

COUNCIL CHAMBER, 4:00 P. M.

Monday, July 7, 1958

Council met in regular session. Present on roll call 8; Anderson, Bratrud, Easterday, Goering, Perdue, Porter, Price, Hanson; Absent 1, Humiston.

It was moved by Mr. Anderson, seconded by Mr. Perdue, that the minutes of the meeting of June 30, 1958, be approved as submitted. Motion carried on roll call: Ayes 8; Nays 0; Absent 1, Humiston.

PETITIONS:

Douglas E. Fabry: Submitting petition for rezoning property - lots 5, 9, 10 in Blocks 1 & 2, West View Tracts, from an R-2 District to a C-2 District. Referred to the City Planning Commission. 373

Mayor Hanson said this was the date set for hearing on the petition for the annexation from the Port Commissioners. He explained that the City was served with a Restraining Order about one hour before Council convened, restraining them from proceeding with the hearing.

Marshall McCormick, City Attorney, said this Order would restrain the City Council from holding a hearing on the annexation petition. The hearing on the Restraining Order is scheduled before Judge Kummel's Court at 9:00 A. M. July 14th. Mr. McCormick suggested that the hearing on the annexation be continued until next Monday, July 14, at 4:00 P. M., at the regular Council meeting, which would be after the time set for the hearing on the Restraining Order.

Mr. Anderson asked if it would be possible for the City to take legal action to restrain the County Commissioners from holding a hearing until after the Council has held their hearing.

Mr. McCormick said it could be possible that they might. He said he had talked to one of the members of the Port Commission and he had indicated that the Port Commissioners were looking into the possibility of what action they could take for the purpose of keeping "status quo," not only on the annexation petition filed with the City, but also on the hearing on the petition for the incorporation, until the matter can be determined in Court.

Mr. Anderson said he thought Tacoma would make a grave mistake if they did not stop this incorporation of Tidehaven. He said he thought the City of Tacoma should do everything possible to fight this, even if it does take legal action.

Mayor Hanson said the question before the Council now is, to protect their rights to make a decision before the decision is taken away from them. He said if the Port Commissioners did not move to retain "status quo," until this is determined, he felt the Council should take that action.

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Mr. Anderson then moved that the City Attorney be instructed to take the proper action to preserve the "status quo" in the determination of the priorities of annexation and incorporation of Tidehaven.

It was moved by Mr. Anderson, seconded by Mr. Perdue, that the hearing on the annexation be continued until July 14, 1958, at 4:00 P.M. held at the regular meeting of the City Council in Room 303 in the City Hall, Tacoma, Washington. Ayes 8; Nays 0; Absent 1, Humiston.

Mayor Hanson said there was a Resolution that did not appear on the agenda which should be considered tonight.

It was then moved by Mr. Anderson, seconded by Mr. Bratrud to suspend the rules to consider Resolution No. 15419. Roll was then called resulting as follows: Ayes 8; Nays 0; Absent 1, Humiston.

Resolution No. 15419:

By EASTERDAY:

Authorizing the proper officers to execute an agreement with Lewis County providing for the termination of the construction contract for a new bridge across the Tilton River, and further providing for the payment of costs incurred to date.

Mayor Hanson asked Mr. Barline to outline the problem and the provisions in the agreement.

Mr. Barline said this bridge spans the Tilton River to serve the ^{area} upstream from the point where the Tilton River meets the Cowlitz and about three miles upstream above the site of the Mayfield Dam. In order to have a means of getting across the river, the County built a temporary bridge of the type the Army often has for surplus and use, he added. He said before arrangements were made to put in a permanent bridge, to replace the one that went out, the City applied for its license to build the Cowlitz projects, including the Mayfield project. Lewis County at that time deferred construction on the new bridge and continued to do so until this last spring when the Bailey Bridge was condemned as not being suitable to any heavy traffic. He said the Lewis County officials wanted to get the Bailey Bridge replaced by next fall, because school buses used the span. They were allocated Federal funds so they proceeded with the construction. Mr. Barline said in this agreement, the City agrees to hold Lewis County harmless and to pay all costs that Lewis County would be legally obligated to pay the contractor for the work he has done on the bridge to date. The estimated cost would be approximately \$50,000.00 he said. The City agrees to pay the portion of the cost of a new bridge upstream over and above Lewis County's \$120,000.00 contribution. An upstream bridge, which will not be flooded, will cost between \$250,000.00 and \$275,000.00, he added.

It was then moved by Mr. Anderson and seconded by Mr. Bratrud to adopt the Resolution.

Adopted on roll call July 7, 1958

Ayes 8; Nays 0; Absent 1, Humiston

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Resolution No. 15414:

L I D 2285

By GOERING:

Fixing July 29, 1958 as the date for hearing on L I D 2285 for grading and oil mat surface on So. "D" St. from So. 72nd to So. 74th Sts.; on So. 74th to "D" West to alley, on East "G" from East 88th to East 90th and on East "C" from East 50th to 300 feet south.

Adopted on roll call July 7, 1958
Ayes 8; Nays 0; Absent 1, Humiston

Resolution No. 15415:

L I D 4646

By HUMISTON:

Fixing July 29, 1958 as the date set for hearing on L I D 4646 for grading and permanent type pavement including concrete curbs, gutters and storm water catch basins on So. 72nd Street from Pacific Ave. to So. L Street.

Mr. Rowlands said a portion of this improvement on So. 72nd Street was included in the bond program which was approved by the voters last March. This Resolution is being initiated at the request of the Public Works Department, and will give the property owners in this vicinity the opportunity to decide whether or not they want a permanent type paving. The hearing on the 29th of July will determine if they want a permanent type paving at some contribution by the property owners, rather than having an oil mat street, he said.

Adopted on roll call July 7, 1958
Ayes 8; Nays 0; Absent 1, Humiston

Mr. Rowlands said that since the L I D hearings are set up two or three weeks in advance, and notices have to be sent out by the Departments, "would the Council prefer the meetings in the morning or later in the afternoon?"

It was decided that the afternoon meeting was agreeable to the committee members. It was then moved by Mr. Perdue, seconded by Mr. Anderson, that the L I D Committee meetings be held at 4:00 P. M. in the afternoons.
Roll call: Ayes 8; Nays 0; Absent 1, Humiston.

Resolution No. 15416:

L I D 6754

By PERDUE:

Fixing August 12, 1958 as the date for hearing on L I D 6754 for Street lighting consisting of mercury vapor units installed on existing wooden poles from Hawthorne, Howard, Oxford, MacArthur and Meyers, from 6th Ave. to So. 12th St. and from Geiger St. from So. 8th to So. 12th St.

Adopted on roll call July 7, 1958
Ayes 8; Nays 0; Absent 1, Humiston

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Resolution No. 15417:

By GOERING:

Authorizing the proper officers of the City to appropriate and expend \$30,000.00 or so much thereof as may be necessary from the Storm Drain Construction Fund of 1958 for the purpose of relocating a trunk line from the existing trunk at No. 31st and Monroe Sts. to North 32nd St., approximately 270 feet east of Monroe St. to the existing line in Puget Gulch.

Adopted on roll call July 7, 1958
Ayes 8; Nays 0; Absent 1, Humiston

Resolution No. 15418:

By PRICE:

Authorizing the proper officers of the City to execute a written lease which shall provide that the West Coast Fruit & Produce Company shall lease from the City the premises at 15th and Dock Sts., for the sum of \$130.00 per month.

Adopted on roll call July 7, 1958
Ayes 8; Nays 0; Absent 1, Humiston

FIRST READING OF ORDINANCES:

Ordinance No. 16150:

Establishing temporary registration places within the City for the purpose of registering voters during the fifteen day period prior to the closing of the books for the State Primary and General Elections for this fall.

Mr. Rowlands said in the preparation of setting up these registration places the Legal Department thought that a Resolution would be sufficient, but on checking further into the matter they found that it should be set up by an Ordinance. Therefore, in order to meet the legal requirements in complying with the State Law, this Ordinance should be passed immediately rather than waiting for one week for final reading, he added. Roll was then called on the passage of the Ordinance:

Ayes 8; Nays 0; Absent 1, Humiston

Mrs. Goering explained for the benefit of anyone in the audience that was interested in the "Discrimination Ordinance," that this Ordinance would not be brought up tonight as previously announced, but will be presented on July 14. Due to the Holiday, she said, they did not have enough time to make the changes in the Ordinance.

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FINAL READING OF ORDINANCES:

Ordinance No. 16141: (Postponed from June 23)

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Amending Chapter 6.70 of the Official Code and adding two new sections known as Sections 6.70.030 and 6.70.040 relating to the Utilities Gross Earnings Tax.

Mayor Hanson said that he was opposed to the Ordinance which taxes various items of the Utilities Dept. revenues, beyond what the department receives for the sale of power and water. Taxing the other items, he said, sets a dangerous precedent. The water and power revenues set a clear line of demarcation, and if the Council steps beyond it now, it might take further steps in the future and jeopardize the City's low utility rates, he added.

Mr. Anderson asked Mayor Hanson if he did not believe that other revenues of the Utilities should be taxed and if he thought that the Utilities Dept. should engage in activities that other businesses in Tacoma are engaged in, which are in direct competition, and not pay any tax whatsoever to the General Government, while other firms carrying on a comparable business have to be taxed.

Mayor Hanson said if unfair competition is involved, that should be considered separately, and possibly discontinued.

Mr. Porter said, through all of the hearings and the one meeting with the Utility Board, he also could see no way in which they could pass this Ordinance and have an absolute way of drawing a line.

Mr. Perdue said he thought they have tried to draw a line, making the interpretation clearer, and thought they have come somewhere near it.

Mr. Bratrud said that the sale of hot water heaters, etc., that are being sold by the Utilities Dept., is in direct competition with other dealers in the City that sell nothing but appliances. He doubted whether the City should sell these items. Nevertheless, he thought, as long as the City is in this business he feels the General Government is entitled to that tax.

Mrs. Price said if the Utilities were competing with private business, "why should the Utilities Dept. pay an 8% tax and Business pay just a portion of 1%?"

Mr. Perdue said the 8% if fixed by the charter, "it is only a question of 8% of what, the Council is trying to draw a line," he added.

Mrs. Goering said as a member of the Freeholders Commission, who wrote the Charter, it was their determination at that time that the provision of 8% taxation was a protection to the Utilities against any inroads. When they wrote the Charter, she said, they made it flexible and stated only the general

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terms, and thought there was no harm in spelling out very carefully what is meant by the 8% of the gross. In view of a letter that Mr. Barline had just presented to the Council, Mrs. Goering said she felt that the Ordinance, as drawn, has at least two questions unanswered, and until those points are resolved she felt the Ordinance should be postponed for one week.

It was then moved by Mr. Anderson that the Ordinance be postponed for one week, until July 14, 1958. Seconded by Mr. Bratrud. Carried unanimously on roll call: Ayes 8; Nays 0; Absent 1, Humiston.

Ordinance No. 16145:

Amending Sec. 5.20.180 of the Official Code of the City relative to rates to be charged for the use of the City's Disposal area. The Ordinance was read by title and passed.

Roll call: Ayes 8; Nays 0; Absent 1, Humiston.

Ordinance No. 16146:

Amending the License Ordinance No. 14892 of the City, Sec. 6.33.090 of Chapter 6.33 of the Official Code. (Pawnbrokers limitations)

Mr. Anderson moved and Mr. Bratrud seconded to pass the Ordinance as amended at last week's Council meeting. Roll was then called on the amended Ordinance, resulting as follows:

Roll call: Ayes 8; Nays 0; Absent 1, Humiston.

Ordinance No. 16147:

Amending the Official Code of the City, relating to zoning, by adding a new section to be known as Sec. 13.06.130 (6). Property located at the N. E. Corner of East 72nd and G Street to be included in the "C-2" Commercial District. The Ordinance was read by title and passed.

Roll call: Ayes 8; Nays 0; Absent 1, Humiston.

Ordinance No. 16148:

Vacating a portion of No. Frace St. between North 40th and North 42nd Streets. The Ordinance was read by title and passed.

Roll call: Ayes 8; Nays 0; Absent 1, Humiston.

X Ordinance No. 16149:

L I D 5300

An Ordinance providing for the construction of cast iron water mains in the area bounded by East 52nd St. ; East K St. ; East 54th St. ; East L St. ; East 64th St. ; and McKinley Ave. , together with East 54th and East 56th St. ; from East L to Portland Ave. for L I D 5300. The Ordinance was read by title and passed.

Roll call: Ayes 8; Nays 0; Absent 1, Humiston.

UNFINISHED BUSINESS:

The Director of Public Utilities presented the assessment and assessment roll for the cost of the following improvement: L I D 5297 - Cast iron water mains in East 65th Street from Portland Ave. to East "S" St. produced. Date of hearing set for August 12, 1958. It was moved by Mr. Anderson and seconded by Mr. Bratrud that August 12, 1958 be the date set for hearing on the assessment roll, L I D 5297. Motion carried unanimously on roll call: Ayes 8; Nays 0; Absent 1, Humiston.

This is the date for hearing on the Small Loan Companies, Hotels and Motels, Hospitals and Wholesale Functions, which was set over from the Council meeting on May 5, 1958.

Small Loan Companies:

Mr. Dave McLennan, Assistant Finance Director, said the first item to be taken up will be the Small Loan Companies. He said prior to the passage of Ordinance No. 16076, relating to licenses and taxes, the loan companies were paying a license fee. Under the previous Ordinance they came under the taxable classification of service, but later it was decided to tax them under the general license fee. He said they had several meetings on this matter with the loan companies. Some of the small loan companies could be penalized if the license fee was increase to \$250.00 compared to other cities, while the larger finance companies would be getting off a little cheaper. By applying a service classification, they feel they have a uniform tax program. This would also apply to Hotels and Motels, Hospitals and Wholesale Functions, he added.

Mr. Earl Mann, Attorney representing the Loan Companies in Tacoma, said it would be discriminatory to tax small loan companies when the City is powerless to tax the banks. He said eventually they may be called upon to pay a higher license fee if they didn't pay this tax. He said Spokane does not have a license fee. Portland has a \$100 license fee, and Seattle has a license fee of \$250.00. He said the Companies that he represents agree that a flat fee would be equitable, but was sure they would agree that a fee of \$250.00 would be too high. This would be much more than the City would receive on the basis of the B and O Tax, he added. He said he was sure that the Companies that he represents would not object to a \$50.00 increase on their license.

Mr. Anderson suggested that the fee for small loan companies be raised from \$50.00 to \$100.00.

Hotels & Motels:

Mr. McLennan said that they did not make any change whatsoever in the Ordinance pertaining to Hotels & Motels, but were merely clarifying the

Ordinance. He said in the past the Hotels & Motels have not been reporting their tax to the City consistently. Some have, and others have been following the State procedure.

Mr. A. H. Hanson, operator of the Olympus Hotel, said he was not disputing the fact that perhaps they should be in a service classification, but he thought the service classification should be taxed on the same level as a retail sales. He said they provide services such as Bell Boys, Porters, Maids, etc. He didn't think they were being taxed equitably in comparison with the retail merchants. He said these additional burdens are driving merchants out of business.

Mr. Creso, owner of the City Center Motel, presented a letter to Council stating that the tax and license structure be studied and evaluated. He asked that Council reconsider its previous decision and leave the B & O Tax on Motels and Hotels at .1 of 1%.

Mr. Rowlands said this new Ordinance, which was passed last March, does not in any way affect the service category of Hotels and Motels. However, through inadvertance and misunderstanding, some of the Hotel and Motel operators in the past have been reporting incorrectly. Some have been paying on the basis of service and not on sales. This new Ordinance merely reiterates and clarifies this particular category.

Hospitals:

No one appeared in reference to Hospitals.

Wholesale Functions:

Mr. Dave McLennan explained the purpose of this wholesale function on the tax structure is based on large retail concerns buying large quantities for use of two or more of their own stores and making transfers of merchandise from one outlet to another. The wholesalers will be charged a transaction tax even though no change of title or ownership occurs, he stated.

Mr. Magnuson, Comptroller from the Sears and Roebuck Co., said he was asked to come down as an observer and to determine what the tax was all about. He said, since they have a warehouse serving their main store, he assumed they would fall under this classification. Inasmuch as their Tax Department has not had an opportunity to review this, he asked if this could be held over to one week to allow their attorney sufficient time to look into the matter.

Mr. Anderson then moved that this matter be set over until July 21, 1958, seconded by Mr. Easterday. Motion carried on roll call: Ayes 8; Nays 0; Absent 1, Humiston.

Mr. Rowlands explained that it has been brought to his attention there was a new device, called "tested recipes," that has been placed in various establishments of the City. He said the player inserts 25¢ in the machine and receives a chance to win from \$1.00 to \$10.00 in merchandise. From the Police Department's standpoint the payoff has been in money, if they happen to get the recipe with the lucky number, rather than in merchandise.

Chief Kerr asked the Council what their policy is on these particular machines.

Mr. Anderson asked that Chief Kerr get additional information on this matter and report back to Council next Monday, so that they might get a clearer picture of the machines.

Mr. Easterday asked if Tacoma is getting any revenue on the punchboards that are placed throughout the City.

Mr. Rowlands said they were not, but said that would be a determination for the Council to make.

Mr. Easterday then asked that an Ordinance be brought in next week licensing Punch Boards similar to what they have in Seattle.

There being no further business or comments from the audience, the meeting adjourned at 6:40 P. M.


President of City Council

Attest:


City Clerk