



RESOLUTION NO. 40107

1 A RESOLUTION relating to economic development; approving, as a required
2 planning jurisdiction, the issuance of Nonrecourse Industrial Revenue
3 Bonds, in the amount of \$10,000,000, to Tool Gauge & Machine Works,
4 Inc., for expansion of its site located at 4336 South Adams Street.

5 WHEREAS Tool Gauge & Machine Works, Inc. ("Company"), which
6 currently employs more than 130 people, is a family-owned aerospace
7 components manufacturer operating in the City since 1966, and

8 WHEREAS, having recently won new contracts, the Company desires to
9 consolidate and expand its plastic extrusion operation and bring painting
10 operations, currently outsourced, in-house, and

11 WHEREAS, in order to accomplish this expansion, the Company will
12 demolish several older buildings and construct a new 81,000 square-foot, state-
13 of-the-art facility at a cost of \$18.8 million, and will hire up to 100 additional
14 employees within five years, and

15 WHEREAS, to assist in financing the project, the Company applied to the
16 Economic Development Corporation of Pierce County ("EDCPC") for
17 nonrecourse industrial revenue bond financing of \$10,000,000; the bonds, which
18 will be privately issued, require the approval of the EDCPC, City of Tacoma, and
19 Pierce County, and

20 WHEREAS industrial revenue bonds are a federally-authorized financing
21 vehicle for manufacturing and industrial development projects designed to
22 encourage capital investment and employment; since bond buyers do not pay
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1 income taxes on the interest earned, companies are offered a lower interest rate
2 and financing costs for projects, and

3 WHEREAS RCW 39.84 requires that the planning jurisdiction over the
4 area in which the capital project will take place must approve issuance of
5 nonrecourse industrial revenue bonds, and
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7 WHEREAS, on August 3, 2018, the EDCPC approved an Inducement
8 Resolution for the bonds, making way for required City Council and County
9 Council consideration, and
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11 WHEREAS the City, in its authority as planning jurisdiction over the
12 project site, must approve issuance of the bonds, and

13 WHEREAS the project is located within the "M-2" heavy industrial zone,
14 and the proposed use is consistent with the Tacoma Municipal Code and the
15 City's Comprehensive Plan, and
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17 WHEREAS City staff is recommending that the Company's request for
18 the issuance of nonrecourse industrial revenue bonds be approved, and

19 WHEREAS, at its meeting of August 28, 2018, the Economic
20 Development Committee voted to recommend that the City Council approve the
21 issuance of the bonds; Now, Therefore,
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BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the issuance of Nonrecourse Industrial Revenue Bonds, in the amount of \$10,000,000, to Tool Gauge & Machine Works, Inc., for expansion of its site located at 4336 South Adams Street, is hereby approved.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney