



AZURE | GREEN
CONSULTANTS

+feasibility +planning +engineering +surveying

phone: 253.770.3144
fax: 253.770.3142
409 East Pioneer, Suite A
Puyallup, WA 98372

June 19, 2015

Pierce County Council
930 Tacoma Avenue South, Room 1046
Tacoma, Washington 98402

Re: COMBINED AMENDMENT:
C-6 COMMUNITY PLAN AMENDMENT: Frederickson Community Plan Employment Services (ES) Zone
M-4 AREA-WIDE MAP AMENDMENT: Employment Center (EC) Designation with Employment Service (ES) Zone, Frederickson Area
Applicant: FRETOC, LLC

Dear Council Members:

We have prepared an analysis of the property tax revenue from the parcels owned by FRETOC, LLC. The successful development of the Frederickson Town Center will result in a substantial increase in property tax revenue, as well as very significant sales tax revenue.

The 20 parcels in Frederickson Town Center have a current assessed valuation of \$5,879,800. The current annual property tax revenue is \$90,002. Current sales tax revenue is ZERO.

Upon full development of Frederickson Town Center with the current ES and CE zoning the projected assessed valuation is \$40,718,945. The annual property tax revenue based on 2015 millage rates would be \$637,148. Projected annual sales tax revenue is \$4,389,000. \$1,147,125 of this sales tax revenue would go to Pierce County.

Upon full development of Frederickson Town Center with the proposed ES zoning the projected assessed valuation is \$63,959,141. The annual property tax revenue based on 2015 millage rates would be \$979,019. Projected annual sales tax revenue is \$10,560,000. \$2,760,000 of sales tax revenue goes to Pierce County.

School funding from the state from sales tax is currently approximately 27% of annual sales tax. Any increase in total sales tax will likely have a positive impact on school funding. If future allocations of state sales tax to schools is 27%, the annual funding to schools once the project is fully developed with approval of M-4 and C-6 amendments could be as much as \$3,299,778. Current sales tax revenue from the site is ZERO!

The approval of M-4 and C-6 will also greatly accelerate the development of Frederickson Town Center. We estimate that it will take 4 to 6 years to finish the development if the amendments are approved. If they are not approved we anticipate it will take 10 to 15 years for full development.



If bond levies are approved in the future that result in the same levy rates that we have now the following distributions of property tax revenue would result. If bonded amounts do not go up any then the additional valuation would likely result in lowered tax rates for all property owners.

Property Tax Distribution with and without approval of amendments

Districts	Rate	2015 Property Tax	Developed with Current Zoning	Developed with Proposed Zoning
CONSERVATION FUTURES	0.05344	\$314	\$2,176	\$3,418
FLOOD CONTROL ZONE	0.10161	\$597	\$4,138	\$6,499
PORT OF TACOMA	0.18373	\$1,080	\$7,481	\$11,751
FIRE DISTRICT #6 EMS - CENTRAL PIERCE	0.5	\$2,940	\$20,359	\$31,980
PIERCE COUNTY RURAL LIBRARY	0.5	\$2,940	\$20,359	\$31,980
FIRE DISTRICT #6 EXPENSE - CENTRAL PIERCE COUNTY	1	\$5,880	\$40,719	\$63,959
COUNTY ROAD	1.42786	\$8,396	\$58,141	\$91,325
STATE	1.98871	\$11,693	\$80,978	\$127,196
FIRE DISTRICT #6 BOND - CENTRAL PIERCE	2.38631	\$14,031	\$97,168	\$152,626
SD #403 CAPITAL PROJECTS FUND - BETHEL	0.15177	\$892	\$6,180	\$9,707
SD #403 BOND - BETHEL	0.52159	\$3,067	\$21,238	\$33,360
SD #403 M&O - BETHEL	1.86612	\$10,972	\$75,987	\$119,356
	4.6258	\$27,199	\$188,358	\$295,862
	Totals	\$90,002	\$623,283	\$979,019

The development of the property with the proposed amendments will generate \$355,736 more of annual property taxes than if developed with current zoning if future levy rates stay the same.

Thank you in advance for your consideration.

Paul E. Green

Paul E. Green, P.E.
Director of Planning and Engineering

