



City of Tacoma

City Council Action Memorandum

TO: Elizabeth A. Pauli, City Manager  
 FROM: Jeff H. Capell, Hearing Examiner *JHC*  
 Ralph K. Rodriguez, LID Administrator, Public Works Engineering Division *RKR*  
 COPY: City Council and City Clerk  
 SUBJECT: Ordinance Request No. 21-0277 – LID No. 8663 Formation – March 30, 2021  
 DATE: March 17, 2021

**SUMMARY AND PURPOSE:**

An ordinance forming Local Improvement District No. 8663, to establish upgraded permanent pavement with structural section, together with the installation of concrete curbs, gutters, surface water mains, and surface water catch basins, on the following streets: North 43rd Street from Frace Avenue to Lexington Street, also Lexington Street from North 43rd Street to North 45th Street; Mullen Street from North 48th Street north to the dead end; Mullen Street from North 47th Street to North 48th Street; and the alley between Mullen Street and Ferdinand Street, from North 36th Street to North 37th Street.

**BACKGROUND:**

The Hearing Examiner’s recommendation to approve formation of Local Improvement District No. 8663 (“LID 8663” or the “LID”) is based on the evidence and testimony presented at a public hearing held on November 9, 2020, a handful of LID property owner comments received prior to the record closing on November 13, 2020, as well as three requests for reconsideration of the Examiner’s initial Report and Recommendation to the City Council. LID 8663 proposes to establish upgraded (from base City paving project) permanent pavement with a structural section, together with the installation of concrete curbs, gutters, surface water mains, and surface water catch basins, where needed on the following streets: **Segment 1**-North 43rd Street from Frace Avenue to Lexington Street, also Lexington Street from North 43rd Street to North 45th Street; **Segment 2**-Mullen Street from North 48th Street north to the dead end; and **Segment 3**-Mullen Street from North 47th Street to North 48th Street. Also proposed is permanent alley pavement with structural section, surface water mains, and surface water catch basins, where needed in: **Segment 4**-The alley between Mullen Street and Ferdinand Street, north from North 36th Street to North 37th Street (all collectively the “Improvements”). A portion of the project cost will be paid for by assessments to the property owners within the LID and the rest will come from the City’s Streets Initiative Funds and Environmental Services. In the Examiner’s initial Report and Recommendation, Segment 3 met the level of protest to not be included in the LID. After the issuance of the Report and Recommendation, two LID property owners and the City filed requests for reconsideration. The City’s request was based on an LID Segment 3 property owner’s withdrawal of protest, causing the level of protest for that Segment to fall beneath both the State and City thresholds for forming an LID. Subsequently, on December 23, 2020, the Hearing Examiner issued a Combined Decision on Reconsideration, which includes a revised recommendation that Segment 3 be included as part of LID 8663. No changes to the Recommendation were made based on the property owner requests. Thereafter, two property owners filed TMC 1.70 “appeals” which were heard and denied by the City Council on March 9, 2021.



**COMMUNITY ENGAGEMENT / CUSTOMER RESEARCH:**

All property owners within the proposed LID were notified of the public hearing, held on November 9, 2020, at which they could attend to express their concerns and support, or opposition to, forming LID 8663. Several property owners did testify at the hearing, with some asking clarifying questions about the LID to City staff, and some also stating their support for, or opposition to formation. To allow for all property owners to have their voices heard, the Examiner left the hearing record open until November 13, 2020, for additional written comments. Property owners within the LID 8663 boundary will be affected by the proposed LID in that they will benefit from the Improvements, as well as benefit from having a long-term financing option through the City. Property owners also benefit from the contribution the City is making toward the Improvements.

**2025 STRATEGIC PRIORITIES:**

**Equity and Accessibility:**

Positive impacts on equity and accessibility result from approving this LID formation because residents within the LID boundary can benefit from the Improvements to their streetscape.

**Livability: Equity Index Score: Moderate Opportunity**

Improve access and proximity by residents of diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

**Explain how your legislation will affect the selected indicator(s).**

The formation of the Local Improvement District acknowledges the overall support of the property owners to form the LID and supports their opportunity to have direct involvement in public improvements in their neighborhood.

**ALTERNATIVES:**

| Alternative(s)   | Positive Impact(s)  | Negative Impact(s)  |
|--|---|---|
| 1. The Council could approve forming the LID under different terms than those recommended. | Any positive impact arising from varying from the Examiner's recommendation would depend on what those alterations are. | Any variation to the current recommendation could potentially delay the LID formation and construction of the Improvements.   |
| 2. The Council could reject formation of the LID.  | The most positive impacts come from approving the LID formation.  | The most positive impacts come from approving the LID formation, thereby making the Improvements that are supported by the City and a presumed majority of property owners. |

**EVALUATION AND FOLLOW UP:**

All evaluations and follow up should be coordinated between the appropriate City Department and property owners within the LID.



**STAFF/SPONSOR RECOMMENDATION:**

At the present levels of protest, the Hearing Examiner recommends formation of all Segments of Local Improvement District No. 8663, following the costs and legal descriptions set forth in the Hearing Examiner's Report and Recommendation and the hearing record. The City Council should be advised, however, that RCW 35.43.180 allows for property owner protest to still be registered "[w]ithin thirty days from the date of passage of the ordinance ordering the improvement..."

**FISCAL IMPACT:**

| Fund Number & Name       | COST OBJECT<br>(CC/WBS/ORDER) | Cost Element | Total Amount   |
|--------------------------|-------------------------------|--------------|----------------|
| 1. 1060-LID              | LID-8663R-06                  | 5600000      | \$1,602,703.60 |
| 2. 4301-ES Surface Water | LID-8663S-06                  | 5600000      | \$885,255.00   |
| <b>TOTAL</b>             |                               |              | \$2,487,958.60 |

**What Funding is being used to support the expense?**

- 1060-LID, LID Assessments, 6398645, \$650,377.60
- 1060-LID, Streets Initiative Funds, 6311108, \$952,326.00
- 4301, ES Surface Water Funds, 4300020, \$885,255.00

**Are the expenditures and revenues planned and budgeted in this biennium's current budget?**

**YES**  
 ES Surface Water is budgeted at the fund level.  
 Streets Initiative Funds are budgeted at the project level.  
 LID assessments are budgeted at the project level upon adoption of the formation ordinance.

**Are there financial costs or other impacts of not implementing the legislation?**

**NO**  
 There are no financial costs to the city for not adopting the ordinance creating the Local Improvement District.

**Will the legislation have an ongoing/recurring fiscal impact?**

**YES**  
 The storm water main extension will require periodic cleaning.  
 The new street surface with curb and gutter will require periodic street sweeping.

**Will the legislation change the City's FTE/personnel counts?**

**NO**  
 Existing staff will design, inspect and maintain the improvements authorized by the Local Improvement District.



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**ATTACHMENTS:**

The following attachments can be found in Legistar:

- The Hearing Examiner's City Council Action Memorandum, dated March 17, 2021.
- The Hearing Examiner's Combined Decision on Reconsideration, dated December 23, 2020.
- Three Requests for Reconsideration: one from the City's LID Section, filed December 16, 2020; one from Brian Lawson and Trinity Reid Lawson, filed December 16, 2020; and one from Mark Gallinati, filed December 7, 2020.
- The Hearing Examiner's Findings of Fact, Conclusions of Law, and Recommendation, issued on December 2, 2020.
- The City Witness List, City Exhibit List, and Exhibits C-1 through C-17.
- Property Owner Comments and Questions.
- Verbatim electronic recording from the hearing held on November 9, 2020.