

SIMON AND COMPANY

INCORPORATED

Intergovernmental Relations and Federal Affairs

1660 L Street, NW • Suite 501 • Washington, D.C. 20036
(202) 659-2229 • Fax (202) 659-5234 • email: len.simon@simoncompany.com

October 29, 2014

Randall Lewis
Government Relations Manager
Tacoma Municipal Building, Room 1520
747 Market Street
Tacoma, Washington 98402-3773

Dear Randy:

Enclosed, please find Simon and Company's proposed 2015 – 2016 *Strategy and Action Plan* for the City of Tacoma. It has been an honor to work for the City in Washington and we look forward to continuing to produce good results as part of the federal affairs team in the forthcoming two years, working with you, the City Manager and staff, and the City's elected officials to help advance Tacoma's federal affairs program.

This is a time of great change, challenge and opportunity in Washington. With the support of the City's very effective representatives in the House and Senate, and the strong partnership with the Obama Administration, there have been good results for the City of Tacoma, as well as a renewed national commitment to a federal-municipal partnership, which has benefited Tacoma. The recent large grants to the City for police services and for meth cleanup in public housing underscore how Tacoma has been helped by this development in a broad number of areas. We are pleased to have been a part of these achievements as a member of Tacoma's intergovernmental team and look forward to continuing to help plan and promote the City's priorities in Washington.

The ongoing participation of Mayor Strickland, the City Council, and the City Manager and staff will continue to be very important to the City's success in Washington and we are pleased that they all do so with such skill. We are also grateful to have the opportunity to work with the Tacoma Housing Authority on its comprehensive federal affairs agenda and in cooperation with Tacoma Public Utilities, as well. We look forward to Councilmembers being here the first week of December to advocate for Tacoma's priorities, an important part of this overall effort.

Thank you for your time, assistance and consideration.

Best regards,

Len Simon

LEONARD S. SIMON

SIMON AND COMPANY

INCORPORATED

Intergovernmental Relations and Federal Affairs

1660 L Street, NW • Suite 501 • Washington, D.C. 20036
(202) 659-2229 • Fax (202) 659-5234 • email: len.simon@simoncompany.com

Federal Affairs Assistance

for the

City of Tacoma



2015 - 2016 STRATEGY AND ACTION PLAN

Submitted to

**Randall Lewis
Government Relations Manager
CITY OF TACOMA**

October 29, 2014

CONTENTS

	PAGE
INTRODUCTION	1
PROPOSED STRATEGY	1
Presidential Initiatives	2
Economic Development, Community Development, and Housing	2
Immigration	2
Marketplace Fairness Act	3
Public Safety	3
Environment	3
Telecommunications	3
Transportation	4
New Priority Areas	4
ACTION PROGRAM FOR THE CITY OF TACOMA	4
Monitoring Developments in Washington	4
Promoting the City's Agenda	4
City Officials in Washington	5
A Communications System with City Hall	5
PROPOSED BUDGET	5
BACKGROUND, RECORD, AND APPROACH	5
CONCLUSION	6
APPENDIX I: 2014 City of Tacoma Federal Policy Agenda	

INTRODUCTION

This *Strategy and Action Plan* is respectfully submitted to the City of Tacoma and outlines an approach for continued assistance to the City in its federal affairs representation during 2015 and 2016. It has been our pleasure and honor to provide Washington representation to the City of Tacoma and to assist in the development and implementation of its federal affairs agenda.

Our experience on behalf of Tacoma has included a track record of measurable achievements in the areas of grants, appropriations, authorizations, and regulatory and administrative affairs and we hope to be able to continue applying these energies on behalf of the City. In each of these areas we have been part of a team which includes the Congressional delegation, the City's elected leadership, the City Manager, the Government Relations Office, department heads, and staff.

PROPOSED STRATEGY

Elections always have an impact on public policy and the forthcoming midterms next week will be no exception. Though 2015-2016 could see significant changes in the composition of the House and Senate, and possibly even a majority change in the Senate, by continuing to work with the Tacoma Congressional delegation and an Administration strongly committed to cities, good results can be achieved for Tacoma.

Following the elections, a “lame duck” session of Congress will need to decide on major fiscal issues, such as whether to fund the federal government under a comprehensive year-long “Omnibus” spending bill or under a short-term flat-funded “Continuing Resolution.” Congress may also consider allowing states to collect online sales taxes due to them through the Marketplace Fairness Act and whether or not to extend a wide variety of expired tax provisions of importance to Tacoma.

Congressional earmarks – which Tacoma benefitted from extensively over the years – will continue to be banned for at least the 2015 – 2016 period, but the opportunities for competitive discretionary grants in agencies remain numerous. Despite the earmark moratorium, there are many ways in which to work effectively with Congressional representatives and Senators to advance a city’s objectives, such as shaping legislation, problem solving, and supporting proposals before federal agencies. This has been successful in the last two years and we look forward to continuing these approaches in the next two years.

The City’s congressional delegation has been energized with two new members, Rep. **Denny Heck** and Rep. **Derek Kilmer**, who have been working diligently for Tacoma’s interests, joining Rep. **Adam Smith**, currently ranking minority member of the House Armed Services Committee, and Senator **Patty Murray**, who chairs the powerful Transportation-HUD Appropriations Subcommittee that controls funding for federal agencies important to Tacoma as well as the full Senate Budget Committee, which shapes broad national fiscal policy, and Senator **Maria Cantwell**, a member of the Senate Commerce and Finance Committees who will continue to play strong roles on key issues. Therefore, we recommend that Tacoma proceed with its focused and comprehensive approach to federal affairs for 2015 – 2016. Should Senator Murray remain in the Majority party in the Senate, she will Chair the powerful Senate HELP Committee, which will oversee the ongoing implementation of the Affordable Care Act, as well as play a role in any comprehensive federal education reform efforts.

In the sections that follow, we outline where Tacoma priorities can match-up with federal opportunities in 2015 – 2016, and provide an overview of some important areas where the Tacoma agenda might focus.

Presidential Initiatives

In response to Congressional inaction on major legislative issues, beginning in late 2011, the Obama Administration adopted a “We Can’t Wait” approach to problem solving. Since then, the Administration has launched several executive level initiatives, which we have been deeply involved with on behalf of Tacoma, in close coordination with the White House. The most prominent of these is the My Brother’s Keeper (MBK) initiative, which the President launched to address persistent opportunity gaps faced by boys and young men of color and ensure that all young people can reach their full potential. As we write this, we anticipate that Tacoma will continue play a prominent role through the MBK Community Challenge initiative later this year and into the next. Another major Administration initiative is to seek to raise the national minimum wage to \$10.10 an hour, across the country. With lack of action in Congress, we anticipate the Administration to be engaging directly with states and local governments in this issue. The Administration is also pushing to provide high-quality preschool education for all four-year old children in partnership with states. We will continue to facilitate dialogue between Tacoma and the federal government in support of early education in 2015 and 2016. An area of ongoing attention and concern for us is the Administration’s continuing proposals in its annual budget requests to eliminate the tax exemption for municipal bonds. For the remainder of the Obama Presidency, we will continue to work in close concert with the U.S. Conference of Mayors and other major local government organizations to send a strong message about the importance of this tax exemption to leaders both in the White House and on Capitol Hill.

Economic Development, Community Development, and Housing

We have and will continue to work with the City, the Administration, and our Congressional delegation to advance Tacoma’s priorities related to economic development, community development, and housing. In May 2014, Tacoma Housing Authority was awarded a total of \$600,000 in Brownfields Cleanup Grants from EPA to assist with meth remediation in THA properties. We are particularly optimistic about the direction of housing policy over the next few years with former San Antonio Mayor Julian Castro in charge as HUD Secretary, who our City Manager has worked closely with when he was Assistant City Manager of San Antonio. The Obama Administration has shown great leadership in generating new initiatives for cities, such as Sustainable Development, Promise Neighborhoods, Choice Neighborhoods, and Jobs Plus. If the City decides to pursue a Choice Neighborhoods grant next year, we stand ready to assist in the application and advocacy. The City must continue to be vigilant regarding the funding for the Community Development Block Grant and HOME programs along with other housing and homelessness efforts. The Obama Administration has also developed numerous initiatives under the Economic Development Administration to promote manufacturing which could also be helpful to Tacoma. This week, the President unveiled new executive actions to strengthen U.S. advanced manufacturing, including a \$100 million American Apprenticeships Grant Competition that will be launched in the fall, and we anticipate the Administration to announce four more manufacturing innovation institutes over the next two years.

Immigration

The legislative push for immigration reform has largely stalled since the Senate passed its comprehensive immigration reform bill at the end of June 2013, since the House has not brought it up for a vote. However, after this year’s elections in November, we anticipate that the President Obama will take major executive action on immigration with a very significant set of proposals related to currently undocumented residents. Previously, in 2012, the Department of Homeland Security began instituting “Deferred Action” to give certain young people, the so-called DREAMers who were brought to the U.S. as young children, relief from removal from the country or from entering into removal proceedings. Responding to the large influx of children from Central America

crossing the southern border, this summer, we participated in several White House teleconferences to receive updates and coordinate with local authorities. We will work to keep Tacoma engaged on this evolving issue.

Marketplace Fairness Act

In Congress, an area of important consideration continues to be the Marketplace Fairness Act (MFA), which would require all electronic sales to include the sales tax for the location of the purchaser. The MFA could potentially yield \$540 million annually to Washington State. The Senate passed its MFA bill with a two-thirds vote in May 2013. Since then, it has stalled in the House, but plans are underway for a major push during the “lame duck” session. Rep. Jason Chaffetz of Utah has been asked by the Chairman of the House Judiciary Committee to try to negotiate an agreement on the bill. We are working closely with Rep. Chaffetz’s office on this and look forward to its enactment this year. This will be an important issue during the Council’s December meetings.

Public Safety

Increasing support for public safety programs central to municipalities such as the COPS program and Fire Grants program remains a top priority. With the City’s elected, police, and union leadership working together, last month, the City received a grant from the COPS office for \$3.4 million which helped to sustain 10 officers on the police force and also received \$3.5 million this year from FEMA to help retain fire fighters. We will also continue to pursue support for initiatives such as Tacoma’s Gang Reduction Project through the U.S. Justice Department. Tacoma played an important role in recent actions by the Justice Department to bring better coordination between federal and state policies regarding marijuana. The Mayor authored the resolution at the U.S. Conference of Mayors to bring this result about. Funding of public safety programs and strengthening the relationship between law enforcement and the community has remained major a priority for the Administration, particularly in the wake of this summer’s tragedy in Ferguson, Missouri. We recommend that the City continue to focus on these public safety issues in the period ahead.

Environment

This year, Congress completed the Water Resources Reform and Development Act (WRRDA), which develops, maintains, and supports the country’s waterway infrastructure. We anticipate innovative programs like the 5-year pilot WIFIA water infrastructure program, modeled off of DOT’s TIFIA program, to become a useful tool for Tacoma to help finance water infrastructure projects, and we are meeting regularly with U.S. Army Corps staff to assist with WRRDA’s ongoing implementation. We will continue to track major issues such as EPA’s proposed “Waters of the U.S.” rule and movement in Congress on the Innovative Stormwater Infrastructure Act. Given the City’s strong record in this area and its focus on protecting and enhancing Puget Sound, water resource issues remain a good area for City federal affairs attention. We were very grateful that City environmental officials have come to Washington regularly to brief Federal and Congressional officials on the impact of proposed EPA policies on the City of Tacoma.

Telecommunications

The City’s federal affairs agenda calls for continued support of protections for local control over managing the public rights-of-way, franchise authority, taxation and related issues while keeping cities whole and ensuring sufficient consumer protections. The City has worked with its regional partners and national organizations to ensure that any overhaul of current telecommunications laws to encourage competition protect core municipal functions such as right-of-way management and public safety. In early 2013, the FCC announced new actions to streamline the deployment of mobile broadband infrastructure, including legal

clarifications and the development of model facility siting rules for localities. We will continue to closely monitor these developments in the coming years.

Transportation

The City can continue to play an important role in the development of transportation policy and in ensuring that it takes advantage of all available federal funds as it expands and improves its own transportation networks through a focused federal affairs strategy. With the Tacoma Link Light Rail Expansion currently under development, we expect Sound Transit to receive a \$58 million Small Starts Grant Agreement from the Department of Transportation by late 2015. Though the City's TIGER grant request to expand Tacoma Link went unfunded, this year, we are hopeful that Senator Murray's continued leadership in the appropriations process will result in a TIGER grant for this project in the next round. We also anticipate the TIFIA program to continue to be a major source of federally-supported capital for infrastructure projects. Next year is shaping up to be a big year for deliberations over a new transportation reauthorization, with the current MAP-21 legislation expiring in May, and the City will want to remain active in determining how federal transportation projects are funded and implemented, a central focus of the Administration and Congress during the 2015 – 2016 period.

New Priority Areas

The areas outlined above are the major priorities we propose to focus on in 2015 and 2016. However, there are always additional opportunities particularly when there is a new Congress with changed objectives. We look forward to continuing to work with the City towards achieving accomplishments in these areas and on developing new projects and new approaches to achieving the City's goals and objectives.

ACTION PROGRAM FOR THE CITY OF TACOMA

Our approach has been to work closely with senior City officials to develop an action program that forms the basis of our activity. This includes developing a strategic approach as described above, as well as:

Monitoring Developments in Washington

We place a major emphasis in our work on continuous monitoring of developments in Washington which could have an impact on the City. In our daily efforts with the federal agencies and Congress, our goal is to have an overview of all significant actions of the federal establishment which could conceivably make a difference to Tacoma and quickly communicate this to the City leadership and then determine appropriate action. One of our principal responsibilities is to have points of contact in all of the agencies and their corresponding committees.

Furthermore, we are always alert to other areas which could potentially have a beneficial impact on the City or even pose a possible threat. For example, each year many policy amendments are attached to appropriations measures and we are sure to follow through with City leaders regarding the impact of these provisions. Through our daily monitoring of the federal agencies and the Congress we are able to respond to issues that have a great impact on the City and we look forward to continuing to provide timely updates on key issues of importance to the City of Tacoma.

Promoting the City's Agenda

The City Council has done an outstanding job in crafting together a federal affairs agenda, which includes priority items (see Appendix I), which will be important for the City, federal agencies, and the Congress in the

next two years. It will be the framework for our activities in Washington on behalf of the City. Basic elements of our approach to promote this agenda include: (1) Ongoing discussions with City leadership and staff to finalize priority activities; (2) Continued meetings with the Tacoma Congressional delegation to review priority project status and assess the potential for their success in the coming months; and (3) Regular liaison through telephone, email and memorandum on progress made on the various project areas including: (a) suggestions of the specific roles to be played by City officials; and (b) information resources which will need to be developed. We will also work with and coordinate approaches with our respective representatives of Tacoma Public Utilities on sustainability and renewable energy issues and on other issues where required.

City Officials in Washington

The Mayor, City Council members, and staff regularly travel to Washington to pursue the City's federal affairs agenda, with considerable success. We believe that city officials can make a dramatic difference to our overall efforts on their behalf by these Washington meetings and hope these trips will continue in the future. We look forward to the Council's December meetings.

A Communications System with City Hall

We function as the "Washington Office" for the City providing a base in the nation's capital and offering a wide variety of services. In addition to regular information and updates on a full range of issues, we also provide the City with the weekly Washington Friday Report, an overview of the week's developments and other useful items, as well as periodic Special Reports on special topics. The City receives information from us an average of several times a week or more and we are also in regular telephone contact.

PROPOSED 2015 – 2016 BUDGET

The total two-year budget for the work above will be \$160,701 for the period of January 1, 2015 through December 31, 2016 as detailed below:

Simon and Company City of Tacoma Budget, 2015-2016

	Professional Services Fee	Expenses	Total
2015	\$69,654 (2% increase)	\$10,000	\$79,654
2016	\$71,047 (2% increase)	\$10,000	\$81,047
Total	\$140,701	\$20,000	\$160,701

For 2015, the professional services fee will be billed at a monthly rate of \$5804.50. For 2016, the professional services fee will be billed at a monthly rate of \$5920.58. We further propose a total ceiling of \$10,000 per-year for reimbursable, documented expenses, which should be sufficient to cover routine items such as long-distance telephone, photocopying, intra-city travel, meals, and when authorized, travel to Tacoma to meet with City officials. The professional services fee for 2015 represents a two percent increase from 2014. The professional services fee for 2016 represents a 2% increase from 2015.

BACKGROUND, RECORD, AND APPROACH

Simon and Company, Inc. is a Washington, D.C. based firm specializing in the field of local government concerns. It provides assistance to its clients in the areas of legislative affairs, grant and program development, and special projects. Its clients include city governments, municipal authorities, non-profit groups, and national associations. The company began operations in 1987.

Len Simon has spent his career directly involved in the federal affairs concerns of local governments. He joined the staff of the U.S. Conference of Mayors in March 1977 and became an Assistant Executive Director in October 1978, a position he held until July 1986. The firm works very closely with the U.S. Conference of Mayors today. Also in the firm and assisting on Tacoma matters are Jen Covino, Brandon Key, and Stephanie McIntosh.

The firm is proud of its record in helping cities to take advantage of opportunities and solve problems within the federal legislative and executive branches. Our experience on behalf of cities for many years has included a track record of measurable achievements in the areas of grants, appropriations, authorizations, and regulatory affairs. In each of our successes we have been part of a team which includes the congressional delegation, the city's elected leadership and key managers, the department heads, and staff. This has been the case to date with Tacoma and will continue to be so.

CONCLUSION

It is a great honor to work in Washington on behalf of the City of Tacoma. We look forward to continuing to work closely and successfully with Tacoma's leadership in the dynamic and changing years ahead. We will continue to search for new opportunities in this evolving landscape on behalf of the City of Tacoma as we have in the past. We believe that strong representation in Washington is a vital component in achieving the City's federal priorities.

Thank you for this opportunity. Please contact us if you have any questions. We look forward to talking with you soon.

Appendix I:

2014 City of Tacoma Federal Policy Agenda

2014 City of Tacoma Federal Policy Agenda

Summary agenda:

- The City opposes changes to tax exempt municipal bonds.
- The City urges the House to pass the Main Street Fairness Act in 2014.
- The City will actively work to protect JBLM during any BRAC process.
- The City supports passage of legislation rewarding innovation in stormwater solutions.

Detail agenda:

Access to Affordable Health Care

The citizens of Tacoma have overwhelmingly expressed support for legislation providing access to affordable health care for everyone. The nation spends more per capita on health care than any industrialized nation yet there are 30,000 people in Tacoma and 47 million in the United States uninsured. Under the Affordable Care Act these numbers should begin to decline. The City continues to support universal access to affordable health care.

Community Development Block Grant

The City supports continuation and enhancement of the Community Development Block Grant program. Although there have recently been modest increases to appropriations to this program, it has been reduced by over 50 percent in the last decade. The City supports increases in the program to cover increasing costs of vital safety net programs.

Economic Development Tools

An important tool in helping cities build the infrastructure that supports the local economy has been the use of tax exempt municipal bonds. In recent years, the administration and Congress have repeatedly considered proposals to cap or eliminate the use of these bonds as part of various deficit reduction plans. The Federal government needs to be investing more in the nation's infrastructure, not making it harder for local government to do so. The City strongly opposes proposals to cap or eliminate tax exempt municipal bonds.

Harbor Maintenance Tax (HMT)

A tax on the value of imports is assessed on products entering the Port of Tacoma and other US seaports. The revenue from this tax is used to pay for harbor and waterway dredging and improvements. Other than a small amount used in the Lake Washington Ship Canal, none of the HMT revenue is spent on the natural deep water ports of Puget Sound. The tax places Puget Sound ports at a competitive disadvantage with British Columbia ports and the revenue primarily benefits other US ports that also compete with Tacoma. The City supports the Port of Tacoma and other Puget Sound ports in seeking changes to the HMT to level the playing field. The National League of Cities has endorsed a realignment of the HMT and City will work with NLC on this issue.

Housing

The fate of thousands of homeowners holding problematic mortgages is a serious community issue because as more and more houses become vacant and blighted, they attract crime and send healthy neighborhoods into a downward spiral. The City supports Federal legislation to allow bankruptcy courts or federal insurance programs to modify or otherwise protect mortgages in danger of foreclosure.

The Tacoma Housing Authority was selected to be a Moving to Work (MTW) agency by the Department of Housing and Urban Development. MTW status is very valuable for THA and its clients, as it allows far greater flexibility in use of HUD funds and operation of programs to better meet the needs of the community. The City supports continuation of the MTW program.

Immigration

A comprehensive approach to reform of the nation's immigration laws is overdue. The City supports reform that provides a clear path to citizenship for young people who came to this country as children through no fault of their own as well as a separate process that eventually can result in citizenship for millions of undocumented adults already here. Border security and disincentives to businesses that exploit undocumented workers must be a part of the package.

JBLM

Joint Base Lewis-McChord has begun a land use planning process. The City supports this effort and will actively participate. It is important to both minimize land uses incompatible with successful base operation while also assuring continuing opportunities for economic development in the area. A Federal Base Realignment and Closure study may begin in 2014. JBLM plays a vital role in the nation's security, but the community must not take the continued presence of the base for granted. The City will actively support preserving and strengthening the role of JBLM, including facilities such as the base commissaries, during the BRAC process.

Main Street Fairness

Local sales tax revenue has been affected by the growth of internet sales. Washington has adopted destination based sales tax legislation as part of the national effort to encourage adoption of the Main Street Fairness Act, authorizing state sales taxes on interstate internet sales. The legislation is supported by many large brick and mortar retailers, small business groups, and major internet sales businesses. Earlier in 2013 the Senate passed the legislation with a strong bipartisan vote. The City urges the House of Representatives to support the Main Street Fairness Act in 2014.

Marijuana

The voters of Washington have approved the decriminalization of personal use of marijuana and directed the establishment of a state controlled system of licensing and taxation of the drug. The City believes the Federal government needs to respect the decision of Washington residents and not attempt to interfere with either the decriminalization or the establishment of a retail sales marketplace.

Stormwater

Increasingly strict Federal stormwater goals can be achieved with financial assistance and a willingness on the part of regulators to support innovation. The Innovative Stormwater Solutions Act will encourage the Environmental Protection Agency to promote innovative solutions and provide grant funding for innovative projects. It will also establish Centers of Excellence across the nation to develop proposals, industry standards and training and technical assistance. The City supports designation of The Center for Urban Waters as one of these centers and supports passage of the Innovative Stormwater Solutions Act.

Telecommunications

The City opposes legislation which grants Federal authority over City rights of way, franchise authority, and taxation in the name of providing advantages for telecommunications companies to compete with cable companies. Such actions will surely lead to the cable firms wanting the same treatment and lead to uncompensated damage to City streets and loss of tax revenue used for City services, including cable services currently provided.

Transportation

The City is appreciative of the passage of the MAP-21 transportation program, but believes Congress has not completed its work. This two-year funding program does not begin to address the growing infrastructure problem in this country: both in the need to rebuild aging facilities as well as being able to develop capacity for growth where needed. The City urges action to provide new long-term funding for transportation projects- including those that benefit transit and non-motorized transportation. The City believes new funding should recognize that the greatest need for transportation spending is in the nation's metropolitan regions.