

Local Revitalization Financing

City of Tacoma

Community and Economic Development
Department

City Council Meeting
April 12, 2016
ITEM #12 - ORD28353

Overview

- Legislature awarded City of Tacoma funding for public infrastructure to catalyze economic development
- \$500,000 annually over 25 years (Total \$12.5 million)
- Funds derived from portion of 6.5% State sales and use tax
- Adopt ordinance to access funds

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Background

- In 2009, Council created Revitalization Area
- Insufficient debt capacity associated with severe recession precluded use of funds
- In 2015, Legislature amended law to allow \$500,000 to be drawn down annually or up to \$12.5 million to cover bonds to be issued (~ \$7.5 million– principal, \$5 million- interest)

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Background

- Total: 658.6 acres
- North: S. 4th Street
- South: S. 28th Street, I-705, SR-7 NB, Wiley Avenue and I-5
- East: Dock Street, Puyallup Avenue and L Street
- West: Tacoma Avenue



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Background

- **Key criteria to be met for use of funds:**
 - Project located in Revitalization Area
 - Investment in public infrastructure
 - Letter of Intent or Development Agreement to increase private investment and employment
 - 1:1 local/Federal match based on State contribution (requirement met)

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Background

- **On 3/22/16, Economic Development Committee recommended forwarding an ordinance for Council approval**
- **By 6/1/16, ordinance to be in place or \$12.5 million award forfeited (Senate Bill 5109 – March 2016)**

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Recommendation

- Staff recommends adoption of Ordinance #28353



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