



TO: Mayor and Members of the City Council
FROM: Elizabeth A. Pauli, City Manager
COPY: City Council and City Clerk
SUBJECT: Resolution authorizing the use of up to \$25,000 of City Council Contingency Funds for a Downtown retail enhancement study and strategy
DATE: August 8, 2017

SUMMARY:

Resolution authorizing the use of up to \$25,000 of City Council Contingency Funds for developing a Downtown retail enhancement study and strategy to identify appropriate retail and restaurant uses to recruit downtown.

COUNCIL SPONSORS:

Council Members: Mello, Campbell and McCarthy.

STRATEGIC POLICY PRIORITY:

Developing a downtown retail enhancement study and strategy aligns with the City’s strategic priority of fostering a vibrant and diverse economy with good jobs for all Tacoma residents. In addition, the study and strategy aligns with the Tacoma2025 goal areas of Economic Vibrancy and Employment:

- 3A: Increase the number and quality of jobs throughout Tacoma
- 3B: Diversify Tacoma’s living wage business base
- 3C: Improve neighborhood business districts
- 3D: Strengthen downtown Tacoma as a business core and residential option

BACKGROUND:

Over the last year, Tacoma has seen unprecedented growth of housing development and an increase of restaurants choosing to expand and relocate to Tacoma. With more than 2,000 housing units set to break ground in the coming 18 months, the City must better position itself to help attract the amenities necessary to accommodate additional residents, create a vibrant 18 hour community and attract office users. In order to increase our merchandise retail mix, an updated focused downtown retail study and enhancement strategy is necessary to accomplish this goal.

A third party consultant would help City staff better understand the appropriate retail mix to make our downtown more vibrant and to provide city staff with methodology and training to recruit the appropriate businesses. This retail enhancement strategy would focus on three primary areas:

1. **Location.** Identifying the most appropriate location to establish a focus zone, i.e.; “retail/restaurant cluster zone” similar to what UWT has created along Pacific Avenue between 17th and 21st Street. Once the zone is established the same process may be used in other areas of Downtown and across Neighborhood Business Districts;
2. **Appropriate Retailers and Restaurants.** Identify an appropriate mix of retailers and restaurants to recruit to create a vibrant, vital commercial district;



- 3. Recruit Retailers and Restaurants.** The third-party consultant will train City staff to recruit select types of retailers and restaurants to the area; as well as work with private property owners to execute leases.

Should council approve this resolution, the work and full retail enhancement strategy is anticipated to be completed by December 2017 and cost up to \$50,000. Council Contingency would fund up to \$25,000 of the contract and the Community and Economic Development Department would fund the remainder of the contract.

ISSUE:

In order to authorize use of the City Council’s Contingency Funds for this purpose, a resolution must be adopted.

ALTERNATIVES:

The City Council could choose to adopt, modify, or reject the resolution.

RECOMMENDATION:

Council Members Mello, McCarthy and Campbell recommend adoption of a resolution directing the City Manager to allocate funding in the amount of up to \$25,000 from the City Council Contingency Fund for the purpose of hiring a third party consultant to develop a retail enhancement study and strategy; and, to direct the City Manager to negotiate a professional services agreement that outline the scope of work and deliverables for the funding.

FISCAL IMPACT:

If approved, this resolution would authorize the use of up to \$25,000 of the City Council’s Contingency Funding which is available in the 2017-2018 biennial budget.



EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1030 City Council Contingency Fund	660000	5310100	\$25,000
TOTAL			\$25,000

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1030 Council Contingency Fund	660000	6311010	\$25,000
TOTAL			\$25,000

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: Up to \$25,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes