



# **Facility Advisory Committee: Final Report**

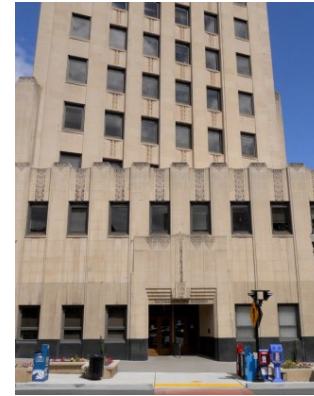
**Study Session  
October 24, 2023**





# 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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