



## **NENC Board Meeting Agenda**

**June 1, 2015 – 6PM**

**University of Puget Sound – Trimble Forum**

### **1. Call to Order 6:06, Adoption of Agenda**

Rachel Cardwell (RC): propose an amendment. additional pt. between 5 & 6 to review letter, discuss July & August Meeting, innovative grant proposals.

### **2. Introductions & Welcome**

Rachel Cardwell (RC), Jennifer Halverson Kuehn (JHK), Anna Petersen (AP), Jim Merritt (JM), Morf Morford (MM), Jim Lovejoy (JL), Kyle Price (KP) [Quorum present], Bea Christoferson arrived 6:13, Erica Nelson arrived at 6:18

Names of those in attendance who signed in: Rich Langsford, Dee Mitchell, Judith Erickson, Lari B. Ryan, Beverley Dallman, Bob & Virginia Lane, Morgan King, William King, Kathleen King, Kristin King, Jennifer Wynkoop, Donna Van Cleef, Philip Cowan, Mitch Robinson, Bryan Flint, Beverly Ibsen, Anders Ibsen, Nicki Tollefson, Karen Meisenburg, Emily Taylor, Lynn Whitener, Chris Reynolds, Rick Baird, Chris Gleason, Debbie Hill, Joy Brewer, Gail M. Caldwell, Don Stodola, Paula Varner, Kathryn Whitacre, Ellen Peter, Kelly Hale, Doug Miller, Peter Jung, Michael Lafreniere, Meredith Neal, Erik Neal, Megan Boly, Brandon Cardwell, Mollie Robertson, Erik Brotman, Angeliko (Angie) Lokotz, Jolie Knudtson, Kris Anderson, David Kenworthy, Cheryl Maplestove, Monique Trudnowski, Trixy Dorn, Tara Doyle-Enneking, Kevin Sanders, Brenda Sanders, Jill Sousa

### **3. Approval of Minutes**

RC move to accept w/ changes from AP. Kyle seconded. All in favor, Passed

### **4. Treasurer's Report**

Anna Petersen (Treasurer): May beginning balance \$17,113.84. Membership fees for 6th Ave Business District, Proctor District Association, Proctor Arts Fest \$16,949.84 w/ \$100 outstanding check.

- a. request for Art on the Ave for \$500
- b. RC move to sponsor Art on the Ave, Kyle Second, all passed

## 5. Programs

### a. Accessory Dwelling Units, Attached and Detached

Kyle introduced Elliot Barnett (EB), 591-5389, [elliott.barnett@cityoftacoma.org](mailto:elliott.barnett@cityoftacoma.org)

POWERPOINT: Affordable Housing Planning Work Program (work 3)

EB: Says he lives in the area, but is here as a city planner.

Affordable housing a big issue. 4 or 5 years ago, the City Council took on housing affordability. Looking at neighborhood patterns, zoning is something that determines what you can do where. We have a mix of different lot sizes and housing types. Most are Single Family detached, but not all. Zoning from the 1950s largely still in place.

We're looking at a few proposals. Asking "What's missing from our zoning code?"

Answer: Missing middle housing: Duplex, Triplex & Fourplex, Courtyard Apt., Bungalow Court, Townhouse, Multiplex, Live/Work. Staff has been looking at a package of Infill strategies. ADU, Small Lots, Denser housing type in single family zones, cottage housing, planned residential districts.

1. Lot size flexibility options-we're looking to not increase density, but alter lots, more clustering possible feasible.
2. Special Review Districts, 3500 sf lots, CUPS for 2 and 3 family
3. Pilot Residential Infill Program:
  - a. design review process
  - b. get some good examples built and come back and make sure code reflects that.
4. Planned Residential Districts Updates
5. Affordable Housing Incentives

Summary: Public Review in July-August. Proposals should be released in mid-July and welcome comments.

Kyle: Most people can name a detached dwelling in their neighborhood that is horrible and the City hasn't proved themselves capable of dealing with enforcement. How will that be addressed in the this case?

EB: Illegal dwelling - falls to Code Enforcement. Hoping to create a legal means to meet increased demand, applications can be denied if they don't meet criteria. We'll have a lot more certainty going forward.

Q1: Neighborhood Parking-- Will City of Tacoma paint curbs at driveways, corners, fire hydrants, and enforce parking regulations currently "on the books"? City of Tacoma does not enforce parking now.

EB: There is not a parking enforcement component to this. If this is something you think is important we need to hear that.

Q2: How does one become involved with the growth management process?

EB: On a local level, we would love your input.

Q3: Can a garage be transformed into an accessory dwelling unit with current city building code?

EB: Inside your house, yes. You can only have a detached unit in our higher density areas

Q4: Who is directly involved w/ Growth Management in Proctor Area?

EB: Council members, Planning office (city scale, no dedicated planner).

Q5: Does the city follow the philosophy of “get some good examples” and “perfect the code” in other developments i.e. apartment buildings, condos, etc.?

EB: Important to make sure the first few examples are good. Taking it from the playbook of other communities that we haven't yet tried here.

KP: How does someone go about making comment?

EB: Give me a call, send me an email. Info will be out there, where public comment will be sought.

RC: Can we be on your list when it's available for review? EB: yes.

? What are you doing for outreach?

EB: We do... but always a challenge. Contact all the organizations we know of, but it's most helpful if people take an interest.

KP: Please go to our website.

Marilyn Strickland: talk about mailers...

EB: Public hearing notices are sent to stakeholders and anyone who requests it.

Q: notification in the newspaper?

EB: Yes, and usually they pick it up.

Bea (6:36 PM): How do people who want to bring the height back down to 40 ft, instead of 60 ft make that happen?

EB: Contact us with your feedback, and we'll take it into consideration.

Jim Merritt: 6:38. Timing of input. I think the City should consider changing that time to Sept. and Oct., which is when families back from vacation are focused.

EB: We are off our typical schedule. Discussion will go through to December when it goes before council, but our planning commission is taking it up this summer.

#### **AUDIENCE SUBMITTED QUESTIONS:**

- What is the meaning of the “Proctor Station” and when and why was it coined?

- When can we discuss the height issue in Proctor?
- May we discuss the Proctor development--keeping height to 45', parking issues, traffic?
- Enforcement of traffic laws: i.e. speeding + failure to stop at stop signs, parking, more than 24 hours on residential streets.
- Does the city follow the philosophy of "get some good examples" and "perfect the code" in other developments i.e. apartment buildings, condos, etc.?
- What does the concept of Accessory Dwelling Units mean?
- Can a garage be transformed into an accessory dwelling with current city building codes?
- How does one become involved with the growth management process?
- Neighborhood Parking-- Will City of Tacoma paint curbs at driveways, corners, fire hydrants, and enforce parking regulations currently "on the books"? City of Tacoma does not enforce parking now.
- What are the boundaries of Proctor District?

## **b. The future of Click! Cable TV**

6:41: RC solicits for questions.

Rachel Cardwell: Thank you for joining us. Council has invited members from our community and our council to discuss this issue. Ground rules: introduce yourself. Each person given 3 minutes to "freestyle," then launch into the questions. No time limits on follow up questions, but I will move us along if taking too long.

**Monique Trudnowski:** Volunteer TPU Board Member:

I love Click! Click is not one entity. Click the network belongs to all of you. It's an asset, that Tacoma owns and we lease many of our assets to other groups. Wire and transmitters all around us. TPU Board Members must decide to be a retail cable company and manager of our asset of fiber optic network. I'm of the mindset, 1) Click the name means business and is an asset, 2) affects not only citizens of Tacoma, but people who have franchise agreements w/ us, 3) We're volunteers and we're here to hear what you have to say.

**Mayor Marilyn Strickland:**

History of Click, and need to leave early to hit urban waters by 7:30. TPU went under a branding process-- Click was unveiled to the response, "it's gold." As account manager, that's what's going to give the brand value. People in Tacoma have great pride in click. 15 years ago, we had poor cable television that was overpriced and came w/ poor customer service. Fast forward to today, if you want to participate in society, you need to have access to the internet. As a policy maker: do the people we represent have the best product possible?

**City Councilmember Anders Ibsen:**

Clear that people have pride in Click. Technology is a key role in many goals. Internet is a crucial piece of infrastructure, and is currently a public utility. Click is unique, and was created to augment Tacoma Power. Legitimate public policy concerns which must be worked out. People have a lot of questions and transparency is important. This is a public asset.

**Mitch Robinson, Tacoma resident:**

Not an elected official. N. End resident. Used to work at Click, currently marketing exec. Really conflicted about this. I interacted with Wave execs a lot. Smart, technically competent people. There are 100 cities that run their own cable, and it bothers me that we're not looking at how these other cities are successful--Tacoma has yet to figure out how to do this. Chattanooga, TN, Frankfort, KY, has figured it out. Click is no different from Pt. Defiance, Tacoma Dome, in that maybe not everyone uses it, but it certainly enhances our community. Once we give it up, it will be gone forever. The next guys will be looking to maximizing profit, which will translate to loss of control.

**Bryan Flint, TPU Board Vice-Chair:**

Vice Chair, Tacoma Utility Board. Lived in Tacoma for 15 years. Walked to meeting. Believe internet is essential to society. Hospitals pitching doctor access over computer. Becoming more essential every day. Currently at crossroads: Keep Click, or Lease Click. Fiber-optic network created for smart meters. Those meters are now wireless and fiber optic is no longer needed for that use. WE have an over built network and Click can't cover those costs moving into the future. 23rd, 2nd joint study session w/ council to further discussion. End of July closer to decision. New business plan will look at a more sustainable model, and answer who pays for this.

Launching into questions: 6:58 PM

**Q1: Should the city/utility be involved w/ competing against the private sector?**

- Mayor Strickland: If it's good for the public, absolutely. PSE offers utilities, and so do we. Public transportation, we pay for those, and when people pay fares, we recover 20% of that. The rest is subsidized. Is there enough value...
- Monique Trudnowski: Is the internet a right? No. Heat, or electricity, yes. But cable television, no. Private sectors cannot incentivise or reward good community service.
- Anders Ibsen: What gives best results for the rate paid. Timely and affordable access to the issues you care about.
- Mitch Robinson: Big believer in competition. In most places in US, there is one cable provider. My fear is WAVE could close and walk away and we'd be left with once choice. Competition: things are better for everyone. Better service, better choices.
- Bryan Flint: Important for the people to have a choice.
- Mayor Strickland: Cable television is a necessity: elder mother who is ESL, gets her news and info from tv. Has an important function to many people.
- Anders Ibsen: Fact of the matter is we're talking about both internet and television components.

- Mayor Strickland: Consultants advised that if we got into the market, there is value in bundling.
- Mitch Robinson: Everyone sells high speed directly. Local ISPs, haven't paid to play.

**Q2: Are there other cities or utility owned cable systems? How many and how are they doing, and are they modeled exactly like Click.**

- Bryan Flint: Kansas City conference on gigabyte technology. Chattanooga got fed funds and put in 2M dollars, Kansas City did it b/c Google paid for it. Internet is just a tool. Kansas City got their act together and put together a plan to connect more people with the internet.
- Mitch Robinson: Chattanooga serves 71,000 homes. Margin is in high speed business. Imagine calling Click and saying I want cable and internet, and being told they can do cable but for internet they'll need to call one of 3 ISP.
- Anders Ibsen: Privilege and challenge of being one of the first cities that are doing this.
- Mayor Strickland: We have to look at the cost. Chattanooga spent a lot of public money. Provo, UT- sold system to Google for \$1. As we talk about this, we need to consider what investment will be required, and what policy will we be okay with knowing what that means? How do we ensure there is enough competition to ensure people have choices and the market is competitive. Thank you, I need to go to Minimum Wage Task Force.
- Monique Trudnowski's response to Mitch Robinson: Dealing with multiple providers isn't complicated. We have no members providing public comment. 100 cities: 1) amount of investment, where is that going to come from? You want increased property taxes? okay. 2) we are bound by our state legislature. We wish google would come in here, but they're not.
- Anders Ibsen: Benefit of our current situation, is that the bulk of the investment has already been made. Tacoma Power is in a good position to make future investment with their excellent bond rating. Just need to connect the fiber to people's homes.

**Q3: Speed seems to be a pretty big concern for customers, both residential and business. What do people want and is this even part of the issue?**

- Mitch Robinson: When people are talking about speed, what they want is a good experience. It's not speed, it's how the network is made and how it's paid for. Most people can get everything they want with lower speed.
- Monique Trudnowski: Cost of service is important to economic development. We need to protect our contracts with other cities.
- Anders Ibsen: Public Utility cares about the public. Would Comcast have a townhall soliciting public input? Streaming media and cloud computing might become more important to more people. Taking advantage to economies of scale.

**Q4: We hear a lot about cord cutting, people leaving cable. Is this a problem that click is impacted by or will be as technology changes? What does technology have in store for us?**

- Bryan Flint: One thing I learned at our briefing a couple years ago, we need to build some flexibility into our business model. Info wants to travel and best place is a fiber system.
- Mitch Robinson: Smart cable tv system, they're okay with people leaving cable but keeping internet. Let the customer do what they want. Why does WAVE want to be in the market? Market share gain.
- Anders Ibsen: Change happens, but many people don't change their habits. Would be abrupt if we severed cable television. People's quality of life and ability to access the world.
- Monique Trudnowski: Cord cutting is a real phenomenon. MR, you made my example--private sector has the ability to be nimble, government does not.
- Mitch Robinson: I disagree.

**Q5: I realize we probably don't have all the information, but you've all touched on cost. As a community, whichever route we take, there is going to be a cost. How do we make sure we know what that cost will be?**

- Monique Trudnowski: A couple ways. Study sessions, and joint study sessions. There are a lot of options out there. Help us examine the options we review.
- Anders Ibsen: Necessary cost is process. WAVE proposal letter, negotiations have been going on since August. Average citizen needs to be able to have faith in what they're hearing. We haven't had that so far. Why aren't we starting from an educated value-driven process?
- Bryan Flint: Agree with Anders, but also agree process is working as messy as it is. We are in charge of getting into the details the council can't. Real cost \$5.5 M and anything to upgrade is on top of that.
- Mitch Robinson: It's not that easy to make a 4PM study session.
- Anders Ibsen: Financial Statement for 2014 for Click- \$7.5 Million, profit. Loss, 1.5 million. Wasn't able to get that number from staff, but from citizen making freedom of information request.
- Monique Trudnowski: Would love to see those emails. TPU board meetings start at 6:30. process is open.

Rachel Cardwell states we are at the end of the prepared questions and would like to move on to those submitted by the audience members which number 33. I will list those questions (in no particular order), but did not capture responses due to length of meeting and low battery on computer. Meeting was recorded and can be viewed here: <http://youtu.be/gMfBVIMGjQc>.

- Q1: Accounting can prove or disprove everything. Why won't Click work?
- Q2: Who designed the recent telephone poll, and who paid for it?
- Q3: How much has Click raised prices over the last 2 years? Could these price increases be to blame for the loss of 3,000 customers?
- Q4: Why are there so many areas in Tacoma & vicinity (Ruston, various apt. complexes etc) not being served by Click due to "contracts with Comcast?"

- Q5: Click's own "official financial statements show \$7.5 million in gross earnings in 2014, yet the policy makers and the media were all told that Click was losing \$9 million. Did TPU management ever show the policy makers the "official" statements and the good news contained in those real numbers?
- Q6: Shifting 96% of the telecommunications plant's operating and maintenance costs onto Click means Tacoma Power pays just 4%. Ask yourself "What would it really cost Tacoma Power to run the telecommunications plant without Click?" Since Click employs 92 people, could it really be run with just 4% of that number or 3.74 people? When viewed in this context, maybe the current 75/25 cost allocation is fair?
- Q7: Why doesn't Click offer service in all of TPU footprint?
- Q8: If we lease Click, what is to prevent Comcast from later acquiring that company by acquisition, thus becoming a monopoly like so many other areas of the country?
- Q9: Wouldn't it be better to build out the system and sign up large apartment complexes? We have a great beginning for a municipally owned system--we need reasons it won't work. Why?
- Q10: F.A. Hayck observed "the curious task of economics is to demonstrate to men how little they really know about what they imagine they can design." So how are we confident that keeping Click with the city won't amount to future taxpayer losses?
- Q11: Why can't city keep Click infrastructure, offer internet only, ditch TV... market trends prove citizens are watching tv online, ditching cable tv (as well as land lines - dinosaurs).
- Q12: With the consolidation of cable, will there be provisions to ensure that the organization that runs Click remains a competitor with the other cable provider?
- Q13: Do subscribers [?] achieve re ISP?
- Q14: After all the misdirection efforts by TPU management we have to ask ourselves the question, "Is click the problem or is it TPU management?" Maybe we need leadership that is not running off customers then pointing to the declining customer base and claiming Click is a big loser. Will the city council and TPU Board say that enough is enough and stop the madness by cleaning house?
- Q15: If Click network was really losing money, why would a private company want to run it? Difference in economy of scale seems minimal, meaning the only way to turn a profit would be the raise rates and cut jobs and service quality.
- Q16: Which wireless technology would the "new" electrical meters use? Wifi, cellular? In the event of a disaster like the windstorms from 10 years ago, how would wireless function then?
- Q17: Wave is not a local company. It is owned by a hedge fund out of CA and a TX billionaire. Why does the mayor + TPU keep referring to Wave as a local company?
- Q18: Why not disconnect Wi-Fi from "Click" and "grow" the Wi-Fi with 1 GIG for all of Tacoma as a public utility?
- Q19: How much did TPU earn last year? In profit?
- Q20: I read in the paper that Click earned \$7.5 million in gross profit, is this true? Is click paying its operating & maintenance costs?

- Q21: Have you looked at Docsis 3.1 technology? This would allow highly competitive gigabit speed, and would attract big tech.
- Q22: There is evidence that costs have been dumped into “click’s” expenditures that have nothing to do with Click--except for giving the opportunity to raise prices. Isn’t this an arbitrary & deliberate attempt to give credence to the idea of unprofitability and thus the sale of our Tacoma owned network? What is management thinking?
- Q23: The former click manager left to go work for Wave. Isn’t it improper for TPU to have had secret negotiations with Wave? Why hasn’t this been an open process?
- Q24: What is “Plan-B”? is it working and ahead of schedule? Are Click’s sales growing?
- Q25: As the Wave deal has expired, can we put this leasing prospect to rest?
- Q26: Are we now utility customers subsidizing Click? Would we continue subsidizing Click?
- Q27: In 1997 Light Super Steve Klein appeared before the City Council and said the telecommunication system was built primarily to “provide a state-of-the-art fiber optic tech to support enhanced electric system control, reliability, and efficiency. If so question how section 4.6 of the charter not apply to the disposition of this part of the power utility.
- Q28: Because I am a resident of Tacoma, should I be using CLICK instead of comcast? Am I paying double (through my utility bill for CLICK, that I own as a resident) and for Comcast? Do other internet providers use the CLICK fiber optic lines?
- Q29: Let’s say we sell “click” - how do we know that the “new” owner won’t sell to Comcast?
- Q30: TU Tacoma, TUW, UW TV, News. How are these cable TV services considered entertainment?
- Q31: How much more \$ would it cost to have Click network offer internet connection at the same price and speed as google fiber? 1 Gbps/\$70 month/ with TV for \$130/month.
- Q32: Regarding the question of competition, we already have competition. Anyone can get Comcast or Direct TV if they want. Use the example of Chattanooga, TN to build on what we have! What exactly can we do to build a system- has this been thoroughly investigated? \*Comment on policy choice: Not true that the choice in between private and public utilities. Public services do not make a profit- what they do is provide the INFRASTRUCTURE for people to conduct business.
- Q33: One of the problems that has been cited with Click is lack of purchasing power to negotiate agreements with major networks. Has click explored developing a partnership with the other 100 cities to have more negotiating power with major networks?
- Q34: Why did TPU enter into a secret non-disclosure agreement w/ WAVE in August 2014 and keep the council and TPU Board in the dark until just recently? What kind of transparency is that?

TWO Amended business items:

- I. Letter requesting the City establish a Design Commission.
  - a. Jim Merritt: letter has been completed, signed and will be sent to Chair. Letter reviewed at June's meeting.
  - b. Bea noticed grammatical error in P2.
  - c. Suggestion from audience member that a sentence be added to reference the Mayor's comment of whether the people are getting the best product.
  - d. Anna Petersen: not comfortable with letter. I voiced this last month. We are in favor of design guidelines, not a design commission. This letter is going to the wrong place at the wrong time, asking for the wrong thing. Before anything goes to planning commission, it goes to staff. Staff reviews if a project meets design guidelines and sends it back if it does not.
  - e. Jim Merritt: design commissions in other cities work with the community defining the guidelines first.
  - f. Kyle Price: I don't feel well-versed in many of these topics... I know there is something of a design commission in place in the North Slope, that works very well.
  - g. Rachel Cardwell says she isn't comfortable asking for a moratorium on all building throughout the city. Some areas of town may welcome the type of development happening in Proctor. That is for them to decide.
  - h. JHK requested that letter be tabled until we heard a presentation from Mr. Merritt on current building protocol, and how a design commission would fit into it. Anna mentioned that staff reviews applications for new development, so when would a design commission see that application--before or after staff? Who would be on commission? Who would they be advising? Who would be appointing them? What guidelines would they use to approve/reject a project?
  - i. Jim Merritt offered to edit current letter.
  - j. Anna Petersen said she'd be willing to support something asking for design guidelines, but not a letter asking for design commission.
  - k. Jim Merritt said a commission is necessary because we don't have clear direction from the city.
  - l. Kathryn Whitacre (resident) says she thinks the letter is great start and that we should just send it. Good to start someplace and not lose momentum.
  - m. Rachel Cardwell responded and said that the details actually matter very much, because without a clear ask, the City can put a process in place that may or may not bring a voice to the citizens on matters of design.
  - n. Jenn Halverson Kuehn makes a motion to table the letter until we've had a chance to hear a presentation on current process and how the proposed commission would fit into current process.
  - o. Discussion included modifying the language to edit out the more controversial language and steer it towards an ask of design guidelines. Jim believes however that there isn't clear direction from the City and that a design commission is needed.
  - p. Put to a vote: The Motion passes with 6 Yays and 1 Nay (Bea C.)
  - q. Suggestion of having a work committee to discuss contents of the letter. JHK said she'd send out a doodle poll so that people could opt in to such a discussion. Conversation

around whether that work committee should meet before or after Jim Merritt presents to neighborhood council on city's current process and his vision for design commission. Consensus was presentation should happen first so that the work committee drafts language of letter that reflects majority opinion of the group.

## II. July/August Meeting

- a. Discussion around focusing our July Meeting on Innovative Grants. Wait until July Meeting to decide if August meeting is necessary.
- b. Motion to move July meeting to second Monday in July, Seconded, Passes by all.

Motion to adjourn at 8:54 PM, Seconded, Passes by all.

Decision to move Bea's community council report to next meeting.

\*\*\* Respectfully submitted by Jennifer Halverson Kuehn (Secretary)