \$3.00 for each additional \$1,000 or fraction</u>	

This is the proposed valuation table. The table contains the local and regional modifiers that were previously calculated separately. The revised table is easier to use.

<b>D. GENERAL REQUIREMENTS FOR ALL CONSTRUCTION - RELATED PERMITS Community &amp; Economic Development</b>		<b>Explanation</b>												
	thereof, to and including \$5,000,000													
<b>Plan Review Fees</b> Plan review fees shall be 65 percent (65%) of the Building Permit Fee with a minimum fee of one hour (\$85.00).														
<b>OTHER FEES</b> <b>Demolition Fees</b> <table border="0" style="width: 100%;"> <tr> <td style="padding-left: 20px;">Single family (including duplex)</td> <td style="text-align: right;">\$200</td> </tr> <tr> <td style="padding-left: 20px;">Residential accessory building</td> <td style="text-align: right;">\$100</td> </tr> <tr> <td style="padding-left: 20px;">Commercial/multi-family (including mobile home parks)</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Less than 10,000 square feet</td> <td style="text-align: right;">\$200</td> </tr> <tr> <td style="padding-left: 40px;">10,000 to 100,000 square feet</td> <td style="text-align: right;">\$400</td> </tr> <tr> <td style="padding-left: 40px;">100,000 square feet or more</td> <td style="text-align: right;">\$600</td> </tr> </table>		Single family (including duplex)	\$200	Residential accessory building	\$100	Commercial/multi-family (including mobile home parks)		Less than 10,000 square feet	\$200	10,000 to 100,000 square feet	\$400	100,000 square feet or more	\$600	Current fee is based on valuation which increases fee disproportionately.
Single family (including duplex)	\$200													
Residential accessory building	\$100													
Commercial/multi-family (including mobile home parks)														
Less than 10,000 square feet	\$200													
10,000 to 100,000 square feet	\$400													
100,000 square feet or more	\$600													
<b>STATE BUILDING CODE COUNCIL (SBCC) SURCHARGE</b> \$4.50 for each building permit issued, plus an additional surcharge of \$2.00 for each residential unit over one, in accordance with RCW 19.27.085		Required under state law; the surcharge funds the state Building Code Council.												
<b>General Comments</b>														
Any person who commences any work on a building, structure, gas, mechanical, or plumbing system before obtaining the necessary permits shall be subject to an investigative fee. <del>in the amount equal to the permit fee</del>		Minor word change.												
Additional inspection <u>outside of normal business hours</u> or investigate fee rates are calculated at <del>\$53.00</del> \$51.00 per hour (2-hour minimum).		Minor word change.												
A reinspection fee <del>shall be calculated at \$53</del> 51.00 per occurrence.		Minor word change.												
Additional plan review resulting from revisions, resubmittals and other documents shall be calculated at <del>\$53</del> 51.00 per hour of staff time expended.		Minor change in fee.												
Additional hourly rates for which no specific fee is identified shall be calculated at <del>\$53</del> 51.00 per hour.		Minor change in fee.												
The use of outside consultants for plan checking and/or inspections will be the actual costs, plus overhead adjustments as determined by the Building Official.		No change.												
The payment of the fee for the construction, alteration, removal or demolition for work done in connection to or concurrently with the work authorized by a building permit shall not relieve the applicant or holder of the permit from the payment of other fees as assessed.		No change.												
Temporary Certificate of Occupancy (TCO): \$200.00 application filing fee (nonrefundable), plus a cash guarantee or other appropriate security, including letters of credit, in the amount of 150% of the estimated work remaining. The cash guarantee or other appropriate security shall be forfeited to the City if the work is not completed		No change.												

<b>D. GENERAL REQUIREMENTS FOR ALL CONSTRUCTION - RELATED PERMITS Community &amp; Economic Development</b>		
		<b>Explanation</b>
within the time period specified on the application as agreed to between the City and the property owner or authorized person acting on the property's owners behalf. In the case where such cash guarantee or other appropriate security is forfeited to the City, the proceeds therefrom shall be placed in the City's general fund.		
Any time the use of a building or tenant space is changed, a change of use permit is required. The fee for a change of use permit is \$250.00. If alterations to the space are to be performed, additional permits and fees may be required such as building permit, plumbing permit, mechanical permit, etc. Please note that an electrical permit may be required for changes to the electrical service or wiring.		No change.
<b>Mechanical Permit Fees</b>		<b>Explanation</b>
<u>New Single Family Residences and Duplex (per unit) flat fee</u>	<u>\$175</u>	Flat fee (simpler for applicants)
<u>Residential (prescriptive design)</u>	<u>\$175</u>	
<u>Commercial and non-prescriptive residential</u>	<u>Per valuation with a minimum of \$175</u>	
<u>New Commercial Buildings and Major Tenant Improvements permit fees will be based upon the following valuation table using the project valuation. Valuation based upon the prevailing market value including materials, labor and equipment.</u>		Using a value methodology for larger commercial projects will more effectively capture the work required for review and inspection.
<u>Project Valuation</u>	<u>Fee</u>	
<u>Up to \$5,000</u>	<u>\$85</u>	
<u>\$5,000 - \$100,000</u>	<u>\$85.00 for the first \$5,000 plus \$17.00 for each additional \$1,000 or fraction thereof, to and including \$100,000</u>	
<u>&gt; \$100,000</u>	<u>\$1,700 for the first \$100,000 plus \$12.00 for each additional \$1,000 or fraction thereof.</u>	
<b>Mechanical Review Fees</b>		<b>Explanation</b>
<u>When plans and/or specifications are required, the plan review fee shall be calculated at 25% of the Permit Fee.</u>		Text provides clarification.
<u>Small Tenant Improvements (mechanical value &lt; \$5,000) and equipment replacement or adding of new equipment shall use the equipment unit table below.</u>		Text provides clarification.

<b>D. GENERAL REQUIREMENTS FOR ALL CONSTRUCTION - RELATED PERMITS</b>			
<b>Community &amp; Economic Development</b>			
		<b>Explanation</b>	
<u>Permit Fixture</u>	<u>Fixture Fee</u>		
<u>Equipment Unit</u>			
<u>Schedule Description</u>			
Permit Issuance	\$34.00	No changes in fees.	
Issuing supplemental permits	\$12.00		
Furnaces up to and including 100,000 BTU	\$22.00		
Furnaces over 100,000 BTU	\$29.00		
Appliance vents	\$12.00		
Repair or additions to A/C systems	\$22.00		
Boilers, compressors and absorption systems up to and including 3 horsepower	\$29.00		
Boilers, compressors and absorption systems over 3 horsepower and including 15 horsepower	\$53.00		
Boilers, compressors and absorption systems	\$76.00		
over 15 horsepower and including 30 horsepower	\$100.00		
Boilers, compressors and absorption systems	\$123.00		
over 30 horsepower and including 50 horsepower	\$18.00		
Boilers, compressors and absorption systems over 50 horsepower	\$29.00		
Air handlers up to and including 25 tons	\$41.00		
Air handlers over 25 tons	\$18.00		No changes in fees.
Evaporative coolers	\$29.00		
Ventilation and exhaust (fans and hoods)	\$41.00		
Incinerators, domestic type	\$12.00		
Incinerators, international type	\$3.00		

<b>D. GENERAL REQUIREMENTS FOR ALL CONSTRUCTION - RELATED PERMITS Community &amp; Economic Development</b>		
		<b>Explanation</b>
Each gas piping from 1 to 5 outlets	\$18.00	
Additional outlets per outlet	\$3.00	
Miscellaneous	\$18.00	
<b>Plumbing Permit Fees</b>		<b>Explanation</b>
<u>New Single Family Residences and Duplex (per unit) flat fee</u>	\$225.00	Flat fee (simpler for applicants)
<u>New Commercial Buildings and Major Tenant Improvements permit fees will be based upon the following valuation table using the project valuation. Valuation based upon the prevailing market value including materials, labor and equipment.</u>		Using a value methodology for larger commercial projects will more effectively capture the work required for review and inspection.
<u>Project Valuation</u>	<u>Fee</u>	
<u>Up to \$5,000</u>	<u>\$85</u>	
<u>\$5,000 - \$100,000</u>	<u>\$85.00 for the first \$5,000 plus \$17.00 for each additional \$1,000 or fraction thereof, to and including \$100,000</u>	
<u>\$100,000</u>	<u>\$1,700 for the first \$100,000 plus \$12.00 for each additional \$1,000 or fraction thereof..</u>	
<b>Plumbing Review Fees</b>		
<u>When plans and/or specifications are required, the plan review fee shall be calculated at 25% of the Permit Fee.</u>		Text provides clarification.
<u>Small Tenant Improvements (mechanical value &lt; \$5,000) and equipment replacement or adding of new equipment shall use the equipment unit table below.</u>		Text provides clarification.
<u>Permit Fixture Description Equipment Unit Schedule</u>	<u>Fixture Fee</u>	Changes in descriptions.
Permit Issuance	\$34.00	No changes in fees.
Issuing supplemental permits	\$12.00	
Furnaces up to and including 100,000 BTU	\$22.00	
Each plumbing fixture with one trap	\$12.00	
Each building sewer	\$22.00	
Each drain for indoors rainwater system	\$12.00	
Each cesspool	\$35.00	

<b>D. GENERAL REQUIREMENTS FOR ALL CONSTRUCTION - RELATED PERMITS Community &amp; Economic Development</b>		
		<b>Explanation</b>
Each private sewage disposal system	\$59.00	No changes in fees.
Each water heater and vent	\$12.00	
Each gas piping from 1 to 5 outlets	\$12.00	
- Additional outlets per outlet	\$3.00	
Each waste incinerator	\$12.00	
Water piping or water treating system	\$12.00	
Repair or alteration of drainage or vent	\$12.00	
Backflow device < 2 inches	\$12.00	
Vacuum breakers from 1 to 5	\$12.00	
- Additional units over 5 per each	\$3.00	
Backflow device for other systems over 2 inches in diameters	\$24.00	
Cross connection of reclaimed water system	\$47.00	
Each graywater system	\$59.00	
Medical gas system from 1 to 5 outlets	\$71.00	
- Additional outlets over 5 per each	\$12.00	

**ATTACHMENT “B”**

<b>H. FIRE CODE OFFICIAL &amp; INTERNATIONAL FIRE CODE (IFC) FEES Community &amp; Economic Development</b>			
	<b>Administrative Fee</b>	<b>Fee Amount</b>	<b>Explanation</b>
	Includes an annual, and automatic Consumer Price Index (CPI) adjustment based on the Seattle-Tacoma-Bremerton area and as prepared by the U.S. Department of Labor.	Varies from year-to-year	The average CPI over the last five years was 1.92%.
	<b>Site Development Plan Review</b> (plats, short plats, commercial projects, residential infill's etc.)	<b>Fee Amount</b>	<b>Explanation</b>
	Basic review fee	\$250.00	No change.
	Additional (review over two hours)	\$125.00 per hour	No change.
	Vehicle Gates (includes plan review, inspection and testing)	\$125.00 per hour	No change.
	Construction Plan Review - A plan review fee will be charged for fire department review of requirements for construction and inspection of the IFC requirements for buildings classified as Group A, B, E, F, H, I, M, R, S and U. The plan review fee shall be:	15% of the plan review fee established by the <del>UBC fee schedule as adopted by the City,</del> for Building Permit Plan Review with a minimum fee of \$125.00.	Minor change; updated language.
	<b>Fireworks Fees</b>	<b>Fee Amount</b>	<b>Explanation</b>
	Fees for temporary fireworks stand permit	\$100.00	No change.
	Fees for a public display permit	\$245.00	No change.
	Fireworks stands and public displays as follows:		
	<b>Fire Alarm Systems</b>	<b>Fee Amount</b>	<b>Explanation</b>
	Tenant Improvements (1st four zones)	\$215.00 plus \$6.00 (per device)	No change.
	- Additional zones	\$54.00 (each)	No change.
	Residential (one and two-family dwellings)	\$215.00 plus \$6.00 (per device)	No change.
	Commercial and Multi-Family (1st four zones)	\$325.00 plus \$6.00 (per device)	No change.
	- Additional zones	\$54.00 (each)	No change.
	- Sprinkler supervision only	\$270.00	No change.
	Fire Alarm Permit Fee for upgrading of		No change.

<b>H. FIRE CODE OFFICIAL &amp; INTERNATIONAL FIRE CODE (IFC) FEES Community &amp; Economic Development</b>			
	an existing system	50 percent (50%) of the fee	
	Fire Alarm Plan Review Fee	25 percent (25%) of the	No change.
	Underground Sprinkler Supply (includes plan review)	\$325.00	No change.
<b>New Suppression Systems (Halon, CO2, Dry Chemical, FM200, Integren, etc.):</b>			
	- 1 to 5 nozzles	\$200.00	No change.
	- Over 5 nozzles	\$200.00 plus \$20.00 per nozzle over 5 nozzles	No change.
	- Bottle(s)	\$30.00 per bottle	No change.
<b>Above Ground Fire Sprinkler Systems</b>			
The fee for fire sprinkler systems shall be based on the Building Permit Fee Table. The valuation shall be based on the per square foot figure of sprinkler systems as established by policy in accordance with nationally-recognized standards.			
	<b>Description</b>	<b>Fee Amount</b>	
	Plan Review Fee (for the fire sprinkler systems are in addition to the permit fee)	25 percent (25%) of the permit fee, with a minimum of \$125.00.	No change.
	Tenant Improvements (relocation and addition to existing system)	Valuation at 20 percent (20%)	No change.
	System	\$270.00	No change.
Standpipes (includes review, inspection and testing fees)			
	Temporary Standpipe	\$162.00	No change.
	Class I	\$184.00	No change.
	Class II	\$297.00	No change.
	Class III	\$318.00	No change.
<b>Other Fees</b>			
	<b>Description</b>	<b>Fee Amount</b>	
	Additional inspection fees	\$50.00 for each additional inspection	No change.
	After hours inspection fees	\$75.00 hour (1-hour minimum)	No change.
	Fire Pump Installations (includes review, inspection and testing fees)	\$540.00	No change.
	Commercial Power Generator Installations (includes review, inspection and testing fees)	\$350.00	No change.
	Battery systems – capacity over 50 gallons	\$125.00	Activity types that are permitable

H. FIRE CODE OFFICIAL & INTERNATIONAL FIRE CODE (IFC) FEES Community & Economic Development			
	<u>Compressed gas systems – install, modify, repair or abandon</u>	\$200.00	under the IFC, but have not been included in past fee schedules.  Activity types that are permissible under the IFC, but have not been included in past fee schedules.
	<u>Cryogenic fluids – install or modify</u>	\$200.00	
	<u>Emergency responder radio coverage system – install or modify</u>	\$200.00	
	<u>Flammable and combustible liquids</u>		
	<u>Installation or modification of commercial tank, piping or distribution systems</u>	\$250.00	
	<u>Installation or modification to pipeline system</u>	\$125.00	
	<u>Removal of abandoned commercial tank</u>	\$0.00	
	<u>Removal or abandoned in place of residential tank</u>	\$55.00	
	<u>Hazardous materials – installation, repair, abandon or remove a facility</u>	\$125.00	
	<u>Industrial ovens - installation</u>	\$125.00	
	<u>LP gas – installation of storage and/or distribution system</u>	\$200.00	
	<u>Solar/photovoltaic power systems (commercial) – installation and modification</u>	\$125.00	
	<u>Spraying or dipping operations – installation or modification of spray booths, room or dip tank</u>	\$200.00	
	<b>False Fire Alarms</b>		
	<u>Response as specified below: In the event of more than two false alarms in any 12 month period, the Fire Chief may charge a fee for fire department response as specified below:</u>		
	<b>Description</b>	<b>Fee Amount</b>	<b>Explanation</b>
	First and Second False Alarms	No Fee	
	Third False Alarm	\$100.00	No change.
	Fourth and Additional False Alarms	\$250.00	No change.
	<del>EXCEPTION: False alarms resulting from the failure of a fire alarm service technician notifying central dispatch.</del>	\$270.00 for each occurrence	No change.

H. FIRE CODE OFFICIAL & INTERNATIONAL FIRE CODE (IFC) FEES Community & Economic Development		
Fire Code Permit Fees		
The following are annual fees, except where noted, in accordance with Section 105 of the <del>Uniform</del> International Fire Code.		Minor word change.
Permit charges may be waived by the Fire Chief or Fire Marshal for the following: Activities of Washington State non- profit corporations and/or civic or fraternal organizations which possess an IRS tax exempt status. Proof of IRS tax exempt shall be presented at the time of permit application. Non-profit organizations may be charged 1/2 of the listed occupancy permit fees. However, any group shall be assessed a full permit fee if the approved conditions of the permit are modified or not adhered to by the applicant.		No change.
Description	Fee Amount	Explanation
Aerosol products	\$110.00	No change.
Aircraft Refueling Vehicle	\$110.00	No change.
<u>Amusement buildings</u>	<u>\$110.00</u>	Activity types that are permissible under the IFC, but have not been included in past fee schedules.
<u>Haunted House – Commercial (limited)</u>	<u>\$110.00</u>	
<u>Bazaars, Boutiques, Booths or Displays</u>	<u>\$110.00</u>	
<u>Flea Markets</u>	<u>\$110.00</u>	
<u>Aviation facilities</u>	<u>\$110.00</u>	
<u>Aircraft Repair Hangar</u>	<u>\$110.00</u>	
<u>Asbestos Removal (limited)</u>	<u>\$110.00</u>	
<u>Automobile Wrecking Yard</u>	<u>\$110.00</u>	No longer applicable & incorporated into other sections of the IFC.
<u>Bowling Pin Refinishing</u>	<u>\$110.00</u>	
<u>Bowling Alley Refinishing (limited)</u>	<u>\$110.00</u>	
<u>Candles or Open Flame in Assembly Area</u>	<u>\$110.00</u>	
<u>Carnivals and Fairs, etc. – Outdoor (limited)</u>	<u>\$110.00</u>	
<u>Carnivals - Commercial</u>	<u>\$110.00</u>	
<u>Fairs, Bazaars, Farmers Market, etc.</u>	<u>\$110.00</u>	
<u>Special Events - Outdoors</u>	<u>\$110.00</u>	
<u>Cellulose Nitrate Film</u>	<u>\$110.00</u>	
<u>Cellulose Nitrate Storage</u>	<u>\$110.00</u>	
<u>Combustible dust producing</u>	<u>\$110.00</u>	No change.

H. FIRE CODE OFFICIAL & INTERNATIONAL FIRE CODE (IFC) FEES Community & Economic Development			
	operations		
	Combustible Fiber Storage	\$110.00	No change.
	<del>Combustible Material Storage</del>	<del>\$110.00</del>	No longer applicable & incorporated into other sections of the IFC.
	Compressed Gases	\$110.00	No change.
	<del>Commercial Rubbish Handling Operation</del>	<del>\$110.00</del>	No longer applicable & incorporated into other sections of the IFC.
	<u>Covered and open mall buildings</u>	<u>\$110.00</u>	Activity types that are permissible under the IFC, but have not been included in past fee schedules.
	<u>Kiosks, Concessions, Booths, etc</u>	<u>\$110.00</u>	
	<u>Used for Assembly (limited)</u>	<u>\$110.00</u>	
	<u>Use of Open Flame (limited)</u>	<u>\$110.00</u>	
	<u>Display Flammable Liquid or Gas Filled Equipment</u>	<u>\$110.00</u>	
	Cryogenic fluids	\$110.00	Change in wording.
	<u>Cutting and Welding</u>	<u>\$110.00</u>	Activity type that is permissible under the IFC, but has not been included in past fee schedules.
	Dry Cleaning Plants	\$110.00	No change.
	Dust Producing Operations	\$110.00	No change.
	<u>Explosives /<del>Blasting Agents</del> – manufacture, store, handling, sale or use</u>	\$110.00	No change.
	<u>Explosive/<del>Blasting Agents</del> – Transport, Use</u>	<del>\$110.00</del>	No longer applicable & incorporated into other sections of the IFC.
	Fireworks Display, Special (limited)	\$110.00	
	Fireworks Stand, Limited	\$110.00	No change.
	Flammable/Combustible Liquids	\$110.00	No change.
	<del>Pipeline install</del>	<del>\$110.00</del>	No longer applicable & incorporated into
	<del>Pipeline operation</del>	<del>\$110.00</del>	
	<del>Store, handle, use</del>	<del>\$110.00</del>	

H. FIRE CODE OFFICIAL & INTERNATIONAL FIRE CODE (IFC) FEES Community & Economic Development			
	<del>Remove abandoned tank</del>	\$110.00	other sections of the IFC.
	<del>Remove (or abandon in place) residential tank</del>	\$110.00	
	<del>Install, alter, etc. tank, piping, &amp; equipment</del>	\$110.00	
	<del>Tank vehicles</del>	\$110.00	
	<del>Change contents (limited)</del>	\$110.00	
	Fruit <u>and</u> crop ripening	\$110.00	Minor text change.
	Fumigation <u>or</u> <u>and</u> insecticidal fogging	\$110.00	No change.
	Hazardous material – <u>store, transport, dispense, use or handle</u>	\$110.00	No change.
	<del>Hazardous Material Production HPM facilities</del>	\$110.00	No change.
	<u>High pile storage</u>	\$110.00	No change.
	<u>Hot work operations</u>	\$110.00	No change.
	<u>Industrial oven(s)</u>	\$110.00	No change.
	<del>Liquefied Petroleum Gases – Tank Install</del>	\$110.00	No longer applicable & incorporated into other sections of the IFC.
	Liquid or gas-filled fueled vehicles or equipment is assembly buildings	\$110.00	No change.
	<del>LP gas</del>	\$110.00	No change.
	Lumber yards <u>and</u> woodworking plants	\$110.00	No change.
	<del>Magnesium working</del>	\$110.00	No change.
	Miscellaneous combustible storage	\$110.00	No longer applicable & incorporated into other sections of the IFC.

**ATTACHMENT “C”**

<b>C. PLANNING &amp; DEVELOPMENT FEES Community &amp; Economic Development</b>			
	<b>Administrative Fee</b>	<b>Fee Amount</b>	<b>Explanation</b>
	<u>Technology Fee</u>	<u>2 percent of the total planning permit cost.</u>	The technology fee would help offset IT costs.
	<u>Includes an annual, and automatic Consumer Price Index (CPI) adjustment based on the Seattle-Tacoma-Bremerton area and as prepared by the U.S. Department of Labor.</u>	<u>Varies from year-to-year.</u>	The average CPI over the last five years was 1.92%.
	<b>Plats/Subdivisions</b>	<b>Fee Amount</b>	<b>Explanation</b>
	Preliminary Plat	<u>\$3,850.00 plus \$100.00 per lot; plus \$2,500 Hearing Examiner deposit fees over 4 hours</u>	No change to fee at this time. See Hearing Examiner section.
	Plat Amendment (before final plat approval)		
	Major	<u>\$1,320.00 plus \$100.00 per lot; plus \$1,000 Hearing Examiner deposit fees over 4 hours</u>	See Hearing Examiner section.
	Minor	<u>\$660.00 plus \$100.00 per lot; plus \$1,000 Hearing Examiner deposit fees over 4 hours</u>	
	Final Plat	<u>\$2,750.00 plus \$50.00 per lot</u>	No change.
	Plat Alterations (after final plat approval)	<u><del>\$770.00</del> \$2,500 plus \$1,000 Hearing Examiner deposit /<del>consultant fees</del></u>	City receives very few plat alterations; however, these are time consuming & often difficult applications.
	Binding Site Plan	<u>\$2,200.00</u>	No change.
	<del>Short Plat/Large Lots</del>	<del><u>\$1,320.00 plus \$100.00 per lot</u></del> <u>\$3,500.00</u>	Proposed fee is on par with surrounding jurisdictions
	<del>Short Plat/Large Lots Amendments</del>	<del><u>\$240.00 plus consultant fees over 2 hours</u></del> <u>\$1,000.00</u>	City receives very few Short Plat Amendments
	<del>Boundary Line Adjustment (BLA)/Lot Combination</del>	<del><u>\$200.00 plus staff time over 4 hours</u></del> <u>\$600.00</u>	Proposed fee is on par with surrounding jurisdictions
	<del>Lot Combinations</del>	<del><u>\$200.00 plus staff time over 4 hours</u></del>	BLA & Lot Combinations are one-in-the same.

C. PLANNING & DEVELOPMENT FEES Community & Economic Development			
	Recording Fees	Fees Not Included.	No change.
	<b>Discretionary Land Use Permits</b>	<b>Fee Amount</b>	<b>Explanation</b>
	Conditional Use Permits	\$2,200.00 plus <del>\$2,500.00</del> Hearing Examiner <u>deposit fees over 4 hours</u>	Applicant is charged 100% of Hearing Examiner costs.
	Major Variances	\$1,200.00 plus <del>\$500</del> Hearing Examiner <u>deposit consultant fees over 4 hours</u>	Applicant is charged 100% of Hearing Examiner costs.
	Major Variances for single family dwelling (where project valuation does not exceed \$12,000)	\$660.00	City is subsidizing this application type.
	Administrative Variances	\$400.00	City is subsidizing this application type.
	Administrative Use Permits	<del>\$400.00</del> <u>\$1,500.00</u>	Proposed fee is on par with surrounding jurisdictions.
	Temporary Use Permits	\$200.00	No change.
	Major Modifications of Permit Approval	½ of original permit cost	No change.
	Minor Modifications of Permit Approval	¼ of original permit cost	No change.
	Shoreline Substantial Development Permit	<del>\$770.00</del> <u>\$2,300</u> plus <u>\$1,000</u> any Hearing Examiner <u>deposit fees</u>	Proposal improves cost recovery rate; Applicant is charged 100% of Hearing Examiner costs.
	Shoreline Conditional Use Permit/Shoreline Variance	<del>\$1,320</del> <u>\$3,100</u> plus <u>\$1,000</u> any Hearing Examiner <u>deposit fees</u>	Proposal improves cost recovery rate; Applicant is charged 100% of Hearing Examiner costs. (Few shoreline conditional use permits are received by the City.)
	Written Shoreline Exempt Determination (The fee applies only to requests for a	<del>\$50.00</del> <u>\$150.00</u>	Proposal improves cost recovery rate.

<b>C. PLANNING &amp; DEVELOPMENT FEES</b>			
<b>Community &amp; Economic Development</b>			
	written determination by the Community and Economic Development Department that the project is exempt from the Shoreline Master Program.)		
	<b>Appeals &amp; Reconsiderations</b>	<b>Fee Amount</b>	<b>Explanation</b>
	Reconsideration of a Decision of the Hearing Examiner	\$300.00 plus <u>Hearing Examiner costs</u>	Applicant is charged 100% of Hearing Examiner costs.
	Appeal of the Administrative Officer's Decision	\$450.00	No change.
	Appeal of SEPA Determination	\$450.00 <del>plus consultants' fees</del> plus <u>\$1,000 Hearing Examiner deposit</u>	Applicant is charged 100% of Hearing Examiner costs.
	<b>Amendments to Plans &amp; Regulations</b>	<b>Fee Amount</b>	<b>Explanation</b>
	Amendments to the Comprehensive Plan & other policy documents	<del>\$600.00</del> <u>\$850.00</u> plus consultant fees over 4 hours	Application type is being subsidized.
	Amendments to development regulations	<del>\$600.00</del> <u>\$850.00</u> plus consultant fees over 4 hours	Application type is being subsidized.
	<u>Amendments to the Shoreline Master Program</u>	<u>\$1,800.00</u>	Application type is being subsidized.
	<b>Zoning Certification/Site Plan Review</b>		<b>Explanation</b>
	Single family dwelling construction in residential zones are subject to the following fee schedule:		
	Construction Value:	Fee:	
	\$0 - \$74,999	<del>\$40.00</del> <u>\$50.00</u>	The zoning certification fee increase is being pursued as a means to increase cost recovery rates. To arrive at 85%, it may require additional adjustment in future years.
	\$75,000 - \$124,999	<del>\$80.00</del> <u>\$100.00</u>	
	\$125,000 - \$224,999	\$150.00	
	Over \$225,000	\$300.00	
	Other Developments: All new buildings or exterior tenant improvements in commercial or industrial zones, and all other construction and development activity, other than single-family dwelling construction, are subject to the following fee:		
	Construction Value	Zoning Certification Fee	Compliance check with discretionary planning permits
	\$0 - \$99,999	<del>\$240.00</del> <u>\$260.00</u>	\$50.00
	\$100,000 - \$249,999	<del>\$480.00</del> <u>\$530.00</u>	\$200.00
	\$250,000 - \$499,999	<del>\$720.00</del> <u>\$790.00</u>	\$450.00
	\$500,000 - \$999,999	<del>\$960.00</del> <u>\$1,000.00</u>	\$700.00

<b>C. PLANNING &amp; DEVELOPMENT FEES</b>			
<b>Community &amp; Economic Development</b>			
	\$1,000,000 - \$4,999,999	<del>\$1,800.00</del> <u>\$2,000.00</u>	\$1,200.00
	\$5,000,000 - \$10,000,000	<del>\$2,400.00</del> <u>\$2,500.00</u>	\$1,700.00
	Over \$10,000,000	\$3,000.00	\$2,200.00
	Site Plan Review without a Building Permit. The zoning certification and site plan review fee for those development projects for which no building permit is required but which requires site plan review and a zoning certification shall be based on the value of the proposed development to be undertaken. The value of the proposed construction/development shall be determined based on professional estimates by a licensed engineer, architect, landscape designer or contractor. These estimates may include but are not limited to, grade and fill of the site paving, placement of utilities, lighting, landscaping, and other site improvements. The combined total of the cost estimates for all development on the site shall be the established value based on the zoning certification and site plan review fee <u>found in the table above.</u>		
		A \$20.00 fee applies to zoning certifications where only a business license is required.	No change.
	Zoning Certification with No Site Plan Review Required	A \$50.00 fee applies to projects where the proposed land use must be reviewed with respect to development standards, but there is no requirement for submitting a site plan, e.g. an interior tenant improvement.	No change.
	Mixed Use Buildings	Site plan review and/or zoning certification application fees may be reduced by 50% if the application is for the construction of a mixed use building. Fee waivers do not apply to SEPA, short plat, subdivision or other permit requests associated with the development of a site, nor does fee reduction apply to mixed use development where the commercial and residential uses are not located within the same building.	No change.
	Accessory Living Quarters	\$100.00	No change.
	Time Extensions	\$240.00	No change.
	Annexation Petition	<del>\$420.00</del> plus consultant fees	Updates fees; however, the application type is being subsidized.
	<u>Notice of Intent to Commence annexation</u>	<u>\$320.00</u>	
	<u>Petition to Annex</u>	<u>\$2,500.00</u>	
	<b>Hearing Examiner Fees</b>	<b>Fee Amount</b>	<b>Explanation</b>
	The term "Hearing Examiner" shall be synonymous with the term "consultant" as it appears in this Fee Schedule. Fees set in the Fee Schedule pertaining to applications before the Hearing Examiner shall include four (4) hours of the Hearing Examiner time. The Community	\$100 per hour for the Hearing Examiner's time in excess of the four (4) hours included shall be paid by the applicant	This proposal transfers full discretionary permit Hearing Examiner expenses to the applicant.

C. PLANNING & DEVELOPMENT FEES Community & Economic Development		
<p><del>Development Director or designee shall estimate the case hours of an application and require a deposit from the applicant to cover the estimated fees over four (4) hours. Where a combined application or appeal is to be heard by the Hearing Examiner, all fees shall be applied to the initial four (4) hours of time simultaneously. Subsequent hourly fees shall be divided among the applicants as determined by and in the sole discretion of the Community Development Director or designee so as to provide for an apportionment thereof in a fair and reasonable manner in light of the circumstances of and factors pertinent to the applications.</del></p> <p><u>Where Examiner Review is required for any related land use permit, appeal, etc., the applicant is responsible for and required to pay actual Hearing Examiner costs, which may be higher or lower than the deposit amount.</u></p>		Annual savings varies, but is roughly \$8,000.00 annually excluding business license appeals.
Staff review fees	<del>\$44.00</del> <u>\$51.00</u>	Updates City Costs.
Development Agreement	<del>\$1,000.00 plus staff time</del> <u>\$2,500.00</u>	Updates fee.
Pre-Application Conference	\$150.00; of this amount, \$100.00 can be applied to related permits filed within sixty (60) days of the pre-application conference	No change.
Final Certification of Occupancy/Site Certification	\$100.00	No change.
Home Occupation Permit	\$200.00	No change.
Limited Home Occupation Permit	\$50.00	No change.
Requests for Written Determination by the Director	\$50.00	No change.
WTF Administrative Use Permit	\$800.00	The City proposes to amend its telecommunications regulations in 2016; therefore, these fees are subject to change at a later date.
WTF Conditional Use Permit	\$2,000.00	
Non-Conforming Sign Permit Fees		
If the permit is obtained within ninety (90) days of receipt of notification by the City advising the applicant of the need to obtain a	No permit fee	No change.

C. PLANNING & DEVELOPMENT FEES Community & Economic Development			
	permit		
	If the permit is obtained after the ninety (90) day time period following notification by the City	\$84.00	No change.
	<b>SEPA &amp; Wetland Fees</b>	<b>Fee Amount</b>	<b>Explanation</b>
	Written SEPA Exempt Determination (The fee applies only to requests for a written determination by the Community Development Department that the project is exempt from the requirements of SEPA.)	\$50.00	No change.
	Environmental Checklist	\$480.00 plus consultant fees over 4 hours	No change.
	<del>SEPA Modification</del>	<del>\$200.00</del>	Permit application type is rarely used.
	<del>Preparation and Review of EIS Environmental Impact State (EIS)</del>	<del>Actual Cost including staff and consultant charges. The Community Development Director shall estimate final cost. A deposit of 33% of that cost shall be placed with the City of Lakewood before any work on EIS is started.</del>  <del>\$3,200 plus preparation at contract rate to be determined.</del>	I the past 19 years, Lakewood has required two EISs. The first one was for the development of the comprehensive plan and corresponding development regulations. The second EIS was for the Wal-Mart land use amendments.
	<del>Review of Wetland Report to Verify Presenece of Wetlands</del>	<del>\$70.00 plus consultant fees</del>	Not used.
	<del>Site Visit to Verify Wetlands</del>	<del>Actual Costs (based on salary &amp; benefits, plus 30% overhead)</del>	Not used.
	<del>Review of Wetland Analysis Report</del>	<del>Actual Costs (based on salary &amp; benefits, plus 30% overhead)</del>	Not used.
	<del>Review of Non-Compensatory Mitigation Plan</del>	<del>Actual Costs (based on salary &amp; benefits, plus 30% overhead)</del>	Not used.
	Reasonable Use Exception (RUE)	\$1,840.00 plus consultant fees over 4 hours \$500.00 Hearing Examiner costs	
	Residential RUE	\$500.00 plus consultant fees	Application type is being subsidized.

C.	<b>PLANNING &amp; DEVELOPMENT FEES</b> <b>Community &amp; Economic Development</b>		
	<u>Additional SEPA Review (SEE WAC 197-11-335)</u>	<u>No charge, except any third-party consultant costs to the City.</u>	This addresses the wetland deletions above, in addition to other specialized reports that may be required.
	<b>Tree Removal/Replacement Permit Fees</b>	<b>Fee Amount</b>	<b>Explanation</b>
	Significant Tree Removal Permit	No fee	No change.
	Off-Site Tree Replacement Permit (when trees are not being replaced onsite)	\$400.00 for each replacement tree	No change.

**ATTACHMENT “D”**

<b>F. PUBLIC WORKS PERMIT FEES</b>			
<b>Administrative Fee</b>		<b>Fee Amount</b>	<b>Explanation</b>
<u>Technology Fee.</u>		<u>2 percent of the total public works permit cost</u>	The technology fee would help offset IT costs.
<u>Includes an annual, and automatic Consumer Price Index (CPI) adjustment based on the Seattle-Tacoma-Bremerton area and as prepared by the U.S. Department of Labor.</u>		<u>Varies from year-to-year</u>	The average CPI over the last five years was 1.92%.
<b>Fee Type</b>	<b>Fee Amount</b>		<b>Explanation</b>
Site Development Permit (covers site work, including erosion control, clearing, grading and drainage)	<del>\$200.00, plus any staff time in excess of 4 hours at \$50.00 per hour</del>		The proposed fee would generate approximately \$80,000.
	<u>Project Value</u>	<u>Permit Fee</u>	
	<u>\$0.00 - \$15,000.00</u>	<u>\$500.00</u>	
	<u>\$15,000.00 - \$50,000.00</u>	<u>\$1,000.00</u>	
	<u>\$50,000.00 - \$150,000.00</u>	<u>\$2,500.00</u>	
	<u>\$150,000.00 - \$1,000,000.00</u>	<u>\$4,500.00</u>	
	<u>Over \$1,000,000.00</u>	<u>\$9,000.00</u>	
<u>Project value is defined as the value of all improvements outside the building footprint.</u>			
<b>Fee Type</b>	<b>Fee Amount</b>		<b>Explanation</b>
Right-of-Way Permit (authorization to use right-of-way for minor construction, parking or other non-intrusive use)	<del>\$70.00</del> <u>\$150.00, plus any staff time in excess of 2 hours at \$51.00 per hour</u>		The proposed fee would generate approximately \$90,000.
Right-of-Way Vacation Permit ("Sale" or vacation of City right-of-way to abutting property owners)	<del>\$750.00</del> <u>\$1,000.00</u>		The proposed fee is on par with other cities. Lakewood may receive one vacation permit annually.
Street Opening Permit ( <u>used to install new or repair/upgrade existing private and public facilities located in a street right-of-way; includes pavement cuts, excavation, traffic control, etc.</u> )	<del>\$250.00</del> \$500.00 plus any staff time in excess of <del>5</del> <u>10</u> hours at <del>\$50</del> <u>51.00</u> per hour		Unknown impact. (A street opening permit is similar to a Right-of-Way permit; the two permits are often confused at intake.)
Oversize Load Permit (all vehicles in excess of legal weight or size limitations according to RCW 46.44.041 shall obtain an oversize load permit prior to operating on Lakewood	<del>\$50.00</del> <u>Additional costs shall apply if police escorts or signal technician work is</u>		The proposed fee would generate approximately \$1,400.

F. PUBLIC WORKS PERMIT FEES		
streets)	<p><del>required.</del></p> <p><u>Individual - \$100.00</u></p> <p><u>Annual - \$300.00</u></p> <p><u>Additional costs shall apply if police escorts or signal technician work is required.</u></p>	
Right-of-Way Tree Cutting Permit (for residential or commercial cutting on or along a lot or in an area zoned for more than one single family home)	\$200.00	No change.
<del>Stormwater Review Fee (for review of all applications for adequacy of stormwater management program)</del>	<del>\$200.00 plus any staff time in excess of 4 hours at \$50.00 per hour</del>	With the changes in the site development fee structure, this fee is no longer needed.
Reinspection Fee (to cover cost of each reinspection, required in conjunction with a Right-of-Way Permit, necessary to assure compliance with the requirements of the permit)	<p><del>\$50.00</del></p> <p><u>\$51.00</u></p>	
General Inspection Fee (for inspection not otherwise listed)	<p><del>\$50.00</del></p> <p><u>\$51.00 per hour</u></p>	
<del>General Review Fee (for review not otherwise listed)</del>	<del>\$50.00</del>	Redundant; not needed.
Miscellaneous Permits (any Public Works permit not covered by the fee schedule, if performed by an employee)	Rate will be based on actual hourly costs, plus benefits (30%), <del>plus 15% overhead including</del> <u>operating costs (16%), and central services costs (16%)</u>	Rates adjusted based on data contained in the cost recovery report.
Professional Services Contracts (any private or public professional service contract needed)	Rate will be billed 100%, plus a 10% administrative charge	No change.



To: Mayor and City Councilmembers

From: M. David Bugher, Assistant City Manager/Community & Economic Development Director

Through: John J. Caulfield, City Manager 

Date: October 12, 2015

Subject: Review of Sanitary Sewers

This memorandum provides information gleaned from the experiences of the Lakewood Community & Economic Development Department (CED) staff regarding its interactions with the Pierce County Public Works & Utility Department (PCPW) concerning public sewers. It begins with the context of the Pierce County Sewer Code and how it has been applied, followed by general findings regarding the process. A section has been included which examines the County's sewer refurbish and replacement program. The conclusion presents possible options and recommendations.

Typically this type of memorandum concludes with options and recommendations that tie into the City's work plan. However, sanitary sewers are a cross-jurisdictional issue for the City of Lakewood and thus some of the recommendations are for changes needed in another jurisdiction over which we have limited control. Part of the strategy must be to find common ground in best business practices and overall benefit of economic development to both jurisdictions.

Our recommendations are as follows and include recommendations for our sanitary sewer provider, which reflect what our practice would be if the sanitary sewer were provided by the City of Lakewood:

1. Pierce County may want to review its policies and procedures in relation to the City of Tacoma. If the County's policies are found to be stricter than Tacoma's, there could be a basis for the County to make administrative adjustments so that the two agencies regulations are on par with one another.
2. Pierce County may want to review their handouts and tip sheets for food service businesses. Tacoma uses a different means to calculate the need for grease traps versus grease interceptors. Their "decision tree" for FOG producers was most helpful.
3. Solve the problem of County plan reviewers and supervisors giving different answers to applicants. (County staff will disagree.) In my opinion, this is not about poor planning or weak

execution. It is a system or managerial failing. Someone at the County should be asking the following questions:

Why are we giving different answers?

Where in the review process is this occurring?

When does it occur or when did it begin?

How bad is the problem?

4. The City of Lakewood wants to formally review and comment on all sewer administrative policies/regulations before they are adopted by either the PCPW Manager or Director. To that end, the City requests that the County create a notification process. Where there is disagreement on administrative sewer policies/regulations, the City of Lakewood may choose to file formal appeals.
5. The establishment of sewer pretreatment regulations for nonconforming restaurants is an important issue. This topic is a significant concern for the local restaurant industry, whether or not these businesses are located within or outside Lakewood. This industry has little or no information on pending changes to County policy. Assuming that 100 restaurant businesses were required by the County to install grease interceptors, within its service area (Lakewood, Parkland-Spanaway, and parts of South Hill), each having a price tag of \$30,000 each, the total cost would be \$3.0 million.

### **The Pierce County Sewer System**

CED has experienced fewer building permitting delays as a result of changes in the County's sewer permitting system which was adopted by the Pierce County Council in 2012. The revisions created a three tiered system for sewer pretreatment review: Significant Industrial user; Minor Industrial User; and Insignificant Industrial User. This tiered review process greatly simplified review times. For most projects, provided the sewer applicant fills out the county applications properly, the sewer permit can be approved in less than two weeks. The approval time is on par with the City's planning and building permit review times. The 2012 Pierce County code and policy changes were a significant step forward in improving efficiencies.

In 2001, Pierce County developed its "Unified Sewer Plan" (USP) which updated and replaced the previous Pierce County Comprehensive Sewerage General Plan. This is the basic long range plan for major sewer facilities owned, operated, or maintained by the County. Another update to the USP began in 2006 and was completed 2011. Department of Ecology adopted the most recent plan in 2012. Its next update is schedule to begin in 2016.

Section 8 of USP is the Capital Facility Plan/Sewer Improvement Program. The Capital Facilities Plan or Sewer Improvement Program (SIP) projects the 6 year capital needs of the County's sewerage system. In developing the SIP the County uses a 30 year SIP to forecast improvements to the system. Once the 6-year SIP is established, it is then folded into the general budgeting process of the County.

There are five classes of improvement types within the SIP. They are: 1) maintenance; 2) operations; 3) preservation; 4) improvement; and 5) administrative. Preservation is defined as the actual replacement or preservation of an asset after it has reached its useful life to accomplish the same overall function. Preservation projects are often confused with the capital improvement of a system even though they are separate items. Types of preservation projects for the utility can be replacing a pump at a pump station or replacing a failed pipe in a collection system.

The County's Sewer Division fund it is separated into four operating funds:

- 402 (Sewer Operating Fund);
- 403 (Sewer Facility Restrictive Reserve Fund);
- 404 (Sewer Rehabilitation and Replacement Fund); and
- 425 (Sewer Division Construction Fund).

The 402 fund is used to pay for ongoing maintenance, operations, and administration cost of the Utility. The 403 fund is used to finance construction projects that benefit the current and future customers and derives its revenue from connection, area and facility charges. The 404 is used to account for all rehabilitation and replacement projects and derives its revenue through the Utility rates. The 425 is used to account for all non-local Improvement District sewer construction and derives its revenue from the 402, 403 and 404 funds along with grants, loans and bonds.

Within the Utility's 2016-2020 six-year SIP, the County has identified approximately \$60,000,000 of Sewer Rehabilitation and Replacement projects funded via the 404 operating fund. The six-year total of the entire SIP is \$338,000,000, which means the County is spending about 18% of their entire 6-year improvement program on preservation. The County's strategic plan (through 2040) anticipates spending \$176,658,800 on Sewer Rehabilitation and Replacement needs.

A review of the latest six-year SIP shows that the County will be replacing pump stations within the Lakewood area. However, there were no proposals to replace sewer pipe. At first there was concern that the County may not have an adequately funded preservation/replacement program, and that in years to come the County could find itself in a similar predicament as that of the Lakewood Water District. Council will recall that parts of the water district's distribution system needed significant replacement. Over 180 miles of water pipe is between 50 and 70 years of age. Beginning in January 2014, the district embarked on a 50-year program to replace water pipe and fees were adjusted accordingly.

The majority of Lakewood's sewer system was constructed between 1981 and 1985, thus the current system is between 30 to 34 years of age. For sewer preservation/replacement this is not a very old system. The life expectancy is between 70-100 years for concrete pipe. At the earliest, pipe replacement would begin in 2051. The City's public works staff is familiar with the County's sewer design standards, since they designed and managed the sewer construction in the Tillicum and Woodbrook neighborhoods. The County's design standards are robust; the system is designed to last a long time.

The County's sewer system within Lakewood is relatively young. It is also designed at the high end (referred to informally as the "Cadillac Standard") which many municipal public works departments are not able to achieve.

## **The Pierce County Sewer Code**

### **1. Administrative Authority**

CED has reviewed Chapter 13 of the Pierce County Code (PCC) for the purpose of identifying exceptions made for pretreatment requirements, prohibited discharge standards and affordable housing. This review also examines administrative decision-making including appeals.

The Pierce County Code (PCC) grants wide discretion to the Manager and Director, meaning "the Wastewater Utility Manager of the Pierce County Public Works Department or designee," or, "the Director of the Pierce County Public Works Department or designee"<sup>1</sup> As one example, "No more

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<sup>1</sup> PCC 13.04.010.

than one residential, industrial or commercial building shall be connected to a single building sewer, unless otherwise approved in writing by the Director.”<sup>2</sup> In addition, the Manager or Director is able to determine the necessity for revocation or mediation of a permit, approval, or sewer connection.<sup>3</sup> By including “or designee” the Code allows for delegation of administrative authority to any level in the Pierce County Public Works Department.

The Code details Prohibited Discharge Standards in Chapter 13.06. The Manager is supposed to approve pretreatment requirements for facilities and determine if any existing or proposed uses do not conform or are unlikely to conform to the Prohibited Discharge Standards.<sup>4</sup> These standards include regulation of grease interceptors and oil/water separators.

If the Manager determines that the wastewater does not or is unlikely to conform to the prohibited discharge standards, the owner is required to bring the proposed use into conformance through the use of pre-treatment facilities. Moreover, prior to construction, operation or modification of any pretreatment facilities, the owner must obtain approval in writing from the Manager to ensure the facilities include necessary features. The Manager is authorized to require users to comply with additional standards to protect the publically owned treatment works (POTW).<sup>5</sup> Applicants are expected to hear a response from the Manager or Director within 30 days.

Regulation regarding the requirement for grease interceptors similarly grants broad authority to the Manager:

Grease, oil, and sediment interceptors or separators shall be provided when, in the opinion of the Manager, they are necessary for the proper handling of wastewater containing excessive amounts of fats, oils, greases, sediment, grit, or sand. All interception units shall be of type and capacity approved by the Manager and shall be so located to be easily accessible for cleaning and inspection. A sampling point shall be provided as close as possible to the unit. Such interceptors shall be inspected, cleaned, and repaired regularly, as needed, by the user at user's expense.<sup>6</sup>

## 2. Appellate Process

The appellate process for administrative decisions under PCC Chapter 13 depends on the permit at issue:

Wastewater Discharge Permits: This appeal must be served upon the Director within 10 days from issuance of the permit. There is no mention of appeal to a Hearing Examiner in Chapter 13 PCC regarding wastewater discharge permits.

Revocation, Modification and Expiration: The Director and Manager have authority to revoke or modify expired permits and approvals.

A. The Director has the authority to revoke or modify any permit or approval and/or terminate any connection to the sewer system, pursuant to the Director’s Review.

B. The Manager has the authority to revoke or modify any permit or approval which was issued pursuant to the Manager’s review and any permit or approval that creates an emergency situation. The Manager may immediately suspend a user's discharge whenever such suspension is necessary to

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<sup>2</sup> PCC 13.04.060D.

<sup>3</sup> PCC 13.06.340.

<sup>4</sup> PCC 13.04.045.

<sup>5</sup> PCC 13.06.160

<sup>6</sup> PCC 13.06.160B

stop an actual or threatened discharge which reasonably appears to present or cause an imminent or substantial endangerment to the health or welfare of persons. The Manager may also immediately suspend a user's discharge that threatens to interfere with the operation of the POTW, or presents or may present an endangerment to the environment.

Any notice of violation may be appealed to the hearing examiner as the appeal of an administrative order or decision. The request must be submitted in writing to the Director within 30 days of the date the notice of violation is received.

Violations and penalties: Any penalty must be paid in full or the penalty must be appealed in writing within thirty days. An individual may submit a request by:

A. Submitting a written request within 30 days that the Director mitigate the penalty. The request must identify all facts and once the Director makes a decision, any payment is due within 14 days.

B. Appeal the notice of penalty to the Hearing Examiner within 30 days in accordance with an appeal to an administrative order or decision. A notice of penalty appeal request must also be submitted in writing to the Director.

Affordable housing: Pierce County sewers allows for affordable housing applicants to request a waiver for connection charges, sewer permits and plan review application fees.<sup>7</sup> Fees are waived if sufficient funds are available through an alternative funding source.<sup>8</sup>

### **The City of Lakewood's permitting process under the Pierce County Code**

1. Upon adoption of the County's revised sewer regulations, PCPW had made a request through the City's Building Official that the City not issue any business license until the business had been pre-screened by PCPW. For a short time, and in the spirit of cooperation, CED delayed issuance of business licenses until businesses sought out and had obtained sewer pre-treatment review. The resulting delays produced complaints from commercial businesses, so this process was discontinued.
2. A frequent complaint is that the sewer review process is inconsistently applied.
3. Food service businesses struggle with the County's requirements for the installation of gravity grease interceptors. Part of the problem is a lack of understanding of the City's and County's regulatory systems.

The City's plumbing and building codes require an approved grease capture device. Many businesses therefore assume that this meets adopted environmental regulations. However, meeting local plumbing codes does not mean that a business is in environmental compliance with wastewater discharge.

4. CED compared the County's sewer permitting requirements with that of the City of Tacoma. Presumably both jurisdictions are subject to the same state and federal laws. Pierce County requires a gravity grease interceptor where, under the exact same conditions, Tacoma would require grease trap (also referred to as a hydro mechanical grease interceptor). The grease interceptor is installed outside the building and thus requires significant construction. The grease trap can be installed inside the business with substantially less effort. The average cost to install a small grease trap (0-100 gallons) is between \$250 and \$1,500. The average cost for the

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<sup>7</sup> PCC 18A.65

<sup>8</sup> PCC 18A.65.040.B.1.

installation of a new grease trap (750 to 1,500 gallons) is between \$4,000 and \$8,500. The cost for a gravity grease interceptor, at a minimum, is \$15,000 to \$20,000, plus monthly maintenance costs. Anecdotally, applicants have indicated that the cost for a grease interceptor ranges from \$30,000 to \$50,000. Cost of installation will vary depending on the site. Cost factors include the size of the device, space, grade, proximity to a sewer line, and above-ground or in-ground installation. Gravity grease interceptors are located underground in large concrete boxes outside the building, usually under parking lots.

5. As an example of Code application, two restaurants submitted permits to the City at about the same time, the Burrito Temple and Jersey Mike's. The Burrito Temple is located at 10240 Bridgeport Way, Suite 101. Jersey Mike's is located at 6020 Main Street SW. Both restaurants occupy existing commercial suites. After reviewing the County's handouts for restaurants, it would appear that both locations would have been required to install grease interceptors. However, Jersey Mike's was required to install the interceptor, but the Burrito Temple was not.
6. A recent trend has emerged where PCPW staff is requesting to review the plumbing plans of proposed restaurants. This is causing some concern within the City's Building Division as it relates to plan review procedures and permit issuance.
7. Long-established restaurants (Burrs Restaurant, for example) that were connected to the sewer system under the Pierce County ULID are not grandfathered when it comes to the County's sewer pretreatment requirements. The County will enforce under the following conditions a) the business changes use; b) makes an expansion; c) causes a noticeable grease problem in the County's system; or d) they are tested and found to be out of compliance. The County is currently developing rules to support code enforcement. This may serve as a predicate to imposing the significant requirement that longtime businesses install grease interceptors.
8. On the last item, testing, the County has no comprehensive testing program in place, but the County is working to establish such a program and relatively soon<sup>9</sup>. The County is proposing to allow more minimal fat, oil, and grease (FOG) producers to forgo the installation of a grease interceptor and conduct more testing and enforcement (if necessary). However, in the meantime, minimal FOG producers are paying a hefty price to install grease interceptors. This is a significant issue for Lakewood. There are over 100 operating restaurants in this City alone. In the County's urban areas, such places as Parkland-Spanaway and South Hill are likely to have a similar restaurant count, and are, likewise, equally impacted.

Attachments:

Excel permit analysis  
Tacoma Grease Interceptor Sizing & Installation Guidelines  
Pierce County H1 Handout  
Pierce County Bulletin B11  
Pierce County Bulletin B12  
Pierce county Application A4  
Pierce County Application A5  
Pierce County letter dated July 8, 2015 to Burrito Temple (grease interceptor required)  
Pierce County letter dated August 5, 2015 to Burrito Temple (no grease interceptor required)  
Pierce County SIP List  
Pierce County Future Sewer Improvement Map

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<sup>9</sup> The date this new program is to take place is not known.

Permits applied for 01/01/2015 - 08/10/2015  
that required sewer review

Primary APN	Permit number	Permit type name	Application date	Permit Address	Approval state	Permit description	Customer Last Name	Application to Pierce Cty	1st Review Pierce Cty	Pierce Cty Issued	Comments
5095000034	BP-15-00039	Change of Use	1/15/2015	10518 S TACOMA WAY	final	<b>METRO PCS - TI &amp; CHANG OF USE</b> CHANGE FROM TATOO SHOP TO CELLPHONE SALES & SERVICES PLUS REMOVING 2 WALLS IN TENANT SPACE TO CREATE WIDER SPACE FOR SALES FLOOR	CHOI KWANG JOONG	1/8/2015	1/8/2015	1/8/2015	
0219022067	BP-15-00052	Change of Use	1/20/2015	6101 100TH ST SW	final	<b>HYPER SONIC GAMES &amp; TOYS - TI</b> CHANGE OF USE & COVER INTERIOR WALL & OPEN EXTERIOR DOORWAY IN ADJACENT UNIT	HYPER SONIC GAMES & TOYS	1/15/2015	1/15/2015	1/15/2015	
9003780010	BP-15-00105	Change of Use	2/2/2015	8730 S TACOMA WAY	issued	<b>BLOSSOM NURSING ASST - TI</b> CHANGE OF USE FROM RESTAURANT TO EDUCATIONAL - NO STRUCTUAL CHANGES	AKINLOSOTU	1/26/2015	1/26/2015	1/26/2015	
3960000120	BP-15-00152	Change of Use	2/18/2015	9312 S TACOMA WAY	final	<b>MC CHIROPRACTIC - TI</b> CHANGE OF USE; CONSTRUCT INTERIOR WALLS TO CREAT 8 SEPARATE ROOMS	YEOL RIN MUN CONSTRUCTION	2/17/2015	2/17/2015	2/17/2015	
4002240100	BP-15-00164	Change of Use	2/19/2015	5919 LAKEWOOD TOWNE C SW	pending	<b>WINGSTOP RESTAURANT - TI</b> RECONFIG INTERIOR WALLS TO OPEN SPACE EATING AREA WITH FULLSIZE COM KITCHEN & WORK AREA	RICE WINGS LLC	5/4/2015	5/26/2015	plans appvd 7/24/15	2nd review RFI: 06/18/15 3rd review RFI: 07/08/15 4th review: 07/24/15, plans appvd, need mandatory pre-con mtg. before issuance
9003780050	BP-15-00229	Change of Use	3/11/2015	8718 S TACOMA WAY	final	<b>BAE'S SKIN CARE - TI</b> EXPAND EXISTING BUSINESS TO INCLD UNIT #E WHICH WAS PREVIOUSLY AN M OCCUPANCY. CREATING DOORWAY BETWEEN UNITS D & E AND BUILDING PARTIIONS TO CREATE NEW TREATMENT ROOMS	YEOL RIN MUN CONSTRUCTION	2/24/2015	3/10/2015	4/8/2015	
0219142081	BP-15-00290	Change of Use	4/6/2015	12828 PACIFIC HWY SW	final	<b>MARTIAL ARTS STUDIO - TI</b> CHANGE OF USE FROM STORAGE TO MARTIAL ARTS STUDIO	JOHNSON	3/27/2015	3/27/2015	3/27/2015	
4002300090	BP-15-00434	Change of Use	5/8/2015	6020 MAIN ST SW	pending	<b>JERSEY MIKE'S SUBS - TI</b> FROM RETAIL TO RESTAURANT, RECONFIG & ADDING WALLS	KARREMAN & ASSOC	6/4/2015	6/16/2015	RFI Pending	RFI rcvd f/customer: 06/30/15 2nd review & RFI: 07/30/15 plans appvd, need mandatory pre-con mtg. before issuance
5087000100	BP-15-00603	Change of Use	6/11/2015	9612 40TH AVE SW	approved	<b>OTERO DAYCARE - TI - ADDING DEMISING WALL AND WALLS TO CREATE AN OFFICE.</b>	GUERRERO	7/6/2015	7/31/2015	7/31/2015	
0320313085	BP-15-00720	Change of Use	7/13/2015	9205 S TACOMA WAY	pending	<b>YONG H CHA- CHANGE OF USE</b> BUILDING NEW DEMISING WALLS & DOORS.	NAM	7/13/2015	7/28/2015	7/28/2015	
9003780050	BP-15-00801	Change of Use	7/30/2015	8718 S TACOMA WAY	pending	<b>EYEJOA OPTICAL - TI</b> CHANGE OF USE PERMIT	YEOL RIN MUN CONSTRUCTION	5/20/2015	6/1/2015	6/1/2015	
5095000013	BP-15-00074	New Commercial Building	1/26/2015	10402 S TACOMA WAY	pending	<b>OMAR'S TIRE SHOP - NEW COMM</b> NEW 3,120SF METAL BUILDING - PLUS 2 ADA BATHROOMS, STORAGE LOFT - MECHANICAL BEING DEFERRED	WONG	4/9/2015	5/4/2015	RFI Pending	

Permits applied for 01/01/2015 - 08/10/2015  
that required sewer review

Primary APN	Permit number	Permit type name	Application date	Permit Address	Approval state	Permit description	Customer Last Name	Application to Pierce Cty	1st Review Pierce Cty	Pierce Cty Issued	Comments
0219122017	BP-15-00158	New Commercial Building	2/18/2015	11701 PACIFIC HWY SW	pending	<b>WELCHER GUN SHOP - NEW COM BLDG</b> CONSTRUCT 23,101SF, 37.11FT HIGH 1-STORY W/ MEZZ & GUN RANGE	GUERRERO	1/23/2015	2/11/2015	RFI Pending	Resubmittal rcvd f/customer: 03/06/15 2nd review & RFI: 03/19/15 3rd review & RFI: 04/13/15
0219211071	BP-15-00838	New Commercial Building	8/6/2015	15305 UNION AVE SW	pending	<b>STARBUCKS @ TILlicum - SHELL BLDG</b> CONSTRUCT 1800SF SHELL W/ ROUGH PLUMB & MECH	CORNERSTONE ARCHITECTURAL GROU	8/4/2015			
4002220130	BP-15-00020	Commercial Remodel	1/8/2015	4625 100TH ST SW	issued	<b>PEOPLES FURNITURES - TI</b> NEW TENANT - CONSTRUCTING 1,217SF OFFICE & RESTROOM AREA WITHIN EXISTING WAREHOUSE SPACE	JAMES GUERRERO ARCHITECT	1/14/2015	2/5/2015	3/18/2015	
5080000256	BP-15-00181	Commercial Remodel	2/25/2015	9715 LAKEWOOD DR SW	issued	<b>YMCA - REMODEL</b> RECONFIGURE INTERIOR WALLS TO CREATE FAMILY LOCKER ROOM AREA IN THE EXISTING WOMEN'S LOCKER ROOM	GUERRERO	4/2/2015 5/5/2015	4/15/2015 5/21/2015	5/21/2015	incorrect application type submitted 04/02/15
0320316007	BP-15-00329	Commercial Remodel	4/14/2015	8511 S TACOMA WAY	pending	<b>LEE MEDICAL BLDG - TI</b> - CREATING EXAM ROOMS, BREAKROOM, OFFICES, NURSES STATION, RECEPTION AND WAITING AREA.	JAMES GUERRERO ARCHITECT	5/18/2015	6/9/2015	RFI Pending	
0219022230	BP-15-00330	Commercial Remodel	4/14/2015	9618 59TH AVE SW	issued	<b>LAKEWOOD DENTAL - REMODEL EXISTING</b> RECEPTION AREA AND CONSULTING ROOMS.RECONFIGURE INTERIOR WALLS, NEW FOOTINGS, NEW BEAMS, NEW SOFFITS, NEW SKYLIGHT	JAMES GUERRERO ARCHITECT	5/11/2015	5/29/2015	5/29/2015	
0219211049	BP-15-00393	Commercial Remodel	4/30/2015	14911 UNION AVE SW	issued	<b>HAPPY TERIYAKI - REPAIR</b> REMOVE FIRE DAMANGED MATERIAL TO INCL'D ROOFING AND DRYWALL	NORTHWEST ABATEMENT SERVICES,	4/29/2015	5/19/2015	RFI Pending	Resubmittal rcvd f/customer: 05/28/15 2nd review & RFI: 06/09/15 Resubmittal rcvd f/customer: 07/28/15 3rd review & RFI: 08/03/15
0219011116	BP-15-00424	Commercial Remodel	5/7/2015	10202 EARLEY AVE SW	issued	<b>SOUTHGATE ELEM - REMODEL BLDG 13-</b> CONVERT LIBRARY INTO 2 CLASSROOMS W/RESTROOMS AND STAFF LOUNGE, RECONFIGURE WALLS IN ADMINISTRATION AREA, ENTRY DOOR, INSTALL 1 WINDOW IN STAFF LOUNGE/WORKROOM	KMB DESIGN GROUPS INC	6/10/2015	6/25/2015	6/25/2015	
5087000100	BP-15-00515	Commercial Remodel	5/22/2015	9616 40TH AVE SW	pending	<b>EMMANUEL APOSTALIC CHURCH- CHANGE OF USE</b> BUILDING WALLS TO CREATE STORAGE & OFFICE AREA	BANKS	5/15/2015	5/15/2015	5/15/2015	

Permits applied for 01/01/2015 - 08/10/2015  
that required sewer review

Primary APN	Permit number	Permit type name	Application date	Permit Address	Approval state	Permit description	Customer Last Name	Application to Pierce Cty	1st Review Pierce Cty	Pierce Cty Issued	Comments
0220331073	BP-15-00633	Commercial Remodel	6/18/2015	8520 STEILACOOM BLVD SW	issued	<b>JIMMY JOHN'S - TI</b> COMPLETE INTERIOR, RECONF WALLS FOR KIT, EATING & BATHROOM AREAS	TESKE	6/18/2015	7/10/2015	7/10/2015	
5029500010	BP-15-00663	Commercial Remodel	6/29/2015	7609 STEILACOOM BLVD	pending	<b>PIZZA HUT - TI</b>	EMERALD CITY PIZZA LLC	7/16/2015	8/4/2015	RFI Pending	
0219021064	BP-15-00694	Commercial Remodel	7/7/2015	5700 100TH ST SW	pending	<b>H&amp;R BLOCK- RELOCATION</b> OF EXISITING TENANT IN SHOPPING CENTER #405	WIG PROPERTIES LLC-LKPV	7/21/2015	8/7/2015	8/7/2015	
9009220060	BP-15-00747	Commercial Remodel	7/15/2015	7602 BRIDGEPORT WAY W	pending	<b>PSA HEALTHCARE - TI</b>	RHOMBUS CONSTRUCTION INC	7/16/2015	7/16/2015	Pending Review	

\*RFI = Request for Information



# Grease Interceptor Sizing and Installation Guidelines

E-102

City of Tacoma • 747 Market Street, Room 345, Tacoma, WA 98402

Grease protection is an essential element for restaurants, cafes, catering facilities, commissaries, hotels, cafeterias, convenience stores, full service grocery stores, schools, hospitals, and food manufacturing plants. Grease interceptors are installed on "gray" water drain lines and are designed to remove fats, oils and grease (FOG) from wastewater. The retained FOG should be regularly removed or pumped out of the interceptor. The interceptor must be cleaned whenever 25 percent of any chamber becomes filled with FOG or solids.

## Definitions

**Hydromechanical Grease Interceptors (HGIs)** can be located inside or outside the facility and are required to have an approved type of vented flow restrictor. Flow restrictors slow the flow of water entering the grease interceptor. The total capacity of the fixtures discharging into an HGI, in gallons, shall not exceed two and one-half (2 ½) times the certified gallons-per-minute flow rate of the interceptor.

**Gravity Grease Interceptors (GGIs)** are generally installed in the ground outside the facility, upstream from the "black" water (sanitary waste) drain line, and are at least 500 gallons in capacity. In existing buildings like the downtown corridor, space for a GGI usually does not exist. Breaking down the fixtures into smaller groups and running them through an appropriately sized HGI is the best solution.

A **Drainage Fixture Unit (DFU)** is a unit of measure for the load-producing effects on a plumbing system from different kinds of plumbing fixtures. Things like produce prep sinks and hand washing sinks do not need to be connected to the grease device. If they are not plumbed into the device then they should not be included in the sizing calculation.

## Examples of DFU Calculations

**Table 1** on the next page ("Determining DFUs") lists the number of DFUs per fixture.

**Table 2** ("Fixture Equivalents") lists the number of DFUs per pipe diameter.

**Example 1:** Restaurant with 40 seats, serves 120 meals per hour\*:

3-comp sink (9 DFUs)  
2-comp food prep sink (6 DFUs)  
mop sink (3 DFUs)  
3 hand washing sinks (3 DFUs)  
2 floor drains (4 DFUs)  
+ dishwasher with 2" pipe to floor sink (2" drain line for 4 DFUs)  
**Total = 29 DFUs**

**Example 2:** Restaurant with 40 seats, serves 40 meals per hour\* or less:

**\*Meals per peak hour** is determined by multiplying the number of seats by 60, and dividing by the estimated time (minutes) it takes for a patron to eat.

3-comp sink (9 DFUs)  
2-comp food prep sink (not connected)  
mop sink (3 DFUs)  
hand wash sink (not connected),  
pre-rinse sink (3 DFUs)  
+ dishwasher (not connected)  
**Total = 15 DFUs**

**Table 4** on the next page ("HGI Sizing Chart") is used to determine the size of HGI needed, if that is the type of grease interceptor being installed. In Example 1, based on 29 DFUs a 75 gallon per minute (gpm) unit would be required. In Example 2, a 50 gpm unit would be required.

**Table 5** ("GGI" Sizing Chart") is used to determine the size of GGI needed. Example 1 would require a 100 gallon unit. Example 2 would require a 750 gallon unit.

The flow chart on the next page can be used to determine what type of grease interceptor is allowed, whether or not a garbage disposal is allowed, and what the next steps of permitting might be.

**For more information, contact: City of Tacoma Environmental Services**  
<http://www.cityoftacoma.org>, (253) 591-5588

E-102, 12/2014

Type of Fixture	# of DFUs	Comments
3-compartment sink	9	
2-compartment sink	Use floor sink criteria based upon drain size or number of sinks, whichever is larger	Each compartment is 3 DFUs.
Floor sinks	DFUs based upon sink drain size*	See table 2 below or section 702.1 in the UPC. *Floor sinks that receive only ice machine and cooler condensate are not counted.
Mop sink	3	If cooking meat, then new mop sinks must be connected to grease protection.
Wok sink	3	
Floor drains	2	
Trench drains	2 DFUs per lineal foot of drain	
Soup Kettle	2 DFUs per lineal foot of trench drain	
Braziers	2 DFUs per lineal foot of trench drain	
Steam tables	Use floor sink or trench drain criteria, whichever is appropriate.	
Dishwasher pre-rinse sink	3	
Dishwashers	Use floor sink criteria	
Food waste disposers, including pulpers	Use next larger size of GGI than would otherwise be required	FOG bearing food waste disposers can only discharge to properly sized GGIs

Drain Size in Inches	DFUs
1-1/4	1
1-1/2	3
2	4
3	6
4	8

Pipe Size, Inches	Max. Full Pipe Flow (gpm)	Max. DFU Count
2	20	8
2-1/2	38.2	14
3	60	35
4	125	216
5	230	428
6	375	720

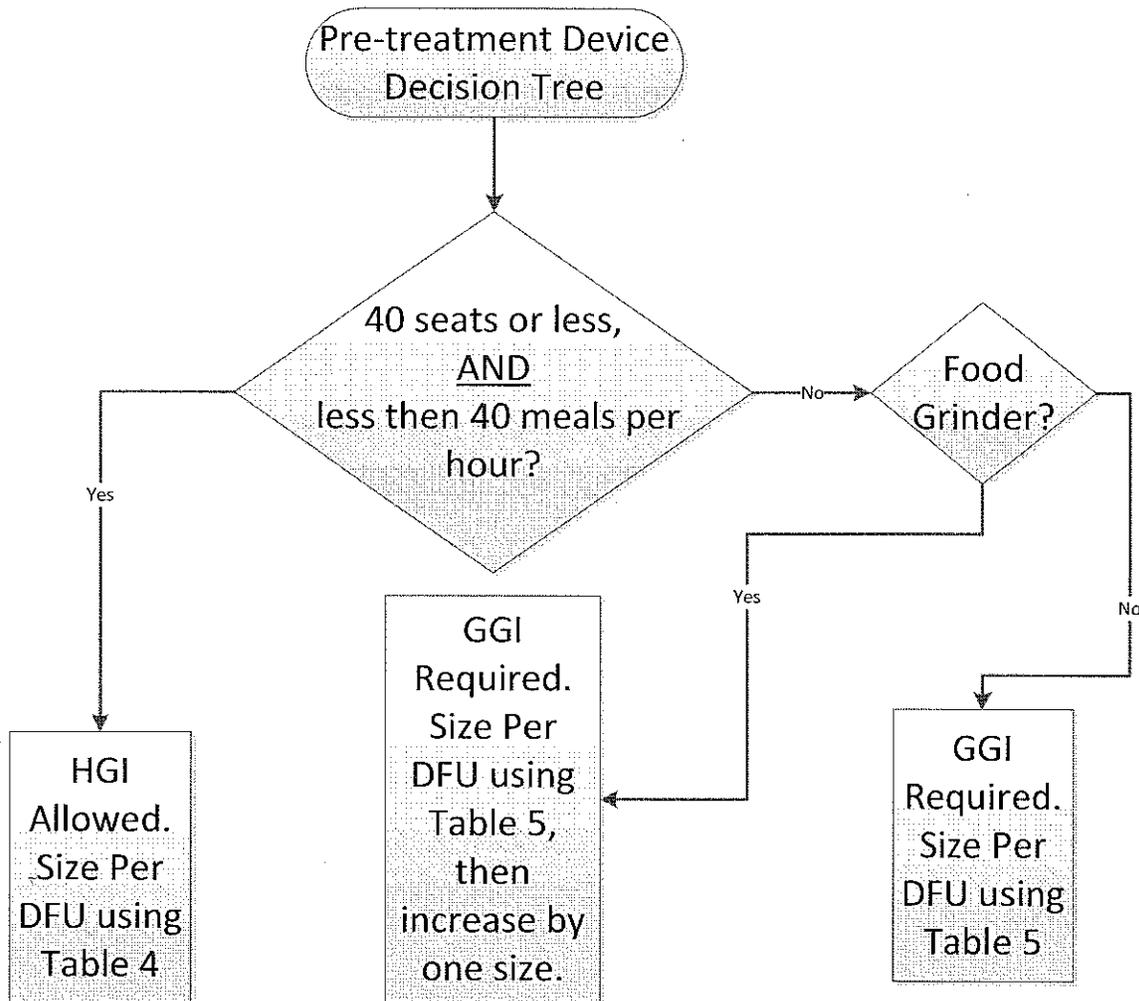
DFUs <sup>(1)</sup>	HGI Flow (gpm)
8	20
10	25
13	35
20	50
35	75
172	100
216	150
342	200
428	250
576	350
720	500

DFUs <sup>(1)</sup>	GGI Volume
8	500 gallons
21	750 gallons
35	1,000 gallons
90	1,250 gallons
172	1,500 gallons
216	2,000 gallons
307	2,500 gallons
342	3,000 gallons
428	4,000 gallons
576	5,000 gallons
720	7,500 gallons
2112	10,000 gallons
2640	15,000 gallons

<sup>(1)</sup> The maximum allowable number of DFUs that can be connected to the grease interceptor.

The information in the above tables is from section 702.0 and tables 7-5, 10-2 and 10-3 of the Uniform Plumbing Code.

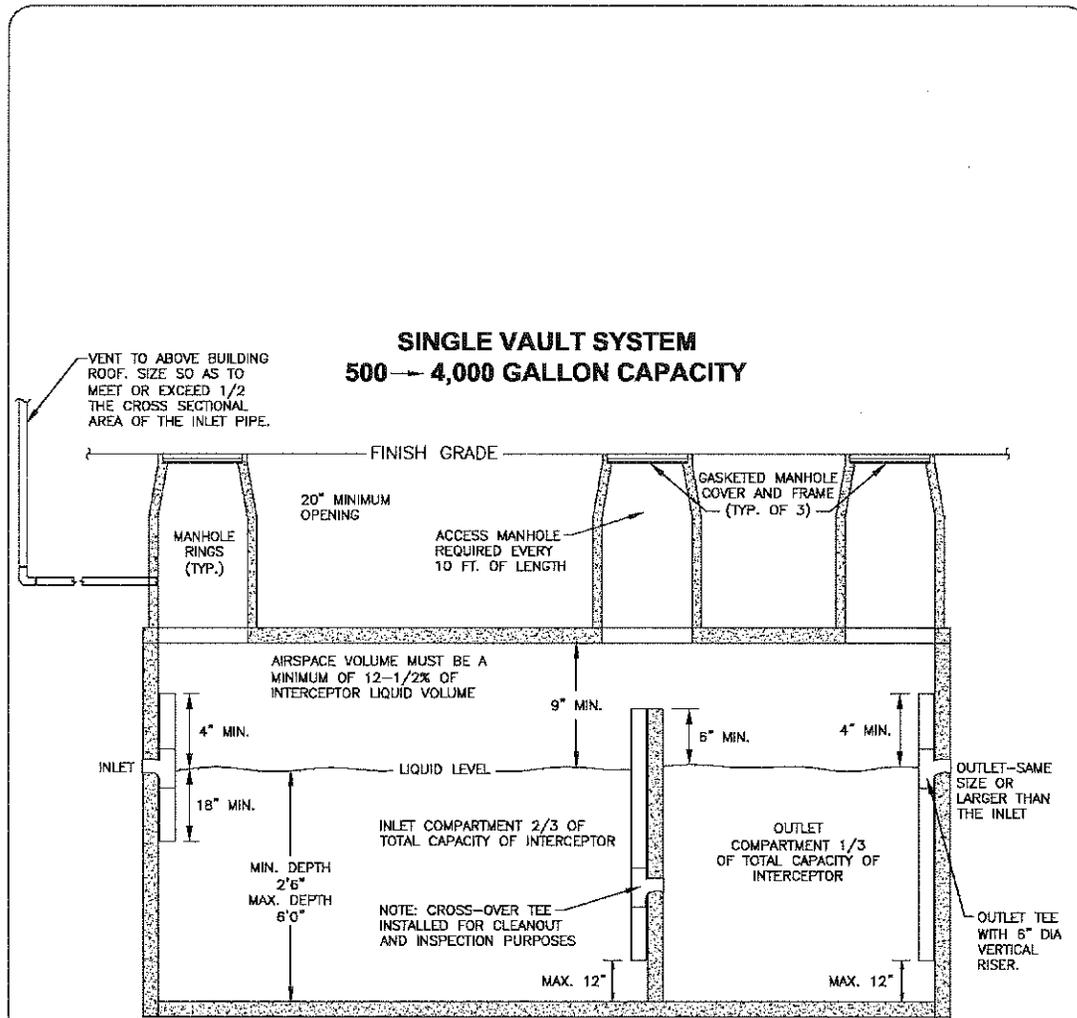
# Pre-treatment Device Decision Tree Fats Oils and Grease (FOG) Pretreatment Device Decision Tree



Key

HGI – Hydromechanical Grease Interceptor  
GGI – Gravity Grease Interceptor  
DFU – Drainage Fixture Unit

11/12/13



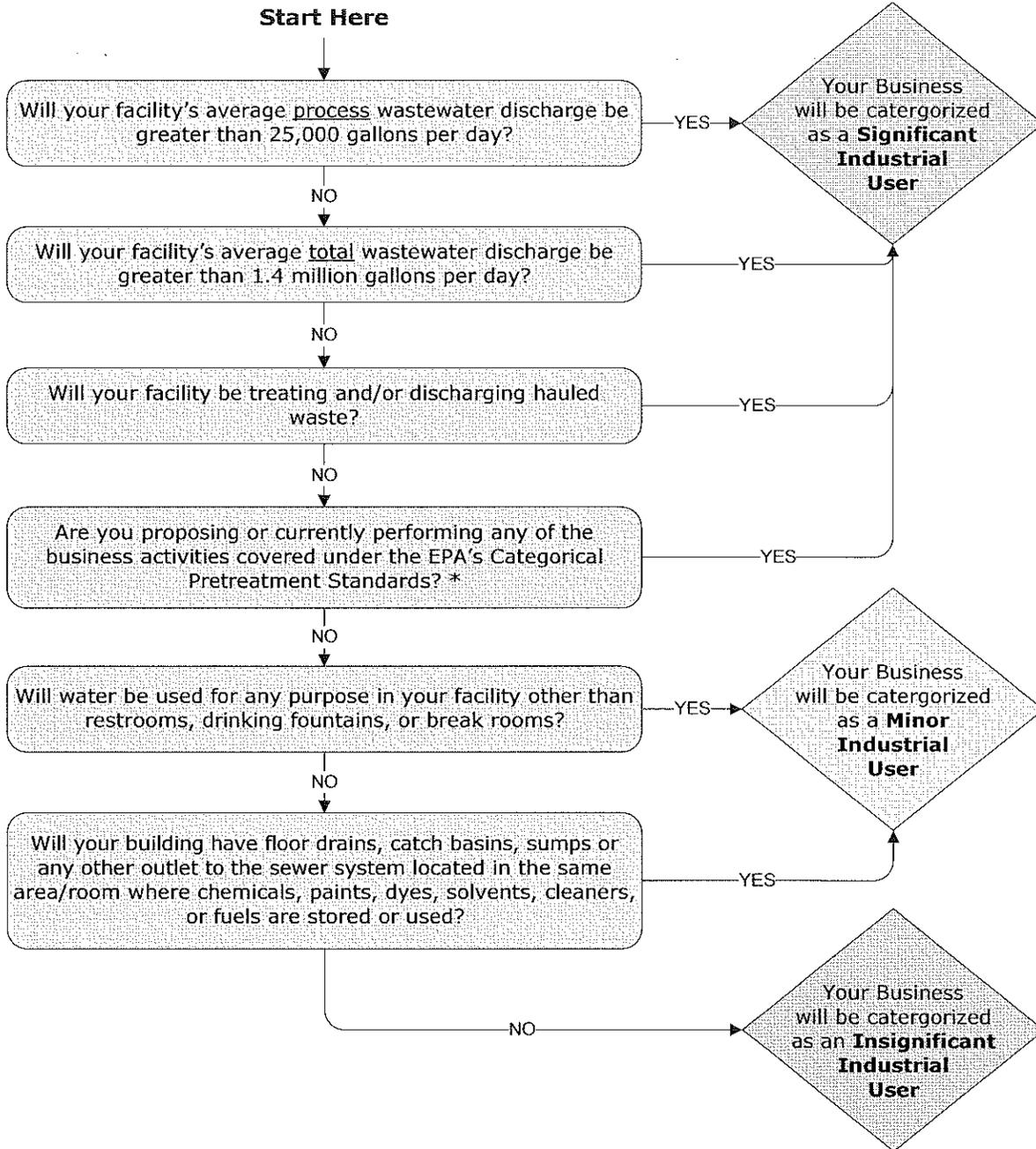
1. Interceptors are to be sized and installed per the requirements of the UPC and the City of Tacoma.
2. Interceptor shall be installed and connected so that it is accessible at all times for inspection, cleaning, and removal of intercepted grease.
3. Core drill all penetrations in vault.
4. Install outlet tee with 6" diameter vertical riser.
5. Fill vault with clean water prior to beginning service.
6. Interceptor shall be cleaned whenever 25 percent of any compartment becomes filled with grease and solids.
7. For assistance in properly sizing an interceptor please call Environmental Services at 253-591-5588.

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# WHAT TYPE OF INDUSTRIAL USER ARE YOU?



When evaluating Pretreatment Review Applications, the Pierce County Sewer Utility first determines in which Industrial User category the Applicant's business belongs. Listed from the greatest potential of discharge strength to the least, the three Industrial User Categories are **Significant, Minor and Insignificant**. Please use the following flow cart to determine in which Industrial User category your business belongs.



\*EPA Categorical Industries: dairy product processing, grain mills, canned and preserved fruits and vegetables processing, canned and preserved seafood processing, sugar processing, textile mills, cement manufacturing, concentrated animal feeding operations, electroplating, organic chemicals, plastics, and synthetic fibers, inorganic chemicals manufacturing, soap and detergent manufacturing, fertilizer manufacturing, petroleum refining, iron and steel manufacturing, nonferrous metals manufacturing, phosphate manufacturing, steam electric power generating, or ferroalloy manufacturing

***Food/Beverage Production,  
Processing, and/or Packaging  
with Cooking On-site***



Existing and proposed commercial food establishments with cooking on-site (e.g., restaurants, bakeries, cafeterias, cafes, catering, church kitchen, coffee shop/bar, donut shops, hospitals, hotels, meal preparation kitchen, pizza shop, resorts, school, etc.) that are/will be Pierce County Sewer Utility customers are required to provide Supplemental Information along with the Minor Industrial User Pretreatment Review application.

The bulletin is intended to assist the applicant in preparing the necessary documents to be provided with a complete Pretreatment Review Application. This document is a guide only and should not be misconstrued as a replacement or revision of the Pierce County Code and associated Sewer Utility design and construction standards.

***What types of food establishments with cooking on-site are required to install a Grease Interceptor?***

Our staff routinely visits and tests the discharge from food establishments within our sewer service area. Based on these visits the following types of establishments generate fats, oils and greases higher than our discharge limits and are required to install a grease interceptor to treat the wastewater prior to discharging it to our sanitary sewer system. The followings types of food establishments that cook on site are required to install a grease interceptor:

- Fast Food establishments that fry food (Burger King, Dairy Queen, KFC, McDonalds, Taco Bell, etc.)
- Full service food cooking establishments that stir fry, fry meat, bake/broil meat, and/or boil meat (Full Service Restaurants, Cafeterias, Resorts, Kitchens that cook for schools, hospitals, hotels, motels, etc.)
- Bakeries with the followings items cooked or prepared on site (pastries, frosted cakes or cookies, cheesecakes, pies, etc.)
- Pizza shops with food served on-site using reusable dishes, silverware, etc.

***Will other types of food establishments with cooking on-site be required to install a Grease Interceptor?***

We will review the menu, kitchen and cooking practices of other types of food establishments to determine if fats, oils, or greases in excess of our discharge limits will potentially be discharged to the sanitary sewers. It is very important that the items noted in our Bulletin #B13 *Kitchen and Cooking Practices* are provided.

***What types of food establishments with cooking on-site are not required to install a Grease Interceptor?***

Based on our experience, the following types of establishments do not typically generate fats, oils and greases in excess of our discharge limits. Therefore, we do not require a grease interceptor to be installed.

- Fast Food establishments that:
  - do not cook meat on site, and
  - only warm the food before it is served, and
  - use disposable plates and utensils, and
  - have cleaning practices that prevent fats, oils and greases from being discharged to the sanitary sewer.
  - For example: Subway, Taco Del Mar, or Quiznos
- Bakeries for bread only.
- Pizza shops that
  - are take out only, and
  - only serve pizza, and
  - have cleaning practices that prevent fats, oils and greases from being discharged to the sanitary sewer.

***Can a Grease Trap be installed in lieu of a Grease Interceptor?***

Under-the-counter mechanical plumbing fixtures that are designed to remove fats, oils, and greases (FOG) and are generally known as grease traps are not acceptable in lieu of the standard external Grease Interceptor.

If the Sewer Utility determines that a Grease Interceptor is required for the food establishment, a grease trap will not be accepted as the only device for removal of FOG prior to discharge to the sanitary sewers.

***We are occupying a space that has been a restaurant but it does not have a grease interceptor. Will I be required to install a grease interceptor?***

The previous food establishment may have had a menu or kitchen and cooking practices with little or no discharge of fats, oils, and greases to the sanitary sewer or may have been in existence prior to the implementation of Pierce County's Pretreatment Program. A small change in a menu, kitchen or cooking practices can make a significant change in the potential for excessive fats, oils, and greases being discharged to the sanitary sewer. As a new tenant, your proposed menu, kitchen and cooking practices will be reviewed to determine the potential for fats, oils, and greases being discharged to the sanitary sewer system. A grease interceptor may be required for your specific proposal.

***Are there other requirements that food establishments must be aware of when the site is served by Pierce County Sanitary Sewers?***

Yes, the following items must also be complied with:

- Food establishments must not install or utilize garbage grinders/disposals. Please confirm in writing that garbage grinders/disposals will not be installed or utilized.
- Waste food, including coffee grounds, must be disposed to solid waste; not into the sanitary sewer.
- Prior to a food establishment that has occupied a site without a grease interceptor making a change in menu or kitchen and cooking practices, the user must submit a new Minor Industrial User Pretreatment Review Application for review and approval.
- Please note that if after a food establishment has occupied a site without a grease interceptor and the facility's sewer discharge exceeds the County fats, oils, and greases (FOG) limit of 100 mg/l, or if a sewer line blockage occurs as a result of excess grease in the facility's discharge, then the installation of an engineered grease interceptor shall be required.
- Wash water/chemicals used to clean a ceiling, ceiling vent, and/or hoods shall not be discharged to the sanitary sewer.

**Where can I get the forms that I need?**

Sewer Utility Division Standard Plans and Forms can be downloaded in PDF format from the following webpage: [www.piercecountywa.org/sewer](http://www.piercecountywa.org/sewer)

Completed applications and fees (make checks out to Pierce County) must be delivered in person to:

Pierce County Sewer Utility – Permits  
2401 South 35<sup>th</sup> Street, Room 150  
Tacoma, WA 98409-7494

Or mailed to:

Pierce County Sewer Utility – Engineering  
9850 - 64<sup>th</sup> Street West  
University Place, WA 98467-1078

If you have any questions, please contact either:

A Sewer Utility Permit Technician at (253) 798-2737, or  
A Sewer Utility Engineer at (253) 798-4050

***Food/Beverage Production,  
Processing, and/or Packaging  
with No Cooking On-site***



Existing and proposed commercial food establishments with no cooking on-site (e.g., coffee shop/bar, day care, deli, meat shop, mini-mart with hot food counter, motels, nutrition Bar, sandwich shop, school, social hall kitchen, recreation facility kitchen, warming kitchen, etc.) that are/will be Pierce County Sewer Utility customers are required to provide Supplemental Information along with the Minor Industrial User Pretreatment Review application.

The bulletin is intended to assist the applicant in preparing the necessary documents to be provided with a complete Pretreatment Review Application. This document is a guide only and should not be misconstrued as a replacement or revision of the Pierce County Code and associated Sewer Utility design and construction standards.

***What types of food establishments without cooking on-site are still required to install a Grease Interceptor?***

Users that are cleaning surfaces, pots, pans, utensils, dishes, silverware, etc. that contain fats, oils, or greases will still be required to install a grease interceptor.

Food Establishments with no cooking on site need to provide detailed kitchen and cooking practices that address any on-site heating and cleaning of surfaces, serving/warming pots, pans, utensils, dishes, silverware, etc.

***What types of food establishments with no cooking on-site are not required to install a Grease Interceptor?***

Food Establishments with no cooking or food preparation on site (food may be warmed only) and very limited cleaning may not be required to install a grease interceptor. These sites use disposable dishes, silverware, etc. for serving the food, or the food is delivered to the site and sold/heated/consumed in disposable single-service containers. Any pots, pans, and utensils are either cleaned at another site, or are disposed of to solid waste without any cleaning/discharge to the sanitary sewer.

Standard cleanup practices shall include wiping down of all surfaces that have been in contact with fats, oils or greases (food preparation surface, serving trays, and serving utensils) with paper towels, then the paper towels are disposed of to a solid waste receptacle without any cleaning/discharge to the sanitary sewer. We will review the detailed menu and kitchen and cooking practices to verify that the potential for discharging fats, oils, and greases are minimal.

***Should we install a Grease Trap (relatively small box normally installed inside the building) for a Food Establishment?***

Owners may install internal Grease Traps as a measure to reduce the amount of maintenance that is required for their external Grease Interceptor, but they are not accepted in lieu of a standard external Grease Interceptor. If we determine that a Grease Interceptor is required for the food establishment, a Grease Trap will not be accepted as the only device for removal of grease.

***We are occupying a space that has been a restaurant, but it does not have a grease interceptor. Will I be required to install a grease interceptor?***

As a new tenant, your proposed menu, kitchen and cooking practices will be reviewed to determine the potential for fats, oils, and greases being discharged to the sanitary sewer system. A grease interceptor may be required for your specific proposal.

The previous food establishment may have had a menu or kitchen and cooking practices with little or no discharge of fats, oils, and greases to the sanitary sewer or may have been in existence prior to the implementation of Pierce County's Pretreatment Program. A small change in a menu, kitchen or cooking practices can make a significant change in the potential for excessive fats, oils, and greases being discharged to the sanitary sewer.

***Are there other requirements that food establishments must be aware of when the site is served by Pierce County Sanitary Sewers?***

Yes, the following items must also be complied with:

- Food establishments must not install or utilize garbage grinders/disposals. Please confirm in writing that garbage grinders/disposals will not be installed or utilized.
- Waste food, including coffee grounds, must be disposed to solid waste; not into the sanitary sewer.
- Prior to a food establishment that has occupied a site without a grease interceptor making a change in menu or kitchen and cooking practices, the user must submit a new Minor Industrial User Pretreatment Review Application for review and approval.
- Please note that if after a food establishment has occupied a site without a grease interceptor and the facility's sewer discharge exceeds the County fats, oils, and greases (FOG) limit of 100 mg/l, or if a sewer line blockage occurs as a result of excess grease in the facility's discharge, then the installation of an engineered grease interceptor shall be required.
- Wash water/chemicals used to clean a ceiling, ceiling vent, and/or hoods shall not be discharged to the sanitary sewer.

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University Place, WA 98467-1078

If you have any questions, please contact either:

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A Sewer Utility Engineer at (253) 798-4050

**APPLICATION****A4**Revised  
9/1/2013**SEWER DEVELOPMENT REVIEW APPLICATION FOR  
INSIGNIFICANT INDUSTRIAL USER  
PRETREATMENT REVIEW**Pierce County  
Public Works and Utilities

This form must be properly completed and submitted with an original signature, along with any supplemental information or applications as outlined in this form, to a Sewer Utility Representative at the Pierce County Development Center, 2401 S 35<sup>th</sup> St, Room 150, Tacoma, WA 98409. **A Floor Plan must also be included with this form.** A blank grid and a sample Floor Plan is provided for your use. Use this form if:

1. You are proposing to operate a business/commercial facility, **AND**
2. The building is, or will be, connected to Pierce County Sanitary Sewers, **AND**
3. The business/commercial facility is designated as an **Insignificant Industrial User** (see the handout titled, "What Type of Industrial User Are You?").

Sewer Utility approvals must be obtained prior to issuance of building permits, business licenses, and/or occupying the structure or tenant space. If you have any questions, please contact the Sewer Utility at (253) 798-4050.

**A. PROPERTY/BUILDING INFORMATION (  Check here if the Applicant is the Property Owner)**

1. Property Owner(s) Name(s): \_\_\_\_\_

Mailing Address: \_\_\_\_\_

STREET

SUITE/TENANT SPACE

CITY

ZIP

Office or Cell Phone: \_\_\_\_\_ Fax Number or E-mail: \_\_\_\_\_

2. Parcel No(s): \_\_\_\_\_

3. Site Address: \_\_\_\_\_

STREET

SUITE/TENANT SPACE

CITY

ZIP

4. Building Permit Jurisdiction:

- Unincorporated Pierce County    Lakewood    DuPont    Fife    Tacoma    Milton  
 University Place    Steilacoom    Edgewood

5. Description of Building/Tenant Space (Check all that apply):

- New Building    Existing Building    Addition to Existing Building  
 New Tenant Space    Existing Tenant Space    Expanding Existing Tenant Space

**B. TENANT/BUSINESS INFORMATION (  Check here if the Applicant is the Tenant/Business Owner)**1. Type of Tenant/Business (Check one):  New Tenant/Owner    Existing Tenant/Owner

2. Tenant/Business Name: \_\_\_\_\_

Tenant/Business Owner's Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

STREET

SUITE/TENANT SPACE

CITY

ZIP

Office or Cell Phone: \_\_\_\_\_ Fax Number or E-mail: \_\_\_\_\_

3. Description of Tenant/Business: \_\_\_\_\_

**C. PROJECT OR BUSINESS CHANGE INFORMATION**

1. Type of Project or Business Change (Check all that apply):

- New Tenant/Owner Improvements     Existing Tenant/Owner Remodel
- New Business Activities     Change in Business Activities     Increase in Staff

2. Description of Project or Business Change: \_\_\_\_\_  
\_\_\_\_\_

**D. BUILDING SEWER CONSTRUCTION**

- 1. Are you constructing a new connection to the sewer system?     Yes     No
- 2. Are you rerouting or modifying the building sewer system on the site?     Yes     No
- 3. Will the proposed project or change in business activities require an **increase** in water use on the property?  
 Yes     No

**If you answered “Yes” to question D1 or D2 or D3 above, then you must submit a Commercial Sewer Service Permit Application (including all required supporting documents) along with the required Sewer Service Permit Fee and Connection Charges to the Pierce County Sewer Utility Division.**

**E. PLUMBING CHANGES**

- 1. Are you adding new plumbing or making any plumbing revisions in the building?     Yes     No
- 2. Is there any existing plumbing in your building connected to a pretreatment device (grease interceptor, oil-water separator, acid neutralization tank, etc)?     Yes     No

**If you answered “Yes” to questions E1 and E2 above, then you must submit two copies of your Plumbing Plan for review by the Pierce County Sewer Utility Division to ensure that there is no cross-contamination of existing pretreatment devices.**

**F. APPLICATION FEES**

**If you answered “No” to ALL the questions above (D.1 through E.2), then further engineering review by the Pierce County Sewer Utility Division is not required and your Insignificant Industrial User Pretreatment Application Fee will be waived.** Please sign the affidavit below and submit this completed form along with a Floor Plan to the Sewer Utility Representative at the Pierce County Development Center, 2401 S 35<sup>th</sup> St, Room 150, Tacoma, WA 98409, or the appropriate City Building Official.

**If you answered “Yes” to ANY of the questions above (D.1 through E.2), then further engineering review by the Pierce County Sewer Utility Division is required.** Please sign the affidavit below and submit this completed form and along with a Floor Plan, any additional required applications, supplemental information, **and an Insignificant Industrial User Pretreatment Application Fee (\$100.00)** to the Sewer Utility Representative at the Pierce County Development Center, 2401 S 35<sup>th</sup> St, Room 150, Tacoma, WA 98409.

**G. AFFIDAVIT**

As the Applicant for the permit described above, I/we hereby state that all the information provided herein and stated above is true and correct.

I/We further state that we are either the legal owner of the property described above, an authorized agent of the owner, or a tenant that has entered into a lease agreement with the property owner to operate the business and/or facility described herein on the owner’s property.

I/We further state that:

Initial Here

- a. \_\_\_ Our facility’s average process wastewater discharge will not be greater than 25,000 gallons per day, and
- b. \_\_\_ Our facility’s average total wastewater discharge will not be greater than 1.4 million gallons per day, and
- c. \_\_\_ I/We are not proposing or currently performing any of the business activities covered under the EPA’s Categorical Pretreatment Standards (e.g., dairy product processing, grain mills, canned and preserved fruits and vegetables processing, canned and preserved seafood processing, sugar processing, textile mills, cement manufacturing, concentrated animal feeding operations, electroplating, organic chemicals, plastics, and synthetic fibers, inorganic chemicals manufacturing, soap and detergent manufacturing, fertilizer manufacturing, petroleum refining, iron and steel manufacturing, nonferrous metals manufacturing, phosphate manufacturing, steam electric power generating, or ferroalloy manufacturing), and
- d. \_\_\_ Water will not be used for any purpose other than restrooms, drinking fountains, and break rooms, and
- e. \_\_\_ Our facility will not have floor drains, catch basins, sumps or any other outlet to the sewer system located in the same area/room where chemicals, paints, dyes, solvents, cleaners, or fuels are stored or used.

I/We acknowledge that I/we, as a User of the public sewer system, shall be responsible for all wastewater discharges from the facilities of the above-described business, and shall not contribute, cause, or allow to be discharged directly or indirectly, into the wastewater facilities of the County any Prohibited Discharges as described in Pierce County Code Chapter 13.06 “Industrial Pretreatment Regulations”.

I/We further acknowledge that I/we, as a User of the public sewer system, may be subject to criminal and civil penalties up \$1,000 per occurrence, as prescribed in Pierce County Code Chapter 13.04 if found to have violated said regulations.

\_\_\_\_\_  
APPLICANT’S SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
COMPANY NAME (IF APPLICANT IS A COMPANY)

\_\_\_\_\_  
TITLE

**Note: The Applicant must be the property owner or tenant/business owner.** Engineers, architects, contractors, or other agents of the Applicant are not allowed to sign this form without submittal of documented approval from the Applicant.

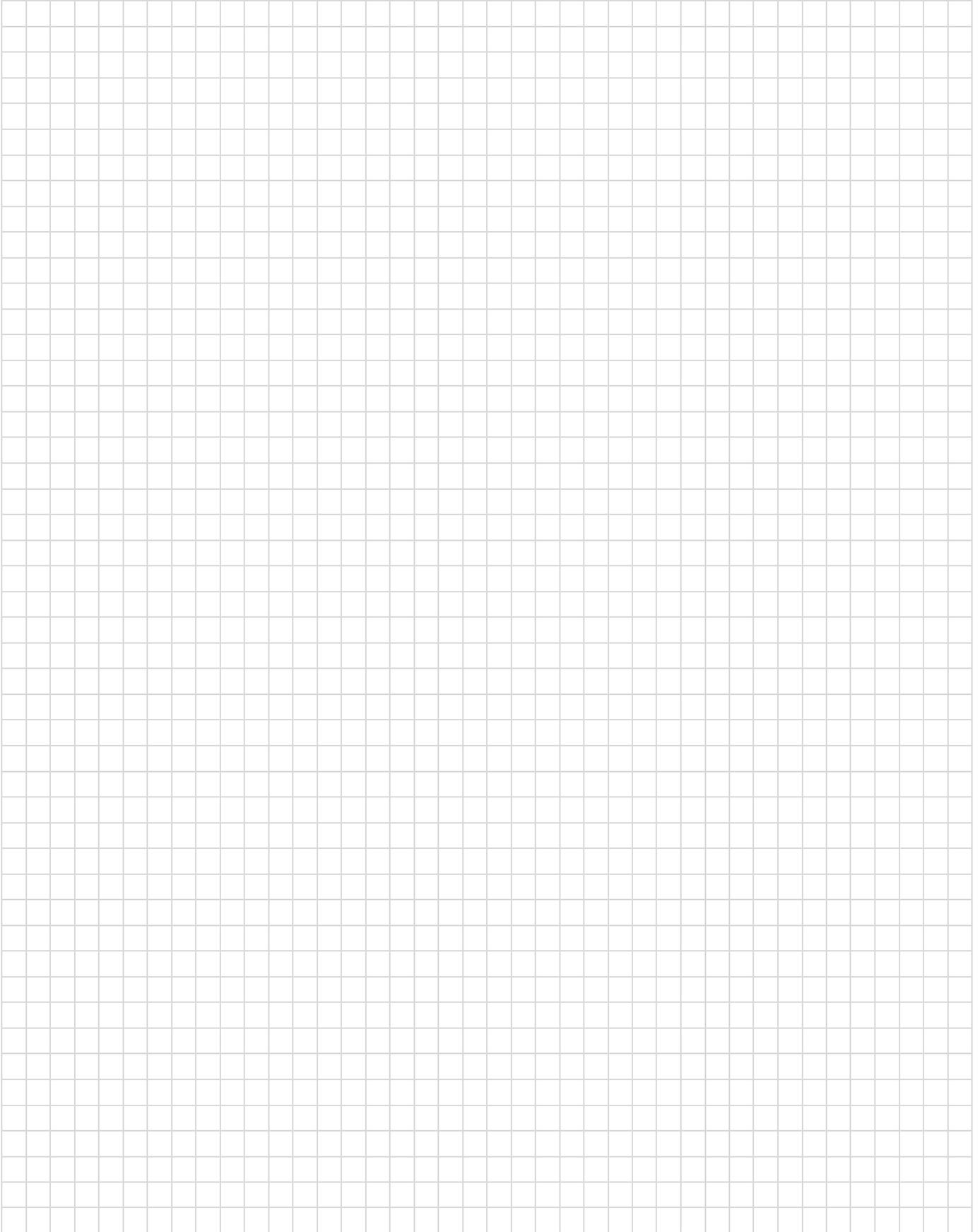
FOR PIERCE COUNTY SEWER UTILITY USE ONLY

Accepted By: Initials \_\_\_\_\_ Date \_\_\_\_\_

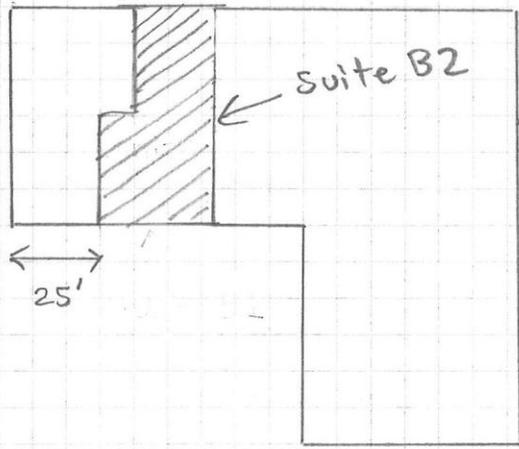
Category: \_\_\_IIU \_\_\_MIU \_\_\_SIU

Building Permit #: \_\_\_\_\_ SWSR #: \_\_\_\_\_ SWDR #: \_\_\_\_\_

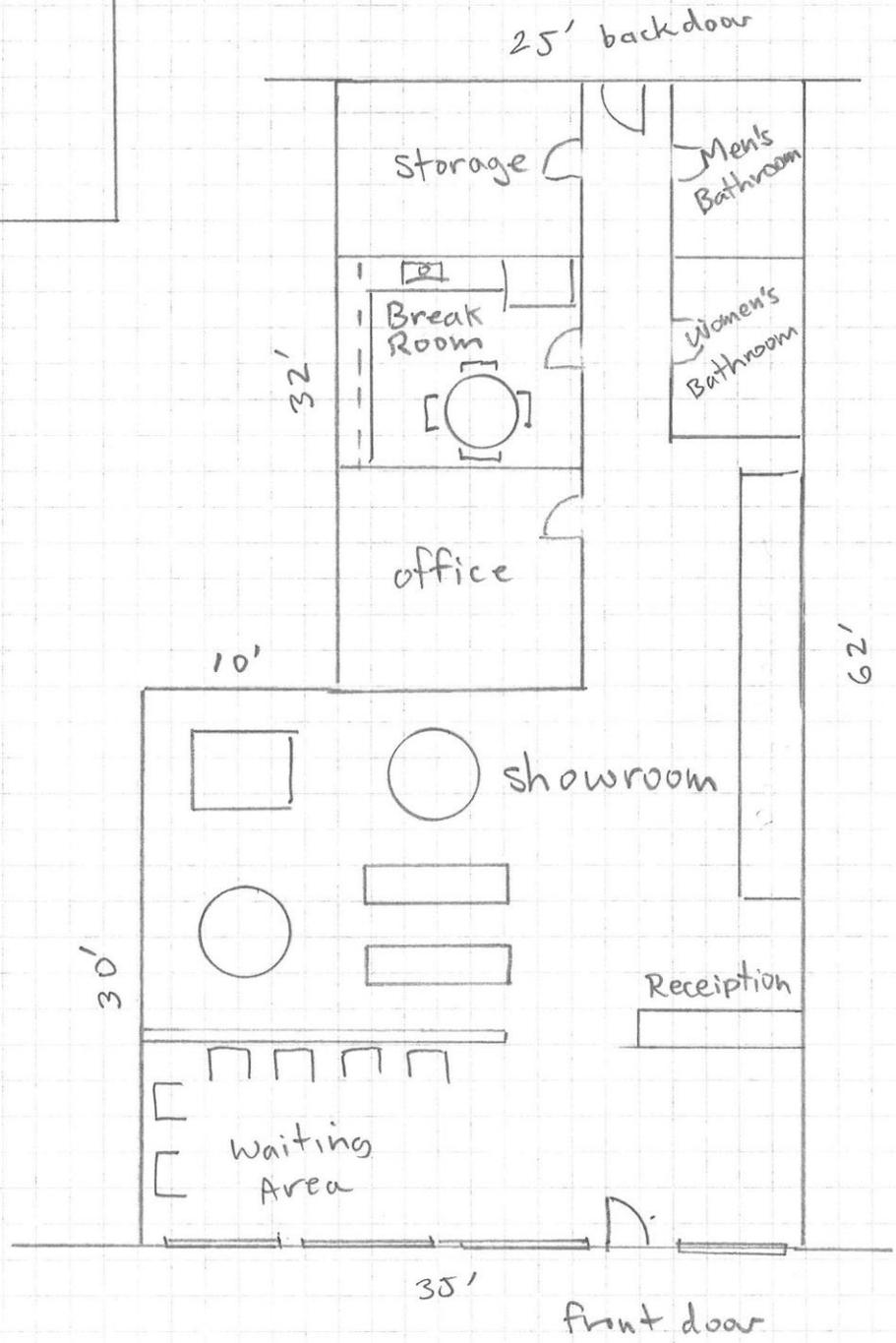
FLOOR PLAN



EXAMPLE FLOOR PLAN



Scale: 1" = 10'



APPLICATION

A5

Revised  
9/1/2013

SEWER DEVELOPMENT REVIEW APPLICATION FOR  
MINOR INDUSTRIAL USER  
PRETREATMENT REVIEW



Pierce County  
Public Works and Utilities

This form must be properly completed and submitted with an original signature, along with any supplemental information or applications as outlined in this form, to a Sewer Utility Representative at the Pierce County Development Center, 2401 S 35<sup>th</sup> St, Room 150, Tacoma, WA 98409. Use this form if:

- 1. You are proposing to operate a business/commercial facility, **AND**
- 2. The building is, or will be, connected to Pierce County Sanitary Sewers, **AND**
- 3. The business/commercial facility is designated as a **Minor Industrial User** (see the handout titled, "What Type of Industrial User Are You?").

Sewer Utility approvals must be obtained prior to issuance of building permits, business licenses, and/or occupying the structure or tenant space. If you have any question please contact the Sewer Utility at (253) 798-4050.

**A. PROPERTY/BUILDING INFORMATION (  Check here if the Applicant is the Property Owner)**

1. Property Owner(s) Name(s): \_\_\_\_\_

Mailing Address: \_\_\_\_\_

STREET

SUITE/TENANT SPACE

CITY

ZIP

Office or Cell Phone: \_\_\_\_\_ Fax Number or E-mail: \_\_\_\_\_

2. Parcel No(s): \_\_\_\_\_

3. Site Address: \_\_\_\_\_

STREET

SUITE/TENANT SPACE

CITY

ZIP

4. Building Permit Jurisdiction:

- Unincorporated Pierce County    Lakewood    DuPont    Fife    Tacoma    Milton
- University Place    Steilacoom    Edgewood

5. Description of Building/Tenant Space (Check all that apply):

- New Building    Existing Building    Addition to Existing Building
- New Tenant Space    Existing Tenant Space    Expanding Existing Tenant Space

**B. TENANT/BUSINESS INFORMATION (  Check here if the Applicant is the Tenant/Business Owner)**

1. Type of Tenant/Business (Check one):  New Tenant/Owner    Existing Tenant/Owner

2. Tenant/Business Name: \_\_\_\_\_

Tenant/Business Owner's Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

STREET

SUITE/TENANT SPACE

CITY

ZIP

Office or Cell Phone: \_\_\_\_\_ Fax Number or E-mail: \_\_\_\_\_

3. Description of Tenant/Business: \_\_\_\_\_

**C. PROJECT OR BUSINESS CHANGE INFORMATION**

1. Type of Project or Business Change (Check all that apply):

- New Tenant/Owner Improvements     Existing Tenant/Owner Remodel
- New Business Activities (e.g., cooking, car repair/maintenance, x-ray/photo development)
- Change in Business Activities (e.g., new menu, process change, more seating)     Increase in Staff
- Expansion of existing Business     Cosmetic changes only

2. Description of Project or Business Change: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**D. BUILDING SEWER CONSTRUCTION**

- 1. Are you constructing a new connection to the sewer system?     Yes     No
- 2. Are you rerouting or modifying the building sewer system on the site?     Yes     No
- 3. Will the proposed project or change in business activities require an increase in water use on the property?  
 Yes     No

**If you answered "Yes" to question D1 or D2 or D3 above, then you must submit a Commercial Sewer Service Permit Application (including all required supporting documents) along with the required Sewer Service Permit Fee and Connection Charges to the Pierce County Sewer Utility Division.**

**E. PLUMBING CHANGES**

- 1. Are you adding new plumbing or making any plumbing revisions in the building?     Yes     No
- 2. Is there any existing plumbing in your building connected to a pretreatment device (grease interceptor, oil-water separator, acid neutralization tank, etc)?     Yes     No

**If you answered "Yes" to questions E1 and E2 above, then you must submit two copies of your Plumbing Plan for review by the Pierce County Sewer Utility Division to ensure that there is no cross-contamination of existing pretreatment devices.**

**F. ACCIDENTAL SPILL CONTROL**

- 1. Will your facility have floor drains, catch basins, sumps or any other outlet to the sewer system located in the same area/room where chemicals, paints, dyes, solvents, cleaners, or fuels are stored or used without spill containment measures (submit a copy of spill containment measures)? Yes \_\_\_ No \_\_\_

**If you answered "Yes" to question F1 above, then you must attach two copies of your Accidental Spill Prevention Plan (additional \$302.00 Review Fee) for review by the Sewer Utility Division. If your facility already has an approved Accidental Spill Prevention Plan and your proposed project/business activities will not affect that plan, then a new ASPP review will not be required.**

## G. MINIMUM SUBMITTAL REQUIREMENTS

All Minor Industrial Users must attach two copies of all the Minimum Submittal Documents listed below:

- Attach a detailed **Floor Plan** of your facility. Please see Bulletin #4 for specific details that must be shown on the Floor Plan.
- Attach an existing/proposed **Plumbing Plan**. Please see Bulletin #4 for specific details that must be shown on the Plumbing Plan.
- Attach an existing/proposed **Site Plan**. Please see Bulletin #17 for specific details that must be shown on the Site Plan.

## H. SUPPLEMENTAL SUBMITTAL REQUIREMENTS

1. Will water be used for any purpose other than restrooms, drinking fountains, or break rooms? Yes \_\_\_ No \_\_\_

If you answered "Yes" to question H1 above, then you must also attach any necessary **Supplemental Information** pertaining to your existing/proposed facility for review by the Sewer Utility Division. Please check ALL the business activities listed in the table below that apply to the Business/Tenant. Please see the appropriate Sewer Utility Bulletin(s) for a list of required Supplemental Information for each type of business practice.

Business Practice(s)	Additional Submittal Requirements (See Bulletins for Details)	Bulletin Number(s)
<input type="checkbox"/> Food/beverage service, <input type="checkbox"/> Food/beverage production, processing, and/or packaging	<ul style="list-style-type: none"> <li>Kitchen and cooking practices</li> <li>Menu</li> </ul>	B11, B12, B13
<input type="checkbox"/> Laboratory (e.g., schools, lab services)	<ul style="list-style-type: none"> <li>MDS data for all chemicals used in the laboratory</li> <li>Clean up procedures</li> </ul>	B18
<input type="checkbox"/> Hair salon/barber <input type="checkbox"/> Pet grooming	<ul style="list-style-type: none"> <li>Show stations on Floor Plan</li> <li>Hair Trap details</li> </ul>	B6, B8
<input type="checkbox"/> Dentistry office <input type="checkbox"/> Medical office <input type="checkbox"/> Veterinary office <input type="checkbox"/> Mortuary	<ul style="list-style-type: none"> <li>Sterilization System details</li> <li>Amalgam Trap details</li> <li>Plaster Trap details</li> <li>Mercury control and spill clean-up procedures</li> <li>Medical waste disposal procedures</li> </ul>	B6, B7, B9
<input type="checkbox"/> Non-digital X-ray or Photo development	<ul style="list-style-type: none"> <li>Silver Recovery System details</li> </ul>	B7
<input type="checkbox"/> Nail salon services	<ul style="list-style-type: none"> <li>Show stations on Floor Plan</li> </ul>	B14
<input type="checkbox"/> Commercial laundry facility (e.g. assisted living facilities, dry cleaners, laundry-mats, hospitals) <input type="checkbox"/> Community laundry facility (e.g., hotels, apartment complexes, athletic clubs, )	<ul style="list-style-type: none"> <li>Lint Trap details</li> </ul>	B15
<input type="checkbox"/> Vehicle repair/maintenance	<ul style="list-style-type: none"> <li>Copy of Waste oil hauling contract</li> </ul>	B10
<input type="checkbox"/> Vehicle washing, storage, or parking	<ul style="list-style-type: none"> <li>Water recovery/reuse system plans</li> </ul>	B10
<input type="checkbox"/> Tattoo Shop	<ul style="list-style-type: none"> <li>Sterilization system details</li> </ul>	B16

**I. APPLICATION FEES**

Please sign the affidavit below and submit this completed form along with the Minimum Submittal Documents, any required Supplemental Information, and a **Minor Industrial User Pretreatment Application Fee (\$484.00, Base Fee)** to the Sewer Utility Representative at the Pierce County Development Center, 2401 S 35<sup>th</sup> St, Room 150, Tacoma, WA 98409. **If you answered "Yes" to question F1 above, then add an additional review fee (\$302.00) for the Accidental Spill Prevention Plan.**

**J. AFFIDAVIT**

As the Applicant for the permit described above, I/we hereby state that all the information provided herein and stated above is true and correct.

I/We further state that we are either the legal owner of the property described above, an authorized agent of the owner, or a tenant that has entered into a lease agreement with the property owner to operate the business and/or facility described herein on the owner's property.

I/We further state that:

Initial Here

- a.  Our facility's average process wastewater discharge will not be greater than 25,000 gallons per day, and
- b.  Our facility's average total wastewater discharge will not be greater than 1.4 million gallons per day, and
- c.  I/We are not proposing or currently performing any of the business activities covered under the EPA's Categorical Pretreatment Standards (e.g., dairy product processing, grain mills, canned and preserved fruits and vegetables processing, canned and preserved seafood processing, sugar processing, textile mills, cement manufacturing, concentrated animal feeding operations, electroplating, organic chemicals, plastics, and synthetic fibers, inorganic chemicals manufacturing, soap and detergent manufacturing, fertilizer manufacturing, petroleum refining, iron and steel manufacturing, nonferrous metals manufacturing, phosphate manufacturing, steam electric power generating, or ferroalloy manufacturing).

I/We acknowledge that I/we, as a User of the public sewer system, shall be responsible for all wastewater discharges from the facilities of the above-described business, and shall not contribute, cause, or allow to be discharged directly or indirectly, into the wastewater facilities of the County any Prohibited Discharges as described in Pierce County Code Chapter 13.06 "Industrial Pretreatment Regulations".

I/We further acknowledge that I/we, as a User of the public sewer system, may be subject to criminal and civil penalties up \$1,000 per occurrence, as prescribed in Pierce County Code Chapter 13.04 if found to have violated said regulations.

\_\_\_\_\_  
APPLICANT'S SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
COMPANY NAME (IF APPLICANT IS A COMPANY)

\_\_\_\_\_  
TITLE

**Note: The Applicant must be the property owner or tenant/business owner.** Engineers, architects, contractors, or other agents of the Applicant are not allowed to sign this form without submittal of documented approval from the Applicant.

FOR PIERCE COUNTY SEWER UTILITY USE ONLY

Accepted By: Initials \_\_\_\_\_ Date \_\_\_\_\_

Category:  IIU  MIU  SIU

Building Permit #: \_\_\_\_\_ SWSR #: \_\_\_\_\_ SWDR #: \_\_\_\_\_



9850 64th Street West  
University Place, Washington 98467-1078  
(253) 798-4050 Fax (253) 798-4637

Brian J. Ziegler, P.E.  
Director

Brian.Ziegler@co.pierce.wa.us

July 8, 2014  
U-110022

RECEIVED  
'JUL 11 2014'  
COMMUNITY DEVELOPMENT

Aaron Hatley  
Lakewood Limited Partners  
10240 Bridgeport Way SW #105  
Lakewood, WA 98499

Subject: Minor Industrial User Pretreatment Review for Burrito Temple – A Burrito Bar Establishment  
Application Number: SWDR#780588  
Application Expiration Date: 6/19/2015  
Building Permit: City of Lakewood  
Site Address: 10240 Bridgeport Way SW #101 (Suite number confirmation requested)  
Parcel Number: 540000-054-1

Dear Mr. Hatley:

The Sewer Utility has completed its first review of your Minor Industrial User pretreatment review application for the subject project. Before approval of your application, the following items must meet Pierce County's sanitary sewer standards and be approved by the Sewer Utility.

Initial submittal of applications and payment of application fees and connection charges are to be made at the Pierce County Development Center (Annex), 2401 South 35<sup>th</sup> Street, Room 150, Tacoma, WA 98409.

All resubmittals should be sent to the Environmental Services Building, 9850 – 64<sup>th</sup> Street West, University Place, WA 98467, to the attention of the reviewing engineer.

Sewer Utility Division Standard Plans and Forms, including handouts, bulletins, and applications, and checklists, can be downloaded in PDF format from the following webpage: [www.piercecountywa.org/sewer](http://www.piercecountywa.org/sewer).

**PRIOR TO PRETREATMENT REVIEW APPLICATION APPROVAL** – Before the Sewer Utility can approve the subject pretreatment review application (SWDR #780588), the following must meet Pierce County's sanitary sewer standards and be approved by the Sewer Utility.

1. Based on the information received, the installation of a grease interceptor is required to serve the subject tenant. Note that a grease trap will not be accepted in lieu of a grease interceptor.
2. A Sewer Service Permit is required to install the building sewer and grease interceptor that is necessary to serve the subject tenant space. The plan review of the building sewer and grease interceptor must be completed and the Sewer Service Permit issued prior to approval of this



Pretreatment Review Application. Please see **APPLYING FOR A SEWER SERVICE PERMIT**, below, for more details.

3. A lint trap is required to be installed in your plumbing to remove lint from your waste stream prior to discharge to the sanitary sewer system. Please see Bulletin B6 – **Traps**. Provide catalog cut sheets from the manufacturer of the lint trap with your resubmittal.
4. Submit three (3) sets of drawings showing the following:
  - a. The plumbing of the fixtures that will be routed to the grease interceptor and those that will not be routed to it.
  - b. The floor plan and plumbing plan showing any floor drains, plumbed fixtures or any other appurtenances which will be connected or discharged to the sewer system.
  - c. The location of the required lint trap must be shown on the plans. The pretreatment device must be installed after submittal and review of the product and sizing information required in this letter.
5. The owner must pay the County a Connection Charge prior to approval of the Pretreatment Review Application. Please see **PAYMENT OF CONNECTION CHARGES**, below, for more details.
6. Submit a letter signed by the business owner or facility manager stating that:
  - a. Waste food will be disposed of into solid waste, not into the sanitary sewer.
  - b. Garbage grinders/disposals are not present and will not be installed.
  - c. Submit kitchen and cooking practices as noted in Bulletin B13, **Kitchen and Cooking Practices**.
  - d. Chemicals to remove grease will not to be discharged to the sanitary sewers.
  - e. Chemicals will not be stored above any of the sinks.

**APPLYING FOR A SEWER SERVICE PERMIT** – Please follow the steps listed below to apply for the necessary Sewer Service Permits.

1. Complete and submit form A3, **Commercial Sewer Service Permit Application**. The sewer service permit will not be issued until all applicable connection charges and the sewer service plan review and inspection fees are paid. Projects that include a pump station, grease interceptor or oil-water separator must submit the appropriate plans, checklists and supporting documentation for review. The pretreatment device and building sewer must be reviewed and approved prior to issuance of the sewer service permit.
2. With the above referenced **Commercial Sewer Service Permit Application** submit for review and approval three (3) sets of grease interceptor plans stamped by a Washington State licensed professional engineer and a properly completed **Grease Interceptor**. Include required easements, if applicable.
3. Submit, with the above plans and checklist, a copy of an executed maintenance agreement between the owner and a waste management company to provide periodic grease removal and maintenance of the grease interceptor.

4. Pay the Sewer Service Permit Fees. The commercial sewer service permit fee consists of two (2) parts; the Sewer Service Permit Plan Review Fees and the Sewer Service Permit Inspection fees. The Sewer Service Permit Plan Review Fees must be paid at the time of application, and the Sewer Service Permit Inspection Fees must be paid prior to the issuance of the Sewer Service Permit. Please see handout H2, **Sewer Permit Application Fees**, for the most current fee schedule.

**REGISTERED SIDE SEWER CONTRACTOR** – After plan approval the applicant's registered sewer contractor shall obtain the necessary sewer service permit from the Sewer Utility Representative at the Pierce County Development Center (Annex) and must contact the City of Lakewood to inquire whether or not a right-of-way permit will be required.

1. Please note all building sewers shall be installed per the **Building Sewer Installation Guidelines** (Page 1 and Page 2) for a commercial site.
2. If a right of-way-permit is required, the right-of-way permit must be obtained from the local jurisdiction and submitted to the Sewer Utility Representative at the Pierce County Development Center (Annex) prior to sewer service permit(s) and sewer line extension permit issuance.

**PAYMENT OF CONNECTION CHARGES** – Pay the connection charge shown below. When making your payment, please make reference to the Sewer Service Permit application. The connection charge must be paid in full prior to issuance of the Sewer Service Permit and approval of the Pretreatment Review Application.

1. A sewer service permit for payment of connection charges is required for your proposal. Complete and submit application A3, **Commercial Sewer Service Permit Application**. Since there is no work to the building sewer proposed, there will not be a sewer permit plan review or inspection fee for the sewer service permit.
2. Based on the information provided, the proposed usage exceeds that for which the property has been credited. Therefore, the connection charges must be paid as noted below.

Parcel Number: 540000-054-1  
Basin: Lakewood East (LK-E)  
Basin Area Charge Rate: \$1,338.00/RE  
Capacity Charge Rate: \$1,250/RE

Basin Area Charge: (38.1 RE – 36.45 RE) X \$1,338.00/RE.....	= \$ 2,207.70
Capacity Charge: (38.1 RE – 36.45 RE) X \$1,250.00/RE.....	= \$ 2,062.50
<b>Total Estimated Connection Charge:.....</b>	<b>= \$ 4,270.20</b>

3. The estimated capacity needs are based on the total of: a) 4.7 Residential Equivalents (RE) for the commercial use on the property plus b) 30 apartment units at 0.83 RE per unit, plus c) 4 townhomes at 1.0 RE per townhome, minus d) previously purchased capacity rights of 36.45 RE.
4. The remaining capacity in the County's Sewer System will be sold on a first-come, first-served basis at the time Connection Charges are paid in full. Because the remaining capacity is limited, the County cannot guarantee how long it will be available.

5. The total estimated connection charge will be recalculated at the time the applicant purchases it based on the rates in effect at that time. **Once paid, connection charges are credited against the parcel and are only refundable to the person(s) or entity that is the property owner of record at the time of refund.**

#### MISCELLANEOUS NOTES

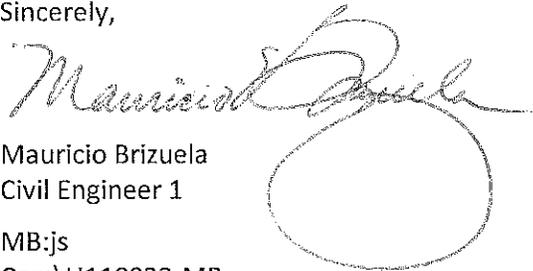
1. Private sewer facilities (building sewers, private sewer mains, grinder pumps, grease interceptors and oil-water separators, etc.) will remain under the ownership of the property owners and the responsibility for operation and maintenance shall be theirs.
2. Note that each application and permit has a separate expiration date associated with it. The expiration date of this Pretreatment Review Application is shown in the subject of this letter. You must keep this Pretreatment Review Application active during review of the Sewer Service Permit Application. Failure to do so will result in the need to submit a new Pretreatment Review Application package and re-pay the application fees.
3. This application is valid for 12 months from the date of application. Applications and/or permits may be extended an additional 12 months from the original expiration date provided that:
  - a. The applicant submits to the Department a properly completed ***Sewer Application/Permit Expiration Date Extension Request***, application A14, for a 12-month expiration extension prior to the current date of expiration; and
  - b. The applicant pays an additional application/review/inspection fee in the amount of 25 percent of the application/review/inspection fees along with the submittal of the request.
4. Pierce County Public Works and Utilities will not provide a commitment, or guarantee, of sewer availability for the subject proposal until payment of all connection charges have been received by this department. This letter shall be used for informational purposes only and shall not be misconstrued by the proponent or reviewing agency as a commitment on behalf of the Sewer Utility.
5. Please note that the Capacity Charges, Basin Area Charges and future monthly Sewer Service fees for all commercial buildings are calculated based on actual water flows when available. Therefore, we strongly recommend that the owner have a separate meter installed and a separate account initiated with the local water purveyor for irrigation water and any other water supply that will not be entering the sanitary sewer system. If a separate water meter and account is not feasible, the owner may enter into a Sub-metering Agreement with the County. Connection Charge requirements will not be recalculated based on sub-metered usage until the submeter has been installed according to approved plans, the Sub-metering Agreement approved by the County, and at least 12 months of sub-metered water readings submitted to our office for review. For further details regarding the ***Water Sub-metering Plan Review Application*** (A7), see Bulletin B21, ***Water Sub-metering Program***.
6. The sewer service permit must be obtained prior to building permit issuance.

Aaron Hatley  
U-110022  
Page 5 of 5

7. The Sewer Utility cannot approve the subject commercial building permit or issue a sewer service permit prior to approval of the sanitary sewer plans, grease interceptor plans, pretreatment or pending any other Sewer Utility requirements.

If you have any questions, please contact me at: (253) 798-4134 or [mauricio.brizuela@co.pierce.wa.us](mailto:mauricio.brizuela@co.pierce.wa.us). Note that the fees and connection charges shown in this letter are subject to change without prior notification. My office is located at the Environmental Services Building (9850 – 64<sup>th</sup> Street West, University Place, WA 98467).

Sincerely,

A handwritten signature in cursive script, appearing to read "Mauricio Brizuela". The signature is written in black ink and is positioned to the right of the typed name and title.

Mauricio Brizuela  
Civil Engineer 1

MB:js  
Cors\U110022-MB

cc: Permit Counter, City of Lakewood, 6000 Main Street SW, Lakewood, WA 98499



# Pierce County

## Public Works and Utilities

9850 64th Street West  
University Place, Washington 98467-1078  
(253) 798-4050 Fax (253) 798-4637

**Brian J. Ziegler, P.E.**  
Director

Brian.Ziegler@co.pierce.wa.us

**RECEIVED**

**AUG 11 2014**

**COMMUNITY DEVELOPMENT**

August 5, 2014  
U-110228

Aaron Hatley  
Lakewood Limited Partners  
10240 Bridgeport Way SW #105  
Lakewood, WA 98499

Subject: Minor Industrial User Pretreatment Review for Burrito Temple – A Burrito Bar Establishment  
with 20 Seats  
Application Number: SWDR#780588  
Application Expiration Date: 6/19/2015  
Building Permit: City of Lakewood  
Site Address: 10240 Bridgeport Way SW #101  
Parcel Number: 540000-054-1

Dear Mr. Hatley:

The Sewer Utility has completed its review of your Minor Industrial User pretreatment review application for the subject project and has the following comments.

1. ~~The County will not require that a connection charge be paid prior to approval~~ of the subject tenant improvement. However, in accordance with Pierce County Sewer Code Chapter 13.04, the County reserves the right to require that the owner of the property pay additional connection charges if any property already connected to the public sewer system expands its use or produces increased wastewater discharges which are greater than the number of RE units previously purchased or assessed, or produces wastewater discharges with BOD and/or TSS levels over those previously estimated or approved for the property. The County will be reviewing water use data and may test the characteristics of the wastewater discharged from the subject property at a later date.
2. The Sewer Utility approves the subject tenant's proposed discharge to the sanitary sewer system on condition that all applicable conditions of the County's Pretreatment Ordinance No. 99-26, as amended from time to time, are followed including but not limited to:
  - a. Garbage grinders/disposals are not present and will not be installed.
  - b. Waste food will be disposed of into solid waste, not into the sanitary sewer.
  - c. Prior to a change in menu, kitchen and cooking practices, the property owner must complete and submit a new pretreatment review application. The pretreatment review must be completed and have approval prior to the change or installation.
  - d. A dishwasher is not present. Prior to the installation of a dishwasher the property owner shall complete and submit a new pretreatment review application. The pretreatment review be completed and have approval prior to the installation.
  - e. Wash water/chemicals used to clean a ceiling, ceiling vent, and/or hoods are not to be discharged to the sanitary sewers. Chemicals to remove grease are not to be discharged to the sanitary sewers.



- f. Wiping down of all surfaces that have been in contact with fats, oils or greases (cooking surface, food preparation surface, plates, pans, and utensils) with paper towels before washing will be standard operating procedures for the kitchen facilities. The used paper towels and waste food are to be disposed of as solid waste. Signs will be posted and maintained to remind employees/renters of the requirements for grease management on site.
- g. Trimmings and meat processing waste shall not be ground up and discharged into the sanitary sewer system.
- h. Chemicals and cleaning supplies will not be stored above any of the sinks or floor drains.
- i. Any user of the sewer system shall not discharge water or wastes containing fats, oils or greases of animal or vegetable origin of any nature in excess of 100 milligrams per liter to the sanitary sewer system as per the Appendix to Chapter 13.06 of the County's Pretreatment Ordinance No. 99-26 as amended from time to time. If this is exceeded or if a sewer line blockage occurs as a result of excess grease in the facility's discharge, then the installation of an engineered grease interceptor shall be required.
- j. Any user of the sewer system shall not discharge water or wastes containing oils or greases of petroleum or mineral origin of any nature in excess of 50 milligrams per liter to the sanitary sewer system as per the Appendix to Chapter 13.06 of the County's Pretreatment Ordinance No. 99-26 as amended from time to time.
- k. Any wastewater, which in the opinion of the Manager, can cause harm either to the sewers, sewage treatment process, or equipment; have an adverse effect on the receiving stream; or can otherwise endanger life, limb, public property, or constitute a nuisance, unless allowed under special agreement by the Manager shall not be discharged per Section 13.06.050 of the County's Pretreatment Ordinance No. 99-26 as amended from time to time.
- l. Solid (greater than ¼" in any dimension) or viscous substances which will or may cause obstruction to the flow in a sewer or other interference with the operation of the POTW shall not be discharged as per Section 13.06.050 of the County's Pretreatment Ordinance No. 99-26 as amended from time to time.
- m. Grease, animal guts or tissues, paunch manure, bones, hair, hides or fleshings, entrails, whole blood, feathers, ashes, sand, spent lime, stone or marble dust, metal, glass, grass clippings, rags, spent grains, waste paper, wood, plastic, gases, tar, asphalt residues, residues from refining or processing of fuel or lubricating oil, dental amalgams, clay materials, glass grinding and polishing wastes in amounts that would adversely affect the POTW or the treatment plant effluent, residues or biosolids shall not be discharged as per Section 13.06.050 of the County's Pretreatment Ordinance No. 99-26 as amended from time to time.
- n. If an accidental spill occurs on site, spill material shall not be discharged to the sanitary sewer system for clean-up.
- o. The Sewer Utility will be notified immediately at (253) 798-3013 or (253) 565-3440, if a spill or accidental discharge occurs.
- p. There shall be no work on the building sewer outside of the building.
- q. There is one sample point for multiple tenants in this building. The property owner has acknowledged that: a) the property owner accepts all responsibility for discharge and will be the sole responsible party for any violations, fines and/or corrective actions; b) the property owner will be responsible to identify the tenant that is responsible for the violation and enforce corrections; and c) the property owner will not engage Pierce County Public Works in the tenant disputes and will only seek information from Pierce County regarding the sampling and testing results.

Aaron Hatley

U-110228

Page 3 of 3

3. The Sewer Utility may test the characteristics of water and waste discharge to the County's system under the Pierce County Sewer Utility Administrative Code, as amended from time to time and if it is found that illegal material is discharged into the sewer, the owner(s) may be charged for all costs related to testing the characteristics of wastewater, fined up to \$10,000.00 per day per violation and held liable for any damages the discharge may cause.
4. Private sewer facilities (building sewers, private sewer mains, grinder pumps, grease interceptors and oil-water separators, etc.) will remain under the ownership of the property owners and the responsibility for operation and maintenance shall be theirs.
5. The Sewer Utility approves the subject pretreatment review application and commercial building permit application as they relate to sanitary sewers.

If you have any questions, please contact me at: (253) 798-4134 or [mauricio.brizuela@co.pierce.wa.us](mailto:mauricio.brizuela@co.pierce.wa.us). Note that the fees and connection charges shown in this letter are subject to change without prior notification. My office is located at the Environmental Services Building (9850 – 64<sup>th</sup> Street West, University Place, WA 98467).

Sincerely,



Mauricio Brizuela  
Civil Engineer 1

MB:js  
Cors\U110228-MB

cc: Permit Counter, City of Lakewood, 6000 Main Street SW, Lakewood, WA 98499  
Lab Supervisor, Wastewater Treatment Plant

Sewer Division of Public Works and Utilities

Detailed Project Specific Information - Dollar amounts expressed in 1000's

Project Number/Name Project Type Scope Description	Project Purpose and Location	Expenditure Forecast to 12/31/2014	Project Phase	2015	2016	2017	2018	2019	2020	Six-Year Total	Exp. Beyond 2020
5 Collection Improvements  B Street Interceptor Phase 3	PR ID	425 219 7342	PRELIM ENGINEERING	-	-	-	-	-	-	-	-
	SCOPE	I	FINAL ENGINEERING	-	-	200.0	200.0	-	-	400.0	-
	PRIORITY	Med	PERMITTING	-	-	-	-	-	-	-	-
	DISTRICT	3	CONSTRUCTION	-	-	-	-	8,186.3	3,448.9	11,635.2	-
	FUND	403	CONST ENGINEERING	-	-	-	-	431.0	181.6	612.6	-
	BASIN	PARK/SPAN	OTHER	-	-	-	-	-	-	-	-
			Funds from 402	-	-	-	-	-	-	-	-
			Funds from 403	-	-	200.0	200.0	8,617.3	3,630.5	12,647.8	-
			Funds from 404	-	-	-	-	-	-	-	-
			517.6	SubTotals	-	-	200.0	200.0	8,619.3	3,630.5	12,649.8
NOTES											
6 Collection Improvements  Miscellaneous Sewer Line Connections	PR ID	425 17 7140	PRELIM ENGINEERING	-	-	-	-	-	-	-	-
	SCOPE	I	FINAL ENGINEERING	-	-	-	-	-	-	-	-
	PRIORITY	Medium	PERMITTING	-	-	-	-	-	-	-	-
	DISTRICT	All	CONSTRUCTION	150.0	150.0	150.0	150.0	150.0	150.0	900.0	-
	FUND	403	CONST ENGINEERING	-	-	-	-	-	-	-	-
	BASIN	All	OTHER	-	-	-	-	-	-	-	-
			Funds from 402	-	-	-	-	-	-	-	-
			Funds from 403	150.0	150.0	150.0	150.0	150.0	150.0	900.0	-
			Funds from 404	-	-	-	-	-	-	-	-
			884.6	SubTotals	150.0	150.0	150.0	150.0	150.0	150.0	900.0
NOTES											
7 Collection Improvements  Upper Leach Creek Interceptor	PR ID	425 198	PRELIM ENGINEERING	-	-	-	-	222.0	-	222.0	-
	SCOPE	I	FINAL ENGINEERING	-	-	-	-	296.0	35.4	331.4	-
	PRIORITY	Low	PERMITTING	-	-	-	-	29.6	-	29.6	-
	DISTRICT	4	CONSTRUCTION	-	-	-	-	-	2,448.8	2,448.8	1,711.8
	FUND	403	CONST ENGINEERING	-	-	-	-	-	200.1	200.1	166.1
	BASIN	UP-C	OTHER	-	-	-	-	-	-	-	-
			Funds from 402	-	-	-	-	-	-	-	-
			Funds from 403	-	-	-	-	547.6	4,094.1	4,631.7	2,881.9
			Funds from 404	-	-	-	-	-	-	-	-
			-	SubTotals	-	-	-	-	547.6	4,094.1	4,631.7
NOTES											
8 Collection Improvements  Woodland pump station and temp force main	PR ID	425 188	PRELIM ENGINEERING	-	-	-	-	-	153.9	153.9	-
	SCOPE	I	FINAL ENGINEERING	-	-	-	-	-	164.7	164.7	48.0
	PRIORITY	Low	PERMITTING	-	-	-	-	-	15.4	15.4	-
	DISTRICT	7	CONSTRUCTION	-	-	-	-	-	-	-	1,581.7
	FUND	403	CONST ENGINEERING	-	-	-	-	-	-	-	224.1
	BASIN	East Basin	OTHER	-	-	-	-	-	-	-	-
			Funds from 402	-	-	-	-	-	-	-	-
			Funds from 403	-	-	-	-	-	354.0	354.0	2,833.8
			Funds from 404	-	-	-	-	-	-	-	-
			-	SubTotals	-	-	-	-	354.0	354.0	2,833.8
NOTES											

M Maintenance  
O Operations  
P Preservation  
I Improvement  
A Administration

Updated:08/04/14

Sewer Division of Public Works and Utilities

Detailed Project Specific Information - Dollar amounts expressed in 1000's												
Project NumberName Project Type Scope Description	Project Purpose and Location		Expenditure Forecast to 12/31/2014	Project Phase	2015	2016	2017	2018	2019	2020	Six-Year Total	Exp. Beyond 2020
9 Collection Improvements 122nd Ave East Interceptor	PR ID	425.198		PRELIM ENGINEERING	-	-	-	-	-	153.9	153.9	-
	SCOPE	I		FINAL ENGINEERING	-	-	-	-	-	153.9	153.9	80.1
	PRIORITY	Low		PERMITTING	-	-	-	-	-	15.4	15.4	-
	DISTRICT	1		CONSTRUCTION	-	-	-	-	-	-	-	980.0
	FUND	403		CONST ENGINEERING	-	-	-	-	-	-	-	72.2
	BASIN	East Basin		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	-	-	-	-	-	-	-	-
				Funds from 403	-	-	-	-	-	323.2	323.2	1,112.9
				Funds From 404	-	-	-	-	-	-	-	-
				SubTotals	-	-	-	-	-	323.2	323.2	1,112.9
NOTES												
10 Collection Improvements Thun Field EC Sewer Line Extension	PR ID	425.198.7229		PRELIM ENGINEERING	80.0	-	-	-	-	-	80.0	-
	SCOPE	I		FINAL ENGINEERING	40.0	40.0	-	-	-	-	80.0	-
	PRIORITY	Medium		PERMITTING	-	15.0	-	-	-	-	15.0	-
	DISTRICT	1		CONSTRUCTION	-	800.0	-	-	-	-	800.0	-
	FUND	402		CONST ENGINEERING	-	80.0	-	-	-	-	80.0	-
	BASIN	RT1		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	100.0	735.0	-	-	-	-	835.0	-
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	-	-	-	-	-	-	-	-
				SubTotals	100.0	735.0	-	-	-	-	835.0	-
NOTES												
11 Facilities Rehabilitation & Replacement WWTP Digester Rehabilitation	PR ID	425.198.7269		PRELIM ENGINEERING	-	-	-	-	-	-	-	-
	SCOPE	P		FINAL ENGINEERING	-	-	-	-	-	-	-	-
	PRIORITY	Medium		PERMITTING	-	-	-	-	-	-	-	-
	DISTRICT	4		CONSTRUCTION	-	235.0	245.0	255.0	-	-	735.0	-
	FUND	404		CONST ENGINEERING	-	-	-	-	-	-	-	-
	BASIN	CCP		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	-	-	-	-	-	-	-	-
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	-	235.0	245.0	255.0	-	-	735.0	-
			666.7	SubTotals	-	235.0	245.0	255.0	-	-	735.0	-
NOTES												
12 Facilities Rehabilitation & Replacement WWTP SCADA Rehabilitation and Replacement	PR ID	425.198		PRELIM ENGINEERING	-	-	-	-	-	-	-	-
	SCOPE	P		FINAL ENGINEERING	-	-	-	-	-	-	-	-
	PRIORITY	High		PERMITTING	-	-	-	-	-	-	-	-
	DISTRICT	4		CONSTRUCTION	500.0	-	-	-	-	-	500.0	-
	FUND	402		CONST ENGINEERING	-	-	-	-	-	-	-	-
	BASIN	CCP		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	-	-	-	-	-	-	-	-
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	500.0	-	-	-	-	-	500.0	-
				SubTotals	500.0	-	-	-	-	-	500.0	-
NOTES												

- M Maintenance
- O Operations
- P Preservation
- I Improvement
- A Administration

Updated:08/04/14

## Sewer Division of Public Works and Utilities

Detailed Project Specific Information - Dollar amounts expressed in 1000's												
Project Number/Name Project Type Scope Description	Project Purpose and Location		Expenditure Forecast to 12/31/2014	Project Phase	2015	2016	2017	2018	2019	2020	Six-Year Total	Exp. Beyond 2020
13 Collections Rehabilitation & Replacement  Collections Manhole Rehabilitation	PR ID	425.235 7226		PRELIM ENGINEERING	6.3	6.5	6.8	7.0	7.3	7.7	41.6	-
	SCOPE	M, O, P		FINAL ENGINEERING	12.7	13.2	13.7	14.2	14.8	15.4	84.0	-
	PRIORITY	0		PERMITTING	6.3	6.6	6.8	7.1	7.4	7.7	41.9	-
	DISTRICT	ALL		CONSTRUCTION	178.4	185.5	193.0	200.7	206.7	217.1	1,183.4	-
	FUND	402		CONST ENGINEERING	12.7	13.2	13.7	14.2	14.8	15.4	84.0	-
	BASIN	ALL		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	-	-	-	-	-	-	-	-
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	216.4	225.0	234.0	243.2	253.0	263.3	1,434.9	-
				SubTotals	216.4	225.0	234.0	243.2	253.0	263.3	1,434.9	-
NOTES												
14 Collections Rehabilitation & Replacement  Parkland/Brookdale Interceptor Phase 2	PR ID	425.235 7044		PRELIM ENGINEERING	-	-	-	-	-	-	-	-
	SCOPE	I		FINAL ENGINEERING	-	-	-	-	-	-	-	-
	PRIORITY	High		PERMITTING	-	-	-	-	-	-	-	-
	DISTRICT	5		CONSTRUCTION	2,000.0	-	-	-	-	-	2,000.0	-
	FUND	402/403		CONST ENGINEERING	230.5	-	-	-	-	-	230.5	-
	BASIN	PARK		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	-	-	-	-	-	-	-	-
				Funds from 403	2,007.5	-	-	-	-	-	2,007.5	-
				Funds From 404	223.1	-	-	-	-	-	223.1	-
				SubTotals	2,230.6	-	-	-	-	-	2,230.6	-
NOTES												
16 Collections Rehabilitation & Replacement  Brown's Point Generators Replacement	PR ID	425.235 7277		PRELIM ENGINEERING	-	-	-	-	-	-	-	-
	SCOPE	M, P		FINAL ENGINEERING	-	-	-	-	-	-	-	-
	PRIORITY	0		PERMITTING	-	-	-	-	-	-	-	-
	DISTRICT	2		CONSTRUCTION	145.9	-	-	-	-	-	145.9	-
	FUND	402		CONST ENGINEERING	12.7	-	-	-	-	-	12.7	-
	BASIN	0		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	-	-	-	-	-	-	-	-
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	158.6	-	-	-	-	-	158.6	-
				SubTotals	168.6	-	-	-	-	-	168.6	-
NOTES												
16 Collections Rehabilitation & Replacement  Collections Sewer Line Rehabilitation	PR ID	425.235 7227		PRELIM ENGINEERING	12.6	13.1	13.6	14.2	14.7	15.4	83.6	-
	SCOPE	M, O, P		FINAL ENGINEERING	18.0	19.7	20.5	21.3	22.2	23.1	125.8	-
	PRIORITY	0		PERMITTING	6.3	6.6	6.8	7.1	7.4	7.7	41.9	-
	DISTRICT	ALL		CONSTRUCTION	404.9	421.1	437.9	455.5	473.7	492.6	2,685.7	-
	FUND	402		CONST ENGINEERING	12.7	13.2	13.7	14.2	14.8	15.4	84.0	-
	BASIN	ALL		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	-	-	-	-	-	-	-	-
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	455.5	473.7	492.5	512.3	532.8	554.2	3,021.0	-
				SubTotals	455.5	473.7	492.5	512.3	532.8	554.2	3,021.0	-
NOTES												

M Maintenance  
O Operations  
P Preservation  
I Improvement  
A Administration

Updated:08/04/14

Sewer Division of Public Works and Utilities

Detailed Project Specific Information - Dollar amounts expressed in 1000's

Project Number/Name Project Type Scope Description	Project Purpose and Location		Expenditure Forecast to 12/31/2014	Project Phase							Six-Year Total	Exp. Beyond 2020
				2015	2016	2017	2018	2019	2020			
17 Collections Rehabilitation & Replacement  Flow Meter Replacement	PR ID	425 235 7124		PRELIM ENGINEERING	11.3	11.8	6.1	-	-	-	29.2	-
	SCOPE	P		FINAL ENGINEERING	18.9	17.5	9.1	-	-	-	45.5	-
	PRIORITY	Medium		PERMITTING	2.2	2.3	1.2	-	-	-	5.7	-
	DISTRICT	All		CONSTRUCTION	180.0	187.2	97.3	-	-	-	464.5	-
	FUND	402		CONST ENGINEERING	11.2	11.7	6.1	-	-	-	29.0	-
	BASIN	All		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	-	-	-	-	-	-	-	-
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	221.6	230.5	119.8	-	-	-	571.9	-
				SubTotals	221.6	230.5	119.8	-	-	-	671.9	-
	NOTES											
18 Collections Rehabilitation & Replacement  Hidden Hills Pump Station Rehabilitation	PR ID	425 198		PRELIM ENGINEERING	20.0	-	-	-	-	-	20.0	-
	SCOPE	M		FINAL ENGINEERING	-	40.0	-	-	-	-	40.0	-
	PRIORITY	High		PERMITTING	-	30.0	-	-	-	-	30.0	-
	DISTRICT	4		CONSTRUCTION	-	1,000.0	-	-	-	-	1,000.0	-
	FUND	404		CONST ENGINEERING	-	100.0	-	-	-	-	100.0	-
	BASIN	UP-E		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	-	-	-	-	-	-	-	-
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	20.0	1,170.0	-	-	-	-	1,190.0	-
				SubTotals	20.0	1,170.0	-	-	-	-	1,190.0	-
	NOTES											
19 Collections Rehabilitation & Replacement  Lakewood Generator Replacement	PR ID	425 217 7202		PRELIM ENGINEERING	-	-	-	-	-	-	-	-
	SCOPE	M, P		FINAL ENGINEERING	15.0	-	-	-	-	-	15.0	-
	PRIORITY	Medium		PERMITTING	-	-	-	-	-	-	-	-
	DISTRICT	6		CONSTRUCTION	435.0	-	-	-	-	-	435.0	-
	FUND	402		CONST ENGINEERING	50.0	-	-	-	-	-	50.0	-
	BASIN	LAKE		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	-	-	-	-	-	-	-	-
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	500.0	-	-	-	-	-	500.0	-
				SubTotals	500.0	-	-	-	-	-	600.0	-
	NOTES											
20 Miscellaneous Scoping and Feasibility Studies	PR ID	425 235 7239		PRELIM ENGINEERING	50.0	50.0	50.0	50.0	50.0	50.0	300.0	-
	SCOPE	M, O, P, I		FINAL ENGINEERING	-	-	-	-	-	-	-	-
	PRIORITY	Low		PERMITTING	-	-	-	-	-	-	-	-
	DISTRICT	All		CONSTRUCTION	-	-	-	-	-	-	-	-
	FUND	402		CONST ENGINEERING	-	-	-	-	-	-	-	-
	BASIN	All		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	50.0	50.0	50.0	50.0	50.0	50.0	300.0	-
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	-	-	-	-	-	-	-	-
				SubTotals	60.0	60.0	60.0	60.0	60.0	60.0	300.0	-
	NOTES											

M Maintenance  
 O Operations  
 P Preservation  
 I Improvement  
 A Administration

Updated:08/04/14

Sewer Division of Public Works and Utilities

Detailed Project Specific Information - Dollar amounts expressed in 1000's												
Project Number/Name Project Type Scope Description	Project Purpose and Location		Expenditure Forecast to 12/31/2014	Project Phase	2015	2016	2017	2018	2019	2020	Six-Year Total	Exp. Beyond 2020
21 WWTP & Collection System Rehabilitation and	PR ID			PRELIM ENGINEERING	-	-	-	-	508.4	528.8	1,037.2	-
	SCOPE	P		FINAL ENGINEERING	-	-	-	-	1,016.8	1,057.5	2,074.3	-
	PRIORITY	0		PERMITTING	-	-	-	-	273.7	284.7	558.4	-
	DISTRICT	All		CONSTRUCTION	-	-	-	-	7,352.6	7,665.2	15,017.8	-
	FUND	404		CONST ENGINEERING	-	-	-	-	1,016.8	1,057.5	2,074.3	-
	BASIN	All		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	-	-	-	-	-	-	-	-
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	-	-	-	-	10,188.3	10,593.7	20,782.0	-
				SubTotals	-	-	-	-	10,168.3	10,593.7	20,762.0	-
	NOTES											
22 Chambers Creek Properties CCP BNSF Access Relocation and Fencing	PR ID	425.200.7192		PRELIM ENGINEERING	-	-	-	-	-	-	-	-
	SCOPE	O, I		FINAL ENGINEERING	-	-	-	-	-	-	-	-
	PRIORITY	High		PERMITTING	-	-	-	-	-	-	-	-
	DISTRICT	4		CONSTRUCTION	930.5	-	-	-	-	-	930.5	-
	FUND	402		CONST ENGINEERING	-	-	-	-	-	-	-	-
	BASIN	CCP		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	930.5	-	-	-	-	-	-	930.5
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	-	-	-	-	-	-	-	-
			1,129.7	SubTotals	930.5	-	-	-	-	-	-	930.5
	NOTES											
23 Chambers Creek Properties North and South Dock Removal	PR ID	425.198		PRELIM ENGINEERING	-	-	-	-	-	-	-	-
	SCOPE	P		FINAL ENGINEERING	-	-	-	-	-	-	-	-
	PRIORITY	Medium		PERMITTING	-	-	-	-	-	-	-	-
	DISTRICT	4		CONSTRUCTION	-	-	-	-	-	-	-	-
	FUND	Grant		CONST ENGINEERING	-	-	-	-	-	-	-	-
	BASIN	CCP		OTHER	781.0	-	-	-	-	-	781.0	-
				Funds from 402	781.0	-	-	-	-	-	-	781.0
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	-	-	-	-	-	-	-	-
			-	SubTotals	781.0	-	-	-	-	-	-	781.0
	NOTES											
24 Chambers Creek Properties CCP South Area Development	PR ID			PRELIM ENGINEERING	-	1.0	-	-	-	-	1.0	-
	SCOPE	I		FINAL ENGINEERING	-	-	-	-	-	-	-	-
	PRIORITY	0		PERMITTING	-	-	-	-	-	-	-	-
	DISTRICT	4		CONSTRUCTION	-	-	-	-	-	-	-	-
	FUND	402		CONST ENGINEERING	-	-	-	-	-	-	-	-
	BASIN	CCP		OTHER	-	-	-	-	-	-	-	-
				Funds from 402	-	1.0	-	-	-	-	-	1.0
				Funds from 403	-	-	-	-	-	-	-	-
				Funds From 404	-	-	-	-	-	-	-	-
			-	SubTotals	-	1.0	-	-	-	-	-	1.0
	NOTES											

M Maintenance  
O Operations  
P Preservation  
I Improvement  
A Administration

Updated:08/04/14

Sewer Division of Public Works and Utilities

Detailed Project Specific Information - Dollar amounts expressed in 1000's													
Project Number/Name Project Type Scope Description	Project Purpose and Location		Expenditure Forecast to 12/31/2014	Project Phase	2015	2016	2017	2018	2019	2020	Six-Year Total	Exp. Beyond 2020	
25 Chambers Creek Properties  North Meadow Parking Addition	PR ID			PRELIM ENGINEERING	-	-	-	-	-	-	-	-	
	SCOPE	I		FINAL ENGINEERING	-	-	-	-	-	-	-	-	
	PRIORITY	0		PERMITTING	-	-	-	-	-	-	-	-	
	DISTRICT	4		CONSTRUCTION	440.0	-	-	-	-	-	440.0	-	
	FUND	402		CONST ENGINEERING	-	-	-	-	-	-	-	-	
	BASIN	CCP		OTHER	-	-	-	-	-	-	-	-	
				Funds from 402	440.0	-	-	-	-	-	-	440.0	-
				Funds from 403	-	-	-	-	-	-	-	-	-
				Funds From 404	-	-	-	-	-	-	-	-	-
				SubTotals	440.0	-	-	-	-	-	-	440.0	-
		NOTES											

M Maintenance  
 O Operations  
 P Preservation  
 I Improvement  
 A Administration

Updated:08/04/14

## Sewer Division of Public Works and Utilities

Detailed Project Specific Information - Dollar amounts expressed in 1000's												
Project Number/Name Project Type Scope Description	Project Purpose and Location	Expenditure Forecast to 12/31/2014	Project Phase	2015	2016	2017	2018	2019	2020	Six-Year Total	Exp. Beyond 2020	
Sewer Utility	Subtotals		FINAL ENGINEERING	754.8	309.9	2,066.3	235.5	1,349.8	1,470.0	6,057.1	128.1	
			PERMITTING	14.8	160.5	294.6	14.2	316.1	330.9	1,133.1	-	
			CONSTRUCTION	85,353.9	34,290.9	9,382.4	14,198.0	16,373.3	15,822.4	175,425.9	6,244.1	
			CONST ENGINEERING	6,816.6	3,254.0	793.3	1,293.7	1,477.4	1,470.0	15,105.0	456.4	
			OTHER	781.0	-	-	-	-	-	-	781.0	-
			<b>Sub Totals</b>	<b>94,086.3</b>	<b>37,976.7</b>	<b>12,615.1</b>	<b>16,812.6</b>	<b>20,321.0</b>	<b>20,003.0</b>	<b>200,814.7</b>	<b>6,828.6</b>	
				<b>200,033.7</b>								
402 Sewer Utility Project Costs				22,627.3	9,082.6	50.0	60.0	60.0	60.0	31,909.9	0.0	
403 Sewer Utility Project Costs				44,535.1	18,281.2	11,473.8	14,782.1	9,316.9	8,541.8	106,881.0	6,828.6	
404 Sewer Utility Project Costs				24,772.4	10,631.8	1,091.3	1,010.5	10,954.1	11,411.2	59,871.4	0.0	
490 Water Utility Project Costs				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
402 CCP Project Costs				2,151.5	1.0	0.0	0.0	0.0	0.0	2,152.5	0.0	
<b>Total Project Costs</b>				<b>94,086.3</b>	<b>37,976.7</b>	<b>12,615.1</b>	<b>16,812.6</b>	<b>20,321.0</b>	<b>20,003.0</b>	<b>200,814.7</b>	<b>6,828.6</b>	
Projected Total 402/403/404 Funds				68,979.6	48,645.1	44,428.7	48,806.6	53,202.8	56,350.0	338,412.8		
Cash Flow from Debt Issuance				0.0	18,000.0	0.0	0.0	0.0	0.0	18,000.0		
Projected Total Grant/Loan Funding				36,781.0	0.0	0.0	0.0	0.0	0.0	36,781.0		
Projected Total Available Funds All Sources				125,760.6	64,645.1	44,428.7	48,806.6	53,202.8	56,350.0	393,193.8		
Projected Total Sewer Utility Budget				91,934.8	37,976.7	12,615.1	16,812.6	20,321.0	20,003.0	198,662.2		
Projected Total Water Utility Budget				0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Projected Total CCP Budget				2,151.5	1.0	0.0	0.0	0.0	0.0	2,152.5		
<b>Total Projected Spending/Year</b>				<b>94,086.3</b>	<b>37,976.7</b>	<b>12,615.1</b>	<b>16,812.6</b>	<b>20,321.0</b>	<b>20,003.0</b>	<b>200,814.7</b>	<b>6,828.6</b>	
Surplus/Deficit				31,674.3	26,668.4	31,813.6	32,994.0	32,881.8	36,347.0			

Inflation Adjustment/Year      4.0%  
 Last Updated On:                      8/4/2014

- M Maintenance
- O Operations
- P Preservation
- I Improvement
- A Administration

Updated:08/04/14

**7.3.3 Oakbrook Sub-basin**

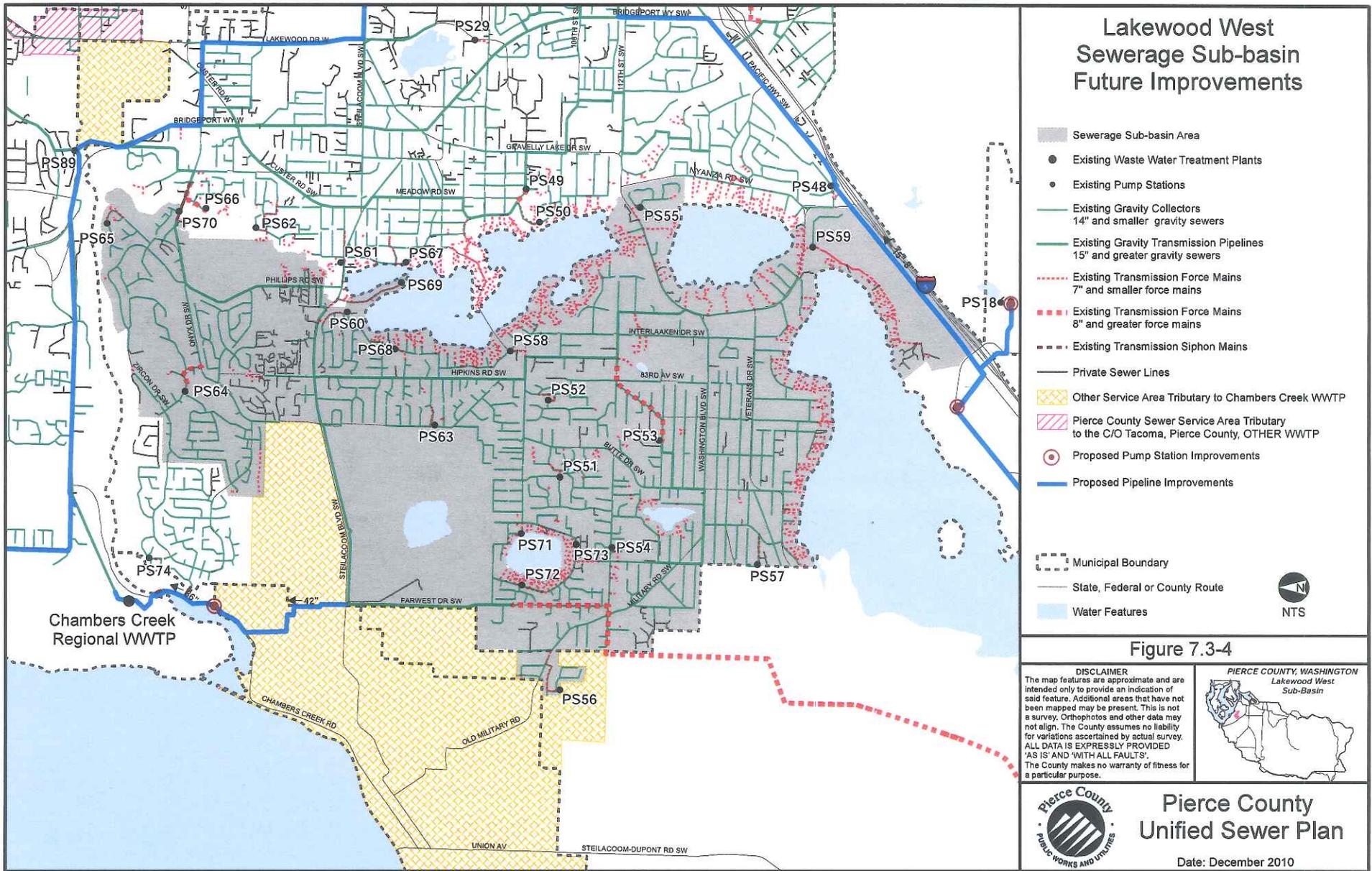
The Oakbrook Sub-basin contains only local collection facilities. No improvements are proposed for this sub-basin.



**7.3.4 Lakewood West Sub-basin**

The Lakewood West sub-basin includes regional facilities serving both construction infill of the Lakewood West sub-basin as well as facilities serving the DuPont Sub-basin. No improvements are proposed in this sub-basin.

In the Unified Sewer Plan, dated November 2001, a project diverting flows into the Town of Steilacoom was proposed. While this is still a potential, the improvements necessary to do this are more costly than constructing the DuPont-Lakewood Bypass projects proposed for the Chambers Creek Properties Sub-Basin.



## 7.3.5 Lakewood East Sub-basin

Table 7.3-3 Lakewood East Sub-basin Conveyance System Improvements

Interceptor Pipelines					
Project #	Project Name	Type	Size	Length	Cost*
IS10-02	Tillicum/American Lake Gardens Trunk Line Expansion	Expansion of existing 15" – 24" trunk line	18"-30"	7,980 lf	\$3,192,000
IS99-44-a	Tillicum Pump Stations	New to be constructed by City of Lakewood	8"-15"	12,250 lf	Completion 2011
IS99-44-b	American Lake Gardens Pump Station	New to be constructed by City of Lakewood	8"	4,500 lf	Completion 2011
IS99-54	By-Pass Interceptor	New	72"	19,000 lf	\$39,140,000
IS99-58	Chambers Creek Regional WWTP Tunnel Expansion Phase 1	Expansion of existing 54" pipeline	72"	2,532 lf	\$5,220,000
IS99-58	Chambers Creek Regional WWTP Tunnel Expansion Phase 2	Expansion of existing 72" pipeline	84"	1,280 lf	\$4,340,000
<b>Total Improvement Costs for Lakewood East Sub-basin</b>					<b>\$51,892,000</b>

\* Cost in 2009 dollars.

#### **Tillicum/American Lake Gardens Interceptor and Pump Stations – Project proposed for completion in 2011**

The Tillicum/American Lake Gardens Interceptor and Pump Stations will provide sanitary sewer service to American Lake Gardens and Tillicum. This 8 to 15-inch diameter, 10,369-foot long interceptor, force main and three pump stations generally will parallel I-5 from American Lake Gardens and Tillicum to Pacific Highway SW (north of Gravelly Lake) and is currently being constructed by the City of Lakewood.

The interceptor was included in *1991 Update to the Sewerage General Plan for the Chambers Creek - - Clover Creek Basin*.

#### **Tillicum/American Lake Gardens Trunk Line Expansion – Project will be constructed if needed**

The Tillicum/American Lake Gardens Trunk Line Expansion will provide future relief to the Tillicum and American Lake Garden areas. This 18 to 30-inch diameter, 7,980-foot long trunk line generally will follow the existing Bridgeport Interceptor from its terminus at Pacific HWY to Bridgeport and 111<sup>th</sup> Street SW. This project will only be constructed if the number of units in the American Lake and Tillicum Basins exceeds the limits agreed to by the City of Lakewood and Pierce County.

#### **Bypass Interceptor - Project proposed for completion by 2030**

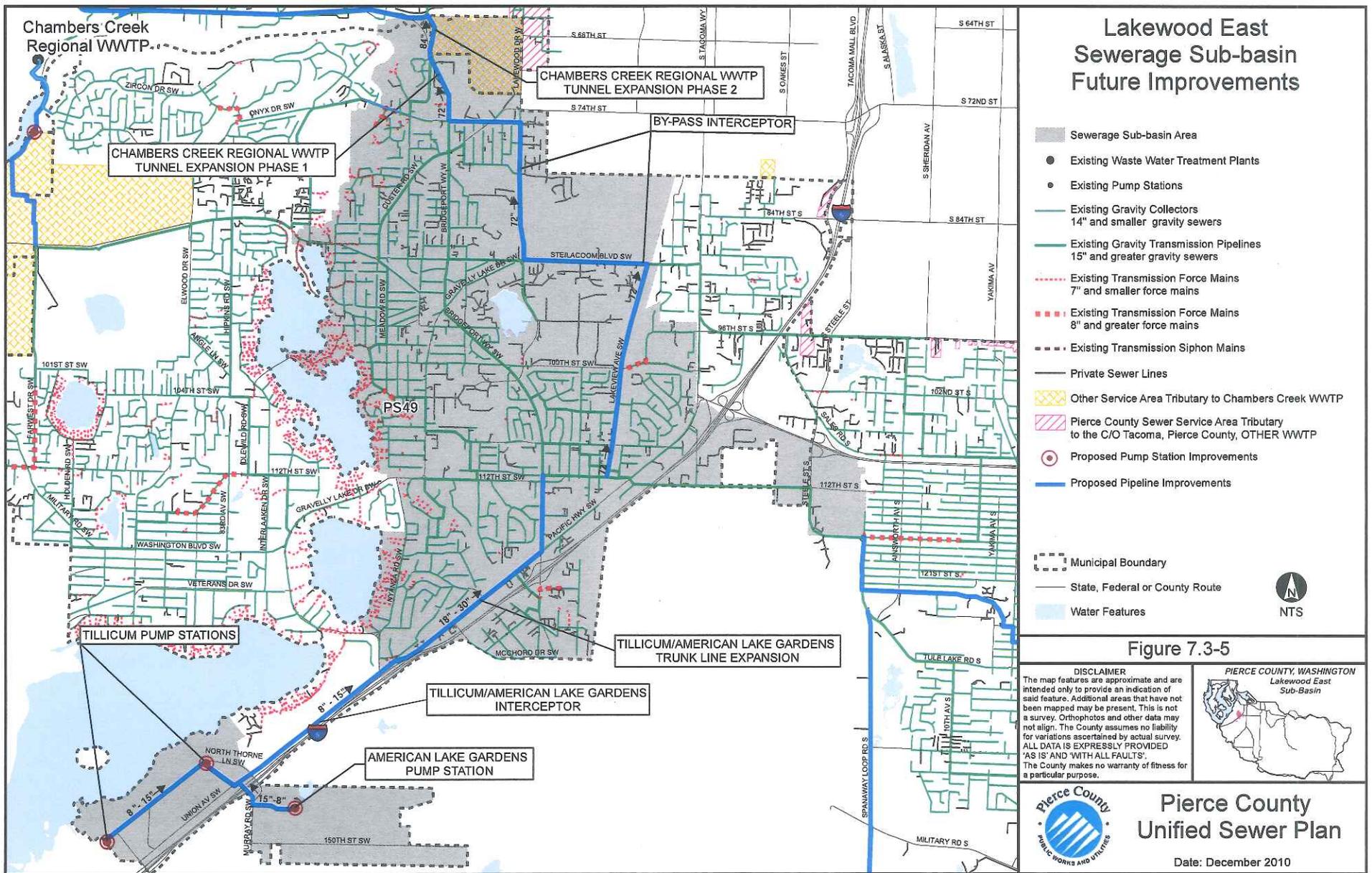
The Bypass Interceptor (IS99-54) will provide future relief to the southern part of the Bridgeport Interceptor as well as the Steilacoom Boulevard Interceptor. The Bypass Interceptor will consist of an expansion of several existing interceptors coupled with new interceptor segments. The 72-inch, 19,000-foot (3.6-mile) gravity pipeline will serve the sewer service sub-basins to the east of Interstate-5 as well as the existing portion of the Lakewood East Sub-basin. The interceptor alignment will generally run from the Chambers Creek Tunnel at Bridgeport Way and 75<sup>th</sup> Street West in a southeasterly direction in 75<sup>th</sup> Street, Lakewood Drive, Steilacoom Boulevard, and Lakeview Drive to the existing Spanaway Bypass Interceptor at 111<sup>th</sup> Street SW and Lakeview Drive.

**Chambers Creek Regional WWTP Tunnel Expansion Phase 1 - Project proposed for completion by 2030**

The Tunnel Expansion Phase 1 (IS99-54) will replace or parallel the existing WWTP Tunnel 54-inch lines to provide adequate capacity for build out. The Tunnel Expansion Phase 1 will consist of an expansion of 2,532 feet of existing 54-inch pipeline with 72-inch pipeline (or the equivalent parallel system to give the combined system the same hydraulic capacity as a 72-inch). The 72-inch pipeline will serve the entire WWTP basin, minus the City of University Place and the City of Tacoma's Western Slope area. The interceptor alignment will generally run from the start of the 72-inch Chambers Creek Tunnel at Bridgeport Way and Meadow Park Road, in a southeasterly direction in Bridgeport, to the end of the Bypass Interceptor at Bridgeport and 75<sup>th</sup> Street West.

**Chambers Creek Regional WWTP Tunnel Expansion Phase 2 - Project proposed for completion by 2040**

The Tunnel Expansion Phase 2 (IS99-54) will replace or parallel the existing Tunnel lines to provide adequate capacity for build out. Tunnel Expansion Phase 2 will consist of an expansion of 1,280 feet of existing 72-inch pipeline with 84-inch pipeline (or the equivalent parallel system to give the combined system the same hydraulic capacity as an 84-inch). The 84-inch will serve the entire WWTP basin minus parts of the City of University Place and the City of Tacoma's Western Slope area. The interceptor alignment will generally run from the end of Phase 1 west to the drop structure.





To: Mayor and City Councilmembers

From: M. David Bugher, Assistant City Manager/Community & Economic Development Director and Heidi Ann Wachter, City Attorney

Through: John J. Caulfield, City Manager 

Date: October 12, 2015

Subject: Report on Title 5 Business License Implementation

On May 5, 2015 the City Council amended Title 5 of the Lakewood Municipal Code relative to business licenses and regulations. Title 5 had been in place largely unchanged since incorporation with the result of some unnecessary sections, some duplication of state law and some language which has been preempted by state law. Amendments were the outcome of cross-departmental collaboration between Community Development, Legal and Police departments and were proposed in the context of an overall program to create parity between business types and close “loopholes” that foster trafficking in stolen property.<sup>1</sup>

The new Title 5 brought about three significant changes for temporary and second hand businesses in the City:

1. Ambiguity between temporary and general businesses is alleviated by providing specific definitions of each and removing separate treatment for a variety of other types of business. Essentially, all businesses in the City are either temporary or general by definition, consistent with how most cities operate.
2. All businesses, both temporary and general, in the City are now required to pay a licensing fee. This is a change from the previous practice of not charging a licensing fee to some temporary businesses.
3. Temporary businesses dealing in second hand merchandise are required to comply with state law regarding second hand sales, holding temporary businesses selling second hand merchandise to the same standard as general second hand businesses.

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<sup>1</sup> Specifically, second hand dealers, particularly temporary vendors of second hand merchandise, have been operating with less enforcement than pawn brokers although both are subject to the same state law. Title 5 LMC implementation includes enhanced enforcement on these second hand vendors to make them a less appealing option for reselling stolen goods.

There are 23 businesses in the City of Lakewood which are licensed to deal in second hand merchandise. Of those, three operate in the manner of letting space to businesses, one of which lets temporary outdoor space to businesses.

Map Id.	Name	Address Location
1	Computer Repair & More	B & I Public Market Place, Suite 24A, 8012 South Tacoma Way
2	Cricket (#8248)	5221 100 <sup>th</sup> Street SW
3	JSK's Treasure Chest	11605 Bridgeport Way
4	Key Antiques	11138 Gravelly Lake Drive SW
5	Lee Ryan Antiques	8809 Bridgeport Way
6	Museum Antiques/Aviation	5928 Steilacoom Boulevard SW
7	Storage Auction Treasures	8805 Steilacoom Boulevard SW
8	TV Time	8814 Bridgeport Way
9	RepurposeWear	8233 Steilacoom Boulevard SW
10	Lakewood Goodwill	6002 Mt Tacoma Drive SW
11	Howard Welborn Antiques	5927 Steilacoom Boulevard SW
12	Life Center Thrift Shop	8013 Steilacoom Boulevard SW
13	Children's Trading Post	11124 Gravelly Lake Drive SW
14	G's Antiques & Collectables	8021 Steilacoom Boulevard SW
15	South Tacoma Antique Mall	8219 South Tacoma Way
16	B & I Public Market	8012 South Tacoma Way
17	Star Lite Swap Meet	8327 South Tacoma Way
18	Tacoma Discount World	11013 Pacific Highway SW
19	Ponders Pawnbrokers, Inc.	12820 Pacific Highway SW
20	AAA Loan & Gun Shop, Inc.	12831 Pacific Highway SW
21	Old Sarge's Loan	12815 Pacific Highway SW
22	Pawnbroker's Northwest	12906 Pacific Highway SW
23	The Foxhole	15022 Union Avenue SW

**1. Adoption of the new Title 5 language was followed by a period of education.**

In terms of education and outreach, extensive staff training has occurred at the Permit Counter. Training occurred well before the Ordinance took effect. After the Ordinance was adopted, Permit Counter staff met daily with managers to review the past day's operations. Changes in the City's licensing system were made to create new temporary license certificates. City staff developed a system to get clients "in and out" as quickly as possible.

Handouts (attached) have been prepared to help explain the process. A CED staff person regularly provides Spanish translation at the Permit Counter. Representatives of the City have met with the owner of the Star Lite Swap Meet and his attorney.

Community & Economic Development staff (CED) has engaged in regular conversations with the managers at the B&I Public Market and the Tacoma Discount World. Relations have been congenial and fairly positive. Relations with the Star Lite clients and management have been less

so. Star Lite clients tend to make numerous trips back and forth between City Hall and the Star Lite owing to inadequate communication by the Star Lite regarding the requirements. Further, there have been ongoing attempts by some merchants to “game the system” in order to not have to pay the license fee.

When clients come into the office to obtain licenses, CED staff requests feedback from applicants. While applicants do not like paying an increased fee, most understand the program when it is explained.

**2. Enforcement began after the new language had been in effect for 45 days and was primarily accomplished through (CSRT).**

- a. Location** - CSRT enforcement focused on three locations: the Star Lite, the B&I and the Tacoma Discount World. In each instance, CSRT made at least two on-site inspections giving warnings and educating temporary businesses about their obligations before full enforcement took place.
  - b. Citations** - During a site visit to the Star Lite on September 12, 2015, a total of 19 citations were issued (with one citation voided in error). Eight more citations issued to temporary businesses at the Star Lite on October 3, 2015. Compliance checks were also performed at the B&I and Tacoma Discount World. Between these two locations, only one citation was issued. We are experiencing 95% compliance based on enforcement to date.
  - c. Prosecution** – The first round of scheduled hearings took place in Lakewood Municipal Court on October 7, 2015. There were a total of 6 cases scheduled stemming from the September 2015 enforcement at the Star Lite. These citations were issued under the general category of ‘no business license’ with specific violations focusing on ‘no business license on site’ or ‘failure to display.’ Findings of “committed” were entered at the scheduled contested hearing date on all six cases. Approximately one dozen citations are set for hearing on November 4, 2015 in Lakewood Municipal Court.
- 3. Results to date.** CED went back and reviewed past license records at the Star Lite. In 2013 and 2014 the City issued 2,983 and 2,683 general business “no fee” licenses, respectively. These “no fee” licenses are now classified as temporary licenses. For 2013 and 2014, the monthly average for issuing “no fee” licenses was 238. Since July 6, 2015, the Permit Counter has issued 112 temporary licenses. Most of the applications were received and processed on Thursdays and Fridays and significantly impacted Permit Counter operations, often to the detriment of planning and building permitting clients. To-date, the City has collected \$6,900 in temporary license fees. The cost of training staff, modifying the automated permitting system, and general administration, far exceeds the revenue collections.

**4. Expected results over time.**

Post-site visit reports support that there is increased compliance. As the citations to date reflect, the amount of non-compliance issues appear to be decreasing. It is too early to tell if this is the result of fewer merchants; prior to the effective date of Ordinance 610 it was not uncommon to have a series

of “rolling” non-fee licenses (i.e., Family Member # 1 would use a license for four weekends, then Family Member # 2 would use a different no-fee license for four weeks for the same location, etc.).

Within hours of the conclusion of the October 7<sup>th</sup> hearing (Paragraph 2(c) above), one vendor submitted an application for their other stall at the Star Lite.

Under the revised Title 5 businesses are all required to pay for a business license. The Council specifically considered what amount to charge temporary businesses and ultimately opted to treat all businesses equally despite the disproportionate impact of temporary businesses on City resources as represented by those departments responsible for licensing, inspection and enforcement. The Council authorized a sixty dollar licensing fee for all businesses in the City. A brief review of other cities suggests that this is a typical amount.<sup>2</sup>

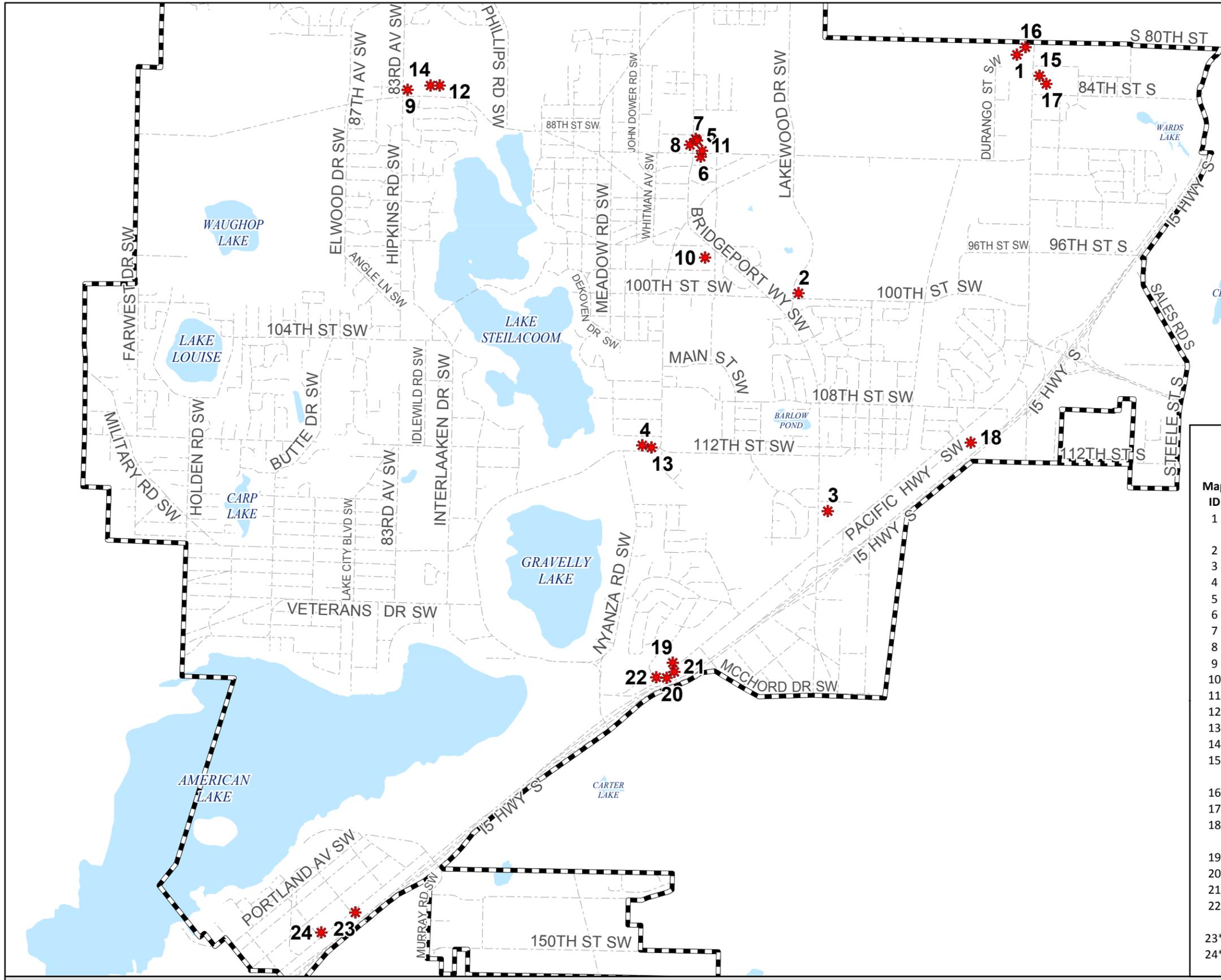
One of the concerns expressed with regard to the sixty dollar fee is that a temporary license, by the nature of the business, is temporary in duration. Thus, if a temporary business license expires, the temporary business owner could be charged another license fee if the owner seeks another temporary business license within a year. It should be noted that it is the applicant, the temporary business owner, who requests a temporary license and specifies the desired duration. The decision on the duration of a temporary license is subject to the administrative determination of the Assistant City Manager, Community Development Director, subject to appeal by the City’s Hearing Examiner. Relatedly, a number of pre-Ordinance 610 general business licenses are due to expire for businesses which now meet the definition of a temporary business license, but who nevertheless maintain a fixed place of business. To date, no appeals of any kind have been filed with the Hearing Examiner relative to the temporary business licensing process.

Attachments:

Map – Second Hand Dealers  
Business Licensing Tip Sheet on how to use LeadsOnline  
Business Licensing Regulation FYI’s

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<sup>2</sup> The following business license fees have been independently confirmed: \$30.00 for Gig Harbor; \$40.00 for Sumner; \$50.00 for Federal Way, Steilacoom, Tumwater and University Place; \$75.00 for Fircrest and Puyallup; and \$90.00 for Tacoma.



**Table 1  
Second Hand Sales Businesses**

Map ID	Name	Address Location
1	Computer Repair & More	B & I Public Market Place, Suite 24A, 8012 South Tacoma Way
2	Cricket (#8248)	5221 100 <sup>th</sup> Street SW
3	JSK's Treasure Chest	11605 Bridgeport Way
4	Key Antiques	11138 Gravelly Lake Drive SW
5	Lee Ryan Antiques	8809 Bridgeport Way
6	Museum Antiques/Aviation	5928 Steilacoom Boulevard SW
7	Storage Auction Treasures	8805 Steilacoom Boulevard SW
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14	G's Antiques & Collectables	8021 Steilacoom Boulevard SW
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17	Star Lite Swap Meet	8327 South Tacoma Way
18	Tacoma Discount World	11013 Pacific Highway SW
19	Ponders Pawnbrokers, Inc.	12820 Pacific Highway SW
20	AAA Loan & Gun Shop, Inc.	12831 Pacific Highway SW
21	Old Sarge's Loan	12815 Pacific Highway SW
22	Pawnbroker's Northwest	12906 Pacific Highway SW
23*	Historic Military Sales	8105 Maple Street SW
24*	The Foxhole	15022 Union Avenue SW

\* Second Hand Dealer Location

City Limit

0 Miles 0.5

# Second Hand Dealers

This product was prepared with care by City of Lakewood GIS. City of Lakewood expressly disclaims any liability for any inaccuracies which may yet be present. This is not a survey. Datasets were collected at different accuracy levels by various sources. Data on this map may be shown at scales larger than its original compilation. Call 253-589-2489 for further information. Map Date: October 06, 2015 :\\projects\cd\Lisa\2015\2HDL.mxd



## Business Licensing

### Tip Sheet on how to use LeadsOnline

If you are conducting business as a pawnbroker, a secondhand dealer, or a secondhand precious metal dealer, then your business is subject to additional reporting requirements excepting clothing with a current resale value of less than \$75 (unless the items are made of fur or leather).

"Pawnbroker" means every person engaged, in whole or in part, in the business of loaning money on the security of pledges of personal property, or deposits or conditional sales of personal property, or the purchase or sale of personal property.

"Secondhand dealer" means every person engaged in whole or in part in the business of purchasing, selling, trading, consignment selling, or otherwise transferring for value, secondhand property including metal junk, melted metals, precious metals, whether or not the person maintains a fixed place of business within the state. Secondhand dealer also includes persons or entities conducting business, more than three times per year, at flea markets or swap meets.

"Secondhand precious metal dealer" means any person or entity engaged in whole or in part in the commercial activity or business of purchasing, selling, trading, consignment selling, or otherwise transferring for value, more than three times per year, secondhand property that is a precious metal, whether or not the person or entity maintains a permanent or fixed place of business within the state, or engages in the business at flea markets or swap meets. The terms "precious metal" and "secondhand property," for purposes of transactions by a secondhand precious metal dealer, do not include: (a) Gold, silver, or platinum coins, or other precious metal coins, that are legal tender, or precious metal coins that have numismatic or precious metal value, (b) gold, silver, platinum, or other precious metal bullion, or (c) gold, silver, platinum, or other precious metal dust, flakes, or nuggets.

Under the City's business licensing regulations, such businesses are required to report electronically with LeadsOnline (<http://www.leadsonline.com>). LeadsOnline provides a free subscription service for second-hand merchants to register all transactions and allows uploading of photographs of the items sold, copies of transaction documents, and the type of identification used in the transaction.

Each second hand merchant is required to do the following:

- Operate and maintain a computer system with Internet access to connect with LeadsOnline and to provide transaction information.
- Obtain a photographic image of identification of both the buyer/seller, sufficiently clear to allow the information on the identification to be read and the item which is the subject of the transaction. The identification must be current, issued from a governmental entity of the United States and must include the buyer's/ seller's first and last name, current address, date of birth and physical descriptors.
- On a daily basis, report to the Lakewood Police Department all transactions, minus clothing or other miscellaneous items with a current resale value of less than \$75, except for items made partially or wholly from fur or leather.

## How do I contact LeadsOnline?

1. Google, "LeadsOnline." Their home screen will appear on your computer. In the upper right hand corner, there is a blue button labeled "Register."
2. Click on "Register."
3. A new screen will appear, called "Contact Register." You will be provided two buttons: "I am law" or "I am a business."
4. Click on "I am a business."
5. Another screen will appear called "Business Registration (free)." There are four steps outlined: account information; contact person; store information; and mailing address. Provide the information, and when you're done, click on "Submit Registration" at the bottom of the screen.
6. You will receive a message.
7. Within 60 minutes a LeadsOnline account representative will contact you by telephone. They will ask some follow-up questions.
8. Afterwards, you can then access your account.
9. When you access your account, after signing in, the program will take you to "Ticket Assistant." This is where you provide information on customer information, photos of goods for sale, and copies of sales receipts.



## COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

### - Important Information -

#### The City of Lakewood has changed its Business Licensing Regulations!

**What happened?** On May 4, 2015, the Lakewood City Council adopted Ordinance No. 610 amending the City's business licensing regulations. These regulations are found in the Lakewood Municipal Code, Title 5. The new regulations take effect Monday, June 8, 2015.

**Why the changes?** Since City incorporation in 1996, business licensing regulations have not been regularly updated. Many of the current rules are no longer applicable, out-of-date, or inconsistent with state law. The current situation has led to confusion for both city staff who administer business licensing, and local businesses. This subject was brought to the attention of the Lakewood City Council which resulted in the changes in regulations described below.

**Okay, this sounds good so far. But what did you change?** Here's a summary:

- Carnivals & circuses, and outdoor public music festivals are subject to a temporary business license with conditions as appropriate.

- Bathhouses and theaters would obtain a general business license with conditions as appropriate.
- Wrecking yards, and bondsmen are not required to obtain a City license.
- The penalty structure for massage businesses was increased from a misdemeanor to a gross misdemeanor, to bring this in line with state law.
- The regulation of kennels and pets was moved to another section of the municipal code, Title 6 – Animals.
- Regulations for pawnshops, secondhand sales, antique, junk and/or salvage dealers, transient traders, private sales and flea markets were rewritten.

The new regulations were clarified by repealing sections that were duplicated under state law, and adopting state law by reference.

One of the big changes, however, is the additional reporting requirements for second hand sales. Second hand sales transactions shall be reported electronically with LeadsOnline (<http://www.leadsonline.com>). LeadsOnline provides a free subscription service for second-hand merchants to register all transactions and allows uploading of photographs of the items sold, copies of transaction documents, and the type of identification used in the transaction.

- New reporting requirements for those businesses that host 10 or more temporary business.
- Creation of two basic business licenses, general and temporary. A temporary license is a business of a

short term or transitory nature. Temporary licenses apply to roving mobile vendors and vendors at a flea market.

- The temporary business license is no longer free. The Council approved a \$60 fee (Council Resolution 2015-14). Other urban communities charge similar fees for temporary businesses.
- Casual sales licenses have been removed.
- Licenses, either general or temporary, are non-transferable.
- Some businesses are now exempt from business licensing (residential garage sales, small or part-time businesses engaged by minors with a gross annual income of less than \$1,000, stands that sell flowers, fruit, vegetables, produce, or plants grown on the property where the stand is located, and City – sponsored Farmers Market.)

**That's quite few changes, Lakewood! Did you leave anything alone?** Yes, we did. The City left its adult entertainment regulations intact. These have been litigated over the years and there was no need to make changes. The following categories/topics remain unchanged:

- Adult cabarets.
- Panorams, previews, picture arcades and peep show regulations.
- Solicitor and peddler regulations.
- Limitations on pawnshop businesses.

- Maintain the current \$60 fee for general business licenses.

### **Any dates which I should be aware of?**

**Yes! Monday, June 8, 2015!** That's the date the new regulations take effect. The new temporary business license fee also takes effect on this same day.

### **Okay, if I have questions, who should I contact?**

If you are seeking a copy of Ordinance No. 610 or Resolution 2015-14, contact the Lakewood City Clerk. Telephone and e-mail: 253/983-7701 or [Abush@cityoflakewood.us](mailto:Abush@cityoflakewood.us)

If you want a copy of the temporary business license, you can go online to [cityoflakewood.us](http://cityoflakewood.us).

- Click on the City of Lakewood Tab located in the top left corner.
- Next, click on Community Development Tab.
- Just below the photograph, click on Business Licensing.
- From there, select Temporary Business License. The application should be available on Tuesday, May 26, 2015.

Or, you may stop by Lakewood City Hall, 6000 Main Street SW, and pick up license applications at the 2<sup>nd</sup> floor permit counter.



To: Mayor and City Councilmembers

From: Tho Kraus, Assistant City Manager/Administrative Services

Through: John J. Caulfield, City Manager

Date: October 12, 2015

Subject: City Funds Ordinance Update

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The purpose of this update is to repeal LMC Sections 03.09.280 and 290 relative to Municipal Court Trust Fund and Section 125.

The Municipal Court Trust Account (Fund 634) was established to account for monies received by the Municipal Court as bond deposits, cash deposits, or other payments which may, depending upon circumstances be returned to the person making the deposit or payment to the City, or which may, otherwise, be applied to fines, penalties, costs, or expenses involved in cases filed with the Municipal Court. The Section 125 (Fund 635) was established to account for monies received from the deductions from the salaries of participating employees, and from which reimbursements shall be paid for the applicable medical and childcare expenses of said employees, in conformity with the provisions of Section 125 of the IRS code. These two funds are not needed as these activities can be accounted for within the General Fund, thus reducing the number of excess funds.

The fund ordinance is scheduled to be presented to the City Council for adoption on October 19, 2015.

Attachments:

- Proposed Ordinance

ORDINANCE NO. 6XX

AN ORDINANCE of the City Council of the City of Lakewood, Washington, repealing Sections 3.9.280 and 3.9.290 of the Lakewood Municipal Code; relative to certain fund accounts.

WHEREAS: within chapter 3.9 of the Lakewood Municipal Code, the City has codified a number of funds; and

WHEREAS: Two of these funds, the Municipal Court Trust Account and Section 125 Funds, codified at LMC 3.9.280 and 3.9.290 respectively, are now being accounted for in the general fund and there is no longer a need to keep these accounts as separate funds;

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

Section 1: Section 3.9.280 Lakewood Municipal Code, entitled “Municipal Court Trust Account,” is repealed,

~~There is hereby established a fund known as the Municipal Court Trust Account (Fund 634) as follows:~~

~~A.—— Purpose. The purpose of this fund is to account for monies received by the Municipal Court as bond deposits, cash deposits, or other payments which may, depending upon the circumstances be returned to the person making the deposit or payment to the City, or which may, otherwise, be applied to fines, penalties, costs, or expenses involved in cases filed with the Municipal Court.~~

~~B.—— Revenues. This fund is funded by deposits made through the municipal court.~~

Section 2: Section 3.9.290 Lakewood Municipal Code, entitled “Section 125,” is repealed,

~~There is hereby established a fund known as the Section 125 (Fund 635) as follows:~~

~~A.—— Purpose. The purpose of this fund is to account for monies received from the deductions from the salaries of participating employees, and from which fund reimbursements shall be paid for the applicable medical and childcare expenses of said employees, in conformity with the provisions of Section 125 of the IRS Code.~~

~~B.—— Revenue. This fund is funded by payroll deductions of participating employees.~~

Section 3. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this ordinance.

Section 4. Effective Date. This ordinance shall take place thirty (30) days after its publication or publication of a summary of its intent and contents.

ADOPTED by the City Council this 19th day of October, 2015.

CITY OF LAKEWOOD

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Don Anderson, Mayor

Attest:

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Alice M. Bush, MMC, City Clerk

Approved as to Form:

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Heidi A. Wachter City Attorney



To: Mayor and City Councilmembers  
From: Tho Kraus, Assistant City Manager/Administrative Services  
Through: John J. Caulfield, City Manager *John J. Caulfield*  
Date: October 12, 2015  
Subject: 2015/2016 Mid-Biennium Budget Adjustment

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**BACKGROUND:**

Washington state law requires cities that are on a biennial budget cycle perform a mid-biennial review and modification of the biennial budget. The review is to occur no sooner than eight months after the start nor later than the conclusion of the first year of the biennium. As part of the mid-biennium budget process, the revised 6-Year Financial Forecast was updated and presented to the City Council on September 28, 2014.

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

- Housekeeping adjustments to incorporate items previously approved by Council;
- Reflect projects funded by grants and contributions;
- Changing operating trends and conditions; and
- New allocations.

**PROPOSED BUDGET AMENDMENTS – SUMMARY:**

The proposed budget adjustment:

- Makes no change to beginning fund balance;
- Decreases total revenues for all funds by \$15.1M in 2015 and increases by \$21.7M in 2016, resulting in a total revised revenue budget of \$72.5M and \$73.5M, respectively;
- Decreases total expenditures for all funds by \$15.9M in 2015 and increases by \$23.4M in 2016, resulting in a total revised expenditure budget of \$75.3M and \$75.7M, respectively;
- Increases total ending fund balance for all funds by \$787K in 2015 and decreases by \$955K in 2016, resulting in a total revised projected ending fund balance of \$18.3M and \$16.3M, respectively.

Fund Group	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance		
	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget
<b>Total Year 2015</b>	\$21,059,957	\$ -	\$21,059,957	\$87,597,177	\$ (15,142,116)	\$72,455,061	\$91,189,784	\$ (15,928,735)	\$75,261,050	\$17,467,349	\$ 786,618	\$18,253,968
General	4,532,695	-	4,532,695	35,187,734	229,159	35,416,893	35,729,979	467,193	36,197,172	3,990,450	(238,034)	3,752,416
Special Revenue	3,272,941	-	3,272,941	6,792,609	1,082,872	7,875,481	8,300,785	991,959	9,292,744	1,764,764	90,913	1,855,677
Debt Service	1,043,700	-	1,043,700	1,219,978	351,697	1,571,675	1,346,124	319,541	1,665,665	917,554	32,156	949,710
Capital Projects	800,249	-	800,249	36,014,269	(17,508,367)	18,505,902	34,549,690	(17,504,928)	17,044,762	2,264,828	(3,439)	2,261,389
Enterprise	6,868,242	-	6,868,242	3,321,545	93,327	3,414,872	5,903,577	(991,745)	4,911,832	4,286,210	1,085,072	5,371,282
Internal Service	4,542,130	-	4,542,130	5,061,042	609,195	5,670,237	5,359,629	789,245	6,148,874	4,243,543	(180,050)	4,063,493
<b>Total Year 2016</b>	\$17,467,349	\$ 786,619	\$18,253,968	\$52,018,578	\$ 21,674,078	\$73,692,656	\$52,276,733	\$ 23,415,445	\$75,692,178	\$17,209,194	\$ (954,749)	\$16,254,446
General	3,990,450	(238,034)	3,752,416	35,695,391	880,830	36,576,221	35,348,044	539,499	35,887,543	4,337,797	103,297	4,441,094
Special Revenue	1,764,764	90,914	1,855,678	4,751,460	800,983	5,552,443	5,062,710	985,183	6,047,893	1,453,514	(93,287)	1,360,227
Debt Service	917,554	32,156	949,710	1,315,071	(65,775)	1,249,296	1,482,928	(64,800)	1,418,128	749,697	31,181	780,878
Capital Projects	2,264,828	(3,439)	2,261,389	2,945,500	19,251,502	22,197,002	3,465,450	19,344,724	22,810,174	1,744,878	(96,661)	1,648,217
Enterprise	4,286,210	1,085,072	5,371,282	2,702,500	190,610	2,893,110	3,121,965	2,106,961	5,228,926	3,866,745	(831,279)	3,035,466
Internal Service	4,243,543	(180,050)	4,063,493	4,608,656	615,928	5,224,584	3,795,636	503,878	4,299,514	5,056,563	(68,000)	4,988,563

### **GENERAL FUND ENDING FUND BALANCE**

The 2016 estimated General/Street O&M Funds ending fund balance of \$4.44M equates to 12% of General/Street O&M Funds operating revenues.

In support of the City's financial integrity, the City Council adopted on September 15, 2014, a set of financial policies including fund balance reserves totaling 12% of General/Street O&M Funds operating revenues. The goal date for meeting this target is no later than 2016 and is met with the 2015/2016 Adopted Biennial Budget and continues to be met with the proposed mid-biennium budget adjustments.

- *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/Street O&M Funds operating revenues equates to roughly \$740K.
- *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/Street O&M Funds operating revenues equates to roughly \$1.85M.

- *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/Street O&M Funds operating revenues equates to roughly \$1.85M.

**PROPOSED BUDGET AMENDMENTS – DETAILS:**

The narrative below provides detailed information on the proposed budget adjustments. A summarized list is included as an attachment to this memo.

**Fund 001 General**

*Revenue Adjustments* – Adjust revenues to reflect current economic conditions and trends:

- *Property Tax* – Increase by \$100,600 in 2015 and \$77,000 in 2016 resulting in a revised budget estimate of \$6,565,600 and \$6,639,000, respectively.
- *Sales & Use Tax* – Increase by \$190,400 in 2015 and \$175,900 in 2016 resulting in a revised budget estimate of \$8,472,400 and \$8,601,900, respectively.
- *Parks Sales & Use Tax* – Increase by \$18,100 in 2015 and \$18,900 in 2016 resulting in a revised budget estimate of \$490,100 and \$499,900, respectively.
- *Criminal Justice Sales Tax* – Increase by \$42,700 in 2015 and \$52,300 in 2016 resulting in a revised budget estimate of \$880,700 and \$898,300, respectively.
- *Admissions Tax* – Increase by \$17,100 in 2015 and \$20,400 in 2016 resulting in a revised budget estimate of \$667,100 and \$680,400, respectively.
- *Leasehold Tax* – Increase by \$8,000 in 2015 and \$0 in 2016 resulting in a revised budget estimate of \$16,000 and \$8,000, respectively. The increase in 2015 is due to back taxes received.
- *Utility Tax* – Decrease by \$345,000 in 2015 and \$432,000 in 2016 resulting in a revised budget estimate of \$5,642,000 and \$5,644,000, respectively.
- *Gambling Tax* – Increase by \$37,300 in 2015 and \$25,300 in 2016 resulting in a revised budget estimate of \$2,507,300 and \$2,532,300, respectively.
- *Franchise Fees* – Increase by \$202,000 in 2015 and \$256,300 in 2016 resulting in a revised budget estimate of \$3,408,000 and \$3,510,300, respectively.
- *Criminal Justice Funding* – Increase by \$9,100 in 2015 and \$13,300 in 2016 resulting in a revised budget estimate of \$144,400 and \$150,200, respectively.
- *Criminal Justice High Crime* – Decrease by \$61,400 in 2015 and \$61,400 in 2016 resulting in a revised budget estimate of \$236,700 and \$236,700, respectively.
- *Liquor Excise Tax* – Increase by \$50,000 in 2015 and \$177,700 in 2016 resulting in a revised budget estimate of \$161,100 and \$258,500, respectively.

- *Liquor Profits* – Increase by \$1,100 in 2015 and decrease by \$7,000 in 2016 resulting in a revised budget estimate of \$511,200 and \$502,500, respectively.
- *Development Services Permits & Fees* – Increase by \$498,030 in 2016 resulting in a revised budget estimate of \$973,450 in 2015 (no change) and \$1,481,270, respectively. The increase in 2016 is due to the many permits/projects that are in the works.
- *Business Licenses* – Increase by \$72,900 in 2016 resulting in a revised budget estimate of \$260,000 in 2015 (no change) and \$332,900 in 2016. The anticipate increase in 2016 is due to correcting technical issues, filling the vacant position and realigning the office assistant position with a permit coordinator in July 2016, providing additional training to staff and efforts to increase compliance.
- *Alarm Permits & Fees* – Decrease by \$25,000 in 2015 and \$23,000 in 2016 resulting in a revised budget estimate of \$134,000 and \$136,000, respectively.
- *Animal Licenses* – Increase by \$5,000 in 2015 and \$6,200 in 2016 resulting in a revised budget estimate of \$40,800 and \$42,000, respectively.

*Independent Salary Commission Decision, Ongoing* – Add \$21,175 in 2015 and \$46,200 in 2016 to implement the City’s first Independent Salary Commission decision on City Council salaries.

*City Manager Department Interns, 1-Time* – Add \$18,800 of expenditures for two interns in the City Manager Department offset by Finance Division position vacancy savings.

*Net Internal Service Reallocation, Ongoing* – Reduce by \$33,017 in 2015 and \$122,318 in 2016 due to reallocation of internal service funds to non-general fund departments.

*WCIA Assessment Increase* – Add internal service charges of \$9,947 in 2015 and \$177,616 in 2016. Refer to Fund 504 Risk Management for details.

*WCIA Potential Deductibles for Claims Prior to 2014* – Add internal service charges of \$201,109 in 2015. Refer to Fund 504 Risk Management section details.

*Public Disclosure Keonig Case* – Add internal service charges of \$206,920 in 2015. Refer to Fund 504 Risk Management for details.

*Information Technology Accumulated Reserves, Ongoing* – Add \$18,946 to begin the accumulation of replacement reserves for the new phone system and wireless access accumulated reserves.

*Transfer to Fund 501 Fleet & Equipment Fund, 1-Time* – Add \$233,239 in 2016 to replenish the Fleet & Equipment Fund replacement reserves. In June 2015 the City Council approved the transfer from the Fleet & Equipment Fund to the Information Technology Fund to provide for much needed basic information technology related needs. The goal was to make the fleet and equipment reserves whole by the end of 2016 through expenditure savings and/or use of revenues received above and beyond estimates.

*Position Realignment (Permit Coordinator, offset by Development Services Revenue), Ongoing* – Add \$18,300 in 2015 and \$42,100 in 2016 to account for the costs of the realignment of the Office Assistant position to Permit Coordinator, funded by additional development services revenue.

*Motor Avenue Complete Streets Concept, 1-Time* – Add \$12,000 in 2015 for total expenditures of \$60,000 for the development of a “complete streets” design concept for Motor Avenue SW.

*Public Defender, Ongoing* – Add \$45,000 in 2015 and \$66,200 in 2016 for total expenditures of \$400,000 2015 and \$451,200 in 2016 to implement the new public defender contract. The 2015 increase includes \$30,000 for anticipated transition costs (currently under review).

*Public Defender Grant* - Add revenues and expenditures of \$10,000 in 2016 funded by Office of Public Defender grant. The grant provides funding for investigative services.

*Annual Replacement Reserves on Purchase of 3 New Snow Plows* – Add \$2,000 in 2016 for the annual accumulation of replacement reserves on the purchase of 3 new snow plows based on a 10 year replacement cycle.

*South Sound 911 Dispatch Services, Ongoing* – Add \$24,159 in 2016 bringing the total estimated cost for South Sound 911 dispatch services to \$2,043,570 (does not include City of Tacoma Radio Network Users Fees – see below).

*City of Tacoma Radio Network User Fees, Ongoing* – Add \$18,300 in 2016 bringing the total estimated cost for radio network user fees related to dispatch services to \$110,300. The increase is due to the City of Tacoma owned 800 MHz system upgrade/implementation to new, state-of-the-art infrastructure and technology. While South Sound 911 is not the system owner, and therefore is not in control of the costs assessed to the City, it has committed to providing funding to help mitigate the increase in fees. South Sound 911 is in active discussion to negotiate radio system costs and South Sound 911 cost-sharing, so that radio fees will not exceed \$30 per month per radio for public safety users in 2016. Beyond 2016, South Sound 911 will be working with the City of Tacoma to explore South Sound 911 serving as a system operator or system owner. As either an operator or owner, South Sound 911 would have influence and management over the radio fee formulas and rate structures, which is not the case today. The City currently pays \$25 per radio on its 915 radios. The increase is \$9.87 for a total unit cost of \$34.87, however, South Sound 911 has committed to limiting the increase to \$5.00 per unit.

*Puget Sound Clean Air Assessment, Ongoing* – Add \$5,357 in 2016 for the Puget Sound Clean Air Assessment, which will increase the budget to a total of \$36,332. The agency’s Board adopted the rate of 81 cents per capita (a 10 cent increase) to fund critical regional public health and climate protection work. This is the second part of a two-year planned increase that started in 2015. The City’s portion of the per capita is based on a formula using the City’s population and assessed valuation of taxable property, as defined by the Washington State Clean Air Act (RCW 70.94).

*Nisqually Tribal Mental Health Account Correction* – Move \$25,000 in revenue and expenditure for Greater Lakes Mental Health Professional to Fund 195 Public Safety Grants.

*Pierce County Sheriff Department for- U.S. Open, 1-Time-* Appropriate \$4,159 in revenue and expenditures in 2015 for reimbursement of officer overtime for assisting in providing a law enforcement presence at the 2015 U.S. Open in Chambers Bay.

*General/Street Fund Subsidy* – Decrease by \$14,400 in 2015 and \$1,300 in 2016 due to the following:

- Increase by motor vehicle excise tax (MVET) by \$14,400 in 2015 and \$3,300 in 2016 resulting in a decrease in General Fund subsidy

- Eliminate judgments and settlements expenditures of \$10,000 in 2015 and \$10,000 in 2016 resulting in a decrease in General Fund subsidy. These expenditures are accounted for in the Risk Management and charged to the department as an internal service charge.
- Eliminate proceeds from sale of assets of \$10,000 in 2015 and \$10,000 in 2016 resulting in an increase in General Fund subsidy. Proceeds from sale of assets are received into Fund 302 Transportation CIP and may be used for general transportation capital purposes.
- Add annual replacement reserves collection of \$2,000 on 3 new snow plows resulting in an increase in General Fund subsidy.

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

*General/Street Fund Subsidy* – Decrease by \$14,400 in 2015 and \$3,300 in 2016 due to the following:

- Increase by motor vehicle excise tax (MVET) by \$14,400 in 2015 and \$3,300 in 2016 resulting in a decrease in General Fund subsidy
- Eliminate judgments and settlements expenditures of \$10,000 in 2015 and \$10,000 in 2016 resulting in a decrease in General Fund subsidy. These expenditures are accounted for in the Risk Management and charged to the department as an internal service charge.
- Eliminate proceeds from sale of assets of \$10,000 in 2015 and \$10,000 in 2016 resulting in an increase in General Fund subsidy. Proceeds from sale of assets are received into Fund 302 Transportation CIP and may be used for general transportation capital purposes.
- Add \$2,000 in 2016 for the annual accumulation of replacement reserves on the purchase of 3 new snow plows based on a 10 year replacement cycle resulting in an increase in General Fund subsidy.

*Allocation of Internal Service Charges* – Add \$174,935 in 2015 and \$181,403 in 2016 offset by increase in General Fund Subsidy, which has already been accounted for in the adopted budget.

- \$8,100 in 2015 and \$8,100 in 2016 for Fleet and Equipment
- \$67,130 in 2015 and \$75,068 in 2016 for Risk Management
- \$64,879 in 2015 and \$62,828 in 2016 for Information Technology
- \$42,926 in 2015 and \$43,507 in 2016 for Property Management
- \$177,990 in 2015 and \$178,530 in 2016 for Property Management (Sounder Station)

### **Fund 102 Real Estate Excise Tax**

*Real Estate Excise Tax Revenue* – Increase by \$263,000 in 2015 and \$287,000 in 2016 resulting in a revised budget estimate of \$1,200,000 and \$1,224,000, respectively.

*Transfer to Fund 301 Parks Capital* – Add \$13,878 transfer to Gateways Project to cover the cost of adding North Gate to project scope.

*Transfer to Fund 302 Transportation Capital* – Add an additional transfers of \$180,000 in 2015 and \$270,000 in 2016 to provide additional funds for various capital projects to cover increased costs as part of the year-end estimate review of each project.

### **Fund 104 Hotel/Motel Lodging Tax**

*Hotel/Motel Lodging Tax Revenue* – Increase by \$175,000 in 2015 and \$100,000 in 2016 resulting in a revised budget estimate of \$675,000 in 2015 and \$60,000 in 2016. The higher revenue estimate in 2015 accounts for back taxes received from a hotel/motel and additional revenues from the U.S. Open event.

*Lodging Tax Allocations* – Increase expenditures by \$403,850 to reflect the LTAC recommendation for 2016 programs.

### **Fund 105 Property Abatement**

*Abatement Program* – Increase expenditures by \$135,471 in 2015 and decrease by \$100,000 in 2016. The funding source is ending fund balance.

### **Fund 181 Felony Seizures**

*Felony Seizures* – Add \$5,044 of expenditures in 2015 funded by restricted seizure ending fund balance. This expenditure adjustment brings the ending fund balance to \$0. Future allocations will be dependent on revenues.

### **Fund 182 Federal Seizures**

*Federal Seizures* – Add \$100,000 in expenditures and \$210,000 in seizure revenues in 2015 resulting in a revised ending fund balance estimate of \$171,787 in 2015 and \$161,787 in 2016.

### **Fund 190 CDBG**

There are no budget adjustment requests for CDBG fund. However, the purpose of including the fund in this memo is to provide an explanation of the ending fund balance of \$11,537. The ending fund balance of \$11,537 is comprised of revolving fund payments for CDBG Down Payment Assistance, Economic Development Loans, and Major Home Loan Repair programs. Of the ending fund balance: \$4,006 is designated for Down Payment Assistance specific costs; \$7,002 is designated for Economic Development Loans program specific costs; and the balance of \$529 is to be used for CDBG administrative costs. The Down Payment Assistance funds and the Economic Development Loan funds are available, however must be spent on program specific projects. The \$529 for administrative cost was an overage of revenue available over expenditure costs.

### **Fund 191 Neighborhood Stabilization Program**

*NSP 1 Funds* – Appropriate the balance of restricted NSP 1 funds in 2015 resulting in a revised ending fund balance estimate of \$0. Any unspent funds will be carried over into 2016.

### **Fund 192 Office of Economic Adjustment/South Sound Military Communities Partnership**

*SSMCP Projected 2015 and Preliminary 2016 Actual Budget* – Add \$5,470 of revenues and \$36,887 of expenditures in 2015 and add \$44,000 of revenues and \$41,350 in expenditures to reflect the projected 2015 actuals and preliminary 2016 budget.

- The 2015 revenue increase of \$5,470 is comprised of: partnership funds from working group chairs (Puget Sound Energy \$2,500); general members totaling \$1,500 (\$500 each from Give an

Hour, Department of Veteran Affairs and City of Puyallup); Pacific Northwest Defense Coalition \$570 and Washington State Department of Commerce \$970.

- The 2015 expenditure increase of \$36,887 is comprised of an increase in personnel costs of \$40,387 and reduction in operational costs of \$3,500.
- The 2016 revenue adjustments of \$44,000 is comprised of: elimination of the entire original partnership funding estimate of \$179,500 (to replace with preliminary 2016 actual budget); add executive leadership contributions totaling \$150,000 (\$50,000 each from City of Lakewood, Pierce County and City of Lacey); steering committee totaling \$58,500 (\$6,500 each from JBLM, Nisqually Tribe, City of DuPont, Town of Steilacoom, City of Tacoma, City of University Place, City of Yelm, Thurston County and Thurston Regional Planning Council); add working group chair totaling \$10,500 (Puget Sound Energy \$2,500, Tacoma Pierce County Health Department \$500, Tacoma Pierce County Chamber of Commerce \$2,500, United Way of Pierce County \$2,500, and Washington State Department of Transportation \$2,500) general members totaling \$4,500 (\$500 each from Clover Park School District, Franklin Pierce School District, Give an Hour, Tacoma Pierce County Association of Realtors, Department of Veteran Affairs, Work Force Central, City of Olympia, City of Puyallup and City of Tumwater).
- The 2016 expenditure adjustments of \$41,350 is comprised of: elimination of the entire original funding estimate of \$179,500 (to replace with preliminary 2016 actual budget); add personnel costs of \$172,000; and add operational expenditures of \$48,850.

The projected 2016 ending fund balance of \$45,339 is comprised of partnership contributions.

### **Fund 195 Public Safety Grants**

*Motor Cycle Safety - Washington Traffic Safety Commission, 1-Time* - Appropriate a total of \$3,191 in revenues and expenditures in 2015 to account for grant funding for the period of October 1, 2014 through September 30, 2015. The goal of this grant is to reduce traffic related deaths and serious injuries resulting from motorcycle crashes through high visibility emphasis patrols.

*Bulletproof Vest Grant, 1-Time* – Appropriate a total of \$13,544 in revenues and expenditures in 2015. This grant is for the purpose of funding ballistic vests. The grant period is from FFY 2015 – 2017. This grant requires a 50% match which is already budgeted in the General Fund. Grant balances at the end of 2015 will be carried over into 2016.

*Recreational Boating Safety, 1-Time* – Appropriate a total of \$16,037 in revenue and expenditures in 2015. This grant period is from April 1, 2015 – September 20, 2015. These funds are to encourage boating safety through education, assistance, and enforcement activities. This grant has a match requirement of \$8,185.05 which is provided by the administrative costs of the program.

*Nisqually Mental Health Contribution Account Correction, 1-Time* - Appropriate a total of \$25,000 in revenues and expenditures in 2015. This contribution was received in February 2015 for the purpose of funding a portion of the Mental Healthcare Professional and COPS program provided by Greater Lakes Mental Healthcare. These funds are used in conjunction with Bureau of Justice Assistance funds to provide a mental health professional who will work with police to provide or facilitate appropriate assistance for the mentally ill involved with police calls.

*Traffic Safety Equipment Grant 2014 – 2015, 1-Time* – Appropriate a total of \$10,655 in revenues and expenditures in 2015 for the purpose of purchasing laser lidars, radars, and antennas. These are federal

funds through the Washington Association of Sheriffs and Police Chiefs to support statewide and national traffic safety initiatives, projects, and programs.

### **Fund 202 LID Debt Service**

*Debt Service, 1-Time* – Add expenditures of \$319,541 offset by assessment revenue of \$351,697 in 2015 for bond call due to early payoff by property owner in 2015 resulting in a decrease in debt service payment of \$64,800 and assessment revenue of \$65,775 in 2016. LID 1101 is an assessment on eight property owners for street improvements.

### **Fund 301 Parks Capital**

*Verizon US Open Parking Fees, 1-Time* – Add \$5,000 in revenues in 2015 for parking fees received from Verizon for parking a cell tower truck in Fort Steilacoom Park during the US Open.

*Waughop Lake Trail, 1-Time* – Realign timing of project revenue between fiscal years 2015 and 2016. Grant funding and contributions of \$400,000 are being moved to 2016 to align with when the City will be reimbursed for the completed work on the project. The original funding included \$100,000 from a portion of proceeds from the sale of the Lakeland Property. Parks has a confirmed commitment of a \$100,000 contribution from Partners for Parks, which will replace the use of the proceeds from the sale of Lakeland Property. There is no change in overall project values.

*Chambers Creek Trail Planning, 1-Time* – Reallocate revenues and expenditures between fiscal years 2015 and 2016. Work on the project will not occur until 2016. Design fees of \$25,000 are being moved to 2016. Funding for the project in 2016 will now consist of a transfer from Fund 401 SWM. This funding is replacing the original 2015 sources of \$18,550 in USGA park fees for use of Fort Steilacoom Park during the US Open and \$6,450 from a portion of the sale of the Lakeland property. These sources will instead move to beginning fund balance. There is no change in overall project values.

*Gateways Project, 1-Time* – Add \$13,878 in 2015 for additional construction costs. The additional costs are being funded by a \$13,878 transfer in 2015 from Fund 102 Real Estate Excise Tax. Appropriate \$50,000 in expenditures and revenue in 2016 for additional Gateways construction which will be funded through a transfer of an LTAC grant from Fund 104 Hotel/Motel Lodging Tax.

*Phase II Springbrook Park Expansion, 1-Time* – Reallocate revenues and expenditures between fiscal years 2015 and 2016. Costs for the project will extend into 2016, with completion by fall 2016. Appropriate an additional \$10,000 in 2015 for project design costs. Move anticipated grant revenue and contributions (\$196,450) to 2016. Allocate additional \$4,100 in construction costs in 2016 and revenue of \$13,824 in 2016 comprised of a transfer from Fund 401 Surface Water Management and contributions.

*Phase III Springbrook Bridge, 1-Time* – Add \$310,000 in expenditures and revenue in 2016 for the construction of the Springbrook pedestrian bridge to allow the lower Springbrook neighborhood easy access to Springbrook Park. The project is being funded through a \$291,000 State Legislative Grant and a \$19,000 transfer from Fund 401 Surface Water Management.

*Phase IV Springbrook Park Acquisition, 1-Time* – Add \$320,000 in expenditures and revenue in 2015 for the purchase of property for Springbrook Park. The purchase is being funded by a \$285,000 RCO Grant and a \$35,000 transfer from Fund 401 Surface Water Management.

*Fort Steilacoom Park Sports Field Improvements, 1-Time* – Add \$500,000 in expenditures and revenue in 2016 to update youth sports fields at Fort Steilacoom Park. The project is being funded through a \$250,000 RCO Grant and a \$250,000 LTAC grant transfer from Fund 104 Hotel/Motel Lodging Tax.

### **Fund 302 Transportation Capital**

The following proposed budget adjustments reflect the year-end estimates as shown in the 6-Year Transportation Capital Plan update as presented to the City Council on September 28, 2015.

*Transfer-In Fund 102 Real Estate Excise Tax* – Add transfers of \$180,000 in 2015 and \$270,000 in 2016 to provide additional funds for various capital projects to cover increased costs as part of the year-end estimate review of each project. Details of allocations are reflected in the specific projects below.

*Reallocations of Existing Transfers In from General Fund, REET, and TBD* – The budget adjustment includes reallocation of existing resources to various projects, however, there is no change in the net transfers of existing funds. Details of changes are reflected in the specific projects below.

*Unallocated, 1-Time* – Reallocate balance of street vacation revenue of \$5,000 in 2015 and unallocated REET of \$24,168 in 2015 and unallocated REET of \$3,696 in 2016.

*Personnel, Engineering, & Professional Services, 1-Time* – Add \$46,000 in charges for services for the Transportation Element of Comprehensive Plan Update. Revenue sources from REET \$38,444 and \$7,556 Developer Contribution in 2015 and REET, \$10,000 in 2016

*LED Streetlights, 1-Time* – Reduce project expenses by \$45,000 due to reduced program scope; reallocate REET, \$45,000 to other projects in 2015.

*Minor Capital, 1-Time* – Street Striping, add expense of \$35,000 in 2015 and \$35,000 in 2016. Revenue source from Proceeds from Street Vacations, \$70,000 in 2015.

*Chip Seal Program, 1-Time* – Increase expenses \$100,000 for pavement rehab in 2015 and \$20,000 to prep for Chip Seal in 2016 (Onyx Dr.). Revenue Source is Proceeds from Street Vacations, \$80,000 and SWM, \$20,000 in 2015.

*Bridgeport Way – 83<sup>rd</sup> to 75<sup>th</sup>, 1-Time* – Add 390,736 in revenue and expenses for Lakewood Water District portion of project that is higher than originally budgeted. Add TIB grant funds, \$59,400 in 2015 and reduce REET \$74,833, reallocate REET to other projects in 2015

*Gravelly Lake Dr. – 100<sup>th</sup> to Bridgeport, 1-Time* – Reallocate revenues and expenditures between fiscal years 2015 and 2016. Increase capital expenses \$336,013 in 2016 to reflect bid proposals. Additional revenue sources from REET, \$236,031 and SWM, \$100,000 in 2016

*South Tacoma Way SR512 to 96<sup>th</sup> 1-Time* – Reallocate revenues and expenditures between fiscal years 2015 and 2016; \$200,000 decrease in expenses & revenue participation from Lakewood Water District line construction in 2016; \$65,000 increase for traffic signal and street lighting costs to align with bid proposals in 2016. Add funding from WSDOT grant, \$190,000 in 2016. SWM reduced by \$125,000 in 2016 due to additional WSDOT funding.

*Madigan Access Improvements, 1-Time* – Reallocate revenues and expenditures between fiscal years 2015 and 2016; add \$100,000 for personnel and services in 2015, move capital construction expenses to 2016. Add \$987,688 for additional personnel, services, and capital costs for bridge structural and railroad cross

improvements per bid proposals in 2016. Add \$500,000 in funding from OEA and \$469,638 from WSDOT Rail in 2016

*Traffic Signal Upgrade Phase 4, 1-Time* – Add \$37,000 for personnel, initially under-budgeted, in 2015; add \$12,000 for consultant support for fiber interconnect plans, add \$10,000 for higher construction costs due to unanticipated field conditions. Revenue sources REET, \$57,591 in 2015 and higher contribution amount from Century Link, \$1,409

*Steilacoom Blvd Corridor Safety Project, 1-Time* – Add \$328,333 for electrical construction costs (traffic signals) in 2016. Revenue sources: General Fund, \$15,000 – reallocated from 302.0018 project, SWM, \$100,000, & REET \$212,275 in 2015 and REET \$1,058 in 2016

*Bridgeport Way – JBLM to I-5, 1-Time* – Reallocate revenues and expenditures between fiscal years 2015 and 2016, construction to occur in 2016. Grant funding, contributions, and SWM participation totaling \$3,671,775 are being moved to 2016 to align with when the City will be reimbursed for the completed work on the project. Add \$10,434 for personnel costs in 2015, funded by additional REET, \$10,434 in 2015

*South Tacoma Way – Steilacoom Blvd to 88<sup>th</sup>, 1-Time* – Reallocate revenues and expenditures between fiscal years 2015 and 2016, construction to occur in 2016. Grant funding, and SWM participation totaling \$1,244,273 are being moved to 2016 to align with when the City will be reimbursed for the completed work on the project. Add \$280,000 for increased costs for traffic signal and street lighting per bid proposals in 2016. Add \$125,000 grants anticipated in 2016, increase SWM participation, \$55,000 & increase REET, \$100,000 in 2016

*112<sup>th</sup>/111<sup>th</sup> Bridgeport to Kendrick, 1-Time* – Reallocate revenues and expenditures 2015 and 2016. Reduce grant and contribution revenues and expenses \$223,001 in 2015 to reflect updated timeline, Move \$60,000 revenue and expenses to 2016, with project phase completion in 2017

*Bridgeport Way Overlay, Pac Hwy to 112<sup>th</sup>, 1-Time* – Add \$ 10,000 in personnel expense for storm drain repair. Revenue source from \$10, 000 from SWM in 2015

*Lakewood Drive – 100<sup>th</sup> to Steilacoom Blvd, 1-Time* – Add \$27,000 for design costs not initial budgeted in 2015. Revenue source from REET, \$17,500 & TBD, \$9,500 in 2015. Add \$25,000 for SWM improvements in 2016, Revenue source from SWM \$25,000 in 2016

*Steilacoom Blvd – Lakewood Dr to W. of So. Tacoma Way, 1-Time* – Add \$5,000 for storm drain repair, in 2015. Revenue source SWM, \$20,000 in 2015. Reallocate GF \$15,000 to Steilacoom Blvd Corridor Safety Project.

*Main Street Overlay – GLD to 108<sup>th</sup>, 1-Time* – Reduce construction costs \$54,500, in 2015, actual construction costs were lower than budgeted. Return remaining funds to TBD, \$54,500 in 2015

*59<sup>th</sup> Ave – 100<sup>th</sup> to Bridgeport Way, 1-Time* – Add \$42,700 capital costs for storm drain repair in 2015. Revenue source from SWM, \$25,000 and REET \$17,700 in 2015

*108<sup>th</sup> St – Main to Bridgeport Way, 1-Time* – Reallocate revenues and expenditures 2015 and 2016. Increase total project expenses \$5,000 for personnel costs. Reduce grants anticipated, \$283,500 & add \$45,000 in TBD participation in 2015. Increase CDBG participation, \$243,500 in 2016.

*Lakewood Traffic Signal Upgrade Phase 5, 1-Time* – Reallocate revenues and expenditures 2015 and 2016, construction to occur in 2016. Grant funding of \$220,000 is being moved to 2016 to align with when the City will be reimbursed for the completed work on the project.

*Steilacoom Blvd – Farwest to Phillips, 1-Time* – Reallocate revenues and expenditures 2015 and 2016, design to occur in 2016 and 2017. Grant funding, Town of Steilacoom match and REET funding of \$746,000 are being moved to 2016 and beyond to align with when the City will be reimbursed for the completed work on the project. Project to continue into 2017

*Safety Projects – Military Rd/112<sup>th</sup>, 1-Time* – Reallocate revenues and expenditures 2015 and 2016, construction to occur in 2017. Grant funding and REET totaling \$756,000 are being moved to 2016 and beyond to align with when the City will be reimbursed for the completed work on the project. Project to continue into 2017.

*Safety Projects – Roadway Safety @ 96<sup>th</sup> & 40<sup>th</sup>, 1-Time* – Reallocate revenues and expenditures 2015 and 2016, construction to occur in 2017, Grant funding and REET funding of \$822,500 are being moved to 2016 and beyond to align with when the City will be reimbursed for completed work. Project to continue into 2017

*San Francisco – Bridgeport Way to Addison, 1-Time* – Add \$35,688 for capital expenses due to actual construction being higher than budget in 2015. Revenue sources: SWM, \$15,000 & REET, \$1,746 in 2015 and REET \$18,942 in 2016

*Custer / John Dower, 1-Time* – Reduce capital expenses by \$14,618 because actual construction was less than budgeted. Reduce REET, \$29,168 and reallocate to other projects in 2015. Add SWM, \$15,000 in 2015.

*Portland Ave Traffic Calming, 1-Time* – Add \$15,000 in Capital expenses. Revenue source is Camp Murray Mitigation Fees received in prior years.

*City-wide Safety Improvements, 1-Time* – Add \$310 in project expenses in 2015. Revenue Source REET \$310 in 2015

*100<sup>th</sup> & Lakewood Drive, 1-Time* – Add Mitigation received, \$1,712 in 2015

### **Fund 312 Sanitary Sewer Connection**

*Sewer Availability Administrative Costs, Ongoing* – Add \$26,000 in expenditures for 2015 and \$26,000 for 2016 for costs related to administering the sewer availability fees. Half of the costs are for related to billing the City's sewer availability fees, handling inquiries from property owners and lenders, sending delinquent accounts to collections, as well as adding removing liens on properties. The other half of the costs is for time spent on monthly updates, working with Pierce County to see which properties have connected to sewer. The City had looked at having Pierce County take on the billing function of the sewer availability fees back in 2011. The County was going to charge an initial \$10,000 capital start-up fee, and a \$10.31 per month per account (\$35,880 per year for 290 accounts) to do the billings. The City would still be responsible for answering inquiries and pursuing delinquent accounts. The City decided that it could do the billings more economically and efficiently by handling the administrative functions in-house.

*Postage, Ongoing* – Add \$2,500 in expenditures for 2015 and \$2,500 for 2016 for postage to mail the sewer availability billings.

*B&O Taxes, Ongoing* – Add \$3,500 in expenditures for 2015 and \$3,500 for 2016 for B&O taxes paid to the State for revenue earned by the City from sewer availability fees.

*Lien-related Costs, Ongoing* – Add \$3,000 in expenditures for 2015 and \$3,000 for 2016 for costs related to placing liens on properties of customers that are not paying the sewer availability fees, as well as the costs for removing liens on properties when customers have satisfied the balances on their accounts.

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

*Storm Water Source Control Study, 1-Time* – Add \$141,900 in revenues and expenses for 2015 and \$142,037 revenues and expenses in 2016. The purpose of this project is to implement a regional business inspection stormwater source control effectiveness study as part of the Department of Ecology's Regional Stormwater Monitoring Program. This project is 100% DOE grant funded.

*Storm Drain Pipe Repair Project, 1-Time* – Appropriate \$200,000 in 2015 for the replacement of approximately 660 feet of deteriorated storm drain pipes located under Bridgeport Way and Steilacoom Blvd. The project was completed in August 2015. To be funded by SWM

*Waughop Lake Management Plan, 1-Time* – Update project completion timeline. The project will extend into 2016, with completion by fall 2016. Move anticipated grant revenue of \$48,573 and expenses of \$64,014 to 2016. No change in overall project values.

*2016 Water Quality Vaults Project, 1-Time* – Update project completion timeline. Construction has been delayed to 2016 due to other project priorities for staff, move anticipated expenses (\$225,000) to 2016. Construction of two vaults - near the intersection of 96<sup>th</sup> St. & 40<sup>th</sup> Ave. and on Gravelly Lake Dr. in front of Red Robin - have been added to the project, resulting in additional expenses of \$70,000 in 2016 to be funded by SWM

*Transfers to Fund 301 Parks Capital Projects, 1-Time* – Add \$35,000 in 2015 and \$56,324 in 2016 for SWM's share of project costs in accordance with the 6-Year CIP update:

- \$12,324 in 2016 for Phase II Springbrook Park Expansion
- \$19,000 in 2016 for Phase III Springbrook Bridge
- \$35,000 in 2015 for Phase IV Springbrook Park Acquisition
- \$25,000 in 2016 for Chambers Creek Trail Planning

*Transfers to Fund 302 Transportation Capital Projects, 1-Time* – Reduce by \$1,231,212 in 2015 and increase by \$4,416,329 in 2016 for SWM's share of project costs in accordance with the 6-Year CIP update:

- Increase by \$20,000 in 2016 for Chip Seal Program
- Reduce by \$73,883 in 2015 for Bridgeport Way – 83<sup>rd</sup> to 75<sup>th</sup>
- Reduce by \$250,000 in 2015 / increase by \$350,000 in 2016 for GLD -100<sup>th</sup> St to Bridgeport Way
- Reduce by \$375,000 in 2015 / increase by \$250,000 in 2016 for South Tacoma Way-SR 512 to 96<sup>th</sup>
- Reduce by \$50,000 in 2015 / increase by \$150,000 in 2016 for Steilacoom Blvd Corridor Safety
- Reduce by \$486,329 in 2015 / increase by \$486,329 in 2016 for Bridgeport Way–JBLM to I-5
- Reduce by \$100,000 in 2015 / increase by \$155,000 in 2016 for So Tac Way-Steilacoom Blvd to 88<sup>th</sup>
- Increase by \$10,000 in 2015 for Bridgeport Way Overlay-Pacific Highway to 112<sup>th</sup>
- Increase by \$25,000 in 2016 for Lakewood Drive-100<sup>th</sup> to Steilacoom Boulevard

- Increase by \$20,000 in 2016 for Steilacoom Blvd-Lakewood Drive to West of South Tacoma Way
- Increase by \$25,000 in 2015 for 59<sup>th</sup> Ave-100<sup>th</sup> to Bridgeport Way
- Increase by \$15,000 in 2015 for San Francisco-Bridgeport Way to Addison
- Increase by \$15,000 in 2015 for Custer/John Dower Road

*Allocation of Internal Service Charges* – Add \$151,581 in 2015 and \$133,257 in 2016 for SWM’s share of internal service charges:

- Add \$44,031 in 2015 and \$43,693 in 2016 for Information Technology
- Add \$45,557 in 2015 and \$50,946 in 2016 for Risk Management
- Add \$23,891 in 2015 for Risk Management for Potential Deductibles for Claims Prior to 2014
- Add \$38,102 in 2015 and \$38,618 in 2016 for Property Management

### **Fund 501 Fleet & Equipment**

*Transfer to Fund 503 Information Technology* – Transfer \$110,050 in 2015 and \$123,189 in 2016 to Fund 503 Information Technology Fund to implement the much needed basic information technology related needs as approved by the City Council in June 2015. The goal is to make the fleet and equipment reserves whole by the end of 2016 through general fund expenditure savings and/or use of revenues received above and beyond estimates.

*Purchase of 3 New Snow Plows* – Add \$20,000 for the purchase of 3 new snow plow with an anticipated useful life of 10 years resulting in an accumulation of annual replacement reserves in the amount of \$2,000 beginning in 2016.

*Transfer in from Fund 001 General* – Add \$233,239 in revenues in 2016 to replenish replacement reserves used to fund IT Strategic Plan.

### **Fund 502 Property Management**

*Police Station Lead Abatement – 1-Time* – Add \$6,725 for Lead abatement for the Range Cleanup/Trap Room at the Police Station. Internal service charges are funded within the Police Department existing budget.

*City Hall Space Reconfiguration, 1-Time* – Add \$50,000 for City Hall space reconfigurations, funded by property management accumulated reserves. This item was approved by the City Council as part of the 2014 year-end budget adjustment and should have been included in the 2015 carry forward budget adjustment.

### **Fund 503 Information Technology**

*Transfer In From Fund 501 Fleet & Equipment Fund, 1-Time* – Add transfers in of \$110,050 in 2015 and \$123,189 in 2016 from the Fleet & Equipment Fund to implement the much needed basic information technology related needs as approved by the City Council in June 2015. The various projects funded are:

- \$5,000 in 2016 for Video Arraignment M&O
- \$9,510 in 2015 / \$5,510 in 2016 for Redesign City’s Permit Process/Web Extensions
- \$3,500 in 2015 / \$400 in 2016 for Blue Beam Software
- \$17,300 in 2015 / \$14,600 in 2016 for Mobile Apps w/CRM Integration
- \$82,500 in 2015 / \$30,000 in 2016 for Enterprise Task Management/Work Order System

- \$17,000 in 2015 / \$1,500 in 2016 for VMWare Virtual Desktop (VDI)
- \$26,000 in 2015 / \$4,800 M&O reduction in 2016 for FiberOptic Connection
- \$15,000 in 2015 / \$2,500 reserves in 2016 for Wireless Access Points
- \$10,000 in 2016 for Disaster Recovery Phase II Business Continuity Plan
- \$5,240 in 2015 and \$10,479 in 2016 for Cell Phone Archival of Text Messages
- \$50,000 in 2016 for Video Surveillance
- \$28,000 in 2016 for Redundant Voice & Data Circuits (Co-Location) at Police Station
- \$14,000 in 2015 for Informational Videos
- \$10,000 in 2015 for Enterprise Network Monitoring Tools
- \$20,000 in 2016 for Phone System Annual Replacement Reserves (funded by general government)
- \$90,000 in 2015 / \$10,000 in 2016 elimination of document management system, reallocate to projects

**Fund 504 Risk Management**

WCIA Liability Assessment, Ongoing – Appropriate an additional \$10,500 in 2015 and \$187,500 in 2016 due to an increase in assessments a result of paying for the City’s past claims and losses dating back to 2010.

WCIA services include risk management consultation, loss control field services, claims, pre-defense and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use issues, insurance brokerage and lobbyist services. Additionally, WCIA provides generous services to its members such as risk management education and comprehensive risk field services.

Coverage	2014 Actual	2015 Actual	2016 YND Est
Auto Physical Damage	\$ 31,160	\$ 31,567	\$ 32,000
Boiler & Machinery	3,455	3,261	3,506
Crime/Fidelity	1,584	1,522	1,636
Liability	572,075	695,034	796,227
Property	93,532	102,480	102,500
Storage Tank Liability	1,237	1,336	1,400
<b>Total</b>	<b>\$ 703,043</b>	<b>\$ 835,200</b>	<b>\$ 937,269</b>

The amount the City pays for liability is based on an assessment formula comprised of two factors -- worker hours and loss rate.

Worker Hours: There is a two year lag in worker hours (2014 worker hours for 2016 assessment) and does not include volunteer hours. 2014 worker hours decreased by 2.09% or 9,714 hours compared to 2013.

Worker Hours Assessment Year	2012 2014	2013 2015	2014 2016	2014 vs 2013	
				Increase/(Decrease)	
				#	%
0803 All Operations	100,628	105,974	113,596	7,622	7.19%
5305 Admin/Clerical	158,000	152,336	145,034	(7,302)	-4.79%
6905 Law Enforcement	206,638	205,612	197,087	(8,525)	-4.15%
6906 Reserve Officers	-	1,780	271	(1,509)	-84.78%
<b>Total Worker Hours</b>	<b>465,266</b>	<b>465,702</b>	<b>455,988</b>	<b>(9,714)</b>	<b>-2.09%</b>

Loss Rate: The loss rate is determined by an actuarial review of the last five years loss history (January 1, 2010 – December 31, 2014 for 2016 assessment). The actuary limits the loss to \$100,000 per loss so if the City gets hit with a huge loss, it doesn't affect the City for 5 years. From the actuary's report, Lakewood's 2015 liability assessment was based on year 2009 – 2013 losses of \$1.8M (capped at \$100K each) compared to the 2016 losses from years 2010 – 2014 of \$1.9M (also capped at \$100K each). The actuary calculated Lakewood's expected losses at 3.8% of the group based on worker hours; however, the City's incurred losses came in at 10.2% of the group's total. Based on the continued adverse loss experience the actuary calculated a 35.9% increase in the City's assessment rate, but was capped at 17% (the most you can have in 2016). The rest is spread among the other Group 4 members (members with worker hours of 400,000+).

Loss Runs Impacting 2016 WCIA Assessment						
Incurring by Year	2010	2011	2012	2013	2014	Total
Administration	\$ 2,314	\$ -	\$ -	\$ 56,000	\$ -	\$ 58,314
Development Review	14,068	18,599	-	-	-	32,667
Parks & Rec Maintenance	-	498	-	-	-	498
Police	788,497	408,991	347,466	422,660	9,133	1,976,747
PW Engineering	716,872	1,632	-	95,000	-	813,504
PW Sewer/Storm	121,539	-	-	-	-	121,539
PW Street Maint	-	200,503	35,000	-	1,960	237,463
<b>Total</b>	<b>\$ 1,643,290</b>	<b>\$ 630,223</b>	<b>\$ 382,466</b>	<b>\$ 573,660</b>	<b>\$ 11,093</b>	<b>\$ 3,240,732</b>

Loss runs include indemnity reserves.

Lakewood's liability assessment increased due to adverse loss experience while worker hours decreased by 2.09% in 2014 compared to 2013 (there is a two year lag in worker hours, 2014 hours are used for 2016's assessment).

Worker hours are expected to decrease substantially in 2015 compared to 2014 as a result of positions realignments implemented as part of the 2015/2016 adopted budget. Loss runs as of June 15, 2015 also reflect a decrease in losses in 2014 and partial 2015.

Worker Hours Assessment Year	2015 YTD 8/15	2014 YTD 8/15	YTD 2015 vs YTD 2014	
			Increase/(Decrease)	
			\$	%
0803 All Operations	64,010	73,658	(9,648)	-13.10%
5305 Admin/Clerical	80,519	92,643	(12,124)	-13.09%
6905 Law Enforcement	120,295	125,217	(4,921)	-3.93%
6906 Reserve Officers	53	217	(164)	-75.52%
<b>Total Worker Hours</b>	<b>264,878</b>	<b>291,734</b>	<b>(26,856)</b>	<b>-9.21%</b>

Loss Runs Impacting 2017 WCIA Assessment - as of June 30, 2015 WCIA Report						
Incurring by Year	2011	2012	2013	2014	2015 YTD 6/30	Total
Administration	\$ -	\$ -	\$ 48,830	\$ -	\$ -	\$ 48,830
Development Review	18,630	-	-	-	-	18,630
Parks & Rec Maintenance	498	-	-	-	-	498
Police	408,991	547,466	927,661	65,295	42,500	1,991,913
PW Engineering	1,632	-	250,000	-	-	251,632
PW Sewer/Storm	-	-	-	-	-	-
PW Street Maint	38,369	35,000	-	1,960	-	75,330
<b>Total</b>	<b>\$ 468,120</b>	<b>\$ 582,466</b>	<b>\$ 1,226,491</b>	<b>\$ 67,256</b>	<b>\$ 42,500</b>	<b>\$ 2,386,832</b>

Loss runs include indemnity reserves.

*WCIA Deductibles for Claims prior to 2014, 1-Time* – Add \$230,000 in 2015 for claims with a date of loss prior to January 1, 2014 as this is when the City’s liability insurance deductible changed to from \$25K to \$0. Note, although the allocation is 1-Time, it is considered ongoing in nature as this is continuation of payments for prior years’ claims.

*Public Disclosure – Koenig Case, 1-Time* – Add \$206,920 in 2015 to fulfill City’s requirement to pay attorney fees (the City is not required to pay penalties, just the attorney fees) specific to the Koenig case for redacting driver license numbers from a public records act (PRA) request dating back to 2007. Our understanding is the State Legislature made changes to the PRA this past session to exempt these types of records moving forward effective July 2015.

*3<sup>rd</sup> Party Claims* – Add \$50,000 in 2015 and \$50,000 in 2016 for 3<sup>rd</sup> party claims, offset by insurance recoveries.

**NEXT STEPS:**

➤ **Budget Related Items.** Items *tentatively* scheduled are:

- November 2, 2015 Regular Meeting
  - Public Hearing on 2016 Property Tax Levy
  - Public Hearing on Declaration of Substantial Need Ordinance
  - Public Hearing on 2015/2016 Mid-Biennium Budget Adjustments
- November 16, 2015 Regular Meeting
  - Adopt 2016 Property Tax Levy Ordinance
  - Adopt Declaration of Substantial Need Ordinance
  - Adopt 2015/2016 Mid-Biennium Budget Adjustments
  - Adopt 2016 Fee Schedule
    - Development Services Fee Review – October 12, 2015
    - Parks & Recreation Fee Review – October 26, 2015

**ATTACHMENTS:**

- Summary of Proposed Adjustments
- Draft Budget Ordinance & Related Exhibits
  - Exhibit A(1) – Current Revised Budget By Fund- Year 2015 Per Ord. 608 Adopted May 4, 2015
  - Exhibit A(2) – Current Revised Budget By Fund- Year 2016 Per Ord. 608 Adopted May 4, 2015
  - Exhibit B(1) – Proposed Revised Budget By Fund- Year 2015
  - Exhibit B(2) – Proposed Revised Budget By Fund- Year 2016

**2015/2016 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

			Year 2015		Year 2016	
			Revenue	Expenditure	Revenue	Expenditure
<b>Grand Total - All Funds</b>			<b>\$ (15,142,117)</b>	<b>\$ (15,928,735)</b>	<b>\$ 21,674,078</b>	<b>\$ 23,415,445</b>
<b>Total - Fund 001 General</b>	<b>Adjustment Type</b>	<b>Ongoing/1-Time</b>	<b>\$ 229,159</b>	<b>\$ 467,193</b>	<b>\$ 880,830</b>	<b>\$ 539,499</b>
Property Tax	Revenue	Ongoing	100,600	-	77,000	-
Sales & Use Tax	Revenue	Ongoing	190,400	-	175,900	-
Sales & Use Tax / Parks	Revenue	Ongoing	18,100	-	18,900	-
Leasehold Tax	Revenue	1-Time	-	-	-	-
Criminal Justice Sales Tax	Revenue	Ongoing	42,700	-	52,300	-
Admissions Tax	Revenue	Ongoing	17,100	-	20,400	-
Leasehold Tax	Revenue	Ongoing	8,000	-	-	-
Utility Tax	Revenue	Ongoing	(345,000)	-	(432,000)	-
Gambling Tax	Revenue	Ongoing	37,300	-	25,300	-
Franchise Fees	Revenue	Ongoing	202,000	-	256,300	-
Criminal Justice Funding	Revenue	Ongoing	9,100	-	13,300	-
Criminal Justice High Crime	Revenue	Ongoing	(61,400)	-	(61,400)	-
Liquor Excise Tax	Revenue	Ongoing	50,000	-	177,700	-
Liquor Profits	Revenue	Ongoing	1,100	-	(7,000)	-
<b>Subtotal - City-Wide/Non-Departmental</b>			<b>\$ 270,000</b>	<b>\$ -</b>	<b>\$ 316,700</b>	<b>\$ -</b>
Independent Salary Commission Decision	Housekeeping	Ongoing	-	21,175	-	46,200
<b>Subtotal - City Manager</b>			<b>\$ -</b>	<b>\$ 21,175</b>	<b>\$ -</b>	<b>\$ 46,200</b>
CM Interns, Offset by Finance Division Position Vacancy Savings	Housekeeping	1-Time	-	18,800	-	-
<b>Subtotal - City Manager</b>			<b>\$ -</b>	<b>\$ 18,800</b>	<b>\$ -</b>	<b>\$ -</b>
Net Internal Service Reallocation	Internal Service	Ongoing	-	(33,017)	-	(122,318)
Risk Mgmt - WCIA Assessment Increase	Internal Service	Ongoing	-	9,947	-	177,616
Risk Mgmt - WCIA Potential Deductibles, Prior to 2014	Internal Service	Ongoing	-	201,109	-	-
Risk Mgmt - Public Disclosure, Koenig Case	Internal Service	1-Time	-	206,920	-	-
Info Tech - Phone System Replacement Reserves	Internal Service	Ongoing	-	-	-	18,946
Replenish Fleet & Equip Reserves - IT Strategic Plan	Housekeeping	1-Time	-	-	-	233,239
Finance Division Position Vacancy Savings for CM Interns	Housekeeping	1-Time	-	(18,800)	-	-
<b>Subtotal - Administrative Services</b>			<b>\$ -</b>	<b>\$ 366,159</b>	<b>\$ -</b>	<b>\$ 307,483</b>
CED Development Services Permits & Fees	Revenue	Ongoing	-	-	498,030	-
Business License	Revenue	Ongoing	-	-	72,900	-
Position Realign - Permit Coordinator, Offset by Revenue	Housekeeping	Ongoing	-	18,300	-	42,100
Motor Avenue Complete Streets Concept, Add'l Funding	Housekeeping	1-Time	-	12,000	-	-
<b>Subtotal - Community &amp; Economic Development</b>			<b>\$ -</b>	<b>\$ 30,300</b>	<b>\$ 570,930</b>	<b>\$ 42,100</b>
Public Defender Contract Increase	Housekeeping	Ongoing	-	15,000	-	66,200
Public Defender Transition Cost	Housekeeping	1-Time	-	30,000	-	-
Public Defender Grant	Housekeeping	1-Time	-	-	10,000	10,000
<b>Subtotal - Municipal Court</b>			<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ 10,000</b>	<b>\$ 76,200</b>
Alarm Permits & Fees	Revenue	Ongoing	(25,000)	-	(23,000)	-

**2015/2016 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

			Year 2015		Year 2016	
			Revenue	Expenditure	Revenue	Expenditure
Animal License	Revenue	Ongoing	5,000	-	6,200	-
Dispatch Services Increase	Housekeeping	Ongoing	-	-	-	24,159
City of Tacoma Public Safety Network User Fees Increase	Housekeeping	1-Time	-	-	-	18,300
Puget Sound Clean Air Assessment Increase	Housekeeping	Ongoing	-	-	-	5,357
Nisqually Mental Health - Contribution	Acct Correction	1-Time	(25,000)	(25,000)	-	-
US Open Overtime, Reimbursed by Pierce County	Housekeeping	1-Time	4,159	4,159	-	-
<b>Subtotal - Police</b>			<b>\$ (40,841)</b>	<b>\$ (20,841)</b>	<b>\$ (16,800)</b>	<b>\$ 47,816</b>
			-	-	-	-
Decrease General Fund Subsidy Due to MVET Revenue Increase	Housekeeping	Ongoing	-	(14,400)	-	(3,300)
Decrease General Fund Subsidy/Eliminate Judgments & Settlements Exp	Housekeeping	Ongoing	-	11,000	-	11,000
Increase General Fund Subsidy/Decrease Proceeds from Sale of Assets	Housekeeping	Ongoing	-	10,000	-	10,000
Increase General Fund Subsidy/Add Reserves on 3 New Snow Plows	New	Ongoing	-	-	-	2,000
<b>Subtotal - Public Works</b>			<b>\$ -</b>	<b>\$ 6,600</b>	<b>\$ -</b>	<b>\$ 19,700</b>
<b>Total - Special Revenue Funds</b>			<b>\$ 1,082,872</b>	<b>\$ 991,959</b>	<b>\$ 800,983</b>	<b>\$ 985,183</b>
<b>Total - Fund 101 Street Operations &amp; Maintenance</b>			<b>\$ 360,975</b>	<b>\$ 360,975</b>	<b>\$ 369,983</b>	<b>\$ 369,983</b>
General Fund Subsidy	Housekeeping	Ongoing	(14,400)	-	(3,300)	-
Motor Vehicle Fuel Tax	Housekeeping	Ongoing	14,400	-	3,300	-
General Fund Subsidy	Housekeeping	Ongoing	10,000	-	10,000	-
Proceeds from Sale of Assets	Housekeeping	Ongoing	(10,000)	-	(10,000)	-
General Fund Subsidy	Housekeeping	Ongoing	11,000	-	11,000	-
Judgments & Claims	Housekeeping	Ongoing	(11,000)	-	(11,000)	-
Allocation of Internal Service Charges	Housekeeping	Ongoing	360,975	360,975	367,983	367,983
Annual Reserves on 3 New Snow Plows	New	Ongoing	-	-	2,000	2,000
<b>Total - Fund 102 Real Estate Excise Tax</b>			<b>\$ 263,000</b>	<b>\$ 193,878</b>	<b>\$ 287,000</b>	<b>\$ 270,000</b>
Real Estate Excise Tax	Capital	1-Time	263,000	-	287,000	-
Transfer to Parks CIP for Gateway Projects	Capital	1-Time	-	13,878	-	-
Transfer to Transportation CIP - Various Projects	Capital	1-Time	-	180,000	-	270,000
<b>Total - Fund 104 Hotel/Motel Lodging Tax</b>			<b>\$ 175,000</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ 403,850</b>
Hotel/Motel Lodging Tax Revenue	Restricted Rev	1-Time	175,000	-	100,000	-
Lodging Tax Allocation to Align with Award (pending)	Housekeeping	1-Time	-	-	-	403,850
<b>Total - Fund 105 Property Abatement</b>			<b>\$ -</b>	<b>\$ 135,471</b>	<b>\$ -</b>	<b>\$ (100,000)</b>
Property Abatement Program	Housekeeping		-	135,471	-	(100,000)
<b>Total - Fund 181 Felony Seizure</b>			<b>\$ -</b>	<b>\$ 5,044</b>	<b>\$ -</b>	<b>\$ -</b>
Felony Seizures, Funded by Ending Fund Balance	Restricted Rev	1-Time	-	5,044	-	-
<b>Total Fund 182 - Federal Seizures</b>			<b>\$ 210,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>
Federal Seizures, Funded by Forfeitures	Restricted Rev	1-Time	210,000	100,000	-	-
<b>Total - Fund 191 Neighborhood Stabilization Program (NSP)</b>			<b>\$ -</b>	<b>\$ 91,277</b>	<b>\$ -</b>	<b>\$ -</b>
NSP 1 Funds	Restricted Rev	1-Time	-	91,277	-	-
<b>Total - Fund 192 Office of Economic Adjustment (OEA)</b>			<b>\$ 5,470</b>	<b>\$ 36,887</b>	<b>\$ 44,000</b>	<b>\$ 41,350</b>
SSMCP - Adjustments for Projected 2015 and Preliminary 2016 Budget	Restricted Rev	1-Time	5,470	36,887	44,000	41,350
<b>Total - Fund 195 Public Safety Grants</b>			<b>\$ 68,427</b>	<b>\$ 68,427</b>	<b>\$ -</b>	<b>\$ -</b>
WA Traffic Safety Commission - Motorcycle Emphasis	Grant	1 Time	3,191	3,191	-	-
Justice Programs Bulletproof Vest Grant	Grant	1 Time	13,544	13,544	-	-
Homeland Security Recreational Boating Safety Grant	Grant	1 Time	16,037	16,037	-	-
Nisqually Tribal Mental Health Contribution	Grant	1 Time	25,000	25,000	-	-
WASPC - Traffic Safety Equipment Grant	Grant	1 Time	10,655	10,655	-	-

**2015/2016 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Year 2015		Year 2016			
	Revenue	Expenditure	Revenue	Expenditure		
<b>Grand Total - Debt Service Funds</b>	\$ 351,697	\$ 319,541	\$ (65,775)	\$ (64,800)		
<b>Total - Fund 202 LID Debt Service</b>	\$ 351,697	\$ 319,541	\$ (65,775)	\$ (64,800)		
CLID 1101 Bonds - Bond Call Due to Early Payoff by Property Owner in 2015 - Reduction in Debt Service in 2016	Debt	1-Time	351,697	319,541	(65,775)	(64,800)
<b>Total - Capital Improvement Project Funds</b>	\$ (17,508,367)	\$ (17,504,928)	\$ 19,251,502	\$ 19,344,724		
<b>Total - Fund 301 Parks CIP</b>	\$ (157,572)	\$ 343,878	\$ 1,495,274	\$ 864,100		
Unallocated - Verizon US Open Parking Fees	Capital	1-Time	5,000	-	-	-
Unallocated - Sale of Lakeland Property/USGA US Open Park Fees	Capital	1-Time	125,000	-	-	-
Waughop Lake Trail - Realign Timing of Project Expenditures	Capital	1-Time	(400,000)	-	400,000	-
Chambers Creek Trail Planning - Eliminate \$6,450 Lakeland Property Funding / Add \$25,000 SWM	Capital	1-Time	(25,000)	-	25,000	-
Gateway Projects - Funded by REET \$13,878 / LTAC \$50,000	Capital	1-Time	13,878	13,878	50,000	50,000
Phase II Springbrook Park Expansion - Additional Funding \$1,500 Donations / \$12,324 SWM / \$276 Beg Bal	Capital	1-Time	(196,450)	10,000	210,274	4,100
Phase III Springbrook Bridge - Funded with \$291K State Legislative Grant / \$19K SWM	Capital	1-Time	-	-	310,000	310,000
Phase IV Springbrook Park Acquisition - Funded by \$285K RCO Grant / \$35K SWM	Capital	1-Time	320,000	320,000	-	-
Ft. Steilacoom Park Sports Field Improvements - Funded by \$250K LTAC / \$50K RCO Grant)	Capital	1-Time	-	-	500,000	500,000
<b>Total - Fund 302 Transportation CIP</b>	\$ (17,350,795)	\$ (17,883,806)	\$ 17,756,228	\$ 18,445,624		
Unallocated - Left over Street Vacations, \$5,000 and unused REET, \$24,168 in 2015 - Left over REET, \$3,969 in 2016	Capital	1-Time	29,168	-	3,969	-
Personnel, Engineering & Professional Services - Transportation Element of Comprehensive Plan Update - Source is \$38,444 REET & \$7,556 Developer Contributions 2015 / \$10,000 REET 2016	Capital	1-Time	46,000	46,000	10,000	10,000
New LED Streetlights - Reduce Project Expenditures due to reduced project scope - Reallocate REET \$45,000 to other projects	Capital	1-Time	(45,000)	(45,000)	-	-
Minor Capital - For Street Striping - Source is Proceeds from Street Vacations	Capital	1-Time	70,000	35,000	-	35,000
Chip Seal Program - Pavement Rehab & Patching in Prep for Chip Seal in 2016 (Onyx Drive) - Source is \$80,000 Street Vacations 2015 & \$20,000 SWM 2015	Capital	1-Time	100,000	100,000	-	20,000
Bridgeport Way - 83rd to 75th - Lakewood Water District participation higher than originally budgeted.	Capital	1-Time	375,253	425,253	-	-
Gravelly Lake Drive - 100th St to Bridgeport Way - Construction to occur in 2016, increase expenses to reflect bid proposals	Capital	1-Time	(1,561,464)	(1,583,969)	1,897,495	1,920,000

**2015/2016 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

			Year 2015		Year 2016	
			Revenue	Expenditure	Revenue	Expenditure
South Tacoma Way - SR512 to 96th - Construction to occur in 2016, update expenses to reflect bid proposals - Lakewood Water District related costs lower, offset by reduced participation, \$200,000 - Increase WSDOT Grant, \$190,000 in 2016 - Decrease SWM participation, \$125,000 in 2016	Capital	1-Time	(3,807,060)	(3,815,000)	3,672,060	3,680,000
Madigan Access Improvements - Construction to occur in 2016, increase expenses to reflect bid proposals. - Sources are OEA, \$500,000 in 2016 & WSDOT Rail, \$469,638 in 2016	Capital	1-Time	(2,335,351)	(2,335,351)	3,304,989	3,423,039
Traffic Signal Upgrade Phase 4 - Add \$59,000 in 2015 for personnel and capital costs - Source is REET, \$57,591 in 2015 and additional Century Contribution \$1,409	Capital	1-Time	59,000	59,000	-	-
Steilacoom Blvd Corridor Safety Project - increase expenses to reflect bid proposals. -Source is General Fund, \$15,000, reallocated from other projects, SWM, \$100,000 & REET, \$212,275 in 2015 and REET, \$1,058 in 2016	Capital	1-Time	(1,974,392)	(2,201,667)	2,302,725	2,530,000
Bridgeport Way - JBLM to I-5 - Construction to occur in 2016 - Add REET, \$10,434 in 2015	Capital	1-Time	(3,661,341)	(3,659,566)	3,671,775	3,670,000
South Tacoma Way - Steilacoom Blvd to 88th - Construction to occur in 2016, increase expenses to reflect bid proposals. - Additional Grant Anticipated, \$125,000 in 2016 - Increase SWM participation, \$55,000 in 2016	Capital	1-Time	(1,244,273)	(1,350,000)	1,424,273	1,530,000
111th/112th Bridgeport Way to Kendrick - Construction to occur in 2017, reallocate revenue and expenses to new timeline.	Capital	1-Time	(223,001)	(223,001)	60,000	60,000
Bridgeport Way Overlay - Pac Hwy to 112th - Storm Drainage Repair - SWM participation \$10,000 in 2015	Capital	1-Time	10,000	10,000	-	-
Lakewood Drive - 100th to Steilacoom Blvd - Increase REET participation, \$17,500 in 2015 - Increase TBD participation, \$9,500 in 2015 - Add SWM participation, \$25,000 in 2016	Capital	1-Time	27,000	27,000	25,000	25,000
Steilacoom Blvd - Lakewood Dr to W of So Tacoma Way - Increase Project Exp by \$5,000 - Add \$20,000 Transfer In From SWM for Storm Drainage Repair - Reallocate \$15,000 from GF to other projects	Capital	1-Time	5,000	5,000	-	-
Main Street Overlay - GLD to 108th St - Cost savings in actual construction costs - Decrease TBD Participation, \$54,500 in 2015	Capital	1-Time	(54,500)	(54,500)	-	-
59th Ave - 100th St to Bridgeport Way - Storm Drainage Repair increased construction costs - Add REET participation of \$17,700 in 2015 - Add SWM participation \$25,000 in 2015	Capital	1-Time	42,700	42,700	-	-
108th St - Main St to Bridgeport Way - Increase cost for Professional Services, \$5,000 - Reduced Grants Anticipated \$283,500 in 2015 - Added TBD participation, \$45,000 in 2015 - Increase CDBG participation, \$243,500 in 2016	Capital	1-Time	(680,000)	(705,000)	685,000	710,000
Lakewood Traffic Signal Upgrade Phase 5 - Construction to begin in 2016	Capital	1-Time	(220,000)	(262,585)	220,000	262,585
Steilacoom Blvd - Farwest to Phillips - Construction to begin in 2017	Capital	1-Time	(746,000)	(842,000)	334,000	430,000

**2015/2016 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

			Year 2015		Year 2016	
			Revenue	Expenditure	Revenue	Expenditure
Safety Projects - Military Road/112th - Relocate \$1,500 REET to other projects in 2015 - Construction to begin in 2017	Capital	1-Time	(756,000)	(765,000)	81,000	90,000
Safety Projects - Roadway Safety @96th & 40th - Reallocate REET 11,150 to other projects in 2015 - Construction to begin in 2017	Capital	1-Time	(822,500)	(827,500)	45,000	50,000
Safe Routes To Schools, Pedestrian/Bicycle Safety - Additional Grant Revenue from Project Close out	Capital	1-Time	11,816	-	-	-
San Francisco - Bridgeport Way to Addison - Add \$35,688 capital costs - Source is REET \$1,746 in 2015 & \$18,942 in 2016 & \$15,000 SWM in 2015	Capital	1-Time	16,746	35,688	18,942	-
Custer / John Dower - Add SWM participation, \$15,000 in 2015 - Reduce REET participation, \$29,618 in 2015 - Reallocate \$15,000 REET to other projects	Capital	1-Time	(14,618)	(14,618)	-	-
Portland Ave Traffic Calming - Add \$15,000 in project expenses - Source is Camp Murray Gate Mitigation Fees Received in Prior Years	Capital	1-Time	-	15,000	-	-
City-Wide Safety Improvements - Add \$310 in project expenses - Increase REET Participation, \$310 in 2015	Capital	1-Time	310	310	-	-
100th & Lakewood Dr. - Add Mitigation received, \$1,712 in 2015	Capital	1-Time	1,712	-	-	-
<b>Total - Fund 312 Sanitary Sewer Connection</b>			<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ 35,000</b>
Sewer Availability Staff Time	Housekeeping	Ongoing	-	26,000	-	26,000
Postage	Housekeeping	Ongoing	-	2,500	-	2,500
B&O Taxes to State	Housekeeping	Ongoing	-	3,500	-	3,500
Lien-Related Costs	Housekeeping	Ongoing	-	3,000	-	3,000
<b>Total - Enterprise Funds</b>			<b>\$ 93,327</b>	<b>\$ (991,745)</b>	<b>\$ 190,610</b>	<b>\$ 2,106,961</b>
<b>Total - Fund 401 Surface Water Management</b>			<b>\$ 93,327</b>	<b>\$ (991,745)</b>	<b>\$ 190,610</b>	<b>\$ 2,106,961</b>
Waughop Lake Mngmt Plan - Project to Extend into 2016	Capital	1-Time	(48,573)	(64,014)	48,573	64,014
Storm Water Source Control Study - Funded by DOE Grant	Capital	1-Time	141,900	141,900	142,037	142,037
2016 Water Quality Vaults Project - Construction to occur in 2016 - Additional SWM funds needed for construction of 2 vaults, \$70,000	Capital	1-Time		(225,000)		295,000
Storm Drain Pipe Repair - Construction Cost Increase due to Higher Bids	Capital	1-Time	-	200,000	-	-
Transfer to Parks CIP Projects - \$35,000 Springbrook Park Acquisition 2015 - \$12,324 Springbrook Park Expansion 2016 - \$19,000 Springbrook Bridge 2016 - \$25,000 Chambers Creek Trail Planning 2016	Capital	1-Time	-	35,000	-	56,324
Transfer to Transportation CIP Projects for SWM's Share of Costs	Capital	1-Time	-	(1,231,212)	-	1,416,329
Allocation of Internal Service Charges	Housekeeping	Ongoing	-	151,581	-	133,257
<b>Total - Internal Service Funds</b>			<b>\$ 609,195</b>	<b>\$ 789,245</b>	<b>\$ 615,928</b>	<b>\$ 503,878</b>
<b>Total - Fund 501 Fleet &amp; Equipment</b>			<b>\$ -</b>	<b>\$ 130,050</b>	<b>\$ 235,239</b>	<b>\$ 123,189</b>

**2015/2016 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

			Year 2015		Year 2016	
			Revenue	Expenditure	Revenue	Expenditure
Transfer to Information Technology Fund - IT Strategic Plan, Replenish in 2016	Housekeeping	1-Time	-	110,050	-	123,189
Transfer In From General Fund - Replenish Reserves Used for IT Strategic Plan	Housekeeping	1-Time	-	-	233,239	-
Purchase of 3 New Snow Plows - \$20,000 1-Time 2015 / \$2,000 Ongoing Reserves in 2016	New	1-Time	-	20,000	2,000	-
<b>Total - Fund 502 Property Management</b>			<b>\$ 6,725</b>	<b>\$ 56,725</b>	<b>\$ -</b>	<b>\$ -</b>
Police Station Lead Abatement Project - Funded within Existing Police Budget	Housekeeping	1-Time	6,725	6,725	-	-
City Hall Space Planning/Reconfiguration Carry Forward of Funds	Housekeeping	1-Time	-	50,000	-	-
<b>Total - Fund 503 Information Technology</b>			<b>\$ 110,050</b>	<b>\$ 110,050</b>	<b>\$ 143,189</b>	<b>\$ 143,189</b>
<i>Information Technology Strategic Plan Items:</i>						
Video Arraignment M&O	Housekeeping/ Strategic Plan	Ongoing	-	-	-	5,000
Redesign City's Permit Process/Web Extensions - \$4,000 1-Time 2015 / \$5,510 Ongoing in 2015 & 2016	Housekeeping/ Strategic Plan	1-Time & Ongoing	-	9,510	-	5,510
Blue Beam Software - \$3,500 1-Time 2015 / \$400 Ongoing in 2016	Housekeeping/ Strategic Plan	1-Time & Ongoing	-	3,500	-	400
Mobile Apps w/CRM Integration - \$10,000 1-Time 2015 / \$7,300 Ongoing 2015 / \$14,600 Ongoing 2016	Housekeeping/ Strategic Plan	1-Time & Ongoing	-	17,300	-	14,600
Enterprise Task Management/Work Order System - \$75,000 1-Time 2015 / \$7,500 Ongoing 2015 / \$30,000 Ongoing 2016	Housekeeping/ Strategic Plan	1-Time & Ongoing	-	82,500	-	30,000
VMWare Virtual Desktop (VDI) - \$17,000 1-Time 2015 / \$1,500 Ongoing in 2016	Housekeeping/ Strategic Plan	1-Time & Ongoing	-	17,000	-	1,500
FiberOptic Connection - Fort Steilacoom Park O&M Facility - \$26,000 1-Time 2015 / \$4,800 M&O Savings in 2016	Housekeeping/ Strategic Plan	1-Time & Ongoing	-	26,000	-	(4,800)
Wireless Access Points (Wi-Wi) - \$15,000 1-Time 2015 / \$2,500 Ongoing in 2016	Housekeeping/ Strategic Plan	1-Time & Ongoing	-	15,000	-	2,500
Disaster Recovery Phase II Business Continuity Plan	Housekeeping/ Strategic Plan	1-Time	-	-	-	10,000
Cell Phone Archival of Text Messages	Housekeeping/ Strategic Plan	Ongoing	-	5,240	-	10,479
Video Surveillance	Housekeeping/ Strategic Plan	1-Time	-	-	-	50,000
Redundant Voice & Data Circuits (Co-Location) at Police Station - \$10,000 1-Time 2016 / \$18,000 Ongoing 2016	Housekeeping/ Strategic Plan	1-Time & Ongoing	-	-	-	28,000
Informational Videos	Housekeeping/ Strategic Plan	1-Time	-	14,000	-	-
Enterprise Network Monitoring Tools	Housekeeping/ Strategic Plan	1-Time	-	10,000	-	-
Phone System Annual Replacement Reserves	Housekeeping/ Strategic Plan	Ongoing	-	-	20,000	-
Document Management System - Eliminate, Project Delayed	Housekeeping/ Strategic Plan	1-Time	-	(90,000)	-	(10,000)
Transfer In From Fleet & Equipment Reserves - To Fund Strategic Plan, Replenish in 2016	Housekeeping/ Strategic Plan	1-Time	110,050	-	123,189	-
<b>Total - Fund 504 Risk Management</b>			<b>\$ 492,420</b>	<b>\$ 492,420</b>	<b>\$ 237,500</b>	<b>\$ 237,500</b>
WCIA Assessment Increase	Housekeeping	Ongoing	10,500	10,500	187,500	187,500
WCIA Potential Deductibles for Claims Prior to 2014	Housekeeping	Ongoing	225,000	225,000	-	-
Claims/Judgment - Public Disclosure, Koenig Case	Housekeeping	1-Time	206,920	206,920	-	-
3rd Party Claims, Offset by Insurance Recoveries	Housekeeping	Ongoing	50,000	50,000	50,000	50,000

ORDINANCE NO.

AN ORDINANCE of the City Council of the City of Lakewood, Washington, amending the 2015-2016 Biennial Budget.

WHEREAS, the tax estimates and budget for the City of Lakewood, Washington, for the 2015-2016 fiscal biennium have been prepared and filed on October 1, 2014 as provided by Titles 35A.34 and 84.55 of the Revised Code of Washington; and

WHEREAS, the budget was printed for distribution and notice published in the official paper of the City of Lakewood setting the time and place for hearing on the budget and said notice stating copies of the budget can be obtained on-line and at the Office of the City Clerk; and

WHEREAS, the City Council of the City of Lakewood having held a public hearing on November 3, 2014, and having considered the public testimony presented; and

WHEREAS, per RCW 35.34.130, the City is required to adopt by ordinance a mid-biennial review and modification of the biennial budget. The review and modification shall occur no sooner than September 1, 2015 and no later than December 31, 2015. A review and evaluation of the Community Safety Resource Team (CSRT) Program shall occur as part of this process; and

WHEREAS, the City Council of the City of Lakewood adopted Ordinance 597 on November 17, 2014 implementing the 2015 and 2016 Biennial Budget; and

WHEREAS, the City Council of the City of Lakewood adopted Ordinance 608 on May 4, 2015 implementing the 2015 Carry Forward Budget Adjustment; and

WHEREAS, the City Council of the City of Lakewood finds it necessary to revise the 2015-2016 Biennial Budget as result of the mid-biennial review;

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

Section 1. Budget Amendment. The 2015-2016 Biennial Budget, as set forth in Ordinance 608, Section 1, is amended to adopt the revised budget for the 2015-2016 biennium in the amounts and for the purposes as shown on Exhibits B(1) Proposed Revised Budget by Fund – Year 2015 and B(2) Proposed Revised Budget by Fund – Year 2016.

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. Copies of the Budget to Be Filed. A complete copy of the final budget as adopted herein shall be transmitted to the Office of the State Auditor, the Association of Washington Cities and to the Municipal Research and Services Center of Washington. Copies of the final budget as adopted herein shall be filed with the City Clerk and shall be made available for use by the public.

Section 4. Effective Date. This Ordinance shall be in full force and effect for the fiscal years 2015 and 2016 and five (5) days after publication as required by law.

ADOPTED by the City Council this 16<sup>th</sup> day of November, 2015.

CITY OF LAKEWOOD

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Don Anderson, Mayor

Attest:

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Alice M. Bush, MMC, City Clerk

Approved as to Form:

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Heidi Ann Wachter, City Attorney

**EXHIBIT A(1)**  
**CURRENT REVISED BUDGET BY FUND - YEAR 2015**

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Fund (001)</b>	\$ 4,034,368	\$ 498,327	\$ 4,532,695	\$ 35,107,433	\$ 80,301	\$ 35,187,734	\$ 34,966,947	\$ 763,032	\$ 35,729,979	\$ 3,990,450
<b>Special Revenue Funds:</b>										
101 Street Operations & Maintenance	-	-	-	1,893,850	(44,464)	1,849,386	1,893,850	(44,464)	1,849,386	-
102 Real Estate Excise Tax	1,647,206	(528,677)	1,118,529	800,000	137,000	937,000	2,447,206	(392,402)	2,054,804	725
103 Transportation Benefit District	-	-	-	572,000	-	572,000	572,000	-	572,000	-
104 Hotel/Motel Lodging Tax Fund	937,524	91,033	1,028,557	500,000	-	500,000	500,000	(48,150)	451,850	1,076,707
105 Property Abatement	200,000	61,771	261,771	-	48,700	48,700	100,000	75,000	175,000	135,471
106 Public Art	15,000	10,389	25,389	10,000	-	10,000	2,000	-	2,000	33,389
180 Narcotics Seizure	801,701	(318,430)	483,271	110,000	14,563	124,563	318,550	14,563	333,113	274,721
181 Felony Seizure	11,958	(6,915)	5,043	-	-	-	-	-	-	5,043
182 Federal Seizure	40,240	31,547	71,787	-	-	-	10,000	-	10,000	61,787
190 Grants	1,212	21,168	22,380	535,000	1,649,297	2,184,297	535,000	1,660,140	2,195,140	11,537
191 Neighborhood Stabilization Prog	171,345	(68)	171,277	-	-	-	-	80,000	80,000	91,277
192 OEA Grant	5,393	79,326	84,719	179,500	210,096	389,596	179,500	220,709	400,209	74,106
195 Public Safety Grants	-	216	216	149,810	27,257	177,067	149,810	27,473	177,283	0
<b>Debt Service Funds:</b>										
201 GO Bond Debt Service	-	-	-	289,183	51,476	340,659	289,183	51,476	340,659	0
202 LID Debt Service	149	902	1,051	279,319	-	279,319	279,319	-	279,319	1,051
204 Sewer Project Debt	666,071	(15,217)	650,854	600,000	-	600,000	726,146	-	726,146	524,708
251 LID Guaranty	391,858	(63)	391,795	-	-	-	-	-	-	391,795
<b>Capital Project Funds:</b>										
301 Parks CIP	10,276	0	10,276	856,450	238,729	1,095,179	60,000	238,729	298,729	806,726
302 Transportation CIP	-	-	-	14,620,037	18,482,053	33,102,090	13,772,500	18,958,461	32,730,961	371,129
311 Sewer Project CIP	76,208	29,862	106,070	1,520,000	-	1,520,000	1,520,000	-	1,520,000	106,070
312 Sanitary Sewer Connection	562,834	121,069	683,903	297,000	-	297,000	-	-	-	980,903
<b>Enterprise Fund:</b>										
401 Surface Water Management	3,317,526	3,550,716	6,868,242	3,091,669	229,876	3,321,545	3,158,640	2,744,937	5,903,577	4,286,210
<b>Internal Service Funds:</b>										
501 Fleet & Equipment	3,936,339	159,636	4,095,975	1,987,240	39,875	2,027,115	1,429,720	723,202	2,152,922	3,970,168
502 Property Management	393,421	52,734	446,155	742,080	-	742,080	909,080	5,780	914,860	273,375
503 Information Technology	-	-	-	1,178,650	154,208	1,332,858	1,178,650	154,208	1,332,858	-
504 Risk Management	-	-	-	774,014	184,975	958,989	774,014	184,975	958,989	-
<b>Total All Funds</b>	<b>\$17,220,629</b>	<b>\$ 3,839,328</b>	<b>\$21,059,957</b>	<b>\$ 66,093,235</b>	<b>\$ 21,503,942</b>	<b>\$87,597,177</b>	<b>\$ 65,772,115</b>	<b>\$ 25,417,669</b>	<b>\$91,189,784</b>	<b>\$ 17,467,349</b>

**EXHIBIT A(2)**  
**CURRENT REVISED BUDGET BY FUND - YEAR 2016**

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Fund (001)</b>	\$ 4,174,854	\$ (184,404)	\$ 3,990,450	\$ 35,709,391	\$ (14,000)	\$ 35,695,391	\$ 35,546,448	\$ (198,404)	\$ 35,348,044	\$ 4,337,797
<b>Special Revenue Funds:</b>										
101 Street Operations & Maintenance	-	-	-	1,948,250	(153,290)	1,794,960	1,948,250	(153,290)	1,794,960	-
102 Real Estate Excise Tax	-	725	725	800,000	137,000	937,000	800,000	135,500	935,500	2,225
103 Transportation Benefit District	-	-	-	685,000	-	685,000	685,000	-	685,000	-
104 Hotel/Motel Lodging Tax Fund	937,524	139,183	1,076,707	500,000	-	500,000	500,000	-	500,000	1,076,707
105 Property Abatement	100,000	35,471	135,471	-	35,000	35,000	100,000	35,000	135,000	35,471
106 Public Art	23,000	10,389	33,389	10,000	-	10,000	33,000	-	33,000	10,389
180 Narcotics Seizure	593,151	(318,430)	274,721	110,000	-	110,000	289,750	-	289,750	94,971
181 Felony Seizure	11,958	(6,915)	5,043	-	-	-	-	-	-	5,043
182 Federal Seizure	30,240	31,547	61,787	-	-	-	10,000	-	10,000	51,787
190 Grants	1,212	10,325	11,537	535,000	(35,000)	500,000	535,000	(35,000)	500,000	11,537
191 Neighborhood Stabilization Prog	171,345	(80,068)	91,277	-	-	-	-	-	-	91,277
192 OEA Grant	5,393	68,713	74,106	179,500	-	179,500	179,500	-	179,500	74,106
195 Public Safety Grants	-	0	0	-	-	-	-	-	-	0
<b>Debt Service Funds:</b>										
201 GO Bond Debt Service	-	0	0	290,158	154,650	444,808	290,158	154,650	444,808	0
202 LID Debt Service	149	902	1,051	270,263	-	270,263	270,263	-	270,263	1,051
204 Sewer Project Debt	539,925	(15,217)	524,708	600,000	-	600,000	497,857	-	497,857	626,851
251 LID Guaranty	391,858	(63)	391,795	-	-	-	270,000	-	270,000	121,795
<b>Capital Project Funds:</b>										
301 Parks CIP	806,726	0	806,726	375,000	-	375,000	1,181,450	-	1,181,450	276
302 Transportation CIP	847,537	(476,408)	371,129	7,541,500	(5,273,000)	2,268,500	7,276,500	(4,992,500)	2,284,000	355,629
311 Sewer Project CIP	76,208	29,862	106,070	-	-	-	-	-	-	106,070
312 Sanitary Sewer Connection	859,834	121,069	980,903	302,000	-	302,000	-	-	-	1,282,903
<b>Enterprise Fund:</b>										
401 Surface Water Management	3,250,555	1,035,655	4,286,210	2,702,500	-	2,702,500	3,539,060	(417,095)	3,121,965	3,866,745
<b>Internal Service Funds:</b>										
501 Fleet & Equipment	4,493,859	(523,691)	3,970,168	1,987,240	-	1,987,240	1,242,220	(118,000)	1,124,220	4,833,188
502 Property Management	226,421	46,954	273,375	749,800	-	749,800	799,800	-	799,800	223,375
503 Information Technology	-	-	-	1,069,950	22,686	1,092,636	1,069,950	22,686	1,092,636	-
504 Risk Management	-	-	-	748,980	30,000	778,980	748,980	30,000	778,980	-
<b>Total All Funds</b>	<b>\$17,541,749</b>	<b>\$ (74,400)</b>	<b>\$17,467,349</b>	<b>\$ 57,114,532</b>	<b>\$ (5,095,954)</b>	<b>\$52,018,578</b>	<b>\$ 57,813,186</b>	<b>\$ (5,536,453)</b>	<b>\$52,276,733</b>	<b>\$ 17,209,194</b>

**EXHIBIT B(1)**  
**PROPOSED REVISED BUDGET BY FUND - YEAR 2015**

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Fund (001)</b>	\$ 4,532,695	\$ -	\$ 4,532,695	\$ 35,187,734	\$ 229,159	\$ 35,416,893	\$ 35,729,979	\$ 467,193	\$ 36,197,172	\$ 3,752,416
<b>Special Revenue Funds:</b>										
101 Street Operations & Maintenance	-	-	-	1,849,386	360,975	2,210,361	1,849,386	360,975	2,210,361	-
102 Real Estate Excise Tax	1,118,529	-	1,118,529	937,000	263,000	1,200,000	2,054,804	193,878	2,248,682	69,847
103 Transportation Benefit District	-	-	-	572,000	-	572,000	572,000	-	572,000	-
104 Hotel/Motel Lodging Tax Fund	1,028,557	-	1,028,557	500,000	175,000	675,000	451,850	-	451,850	1,251,707
105 Property Abatement	261,771	-	261,771	48,700	-	48,700	175,000	135,471	310,471	0
106 Public Art	25,389	-	25,389	10,000	-	10,000	2,000	-	2,000	33,389
180 Narcotics Seizure	483,271	-	483,271	124,563	-	124,563	333,113	-	333,113	274,721
181 Felony Seizure	5,044	-	5,044	-	-	-	-	5,044	5,044	-
182 Federal Seizure	71,787	-	71,787	-	210,000	210,000	10,000	100,000	110,000	171,787
190 Grants	22,380	-	22,380	2,184,297	-	2,184,297	2,195,140	-	2,195,140	11,537
191 Neighborhood Stabilization Prog	171,277	-	171,277	-	-	-	80,000	91,277	171,277	0
192 OEA Grant	84,719	-	84,719	389,596	5,470	395,066	400,209	36,887	437,096	42,689
195 Public Safety Grants	216	-	216	177,067	68,427	245,494	177,283	68,427	245,710	0
<b>Debt Service Funds:</b>										
201 GO Bond Debt Service	-	-	-	340,659	-	340,659	340,659	-	340,659	0
202 LID Debt Service	1,051	-	1,051	279,319	351,697	631,016	279,319	319,541	598,860	33,207
204 Sewer Project Debt	650,854	-	650,854	600,000	-	600,000	726,146	-	726,146	524,708
251 LID Guaranty	391,795	-	391,795	-	-	-	-	-	-	391,795
<b>Capital Project Funds:</b>										
301 Parks CIP	10,276	-	10,276	1,095,179	(157,572)	937,607	298,729	343,878	642,607	305,276
302 Transportation CIP	-	-	-	33,102,090	(17,350,795)	15,751,295	32,730,961	(17,883,806)	14,847,155	904,140
311 Sewer Project CIP	106,070	-	106,070	1,520,000	-	1,520,000	1,520,000	-	1,520,000	106,070
312 Sanitary Sewer Connection	683,903	-	683,903	297,000	-	297,000	-	35,000	35,000	945,903
<b>Enterprise Fund:</b>										
401 Surface Water Management	6,868,242	-	6,868,242	3,321,545	93,327	3,414,872	5,903,577	(991,745)	4,911,832	5,371,282
<b>Internal Service Funds:</b>										
501 Fleet & Equipment	4,095,975	-	4,095,975	2,027,115	-	2,027,115	2,152,922	130,050	2,282,972	3,840,118
502 Property Management	446,155	-	446,155	742,080	6,725	748,805	914,860	56,725	971,585	223,375
503 Information Technology	-	-	-	1,332,858	110,050	1,442,908	1,332,858	110,050	1,442,908	-
504 Risk Management	-	-	-	958,989	492,420	1,451,409	958,989	492,420	1,451,409	-
<b>Agency Fund:</b>										
601 Investment Control	-	-	-	-	-	-	-	-	-	-
<b>Total All Funds</b>	<b>\$21,059,957</b>	<b>\$ -</b>	<b>\$21,059,957</b>	<b>\$ 87,597,177</b>	<b>\$ (15,142,116)</b>	<b>\$72,455,061</b>	<b>\$ 91,189,784</b>	<b>\$ (15,928,735)</b>	<b>\$75,261,050</b>	<b>\$ 18,253,968</b>

**EXHIBIT B(2)**  
**PROPOSED REVISED BUDGET BY FUND - YEAR 2016**

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Fund (001)</b>	\$ 3,990,450	\$ (238,034)	\$ 3,752,416	\$ 35,695,391	\$ 880,830	\$ 36,576,221	\$ 35,348,044	\$ 539,499	\$ 35,887,543	\$ 4,441,094
<b>Special Revenue Funds:</b>										
101 Street Operations & Maintenance	-	-	-	1,794,960	369,983	2,164,943	1,794,960	369,983	2,164,943	-
102 Real Estate Excise Tax	725	69,122	69,847	937,000	287,000	1,224,000	935,500	270,000	1,205,500	88,347
103 Transportation Benefit District	-	-	-	685,000	-	685,000	685,000	-	685,000	-
104 Hotel/Motel Lodging Tax Fund	1,076,707	175,000	1,251,707	500,000	100,000	600,000	500,000	403,850	903,850	947,857
105 Property Abatement	135,471	(135,471)	0	35,000	-	35,000	135,000	(100,000)	35,000	0
106 Public Art	33,389	-	33,389	10,000	-	10,000	33,000	-	33,000	10,389
180 Narcotics Seizure	274,721	-	274,721	110,000	-	110,000	289,750	-	289,750	94,971
181 Felony Seizure	5,043	(5,043)	-	-	-	-	-	-	-	-
182 Federal Seizure	61,787	110,000	171,787	-	-	-	10,000	-	10,000	161,787
190 Grants	11,537	-	11,537	500,000	-	500,000	500,000	-	500,000	11,537
191 Neighborhood Stabilization Prog	91,277	(91,277)	0	-	-	-	-	-	-	0
192 OEA/SSMCP Grant	74,106	(31,417)	42,689	179,500	44,000	223,500	179,500	41,350	220,850	45,339
195 Public Safety Grants	0	0	1	-	-	-	-	-	-	0
<b>Debt Service Funds:</b>										
201 GO Bond Debt Service	0	-	0	444,808	-	444,808	444,808	-	444,808	0
202 LID Debt Service	1,051	32,156	33,207	270,263	(65,775)	204,488	270,263	(64,800)	205,463	32,232
204 Sewer Project Debt	524,708	-	524,708	600,000	-	600,000	497,857	-	497,857	626,851
251 LID Guaranty	391,795	-	391,795	-	-	-	270,000	-	270,000	121,795
<b>Capital Project Funds:</b>										
301 Parks CIP	806,726	(501,450)	305,276	375,000	1,495,274	1,870,274	1,181,450	864,100	2,045,550	130,000
302 Transportation CIP	371,129	533,011	904,140	2,268,500	17,756,228	20,024,728	2,284,000	18,445,624	20,729,624	199,244
311 Sewer Project CIP	106,070	-	106,070	-	-	-	-	-	-	106,070
312 Sanitary Sewer Connection	980,903	(35,000)	945,903	302,000	-	302,000	-	35,000	35,000	1,212,903
<b>Enterprise Fund:</b>										
401 Surface Water Management	4,286,210	1,085,072	5,371,282	2,702,500	190,610	2,893,110	3,121,965	2,106,961	5,228,926	3,035,466
<b>Internal Service Funds:</b>										
501 Fleet & Equipment	3,970,168	(130,050)	3,840,118	1,987,240	235,239	2,222,479	1,124,220	123,189	1,247,409	4,815,188
502 Property Management	273,375	(50,000)	223,375	749,800	-	749,800	799,800	-	799,800	173,375
503 Information Technology	-	-	-	1,092,636	143,189	1,235,825	1,092,636	143,189	1,235,825	-
504 Risk Management	-	-	-	778,980	237,500	1,016,480	778,980	237,500	1,016,480	-
<b>Agency Fund:</b>										
601 Investment Control	-	-	-	-	-	-	-	-	-	-
<b>Total All Funds</b>	<b>\$17,467,349</b>	<b>\$ 786,619</b>	<b>\$18,253,968</b>	<b>\$ 52,018,578</b>	<b>\$ 21,674,078</b>	<b>\$73,692,656</b>	<b>\$ 52,276,733</b>	<b>\$ 23,415,445</b>	<b>\$75,692,178</b>	<b>\$ 16,254,446</b>



To: Mayor and City Councilmembers  
From: Heidi Ann Wachter, City Attorney  
Through: John J. Caulfield, City Manager   
Date: October 12, 2015  
Subject: Review of Transportation Benefit District Assumption

This is to provide an overview of recent changes to state law regarding Transportation Benefit Districts and recommend assumption of the City of Lakewood Transportation Benefit District (TBD) by the City of Lakewood. Assumption of the TBD by the City will retain the governing body and eliminate duplicated and repetitive tasks performed by both City employees and elected officials. In addition, the TBD would no longer have to pay \$2,500 to WCIA for risk management assessment coupled with there being no need to hold separate meetings.

### **Background**

On August 6, 2012, the Lakewood City Council adopted Ordinance No. 550 to establish a TBD in order to fund selected transportation projects. This is codified in the Lakewood Municipal Code as Chapter 12A.16. The boundaries of the City of Lakewood TBD are coextensive with the City limits.<sup>1</sup> In its current state, the City of Lakewood TBD is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing and funding transportation improvements within the district.

In the 2015 legislative session, as part of a larger transportation package, the state legislature amended the authorizing law regarding TBDs to allow cities to assume TBDs when the boundaries are coextensive.<sup>2</sup> The City assumes all rights, powers and functions of the TBD and the TBD ceases to exist as a separate entity.<sup>3</sup>

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<sup>1</sup> LMC 12A.16.010 specifies the boundaries of the TBD to be the City limits “as they currently exist or may exist following future annexations.”

<sup>2</sup> 2ESSB 5987.SL, Part III, now codified as RCW 36.73.xxx.

<sup>3</sup> On-going TBD obligations are production of an Annual Report, adoption of a Material Change Policy and Finance Plan, and Dissolution upon completion of the improvements and payment.

## Process

1. Adopt a resolution indicating the City’s intent to conduct a hearing concerning the assumption of the rights, powers, functions and obligations of the City of Lakewood TBD.<sup>4</sup> The resolution must “set a time and place at which the city ...legislative authority will consider the proposed assumption of the rights, powers, functions, and obligations of the transportation benefit district, and must state that all persons interested may appear and be heard.”<sup>5</sup> Attachment A.
2. Publish the resolution at least two times during the two weeks preceding the scheduled hearing in newspapers of daily general circulation printed or published in the city or county in which the transportation benefit district is to be located.<sup>6</sup>
3. During the hearing the City Council must “consider the assumption of the rights, powers, functions, and obligations of the transportation benefit district and hear those appearing and all protests and objections to it.”<sup>7</sup>
4. After receiving testimony, if the City Council “determines that the public interest or welfare would be satisfied by the city or county assuming the rights, powers, immunities, functions and obligations of the transportation benefit district” then the City may proceed with the assumption.<sup>8</sup>

The Lakewood City Council operates in an ex officio and independent capacity as the Board for the TBD. Support to the TBD is provided by City employees, for example, the City Manager for the City of Lakewood acts in an ex officio capacity as the chief executive officer for the TBD, the Assistant City Manager of Finance/Administration acts in an ex officio capacity as the treasurer for the TBD, the City Attorney acts in an ex officio capacity as the attorney for the TBD and the City Clerk acts in an ex officio capacity as the clerk for the TBD.

## Recommendation

Assume the City of Lakewood TBD.

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<sup>4</sup> SESSB 5987 Sec. 302.

<sup>5</sup> Id.

<sup>6</sup> Id.

<sup>7</sup> Id.

<sup>8</sup> SESSB 5987, Sec. 303.

RESOLUTION NO.

A RESOLUTION of the City of Lakewood, Washington, indicating the City's intent to conduct a Public Hearing concerning the assumption of the rights, powers, functions, and obligations of the City of Lakewood's Transportation Benefit District.

WHEREAS, in August 2012, the City Council adopted Ordinance No. 550 creating the City of Lakewood Transportation Benefit District ("TBD") with boundaries coterminous with the boundaries of the City, all in accordance with chapter 36.73 RCW; and

WHEREAS, on July 1, 2015, the Washington State Legislature enacted Second Engrossed Substitute Bill 5987 (SESSB 5987) which, at Section 301 authorizes the City to assume the rights, powers, functions, and obligations of the TBD; and

WHEREAS, prior to assuming the rights, powers, functions, and obligations of the TBD, the City must indicate its intent to conduct a hearing concerning the assumption by adoption of an ordinance or resolution; and

WHEREAS, the ordinance or resolution must set the time and place for the hearing and state that all persons interested in the assumption may appear and be heard; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON, as Follows:

Section 1. Intent to Conduct Public Hearing. The City Council hereby declares its intent to conduct a public hearing to consider the proposed assumption of the rights, powers, functions, and obligations of the existing City of Lakewood Transportation Benefit District.

Section 2. Date, Time, and Place of Public Hearing. The public hearing on the proposed assumption shall be held on Monday, November 2, 2015 at approximately 7:00 pm in the Council Chambers located at Lakewood City Hall, 6000 Main Street SW, Lakewood, WA 98498.

Section 3. Public Testimony. All persons interested in the proposed assumption may appear at the hearing and will have the opportunity to be heard.

Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED by the City Council this 19th day of October, 2015.

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Don Anderson, Mayor

Attest:

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Alice M. Bush, MMC, City Clerk

Approved as to Form:

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Heidi Wachter, City Attorney

DRAFT