



City of Tukwila
**Finance and Governance
 Committee**

- ◆ **Kate Kruller, Chair**
- ◆ **Kathy Hougardy**
- ◆ **De'Sean Quinn**

<u>Distribution:</u>	
K. Kruller	Mayor Ekberg
K. Hougardy	D. Cline
D. Quinn	R. Bianchi
C. Delostrinos Johnson	C. O'Flaherty
T. McLeod	A. Youn
M. Abdi	L. Humphrey
T. Sharp	

AGENDA

MONDAY, APRIL 10, 2023 – 5:30 PM

THIS MEETING WILL BE CONDUCTED BOTH ON-SITE AT TUKWILA CITY HALL AND ALSO VIRTUALLY.

**ON-SITE PRESENCE WILL BE IN THE DUWAMISH CONFERENCE ROOM
 (2ND FLOOR, 6300 SOUTHCENTER BOULEVARD)**

**THE PHONE NUMBER FOR THE PUBLIC TO LISTEN TO THIS
 MEETING IS: 1-253-292-9750, Access Code 965223169#**

**Click here to: [Join Microsoft Teams Meeting](#)
 For Technical Support during the meeting call: 1-206-433-7155.**

Item	Recommended Action	
<p>1. BUSINESS AGENDA</p> <p>a. Puget Sound Regional Fire Authority (PSRFA) Annexation.</p> <p>(1) A resolution approving annexation into the PSRFA and amendments to the 2023 PSRFA Plan.</p> <p>(2) A resolution calling for King County Elections to place a proposition on the primary election ballot on August 1, 2023.</p> <p><i>Rachel Bianchi, Deputy City Administrator</i></p> <p>b. An update on Capital Facilities financing.</p> <p><i>Brandon Miles, Business Relations Manager</i></p>	<p>a. Forward to 4/10 C.O.W. Meeting and 4/17 Regular Meeting</p> <p>b. Discussion only.</p>	<p>Pg.1</p> <p>Pg.41</p>
<p>2. MISCELLANEOUS</p>		

Next Scheduled Meeting: *April 24, 2023*



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INFORMATIONAL MEMORANDUM

TO: [Finance & Governance Committee](#)
Committee of the Whole

FROM: **David Cline, City Administrator**
[Rachel Bianchi, Deputy City Administrator](#)

CC: **Mayor Ekberg**

DATE: [Updated April 4, 2023](#)

SUBJECT: **PSRFA Annexation Plan – Final proposed by Oversight Committee**

ISSUE

Per the 2022 Contract for Services with Puget Sound Regional Fire Authority (PSRFA) adopted by the City Council on October 6, 2022, an Annexation Plan to the PSRFA is to be created and presented for approval by the Puget Sound Regional Fire Authority and the Tukwila City Council and then sent to the Tukwila voters for approval. The Council selected Oversight Committee members, Councilmembers Kruller and Sharp, have met three times and are providing an update to the full Council and seeking input on the final plan, which is scheduled for final adoption on April 5 by the PSRFA Board and then April 17 by the Tukwila City Council.

BACKGROUND

[April 4, 2023 Update](#)

[As of this writing, the PSRFA Board is expected to adopt the plan on April 5, 2023. The Tukwila City Council has two resolutions attached which are to 1\) adopt the Annexation Plan and 2\) to place the Annexation Plan before the voters on August 1, 2023. These resolutions will be discussed at the April 10, 2023 Committee of the Whole Meeting and up for Council deliberation and potential action on April 17, 2023.](#)

[Staff is seeking direction from the Council on the following:](#)

- [1. Does the Council agree with the Annexation Plan, adopted by the PSRFA Board on April 5, 2023?](#)
- [2. If yes to Question 1, does the Council wish to place the annexation before the voters on August 1, 2023?](#)
- [3. If yes to Question 2, does the resolution placing the annexation on the August ballot meet the objectives of the Council?](#)

[If the Council provides direction to move forward, the Council will be tasked with providing King County Elections with the names to form a “pro” and “con” committee for the Voter’s Pamphlet. Previously the City has put out a call to residents to seek volunteers for these committees, and staff anticipates doing a similar process. The City will also provide factual information to the community regarding the measure, but will not and cannot engage in advocacy or electioneering.](#)

March 13, 2023 Update

The Oversight Committee met on March 13, 2023 and reviewed the attached updated plan and recommended approval to both the PSRFA Board and the Tukwila City Council. The last major

issue was facility transfers and it was agreed that Station 54 would be a 15-year lease. See the actual language below as well as in the Annexation Plan on page 19 in section 7.c.1.iv.

As mentioned on February 27, 2023 there was also a discussion about moving to an annual rotation of three specific position which will be in the updated bylaws once Tukwila becomes a member. Specific draft language is as follows:

Chair, Vice Chair and Chair of Citizen's Advisory Group. - Bylaws

Upon annexation, the bylaws will be amended to create a 3-year rotation (or more specifically three separate positions, each having a one-year rotation) of the positions above. As a result, in 2024, a Board Member from KCFD#37 would assume the role of Chair, a Board Member from the city of Tukwila would assume the role of Vice-Chair, and a Board Member from the city of Kent would lead the Citizen's advisory group.

The City Council approved a contract for services with PSRFA on October 6, 2022 as a step towards full annexation. The Citizen's Advisory Committee on the Future of Fire/EMS Services had recommended these actions in their final report provided to the Council in May 2022.

Per the Contract, a four-person Annexation Oversight Committee was created to draft this Annexation Plan. These members include Tukwila City Councilmembers Kruller and Sharp, and PSRFA Governing Board Members Barrie and Troutner. This Oversight Committee has met twice (see attached memos) and another meeting is planned for February 27, 2023, prior to the Committee of the Whole meeting. The Oversight Committee has been successful in crafting an Annexation Plan that meets all parties needs and is seeking final input from the Tukwila City Council before final approval of both governing boards.

Most of the issues for annexation have already been agreed to in the current Contract for Services that went in place on January 1, 2023. The final issue still remaining is the transfer of fire stations. This is discussed below and is expected to be finalized for by the February 27, 2023 Oversight Committee, and will be presented to the City Council that evening.

Key Issues of the Annexation Plan:

Governance (Section 5,B,1, p. 15): The directive to seek fair and equitable representation for all participants guided the key language in the amended plan. The three "member" jurisdictions will each have three voting seats.

As provided by RCW 52.26.080, the RFA Governing Board shall include nine voting members consisting of three (3) current seated members from the City of Kent to be appointed by the Kent City Council and three (3) current, seated King County Fire District 37 Board of Commissioners members (3) current, seated members from the City of Tukwila to be appointed by the Tukwila City Council and nonvoting advisory positions consisting of one for each Contractual Jurisdiction as appointed by the governing body of such Jurisdiction.

Voting Members – Tukwila (3) Kent (3) KCFD37 (3)

Non-voting Advisory Members – SeaTac (1) KCFD43 (1) Covington (1)

Each "contract" jurisdiction will have one non-voting advisory seat each. The City of Covington is annexed into King County Fire District #37 (KCFD37) and is represented by the three voting

[https://tukwilawa-my.sharepoint.com/personal/cheryl_thompson_tukwilawa_gov/Documents/Council Memos/2023/InfoMemo re Adopting Annexation Plan and Special Ballot Election 4-4-2023 DRAFT.docx](https://tukwilawa-my.sharepoint.com/personal/cheryl_thompson_tukwilawa_gov/Documents/Council%20Memos/2023/InfoMemo%20re%20Adopting%20Annexation%20Plan%20and%20Special%20Ballot%20Election%204-4-2023%20DRAFT.docx)

seats of KCFD37. Maple Valley is King County Fire District #43 and is represented by a non-voting advisory seat of KCFD43. SeaTac is a contract city and is represented by a non-voting advisory seat.

Facilities (Section 7.C.1.a, p. 19) :

Facilities Updated on March 13, 2023: As discussed on February 27, 2023, there was an agreement for a 50-year lease for Fire Station 51 and transfer of ownership for Fire Stations 52 and 53. Due to this discussion, the PSRFA has agreed to a 15-year lease for Fire Station 54. The following is the agreed upon language for all four stations in section 7.c :

1. Transfers of Real Property.

- a. The following real property owned by the City of Tukwila shall be transferred in fee simple determinable subject to an automatic reversionary interest, meaning Tukwila is conveying property "so long as" certain conditions are met, to the RFA, or leased to the RFA, as specified below:
 - i. Station 51: The City of Tukwila shall retain ownership of the real property on which Station 51 is located and shall lease Station 51 to the RFA for 50-year terms at the rate of \$1 per year. As conditions of the lease, the RFA shall assume 100% of the maintenance costs and shall use Station 51 to deploy RFA response units, subject to any other interests in the property.
 - ii. Station 52: City of Tukwila shall sell to the RFA for \$1 and shall retain an automatic reversionary interest in the event this station is no longer used to deploy RFA response units. Further, Tukwila shall retain the right to access and use the following areas of Station 52: (a) the "212 EOC Storage" closet; (b) the "210 Training Room" as the City's backup Emergency Operations Center on a 24/7 basis and at any time without notice in the event of an emergency and until termination of the emergency event, and as a public meeting space up to twenty (20) hours per calendar week, provided RFA staff is on-site to facilitate such use; and (c) the "213 HAM" closet for storage of ham radios and related equipment.
 - iii. Station 53: City of Tukwila shall sell to the RFA for \$1 and shall retain an automatic reversionary interest in the event this station is no longer used to deploy RFA response units.
 - iv. Station 54: City of Tukwila shall retain ownership of the real property on which Station 54 is located and shall lease Station 54 to the RFA for a 15-year term at the rate of \$1

per year. As conditions of the lease, the RFA shall assume 100% of the maintenance costs and shall use Station 54 to deploy RFA response units. Before the end of year 10 (December 31, 2034), either Tukwila or the RFA shall provide notice to the other party, indicating whether the lease will expire December 31, 2039, or be renewed for an additional term subject to conditions to be mutually negotiated by the parties

Election Date (Section 3.B.1, p. 10): The current goal is to submit our proposition by May 12, 2023, for the Primary Election to be held on August 1, 2023. A voter approval of this proposition will make this plan effective date on January 1, 2024. This would allow a year of transition to ensure that the newly expanded PSF Board would be able to effectively allocate the fire benefit charge and property tax for services beginning in January 2025. The City of Tukwila would still be financially obligated under the contract for services in 2024. If the proposition fails, the governing document for the RFA will be the current 2017 RFA Plan.

Proposed Schedule for Action by PSF Governing Board and Tukwila City Council: To meet the May 12, 2023 deadline for submission for the August 1, 2023 Primary Election, the following are suggested options. This proposes a 4-step process:

- 1a. Tukwila City Council Review of Proposed Annexation Plan – Feb 27 and March 20
- 1b. PSRFA Board review of Proposed Annexation Plan – March 15
2. PSF Board Approval of Annexation Plan – April 5
3. Tukwila City Council Approval of Annexation Plan – April 17
4. Tukwila City Council Resolution Calling for Special Election – April 17

Table 1: Recommended Review and Approval of Annexation Plan with April date.

Tukwila COW Review of Proposed Annexation Plan	PSRFA Board Review Plan	PSRFA Board Approval of Resolution to Amend Plan	Tukwila City Council Approval of Resolution to Annex to PSRFA	Tukwila City Council Resolution Calling for Special Election
Feb 27	March 15			
March 20		April 5	April 17	April 17

DISCUSSION

Staff is seeking direction from the Council on the following:

1. Does the Council agree with the Annexation Plan, adopted by the PSRFA Board on April 5, 2023?

2. If yes to Question 1, does the Council wish to place the annexation before the voters on August 1, 2023?
3. If yes to Question 2, does the resolution placing the annexation on the August ballot meet the objectives of the Council?

Discussion/Action Requested of the City Council:

1. ~~Is Governance Acceptable? (Section 5)~~
2. ~~Is Facilities Transfer acceptable? (Section 7) — still to be finalized~~
3. ~~Is Election Date and Effective Date Acceptable (Section 3)~~
4. ~~What is the preferred timeline for review and approval of all parties? (see Table 1)~~
5. ~~Are there any outstanding items for future action?~~

FINANCIAL IMPACT

If annexation is successful, the operating and capital costs for fire services will become the responsibility of the Puget Sound Regional Fire Authority, which the City would be on the governing board. The City would retain costs associated with other services, especially the contract for Fire Marshal services.

RECOMMENDATION

~~Discussion only — provide input to the Oversight Committee members for final annexation plan. The Committee is being asked to move this item forward to the Committee of the Whole meeting later this evening for consideration of adoption at the April 17, 2023 Council meeting.~~

ATTACHMENTS

- 1 – Resolution adopting the Amended PSRFA Plan
- 2 – Resolution calling for a ballot measure re Annexation

DRAFT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, APPROVING THE ANNEXATION OF THE CITY INTO THE PUGET SOUND REGIONAL FIRE AUTHORITY AND APPROVING THE AMENDMENTS TO THE 2023 PUGET SOUND REGIONAL FIRE AUTHORITY PLAN.

WHEREAS, the City of Tukwila (“the City”) in October 2021, appointed the “Future of Fire/EMS Community Advisory Committee” and tasked it with recommending how fire and emergency medical services (“EMS”) should be provided in Tukwila in the future; and

WHEREAS, in May 2022, the Future of Fire/EMS Community Advisory Committee submitted its final report and recommended annexation into the Puget Sound Regional Fire Authority (“PSRFA”), or a short-term contract that would lead to annexation, due to the sustainability of funding, quality of services, and total costs to residents and businesses; and

WHEREAS, in October 2022, the City and the PSRFA entered into an Interlocal Agreement for consolidation of fire and emergency medical services to be effective January 1, 2023; and

WHEREAS, the City and the PSRFA share a contiguous border with the City of Kent, which is part of the PSRFA, along the City’s southeast boundary and with the City of SeaTac, which is also part of the PSRFA, along the City’s southwest boundary; and

WHEREAS, the City is a fire protection jurisdiction as defined in RCW 52.26.020(3); and

WHEREAS, RCW 52.26 authorizes two or more fire protection jurisdictions to participate in a regional fire services authority commonly known as a regional fire authority or “RFA”; and

WHEREAS, both the City and the PSRFA are interested in pursuing the potential operational efficiencies and cost savings as a result of the City annexing into the PSRFA; and

WHEREAS, both the City and the PSRFA believe that the public health and safety of the people they serve will benefit from the City’s annexation into the PSRFA; and

WHEREAS, on December 5, 2022, the City Council adopted Resolution No. 2060 expressing intent to annex into the PSRFA subject to voter approval consistent with the provisions of RCW 52.26.300(3); and

WHEREAS, in February 2023, the Annexation Oversight Group, comprised of two PSRFA Governing Board members and two Tukwila City Councilmembers, began meeting to draft an amendment to the 2016 RFA Plan to provide for annexation of the City of Tukwila into the PSRFA; and

WHEREAS, on April 5, 2023, the Governing Board of the PSRFA adopted amendments to its 2016 RFA Plan (said amendments to be referred to hereinafter as the “2023 Puget Sound Regional Fire Authority Plan”) to contain provisions authorizing annexation of the City of Tukwila for the provision of fire and emergency medical services, subject to voter approval;

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

Section 1. Pursuant to RCW 52.26.300(3), the City Council approves the 2023 Puget Sound Regional Fire Authority Plan, containing provisions for annexation of the City of Tukwila into the PSRFA and attached hereto this resolution as Exhibit A, subject to approval by Tukwila voters.

Section 2. Pursuant to RCW 52.26.300(3), the City Council approves annexation into the PSRFA, subject to approval by Tukwila voters.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2023.

ATTEST/AUTHENTICATED:

Christy O’Flaherty, MMC
City Clerk

Cynthia Delostrinos Johnson
Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____
Passed by the City Council: _____
Resolution Number: _____

Office of the City Attorney

Attachment: Exhibit A, “2023 Puget Sound Regional Fire Authority Plan”

Exhibit A



2023 PUGET SOUND REGIONAL FIRE AUTHORITY PLAN

Serving the cities of Covington, Kent,
Maple Valley, SeaTac and Tukwila,
and King County Fire Districts Nos. 37 and 43

Effective Date: January 1, 2024



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HISTORY

In 2010, the voters of the City of Kent and King County Fire Protection District No. 37 approved the formation of the Kent Fire Department Regional Fire Authority, effective July 1, 2010.

On January 1, 2014, the Kent Fire Department RFA contractually consolidated with the City of SeaTac Fire Department pursuant to an interlocal agreement, and the City of SeaTac filled a non-voting advisory position on the Governing Board pursuant to a 2014 Plan Amendment.

In 2016, the Governing Board approved the renaming of the Kent Fire Department Regional Fire Authority to Puget Sound Regional Fire Authority pursuant to a 2016 Plan Amendment.

On July 1, 2018, Puget Sound Regional Fire Authority contractually consolidated with Maple Valley Fire and Rescue (King County Fire Protection District No. 43) pursuant to an interlocal agreement and Maple Valley Fire and Rescue filled a non-voting advisory position on the Governing Board.

On January 1, 2023, Puget Sound Fire contractually consolidated with the City of Tukwila Fire Department pursuant to an interlocal agreement, and the City of Tukwila filled a non-voting advisory position on the Governing Board.

Copies of the original RFA Plan and the 2014 and 2016 amendments are retained in the Puget Sound Fire Administrative Offices.

On April 5, 2023, Puget Sound Regional Fire Authority Governing Board approved an amendment of the 2016 RFA Plan ("2023 Puget Sound Regional Fire Authority Plan") to submit to the voters of the City of Tukwila as part of the process of annexing the City of Tukwila as a participating jurisdiction into the Puget Sound Regional Fire Authority. On August 1, 2023, the City of Tukwila voters approved the amended RFA Plan, and the City of Tukwila was formally annexed into the RFA on January 1, 2024.



PURPOSE

Professionally and Compassionately Helping People

VISION

To be a trusted resource for building safe and healthy communities.

MISSION

To provide effective and sustainable services that meet the needs of a changing community with the resources entrusted to us.

VALUES

Integrity. We believe in holding ourselves accountable for our actions and living our shared values.

Innovation. We believe in continuous improvement through collaboration.

Inclusion. We believe in the strength diversity brings to our organization and communities.

Service. We believe in exceeding the needs of our communities through exceptional customer service and leadership.



OVERSIGHT

Puget Sound Fire is governed by the Puget Sound Fire Governance Board. The Governance Board is comprised of nine voting members and three non-voting members. Of the voting members, three are appointed from the Kent City Council, three from the Tukwila City Council, and three from the Board of Commissioners for Fire District No. 37. Of the non-voting members, one is from the Covington City Council, one is from the SeaTac City Council, and one is from the King County Fire District No. 43 Board of Commissioners.

The Puget Sound Fire Governance Board has the responsibility to oversee budget and policy decisions and to ensure that Puget Sound Fire is successful in its mission of protecting our communities.

FUNDING

Puget Sound Fire uses a voter-approved, two-part funding method comprised of property taxes and a fire benefit charge (FBC) to fund its operations. The FBC is a fee that is based on the benefit of having emergency services. It is not a per call charge and is not based on property value.

The property tax/FBC model provides a stable funding method that results in predictable revenues. Adding a FBC alongside property taxes as part of the funding system allows Puget Sound Fire to equitably distribute the cost, meaning that higher risk properties pay more for the benefit of fire-related and emergency services and lower risk properties pay less.

SERVICES AND STAFFING

As an internationally accredited regional fire authority, Puget Sound Fire employs over 400 people, and 17 fire stations are staffed 24 hours a day, 365 days a year by full-time, career firefighters. Advanced Life Support (Paramedic) services are provided through the King County Medic One program.

The broad range of emergency response services that we provide to our residents from our 17 fire stations throughout our response areas include:

- Emergency Medical Services
- Fire Suppression
- Hazardous Materials
- Water Rescue
- Technical Rescue, and
- Wildland Urban Interface



Additionally, Puget Sound Fire also provides non-emergency services to our residents including:

- Emergency Management
- Fire Prevention
- Public Education and FDCARES

Our support divisions include:

- Community Relations
- Finance
- Human Resources
- Strategic Resource Management
- Business and Information Technology Services
- Logistics
- Fire Garage, and
- Facilities Maintenance



**PUGET SOUND
REGIONAL FIRE AUTHORITY (RFA)
PLAN**

Section 1: Needs Statement

Adopted: 06-03-09

Revised: 01-01-24

1. The ability to respond to emergency situations by fire protection and emergency medical services jurisdictions has not kept up or progressed with the community's needs and special service demands;
2. Providing a fire protection and emergency medical service system requires a collaborative partnership and responsibility among local and regional governments and the private sector;
3. There are efficiencies to be gained by regional fire protection and emergency medical service delivery, while maintaining local control; and
4. Timely development of significant projects can best be achieved through enhanced funding options for regional fire protection, emergency services, specialized rescue, hazardous material mitigation, using existing taxing authority to address fire protection and emergency service needs, with new authority to address critical fire protection projects and emergency services.
5. Puget Sound Regional Fire Authority is capable of providing regional services to its contractual partners and participating jurisdictions.

RFA Plan Revision:

The **NEEDS STATEMENT** section of the **Puget Sound RFA Plan** is subject to amendment by a majority vote of the RFA Governance Board after the Effective Date.



**PUGET SOUND
REGIONAL FIRE AUTHORITY (RFA)
PLAN**

Section 2: Definitions

Adopted: 06-03-09

Revised: 01-01-24

The definitions in this section apply throughout the Regional Fire Protection Service Plan, unless the context clearly requires otherwise.

1. **“Board” or “Governing Board”**: Means the governing body of a regional fire protection services authority.
2. **“Participating Jurisdictions”**: Means the City of Kent, King County Fire Protection District No. 37 and the City of Tukwila.
3. **“Contractual Jurisdictions”**: Means the City of SeaTac, Maple Valley Fire and Rescue and any future municipal corporations that enter into Interlocal Full Consolidation Agreements with Puget Sound Regional Fire Authority.
4. **“Regional Fire Authority,” “Puget Sound Regional Fire Authority” “Puget Sound RFA” “RFA”**: Means a municipal corporation, an independent taxing authority within the meaning of Article VII, Section 1, of the Washington State Constitution, and a taxing district within the meaning of Article VII, Section 2, of the Washington State Constitution, whose boundaries are coextensive with the City of Kent, King County Fire Protection District No. 37 and the City of Tukwila that has been created by a vote of the people under Revised Code of Washington chapter 52.26 to implement a Regional Fire Authority Plan and by a vote of the City of Tukwila voters to approve annexation of the City of Tukwila into the RFA pursuant to RCW 52.26.300.
5. **“Regional Fire Authority Plan,” “RFA Plan,” “Puget Sound RFA Plan” or “Plan”**: Means a plan to develop, govern and finance a Regional Fire Authority, including, but not limited to, specific capital projects, fire prevention services, fire suppression services, emergency medical services, and services for the protection of life and property pursuant to RCW 52.26.040, and the preservation and maintenance of existing or future facilities and services.
6. **“2023 Puget Sound Regional Fire Authority Plan” or “2023 RFA Plan”**: Means the 2017 RFA Plan as amended by the RFA Governing Board and approved by the City of Tukwila voters.
7. **“Effective Date”**: Means the effective date of the 2023 RFA Plan on January 1, 2024.



RFA Plan Revision:

The **DEFINITIONS** section of the **Puget Sound RFA Plan** is subject to amendment by a majority vote of the RFA Governance Board after the Effective Date.



**PUGET SOUND
REGIONAL FIRE AUTHORITY (RFA)
PLAN**

Section 3: Formation Authority

Adopted: 06-03-09

Revised: 01-01-24

A. Reference:

1. Puget Sound Regional Fire Authority was created pursuant to law when the voters of the City of Kent and King County Fire Protection District No. 37 approved the original RFA Plan at a special election on April 27, 2010 as authorized by Chapter 52.26 RCW.
2. The authority to annex additional Participating Jurisdictions into the RFA requires approval of an RFA Plan amendment by both the RFA Governing Board and the voters of the annexing Participating Jurisdiction pursuant to RCW 52.26.300.

B. Activity and Operation:

1. If approved by the voters of the City of Tukwila at an election on August 1, 2023, this 2023 RFA Plan shall become effective on the Effective Date of January 1, 2024. If the 2023 RFA Plan is not approved by Tukwila voters, then this 2023 RFA Plan Amendment shall not be adopted, and the existing 2017 Puget Sound Regional Fire Department Plan shall remain as the RFA Plan.
2. Upon voter approval of the 2023 RFA Plan, the City of Kent, the City of Tukwila and King County Fire District No. 37 shall continue to exist as separate and independent Washington State municipal corporations. The exclusive purpose of the continued existence of King County Fire District No. 37 shall be to provide representation to the RFA Governance Board.
3. At such time as King County Fire District 37 no longer provides revenues or representatives to the governance board, it may be dissolved in accordance with RCW 52.26.120.

RFA Plan Revision:

The **FORMATION AUTHORITY** section of the **Puget Sound RFA Plan** is subject to amendment only by a revised Puget Sound Regional Fire Authority Plan being re-submitted to the electorate for approval.



**PUGET SOUND
REGIONAL FIRE AUTHORITY (RFA)
PLAN**

Section 4: Jurisdictional Boundaries

Adopted: 07-15-09

Revised: 01-01-24

A. Reference:

1. The authority to define the **jurisdictional boundaries** of the Puget Sound Fire Authority is provided by RCW 52.26.020(2).

B. Jurisdictional Boundaries on Effective Date of the 2023 RFA Plan:

1. If the 2023 RFA Plan is approved by Tukwila voters, the jurisdictional boundaries of Puget Sound Regional Fire Authority shall be the current legal boundaries of the Participating Jurisdictions, which boundaries are currently contiguous and are depicted on the map attached hereto and marked as Appendix "A" of this 2023 RFA Plan.

C. Changes in Jurisdictional Boundaries:

1. Boundary Changes that do not require a RFA Plan amendment.
 - a. **City of Kent or City of Tukwila annexations of areas included within the boundaries of King County Fire Protection District No. 37.** Such annexations will not affect the RFA since the areas will already be within the RFA boundaries. Pursuant to RCW 52.26.290, there will be no required asset or employee transfers between the fire district and the affected city.
 - b. **City of Kent or City of Tukwila annexations of areas not included within King County Fire Protection District No. 37.** On the effective date of such annexation, the territory annexed shall automatically be included within the boundaries of the RFA pursuant to RCW 52.26.090. The territory added to the RFA by such annexation shall be subject to the taxation, charges, and bonded indebtedness (if approved as part of the annexation process) of the RFA. Any transfer of assets or employees that occurs as a result of annexation shall be between the transferring entity and the RFA.
 - c. **King County Fire Protection District No. 37 annexations of areas outside the boundaries of the RFA.** On the effective date of such annexation, the territory annexed shall automatically be included within the boundaries of the RFA pursuant



to RCW 52.26.090. The territory added to the RFA by such annexation shall be subject to the taxation, charges, and bonded indebtedness (if approved as part of the annexation process) of the RFA.

- d. **Partial merger of an area located in an adjacent fire protection district into King County Fire Protection District No. 37.** On the effective date of such partial merger, the territory merged into King County Fire Protection District No. 37 shall automatically be included within the boundaries of the RFA. The territory added to the RFA by such partial merger shall be subject to the taxation, charges, and bonded indebtedness of the RFA in the manner specified in chapter 52.06 RCW. Any transfer of assets or employees as a result of a partial merger shall be between the merging district and the RFA.
- e. **Merger of an adjacent fire protection district into King County Fire Protection District No. 37.** On the effective date of such merger, the territory merged into King County Fire Protection District No. 37 shall automatically be included within the boundaries of the RFA. The territory added to the RFA by such merger shall be subject to the taxation, charges, and bonded indebtedness of the RFA in the manner specified in chapter 52.06 RCW. Pursuant to RCW 52.06.085, the merger will result in an increase in the size of the governing board of King County Fire Protection District No. 37. Such increase shall not, however, alter the Governance Plan and the RFA governing board shall still have 3 representatives from the Fire District. Any transfer of assets or employees as a result of a merger shall be between the merging district and the RFA.
- f. **Full or partial merger of King County Fire Protection District 37 into an adjacent fire protection district.** On the effective date of such merger, the areas within King County Fire Protection District No. 37 that are merged into the adjacent fire protection district shall be removed from the jurisdictional boundaries of the RFA. In this situation, the RFA shall not be obligated to transfer employees or assets of the RFA, and the adjacent fire protection district shall be restricted to assets and employees of the fire district, if any.
- g. **Annexation of a portion of King County Fire Protection District 37 by a City that is not a participating jurisdiction in the RFA.** On the effective date of such annexation, the territory annexed shall automatically be removed from the boundaries of the RFA. In this situation, the RFA shall not be obligated to transfer employees or assets of the RFA, and the annexing city shall be restricted solely to assets and employees of the fire district, if any.
- h. **Annexation of areas by the City of Covington.** Provided that the City of Covington remains annexed into King County Fire Protection District No. 37, on the effective date of any such annexation, the territory annexed shall automatically be included within the boundaries of the RFA pursuant to RCW 52.26.090 and RCW 52.04.091. The territory added to the RFA by such annexation shall be subject to



the taxation, charges, and bonded indebtedness (if approved as part of the annexation process) of the RFA. Any transfer of assets or employees that occurs as a result of such annexation shall be between the transferring entity and the RFA.

2. Boundary Changes that require a RFA Plan amendment.

The addition of another entity as a participating jurisdiction in the RFA shall require a voter approved amendment to the RFA Plan.

RFA Plan Revision:

Except as provided in paragraph C.2 of this section, the **JURISDICTIONAL BOUNDARIES** section of the **Puget Sound RFA Plan** is subject to amendment by a majority vote of the RFA Governance Board after the Effective Date.



**PUGET SOUND
REGIONAL FIRE AUTHORITY (RFA)
PLAN**

Section 5: Governance

Adopted: 07-15-09

Revised: 01-01-24

Governance and Representation

A. Reference:

1. The authority to provide governance for the Regional Fire Authority is provided by RCW 52.26.080 and RCW 52.26.090.

B. Governing Board Structure and Operation:

1. As provided by RCW 52.26.080, the RFA Governing Board shall include nine voting members consisting of three (3) current seated members from the City of Kent to be appointed by the Kent City Council and three (3) current, seated King County Fire District 37 Board of Commissioners members (3) current, seated members from the City of Tukwila to be appointed by the Tukwila City Council and nonvoting advisory positions consisting of one for each Contractual Jurisdiction as appointed by the governing body of such Jurisdiction.
2. The RFA Governing Board shall adopt governance policies and rules for conducting business for the RFA in accordance with RCW 52.26.080.
3. The RFA Governing Board shall adopt by-laws to govern RFA affairs in accordance with RCW 52.26.080.
4. The RFA Governing Board shall have all the power and authority granted governing boards under Washington State law and shall include the power and authority to make any decisions appropriate for the RFA and for matters related to Title 52 RCW.
5. Members of the Governing Board will receive compensation in the same manner and under the same conditions as provided by law for commissioners of a fire protection district organized under Title 52 RCW.



RFA Plan Revision:

The **GOVERNANCE** section of the **Puget Sound RFA Plan** is subject to amendment by a majority vote of the RFA Governance Board after the Effective Date.



**PUGET SOUND
REGIONAL FIRE AUTHORITY (RFA)
PLAN**

Section 6: Organizational Structure/Operations

Adopted: 11-04-09

Revised: 01-01-24

A. Reference:

1. The authority for the RFA to establish an Organizational Structure is provided in RCW 52.26.040.

B. Activity/Operation:

1. The RFA shall be organized and managed, with leadership provided as show in Appendix "B" of the RFA Plan.
2. The RFA Administrative, Operations and Prevention Division shall be organized, and a chain of command be established in accordance with the organizational structure provided in Appendix "B" of the RFA Plan.
3. The Governing Board for the RFA shall be referred to as the Regional Fire Authority Governing Board, as identified in Appendix "B" of the RFA Plan.
4. Current staffing models, standards of coverage, deployment standards, field operations, command staffing, and operational policies and procedures shall continue at the current level of service on the Effective Date.
5. Puget Sound Fire will operate pursuant to its adopted Standards of Coverage, which defines services, levels of service, standards of coverage, development standards and customer expectations of the RFA.

RFA Plan Revision:

The **ORGANIZATIONAL STRUCTURE/OPERATIONS** section of the **Puget Sound RFA Plan** is subject to amendment by a majority vote of the RFA Governance Board after the Effective Date.



**PUGET SOUND
REGIONAL FIRE AUTHORITY (RFA)
PLAN**

Section 7: Financial

Adopted: 11-04-09

Revised: 01-01-24

A. Reference:

1. The authority to provide funding and levy taxes for the RFA is provided by RCW 52.26.050, RCW 52.26.120, RCW 52.26.140 - .180, RCW 52.30.020, chapter 84.52 RCW and chapter 84.55 RCW.
2. The authority and mechanism for the collection of taxes and the benefit service charge shall be in accordance with RCW 52.26.170, RCW 52.26.200 - .270

B. Revenues/Funding:

1. Pursuant to the original approved RFA Plan, funding for the RFA is based on a property tax not to exceed \$1.00 per thousand of taxable assessed value and a benefit service charge on all improved properties within the RFA service area based upon the general formula and methodology set annually by the RFA Governing Board.
2. In the event a Participating Jurisdiction annexes into the RFA pursuant to RCW 52.26.300, the initial property tax levy rate shall be calculated pursuant to the rule established under WAC 458-19-035.
3. In the event a Participating Jurisdiction annexes into the RFA pursuant to RCW 52.26.300, the benefit charge shall be applied within the boundaries of the Participating Jurisdiction based on the currently adopted Puget Sound Regional Fire Authority benefit charge formula on file with the Puget Sound Regional Fire Authority.
4. The initial tax levy and benefit charge in the Participating Jurisdiction shall occur in the year of formation provided the effective date of the annexation occurs prior to August 1, pursuant to RCW 84.09.030. If the effective date occurs after such date, the initial property tax levy and benefit charge shall not be made within the boundaries of the Participating Jurisdiction until the year following the Effective Date and the Participating Jurisdiction shall continue to pay for services for the first year of annexation in the



manner established by agreement between Puget Sound Regional Fire Authority and the Participating Jurisdiction.

5. To the extent permitted by law, the RFA shall contract with agencies and entities exempt from property taxes in accordance with RCW 52.30.020 and related statutes.
6. The Governing Board shall have the authority to pursue all additional revenue sources authorized by law including but not limited to revenue sources specifically identified in Title 52 RCW that are not otherwise addressed in chapter 52.26 RCW.
7. The RFA shall pay all costs of continued operation of King County Fire Protection District No. 37 subsequent to the formation of the RFA

C. Financial Assets Transferred:

1. Transfers of Real Property.
 - a. The following real property owned by the City of Tukwila shall be transferred in fee simple determinable subject to an automatic reversionary interest, meaning Tukwila is conveying property "so long as" certain conditions are met, to the RFA, or leased to the RFA, as specified below:
 - i. Station 51: The City of Tukwila shall retain ownership of the real property on which Station 51 is located and shall lease Station 51 to the RFA for 50-year terms at the rate of \$1 per year. As conditions of the lease, the RFA shall assume 100% of the maintenance costs and shall use Station 51 to deploy RFA response units, subject to any other interests in the property.
 - ii. Station 52: City of Tukwila shall sell to the RFA for \$1 and shall retain an automatic reversionary interest in the event this station is no longer used to deploy RFA response units. Further, Tukwila shall retain the right to access and use the following areas of Station 52: (a) the "212 EOC Storage" closet; (b) the "210 Training Room" as the City's backup Emergency Operations Center on a 24/7 basis and at any time without notice in the event of an emergency and until termination of the emergency event, and as a public meeting space up to twenty (20) hours per calendar week, provided RFA staff is on-site to facilitate such use; and (c) the "213 HAM" closet for storage of ham radios and related equipment.
 - iii. Station 53: City of Tukwila shall sell to the RFA for \$1 and shall retain an automatic reversionary interest in the event this station is no longer used to deploy RFA response units.



- iv. Station 54: City of Tukwila shall retain ownership of the real property on which Station 54 is located and shall lease Station 54 to the RFA for a 15-year term at the rate of \$1 per year. As conditions of the lease, the RFA shall assume 100% of the maintenance costs and shall use Station 54 to deploy RFA response units. Before the end of year 10 (December 31, 2034), either Tukwila or the RFA shall provide notice to the other party, indicating whether the lease will expire December 31, 2039, or be renewed for an additional term subject to conditions to be mutually negotiated by the parties.

2. Transfers of Personal Property.

- a. The City of Tukwila transferred its fire department related personal property to the RFA by separate interlocal agreement and no additional transfers of City personal property are required.

D. Liabilities:

1. On the date of formation, the RFA shall assume the following liabilities of the City of Tukwila.

- a. Routine, regular maintenance, major repairs, capital improvements, and utilities costs consistent with Section 5 of the separate interlocal agreement.

2. The City of Tukwila shall retain the following liabilities:

- a. The City of Tukwila will keep the liability for retired and active LEOFF 1 Tukwila Fire Department FTE's to include medical and long term care insurance payments and any other expenses incurred by the Tukwila Fire Department LEOFF 1 personnel in accordance with the City of Tukwila LEOFF 1 Policies and Procedures consistent with Section 6.4 of the separate interlocal agreement.
- b. The City of Tukwila shall remain responsible for all outstanding debt related to the construction and improvement of Fire Stations 51 and 52 transferred under Section 7.C.1.a.i and ii of this Plan.
- c. The City retains the obligations established in the City of Tukwila and IAFF Local 2088 Collective Bargaining Agreement (CBA) Memorandum of Understanding (MOU) concerning the Retirement Management Plan (RMP) for participants that retired prior to January 1, 2023, consistent with Section 6.5 and Exhibit K of the separate interlocal agreement.
- d. The City shall indemnify, defend, and hold the RFA harmless from any and all demands, claims, or actions by former City Personnel, which arise out of, or



relate to, the City Personnel's employment prior to January 1, 2023, consistent with Section 6.6 of the separate interlocal agreement.

RFA Plan Revision:

Subject to any statutory requirements for voter approval, the **FUNDING** section of the **Puget Sound RFA Plan**, including the benefit charge funding formula and methodology, is subject to amendment by a majority vote of the RFA Governance Board after the Effective Date.



**PUGET SOUND
REGIONAL FIRE AUTHORITY (RFA)
PLAN**

**Section 8: Fire Prevention, Public Education Services,
Emergency Management and Fire Investigation Unit**

Adopted: 11-04-09

Revised: 01-01-24

A. Reference:

1. The authority for the RFA to establish and provide Fire Prevention, Public Education, Emergency Management and Fire Investigation components is provided in RCW 52.26.040, RCW 52.26.090(2), RCW 52.12.031 (3), (6) and (7) and chapter 39.34 RCW.

B. Activity/Operation:

1. SERVICE PROVIDERS FOLLOWING 2023 RFA PLAN EFFECTIVE DATE:

1.1. FIRE PREVENTION SERVICES

- a. On the effective date of the 2023 RFA Plan, Fire Prevention Services within the boundaries of the RFA shall be provided as follows:
 - (i). Within the City Kent. The RFA will provide Fire Prevention Services to the City of Kent pursuant to an interlocal agreement.
 - (ii). Within the City of Covington. The RFA will provide Fire Prevention Services to the City of Covington pursuant to an interlocal agreement.
 - (iii). Within the City Tukwila. The RFA will provide Fire Prevention Services to the City of Tukwila pursuant to an interlocal agreement.
 - (iv). Within unincorporated King County. King County shall provide Fire Prevention Services, unless the RFA enters into an interlocal with King County to provide such services.
 - (v). The RFA may contract to provide such services to Contractual Jurisdictions and other entities as determined by the Governing Board.



1.2. FIRE INVESTIGATION SERVICES:

- a. On the effective date of the 2023 RFA Plan, Fire Investigation Services within the boundaries of the RFA shall be provided as follows:
 - (i). Within the City Kent. The RFA will provide Fire Investigation Services to the City of Kent pursuant to an interlocal agreement.
 - (ii). Within the City of Covington. The RFA will provide Fire Investigation Services to the City of Covington pursuant to an interlocal agreement.
 - (iii). Within the City Tukwila. The RFA will provide Fire Investigation Services to the City of Tukwila pursuant to an interlocal agreement.
 - (iv). Within unincorporated King County. King County shall provide Fire Investigation Services unless the RFA enters into an interlocal with King County to provide such services.
 - (v). The RFA may contract to provide such services to Contractual Jurisdictions and other entities as determined by the Governing Board.

1.3. EMERGENCY MANAGEMENT SERVICES.

- a. On the effective date of the 2023 RFA Plan, Emergency Management Services within the boundaries of the RFA shall be provided as follows:
 - (i). Within the City Kent. The RFA will provide Emergency Management Services to the City of Kent pursuant to an inter-local agreement.
 - (ii). Within the City of Covington. Covington shall remain the provider of Emergency Management Services.
 - (iii). Within the City Tukwila. Tukwila shall remain the provider of Emergency Management Services.
 - (iv). Within unincorporated King County. King County shall remain the provider of Emergency Management Services.
 - (v). The RFA may contract to provide such services to Contractual Jurisdictions and other entities as determined by the Governing Board.

1.4. PUBLIC EDUCATION SERVICES.

- a. On the effective date of the creation of the RFA, the RFA shall provide Public Education Services throughout the jurisdiction of the RFA.



- b. The RFA may contract to provide such services to Contractual Jurisdictions and other entities as determined by the Governing Board.

2. PROVISION OF SERVICES.

- a. The RFA Fire Prevention and Emergency Management Divisions shall be organized as provided in Appendix B of this RFA Plan.
- b. The City of Kent shall designate the Chief and Fire Marshal of the RFA as the Chief and Fire Marshal of the City of Kent.
- c. The City of Covington shall designate the Chief and Fire Marshal of the RFA as the Chief and Fire Marshal of the City of Covington.
- d. The City of Tukwila shall designate the Chief and Fire Marshal of the RFA as the Chief and Fire Marshal of the City of Tukwila.
- e. The City of Kent, the City of Covington and the City of Tukwila shall retain code enforcement authority in accordance with Washington State Law within their respective jurisdictions and, except as provided in the interlocal agreements, shall provide the necessary legal and police support for enforcement of code enforcement issues.
- f. The City of Kent, the City of Covington and the City of Tukwila shall retain fire investigation authority in accordance with Washington State Law within their respective jurisdictions and, except as provided in the interlocal agreements, shall provide the necessary legal and police support for enforcement of fire investigation issues.
- g. The City of Kent, the City of Covington and the City of Tukwila shall retain emergency management authority in accordance with Washington State Law and, except as provided in the interlocal agreements, shall provide legal and police support as needed to provide emergency management services.

RFA Plan Revision:

The **FIRE PREVENTION, EMERGENCY MANAGEMENT, PUBLIC EDUCATION AND FIRE INVESTIGATION UNIT** section of the **Puget Sound RFA Plan** is subject to amendment by a majority vote of the RFA Governance Board after the Effective Date.



APPENDIX A Jurisdictional Boundaries

Integrity.
Innovation.
Inclusion.
Service.

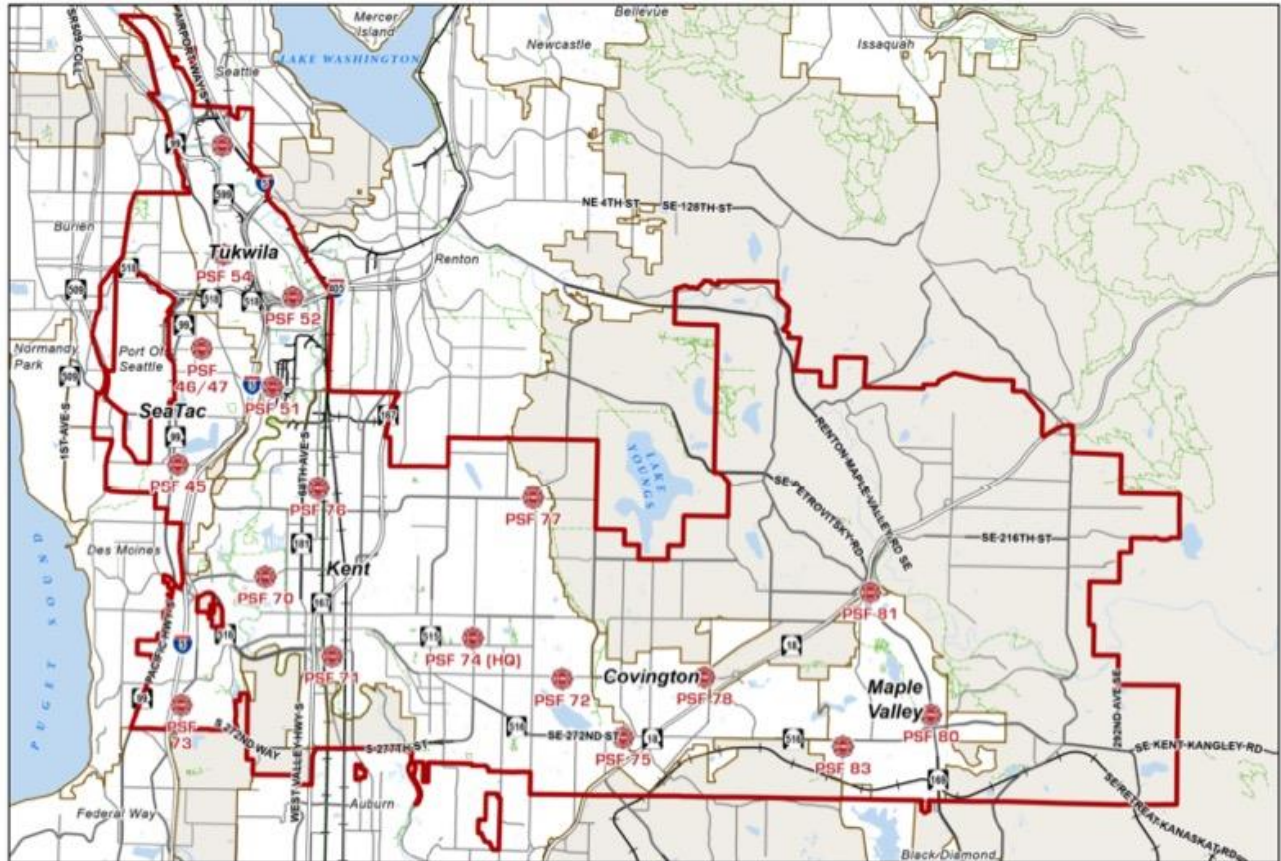
- PSF Station
- PSF Service Area



PUGET SOUND REGIONAL FIRE AUTHORITY Service Area



- Cities
- Unincorporated County



Credits: PSF, Valley Com GIS,
King Co GIS
Date Created: 12/15/2022



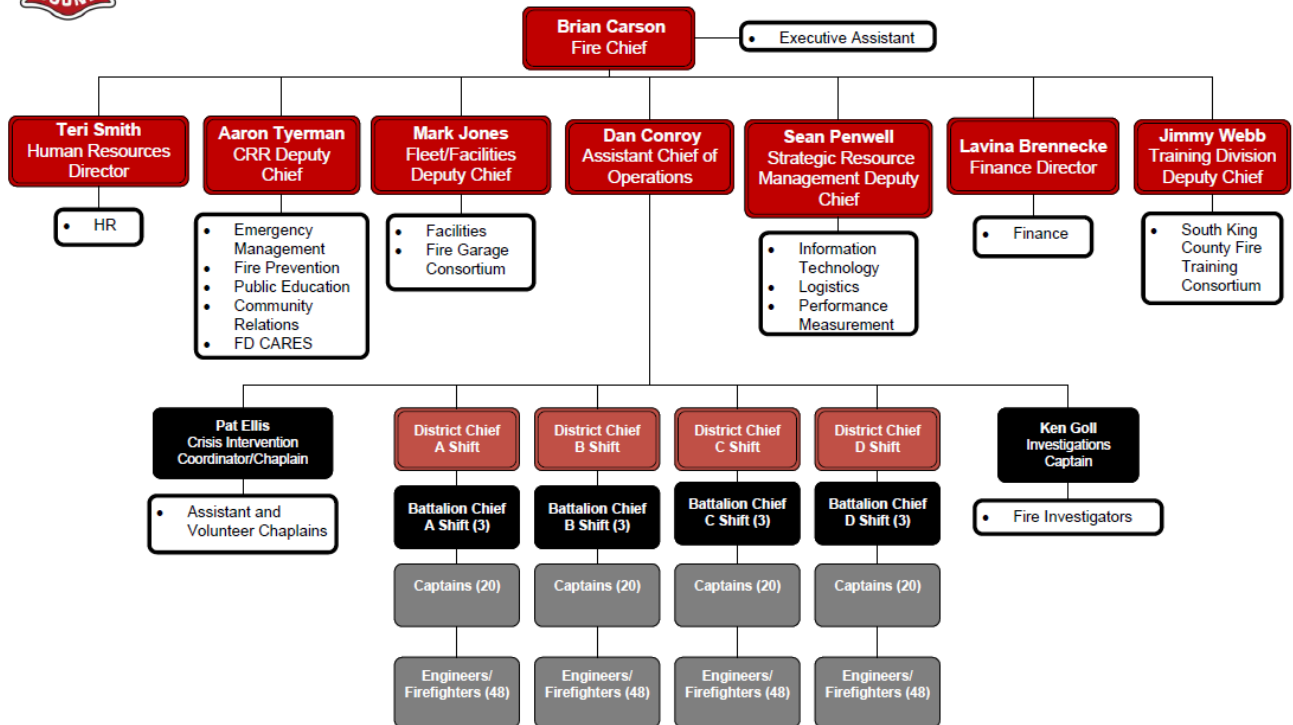
APPENDIX B

Organizational Structure



RFA Organizational Chart Overview

Updated: 03/08/2023



DRAFT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, CALLING FOR KING COUNTY ELECTIONS TO PLACE A PROPOSITION ON THE PRIMARY ELECTION BALLOT ON AUGUST 1, 2023, CONCERNING ANNEXATION OF THE CITY OF TUKWILA INTO THE PUGET SOUND REGIONAL FIRE AUTHORITY TO MAINTAIN CURRENT FIRE AND EMS SERVICE LEVELS.

WHEREAS, the City has a long history of providing professional and responsive fire and emergency medical services (“EMS”) since the Tukwila Fire Department was formed in 1969; and

WHEREAS, the City desires to continue providing sustainable fire and EMS services and has explored available options for fire and EMS services since 2010; and

WHEREAS, the City Council in October 2021, appointed the “Future of Fire/EMS Community Advisory Committee” and tasked it with recommending how fire/EMS services should be provided in Tukwila in the future; and

WHEREAS, in May 2022, the Future of Fire/EMS Community Advisory Committee submitted its final report and recommended annexation into the Puget Sound Regional Fire Authority (“PSRFA”), or a short-term contract that would lead to annexation, due to the sustainability of funding, quality of services, and total costs to residents and businesses; and

WHEREAS, the City Council in June 2022, reviewed the final report from the Advisory Committee, agreed on the recommendations, and directed staff to enter into contract negotiations for a short-term contract that would lead to annexation with the PSRFA; and

WHEREAS, the City Council in October 2022, approved an Interlocal Agreement with PSRFA beginning in January 2023 that would lead to annexation and included enhanced services for the Tukwila Community; and

WHEREAS, the City Council in November 2022, adopted the 2023-2024 biennial budget that included direction to initiate a long-term fiscal sustainability planning effort, including an advisory committee of residents and stakeholders to be completed by the Second Quarter of 2024 to provide long-term fiscal solutions to inform the 2025-2026 biennial budget; and

WHEREAS, RCW 52.26.300 sets forth the procedure for elections concerning the annexation of a city into a regional fire protection service authority; and

WHEREAS, on December 5, 2022, the Tukwila City Council adopted Resolution No. 2060, expressing intent to annex into PSRFA subject to voter approval consistent with the provisions of RCW 52.26.300(3); and

WHEREAS, the City Council appointed two of its members to serve on the Annexation Plan Oversight Committee which worked from January to March 2023 to create an Annexation Plan that met the needs of both the City and the PSRFA; and

WHEREAS, on April 5, 2023, the Governing Board of PSRFA adopted Resolution No. 196, amending its Regional Fire Authority ("RFA") Plan to provide for the annexation of the City of Tukwila into the RFA subject to the approval by the voters of the City of Tukwila pursuant to RCW 52.26.300(3); and

WHEREAS, the Tukwila City Council finds that it benefits the public health and safety and it is in the City's best interest to approve annexation of the City of Tukwila to be part of the PSRFA, effective January 1, 2024, and approve the RFA Plan amendments as required by RCW 52.26.300(3); and

WHEREAS, notification of intent to annex is being transmitted to King County Elections;

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

Section 1. Pursuant to RCW 52.26.300, the City of Tukwila requests that King County Elections place a proposition on the primary election ballot to be held on August 1, 2023, for the voters of the City of Tukwila to approve or reject the annexation of the City of Tukwila to be part of the Puget Sound Regional Fire Authority, effective January 1, 2024, as follows:

Name of Jurisdiction:	City of Tukwila
Proposition Number:	Proposition No. 1
Short Title:	City of Tukwila Seeks Voter Approval to Annex into the Puget Sound Regional Fire Authority to Maintain and Enhance Current Fire and EMS Services
Ballot Title:	Should the City of Tukwila be annexed into and be a part of the Puget Sound Regional Fire Authority to maintain current fire and emergency medical service levels, effective January 1, 2024, per City of Tukwila Council Resolution No. [REDACTED]?
	YES <input type="checkbox"/>
	NO <input type="checkbox"/>

Section 2. The explanatory statement approved by the City Attorney's Office is attached hereto as Exhibit A.

Section 3. The City Attorney is authorized to make such minor adjustments to the wording of the ballot measure and/or the explanatory statement as may be recommended by King County Elections, as long as the intent of the ballot proposition remains clear and consistent with the intent of this Resolution as approved by the City Council.

Section 4. The City Clerk or designee is authorized and directed to file a copy of this resolution with the King County Department of Elections no later than 4:30 p.m. on May 12, 2023.

Section 5. Pursuant to RCW 29A.32.280, the names of committee members appointed by the City Council to prepare arguments advocating both approval and rejection of the annexation shall be provided to the Director no later than 4:30 p.m. on May 12, 2023.

Section 6. This resolution shall take effect and be in force immediately upon its passage.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2023.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC
City Clerk

Cynthia Delostrinos Johnson
Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____
Passed by the City Council: _____
Resolution Number: _____

Office of the City Attorney

Attachment: Exhibit A, "Explanatory Statement"

EXHIBIT A – EXPLANATORY STATEMENT

Should the City of Tukwila be annexed into and be a part of the Puget Sound Regional Fire Authority, effective January 1, 2024, to maintain current fire and emergency medical service levels per Tukwila City Council Resolution No. XXX?

YES

NO

Tukwila Resolution No. XXX seeks voter approval to annex the City of Tukwila into the Puget Sound Regional Fire Authority ("PSRFA"). Previously, the City's Fire Department provided fire protection and emergency medical services ("EMS") to the City of Tukwila. On January 1, 2023, PSRFA began providing fire protection and EMS to the City, pursuant to an interlocal agreement. The Tukwila City Council has determined that annexing into, and being a part of, the PSRFA will ensure the long-term sustainability of funding to maintain the current fire protection and EMS service levels.

PSRFA currently serves the cities of Kent, Covington, SeaTac, and Maple Valley, as well as unincorporated areas of King County Fire District No. 37 and King County Fire District No. 43.

If this annexation is approved, City representatives will be on the Governing Board of the PSRFA, and the PSRFA will continue to provide fire and EMS services to the City.

If this annexation is rejected, the City must seek a second annexation vote. If a second annexation vote fails, the City would need to negotiate a new agreement with PSRFA or another agency, or reconstitute the City Fire Department.

More information is available at www.pugetsoundfire.org.



INFORMATIONAL MEMORANDUM

TO: Finance and Governance

FROM: David Cline, City Administrator
Vicky Carlsen, Finance Director

BY: Brandon Miles, Business Relations Manager

CC: Mayor Ekberg

DATE: March 6, 2023
Updated, March 21, 2023
Updated, April 3, 2023

SUBJECT: Public Works Operations Campus Phase 2, Financing Report (DRAFT)

ISSUE

Follow up on the February 27, 2023 Finance and Governance Committee meeting regarding financing for Public Works Operations Campus, Phase 2. At the meeting the Committee asked staff to provide information on various items. This memo begins the process of creating a consolidated document to address the Committee's questions. The memo below is organized to address the topics staff heard in the Committee meeting. The memo will be updated throughout the Spring to address the items raised by the Committee and new items that might be added as the process continues,

March 21, 2023, Update

Staff has highlighted headings in yellow to reflect area of the memo that have been updated since the March 6, 2023, meeting.

April 3, 2023, Update

BACKGROUND

I. Overview of the Public Safety Plan and Public Works Phase Operations Campus

The following provides a brief overview of the City's recent investment in public facilities over the last 15 years.

Development of the Public Safety Plan

In 2008 the City completed a comprehensive seismic study of city buildings, which was recently updated in 2022. This report found that several buildings, including fire stations and public works shops, would be unusable after an earthquake. It was this study that was the impetus for the City to begin examining how to invest in upgraded facilities, specifically public safety buildings (fire stations, police, municipal court, emergency management and public works functions).

In 2015, after a two-year process, the City Council was presented a report entitled, "*Investing in Tukwila: Essential Governmental Services Facilities Plan 2015-2040.*" The plan recommended

the construction and/or replacement of several public safety buildings, including a new justice center to house police, emergency management and municipal court; the replacement of three fire stations; and a combined public works operations facility. The plan also included recommendations for City Hall and the 6300 building.

This final report was presented to the City Council by the Facilities Committee, made up of community members, councilmembers and staff. This Committee recommended a public safety facilities ballot measure, which results in the City Council adopted “Public Safety Plan” to prioritize:

- the construction of three replacement fire stations,
- a new justice center (police, emergency management and municipal court),
- a consolidated public works shop, and
- a funding plan for 20 years of fire apparatus and equipment.

In November 2016 Tukwila voters approved the public safety plan bond measure with 60.5% approval. Funds from the bond measure were used for the new fire stations, fire equipment and apparatus and the justice center. Separately, funding for the public works facilities would come from a variety of sources, including general fund and utility funds.

In 2018, this financing and expenditure plan was updated with the D-20 Model, adopted by the City Council and discussed further below.

In 2018 the City began to identify and acquire land for the public safety plan, based upon the recommendations of the community Siting Advisory Committee. Existing City owned land was used for two of the new fire stations (51 and 52); the City assembled land on Tukwila International Blvd for the Justice Center; and the City acquired three parcels in the north end of the City for a consolidated public works shop. Public Works Operations Campus Phase 1 (hereinafter “Public Works Phase 1”) entailed the construction of the west side of the property and moving the City’s fleet and facilities functions from George Long to the new site. Public Works Phase 2 will entail work on the east side of the property and will eventually allow the City to move the street and utilities functions from the Minkler Shops to the site, as well as consolidating other functions currently found on other sites, such as spoils storage, etc.

The Justice Center and Fire Station 51 went operational in 2020 and Fire Station 52 become operational in 2021. The Fleet and Facilities building became operational in 2022 (Public Works Phase 1). In 2022, the City Council authorized the test to fit work for the eastern portion of the Public Works Phase 2 - Operations Campus, which will conclude in March of 2023.

The Public Works Operations Campus is the final project remaining from the Public Safety Plan. Funding for design of the Public Works Operations Campus was adopted in the 2023-2024 Budget and construction costs were included the 2023-2028 Capital Improvement Plan starting in 2025.

Financing the Public Safety Plan- the D-20 Model

In 2018, due to cost escalation from market conditions and initial estimates based on incomplete data, the City created options for the Public Safety Plan. Throughout the first half of 2018, the City Council’s Finance Committee, together with staff, deliberated on a variety of financing options (A, B, C1, C2 and D) to support the Public Safety Plan. In June 2018, the City Council adopted their recommendation of option D-20 which directed the:

- Construction of two new fire stations (51 & 52) and the Justice Center

- Dedication of \$30 million for land acquisition, building upgrades and master planning for public works shops
- Fire apparatus and equipment funding for ten years
- Issuance of 20-year bonds
- Use of a variety of financial sources (e.g. Limited Term General Obligation Bonds (LTGO), Fire impact fees, land sales and one-time funds, ongoing REET 1, General Fund.)

This long-range model – D20 - (2018-2039) has been updated several times to reflect changing revenues and expenditures.

1. **All major projects in the D-20 model are now complete as originally anticipated in 2018.** The following is a basic overview of the revenue and expenditures to date in the D-20 Model. The work outlined below includes all land acquisition costs (Justice Center, Fire Station 54, and Public Works Operations Campus) construction to date for Fire Stations 51 and 52, Justice Center and Public Works phase 1 (fleet and facilities); interim improvements on Minkler; and planning and test to fit associated with Public Works Phase 2. In addition, the initial planning for the Teen and Senior Center was funded from unused budget leftover from the Justice Center and therefore funded from the D-20 model. The only remaining items are finishing the roof and siding updates for the Public Works Phase 1 and the final payment for the 2022 fire engine, which is expected in 2025.
2. **The D-20 Model accounted for all financial aspects of these projects.** Data incorporated two capital project funds, 305 and 306 as well as all debt service funds and other funds that contributed funding sources (general fund, 301, utility funds). Note, revenues are forecasted to be higher than expenditures due to financing costs.
3. **Other Changes.** Sales Tax Mitigation funds were significantly reduced from 2019 to 2020 due to the loss of ongoing Sales Tax Mitigation payments. Council adopted CARES funding for project costs associated with COVID supply chain delays and added Teen/Senior Center planning from unspent Justice Center budgeted funds. Additional general fund and utility fund payments were adopted in 2022 to continue the public safety plan efforts for the consolidated public works shop.
4. **Assuming a successful annexation vote to the Puget Sound Regional Fire Authority (PSRFA), capital acquisition responsibilities for future fire equipment and apparatus shift to PSRFA in 2025.** A portion of the proceeds from completed land sales (Travelers Choice and HealthPoint) and approved (still pending) George Long sale are currently budgeted to support remaining public safety plan financing requirements as well as Public Works Phases 1 and 2.
5. **Land Sales, originally contemplated in the D-20, are no longer required in their entirety.**
 - a. The updated D-20 model (December, 2022) removes future land sales.
 - b. Future City Council direction will be needed on use of land revenue (e.g. lease or sale) for capital facility planning.

D-20 MODEL FINANCIAL SNAPSHOT 2018-2022				
	Original	Updated	Updated	Updated
	June 2018	Dec 2019	Dec 2020	Dec 2022
EXPENDITURES				
Fund 305: Public Safety Plan	\$ 114,730,235	\$ 122,627,139	\$ 120,510,023	\$ 109,804,786
Justice Center	\$ 68,570,005	\$ 66,864,711	\$ 65,747,697	\$ 65,995,940
Fire Stations	\$ 30,334,435	\$ 39,936,632	\$ 38,936,530	\$ 37,791,730
Fire Equipment/Apparatus/Financing	\$ 15,825,796	\$ 15,825,796	\$ 15,825,796	\$ 6,017,117
Fund 306: City Facilities	\$ 30,000,000	\$ 35,700,000	\$ 36,200,000	\$ 43,150,491
PW Shops Phase I	\$30,000,000	\$35,700,000	\$35,700,000	\$36,405,462
Minkler Improvements			\$500,000	\$500,000
Teen/Senior Center				\$395,030
PW Operations Campus Phase 2				\$5,850,000
TOTAL	\$144,730,235	\$158,327,139	\$156,710,023	\$152,955,277
REVENUES				
Voted Bonds (UTGO)	\$ 77,385,000	\$ 77,997,026	\$ 77,997,026	\$ 77,997,026
Councilmanic Bonds (LTGO)	\$ 40,000,000	\$ 45,500,600	\$ 45,500,600	\$ 45,500,600
Fire Impact Fees (Tukwila South- FS 51)	\$ 4,750,000	\$ 4,750,000	\$ 4,750,000	\$ 4,750,000
Fire Impact Fee- ongoing	\$ 8,517,000	\$ 9,817,000	\$ 9,497,000	\$ 8,244,202
Fund 301 Transfer- REET Funds	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000
Land Sales	\$ 15,038,000	\$ 13,053,090	\$ 13,518,000	\$ 3,014,845
REET 1 - Ongoing Support	\$ 12,813,091	\$ 12,813,091	\$ 12,852,409	\$ 11,000,000
Sales Tax Mitigation		\$ 4,017,425	\$ 665,909	\$ 665,909
Cares Act			\$ 300,000	\$ 497,247
Investment Earning	\$ 707,845	\$ 1,480,824	\$ 1,725,661	\$ 1,626,356
Project Contribution (TeenSenior)				\$ 600,000
Project Contribution (General Fund)	\$ 141,854	\$ 2,991,854	\$ 2,991,854	\$ 5,950,954
Project Contribution (Utility Fund)	\$ 141,854	\$ 3,791,854	\$ 4,291,854	\$ 7,791,854
TOTAL	\$ 162,494,644	\$ 179,212,764	\$ 177,090,313	\$ 171,138,993

Completing the Public Safety Plan – Design and Construction of Public Works Phase 2

The last remaining item in the Public Safety Plan is Public Works Phase 2 Operations Campus in order to move city operations from the Minkler Shops and the Longacres site. The City is still providing critical public works activities at the Minkler Shops under older, inefficient conditions. In addition, as part of the Public Safety Plan the City identified a goal to move all critical facilities out of flood-prone areas and the Minkler Shops is located directly behind a levee that has significant concerns. The Army Corps of Engineers has identified there is a risk of levee failure in the event of a high-water event or earthquake.

Public Works has moved from George Long into Public Works Phase 1. On November 1, 2023 the City takes ownership of the eastside of the property and the Council adopted a lease agreement until March 1, 2025 with the current tenant. The City Council authorized the “test-to-fit” work which developed design options for the entire combined public works site. The “test-to-fit” will provide the City better cost estimates for the final phase of the project.

In March 2023, the “test-to-fit” will be completed and the City Council will be briefed on cost estimates for the full buildout and completion of Public Works Phase 2. The City Council will be asked to move forward with the Public Works Phase 2 design. The 2023-2024 budget includes \$5.85 million for the City to complete the design work and permitting for Public Works Phase 2, with construction anticipated to begin in May of 2025.

II. Public Works Operations Campus, Phase 2 Financing

a. The Next D-20 Model, Public Works Campus Financial Model

The D-20 model was a successful tool the City Council approved to track all expenditures and revenues associated with the construction of the Public Safety Plan. A similar model focused on the Public Works Campus will need to be developed separately from the original D-20 model. The table below is a preliminary overview of the current construction estimates in 2023 dollars, cost escalation, and soft costs.

(\$ millions)	Construction Estimates		
2023 Estimates	Project Related (Soft) Cost	Construction Costs (2023 dollars)	Total:
Estimated Expenditures (2023 values):	\$ 29,352	\$ 46,835	\$ 76,187
January 2026 Escalation ¹ :	\$ 0	\$7,678	\$7,678
2026 Adjusted Totals:	\$29,352	\$ 54,513	\$ 83,865
	Sources of Funds		
	Project Related (Soft) Cost	Construction Costs (2023 dollars)	Total:
2023/2024 Adopted Budget			
Utility Funds:	\$ 3,000	N/A	\$ 3,000
Lease Revenue (eastern public works property):	\$ 980	N/A	\$ 980
306 Fund Balance:	\$ 1,964	N/A	\$ 1,964
Total:	\$ 5,944	N/A	\$ 5,944
2025/2026 CIP	Construction Phase (construction and soft costs merged)		
Utility Funds (Bond supported):		\$ 21,750	\$ 21,750
Councilmanic Bonds:		\$ 21,750	\$ 21,750
Lease Revenue (eastern public works parcel):		\$0	\$0
306 Fund Balance:		\$ 10,500	\$ 10,500
Total:		\$ 54,000	\$ 54,000

¹¹ January 2026 is the midpoint of construction. The current schedule has construction commencing on May 1, 2025.

Total Additional Funds Needed in 2026:			\$ 23,921
Possible Additional Sources of Revenue	<ul style="list-style-type: none"> • Enterprise Funds²: Councilmanic Bonds (General Fund) • Land Sales Revenue (One Time) • Land Lease Revenue (Ongoing, support debt service) • Sales Tax Credit Back to Project (One Time) • Permit Fee Credit Back to Project (One Time) • Grants (One-Time): Federal and/or State Appropriations • Decant Facility Capital Contribution (Ongoing or onetime) • REET Funds 		

b. Debt, Updated March 21, 2023

i. Financing

Like most capital projects, the Public Works Operation’s Campus can be paid with a variety of revenue options, grants, and capital appropriations from other governmental entities. The City will have to issue a bond to pay for the overall construction costs. One way of looking at the construction costs is to look at how the City would pay the annual debt service for the project.

ii. Bond Capacity

² Upon completion of the project, the city will true up all costs associated with Public Works Operation’s Campus.

Year	LTGO Debt	UTGO Debt	Total Long-Term Debt	Assessed Value	%Change AV	1.5%	2.5%	Remaining Non-Voted Debt Capacity	Remaining Total Debt Capacity
2017	35,014,277	32,990,000	68,004,277	6,184,943,263	7.31%	92,774,149	154,623,582	57,759,872	86,619,305
2018	48,358,749	31,875,000	80,233,749	6,685,919,176	8.10%	100,288,788	167,147,979	51,930,039	86,914,230
2019	71,439,055	68,405,000	139,844,055	7,351,973,382	9.96%	110,279,601	183,799,335	38,840,546	43,955,280
2020	72,205,534	67,035,000	139,240,534	7,883,057,562	7.22%	118,245,863	197,076,439	46,040,329	57,835,905
2021	73,117,643	66,335,000	142,302,643	8,010,892,032	1.62%	120,163,380	200,272,301	44,195,737	57,969,658
2022	70,734,706	65,375,000	138,650,706	8,970,452,548	11.98%	134,556,788	224,261,314	61,281,082	85,610,608
2023	64,094,790	63,595,000	129,921,790	9,374,122,913	4.50%	140,611,844	234,353,073	74,285,054	104,431,283
2024	59,643,954	61,615,000	123,181,954	9,795,958,444	4.50%	146,939,377	244,898,961	85,372,423	121,717,007
2025	55,602,406	59,210,000	116,426,406	10,236,776,574	4.50%	153,551,649	255,919,414	96,335,243	139,493,008
2026	51,941,964	56,565,000	109,811,964	10,697,431,520	4.50%	160,461,473	267,435,788	107,214,509	157,623,824
2027	48,157,300	53,660,000	102,813,300	11,178,815,938	4.50%	167,682,239	279,470,398	118,528,939	176,657,098
2028	44,231,450	50,485,000	95,403,450	11,681,862,655	4.50%	175,227,940	292,046,566	130,309,490	196,643,116
2029	40,164,314	47,025,000	87,567,314	12,207,546,475	4.50%	183,113,197	305,188,662	142,570,883	217,621,348
2030	36,414,928	43,290,000	79,773,928	12,756,886,066	4.50%	191,353,291	318,922,152	154,869,363	239,148,224
2031	32,218,328	39,270,000	71,488,328	13,330,945,939	4.50%	199,964,189	333,273,648	167,745,861	261,785,320
2032	28,515,314	34,950,000	63,465,314	13,930,838,506	4.50%	208,962,578	348,270,963	180,447,264	284,805,649
2033	24,683,322	30,315,000	54,998,322	14,557,726,239	4.50%	218,365,894	363,943,156	193,682,572	308,944,834
2034	20,723,662	25,360,000	46,083,662	15,212,823,920	4.50%	228,192,359	380,320,598	207,468,697	334,236,936
2035	16,626,052	20,075,000	36,701,052	15,897,400,996	4.50%	238,461,015	397,435,025	221,834,963	360,733,973
2036	12,652,810	14,440,000	27,092,810	16,612,784,041	4.50%	249,191,761	415,319,601	236,538,951	388,226,791
2037	8,926,072	8,440,000	17,366,072	17,360,359,323	4.50%	260,405,390	434,008,983	251,479,318	416,642,911
2038	5,070,838	4,335,000	9,405,838	18,141,575,492	4.50%	272,123,632	453,539,387	267,052,794	444,133,549
2039	1,640,000	-	1,640,000	18,957,946,389	4.50%	284,369,196	473,948,660	282,729,196	472,308,660
2040	-	-	-	19,811,053,977	4.50%	297,165,810	495,276,349	297,165,810	495,276,349
2041	-	-	-	20,702,551,406	4.50%	310,538,271	517,563,785	310,538,271	517,563,785
2042	-	-	-	21,634,166,219	4.50%	324,512,493	540,854,155	324,512,493	540,854,155
2043	-	-	-	22,607,703,699	4.50%	339,115,555	565,192,592	339,115,555	565,192,592

Voted debt cannot exceed the aggregate of: 2.5% for general purposes, 2.5% for parks and open spaces, & economic development, and 2.5% for utility purposes



iii. Annual Debt Service

30 Year Debt Issuance

Interest Rate	5.00%	
Payments Per Year	1	
Term (Years)	30	
Total Bond	Annual Debt Service	Minimum General Fund Obligation
80,000,000	\$5,204,115	\$2,602,057.40
75,000,000	\$4,878,858	\$2,439,428.82
70,000,000	\$4,553,600	\$2,276,800.23
65,000,000	\$4,228,343	\$2,114,171.64
60,000,000	\$3,903,086	\$1,951,543.05

40 Year Debt Issuance

Interest Rate	5.00%	
Payments Per Year	1	
Term (Years)	40	
Total Bond		Annual Debt Service
80,000,000		\$4,662,253
75,000,000		\$4,370,862
70,000,000		\$4,079,471
65,000,000		\$3,788,080
60,000,000		\$3,496,690
		Minimum General Fund Obligation
		\$2,331,126.45
		\$2,185,431.04
		\$2,039,735.64
		\$1,894,040.24
		\$1,748,344.83

Like most capital projects, the Public Works Operation's Campus can be paid with a variety of revenue options, grants, and capital appropriations from other governmental entities. The City will have to issue a bond to pay for the overall construction costs. One way of looking at the construction costs is to look at how the City would pay the annual debt service for the project. Page 51 of the City's 2023/2024 Adopted Budget outlines the City's required debt service through 2028. As shown on the page, the City assumed the general fund would support \$1,951,543 in annual debt service for the Public Works Shops, Phase 2. Since the general fund is assumed to support 50 percent of the construction costs, with the utilities assuming the other half. This would support a total bond of \$60 million per year.

Based upon updated construction costs, for planning purposes the City is assuming a total all in construction cost of \$85 million. However, it's important to remember that the City will not need to bond for all of those costs. The City has already budgeted \$5.5 million in the 2023/2024 budgets to pay to get the City to 100 percent design for the project.

Total Maximum Potential Bond	
Total (Hard and Soft) Cost:	85,000,000
Cash Contribution:	(5,500,000)
Potential Total Bond:	79,500,000

General Fund and Utility Fund Allocations	
General Fund Allocation	39,750,000
Less Grants and One Time:	-
Less Land Sales:	-
Alternative Scopes:	-
Total:	39,750,000
General Fund Debt Service	2,585,795
Utility Fund Allocation	39,750,000
Less Grants	-
Alternative Scopes:	-
Less One Time Monies	-
Total, Utilities:	39,750,000
Utility Debt Service	2,585,795

The total potential bond obligations would be split 50/50³ between the general fund and utilities. The terms are 30 years, with 5% percent interest rates. The obligations above assume no land sales, no one time cost adjustments, and no grants/one time funding opportunities. It's essentially the max debt service model. However the debt service obligations are lowered if the City credits land sales and other one time funds to the project.

General Fund and Utility Fund Allocations, Adjusted	
General Fund Allocation	39,750,000
Less Grants and One Time:	2,000,000
Less Land Sales:	5,000,000
Alternative Scopes:	1,000,000
Total:	31,750,000
General Fund Debt Service	2,065,383
Utility Fund Allocation	39,750,000
Less Grants	-
Alternative Scopes:	
Less One Time Monies	-
Total, Utilities:	39,750,000
Utility Debt Service	2,585,795

The adjusted model (discussion purposes only) above assumes \$2 million in grants/one-time funds, \$5 million in land sales, and reducing the scope by \$1 million, lessening the general fund total debt service obligation to just over \$2 million per year. The use of one-time funds would significantly reduce the annual debt service the general fund would have to service per year.

General Fund Debt Service				
General Fund Bond Allocation:	39,750,000	34,750,000	29,750,000	24,750,000
Maximum Payment Required:	\$2,585,795	\$2,260,537	\$1,935,280	\$1,610,023
Debt Service in 2023/2024 Budget:	1,951,543	1,951,543	1,951,543	1,951,543
Max. Additional Gen. Funds Needed:	634,251	308,994	(16,263)	(341,520)

iv. Interest Rate Variable

30 Year Payments, Based On Interest Rate	Interest Rate				
Total Bond	4.50%	5.00%	5.50%	6.50%	7.00%
80,000,000	\$4,911,323	\$5,204,115	\$5,504,431	\$6,126,195	\$6,446,912
75,000,000	\$4,604,366	\$4,878,858	\$5,160,404	\$5,743,308	\$6,043,980
70,000,000	\$4,297,408	\$4,297,408	\$4,297,408	\$4,297,408	\$4,297,408
65,000,000	\$3,990,450	\$3,990,450	\$3,990,450	\$3,990,450	\$3,990,450
60,000,000	\$3,683,493	\$3,683,493	\$3,683,493	\$3,683,493	\$3,683,493

40 Year Payments, Based On Interest Rate	Interest Rate				
Total Bond	4.50%	5.00%	5.50%	6.50%	7.00%
80,000,000	\$4,347,452	\$4,662,253	\$4,985,627	\$5,655,498	\$6,000,731
75,000,000	\$4,075,736	\$4,370,862	\$4,674,026	\$5,302,029	\$5,625,685
70,000,000	\$3,804,020	\$3,804,020	\$3,804,020	\$3,804,020	\$3,804,020
65,000,000	\$3,532,305	\$3,532,305	\$3,532,305	\$3,532,305	\$3,532,305
60,000,000	\$3,260,589	\$3,260,589	\$3,260,589	\$3,260,589	\$3,260,589

STOP OF SECTION IN REVISED MEMO, DATED April 3, 2023

³ This is a place holder. Once the project is completed the City will true up the allocation.

v. Hypothetical Utility Annual Rent Payments

Assumes a bond of \$70,000,000 per year with fixed payments. Hypothetical total base rent is \$3,000,000 per year, with the utilities responsible for half of the rent cost. As is typical with all commercial leases, the base rent increase on an agreed upon amount. This amount would likely be set by an industry standards.

Hypothetical Rent (50% of estimated rent)	1,500,000		
Annual Cost Adjustment	5.00%		
Year	Total Debt Service	Utility Rent	General Fund Obligation
1	\$4,079,471	\$1,500,000	\$2,579,471
2	\$4,079,471	\$1,575,000	\$2,504,471
3	\$4,079,471	\$1,653,750	\$2,425,721
4	\$4,079,471	\$1,736,438	\$2,343,034
5	\$4,079,471	\$1,823,259	\$2,256,212
6	\$4,079,471	\$1,914,422	\$2,165,049
7	\$4,079,471	\$2,010,143	\$2,069,328
8	\$4,079,471	\$2,110,651	\$1,968,821
9	\$4,079,471	\$2,216,183	\$1,863,288
10	\$4,079,471	\$2,326,992	\$1,752,479

Staff is working on the cost share allocation with the City’s utility funds (water, sewer, and stormwater) to ensure that the utilities are paying their fair share for the improvements. This will most likely include the utilities paying rent to the general fund indefinitely for the site. In future years the rent would likely be higher than our debt service to reflect a change in market rent.

c. Construction Delay Costs

Construction is currently anticipated to begin on May 1, 2025, shortly after the existing tenant’s lease expires. Current estimates are that for every month in delay the project’s construction costs would increase approximately \$300,000 per month.

d. Phasing of the Project

A question came up at the February 27 Finance and Governance Committee meeting regarding a previously discussed phase 3 of the project. This comment seemed to be related to cost management and reducing the scope of the current project.

In 2019 the City Council authorized SHKS Architects to do site design planning for the public works shop site. A copy of the conceptual site design planning, including a three-phased total project is shown in the attachment provided. That proposed phasing would have resulted in the City demolishing and moving out of the Fleet and Facilities building. However, the City Council directed staff not to pursue the three phase plan and to instead plan around the Fleet and Facilities building remaining in its current location. The City Council also provided additional funds to improve the seismic status of the building to be one that can be useable after an earthquake.

Staff has taken this direction from Council and the project does not currently include a third phase and assumes the Fleet and Facility building will remain for the useful life of the building. Staff is working with the SOJ and Miller Hayashi to understand what, if any possible staging might be possible to the current Phase 2 program. However, most of the significant cost items will need to be completed early in the project. There might be some initial cost deferrals for the delaying construction of the proposed decant facility, but these would be cost deferrals and could result in added costs since construction costs would likely continue to rise.

III. List of City Facilities (Due to space, this was moved as an attachment).

IV. Monetization of Surplus City Properties (Due to space, this was moved as an attachment).

Attachment “B” is an updated list of properties that the City could monetize. If the vote to the RFA is successful, the City would not have to budget additional fire capital equipment into the D-20 model. This frees up land sales and leases to support other projects, such as the Public Works Operations Campus Phase 2. There is just under \$18 million in potential land sales available to the city over the next five years.

V. Intergenerational (Teen/Senior) Center Update

Information to be added.

VI. Minkler Shops and Levee Issues

Information to be added.

VII. Funding Principles

VIII. Public Works Phase 2 Specific Questions

- a. Can Public Works Phase 2 Be Done in Stages?
- b. Can spoils be located somewhere else doing design and construction phase?
- c. Cost of Operations Campus To Date (Requested by CM Sharp at March 21, 2023 Council Meeting)
 - i. Impacts of Terminating the Project

DISCUSSION

Information to be added.

FINANCIAL IMPACT

Information to be added.

RECOMMENDATION

This is intended to be a dynamic memo to be updated throughout spring to present a comprehensive report to the full City Council.

ATTACHMENTS

- SHKS Architects Phasing Outline
- Attachment “A,” Current Conditions and Overview of Key City Facilities
- Attachment “B,” Surplus Property Sale Opportunities
- Attachment “C” Debt Service

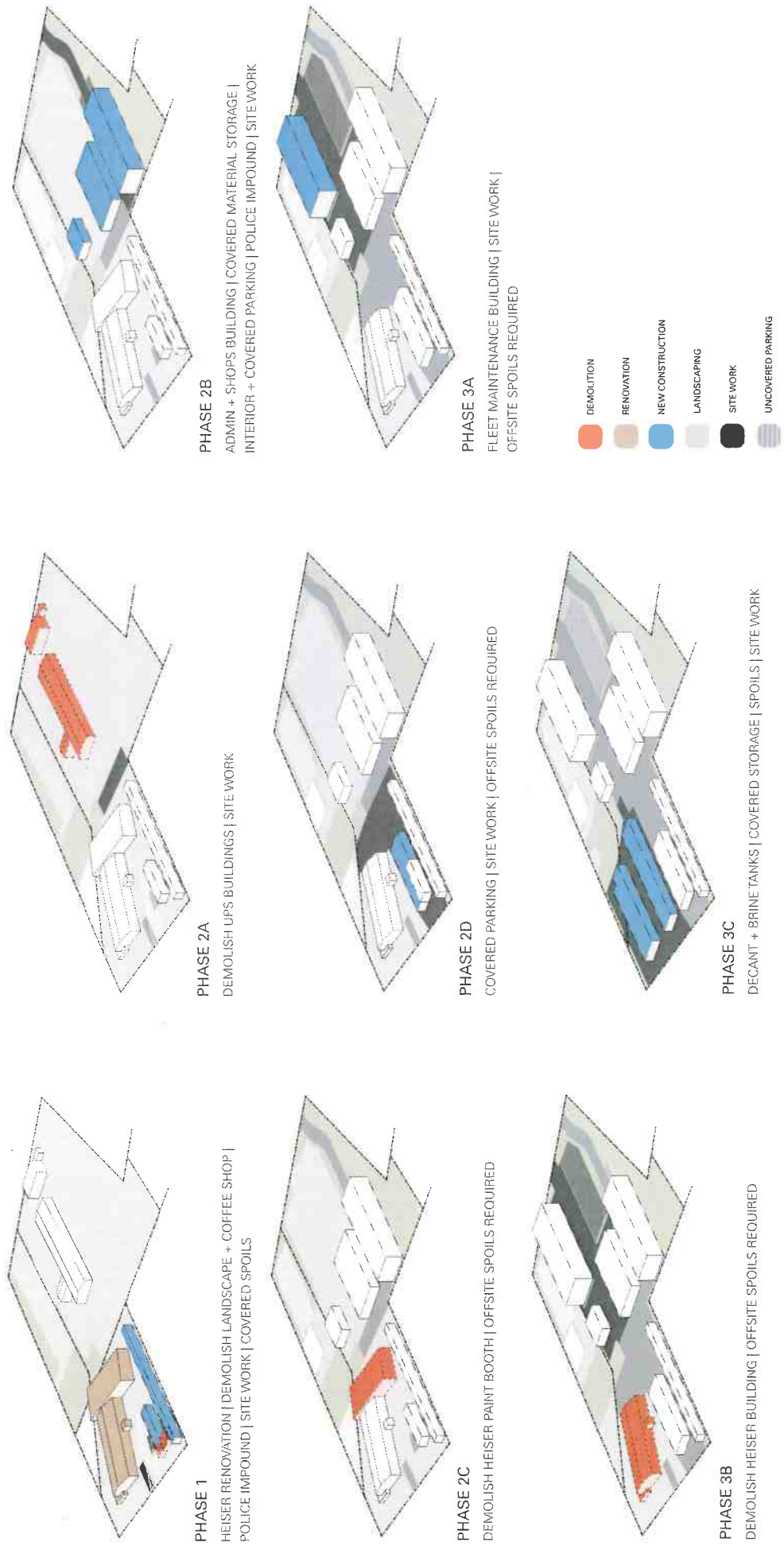


Figure 41 - TPW Master Plan - Phasing

DRAFT, March 13, 2023, March 21, 2023

Campus	Building Name	Year Built	Building Sq. ft.	Land Sq. ft.	Primary Use	Secondary/Backup Use	Seismic Risk	Flood Risk	TIs and Capital Costs (Last Ten Years)	Can be surplus?	Major Needs	Notes
City Hall	City Hall	1979	25,159	117,774	Administration and City Council	N/A				N/A		
	6300 Building	1980	33,230	67,417	Administration (DCD, PW, TIS, City Council meetings, and Administrative Services.)	Sound Cities Association (tenant)				Possibly, if City Hall campus operations were consolidated into other city facilities.		
Major Parks Facilities	Tukwila Community Center		557,568	35,260	Parks and Recreation offices; teen and senior activities; and meeting space.	Emergency shelter.				N/A	HVAC system needs to be replaced.	
	Foster Golf Club House	2004	14,656	N/A	Club house and restaurant for Foster Golf Links	N/A				N/A		
	Parks Maintenance Facility		2,900	N/A	Parks maintenance shops and offices.	N/A				N/A		

Attachment "A", Current Conditions and Overview of Key City Facilities

Public Safety Buildings	Justice Center	2021		123,859	Police, Court, and Emergency Operation's Center	Community meeting space.				N/A		
	Fleet and Facilities	2022	23,397	127,125	Public Works Operations, Fleet and Facilities	N/A			N/A	N/A		
	Minkler Shops	1972-1975	7,480	484,823	Public Works Streets and Utilities.	N/A			Yes, was part of the D-20 financing model.	N/A		Site also includes the P-17 Pond. King County and King County Flood District have expressed an interest in acquiring the property.
	Fire Station 51	2021	11,240	246,878	Fire Station	Community space.			N/A, will be turned over to the RFA, assuming a successful annexation vote.	N/A		
	Fire Station 52	2021	14,650	108,904	Fire Station	Community space, backup emergency operation's center.			N/A, will be turned over to the RFA, assuming a successful	None identified, new construction		Will be transferred to RFA.

Attachment “A”, Current Conditions and Overview of Key City Facilities

	George Long	1965	17,700	166,439	Vacant, some storage	None				Yes, was part of the D-20 financing model.		
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Attachment “B”, Surplus Property Sale Opportunities

Updated, March 21, 2023

Council Direction	Property Name	Status	Estimated Value	Contract or Final Sales Price	Notes	Budget Allocation
Property Sold or Under Contract	HealthPoint	Under contract with HealthPoint	N/A, under contract.	\$3,850,000	HealthPoint has already paid the City \$2,500,000. The final payment of \$1,350,000 is due by June 30, 2023.	In Fund 302 – Urban Renewal: \$1.85 million to pay off line of credit for Urban Renewal and TIB redevelopment. \$1 million for ERP system, \$1 million unallocated
	Travelers Choice	Sold, closed October 26, 2021	N/A, sold.	\$665,000	Part of mitigation measures for impacts with the Justice Center siting.	\$400,000 was budgeted to urban renewal/TIB redevelopment and \$265,000 to the Public Safety Plan (Fund 305)
Council Authorized Purchase and Sale Agreement	George Long	In progress.	\$3,225,000	N/A	Council authorized the Mayor to enter into purchase and sale agreement with King County. Still working to finalize	
Council Previously Briefed on Likely Surplus	Old Allentown Fire Station	Not yet started.	\$200,000	N/A		

Attachment "B", Surplus Property Sale Opportunities

	Longacres Parcel	Begun preliminary discussions about bringing property to market.	\$2,000,000	N/A	Previously allocated to Public Safety Plan; should annexation to the PSRFA occur these funds would not be needed for the Public Safety Plan. Not budgeted since Council has not given direction.
	Old Fire Station 51	On hold.	\$2,300,00	N/A	Previously allocated to Public Safety Plan; should annexation to the PSRFA occur these funds would not be needed for the Public Safety Plan. Not budgeted since Council has not given direction.
	Newporter	Not yet started.	\$1,000,000	N/A	
	Minkler Shops	Have had preliminary discussions with King County Flood District	\$4,200,000	N/A	Police is currently using the building for vehicle evidence storage. Cannot be sold until decision is made regarding Public Works Phase 2.
Additional Properties, No Council Direction Yet	Old Fire Station 52	N/A	N/A	N/A	Deed restriction on property limits the City's option with the property; required to stay in community use. Building will likely need to be demolished and the City will look at city other opportunities

Attachment “B”, Surplus Property Sale Opportunities

6300 Building	Not yet started.		\$4,000,000	N/A		with the property to expand Hazelnut park. Council has not previously been briefed on possible surplus of 6300 building. Until staff can be consolidated into other buildings, the City cannot surplus. Staff has been looking for tenants to lease vacant office space.	Funds have not been allocated, decision would need to be made regarding consolidation of city staff into City Hall or other City facility.		
Star Nursery Site	On hold		\$880,000	N/A		This property was purchased for the relocation of Fire Station 54, but construction of the station was deferred. The site was also identified as a possible site for a future teen/senior center.	Funds have not been allocated.		

Debt Service 2023-2028. This chart displays the general fund contribution to debt service for existing debt, planned debt and proposed debt over the 6-year projection period. The totals in the chart represent debt service payments; the totals do not take into consideration other revenue sources that offset the general fund obligation.

Use of Debt Proceeds	BUDGET		PROJECTIONS				TOTAL	
	2023	2024	2025	2026	2027	2028	2023-2028	
EXISTING DEBT:								
LTGO 2015	Interurban/Boeing Access Rd Brdg	392,475	389,375	391,125	387,575	391,050	392,050	2,343,650
	<i>Interurban</i>	227,636	225,838	226,853	224,794	226,809	227,389	
	<i>Boeing Access Road Bridge</i>	164,840	163,538	164,273	162,782	164,241	164,661	
LTGO 2017	42nd and 53rd Sidewalks	558,400	557,750	556,800	555,550	554,000	557,150	3,339,650
LTGO 2018	PW Shops	1,532,700	1,534,450	1,534,200	1,531,950	1,532,700	1,531,200	9,197,200
	50% paid by utility funds	(766,350)	(767,225)	(767,100)	(765,975)	(766,350)	(765,600)	(4,598,600)
LTGO 2019	PSP (Justice Center, Fire) & PW Shops	1,691,050	1,689,550	1,690,800	1,689,550	1,690,800	1,689,300	10,141,050
	22% paid by utility funds	(372,031)	(371,701)	(371,976)	(371,701)	(371,976)	(371,646)	(2,231,031)
SCORE 2019	South County Correctional Entity, SCORE Jail facility	376,876	376,914	377,126	376,861	377,054	376,693	2,261,524
Refunding	Estimated contribution by SCORE	(376,876)	(376,914)	(377,126)	(376,861)	(377,054)	(376,693)	(2,261,524)
LTGO 2020R	Southcenter Parkway Extension, emergency management	513,029	516,579	-	-	-	-	1,029,608
Refunding	<i>Southcenter Pkwy Extension</i>	376,307	378,911	-	-	-	-	
	<i>Emergency Management</i>	136,722	137,668	-	-	-	-	
LTGO 2021A	PW Shops	314,231	314,241	314,172	314,226	314,198	314,188	1,885,256
	50% paid by utility funds	(157,116)	(157,121)	(157,086)	(157,113)	(157,099)	(157,094)	(942,628)
LTGO 2021B	Urban Renewal	257,741	257,475	258,381	257,321	257,146	256,826	1,544,890
LTGO 2021C	Arterial Streets	542,569	-	-	-	-	-	542,569
Existing debt		\$ 5,019,728	\$ 4,479,953	\$ 3,449,316	\$ 3,441,383	\$ 3,444,469	\$ 3,446,374	\$ 22,251,614
PROPOSED DEBT:								
LTGO 2020	PW Shops-General Fund Portion	30,000,000	-	1,951,543	1,951,543	1,951,543	1,951,543	7,806,172
		\$ -	\$ -	\$ 1,951,543	\$ 1,951,543	\$ 1,951,543	\$ 1,951,543	\$ 7,806,172
TOTAL Estimate / Projections		\$ 5,019,728	\$ 4,479,953	\$ 5,400,859	\$ 5,392,926	\$ 5,396,012	\$ 5,397,917	\$ 30,057,786

