

# **Final 2 Years of City's 5-Year Economic Development Strategic Framework (2016 & 2017)**

City of Tacoma

Community and Economic Development

Ricardo Noguera, Director

**Economic Development Committee**

**June 13, 2017**



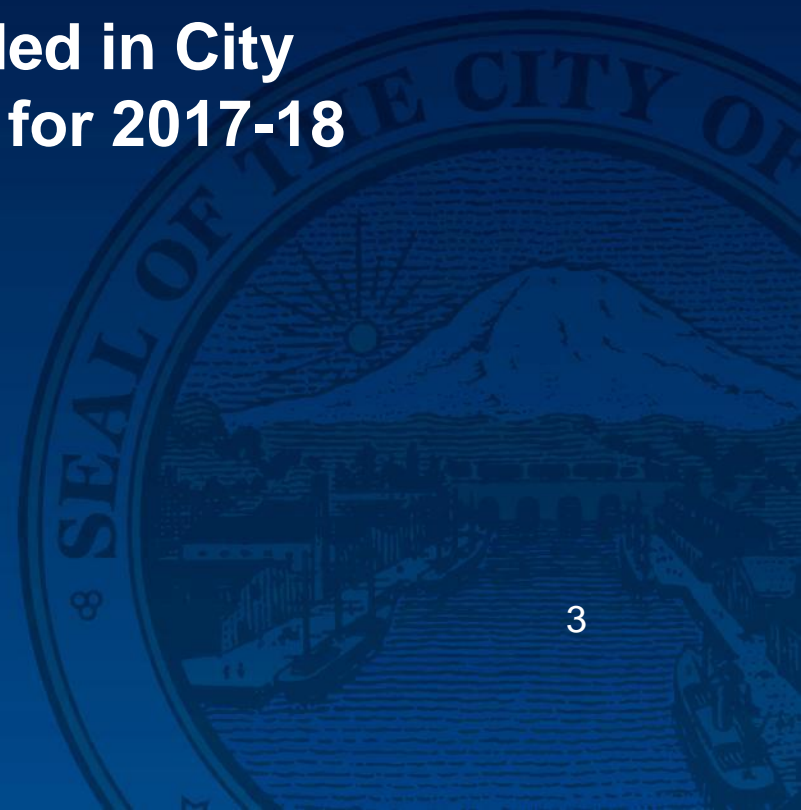
**Q13 FOX – POSTED APRIL 19, 2017**

**“A NEW AROMA IN TACOMA AS THE  
RESTAURANT SCENE BOOMS”**

- <https://www.youtube.com/watch?v=ePXKMKBWYu0>

# Overview of Presentation

- ◆ Review of Accomplishments for 2016
- ◆ Goals for 2017
- ◆ Projects & programs included in City Manager's & CEDD's goals for 2017-18 and in alignment with 2025



# Multi-Family Development Activities

## Key Accomplishments in 2016 (4 projects with 640 units)

- ◆ The Grand on Broadway
- ◆ Stadium Mixed-Use
- ◆ The Napoleon
- ◆ The Baker



The Grand on Broadway (current construction site and rendering)



The Napoleon



Stadium Mixed-Use





# Affordable Housing Developments

- ◆ Hillside Terrace II (70 units)
- ◆ Oak Trace Apartments (60 units)



Hillside Terrace II



Oak Trace Apartments



# Goals for 2017:

1,700 units breaking ground

- ◆ Washington Building Conversion (165 units)
- ◆ 17<sup>th</sup>/Market Micro-Units (104 units)
- ◆ Pierce Transit TOD (114 units)
- ◆ 11<sup>th</sup>/MLK TOD (247 units)



Washington Bldg.



17<sup>th</sup>/Market



Pierce Transit TOD



11<sup>th</sup>/MLK



- ◆ Brewery Lofts (209 units)
- ◆ Madison25 (135 units)(under construction)
- ◆ 6<sup>th</sup>/Alder Mixed-Use (110 units)
- ◆ Town Center Mixed-Use Development (150 units)
- ◆ The Elan Multi-Family Apartments (170 units)



Madison25



6<sup>th</sup>/Alder

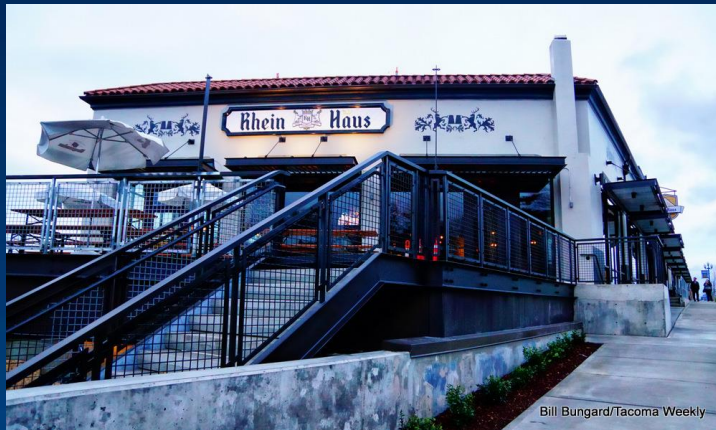
The Elan



Town Center

# Neighborhood Business Districts (NBD) and Revitalization Efforts

- ◆ Rhein Haus
- ◆ Cook's Tavern
- ◆ McKinley Artist Lofts



Rhein Haus



Cook's Tavern



McKinley--The Station Artist Lofts



# Revitalization Efforts – Accomplishments in 2016

## Lincoln District

- ◆ Lincoln Office/Grand Opening
- ◆ Streetscape improvements
- ◆ Single family homes



Lincoln  
Office  
Grand  
Opening



Streetscape  
Improvements



Single  
Family  
Homes

# South Tacoma Way

- ◆ Streetscape Improvements
- ◆ Starlite Lounge
- ◆ Youth Shelter



Streetscape Improvements

Youth Shelter





## MLK/Hilltop District

- ◆ Red Elm Cafe
- ◆ Former James Donaldson Bldg.
- ◆ Valhalla Hall Demolition



Red Elm Cafe



Valhalla Hall  
Demolition



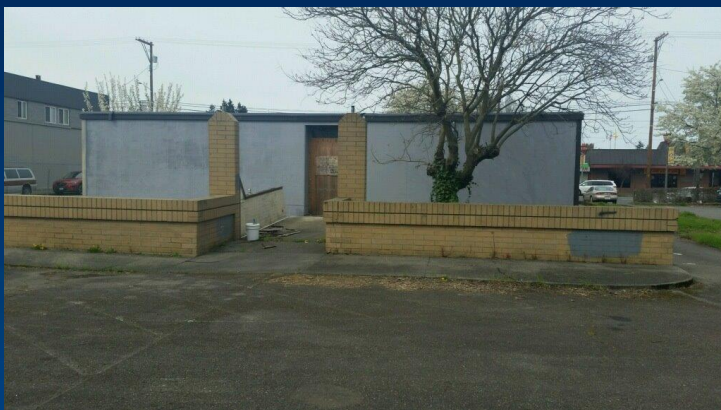
Former James Donaldson Building



# Goals for 2017

## Lincoln District

- ◆ Commence construction on streetscape project
- ◆ Starbucks breaks ground on café at 38<sup>th</sup> & G Streets
- ◆ Demolish derelict building at 38<sup>th</sup> & Park
- ◆ Promote façade improvements along 38<sup>th</sup> Street
- ◆ Complete renovations and resale of 2 single-family homes



Building to be Demolished



Two-story  
house  
(completed  
and for sale)

## South Tacoma Way

- ◆ Public Works and Environmental Services complete improvements along the Corridor
- ◆ Youth Shelter commences renovations
- ◆ Starlite Lounge. TCRA completes renovations and finalizes master lease with Spaceworks



Starlite Lounge

## Hilltop/MLK District

- ◆ TCRA completes feasibility study for redevelopment of 9<sup>th</sup>/MLK to support TOD development and selects developer
- ◆ 11<sup>th</sup>/MLK TOD breaks ground on 247 units and up to 20k sf ground floor retail
- ◆ Valhalla Hall continues construction of 26 mixed income units
- ◆ Brownstar Grill leases the 10 units and remaining commercial spaces
- ◆ New bakery opens near 13<sup>th</sup>/MLK



## Other Neighborhood Business District Activities

### Sixth Avenue

- ◆ Fish Fish Fish Restaurant Opens
- ◆ Spanky's Burgers Opens
- ◆ El Borracho Mexican Restaurant opens



Fish! Fish! Fish!



Spanky's Burgers



El Borracho opening  
in former Marrow site

## Proctor District

- ◆ Madison25 breaks ground
- ◆ Top Pot Donuts opens



## Stadium District

- ◆ Stadium Mixed-Use construction continues
- ◆ Retail businesses open next to Rhein Haus

## McKinley District

- ◆ McKinley Station Artist Lofts completes construction

## Dome District

- ◆ Trax TOD breaks ground
- ◆ Amtrak Station completed and opens



Trax TOD





# DOWNTOWN OFFICE DEVELOPMENT & RECRUITMENT

Accomplishments in 2016

Challenges to constructing new office buildings & recruiting tenants

- ◆ Skyrocketing construction costs in Seattle, Bellevue & Tacoma
- ◆ Lack of supply in Tacoma
- ◆ Antiquated supply requiring building and code upgrades
- ◆ Tacoma rents do not support new office construction



Columbia Bank Building

- ◆ Recruiting office developers and tenants has been a challenge
- ◆ Few sites available for office developers to buy or ground lease
- ◆ Age and condition of buildings and proximity to historic structures



## Recent successes with office tenants

- ◆ Sound Physicians relocates and expands
- ◆ Brown & Brown relocates to 21<sup>st</sup>/Pacific
- ◆ Infoblox relocates and expands to 21<sup>st</sup>/Pacific
- ◆ David Evans & Associates moves to Tacoma
- ◆ Tech firms: CloudPWR, RedQuery, Accumula
- ◆ New Tech Tacoma launched to support tech growth

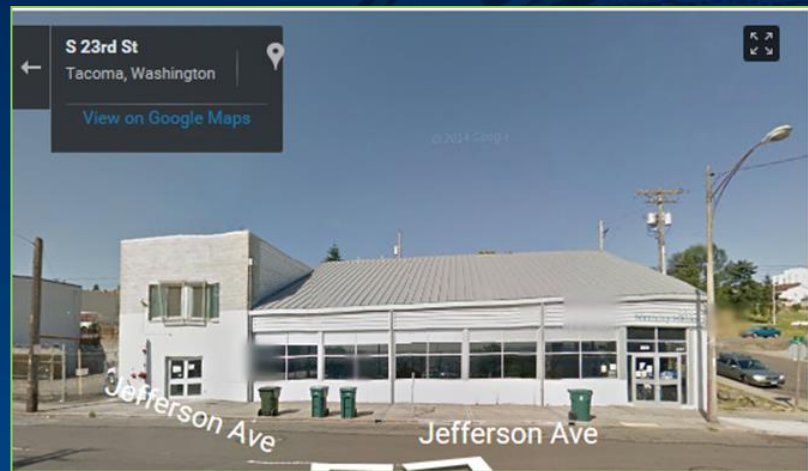


Sound Physicians



## Goals for 2017

- ◆ North Plaza Garage. Release RFP for office developer to purchase air rights above parking
- ◆ Dome Office Study. Exploring options to ground lease
- ◆ Super Block. Continue to explore opportunities to land tenants for ground lease.
- ◆ Establish Biotech Incubator in Brewery District.



- ◆ Murano Parking Lots. Promote site for office developers to purchase.
- ◆ Office/Tech Recruitment. Seek ways to grow tech here, establish environment where tech can grow and continue marketing Downtown to support tech firms expanding from Silicon Valley and King County.



# ARTS & CULTURE

## Accomplishments in 2016

- ◆ 5-Year Plan was completed
- ◆ Produced 5 new community-based murals & implemented an artist designed traffic box wrap program
- ◆ Several public art projects with a strong focus on community engagement were initiated in the Lincoln District, South Tacoma Way & on the West Flume Line Trail



Traffic Box Wrap.  
6<sup>th</sup> & Pine, South  
12<sup>th</sup> & Union and  
S 38<sup>th</sup> & Cedar.  
Artist Chandler  
O'Leary



- ◆ Established partnership with Metro Parks to implement & manage public art program
- ◆ Spaceworks. Spaceworks provided training and technical assistance to 60+ creative enterprises and launched 11 creative businesses into former vacant spaces.



Mural at Cedar  
River Clinics, 1401  
MLK Jr Way.  
Lead Artist: Mindy  
Barker; Artist team  
Jessee Peterson

## Goals for 2017

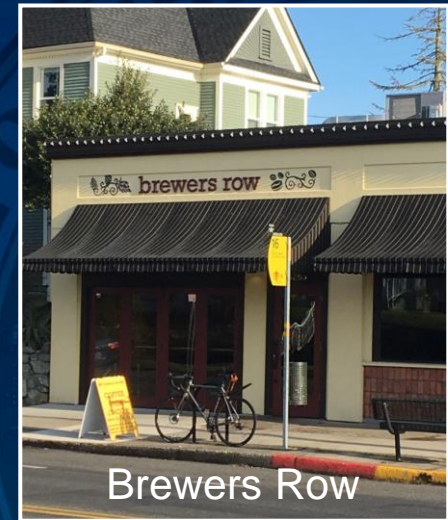
- ◆ Facilitate the build-out of 3 creative spaces: McKinley Artist Lofts, Alma Mater and a craft furniture production maker space
- ◆ Complete a Culture & Transportation Plan for the Theater District funded by Pierce Transit and a National Endowment for the Arts, Our Town Grant
- ◆ Northwest College of Arts and Design opens in Downtown Tacoma



# SMALL BUSINESS DEVELOPMENT & FINANCING

## Accomplishments in 2016

- ◆ City issued 2 loans totaling \$450k
- ◆ \$300k loan to Second Use, a building salvage company in the Brewery District
- ◆ \$150k loan to Brewers Row in the Proctor District
- ◆ Small business technical workshops have been held in partnership with Bates Technical College





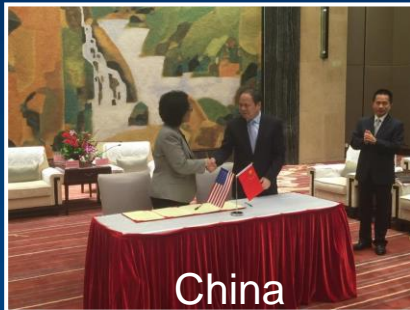
## Goals for 2017

- ◆ Continue holding technical workshops including those focused on prospective restaurants to counsel them before signing leases
- ◆ Proactively market the City's loan programs to small, medium and large businesses throughout the City
- ◆ Establish a small business loan program for riskier businesses in neighborhood business districts with financing to be used to support leasehold improvements, facades, furniture and working capital

# INTERNATIONAL DEVELOPMENT & SISTER CITIES

## Accomplishments for International Development in 2016

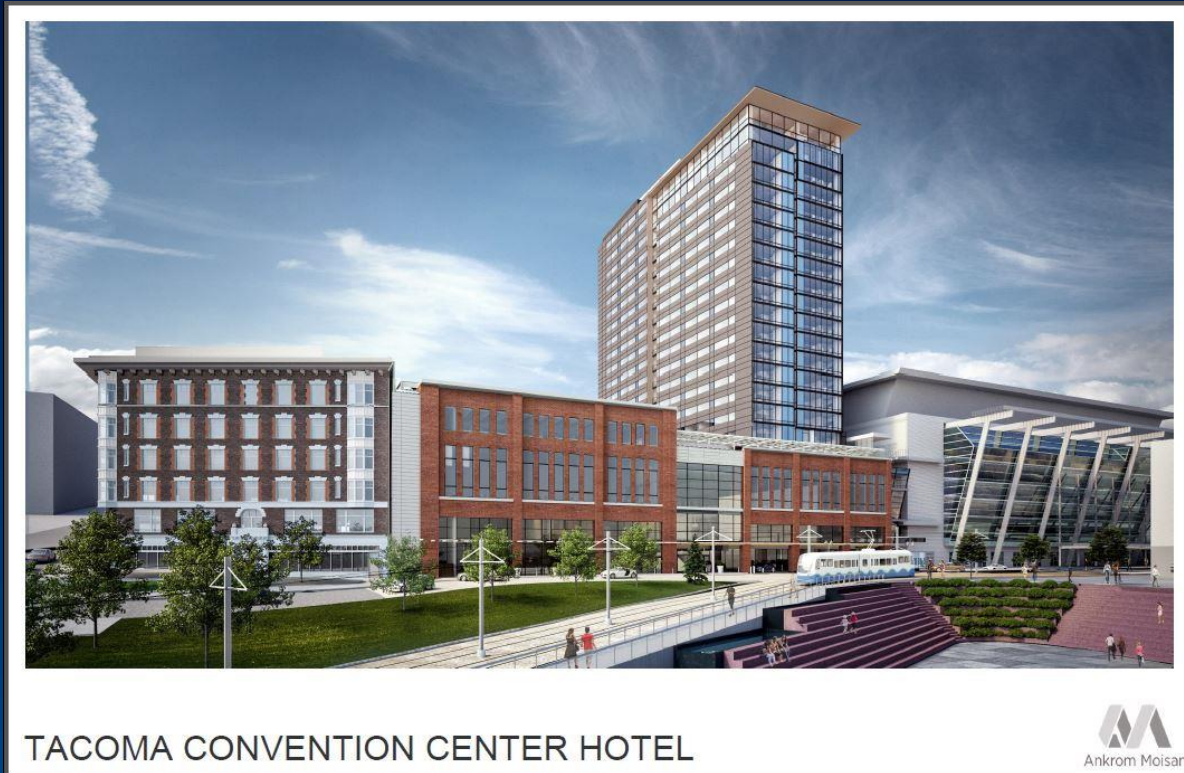
- ◆ Mayor led investment trip to China and Vietnam resulting in 3 development projects on city-owned properties valued at more than \$340m!
- ◆ CEDD Director traveled to Ukraine with local businessmen to meet with developers and investors interested in investing in Tacoma



Pastor Peter and son, Igor, Ricardo  
(Brovary City Hall near Kiev, Ukraine)

## Goals for 2017

- ◆ Convention Center Hotel. Break ground on first phase of development which includes 300-room, 4-star Marriott Hotel





## Goals for 2017

- ◆ Town Center. Break ground on first phase of development which includes up to 300 units and 200k sf of retail development
- ◆ Mixed-Use Development on Library Parking Lot. Vietnamese developer breaks ground on 160-unit \$40m project
- ◆ Ukrainian Projects. Staff will continue to explore development opportunities with Ukrainian investors



## Accomplishments for Sister Cities in 2016

- ◆ Educational exchanges & inbound/outboard missions
- ◆ More than 100 students from six of our sister cities studied in Tacoma
- ◆ Teachers from France, Morocco & South Korea visited Tacoma to observe teaching techniques



## Accomplishments for Sister Cities in 2016

- ◆ 100 students from Lincoln High School traveled to our sister city in China as well as other cities at the invitation of President Xi
- ◆ Welcomed President of China, Mayor of Gunsan, and delegations from George, Taichung and Morocco to China





## Goals for Sister Cities in 2017

- ◆ Tacoma Sister Cities Program will grow in membership, increase fund development and become more relevant in economic development
- ◆ Actively participate in Festival of Sails event
- ◆ Develop partnerships with Tacoma Public Schools
- ◆ Develop Boca Del Rio sister city relationship with focus on entrepreneurial exporting and importing



# INDUSTRIAL DEVELOPMENT ACTIVITIES

## Accomplishments in 2016

- ◆ 3 major industrial parks broke ground; two developers from Colorado and one from California



## Accomplishments in 2016

- ◆ Prologis Industrial Park broke ground to build 1.5m sf of light industrial space near State Road 509
- ◆ DCT Industrial developing 1m sf near Taylor Way
- ◆ Industrial Property Trust purchased the former Simpson/Interfor site with plans to build 1.1m sf of light industrial space





## Accomplishments in 2016

- ◆ NewCold, Netherland-based cold storage company broke ground on the former Hanson site and will create 50-100 jobs
- ◆ Bradken Industries announced plans to expand in Nalley Valley and add another 40 jobs



## Goals for 2017

- ◆ Prologis is building 770k sf building for UPS to employ 800-1,200 workers
- ◆ DCT Blair Industrial Park breaks ground on 1m sf industrial properties along Taylor Way
- ◆ IPT breaks ground on 1.1m sf on former Simpson site
- ◆ Bradken Industries expands to support US Navy contract
- ◆ Vigor Industrial expands along the tide flats and creates 100 new jobs
- ◆ NewCold continues construction with plans to open in 2018.



# ADAPTIVE REUSE OF HISTORIC BUILDINGS & CONVERSION OF GOVERNMENT LANDS TO PRIVATE

## Accomplishments in 2016

CEDD has strategically partnered with other public agencies such as Metro Parks, Pierce Transit and the State Department of Commerce to repurpose surplus properties.

- ◆ Convention Center Hotel represents sale of city-owned land to a private developer
- ◆ Town Center represents sale of city-owned land to a private developer
- ◆ Pierce Transit TOD represents sale of Pierce Transit property to a private developer



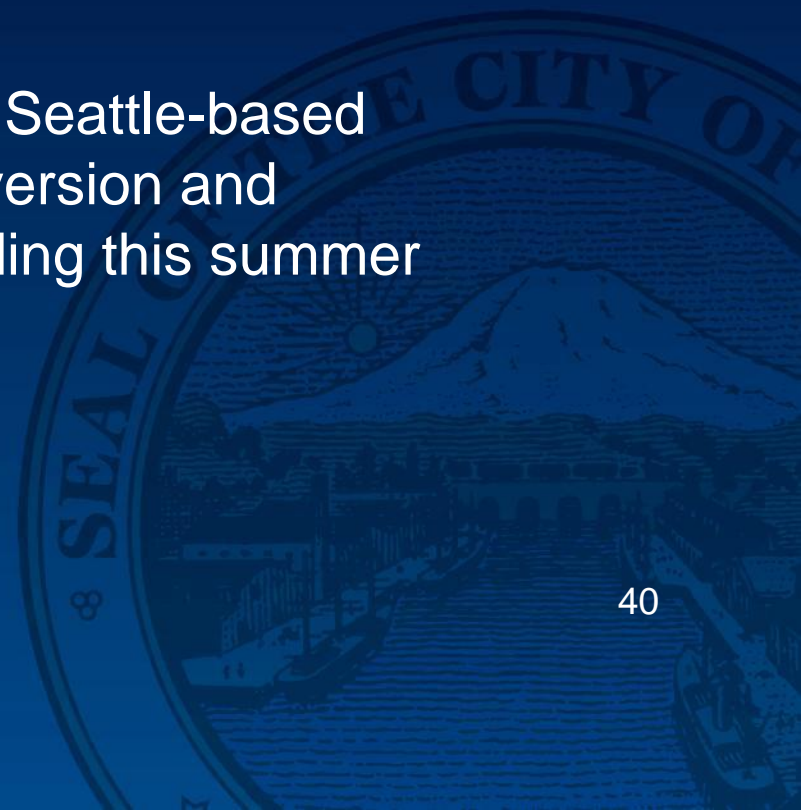
## Accomplishments in 2016

- ◆ 11<sup>th</sup>/MLK TOD represents sale of land from State Department of Commerce to a private developer
- ◆ Former Manitou School represents sale of land from Metro Parks to a private developer



## Goals for 2017

- ◆ Former Elks. McMenamins plans to commence renovations on former Elks Lodge
- ◆ Old City Hall. CEDD has commenced negotiations with McMenamins on the acquisition and redevelopment of this property
- ◆ Washington Building. Unico, a Seattle-based developer, will commence conversion and renovations of this historic building this summer



## Goals for 2017

- ◆ Tacoma Library Parking Lot. Close on sale of land and break ground on mixed-use development (Vietnamese developer).
- ◆ County Properties along Tacoma Avenue. In partnership with the County, explore potential to secure a private developer to acquire properties near 9<sup>th</sup> Street on east side of street to develop mixed-use projects.



## Goals for 2017

- ◆ State-Owned Properties. Establish partnership with Department of Enterprise Services to pursue redevelopment of State-owned properties Downtown.



# **Final 2 Years of City's 5-Year Economic Development Strategic Framework (2016 & 2017)**

City of Tacoma

Community and Economic Development

Ricardo Noguera, Director

**Economic Development Committee**

**June 13, 2017**

