

WEEKLY REPORT TO THE CITY COUNCIL

October 17, 2013

Members of the City Council
City of Tacoma, Washington

Dear Mayor and Council Members:

ACTION REQUESTED

1. Please note the following Proposition 1 Facts and Information Session for the community:
 - **October 30th, 6:00 p.m.**, The Nature Center (Council Member Walker)

TOPICS OF INTEREST

2. Recently, the Fiscal Sustainability Task Force requested information about the **relationship between the City and the Port regarding the level of services the City provides, collaborative efforts for funding, and a comparison between other cities and ports within their jurisdictions.** For your information, I am providing my attached memorandum with three attachments, from Public Works, Finance and the Port, responsive to the Task Force's questions.
3. The **agenda for the Public Utility Board meeting of October 23, 2013** is attached for your information. Please note the following items will be on the Council's agenda for your consideration:
 - Motion 13-11 – Authorizing the purchase of comprehensive general liability insurance for Tacoma Public Utilities for the period of December 2013 through December 2014, will be on the November 12th Council agenda.
 - U-10663 – Authorizing Tacoma Power to sell four former substation sites known as Ruston, Downing, Fairmount, and Lincoln Park to a private party for \$317,000, will be on the November 5th Council agenda to set a public hearing on November 19th.
 - U-10664 – Authorizing Tacoma Water to declare surplus and convey a tract of land located at 7704 6th Avenue, will be on the November 5th Council agenda to set a public hearing on November 19th.

STUDY SESSION/WORK SESSION

4. The **City Council Study Session** of Tuesday, October 22, 2013, will be held in Room 16 of the Tacoma Municipal Building North, at Noon. Discussion items will be: (1) **I-502 Recreational Cannabis Interim Regulations**; (2) **Other Items of Interest**; and, (3) **Agenda Review**.

At Tuesday's Study Session, **Planning and Development Services staff will provide Council a briefing on the proposed I-502 recreational cannabis interim regulations.** The interim regulations will provide staff the policies and guidance needed to review production, processing and retail sales applications forwarded from the Washington State Liquor Control Board. The Washington State Liquor Control Board is scheduled to have their proposed rules in effect November 16th, and to begin accepting applications for all license types on November 18th. Interim Planning and Development Services Director Peter Huffman provides the attached memorandum related to the Public Hearing on Tuesday's Council agenda. Additional information about the project, including the draft interim regulations, public hearing notice, and other background material, is available by clicking on "Recreational Marijuana" on the Planning Division webpage www.cityoftacoma.org/planning.

5. The updated **Tentative City Council Forecast Calendar** is attached for your information.

GRANT AWARDS

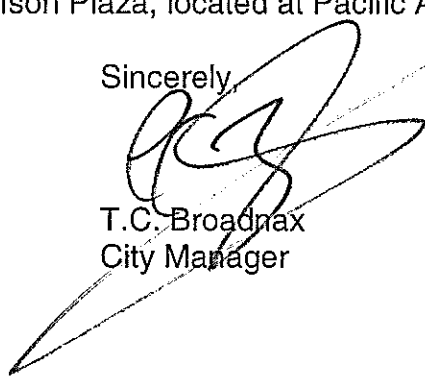
6. The City was awarded the following grant:
 - **FY-2009 Port Security Grant Program** – Funding for Tacoma Fire to build upon a Port Early Warning System already in place at the Port of Tacoma. The project includes developing standard operating plans for system use, testing, and exercises, including a tabletop exercise with relevant Port and surrounding jurisdiction stakeholders. The City was awarded \$349,770, with no match required.

MARK YOUR CALENDARS

7. You have been invited to the following events:
 - **Cross District Association Silent and Live Auction on Saturday, October 19th, 5:30 p.m.,** at the University of Puget Sound Rotunda, located at North Lawrence and North 15th Street.
 - **129th Annual Tacoma-Pierce County Chamber Luncheon Meeting on Thursday, October 24th, 11:30 a.m. – 1:30 p.m.,** at the Greater Tacoma Convention and Trade Center, located at 1500 Broadway.

- **Domestic Violence Awareness Rally on Friday, October 25th, 11:30 a.m.**, at Tollefson Plaza, located at Pacific Avenue and South 17th Street.

Sincerely,



T.C. Broadnax
City Manager

TCB:crh
Attachments



October 17, 2013

TO: Mayor and Council Members

FROM: T.C. Broadnax, City Manager

SUBJECT: Port of Tacoma's City Provided Services, Project Partnerships, and Funding Revenues

Recently, the Fiscal Sustainability Task Force raised questions about the relationship between the City and the Port. The questions related to the levels of services the City provides to the Port, what the collaborative efforts are to share the costs for the City to provide these services, and what are the relationships between other cities and the ports within their jurisdictions.

Attached you will find three memorandums, which address these questions:

- Interim Public Works Director Kurtis Kingsolver provides a summary of the street improvement maintenance projects the City has constructed within the Port of Tacoma's industrial area in the recent past, as well as projects scheduled in the near future.
- Finance Director Andy Cherullo provides a summary of City public safety and street services provided. In addition, he provides information on the leasehold excise tax and a comparison of relationships between other cities and ports in their jurisdictions.
- Port of Tacoma Government Affairs Manager Evette Mason provides a summary of the Port's tax revenues and funding contributions, partnerships with the City, and the City's Economic Indicators Summary, with Port related activities highlighted.



TO: T.C. Broadnax, City Manager

FROM: Kurtis D. Kingsolver, P.E., Interim Public Works Director/City Engineer / *KDK*

SUBJECT: Street Improvement Projects in the Port of Tacoma Industrial Area

DATE: October 11, 2013

Below is a brief summary of the street improvement maintenance projects the City has constructed within the Port of Tacoma's industrial area in the recent past as well as projects scheduled in the near future.

- Lincoln Avenue Bridge Rehabilitation Project – re-opened to traffic in late 2011.
- Hylebos Bridge Rehabilitation Project –re-opened to traffic in May of 2011 after being closed for 11 years.
- Port of Tacoma Road Temporary Traffic Signal – Installed in 2012 at the request of the Port at the Washington United Terminal Entrance.
- Murray Morgan Bridge Rehabilitation Project – re-opened to traffic in 2013 after being closed for 6 years.
- St. Paul Street between East 11th and Portland Avenue – In 2013 Street Operations repaired/repaved approximately 5,000 square feet of roadway.
- Port of Tacoma Road between East 11th Street and SR509 – Design is currently underway (funded by a \$429K grant). A \$6.6 million grant for construction was submitted earlier this year. The City will be notified in November whether or not it will be awarded the grant. The grant local match will be paid for by the Port (\$500K) and the City (\$750K – Heavy Haul Funds).
- Milwaukee Way between Lincoln and Marshall – In 2014 the City will repave Milwaukee Way using a \$750K grant in combination with \$117K in local match (Heavy Haul Funds).
- The Puyallup River Bridge Replacement Project - Two of six sections of the bridge is fully funded (\$38.7 million of federal, state, Port and local funds). The project will replace approximately 900 feet of the existing 2,500 foot long bridge with a cable stayed bridge. If the City is able to secure right-of-way from the Puyallup Tribe by the end of this year, the project will be advertised in January 2014 with construction from April 2014 to April 2016.

- Public Works staff continually works with Port of Tacoma staff to coordinate projects that improve traffic operations. Current projects include revising the operation of the traffic signal at East 11th and Port of Tacoma Road, improving the pedestrian crossings near Concrete Tech, and improving the operation of the temporary traffic signal for the Washington United Terminal.
- Over the last year, the City has responded to 39 pothole notifications, temporarily filling approximately 675 potholes with an average response time of 5.9 days to make repairs. Also, 14,380 square feet of permanent pavement repairs (equivalent to approximately 900 permanent pothole repairs) were made on Marine View Drive, Thorne Road, East D Street, and Milwaukee Way.
- Other maintenance performed includes crack sealing on Marine View Drive, vegetation management in rights-of-way, emergency response to cleanup mudslides, and numerous signal inspections, signal resets and signal repairs at the following intersections:
 - Puyallup Ave. & Portland Ave.
 - 11th St. & Alexander
 - 11th St. & Port of Tacoma Rd.
 - 19th St. & Port of Tacoma Rd.
 - Alexander & N. Frontage Rd.
 - SR 509 & Port of Tacoma Rd.
- The City is currently partnering with Burlington Northern Santa Fe for railroad crossing improvements at East 15th and F Street.
- The signals at the intersection of Port of Tacoma Road and Marshall will be upgraded in late 2013/early 2014.

CITY OF TACOMA

Office of Management & Budget

TO: Fiscal Sustainability Task Force

FROM: Andy Cherullo, Finance Director, and Tadd Wille, Budget Officer

SUBJECT: **RESPONSE TO REQUEST FOR INFORMATION ON PORT OF TACOMA**

DATE: October 14, 2013

This correspondence provides answers to questions that have arisen from Task Force Members regarding the relationship between the City of Tacoma and the Port of Tacoma. Specifically, Task Force members requested information on the levels of services provided to the Port of Tacoma, any collaborative efforts by the City of Tacoma and the Port to share these costs of providing the services, and the relationship between other cities and the ports in their jurisdictions.

The Port of Tacoma also provided a response to the Task Force's questions in a separate memo.

Public Safety Services

Basic Responses

The Tacoma Police Department (TPD) provides routine and emergency policing services for the Port of Tacoma. The Port of Tacoma also has a uniformed non-commissioned security force which handles access and general security issues. The Port of Tacoma does not have TPD officers directed assigned to the area. The Port area is covered by two officers assigned to NE Tacoma. Officers from Downtown will also cover a call at the Port when needed.

The Tacoma Police Department reviewed the number of calls for service received from the Port of Tacoma area. The actual number of calls for service directly related to the port was small. A major freeway runs through the Port area with a number of exits off of I-5. Many of the calls for service are related to traffic volume independent of Port of Tacoma activities. A large percentage of the calls were officer initiated; i.e. traffic stops and field contacts. In addition, 8% of the calls were to the Federal detention center from September 2011 to August 2012, most for medical aid. From September 2010 to August 2011 the Tacoma Police Department responded to 1,857 calls for service. These calls composed approximately 1.5% of annual citywide calls. From September 2011 to August 2012 the Tacoma Police Department responded to 1,524 calls, approximately 1.3% of annual citywide calls for service.

The Tacoma Fire Department also provides basic emergency response services and fire boat services to the Port of Tacoma. From January 2011 through August 2013, emergency incidents at port-owned properties represented less than one percent of the total number of emergency incidents in our entire jurisdiction. Port of Tacoma incidences represented 0.51% of total 2011 citywide calls and 0.63% of total 2012 citywide calls.

Additional Services and Partnership with Port of Tacoma

The Tacoma Police Department is the primary agency responsible for response and mitigation of any potential terrorist or large scale incidents at the Port. In the aftermath of the 9/11 terrorist attack, the Federal Government provided significant funding to local agencies for training and to purchase equipment. Due to the responsibilities that the Department has to respond to issues at the Port, the Police Department has received millions of dollars in grants for both training and equipment. Although this

equipment and training were provided to address issues at the Port, the department and City as a whole has benefited by having a greater capability in these areas.

The Tacoma Police Department has received over \$4 million dollars in direct grants related to the Port of Tacoma in the years 2006-2013 (this total includes Homeland Security Grants not included in the total provided by the Port of Tacoma). If it were not for the relationship with the Port, the Tacoma Police Department would not have received these grants for funding or training.

Street Services

Basic Services

The City of Tacoma provides maintenance and major construction on roads and bridges that serve the Port of Tacoma. In terms of maintenance, the Port receives a similar level of service as other areas in the City of Tacoma. From 2010-2013, the City paid \$310,000 for street maintenance projects in the Port, including: grind and paving, temporary patching, and Right-of-Way mowing.

Major Projects

The City of Tacoma also works on major construction projects in the Port of Tacoma. Some of these projects have received significant financial support from the Port of Tacoma. For example, the Hylebos Bridge project was a \$23.3 million project completed by the City. The City and Port partnered on the grant application and both provided \$2 million in match dollars to secure \$11.75 million in federal grant dollars. In addition, the Port of Tacoma purchased a street vacation worth approximately \$7.5 million which helped complete the Hylebos Bridge project. The Port also committed \$500,000 to the Puyallup Ave Bridge project. The project has cost \$4 million to date.

Currently, the City is working on the Port of Tacoma Road reconstruction. It is currently funded at \$531,000 for design. Public Works applied for a \$6.5M grant for construction dollars in partnership with the Port of Tacoma. The Port has committed \$500,000 to this project.

The City has also completed significant projects in the port that have not received financial support from the Port of Tacoma, including the Lincoln Ave Bridge project (\$3 million), Murray Morgan Bridge (\$50 million), and Milwaukee Way pavement overlay (\$867,000).

Leasehold Excise Tax

Leasehold Excise Taxes are the primary source of revenue from the Port's tenants. In 2012, the City of Tacoma received \$1.1 million in leasehold excise tax revenues.

Relationships Between Cities and Ports

Staff contacted Vancouver, WA, Everett, WA, and Seattle, WA. In general, all of these cities described similar relationships with the ports in their communities. These cities partner with their respective ports for grant applications and funding that specifically supports services related to the port. The ports help support major transportation projects that provide benefits for the port. In general the ports did not regularly contribute more than legally required. None of the communities receive ongoing funding from ports to pay for services provided to the port, such as fire and police.

TO: City of Tacoma Fiscal Sustainability Task Force
FR: Evette Mason, Port of Tacoma

RE: Port of Tacoma tax and funding contributions to the City of Tacoma

This memorandum is intended to enhance the understanding of the Fiscal Sustainability Task Force members about the Port of Tacoma, its role as a Special Purpose Government and the nexus points between the Port and City related to job creation and economic development. For additional information, please feel free to contact me by calling 253/383-9435 or by e-mail to emason@portoftacoma.com.

BACKGROUND

Creation of Washington State Ports: In 1889, the Washington state constitution declared that the beds of navigable waters belonged to the people, and gave the Legislature power to designate which of those beds would become harbors. In 1911, after citizens lobbied for the right to control access to the waterfront, the Legislature passed the Port District Act, allowing the formation of port district and the election of commissioners to govern it. The citizens of Pierce County established the Port of Tacoma in 1918. Currently, there are 75 public port districts in Washington and they are active in many different areas of economic development, providing jobs and economic stimulation for their communities.

Port Governance: Port districts in Washington are unique as they are governed by a publicly elected commission, independent of other local jurisdictions. Their areas of oversight include long-term strategies for the Port of Tacoma, and the policies to guide its development, growth, and operation. They are also responsible for the Port's annual budgets, approving tax levy rates, and hiring the professional staff members responsible for a port's daily functions. The Port of Tacoma district encompasses all of Pierce County.

Active in both international and domestic trade, the Port of Tacoma is a major center for containers, bulk, breakbulk, automobiles, and military cargo. The Port has a healthy balance of trade between imports and exports. Home to six container terminals, on-dock rail yards, cargo handling equipment, and industrial property, the Port handles goods on their way to major consumer markets across the county.

The Port of Tacoma owns approximately 2400 acres or 55 percent of the land in the Tacoma Tideflats. The balance is privately-owned. The Port leases large tracts of property to international and domestic shipping companies, as well as manufacturing, industrial and maritime-related companies. The privately-owned property owners in the Tideflats pay property taxes to Tacoma. Port of Tacoma tenants pay Leasehold Tax, as well as B&O Taxes and sales tax on construction, goods and services (details to follow).

The City of Tacoma receives funds from the Port of Tacoma in taxes (directly and via Washington State), partnerships and fees for services and permits. This report focuses on three main categories of funding; taxes, fire and police services, and direct and indirect partnerships with community benefits.

2012 Major Taxes Paid by the Port of Tacoma (excludes payroll taxes)

Business & Occupation (B&O) Taxes - The Port and its commercial tenants pay B&O Tax to Washington state on specific classifications of revenues. About 77% of the Port's operating revenues fall into the B&O taxing categories of "Stevedoring, Wholesaling, Retailing and Utilities." All businesses that lease property from the Port of Tacoma are obligated to pay State and City B&O taxes.

Sales Taxes - Washington sales taxes are added to the sales price and are paid by the Port in two ways:

- **Sales Tax Paid to Vendors:** The Port pays sales tax to vendors on certain construction contracts, materials and certain services that it consumes in the normal course of business. All businesses that lease property from the Port of Tacoma also pay sales tax to vendors.
- **Sales Tax on Sales to Port Customers:** The Port collects sales tax from its customers and remits it to the state. Typical taxable sales revenues are crane and equipment rentals, as well as any sale of materials and labor. The Port reports revenues and the related sales taxes on an accrual basis (when the revenue is earned, not when it is collected).

Use Taxes - Use tax is paid when a sales tax is due but is not collected at the point of sale. An example would be the Port purchased equipment from an out of state vendor that does not charge sales tax.

Leasehold Taxes -- Leasehold Excise Tax is charged on private rentals of Port-owned property in lieu of property tax per Washington State RCW 82.29A. The current Leasehold Tax rate is 12.84% and is levied on the fair rent paid to the Port. A tenant pays the lease rent plus the Leasehold Tax to the Port. The Port then remits the Leasehold Tax to the Washington State Department of Revenue on a quarterly basis. Of the total paid by the Port's tenants, Washington State allocates 30.54% to the City of Tacoma and 15.26% to Pierce County.

Please see attachment for tax payments by the Port of Tacoma.

In addition, the Port aggressively seeks tenants to occupy a range of properties and facilities. The Port's 110 tenants pay City and State B&O taxes, sales taxes for goods and services, Leasehold Tax and utility taxes.

To better provide a sense of these tax expenses for private companies, see the below chart for two examples of 2012 B&O and Leasehold Taxes paid by Port tenants (excludes sales taxes, utility and payroll taxes). Information was provided by Port tenants.

Type of Company	Tacoma B&O	Wa State B&O	Leasehold Tax
Larger Shipping Facility	\$324,245	\$666,963	\$307,570
Mid-size Trucking Firm	\$6,403	\$86,103	\$75,102

Public Access Fee: In addition to taxes, there are a myriad of permit and service fees. A new fee to be added in 2013 is a two percent/.5 percent public access fee that will be added to Port development within the 200' of the shoreline if the Port does not produce a similarly valued public access site. An

example of this fee is a \$32 million dollar wharf extension project. In addition to the building permit fee of \$46,680 and other fees and taxes, an additional \$310,000 fee for public access will be added to the cost of the project.

In addition to the above referenced taxes, the Port of Tacoma paid the City of Tacoma over \$6,000,000 in fees, permits, services and taxes in 2012. These charges were primarily for utilities that incur significant utility taxes (between 6% and 8%). Tacoma Rail, a cost of service provider, is an example of our unique interagency partnership. In addition to property rental, the Port and private rail users contributed to the approximately \$24 million in Tacoma Rail 2012 revenue. The entire 8% of gross earnings tax paid on rail services in the Tideflats goes to the City of Tacoma as well as approximately \$1 million that the City of Tacoma charges Tacoma Rail for business services, such as legal and human resources assistance.

Tacoma Fire and Police Services

The City receives funding for Fire and Police services in the Tideflats primarily through the range of taxes described above. Additionally, there are specific areas of focus where the Port and City have secured federal funds for augmented services. These include:

Port Security Grants: In partnership with the City of Tacoma Police and Fire Departments, the Port and City have applied for and received several Port Security Grants through the Department of Homeland Security to enhance first responder capabilities. From 2006 through 2013, Tacoma Fire received \$4.3 million and Tacoma Police received \$3.3 million in security grants.

The newest Tacoma fireboat, *The Destiny*, is an example of a Port/City partnership that leveraged grant funds. Launched in 2012, *The Destiny* cost approximately \$675,000. The Port received \$364,000 in federal grants and participated in the required match funding with \$123,000. This vessel and its crew respond to any local marine incident. It is noteworthy that fire risks at Port terminals have been substantially reduced in recent years as wood piers are replaced with concrete piling and wharf infrastructure.

Fire Service: Data regarding fire service calls received from the City of Tacoma Fire Department was not specific to Port-operated facilities but included Port-operated facilities, private tenants of Port-owned properties and calls to properties adjacent to Port-owned parcels. The average number of calls to this broader area is between 16 and 20 per month and includes hazmat calls, false alarms, staging/standby situations, investigations, EMS calls and fire calls.

Data from Tacoma Police Department was not specific to Port-operated properties. The 2012 list of Top 20 Call Locations included one Port leased area and that was a business center with multiple private company tenants and users.

In response to questions from the Task Force, Port of Tacoma staff polled the ports of Olympia, Everett, Vancouver (USA) and Seattle to inquire whether special taxes or fees are paid by those ports to their respective local cities for police or fire services. None were reported. The only "payments" mentioned

were for funding assistance or free moorage for a jurisdictional police/fire boat. The City of Tacoma has moorage for their vessels but as previously outlined, the Port of Tacoma helped fund the most recent Tacoma fire boat.

Direct Partnerships with the City of Tacoma

The Port of Tacoma has partnered with the City of Tacoma on several recent projects. The following list does not contain all projects but is provided to show the range and diversity of our direct payments to the City of Tacoma for projects of community benefit.

Puyallup River Bridge (Pacific Highway/Old 99) – At the City's request, the Port Commission committed \$500,000 to the Puyallup River Bridge project and Port staff leveraged the partnership in Olympia for additional funds to finance the renovation.

Port of Tacoma Road – The Port of Tacoma has committed \$500,000 toward the repaving of Port of Tacoma Road and we are working with the City to seek additional funds through the Puget Sound Regional Council. Port of Tacoma Road is part of a heavy haul road network in the Tideflats that requires trucks to have a special permit. The City plans to use these permit dollars for their share of grant match dollars.

Hylebos Bridge – The Port's contribution toward the renovation of the Hylebos Bridge is over \$10 million. It reopened in 2012.

Relocation of Youth Marine Foundation – The Foss Waterway Development Authority (FWDA) is the City of Tacoma's public development corporation for the express purpose of redeveloping public lands on the Thea Foss Waterway. The FWDA requested the Port's assistance with finding a new home for the Youth Marine Foundation and its vessels away from the west side of the Foss Waterway. In 2007, the Port of Tacoma purchased a facility on the eastside of the waterway to relocate Youth Marine Foundation, their marine businesses and training facilities. The City of Tacoma assisted with facility renovations with REET funds.

Lincoln Avenue Grade Separation – This \$50 million road/rail project opened in 2011 and was primarily funded by the federal government (\$ 26 million), the Port (nearly \$13 million) and Washington State (\$10 million).

SeaPort Museum – In the 2007, the City of Tacoma and FWDA sought and obtained \$500,000 in assistance from the Port for the renovation of the Foss Waterway wharf.

Indirect Partnerships for Community Economic Development Opportunities

The Port funds key economic development organizations in our community. The following are examples of recent investments:

Tacoma Pierce County Economic Development Board - \$100,000 (2013)
World Trade Center Tacoma and Fuzhou Trade Project - \$120,000 (2013)

Tacoma Pierce County Chamber (dues and sponsorships) - \$35,000 (2013)

UWT – Urban Waters Project and Information Technology Center – \$1,500,000 (over multiple years)

In addition, the Port sponsors events and projects that fall within our statutory authority to bring economic development to our region. Examples of 2013 partnerships in Tacoma – City of Tacoma International Film Festival, Asia Pacific Cultural Center New Year Celebration, Propeller Club, UWT Financial Reporting Conference, Well Spring Water Partners Conference, Maritime Festival, NW Waterways Symposium Conference in Tacoma, Sea Plane Float, Audubon Society Annual Dinner, Citizens for a Healthy Bay, Foss Waterway Seaport Museum Children’s area, Washington Historical Society Train Festival, World Affairs Consular Corps Reception, Polar Plaza, T-Town Sailing event and Moon Festival.

In conclusion, the Port of Tacoma’s economic development focus is to attract and retain businesses. These businesses pay taxes and provide family-wage jobs for Pierce County citizens. In an August 2013 report by the City of Tacoma’s Economic Development Department (see attached), several improvements in the City’s economic indicators for the second quarter of 2013 are attributable to Port businesses. Specifically, the rise in B&O Tax revenues was linked to the surge in Port and construction-related activities. Further, “employment grew primarily in transportation/utilities, trade and manufacturing.”

When the Port of Tacoma does well, the positive economic benefits impact the City of Tacoma, Pierce County and most importantly our citizens.

Port of Tacoma
Major Washington State Taxes Paid by the Port of Tacoma (excludes Payroll Taxes)

Total Taxes Paid and Remitted by Port of Tacoma:

Tax Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total 10 Year Period
State B & O Excise Tax (Port)	\$216,561	\$230,799	\$162,219	\$206,060	\$221,943	\$222,699	\$229,048	\$263,438	\$309,670	\$349,586	\$2,412,023
Sales Tax Paid to Vendors (Port)	\$5,674,994	\$9,162,950	\$3,740,649	\$3,145,796	\$2,916,264	\$3,197,336	\$1,965,624	\$2,113,893	\$1,949,854	\$1,845,022	\$35,712,382
Sales Tax on Sales to Port Customers	\$1,470,148	\$1,631,220	\$546,171	\$757,307	\$976,646	\$862,456	\$823,736	\$882,672	\$1,079,561	\$1,311,143	\$10,341,060
Use Tax (Port)	\$483,502	\$113,929	\$73,077	\$62,168	\$70,090	\$579,372	\$102,166	\$57,374	\$196,714	\$128,188	\$1,866,580
Leasehold Tax (Tenant)	\$2,321,006	\$2,266,411	\$2,410,621	\$2,884,192	\$3,160,978	\$3,354,147	\$3,439,350	\$3,553,721	\$3,733,446	\$3,615,469	\$30,739,341
Total	\$10,166,211	\$13,405,309	\$6,932,737	\$7,055,523	\$7,345,921	\$8,216,010	\$6,559,924	\$6,871,098	\$7,269,245	\$7,249,408	\$81,071,386

(Port) - Paid 100% by the Port of Tacoma

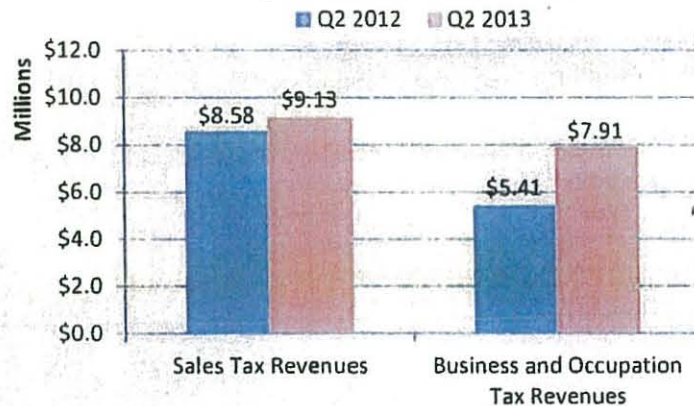
(Tenant) - Leasehold Tax is Paid 100% (under present State Law) by the Port Tenants to the Port and the Port remits the tax to the State of Washington Department of Revenue

CITY OF TACOMA – ECONOMIC INDICATORS SUMMARY

SECOND QUARTER REPORT 2013

The following report provides data on economic trends in the community and the City of Tacoma's efforts to support economic development. These key economic indicators are reported quarterly.

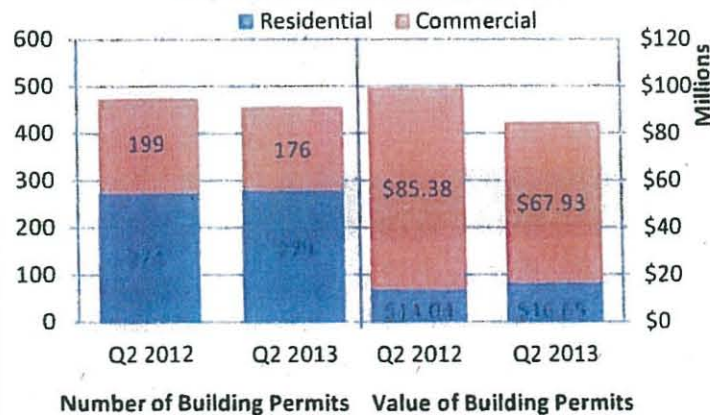
City of Tacoma Tax Revenue



Tacoma Metro Area Unemployment Rate



City of Tacoma Building Permits



OVERVIEW

The local economy improved between Q2-2012 and Q2-2013 in several key areas— **Revenue:** sales as well as business and occupation taxes, and **Employment:** construction and Port-related activity.

The City of Tacoma experienced nearly 7% growth in sales tax revenues and 46% in business and occupation tax revenues. Motor vehicle sales and building construction were the major contributors to the increase in sales tax revenues. The surge in Port and construction-related activities (e.g. engineering and architects) and increase in retail and wholesaling associated with construction contributed to the rise in business and occupation tax revenues.

Between Q2-2012 and Q2-2013, the unemployment rate declined from 8.9% to 8.0%. Employment grew primarily in transportation/utilities, trade and manufacturing. Industrial employers, such as Bradken, Globe Machine and Targa, continue to grow as well as MultiCare, Franciscan and other health care providers.

The number of residential building permits increased 2% from Q2-2012 to Q2-2013, while their value grew by 19%. The number and value of commercial building permits declined 12% and 20% respectively from Q2-2012 to Q2-2013. The major permits issued in Q2-2012 consisted of the Holiday Inn Express, Franciscan Parking Garage, Tacoma Mall Apartments and Tacoma General Hospital remodel. Key permits issued in Q2-2013 were State Farm tenant improvements and the Washington Hoyt Elementary School remodel.

CITY OF TACOMA - ECONOMIC INDICATORS

SECOND QUARTER REPORT 2013

ECONOMIC SECTORS OF TACOMA

	2011	2012	Q2 2012	Q2 2013	% change from prior year Q2
Sales Tax Revenue - Top Five Sectors					
1. Retail Trade	\$16,904,969	\$17,655,218	\$4,335,068	\$4,396,818	1%
2. Construction	\$4,375,522	\$4,660,021	\$976,244	\$1,160,398	19%
3. Accommodation & Food Services	\$3,473,529	\$3,580,195	\$892,599	\$917,231	3%
4. Wholesale Trade	\$2,349,947	\$2,368,677	\$525,477	\$693,111	32%
5. Information ¹	\$1,401,581	\$1,308,844	\$329,660	\$328,035	-0.5%
All Other Economic Sectors	\$6,742,649	\$6,408,467	\$1,516,339	\$1,639,272	8%
TOTAL	\$35,248,197	\$35,981,422	\$8,575,387	\$9,134,865	7%
Business and Occupation - Top Five Sectors					
1. Service & Other ²	\$11,703,156	\$11,785,115	\$1,759,785	\$4,094,225	133%
2. Retailing	\$6,590,256	\$6,692,583	\$1,559,926	\$1,803,920	16%
3. Wholesaling	\$4,310,317	\$4,551,449	\$1,089,873	\$986,139	-10%
4. Manufacturing ³	\$3,339,273	\$3,567,144	\$839,989	\$829,827	-1%
5. Retail Services ⁴	\$489,874	\$620,072	\$117,529	\$39,924	-66%
All Other Economic Sectors ⁵	\$695,479	\$125,935	\$38,321	\$155,150	305%
TOTAL	\$27,128,355	\$27,342,298	\$5,405,423	\$7,909,188	46%



EMPLOYMENT

	2011	2012	Q2 2012	Q2 2013	% change from prior year Q2
Employment by Sector - Top Growth Sectors					
1. Construction	16,200	16,600	16,200	16,000	-1%
2. Manufacturing	16,400	16,700	16,700	17,100	2%
3. Trade	42,600	43,100	42,500	43,400	2%
4. Transportation/Utilities	11,800	12,800	12,700	13,300	5%
All Other Economic Sectors	179,300	179,800	180,600	182,800	1%
TOTAL	266,300	269,000	268,700	272,600	1%
Total Employment Non-Farm Metro (Private)	208,500	212,100	211,000	215,400	2%
Unemployment Rate	9.8%	8.9%	8.9%	8.0%	-0.9%

BUSINESS START-UPS AND CLOSURES

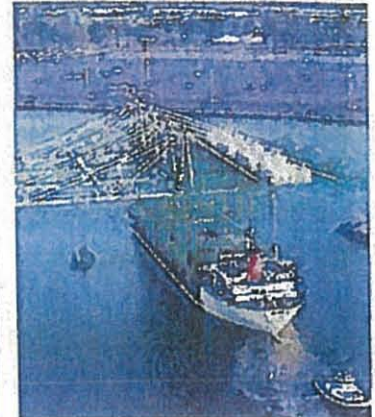
	2011	2012	Q2 2012	Q2 2013	% change from prior year Q2
Number of New Businesses Licenses	2,744	2,206	472	542	15%
Total Number of Business Licenses	25,130	23,303	24,370	23,472	-4%

The City issued 70 new business licenses in Q2-2013, which represents a 15% increase when compared to Q2-2012. This is attributable to the acceleration of Port activity and multiple new construction sites in the area — MultiCare, Franciscan, Community Health Care and Tacoma Community College. The total number of business licenses declined by 898 or 4% because Tax & License closed “non-reporting” accounts that were no longer conducting business but still had active accounts.

CITY OF TACOMA - ECONOMIC INDICATORS

DEVELOPMENT AND INDUSTRIAL PERFORMANCE

	2011	2012	Q2 2012	Q2 2013	% change from prior year Q2
Average Lease Rates for Commercial Office Space	\$19.61	\$20.77	\$20.82	\$20.82	0%
Number of Commercial Building Permits	628	673	199	176	-12%
Number of Residential Building Permits	1,065	906	274	279	2%
Value of Commercial Building Permits	\$189.27M	\$257.63M	\$85.38M	\$67.93M	-20%
Value of Residential Building Permits	\$62.44M	\$49.19M	\$14.04M	\$16.65M	19%
Port of Tacoma Container Volume in Twenty-Foot Equivalent Units (TEU)	1.476M	1.711M	0.379M	0.462M	22%

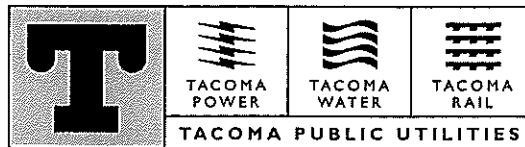


The Port of Tacoma container volume increased 22% from Q2-2012 to Q2-2013 due a rebounding economy and the arrival of the Grand Alliance.

WORKFORCE DEVELOPMENT AND SMALL BUSINESS ENGAGEMENT

	2011	2012	Q2 2012	Q2 2013	% change from prior year Q2
Number of SBE Firms Hired	23	17	15	8	-47%
Total SBE Contract Value	\$3.965M	\$2.373M	\$1.032M	\$1.679M	63%
Number of LEAP Jobs	129	135	N/A	55	N/A

Fewer individual SBE firms received contracts when comparing Q2-2012 to Q2-2013, but the average size of contracts increased from \$69,000 to \$210,000. The larger SBE contracts were primarily due to extensive Public Works projects. In Q2-2013, the Vassault Phase 3 storm sewer reconstruction was the largest project.



**City of Tacoma
Public Utility Board Meeting
October 23, 2013; 6:30 p.m.
Tacoma Public Utilities Auditorium
(3628 South 35th Street)**

Call to Order

Roll Call

- A. Approve Minutes of Previous Meetings**
- B. Comments by the Public**
- C. Consent Agenda**
- D. Regular Agenda**

Departmental

- D-1 Resolution U-10658 – Award contracts and approve purchases:
1. Award two-year contract to Davey Resource Group, a Division of the Davey Tree Expert Company, for overhead system audit of equipment and data collection (\$327,000, plus applicable sales tax);
 2. Increase contract with Biomark, Inc., for the purchase of additional PIT tag readers and related consulting services (\$625,000. Cumulative total \$975,000, plus sales tax);
 3. Award contract to MWH Americas and increase contracts with Cornforth Consultants, Inc., R2 Resource Consultants, Inc., Black & Veatch, and BioAnalysts, Inc., for engineering consultant services related to the design of the downstream fish collection facility at the Cowlitz Falls Dam (\$1,350,000 sales tax not applicable. Cumulative total \$3,250,000);
 4. Award contract to Myers Power Products, Inc., for the supply of the Mossyrock Station Service 480V switchgear (\$314,675, plus a five percent contingency for a cumulative total of \$330,408.75, plus sales tax);
 5. Increase and extend contract to NAES Power Contractors for continued maintenance services on Tacoma Power facilities (\$1,750,000. Cumulative total \$4,100,000, plus applicable sales tax).
- D-2 Motion 13-10 – Pursuant to the City of Tacoma, Public Utility Board, Rules for Order of Business, the Public Utility Board regular meetings and study sessions for November and December will be set for November 13, 2013 and December 18, 2013.
- D-3 Motion 13-11 – Authorize the purchase of comprehensive general liability insurance for Tacoma Public Utilities for the period of December 2013 through December 2014. **(To Council November 12, 2013)**

- D-4 Resolution U-10659 – Approve contract with Moss Adams LLP to provide component audit services for Tacoma Power, Tacoma Water, and Tacoma Rail.
- D-5 Resolution U-10660 – Amend and increase contract with Axon Solutions, Inc., to implement a web solution for property managers.

Tacoma Power

- D-6 Resolution U-10661 – Approve declaration of surplus utility specific equipment no longer needed for Tacoma Power’s current or future needs and authorize the sale of equipment to the highest responsive bidder.
- D-7 Resolution U-10662 – Authorize Tacoma Power to convey an easement for ingress, egress, and utilities within Tacoma Power’s Cowlitz wildlife area in Lewis County.
- D-8 Resolution U-10663 – Authorize Tacoma Power to sell four former substation sites known as Ruston, Downing, Fairmount, and Lincoln Park to a private party for \$317,000. **(To Council November 5, 2013 to set public hearing for November 19, 2013)**

Tacoma Water

- D-9 Resolution U-10664 – Authorize Tacoma Water to declare surplus and convey a tract of land located at 7704 6th Avenue. **(To Council November 5, 2013 to set public hearing for November 19, 2013)**
- D-10 Resolution U-10665 – Approve and extend the use of Tacoma Water’s 2006 comprehensive water plan until January 23, 2018.

H. Reports of the Director


- H-1 Cash projections for Power, Water, and Rail
- H-2 Financials for Power, Water, Rail, Fleet, and Self-Insurance Fund



The City of Tacoma does not discriminate on the basis of disability in any of its programs, activities, or services. To request this information in an alternative format or to request a reasonable accommodation, please contact the TPU Director’s Office at 253-502-8201. TTY or speech to speech users please dial 711 to connect to Washington Relay services.



TO: T.C. Broadnax, City Manager

FROM: Brian Boudet, Planning Division Manager, Planning and Development Services
Peter Huffman, Interim Director, Planning and Development Services 

SUBJECT: Public Hearing – Recreational Marijuana Interim Regulations

DATE: October 15, 2013

Initiative 502 was passed by the voters of the State of Washington in November 2012, providing a framework under which recreational marijuana producers, processors, and retailers can become licensed by the State of Washington. In response to this initiative, Tacoma is considering the creation of interim land use regulations. On October 1, 2013 the City Council adopted Resolution No. 38743, formally initiating this process. As required by State Law and City Code, the Council will be holding a public hearing on the interim regulations on October 22, 2013. A copy of the public hearing notice, which has been widely distributed, is attached.

The City Council's Committee of the Whole has reviewed background information associated with Initiative 502 and the draft Rules proposed by the Washington State Liquor Control Board ("WSLCB") during July-September 2013. The Committee contemplated various response measures, including the approach of imposing interim regulations, and generally concurred with the framework for the potential interim regulations as outlined in Resolution No. 38743. The general purpose of the interim regulations is to provide policy and regulatory guidance for the review, in a proactive and timely manner, of marijuana license applications within the City limits that are expected to come forward from the WSLCB in November-December 2013.

Based on the adopted Initiative, the draft Rules proposed by the WSLCB, research and analysis, review of other City codes and standards, initial community outreach, previous discussions with the City Council, and the framework outlined in Resolution No. 38743, staff developed a preliminary draft of the Interim Land Use Regulations. The proposed regulations would allow marijuana producers and marijuana processors outright in intensive industrial zones, allow marijuana retailers outright in most commercial, mixed-use, industrial, and downtown zoning districts, limit their location based on buffering standards from identified sensitive uses, and require them to operate consistent with certain development standards. The draft code amendments are attached.

The current projected schedule for the interim regulations includes the following:

October 22	City Council – Study Session and Public Hearing on the Interim Regulations
October 29	City Council – First reading of ordinance for the Interim Regulations
November 5	City Council – Final reading of ordinance for the Interim Regulations
November 16	WSLCB Rules become effective
November 17	Interim Regulations Effective – For 6 months, through May 16, 2014
November 18	WSLCB begins accepting applications for all license types

T.C. Broadnax, City Manager

Recreational Marijuana – Interim Regulations

October 15, 2013

Page 2 of 2

Staff will be reviewing the draft code changes, any further public input received, and the Planning Commission's recommendation at the Council's study session on October 22. For those interested in additional background information, all of the project materials are available on the Planning Division webpage (www.cityoftacoma.org/planning > click on "Recreational Marijuana").

If you or members of the City Council have questions about this information, please contact Brian Boudet, Planning Division Manager, at 573-2389 or bboudet@cityoftacoma.org.

Attachments (2)



City of Tacoma

Notice of Public Hearing

October 3, 2013

On Tuesday, October 22, 2013, at approximately 5:30 p.m., the City Council will conduct a public hearing on the proposed interim land use regulations concerning the production, processing, and retail sale of recreational marijuana. **For additional details, please see the reverse side of this notice.**

This hearing will take place in the City Council Chambers on the first floor of the Tacoma Municipal Building, 747 Market Street, Tacoma, Washington. All persons will have an opportunity to present their oral comments at the meeting. Those wishing to submit written comments may do so at the public hearing, or may submit them to the City Clerk's Office at 747 Market Street, Room 220, Tacoma, WA 98402, by 4:00 p.m., on Tuesday, October 22, 2013.

Resolution No. 38743, which set the public hearing date, can be viewed in its entirety on the City's website at www.cityoftacoma.org/recentlegis by clicking on the link for October 1, 2013, or by requesting a copy from the City Clerk's Office at (253) 591-5505.

For more information, please contact Mr. Brian Boudet at (253) 573-2389, or via email at bboudet@cityoftacoma.org.


Doris Sorum
City Clerk



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City of Tacoma
Planning and Development Services

CITY COUNCIL PUBLIC HEARING

October 22, 2013

SUBJECT

Proposed Interim Land Use Regulations concerning the production, processing, and retail sale of recreational marijuana.

SUMMARY

The Proposed Interim Regulations would amend Tacoma Municipal Code, Chapters 13.06 – Zoning, 13.06A – Downtown Tacoma, and 13.10 – Shoreline Management, with the following provisions:

- Define marijuana uses (marijuana producer, marijuana processor, and marijuana retailer) in accordance with the respective terms as defined in RCW 69.50;
- Prohibit all marijuana uses in residential and shoreline districts;
- Allow marijuana producers and marijuana processors outright in intensive industrial zones;
- Allow marijuana retailers outright in most commercial, mixed-use, industrial, and downtown zoning districts;
- Prohibit marijuana uses from locating within 1,000 feet of public parks, playgrounds, recreation/community centers, libraries, child care centers, schools, game arcades, and public transit centers, pursuant to WAC 314-55;
- Prohibit marijuana uses from locating within 1,000 feet of correctional facilities, court houses, or drug rehabilitation facilities, substance abuse facilities, or detoxification centers;
- Require marijuana uses to comply with additional development standards concerning odor controls, drive-throughs, size and hours of operation, signage and advertisement, and other applicable standards; and
- Add Urban Horticulture as a new use category, to be allowed outright within intensive industrial districts.

BACKGROUND

Initiative 502, approved by Washington voters in November 2012, provides a framework for licensing and regulating the production, processing, and retailing uses of recreational marijuana. The Washington State Liquor Control Board is tasked with establishing rules and procedures to implement Initiative 502. According to the Board's schedule, the Proposed Rules would become effective on November 16 and the State would begin accepting applications for all license types on November 18, 2013. In response to Initiative 502 and the associated rules to be issued by the Board, it is in the best interest of the City to consider land use and zoning options to provide policy and regulatory guidance to facilitate the review of marijuana license applications within the City limits that are expected to come forward in November 2013. To that end, the City Council has initiated the interim regulations that are proposed to become effective on November 17, 2013.

ADDITIONAL INFORMATION

Please visit the Planning Services Division's website at www.cityoftacoma.org/planning and click on "Recreational Marijuana".



RECREATIONAL MARIJUANA USES

DRAFT INTERIM LAND USE REGULATORY CODE AMENDMENTS
October 2, 2013

Chapter 13.06 – Zoning

- 13.06.100 – Residential Districts
- 13.06.200 – Commercial Districts
- 13.06.300 – Mixed-Use Center Districts
- 13.06.400 – Industrial Districts
- 13.06.565 – Marijuana Businesses (*New Section*)
- 13.06.700 – Definitions and Illustrations

Chapter 13.06A – Downtown Tacoma

- 13.06A.050 – Additional Use regulations

Chapter 13.10 – Shoreline Management

- 13.10.035 – Prohibited uses in all shoreline districts (*New Section*)

Note – These amendments show all of the changes to the *existing* land use regulations. The sections included are only those portions of the code that are associated with these amendments. New text is underlined and text that is deleted is shown in ~~strikethrough~~.

Chapter 13.06 Zoning

13.06.100 Residential Districts

C. Land Use Requirements

4. District use table.

Uses	R-1	R-2	R-2SRD	HMR-SRD	R-3	R-4-L	R-4	R-5	Additional Regulations ¹

Lodging house	N	P	P	P	P	P	P/CU	P/CU	For R-2, R-2SRD, and HMR-SRD lodging is limited to one guest room only, provided such use shall not be in connection with a foster home for children or foster home for adults which may otherwise be authorized. For R-3 and R-4-L, lodging is limited to two guest rooms, provided such use shall not be in connection with a foster home for children, a foster home for adults, or lodging which may otherwise be authorized. For R-4 and R-5, lodging is limited to two guest rooms, provided that lodging with for more than two guest rooms may be allowed subject to the approval of a conditional use permit.
<u>Marijuana processor</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	
<u>Marijuana producer</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	
<u>Marijuana retailer</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	
Master plans for any conditional use	CU	CU	CU	CU	CU	CU	CU	CU	The purpose of this process is to allow an applicant to seek approval for a development program which occupies a large site with multiple-buildings, a complex program, and a detailed plan developed by the applicant which would be implemented in phases and which would extend beyond the normal expiration date, to be reviewed after a ten-year period for those portions of the plan which have not yet been developed.

Transportation/ freight terminal	N	N	N	N	N	N	N	N	
<u>Urban Horticulture</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	
Utilities	CU	CU	CU	CU	CU	CU	CU	CU	

13.06.200 Commercial districts

C. Land use requirements.

4. District use table.

Uses	T	C-1	C-2 ¹	HM	PDB	Additional Regulations ^{2,3} (also see footnotes at bottom of table)

Juvenile community facility	N	N	N	N	N	Prohibited except as provided for in Section 13.06.530.
Lodging house	P	P	P	P	P	
<u>Marijuana processor</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	
<u>Marijuana producer</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	
<u>Marijuana retailer</u>	<u>N</u>	<u>P</u>	<u>P</u>	<u>P*</u>	<u>P*</u>	<u>*Limited to 7,000 square feet of floor area, per business, in the HM and PDB Districts.</u> <u>See additional requirements contained in Section 13.06.565</u>
Master plans for any conditional use	CU	CU	CU	CU	CU	The purpose of this process is to allow an applicant to seek approval for a development program which occupies a large site with multiple-buildings, a complex program, and a detailed plan developed by the applicant which would be implemented in phases and which would extend beyond the normal expiration date, to be reviewed after a ten-year period for those portions of the plan which have not yet been developed.

Transportation/ freight terminal	N	N	P	P	P	
<u>Urban Horticulture</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	
Utilities	CU	CU	CU	CU	CU	

13.06.300 Mixed-Use Center Districts

D. Land use requirements

4. District Use Table

Uses	NCX	CCX	UCX	UCX-TD	RCX ¹	CIX	HMX	URX	NRX	Additional Regulations ^{3,4,5} (also see footnotes at bottom of table)

Lodging house	P	P	P	P	P	P	P	P	CU	Prohibited at street level along frontage of designated core pedestrian streets in NCX and CCX Districts. ²
<u>Marijuana processor</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	
<u>Marijuana producer</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	
<u>Marijuana retailer</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>N</u>	<u>P</u>	<u>P*</u>	<u>N</u>	<u>N</u>	<u>*Limited to 7,000 square feet of floor area, per business, in the HMX District. See additional requirements contained in Section 13.06.565</u>
Master plan for any conditional use	CU	CU	CU	CU	CU	CU	CU	CU	CU	The purpose of this process is to allow an applicant to seek approval for a development program which occupies a large site with multiple-buildings, a complex program, and a detailed plan developed by the applicant which would be implemented in phases and which would extend beyond the normal expiration date, to be reviewed after a ten-year period for those portions of the plan which have not yet been developed.

Transportation/freight terminal	P	P	P	P	N	P	P	N	N	
<u>Urban Horticulture</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	
Utilities	CU	CU	CU	CU	CU	CU	CU	CU	CU	

13.06.400 Industrial Districts

C. Land use requirements.

4. District use table.

Uses	M-1	M-2	PMI	Additional Regulations ¹

Lodging House	P/N*	N	N	In M-1 districts, permitted only within residential or institutional buildings in existence on December 31, 2008, the effective date of adoption of this provision, or when located within a mixed-use building where a minimum of 1/3 of the building is devoted to industrial or commercial use. *Not permitted within the South Tacoma M/IC Overlay District.
<u>Marijuana processor</u>	<u>N</u>	<u>P</u>	<u>P</u>	<u>See additional requirements contained in Section 13.06.565</u>
<u>Marijuana producer</u>	<u>N</u>	<u>P</u>	<u>P</u>	<u>See additional requirements contained in Section 13.06.565</u>
<u>Marijuana retailer</u>	<u>P~</u>	<u>P~</u>	<u>P*</u>	<u>*Limited to 7,000 square feet of floor area, per development site, in the PMI District.</u> <u>~Within the South Tacoma M/IC Overlay District, limited to 10,000 square feet of floor area per development site in the M-2 district and 15,000 square feet in the M-1 district.</u> <u>See additional requirements contained in Section 13.06.565</u>
Master plan for any conditional use	CU	CU	CU	The purpose of this process is to allow an applicant to seek approval for a development program which occupies a large site with multiple-buildings, a complex program, and a detailed plan developed by the applicant which would be implemented in phases and which would extend beyond the normal expiration date, to be reviewed after a ten-year period for those portions of the plan which have not yet been developed.

Transportation/freight terminal	P	P	P	
<u>Urban Horticulture</u>	<u>N</u>	<u>P</u>	<u>P</u>	
Utilities	P	P	P	

13.06.565 Marijuana Businesses (New Section)

A. Intent. In November 2012, Washington voters passed Initiative 502, which establishes precedent for the production, processing and retail sale of marijuana for recreational purposes. Pursuant to RCW 69.50, the State has adopted rules establishing a state-wide regulatory and licensing program for marijuana uses (WAC 314-55). It is therefore necessary for the City to establish local regulations to address such uses.

It is the intent of these regulations to ensure that such state-licensed uses are located and developed in a manner that is consistent with the desired character and standards of this community and its neighborhoods, minimizes potential incompatibilities and impacts, and protects the public health, safety and general welfare of the citizens of Tacoma. Recognizing the voter-approved right to establish certain types of marijuana businesses, it is also the intent of these regulations to provide reasonable access to mitigate the illicit marijuana market and the legal and personal risks and community impacts associated with it.

B. Applicability. The provisions of this Section shall apply city-wide. The specific development standards provided in this Section shall be in addition to the zoning and development standards generally applicable to the proposed use and the relevant zoning district.

1. No use that purports to be a marijuana producer, processor or retailer, as defined and regulated herein and in WAC 314-55, that was engaged in that activity prior to the enactment of this ordinance shall be deemed to have been a legally established use or entitled to claim legal non-conforming status.

2. For purposes of this Section and the standards applicable to state-licensed recreational marijuana uses, the terms and definitions provided in WAC 314-55 shall generally apply unless the context clearly indicates otherwise.

C. Standards.

1. Marijuana uses (marijuana producer, marijuana processor, and marijuana retailer) shall only be permitted as allowed under RCW 69.50 and WAC 314-55.

2. Marijuana uses shall only be allowed within the City of Tacoma if appropriately licensed by the State of Washington and the City of Tacoma, and operated consistent with the requirements of the State and all applicable City ordinances, rules, requirements and standards.

3. Marijuana uses shall only be allowed in those zoning districts where it is specifically identified as an allowed use (see the zoning district use tables, Sections 13.06.100, -.200, -.300, and -.400 and Chapter 13.06A).

4. Marijuana uses shall be designed to include controls and features to prevent odors from travelling off-site and being detected from a public place, the public right-of-way, or properties owned or leased by another person or entity.

5. Marijuana retail uses shall not include drive-throughs.

6. In accordance with WAC 314-55-147, marijuana retail uses shall not be open to the public between the hours of 12 a.m. and 8 a.m.

7. Signage and advertising shall be allowed only in accordance with the standards set forth in TMC Sections 13.06.520 - .522, the additional standards set forth in WAC 314-55, and any other applicable standards or requirements.

8. Location requirements.

a. As provided in RCW 69.50.331 and WAC 314-55-050, marijuana uses shall not be allowed to locate within 1,000 feet of public parks, playgrounds, recreation/community centers, libraries, child care centers, schools, game arcades, and public transit centers. For purposes of this standard, these uses are as defined in WAC 314-55.

b. Marijuana uses shall not be allowed to locate within 1,000 feet of correctional facilities, court houses, or drug rehabilitation facilities, substance abuse facilities, or detoxification centers.

c. The methodology for measuring the buffers outlined above in subsections 8.a and 8.b. shall be as provided in WAC 314-55.

c. It shall be the responsibility of the owner or operator of the proposed state-licensed marijuana use to demonstrate and ensure that a proposed location is not within one of the buffers outlined above in subsections 8.a and 8.b.

d. An existing nonconforming use located within a zoning district that would otherwise not permit marijuana uses, such as an old convenience store in a residential district, shall not be allowed to convert to a marijuana use.

13.06.700 Definitions and illustrations

* * *

13.06.700 M

Main building and principal use.

1. Building. The primary building or other structure on a lot designed or used to accommodate the principal use to which the premises are devoted. Where a principal use involves more than one building or structure designed or used for the principal use, as in the case of group dwellings, each such permitted building or structure on a lot defined by this chapter shall be construed as comprising a main building or structure.

2. Use. The main or primary purpose for which a building, other structure, and/or lot is designed, arranged, or intended, or for which they may be lawfully used, occupied, or maintained under this chapter.

Mansard roof. A roof with two slopes or pitches on each of the four sides, the lower slopes steeper than the upper.

Marijuana. As defined in RCW 69.50.101 and provided herein for reference. All parts of the plant Cannabis, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

Marijuana processor. As defined in RCW 69.50.101 and provided here for reference. A person licensed by the state liquor control board to process marijuana into useable marijuana and marijuana-infused products, package and label useable marijuana and marijuana-infused products for sale in retail outlets, and sell useable marijuana and marijuana-infused products at wholesale to marijuana retailers.

Marijuana producer. As defined in RCW 69.50.101 and provided here for reference. A person licensed by the state liquor control board to produce and sell marijuana at wholesale to marijuana processors and other marijuana producers

Marijuana-infused products. As defined in RCW 69.50.101 and provided here for reference. Products that contain marijuana or marijuana extracts and are intended for human use. The term "marijuana-infused products" does not include useable marijuana.

Marijuana retailer. As defined in RCW 69.50.101 and provided here for reference. A person licensed by the state liquor control board to sell useable marijuana and marijuana-infused products in a retail outlet.

Microbrewery/winery. An establishment primarily engaged in the production and distribution of beer, ale, or other malt beverages, or wine, and which may include accessory uses such as tours of the microbrewery/winery, retail sales, and/or on-site consumption, e.g., "taproom." This classification allows a microbrewery to sell beer/wine at retail and/or act as wholesaler for beer/wine of its own production for off-site consumption with appropriate state licenses.

Mixed-rate housing. Includes both affordable and market-rate housing units in the same housing or mixed-use development.

* * *

13.06.700 U

* * *

Upper story setback. See "modulation, horizontal."

Urban Horticulture. An use in which plants are grown or produced indoors for the sale of the plants or their products or for use in any business, including such things as fruits, vegetables, and other crops, flowers, ornamental plants or trees.

Use. The purpose land, building, or structure now serves or for which it is occupied, maintained, arranged, designed, or intended.

* * *

Chapter 13.06A Downtown Tacoma

* * *

13.06A.050 Additional use regulations

A. Use Categories.

1. Preferred. Preferred uses are expected to be the predominant use in each district.
2. Allowable. Named uses and any other uses, except those expressly prohibited, are allowed.
3. Prohibited. Prohibited uses are disallowed uses (no administrative variances).

B. The following uses are prohibited in all of the above districts, unless otherwise specifically allowed:

1. Adult retail and entertainment.
2. Heliports.
3. Work release facilities.
4. Jails and correctional facilities.
5. Billboards.

C. Special needs housing shall be allowed in all downtown districts in accordance with the provisions of Section 13.06.535.

D. Marijuana uses (marijuana producer, marijuana processor, and marijuana retailer). Marijuana retailers shall be allowed in all downtown districts, subject to the additional requirements contained in Section 13.06.565. Marijuana producers and marijuana processors shall be prohibited in all downtown districts.

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Chapter 13.10 Shoreline Management

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13.10.035 Prohibited uses in all shoreline districts (New Section)

A. Marijuana uses (marijuana producer, marijuana processor, and marijuana retailer) shall be prohibited in all shoreline districts.

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**City of Tacoma 2013-2014
City Council Forecast**

Date	Meeting	Subject	Department
October 22, 2013	Study Session	I-502 Interim Regulations	PDS
	City Council Meeting	Public Hearing I-502 Interim Regulations	PDS/CAO
October 29, 2013	Study Session	Third Quarter 2013 Financial Report	Finance
		Review I-502 Interim Regulations Public Hearing Comments	PDS
	City Council Meeting		
November 5, 2013	Study Session	Tacoma Link Expansion	GRO/Sound Transit
		MLK Subarea Plan & EIS	PDS
	Committee of the Whole City Council Meeting	CDBG, HOME and ESG Funding Priorities	NCS & CED
November 12, 2013	Study Session	Six-Year Transportation Program	PW
	City Council Meeting	Public Hearing on Property Levy Ordinance	Finance
November 19, 2013	Study Session		
	Committee of the Whole City Council Meeting		
November 26, 2013	Study Session	2013/2014 Mid-Biennium Budget Modification	Finance
	City Council Meeting	Public Hearing on Mid-Biennial Budget Modification	Finance
December 3, 2013	Joint Utility Board Study Session		
	Study Session	Multi City Tax Portal (Tentative)	Finance
	Committee of the Whole City Council Meeting	Mid-Biennial Modification Presentation	Finance
December 10, 2013	Study Session		
	City Council Meeting		
December 17, 2013	Study Session		
	Committee of the Whole City Council Meeting		
December 24, 2013	CANCELLED		
December 31, 2013	CANCELLED		

2014

January 7, 2014	Study Session		
	Committee of the Whole City Council Meeting		
January 14, 2014	Study Session		
	City Council Meeting		
January 21, 2014	Study Session		
	Committee of the Whole City Council Meeting		
January 28, 2014	Study Session		
	City Council Meeting		
February 4, 2014	Study Session		
	Committee of the Whole City Council Meeting		
February 11, 2014	Study Session		
	City Council Meeting		