



## INFORMATIONAL MEMORANDUM

TO: Finance Committee

FROM: Rachel Bianchi

CC: Mayor Ekberg

DATE: February 12, 2018

SUBJECT: Financing the Public Safety Plan (*Updated from February 6 Meeting*)

**NOTE: Because this topic is building on previous Committee meetings, the original memo has been updated in underline font below. This intent is to continue to preserve the information from one meeting to the next given that each discussion will build upon the previous.**

### **ISSUE**

Due to market conditions and cost escalation, the City has a significant gap in the Public Safety Plan budget. The Finance Committee has been tasked with reviewing options and identifying potential recommendations for the full Council to consider later this spring. The Justice Center will also finish Schematic Design this spring and will provide for better understanding of the costs associated with that project. Merging these timelines will provide the necessary information for the City Council to provide direction on the next steps on the Public Safety Plan.

### **BACKGROUND**

#### **Process:**

Due to the gravity and complexity of this issue, staff worked with the Committee Chair to identify the following schedule for covering the various information associated with tackling the funding gap:

February 6, 2018 Finance Committee:

- Project costs as known
- Overview of voter-approved bonds
- Debt capacity and term
- Fire Impact Fees
- Land sales and other one-time funds
- REET 1

February 20, 2018 Finance Committee:

- New revenue options

March 6, 2018 Finance Committee:

- General fund and operations
- CIP prioritization

March 20, 2018 Finance Committee:

- Review project schedule

Staff proposes that the Committee review the information presented and provide direction to staff at each meeting as to which options are of interest to the council. Staff will then use the intervening time to build an iterative financial model that can be reviewed and added to at subsequent meetings. For instance, if the Committee is interested in dedicating land sales to filling the gap, this would be a tool we would build into the model and bring back to show you the

implications as to how that tool – along with others agreed to by the committee – would work together to fill the gap. By the end of this process, the goal is to have a collaboratively built model to inform the full Council and any final decisions.

Staff has provided its recommendations after each tool to inform the Council of its position.

**Project costs as known:**

Before we discuss tools for filling the gap, it is important that everyone has the same understanding of the current known project costs.

Below are the current budget estimates for the Public Safety Plan projects. Fire Station 51 has completed the schematic design phase, allowing for more certainty on the estimates associated with the fire stations. However, the estimate for the Justice Center is carrying many significant costs, such as budget allotted for site preparation and the Public Works facility estimate is the most extreme, assuming none of the buildings on the current site could be reused. The Justice Center will be done with Schematic Design in May and at that point there will be more certainty on the budget estimate. The Public Works facility will not hit that stage until toward the end of this year.

Public Safety Plan Project Cost Estimates as of January, 2018 (in millions)

Project	Initial Budget	Updated	Gap
Fire Station 51	\$11,446	\$12,509	\$1,063
Fire Station 52	\$5,657	\$17,652	\$11,995 <sup>1</sup>
Fire Station 54	\$7,329	\$14,753	\$7,424
Justice Center	\$28,629	\$68,536	\$39,907
Public Works Facility	\$29,493	\$63,270	\$33,777
Total Gap for Projects			\$94,166
Utility Fund Gap Obligation for PW			(\$16,888)
Total Unfunded Gap			\$77,278

The cash flow spreadsheet for the projects, on the current schedule, is attached.

**Voter-Approved Bonds:**

The voters approved a \$77.4 million bond measure in November 2016. In December 2016, \$36.7 million, of these bonds were issued. Based on the cash flow analysis provided by SOJ in December 2017, the remainder of the bond authorization, or \$40.6 million, will be needed in 2018 and 2019 to fund property purchases and construction costs. The recommendation is to issue the bonds in the fall of 2018 so the debt service can be included with the 2019 property tax assessments.

**Debt Capacity and LTGO Bonding:**

In order to address the Public Safety Plan funding gap, it is likely that the City would need to issue additional bonds, this time councilmanic ones.

<sup>1</sup> The headquarters station was moved from Fire Station 51 to Fire Station 52 during the siting phase, technically flipping the budgets for Stations 51 and 52, hence the relatively small gap for 51 and huge one for 52.

State law limits the amount of debt the City can carry. For councilmanic/limited tax general obligation (LTGO) debt, the City is limited to 1.5% of taxable assessed valuation. Total debt (including voted and non-voted debt) is limited to 2.5% of assessed valuation. As of December 31, 2017, the City had capacity for an additional \$59 million in councilmanic debt. This number will increase as assessed valuation goes up and existing debt is paid off, providing the City additional capacity in the out years.

Bonds are normally issued for a 20-year term. However, debt payments can be spread over the useful life of the underlying asset. In the case of structures such as the Justice Center and the Fire Stations, the debt payback period could be increased to 30 years since the life of the structures will be 30 or more years. A longer payback period translates into lower annual debt service payments, albeit over a longer period of time.

Staff recommendation: Use LTGO bonds to cover the Public Safety Plan gap in a manner that allows for some cushion in the event of an economic downturn; leverage the fact that some existing debt drops off in 2020 and 2024 freeing up additional capacity to pay back the bonds.

#### **Fire Impact Fees:**

Fire impact fees are charged on residential and commercial development to pay for the impact of growth on fire facilities. Fire impact fees, on average, have yielded \$120K over the past 9 years, excluding the \$500K fire impact fee deposit received in 2017 through the Tukwila South Development Agreement. The City has not increased its fire impacts fees in more than a decade, and there is additional capacity in these fees to support the new fire stations. The update of the fire and park impact fees is scheduled to be presented to the Finance Committee in March, 2018. Should the Council adopt the new impact fees, staff estimates that they would generate between \$200,000 and \$400,000 per year that could be used to pay off LTGO bonds. An additional \$1.5 million in fire impact fees exist today that will be dedicated to the fire station projects.

Staff recommendation: Dedicate current and future Fire Impact Fees to the Fire Stations.

#### **Land Sales and other one-time funds:**

The City owns a variety of land that could be sold with the proceeds being dedicated to the Public Safety Plan. Staff estimates there is approximately \$15 million in proceeds that could be available to fill the gap. Potential land sales include:

- Newporter site
- Tukwila Village Phases 1, 2 and 3
- Longacres site
- Old Fire Station 53 site
- Current Fire Station 51
- Current Fire Station 52
- Current Fire Station 54
- George Long Shops
- Minkler Shops

Additionally, the City currently has \$3 million in the 301 fund for parks acquisition from REET 1. The Council recently gave the authority for REET 1 to be used for the Public Safety Plan and this funding could be dedicated to the public safety plan in a one-time manner similar to the land sales.

Staff recommendation: Dedicate land sales identified above and the \$3 million in the 301 fund to the Public Safety Plan.

### **Ongoing REET 1:**

The City also has the opportunity to dedicate REET 1 funding to the Public Safety Plan moving forward. Given historical REET 1 accruals, staff believes that approximately \$500,000 per year could be dedicated to the Public Safety Plan gap.

Staff recommendation: Dedicate ongoing REET 1 to the Public Safety Plan; funds above \$500,000 per year would go to parks acquisition.

### **Outcome of February 6, 2018 Finance Committee**

After the February 6, 2018 Finance Committee, staff used the discussion to begin building the iterative model discussed on page one of this memo. There are two different versions of the financial framework attached, one that shows 20-year councilmanic bonds and one that uses a 30-year span. Both include the full cost of debt service and annual payment necessary to repay the bonds. Also included in this phase of the model are identified land sales and one-time funds available to dedicate to the Public Safety Plan, as well as ongoing REET 1.

The new revenue options on the attachment are meant to be potential tools for Council to deliberate as it considers how to repay councilmanic bonds, should the Council choose to move forward with those tools. However, it is not the recommendation of staff that the entire bonds be paid back with new revenues, nor that each of these revenues should be used. As identified in the schedule above, the Committee will also be reviewing operational changes that could occur to find existing funds to dedicate to the Public Safety Plan projects. Additionally, the Committee will review the project's existing schedule to determine whether there should be some deviation.

### **New Revenue Options**

Attached is a spreadsheet of new revenue options available to Council to make decisions regarding the Public Safety Plan funding gap. Staff recognizes that some options may not be palatable to the Council but has provided them in order to give a complete picture of the funding tools available. Where possible, we have provided context for neighboring jurisdictions' rates and specific information on amount available, mechanisms and types. Staff will discuss each option with the Committee in detail at the January 21, 2018 Finance Committee meeting.

### **Outstanding Questions from the February 6, 2018 Finance Committee**

The Committee asked for the following information and/or clarification to assist in making decisions on filling the Public Safety Plan gap:

- Provide the debt chart that Vicky Carlsen has previously shared in order to get a better understanding of the long-term implications of existing and any future councilmanic debt. See attached.
- Provide information of what the implications are of 20-year vs. 30-year councilmanic bonds. See two attached versions of the model.
- Report by year on what has been paid to the City for Fire Impact fees since they were implemented. See attached document.

- Provide an estimate of what the Public Safety Plan would pay in impact fees. Because the City is in the middle of updating its impact fees, we cannot calculate this information at this time. Staff will do this once impact fees are updated, scheduled in the first quarter of 2018.
- Indicate whether an automatic escalator can be included in the impact fees update coming before Council shortly. An escalator has been included in the impact fees legislation coming before Council.
- Provide information on Parks' REET 1 expenditures. In 2018, Parks intends to spend REET 1 funds on the following:
  - Second Dog Park
  - TCC Lobby Improvements
  - Trail Repairs
  - Fort Dent Overlay
  - TCC Seismic Evaluation
- What is the recommendation for when the Committee brings the full recommendations to Council? Staff recommends that the Finance Committee initiates the meeting with the full Council in early May so that there are multiple opportunities to have this discussion and deliberations.

**Follow Up from the February 21 Finance Committee Meeting**

Staff was asked to return with the following additional information and/or address these issue in subsequent meetings as the Committee deliberates on recommendations as to how to address the Public Safety Plan financial gap:

- Assurance that there will be a discussion on how the Public Safety Plan financial framework (20- and 30-year potential options reviewed on February 21) intersects with the City's overall six-year financial plan. Staff will bring that information for the Committee at a subsequent meeting.
- Add Tukwila's various fees to the new revenue matrix. This is done and included on the updated version attached.
- List the utility taxes the City levies and all of the utilities that the City has franchise agreements with. This is done and included on the updated version attached.
- Research additional information on the following new revenue options; staff will address at a subsequent meeting:
  - Possibility of structuring a B&O tax because businesses are a large consumer of public-safety related services and such a tax could provide more parity with the residential population; any such tax would be levied only on larger businesses
  - Local Improvement District
- Identify what Parks has planned for REET 1 distribution in 2018 and explain whether the projects would come before Council for approval. The Council adopted the Capital Improvement Plan (CIP) as a part of the 2017/2018 budget, which identified \$581,000 in projects from the 301 fund, of which \$567,000 is from REET 1 funds. Any contract associated with these projects above \$40,000 would come before Council for approval. While Parks is currently reassessing their overall capital projects given the potential for REET 1 funds being redirected to the Public Safety Plan, below are the projects identified in the CIP and slated for funding this year:
  - Trail improvements: \$ 62,000
  - Parks improvements: \$330,000
  - Ft. Dent: \$125,000
  - Duwamish Hill Preserve: \$ 24,000 (\$10,000 from REET 1)
  - Second Dog Park \$ 40,000
  - Total 301 Fund Adopted CIP: \$581,000

- Provide a list of all City-owned properties. See attachment.
- Staff further acknowledges the concerns raised at the meeting of the ramifications of potentially limiting future councils due to long-term debt.

### **Potential Additional New Revenue Source**

One new revenue option not addressed at the February 21, 2018 Finance Committee meeting is a potential increase in the City's gambling tax. The new revenue matrix has been updated to reflect this potential tool. The City currently levies a 10% tax on cardrooms and in 2017 collected \$3.8 million. Basing this analysis on 2017 collections, if the rate was increased to 15%, the City could collect an additional \$1.9 million annually. If the rate was increased to 12% there's the potential for an additional \$720,000 per year.

### **General Fund Operations**

Another tool available to fill the gap is to reduce general fund expenditures. The Committee is not being asked to make a recommendation at this time on specific reductions, rather whether it wants to consider such a tool as a part of the effort to fill the funding gap for the Public Safety Plan. If it is a tool to be considered, staff recommends that any reductions would be identified and approved through the 2019/2020 budget process.

Staff has identified three options to reduce general fund operational expenditures, including (1) across the board cuts, (2) program reductions using the current budget model, and (3) program reductions using the Priority Based Budgeting (PBB) model. These three options are outlined below. It should be noted that all recommended reductions would come from operating costs, while all mandated expenses (including debt service) would remain intact.

With all options, an analysis would be completed to determine the level of reduction required each year.

#### Option 1 – Across the Board Reductions in all Departments

Once the annual expenditure reduction amount is determined (most likely a percentage of the total budget; examples provided in attachment), each department would be required to reduce their budget by that percentage.

##### Pros:

- Process is easy to communicate
- Appearance of fairness – every department takes the same reduction
- Can be a way to avoid tough decisions

##### Cons:

- Missed opportunity to cut ineffective and/or low priority programs
- Ignores the differential effectiveness and priority of programs
- Ignores which expenditures/programs generate revenue
- Ignores consumption vs investment
- Reductions are not strategic
- Not considered best practice

#### Option 2 – Reduce/Eliminate Programs Using Current Budget Structure

##### Pros:

- Lower priority programs (recommended by staff but informed by and ultimately approved by the Council) are reduced/eliminated

##### Cons:

- Objective analysis of program efficiency not part of decision

- Objective analysis of program priority not part of decision
- Doesn't consider true cost of program
- Not considered best practice

Option 3 – Reduce/Eliminate Programs Using Priority-Based Budgeting (PBB) Model

Pros:

- Lower priority programs (as identified through an objective scoring process) are reduced/eliminated
- Requires serious discussion of community values, relative benefits of different services, and long-term implications of reducing/eliminating programs
- Demonstrates strategic approach to managing significant financial issues
- Aligns with current best practice
- True cost of program is known

Cons:

- PBB model not yet fully implemented

Based on the pros and cons of each method identified above, Option 3 would provide the most efficient and objective method of determining reductions to General Fund expenditures. The Council has expressed support for PBB, and one of the primary benefits of the PBB model is that lower level priorities are easily identified, and actual program costs are known.

**Capital Improvement Plan Prioritization**

One option for the Committee to consider is reprioritizing the Capital Improvement Plan (CIP) to dedicate General Fund dollars that transfer to the CIP to the Public Safety Plan. Over the past four years the City has budgeted an average of \$3 million per year of General Fund dollars to transfer to the CIP. General Fund dollars go to leverage grant funds and other matching funds for a variety of capital projects, largely for street work. Below are the budgeted and actual transfers to the CIP for the past four years.

<u>Year</u>	<u>Budgeted Transfer to CIP</u>	<u>Actual Transfer to CIP</u>
2014	\$2,662,000	\$3,150,000
2015	\$2,674,000	\$2,374,000
2016	\$3,551,000	\$1,151,000
2017	\$2,000,000	\$2,000,000

In addition, REET 2 funds are currently dedicated to the 104 fund, which covers bridges and arterial streets. REET 2 funds, like REET 1 discussed on February 6, could be dedicated to financing the Public Safety Plan as well. If reprioritizing REET 2 for the Public Safety Plan was of interest to the Council, staff estimates the annual amounts would be the same as the REET 1 estimate of \$500,000 per year.

The Council could decide to reduce but not eliminate the General Fund contributions to the CIP to cover the Public Safety Plan financial gap and identify an amount that would allow the City to continue to leverage grant funds for capital projects, though at a reduced rate.

**RECOMMENDATION**

Staff is seeking committee interest in the various tools presented today. At the next Committee meeting there will be a full discussion of the various potential new revenue tools the Committee may want to employ to fill the funding gap. Subsequent to that meeting, the Committee will also discuss any potential general fund obligations that could be used for the gap. This direction will

allow staff to build a model based on the Council's priorities and Administration recommendations. Finally, a discussion on the project schedule and potential cost implications of accelerating/delaying projects, can be placed into the model to understand the cash flow and facility ramifications.

**ATTACHMENT**

Public Safety Plan Cash Flow  
DRAFT Iterative Model, 20-year version  
DRAFT Iterative Model, 30-year version  
Updated New Revenue Matrix  
Map of City-owned properties  
General Fund operations Option 1 scenario





**City of Tukwila - Facilities Plan  
Conceptual Cash Flow Plan  
YOY \$ (in thousands)**

*based on Budget updates through January 30, 2018*

Justice Center	Category	YOY\$ (x\$1K)	2016				2017				2018				2019				2020				2021	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Construction Costs	\$35,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Site Acquisition	\$14,269	\$ 36	\$ 1,346	\$ 12,387	\$ -	\$ 400	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Soft Costs	\$17,090	\$ 85	\$ 449	\$ 854	\$ 854	\$ 1,196	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709	\$ 833	\$ -	\$ -
	<b>TOTAL</b>	<b>\$66,913</b>	\$ 85	\$ 2,201	\$13,241	\$ 854	\$ 1,596	\$ 4,267	\$ 6,044	\$ 7,822	\$ 1,809	\$ 5,976	\$ 7,753	\$ 9,531	\$ 9,887	\$ 8,109	\$ 4,553	\$ 833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Fire Station 51	Category	YOY\$ (x\$1K)	2016				2017				2018				2019				2020				2021	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Construction Costs	\$8,005	\$ -	\$ -	\$ -	\$ 80	\$ 1,201	\$ 1,601	\$ 2,001	\$ 1,761	\$ -	\$ -	\$ -	\$ -	\$ 1,121	\$ 240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Site Acquisition	\$0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Soft Costs	\$4,503	\$ 23	\$ 185	\$ 225	\$ 360	\$ 540	\$ 540	\$ 540	\$ 540	\$ 540	\$ 540	\$ 540	\$ 540	\$ 450	\$ 378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL</b>	<b>\$12,508</b>	\$ 23	\$ 185	\$ 225	\$ 360	\$ 620	\$ 1,741	\$ 2,542	\$ 2,302	\$ 1,741	\$ 2,141	\$ 2,542	\$ 2,302	\$ 1,571	\$ 618	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Fire Station 52	Category	YOY\$ (x\$1K)	2016				2017				2018				2019				2020				2021	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Construction Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Site Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Soft Costs	\$6,355	\$ 32	\$ 238	\$ 127	\$ 318	\$ 318	\$ 508	\$ 508	\$ 635	\$ 508	\$ 508	\$ 635	\$ 635	\$ 635	\$ 635	\$ 635	\$ 635	\$ 3460	\$ 4,024	\$ 3,460	\$ 2,104	\$ 931	\$ -
	<b>TOTAL</b>	<b>\$17,652</b>	\$ 32	\$ 238	\$ 127	\$ 318	\$ 318	\$ 508	\$ 508	\$ 635	\$ 508	\$ 508	\$ 635	\$ 635	\$ 3,460	\$ 4,024	\$ 3,460	\$ 2,104	\$ 931	\$ -	\$ -	\$ -	\$ -	\$ -

Fire Station 54	Category	YOY\$ (x\$1K)	2016				2017				2018				2019				2020				2021	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Construction Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Site Acquisition	\$854	\$ 0	\$ 854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Soft Costs	\$5,004	\$ 25	\$ 98	\$ 100	\$ 250	\$ 250	\$ 400	\$ 400	\$ 500	\$ 400	\$ 400	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 2,724	\$ 3,168	\$ 2,724	\$ 1,657	\$ 822	\$ -
	<b>TOTAL</b>	<b>\$14,753</b>	\$ 25	\$ 98	\$ 100	\$ 250	\$ 250	\$ 400	\$ 400	\$ 500	\$ 400	\$ 400	\$ 500	\$ 500	\$ 2,724	\$ 3,168	\$ 2,724	\$ 1,657	\$ 822	\$ -	\$ -	\$ -	\$ -	\$ -

City Shops (PW5 Site - w/Surface Parking)	Category	YOY\$ (x\$1K)	2016				2017				2018				2019				2020				2021	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Construction Costs	\$31,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Site Acquisition	\$16,277	\$ 24	\$ 34	\$ 69	\$ 34	\$16,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Soft Costs	\$15,548	\$ 279	\$ 777	\$ 777	\$ 777	\$ 777	\$ 777	\$ 777	\$ 933	\$ 933	\$ 933	\$ 1,555	\$ 1,555	\$ 1,555	\$ 1,554	\$ 1,555	\$ 1,555	\$ 6,290	\$ 6,289	\$ 7,868	\$ 7,868	\$ 6,408	\$ 4,014
	<b>TOTAL</b>	<b>\$63,393</b>	\$ 303	\$ 812	\$ 846	\$ 812	\$16,893	\$ 777	\$ 777	\$ 933	\$ 933	\$ 933	\$ 2,502	\$ 2,502	\$ 6,290	\$ 6,289	\$ 7,868	\$ 7,868	\$ 6,408	\$ 6,408	\$ 7,868	\$ 7,868	\$ 6,408	\$ 4,014

City Shops (PW5 Site - w/Surface Parking - assume reuse of existing building)	Category	YOY\$ (x\$1K)	2016				2017				2018				2019				2020				2021	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Construction Costs	\$19,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Site Acquisition	\$16,277	\$ 24	\$ 34	\$ 69	\$ 34	\$16,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Soft Costs	\$9,418	\$ 279	\$ 777	\$ 777	\$ 777	\$ 777	\$ 777	\$ 777	\$ 942	\$ 942	\$ 942	\$ 942	\$ 942	\$ 942	\$ 942	\$ 942	\$ 942	\$ 3,810	\$ 3,810	\$ 4,766	\$ 4,766	\$ 2,543	\$ 2,321
	<b>TOTAL</b>	<b>\$44,817</b>	\$ 303	\$ 812	\$ 846	\$ 812	\$16,587	\$ 777	\$ 777	\$ 942	\$ 942	\$ 942	\$ 2,854	\$ 2,854	\$ 3,810	\$ 3,810	\$ 4,766	\$ 4,766	\$ 2,543	\$ 2,543	\$ 4,766	\$ 4,766	\$ 2,543	\$ 2,321

RANGE OF PROJECT COSTS (LOW-HIGH)	Category	YOY\$ (x\$1K)	2016				2017				2018				2019				2020				2021	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	TOTAL PROJECT COSTS	\$156,644	\$ 165	\$ 1,310	\$ 3,967	\$14,233	\$ 2,288	\$19,372	\$ 4,930	\$9,497	\$11,996	\$16,226	\$21,452	\$19,729	\$15,504	\$9,360	\$4,296	\$2,321	\$23,932	\$22,208	\$18,606	\$12,462	\$8,161	\$4,014
	LOW	\$175,220	\$ 165	\$ 1,310	\$ 4,273	\$14,539	\$ 2,594	\$19,678	\$ 5,236	\$9,803	\$12,364	\$15,874	\$23,932	\$22,208	\$18,606	\$12,462	\$8,161	\$4,014	\$23,932	\$22,208	\$18,606	\$12,462	\$8,161	\$4,014
	HIGH	\$156,644	\$ 165	\$ 1,310	\$ 3,967	\$14,233	\$ 2,288	\$19,372	\$ 4,930	\$9,497	\$11,996	\$16,226	\$21,452	\$19,729	\$15,504	\$9,360	\$4,296	\$2,321	\$23,932	\$22,208	\$18,606	\$12,462	\$8,161	\$4,014



**PUBLIC SAFETY PLAN - FINANCIAL PLAN - 20 Year LTGO Amortization**

	B	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1	<b>TOTAL</b>																		
2	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
8	<b>Revenues:</b>																		
9	UTGO bond proceeds, Voted	36,709,954	40,675,046		66,000,000														
10	LTGO bond proceeds, Councilmanic		20,000,000																
11	Fire Impact fees & deposit - Segale		500,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
12	Fire Impact fees - other		1,017,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
13	F301, Lnd & Prk Acq contribution		3,000,000		3,000,000														
14	Property/land sales		5,038,000		5,038,000														
15	REET 1		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
16	Interfund loan - utility funds	9,562	277,998	200,000	100,000	40,000													
17	Investment earnings			200,000	100,000	40,000													
18	<b>Annual contribution to balance</b>				1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
19	Additional capacity from maturing, existing debt				810,000	810,000	810,000	810,000	1,360,000	1,910,000	1,910,000	1,910,000	1,910,000	1,910,000	1,910,000	1,910,000	1,910,000	1,910,000	1,910,000
23	<b>Revenue Total</b>	36,719,516	1,794,998	70,013,046	2,200,000	72,010,000	8,910,000	3,910,000	4,460,000	5,010,000	5,010,000	6,510,000	6,510,000	6,510,000	6,510,000	6,510,000	6,510,000	6,510,000	6,510,000
24																			
25	<b>Project Expenditures</b>																		
26	Justice Center	123,833	398,261	21,581,872	30,155,657	16,276,721													
27	FS 51	59,853	222,146	1,982,035	8,429,736	1,815,230													
28	FS 52	8,256	158,993	1,000,590	3,551,391	12,698,348	234,422												
29	FS 54		132,413	1,950,103	2,728,590	9,765,775	176,119												
30	Apparatus & equip	14,447	420,921	1,629,428	2,589,580	362,385	1,333,578	507,480	2,597,023	384,755	271,667	806,277	2,709,784	3,512,566	518,538	1,597,411	2,865,957		
31	Shops		265,858	19,386,684	7,199,389	28,316,967	8,101,668												
35	<b>Project Expenditures Total</b>	206,389	1,598,591	47,530,712	54,654,343	69,235,425	9,845,787	507,480	2,597,023	384,755	271,667	806,277	2,709,784	3,512,566	518,538	1,597,411	2,865,957		
37	<b>Debt Service</b>																		
38	Debt service LTGO			800,000	800,000	3,440,000	3,440,000	6,929,960	6,929,960	6,929,960	6,929,960	6,929,960	6,929,960	6,929,960	6,929,960	6,929,960	6,929,960	6,929,960	6,929,960
39	Utility Fds pay rent = 50% of dbt svc			(400,000)	(400,000)	(1,300,000)	(1,300,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)
40	<b>GF Debt Service Total</b>			400,000	400,000	2,140,000	2,140,000	4,329,960	4,329,960	4,329,960	4,329,960	4,329,960	4,329,960	4,329,960	4,329,960	4,329,960	4,329,960	4,329,960	4,329,960
41	<b>Expense Total</b>	206,389	1,598,591	47,930,712	55,054,343	71,375,425	11,985,787	4,837,440	6,926,982	4,714,715	4,601,627	5,136,237	7,039,744	7,842,525	4,848,497	5,927,371	7,195,916		
42																			
48	Annual Surplus (Shortfall)	36,513,127	196,407	22,082,334	(52,854,343)	634,575	(6,035,787)	(927,440)	(2,466,982)	295,285	408,373	1,373,763	(529,744)	(1,332,525)	1,661,503	632,629	(985,916)		
49	Beginning Carryover (Shortfall)		36,513,127	36,709,534	58,791,868	5,937,525	6,572,099	3,444,162	2,516,722	49,740	345,025	753,398	2,127,161	1,597,417	264,892	1,926,395	2,559,024		
50	<b>Ending Carryover (Shortfall)</b>	36,513,127	36,709,534	58,791,868	5,937,525	6,572,099	536,313	2,516,722	49,740	345,025	753,398	2,127,161	1,597,417	264,892	1,926,395	2,559,024	1,573,108		



PUBLIC SAFETY PLAN - FINANCIAL PLAN - 20 Year LTGO Amortization

	B	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM
1	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	
8	<b>Revenues:</b>																		
9	UTGO bond proceeds, Voted																		
10	LTGO bond proceeds, Councilmanic																		
11	Fire Impact fees & deposit - Segale																		
12	Fire Impact fees - other	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
13	F301, Lnd & Prk Acq contribution																		
14	Property/land sales																		
15	REET 1	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
16	Interfund loan - utility funds																		
17	Investment earnings																		
18	<b>Annual contribution to balance</b>	3,500,000	3,500,000	1,500,000	1,500,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Additional capacity from maturing, existing debt	1,910,000	1,910,000	2,170,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000
23	<b>Revenue Total</b>	6,210,000	6,210,000	4,470,000	4,860,000	4,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000
24																			
25	<b>Project Expenditures</b>																		
26	Justice Center																		
27	FS 51																		
28	FS 52																		
29	FS 54																		
30	Apparatus & equip	888,681	3,667,573	243,009	609,751	168,749	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Shops																		
35	<b>Project Expenditures Total</b>	888,681	3,667,573	243,009	609,751	168,749	-	-	-	-	-	-	-	-	-	-	-	-	-
37	<b>Debt Service</b>																		
38	Debt service LTGO	6,929,960	6,929,960	6,929,960	6,929,960	6,929,960	5,213,560	5,213,560	5,213,560	5,213,560	5,213,560	5,213,560	5,213,560	5,213,560	5,213,560	5,213,560	5,213,560	5,213,560	5,213,560
39	Utility Fds pay rent = 50% of dbt svc	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)
40	<b>GF Debt Service Total</b>	4,329,960	4,329,960	4,329,960	4,329,960	4,329,960	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560
41	<b>Expense Total</b>	5,218,640	7,997,533	4,572,969	4,939,711	4,498,709	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560	3,463,560
42																			
48	Annual Surplus (Shortfall)	991,360	(1,787,533)	(102,969)	(79,711)	(138,709)	(103,560)	(103,560)	(103,560)	(103,560)	(103,560)	(103,560)	(103,560)	(103,560)	(103,560)	(103,560)	(103,560)	(103,560)	(103,560)
49	Beginning Carryover (Shortfall)	1,573,108	2,564,467	776,934	673,966	594,255	455,546	455,546	455,546	455,546	455,546	455,546	455,546	455,546	455,546	455,546	455,546	455,546	455,546
50	<b>Ending Carryover (Shortfall)</b>	<b>2,564,467</b>	<b>776,934</b>	<b>673,966</b>	<b>594,255</b>	<b>455,546</b>	<b>351,987</b>	<b>351,987</b>	<b>351,987</b>	<b>351,987</b>	<b>351,987</b>	<b>351,987</b>	<b>351,987</b>	<b>351,987</b>	<b>351,987</b>	<b>351,987</b>	<b>351,987</b>	<b>351,987</b>	<b>351,987</b>



**PUBLIC SAFETY PLAN - FINANCIAL ANALYSIS TO CLOSE THE GAP**

**Line Item Descriptions and Comments**

A	B	C
1	<u>Line Item</u>	<u>Description</u>
8	<b>Revenues:</b>	
9	UTGO bond proceeds, Voted	Bond measure passed in November 2016 for \$77,385,000. Based on need, assumes the remainder of the voted debt is issued in 2018.
10	LTGO bond proceeds, Councilmanic	2018 \$20,000,000 issuance was approved by Council in 2017; 2020 issuance is within debt capacity if City's assessed valuation grows by 4.5% from 2018 to 2020 and the bonds are issued at a premium (premium does not count towards debt capacity). The assumed interest rate is 4%. No debt issuance costs have been included in the analysis.
11	Fire Impact fees & deposit - Segale	The Tukwila South development agreement provides for \$1,750,000 in a non refundable deposit and \$3,000,000 in advance payment of Tukwila South generated impact fees.
12	Fire Impact fees - other	Represents fire impact fees earned on development other than in the Tukwila South area. The annual average fee shown in the model assumes an increase in the fee per unit of development and an increase in development. The annual average fee collected over the 9 year period since inception is \$120,000.
13	F301, Lnd & Prk Acq contribution	This fund contains over \$3,000,000 of accumulated REET 1 revenue that can be transferred and devoted to the PSP.
14	Property/land sales	See the detailed list of properties and estimated proceeds.
15	REET 1	In 2017, the City Council resolved to dedicate REET 1 revenue to the Pubic Safety Plan. The annual average REET collection is based on average actual collections over the past 10 years of \$494,000.
17	Investment earnings	Investment earnings for 2016 and 2017 are actuals; the remaining years are estimates.
19	Additional capacity from maturing, existing debt	Beginning in 2021, certain existing debt issuances will be paid off. The funds required to pay the annual debt service on these debt issuances are now available for other uses.
23	Revenue Total	Total revenue for each year and for the 35 year period diplayed in the model.
25	<b>Project Expenditures</b>	Project expenditures for the facilities match with the February 6, 2018 information presented to Council.
30	Apparatus & equip	Expenditures are from the most recently updated apparatus and equipment schedule.
35	Project Expenditures Total	Total estimated project expenditures, including Fire apparatus and equipment, as of February 6, 2018.
37	<b>Debt Service</b>	Debt service on the LTGO debt issued. Assumes a <b>20 year pay back period</b> , a 4% per annum interest rate, interest only payments during construction, and 50% of debt service paid by the utility funds as rent for the portion of the facility used for these activities.
38	Debt service LTGO	Pay back of amount borrowed plus interest. See the debt service worksheet for break down of principal and interest.
39	Utility Fds pay rent = 50% of dbt svc	Assumes utilities will pay a facility lease in an amount equal to 50% of the debt service.
41	Expense Total	Project expenditures plus General Fund portion of debt service
48	<b>Annual Surplus (Shortfall)</b>	Revenue less expenditures for each year.
49	<b>Beginning Carryover (Shortfall)</b>	Carryover from prior year.
50	<b>Ending Carryover (Shortfall)</b>	Beginning cash balance, or carryover from prior, year plus annual activity [revenue less expenditures].
52		
53	<b>Key to Highlighted Cells on Financing Plan Recap</b>	
54		Revenue
55		Project expense
56		Debt service expense
57		Total expense
58		Funding Gap, Cash Surplus or (Shortfall)





**PUBLIC SAFETY PLAN - FINANCIAL PLAN - 30 Year LTGO Amortization**

	B	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	
		TOTAL	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
1																				
8	<b>Revenues:</b>																			
9	UTGO bond proceeds, Voted	77,385,000	36,709,954		40,675,046															
10	LTGO bond proceeds, Councilmanic	86,000,000		20,000,000		66,000,000														
11	Fire Impact fees & deposit - Segale	4,750,000		500,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	350,000		
12	Fire Impact fees - other	10,917,000		1,017,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	
13	F301, Lnd & Prk Acq contribution	3,000,000		3,000,000			3,000,000	2,000,000	5,000,000											
14	Property/land sales	15,038,000		5,038,000		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	
15	REET 1	16,500,000																		
16	Interfund loan - utility funds	-	9,562	277,998	200,000	100,000	100,000	40,000												
17	Investment earnings	727,560																		
18	<b>Annual contribution to balance</b>	<b>28,500,000</b>		-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,500,000	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,500,000
19	Additional capacity from maturing, existing debt	64,270,000				810,000	810,000	810,000	810,000	810,000	1,360,000	1,910,000	1,910,000	1,910,000	1,910,000	1,910,000	1,910,000	1,910,000	1,910,000	1,910,000
23	<b>Revenue Total</b>	<b>307,087,560</b>	36,719,516	1,794,998	71,013,046	2,200,000	72,010,000	4,950,000	7,910,000	2,910,000	3,460,000	4,510,000	4,510,000	5,010,000	5,010,000	5,010,000	5,010,000	5,060,000	5,210,000	
24																				
25	<b>Project Expenditures</b>																			
26	Justice Center	68,536,343	123,833	398,261	21,581,872	30,155,657	16,276,721	-												
27	FS 51	12,509,000	59,853	222,146	1,982,035	8,429,736	1,815,230	-												
28	FS 52	17,652,000	8,256	158,993	1,000,590	3,551,391	12,698,348	234,422												
29	FS 54	14,753,000		132,413	1,950,103	2,728,590	9,765,775	176,119												
30	Apparatus & equip	29,371,751	14,447	420,921	1,629,428	2,589,580	362,385	1,333,578	1,672,191	507,480	2,597,023	384,755	271,667	806,277	2,709,784	3,512,566	518,538	1,597,411	2,865,957	
31	Shops	63,270,566	-	265,858	19,386,684	7,199,389	28,316,967	8,101,668												
35	<b>Project Expenditures Total</b>	<b>206,092,659</b>	206,389	1,598,591	47,530,712	54,654,343	69,235,425	9,845,787	1,672,191	507,480	2,597,023	384,755	271,667	806,277	2,709,784	3,512,566	518,538	1,597,411	2,865,957	
37	<b>Debt Service</b>																			
38	Debt service LTGO	151,919,016			800,000	800,000	3,440,000	3,440,000	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204
39	Utility Fds pay rent = 50% of dbt svc	(56,700,000)		(400,000)	(400,000)	(400,000)	(1,300,000)	(1,300,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	
40	<b>GF Debt Service Total</b>	<b>95,219,016</b>	-	-	400,000	400,000	2,140,000	2,140,000	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	
41	<b>Expense Total</b>	<b>301,311,675</b>	206,389	1,598,591	47,930,712	55,054,343	71,375,425	11,985,787	4,934,395	3,769,684	5,859,227	3,646,959	3,533,871	4,068,481	5,971,988	6,774,769	3,780,742	4,859,615	6,128,161	
42																				
48	Annual Surplus (Shortfall)	5,775,885	36,513,127	196,407	23,082,334	(52,854,343)	634,575	(7,035,787)	2,975,605	(859,684)	(2,399,227)	863,041	976,129	941,519	(961,988)	(1,764,769)	1,229,258	200,385	(918,161)	
49	Beginning Carryover (Shortfall)	-	-	36,513,127	36,709,534	59,791,868	6,937,525	7,572,099	536,313	3,511,918	2,652,234	253,007	1,116,048	2,092,177	3,033,695	2,071,707	306,937	1,536,196	1,736,581	
50	<b>Ending Carryover (Shortfall)</b>	<b>5,775,885</b>	<b>36,513,127</b>	<b>36,709,534</b>	<b>59,791,868</b>	<b>6,937,525</b>	<b>7,572,099</b>	<b>536,313</b>	<b>3,511,918</b>	<b>2,652,234</b>	<b>253,007</b>	<b>1,116,048</b>	<b>2,092,177</b>	<b>3,033,695</b>	<b>2,071,707</b>	<b>306,937</b>	<b>1,536,196</b>	<b>1,736,581</b>	<b>818,420</b>	
51																				
52	<b>Annual contribution to balance</b>	<b>28,500,000</b>			1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,500,000	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,500,000
53																				



PUBLIC SAFETY PLAN - FINANCIAL PLAN - 30 Year LTGO Amortization

	B	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	
1	2033	2034	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	
8	<b>Revenues:</b>																			
9	UTGO bond proceeds, Voted																			
10	LTGO bond proceeds, Councilmanic																			
11	Fire Impact fees & deposit - Segale	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
12	Fire Impact fees - other																			
13	F301, Lnd & Prk Acq contribution	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
14	Property/land sales																			
15	REET 1																			
16	Interfund loan - utility funds																			
17	Investment earnings																			
18	<b>Annual contribution to balance</b>	2,500,000	2,500,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Additional capacity from maturing, existing debt	1,910,000	1,910,000	2,170,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000
23	<b>Revenue Total</b>	5,210,000	5,210,000	3,970,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000
24																				
25	<b>Project Expenditures</b>																			
26	Justice Center																			
27	FS 51																			
28	FS 52																			
29	FS 54																			
30	Apparatus & equip	888,681	3,667,573	243,009	609,751	168,749	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Shops																			
35	<b>Project Expenditures Total</b>	888,681	3,667,573	243,009	609,751	168,749	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	<b>Debt Service</b>																			
38	Debt service LTGO	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204	5,212,204
39	Utility Fds pay rent = 50% of dbt svc	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)	(1,950,000)
40	<b>GF Debt Service Total</b>	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204
41	<b>Expense Total</b>	4,150,885	6,929,777	3,505,213	3,871,955	3,430,953	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204	3,262,204
42																				
48	Annual Surplus (Shortfall)	1,059,115	(1,719,777)	464,787	(511,955)	(70,953)	97,796	97,796	97,796	97,796	97,796	97,796	97,796	97,796	97,796	97,796	97,796	97,796	97,796	97,796
49	Beginning Carryover (Shortfall)	818,420	1,877,535	157,758	622,545	110,590	39,637	137,433	235,229	333,025	430,821	528,617	626,414	724,210	822,006	919,802	1,017,598	1,116,741	1,215,885	1,315,885
50	<b>Ending Carryover (Shortfall)</b>	1,877,535	157,758	622,545	110,590	39,637	137,433	235,229	333,025	430,821	528,617	626,414	724,210	822,006	919,802	1,017,598	1,116,741	1,215,885	1,315,885	1,415,885
51																				
52	<b>Annual contribution to balance</b>	2,500,000	2,500,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53																				



**PUBLIC SAFETY PLAN - FINANCIAL ANALYSIS TO CLOSE THE GAP**

**Line Item Descriptions and Comments**

A	B	C
1	<b>Line Item</b>	<b>Description</b>
8	<b>Revenues:</b>	
9	UTGO bond proceeds, Voted	Bond measure passed in November 2016 for \$77,385,000. Based on need, assumes the remainder of the voted debt is issued in 2018.
10	LTGO bond proceeds, Councilmanic	2018 \$20,000,000 issuance was approved by Council in 2017; 2020 issuance is within debt capacity if City's assessed valuation grows by 4.5% from 2018 to 2020 and the bonds are issued at a premium (premium does not count towards debt capacity). The assumed interest rate is 4%. No debt issuance costs have been included in the analysis.
11	Fire Impact fees & deposit - Segale	The Tukwila South development agreement provides for \$1,750,000 in a non refundable deposit and \$3,000,000 in advance payment of Tukwila South generated impact fees.
12	Fire Impact fees - other	Represents fire impact fees earned on development other than in the Tukwila South area. The annual average fee shown in the model assumes an increase in the fee per unit of development and an increase in development. The annual average fee collected over the 9 year period since inception is \$120,000.
13	F301, Lnd & Prk Acq contribution	This fund contains over \$3,000,000 of accumulated REET 1 revenue that can be transferred and devoted to the PSP.
14	Property/land sales	See the detailed list of properties and estimated proceeds.
15	REET 1	In 2017, the City Council resolved to dedicate REET 1 revenue to the Pubic Safety Plan. The annual average REET collection is based on average actual collections over the past 10 years of \$494,000.
17	Investment earnings	Investment earnings for 2016 and 2017 are actuals; the remaining years are estimates.
19	Additional capacity from maturing, existing debt	Beginning in 2021, certain existing debt issuances will be paid off. The funds required to pay the annual debt service on these debt issuances are now available for other uses.
23	Revenue Total	Total revenue for each year and for the 35 year period displayed in the model.
25	<b>Project Expenditures</b>	Project expenditures for the facilities match with the February 6, 2018 information presented to Council.
30	Apparatus & equip	Expenditures are from the most recently updated apparatus and equipment schedule.
35	Project Expenditures Total	Total estimated project expenditures, including Fire apparatus and equipment, as of February 6, 2018.
37	<b>Debt Service</b>	Debt service on the LTGO debt issued. Assumes a <b>30 year pay back period</b> , a 4% per annum interest rate, interest only payments during construction, and 50% of debt service paid by the utility funds as rent for the portion of the facility used for these activities.
38	Debt service LTGO	Pay back of amount borrowed plus interest. See the debt service worksheet for break down of principal and interest.
39	Utility Fds pay rent = 50% of dbt svc	Assumes utilities will pay a facility lease in an amount equal to 50% of the debt service on the Public Works facility.
41	Expense Total	Project expenditures plus General Fund portion of debt service
48	<b>Annual Surplus (Shortfall)</b>	Revenue less expenditures for each year.
49	<b>Beginning Carryover (Shortfall)</b>	Carryover from prior year.
50	<b>Ending Carryover (Shortfall)</b>	Beginning cash balance, or carryover from prior, year plus annual activity [revenue less expenditures].
52		
53	<b>Key to Highlighted Cells on Financing Plan Recap</b>	
54		Revenue
55		Project expense
56		Debt service expense
57		Total expense
58		Funding Gap, Cash Surplus or (Shortfall)



February 27, 2018 New Revenue Matrix Attachment – Page 1

REVENUE OPTIONS ABOVE \$500,000 Other Cities' and Rates						
Revenue Vehicle	Amount Available	Mechanism	Type and payee	Estimated Average Cost	Restrictions	Notes
1 <b>Levy Lid Lift</b>	\$6,100,000	Voter approved @ 50%	Property tax – property owners	Levy lid lift to the cap would add \$299 in annual property taxes for a \$300,000 home.	<ul style="list-style-type: none"> <li>Auburn current rate is 2.03239</li> <li>Bellevue current rate is 1.02655</li> <li>Burien current rate is 1.23516</li> <li>Federal Way current rate is 1.06161</li> <li>Kent current rate is 1.62704</li> <li>Renton rate is 1.15364</li> <li>Seattle rate is 2.36209</li> <li>SeaTac rate is 2.75273</li> </ul> Note: as of 2/12/18 no information available as to what cities have lid lifts in place.	Restriction lies in ballot title and cannot exceed maximum rate.  Tukwila's current regular levy rate is \$2.46285 per 1,000; the cap is \$3.45818. Excess levy rate for voted debt is \$0.45579 for a total levy rate of \$2.91864
2 <b>Voter Approved Bond</b>	\$25 million (after remaining voted debt issued, if issued in 2018)	Voter approved @ 60% plus validation	Property tax – property owners	Bonding to the cap would add \$409 in annual property taxes for a \$300,000 home.	<ul style="list-style-type: none"> <li>Kent attempted general obligation bonds to fund a criminal justice and training facility for \$34M which failed in 2014.</li> <li>Seattle's rate of 2.62352 also includes a general obligation bond increase of 0.13040 that funds libraries (voter approved in August of 2012) and the waterfront seawall (voter approved in November of 2012). This rate may include other bonds.</li> </ul>	Restriction lies in ballot title and cannot exceed a percentage of total AV in the City.
3 <b>B&amp;O Tax</b>	\$4,000,000 annually	Councilmanic	Tax on gross receipts – businesses	Unable to calculate because cost dependent on a businesses' gross receipts.	<ul style="list-style-type: none"> <li>Bellevue levies 0.001496 on all four sectors</li> <li>Burien levies 0.001 on all four sectors</li> <li>Kent levies 0.00046 on manufacturing and retail and 0.00152 services and wholesale</li> <li>Renton levies 0.00085 on manufacturing, services and retail with a rate of 0.0005 on retail. Threshold is \$500,000 per year.</li> <li>Seattle levies 0.00222 on manufacturing, retail and wholesale and 0.00427 on services. All are above the 0.002 councilmanic due to voter approval</li> </ul>	B&O tax can be sized to exempt small businesses via an employee or gross receipts threshold. Can also be targeted for specific industries and vary by industry type.

\* Analysis of other cities' revenues and rates was restricted to Auburn, Bellevue, Burien, Federal Way, Kent, Renton, SeaTac and Seattle from 2011 - present. If a city is not listed, then the issue does not apply.





February 27, 2018 New Revenue Matrix Attachment – Page 2

REVENUE OPTIONS ABOVE \$500,000 Other Cities' and Rates						
Revenue Vehicle	Amount Available	Mechanism	Type and payee	Estimated Average Cost	Restrictions	Notes
4 Transportation Benefit District	\$3,900,000 annually	Voter approved @ 50%	Sales tax – largely out of town visitors	Dependent on purchases.	<ul style="list-style-type: none"> <li>Seattle 0.001 sales tax approved by voters 11/14 dedicated to increased Metro service in the city.</li> </ul>	<p>Must be dedicated for transportation-related projects.</p> <p>.2% sales tax available to cities. No longer required to create a separate TBD entity; form is just another fund within the existing city government</p>
5 Transportation Benefit District Car Tab	\$ 500,000	Councilmanic	Car tab – car owners and fleets	\$20 per vehicle if councilmanic; up to \$100 per vehicle if full capacity allowed by voters	<ul style="list-style-type: none"> <li>Seattle: \$20 car tab; additional \$60 fee approved by voters 11/14, dedicated to increased Metro service in the city.</li> <li>Burien \$10 car tab; \$30 fee failed at ballot</li> <li>Des Moines \$40 car tab</li> </ul>	<p>Must be dedicated for transportation-related projects.</p> <p>\$20 car tab available councilmanic, up to \$100 if approved by a public vote at 50%.</p> <p><i>Jurisdictions with a \$20 car tab can go to \$40 councilmanicly if the fee was in place for two years. Two years later, the jurisdiction can go to \$60 councilmanicly. Tukwila</i></p>

\* Analysis of other cities' revenues and rates was restricted to Auburn, Bellevue, Burien, Federal Way, Kent, Renton, SeaTac and Seattle from 2011 - present. If a city is not listed, then the issue does not apply.



February 27, 2018 New Revenue Matrix Attachment – Page 3

REVENUE OPTIONS ABOVE \$500,000 Other Cities' and Rates						
Revenue Vehicle	Amount Available	Mechanism	Type and payee	Estimated Average Cost	Restrictions	Notes
7 Local Improvement District	Depends on project	Councilmanic and petition	Assessment – properties around the specific project	Cost completely dependent on project and number of property owners	Dedicated to the specific LID project.	Could be used for a variety of capital infrastructure projects if nearby property owners are supportive.
						remains constrained to the \$20.
						Many cities utilize LIDs for a wide variety of projects. Would not be feasible to list.

\* Analysis of other cities' revenues and rates was restricted to Auburn, Bellevue, Burien, Federal Way, Kent, Renton, SeaTac and Seattle from 2011 - present. If a city is not listed, then the issue does not apply.



REVENUE OPTIONS ABOVE \$500,000					
Revenue Vehicle	Amount Available	Mechanism	Type and payee	Estimated Average Cost	Other Cities' and Rates
8 Reexamining existing taxes and fees	Unknown	Councilmanic	Varies	Varies	<p>Includes:</p> <ul style="list-style-type: none"> <li>• Auburn:                             <ul style="list-style-type: none"> <li>○ Admissions tax: 5%</li> </ul> </li> <li>• Bellevue:                             <ul style="list-style-type: none"> <li>○ Admissions tax: 3%</li> </ul> </li> <li>• Burien:                             <ul style="list-style-type: none"> <li>○ Admissions tax: 5%</li> </ul> </li> <li>○ Parking tax: \$3.00 per parking transaction</li> <li>• Kent:                             <ul style="list-style-type: none"> <li>○ Admissions tax: 5%</li> </ul> </li> <li>• Renton:                             <ul style="list-style-type: none"> <li>○ Business Licenses: Beginning in 2018, the business license fee is a flat \$150 per business</li> </ul> </li> <li>• SeaTac:                             <ul style="list-style-type: none"> <li>○ Parking tax: \$3.09 per parking transaction. Beginning in 2018, the flat fee of \$3.00 is adjusted for inflation.</li> </ul> </li> <li>• Seattle:                             <ul style="list-style-type: none"> <li>○ Admissions tax: 5%</li> <li>○ Commercial parking tax: 12.5%</li> <li>○ No RGRL but square footage tax</li> </ul> </li> </ul> <p>Tukwila Rates:                      Admissions tax: 5%                      Parking tax: 5%                      Business License fee: \$70 per full-time employee, \$35 per part-time employee.                      Part-time employee is defined as less than 30 hours a week</p>
					<p>Restrictions</p> <p>No restrictions with the exception of Impact Fees which must be dedicated to what they are for – i.e. fire, traffic, parks.</p>
					<p>Notes:</p> <ul style="list-style-type: none"> <li>• Admissions tax</li> <li>• Parking tax</li> <li>• RGRL</li> <li>• Fire, Traffic and Park Impact fees</li> </ul>

\* Analysis of other cities' revenues and rates was restricted to Auburn, Bellevue, Burien, Federal Way, Kent, Renton, SeaTac and Seattle from 2011 - present. If a city is not listed, then the issue does not apply.



February 27, 2018 New Revenue Matrix Attachment – Page 5

REVENUE OPTIONS ABOVE \$500,000														
Revenue Vehicle	Amount Available	Mechanism	Type and payee	Estimated Average Cost	Abn	Bvue	Burn	Kent	Rent	STac	Sea	Tukwila	Restrictions	Notes
9	Utility Tax - external enterprises	Councilmanic up to 6%; Voter approval required to exceed 6%	Utility tax – gas, electric, telephone, cable, solid waste	Additional 1% = approx. \$30-\$50 per household depending on usage and consumption.	Utility Electric. Natural Gas Teleph. Cable Solid Waste Sewer Water Storm	6.0% 6.0% 6.0% 6.0% 7.0% 7.0% 7.0%	5.0% 5.0% 6.0% 4.8% 4.5% 5.0% 10.4% 5.0%	6.0% 6.0% 6.0% 6.0% 18.4% 9.5% 13.0% 19.5%	6.0% 6.0% 6.0% 6.0% 6.8% 6.0% 6.8% 6.8%	6.0% 6.0% 6.0% 6.0% 5.0% 12.0% 15.54% 11.5%	6.0% 6.0% 6.0% 6.0% 6.0% 10.0% 10.0% 10.0%	6.0% 6.0% 6.0% 6.0% 6.0%	The City is currently at 6%. Must be voter approved to go higher.  The City is currently at 6%. Must be voter approved to go higher.	Limit in RCW 35.21.870 of 6% is on electricity, telephone, natural gas or steam energy. No vote is needed to raise the rate above 6% for other utilities such as water, sewer, stormwater and cable television. agencies serving Tukwila residents.
10	Utility Tax - internal enterprises	Councilmanic	Utility tax – Water/sewer ~ 60% of Tukwila property owners; surface water 100% of Tukwila parcels	Additional 1% = Approx \$20 per household depending on consumption; commercial based on consumption	Utility Electric. Natural Gas Teleph. Cable Solid Waste Sewer Water Storm	6.0% 6.0% 6.0% 6.0% 7.0% 7.0% 7.0%	5.0% 5.0% 6.0% 4.8% 4.5% 5.0% 10.4% 5.0%	6.0% 6.0% 6.0% 6.0% 18.4% 9.5% 13.0% 19.5%	6.0% 6.0% 6.0% 6.0% 6.8% 6.0% 6.8% 6.8%	6.0% 6.0% 6.0% 6.0% 5.0% 12.0% 15.54% 11.5%	6.0% 6.0% 6.0% 6.0% 6.0% 10.0% 10.0% 10.0%	6.0% 6.0% 6.0% 6.0% 6.0%	The City is currently at 6%. Must be voter approved to go higher.	Limit in RCW 35.21.870 of 6% is on electricity, telephone, natural gas or steam energy. No vote is needed to raise the rate above 6% for other utilities such as water, sewer, stormwater and cable television. agencies serving Tukwila residents.
11	Utility Tax - Water & sewer districts	Councilmanic	Utility tax – everyone on Tukwila utilities	Cost dependent on whether extending tax to non-City utilities or negotiating a franchise fee.	Utility Electric. Natural Gas Teleph. Cable Solid Waste Sewer Water Storm	6.0% 6.0% 6.0% 6.0% 7.0% 7.0% 7.0%	5.0% 5.0% 6.0% 4.8% 4.5% 5.0% 10.4% 5.0%	6.0% 6.0% 6.0% 6.0% 18.4% 9.5% 13.0% 19.5%	6.0% 6.0% 6.0% 6.0% 6.8% 6.0% 6.8% 6.8%	6.0% 6.0% 6.0% 6.0% 5.0% 12.0% 15.54% 11.5%	6.0% 6.0% 6.0% 6.0% 6.0% 10.0% 10.0% 10.0%	6.0% 6.0% 6.0% 6.0% 6.0%	The City is currently at 6%. Must be voter approved to go higher.	Opportunity to extend current utility tax to other agencies serving Tukwila residents.
12	Utility franchise fee	Negotiated	Seattle City Light, Comcast, Waste Management		Utility Electric. Natural Gas Teleph. Cable Solid Waste Sewer Water Storm	6.0% 6.0% 6.0% 6.0% 7.0% 7.0% 7.0%	5.0% 5.0% 6.0% 4.8% 4.5% 5.0% 10.4% 5.0%	6.0% 6.0% 6.0% 6.0% 18.4% 9.5% 13.0% 19.5%	6.0% 6.0% 6.0% 6.0% 6.8% 6.0% 6.8% 6.8%	6.0% 6.0% 6.0% 6.0% 5.0% 12.0% 15.54% 11.5%	6.0% 6.0% 6.0% 6.0% 6.0% 10.0% 10.0% 10.0%	6.0% 6.0% 6.0% 6.0% 6.0%		

\* Analysis of other cities' revenues and rates was restricted to Auburn, Bellevue, Burien, Federal Way, Kent, Renton, SeaTac and Seattle from 2011 - present. If a city is not listed, then the issue does not apply.





REVENUE OPTIONS ABOVE \$500,000															
Revenue Vehicle		Amount Available	Mechanism	Type and payee	Estimated Average Cost	Other Cities' and Rates							Notes		
						Abn	Bvue	Burien	Kent	Rent	STac	SeaTac	Tukwila	Restrictions	Notes
13	Gambling Tax	\$3.8M collected for 2017. If rate is increased to 15%, a 50% increase, presumably an additional \$1.9M could be collected; if rate is increased to 12%, 20% increase, presumably an additional \$760K could be collected.	Councilmanic	Casinos located within City limits	Based on gross or net receipts of gambling revenue	5%	5%	5%	5%	5%	5%	5%	5%	RCW 9.46.113 states tax collected from gambling activities must be used primarily for public safety. Cities can levy up to 20% on card rooms.	Per the TMC, the rate automatically increases when a 6 <sup>th</sup> cardroom is established in the City.
						2%	2%	2%	2%	2%	2%	2%	2%		
						10%	5%	10%	10%	5%	5%	5%	5%		
						4%	NA	8%	11%	10%	10%	NA	10%		

\* Analysis of other cities' revenues and rates was restricted to Auburn, Bellevue, Burien, Federal Way, Kent, Renton, SeaTac and Seattle from 2011 - present. If a city is not listed, then the issue does not apply.





# City of Tukwila

City Owned Property

Fire Station 53  
PIN: 3351400625  
Size: 2.55 Acre

Fire Station 54  
PIN: 0040000365  
Size: .89 Acre

Great Bear Motel  
PIN: 0040000175  
Size: 0.53 Acre

Boulevard Motel  
PIN: 0040000190  
Size: 1.12 Acre

Spruce Motel  
PIN: 0040000252  
Size: 0.49 Acre

Sam Smoke Shop  
PIN: 0040000253  
Size: 0.23 Acre

Traveler's Choice  
PIN: 0040000911  
Size: 0.61 Acre

Old Newporter  
PIN: 0041000130  
Size: 0.81 Acre

Old Fire Station 53  
PIN: 3347400300  
Size: 0.48 Acre

George Long Shops  
PIN: 0223400060  
Size: 3.82 Acre

Fire Station 52  
PIN: 3365901275  
Size: 1.16 Acre

Upper 6300 Lot  
PIN: 3597000320  
Size: 2.5 Acre

City Hall  
PIN: 3597000282  
Size: 2.7 Acre

6300 Bldg  
PIN: 0003200005  
Size: 1.58 Acre

Longacres Site  
PIN: 2423049034  
Size: 3.2 Acre

Fire Station 51  
PIN: 0223400080  
Size: 1.85 Acre

Minkler Shops  
PIN: 2523049070  
Size: 2.52 Acre

Future Fire Station  
PIN: TBD  
Size: 3.04 Acre



Acreage Size	
	1 Acre
	2 Acres
	5 Acres
	10 Acres

**Disclaimer**  
This map does not incorporate all City properties, including parks, Foster Golf Links, Starfire Sports and right of way.





## General Fund Operations Option 1 Scenario

	BUDGET			
	2018 ANNUAL BUDGET	2.5% Reduction	5.0% Reduction	10.0% Reduction
01 City Council	\$ 430,319	\$ 10,758	\$ 21,516	\$ 43,032
03 Mayor	4,143,651	103,591	207,183	414,365
04 Human Resources	728,083	18,202	36,404	72,808
05 Finance	2,733,016	68,325	136,651	273,302
06 Attorney	733,185	18,330	36,659	73,319
07 Recreation	3,332,680	83,317	166,634	333,268
08 Community Development	3,671,160	91,779	183,558	367,116
09 Municipal Court	1,295,812	32,395	64,791	129,581
10 Police	18,999,049	474,976	949,952	1,899,905
11 Fire	12,432,599	310,815	621,630	1,243,260
12 Technology & Innovation Svcs	2,040,671	51,017	102,034	204,067
13 Public Works	3,876,047	96,901	193,802	387,605
15 Park Maintenance	1,459,098	36,477	72,955	145,910
16 Street Maintenance & Operations	3,149,643	78,741	157,482	314,964
<b>Total Departmental Budget</b>	<b>\$ 59,025,013</b>	<b>\$ 1,475,625</b>	<b>\$ 2,951,251</b>	<b>\$ 5,902,501</b>