



## RESOLUTION NO. 41259

1 BY REQUEST OF DEPUTY MAYOR WALKER AND COUNCIL MEMBERS  
2 DANIELS AND DIAZ

3 A RESOLUTION directing the Planning Commission to review Tacoma Municipal  
4 Code Section 13.06.080, entitled "Special Use Standards", to consider  
5 modifications to home occupation standards for the purpose of expanding  
6 opportunities to microbusinesses.

7 WHEREAS with the rising costs of commercial rent in the City, it is  
8 becoming more difficult for microenterprise (having five or fewer employees)  
9 start-ups to have a current pathway to leasing commercial spaces to grow their  
10 businesses, and

11 WHEREAS commercial real estate trends in the City have paralleled the  
12 residential real estate trends and have outpriced many start-ups from obtaining  
13 commercial leases, and due to this trend many entrepreneurs are moving to  
14 more affordable cities surrounding the City or choosing not to open a brick-and-  
15 mortar storefront because the cost is out of reach and the financial risk is too  
16 great, and

17 WHEREAS according to data provided by Spaceworks Tacoma, in 2014-  
18 2016, Downtown commercial rent was \$12 per square foot per year and the  
19 Hilltop was \$6 per square foot per year; in 2023, on average, historic building  
20 spaces are renting for \$18-\$22 per square foot per year and new developments  
21 are renting for \$28-\$32 per square foot, and

22 WHEREAS in addition to increased costs for rent, microbusinesses in need  
23 of a loan to set up a physical location must either have years of financial history or  
24  
25  
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1 accept high interest rates, and often collateral, sometimes over \$25,000, is required  
2 to obtain a loan, and

3 WHEREAS this resolution targets obstacles microenterprises (or  
4 microbusinesses) face as separate, or different than what “small businesses” face  
5 when it comes to commercial leasing in the City, and requests a review of home  
6 occupation standards to better align with the needs of microbusinesses, and  
7

8 WHEREAS physical incubation for microbusinesses is an important step  
9 in the start-up phase, especially for low to moderate income entrepreneurs, and  
10 affords them time to build capital and establish a customer base to sustain that  
11 income, and  
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13 WHEREAS in addition to providing a safe testing ground for ideas, it also  
14 provides historical data, financials, experience that property managers and  
15 developers are looking for in a quality leaseholder, and gives entrepreneurs the  
16 chance to fail without severe consequences like unnecessary loans, liens, or  
17 bankruptcy due to lease commitments, and  
18

19 WHEREAS this resolution would direct the Planning Commission  
20 (“Commission”) to review the Tacoma Municipal Code (“TMC”) with the goal of:  
21 (1) expanding ways home business occupation could be used by microbusinesses,  
22 (2) incentivizing growth and transition to brick-and-mortar operations, (3) limiting  
23 impact on surrounding communities, and (4) reducing the administrative burden for  
24 microbusinesses to receive their permit for home business occupation, and  
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1           WHEREAS Home Business Occupation licenses are regulated into two  
 2 parts in the TMC Title 6, the Tax and License Code, and TMC Subsection  
 3 13.06.080.G, related to Home Occupation Standards, and changes to Title 13  
 4 require the Commission’s review and recommendation to the City Council;  
 5

6 Now, Therefore,

7           BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

8           That the proper officers of the City are hereby authorized to direct the  
 9 Planning Commission to review Tacoma Municipal Code Section 13.06.080,  
 10 entitled “Special Use Standards”, to consider modifications to home occupation  
 11 standards for the purpose of expanding opportunities to microbusinesses.  
 12

13 Adopted \_\_\_\_\_  
 14

15 \_\_\_\_\_  
 16 Mayor

17 Attest:  
 18 \_\_\_\_\_  
 19 City Clerk

20 Approved as to form:  
 21 \_\_\_\_\_  
 22 City Attorney

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 24  
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