



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 24, 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 313004383#**

**Click here to: [Join Microsoft Teams Meeting](#)**

*For Technical Support during the meeting call: 1-206-433-7155.*

Item	Recommended Action	
<b>1. BUSINESS AGENDA</b>		
a. Monthly General Fund update (February 2023). <i>Tony Cullerton, Deputy Finance Director</i>	a. Discussion only.	<b>Pg.1</b>
a. Financial considerations regarding annexation into the PSRFA (Puget Sound Regional Fire Authority). <i>David Cline, City Administrator</i>	b. Forward to 5/8 C.O.W. Meeting.	<b>Pg.7</b>
<b>2. MISCELLANEOUS</b>		

**Next Scheduled Meeting:** *May 8, 2023*



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## INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**

FROM: **Tony Cullerton, Deputy Finance Director**

CC: **Mayor Ekberg**

DATE: **April 24, 2023**

SUBJECT: **February 2023 General Fund Departmental Budget-to-Actuals Report**

### Summary

The purpose of the February 2023 General Fund Financial Report is to summarize for the City Council the general state of departmental expenditures and to highlight significant items. The following provides a high-level summary of the departmental financial performance. The February 2023 report is based on financial data available as of March 31, 2023, for the period ending February 28, 2023.

### Expenditures

#### **Allocated Budget**

As of the end of February, all departments, with the exception of Fire, reported activity that is within their allocated budget. The increase in Fire is due to a \$3,5 million invoice to the Puget Sound Regional Fire Authority (PSRFA). This is a quarterly payment that was anticipated and budgeted to be paid in March. However, the invoice was received in mid-February and paid in February.

General Fund departmental expenditures totaled \$12.4 million through February, which is \$1,96 million above the allocated budget of \$10.5 million. This increase has been identified above with the early payment to the PSRFA. Department 20, which is transfers to other funds, reported no allocated budget or expenditure activity for the months of January and February. This is consistent with prior year spending patterns.

#### **Budget to Actual (% Expended)**

When comparing YTD spending to the percent of year completed (16.7%), two departments finished the month higher than 16.7%. **Finance** reported % Expended of 22.2%. This is attributed to an \$834,921 annual payment for the WCIA Liability Insurance premium. **Fire** ended the month at 26.9%, due to the early quarterly payment to the PSRFA contract.

**Departmental Variances**

Year to Date Department Expenditures Compared to Allocated Budget Through February 2023:

DEPARTMENT	BUDGET		ACTUAL			Allocated Budget vs Actual OVER/(UNDER)	%	\$ Change	% Change
	2023 Annual	2023 Allocated	2021	2022	2023				
	City Council	384,889	56,982	52,748	54,853	55,773	(1,208)	14.5%	920
Mayor's Office	2,502,666	454,930	237,228	275,003	397,288	(57,642)	15.9%	122,285	44.5%
Administrative Services	5,676,491	971,123	612,116	687,540	773,364	(197,759)	13.6%	85,824	12.5%
Finance Department	3,868,642	1,060,545	720,186	831,005	856,993	(203,552)	22.2%	25,987	3.1%
Rec Dept / Parks Maint	5,109,490	771,459	734,547	584,521	684,807	(86,651)	13.4%	100,287	17.2%
Community Dev	4,672,314	780,618	546,965	710,773	666,260	(114,358)	14.3%	(44,513)	-6.3%
Municipal Court	1,741,340	290,223	191,955	244,731	264,228	(25,995)	15.2%	19,497	8.0%
Police Department	22,746,448	4,144,623	2,958,632	3,058,958	3,531,574	(613,049)	15.5%	472,617	15.5%
Fire Department	14,790,120	295,670	2,313,101	2,346,086	3,972,978	3,677,308	26.9%	1,626,892	69.3%
PW Dept / Street Maint	7,574,988	1,628,247	1,863,177	1,061,423	1,209,983	(418,264)	16.0%	148,559	14.0%
<b>Subtotal</b>	<b>69,067,388</b>	<b>10,454,419</b>	<b>10,230,655</b>	<b>9,854,893</b>	<b>12,413,248</b>	<b>1,958,829</b>	<b>18.0%</b>	<b>2,558,355</b>	<b>26.0%</b>
Non Departmental	6,688,881	0	0	0	0	0	0.0%	0	0.0%
<b>Total Expenditures</b>	<b>75,756,269</b>	<b>10,454,419</b>	<b>10,230,655</b>	<b>9,854,893</b>	<b>12,413,248</b>	<b>1,958,829</b>	<b>16.4%</b>	<b>2,558,355</b>	<b>26.0%</b>
						% of Year	16.7%		

**2023 Compared to 2022**

Most departments reported increases over the same period compared to the prior year. This is expected due to increases in salaries due to contractual obligations and a general increase in the cost of ongoing expenditures. However, several departments reported increases greater than 5% and \$50,000 over the same period last year.

In addition to the standard salary increase, **Mayor's Office** reported an increase of \$122,285, (44.5%) over the same period last year. The cause of the increase is primarily a timing difference. Specifically, a timing difference in the payment of invoices in 2022 compared to 2023. This is evident with Attorney Services, Public Defender costs, and Prosecution Services.

Desc	2022	2023	\$	%
Salaries	109,904	119,382	9,478	8.6%
Attorney /Svs	33,000	66,000	33,000	100.0%
Pub Def	1,500	59,000	57,500	3833.3%
Prosecution Svs	12,500	25,000	12,500	100.0%

**Administrative Services** reported an increase of \$85,824 (12.5%). In addition to Salaries, the increase over the prior year is spread among the Admin Svcs. Divisions in the categories of Memberships and Online Services–Subscriptions. Memberships show a timing difference in paying invoices between years. The increase in Online Services-Subscriptions is shared among the different divisions within the department.

Desc	2022	2023	\$	%
Salaries	350,722	381,340	30,618	8.7%
Memberships	37,201	60,553	23,352	62.8%
Online Services-Subscriptions	42,057	101,836	59,779	142.1%

**Recreation / Parks Maintenance** reported an increase of \$100,287 (17.2%) over the same period last year. The largest portions of the increase are due to increased salaries related to the restoration of services and an increase in Security/Safety Svcs. expenditures over the prior year.

Div	Desc	2022	2023	\$	%
Rec	Salaries	210,500	228,275	17,774	8.4%
Rec	Extra Labor	421	11,556	11,135	2646.5%
Rec	Insurance-Liability	510	15,722	15,212	2982.6%
Parks Maint	Salaries	126,697	138,749	12,052	9.5%
Parks Maint	Security/Safety Svcs	1,400	17,003	15,603	1114.5%

**Police** reported an increase over the prior period of \$472,617 (15.5%). While this amount is significant, the causes of the increase are due to the usual reasons that we have previously seen in PD, including Salaries, OT, Benefits, Insurance Liability, Pension expenditures, and payroll taxes (FICA). However, there are a few new players in the game. Contracted Services increased due to costs related to Admin Team retreat (\$3,200) and the need for DNA testing as part of a homicide investigation (\$7,500). Dispatch experienced a rate increase for 2023. This was an approved budgeted item. Jail Services also had a rate increase for 2023. Additionally, the City received a credit pertaining to Jail Services in January 2022 of \$87,567, resulting in Jan 2022 reporting a lower than normal expenditure amount.

Description	2022	2023	\$	%
Salaries	109,904	119,382	9,478	8.6%
OT	105,113	171,031	65,918	62.7%
FICA	119,820	143,734	23,914	20.0%
LEOFF	65,943	81,850	15,907	24.1%
Medical, Dental, Life, Optical	19,591	34,805	15,214	77.7%
Contracted Services	1,200	10,749	9,549	795.7%
Dispatch	196,468	230,808	34,339	17.5%
Jail Svs	72,287	167,290	95,003	131.4%
Insurance-Liability	278,737	324,931	46,194	16.6%
Software Maintenance Contract	71,386	89,480	18,094	25.3%

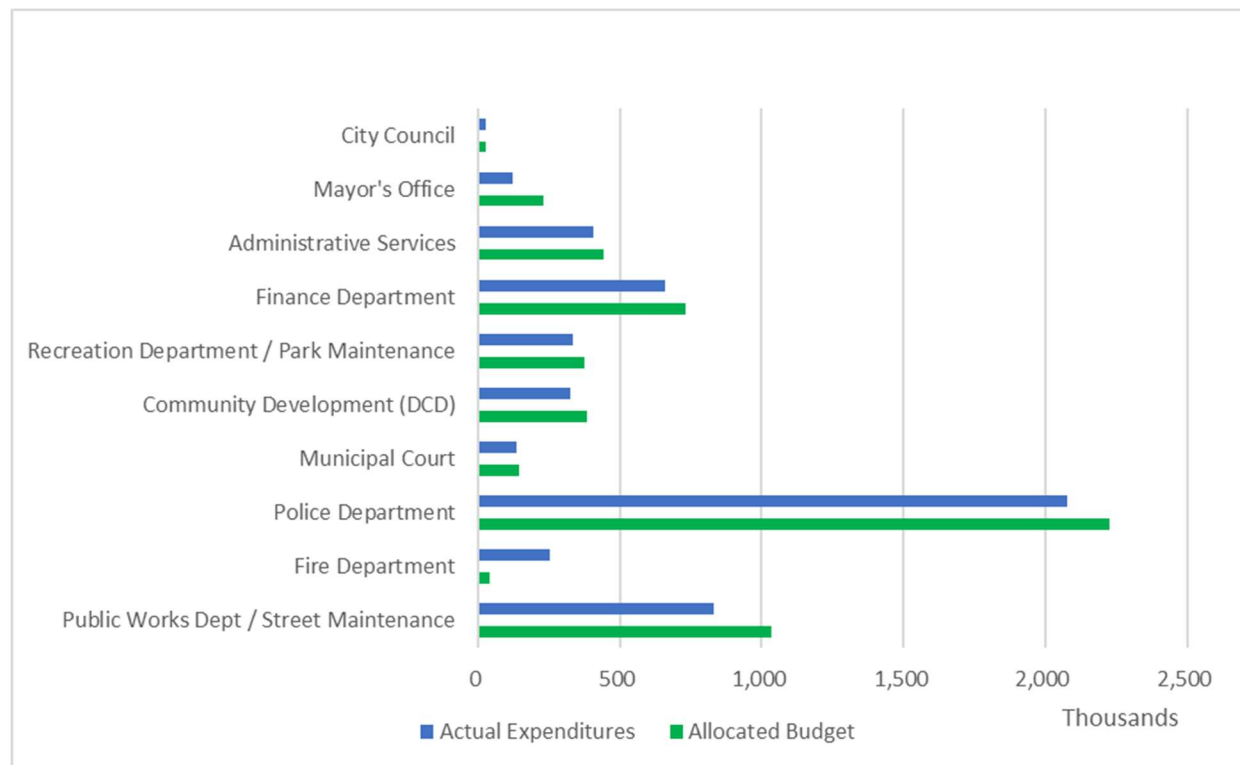
Fire has previously been addressed. The increase is the \$3,694,430 quarterly invoice paid to the PSRFA.

**Public Works / Street Maintenance** reported an increase of \$148,559 (14%). 60% of the increase is attributed to a \$92,059 increase in Insurance-Property premiums. The other significant increase is the collective rise in utility costs over the same period last year, attributed to the new Facilities Maintenance building that opened in June of 2022.

Division	Desc	2022	2023	\$	%
Pub Wks	OT	109,904	119,382	9,478	8.6%
Pub Wks	Insurance-Property	346,858	438,917	92,059	26.5%
Pub Wks	Electric Utility	79	55,857	55,778	70802.3%
Pub Wks	Natural Gas Utility	0	12,167	12,167	0.0%
Streets	Electric Utility	7,199	24,523	17,324	240.6%

This concludes the recap of notable variances within departments between 2022 and 2023. While overall General Fund departmental costs increased by 26% over the same period last year, the increase in expenditures were identified ahead of time and were budgeted for. As a reminder, all General Fund departments ended the month of February within their Allocated Budget, with the exception of Fire. The overage in Fire is solely due to an early payment to the PSRFA that was scheduled to be paid in March.

The graph below shows the Annual Budget, Actual Expenditures, and Allocated Budget amounts for the General Fund departments.



Per ordinance, the City adopts a biennial budget by fund. This is the required level of reporting for external authoritative sources of oversight such as of the Washington State Auditor’s office. This level of reporting is also utilized for the purposes of debt issuance and by other stakeholders.

For managerial reporting and internal use, the city reports activity at the department level. This provides more details and additional information used by decision makers within the city and those charged with governers. In an effort to provide an enhanced level of reporting, additional information is being provided for activity at the transaction level that reflect an increase of more than **5%** over the prior year AND **\$50,000**, that are part of a Category that is reporting total activity above the % of Year calculation.

The end of February represents completion of 16.7% of the year. **Total Services** is the only Category that reported total activity higher than 16.7%.

Within Total Services the event that tipped **Professional Services** was the Fire contract payment. **Professional Development** – The two largest contribution factors to the increase in Professional Development is Memberships, with a \$25,193 (26.7%) jump over 2022, and Registrations, with a \$9,101 (845%) increase over the prior year. **Utilities** costs are higher due to the new Fleet Facilities building. Staff moved into the new building in June of 2022. January – June of 2023, is expected to show an increase in costs when compared to the same period in 2022.

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General Fund  
City of Tukwila  
General Fund Expenditures

Year-to Date as of Feb 28, 2023

	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2023 Annual	2023 Allocated	2021	2022	2023	Allocated Budget vs Allocated OVER/(UNDER)	% Expended	Change	
								\$	%
			2022/2023		2022/2023				
Salaries	25,787,016	4,297,835	4,627,283	4,878,147	3,842,367	(455,469)	14.9%	(1,035,780)	(21.2%)
Extra Labor	769,106	82,358	859	41,959	54,499	(27,859)	7.1%	12,540	29.9%
Overtime	755,184	102,371	285,145	432,520	291,849	189,478	38.6%	(140,671)	(32.5%)
Holiday Pay	250,000	3,635	2,560	2,885	1,935	(1,700)	0.8%	(950)	(32.9%)
FICA	2,110,086	351,681	285,570	310,328	315,667	(36,014)	15.0%	5,339	1.7%
Pension-LEOFF	635,410	93,568	139,099	146,850	85,931	(7,637)	13.5%	(60,919)	(41.5%)
Pension-PERS/PSERS	1,744,919	290,820	269,506	239,320	253,845	(36,975)	14.5%	14,525	6.1%
Industrial Insurance	586,183	97,697	171,478	99,101	63,390	(34,307)	10.8%	(35,711)	(36.0%)
Medical & Dental	5,748,432	958,072	1,035,803	1,224,582	894,256	(63,816)	15.6%	(330,326)	(27.0%)
Unemployment	0	0	0	168	0	0	-	(168)	-
Uniform/Clothing	33,290	11,382	667	0	242	(11,140)	0.7%	242	-
	<b>38,419,627</b>	<b>6,289,420</b>	<b>6,817,968</b>	<b>7,375,860</b>	<b>5,803,982</b>	<b>(485,438)</b>	<b>15.1%</b>	<b>(1,571,879)</b>	<b>(21.3%)</b>
Supplies	678,334	109,862	74,869	5,172	42,017	(67,845)	6.2%	\$36,845	712.4%
Repairs & Maint Supplies	450,010	74,135	20,710	13,448	34,599	(39,536)	7.7%	\$21,151	157.3%
Resale Supplies	2,500	400	0	0	0	(400)	-	\$0	Null
Small Tools	213,203	35,234	4,049	3,306	5,936	(29,298)	2.8%	\$2,630	79.6%
Technology Supplies	110,798	18,466	5,978	3,659	2,741	(15,725)	2.5%	(\$918)	(25.1%)
Fleet Supplies	7,000	1,167	264	0	740	(427)	10.6%	\$740	-
	<b>1,461,845</b>	<b>239,263</b>	<b>105,870</b>	<b>25,584</b>	<b>86,033</b>	<b>(153,230)</b>	<b>5.9%</b>	<b>\$60,448</b>	<b>236.3%</b>
Professional Services	21,798,537	2,537,937	1,504,819	1,579,849	5,890,653	3,352,717	27.0%	\$4,310,805	272.9%
Communications	440,528	71,333	64,901	37,111	29,816	(41,516)	6.8%	(\$7,294)	(19.7%)
Professional Dev	570,359	127,680	135,082	99,662	144,328	16,648	25.3%	\$44,666	44.8%
Advertising	66,300	15,533	589	0	50	(15,483)	0.1%	\$50	-
Rentals	1,298,059	51,293	66,900	27,462	10,852	(40,440)	0.8%	(\$16,610)	(60.5%)
Technology Services	1,031,264	399,614	115,634	240,306	257,068	(142,545)	24.9%	\$16,763	7.0%
Utilities	2,244,354	329,571	1,160,913	31,341	116,467	(213,104)	5.2%	\$85,126	271.6%
Repairs & Maint Svs.	1,286,418	214,570	309,275	323,102	14,593	(199,977)	1.1%	(\$308,509)	(95.5%)
Miscellaneous	1,012,899	163,206	(51,296)	65,117	19,981	(143,225)	2.0%	(\$45,136)	(69.3%)
	<b>29,748,719</b>	<b>3,910,736</b>	<b>3,306,816</b>	<b>2,403,950</b>	<b>6,483,811</b>	<b>2,573,075</b>	<b>21.8%</b>	<b>4,079,861</b>	<b>169.7%</b>
Capital Outlay-Land	0	0	0	0	0	0	-	0	-
Other Improvements	0	0	0	0	0	0	-	0	-
Machinery & Equipment	420,000	15,000	0	49,499	0	(15,000)	-	(49,499)	(100.0%)
Construction Projects	0	0	0	0	39,423				
	<b>420,000</b>	<b>15,000</b>	<b>0</b>	<b>49,499</b>	<b>39,423</b>	<b>(15,000)</b>	<b>9.4%</b>	<b>(10,076)</b>	<b>(20.4%)</b>
Transfers Out	5,706,078	0	0	0	0	(5,706,078)	-	0	-
	<b>5,706,078</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(5,706,078)</b>	<b>-</b>	<b>0</b>	<b>-</b>
	<b>75,756,269</b>	<b>10,454,419</b>	<b>10,230,655</b>	<b>9,854,893</b>	<b>12,413,248</b>	<b>(3,786,672)</b>	<b>16.4%</b>	<b>2,558,355</b>	<b>26.0%</b>





## INFORMATIONAL MEMORANDUM

TO: **Committee of the Whole**

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

CC: **Mayor Ekberg**

DATE: **March 28, 2023 Updated April 18, 2023**

SUBJECT: **Financial Considerations Regarding Annexation to the Puget Sound Fire Authority**

### **ISSUE**

The Council has asked staff to provide additional information on financial considerations regarding annexation to the Puget Sound Fire Authority.

### **BACKGROUND**

In 2022 the City made the decision to contract with the Puget Sound Fire Authority (PSRFA) for the delivery of fire and EMS services in Tukwila. This decision was made based on a community-driven process that included formal recommendations from the City's Future of Fire and EMS Services Community Advisory Committee. That group recommended annexation to the PSRFA because of the high level of service the PSRFA is able to provide – above and beyond what Tukwila was able to provide with an in-house Fire Department – and because of the long-term financial sustainability of the provision of fire, EMS and other municipal services in Tukwila. The City Council adopted the Advisory Committee's recommendations, which the Mayor also supported, and the City began contracting with the PSRFA on January 1, 2023 with the goal of a formal annexation within two years. To access the report, visit <http://records.tukwilawa.gov/WebLink/ElectronicFile.aspx?docid=355066&dbid=1>.

### **OVERVIEW**

- Annexation into the RFA was the consensus of the 2021/2022 Future of Fire and EMS Services Advisory Committee in order to **ensure the long-term sustainability of funding Fire and EMS services** and to enhance Fire and EMS services in the City of Tukwila
- The Committee also understood that annexation would also provide the City a tool to address structural funding gaps; annexation would **allow the City to return to pre-pandemic service levels**
- **Annexation allows for a more equitable allocation of responsibility for funding fire services** as larger, more complex buildings pay a higher proportion of fire services
- As a part of the adopted 2023/2024 biennial budget, **the City anticipated lowering the City's property tax levy rate upon annexation in 2025**
- **The 2024 Council will ultimately make the decision** on what rate to levy as a part of the 2025/2026 budget, but the current adopted six-year plan includes the following assumptions:
  - **Reduce property taxes levied by the City**
  - **Return service levels to pre-pandemic levels**
  - In Q3 of 2023, **initiate the long-term fiscal sustainability planning effort**, which includes the formation of an advisory committee of residents and other

stakeholders to be completed in Q2 of 2024 to provide long-term fiscal solutions to the City Council in time to inform the 2025/2026 budget

- The 2023/2024 adopted budget includes the following property tax rates in the six-year plan:

City's Property Tax Rate for General Fund Purposes					
	Year	AV	PropTax	LevyRate	Difference
Actual	2020	7,883,057,562	\$ 16,251,567	2.06	
Actual	2021	8,010,892,032	\$ 17,124,167	2.14	\$ 872,600
Actual	2022	8,970,452,548	\$ 17,100,000	1.91	\$ (24,167)
Budget	2023	9,374,122,913	\$ 17,682,000	1.89	\$ 582,000
	2024	9,795,958,444	\$ 18,124,000	1.85	\$ 442,000
	<b>2025</b>	<b>10,236,776,574</b>	<b>\$ 11,457,720</b>	<b>1.12</b>	<b>\$ (6,666,280)</b>
	2026	10,697,431,520	\$ 11,801,452	1.10	\$ 343,732
	2027	11,178,815,938	\$ 12,155,495	1.09	\$ 354,043
	2028	11,681,862,655	\$ 12,520,160	1.07	\$ 364,665

- The decision regarding the City's 2025 property tax levy rate rests with the next Council. Similarly, the PSRFA cannot predict its 2025 rate as it is dependent on a number of factors, including the overall assessed value of every property in the RFA.
- Because of these realities the City can only rely on 2023 numbers and the assumptions referenced above to provide examples on the impacts to property owners.
- While staff have provided an example below on impacts to one single-family property below, it is important to remember that this is in 2023 dollars and that the Fire Benefit Charge (FBC) is calculated on square footage and therefore is specific to the example property below; a single-family home with less square footage than the example below will pay less FBC.
- The adopted six-year plan anticipates the following changes in property taxes with annexation for a single-family homeowner with a current assessed value of \$604,000 and square footage of 2,980 sq ft<sup>1</sup> (in 2023 dollars):

	City Property Tax <sup>2</sup>	RFA Property Tax	RFA Fire Benefit Charge	RFA Total Taxpayer Experience	Total
Pre-Annexation	\$1,481				\$1,481
Post Annexation	\$1,010	\$519	\$337	\$856	\$1,866
<i>Annual Difference in 2023 dollars</i>					<b>\$ 385</b>

- A single-family homeowner with a home with an assessed value of \$604,000 and square footage of 2,890 sq ft would pay an additional \$385 annually, approximately \$32 more a month to ensure Tukwila has:

<sup>1</sup> Fire Benefit Charge (FBC) is based on square footage to ensure larger buildings that require more resources to combat fires pay a larger share than smaller ones requiring less resources. Larger buildings pay more FBC than smaller ones; actual FBC cost are calculated directly a property's square footage.  
<sup>2</sup> Includes voter-approved Public Safety bond, approximately \$309 for this specific single-family house.

- Sustainably funded Fire and EMS services, increasing such services in our community including the CARES program that dispatches social workers and nurses to non-emergency calls to stabilize the most vulnerable residents and higher levels of public education and community engagement
- Returned City services to pre-pandemic levels, allowing more resources for Public Works, Technology, Permitting and Parks and Recreation

Sources:

2023/2024 Adopted Budget, Six-year plan on pages 53-54

Future of Fire and EMS Services Advisory Committee Report

### **UPDATE, APRIL 24, 2023 FINANCE & GOVERNANCE**

The Council has asked for more information regarding the potential financial impacts of annexation into the RFA.

#### Impacts to property owners:

Attached is a spreadsheet of various properties in Tukwila that shows, in 2023 dollars, what the Fire Benefit Charge and RFA tax levy would be for the specific parcels. It also shows the City's current full levy rate, which includes the voter-approved bonds, the reduction should the 2024 City Council choose to levy the rate currently in the six-year financial plan and the difference between today's levy rate and the combined RFA levy, FBC and reduced City levy. This information is for illustrative purposes only and is based on 2023 data, which is what is available.

#### Property Tax Exemptions for Seniors, Persons with Disabilities and Disabled Veterans

From the brochure "State law provides a tax benefit program for senior citizens, disabled persons, and veterans: property tax exemptions and property tax deferrals. Under the exemption program, the value of your Washington State residence is frozen for property tax purposes, and you become exempt from all excess and special levies and possibly regular levies – resulting in a reduction in your property taxes. The exemption is available for your primary residence and up to one acre of land. A mobile home may qualify, even if the land where the mobile home is located is leased or rented.

#### Basic Qualifications

1. Annual household income under \$58,423 (excluding VA disability compensation).
2. Own and occupy property as your principal residence for at least nine months per year, including nine months during 2019.
3. Are over the age of 61, disabled, or a veteran with at least an 80% total disability rating.

The Washington State Legislature recently passed a bill that will increase the household income threshold in King County to \$72,000, so more homeowners will be eligible for the exemption. This will go into effect for the 2024 tax cycle based on 2023 income. Currently 211 homeowners in Tukwila are enrolled in the program.

#### Considerations for the 2024 Council:

As has been discussed, the 2023/2024 biennial City budget is balanced. The 2025/2026 budget process, which will take place in 2024, will determine the service levels for the next biennium, which are directly tied to City revenues. Considerations the next Council will need to work through include:

- Recommendations from the long-term fiscal sustainability effort, which will be informed by a professional firm selected through an RFQ process and a stakeholder advisory group made up of residents, businesses and other interested parties
- Community input and engagement on what service levels the Tukwila community desires
- Outcome of the August 1, 2023 election
- Weighing service levels with revenues; should the 2024 Council choose to reduce revenues it will result in reduced service levels, which would likely include reduction of staffing in many departments, including contracted services, and elimination of current services to the community.

**RECOMMENDATION**

Information Only

**ATTACHMENTS**

Representative property information

Guide to Property Tax Exemptions Brochure (King County Assessor)

Parcel Type / Name	2023 Assessed Value	FBC Square Footage	FBC Discounts	RFA2023 Lewy (-.86447/1000)	RFA2023 FBC	Retail Tax 2023	2023 Tukwila Full Levy Rate (2.45234/1000)	Tukwila 1.12 + voter approved	RFA + \$1.12+voter approved	Difference between current full rate, RFA and \$1.12
<b>Commercial Parcels</b>										
Rate Multiplier = 0.86447 2.45234 1.62506 2.48953										
Hotel 1	\$ 30,196,600.00	294,432 Sq Ft	Sprinkler & Alarm Discount	\$ 26,104.05	\$ 22,339.57	\$ 48,443.62	\$ 74,052.33	\$ 49,071.29	\$ 97,514.91	\$ 23,462.58
Fast Food Restaurant	\$ 10,563,000.00	2084 Sq Ft	Sprinkler & Alarm Discount	\$ 9,131.40	\$ 311.09	\$ 9,442.49	\$ 25,904.07	\$ 17,165.51	\$ 26,608.00	\$ 703.93
Large Box Retail 1	\$ 173,923,000.00	189,743 Sq Ft	Sprinkler & Alarm Discount	\$ 150,351.22	\$ 21,942.13	\$ 172,293.35	\$ 426,518.33	\$ 282,635.31	\$ 454,928.66	\$ 28,410.33
Large Box Retail 2	\$ 159,848,000.00	113,273 Sq Ft	Sprinkler & Alarm Discount	\$ 138,183.80	\$ 16,953.49	\$ 155,137.29	\$ 392,001.64	\$ 259,762.59	\$ 414,899.88	\$ 22,898.24
Large Retail	\$ 74,435,000.00	57,084 Sq Ft	Sprinkler & Alarm Discount	\$ 64,346.82	\$ 8,752.87	\$ 73,099.69	\$ 182,539.93	\$ 120,961.34	\$ 194,061.04	\$ 11,521.11
Hotel 2	\$ 13,156,000.00	62,337 Sq Ft	Sprinkler & Alarm Discount	\$ 11,372.97	\$ 9,146.74	\$ 20,519.71	\$ 32,262.99	\$ 21,379.29	\$ 41,899.00	\$ 9,636.01
Large Box Retail 3	\$ 25,959,700.00	222,444 Sq Ft	Sprinkler & Alarm Discount	\$ 22,441.38	\$ 34,826.78	\$ 57,268.16	\$ 63,662.01	\$ 42,186.07	\$ 99,454.23	\$ 35,792.22
Large Box Retail 4	\$ 25,600,080.00	178,162 Sq Ft	Sprinkler & Alarm Discount	\$ 22,130.50	\$ 21,261.96	\$ 43,392.46	\$ 62,780.10	\$ 41,601.67	\$ 84,994.13	\$ 22,214.03
Auto Oriented Business 21	\$ 2,555,400.00	13,439 Sq Ft	Sprinkler & Alarm Discount	\$ 2,209.07	\$ 1,658.96	\$ 3,868.03	\$ 6,266.71	\$ 4,152.68	\$ 8,020.70	\$ 1,754.00
Office Building 1	\$ 29,943,000.00	255,317 Sq Ft	Sprinkler & Alarm Discount	\$ 25,884.83	\$ 37,311.50	\$ 63,196.33	\$ 73,430.42	\$ 48,659.17	\$ 111,855.50	\$ 38,425.08
Self Storage	\$ 9,508,100.00	75,000 Sq Ft	Sprinkler & Alarm Discount	\$ 8,219.47	\$ 10,032.84	\$ 18,252.31	\$ 23,317.09	\$ 15,451.23	\$ 33,703.54	\$ 10,386.45
Office Building 2	\$ 7,861,200.00	34,662 Sq Ft	Sprinkler & Alarm Discount	\$ 6,795.77	\$ 6,820.57	\$ 13,616.34	\$ 19,278.34	\$ 12,774.92	\$ 26,391.26	\$ 7,112.93
Restaurant	\$ 5,021,700.00	9930 Sq Ft	Sprinkler & Alarm Discount	\$ 4,341.11	\$ 1,330.95	\$ 5,672.06	\$ 12,314.92	\$ 8,160.56	\$ 13,832.62	\$ 1,517.71
Auto Oriented Business 2	\$ 11,987,400.00	81,756 Sq Ft	Sprinkler & Alarm Discount	\$ 10,362.75	\$ 10,474.98	\$ 20,837.73	\$ 29,397.18	\$ 19,480.24	\$ 40,317.97	\$ 10,920.79
Industrial Retail	\$ 13,043,100.00	106,607 Sq Ft	Sprinkler & Alarm Discount	\$ 11,275.37	\$ 16,447.08	\$ 27,722.45	\$ 31,986.12	\$ 21,195.82	\$ 48,918.27	\$ 16,932.15
Auto Oriented Business 3	\$ 5,427,800.00	39,000 Sq Ft	Sprinkler & Alarm Discount	\$ 4,692.17	\$ 7,234.78	\$ 11,926.95	\$ 13,310.81	\$ 8,820.50	\$ 20,747.45	\$ 7,436.64
Vacant Parcel	\$ 16,562,200.00	0 Sq Ft	No Discounts (No FBC)	\$ 14,317.53	\$ -	\$ 14,317.53	\$ 40,616.15	\$ 26,914.57	\$ 41,232.09	\$ 615.95
<b>Apartment Parcels</b>										
Apartment Building 1	\$ 3,398,000.00	18,920 Sq Ft	No Discounts	\$ 2,937.47	\$ 7,157.83	\$ 10,095.30	\$ 8,333.05	\$ 5,521.95	\$ 15,617.25	\$ 7,284.20
Apartment Building 2	\$ 7,775,000.00	36,534 Sq Ft	No Discounts	\$ 6,721.25	\$ 9,946.47	\$ 16,667.72	\$ 19,066.94	\$ 12,634.84	\$ 29,302.57	\$ 10,235.62
Apartment Building 3	\$ 39,044,000.00	160,700 Sq Ft	No Discounts	\$ 33,752.37	\$ 40,794.22	\$ 74,546.59	\$ 95,749.16	\$ 63,448.84	\$ 137,995.43	\$ 42,246.27
Apartment Building 4	\$ 24,183,000.00	82,630 Sq Ft	Sprinkler & Alarm Discount	\$ 20,905.48	\$ 18,922.57	\$ 39,828.05	\$ 59,304.94	\$ 39,298.83	\$ 79,126.87	\$ 19,821.94
Apartment Building 5	\$ 11,597,400.00	72,697 Sq Ft	No Discounts	\$ 10,025.60	\$ 21,513.71	\$ 31,539.31	\$ 28,440.77	\$ 18,846.47	\$ 50,385.79	\$ 21,945.02
<b>Residential Parcels</b>										
Maple Tree Park - House	\$ 751,000.00	3020 Sq Ft	No Discounts	\$ 649.22	\$ 341.22	\$ 990.44	\$ 1,841.71	\$ 1,220.42	\$ 2,210.86	\$ 369.15
Allentown - House	\$ 393,000.00	1100 Sq Ft	No Discounts	\$ 339.74	\$ 179.91	\$ 519.65	\$ 963.77	\$ 638.65	\$ 1,158.30	\$ 194.53
Riverton - House 1	\$ 668,000.00	2790 Sq Ft	No Discounts	\$ 577.47	\$ 315.26	\$ 892.73	\$ 1,638.16	\$ 1,085.54	\$ 1,978.27	\$ 340.10
Foster - House 1	\$ 647,000.00	3000 Sq Ft	No Discounts	\$ 559.31	\$ 338.98	\$ 898.29	\$ 1,586.66	\$ 1,051.41	\$ 1,949.71	\$ 363.04
West Hill - House	\$ 604,000.00	2980 Sq Ft	No Discounts	\$ 522.14	\$ 336.73	\$ 858.87	\$ 1,481.21	\$ 981.54	\$ 1,840.41	\$ 359.19
Riverton - House 2	\$ 396,000.00	1580 Sq Ft	No Discounts	\$ 342.33	\$ 215.60	\$ 557.93	\$ 971.13	\$ 643.52	\$ 1,201.45	\$ 230.33
Tukwila Hill - House 1	\$ 452,000.00	2100 Sq Ft	No Discounts	\$ 390.74	\$ 248.57	\$ 639.31	\$ 1,108.46	\$ 734.53	\$ 1,373.84	\$ 265.38
Foster - House 2	\$ 477,000.00	2060 Sq Ft	No Discounts	\$ 412.35	\$ 246.19	\$ 658.54	\$ 1,169.77	\$ 775.15	\$ 1,433.70	\$ 263.93
Tukwila Hill - House 2	\$ 497,000.00	3310 Sq Ft	No Discounts	\$ 429.64	\$ 374.00	\$ 803.64	\$ 1,218.81	\$ 807.65	\$ 1,611.30	\$ 392.48
Riverton - House 3	\$ 508,000.00	2020 Sq Ft	No Discounts	\$ 439.15	\$ 243.75	\$ 682.90	\$ 1,245.79	\$ 825.53	\$ 1,508.43	\$ 262.64
Thorndyke - House 1	\$ 556,000.00	2120 Sq Ft	No Discounts	\$ 480.65	\$ 249.71	\$ 730.36	\$ 1,363.50	\$ 903.53	\$ 1,633.89	\$ 270.39
McMicken - House 1	\$ 587,000.00	2700 Sq Ft	No Discounts	\$ 507.44	\$ 305.08	\$ 812.52	\$ 1,439.52	\$ 953.91	\$ 1,766.43	\$ 326.91
Tukwila Hill - Condo 1	\$ 244,000.00	795 Sq Ft	No Discounts (Need to Check for Sprinklers)	\$ 210.93	\$ 212.43	\$ 423.36	\$ 598.37	\$ 396.51	\$ 819.88	\$ 221.50
Cascade View - Condo 1	\$ 234,000.00	945 Sq Ft	No Discounts	\$ 202.29	\$ 231.57	\$ 433.86	\$ 573.85	\$ 380.26	\$ 814.12	\$ 240.27
McMicken - House 2	\$ 575,000.00	2600 Sq Ft	No Discounts	\$ 497.07	\$ 293.79	\$ 790.86	\$ 1,410.10	\$ 934.41	\$ 1,725.27	\$ 315.17
Thorndyke - House 2	\$ 508,000.00	3110 Sq Ft	No Discounts	\$ 439.15	\$ 351.44	\$ 790.59	\$ 1,245.79	\$ 825.53	\$ 1,616.12	\$ 370.33





**King County**

**Department of Assessments**

Assessor John Wilson

# Guide to Property Tax Exemptions for **SENIORS, PERSONS WITH DISABILITIES, AND DISABLED VETERANS**



## **TAX EXEMPTIONS**

**Did you know?** State law provides a tax benefit program for senior citizens, disabled persons, and veterans: property tax exemptions and property tax deferrals.

Under the exemption program, the value of your Washington State residence is frozen for property tax purposes, and you become exempt from all excess and special levies and possibly regular levies – resulting in a reduction in your property taxes. The exemption is available for your primary residence and up to one acre of land. A mobile home may qualify, even if the land where the mobile home is located is leased or rented.

If you meet all of the basic qualifications apply online here:

[taxrelief.kingcounty.gov](https://taxrelief.kingcounty.gov)

## BASIC QUALIFICATIONS

- Annual household income under \$58,423 (excluding VA disability compensation).
- Own and occupy property as your principal residence for at least nine months per year, including nine months during 2019.
- Are over the age of 61, disabled, or a veteran with at least an 80% total disability rating.



For more information, contact the Assessor's Office by phone or email.  
206-296-3920, [exemptions.assessments@kingcounty.gov](mailto:exemptions.assessments@kingcounty.gov)

### **Are you a disabled veteran with a less than 80% VA disability rating?**

You still might qualify under the disability qualification with the Proof of Disability Statement from the Department of Assessments signed by your doctor or your initial award letter from the Social Security Administration.

## MOVING?

### **What if I move?**

If you purchase a new home, condo or mobile home, you may be able to transfer your exemption to the new property. You would have to reapply and qualify for the exemption at the new property. A new frozen value will be established for the new property based on the new information.

### **What if my children help me with my monthly expenses?**

We would not consider gifts from your children as income but you would need to report the amount to us.



If you meet all of the basic qualifications apply online here:

[taxrelief.kingcounty.gov](https://taxrelief.kingcounty.gov)



## FREQUENTLY ASKED QUESTIONS

### **Why does my IRS return AGI indicate that I am below \$58,423 yet I am still denied the exemption?**

One reason may be that Federal tax law is not the same as the laws governing the Washington State property tax relief program. While we use the IRS return as a starting point, we do consider other sources of income that Federal law may not consider taxable.

Two examples of differences between Federal IRS laws and Washington State laws are:

- Under Federal IRS laws, Social Security Benefits may be completely excluded from your taxable income, or may be considered partially taxable or fully taxable depending on your individual circumstances.

For the Washington State property tax exemption program, we consider all of your social security as income, so we must add back any amount that was excluded in the AGI calculation on your federal return.

- Under Federal IRS laws, capital losses are an allowable deduction from any capital gains you may have from your investments.

For the property tax exemption program, we do not allow any deductions of any capital losses. Capital gains are added to the AGI calculation without any loss deduction. Both of these items could result in your income exceeding the \$58,423 income limit for the property tax exemption program even though the AGI on your tax return is below \$58,423.

## RENEWALS

### **Will I need to reapply if I have already been approved for the exemption?**

You will be required to reapply for the exemption at least once every 4 years. We will send a renewal application when it is time for you to reapply. You will need to provide proof of identification, ownership, and income data when you return the renewal form.

### **What happens if I fail to respond to a renewal request?**

If you fail to return your renewal form and the necessary documents, you will be removed from the program and you will begin paying the full tax amount based on your property's current market value.

If you meet all of the basic qualifications apply online here:

[taxrelief.kingcounty.gov](https://taxrelief.kingcounty.gov)

## FREQUENTLY ASKED QUESTIONS *continued*

### **What if I fail to send in my documents with my renewal request?**

We will send you an email or letter requesting the missing information. You will have 30 days to respond. If we still do not hear back you will receive a second notice, your exemption will be removed and you will begin paying the full tax amount based on your property's current market value.

### *FROZEN VALUES*

#### **What is a frozen value?**

The market value of your home is “frozen” as of January 1st of the initial year you qualify for the property tax exemption. For each year after your initial approval, you will be taxed on either the frozen value or current market value if lower.

#### **Can my original frozen value go higher?**

Yes. If your home undergoes new construction or a remodel, say a new bedroom, the value for the new addition or remodel is added to your frozen value. This new total will become your new frozen taxable value.

### *INCOME*

#### **What if I am over the income limit for more than one year?**

If your income has increased for more than one year, you will be removed from the exemption program and will begin paying the higher tax rate on your property's current market value. If, at some point in the future, your income is again below the \$58,423 limit, you can reapply to the program. If you are off the program for more than one year, a new frozen value will be determined for the year you reapply.

#### **What if I have a change in income and it is not time for me to renew my application?**

It is your obligation to let the Exemption Unit know when you have any life-altering situation affecting your exemption, such as new income source or change in ownership. Please call us at 206-296-3920 or write to us so we can discuss the situation.

For example:

- If you reach 70.5 years of age, you may need to start drawing on your IRA or Annuity funds. This could result in a change to your exemption level.
- If you lose a spouse or partner, this could result in a change in your exemption level.

If you meet all of the basic qualifications apply online here:

[taxrelief.kingcounty.gov](https://taxrelief.kingcounty.gov)

## FREQUENTLY ASKED QUESTIONS *continued*

- If you give all or a portion of your property to someone else, this could result in a change in your exemption level.
- If in doubt about whether your changing circumstances could affect your exemption level, please contact our office for assistance at **206-296-3920**.

### **What happens if I have been on the program for several years and now do not qualify?**

If your income goes over the \$58,423 limit, you must be removed from the program for the one year you do not qualify. You will pay the higher taxes on your current market value for that one year. However, you may reapply the next year and may be reinstated at your original frozen value if your income returns to a level below the \$58,423 in that next year. You would only pay the higher taxes for the one year that you do not qualify.

For example:

Your annual income goes over the \$58,423 limit due to a one-time IRA disbursement. We will remove you from the program for that year and you will pay your regular tax bill based on your current market value. If your income returns to levels below the \$58,423 limit, you can reapply for the next tax year, return to the original frozen value and start receiving the reduction in taxes again.

### **What do I do if I have no income or am extremely low income?**

Even if you have no income, you are paying your expenses with some funding source. In many cases seniors use reverse mortgages, receive funds from their children or use savings accounts to pay their household expenses. While these sources are not considered “income” in the calculation of your disposable income, they are a source of funds and you must report the source and the amount to us. It is acknowledged that there are inherent costs to living and maintaining a home. Items such as food, gas for the car and utilities are paid at the very least.



If you meet all of the basic qualifications apply online here:

**[taxrelief.kingcounty.gov](https://taxrelief.kingcounty.gov)**

# THE APPLICATION PROCESS AND IRS QUESTIONS

## What if I need assistance filing the online application or have questions about the documentation you require?

Please call our office at **206-296-3920**. We have experienced exemptions staff ready and willing to assist you in completing your forms. They can also answer questions about which documents you should provide.

## Once I have applied for an exemption, when will I hear from your office?

We will send an email or letter notifying you that we have your application. Depending on the current workload, you should receive another email or letter within 4-6 weeks. This second message will state that you have: (1) been approved for an exemption; (2) been denied the exemption (we will provide you with your appeal rights); or (3) provided insufficient documentation and we still need more information.

## Why do you want my IRS return?

Federal tax laws and the property tax relief laws are different. However, we use the IRS return as a starting point to calculate and verify your income and to determine your exemption level.

## What if I do not file an IRS return?

We will still need verification of your income sources. We will request information such as bank deposits, 1099s, reverse mortgage information, social security statements or other year-end statements that provide information on how you pay your daily, monthly and yearly expenses.



**King County**

**Department of Assessments**

Assessor John Wilson

[kingcounty.gov/assessor](http://kingcounty.gov/assessor)

Alternative formats available.

Please call 206-296-3920 or TTY:711

If you meet all of the basic qualifications apply online here:

[taxrelief.kingcounty.gov](http://taxrelief.kingcounty.gov)