



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Jeff Robinson, Director, Community and Economic Development Department  
**COPY:** Economic Development Committee; Tadd Wille, Deputy City Manager, Kurtis Kingsolver, Public Works Director  
**PRESENTER:** Elly Walkowiak, Assistant Director, Community and Economic Development Department and Dana Brown, Assistant Division Manager, Public Works Department  
**SUBJECT:** Integrating Local Revitalization Financing & Transportation System Improvements  
**DATE:** February 11, 2020

**PRESENTATION TYPE:**  
Informational Briefing

**SUMMARY:**

Staff conducts numerous business retention and expansion visits in Downtown Tacoma each year. Businesses often cite employee parking availability as among the most critical issues that inhibit their growth. Opportunities will be explored to leverage Local Revitalization Financing (LRF) and private sector partnerships to address parking and other transportation needs that are expected to incentivize and enable economic development. In addition, staff will present an overview of a Tacoma Dome District parking and access study completed by a consultant in December 2019. The Committee is requested to affirm staff's direction in using LRF funds to leverage sustainable parking and transportation-related investment projects among other eligible uses.

**BACKGROUND:**

In December 2019, the Community and Economic Development Department completed a 5-year City Economic Development Strategic Plan that cites as a 2020 priority working closely with the Public Works Department to develop a comprehensive coordinated parking strategy. This work is essential to enhance business retention, expansion and recruitment opportunities.

In November 2019, a City-contracted consultant completed a parking occupancy study of Downtown Tacoma. In December 2019, another consultant finalized a report to evaluate and make recommendations for parking and access in the Tacoma Dome District. Staff will present the Tacoma Dome District conclusions at the January 28, 2020 Economic Development Committee (EDC) meeting. Findings regarding the parking occupancy study are expected to be presented by the consultant to the EDC in February 2020.

In July 2019, staff briefed the Economic Development Committee regarding eligible uses of funds regarding the \$500,000 annual allocation of Local Revitalization Financing (LRF) funds the City receives for up to 25 years (total of \$12.5 million until 2041) from the Washington State Department of Revenue. Our current cash balance is \$2 million. The Committee challenged staff to find projects that will meet the intent of State law and leverage significant public benefits. Staff developed an approach as follows to catalyze short- and long-term private economic development.

A proposed LRF investment model that will yield multiple benefits follows sequentially:



1. Fund public infrastructure improvements to support viable **Private Development Projects** in the Local Revitalization Financing (LRF) Area which will result in substantial job creation, tax revenue generation and community revitalization; and
2. Enhance the overall **Parking Enterprise System**'s ability to manage to its highest and best use while creating significant revenue for reinvestment; and
3. Seed a **Revolving Loan Fund** citywide with Parking Enterprise System proceeds and other funding opportunities that will be used to invest in parking and other public infrastructure to support future economic development projects, which fund would be designed and administered by the City.

Indicators were identified and a scoring system using *Low, Medium and High* was developed to ascertain the probability of a project's viability. Specific indicators that will be defined in the presentation include:

- Viable future private development project
- Need
- Achievable solution
- Financially feasible
- Community benefit

Staff tested application of the model to potential projects in the following locations within the LRF area boundary: Old City Hall, Central Business District, University of Washington Tacoma and the Tacoma Dome area.

Advantages of using the above-referenced model consist of:

- Clearly articulating and solving a range of economic development challenges, such as employee recruitment, retention and safety; investment attraction; catalyzing new construction; and repurposing buildings, especially historic structures; AND
- Leveraging investment opportunities, such as strategically deploying Local Revitalization Financing to yield a reasonable return on investment; taking advantage of favorable bond rates backed by Parking Enterprise System capacity; and seeking financial contributions from potential private sector partners; AND
- Implementing a transparent process to evaluate investment alternatives; AND
- Diversifying public infrastructure investment citywide to catalyze further development.

#### **ISSUE:**

Facilitate business growth in Tacoma to stimulate job creation, private investment attraction and community revitalization by addressing parking and transportation-related concerns.

#### **ALTERNATIVES:**

This is an information briefing only. There are no alternatives presented.

#### **FISCAL IMPACT:**

This is an information briefing only. There is no fiscal impact.

#### **RECOMMENDATION:**

This is an information briefing only. There is no recommendation.