

Multifamily Property Tax Exemption Summary & Data Analysis

City of Tacoma

Community and Economic
Development Department

**Economic Development Committee
October 11, 2016**



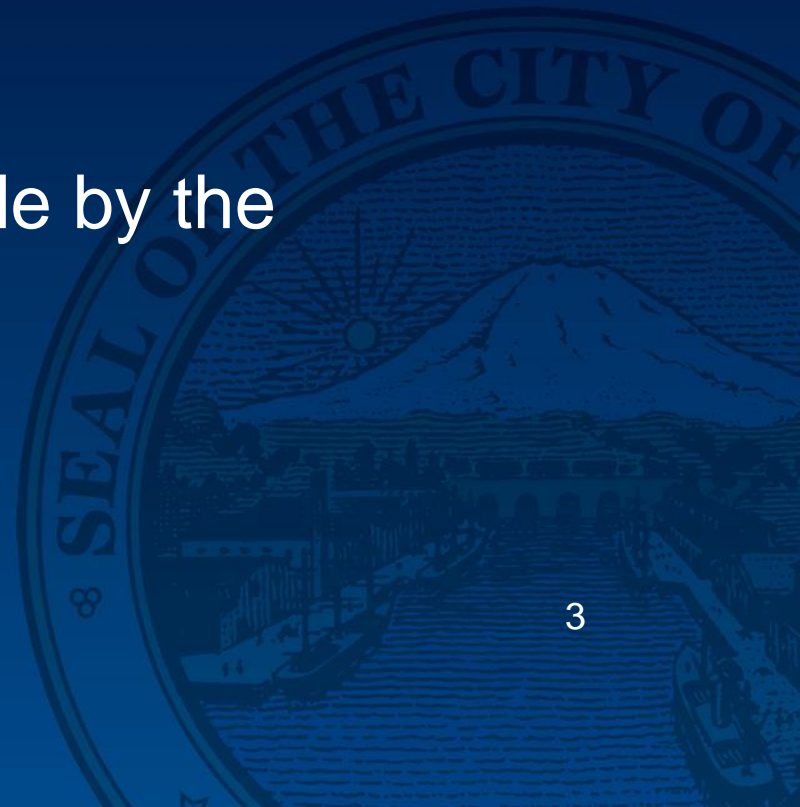
Overview

- Background
- Program Data Review
- Trends



Background

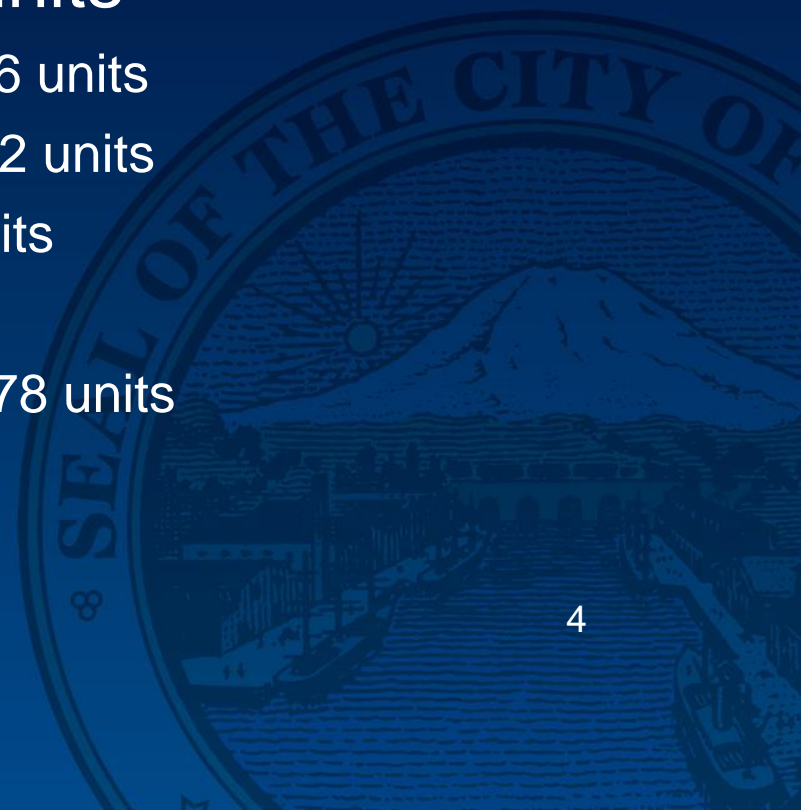
- Program created in 1996
- Substantial changes made by the legislation in 2007



Program Data Review

Last 5 years

- Exemption Completed
 - 27 projects with 711 units
 - Downtown: 14 projects, 506 units
 - Sixth Avenue: 3 projects, 12 units
 - South 56th: 2 projects, 8 units
 - Stadium: 1 project, 7 units
 - Tacoma Mall: 7 projects, 178 units



Last 5 years – Exemption Completed

Stadium



Tacoma Mall

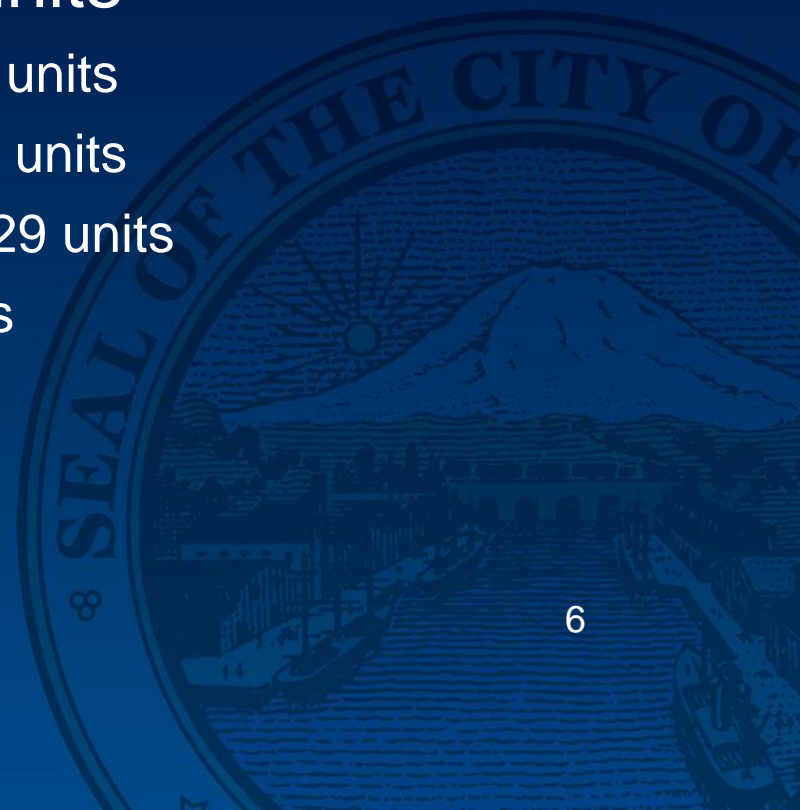


Downtown

Program Data Review

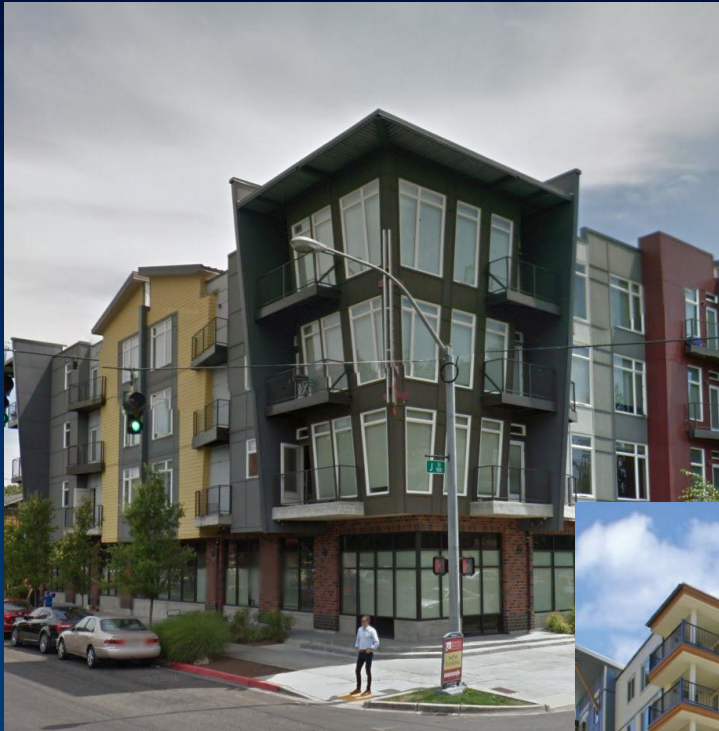
Last 5 years

- Under Exemption
 - 17 projects with 885 units
 - Downtown: 8 projects, 492 units
 - Sixth Avenue: 1 project, 10 units
 - Tacoma Mall: 7 projects, 229 units
 - Proctor: 1 project, 154 units



Last 5 years – Under Exemption

Downtown



Proctor



Tacoma Mall

Program Data Review

- Approved, not yet built – 8 year
 - 10 projects with 951 units
 - Downtown: 3 projects, 290 units
 - Stadium: 2 projects, 207 units
 - Tacoma Mall: 1 project, 40 units
 - Point Ruston: 1 Project, 178 units
 - Portland Avenue: 1 project, 5 units
 - Proctor: 1 project, 137 units
 - 72nd & Pacific; 1 project, 94 units

Last 5 years – Under 8 year Exemption

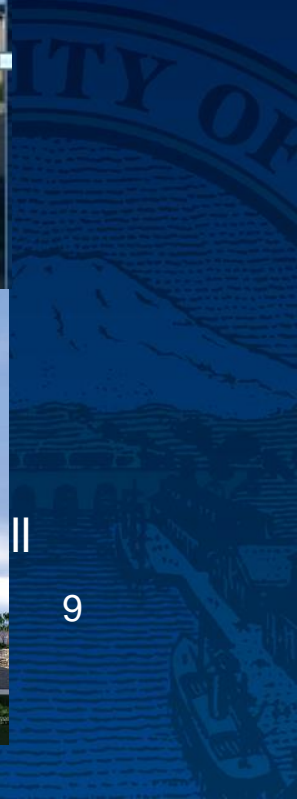
Stadium



72nd & Pacific



Pt. Ruston



Program Data Review

- Approved, not yet built – 12 year
 - 12 projects with 144 units
 - Lincoln: 1 project, 7 units
 - MLK: 1 project, 4 units
 - McKinley: 1 project, 14 units
 - Sixth Ave: 1 project, 4 units
 - Tacoma Mall: 7 project, 98 units
 - 72nd & Pacific; 1 project, 17 units

Last 5 years – Under 12 year Exemption

McKinley



MLK

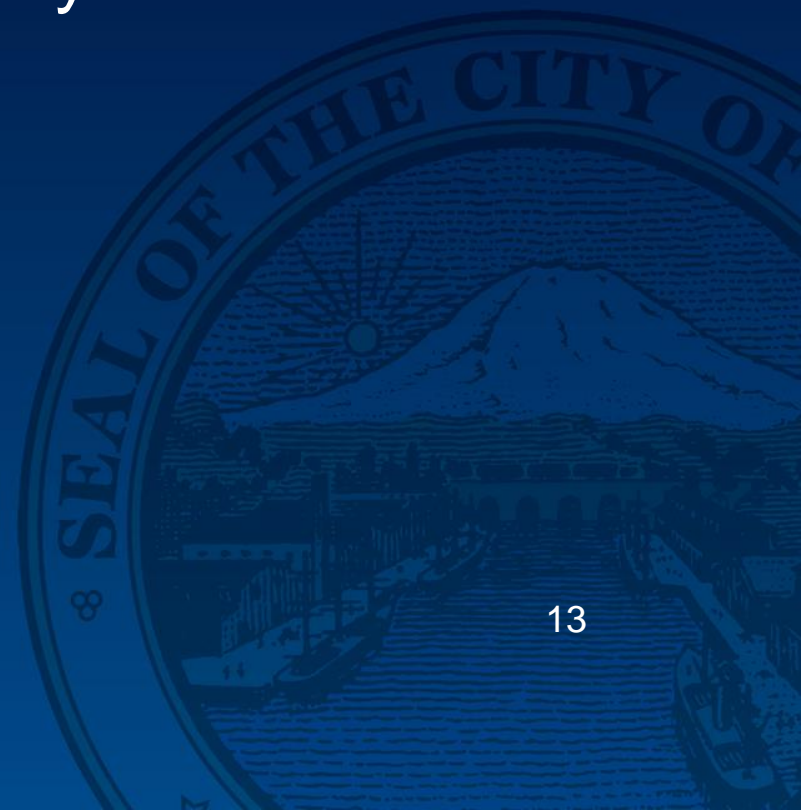


Program Data Review

- Returned to tax rolls in past 3 years
 - 21 projects
 - Increased assessed value from \$11,725,700 to \$75,754,100
 - City's portion increased from \$43,385 to \$280,290

Program Data Review

- Returning to tax rolls in 2017 & 18
 - 7 more projects in each year



Trends

- Overall
 - Demand for program is high
 - Construction costs in Tacoma equal to Seattle, however rents much less
 - Current apartment vacancy rates are 1% for market rate and 2% for affordable units
 - Residential developments attracting more retail development
- More and more 12 year applications being sought after

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