



City of Tacoma

City Council Action Memorandum

TO: Elizabeth Pauli, City Manager
FROM: Council Member Olgy Diaz and Senior Council Policy Analyst Lynda Foster
COPY: City Clerk and City Council
SUBJECT: **Ordinance – Grease Interceptor Education Requirement – January 14, 2025**
DATE: December 31, 2024

SUMMARY AND PURPOSE:

An Ordinance amending Tacoma Municipal Code Chapter 12.08C, relating to Miscellaneous Provisions, to establish the distribution requirements for grease interceptor educational flyers at the time of entering into a lease agreement or purchasing a property that will be occupied by any food- or beverage-related business, in order to educate commercial tenants or property owners on the conditions of private grease interceptors.

COUNCIL SPONSORS:

Council Members Bushnell, Daniels, and Diaz

BACKGROUND:

This Department's Recommendation is Based On:

Commercial tenants or property owners often sign a lease or purchase a property prior to contacting the Health Department and/or Permit Department. Current regulations may require equipment that exceeds the expectation of the business owner which may cause a significant delay in opening the business, a need to adjust the business plan, or may make the project infeasible (either financially or structurally).

This ordinance would apply to all purveyors of commercial real estate that is or will be occupied by any food- or beverage-related business; including, but not limited to, sellers, brokers, agents, and property managers. It would create a requirement to disclose and share information via an educational flyer created by the City of Tacoma about the potential requirements to install or upgrade a grease interceptor system that meets current environmental requirements as approved by the City of Tacoma, Planning and Development Services, Permitting department. The disclosure and information shall be provided to the potential lessee or buyers prior to signing of a lease or completing a purchase of the property.

City of Tacoma, Environmental Services Department will create the educational flyer and update as needed. In addition, the City of Tacoma Permit Department will provide the educational flyer any time a food- or beverage-based business engages with the permit process. The City will encourage the Tacoma-Pierce County Health Department to provide the flyer any time they engage with food- or beverage-related businesses.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Local food and beverage establishments contacted the City Council with their concerns about grease interceptor requirements. Council Member Diaz attended a round table discussion with businesses in March 2024. After researching this concern, CM Diaz developed a policy proposal and shared it with the Cross District Association in October 2024. CM Diaz also met with representatives from the Hospitality Association and Chamber of Commerce. Local business, restaurant owners, and associations that represent them have been overwhelmingly supportive of the proposed policy.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: *(Mandatory)*

According to the National Urban League, the 2024 State of Black Business report, finds that Black Americans are drastically underrepresented among business owners relative to their share of the population. They are more likely than other businesses to be shut out of traditional financing opportunities. They are starved for venture capital investment. And they are less likely to be awarded government contracts. Black-owned businesses face the greatest obstacles to financing, by far, more than any other demographic. Only 32% -- compared with 56% of white-owned businesses -- are fully approved for the financing they seek.



Similarly, 40% of Black-owned businesses are completely denied loans, lines of credit, and cash advances, compared to 18% of white-owned businesses. Even when financing is approved, Black-owned businesses are more likely to be offered high interest rates. As a result, these businesses are more likely to delay plans to expand and have a harder time refinancing their existing debt. There are also extra barriers to capital and loans for immigrants. Immigrant entrepreneurs have a hard time plugging into the financial systems of their host countries. Banks and other lenders are often reluctant to provide start-up capital and ongoing credit because it is difficult for them to assess the financial history of immigrants and to conduct credit checks.

Economy/Workforce: *Equity Index Score:* Moderate Opportunity

Increase the number of diverse livable wage jobs.

Increase the number of Tacoma households that have livable wage jobs within proximity to the city.

Increase the availability of industry-specific education programs to support identified growth sectors.

Decrease the number of vacant properties downtown and in the neighborhood business districts.

Increase positive public perception related to the Tacoma economy.

Civic Engagement: *Equity Index Score:* Moderate Opportunity

Increase the percentage of residents who believe they are able to have a positive impact on the community and express trust in the public institutions in Tacoma.

Livability: *Equity Index Score:* Moderate Opportunity

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

How does your policy, program, or service help or harm the health of the natural environment?² (e.g. reduction in carbon emissions, open space conditions, sustainability, clean air, water and soil, and noise and light pollution).

Explain how your legislation will affect the selected indicator(s).

This policy aims to provide critical education to new and aspiring business owners so they can make wise investments into their future. By directing businesses to education and resources to learn about infrastructure requirements before they commit to a lease or purchase, we are helping even the playing field between experienced and new entrepreneurs. This policy is one step to help food and beverage businesses succeed here in Tacoma so that our entire community can benefit. This policy is also directly responsive to community concerns, and taking action on this issue will show small and local businesses that engaging with their City Council makes a positive impact on the community. Ensuring business owners know more about how to invest in the right grease interceptor for their business will also help protect the natural environment from fats, oils and grease that otherwise would cause harm, and helps ensure the city keeps our wastewater system.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Take no action	Conserve staff capacity for other Council priorities	Does not address known issue that the restaurant community is requesting Council address
2. Increase funding for business education and outreach	Educate aspiring business owners and reduce challenges with grease interceptors	Requires funding in a tight budget year.
3. Pursue policy solutions for other grease interceptor concerns	Would tackle more challenges identified by the business community.	Would require further research and delay bringing a policy solution forward.



EVALUATION AND FOLLOW UP:

City of Tacoma, Environmental Services Department will create the educational flyer and update as needed. In addition, the City of Tacoma Permit Department will provide the educational flyer any time a food- or beverage-based business engages with the permit process. The City will encourage the Tacoma-Pierce County Health Department to provide the flyer any time they engage with food- or beverage-related businesses.

SPONSOR RECOMMENDATION:

Sponsors recommend adopting this Ordinance and implementing this education requirement to disclose and share information via an educational flyer created by the City of Tacoma about the potential requirements to install or upgrade a grease interceptor system that meets current environmental requirements as approved by the City of Tacoma, Planning and Development Services, Permitting department.

FISCAL IMPACT:

No fiscal impact to adopting the code/language change. This policy will require staff time to create the educational flyer, advertise the change in education requirement, and respond to complaints that the law is not being followed. Impacts will be incorporated into ongoing workload and managed within the Adopted 2025-2026 Biennial Budget amounts.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. 4300 – Wastewater	523905 – Wastewater Community Relations	5210000 - Comm. Materials	\$5,000
2.			
TOTAL			

What Funding is being used to support the expense?

Are the expenditures and revenues planned and budgeted in this biennium’s current budget?

YES

Yes. The Environmental Services Communications team is fully funded in the 25-26 biennium and has capacity to absorb the efforts around this new ordinance.

Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City’s FTE/personnel counts?

No