

# CITY OF TACOMA

## Office of Management & Budget

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TO: Fiscal Sustainability Task Force

FROM: Andy Cherullo, Finance Director, and Tadd Wille, Budget Officer

SUBJECT: **RESPONSE TO TASK FORCE QUESTIONS**

DATE: August 7, 2013

This correspondence provides answers to questions that have arisen from Task Force Members since the first Task Force meeting on June 19, 2013. A majority of the following questions are from the Task Force meetings on July 10 and July 24. During these meetings, staff presented overviews on both the City's Expenses and Revenues. Please let staff know if you have any additional questions.

### **2003-2008 Expenditure Increase**

*Task Force members requested a detail report on the increase in expenses between 2003 and 2008.*

Staff provided an initial response at the July 24, meeting. Additional detail on the expenditure increases is shown on Attachment 1. Attachment 1 reviews the changes in actual expenditures by department and by cost category from 2003-2014. Additionally, the attachment shows the change in the number of Full Time Equivalents (FTEs) by department between the budget periods.

### **Utility Rates**

*The Task Force asked if the utility rate information (from Gross Earnings Tax Presentation) included all of the additional fees charged by other jurisdictions and Tacoma Public Utilities?*

The comparison information on the utility rates of Tacoma compared to other jurisdictions is all-inclusive. They compare what Tacoma Power charges for its full bill including energy, delivery, and the customer charge (and taxes are embedded too). The comparative utility costs are normalized to show as if the same services were provided in Tacoma and subject to the same taxes that would apply to Tacoma Power. The Task Force mentioned Low Income Assistance in their discussion. Attachment 2 is a handout on the Low Income Assistance Program.

### **Quarterly Financial Report**

*The Task Force requested that staff provide electronic copies of the most recent quarterly budget update as soon as it is available.*

Staff sent the quarterly budget information in an email on August 5. Staff will provide a brief presentation on the quarterly financial report at the August 7 meeting. Additionally, Attachment 3 includes a copy of the Second Quarter Financial Report.

### **Assumptions in the 2015-2018 Projection**

*Task Force members asked for a summary of the assumptions used to develop the 2015-2018 projection.*

At the Task Force's first meeting, staff provided an overview of the 2015-2018 projection. Slides 19 through 27 provide an overview of the assumptions in the 2015-2018 projection. Staff provided a summary of the assumptions in the Recap of Major Expenses and Revenues handout. This handout is included in the August 7 packet and will be reviewed as part of item 7 on the August 7 agenda.

## **Tax Exemption for Multi-Family and Historic Properties**

*Task Force members requested additional information on the Multi-Family Tax Exemption program. Specifically the Task Force asked the following questions: What is the impact on property taxes from the 8 and 10 year tax exemptions offered to multi-family housing developers? Are we seeing any payback? How are property tax estimates impacted by these properties returning to the tax rolls? What was the rationale for the property tax exemption for multi-family housing?*

The City of Tacoma has two types of property tax exemptions, the Multi-Family Properties exemption and the Historic Rehabilitation exemption.

The City of Tacoma Multi-Family Property Tax Exemption Program is designed to encourage development of market rate and affordable housing. Attachment 4 includes a description of the Multi-Family Property Tax Exemption and an overview of all of the properties currently in the Multi-Family Property Tax Exemption program.

By year 2021, the City of Tacoma anticipates 92 tax exempt multi-family developments coming onto the property tax roll. The assessed values shown in the attachment are for 2012. These assessed values could change when the properties come on the tax rolls, which would change the amount of property tax collected by the City.

The City of Tacoma Historic Rehabilitation Property Tax Exemption Program is designed to encourage restoration and reuse of historic structures. Attachment 5 is a description of the Historic Rehabilitation Property Tax Exemption Program.

## **Legislative Intent of the Gross Earnings Tax Limit**

*The Task Force requested information on the legislative intent on the state statute that requires a vote before gross earnings taxes can be raised above 6% on electricity, natural gas and telephone utilities.*

The tax rate was set in ESB 4972, passed by the Legislature in 1982. The bill which enacted RCW 35.21.870 was ESB 4972, an initiative of the Association of Washington Cities to bring some additional revenue to local government. The bill was passed along with a number of other tax proposals that both standardized and limited the tax rates cities and towns could charge businesses. While the proposal included an additional half-cent sales tax and a new real estate excise tax and created a sales tax equalization program for sales tax poor cities, it also capped on nearly all local government tax rates, rolled back the rates on utilities, banned the imposition of impact fees (known as “development fees” back then), and imposed requirements for referendum on any councilmanic tax increases.

## **Revenue Composition of Other Jurisdictions**

*The Task Force requested a comparison of the revenue composition of other jurisdictions.*

Staff reviewed the Budget documents for the Bellevue, Seattle, Tacoma, Olympia, Fife, Spokane, Lakewood, Federal Way, Puyallup and Vancouver. Attachment 6 provides a summary of the composition of the cities’ general fund revenues based on major revenue sources. Attachment 6 includes links to the budget documents of the comparison cities:

# **Attachment 1**

## EXERCISES

		General Fund by Department								
2003/2004 Actual	2007/2008 Actual	2013/2014 Budget	2007/2008		2013/2014		2007/2008		2013/2014	
			O / (U)	%	O / (U)	%	O / (U)	%	O / (U)	%
City Attorney's Office	5,845,502	6,342,994	7,526,280	497,493	1,680,779	9%	64.5	48.0	61%	20%
City Council	1,749,326	1,342,024	1,155,688	(407,301)	(593,638)	(23%)	11.0	11.0	5%	5%
City Manager	1,706,971	2,012,135	1,502,636	305,164	(204,335)	18%	12.8	8.8	166%	83%
Community & Economic Development	7,024,144	7,042,002	7,272,375	17,858	248,231	0%	28.6	15.9	(15%)	(53%)
Finance	7,800,302	5,488,128	7,331,030	(2,312,174)	(469,272)	(30%)	84.0	70.0	4%	(13%)
Fire	75,247,003	88,989,433	90,102,408	13,742,430	14,855,405	18%	368.1	285.3	(0%)	(23%)
Government Relations	321,797	401,377	800,962	79,579	479,165	25%	2.0	1.5	-	(25%)
Hearing Examiner	493,728	639,566	518,073	145,838	24,345	30%	3.3	2.5	(22%)	(24%)
Human Resources	2,386,282	2,418,445	2,251,739	32,163	(134,542)	1%	22.5	28.4	24%	56%
Library	22,693,960	23,573,419	22,515,156	879,459	(178,805)	4%	129.7	104.8	(5%)	(23%)
Municipal Court	8,771,307	9,822,450	7,022,726	1,051,143	(1,748,581)	12%	38.1	24.1	(6%)	(41%)
Neighborhood & Community Services	10,333,526	14,162,470	15,118,437	3,828,944	4,784,911	37%	19.1	39.6	(22%)	63%
Planning & Development Services	1,533,268	4,085,944	3,927,728	2,552,676	2,394,460	166%	-	8.0	-	-
Police	108,050,021	136,437,284	143,428,570	28,387,263	35,378,549	26%	423.0	346.2	2%	(16%)
Public Works	41,810,497	52,404,641	22,769,097	10,594,144	(19,041,401)	25%	214.9	7.9	11%	(96%)
Non Departmental	39,088,908	59,008,868	60,001,954	19,919,959	20,913,046	54%	-	-	-	-
	324,856,542	414,171,176	393,244,860	76,314,637	358,388,318	24%	1,420.8	1,002.0	49%	(27%)

General Fund by Category												
Personnel (exc. Other)	205,653,692	260,617,784	228,241,104	54,964,092	22,587,411	27%	11%	1,371.1	1,420.8	1,002.0	4%	(27%)
Salary & Wages	176,679,882	213,464,662	179,355,013	36,784,780	2,675,132	21%	2%					
Healthcare (Medical & Dental)	20,662,537	34,048,326	35,301,614	13,385,788	14,639,076	65%	71%					
Retirement	8,311,273	13,104,796	13,584,477	4,793,523	5,273,204	58%	63%					
Other Benefits/Labor Costs	11,894,894	8,279,098	18,453,889	(3,615,797)	6,558,995	(30%)	55%					
Police & Fire Pension/Medical Contr.	12,920,788	26,200,000	23,470,000	13,279,212	10,549,212	103%	82%					
Fixed Costs	37,109,503	53,115,641	57,571,276	16,006,138	20,461,773	43%	55%					
M&O	38,604,774	44,341,522	25,302,636	5,736,748	(13,302,139)	15%	(34%)					
Capital	3,974,332	3,674,725	3,912,704	(299,607)	(61,628)	(8%)	(2%)					
Debt Service	75,705	8,351,577	12,660,919	8,275,872	12,585,213	10,932%	16,624%					
Non Dept/Other	25,355,526	25,350,779	23,094,202	(4,748)	(2,261,324)	(0%)	(9%)					
Transfers to Supported Funds	-	2,859,589	24,152,828	2,859,589	24,152,828	-	-					
Assessments	(732,674)	(18,619,536)	(23,614,698)	(17,886,862)	(22,882,024)	2,441%	3,123%					
Total General Fund	334,856,542	414,171,179	393,244,860	79,314,637	58,388,318	24%	17%					

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Library	Personnel (exc. Other)	Salary & Wages	Healthcare (Medical & Dental)	Retirement	Other Benefits/Labor Costs	Fixed Costs	M&O	Capital	Assessments	136.8	129.7	104.8	(5%)	(23%)
	13,040,893	14,457,620	15,625,638	1,416,727	2,584,746	11%	20%							
	10,414,284	10,948,594	11,207,905	534,310	793,621	5%	8%							
	1,892,154	2,752,773	3,287,337	860,620	1,395,183	45%	74%							
	734,455	756,252	1,130,397	21,797	395,942	3%	54%							
	905,480	966,128	1,013,788	60,647	108,307	7%	12%							
	272,789	648,622	594,598	375,833	321,809	138%	118%							
	4,949,104	3,928,088	2,708,417	(1,021,017)	(2,240,687)	-21%	(45%)							
	3,367,842	3,208,461	2,202,704	(159,381)	(1,165,138)	-5%	(35%)							
	157,852	364,501	370,011	206,649	212,159	131%	134%							
	22,693,960	23,573,419	22,515,156	879,459	(178,805)	4%	(1%)							

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10,333,526	14,162,470	15,118,437	3,828,944	(713,874)	(2,795,163)	(591%)	37%	46%	(2,315%)	35%	238%	(1,306%)	152%	71%	181%	44%	668%	142%	38%	55%	90%	24.3	19.1	35.6	(22.6)	0.37
120,744	(593,190)	(2,674,419)	(713,874)	2,122,399	1,995,096	(2,795,163)	37%	46%	(2,315%)	35%	238%	(1,306%)	152%	71%	181%	44%	668%	142%	38%	55%	90%	24.3	19.1	35.6	(22.6)	0.37
5,637,434	7,759,834	7,632,530	525,994	885,904	1,995,096	(2,795,163)	37%	46%	(2,315%)	35%	238%	(1,306%)	152%	71%	181%	44%	668%	142%	38%	55%	90%	24.3	19.1	35.6	(22.6)	0.37
371,604	897,598	1,257,508	525,994	885,904	1,995,096	(2,795,163)	37%	46%	(2,315%)	35%	238%	(1,306%)	152%	71%	181%	44%	668%	142%	38%	55%	90%	24.3	19.1	35.6	(22.6)	0.37
(66,978)	(514,596)	808,083	(447,618)	875,061	1,995,096	(2,795,163)	37%	46%	(2,315%)	35%	238%	(1,306%)	152%	71%	181%	44%	668%	142%	38%	55%	90%	24.3	19.1	35.6	(22.6)	0.37
252,487	362,767	636,145	110,279	383,658	1,995,096	(2,795,163)	37%	46%	(2,315%)	35%	238%	(1,306%)	152%	71%	181%	44%	668%	142%	38%	55%	90%	24.3	19.1	35.6	(22.6)	0.37
519,443	1,024,259	1,458,895	504,817	939,453	1,995,096	(2,795,163)	37%	46%	(2,315%)	35%	238%	(1,306%)	152%	71%	181%	44%	668%	142%	38%	55%	90%	24.3	19.1	35.6	(22.6)	0.37
3,498,791	5,225,738	5,999,695	1,726,947	2,500,903	1,995,096	(2,795,163)	37%	46%	(2,315%)	35%	238%	(1,306%)	152%	71%	181%	44%	668%	142%	38%	55%	90%	24.3	19.1	35.6	(22.6)	0.37
4,270,721	6,612,764	8,094,735	2,342,043	3,824,014	1,995,096	(2,795,163)	37%	46%	(2,315%)	35%	238%	(1,306%)	152%	71%	181%	44%	668%	142%	38%	55%	90%	24.3	19.1	35.6	(22.6)	0.37

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451
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## **Attachment 2**

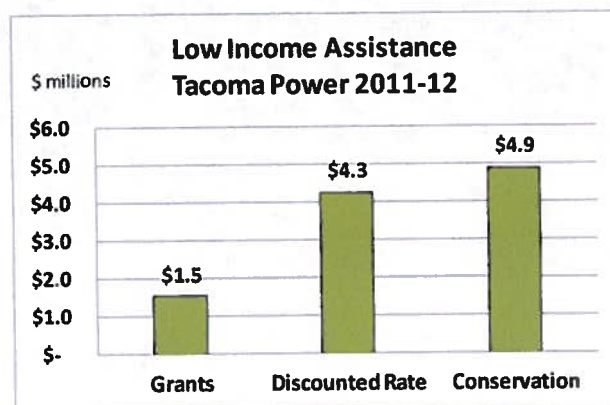


## **Low Income Assistance – Tacoma Power**

August 2013

**Many Programs Available** - There are several programs available to low income customers which offer opportunities to lighten the load of utility bills. Examples include:

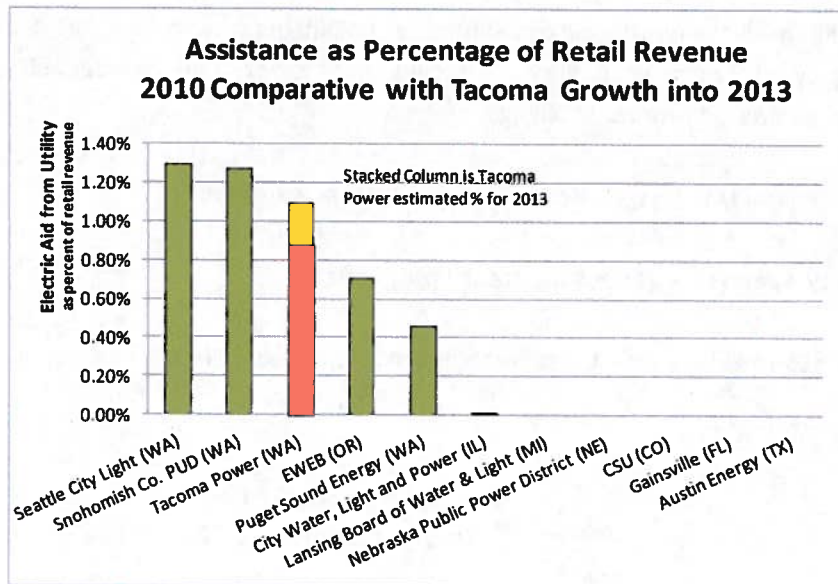
- **Two Grant programs** (Family Need and Power Aid) – In 2013, Grant awards increased 17% from \$150 to \$175; funding pool also increased approximately 7% to \$1.92 million.
- **Residential Rate Discount** – 30% ongoing rate discount to low income elderly/disabled. Increased discount in 2011 from previous 25%; approximately 7,400 accounts received assistance in 2011-12
- **Conservation programs** – Free energy efficiency offerings such as weatherization, lighting, ductless heat pumps, electric heat duct sealing, etc.; Afterwards, ongoing conservation benefits the customer forevermore
- **Budget Billing** – Flat monthly billings eliminate challenging winter time cost peaks and facilitate budgeting by offering predictability and providing for lower, more manageable, monthly billing amounts versus the standard bi-monthly billings
- **LIHEAP** – Federal Low Income Home Energy Assistance Program
- **Community Agencies** – Various assistance programs
- **Billing Due Date Extension** – Extended billing due date from 10 to 15 days in July 2013



### Low Income Comparisons to Other Utilities (Tacoma Power)

When measuring low income assistance (excluding conservation) as a percent of retail electric sales:

- Tacoma Power expects to increase its low income assistance to 1.09% of retail electric sales revenue in 2013, an increase over the 0.88% expended in 2010 which is depicted in the chart below, the latest year for which data was obtained for peers.
- Northwest: The size of Tacoma Power's program is comparable to other Northwest peer utilities.
- Nationwide: The program is large compared to other national peer utilities; numerous national utilities do not offer any bill assistance.
- Tacoma Power's assistance when compared to revenues is about double that of Puget Sound Energy.



## **Attachment 3**

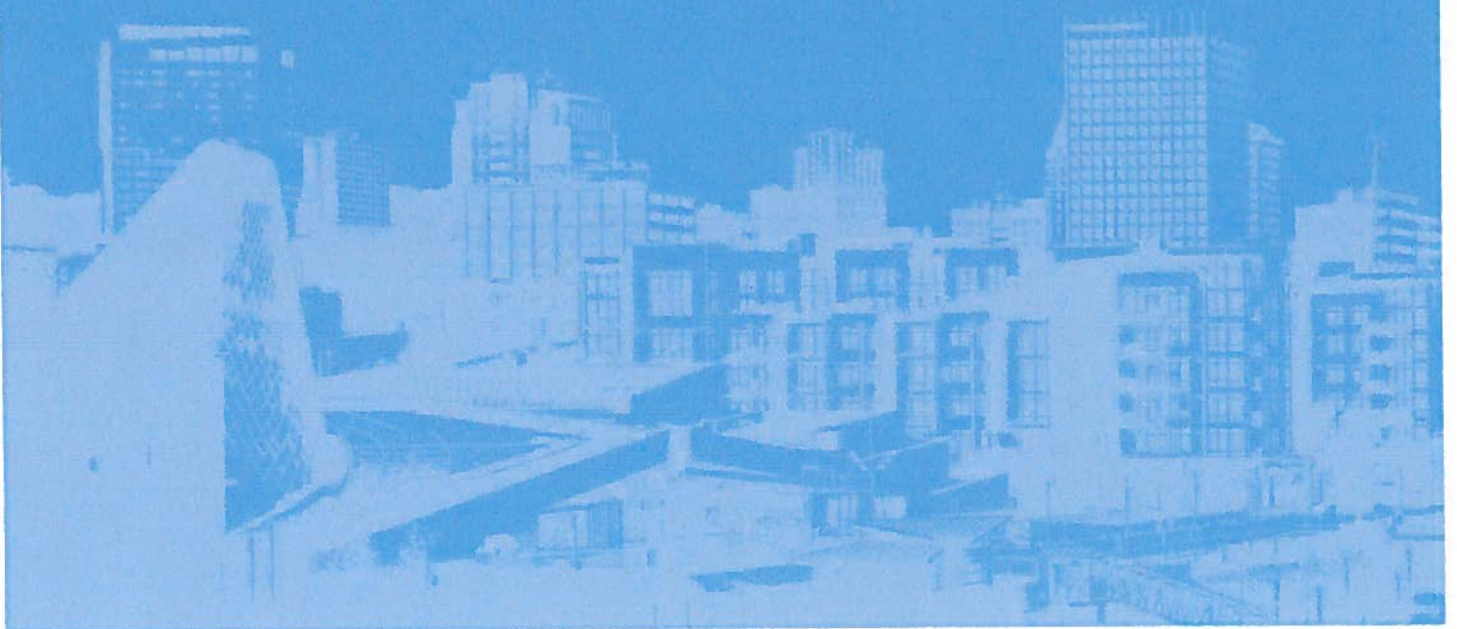


CITY OF TACOMA

# QUARTERLY FINANCIAL REPORT

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Through June 30, 2013





# 2013 Monthly Financial Report

## City of Tacoma, Washington

Office of Management and Budget / Finance Department

Through June 30, 2013

### General Fund Overview

	2013/2014 Biennial Budget	2013 Planned Amount	Year to Date Planned Amount	Year to Date Actual Amount	Variance Favorable/ (Unfavorable)	% Variance Favorable/ Unfavorable
<b>Revenues</b>	\$396,658,357	\$195,316,647	\$101,342,088	\$104,969,209	\$3,627,122	3.6%
<b>Expenditures</b>	\$393,245,860	\$189,817,521	\$90,265,442	\$85,978,019	\$4,287,423	4.7%
<b>Revenue Over Expenditure Variance (Fund Balance)</b>	\$3,412,497	\$5,499,126	\$11,076,645	\$18,991,190	\$7,914,545	

### Summary

Through the first six months of 2013, or second quarter, revenues and expenditures are favorable. Revenues are positive; however, changes to this positive outlook can occur quickly, thus impacting future months. In addition, the favorable variances seen in expenditures through June are a result of Police Department jail cost saving, lower than anticipated medical claims for retired Police and Firefighters, as well as delayed expense payments to be realized later in 2013.

#### Revenue Overview

Through June, General Fund revenues were favorable by approximately \$3.6 M. Nearly all of the City's major revenue sources have realized favorable variances compared to original estimates. Increased Business Taxes (B&O) of over \$1.8M were a result of a 13% increase in retailing and wholesaling activity year over year. Favorable Business & License Permit revenues of nearly \$300K were a result of additional businesses and included in the positive variance are license fees of over \$200K that are more than a year past due. Sales taxes were also up by over \$800K due to increased revenue year over year in motor vehicle and parts dealer, personal and laundry services, and building construction.

#### Expenditure Overview

Through June, General Fund expenditures were favorable by approximately \$4.3 M. The two largest departments with favorable variances include the Police Department and Non Departmental. The Police Department realized a favorable variance of over \$1.0 M due to vacancy savings, jail cost savings, as well as delayed payments for fixed and operating costs. Non Departmental was favorable by over \$1.0 M due to lower than anticipated medical claims from retired Police and Firefighters and deferred computer purchases. Other favorable variances are due, in large part, to anticipated expenses that have been delayed or deferred to later in 2013.

# 2013 Monthly Financial Report

## City of Tacoma, Washington

Office of Management and Budget / Finance Department

Through June 30, 2013

### General Fund Revenue Overview

Revenue Categories	2013/2014 Biennial Budget	2013 Planned Revenues	Year to Date Planned Amount	Year to Date Actual Amount	Variance Favorable/ (Unfavorable)	% Variance Favorable/ Unfavorable
1 Property Taxes	\$103,678,542	\$51,066,542	\$27,301,685	\$27,902,026	\$600,341	2.2%
2 Sales Taxes	80,277,441	39,939,522	19,980,579	20,759,959	779,379	3.9%
3 Business Taxes	83,028,674	41,233,968	20,970,134	22,818,060	1,847,925	8.8%
4 Utility/Gross Earnings Tax	90,074,366	44,189,165	23,419,045	23,658,695	239,650	1.0%
5 Other Taxes	4,070,688	2,035,343	1,098,878	742,487	(356,391)	-32.4%
Intergovernmental Revenues	21,579,046	9,889,251	4,041,446	4,074,232	32,786	0.8%
6 Business Licenses & Permits	5,185,000	2,589,000	2,267,328	2,568,611	301,284	13.3%
Non-Business Licenses & Permits	992,000	492,000	268,465	259,685	(8,780)	-3.3%
Charges for Services	2,447,100	1,223,550	642,724	766,152	123,428	19.2%
Misc. Revenues	1,756,000	878,000	442,288	517,434	75,146	17.0%
Fines and Forfeitures	1,718,000	859,000	439,614	486,902	47,288	10.8%
Interest Revenue	1,537,000	764,056	391,276	336,343	(54,933)	-14.0%
Transfers	314,500	157,250	78,625	78,625	0	0.0%
<b>Total</b>	<b>\$396,658,357</b>	<b>\$195,316,647</b>	<b>\$101,342,088</b>	<b>\$104,969,209</b>	<b>\$3,627,122</b>	<b>3.6%</b>

Variance analysis for revenues is provided for all line items in which the actual amount differs from the planned amount by at least 10.0% and at least a minimum of \$100,000.

### Variance Analysis

- Property Taxes** - The variance as of the end of June is due to more timely payments of property taxes.
- Sales Taxes** - The favorable variance is largely due to increased activity in retail sales, wholesaling and construction. Motor vehicle and parts sales were up 4.1% over the same period last year, up \$101K year over year. Wholesale durable goods sales were up 21.3% or \$187K. Construction was up 16.4%, or \$334K year over year; personal and laundry services were up by \$106K year over year, up 78.4%; and clothing and accessory sales were up \$46K year over year.
- Retailing (B&O Taxes)** - Retailing revenues through June were up year over year by 13% largely due to construction activity and motor vehicle sales with a positive variance of \$825K.  
  
**Service & Other (B&O Taxes)** - Through June, service revenues are up over \$1.65 million or 28% and continue to be higher than anticipated largely due to port activities (which are up 43%) and new construction related activities (which are up 83%). In June, one-time revenue of \$227K was received for back taxes from two businesses discovered through audit/compliance efforts.  
  
**Cellular/Telephone (B&O Taxes)** - The refund of cellular tax in the amount of \$285K in May contributes to revenues being lower than anticipated however, revenues overall are still less than expected for Telephone and Cellular tax with a combined negative variance of \$700K. Revenues in this classification are fairly consistent month to month and are not expected to pick up in the last half of 2013.  
  
**Other (B&O Taxes)** - Retail Service, Grain and the Multiple Activity Tax Credit indicate more than anticipated revenue. Most of the tax returns due April 30th have been reviewed with corrections reflected in May and June. Revenues leveled out but are still up slightly more than anticipated with a combined \$360K positive variance.
- Utility/Gross Earnings Taxes** - With the exception of Power, gross earnings taxes are slightly above projections. Power revenues are unfavorable (-\$99K) due to a very small fluctuation in outside power sales. Tacoma Rail revenues are up by \$178K as volumes at the Port are near record high levels through June, due mostly to business associated with the Grand Alliance that moved to the Port from Seattle in July, 2012.
- Other Taxes** - This category consists of Leasehold Excise and Gambling Taxes. February's distribution of leasehold taxes was reduced due to a refund of taxes that the Port of Tacoma had incorrectly assessed against Union Pacific Railroad for the period Jan 2009 - Dec 2011. The refund amount taken in February from the City's Excise Tax was \$178K.
- Business License & Permits** - More than anticipated revenues of \$298K in Business Licenses. Included in the variance are license fees of over \$200K that are more than 1 year past due. Delinquent accounts continue to be reviewed by Tax & License staff and as accounts are closed, where appropriate, the revenues are anticipated to level out.

# 2013 Monthly Financial Report

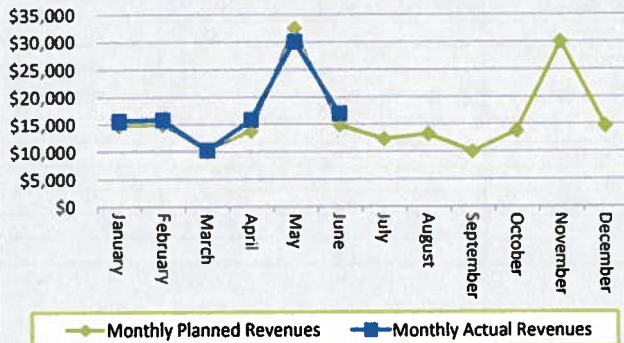
## City of Tacoma, Washington

Office of Management and Budget / Finance Department

Through June 30, 2013

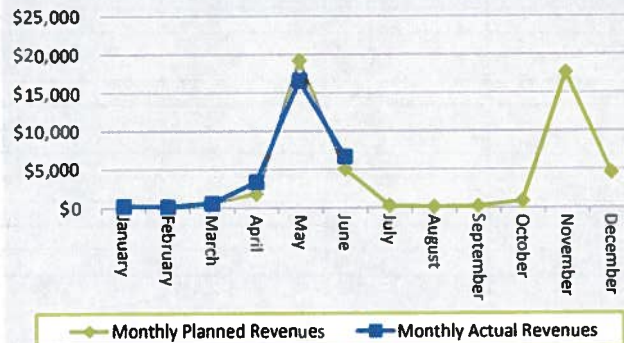
### General Fund Revenues (\$ in Thousands)

#### All Revenue Sources



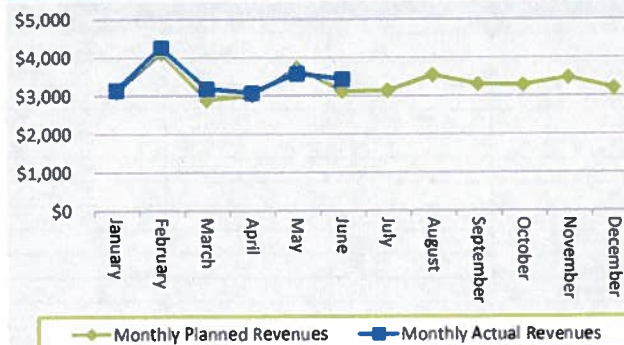
	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$14,798	\$15,666	\$869
February	\$15,010	\$15,910	\$900
March	\$10,346	\$10,328	(\$18)
April	\$13,788	\$15,862	\$2,074
May	\$32,527	\$30,166	(\$2,360)
June	\$14,874	\$17,037	\$2,163
July	\$12,292		
August	\$13,203		
September	\$10,002		
October	\$13,735		
November	\$30,094		
December	\$14,648		
<b>Total</b>	<b>\$195,317</b>	<b>\$104,969</b>	<b>\$3,627</b>

#### Property Tax



	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$330	\$286	(\$44)
February	\$232	\$210	(\$22)
March	\$666	\$616	(\$50)
April	\$1,810	\$3,419	\$1,608
May	\$19,194	\$16,616	(\$2,578)
June	\$5,069	\$6,755	\$1,686
July	\$276		
August	\$136		
September	\$229		
October	\$878		
November	\$17,680		
December	\$4,565		
<b>Total</b>	<b>\$51,067</b>	<b>\$27,902</b>	<b>\$600</b>

#### Sales Tax



	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$3,091	\$3,165	\$74
February	\$4,117	\$4,274	\$157
March	\$2,897	\$3,196	\$299
April	\$3,011	\$3,085	\$73
May	\$3,742	\$3,592	(\$150)
June	\$3,122	\$3,448	\$326
July	\$3,138		
August	\$3,543		
September	\$3,310		
October	\$3,284		
November	\$3,482		
December	\$3,202		
<b>Total</b>	<b>\$39,940</b>	<b>\$20,760</b>	<b>\$779</b>

# 2013 Monthly Financial Report

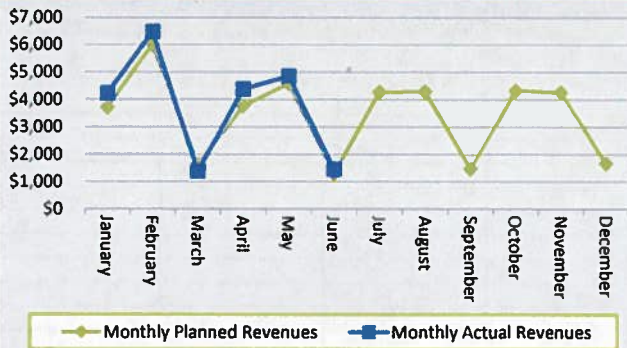
## City of Tacoma, Washington

Office of Management and Budget / Finance Department

Through June 30, 2013

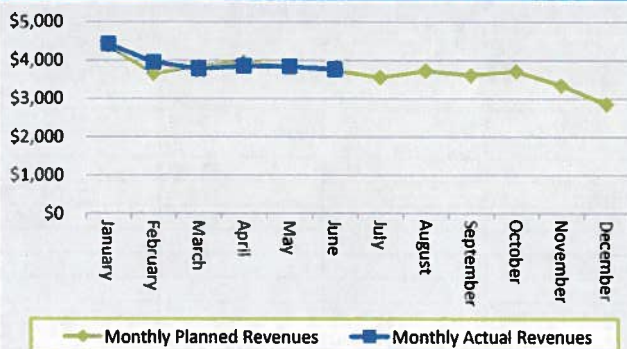
### General Fund Revenues (\$ in Thousands)

#### Business Tax



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$3,719	\$4,234	\$515
February	\$6,002	\$6,476	\$473
March	\$1,618	\$1,387	(\$231)
April	\$3,767	\$4,384	\$617
May	\$4,584	\$4,865	\$280
June	\$1,279	\$1,472	\$193
July	\$4,273		
August	\$4,284		
September	\$1,468		
October	\$4,326		
November	\$4,251		
December	\$1,662		
<b>Total</b>	<b>\$41,234</b>	<b>\$22,818</b>	<b>\$1,848</b>

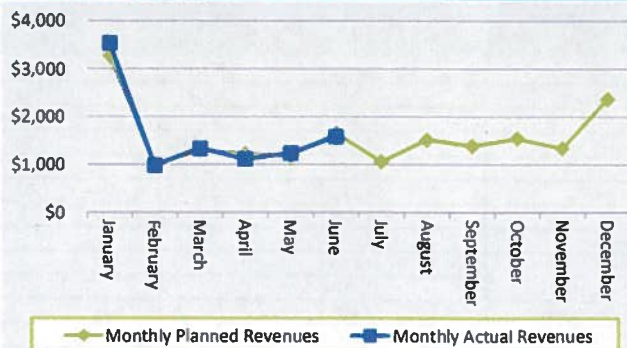
#### Utility/Gross Earnings Tax



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$4,384	\$4,436	\$51
February	\$3,652	\$3,960	\$308
March	\$3,857	\$3,783	(\$73)
April	\$3,961	\$3,855	(\$106)
May	\$3,825	\$3,850	\$25
June	\$3,740	\$3,775	\$34
July	\$3,547		
August	\$3,722		
September	\$3,608		
October	\$3,704		
November	\$3,340		
December	\$2,849		
<b>Total</b>	<b>\$44,189</b>	<b>\$23,659</b>	<b>\$240</b>

#### Other Revenues

(Intergovernmental, Licenses & Permits, Charges for Service, Fines & Forfeits, and Miscellaneous Revenues)



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$3,273	\$3,545	\$272
February	\$1,008	\$991	(\$17)
March	\$1,308	\$1,345	\$37
April	\$1,238	\$1,119	(\$119)
May	\$1,181	\$1,244	\$63
June	\$1,662	\$1,586	(\$76)
July	\$1,058		
August	\$1,519		
September	\$1,387		
October	\$1,542		
November	\$1,340		
December	\$2,371		
<b>Total</b>	<b>\$18,887</b>	<b>\$9,830</b>	<b>\$160</b>

# 2013 Monthly Financial Report

## City of Tacoma, Washington

Office of Management and Budget / Finance Department

Through June 30, 2013

### General Fund Expenditures Overview

Department	2013/2014 Biennial Budget	2013 Planned Expenditures	Year to Date Planned Amount	Year to Date Actual Amount	Variance Favorable/ (Unfavorable)	% Variance Favorable/ Unfavorable
1 City Attorney's Office	\$7,526,280	\$3,697,484	\$1,810,367	\$1,643,997	\$166,370	9.2%
City Council	1,155,688	566,333	284,817	261,022	23,795	8.4%
City Manager	1,502,636	734,018	375,769	345,823	29,946	8.0%
Community & Economic Development	7,273,375	3,596,946	1,526,184	1,525,974	210	0.0%
Finance	7,331,030	3,561,271	1,798,856	1,664,008	134,848	7.5%
2 Fire	90,102,408	43,377,128	21,320,360	20,699,057	621,303	2.9%
Government Relations	800,962	400,373	204,894	194,492	10,402	5.1%
Hearing Examiner	518,073	251,451	125,940	119,089	6,851	5.4%
3 Human Resources	2,251,739	1,059,125	494,810	425,684	69,126	14.0%
4 Library	22,515,156	11,074,029	5,238,505	5,095,479	143,026	2.7%
5 Municipal Court	7,022,726	3,437,656	1,708,433	1,543,966	164,467	9.6%
6 Neighborhood & Community Services	15,118,437	7,482,593	3,159,253	2,995,684	163,569	5.2%
7 Planning & Development Services	3,927,728	1,991,633	582,696	421,947	160,749	27.6%
8 Police	143,428,570	70,482,876	34,401,871	33,023,759	1,378,112	4.0%
Public Works	22,769,097	8,804,707	4,319,020	4,199,586	119,434	2.8%
9 Non Departmental	60,001,954	29,299,899	12,913,668	11,818,452	1,095,216	8.5%
<b>Total Expenditures</b>	<b>\$393,245,860</b>	<b>\$189,817,521</b>	<b>\$90,265,442</b>	<b>\$85,978,019</b>	<b>\$4,287,423</b>	<b>4.7%</b>

Revenue Over Expenditure Variance (Fund Balance)	\$3,412,497	\$5,499,126	\$11,076,645	\$18,991,190	\$7,914,545
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**Total \$396,658,357 \$195,316,647**

Variance analysis for expenditures is provided for all line items in which the actual amount differs from the planned amount by at least 10.0% and at least a minimum of \$100,000.

### Variance Analysis

- City Attorney's Office** - The favorable variance is due to vacancies (+\$136K), fixed costs (+\$40K), and contracted legal service dollars (+\$140K) that have not yet been expended. However, these savings are offset by reduced charges to other city departments (-\$150K) for a net favorable variance of (+\$166K).
- Fire** - Through June, the Fire General Fund reported 10 vacant positions including 8 commissioned and 1 civilian position (+\$272K). In addition, there is (+\$129K) in OT savings that has been realized; which will be expended in the next quarter. Lower fuel costs account for (+\$56K) in savings as well as deferred spending in professional services and external contracts (+\$53K). Other maintenance and operations savings amount to (+\$101K).
- Human Resources** - The favorable variance is due to vacancies (+\$156K), delayed use of professional service contracts and travel & training dollars (+\$200K). However, these savings are offset by reduced charges to other city departments (-\$287K) for a net favorable variance of (+\$66K).
- Library** - The favorable variance is due to 7 vacant positions (+\$136K), 3 are management positions. Most of these positions will be filled in July.
- Municipal Court** - The favorable variance is due to lower than anticipated labor costs (+\$106K), lower rent expense and delayed purchases of bulk court forms (+\$58K).
- Neighborhood & Community Services** - The favorable variance is due to 4 vacancies (+\$190K).
- Planning & Development Services** - The favorable variance is due to a planner position vacancy and additional labor less outs to other funds (+\$122K), as well as contractual services and printing/graphic spending being deferred until later in the year (+\$37K).
- Police** - The favorable variance is due to personnel savings from vacant positions (+\$170K); savings in Jail costs due to a new jail service contract with Fife implemented in December 2012 (+\$840K); SS911 contractual services (+93K). Also, city assessments account for (+\$143K) savings at this time.
- Non Departmental** - Through June, the favorable variance (+\$1.0M) is primarily due to lower than anticipated medical claims from retired LEOFF I Police Officers and Firefighters.

# 2013 Monthly Financial Report

## City of Tacoma, Washington

Office of Management and Budget / Finance Department

Through June 30, 2013

### Other Funds Overview (Revenues and Expenditures)

Fund	2013/2014 Biennial Budget	2013 Planned	Year to Date Planned Amount	Year to Date Actual Amount	Variance Favorable/ (Unfavorable)	% Variance Favorable/ Unfavorable
<b>Special Revenue Funds</b>						
<b>1 PW Streets *</b>						
Revenues	\$27,786,960	\$13,889,675	\$6,900,528	\$7,256,679	\$356,151	5.2%
Expenditures	\$27,786,960	\$13,701,034	\$6,850,517	\$5,528,694	\$1,321,823	19.3%
<b>2 TFD Emergency Medical Services</b>						
Revenues	\$23,156,545	\$11,462,490	\$5,533,375	\$6,503,607	\$970,232	17.5%
Expenditures	\$26,295,351	\$13,213,906	\$6,706,186	\$5,890,332	\$815,853	12.2%
<b>3 Municipal Cable TV</b>						
Revenues	\$7,188,519	\$3,594,260	\$1,797,130	\$1,746,897	(\$50,233)	-2.8%
Expenditures	\$9,245,533	\$5,591,851	\$1,451,172	\$1,226,138	\$225,034	15.5%
<b>Traffic Enforcement, Engineering &amp; Education</b>						
Revenues	\$6,633,807	\$3,545,367	\$1,968,154	\$1,975,005	\$6,851	0.3%
Expenditures	\$6,633,807	\$3,226,412	\$1,613,206	\$1,694,741	(\$81,535)	-5.1%

\* PW Street includes Engineering and Street Operations only.

Please note that in instances where revenues for the biennium do not match expenditures, cash balance is being utilized

### Variance Analysis

- PW Streets - Revenues:** The favorable variance is due to Streets receiving a FEMA reimbursement in January 2013 for prior year expenses (\$185K). **Expenditures:** The favorable variance in street expenditures is due to savings in both the Engineering and Streets Divisions. The Engineering Division has a \$372K favorable variance due to additional less outs of personnel for projects scheduled during the summer months. The Streets Division has a \$593K favorable variance due to three vacancies and increased labor less outs for seasonal work. In addition, maintenance and operation savings amount to \$188K due to a milder winter season requiring less equipment usage and maintenance; however power billings for streetlights, which have not posted for several months, may impact this positive variance.
- TFD Emergency Medical Services - Revenues:** The positive variance was due to timing differences in property tax receipts, lower than anticipated discounts and a delay in writing off bad debt. **Expenditures:** Favorable variance is due to four vacant positions (\$319K) as well as deferred costs for software and SCBA equipment purchases.
- Municipal Cable TV - Expenditures:** The favorable variance is due to labor and benefit savings from vacancies (+\$166K), and other maintenance and operations line items (+\$59K).

# 2013 Monthly Financial Report

## City of Tacoma, Washington

Office of Management and Budget / Finance Department

Through June 30, 2013

### Other Funds Overview (Revenues and Expenditures)

Fund	2013/2014 Biennial Budget	2013 Planned	Year to Date Planned Amount	Year to Date Actual Amount	Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
<b>Enterprise Funds</b>						
<b>1 Permit Services</b>						
Revenues	\$11,067,000	\$5,533,500	\$2,297,370	\$3,786,036	\$1,488,666	64.8%
Expenditures	\$12,620,175	\$6,229,031	\$3,114,516	\$3,363,566	(\$249,050)	-8.0%
<b>2 PW Parking Operations</b>						
Revenues	\$10,470,462	\$4,711,488	\$2,355,744	\$2,871,849	\$516,105	21.9%
Expenditures	\$13,160,147	\$6,527,588	\$2,598,794	\$2,504,823	\$93,971	3.6%
<b>3 PAF Convention Center</b>						
Revenues	\$17,205,666	\$8,037,888	\$3,457,271	\$3,585,381	\$128,110	3.7%
Expenditures	\$17,205,666	\$8,633,345	\$3,916,639	\$3,609,786	\$306,853	7.8%
<b>PAF Cheney Stadium</b>						
Revenues	\$2,917,071	\$1,529,786	\$855,931	\$851,611	(\$4,320)	-0.5%
Expenditures	\$2,917,071	\$1,540,895	\$740,147	\$747,456	(\$7,309)	-1.0%
<b>4 PAF Tacoma Dome</b>						
Revenues	\$11,510,314	\$5,122,830	\$2,726,753	\$2,620,462	(\$106,291)	-3.9%
Expenditures	\$11,510,314	\$5,682,286	\$2,926,365	\$2,592,804	\$333,561	11.4%
<b>5 Solid Waste*</b>						
Revenues	\$117,985,600	\$58,659,800	\$29,979,447	\$28,541,959	(\$1,437,488)	-4.8%
Expenditures	\$118,934,460	\$53,546,653	\$26,773,326	\$25,532,005	\$1,241,321	4.6%
<b>6 Wastewater*</b>						
Revenues	\$108,467,200	\$61,322,574	\$30,661,287	\$28,705,042	(\$1,956,245)	-6.4%
Expenditures	\$108,804,679	\$45,746,385	\$22,873,193	\$22,110,780	\$762,413	3.3%
<b>7 Surface Water*</b>						
Revenues	\$49,145,000	\$28,434,963	\$14,086,596	\$13,591,391	(\$495,205)	-3.5%
Expenditures	\$49,145,000	\$22,642,099	\$11,321,050	\$10,089,762	\$1,231,288	10.9%

\*Operational Revenues and Expenditures only. Capital Outlay not included.

Please note that in instances where revenues for the biennium do not match expenditures, cash balance is being utilized

### Variance Analysis

- 1 Permit Services** - Revenues: Year-over-year (2012 compared to 2013) through June, permitting has increased by 13% or 358 additional permits issued. Expenditures: Negative variance in labor is due to increased labor costs (-\$368K). Increased permitting activity has resulted in the need for additional staffing to maintain workloads. Telecommunication and other fixed costs are offsetting some of the negative variance due to equipment consolidation and conversion to a single device model (+\$50K) and city assessments account for (+\$73K) in savings.
- 2 PW Parking Operations** - Revenues: The favorable variance is due to higher than expected monthly lease revenue for the following properties: Park Plaza North (+\$68K) and Pacific Plaza (+\$43K). The Convention Center is experiencing higher than expected daily parking, generating more revenue (+\$176K). The Municipal Lot/Garage generated an additional (+\$23K) in revenues due to adding additional stalls open to the public. Also, the parking system has received a one-time revenue payment as guarantee for holding parking spaces for future use; this accounts for (+\$132K) in unanticipated revenues.
- 3 PAF Convention Center** - Revenues: The Convention Center has had 138 events through second quarter 2013; the historical average is 99 events resulting in higher than anticipated revenues. The Convention Rent and Food & Beverage categories both are over performing year-to-date (+\$122K). Expenditures: The favorable variance is due to a delay in contract payments and repair and maintenance related items (+\$280K).
- 4 PAF Tacoma Dome** - Revenues: While most revenue categories have over performed year-to-date, these gains are being offset by a negative variance caused by 2 concert events projected in June which did not materialize. Tacoma Dome staff is committed to securing similar events in the coming months to make up for this loss. Expenditures: Labor savings amount to (+\$219K) due to event setup efficiencies and minimal reliance on temporary external labor. Operating supplies are being deferred due to the current event schedule, causing a (+\$120K) favorable variance.

# 2013 Monthly Financial Report

## City of Tacoma, Washington

Office of Management and Budget / Finance Department

Through June 30, 2013

### Other Funds Overview (Revenues and Expenditures)

#### Variance Analysis (continued)

- 5 **Solid Waste** - Revenues: Favorable variance due to receiving grant funds for 2012 storm expenses (+\$156K). This is offset by a negative variance of over (-\$1.0M) due to the seasonal nature of commercial revenue; there are wide market fluctuations in the wholesale market. In addition, interest earnings are less than expected (-\$62K). Expenditures: While overtime expense is up, vacancies exist accounting for some savings in labor. Operating costs are under budget by (+\$624K) due to the elimination of bad debt expense and the seasonality of external contract services. Also, city assessments are currently under budget by (+\$600K).
- 6 **Wastewater** - Revenues: Projection was based upon an even distribution of the approved rate increase, however the actual rate increase didn't begin until April 2013. Revenues are expected to level out over the course of the year. Expenditures: Labor savings amount to (+\$300K) in part due to reduced overtime; mild weather has reduced the need to utilize budgeted overtime expense. Also, city assessments are currently under budget by (+\$400K).
- 7 **Surface Water** - Revenues: Favorable variance is due to receiving more grant funding than planned. Expenditures: Labor savings is to temporary vacancies, additional labor less outs to capital projects, and reduced overtime expense (+\$339K). Telecommunication expenses are lower due to the implementation of right-sizing practices (+\$131K). Delayed spending on maintenance and operations items (+\$468K). Also, city assessments are currently under budget by (+\$317K).

# 2013 Monthly Financial Report

## City of Tacoma, Washington

Office of Management and Budget / Finance Department

Through June 30, 2013

### Other Funds Overview (Revenues and Expenditures)

Fund	2013/2014 Biennial Budget	2013 Planned	Year to Date Planned Amount	Year to Date Actual Amount	Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
<b>Internal Service Funds</b>						
<b>Finance Payroll</b>						
Revenues	\$4,647,370	\$2,300,002	\$1,150,011	\$1,081,259	(\$68,752)	-6.0%
Expenditures	\$4,647,370	\$2,300,002	\$1,150,011	\$1,047,411	\$102,600	8.9%
<b>1 Budget &amp; Research</b>						
Revenues	\$1,735,794	\$853,879	\$426,940	\$279,667	(\$147,273)	-34.5%
Expenditures	\$1,735,794	\$853,879	\$395,693	\$278,175	\$117,519	29.7%
<b>IT Graphics Services</b>						
Revenues	\$2,299,878	\$803,139	\$323,080	\$260,092	(\$62,988)	-19.5%
Expenditures	\$2,299,878	\$737,724	\$251,052	\$171,210	\$79,842	31.8%
<b>2 Information Systems</b>						
Revenues	\$43,534,499	\$21,694,919	\$10,492,001	\$9,418,747	(\$1,073,254)	-10.2%
Expenditures	\$43,534,499	\$21,818,567	\$10,437,235	\$9,410,976	\$1,026,259	9.8%
<b>3 Municipal Building Acquisition &amp; Operations</b>						
Revenues	\$14,644,820	\$7,072,759	\$3,348,880	\$3,143,011	(\$205,869)	-6.1%
Expenditures	\$16,232,870	\$8,013,669	\$3,474,404	\$3,121,692	\$352,712	10.2%

Internal Service fund revenues and expenditures are closely related as most are funded through automatic charge backs (i.e. assessments) to city departments receiving the related service.

Please note that in instances where revenues for the blennium do not match expenditures, cash balance is being utilized

### Variance Analysis

- Budget & Research - Expenditures:** Favorable variance due to one vacancy and associated support costs.
- Information Systems - Expenditures:** Favorable variance largely due to Local 120 contract negotiations still being underway and four vacancies resulting in a savings of (+\$478K). Computer and operating supplies are purchased on an as-needed basis contributing to (+148K) in savings. Training & Travel savings are (+\$164K). Delayed and lower than anticipated capital expenditures account for (+\$400K) in savings.
- Municipal Building Acquisition & Operations - Revenues:** The unfavorable variance is due to the timing of manual billings to internal customers. **Expenditures:** The favorable variance is due to lower than anticipated maintenance and operations expense including repair and maintenance related items.

# 2013 Monthly Financial Report

## City of Tacoma, Washington

Office of Management and Budget / Finance Department

Through June 30, 2013

### Benefit Funds Overview (Revenues and Expenditures)

Fund	2013/2014 Biennial Budget	1-Year Planned Amount	Year to Date Actual Amount	Actual % of 1-Year Budget
<b>Unemployment</b>				
Revenues	\$1,043,301	\$521,651	\$156,720	30.0%
Expenses	\$1,043,301	\$521,651	\$200,292	38.4%
Revenues Less Expenses			(\$43,572)	
<b>1 Workers Compensation</b>				
Revenues	\$19,332,224	\$9,666,112	\$4,482,347	46.4%
Expenses	\$19,332,224	\$9,666,112	\$3,392,184	35.1%
Revenues Less Expenses			\$1,090,163	
<b>2 Health Care Labor Management</b>				
Revenues	\$134,907,145	\$67,453,573	\$27,574,325	40.9%
Expenses	\$134,907,145	\$67,453,573	\$28,493,244	42.2%
Revenues Less Expenses			(\$918,919)	
<b>Dental Care Management</b>				
Revenues	\$13,980,077	\$6,990,039	\$2,575,842	36.9%
Expenses	\$13,980,077	\$6,990,039	\$2,465,077	35.3%
Revenues Less Expenses			\$110,765	

### Variance Analysis

- Workers Compensation** - Contributions to this fund have remained consistent at approximately \$740K per month, however in the first 6 months of 2013, monthly expenses have remained consistently lower at an average of \$565,000 per month. Of this amount, the 6 month claims average has been \$352K.
- Health Care Labor Management** - Contributions to this fund have remained consistent at approximately \$4.6M per month. Claims in the first 6 months of 2013 have ranged from \$2.8M to \$5.0M per month. Due to the unpredictable nature of medical claims, this fund will continue to be monitored to insure the City maintains adequate funding for health care claims. Even with the year-to-date negative variance, this fund currently has a healthy cash reserve balance.

## **Attachment 4**

2000-2001

## **CITY OF TACOMA MULTI-FAMILY PROPERTY TAX EXEMPTION PROGRAM**

(MARCH 2013)

*The City of Tacoma Multi-Family Property Tax Exemption Program is designed to encourage development of market rate and affordable housing.*

<b>PROPERTY LOCATION:</b>	<p>Project must be conducted within one of Tacoma's 17 mixed-use centers (see attached map):</p> <ul style="list-style-type: none"><li>▪ Downtown Tacoma</li><li>▪ James Center/Tacoma Community College</li><li>▪ Lincoln (S. 38<sup>th</sup> and G Streets)</li><li>▪ Lower Portland Avenue</li><li>▪ Martin Luther King Jr. (S. 11<sup>th</sup> Street and MLK Jr. Way)</li><li>▪ McKinley (E. 34<sup>th</sup> Street and McKinley Avenue)</li><li>▪ Narrows (Sixth Avenue and Jackson)</li><li>▪ Proctor (N. 26<sup>th</sup> and Proctor Streets)</li><li>▪ Sixth Avenue and Pine Street</li><li>▪ S. 34<sup>th</sup> Street and Pacific Avenue</li><li>▪ S. 56<sup>th</sup> Street and S. Tacoma Way</li><li>▪ S. 72<sup>nd</sup> Street and Pacific Avenue</li><li>▪ E. 72<sup>nd</sup> Street and Portland Avenue</li><li>▪ Stadium (North I Street and Tacoma Avenue)</li><li>▪ Tacoma Central Plaza/Allenmore</li><li>▪ Tacoma Mall Area</li><li>▪ Westgate</li></ul>
<b>QUALIFIED APPLICANT:</b>	Property owner
<b>PROJECT SIZE:</b>	Minimum of 4 new units must be constructed, rehabilitated (if vacant for one or more years), created through conversion of a commercial structure or added to existing occupied multi-family housing
<b>TAX EXEMPTION:</b>	<p>* 8-year, 100% on value of new improvements for market rate units</p> <p>* 12-year, 100% on value of new improvements provided that at least 20% of the new units are affordable to renters with household incomes at ≤80% of area median income or homebuyers with household incomes at ≤115% of area median income</p>
<b>PROGRAM START:</b>	Property tax exemption begins the year following project completion
<b>APPLICATION:</b>	Accepted year-round. \$1,000 to \$5,000 application fee depending on project size/number of units
<b>CONTACT INFORMATION:</b>	Debbie Bingham, City of Tacoma, (253) 591-5117; <a href="mailto:dbingham@cityoftacoma.org">dbingham@cityoftacoma.org</a>



# TACOMA PROPERTY TAX EXEMPTION PROGRAM

(completed projects as of December 31, 2012)

Project Title	Project Address	MU Ctr	Exempt Period	2012 Assessed Value <sup>(1)</sup>	Estimated Taxes <sup>(2)</sup>
Sovereign Apts (Nirvana Invest. LLC)	816 South 8th	Downtown	10 Yrs (2002-11)	\$791,800	\$2,349
Above Brick House (Simon-Marten)	5236 S. Tac Way	South 56th	10 Yrs (2002-11)	\$674,300	\$2,000
Oasis Condos (TACOPA LLC)	2825 Delin St.	Downtown	10 Yrs (2002-11)	\$3,059,700	\$9,077
<b>SUBTOTALS (2011)</b>				<b>\$4,525,800</b>	<b>\$13,427</b>
Westmall Terrace (Dobler Invest)	4720 S. Pine	Tac Mall	10 Yrs (2003-12)	\$9,040,300	\$26,820
Broadway 5 LLC (Gary Glein)	218 Broadway	Downtown	10 Yrs (2003-12)	\$130,000	\$386
Jeffrey Davis (Burch Cambers)	615 S. Oakes	Sixth Ave	10 Yrs (2003-12)	\$263,600	\$782
<b>SUBTOTALS (2012)</b>				<b>\$9,433,900</b>	<b>\$27,987</b>
Sixth Ave Condos (Hill Properties)	906 Sixth Ave	Sixth Ave	10 Yrs (2004-13)	\$771,400	\$2,289
Bob & Linda Mickey	4707 S. Puget Sd	Tac Mall	10 Yrs (2004-13)	\$409,500	\$1,215
Metro Apts I (233 Metro Towers LLC)	233 St. Helens	Downtown	10 Yrs (2004-13)	\$9,302,900	\$27,599
McCarver Village Phase I (Yakima Vista I)	2341-2429 South I Street	Downtown	10 Yrs (2004-13)	\$4,443,200	\$13,182
Thea's Landing (owned units)	1705 Dock St.	Downtown	10 Yrs (2004-13)	\$18,065,000	\$53,593
Thea's Landing (rental units)	1705 Dock St.	Downtown	10 Yrs (2004-13)	\$12,191,000	\$36,167
<b>SUBTOTALS (2013)</b>				<b>\$45,183,000</b>	<b>\$134,044</b>
Crest Condos (Leroy Crest Homes)	428 St Helens	Downtown	10 Yrs (2005-14)	\$1,102,900	\$3,272
Jetco Const. (Joe/Linda Turner)	3010 S. 43rd St.	Tac Mall	10 Yrs (2005-14)	\$443,100	\$1,315
Alder Court Apts LLC (Dobler Invest)	3208 S. 45th	Tac Mall	10 Yrs (2005-14)	\$1,353,100	\$4,014
Puget Sd Apts (Simon-Marten LLC)	5244 Puget Sd	South 56th	10 Yrs (2005-14)	\$435,300	\$1,291
Greg Devey (aka Matthew Graham)	4311 S. Union	Tac Mall	10 Yrs (2005-14)	\$526,400	\$1,562
Stadium/G St Investments LLC	210 North G	Stadium	10 Yrs (2005-14)	\$1,564,300	\$4,641
(McCarver Village Phase I (Yakima Vista II)	2406 Yakima Ct	Downtown	10 Yrs (2005-14)	\$3,140,100	\$9,316
<b>SUBTOTALS (2014)</b>				<b>\$8,565,200</b>	<b>\$25,410</b>
1939 S. I Street LLC (Armani Investments)	1939 South I St	Downtown	10 Yrs (2006-15)	\$432,800	\$1,284

(1) Source: Pierce County Assessor-Treasurer's Office [www.co.pierce.wa.us](http://www.co.pierce.wa.us)

(2) General Fund property taxes of which the 2012 rate is 2.966690/\$1,000 of assessed value

# TACOMA PROPERTY TAX EXEMPTION PROGRAM

(completed projects as of December 31, 2012)

Project Title	Project Address	MU Ctr	Exempt Period	2012 Assessed Value <sup>(1)</sup>	Estimated Taxes <sup>(2)</sup>
Subdivisions West (Ally Ray Enterprises)	4028-32 Puget Sound	Tac Mall	10 Yrs (2006-15)	\$513,300	\$1,523
John Fotheringham (Oakes Street Condos)	609 N. Oakes	Sixth Ave	10 Yrs (2006-15)	\$541,400	\$1,606
Cherry Orchard LLC	4046 South Puget Sound	Tac Mall	10 Yrs (2006-15)	\$782,000	\$2,320
Triangle Townhomes Project (Catapult Development Partners)	410 Sixth Ave	Downtown	10 Yrs (2006-15)	\$7,745,500	\$22,978
Gas Lamp Terrace Project (O'Connor & Associates)	2101 South G Street	Downtown	10 Yrs (2006-15)	\$2,518,800	\$7,472
Bridge Lofts Project (Catapult Dev Partners LLC)	744 Market St.	Downtown	10 Yrs (2006-15)	\$4,798,800	\$14,237
Stillwater Apartments (245 Tacoma LLC)	245 Tacoma Ave	Downtown	10 Yrs (2006-15)	\$1,728,600	\$5,128
<b>SUBTOTALS (2015)</b>				<b>\$19,061,200</b>	<b>\$56,549</b>
City Ridge Condo (Pacific Prop Group)	707 S. 16th St.	Downtown	10 Yrs (2007-16)	\$695,800	\$2,064
Overlook on Broadway II (Division/Broadway)	1 Broadway	Downtown	10 Yrs (2007-16)	\$6,015,400	\$17,846
Wet Fly Development	4544/4566 South Puget Sd	Tac Mall	10 Yrs (2007-16)	\$1,766,100	\$5,239
Talen Apartments	4349 S. Lawrence	Tac Mall	10 Yrs (2007-16)	\$604,800	\$1,794
Wet Fly Developments (4 rentals)	4323 S. Alder	Tac Mall	10 Yrs (2007-16)	\$597,600	\$1,773
Musica/13th St Apts (Abode Invest)	914/916 S. 13th	MLK	10 Yrs (2007-16)	\$893,800	\$2,652
Mark Lawson (aka 4048 S. Warner)	3401 S. 43rd St.	Tac Mall	10 Yrs (2007-16)	\$765,000	\$2,270
Mark Lawson (aka 4302 S. Warner)	3402 S. 43rd St.	Tac Mall	10 Yrs (2007-16)	\$765,000	\$2,270
Benjamin Louis (Ally Ray Enterprises)	4015 S. Puget Sd	Tac Mall	10 Yrs (2007-16)	\$321,200	\$953
Ron Billock (Geumja Kim)	4540 S. Puget Sd	Tac Mall	10 Yrs (2007-16)	\$349,900	\$1,038
McCarver Village Phase II (O'Connor & Associates LLC)	2350 Yakima Ct	Downtown	10 Yrs (2007-16)	\$2,867,800	\$8,508
Vision One LLC Project (Marcato (1/4/5 floors))	1501 Tacoma Ave	Downtown	10 Yrs (2007-16)	\$9,018,800	\$26,756
Apex Apartments LLC (Phase I)	2424 S. 41 <sup>st</sup> St.	Tac Mall	10 Yrs (2007-16)	\$10,545,200	\$31,284
Granville Building (Metro Real Estate Group)	207 Broadway	Downtown	10 Yrs (2007-16)	\$5,906,500	\$17,523
Bella on Broadway (Broadway Assoc I LLC)	436 Broadway	Downtown	10 Yrs (2007-16)	\$9,775,700	\$29,001
Mark Lawson	3415 S. 45th St.	Tac Mall	10 Yrs (2007-16)	\$765,200	\$2,270

(1) Source: Pierce County Assessor-Treasurer's Office [www.co.pierce.wa.us](http://www.co.pierce.wa.us)

(2) General Fund property taxes of which the 2012 rate is 2.966690/\$1,000 of assessed value

**TACOMA PROPERTY TAX EXEMPTION PROGRAM**  
(completed projects as of December 31, 2012)

Project Title	Project Address	MU Ctr	Exempt Period	2012 Assessed Value <sup>(1)</sup>	Estimated Taxes <sup>(2)</sup>
Court 17 LLC (Lorig)	1717 S. Market	Downtown	10 Yrs (2007-16)	\$8,160,900	\$24,211
Equity Trust Comp (Lynda Brown)	4545 S. Junett	Tac Mall	8 Yrs (2009-16)	\$459,100	\$1,362
DKR LLC	4324 & 4326 South Lawrence	Tac Mall	8 Yrs (2009-16)	\$784,900	\$2,329
Gary Calkins	4332 S. Lawrence	Tac Mall	8 Yrs (2009-16)	\$1,187,600	\$3,523
<b>SUBTOTALS (2016)</b>				<b>\$62,246,300</b>	<b>\$184,665</b>
Tac Townhomes (BJ McGeough)	1614 East 34th	Ptld Avenue	10 Yrs (2008-17)	\$1,331,000	\$3,949
Big Sky Montana LLC (John Bays)	4307 S. Warner	Tac Mall	10 Yrs (2008-17)	\$634,000	\$1,881
WREI I LLC (Marlexis Courtyard)	3201 S. 45 <sup>th</sup> St.	Tac Mall	10 Yrs (2008-17)	\$1,470,700	\$4,363
Warner Townhomes LLC	4538 S. Warner	Tac Mall	10 Yrs (2008-17)	\$502,800	\$1,492
City Steps I (PPG/Sodo LLC)	S. 21st & Yakima	Downtown	10 Yrs (2008-17)	\$5,013,300	\$14,873
Vision One LLC Project (Marcato (2/3/6 floors))	1501 Tacoma Avenue	Downtown	10 Yrs (2008-17)	\$9,012,500	\$26,737
Puget Street Townhomes LLC	4023 South Puget Sd	Tac Mall	10 Yrs (2008-17)	\$1,230,500	\$3,651
Lawrence St. Condos (Cherry Orchard)	5621 South Lawrence	South 56th	10 Yrs (2008-17)	\$930,800	\$2,761
Ron Billock (Justin Calkins)	4536-38 Puget Sound	Tac Mall	10 Yrs (2008-17)	\$742,100	\$2,202
Ron Billock (Caleb Shamp)	4530-32 Puget Sound	Tac Mall	10 Yrs (2008-17)	\$1,373,000	\$4,073
Stadium Dist Development LLC	1st / St. Helens	Downtown	10 Yrs (2008-17)	\$7,213,600	\$21,401
Galleria Condos Project (Condos on Jefferson)	2520 Jefferson	Downtown	10 Yrs (2008-17)	\$3,417,200	\$10,138
Troika Developments Inc.	4321-27 S. Junett	Tac Mall	10 Yrs (2008-17)	\$750,100	\$2,225
McCarver Village Phase II (O'Connor & Associates LLC)	2339 South I St.	Downtown	10 Yrs (2008-17)	\$3,949,800	\$11,718
Hana Heights LLC (Prium Company)	415 Sixth Avenue	Downtown	10 Yrs (2008-17)	\$5,431,700	\$16,114
Roberson Condos (New Urban Prop LLC)	708-714 Market	Downtown	10 Yrs (2008-17)	\$10,050,400	\$29,816
Mark Lawson	645 S. Trafton	6th Avenue	10 Yrs (2008-17)	\$1,326,500	\$3,935
Mark Lawson	4306-4310 South Warner	Tac Mall	8 Yrs (2010-17)	\$1,283,800	\$3,809
Modus Condominiums (Prospect 19 Partners)	630 N. Prospect	Sixth Ave	8 Yrs (2010-17)	\$994,800	\$2,951

(1) Source: Pierce County Assessor-Treasurer's Office [www.co.pierce.wa.us](http://www.co.pierce.wa.us)

(2) General Fund property taxes of which the 2012 rate is 2.966690/\$1,000 of assessed value

**TACOMA PROPERTY TAX EXEMPTION PROGRAM**  
(completed projects as of December 31, 2012)

Project Title	Project Address	MU Ctr	Exempt Period	2012 Assessed Value <sup>(1)</sup>	Estimated Taxes <sup>(2)</sup>
<b>SUBTOTALS (2017)</b>				<b>\$56,658,600</b>	<b>\$168,089</b>
23rd St Townhomes I (Dwelling Comp- Linda Salzer)	2129 S. Yakima	Downtown	10 Yrs (2009-18)	\$1,766,500	\$5,241
John Bays Developer (Troika Development Inc.)	4513-17 S. Junett	Tac Mall	10 Yrs (2009-18)	\$288,400	\$856
Puget Sd Townhomes (Phase I) (Good Deed Development)	4311 South Puget Sound	Tac Mall	10 Yrs (2009-18)	\$279,500	\$829
Triangle Townhomes (Catapult Dev)	410 Sixth Ave	Downtown	10 Yrs (2009-18)	\$974,600	\$2,891
The Esplande (1515 Dock Tacoma LLC- ISTAR Financial)	1515 Dock Street	Downtown	10 Yrs (2009-18)	\$46,455,300	\$137,818
Metro Apts II (245 Metro LLC)	245 St. Helens	Downtown	10 Yrs (2009-18)	\$6,076,000	\$18,026
Mark Lawson	3315 South 43rd	Tac Mall	10 Yrs (2009-18)	\$855,800	\$2,539
Bob & Linda Mickey	4531 South Puget Sound	Tac Mall	10 Yrs (2009-18)	\$282,800	\$839
Home Options (IJF Construction)	3119 S. 45th	Tac Mall	10 Yrs (2009-18)	\$993,900	\$2,949
Mark Lawson (aka 4301 S. Warner)	3318 S. 43rd St.	Tac Mall	10 Yrs (2009-18)	\$855,800	\$2,539
Warner Street Apts LLC Phase I	4336 S. Warner	Tac Mall	10 Yrs (2009-18)	\$642,000	\$1,905
Hillcrest Apts (815 9th St Tac LLC)	815 South 9th St.	Downtown	10 Yrs (2009-18)	\$2,443,400	\$7,249
Villaggio II LLC (Epic Assets)	1328 Market	Downtown	10 Yrs (2009-18)	\$11,256,200	\$33,394
Vision Invest. LLC (aka 4301 S. Alder)	3110 S. 43rd	Tac Mall	10 Yrs (2009-18)	\$892,700	\$2,648
Apex Apartments II LLC	2400 S. 41st St.	Tac Mall	10 Yrs (2009-18)	\$16,846,300	\$49,978
23rd St Townhomes Phase II (2 of 14 units)	2131 Court G	Downtown	10 Yrs (2009-18)	\$2,958,700	\$8,778
Pine Villa Tacoma LLC (aka Pine Street Townhomes)	4300 Pine Street	Tac Mall	10 Yrs (2009-18)	\$5,416,200	\$16,068
FHLMC (Johns Bays Developer)	4523 S. Junett	Tac Mall	10 Yrs (2009-18)	\$287,400	\$853
<b>SUBTOTALS (2018)</b>				<b>\$99,571,500</b>	<b>\$295,398</b>
Jetco Construction LLC	3018 S. 43rd St.	Tac Mall	10 Yrs (2010-19)	\$295,100	\$875
Bella View (Pinnacle Construction)	2105 S. Yakima	Downtown	10 Yrs (2010-19)	\$1,004,900	\$2,981
DKR LLC (aka Shamp)	4043-45 S. Warner	Tac Mall	10 Yrs (2010-19)	\$398,200	\$1,181
Lexington Square Townhomes (6 of 26) (aka Cyress Cove LLC)	602-612 S. 23rd	Downtown	10 Yrs (2010-19)	\$1,051,500	\$3,119

(1) Source: Pierce County Assessor-Treasurer's Office [www.co.pierce.wa.us](http://www.co.pierce.wa.us)

(2) General Fund property taxes of which the 2012 rate is 2.966690/\$1,000 of assessed value

**TACOMA PROPERTY TAX EXEMPTION PROGRAM**  
(completed projects as of December 31, 2012)

Project Title	Project Address	MU Ctr	Exempt Period	2012 Assessed Value <sup>(1)</sup>	Estimated Taxes <sup>(2)</sup>
Warner Street Apartments II LLC	4341 S. Warner	Tac Mall	10 Yrs (2010-19)	\$1,189,900	\$3,530
505 Broadway Assoc LLC	505 Broadway	Downtown	10 Yrs (2010-19)	\$22,316,700	\$66,207
Junett St Townhomes (Troika Development Inc.)	4502 South Junett	Tac Mall	10 Yrs (2010-19)	\$2,456,300	\$7,287
Vetta LLC (Bruce Steele)	302 Stadium Way	Stadium	10 Yrs (2010-19)	\$4,110,400	\$12,194
Eric Frank (aka 646 North State)	2202-2208 N. 8th	Sixth Avenue	10 Yrs (2010-19)	\$297,600	\$883
Highridge Townhomes (4 of 16)	2301 South I	Downtown	10 Yrs (2010-19)	\$939,100	\$2,786
Puget Sd Townhomes (Phase II) (Good Deed Development)	4315 South Puget Sound	Tac Mall	10 Yrs (2010-19)	\$417,400	\$1,238
<b>SUBTOTALS (2019)</b>				<b>\$34,477,100</b>	<b>\$102,283</b>
Yakima Villas (StoneCap Funding) (8 of 20 units)	2345-2455 South Yakima	Downtown	10 Yrs (2011-20)	\$1,781,900	\$5,286
Chelsea Heights	603-623 South J Street	Downtown	10 Yrs (2011-20)	\$11,098,500	\$32,926
Anchor Saving Bank	4325 S. Warner	Tac Mall	10 Yrs (2011-20)	\$1,903,000	\$5,646
<b>SUBTOTALS (2020)</b>				<b>\$14,783,400</b>	<b>\$43,858</b>

(1) Source: Pierce County Assessor-Treasurer's Office [www.co.pierce.wa.us](http://www.co.pierce.wa.us)

(2) General Fund property taxes of which the 2012 rate is 2.966690/\$1,000 of assessed value



## **Attachment 5**



**CITY OF TACOMA**  
**HISTORIC REHABILITATION PROPERTY TAX EXEMPTION PROGRAM**  
(MARCH 2013)

*The City of Tacoma Historic Rehabilitation Property Tax Exemption Program is designed to encourage restoration and reuse of historic structures.*

<b>PROPERTY LOCATION:</b>	Within City of Tacoma
<b>QUALIFIED APPLICANT:</b>	Property owner
<b>REQUIREMENTS:</b>	<ul style="list-style-type: none"><li>* Property must be listed on the Tacoma Register of Historic Places</li><li>* Rehabilitation costs must equal at least 25% of the assessed value of the building prior to renovation</li><li>* All project costs must be incurred within 24 consecutive months</li><li>* Project must meet the Secretary of Interior's Standards for Rehabilitation of Historic Buildings</li><li>* Renovations must not adversely affect historically significant building character's defining elements</li></ul>
<b>QUALIFIED EXPENDITURES:</b>	Costs associated design, materials and construction necessary to modernize a building; excludes costs associated with property acquisition or expanding building size
<b>TAX EXEMPTION:</b>	10-year, 100% of qualified expenses
<b>PROGRAM START:</b>	Property tax exemption begins the year following project completion
<b>APPLICATION:</b>	Accepted year-round
<b>CONTACT INFORMATION:</b>	Reuben McKnight, City of Tacoma, (253) 591-5220; <a href="mailto:rmcknight@cityoftacoma.org">rmcknight@cityoftacoma.org</a>



# Attachment 6

## **Budget Document Links:**

### Spokane

<http://www.spokanecity.org/documents/articles/2013/02/06/2013-Adopted-budget-summary-line-item.pdf>

### Bellevue

[http://www.ci.bellevue.wa.us/pdf/Finance/2013 2014 Budget Detail book FINAL.pdf](http://www.ci.bellevue.wa.us/pdf/Finance/2013%202014%20Budget%20Detail%20book%20FINAL.pdf)

### Seattle

[http://www.seattle.gov/financedepartment/13adoptedbudget/documents/Full2013Adopted2014EndorsedBudget\\_000.pdf](http://www.seattle.gov/financedepartment/13adoptedbudget/documents/Full2013Adopted2014EndorsedBudget_000.pdf)

### Olympia

<http://olympiawa.gov/city-government/~media/Files/AdminServices/Budget/2013%20Budget/2013%20Adopted%20Operating%20Budget.pdf>

### Fife

[http://www.cityoffife.org/downloads/finance/budget 2013 v3/Section II Processes Policies & Summaries.pdf](http://www.cityoffife.org/downloads/finance/budget%202013%20v3/Section%20II%20Processes%20Policies%20&%20Summaries.pdf)

### Vancouver

[http://www.cityofvancouver.us/sites/default/files/fileattachments/financial and management services/page/893/2 financial summary reports13-14.pdf](http://www.cityofvancouver.us/sites/default/files/fileattachments/financial%20and%20management%20services/page/893/2%20financial%20summary%20reports13-14.pdf)

### Lakewood

[https://www.cityoflakewood.us/documents/finance/2013-2014 budget/city of lakewood 2013-2014 budget.pdf#page=3](https://www.cityoflakewood.us/documents/finance/2013-2014%20budget/city%20of%20lakewood%202013-2014%20budget.pdf#page=3)

### Federal Way

<http://www.cityoffederalway.com/DocumentCenter/View/3713>

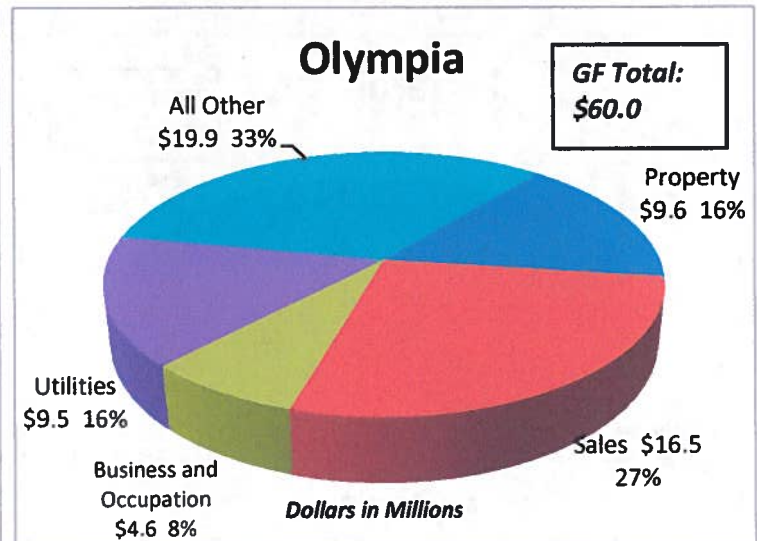
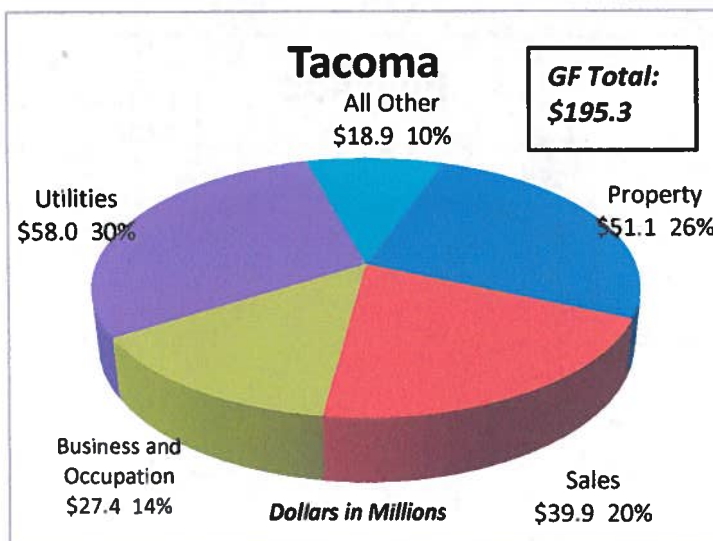
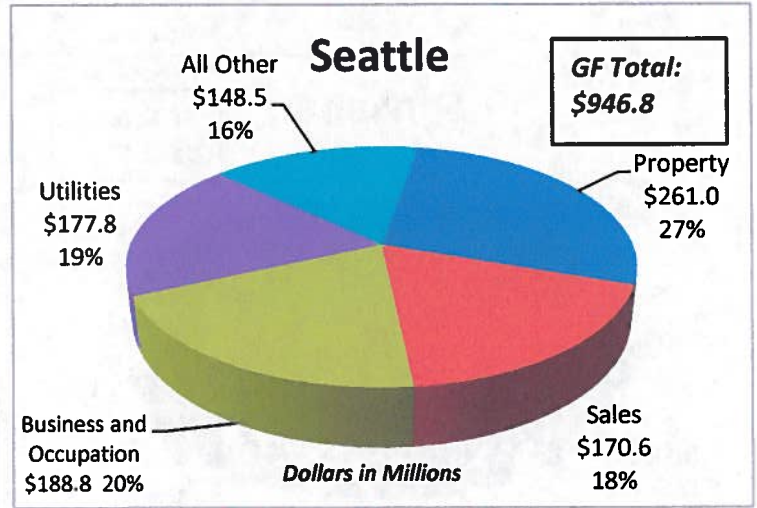
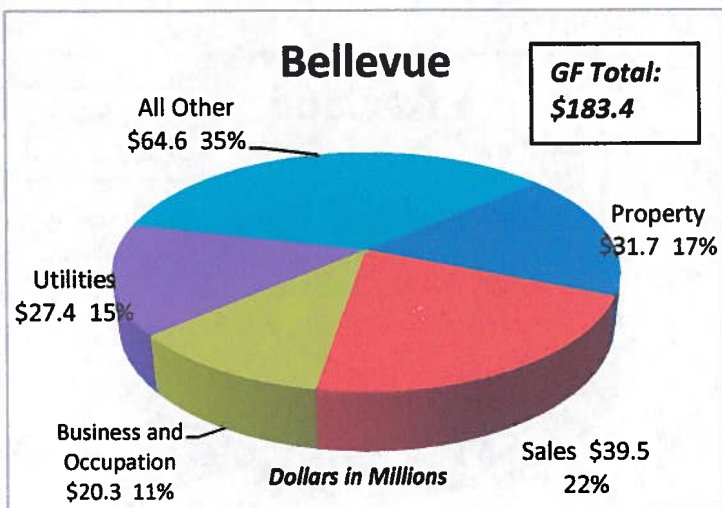
### Puyallup

<http://www.cityofpuyallup.org/files/library/96cc72123a8be3c7.pdf>



## 2013 Budgeted Major General Fund Revenue Sources for Comparable Cities

Disclaimer: While all of these cities use similar titles for revenue sources, the types of revenues contained within the General Fund (GF) differ, as do their groupings. These differences make the direct comparison of varying city's revenues by category and percentage problematical. For example, until this year, Fife entered all of their debt service revenues from the property tax directly into a debt service fund, whereas Tacoma receipts them into the GF and subsequently transfers them out to the debt service funds. This type of activity may go unnoticed when viewed by someone unfamiliar with this city's practice. As an example of how the categories may differ, Seattle's GF contains parking revenue, while Tacoma receipts these monies into their own fund. These are only a few of the challenges faced when comparing one city's revenues structure with another.



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