

# 2015 City of Tacoma Legislative Agenda

## Summary agenda:

- The City supports a transportation funding package that completes SR-167 and provides new funding to the City and transit agencies. The City supports new revenue authority to allow Sound Transit to seek voter approval for new projects. The City also seeks ongoing authority to operate the Bay Street speed camera.
- The City supports local control of taxes, changes to the 1 percent cap on property tax revenue, new economic development tools, protection of the EMS levy, and targeted tax incentives accompanied by regular review and renewal.
- The City supports efforts to address public safety and environmental concerns from increased rail shipment of crude oil and coal and, in partnership with Metro Parks Tacoma, seeks assistance to improve water quality at Wapato Lake.
- The City supports the State meeting its obligations to fully fund K-12 education with new revenue. The City will work to fix the incompatibilities of the medical and recreational marijuana laws while providing tax revenue for those cities where stores are located.

## Detail agenda:

### Economic development:

The City supports the use of economic development tools that facilitate urban redevelopment and encourage development, including affordable housing, in transit station areas to carry out the goals of the regional transit supportive community initiative. This includes, but is not limited to, value capture tools like tax increment financing, local improvement district legislation, and restored funding of existing tools such as local infrastructure financing. The City will also seek changes to local infrastructure financing statutes to allow more flexible use of already-awarded grants. The City supports the Tacoma Housing Authority funding requests for the Bay Terrace Phase 2 and Hilltop Lofts projects.

“The paramount” duty of the State is to “make ample provision for the education of all children...” and the Legislature is faced with a significant challenge to meet this responsibility in light of the McCleary decision by the State Supreme Court. Any solution to this problem cannot create winners and losers between the state’s school districts and must not be done while causing further damage to the State’s social safety net and higher education or by offloading State responsibilities to local government. New revenue will be required to meet the requirements of the court decision.

Tax breaks for specific businesses and industries can serve as an important economic development tool. For example, the expiring tax deferral on research and development activities has, by some estimates, promoted the generation of significantly more tax revenue in a year than it has cost the State over the time it has been in place. Yet, according to a New York Times report, Washington forgoes more than \$2.3 billion a year in revenue due to tax breaks. Not all of these tax breaks are as successful as the R&D break appears to be. The City supports greater transparency from businesses receiving tax breaks so that full analysis of the value of such incentives can be made.

#### Environment:

The City supports creation of a sustainable funding source to assist local governments with obligations under Federal storm water regulations. Funding should encourage innovation in meeting permit goals for both water quality and quantity. The City, in partnership with Metro Parks Tacoma and the University of Washington Tacoma, supports specific funding for stormwater quality improvements at Wapato Lake.

Crude oil shipments into Washington by rail have increased dramatically in recent years. Proposals to also bring coal through the state for shipment to the Far East have also been announced. These fossil fuel shipments pose significant potential for serious risk to public safety and environmental harm. In addition, these shipments are crowding agricultural and other commodities historically shipped by rail off the tracks and onto highways, increasing already high levels of congestion. The City supports a strong State effort to increase public safety and to reduce environmental harm by, at a minimum, strategic provisioning of adequate response equipment, speed controls, training for local first responders, and requiring use of state of the art rail cars.

#### Fiscal:

The City believes local control of tax and regulatory processes is in the best interest of city residents and businesses. Local control allows innovation and greater flexibility to match taxes and regulations to a changing local economy. Local control also means allowing the City more authority over its local taxes, such as business and utility taxes. The City supports removing existing State controls over these taxes to allow the City to become less dependent on shared revenue from the State.

The City believes certain policy, such as requiring paid sick leave be offered by all employers should be uniform across the State. The City supports adoption of State law requiring minimum sick leave.

The City also supports changes to the 1 percent cap on property taxes that will allow growth in revenue year over year of up to the rate of inflation in Washington.

The State is implementing commercial sales for the personal use of marijuana. Initiative 502 authorized significant fees and taxes on the production and sales of marijuana but did not provide for the State to share any of that revenue with local government. As it is in cities where much of the production and the retail marijuana stores will be located, it is cities that will have to deal with any impacts from these businesses. The City supports changes to Initiative 502 to allow sharing of State marijuana fees and taxes with local governments where marijuana retail stores are located. Passage of Initiative 502 also makes changes to legislation covering the medical use of cannabis necessary. The City supports creation of a registry for medical cannabis patients and prohibition of marijuana sales except at State licensed retail establishments.

The voters of Tacoma have approved a permanent levy of 50 cents per thousand to pay for essential emergency medical services provided by the Tacoma Fire Department. Despite this approval, other provisions of state property tax law have resulted in reductions of this revenue and increased pressure on the City's General Fund to make up the difference. Revenue for this vital public service must be better protected. The City supports changes to EMS levy statutes that will increase the maximum levy rate to 75 cents per thousand and also protect the levy from erosion by placing it outside the 1 percent limit on taxes.

The City supports development of the Eastside Community Center. The City is participating in the project financially and supports Metro Parks Tacoma's request for capital budget funding from the State.

#### Transportation:

The City supports adoption of a new transportation revenue package, which may include tolling. Completion of SR-167, timely finishing of the current I-5/SR-16 HOV project and initial work on improvements to I-5 at Joint Base Lewis-McChord must be in the package. Initial planning for extension of I-5 HOV lanes beyond S. 38<sup>th</sup> Street is also a priority. The City will separately support Metro Parks Tacoma efforts to secure funding for SR-163 improvements at the entrance to Point Defiance Park in support of the Destination: Point Defiance project.

The City supports increasing the councilmanic authority for transportation benefit district vehicle license fees from \$20 to \$50, yet this authority will raise only a portion of the funds needed to address the backlog of funding for city streets. The City will also seek changes to the TBD law to eliminate the requirement for the program to be operated as a separate

legal entity. The City also supports adoption of authority to create a fee based street utility. Similar funding mechanisms are in use in other states and result in a much higher level of citizen satisfaction with the maintenance of local streets.

Sound Transit needs new revenue options in order to further develop the regional high capacity transit system of express bus, commuter rail and light rail. The City supports new revenue authority for Sound Transit to allow for a package of new projects to be considered by regional voters.

Tacoma and Seattle have been authorized to operate speed cameras outside of school zones under a pilot program. Tacoma's camera, located on Bay Street, has significantly reduced speed and serious injuries. Rather than renewing this program through the budget process, the City supports a narrowly drafted amendment to the traffic camera statute to authorize the two cities to operate a speed camera in an area with demonstrated serious accident levels in which it would be dangerous for a traffic officer to be stationed.

The City has made a significant investment in alternate transportation modes such as bicycle lanes and trails, including the Prairie Line Trail and the Water Ditch Trail. The City is actively seeking grant funding to acquire and construct additional segments of these trails. The City supports full funding of these grant programs to assure continued progress on alternatives to motor vehicle transportation.