

# Tacoma's Bond Cost Ad Explained

Part of the 2020 Bond Report  
From The School Data Project  
www.SchoolDataProject.com  
8/14/2020

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## Summary

1. Tacoma's bond cost analysis presented to voters used a comparison of averages.
  1. First an average of total local school taxes was calculated for years 2016-2020.
  2. Then an average of projected total local school taxes was calculated for years 2021-2045.
  3. Then the difference was taken to obtain \$81.48 annually for the typical taxpayer.
2. Several problems with Tacoma's methodology:
  1. Tacoma mingled all local school taxes: previous bond debt, the proposed 2020 bond debt, EP&O Levy taxes, and Capital Levy taxes.
  2. The 25 year payback period for the 2020 bond was not mentioned in advertisements.
  3. The cost for the 2020 bond itself (not mingled with other school taxes) was not isolated for the voter to understand this particular cost.
  4. In calculating the averages of the 2 time spans, Tacoma made data entry errors for the beginning inputs in their spreadsheet. Instead of an \$81 annual increase, Tacoma should have calculated \$245 in an annual increase using their own flawed method. A factor of 3 off.
  5. But the true cost to the example taxpayer as calculated by the authors is over \$300 a year (\$338) for the next 25 years. A factor of 4 off.

# Bond cost to taxpayers as represented by the school district

## **COST**

Proposition 1 is a \$535 million bond measure. If Proposition 1 passes, the cost for the average Tacoma home will increase \$6.79 per month (\$81.48 annually) for Tacoma schools.

Fig 1

# Bond cost to taxpayers as calculated by the authors

Projected School Tax Collection for the 2020 Bond  
On a Tacoma SD Home with an AV of \$300,000 as of 2020  
Total = \$8,440  
Ave Per Year = \$338 for 25 years

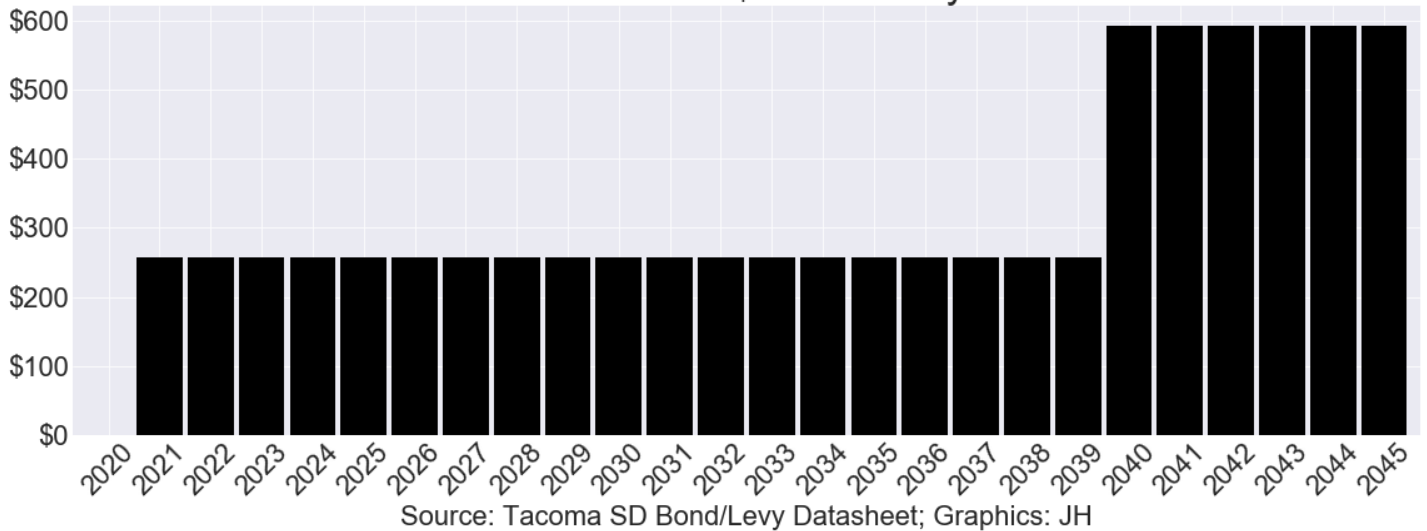


Fig 2

# The author's estimate for the example home's local school taxes for 2016-2045

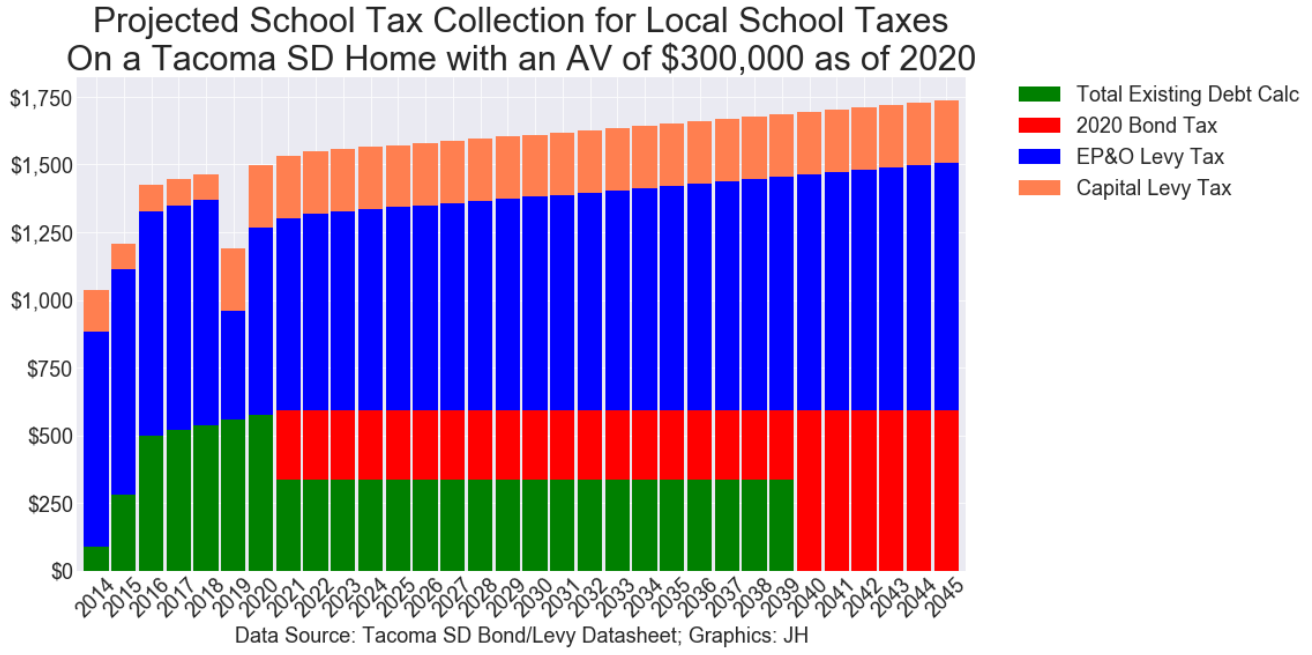


Fig 3

# Table of values for Tacoma's cost averaging comparison

Local school taxes = previous bond debt + 2020 bond debt + EP&O levy + capital levy

The average of the prev 5 years of local school taxes on the ave homeowner

| Year           | Home value | Home value growth rate | Local school taxes | Home value corrected | Home value growth rate corrected | Local school taxes corrected |
|----------------|------------|------------------------|--------------------|----------------------|----------------------------------|------------------------------|
| 2016           | \$223,710  |                        | \$1,658            | \$198,735            |                                  | \$1,473                      |
| 2017           | \$245,007  | 10%                    | \$1,703            | \$223,710            | 13%                              | \$1,555                      |
| 2018           | \$257,258  | 5%                     | \$1,614            | \$256,460            | 15%                              | \$1,609                      |
| 2019           | \$295,031  | 15%                    | \$1,302            | \$293,300            | 14%                              | \$1,295                      |
| 2020           | \$300,000  | 2%                     | \$1,496            | \$321,083            | 9%                               | \$1,601                      |
| <b>Average</b> |            |                        | <b>\$1,555</b>     |                      |                                  | <b>\$1,507</b>               |

The average of the local school taxes on the ave homeowner with the bond over the life of the bond

| Year           | Home value | Home value growth rate | Local school taxes | Home value corrected | Home value growth rate corrected | Local school taxes corrected |
|----------------|------------|------------------------|--------------------|----------------------|----------------------------------|------------------------------|
| 2021           | \$318,000  | 6%                     | \$1,531            | \$340,348            | 6%                               | \$1,639                      |
| 2022           | \$330,720  | 4%                     | \$1,550            | \$353,962            | 4%                               | \$1,659                      |
| 2023           | \$343,949  | 4%                     | \$1,557            | \$368,120            | 4%                               | \$1,667                      |
| 2024           | \$350,828  | 2%                     | \$1,565            | \$375,483            | 2%                               | \$1,675                      |
| 2025           | \$357,844  | 2%                     | \$1,572            | \$382,992            | 2%                               | \$1,683                      |
| 2026           | \$365,001  | 2%                     | \$1,580            | \$390,652            | 2%                               | \$1,691                      |
| 2027           | \$372,301  | 2%                     | \$1,587            | \$398,465            | 2%                               | \$1,699                      |
| 2028           | \$379,747  | 2%                     | \$1,595            | \$406,435            | 2%                               | \$1,707                      |
| 2029           | \$387,342  | 2%                     | \$1,603            | \$414,563            | 2%                               | \$1,715                      |
| 2030           | \$395,089  | 2%                     | \$1,611            | \$422,855            | 2%                               | \$1,724                      |
| 2031           | \$402,991  | 2%                     | \$1,618            | \$431,312            | 2%                               | \$1,732                      |
| 2032           | \$411,051  | 2%                     | \$1,626            | \$439,938            | 2%                               | \$1,741                      |
| 2033           | \$419,272  | 2%                     | \$1,634            | \$448,737            | 2%                               | \$1,749                      |
| 2034           | \$427,657  | 2%                     | \$1,643            | \$457,711            | 2%                               | \$1,758                      |
| 2035           | \$436,210  | 2%                     | \$1,651            | \$466,866            | 2%                               | \$1,767                      |
| 2036           | \$444,934  | 2%                     | \$1,659            | \$476,203            | 2%                               | \$1,776                      |
| 2037           | \$453,833  | 2%                     | \$1,667            | \$485,727            | 2%                               | \$1,785                      |
| 2038           | \$462,910  | 2%                     | \$1,676            | \$495,442            | 2%                               | \$1,794                      |
| 2039           | \$472,168  | 2%                     | \$1,684            | \$505,350            | 2%                               | \$1,803                      |
| 2040           | \$481,611  | 2%                     | \$1,693            | \$515,457            | 2%                               | \$1,812                      |
| 2041           | \$491,244  | 2%                     | \$1,702            | \$525,767            | 2%                               | \$1,821                      |
| 2042           | \$501,068  | 2%                     | \$1,711            | \$536,282            | 2%                               | \$1,831                      |
| 2043           | \$511,090  | 2%                     | \$1,720            | \$547,008            | 2%                               | \$1,840                      |
| 2044           | \$521,312  | 2%                     | \$1,729            | \$557,948            | 2%                               | \$1,850                      |
| 2045           | \$531,738  | 2%                     | \$1,738            | \$569,107            | 2%                               | \$1,860                      |
| <b>Average</b> |            |                        | <b>\$1,636</b>     |                      |                                  | <b>\$1,751</b>               |

|             |  |  |             |  |  |              |
|-------------|--|--|-------------|--|--|--------------|
| <b>Diff</b> |  |  | <b>\$82</b> |  |  | <b>\$245</b> |
|-------------|--|--|-------------|--|--|--------------|

Fig 4

# 2016 Assessment Report. Used for the 2017 Tax Year.

## Pierce County Assessor-Treasurer 2016 Residential Revaluation Report

### 2016 Residential Average Assessed Value Change by City

| City             | 2015 Avg Assd Value | 2016 Avg Assd Value | Dollar Change in Avg Assd Value | Percent Change |
|------------------|---------------------|---------------------|---------------------------------|----------------|
| AUBURN           | \$278,340           | \$313,343           | \$35,003                        | 12.576%        |
| BONNEY LAKE      | \$262,686           | \$289,817           | \$27,131                        | 10.328%        |
| BUCKLEY          | \$197,671           | \$225,842           | \$28,171                        | 14.252%        |
| CARBONADO        | \$138,921           | \$158,070           | \$19,150                        | 13.785%        |
| DUPONT           | \$266,166           | \$277,174           | \$11,008                        | 4.136%         |
| EATONVILLE       | \$151,255           | \$171,850           | \$20,594                        | 13.615%        |
| EDGEWOOD         | \$275,836           | \$312,017           | \$36,181                        | 13.117%        |
| FIFE             | \$206,808           | \$230,006           | \$23,198                        | 11.217%        |
| FIRCREST         | \$247,097           | \$277,519           | \$30,422                        | 12.312%        |
| GIG HARBOR       | \$325,741           | \$357,237           | \$31,496                        | 9.669%         |
| LAKEWOOD         | \$223,456           | \$249,219           | \$25,763                        | 11.529%        |
| MILTON           | \$209,923           | \$241,652           | \$31,728                        | 15.114%        |
| ORTING           | \$188,355           | \$208,310           | \$19,955                        | 10.594%        |
| PACIFIC          | \$172,850           | \$195,050           | \$22,200                        | 12.844%        |
| PUYALLUP         | \$230,563           | \$260,498           | \$29,935                        | 12.983%        |
| ROY              | \$158,863           | \$175,266           | \$16,402                        | 10.325%        |
| RUSTON           | \$257,093           | \$293,265           | \$36,172                        | 14.070%        |
| SOUTH PRAIRIE    | \$126,873           | \$153,358           | \$26,485                        | 20.876%        |
| STEILACOOM       | \$286,293           | \$304,413           | \$18,120                        | 6.329%         |
| SUMNER           | \$218,817           | \$240,916           | \$22,099                        | 10.099%        |
| TACOMA           | \$198,735           | \$223,710           | \$24,975                        | 12.567%        |
| UNIVERSITY PLACE | \$284,343           | \$309,817           | \$25,474                        | 8.959%         |
| WILKESON         | \$119,326           | \$149,267           | \$29,941                        | 25.092%        |
| UNINCORPORATED   | \$233,525           | \$257,282           | \$23,757                        | 10.173%        |
| Averages         | \$219,147           | \$244,787           | \$25,640                        | 12.357%        |

Fig 5

# 2017 Assessment Report. Used for the 2018 Tax Year.

## Pierce County Assessor-Treasurer 2017 Residential Revaluation Report

2017 Residential Average Assessed Value Change by City

| City             | 2016 Avg Assd Value | 2017 Avg Assd Value | Dollar Change in Avg Assd Value | Percent Change |
|------------------|---------------------|---------------------|---------------------------------|----------------|
| AUBURN           | \$314,647           | \$349,644           | \$34,997                        | 11.123%        |
| BONNEY LAKE      | \$294,281           | \$331,873           | \$37,592                        | 12.774%        |
| BUCKLEY          | \$233,042           | \$262,937           | \$29,895                        | 12.828%        |
| CARBONADO        | \$166,358           | \$189,615           | \$23,257                        | 13.980%        |
| DUPONT           | \$277,567           | \$298,577           | \$21,010                        | 7.569%         |
| EATONVILLE       | \$174,171           | \$192,410           | \$18,238                        | 10.472%        |
| EDGEWOOD         | \$315,514           | \$356,756           | \$41,242                        | 13.071%        |
| FIFE             | \$230,583           | \$268,127           | \$37,544                        | 16.282%        |
| FIRCREST         | \$277,956           | \$310,839           | \$32,882                        | 11.830%        |
| GIG HARBOR       | \$359,858           | \$401,940           | \$42,082                        | 11.694%        |
| LAKEWOOD         | \$249,715           | \$275,989           | \$26,274                        | 10.522%        |
| MILTON           | \$242,563           | \$275,639           | \$33,076                        | 13.636%        |
| ORTING           | \$218,679           | \$239,202           | \$20,523                        | 9.385%         |
| PACIFIC          | \$147,600           | \$174,733           | \$27,133                        | 18.383%        |
| PUYALLUP         | \$263,341           | \$291,141           | \$27,800                        | 10.557%        |
| ROY              | \$176,820           | \$201,166           | \$24,347                        | 13.769%        |
| RUSTON           | \$299,891           | \$349,371           | \$49,480                        | 16.499%        |
| SOUTH PRAIRIE    | \$145,106           | \$149,934           | \$4,828                         | 3.327%         |
| STEILACOOM       | \$305,791           | \$337,563           | \$31,772                        | 10.390%        |
| SUMNER           | \$241,968           | \$282,744           | \$40,775                        | 16.852%        |
| TACOMA           | \$224,130           | \$256,460           | \$32,330                        | 14.425%        |
| UNIVERSITY PLACE | \$310,338           | \$346,430           | \$36,092                        | 11.630%        |
| WILKESON         | \$148,573           | \$157,324           | \$8,752                         | 5.890%         |
| UNINCORPORATED   | \$258,998           | \$289,617           | \$30,619                        | 11.822%        |
| Averages         | \$244,895           | \$274,585           | \$29,689                        | 12.030%        |

Fig 6

# 2018 Assessment Report. Used for the 2019 Tax Year.

## Pierce County Assessor-Treasurer 2018 Residential Revaluation Report

2018 Residential Average Assessed Value Change by City

| City             | 2017 Avg Assd Value | 2018 Avg Assd Value | Dollar Change in Avg Assd Value | Percent Change |
|------------------|---------------------|---------------------|---------------------------------|----------------|
| AUBURN           | \$350,664           | \$381,229           | \$30,564                        | 8.716%         |
| BONNEY LAKE      | \$333,155           | \$367,557           | \$34,402                        | 10.326%        |
| BUCKLEY          | \$267,564           | \$295,176           | \$27,612                        | 10.320%        |
| CARBONADO        | \$202,588           | \$236,587           | \$33,999                        | 16.782%        |
| DUPONT           | \$300,636           | \$320,488           | \$19,852                        | 6.603%         |
| EATONVILLE       | \$190,518           | \$212,482           | \$21,964                        | 11.529%        |
| EDGEWOOD         | \$347,388           | \$388,243           | \$40,855                        | 11.761%        |
| FIFE             | \$270,025           | \$297,373           | \$27,348                        | 10.128%        |
| FIRCREST         | \$310,888           | \$348,601           | \$37,713                        | 12.131%        |
| GIG HARBOR       | \$399,501           | \$436,480           | \$36,979                        | 9.256%         |
| LAKEWOOD         | \$276,227           | \$311,138           | \$34,911                        | 12.639%        |
| MILTON           | \$275,097           | \$302,505           | \$27,409                        | 9.963%         |
| ORTING           | \$238,821           | \$270,647           | \$31,826                        | 13.326%        |
| PACIFIC          | \$174,733           | \$197,833           | \$23,100                        | 13.220%        |
| PUYALLUP         | \$293,694           | \$323,643           | \$29,949                        | 10.197%        |
| ROY              | \$201,519           | \$231,070           | \$29,550                        | 14.664%        |
| RUSTON           | \$350,798           | \$388,940           | \$38,142                        | 10.873%        |
| SOUTH PRAIRIE    | \$166,547           | \$203,841           | \$37,294                        | 22.393%        |
| STEILACOOM       | \$340,008           | \$377,630           | \$37,621                        | 11.065%        |
| SUMNER           | \$286,231           | \$310,001           | \$23,770                        | 8.305%         |
| TACOMA           | \$257,957           | \$293,300           | \$35,344                        | 13.701%        |
| UNIVERSITY PLACE | \$344,655           | \$380,982           | \$36,327                        | 10.540%        |
| WILKESON         | \$157,253           | \$199,433           | \$42,180                        | 26.823%        |
| UNINCORPORATED   | \$292,280           | \$324,494           | \$32,214                        | 11.021%        |
| Averages         | \$276,198           | \$308,320           | \$32,122                        | 12.345%        |

Fig 7

# 2019 Assessment Report. Used for the 2020 Tax Year.

## Pierce County Assessor-Treasurer 2019 Residential Revaluation Report

### Average Assessed Value (AV) Change by City

| City             | Prior Year Avg AV | Current Year Avg AV | Change in Avg AV | % Change in Avg AV |
|------------------|-------------------|---------------------|------------------|--------------------|
| AUBURN           | \$380,854         | \$400,172           | \$19,318         | 5.072%             |
| BONNEY LAKE      | \$366,547         | \$391,321           | \$24,774         | 6.759%             |
| BUCKLEY          | \$300,475         | \$321,530           | \$21,055         | 7.007%             |
| CARBONADO        | \$245,062         | \$260,303           | \$15,241         | 6.219%             |
| DUPONT           | \$320,008         | \$334,392           | \$14,383         | 4.495%             |
| EATONVILLE       | \$213,485         | \$234,637           | \$21,152         | 9.908%             |
| EDGEWOOD         | \$395,393         | \$424,097           | \$28,703         | 7.259%             |
| FIFE             | \$298,108         | \$319,291           | \$21,183         | 7.106%             |
| FIRCREST         | \$349,404         | \$375,257           | \$25,852         | 7.399%             |
| GIG HARBOR       | \$454,464         | \$481,640           | \$27,176         | 5.980%             |
| LAKEWOOD         | \$311,734         | \$332,753           | \$21,019         | 6.743%             |
| MILTON           | \$306,026         | \$332,666           | \$26,641         | 8.705%             |
| ORTING           | \$271,141         | \$287,473           | \$16,332         | 6.023%             |
| PACIFIC          | \$197,833         | \$223,567           | \$25,733         | 13.008%            |
| PUYALLUP         | \$327,026         | \$347,574           | \$20,548         | 6.283%             |
| ROY              | \$231,350         | \$247,416           | \$16,066         | 6.944%             |
| RUSTON           | \$404,160         | \$431,341           | \$27,181         | 6.725%             |
| SOUTH PRAIRIE    | \$202,729         | \$210,042           | \$7,313          | 3.607%             |
| STEILACOOM       | \$382,020         | \$410,421           | \$28,401         | 7.435%             |
| SUMNER           | \$313,346         | \$341,916           | \$28,569         | 9.117%             |
| <b>TACOMA</b>    | \$293,101         | \$321,083           | \$27,982         | 9.547%             |
| UNIVERSITY PLACE | \$384,142         | \$411,198           | \$27,056         | 7.043%             |
| WILKESON         | \$200,087         | \$206,745           | \$6,658          | 3.328%             |
| UNINCORPORATED   | \$327,453         | \$350,484           | \$23,030         | 7.033%             |

Fig 8