



## Commercial Office Incentive

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### DRAFT CODE

*June 17, 2019*

This draft code adds a new chapter to Tacoma Municipal Code (TMC), Title 13 – Land Use regulatory Code:

#### **Chapter 13.\_\_\_ – Commercial Office Incentive**

- 13.\_\_\_.010 – Definitions
  - 13.\_\_\_.020 – Applications
  - 13.\_\_\_.030 – Acceptance or Denial
  - 13.\_\_\_.050 – Change in Ownership
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## Chapter 13.\_\_ – COMMERCIAL OFFICE INCENTIVES

### 13.\_\_.010 Definitions.

(1) "Commercial office space" means a high quality building or buildings in the local market, meeting \_\_\_\_\_ standards. High quality must be reflected in the finishes, construction, and infrastructure of the project building. The building or buildings must be at least fifty thousand square feet, and at least three stories. The building must be located in a designated commercial office space development area, provide close access to available public transportation and freeways, be managed professionally, and offer amenities and advanced technology options to tenants.

(2) "Commercial office space development area" means an area that has been designated by the City Council as a commercial office space development area.

(3) "Family living wage job" means a job with a wage that is sufficient for raising a family. A family living wage job must have an average wage of eighteen dollars an hour or more, working two thousand eighty hours per year, as adjusted annually by the consumer price index.

(4) "Operationally complete" means that a certificate of occupancy has been issued for the building.

(5) "Qualifying project" means new construction or rehabilitation of a building or group of buildings intended for use as commercial office space. A "qualifying project" may include mixed-use buildings, not solely intended to be used as office space, but does not include any portion of a project intended for residential use or noncommercial use. A "qualifying project" may include new construction, or rehabilitation of an existing building, which included an area intended to be used for childcare facilities at or near the commercial office space. "Qualifying project" does not include the land associated with the new construction or rehabilitation.

(6) "Rehabilitation" and "rehabilitation improvements" means modifications to an existing building or buildings made to achieve substantial improvements such that the building or buildings can be categorized as commercial office space.

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### 13.\_\_.020 Application.

(1) Sales and use tax remittance. An owner of a qualifying project must, in a form prescribed by the City, submit an application to the City which must include:

- (a) Whether the qualifying project is located within a commercial office space development area, in accordance with this chapter;
- (b) Whether the qualifying project meets the definition of a qualifying project;
- (c) The number of family living wage jobs estimated to be generated by the qualifying project;

(d) A description of the qualifying project, including a physical description of proposed building or buildings including estimated square footage, number of floors, and a list of features and amenities;

(e) The cost of construction or rehabilitation, and length of time that the qualifying project will be under construction;

(f) Whether the qualifying project is or will be, at the time of completion, in conformance with all local plans and regulations that apply at the time the application is approved; and

(g) A statement that the qualifying project is not anticipated to be used for the purpose of relocating a business from outside of the commercial office space development area, but within the state, to within the commercial office space development area. This does not exclude the incentives authorized under this chapter from being used for the expansion of a business, including the development of additional offices or satellite facilities.

(h) A written agreement for the use of the local sales and use tax remittance from any taxing authority that imposes a sales or use tax under chapter 82.14 RCW or RCW 81.104.170. The agreement must be authorized by the governing body of such participating taxing authorities. If a taxing authority does not provide a written agreement, the sales and use tax for that taxing authority may not be remitted and the revenue may not be estimated in the application.

### **13.\_\_.030 Acceptance or Denial.**

(1) The City may approve the application if it finds that:

(a) The proposed qualifying project meets the criteria as defined by the City in this chapter;

(b) The proposed qualifying project is or will be, at the time of completion, in conformance with all local plans and regulations that apply at the time the application is approved;

(c) The owner has complied with all standards and guidelines adopted by the City;

(d) The site is located in a commercial office space development area that has been designated by the City Council;

(2) If the application is approved, the City will issue the owner of the property a conditional certificate of acceptance of the project for the sales and use tax remittance and participation in a property tax reinvestment program.

(3) If the application is denied by the City, the City must state in writing the reasons for denial and send the notice to the applicant at the applicant's last known address within ten days of the denial.

(4) Upon denial an applicant may appeal the denial to the City Council within thirty days after receipt of the denial. The appeal before the City Council must be based upon the record made before the administrative official or committee with the burden of proof on the applicant to show that there was no substantial evidence to support the administrative official's or committee's decision. The decision of the City Council in denying or approving the application is final.

### **13.\_\_.050 – Change in Ownership**

If a qualifying project participating in the property tax reinvestment program under this chapter changes ownership, the property continues to qualify for the reinvestment, if the new owner complies

with all of the application requirements, procedures, terms, conditions, and reporting requirements under this chapter, and meets all of the criteria established by the City.