



TO: T.C. Broadnax, City Manager
FROM: Debbie Bingham, Economic Development Specialist, Community and Economic Development
Ricardo Noguera, Director, Community and Economic Development
COPY: City Council and City Clerk
SUBJECT: Request for resolution– December 15, 2015
DATE: November 30, 2015

SUMMARY:

Authorizing the appropriate City officials to execute a 8 Year Multifamily Housing Property Tax Exemption Agreement with Canyon Creek Crossing, LLC for the development of 40 multifamily market-rate rental units at 2525 South 43rd Street in the Tacoma Mall Mixed Use Center.

STRATEGIC POLICY PRIORITY:

This project will foster neighborhood, community, and economic development vitality and sustainability by providing 40 market rate housing units within a designated mixed use center.

BACKGROUND:

Canyon Creek Crossing, LLC is proposing to develop 40 new market rate rental units in the Tacoma Mall mixed use Center as described in Exhibit “A” to the Resolution. The Community and Economic Development Department has determined that the proposed project qualifies for the 8 year multi-family housing property tax exemption. Canyon Creek Crossing, LLC will enter into an agreement prepared by the City to develop the site as described in the plans on file with the City.

ISSUE:

This action would approve the tax exemption through the attached proposed agreement.

ALTERNATIVES:

If the resolution is not adopted, the tax exemption will not be granted and the developer has stated that the exemption is necessary to make the project feasible.

RECOMMENDATION:

Staff has reviewed the application and has determined that the proposed project qualifies for the 8 Year Multifamily Housing Property Tax Exemption. Staff recommends the Council approve the resolution.

FISCAL IMPACT:

The value of the land would continue to be taxed. The City’s portion of the current tax for land is approximately \$3500.00 annually. The City’s portion of the tax to be exempted for the proposed structure is estimated at \$11,100 annually. The project will generate higher revenues for the City at the end of the eight year agreement.