

SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor
Seattle, WA 98104



Journal of the Proceedings of the Seattle City Council

Monday, June 5, 2017

2:00 PM

Council Chamber, City Hall
600 Fourth Avenue
Seattle, WA 98104

Full Council

Bruce Harrell, Council President

Sally Bagshaw

Tim Burgess

M. Lorena González

Lisa Herbold

Rob Johnson

Debora Juarez

Mike O'Brien

Kshama Sawant

Chair Info: 206-684-8804; bruce.harrell@seattle.gov

A. CALL TO ORDER

B. ROLL CALL

Present: 5 - Bagshaw, Burgess, González , Harrell, Johnson

Excused: 1 - Sawant

Late Arrival: 3 - Herbold, Juarez, O'Brien

C. ADOPTION OF INTRODUCTION AND REFERRAL CALENDAR

[IRC 115](#)**June 5, 2017**ACTION 1:

Motion was made and duly seconded to adopt the proposed Introduction and Referral Calendar.

ACTION 2:

Motion was made by Councilmember Johnson and duly seconded, to amend the proposed Introduction and Referral Calendar by introducing a Council Bill, and by referring it to the Full Council.

AN ORDINANCE relating to education; amending Ordinance 125207, which adopted the 2017 Budget; changing appropriations to various departments and budget control levels, and from various funds in the budget; and approving amendments to an Implementation and Evaluation Plan originally approved by Ordinance 123834, as required by Ordinance 123567; all by a 3/4 vote of the City Council.

Councilmember Herbold entered the Council Chambers at 2:04 p.m.

Councilmembers Juarez and O'Brien entered the Council Chambers at 2:06 p.m.

The Motion carried, Council Bill 118994 was introduced and referred by the following vote:

In favor: 6 - Bagshaw, González, Herbold, Johnson, Juarez, O'Brien

Opposed: 2 - Burgess, Harrell

ACTION 3:

Motion was made by Councilmember Juarez, duly seconded and carried, to amend the proposed Introduction and Referral Calendar, item 27, Council Bill 118993, title, by adding Seattle Municipal Code Section "7.24.060" before "7.24.070."

Council Bill 118993, AN ORDINANCE relating to residential rental properties; amending Sections 7.24.060, 7.24.070 and 7.24.080 of the Seattle Municipal Code; requiring that landlords provide information to tenants about how to register to vote and how to update voter registration information.

ACTION 4:

Motion was made by Councilmember O'Brien, duly seconded and carried, to amend the proposed Introduction and Referral Calendar by introducing Appointments 744 through 747, and by referring them to the Sustainability and Transportation Committee.

Appointment 744, Reappointment of Angela Davis as member, Seattle Pedestrian Advisory Board, for a term to March 31, 2019.

Appointment 745, Reappointment of Paul Muldoon as member, Seattle Pedestrian Advisory Board, for a term to March 31, 2019.

Appointment 746, Reappointment of Gordon Padelford as member, Seattle Pedestrian Advisory Board, for a term to March 31, 2019.

Appointment 747, Appointment of David Seater as member, Seattle Pedestrian Advisory Board, for a term to March 31, 2019.

ACTION 5:

Motion was made and duly seconded, to adopt the proposed Introduction and Referral Calendar as amended.

The Motion carried, and the Introduction & Referral Calendar (IRC) was adopted as amended by the following vote:

In Favor: 8 - Bagshaw, Burgess, González, Harrell, Herbold, Johnson, Juarez, O'Brien

Opposed: None

D. APPROVAL OF THE AGENDA

Motion was made, duly seconded and carried, to adopt the proposed Agenda.

E. APPROVAL OF THE JOURNAL

There were no Minutes presented for approval.

F. PRESENTATIONS

There were no Presentations.

G. PUBLIC COMMENT

Mike Leake addressed the Council regarding Agenda item 1, Council Bill 118965.

Gurdev Mann addressed the Council regarding Agenda item 1, Council Bill 118965.

Aj Handa addressed the Council regarding Agenda item 1, Council Bill 118965.

Husik Harutyunyan addressed the Council regarding Agenda item 1, Council Bill 118965.

Mackenzie Chase addressed the Council regarding Agenda item 1, Council Bill 118965.

Estela Ortega addressed the Council regarding Agenda item 1, Council Bill 118965.

Bianca D. addressed the Council regarding Agenda item 1, Council Bill 118965.

Tina Lin addressed the Council regarding Agenda item 1, Council Bill 118965.

Sophia Harrison addressed the Council regarding Agenda item 1, Council Bill 118965.

Leika Sazamura addressed the Council regarding Agenda item 1, Council Bill 118965.

Sebrena Burr addressed the Council regarding Agenda item 1, Council Bill 118965.

Jim Krieger addressed the Council regarding Agenda item 1, Council Bill 118965.

Mollie Grow addressed the Council regarding Agenda item 1, Council Bill 118965.

Pete Lamb addressed the Council regarding Agenda item 1, Council Bill 118965.

Tammy Nguyen addressed the Council regarding Agenda item 1, Council Bill 118965.

Jennifer Cue addressed the Council regarding Agenda item 1, Council Bill 118965.

Rachel Tefft addressed the Council regarding Agenda item 1, Council Bill 118965.

Gurdev Singh addressed the Council regarding Agenda item 1, Council Bill 118965.

Victor Colman addressed the Council regarding Agenda item 1, Council Bill 118965.

Alex Tsimmerman addressed the Council regarding a non-related Agenda item.

Lily Wilson-Codega addressed the Council regarding Agenda item 1, Council Bill 118965.

Nina Jurczynski addressed the Council regarding Agenda item 1, Council Bill 118965.

Simon Adler addressed the Council regarding Agenda item 1, Council Bill 118965.

Marguerite Richard addressed the Council regarding Agenda item 1, Council Bill 118965.

Erik Chastain addressed the Council regarding Agenda item 1, Council Bill 118965.

Stephanie Lennon addressed the Council regarding Agenda item 1, Council Bill 118965.

Martha Montoya addressed the Council regarding Agenda item 1, Council Bill 118965.

Erik Chastain addressed the Council regarding Agenda item 1, Council Bill 118965.

Paula Revere addressed the Council regarding Agenda item 1, Council Bill 118965.

Kyla Blair addressed the Council regarding Agenda item 1, Council Bill 118965.

H. PAYMENT OF BILLS

[CB 118988](#) **AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.**

Motion was made and duly seconded to pass Council Bill 118988.

The Motion carried, the Council Bill (CB) passed by the following vote, and the President signed the Bill:

In Favor: 8 - Bagshaw, Burgess, González , Harrell, Herbold, Johnson, Juarez, O'Brien

Opposed: None

I. COMMITTEE REPORTS

AFFORDABLE HOUSING, NEIGHBORHOODS, AND FINANCE COMMITTEE:

1. [CB 118965](#) **AN ORDINANCE imposing a tax on engaging in the business of distributing sweetened beverages; adding a new Chapter 5.53 to the Seattle Municipal Code; and amending Seattle Municipal Code Sections 5.30.010, 5.30.025.K, 5.30.060.C, 5.55.010, 5.55.040.A, 5.55.060.A, 5.55.150.E, 5.55.165, 5.55.220, and 5.55.230.A.**

The Committee recommends that Full Council pass the Council Bill (CB) as amended with a Divided Report.

In Favor: 5 - Burgess, Johnson, O'Brien, Bagshaw, González

Opposed: 2 - Herbold, Sawant

ACTION 1:

Motion was made by Councilmember Herbold and duly seconded, to amend Council Bill 118965, Seattle Municipal Code Sections 5.53.020 and 5.53.030.B.2, as shown in the underlined and strike through language below:

Seattle Municipal Code Section 5.53.020

“Sweetened beverage” includes all drinks and beverages commonly referred to as soda, pop, cola, soft drinks, sports drinks, energy drinks, sweetened ice teas and coffees, and other products with added caloric sweeteners including but not limited to juice with added caloric sweetener, flavored water with added caloric sweetener, and non-alcoholic mix beverages that may or may not be mixed with alcohol or any other common names that are derivations thereof. “Sweetened beverage” does not include any of the following:

~~((1. Any beverage in which natural milk is the primary ingredient, in other words, the ingredient listed first in the product ingredient list; or in which water and grains, nuts, legumes, or seeds constitute the first two ingredients in the product ingredient list;))~~

~~((2.))~~ 1. Any beverage for medical use;

~~((3.))~~ 2. Any liquid sold for use as a meal replacement for weight reduction or other purposes;

~~((4.))~~ 3. Any product commonly referred to as infant formula or baby formula;

~~((5.))~~ 4. Any alcoholic beverage;

~~((6.))~~ 5. Any beverage consisting of 100 percent natural fruit or vegetable juice with no added sweetener. For the purposes of this definition of “sweetened beverage”, natural fruit juice and natural vegetable juice mean the original liquid resulting from the pressing of fruits or vegetables;

~~((7.))~~ 6. Any concentrate that the consumer combines with

other ingredients to create a beverage;

~~((8-))~~7. Any beverage that contains fewer than 40 calories per 12-ounce serving; or

~~((9-))~~8. Sweetened medication such as cough syrup, liquid pain relievers, fever reducers, and similar products.

Seattle Municipal Code Section 5.53.030.B.2

B.

1. For sweetened beverages that the Director has certified to have been manufactured by a manufacturer with worldwide gross income of more than \$2,000,000 but less than \$5,000,000 in the prior calendar year, the tax rate shall be \$0.01 per fluid ounce of sweetened beverage the distributor distributes. In order for a sweetened beverage to be eligible for the rate under this subsection 5.53.030.B.1, the manufacturer must apply to the City for certification according to rules established by the Director.

2. For all other sweetened beverages, the tax rate shall be ~~((0.0175))~~\$0.0125 per fluid ounce of sweetened beverages the distributor distributes.

The Motion failed by the following vote:

In favor: 2 - Herbold, Johnson

Opposed: 6 - Bagshaw, Burgess, González, Harrell, Juarez, O'Brien

ACTION 2:

Motion was made by Councilmember Harrell and duly seconded, to amend Council Bill 118965, Seattle Municipal Code Sections 5.53.020 and 5.53.080, as shown in the underlined and strike through language below:

Seattle Municipal Code 5.53.020

“Beverage dispensing machine” means a fountain drink machine, a device that combines concentrate and carbon dioxide with chilled water or other liquid, or other refrigerated beverage machine used to serve sweetened beverages.

“Hand-crafted beverage” means any non-alcoholic beverage made by hand by the retailer using a concentrate, and not dispensed by a beverage dispensing machine.

“Sweetened beverage” includes all drinks and beverages commonly referred to as soda, pop, cola, soft drinks, sports drinks, energy drinks, sweetened ice teas and coffees, and other products with added caloric sweeteners including but not limited to juice with added caloric sweetener, flavored water with added caloric sweetener, and non-alcoholic mix beverages that may or may not be mixed with alcohol or any other common names that are derivations thereof. “Sweetened beverage” does not include any of the following:

1. Any beverage in which natural milk is the primary ingredient, in other words, the ingredient listed first in the product ingredient list; or in which water and grains, nuts, legumes, or seeds constitute the first two ingredients in the product ingredient list;
2. Any beverage for medical use;
3. Any liquid sold for use as a meal replacement for weight reduction or other purposes;
4. Any product commonly referred to as infant formula or baby formula;
5. Any alcoholic beverage;
6. Any beverage consisting of 100 percent natural fruit or vegetable juice with no added sweetener. For the purposes of this definition of “sweetened beverage”, natural fruit juice and natural vegetable juice mean the original liquid resulting from the pressing of fruits or vegetables;
7. Any concentrate that the consumer combines with other ingredients to create a beverage;
8. Any hand-crafted beverage;
- ~~((8-))~~9. Any beverage that contains fewer than 40 calories per 12-ounce serving; or
- ~~((9-))~~10. Sweetened medication such as cough syrup, liquid pain relievers, fever reducers, and similar products."

Seattle Municipal Code Section 5.53.080

The Director shall adopt, publish, and enforce rules and regulations not inconsistent with this Chapter 5.53 for the purpose of carrying out the provisions of this chapter, including but not limited to rules to clarify the inclusion or exclusion of particular products, the calculation of tax for concentrates based on manufacturer’s instructions or industry practice, rules to clarify the definition and exemption from the sweetened beverage tax of hand crafted beverages, rules to implement the exemption for the products of certain manufacturers under subsection

5.53.050.A, and the designation of caloric_sweeteners.

The Motion failed by the following vote:

In favor: 2 - Burgess, Harrell

Opposed: 6 - Bagshaw, González, Herbold, Johnson, Juarez, O'Brien

ACTION 3:

Motion was made by Councilmember Juarez, duly seconded and carried, to amend Council Bill 118965, Section 3.B.1.a, as shown in the underlined language below:

B. The remainder of net proceeds from the beverage tax shall be used to support, in order of priority:

1. Public health, nutrition education, addressing the food security gap, and access to healthy and affordable food through programs including, but not limited to:

a. Community-based investments to expand food access, such as food banks and meal programs;

ACTION 4:

Motion was made by Councilmember O'Brien, duly seconded and carried, to amend Council Bill 118965, Section 3.B.1, as shown in the underlined language below:

B. The remainder of net proceeds from the beverage tax shall be used to support, in order of priority:

1. Expanding access to healthy and affordable food, closing the food security gap, and promoting healthy food choices, through programs (~~Public health, nutrition education, addressing the food security gap, and access to healthy and affordable food through programs~~) including, but not limited to:

a. Community-based investments to expand food access;

b. Fresh Bucks and Fresh Bucks to Go;

c. Implementation of the Seattle Food Action Plan;

d. Public health and nutrition programs targeted to assist persons experiencing diabetes and obesity;

e. Public awareness campaigns to highlight the impact of sugar-sweetened beverages on health outcomes and increase education about healthy food and beverages; and

f. Capital investments to promote healthy choices, such as water bottle filling stations in schools and community centers.

ACTION 5:

Motion was made by Councilmember O'Brien, duly seconded and carried, to amend Council Bill 118965, Section 5.B, as shown in the underlined language below:

B. The City Auditor shall contract with academic researchers to complete an annual evaluation of the effects of the tax. In contracting with academic researchers, the City Auditor should consider researchers with a proven track record of rigorous policy evaluation for impacts on behavior, health, and economic outcomes. A minimum of \$500,000 per year for at least the first five years, beginning with the date of adoption of this ordinance, shall be dedicated to this evaluation. The evaluation shall assess, but not be limited to, the impact of the tax on 1) economic outcomes (such as household food expenditures, beverage prices and sales, jobs, and store revenues) and 2) health behaviors (such as dietary purchases and consumption), 3) intermediate health outcomes, and 4) identification and assessment of food deserts in the city, and 5) the effectiveness and efficiency of the foodbank network in the city. The evaluation shall also assess, but not be limited to, the process of implementing the tax, including perceptions of city residents and specifically low income households, food retailers, tax administrators, and city officials. The evaluator will collaborate with the Sweetened Beverage Tax Community Advisory Board to develop the evaluation. The evaluation will rely on data collected specifically for the purposes of the evaluation from populations in Seattle as well as outside Seattle to enable a rigorous comparison of trends in behavior, health, and economic outcomes as a result of this ordinance.

ACTION 6:

Motion was made by Councilmember Burgess, duly seconded and carried, to amend Council Bill 118965, Seattle Municipal Code Section 5.53.030.A.2, as shown in the underlined language below:

Seattle Municipal Code 5.53.030.A.2

A. There is imposed a privilege tax on every person engaging within the City in business as a distributor of sweetened beverages.

1. The amount of tax due shall be equal to the volume of sweetened beverages the distributor distributes in the City, multiplied by the applicable tax rate prescribed in subsection 5.53.030.B.

2. For sweetened beverages that are concentrates, the tax shall be calculated using the largest volume of beverage that would

typically be produced by the amount of concentrate distributed based on the manufacturer's instructions or industry practice. Where a product is produced from more than one concentrate, the rate on each component shall be calculated proportionately, so that the combined tax on the total yields \$0.0175 per fluid ounce on resulting beverage.

ACTION 7:

Motion was made and duly seconded to pass Council Bill 118965 as amended.

The Motion carried, the Council Bill (CB) passed as amended by the following vote, and the President signed the Bill

In Favor: 7 - Bagshaw, Burgess, González , Harrell, Johnson, Juarez, O'Brien

Opposed: 1 - Herbold

J. ADOPTION OF OTHER RESOLUTIONS

There were none.

K. OTHER BUSINESS

Motion was made, duly seconded and carried, to excuse Councilmember González from the June 12, 2017 Full Council meeting.

Motion was made, duly seconded and carried, to excuse Councilmember Burgess from the June 19, 2017 Full Council meeting.

Motion was made, duly seconded and carried, to excuse Councilmember O'Brien from the June 19, 2017 Full Council meeting.

L. ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 3:43 p.m.

Emilia M. Sanchez, Sr. Deputy City Clerk

Signed by me in Open Session, upon approval of the Council, on June 12, 2017.

Bruce Harrell, President of the City Council

Monica Martinez Simmons, City Clerk