



## RESOLUTION NO. 41917

1 A RESOLUTION supporting the application for six census tracts to be  
2 designated as Opportunity Zones and authorizing the Mayor to write  
3 letters of support for individual tract applications.

4 WHEREAS Opportunity Zones (“OZ”) were established under the 2017  
5 Tax Cuts and Jobs Act as a federal tax incentive program designed to spur  
6 investment in low-income communities, and

7 WHEREAS investors receive capital gains tax benefits by placing funds  
8 into Qualified Opportunity Funds that invest in designated census tracts, and

9 WHEREAS Washington currently has 139 OZs across 36 counties;  
10 under the revised program this will narrow to 99 with a priority for rural tracts,  
11 and  
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13 WHEREAS in July 2025, federal bill H.R. 1 (Public Law 119-21) made  
14 the OZ program permanent and established recurring 10-year designation  
15 cycles, and

16 WHEREAS the new round—Opportunity Zones 2.0—launches in  
17 January 2027, with a two-year overlap between the old and new programs  
18 (January 2027–December 2028), and

19 WHEREAS governors may nominate up to 25% of eligible low-income  
20 census tracts (defined as <70% of County AMI); Washington’s application  
21 window is open until May 28, 2026, and  
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23 WHEREAS the City has six existing OZ tracts and has attracted a  
24 concentrated but meaningful wave of investment since 2019, particularly in  
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1 Downtown, Hilltop, and the Brewery District, and these investments have  
2 supported housing production, mixed-use development, and transit-oriented  
3 growth, and  
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5 WHEREAS the City’s OZ designations provide a strategic advantage by  
6 attracting private capital into low-income areas aligned with the City’s long-term  
7 economic development priorities, and  
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9 WHEREAS during the first OZ period (2018-current), OZ funded projects  
10 have already generated more than \$250 million in investment; and with the  
11 federal OZ program now permanent and entering a new 10-year designation  
12 cycle (“OZ 2.0”), the City has a timely opportunity to apply to retain five existing  
13 OZ tracts and continue leveraging this tool to drive redevelopment, housing  
14 production, and economic resilience, and  
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16 WHEREAS the City also intends to apply for a sixth census tract—  
17 5305363401—under OZ 2.0, and  
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19 WHEREAS one existing OZ tract (53053062400) no longer qualifies, and  
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21 WHEREAS maintaining five of the current designations and adding a  
22 new one, is strategically important: active investor interest already exists in  
23 these areas, and OZ status continues to lower the cost of capital, accelerate  
24 project timelines, and attract outside equity, and  
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26 WHEREAS these tracts will help the City direct investment toward  
27 priority corridors such as Downtown, Hilltop, the Brewery District,  
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Portland Avenue, and areas surrounding the Puyallup Tribal Headquarters, and

1           WHEREAS it also supports job-creating industrial activity in the South  
2 Tacoma Manufacturing Industrial Center, and

3           WHEREAS, without continued designation and addition of a new one,  
4 the City risks losing a proven tool that has already catalyzed more than \$250  
5 million in investment in historically under-invested areas of the City, and

6           WHEREAS this resolution shows support for the application of these six  
7 census tracts and supports the Mayor writing individual letters of support for  
8 each separate tract on behalf of the City Council; Now, Therefore,

9           BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

10           Section 1. That the City hereby expresses support for the applications for  
11 six census tracts to be designated as Opportunity Zones, to continue to drive  
12 redevelopment, housing production, and economic resilience.  
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Section 2. That the Mayor is hereby authorized to write letters of support  
for the individual tract applications.

Adopted \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form:

\_\_\_\_\_  
Deputy City Attorney