

WEEKLY REPORT TO THE CITY COUNCIL

August 26, 2010

Members of the City Council
City of Tacoma, Washington

Dear Council Members:

ACTION REQUESTED

1. The updated **Public Policy Calendar** is attached for your information. My intent in providing this is to give you a longer-range "heads up" on policy issues you may be considering. I welcome your questions or feedback.
2. Don't forget **City offices will be closed on Monday, September 6th for Labor Day and the Tuesday, September 7th Council meetings have been canceled.** I won't be sending out a weekly report next week; however, if you would still like your mail packets delivered on Thursday, September 2nd, please let Cindy DeGrosse or Cindy Leingang know.

COUNCIL AGENDA

3. At Tuesday's Council meeting for your consideration is **Resolution No. 38101, Tacoma's first 12 Year Multi-Family Property Tax Exemption (MFPTE) Agreement.** This Agreement is with 6th and Alder Partners LLC for the development of sixty new market-rate and affordable rental housing units. Background about the program appears in the attached memorandum from Acting Community and Economic Development Director Peter Huffman.

STUDY SESSION/WORK SESSION

4. The **City Council Study Session** of Tuesday, August 31, 2010, will be held in Room 16 of the Tacoma Municipal Building North. Discussion items will be: (1) **2011-2012 Draft Legislative Policy Manual**; (2) **Proposed New 11th Street LINK Light Rail Stop**; (3) **Other Items of Interest**; (4) **Agenda Review**; and (5) **Executive Session – Pending Litigation.**

At Tuesday's Study Session, Government Relations Officer Randy Lewis will share the **draft 2011-2012 Legislative Policy** for the City of Tacoma. The Legislative Policy is the established policy **statements expressing the City's views concerning issues which may come before the Washington Legislature and United States Congress.** It is necessary to periodically amend these policy statements as issues change and new issues emerge. The resolution amending and adopting the Legislative Policy will be on the September 21st Council agenda for your consideration. A copy of the draft policy as well as a summary of the proposed amendments will be included in your weekly mail packet for your review before this discussion. The draft policy is also available to the public through the following link on our website:

www.cityoftacoma.org/Draft2011-12LegisPolicy

Public Works is currently working with Sound Transit on locating a **potential new LINK stop in the vicinity of South 12th and Commerce Street**. As a second item on Tuesday's Study Session, staff will present the scope of the proposed project, the timeline and approximate cost.

At the conclusion of Tuesday's Study Session, there will be an **Executive Session to discuss Pending Litigation**.

5. The updated **Tentative Council Study Session, Workshop, and Town Hall Meeting Calendar** is attached for your information.

COUNCIL REQUESTS/INQUIRIES

6. At the August 17th Council Meeting, Council Member Mello asked **if the City's guidelines for changing the name of a place applies to either Tacoma Public Utilities or Tacoma Public Library**. When the naming policy was drafted, the term municipally-owned property was intended to differentiate only between property that was privately owned or owned by another governmental entity and property owned by the City of Tacoma. In drafting the policy, and later in discussions by the Neighborhood and Housing Committee, municipal property was considered broadly and did not include exceptions for specific kinds of municipal property, such as utility or library facilities. While the City Charter and state law contain restrictions relating to use of property within utility systems owned and operated by the City, these laws would not preclude application of the naming policy to utility properties.
7. At the last Committee of the Whole meeting, Council Members had **questions concerning the update to the Sign Code**. Responses to the questions appear in the attached memorandum from Peter Huffman.
8. In response to Deputy Mayor Fey's inquiry regarding how the City is progressing on getting the money spent for the **Community Development Block Grant Recovery Fund Allocation** and if there are any impediments, Community and Economic Development staff report that the City received a \$772,715 grant. Of this amount, \$537,605.54 has been spent to date, which represents 70% of the total amount. As of August 19, 2010, the grant balance is \$235,109.46. This is expected to be spent no later than December 31, 2011, which is six months before the grant deadline. The City does not anticipate any impediments to expending the remaining funds.

9. At the last Study Session during the Small Business Administration (SBA) presentation, Council Member Campbell **asked how the City is taking advantage of micro business loans**. Community and Economic Development staff report that the Small Business Administration Micro Loan Program is administered by the Seattle Development Association (also known as Community Capital Development) located at 1437 South Jackson in Seattle. Our Private Capital Division staff regularly refer business owners and potential business owners to Harold Murphy at Community Capital for SBA Micro Loans. Community Capital Development previously had a presence at Bates Technical College and Harold was on-site weekly; however, he is now more closely affiliated with the Business Assistance Center at Clover Park Technical College.
10. During the last Study Session, Deputy Mayor Fey inquired on **what has been done to reduce the Greater Tacoma Convention and Trade Center operational costs so they don't negatively impact the general fund**. Public Assembly Facilities Director Mike Combs reports that like most convention facilities throughout the Country, the facility operates at a loss each year. However, General Manager David Bobo and his staff watch their projected operating budget loss very closely. The chart below reflects that while the center operates at a loss, they have saved over \$1.6 million in projected losses verses actuals. This year's higher operating loss was due to almost two years of retro pay for the contract agreement with our labor union. Mike will be working with David and his staff over the next few weeks to look at potential savings that will reduce this deficit in the next biennium without effecting services.

**Convention Center
 Comparison of Projected and Actual Operations**

Year	Projected Operating Loss	Actual Operating Loss	Variance (loss more than projected)
2004	1,944,662	\$ 1,577,609	367,053
2005	2,472,046	1,945,179	526,867
2006	2,946,174	2,604,465	341,709
2007	2,672,063	2,336,929	335,134
2008	2,280,311	2,363,100	(82,789)
2009	2,933,023	2,632,748	300,275
2010	2,597,917	2,743,318	(145,401)
	17,846,196	\$ 16,203,348	1,642,848

11. Also at the last Study Session during the debt refinancing option discussion, Deputy Mayor Fey asked **how much of the projected budget savings was from the Convention Center refinance and how much was from the LTGO refinance.** Finance Director Bob Biles reports that the projected 2010-2012 budget savings for the refinancing issues are:

Convention Center and Parking	\$ 4,031,782
Limited Tax General Obligation	14,127,223
Total	\$18,159,005

12. At the last Council meeting, Deputy Mayor Fey requested information on the **utilities budget and rate increase schedule, and effective dates.** Public Works provides the attached outline schedule related to Environmental Services utilities proposed rate adjustments, to include solid waste management (SWM), wastewater (WW) and surface water (SW). The initial rate presentation will first go to the Environmental Services Commission and will later be presented to the Council's Environment and Public Works Committee. If the Council approves the proposed five-year rate plan, the effective dates for new rates would be January 1, 2011 and January 1, 2012. More information will be forwarded relating to Tacoma Public Utilities rate adjustments as the information is available.

GRANT APPLICATIONS

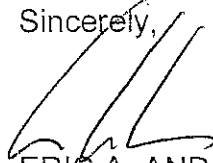
13. For your information, the City submitted the following grant applications:
- **Transfer of Development Rights Project Grants for Central Puget Sound Cities** – Sub-area planning for the Hillside/MLK Mixed Use District that will allow it to function effectively as a transfer of development rights receiving area by using measures that will include: fast tracking revitalization through up front environmental review under SEPA; planning and design of capital facilities; and planning for infrastructure and neighborhood amenities to support increased density.

MARK YOUR CALENDARS

14. You have been invited to the following events:
- **Commencement Bay Maritime Festival 2010 Celebrating Tacoma's Working Waterfront on Saturday August 28th and Sunday August 29th, 10:00 a.m. - 6:00 p.m., at Dock Street, Thea Foss Waterway and the Port of Tacoma (schedule of events available at <http://maritimefest.org/>).**

- **Memorial Service for Charlotte Valbert on Sunday, August 29th, 2:00 p.m.**, at Blueberry Park located at 7402 East D Street.
- **Cascade Land Conservancy Pierce County Conservation Awards luncheon on Thursday, September 16th, Noon-1:30 p.m.**, at the Hotel Murano-Bicentennial Pavilion located at 1320 Broadway, Tacoma.

Sincerely,



ERIC A. ANDERSON
City Manager

EAA:crh
Attachments

PUBLIC POLICY CALENDAR
Subject to Modification
August 26th, 2010

August

Wedge Neighborhood Historic District

The residential neighborhood known as "The Wedge," which is roughly bounded by Division Avenue, Sixth Avenue and Martin Luther King Jr. Way, is currently under review by the Planning Commission for designation as a Historic Special Review Overlay District. This proposal was submitted by residents of the neighborhood to the Landmarks Preservation Commission in June 2008. After reviewing the proposal for several months, and following a public hearing, the Landmarks Preservation Commission voted to recommend designation of the area as a historic district to the Planning Commission on July 22, 2009. The proposed district includes approximately 100 private residences and several "conservation districts" on its edge to buffer the district from impacts resulting from adjacent development. The Planning Commission held a public hearing on March 17, 2010 and forwarded its recommendation to City Council in May. On June 21, staff presented the district proposal to the Neighborhoods and Housing Committee. City Council held a public hearing on the proposal on July 21. The proposal went back before the Neighborhoods and Housing Committee on August 02. If passed, the Wedge Neighborhood will become the 4th Historic Overlay District in the City, and will join the North Slope Historic District as the second residential historic district. The designation will provide standards and guidelines, introduce a design review requirement for certain projects, protect historic properties from unnecessary demolition, and make property tax incentives available for renovation projects.


December

Shoreline Master Program Update

The City is required to update its Master Program for Shoreline Development to be consistent with guidelines adopted in the Washington Administrative Code (WAC). These guidelines were developed by the Department of Ecology to improve conformity with the mandates of the Shoreline Management Act across the state and to better protect and preserve the shoreline environment. The Master Program includes both Comprehensive Plan goals and policies governing shoreline areas and zoning regulations implementing the policies. The Master Program was first adopted in 1975 and covers all marine shoreline areas as well as other bodies of water including Wapato Lake and the Puyallup River. The Department of Ecology must approve all changes to the Master Program. The Planning Commission will hold a public hearing on the proposed revisions and forward a recommendation to the City Council this winter. The Council is tentatively scheduled to approve amendments to the Master Program in spring 2010 and forward the approved changes to the Department of Ecology, for their review and approval. A presentation on the status, schedule, and local issues of concern was presented at study session on March 30. and two joint meetings with the Economic Development Committee and the Environment and Public Works Committee were held in April and June.



TO: Eric Anderson, City Manager

FROM: Peter Huffman, Acting Director, 
Community and Economic Development Department

SUBJECT: **6th and Alder Partners LLC: 12-year Property Tax Exemption Agreement**

DATE: August 25, 2010

City Council will consider approval of Tacoma's first 12-Year Multi-family Property Tax Exemption (MFPTEx) Agreement at its August 31st meeting. This Agreement is with 6th and Alder Partners LLC for the development of sixty new market-rate and affordable rental housing units. Under the agreement at least 12 of the units must be affordable to households at or below 80% of the area median income.

From its inception in 1995 until 2008, the property tax exemption was for 10 years on all qualifying development. In an effort to encourage more affordable housing, the State Legislature modified the program to give those developments with 20% or more affordable units a longer exemption period while new market-rate developments are limited to 8 years of exemption. There has been very little new development since the modified 8-year/12-year program took effect in 2008 and to date, there have not been any PTE projects approved in Tacoma for the 12-year exemption until the 6th and Alder Partners project..

For additional information a summary of the requirements of the 12-year property tax exemption compared to the 8-year exemption is attached. For a copy of 2007 report completed by Property Counselors titled "Economic Evaluation of Property Tax Exemption Program for Multifamily Development" go to:

<http://www.cityoftacoma.org/housing> and click on Property Tax Exemption Report 2007.

If you have any questions, please contact Ric Teasley at 591-5238.

Comparison of the 8-Year and 12-Year Property Tax Exemption Options

Property Tax Exemption Requirements	8-Year	12-Year
Property must be located in one of 17 Mixed Use Centers	X	X
Must create 4 or more new units of housing	X	X
If existing units are being upgraded, must have code defects and be vacant for 6 months before applying for the tax exemption	X	X
Can convert existing commercial space to housing without a vacancy time requirement	X	X
Only applies to the residential portion of a development, not to any commercial components	X	X
Application fee based on number of units being created	X	X
Requires Council approval	X	X
The tax exemption can be for apts or condos/townhomes	X	X
The owner has three years to complete the new housing units	X	X
Two year extension to complete the development is possible based on circumstances	X	X
Tax exemption begins the year following project completion	X	X
Exemption goes with the property	X	X
* 20% or more units must be "affordable" to low-income households		X
Affordable units must be monitored annually by the City for compliance		X

"Affordable units are defined as units that are affordable to households with incomes no greater than 80% of the area median income

August 26, 2010

**CITY OF TACOMA TENTATIVE COUNCIL STUDY SESSION, WORKSHOP,
AND TOWN HALL MEETING CALENDAR**
(all meetings are held in **Room 16, Tacoma Municipal Building North,**
733 Market Street, unless otherwise noted)

August 31
(Tuesday – Noon)

- Council Study Session

- (1) 2011-2012 Draft Legislative Policy Manual
- (2) Proposed New 11th Street Link Light Rail Stop
- (3) Other Items of Interest
- (4) Agenda Review
- (5) Executive Session – Pending Litigation

September 7
(Tuesday – Noon)

- Council Study Session

- (1) Canceled

September 14
(Tuesday – Noon)

- Council Study Session

- (1) State Legislative Update

During the second of the State Legislative leaders update sessions, Washington State House Capital Budget Chair Hans Dunshee will update the Council on the status of the State's Capital Budget and the November Energy Efficiency Bond issue.

- (2) Other Items of Interest
- (3) Agenda Review

September 21
(Tuesday – Noon)

- Council Study Session
(Pantages Theatre - 901 Broadway, Tacoma)

- (1) Broadway Center for Performing Arts
- (2) Other Items of Interest
- (3) Agenda Review

September 28
(Tuesday – Noon)

- Joint Council/Tacoma Library Board Study Session

- (1) Quarterly Tacoma Library Update

- Council Study Session

- (1) Foss Waterway Development Authority Third Operating Agreement
- (2) Mixed Use Center Master Planning
- (3) Other Items of Interest
- (4) Agenda Review

October 5
(Tuesday – Noon)

- Council Study Session

- (1) 2011/2012 Biennial Budget
- (2) Other Items of Interest
- (3) Agenda Review

October 12
(Tuesday – Noon)

- Joint City Council/Public Utility Board Study Session

- (1) TPU 2011/2012 Biennial Budget
- (2) Other Items of Interest
- (3) Agenda Review

October 19
(Tuesday – Noon)

- Council Study Session

- (1) Proposed Scope of Review for the Update to Sign Code
- (2) Other Items of Interest
- (3) Agenda Review

October 26
(Tuesday – Noon)

- Council Study Session

- (1) Open
- (2) Other Items of Interest
- (3) Agenda Review

November 2
(Tuesday – Noon)

- Joint City Council/Public Utility Board Study Session

- (1) Update of Power's Integrated Resource Planning Effort
- (2) Update on Cushman Federal Energy Regulatory License Issuance
- (3) Other Items of Interest
- (4) Agenda Review

November 9
(Tuesday – Noon)

- Council Study Session

- (1) Open
- (2) Other Items of Interest
- (3) Agenda Review

November 16
(Tuesday – Noon)

- Council Study Session

- (1) Open
- (2) Other Items of Interest
- (3) Agenda Review

November 23
(Tuesday – Noon)

- Council Study Session

- (1) Open
- (2) Other Items of Interest
- (3) Agenda Review

November 30
(Tuesday – Noon)

- Council Study Session

- (1) Open
- (2) Other Items of Interest
- (3) Agenda Review


December 7
(Tuesday – Noon)

- Council Study Session

- (1) Open
- (2) Other Items of Interest
- (3) Agenda Review



TO: Eric Anderson, City Manager

FROM: Peter Huffman, Acting Director 
Community and Economic Development Department

SUBJECT: Sign Code Update

DATE: August 25, 2010

Ryan Petty provides a response to councilmember's questions concerning the update to the Sign Code as discussed at last week's Committee of the Whole meeting.

1. Deputy Mayor Fey: Can the City impose energy conservation standards for new electrical signs that exceed the Washington State Energy Code?

Response: Yes, the City can choose to be more restrictive than the Washington State Energy Code. For example, the City could adopt amendments which could do a number of things including, but not limited to, restricting sign lighting to a certain wattage per square-foot of sign face, and/or require controls which turned the sign lighting off when the signs weren't necessary or when the business was closed.

2. Councilmember Mello: Will the changes to the sign code regulations be based on a vision and, if so, who is setting the vision?

Response:

The City Council is responsible for establishing and refining the vision. The current vision for signage is embodied in the policies of the Comprehensive Plan and the requirements and standards of the Sign Code. As noted in the draft schedule for updating the Sign Code that was distributed at the Committee of the Whole meeting, staff is in the early mobilization/research phase of the project. By October, it is intended that staff will complete an evaluation of the Comprehensive Plan policies and Sign Code provisions. This review will lead to an identification of possible code changes to be addressed in the update process. A significant piece of this review will be an evaluation of whether the adopted policies of the Comprehensive Plan are being appropriately implemented as intended through the regulatory code requirements.

As suggested by the City Manager at the Committee of the Whole, a study session has been tentatively scheduled for October 19 to discuss the Sign Code update and all of the comments made by the Council at the COW. At the study session, staff will provide an overview of the current vision and present the results of their analysis identifying potential code changes to be further studied as part of the overall update. Council direction during this phase of the project would greatly assist the Planning Commission and staff to refine the scope to make sure key issues that may be of concern to the Council are included in the overall review.

If any Council Members have further questions, please advise. Thank you.

Environmental Services
Utility Rates - Outline Schedule

ID	Task Name	Duration	Start	Finish	2011											
					J	J	A	S	O	N	D	J	F			
1	Initial CIP Budgets Due From ES Utilities	0 days	Thu 7/15	Thu 7/15		◆	7/15									
2	Biennium Budgets Due	0 days	Thu 7/22	Thu 7/22		◆	7/22									
3	WW & SW Consultant Initial Rate Model	0 days	Thu 8/12	Thu 8/12			◆	8/12								
4	SWM Consultant Initial Rate Model	0 days	Fri 8/13	Fri 8/13			◆	8/13								
5	WW & SW Initial Rate Presentation to ESC	0 days	Thu 8/19	Thu 8/19			◆	8/19								
6	Initial Utility Rates Expectations, Goals & Assumptions Presentation to EPWC	0 days	Wed 9/8	Wed 9/8				◆	9/8							
7	WW & SW Revised Rates	0 days	Thu 9/9	Thu 9/9				◆	9/9							
8	SWM Initial Rates	0 days	Thu 9/9	Thu 9/9				◆	9/9							
9	SWM Revised Rates	0 days	Thu 9/23	Thu 9/23					◆	9/23						
10	PW/CM Revisions & Coordination	13 days	Fri 9/24	Tue 10/12												
11	WW & SW Formal Rates Presentation to EPWC	0 days	Wed 10/13	Wed 10/13					◆	10/13						
12	WW & SW Adjust Rates per Council Comments	18 days	Wed 10/13	Fri 11/5												
13	SWM Formal Rates Presentation to EPWC	0 days	Wed 10/27	Wed 10/27						◆	10/27					
14	SWM Adjust Rates per Council Comments	8 days	Wed 10/27	Fri 11/5												
15	Final Utility Rates Presentation to ESC (Date TBD)	0 days	Mon 11/8	Mon 11/8							◆	11/8				
16	Final Utility Rates Presentation to EPWC	0 days	Wed 11/10	Wed 11/10							◆	11/10				
17	Budget Workshop Full Council (Date TBD)	0 days	Fri 11/19	Fri 11/19							◆	11/19				
18	Utility Rate Ordinance - First Reading	0 days	Tue 12/7	Tue 12/7								◆	12/7			
19	Utility Rate Ordinance - Second Reading	0 days	Tue 12/14	Tue 12/14									◆	12/14		