

**LEAGUE OF WOMEN VOTERS OF TACOMA-PIERCE COUNTY
OBSERVER CORPS**

Tacoma City Council study session meeting
January 14, 2020

Observer: Lydia Zepeda

Present: Chris Beale, Keith Blocker, John Hines, Lillian Hunter, Conor McCarthy, Robert Thoms, Catherine Ushka, Kristina Walker, Mayor Victoria Woodards

Absent: none

Meeting called to order at 12:08 pm

Briefing Items

- 1. 20-0017 Commercial Office Space Incentive Legislation** Proposed plan by economic community and development staff for full council consideration.

Legislative history - the original plan was introduced in 2017 as a property tax exemption for multifamily homes in Tacoma and Spokane, the 2nd iteration was a sales tax remittance, and the 3rd was both a property tax exemption and sales tax remittance for every city in Washington outside King County.

Goals - to support private investment and commercial office projects to attract and retain business that provide a family wage jobs, increase neighborhood vitality, and grow the tax base.

Elements - incentives for developers: sales and use tax remittances 18 months after the project completed and for 10 years the local portion of the property tax contributed to public infrastructure required for project. It is possible that first project will not have enough money to pay for the infrastructure.

State requirements - legislation is for 50,000 sq ft new construction or substantial renovation, good quality structures as defined by the city, that houses businesses that pay a family wage of \$20.77 per hour, and the commercial areas selected by the city can be no more than 25% of city's total tax value.

Implementation process - staff will evaluate feasibility of projects, sustainable building, women and minority contractors. Potential sites are in downtown and Tacoma Mall Regional Growth Center. These areas were chosen because they represent areas that would permit a 50,000 sq ft commercial site. Downtown area is bounded by Tacoma avenue on the west, Owen park on the north, Center avenue on the south and one street east of the Foss waterway. There has not been a 50,000 sq ft building built in Tacoma since 2002.

Council discussion:

- Need benchmarks to see if the program is working.
- Partner with County to develop their properties in downtown,
- Boundaries of the program area can be changed with a public hearing.
- There other target areas that would promote equity: e.g South Tacoma, SE Tacoma.

- Staff wanted to expand target areas, but developers said that those areas could not support 50,000 sq ft. Tacoma may want to implement similar legislation to build smaller commercial space in those areas.
- Tacoma gets 1.3% of sales tax, 0.3% are earmarked for programs. so 1% is what would be available for remittance. Is the incentive enough to encourage construction here given the high rents up north?
- How do we verify the family wage job requirement? One high paid executive could offset many low wage jobs. We need recommendations about this, e.g. 50% of jobs in the building have family wage. We also need a minimum length of time of these jobs are in effect.
- To imagine what 50,000 sq feet is: Old city hall is 55,000. A big box store is 20,000 so if it had three floors that would be 60,000.
- How do we track property management sustainability? They don't get remittances until after 18 months of operation, and they need to be certified before getting reimbursed.
- There is no interest by developers yet because this program has not been marketed. Staff have talked to developers and they say there is no demand for commercial space in Tacoma.
- If we put it out there and no one uses it, then that is evidence to change the legislation, e.g. smaller square footage.

2. 20-0022 Firearms and Ammunition Tax (Ordinance No. 28624) Administrative Timeline

The tax code was amended on November 12, 2019, to allow for a firearm and ammunition tax starting July 1, 2020. Revenues will be available from the state starting November 2022.

Timeline:

- Feb 8, 2020: initial recommendations to city council about ways to reduce youth and young adult gun violence.
- May 25, 2020: report to city council on a. business impacts, programs, initiatives funded, and number of firm arm offenses; b. best practices to reduce gun violence either done by external or in-house (staff recommends external, a college student); c. process recommendations:
 - Option 1 - hire someone to do Focus Groups;
 - Option2 - hire someone to talk with 6-7 groups of stakeholders;
 - Option 3 - hire someone to have large stakeholder meetings.

Legislation requirea participation by specific stakeholders, but staff have recommendations about who should participate.

Council Discussion

- Analysis should include what is optimal tax amount.
- Council preferred using a professional researcher, not a college student.
- Best Practices refers a report on gun buy back and a broader report on best practices to reduce gun violence.
- Create balance by including gun clubs.
- How much revenue will the tax generate, will it be enough to fund anti-gun violence programs, will it reduce gun violence?
- For process recommendations, focus groups run by a professional researcher seemed to be preferred option.

- Identify funding sources.

Other Items of Interest

3. 20-0019 Council Consideration Request - Resolution to Express Support for the National League of Cities' "Leading Together 2020 Cities Agenda" will be on next week's council meeting. Key issues include: how to sustain infrastructure, increase housing, and reduced gun violence.

Committee Reports no committee meetings yet in 2020.

Request for referendum regarding legislation 28650, the 20 year franchise with Rainier Connect. The petition will be reviewed and if ok'd will be put on the ballot. The petition organizers will need to collect 3500 signatures in 30 days. The Council approved the contract last week. The franchise agreement would be suspended if the petition is approved for collection of signatures.

Agenda Review for evening Council meeting:

Proclamation making January human trafficking month

Committee assignments have all been made and to be confirmed at evening Council meeting.

Adjournment 1:25 pm