



City of Tacoma

City Council Action Memorandum

TO: Elizabeth Pauli, City Manager
FROM: Deborah Trevorrow, Workforce Programs Analyst, Community & Economic Development
Jeff Robinson, Director, Community & Economic Development
COPY: City Council and City Clerk
SUBJECT: Proposed Revisions to TMC 1.90 Local Employment and Apprenticeship Training Program (LEAP) – June 4, 2024
DATE: May 17, 2024

SUMMARY AND PURPOSE:

The Community and Economic Development Department is seeking City Council approval to amend Chapter 1.90 of the Tacoma Municipal Code (TMC), relating to the Local Employment and Apprenticeship Training Program (LEAP), to replace outdated elements and strengthen program outcomes. At the time of the adoption of the Local Employment and Apprenticeship Training Program (LEAP), staff advised Council of the likelihood of the need for additional changes based on experience with program implementation. Throughout this process, staff has worked very closely with Martha Lantz, who advises (among other groups), the Finance department, specifically the Procurement & Payables Division.

Proposed changes fall under two categories:

The first category is replacing outdated elements of Chapter 1.90 of the Tacoma Municipal Code. To clarify language and strengthen the program, we recommend a general cleanup of outdated language which includes use of the term ‘goals’ rather than ‘requirements’ and change of ‘Director’ to ‘LEAP Coordinator’. Also, reference to the Community Empowerment Zone has been removed as it is no longer relevant to LEAP.

The second category is related to updating the penalty structure associated with failure to meet LEAP requirements as referenced in TMC 1.90.040. The penalty structure has not been updated since at least 2008. Funds received through non-compliance penalties are deposited into a separate account and are utilized to support the City’s pre-apprenticeship and training programs, providing opportunities, and increasing access to apprenticeships and livable wage jobs for residents of the City of Tacoma and economically distressed areas of the Tacoma Public Utilities Service Area.

BACKGROUND:

This Department’s Recommendation is Based On:

- Recommendation from Economic Development Committee, City Attorney’s Office, LEAP Advisory Committee, internal and external stakeholders, and LEAP staff
- Experience from past program enforcement actions

In 1997, the City of Tacoma created LEAP to counteract economic and social ills which accompany high rates of unemployment within the City. LEAP provides opportunities to access apprenticeship through partnerships with local workforce development providers. The program requires prime contractors awarded City-funded public work and improvement projects and related service contracts to fulfill workforce utilization requirements. CEDD last presented LEAP updates and proposed TMC revisions to the Economic Development Committee (EDC) on January 23, 2024. The EDC members recommended bringing the revisions to the LEAP Advisory Committee for input, and



then to City Council for approval. These TMC revisions were reviewed and supported by the LEAP Advisory Committee on February 29, 2024.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The proposed revisions are based on the experience of LEAP partners which include external contractors, the departments with projects upon which LEAP requirements are placed, as well as the experience of City departments ready to support LEAP staff in enforcing workforce utilization requirements. The revisions were vetted internally with stakeholders across several departments, including Legal, Finance Procurement and Payables Division, Public Works, Environmental Services, Tacoma Water, and Tacoma Power. Externally, revisions were vetted with contractors doing business with the City of Tacoma, registered apprenticeship programs, organized labor, the Associated General Contractors, community-based organizations, and educational institutions.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

These revisions will help strengthen the effectiveness of LEAP and prepare for possible future inclusion of race, gender, and veteran workforce utilization.

Economy/Workforce: *Equity Index Score: Very High Opportunity*

Increase the number of diverse livable wage jobs.

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

Education: *Equity Index Score: Very High Opportunity*

Increase the number of adults with post-secondary degrees or certifications.

Civic Engagement: *Equity Index Score: Very Low Opportunity*

Livability: *Equity Index Score: High Opportunity*

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

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

Strengthening the enforcement measures of LEAP will increase opportunities for residents to obtain education in the construction trades and living wage jobs.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Do nothing	None	Program remains with outdated terminology and penalty structure.
2. Adopt TMC revisions	Clarification of LEAP terminology and updated penalty structure strengthens and supports program.	None



EVALUATION AND FOLLOW UP:

Success will be measured as both the LEAP local employee and additional apprentice requirements of 15% utilization being met. Reporting of success or changes will be via program update one year from implementation of penalty assessments with new penalty structure.

STAFF/SPONSOR RECOMMENDATION:

Staff recommends Council approval of the proposed revisions to TMC 1.90. Approval will address the issues of outdated language and programmatic elements. Also, approval of the revised penalty structure will strengthen contractor compliance with program requirements.

FISCAL IMPACT:

Please provide a short summary of the fiscal impacts associated with the grant, agreement, policy action, or other action.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. Fund 1500 Local Employment & Apprenticeship Training	Cost Center 450002	5330100	\$300,000.00
TOTAL			

What Funding is being used to support the expense?

Fund 1500, Cost Center 450002, Cost Element 5330100, External Contract Services

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

NO, PLEASE EXPLAIN BELOW

Expenditures and revenues planned and budgeted will be included and adjusted in the 2025-2026 budget development process. Revenue from LEAP penalties assessed to non-compliant contractors is estimated to be \$300,000 and supports Council Priority of Jobs/Economy & Workforce. Revenue received will support expenditures associated with awarding funds to construction pre-apprenticeship programs.

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

YES

Will the legislation have an ongoing/recurring fiscal impact?

YES

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

NO

ATTACHMENTS:

- Exhibit A – TMC Revisions