

Commercial Office Space Development Incentive

City of Tacoma | Community and Economic Development
Economic Development Committee

June 11, 2019

ITEM #4



OVERVIEW



- This presentation is to inform the Committee regarding the 2019 legislation that allows cities to develop programs to incentivize development and rehabilitation of commercial office space.
- CEDD intends to request approval from City Council of an ordinance to implement the program in Summer, 2019.

● ● ● BACKGROUND



- SHB 1746 becomes effective July 28, 2019. Applies to cities that are located in counties that have less than 1.5 million residents.
- Implementation requires a public hearing prior to full council approval.
- Two distinct programs are allowed:
 - Local Sales and Use Tax Remittance
 - Local Property Tax Reinvestment



TACOMA 2025 ALIGNMENT



This project aligns with Tacoma 2025 by potentially:

- Increasing the number of infrastructure projects and improvements that support existing and new business developments.
- Decreasing the number of vacant properties downtown and in the neighborhood business districts.
- Improving access and proximity by residents of diverse income levels and race/ethnicity to infrastructure and employment.



PROJECT GOAL & TIMELINE



GOAL: Pass ordinance by effective date – July 28, 2019

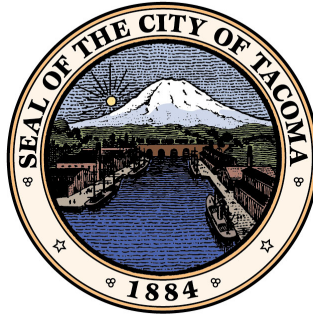
MILESTONES:

- Model Financial Impacts – 6/14/19
 - Important for budgeting purposes – city, developer, and potential other taxing entities
- Designate Commercial Office Space Development Areas – 6/14/19
- Define Quality Buildings – 6/14/19
- Discuss program with other potential taxing entities – 6/30/19
- Complete template agreements and applications – 6/30/19
- Hold public hearing – 7/2/19
- Seek final approval – 7/16/19

● ● ● RECOMMENDATIONS



Staff recommends that CEDD move forward with project plan. Final legislation will outline the process for complying with the legislation in a manner that assures transparency in the process for both programs.



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