



Facility Advisory Committee: Final Report

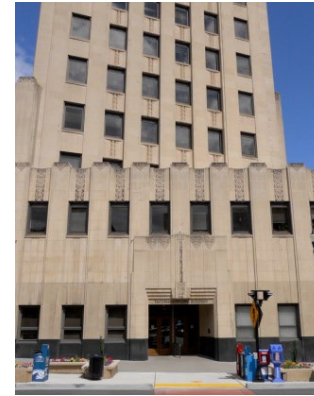
**Study Session
October 24, 2023**





Outline

- Problem Statement: Why Are We Here?
- FAC Process
- Next Steps
- Funding the List: Context and Considerations





General Government Facilities: Why Are We Here?

Problem Statement:

"A majority of General Government Facilities are aging beyond their useful life, and many do not meet operational or level-of-service requirements."



FAC Scope

In Scope

- Creation of a prioritized list
- Where should City start with its investments?
- Compare across services
- Consideration of Council resolutions and City regulations
- Cost estimates

Out of Scope

- Detailed design of projects
- Strategic implementation
- Funding mechanisms



FAC Process Overview



City Council and Implementation

- Share Prioritized List with Infrastructure Planning and Sustainability Committee (9/27)
- City Council to consider funding options and implementation approach
- Strategic Implementation – includes design, final site selection, and construction and operations approach



Criteria and Scoring System

- Scoring System Method
 - Develop Criteria
 - Score based on influence on criteria
 - Weighting score
- Criteria
 - Public and User Safety
 - Emergency Services
 - Equity
 - Community Value
 - City Vision and Goals
 - Condition



Prioritized Project List

- Safety is Paramount
- Public Safety Facilities Scored Highly
 - Street Operations Campus
 - Fire Stations and Other Fire Facilities
- Investment in Community Space Essential
 - Ensure inclusion of additional facilities
 - New TPL Locations, Historic Rialto Theater
 - Operating Impacts
- Council Must Continue Repair and Replacement Program Funding



Additional Recommendations

- Leverage Additional Funding
- Continued Investment in Deferred Repair and Replacement Projects
- Implementation Should Benefit Local Community, Think Long-Term
- Consider Other Facilities
 - Tacoma Municipal Complex
 - Senior Centers, Community Centers, City-Owned Parks
- Accountability Mechanism



FAC Conclusions

- Successful FAC Process and Group Engagement
- Recommended List
 - Focus on Safety
 - Community Safety Facilities in Need
 - Community Space Also Essential
- Need to Fund Adequate Repair and Replacement Program
- Implementation is Key
 - Provide Transparent Access to Program Progress and Implementation
 - Ensure Local Benefits to Local Investments
- Examine Additional Facilities, Services, and Programming
- Need to Plan Regular, Debt Replacement, and Comprehensive Capital Funding Program



Next Steps

Implementation Planning

- Planning Documents and Capital Facilities Plan
- Strategic approach to the work
- Strategic Conversations with Partners

Funding the List

- Context (2025-2026 Budget, Economic Conditions)
- Continued Conversations on Funding options



Revenue Strategy



Guiding Principles for a Revenue Strategy

Prioritizing Areas of Focus/Expense

- Consider as part of holistic revenue approach by City
 - How does it fit into the timing of other initiatives?
 - What will be the fully impact on residents and businesses?
 - Does the expense need match with budget discussions on priorities for expenses?
- Consider revenue options when adding significant new services

Timing

- Create a calendar and potential timeline for revenue proposals & evaluate/update during biennial budgeting process

Impact

- Analyze collective impact of proposals on residents and businesses
- Include alternatives to reduce impact of measures on small businesses or low-income households



Debt Limits as of 12/31/2022

Total Taxable Property Value (Assessed at 100%, for taxes payable in 2023) (PV) \$ 43,161,357,947

GENERAL PURPOSE INDEBTEDNESS

Non-Voted General Purpose Indebtedness and Capital Leases

Legal Limit 1.5% of Total Taxable Property Value \$ 647,420,369

Indebtedness (Liabilities)

Non-Voted General Obligation Bonds

\$ 187,730,885

Capital Leases Payable

-

Less Assets Available

-

Indebtedness Incurred - Non-Voted General Purposes \$ 187,730,885

Remaining Legally Available Non-Voted Debt Capacity - General Purposes \$ 459,689,484

Less Required Reserve (10% of Non-Voted Debt Capacity) \$ (64,742,037)

Available Non-Voted Debt Capacity - net of Required Reserve \$ 394,947,447

Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted)

Legal Limit 2.5% of Total Taxable Property Value \$ 1,079,033,949

Less:

Indebtedness Incurred - Non-Voted General Purposes (187,730,885)

\$ 891,303,064

Indebtedness (Liabilities)

Voted General Obligation Bonds

\$ -

Less Assets Available

(28,700)

Indebtedness Incurred - Voted General Purposes \$ (28,700)

Total Remaining Debt Capacity - General Purposes \$ 891,331,763



Financial Considerations

- 2023 Decrease (5.2%)
 - Downside Economic Risk
 - Reduction of Assessed Value
 - Rating Agency Reserve
 - Recommend Reduce Capacity 25-30%
 - Maintain Emergency Capacity
 - Natural Disaster
 - Bridge Collapse
 - Other Unforeseen Shock
 - Recommend Reduce Capacity by 20%
 - **Recommended Cap: \$400M**
- 891 Million**
- **46 Million (5.2%)**
845 Million
- **267 Million (30%)**
578 Million
- **178 Million (20%)**
\$400 Million



Examples

60% Voter Approval Threshold

20 YRS Debt Amount	Est. Annual Debt Service*	Property Tax Rate (Est.)	Annual Household Impact	
			Annual (Est.) †	Per Month
\$400 million	\$33 – 36 million	\$0.76 - \$0.82	\$354 - \$385	\$29 - \$32
\$200 million	\$16 – 18 million	\$0.38 - \$0.41	\$177 - \$193	\$15 - \$16

50% Voter Approval Threshold

Total Property Tax – 10 YRS	Annual Revenue	Property Tax Rate (Est.)	Annual Household Impact	
			Annual (Est.) †	Per Month
\$400 million	\$40 million	\$0.90 - \$1.00	\$440 - \$450	\$35 - \$40
\$200 million	\$20 million	\$0.45 - \$0.55	\$220 - \$225	\$18 - \$20

* Estimated Interest Rate: 5%-6%

† Average Assessed Value (2023): \$469,807



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