



TO: Elizabeth Pauli, City Manager
FROM: David Schroedel, Manager of Downtown Tacoma Business Improvement Area and VP Policy & Entrepreneurship, Tacoma-Pierce County Chamber
COPY: Economic Development Committee; Tadd Wille, EDC Executive Liaison; Jeff Robinson, Director Community & Economic Development
PRESENTER: David Schroedel, VP Tacoma-Pierce County Chamber & Ben Mauk, Real Estate Manager UWT
SUBJECT: Downtown Retail Strategy Report and Recommendations
DATE: August 14th, 2018

PRESENTATION TYPE:
Informational Briefing

SUMMARY:

City of Tacoma commissioned a Retail Study from Downtown Works that was completed in Spring of 2018. The Retail Study's number one recommendation was to hire a Retail Advocate to find high quality operators, develop relationships with landlords and leasing agents, and work with existing retailers to improve their presentation and sales. The BIA is proposing a cost sharing agreement with the City to establish this position. The City's pilot investment would be \$200,000 over four years with anticipated increases in sales, property and business & occupation taxes. By year five, the position would be completely funded by the BIA.

BACKGROUND:

The downtown Tacoma retail environment has the potential to be an economic and revenue driver, but needs support. In late 2017, the City recruited Downtown Works based on their success with roughly 20 downtowns around the country. Downtown Works has helped downtowns as diverse as Austin, Nashville, Seattle's Pioneer Square and even Tacoma's Pacific Avenue adjacent to UWT. Downtown Works completed their Retail Study in Spring 2018.

ISSUE:

The Retail Study evaluated the state of retail in downtown Tacoma and what could be done to strengthen the retail environment. The results of this study showed the potential for growth. The number one recommendation from the Retail Study was to hire a Retail Advocate to find high quality operators, develop relationships with landlords and leasing agents, and work with existing retailers to improve their presentation and sales. Furthermore, they said that this position should be located under the Downtown Tacoma Business Improvement Area.

The Downtown Tacoma Business Improvement Area is the only organization committed exclusively to improving downtown Tacoma. As a non-profit made up entirely of downtown property owners, the BIA board has expressed their support for moving forward with the Retail Advocate Role, but requests the support of the City in the early years of the position. This is an opportunity for the City and the BIA to partner again to improve downtown.

ALTERNATIVES:

The City could elect to not take action on the Downtown Works Retail Study.



FISCAL IMPACT:

The Downtown Tacoma Business Improvement Area is requesting matching funds for the position over a four year period:

	2019	2020	2021	2022	2023	Total
City	\$80,000	\$60,000	\$40,000	\$20,000	\$0	\$200,000
BIA	\$20,000	\$43,000	\$66,000	\$89,000	\$112,000	\$330,000
Total	\$100,000	\$103,000	\$106,000	\$109,000	\$112,000	\$530,000

RECOMMENDATION:

The Downtown Tacoma Business Improvement Area, recognizes the success of the Downtown Works method in transforming downtowns and making them destinations for visitors, residents, and employers. We are at a unique position in the evolution of downtown with an opportunity to take advantage of increased visibility and transitioning property ownership.

The Downtown Tacoma Business Improvement Area is not a large organization and needs the City’s seed investment. The goal would be to shift new BIA funding towards this position as revenues grow over time. This would allow the City of Tacoma to support the position as a pilot with a known partner who has been successfully supporting downtown for over 30 years.

To achieve this, the BIA is suggesting a City of Tacoma commitment of \$140,000 in the 2019-2020 biennial budget and an additional \$60,000 in the 2021-2022 budget. Over 5 years, the City would be leveraging this \$200,000 investment with another \$330,000 or more from property owners throughout the BIA. The idea behind this approach is a declining level of support over the years it would take to get the program fully up and running.

The Retail Advocate idea has been discussed with property owners, business owners, cultural institutions, and economic development entities; they all see the clear value this can provide the City of Tacoma. Please put the City of Tacoma’s support behind this idea as well by including it in the biennial budget.