



**TO:** T.C. Broadnax, City Manager  
**FROM:** Shari Hart, Economic Development Specialist, Community & Economic Development  
Ricardo Noguera, Director, Community & Economic Development  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution to establish a commercial district, “Tacoma’s Auto Row” – March 25, 2014  
**DATE:** March 4, 2014

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**SUMMARY:**

Staff requests City Council consideration and approval to establish “Tacoma’s Auto Row” on South Tacoma Way as a commercial district and to allow the auto dealers to submit an application to WSDOT for directional signage on I-5.

**COUNCIL SPONSORS:**

Council Member Joe Lonergan

**STRATEGIC POLICY PRIORITY:**

This action aligns with the City Council strategic policy priority to “Foster neighborhood, community, and economic development vitality and sustainability” by creating a sense of place and providing a unique marketing opportunity for this business sector.

**BACKGROUND:**

Community and Economic Development staff has conducted targeted outreach to Tacoma’s auto dealers as a business sector that generates significant tax revenue for our general fund, as well as over 1,000 jobs. Staff began outreach with a small group of the franchise dealers in January 2013, and then expanded to include the independent dealers in the second half of the year.

Objectives for this partnership, as presented to the EDC on June 25, 2013, are to:

- Improve relationships through open and consistent dialogue
- Problem solve and make connections to appropriate City services and processes
- Promote South Tacoma Way as a regional auto buying hub
- Increase auto sales in Tacoma

Staff has worked with the auto dealers to identify potential marketing opportunities and they are interested in having signage on I-5 that directs these drivers – their target market – to “Tacoma’s Auto Row.” (Note: The bulk of Tacoma’s auto dealers are located on South Tacoma Way because it was the main north-south corridor through Tacoma until I-5 was built in 1960.)

**ISSUE:**

WSDOT’s requirement for businesses to apply for I-5 signage is that the business receives its principle source of revenue from the sale of goods, products, or services which fall within the service categories of gas, food, lodging, camping, recreation, tourist activities or 24 hour pharmacy.

One of the options identified by WSDOT as a tourist activity is:

*Be a commercial district as adopted by a city ordinance or resolution with a minimum of one million square feet of leasable commercial space located within one square mile. The commercial district must provide a unique commercial activity where the majority of the district’s customers do not reside in the city where the commercial district is located. The commercial district shall be located within one mile of the nearest state highway. Only the name of the commercial district will be displayed on the business sign, corporate logos may not be displayed.*



**ALTERNATIVES:**

This Resolution, if passed, provides the opportunity for this group of vested stakeholders to direct traffic to their designated commercial district. An alternative action would be to continue to work with the auto dealers on other opportunities for them to promote their common goals.

This is a low-risk action with no cost to the City as all costs associated with application, production, installation, and ongoing maintenance of the motorist information signs will be the responsibility of the auto dealers.

**RECOMMENDATION:**

Staff recommends approval of this Resolution as an opportunity to positively impact customer awareness, traffic, sales, and tax revenue to the City's General Fund.

**FISCAL IMPACT:**

There is no fiscal impact.