



TO: Elizabeth Pauli, City Manager
FROM: Jeff Robinson, Director, Community & Economic Development Department
COPY: Economic Development Committee; Tadd Wille, Assistant City Manager
PRESENTER: Elly Walkowiak, Assistant Director, Community & Economic Development Dept.
SUBJECT: Local Revitalization Financing (LRF) Program
DATE: July 9, 2019

PRESENTATION TYPE:

Informational briefing.

SUMMARY:

On April 19, 2016, the Tacoma City Council adopted Ordinance No. 28353 that imposed the local sales and use tax to be credited against the 6.5% State sales and use tax for purposes of utilizing Local Revitalization Financing (LRF). Funds are designated for public improvements in the downtown Revitalization Area (map attached) to promote community and economic development. The City has been awarded \$500,000 annually in State funds for up to 25 years (\$12.5 million). Information will be presented regarding eligible uses of funds and existing City LRF Program criteria (attached).

BACKGROUND:

The City of Tacoma receives \$500,000 annually of Local Revitalization Financing (LRF) funds from the Washington State Department of Revenue. Our current cash balance is \$1.5 million. No projects have been funded to date. The City can receive \$500,000 annually until 2041 or bond against the \$11 million balance due.

Infrastructure improvements to be funded must be associated with an increase in private investment and employment within the Revitalization Area. This area is bounded by South 4th Street to the north; South 28th Street, I-705, SR-7 NB, Wiley Avenue and I-5 to the south; Dock Street, Puyallup Avenue and L Street to the east; and Tacoma Avenue to the west.

Eligible uses include:

Infrastructure Improvements

- Street, road, bridge and rail construction and maintenance;
- Water and sewer system construction and improvements;
- Sidewalks, streetlights, landscaping and streetscaping;
- Parking, terminal and dock facilities;
- Park and ride facilities of a transit authority;
- Park facilities, recreational areas and environmental remediation;
- Storm water and drainage management systems; and
- Electric, gas, fiber and other utility infrastructure.



Expenditures for the Following Purposes

- Providing environmental analysis, professional management, planning and promotion within the Revitalization Area;
- Providing maintenance and security for common or public areas in the Revitalization Area; and
- Historic preservation activities authorized under RCW 35.21.395 (acquire, restore, manage and lease property).

The use of funds is as follows:

- There are no deadlines for investing the LRF funds.
- LRF funds can only be used for projects in the Revitalization Area.
- Public improvements to be funded must be associated with an increase in private investment and employment within the Revitalization Area. A private developer must have submitted a Letter of Intent or have entered into a contract with the City related to the development of private improvements.

Attached are existing City LRF Program criteria that comply with State law and policies as well as provide administrative guidance. Projects to be considered for funding will be focused on creating livable wage jobs, leveraging private investment, increasing tax or parking revenue and promoting historic restoration.

ISSUE:

Leverage public infrastructure investment to enable job creation, attract private capital, generate additional tax or parking revenue and preserve the community's significant character.

ALTERNATIVES:

This is an information briefing only.

FISCAL IMPACT:

This is an information briefing only.

RECOMMENDATION:

This is an information briefing only.

Attachments: Revitalization Area Map
City LRF Program Criteria