



**CITY OF TACOMA, WASHINGTON
OFFICE OF THE CITY COUNCIL
COUNCIL CONSIDERATION REQUEST**

TO: Mayor & City Council
FROM: Council Member Kiara Daniels and Policy Analyst Christina Caan
COPIES TO: Elizabeth Pauli, City Manager; Chris Bacha, City Attorney
SUBJECT: **Resolution to direct the City Manager to create a Business Safety and Resilience Program to launch by July 1, 2025, followed by an ordinance establishing a new section in Title 1 of the Municipal Code for this program**
DATE: October 30, 2024

I ask for your support for a resolution directing the City Manager to create a Business Safety and Resilience Program to launch by July 1, 2025, followed by an ordinance establishing a new section in Title 1 of the Municipal Code for this program.

LEGISLATIVE INTENT

Resolution Request: I ask for your support for a resolution directing the City Manager to create a Business Safety and Resilience Program to launch by July 1, 2025. This program and its administrative costs would be funded by up to 1.5% of the City's revenue from business license fees in 2025 and up to 3% of the City's revenue from business license fees in 2026. In addition, the resolution would direct the City Manager to develop an ordinance creating a new section in Title 1 of the Municipal Code establishing that the Business Safety and Resilience Program and its administrative costs would be funded each year by up to 6% of the revenue generated by the City's business license fees starting in 2027.

The Business Safety and Resilience Program would aim to provide consistent financial and technical assistance to local businesses to assist in reenergizing and strengthening neighborhoods and business districts in ways that help spur and sustain a thriving local economy. Such a program would seek to activate safe and welcoming spaces for businesses, along with creating physical, social, and cultural improvements that foster economic development. Examples of the types of projects that could fall under the Business Safety and Resilience Program may include efforts to enhance physical infrastructure, mitigate threats from climate change, cleanup litter and graffiti, address façade improvements and building preservation, and improve the pedestrian environment. The projects may be preventative or geared toward emergency response.

- When applicable, the Business Safety and Resilience Program would work with the Chamber of Commerce and community partners, such as the local business districts or groups, the Asia Pacific Cultural Center, Korean Women's Association, The Black Collective, Tacoma Urban League, and Mi Centro. The parameters of financial assistance for the Business Safety and Resilience Program must meet the constitutional requirements for the use of public funds.

- The Business Safety and Resilience Program would be available to all businesses in Tacoma, regardless of size, to ensure that our city maintains a diverse business ecosystem and continues to attract a broad swath of types of employers.
- Supporting business safety and resilience would help advance the City’s Economic Development Strategy by revitalizing neighborhoods and business districts, activating underutilized locations, helping to retain businesses, and enabling our community members to connect with a diverse range of quality jobs.¹ In addition, actions that help business mitigate climate threats are in alignment with our Climate Action Plan.² The Business Safety and Resilience Program would also align with the One Tacoma Comprehensive Plan, which commits to creating complete neighborhoods that have safe and convenient access to the goods and services needed in daily life.³

DESIRED RESOLUTION DATE: November 19, 2024

COMMUNITY ENGAGEMENT

To better understand current local business needs, the City collaborated with the Tacoma-Pierce County Chamber of Commerce and EMC Research on an Economic Development Business Climate Survey in Tacoma.⁴ The survey aimed to collect comprehensive data to help ensure that the City’s economic development work is focused on addressing the needs of local businesses.

- The survey results showed that local businesses are facing challenges managing crime and public safety issues. In addition, the survey showed that nearly 80 percent of local businesses want greater access to City grants and loans for support.
- The survey included interviews with more than 170 businesses with a physical location in Tacoma. The survey was also offered in English, Spanish, Vietnamese and Korean to ensure accessibility.

2025 STRATEGIC PRIORITIES

Equity and Accessibility: Creating a Business Safety and Resilience Program would help ensure that Tacoma offers consistent opportunity and advancement for local businesses in need. By helping to activate and enhance safety in neighborhoods and business districts, as well as remove barriers to economic opportunity and foster business resilience, Tacoma can build a robust economy that helps enable wealth creation for all.

Civic Engagement: *Equity Index Score: Moderate Opportunity*
Increase the percentage of residents who believe they are able to have a positive impact on the community and express trust in the public institutions in Tacoma.

Economy/Workforce: *Equity Index Score: Moderate Opportunity*
Increase the number of infrastructure projects and improvements that support existing and new business developments.

¹ [CoT Economic Development Strategic Plan 2020 2025.pdf \(cityoftacoma.org\)](https://www.cityoftacoma.org/DocumentCenter/View/10000/CoT_Economic_Development_Strategic_Plan_2020_2025.pdf)

² [2030 Climate Action Plan - City of Tacoma](https://www.cityoftacoma.org/DocumentCenter/View/10000/2030_Climate_Action_Plan_-_City_of_Tacoma)

³ [One Tacoma: Comprehensive Plan - City of Tacoma](https://www.cityoftacoma.org/DocumentCenter/View/10000/One_Tacoma:_Comprehensive_Plan_-_City_of_Tacoma)

⁴ [Tacoma Business Climate Survey - TACOMA-PIERCE COUNTY CHAMBER \(tacomachamber.org\)](https://www.tacomachamber.org/DocumentCenter/View/10000/Tacoma_Business_Climate_Survey_-_TACOMA-PIERCE_COUNTY_CHAMBER)

ALTERNATIVES

Alternative	Positive Impacts	Negative Impacts
Allocate additional funding for the Business Safety and Resilience Program.	A greater number of businesses could receive assistance.	The Council would need to further reduce General Fund spending for other Council priorities.
Do not allocate funding for the Business Safety and Resilience Program.	The Council would preserve flexibility on how to spend revenue from business license fees.	Business needs may go unmet, potentially contributing to future business closures.

EVALUATIONS AND FOLLOW UP

City staff would report to the Economic and Development Committee on the development of the Business Safety and Resilience Program and the corresponding ordinance before July 1, 2025.

SPONSOR RECOMMENDATION

Sponsors recommend Council advance the resolution.

FISCAL IMPACT

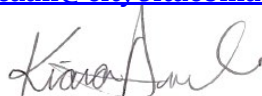
We do not have exact data on the amount of revenue business license fees will generate in the future, as the number of business licenses provided by the City each year can fluctuate. However, we have recent data and projections that we can use to estimate the fiscal impact. Specifically, business license fees generated \$13 million in 2023 and were budgeted to generate \$16.9 million in 2024, \$15.8 million in 2025, and \$15.5 million in 2026. The average amount of these four years is \$15.3 million.

- Based on an average amount of \$15.3 million, the estimated fiscal impact for 2025 is up to \$229,500 and, for 2026, it is up to \$459,000. This data also allows for a general estimate that increasing up to 6% of the business license fees for the 2027-2028 biennium budget would have a fiscal impact of about \$2 million per biennium. In addition, staff time would be required to create and administer the program.

The balanced 2025-2026 Proposed Budget includes the use of these revenues to support Proposed General Fund Expenses. Therefore, the impact of the dedication of revenues in 2025 and beyond will mean a reduction in expenses in the General Fund (including services such as public safety, public works, libraries, etc.). In order to balance the budget through ongoing reductions, staff will work to identify ongoing service reductions that take into consideration the full ongoing impact of the proposals (which is projected to be \$1 million per year by 2027). The expense and service reductions to offset this resolution will be developed as part of the amendment process for the 2025-2026 Budget. Council will consider amendments as part of the first reading of the Budget on November 19.

If you have a question related to the Council Consideration Request, please contact Christina Caan, Policy Analyst, at (253) 219-0679 (phone) or ccaan@cityoftacoma.org.

SUBMITTED FOR COUNCIL CONSIDERATION BY:


 Council Member Kiara Daniels

SUPPORTING COUNCIL MEMBERS SIGNATURES

A handwritten signature in cursive script, appearing to read "Jai S".

1. _____ POS# 3

Mayor's initials Victoria R. Woodards