



RESOLUTION NO. 39035

1 A RESOLUTION relating to the Foss Waterway Development Authority;
2 authorizing an amendment to a Loan Agreement with the Foss Waterway
3 Development Authority (“FWDA”) to allow a portion of the proceeds from the
4 sale of property to be retained by the FWDA to be used for operating
5 expenses during the 2015-2016 biennium; and to add additional properties
6 to the list of assets that secure repayment of the \$4.1 million General Fund
7 loan.

8 WHEREAS the Foss Waterway Development Authority (“FWDA”) is a public
9 corporation chartered by the City, pursuant to chapter 35.21 RCW and Chapter 1.60
10 of the Tacoma Municipal Code, to assist the City in redeveloping properties along
11 and within the Thea Foss Waterway (“Waterway”) for public and private uses to
12 contribute to the economic, cultural, and recreational revitalization and further
13 enhancement of the Waterway, and

14 WHEREAS the redevelopment of the Waterway has been a major
15 component to the revitalization of the City, and

16 WHEREAS, on April 10, 2007, pursuant to Resolution No. 37158, the City
17 approved the execution of a Loan Agreement with the FWDA in the amount of
18 \$4.1 million, and the FWDA pledged, as security for the loan, proceeds of the sale
19 of property known as “Site 1,” among others, and

20 WHEREAS the loan proceeds were used exclusively for infrastructure
21 improvements, primarily for the wharf/public esplanade and stabilization of the
22 Seaport building, and

23 WHEREAS the FWDA remains reliant on lease revenue from the
24 marina and non-recurring revenue from its development activities, with its primary
25 source of revenue being the sale of property, and
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WHEREAS, during the recent economic downturn, property sales did not occur as expected, and FWDA operating funds diminished despite significant reductions in operating expenses, and

WHEREAS, in the past, the City provided funds to the FWDA as gap funding for its operating budget, and

WHEREAS, on February 6, 2014, the FWDA closed the sale of Site 1 to The Henry Group LLC for the amount of \$1,286,950, which is being developed with 161 apartment units and commercial space at ground level, and

WHEREAS the proposed amendment would divide the proceeds of \$1,286,950 from the sale as follows: \$643,475 to the City's General Fund, to repay a portion of the \$4.1 million loan; and \$643,475 to be retained by the FWDA, to support its development activities, and

WHEREAS the proposed amendment will add the following additional properties as security for the repayment of the remaining portion of the \$4.1 million loan: Development Site 10, Development Site 12, and the Delin Docks, and

WHEREAS the combined 2014 assessed value of these sites is \$5.2 million, and

WHEREAS, based on current budget projections, modifying the Loan Agreement to allow the FWDA to keep a portion of the Site 1 sale proceeds will allow it to remain in a positive cash position through the end of the 2015-2016 biennium, and will eliminate the need for operating budget support from the City during the 2015-2016 biennium; Now, Therefore,



BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

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That the proper officers of the City are hereby approved to enter into an Amendment to the Loan Agreement with the Foss Waterway Development Authority ("FWDA"), to allow a portion of the proceeds from the sale of Site 1 to be retained by the FWDA to be used for its operating expenses during the 2015-2016 biennium; and to add Development Site 10, Development Site 12, and the Delin Docks to the list of assets that secure the \$4.1 million General Fund loan approved pursuant to Resolution No. 37158, all as more specifically set forth in the proposed Amendment to Loan Agreement on file in the office of the City Clerk.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney