Clark County, Washington

Correction Facility Advisory Commission

Funding and Financial Considerations

September 6, 2018

Submitted by:

PFM Financial Advisors LLC
1200 Fifth Avenue
Suite 1220
Seattle, WA 98101

PFM Group Consulting LLC
1735 Market Street
43rd Floor
Philadelphia, PA 19103

www.pfm.com

pfm

1200 Fifth Avenue
Suite 1220
Seattle, WA
98101

1735 Market Street
43rd Floor
Philadelphia, PA
19103

pfm.com

September 6, 2018
Ms. Marlia Jenkins
Administrative Services Manager III
County Council and Manager
Clark County, Washington
1300 Franklin Street
Vancouver, WA 98666-5000

RE: Correction Facility Advisory Commission

Dear Ms. Jenkins:

This report to the Clark County (the "County") Correction Facility Advisory Commission ("CFAC" or the "Commission") has been jointly prepared by PFM Financial Advisors LLC ("PFMFA") and PFM Group Consulting LLC ("PFMGC"). PFMFA is a "municipal advisor" under the Dodd-Frank Act of 2010, registered with both the Securities and Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB). PFMFA is currently engaged as the County's municipal advisor (financial advisor) with respect to debt issuance and capital planning. PFMFA has served as the County's advisor since January 2015, and has a fiduciary responsibility to the County. PFMGC is an affiliate of PFMFA, and is not regulated by the SEC or MSRB. PFMGC has been engaged under a separate contract with the County.

The purpose of this report is twofold. In Part 1 (PFMFA), it aims to identify and describe the universe of funding and financing options available to the County in the context of a new correction facility (hereafter, the "Facility"). This includes an overview of the types of debt financing that may be used to fund the Facility, as well as the existing or potential tax revenue streams that may be used to service that debt and, in some cases, provide additional revenues for the operation or maintenance of the Facility. In Part 2 (PFMGC), it describes the variables that may alter the upfront and ongoing costs of operation of the Facility. Part 2 is best used to help CFAC contemplate the potential fiscal impact of various policy questions and alternatives considered in determining the layout and design of the Facility. In other words, the document is intended to serve – at a high level – as a discussion guide for decisions regarding the intended use and design of the Facility and how those decisions may influence operational costs and the ultimate goals of the CFAC and the County.

The scope of the collective work is intentionally broad – it is not based on a Facility of any particular size, design, or cost. Rather, the documents are intended to help the CFAC and the County make informed decisions about the scope, nature, size, and budget for a new correction facility, recognizing that the planning for such a Facility is still in a very preliminary stage and subject to change.

We hope you find this report useful and look forward to discussing it with you.

Sincerely,

PFM Financial Advisors LLC

Duncan Brown
Senior Managing Consultant
brownd@pfm.com | (206) 406-9920

PFM Group Consulting LLC

Seth Williams
Senior Managing Consultant
williamss@pfm.com | (215) 557-1249

PART I: FUNDING AND FINANCING OPTIONS (PFMFA)

Generally speaking, counties in Washington may use one of two types of debt to finance general-purpose projects like the Facility: unlimited tax general obligation (UTGO, or voted) debt, or limited tax general obligation (LTGO, or non-voted) debt[1]. This report considers both types of debt, as well as the sources of revenue (taxes) necessary to support such debt. It also briefly discusses some alternative financing approaches within the overall UTGO/LTGO framework.

For purposes of the discussion below, we have taken a broad view about the nature of the Facility and the operations therein. We have not presupposed a particular type of Facility or the degree to which it houses programs considered "ancillary" to criminal justice (e.g., mental health services, homeless service providers, etc.). While certain revenue streams and financing options described below are very flexible, and may be applied to general County purposes, others are restricted by statute in the types of purposes to which they can be applied. Additionally, while certain revenue streams can be applied broadly to capital, operating, or maintenance purposes, others are limited to capital purposes. (Payment of debt service is considered a capital expenditure – if a particular tax can be applied directly to capital construction of a project, it can also be used to pay debt service on bonds related to that project.) Where there are statutory restrictions regarding the use of a particular tax, we have noted these restrictions.

Assumptions and Information

For purposes of this report, we have assumed somewhat simple debt structures. Bond issues of 30 years assume a 5.5% interest rate; 20 year bonds assume a 5.0% interest rate; and bonds 10 years and shorter assume a 4.0% interest rate. Interest rates are assumed to be inclusive of bond issuance costs (i.e., the rates are "all-in" rates).

Additionally, we have assumed level annual debt payments in each instance. The County may ultimately opt to use a different structure (e.g., deferred principal / interest-only payments, increasing debt service, etc.). However, level debt service is the "standard" structure, both for the County's existing debt and for municipal bond issues generally. Although the taxes described are generally expected to increase year-over-year, it is generally considered to be a best practice and more conservative to utilize a level debt service structure. Note that these estimates do not assume any "haircut" or "cushion" in sizing debt service relative to various tax revenue streams. In other words, if $5 million is available for debt service, we assume that the full amount is applied to debt service. Depending on the selected plan of finance, the County may wish to structure bonds with some sort of "cushion" or "coverage" relative to the repayment source, and utilize the excess amount for operations, ongoing capital needs, maintenance, set-asides for reserve funds, or some other purpose. (We have, however, assumed a 3% delinquency rate for purposes of calculating property tax levy rates, where applicable.)

We have also assumed that each financing is issued as a single issue of bonds. As discussed further below, the County may choose to issue multiple series of debt over a multi-year period, spreading debt service across a slightly longer time period. These simple assumptions are also intended to allow some degree of "scalability," i.e., a $200 million bond issue would require twice as much annual debt service as a $100 million bond issue over the same term.

[1] *Counties that operate utility systems may issue revenue bonds backed by the revenues of such systems; however, revenue bonds are not applicable for non-utility purposes, such as criminal justice.*

The data on which this report relies are derived from several sources, including: conversations with County staff and its external bond counsel; information provided by County staff; certain publications of the Municipal Research and Services Center (MRSC); and tax information from the Washington Department of Revenue.

Debt Limits

Washington counties are limited by both the state constitution and by statute in the amount of general obligation debt they can incur. For all general obligation debt – voted (UTGO) and non-voted (LTGO) – counties are limited to 2.5% of their total assessed value. For non-voted (LTGO) debt specifically, counties are limited to 1.5% of their assessed value. For most counties, however, these limits are so high that they are not a meaningful constraint on new debt issuance. Based on its 2018 assessed value, the County's remaining debt capacity under these limits (taking into account its outstanding debt) is approximately $1.3 billion (total, voted and non-voted) and $750 million (non-voted debt only). Thus, we do not consider the statutory and constitutional debt limits to be practical limitations on the County's ability to finance the Facility.

UTGO Bonds

UTGO bonds require voter approval: a 60% +1 supermajority, plus a minimum turnout of 40% of the last gubernatorial election. They are not commonly used by Washington counties. (They are, however, commonly used by school districts.) In authorizing UTGO bonds, voters approve a maximum aggregate principal amount of bonds, as well as a maximum term for each series of bonds issued under the authorization (i.e., 20 or 30 years). If approved, the UTGO bonds are payable from a new, dedicated, excess property tax levy, unlimited as to rate or amount – whatever is necessary to pay debt service in a given year. This levy would be imposed on all parts of the County, both incorporated and unincorporated areas. The County would provide the estimated tax rate impact of the proposed bond authorization as part of the ballot measure; however, this tax rate is only an estimate, and not a limiting factor. The dedicated excess levy is not subject to any other statutory or constitutional limits. However, the levy may only be used to pay debt service on UTGO bonds – it may not be used for any operational or maintenance purposes.

The size of a UTGO bond authorization is wholly dependent on the specifics of a ballot resolution adopted by the Council and approved by voters. Table 1 below outlines the approximate levy rate impact of various sizes of UTGO bond issues, based on the County's 2018 assessed value of $57.2 billion. Table 1 also indicates the annual dollar increase to the owner of a median-value home in the County (estimated at $345,000). (For every $0.01 in levy rate, the owner of a median-value home would pay an additional $3.45 in annual property taxes.)

Table 1: UTGO Bond Sizes and Indicative Property Tax Rates

Annual Levy Amount ($)	Annual Levy Rate (per $1,000 AV)	Annual Levy Amount – Median Home ($)	Bond Size (20 Years)	Bond Size (30 Years)
$5,000,000	0.09	$31	$60,440,000	$70,490,000
$7,094,000	0.13	$44	$85,745,000	$100,000,000
$8,273,000	0.15	$51	$100,000,000	$116,625,000
$10,000,000	0.18	$62	$120,885,000	$140,975,000

Note: Assumes 3% delinquency factor.

As noted earlier, this analysis assumes a level annual debt service structure, so as assessed value increases, the levy rate would decrease (and vice versa).

LTGO Bonds

LTGO bonds require approval of the issuer's legislative body (i.e., the County Council); unlike UTGO bonds, they do not require voter approval. LTGO bonds are the most common form of financing for the County historically and Washington counties generally.

However, also unlike UTGO bonds, LTGO bonds do not come attached to a new, excess property tax levy – they must be paid from other County revenue sources. Those sources might include *existing* taxes, to the extent those tax revenues are not otherwise committed. Those sources might include one or more *new* taxes – such as a new sales and use tax or a "lid lift" of the County's regular property tax levy – which could require voter approval of the new tax (as opposed to approval of the bonds). Or, the County might use a combination of new and existing resources to pay debt service on LTGO bonds. Ultimately, regardless of the anticipated or actual source of revenue used to pay debt service, LTGO bonds are secured by the issuer's full faith and credit and non-voted property taxing authority.

In any case, it is imperative that the County (and any issuer of LTGO bonds) clearly identify the source of debt repayment prior to issuing the bonds, in order to avoid future challenges. The paragraphs that follow describe certain existing and potential tax revenue sources that may be options for the Facility. We have attempted to quantify the approximate annual dollar amount that could be generated from each source, and translate that into an amount that could be leveraged via an LTGO bond issue. It is important to remember that each revenue is not exclusive, and that elements could be combined into an overall financing and funding plan for the Facility.

We have broken down the universe of potential revenue sources available to support LTGO debt into the following categories:

1.) Sales and Use Taxes (Existing and Potential)
2.) Real Estate Excise Tax (REET 1 and REET 2)
3.) Regular Property Taxes

Existing Sales and Use Taxes

The County currently imposes four sales and use taxes: the "basic" county sales and use tax of 0.5%; the "optional" county sales and use tax of 0.5% (consisting of several sub-components); the 0.1% criminal justice sales and use tax (which is shared with cities in the County); and the 0.1% sales and use tax for mental health. (For simplicity's sake, sales and use taxes are referred to as "sales taxes" from this point forward.) As shown below in Table 2, these sales taxes generated the following amounts in 2017:

Table 2: Actual 2017 Sales Tax Revenues			
Description	**Rate**	**Note**	**Annual 2017 Revenue**
Basic sales tax	0.50%	Discretionary (not restricted by statute); to general fund	
Optional sales tax, consisting of:	0.50%	Discretionary (not restricted by statute); to various funds as shown below	
Special Sheriff's Law Enforcement	0.20%	Discretionary; dedicated to Law and Justice per Board (Council) action	
Law and Justice	0.20%	Discretionary; dedicated to Law and Justice per Board (Council) action	
Remaining optional sales/use tax	0.10%	Discretionary (not restricted by statute); to general fund	$33,503,674
Criminal Justice	0.10%	Nondiscretionary (by statute); dedicated funding	$4,259,229
Mental Health	0.10%	Nondiscretionary (by statute); programmatic allocation	$8,082,788

Use of the **basic** and **optional sales taxes** are not restricted by statute. However, per County Code, 0.4% of the optional 0.5% is dedicated to law enforcement and law and justice program service levels. The remaining 0.1% of the optional sales tax, and the entire 0.5% of the basic sales tax, are deposited to the County's general fund. However, as public safety is the largest area of expenditure for the general fund, these tax components may be thought of as already supporting public safety programs. To the extent not needed for other County expenditures, any portion of the basic and optional sales taxes could be used to support new debt, maintenance, or operations of the Facility. However, our understanding is that the County already fully utilizes these taxes in its existing operations, supporting public safety either directly or indirectly through the general fund.

The 0.1% **criminal justice sales tax** is a County-wide sales tax split between the County (which receives 10%) and cities in the County (which receive 90%). The criminal justice sales tax is statutorily restricted to *"activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates"* (RCW 82.14.340). However, like other existing County sales taxes, we understand that revenues from this sales tax are currently being utilized for existing purposes.

The 0.1% **mental health sales tax** is also a County-wide sales tax, for which the County receives all revenues. These revenues may be used *"solely for the purpose of providing for the operation or delivery of chemical dependency or mental health treatment programs and services and for the operation or delivery of therapeutic court programs and services"* (RCW 82.14.460). Again, we understand that revenues from this sales tax are currently being utilized. Additionally, given the wording of the statute ("operation and delivery"), we understand that revenues from this tax are generally limited to operations and could not be used to support debt service related to a capital construction project.

To the extent that revenues from any of these existing sales are available to service debt, the following Table 3 provides estimates of bond issue sizes that could be supported with a given annual payment:

Table 3: Hypothetical Bond Sizing		
Hypothetical Annual Revenue	**Bond Size (20 Years)**	**Bond Size (30 Years)**
$5,000,000	$60,440,000	$70,490,000
$10,000,000	$120,885,000	$140,975,000

Each of these existing sales taxes could also be used to support operations in the new corrections facility, similar to how they are used currently. (Indeed, in the case of the mental health sales tax, it is and would be limited to supporting operations.)

Potential Sales and Use Taxes

There are two potential (i.e., not enacted) sales and use taxes that may be applicable to support the Facility. Both would require a simple majority vote (50% +1) of the County electorate. And, similar to the County's existing sales and use taxes, they could be used to support debt service, maintenance, and operations of the new facility.

The **public safety sales tax** may be imposed in 0.1% increments up to 0.3% Countywide. (The total public safety sales tax rate may not exceed 0.3%, so to the extent any cities in the County impose a city-specific public safety sales tax, the County's rate in that jurisdiction would be reduced accordingly. We do not believe any cities in the County impose a public safety sales tax.) By statute, at least one-third of the tax revenues must be spent for *"criminal justice purposes [as defined under RCW 82.14.340], fire protection purposes, or both"* (RCW 82.14.450). There are no limitations as to the use of the remaining two-thirds. 11 counties currently impose the public safety sales tax, though not all to the 0.3% limit.

Revenues are split 60% to the County and 40% to the cities in the County. It should be noted, however, that the statutory formula may be superseded by intergovernmental agreement, i.e., the cities may choose to remit a portion of their 40% to the County. (This was the approach taken in Skagit County recently, which is described in more detail in Appendix A to this report.)

Based on 2017 taxable sales and use in the County, and assuming the full 0.3% tax, we estimate the approximate annual revenues and bond issue sizes as follows in Table 4. (Note that, unlike other sales and use taxes, sales of motor vehicles are exempt from the public safety sales tax; the figures below reflect estimated 2017 taxable sales and use excluding motor vehicle sales, based on NAICS codes.)

Table 4: Potential 0.3% Public Safety Sales Tax			
Description	**Est. Annual Revenue**	**Bond Size (20 Years)**	**Bond Size (30 Years)**
County Allocation	$12,491,000	$155,665,000	$181,540,000
Cities Allocation	$8,327,000	$103,775,000	$121,025,000
Total	$20,818,000	$259,440,000	$302,565,000

The **juvenile detention facility sales tax** may be imposed at 0.1% Countywide. However, it may only be used for the "financing, design, acquisition, construction, equipping, operating, maintaining, remodeling, repairing, reequipping, and improvement of juvenile detention facilities and jails" (RCW 82.14.350). As a result, it may not be applicable for the Facility as a whole. It can, however, be used to fund debt service, maintenance, or operations of a juvenile detention facility that is co-located with another facility.

Based on 2017 taxable sales and use in the County, we estimate the approximate annual revenue from this tax and resulting bond issue sizes as follows in Table 5:

Table 5: Potential 0.1% Juvenile Detention Sales Tax		
Est. Annual Revenue	**Bond Size (20 Years)**	**Bond Size (30 Years)**
$7,517,000	$93,675,000	$109,245,000

A comparison of current sales tax rates among Washington counties is included as Appendix B to this report.

Real Estate Excise Tax

The County is authorized to, and does, impose two taxes on real estate transactions, both known as "real estate excise tax" or "REET." "REET 1" is 0.25%, and the tax revenues may be applied towards "any capital purpose identified in a capital improvements plan and local capital improvements, including those listed in RCW 35.43.040 [the local improvement statute]." If the Facility is listed in the County's capital improvements plan, it (or related debt payments) could be funded with REET 1 revenues.

"REET 2" is a second 0.25% tax. The use of REET 2 revenues is much more restricted: the County may only apply the greater of $100,000 or 25% of available REET 2 funds, up to $1 million, towards projects qualifying for REET 1 expenditures. In practical terms, this means that REET 2 could only support the Facility up to $1 million annually.

(There are three other real estate excise taxes authorized under state law; however, they are either not available to the County or not applicable to a project like the Facility.)

REET 1 and REET 2 revenues are currently being used to pay debt service on outstanding County bonds. This combined debt service is currently about $4.8 million annually, which declines significantly in 2027. In 2029, all debt payable from REET 1 is paid off. Although annual REET 1 revenues currently exceed related debt service requirements, current projections indicate that excess REET 1 (i.e., amounts available to support the Facility) will not be available in any meaningful amount until 2026.

Available REET 2 funds (i.e., the qualifying $1 million) are substantially committed to existing debt service through 2035 and would not be available until 2036.

The following Table 6 shows the approximate REET 1 revenues expected to be available in 2026 and in 2029 (when existing REET 1-supported debt is retired), which could be used to support debt service on bonds related to the corrections facility. The table also shows expected REET 2 revenues in 2036 (when existing REET 2-supported debt is retired). It should be noted that, for either or both REETs, <u>an additional revenue stream would be required to support debt service in years before such revenues are available at the projected levels</u>.

REET 1 is projected to grow significantly (5.0% annually), and if such growth is realized, could support larger debt service in later years. However, we note that future levels of available REET are dependent on real estate transactions in future years, and may vary significantly from projections.

Table 6: Projected REET Revenues and Debt Capacity				
Description	Est. Revenues as of	Annual Available Revenue	Bond Size (20 Years)	Bond Size (30 Years)
REET 1	2026	$4,586,000	$57,155,000	$66,655,000
REET 1	2029	$9,297,000	$115,860,000	$135,120,000
REET 2	2036	$1,000,000	$12,460,000	$14,535,000
Note: Would require other revenue source to support debt service prior to REET funds becoming available				

Neither REET 1 nor REET 2 revenues may be used to support operations or any non-capital purpose. REET 1 and REET 2 may be used for maintenance purposes, but annual maintenance expenditures are limited to the greater of $100,000 or 25% of available funds, not to exceed $1 million.

Lastly, we note that REET 1 and REET 2 are the County's primary means of funding capital projects generally. To the extent that they are committed to future Facility-related expenditures (i.e., debt service), they would not be available to fund other capital projects of the County.

General Property Taxes – Levy Lid Lift

The County may use its regular (non-voted) property taxing authority to support LTGO debt. (Indeed, for any LTGO bonds – regardless of repayment source - the ultimate security for bondholders is the County's regular property taxing authority.) For purposes of this report, we assume that the County's current level of regular property tax levies is sufficient to cover current needs, but that any incremental requirements of the Facility would require an increase in funding levels.

The County's 2018 property tax levy for "general county purposes" (i.e., distinct from the County roads levy) is $1.15 per $1,000 of assessed value. This rate is statutorily limited to not more than $1.80 per $1,000. However, the County cannot simply increase its rate; it is further limited by RCW 84.55.010 to an annual increase in the dollar amount of its regular levy to no more than 1%, plus the value of new construction. A voter-authorized "levy lid lift" would allow the County to bypass this limitation and increase its general levy rate up to the $1.80 statutory limit.

Levy lid lifts require simple majority voter approval (50% +1). There is a great deal of flexibility in how levy lid lifts can be structured: they can be for a narrow or broad set of purposes, they can be permanent or for a specified period of time – whatever is proposed in the ballot measure. They can be used for operating or capital purposes; however, they cannot be used to pay debt service on LTGO bonds for more than nine years.[2] Thus, the ability to leverage a levy lid lift for bond financing is limited. The following Table 7 shows the effects of various levels of a levy lid lift in terms of annual revenues and the potential size of a related nine-year bond issue, all based on 2018 assessed value and general levy rate.

[2] *In 2017, the state legislature amended state law to permit a county "in which the state capitol is located" (i.e., Thurston County) to use a levy lid lift to pay debt service on LTGO bonds up to 25 years.*

Table 7: Levy Lid Lift				
Description	**Lid Lift (Rate per $1,000 AV)**	**Annual Levy Increase – Median Value Home ($)**	**Lid Lift ($)**	**Bond Size (9 Years)**
Scalable Example	0.10	$35	$5,551,000	$41,275,000
Remaining Capacity Under $1.80 Limit	0.65	$224	$36,082,000	$268,280,000
Note: assumes 3% delinquency factor.				

There are risks associated with using a levy lid lift to support debt service, particularly if the initial lid lift causes the County to approach its $1.80 statutory limit. If assessed value declines, the County's levy rate would increase, even if the total dollar amount of the levy remains unchanged. This could cause the County to reach its maximum $1.80 rate while potentially collecting fewer dollars in property tax revenues. Since LTGO debt service costs are fixed, this would require adjustments in other areas.

Further, there are limitations in terms of the overlapping property tax rates of the County, cities, and junior taxing districts. The aggregate rate limitation is $5.90 per $1,000 assessed value. If a senior taxing district (i.e., the County) raises its rate and causes the aggregate rate to exceed $5.90, the junior taxing districts have their rates reduced according to a specific statutory formula – a circumstance known as "pro-rationing." The highest property tax rate in the County in 2018 was levy code 117024, with a combined rate of $7.78 per $1,000. However, certain levies (such as the state schools levy) are excluded from the $5.90 test. With these exclusions, the aggregate applicable property tax rate in this levy code is $4.18 per $1,000, providing significant "cushion" against the $5.90 test. That said, this test would ultimately need to be considered across all levy codes in the County.

General Property Taxes – Road Levy Shift

In addition to the general purpose County property tax levy – which has broad flexibility in its use and may be applied towards the operations or capital of the Facility – the County also levies property taxes in unincorporated areas to support County roads. While the County may not use its road levy to support non-transportation projects, it can – through a road levy "shift" – transfer a portion of its road levy capacity to the general fund levy, provided certain conditions are met. This has the effect of increasing the County's levy for general purposes and reducing the amount of its road levy. Importantly, this does not change the total amount of property tax revenue (between the general purpose levy and road levy) received by the County. However, it does shift how that tax revenue is allocated (between the general fund and road fund), and – because the taxes are imposed on two different tax bases – it increases the tax burden for property owners in incorporated areas (who pay only the general purpose levy) while reducing that on property owners in unincorporated areas (who pay both the general purpose and road levy).

The County may "shift" a portion of its road levy so long as:

- The resulting general fund levy does not exceed $2.475 per $1,000 assessed value;
- The total levy rate between the general fund and road levies does not exceed $4.05; and
- The shift does not result in "pro-rationing" for any junior taxing district (i.e., the aggregate levy rate in any levy code does not exceed the $5.90 limit discussed above).

The County has imposed a road levy shift previously, and it is a common tool used by other Washington counties. The degree to which it could (hypothetically) support new debt is indicated in Table 8 below.

Table 8: Hypothetical Bond Sizing		
Hypothetical Annual Revenue	**Bond Size (20 Years)**	**Bond Size (30 Years)**
$5,000,000	$60,440,000	$70,490,000
$10,000,000	$120,885,000	$140,975,000

However, as noted above, this mechanism would reduce the amount of revenue received by the road fund. This would presumably require a corresponding reduction in roads spending, or some sort of "back-filling" from a different revenue source (for instance, REET 2[3] or the local option motor vehicle fuel tax[4]).

Alternatives and Variations

As alluded to above, there are alternatives and variations on the issuance UTGO and LTGO bonds. For instance:

- Bonds might be structured as "interest-only" for the first several years, resulting in lower debt service payments during construction of the Facility. This, in turn, would provide more flexibility for the County to use one of the aforementioned revenue streams to fund construction costs directly during that time, and incrementally reduce the amount needed to be borrowed.
- The County may issue bonds in multiple series over several years. This is common for larger projects, either with long construction periods (i.e., three years or more) and/or uncertainty in terms of final project cost.
- The County could utilize interim financing (i.e., a line of credit) during construction of the Facility, addressing some of the same issues (project timing and cost certainty/uncertainty) as above. This interim financing would be refinanced on a long-term basis closer to completion of the project.

These are, generally speaking, variations on the structure and timing of debt financing associated with the Facility – they do not change the ultimate need for long-term debt financing, or the limitations associated with such financing. And, these structuring and timing alternatives may have additional risks or costs that would need to be evaluated in crafting a plan of finance.

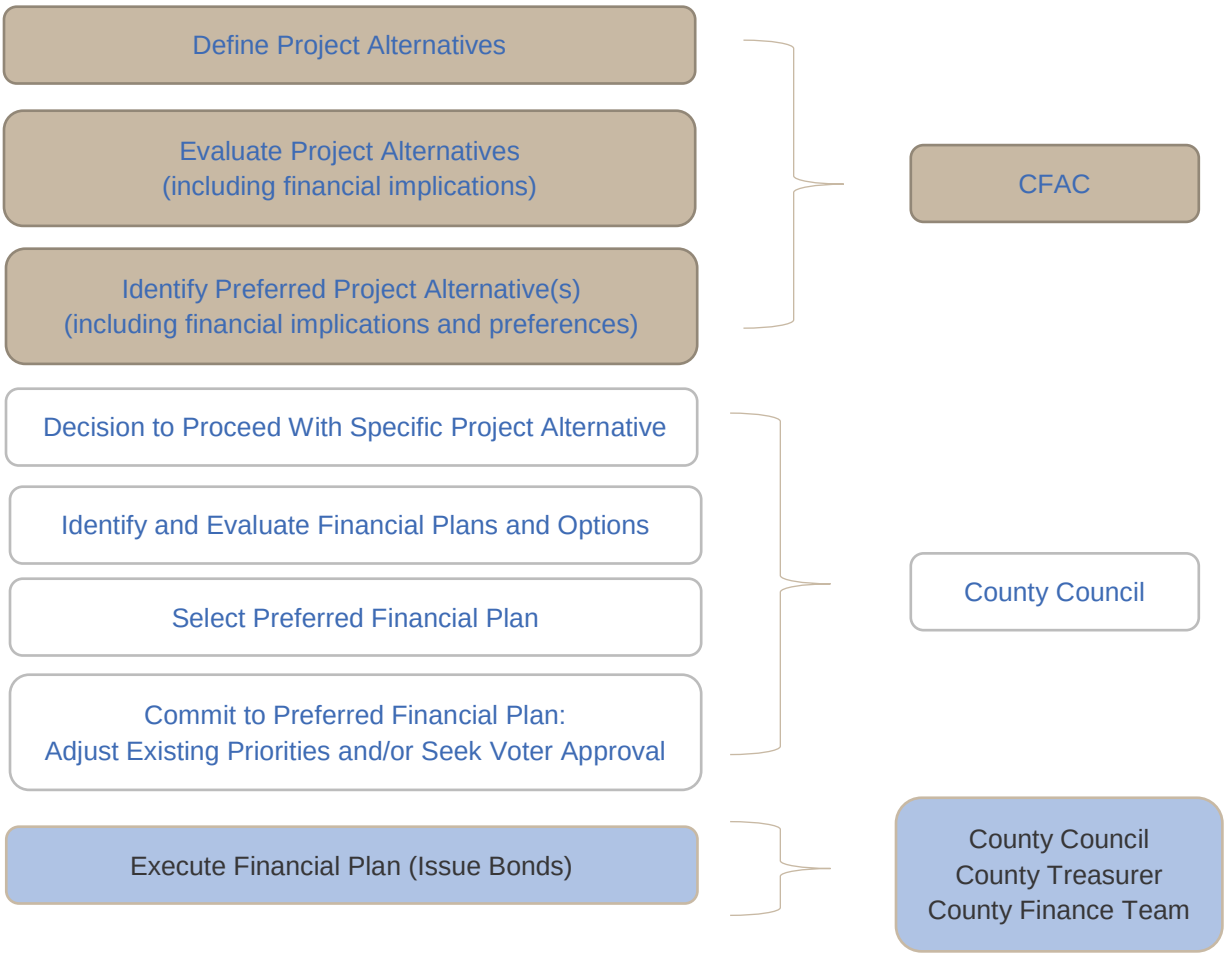
Note: This report is predicated on the assumption that the County will own the Facility directly, i.e., it will not lease from a third party. If a private party (either a for-profit developer or a single purpose not-for-profit entity) were to develop the Facility and lease it to the County, it could represent a significant difference in terms of project delivery, project cost, financing costs, and project risk. Additionally, UTGO bonds cannot be altered to accommodate a lease structure. However, the LTGO financing approach would not fundamentally change under a lease structure: the County would still need to identify a source of repayment for the lease, and the lease would most likely be considered non-voted "debt" for purposes of state law.

[3] *REET 2 may be applied broadly towards transportation-related capital projects, including "planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, [and] bridges…." (RCW 82.46.035(5)).*

[4] *Under RCW 82.80.010(2), counties in Washington may impose, with majority voter approval, a motor vehicle fuel tax equivalent to 10% of the state rate (currently $0.494 per gallon). Proceeds of the tax are restricted to "highway purposes" as defined in Article II, section 40 of the state constitution, which is more restrictive than "transportation purposes" generally. As of April 2018, no counties are levying the tax.*

Conclusion

We recognize that many of the considerations discussed in this report are ultimately decisions to be made by the County in determining the ultimate plan of finance. The CFAC's role in the process is primarily to identify alternatives for a Facility and recommend a preferred alternative to the County. Specific financial decisions, such as the ones above, may not be made for months or years after these alternatives are identified and discussed. However, it is nonetheless important for the CFAC to consider the financial implications of each option as it explores potential alternatives. A graphical representation of the decision-making process is shown below.



The County has numerous existing and potential revenue sources available as the County and Commission consider funding and financing mechanisms for the Facility. This report is not intended to be exhaustive, and the County does have other revenue sources that may be applied towards public safety purposes (e.g., gambling tax). However, these sources are relatively modest in comparison with the sales, real estate excise, and property tax options described herein.

The Summary Table below summarizes the major tax revenue sources described above, along with considerations for their applicability towards the Facility and an approximate range of debt proceeds that could be leveraged against these revenue streams.

Summary Table			
Repayment Source	**Considerations**		**Approximate Bond Size**
Unlimited Tax General Obligation			
Excess property tax levy (unlimited as to rate or amount)	New, dedicated repayment source	Requires 60% voter approval (and 40% turnout)	Dependent on amount approved by voters
		Excess levy may not be used for operations	
Limited Tax General Obligation			
Basic & optional sales taxes (1.0%)	Existing tax revenue source	Already utilized for existing County purposes	Not available
	May be used for debt service or operations		
Criminal justice sales tax (0.1%)	Existing tax revenue source	Already utilized for existing County purposes	Not available
	May be used for debt service or operations		
Mental health sales tax (0.1%)	Existing tax revenue source	Already utilized for existing County purposes	Not available
		Limited to operations, not capital	
Public safety sales tax (up to 0.3%)	New tax revenue source, not already utilized for other purposes	Requires voter approval (50% +1)	$155-181 million (County 60% only)
	May be used for debt repayment and/or operations	Volatility of sales tax revenues	$259-302 million (incl. City allocations)
Juvenile detention sales tax (0.1%)	New tax revenue source, not already utilized for other purposes	Requires voter approval (50% +1)	$93-109 million
	May be used for debt repayment and/or operations	Volatility of sales tax revenues	
		Not applicable for purposes other than juvenile detention	

Summary Table (continued)			
Repayment Source	**Considerations**		**Approximate Bond Size**
REET 1	Significant revenue stream	Not expected to be available until after 2026	$57-135 million
		Not available for operations	(assuming other resources available to support debt prior to 2026/2029)
		Volatility of real estate excise taxes	
REET 2		Not expected to be available until 2036	$12-14 million
		Limited to $1 million per year	(assuming other resources available to support debt prior to 2036)
		Not available for operations	
		Volatility of real estate excise taxes	
Levy lid lift	New tax revenue source, not already utilized for other purposes	Requires voter approval (50% +1)	$41 million per $0.10 lift
	May be used for debt repayment and/or operations	Debt repayment term limited to 9 years	
	Significant flexibility with respect to ballot measure wording	Potential risks to County general fund if regular levy rate approaches statutory limit(s)	
Road levy shift	Existing tax revenue source	May require "back-filling" of road funding from some other source	Dependent on amount of levy capacity “shifted.”

While it is still very early in the planning process, we would suggest that both the County and CFAC keep the following in mind in moving towards a more definitive project and plan of finance:

1.) The County should identify and secure funding sources prior to issuing debt. For new revenue streams (e.g., excess property tax for a UTGO bond issue, sales tax for an LTGO bond issue), obtain voter authorization prior to issuing debt. For existing revenue streams (e.g., REET), adjust existing Council priorities to recognize and accommodate the Facility funding plan prior to issuing debt.
2.) Consider the costs of ongoing maintenance and repair (and incremental operational costs) in connection with the financing/funding plan. Certain financing options (e.g., UTGO bonds) may provide a straightforward way to fund the up-front cost of a new Facility, but provide no means for funding ongoing costs of operating and maintaining the Facility.
3.) Consider the potential of a bond structuring “haircut” or internal reserve for any LTGO debt. Debt service costs are fixed at the time the debt is issued; however, the tax revenues required to service that debt (whether property tax, sales tax, or REET) are inherently variable.

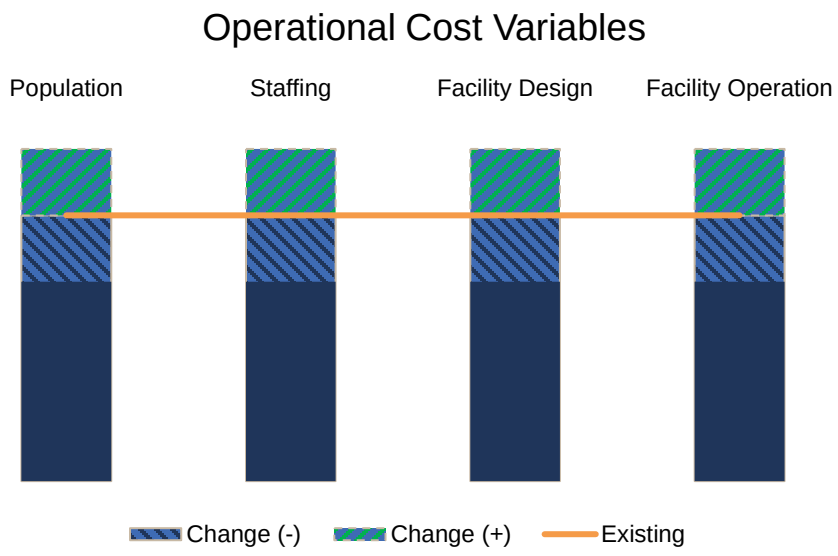
4.) Remember that different revenue streams and financing plans are not mutually exclusive. The approaches described above can be combined in any number of ways. (For instance, the County could use a levy lid lift to support LTGO debt for nine years and REET thereafter, when it becomes available; it could also combine UTGO and LTGO financing.)
5.) Consider whether other jurisdictions may be able to contribute towards the financing/funding plan, recognizing the regional significant of the Facility.

PART II: OPERATIONAL COST VARIABLES (PFMGC)

The Correction Finance Advisory Commission has requested that PFM Group Consulting LLC provide information and context regarding potential operational cost variables pertaining to a new Facility.

The following pages provide an overview of select variables to contextualize the County's policy considerations that may affect the operational costs and revenues associated with its review of a new Facility. The information herein is provided to inform the Commission's ongoing discussion and deliberations. It is important to note that the identified variables may not all be directly applicable to – nor represent the entirety of potential variables that exist for – the County depending upon the its chosen policy approach. As the Commission reviews the variables, it will find many variables appear within multiple categories because they affect more than one aspect of the operating costs of a facility (ex: the number of inmates affects not only staffing considerations, but may also affect food, medical, and clothing costs).

It is also important to note that many of the variables are interrelated and may move both independently and dependently based upon the County's ultimate policy choices. As a result, nothing in the following should be construed to advise the County on what will happen – but rather to contextualize the variables that should be discussed and evaluated as the County contemplates various policy, fiscal, and operational considerations.



Additionally, because the County is considering replacing its current facility, there are current, existing operating costs that may or may not be altered – as well as new costs and/or savings – due to changes in population and/or policy related to a replacement facility. For each category of cost driver (population, staffing, facility design, and facility operation) discussed in this section, the relationship between existing and new costs depends on the changes made to existing policies and programs and the choices made in replacement or additional activities. It is also important to note that not all costs described on the following pages reside within the County's public safety budget. Certain other meaningful expenditures reside in other parts of the County's organizational structure and, as a result, are included within other parts of the budget (for instance, liabilities/claims, maintenance, etc.).

Inmate/Population-specific

Typically, jail facilities – and those who administer them – do not have authority over the inmates with whom they are charged to house and secure. Rather, a series of other elected and appointed officials have significant impact over a county's jail population (e.g. judges, prosecutors, defense counsel, probation, police, etc.). However, the operation of a county correction facility is often among the most expensive components of county

government. As a result, changes in the size – up or down – in the inmate population can meaningfully affect a county's budget. Inmate- and population-specific factors that can affect the cost of a county correction facility include, but are not limited to:

- *Bed space*. Generally, an increase in the number of inmate beds from the County's current level may increase costs and a decrease from the current level of jail beds may reduce costs.
- *Average Daily Population (ADP)*. An increase or decrease in the number of inmates held in the County's jail facility may alter the cost of operations depending upon the change in sheer number, classification, and health – among other factors – from baseline population.
- *Average Length of Stay (ALS)*. An increase or decrease in inmates' average length of stay may alter the cost of operations – either up or down – depending upon the change from baseline population.
- *Medical and Mental Health Services*. Whether the County utilizes a private vendor or County employees to provide inmate medical and mental health services, the number of inmates held and the associated length of stays in the county jail may affect the cost of medical and mental health service provision (and affect any applicable revenue from inmate co-pays) – either up or down.
- *Clothing*. The number of inmates held and the associated length of stays/turnover in the Facility may affect the cost of inmate clothing provision – either up or down.
- *Food*. Whether the County utilizes a private vendor, County employees, inmate labor, some combination of approaches, or an alternate option to provide inmate meals, the number of inmates held and the associated length of stays in the County Facility may affect the cost of food provision – either up or down.
- *Commissary*. To the extent that the County receives revenue from inmates' use of the commissary service, an increase or decrease in the number of inmates may alter the associated revenue.
- *Telephone*. To the extent that the County receives revenue from inmate telephone use, an increase or decrease in the number of inmates may alter the associated revenue.[5]
- *Classification/types of housing by classification*. The County may require different services, programming, staffing, etc. to ensure the safety and security of inmates and staff based upon the number and types of inmates to be held in the County's Facility – inclusive of inclusive of age/Prison Rape Elimination Act (PREA), medical beds, mental health beds, and work-release beds – among other considerations.
- *Gender*. The operational needs (services, staffing, programming, etc.) and fiscal impacts may vary based upon the number and classification of inmates by gender.

Staffing

Correction facilities are personnel-intensive operations. As a result, the most significant expenditures for a correction facility are personnel-related: salaries, health benefits, retiree benefits, overtime, non-salary cash compensation, etc. As a result, factors that increase or decrease the number, type, or qualifications of staff for the County's Facility will likely result in a change in costs. Such factors may include, but are not limited to:

- *Direct vs. Indirect supervision*. The County's chosen method of supervision may impact costs.
- *Staffing analysis/plan*. The chosen supervision method directly impacts a facility's staffing analysis – typically done by correction staffing experts using widely accepted methodologies. The study is facility-specific and includes an analysis of the line deputy, command staff, and civilians needs (as

[5] *In recent years, there has been some movement by the federal government to regulate the amount of per minute fees charged to inmates for using telephone services. Regulatory changes could prospectively impact the associated revenue.*

appropriate). The staffing analysis looks at a myriad of factors (bed space, population, classification, gender, needs of inmate population, programming needs, unique facility factors, etc.) to determine the a staffing plan for uniform and civilian functions related to the safety and security of inmates and staff.

- *Levels of security/classification/types of housing by classification*. A staffing model may change based upon levels of security, the number, and types of inmates to be held in the County's jail facility – inclusive of age/PREA, medical beds, and mental health beds – among other considerations.
- *Gender*. The staffing needs (services, staffing, programming, etc.) and fiscal impacts may vary based upon the number and classification of inmates by gender.
- *Transportation*. Whether or not the Facility is co-located with the court facilities, transportation of inmates to and from various locations (including for medical and mental health needs, etc.) can affect staffing costs. This can be as simple accompanying an inmate or inmates from one section of the building to another, walking an inmate or inmates from one building to another, or transporting via vehicle. Any changes from current baseline operations could affect staffing needs (up or down) and transport via vehicle may also incur capital costs related to vehicle purchase and maintenance.
- *Services to be provided on-site*: The County's decisions regarding which services to provide at the Facility may affect staffing needs. For instance, a partial list of potential functions/services may include, but is not limited to the following:
    - *Booking*. Whether the County's booking operation is or is not on site, may affect staffing costs. If booking is not on site, depending upon the entity is responsible for transport from booking to the Facility may affect staffing costs. Policy decisions regarding screening at time of booking for immediate release (based on charge) may affect both physical space and staffing needs.[6]
    - *Programming*. Staffing may be affected by the types/levels of programming, how frequently programs are offered, and what entity (or entities) will provide such services?
    - *Medical*. Whether the County utilizes a private vendor or County employees to provide inmate medical and mental health services may affect staffing costs of medical and mental health service provision – either up or down.
    - *Court hearings (video needs, physical court space, both?)*. Whether the Facility contains court rooms for hearings, requires video, or other remote forms of technology and space needs may affect staffing costs – particularly, if doing so will affect current staffing deployment and needs.
    - *Food storage*. Whether or not the Facility has food storage space on site may affect staffing costs – particularly, if the result is this a change from present operational practices and needs.
    - *Food preparation/kitchen*. Whether the County utilizes a private vendor, County employees, inmate labor, some combination of approaches, or an alternate option to provide inmate meals, may affect the cost of food preparation – either up or down.
    - *Laundry*. Whether the County utilizes a private vendor, County employees, inmate labor, some combination of approaches, or an alternate option to provide the laundry function may affect the cost of the service – either up or down.

[6] *State law may determine what is possible.*

Facility

Correction facilities are capital intensive investments. Given the gravity of the safety and security needs and the fiscal cost, building a correction facility requires getting it right the first time. Efforts to correct any retrospective oversights often incur significant fiscal and operational costs. As part of this process, the County is prudent to discuss and review a wide variety of policy, operational, and fiscal variables related to a proposed Facility. Such factors may include, but are not limited to:

- *Location and number of buildings*. The chosen location and number of buildings can affect costs related to land acquisition, construction, transportation, court staffing, technology, and other factors.
- *Services to be provided on-site*. The County's decision as to the given services that will be provided on-site at the Facility will have an impact on the associated operational costs – including will detainee labor be used in any manner to perform certain services. Such considerations may include, but are not limited to:
    - *Booking*. Will the booking operation be on site, if not, what physical aspects are required to receive inmates? Policy decisions regarding screening at time of booking for immediate release (based on charge) may affect both physical space and staffing needs.[7]
    - *Medical*. If the County chooses to have a dedicated number of mental health and/or medical beds within its Facility, that choice will affect non-staffing costs of operation (e.g. physical space, technology, transportation, etc.) – regardless of whether the County utilizes a private vendor or County employees to provide inmate medical and mental health services.
    - *Programming, treatment, and recreation*. The types/levels of programming, how frequently programs are offered, what entity (or entities) will provide such services will, among other considerations, affect non-staffing costs of operation (e.g. physical space, technology, furnishings, etc.)
    - *Court hearings*. The decision to host or not host capabilities to do video court proceedings, physical court space, both, or some other form of remote communication needs will affect the operational costs of the Facility.
    - *Staff training and locker rooms*. Decisions regarding dedicated space for staff training and locker rooms will affect the operational costs of the Facility.
    - *Food storage*. Will the Facility have food storage space on site? If so or if not, is this a change from present – either of which may affect operational costs.
    - *Food preparation/kitchen*. The cost of food preparation and service delivery will be affected by whether the County intends to have kitchen and food preparation space within the Facility or not – regardless of whether the County utilizes a private vendor, County employees, inmate labor, some combination of approaches, or an alternate option to prepare and provide inmate meals.
    - *Laundry*. The cost of laundry will be affected by whether the County intends to have dedicated space within the Facility or not – regardless of whether the County utilizes a private vendor, County employees, inmate labor, some combination of approaches, or an alternate option to provide laundry functions.
- *Type of structure*. Smaller pods vs. multi-level tiers of "cells," etc. The type of housing structure and associated supervision will affect the operational costs of the Facility. Decisions regarding single-cell,

[7] *State law may determine what is possible.*

multiple occupancy per cell, dormitory "bunk" rooms, and/or special needs accommodations will also affect operational costs.[8]

- *Private meeting space for attorney/client discussions*. Space provided for private meeting attorney/client meetings will affect the Facility's operational costs.
- *Technology*. Policy choices may result in a need to make changes to the County's classification system and/or jail management system (based on a new facility and/or booking processes). The Facility's physical layout, number of buildings (if more than one), and planned uses within the building(s) may alter the technology infrastructure and maintenance needs.

Operational

- *Maintenance*. The Facility will require general maintenance and physical plant attention. The County's decisions regarding bed-space, cells, programming, food, medical, etc. will impact the need for maintenance. Additionally, a larger or smaller physical footprint may affect the number and specialties necessary to ensure the Facility consistently operates in a safe and secure manner.
- *Technology*. Policy choices may result in a need to make changes to the County's classification system and/or jail management system (based on a new facility and/or booking processes). The Facility's physical layout, number of buildings (if more than one), and planned uses within the building(s) may alter the technology infrastructure and maintenance needs.
- *Transportation*. Policy decisions that affect transportation needs (e.g. whether or not the Facility is co-located with the court facilities, transport of inmates from other counties or to other counties, transport to/from medical and mental health facilities, etc.) will directly impact the County's spending related to fuel, vehicle maintenance costs, vehicle replacement costs.
- *Utilities*. The types, maintenance, and future plans for heating, cooling, water, sewer, electrical, gas, telephone, internet, cable, and other utility systems will directly impact the Facility's costs for utility services.
- *Legal*. Potential claims and judgments may be affected by numerous inmate, staffing, operational, and facility variables – some interrelated and others independent of each other.

[8] *Note, the preceding factors are typically directly-related to the types and numbers of inmates to be housed in a jail facility.*

Appendix A:
Northwest Correction Facilities

The tables below describe other corrections facilities in Washington and Oregon, either constructed or significantly improved/expanded, in the last 30 years. Where available, we have included a brief description of the nature of how each was funded and/or financed.

Washington

Facility	Year	Capacity	Financing/Funding Source
Benton County Justice Center	Opened 2003	561 beds (can be expanded to over 800)	LTGO bonds, paid from the 0.09% rural counties public facilities sales tax, the juvenile detention facilities sales tax, and REET.
Cowlitz County Jail	Expanded 2005	325 average population	
Franklin County Jail	Expanded 2014	334 beds	LTGO bonds payable from the public safety sales tax of 0.3% (approved November 2014).
King County Maleng Regional Justice Center	Improved 2009		LTGO debt payable from sources including 0.1% criminal justice sales tax.
Pierce County Jail	New wing opened 2004	1,700 beds (total)	LTGO debt payable from sources including 0.1% criminal justice sales tax.
Skagit County Community Justice Center	Opened 2017	400 beds (can be expanded to 800)	LTGO bonds payable from 0.3% public safety sales tax. Under the terms of an interlocal agreement among Skagit County and cities in the county, Skagit County receives approximately 95% of all public safety sales tax collected in the County, notwithstanding the 60-40% split specified under RCW 82.14.450. Parties to the interlocal agreement pay no bed rates. The County does provides additional (pre-defined) annual funding to the facility, beyond the new sales tax. Oversight of the Justice Center is governed by a Finance Committee, including representatives from the County and each city.
Snohomish County Jail	Expanded 2005	1,140 average population	LTGO bonds payable from REET, employee parking fees, contributions from the Snohomish County Public Facilities District, and recovered future lease payments on buildings currently leased by the County.

Facility	Year	Capacity	Financing/Funding Source
SCORE (South Correctional Entity Multijurisdictional Misdemeanant Jail)	Opened 2011	802 beds	Bonds issued by South Correctional Entity Public Development Authority (PDA). Debt service on the bonds is secured by LTGO obligations of each member city, commensurate with each city's proportionate share of ownership. In recent years, debt service on the bonds has been paid from net revenues of the facility, rather than member city payments.
Thurston County Accountability Restitution Center	Constructed 2007-2009	472 average population	LTGO bonds payable from 0.1% criminal justice sales tax, 0.1% juvenile detention facility sales tax, and REET.
Yakima County Jail	Constructed 2002	576 beds (can be expanded to 1,152)	LTGO bonds, paid from 0.1% criminal justice sales tax; 0.3% public safety sales tax; REET; road levy shift; and revenues from contracted inmate population. Non-county inmates account for approximately 88% of capacity. Yakima County used road levy shift to pay debt service on LTGO bonds in 2017.

In 2017, Whatcom County attempted a similar approach towards a new correction facility as Skagit County had taken several years prior (i.e., approval of the 0.3% public safety sales tax, with an intergovernmental agreement providing more revenues to support the County-owned facility than would otherwise result from the statutory 60-40% formula.) However, the ballot measure that would authorize the new sales tax failed in a countywide vote, with 41.4% of voters supporting the measure.

Oregon

Facility	Year	Capacity	Note
Clackamas County Jail	Expanded 2009	434 beds	
Deschutes County Jail	Opened 1994	452 beds	
Lane County Jail	Expanded 1999	507 beds	
Jackson County Jail	Opened 1981	292 beds	Currently evaluating options to construct a new, 1,000-bed facility
Josephine County Jail	Opened 2000	262 beds	Financed with voted (unlimited tax) general obligation bonds.
Multnomah County – Inverness Jail	Expanded 1998	1,037 beds	

Facility	Year	Capacity	Note
Multnomah County – Wapato Jail	Constructed 2003		Financed with voted (unlimited tax) general obligation bonds. Never opened due to lack of operating funds. Sold to a private party in late 2017.
Northern Oregon Regional Corrections Facility	Opened 1999/2000		Financed with voted (unlimited tax) general obligation bonds.
Washington County Jail	Opened 1997	Avg. population 572	Financed with voted (unlimited tax) general obligation bonds.

Note that the voter approval threshold for unlimited tax general obligation bonds in Oregon is 50%, as opposed to the 60% requirement in Washington.

Appendix B:
Sales Tax Rates – Washington Counties

The following table compares sales tax rates among counties in Washington. (Note: this information excludes sales taxes which are credited against the state sales tax rate; it only includes sales taxes that affect the taxpayer's overall effective rate.)

County	Total Sales Tax Rate (Incl. State)	First Half	Second Half	County Transit	Public Safety	E911	Criminal Justice	Mental Health & Drugs	Juvenile Detention	Zoo & Aquarium	*PTBA / RTA / Ferry (Total)*	*PFD*
Clark *(non-PTBA)*	**7.7%**	**0.5%**	**0.5%**				**0.1%**	**0.1%**				
Clark *(PTBA)*	**8.4%**	**0.5%**	**0.5%**				**0.1%**	**0.1%**			***0.7%***	
Adams	**7.7%**	0.5%	0.5%			0.1%	0.1%					
Asotin	**7.7%**	0.5%	0.3%								*0.2%*	*0.2%*
Benton *(non-PTBA)*	**8.0%**	0.5%	0.5%		0.3%		0.1%		0.1%			
Benton *(PTBA)*	**8.6%**	0.5%	0.5%		0.3%		0.1%		0.1%		*0.6%*	
Chelan	**8.2%**	0.5%	0.5%			0.1%	0.1%				*0.4%*	*0.1%*
Clallam	**8.5%**	0.5%	0.5%			0.1%	0.1%	0.1%	0.1%		*0.6%*	
Columbia	**8.2%**	0.5%	0.5%			0.1%	0.1%	0.1%			*0.4%*	
Cowlitz	**7.8%**	0.5%	0.5%			0.1%	0.1%	0.1%				
Douglas *(non-PTBA)*	**7.8%**	0.5%	0.5%			0.1%	0.1%					*0.1%*
Douglas *(PTBA)*	**8.2%**	0.5%	0.5%			0.1%	0.1%				*0.4%*	*0.1%*
Ferry	**7.7%**	0.5%	0.5%				0.1%	0.1%				
Franklin *(non-PTBA)*	**8.0%**	0.5%	0.5%		0.3%		0.1%		0.1%			
Franklin *(PTBA)*	**8.6%**	0.5%	0.5%		0.3%		0.1%		0.1%		*0.6%*	
Garfield	**7.9%**	0.5%	0.5%								*0.4%*	
Grant	**7.9%**	0.5%	0.5%			0.1%	0.1%				*0.2%*	
Grays Harbor	**8.8%**	0.5%	0.5%		0.3%	0.1%	0.1%	0.1%			*0.7%*	
Island	**8.7%**	0.5%	0.5%				0.1%	0.1%	0.1%		*0.9%*	
Jefferson	**9.0%**	0.5%	0.5%		0.3%	0.1%	0.1%	0.1%			*0.9%*	
King *(non-RTA)*	**8.6%**	0.5%	0.5%	0.9%			0.1%	0.1%				
King *(RTA)*	**10.0%**	0.5%	0.5%	0.9%			0.1%	0.1%			*1.4%*	
Kitsap	**9.0%**	0.5%	0.5%			0.1%	0.1%	0.1%	0.1%		*1.1%*	

County	Total Sales Tax Rate (Incl. State)	First Half	Second Half	County Transit	Public Safety	E911	Criminal Justice	Mental Health & Drugs	Juvenile Detention	Zoo & Aquarium	*PTBA / RTA / Ferry (Total)*	*PFD*
Clark *(non-PTBA)*	**7.7%**	**0.5%**	**0.5%**				**0.1%**	**0.1%**				
Clark *(PTBA)*	**8.4%**	**0.5%**	**0.5%**				**0.1%**	**0.1%**			***0.7%***	
Kittitas	**8.0%**	0.5%	0.5%		0.3%		0.1%		0.1%			
Klickitat	**7.0%**	0.5%										
Lewis	**7.8%**	0.5%	0.5%				0.1%	0.1%	0.1%			
Lincoln	**8.0%**	0.5%	0.5%		0.3%	0.1%	0.1%					
Mason	**8.5%**	0.5%	0.5%			0.1%	0.1%	0.1%	0.1%		*0.6%*	
Okanogan *(non-PTBA)*	**7.8%**	0.5%	0.5%				0.1%	0.1%	0.1%			
Okanogan *(PTBA)*	**8.2%**	0.5%	0.5%				0.1%	0.1%	0.1%		*0.4%*	
Pacific	**8.1%**	0.5%	0.5%			0.1%	0.1%	0.1%			*0.3%*	
Pend Oreille	**7.6%**	0.5%	0.5%				0.1%					
Pierce *(RTA, PTBA)*	**9.9%**	0.5%	0.5%			0.1%	0.1%		0.1%	0.1%	*2.0%*	
Pierce *(RTA, non-PTBA)*	**9.3%**	0.5%	0.5%			0.1%	0.1%		0.1%	0.1%	*1.4%*	
Pierce *(PTBA, non-RTA)*	**8.5%**	0.5%	0.5%			0.1%	0.1%		0.1%	0.1%	*0.6%*	
Pierce *(non-PTBA, non-RTA)*	**7.9%**	0.5%	0.5%			0.1%	0.1%		0.1%	0.1%		
San Juan	**8.1%**	0.5%	0.5%		0.3%		0.1%	0.1%	0.1%			
Skagit *(non-PTBA)*	**8.1%**	0.5%	0.5%		0.3%	0.1%	0.1%	0.1%				
Skagit *(PTBA)*	**8.5%**	0.5%	0.5%		0.3%	0.1%	0.1%	0.1%			*0.4%*	
Skamania	**7.7%**	0.5%	0.5%				0.1%	0.1%				
Snohomish *(non-RTA, non-PTBA)*	**7.7%**	0.5%	0.5%				0.1%	0.1%				
Snohomish *(RTA, non-PTBA)*	**9.1%**	0.5%	0.5%				0.1%	0.1%			*1.4%*	
Snohomish *(PTBA, non-RTA)*	**8.9%**	0.5%	0.5%				0.1%	0.1%			*1.2%*	

County	Total Sales Tax Rate (Incl. State)	First Half	Second Half	County Transit	Public Safety	E911	Criminal Justice	Mental Health & Drugs	Juvenile Detention	Zoo & Aquarium	*PTBA / RTA / Ferry (Total)*	*PFD*
Clark *(non-PTBA)*	**7.7%**	**0.5%**	**0.5%**				**0.1%**	**0.1%**				
Clark *(PTBA)*	**8.4%**	**0.5%**	**0.5%**				**0.1%**	**0.1%**			***0.7%***	
Snohomish *(PTBA, RTA)*	**10.3%**	0.5%	0.5%				0.1%	0.1%			*2.6%*	
Spokane *(non-PTBA)*	**8.1%**	0.5%	0.5%		0.1%	0.1%	0.1%	0.1%	0.1%			*0.1%*
Spokane *(PTBA)*	**8.8%**	0.5%	0.5%		0.1%	0.1%	0.1%	0.1%	0.1%		*0.7%*	*0.1%*
Stevens	**7.6%**	0.5%	0.5%				0.1%					
Thurston *(non-PTBA)*	**7.9%**	0.5%	0.5%			0.1%	0.1%	0.1%	0.1%			
Thurston *(PTBA)*	**8.7%**	0.5%	0.5%			0.1%	0.1%	0.1%	0.1%		*0.8%*	
Wahkiakum	**7.6%**	0.5%	0.5%					0.1%				
Walla Walla *(non-PTBA)*	**8.1%**	0.5%	0.5%		0.3%		0.1%	0.1%	0.1%			
Walla Walla *(PTBA)*	**8.7%**	0.5%	0.5%		0.3%		0.1%	0.1%	0.1%		*0.6%*	
Whatcom *(non-PTBA)*	**7.9%**	0.5%	0.5%		0.1%		0.1%	0.1%	0.1%			
Whatcom *(PTBA)*	**8.5%**	0.5%	0.5%		0.1%		0.1%	0.1%	0.1%		*0.6%*	
Whitman	**7.8%**	0.5%	0.5%			0.1%	0.1%		0.1%			
Yakima	**7.9%**	0.5%	0.5%		0.3%		0.1%					