



## ORDINANCE NO.

1 AN ORDINANCE relating to economic development; designating commercial  
2 office space development areas, adopting a local sales and use tax  
3 remittance program to incentivize the development of commercial office  
4 space within the area, and establishing a local property tax reinvestment  
5 program to make public improvements that incentivize the development of  
6 commercial office space in the area; and establishing a Commercial Office  
7 Development Public Improvement Fund.

8 WHEREAS the Washington State Legislature ("Legislature") recognized  
9 that the cost of developing high-quality, commercial office space is prohibitive in  
10 the urban centers of cities located outside of a major metropolitan area, and  
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12 WHEREAS the Legislature found that solely planning for commercial  
13 office space within those urban centers is inadequate, and an incentive should be  
14 created to stimulate the development of commercial office space in urban centers  
15 outside of major metropolitan areas, and

16 WHEREAS, by 2019 Substitute House Bill ("SHB") 1746, the Legislature  
17 intended to provide cities outside of major metropolitan areas with local options,  
18 including a local sales and use tax remittance program and a local property tax  
19 reinvestment program, to incentivize the development of commercial office space  
20 in urban centers with access to transit, transportation systems, and other  
21 amenities, and

22 WHEREAS, initially, the local sales and use tax remittance program and  
23 local property tax reinvestment program would be limited to Tacoma's share of  
24 local sales and property taxes, but could in the future, by agreement, be  
25 expanded to include increments of the sales and property taxes of other taxing  
26 jurisdictions within the City limits, and



WHEREAS, on \_\_\_\_\_, 2019, the City Council held a public hearing regarding the proposed commercial office space development areas, which hearing was noticed in full compliance with the requirements of SHB 1746, and the City Council heard and considered the public testimony given, and

WHEREAS the City Council finds it in the best interests of the City to designate commercial office space development areas and implement the commercial office incentive programs authorized by SHB 1746, and to establish a Commercial Office Development Public Improvement Fund; Now, Therefore,

**BE IT ORDAINED BY THE CITY OF TACOMA:**

Section 1. That the City Council hereby designates the areas described and depicted as set forth in the attached Exhibit "A" as Tacoma's Commercial Office Space Development Areas.

Section 2. That the City Council finds that the designated Commercial Office Space Development Areas are wholly within urban centers that lack sufficient available, desirable, high-quality, and convenient commercial office space to provide family living-wage jobs in the urban centers.

Section 3. That there is hereby enacted a new Chapter \_\_\_\_\_ of the Tacoma Municipal Code ("TMC"), entitled "Commercial Office Incentives," substantially as set forth in the attached Exhibit "B."

Section 4. That there is hereby established a Commercial Office Development Public Improvement Fund in which to deposit property tax reinvestment revenues, and from which expenditures to fund qualifying public



1 improvements may be made, all as defined in TMC \_\_\_\_\_, substantially as set  
2 forth in the attached Exhibit "B."

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4 Passed \_\_\_\_\_

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\_\_\_\_\_  
Mayor

7 Attest:

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\_\_\_\_\_  
City Clerk

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11 Approved as to form:

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Deputy City Attorney

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