

COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

2019

IMPACT

REPORT

MAKE IT HAPPEN



Contents

- 01. Letter from the Director & Mission
- 02. Vision 2025 Indicators
- 03. Strategic Plan: Focus Areas & Outcomes
- 04. Gamechangers
- 06. Business Retention, Expansion & Recruitment
- 08. Small Business & Entrepreneurship
- 10. The Year in Numbers
- 12. Workforce Development & Housing
- 15. Neighborhood Business District Revitalization
- 16. Downtown Tacoma
- 17. Commercial & Industrial Property Activation
- 18. Business Development & Climate
- 20. Placemaking & City Image

Letter from the Director

Dear Mayor and City Council Members:

On behalf of the City of Tacoma and members of the Community and Economic Development team, I am pleased to present our 2019 Impact Report. This report is an occasion to celebrate the work we accomplished last year, and the role our efforts play in Tacoma’s shared vision and future.

At the heart of our mission is the commitment to bringing the Tacoma 2025 indicators alive in residents’ day-to-day lives. Whether it is live, work, explore, or the built and regulatory environments that shape those activities, we show up alongside other departments and community partners to ensure that economic opportunity is reaching the city’s residents in ways that are not only measurable, but also meaningful and impactful.

This year, we completed a Strategic Plan to align our work with citywide goals. To develop the plan, staff worked with a consultant and a broad, diverse group of stakeholders to identify eight focus areas linked with specific outcomes. It comprises many actionable goals, reflecting both our mission and the collaborations we are a part of at the neighborhood, city, regional, state and federal levels.

To illustrate our dedication to bringing the plan to life, we have organized the Impact Report around the strategy’s focus areas. Throughout 2020 and beyond, we will use these guideposts to craft our work with clarity of focus and transparency. We invite you to join us in putting the plan to work!

In closing, I would like to acknowledge the hard work of the Community and Economic Development team, whose commitment lends substance and accountability to Tacoma’s shared vision and future. We look forward to the coming year, and the opportunities it will bring to see Tacoma, its businesses and its people, thrive.

Sincerely,

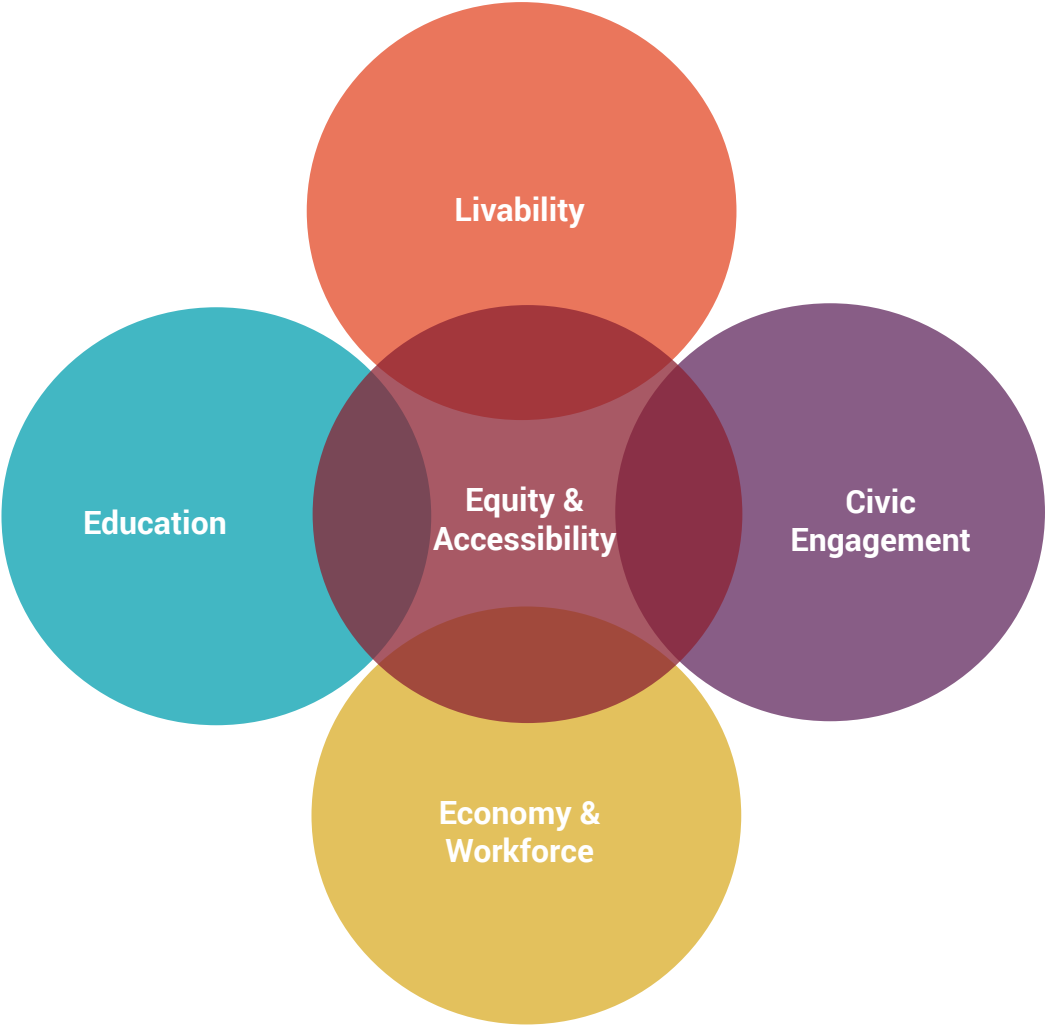


Jeff Robinson
Director, Community and Economic Development

“Our mission is to facilitate equitable economic growth and opportunity by supporting existing businesses, enabling reinvestment and revitalization, and promoting the attraction and creation of new businesses, living wage jobs, and housing options to enhance the quality of life in the community.”

Vision 2025 Indicators

"Collaborating with the community, neighboring jurisdictions and other partners regionally, nationally and internationally, the City works hard every day to ensure that the vision of Tacoma 2025 is being implemented in a way that improves the quality of life for everyone who lives, learns, works, and plays in Tacoma."



Strategic Plan: Focus Areas & Outcomes



Gamechangers



Construction of kōz on Puyallup

1st Residential Construction in the Dome District

One of four mixed-use developments in the pipeline, kōz at the Dome is approaching completion. The project is the first multifamily building in the Dome District, bringing aspirations of complete, transit oriented development for the city and region to life. When finished, it will offer 152 residential units and around 3,315 square feet of ground-level retail space.



Salomone's Pizza - Photo courtesy of Sound Transit

Growing Small Businesses with Microloans

We established the small business Microloan Program, offering loans in the \$5,000 to \$25,000 range. Monies are available for building acquisition, equipment, working capital and more. We identified outreach partners and communication channels to ensure equitable distribution of the program information, and made details easily accessible on the Make It Tacoma website.



Tacoma Codifies Race and Gender Equity in Contracting

In November of 2019, after nearly a year of deliberation, including the Council-appointed Community Workforce Agreement Taskforce, the city adopted an ordinance to ensure proportionate contracting and subcontracting of Minority- and Woman-owned Businesses, as well as residents from economically distressed areas, to work on the city's public works projects. This will ensure accurate representation of the regional population in public capital contracts reaching upwards of \$5 million.



Building foundations at Hilltop Terrace

Forterra Purchases Hilltop Rite Aid

After closing on the 1.7 acre site in September of 2019, Forterra announced that they would be partnering with Hilltop neighbors to develop the property in to some combination of mixed-use, affordable residential and community space. The organization has an ambitious timeline to complete the project by 2022. We will provide ombudsman services for the project.



The vacant former Rite Aid on MLK will be redeveloped by Forterra. Photo courtesy of The Olympian

Business Retention, Expansion & Recruitment



Mayor Woodards visits Columbia Bank

TOTE Maritime Alaska Announces Move to Downtown Tacoma

Citing walkability and quality of life benefits for its employees among the reasons, TOTE announced they will move their headquarters to downtown Tacoma. The move will bring 150 employees to two floors of the 909 A Street building in downtown. The company is investing \$600,000 in renovation of the space.



TOTE to occupy the top two floors of 909 A Street building. Photo courtesy of 42floors.com

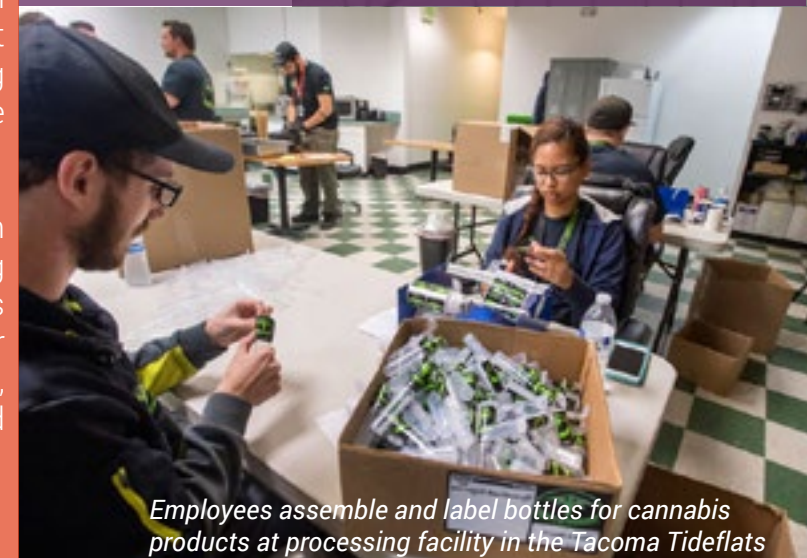


FibroCorp's new sign at S Tacoma Way location

Supporting Tacoma's Emerging Cannabis Sector

Pierce County was the top processing county in Washington in 2018, and Tacoma is the only municipality that allows for production facilities. Our share of the market comprises approximately 40 indoor production facilities and 15 retailers, providing Tacoma with over \$700,000 in excise tax revenue and approximately \$550,000 in retail sales tax.

In addition to occupying a significant amount of Tacoma's industrial space, cannabis business owners tend to pay a higher premium in rents and wages due to their emerging status. Still-forming regulatory structures are notably influencing access to capital and presenting social equity issues. By establishing relationships with industry firms over the last year in targeted business retention and expansion visits, we developing a better understanding of the sector's unique needs in order to provide high-level support.



Employees assemble and label bottles for cannabis products at processing facility in the Tacoma Tideflats

Strengthening and Diversifying the Local Economy through Business Retention and Expansion

This year, business retention and expansion was our top priority. We coordinated visits by the Mayor and Council members, and devoted staff time to outreach throughout the city, including to small- and mid-size businesses, resulting in 187 visits. During visits, we assess location satisfaction, identify workforce/funding needs, offer technical assistance, and - as needed - provide referrals to other city departments and partners. Bilingual staff initiated contact with Vietnamese- and Spanish-speaking owners, increasing our capacity to serve Tacoma's business community equitably.

The outcomes of been substantial. We partnered with the Economic Development Board on several major retention/expansion projects, coordinated additional street lighting in response to security concerns, and provided financing for a local brewery to expand production and open a second location in Tacoma. The Department has established a method for tracking trends in challenges reported by companies, which may inform future policy discussions.

Collaboration Key to FibroCorp's Success

The Minority Business Development Agency - Tacoma Business Center (MBDA Tacoma), the Economic Development Board (EDB), Workforce Central, ResCare, and Economic Development Services joined forces to support a new manufacturing center for FibroCorp in Tacoma, and continues to provide ongoing support for the minority, woman-owned business.

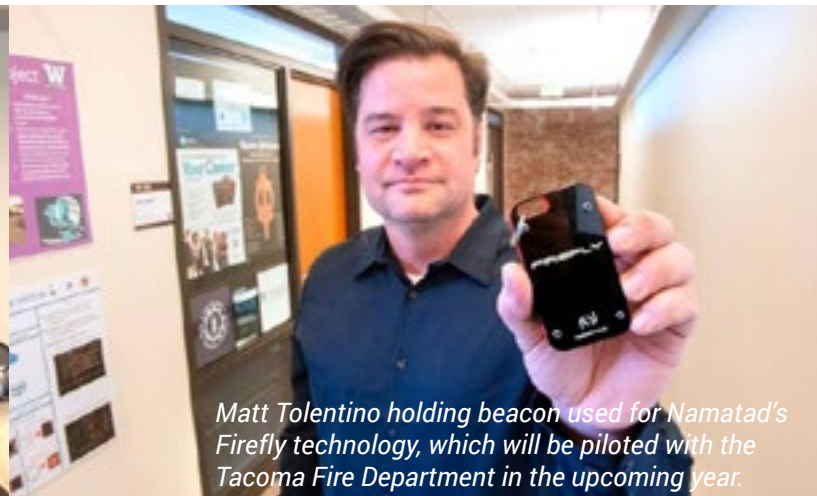
In addition to providing \$10,000 in support for Lean Manufacturing Process improvement through Impact Washington, the MBDA and the EDB are currently assisting with workforce needs. The company is projected to hire 60 new people in 2020. In 2019, they added 23 jobs.

FibroCorp is a green manufacturer specializing in proprietary molded-fiber machinery and packaging made with recycled paper. They serve household names including QFC, Fred Meyer, Wilcox Farms, and Trader Joe's. The company is an excellent example of clean, advanced manufacturing supporting the city's diversified economy.

Small Business & Entrepreneurship



Linda Womack and Ivan Golovkin of MBDA Tacoma awarded for their work with Amazon on Global e-commerce for Minority Business Enterprises.



Matt Tolentino holding beacon used for Namatad's Firefly technology, which will be piloted with the Tacoma Fire Department in the upcoming year.

Fostering Tacoma Innovation and Entrepreneurship

The purpose of this strategy is to increase the number of tech companies founded in, expanding and recruited to the city. Our efforts ensure that Tacoma diversifies its living wage job base and remains competitive in a rapidly changing, technological world. We have a unique opportunity to leverage proximity with Joint Base Lewis-McChord, and local university and college curriculums, to develop innovations in cybersecurity, business services, healthcare, and biotech.

Some highlights of our efforts:

- Forged a strategic partnership with Startup 253, Tacoma's home for the startup community
- Co-hosted the Startup Ecosystem Roundtable with Pioneer Square Labs and a venture capital roundtable with Flying Fish Ventures
- Supported the work of homegrown innovation such as Namatad's Firefly platform
- Recruited Pacific Immuno CelKem to the RAIN Incubator
- Convened the coworking ecosystem for a brainstorm session on how their work supports business recruitment and local startups
- Joined the Internet of Things Council
- Joined as a partner on the Washington Maritime Blue Initiative



Training and Relationship Building through Small Business Development

In addition to hosting two workshops, throughout the year we actively promoted other city- and partner-led small business education opportunities. These trainings increase access to and foster social connections within the local entrepreneurial community.

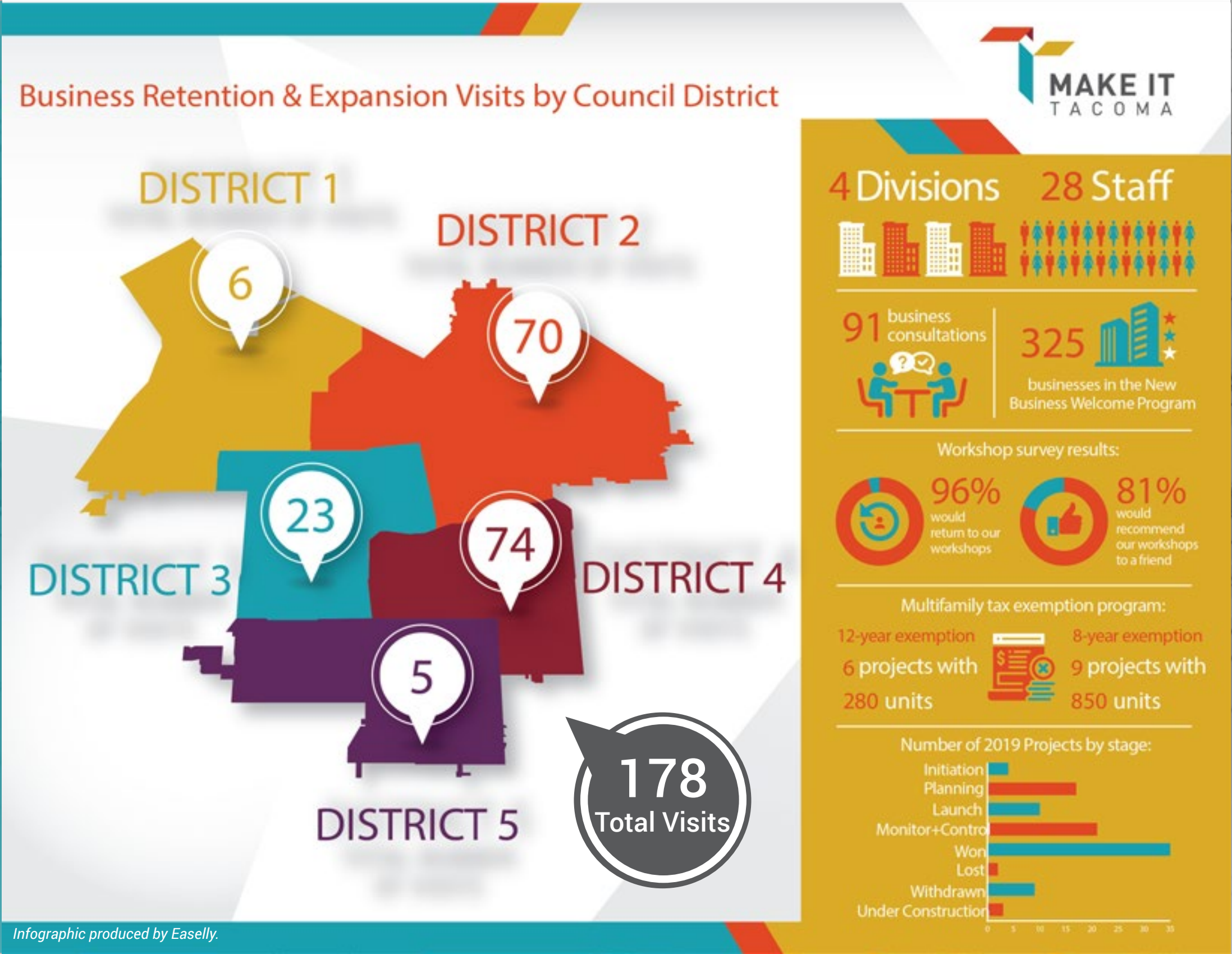
We surveyed participants in our workshops and learned that respondents are interested in Quickbooks training. Over 80% responded that they would recommend Community and Economic Development-led trainings to a friend.

In April, we convened a Small Business Resource Providers Summit with 25 representatives from 14 organizations to create an improved, shared understanding of local support services available to entrepreneurs in order to streamline process to the most appropriate provider.



Corissa Saint Laurent from partner Grow with Google leads workshop for Tacoma small businesses.

The Year in Numbers



Workforce Development & Housing



High school student Angelina Rodriguez interned with the city's IT department through Summer Jobs 253.

Engaging Tacoma's Youth with Career Development Opportunities

In partnership with Tacoma Public Schools, The Reach Center Tacoma, local healthcare agencies and the private sector, we continue to enable direct career pathways for the city's youth.

Summer Jobs 253 matched 67 students with 75 employers during its sixth year. Local high school seniors were placed at MultiCare Facilities, Assisted Living Facilities and with local families after completing the Certified Nurse Assistant Summer Program.

Among other programs we administer is the Tacoma Tideflats Certification, which serves merchant marine, logistics and warehousing and environmental service sectors, provides an opportunity for Tacoma students to fill entry-level employment positions with the network of businesses and industries associated with commerce generated through the Port of Tacoma. These free certifications create a chance for students to increase their job readiness. Programs are available to any family in the Tacoma Public School system.

Workforce Realignment: An Equitable Response to the Needs of Tacoma's Workforce Ecosystem

We brought together members of Tacoma's workforce and job training ecosystem, a partnership made of public, private, and nonprofit representatives, to fine-tune citywide programs that lead to sustainable careers in the trades for women, minorities, and disaffected youth.

Work sessions with partners revealed unique value propositions of providers, clarifying service offerings and minimizing redundancies. Our facilitation encouraged collaboration among partners that will simplify the path between job seekers and employers, and revealed opportunities to improve the education to employment pipeline.

We examined the evolution of Tacoma Training and Employment Program, and identified needs to be addressed in the 2020 request for proposal to update the city's evaluation processes for 2021-2022. Results of this year's Disparity Study provide a framework for improving hiring practices, in effect modeling equity practices for the private sector.



Members of Tacoma's workforce ecosystem in strategy session.



Kitchen rehabilitation in the "punch list" or final stages of construction.

Affordable Housing Action Strategy Work

In the year since the Affordable Housing Action Strategy (AHAS) was published, we coordinated the work of 12 teams to implement the following actions:

- Passage of a resolution necessary to qualify for funds approved through Substitute House Bill 1406, allowing the city to retain approximately \$850,000 of local sales tax to support the Affordable Housing Trust Fund;
- Maintained accountability through quarterly updates to city council on AHAS implementation;
- Began work with Planning and Development Services to streamline permitting processes to support affordable housing development.

Improving Livability for Tacoma Residents through Home Rehabilitation

The Single-Family Residence Rehabilitation Loan Program helps low- to moderate-income homeowners preserve the quality and stability of their home. This year, the Housing Division reclaimed oversight of the program and now manages rehabilitation projects from the application intake and approval, through the underwriting of loan documents, the construction phase and project closeout. There are 31 projects currently underway and the program has loaned approximately \$500,000 to date.

In addition to working with Code Enforcement to identify and assist homeowners living in substandard conditions, we established a Memorandum of Understanding with Tacoma Public Utilities' Conservation Program that has negotiated rebates for energy efficient material and equipment upgrades. In the coming year, we plan to deepen the program's contractor pool with city-approved contractors, and to increase marketing and outreach to potential participants with the assistance of an added Program Technician.

From seniors aging in place to homeowners with disabilities, the program supports a broad range of beneficiaries. By providing full service customer support to these homeowners, we have removed barriers to ensure that they received the administrative support necessary to qualify for the program.



Housing (continued)

Neighborhood Business District Revitalization



Groundbreaking: The Arlington Drive Youth Campus and Crisis Residential Center

We invested \$2.8 million in federal and local funds for construction on the 3.5-acre Tacoma Housing Authority property adjacent to the Salishan neighborhood and First Creek Gulch. We are currently in discussions with Public Works to supply offsite improvements and infrastructure development necessary to the feasibility of the project. When complete in December of 2020, it will offer a youth shelter with 12 beds, daily meals, case management, educational opportunities, transportation services and referral services for unhoused youth between the ages of 12 and 17.

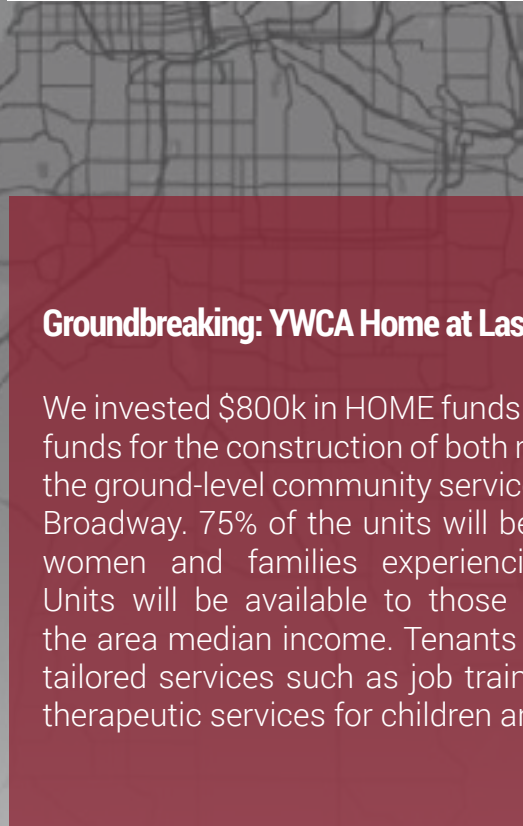
Aerial rendering of Arlington Drive Youth Campus. Courtesy of The West Studio.



Panelists from Urban Land Institute Northwest on a walking tour of the Dome District.

Supporting Neighborhood Business District Vitality through Outreach

As part of the Business Retention and Expansion strategy, outreach to Neighborhood Business Districts is underway. Efforts provide an important link between business owners and city government; revealing issues, needs, and successes. In 2019, we focused on districts that do not already have an active Neighborhood Business District Association - including McKinley Hill Pacific Avenue - mailing 262 letters followed by 52 company visits, to let them know we are here to help organize and navigate city services.



Groundbreaking: YWCA Home at Last

We invested \$800k in HOME funds and \$250k in CDBG funds for the construction of both residential units and the ground-level community service facility at 405-408 Broadway. 75% of the units will be made available to women and families experiencing homelessness. Units will be available to those earning 30-50% of the area median income. Tenants will have access to tailored services such as job training, child-care, and therapeutic services for children and teens.

This summer's groundbreaking celebration of Home at Last. Courtesy of SMR Architects.

Vision Planning: Transit Oriented Development in the Dome District

In partnership with Planning and Development Services and Public Works, we facilitated a Technical Assistance Panel from the Urban Land Institute Northwest to provide recommendations on land use, design, economic inclusion strategy, and parking programs that can encourage Transit Oriented Development investment in the Dome District.

We managed a contract with VIA Architecture that produced a series of renderings showing current and potential building envelopes. These renderings helped guide recommendations from the panel. The project coincided with the establishment of a Transit Oriented Development Advisory Group, and provided a strong foundation for stakeholder discussion.



Downtown Tacoma

Commercial + Industrial Property Activation

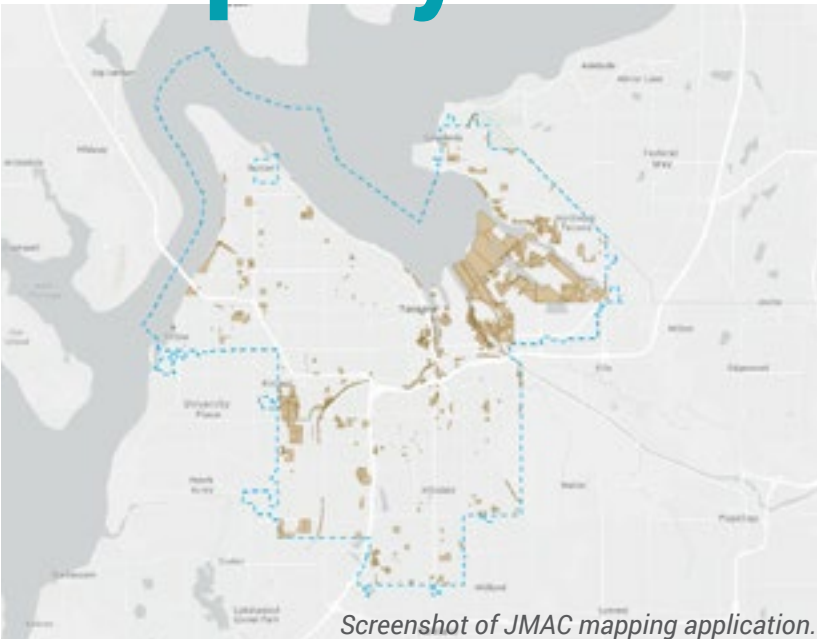


Interior of Old City Hall includes an atrium space.
Courtesy of oldcityhall.com

Revitalizing Old City Hall

We executed the city's first Public Benefits Agreement with Surge Tacoma, who was selected to redevelop Old City Hall in 2018. We continue to act as a resource for the project, and anticipate conveying title to the developer in summer of 2020. Redevelopment plans include 40 residential units, 40,000 square feet of flexible office and retail space. Anchor tenant Startup 253 will support local entrepreneurship.

Old City Hall is a building of the people, for the people, and we are working to ensure that its uses are returned to the people.



Screenshot of JMAC mapping application.

Green Economy: Approaching Economic Development through Environmental Sustainability

In order to provide a solid foundation for a Green Economy in Tacoma, we actively promoted the Green Jobs tax credit and EnviroStars program to local businesses. Recruitment efforts were directed to environmentally friendly business, for instance, the Cross Laminated Timber industry has the potential to increase sustainability, affordability and to unlock new job opportunities for our local workforce.

We collaborated with the Manufacturing Industrial Council and the Environmental Services Department to identify businesses who incorporate sustainability initiatives in their operations. Companies participated in an Industrial Resource Reuse study that will assist us in finding potential markets for unutilized materials and byproducts that often end up in the landfill ("Industrial Symbiosis").



Staff worked with Waste Management to understand potential uses and markets for manufacturing byproducts.

Gathering Again at the McMenamins Elks Temple

Once again, the doors are open at the Elks Temple for residents and visitors to explore, gather, rest and be entertained.

To enable the project, we negotiated the land development agreement that made it possible. We facilitated permitting and assisted with finding investors for gap funding. We supported the adaptive reuse process with the Historic Preservation Office, minimizing risk to ensure that this space could be brought back to life.



Visitors enjoy live music in the Spanish Ballroom at McMenamins Elks Temple. Courtesy of Oregon Live.

Maximizing Public Benefits of Site Development through Interagency Coordination

In support of the Joint Municipal Action Committee, we contracted Forterra to develop a Community Asset Map via a collaboration with Tacoma Housing Authority, MetroParks Tacoma, Tacoma School District and Pierce County. This interactive map captures Tacoma's publicly owned lands, allowing participating agencies to locate parcels that support service delivery and broader community needs. The user-friendly geospatial modeling will inform strategic plans and encourage interagency collaboration to maximize public benefit.



Business Development & Climate



A new movie theatre is among the anchor tenants announced in 2020 at Tacoma Mall. Courtesy of Simon Group.

Premier Customer Service Supports Brewery Blocks + Tacoma Mall Redevelopment

One of our key activities is acting as ombudsmen between the private sector and other departments/agencies on property and business development projects. By facilitating conversations that clarify regulatory structures, we not only improve the communication processes necessary to move projects forward, we gain insight on processes that improve alignments in public-private partnerships.

Throughout the redevelopment of the Brewery Blocks, we have aided 20 staff from three departments and from Tacoma Public Utilities in driving the project through potential standstills. We support the long-term success of the project by amplifying any marketing efforts to recruit commercial tenants through our own channels.

We have facilitated communication between Tacoma Mall representatives and other departments/agencies, pursuing increased cohesion between land use and development, and are helping bring the project to a timely completion. The first phase is anticipated to open in fall of 2020.

Washington Building exterior. Courtesy of Unico Properties.



Leveraging Opportunity Zones to Strengthen Public Private Partnerships

We turned our attention to developing relationships with select Opportunity Zone (OZ) Investors. We attended a workshop convened by Accelerator for America designed to educate and connect city leaders and stakeholders from across the nation in the advancement of economically inclusive investment. To prepare, CED created an Investment Prospectus, now featured on Accelerator for America's website.

We met with developers and investors and provided valuable market information to promote investment. We e-mailed 65 OZ funds, showcasing local real estate and business development opportunities. We reached out to Tacoma OZ property owners to determine the potential for partnerships and reinvestment. The relationships forged through our outreach efforts are creating vital local and external partnerships that will have a lasting impact beyond the framework of the federal program.

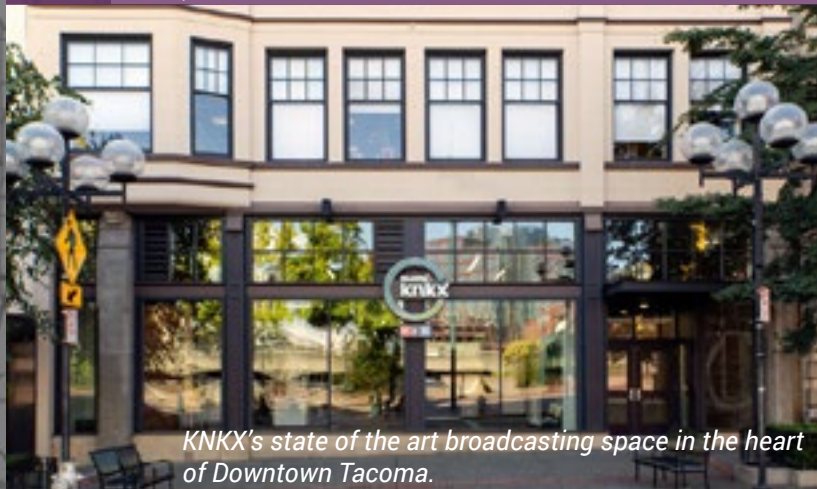
The results of this program are becoming visible. For example, Opportunity Zone investment provided necessary momentum to the redevelopment of the Washington Building, the buildout of Traction Space, the recruitment of Humming, and will be used for Forterra's development project in the Hilltop neighborhood.



Placemaking & City Image

KNKX Opens Broadcasting Studio in the Theater District

In collaboration with the Office of Arts and Cultural Vitality and Planning and Development Services, we coordinated the multi-million dollar buildout of KNKX's new studios at 930 Broadway. As part of ombudsman services, we linked KNKX to Rainier Connect to provide the 24/7 fast, reliable internet connectivity that the station requires.

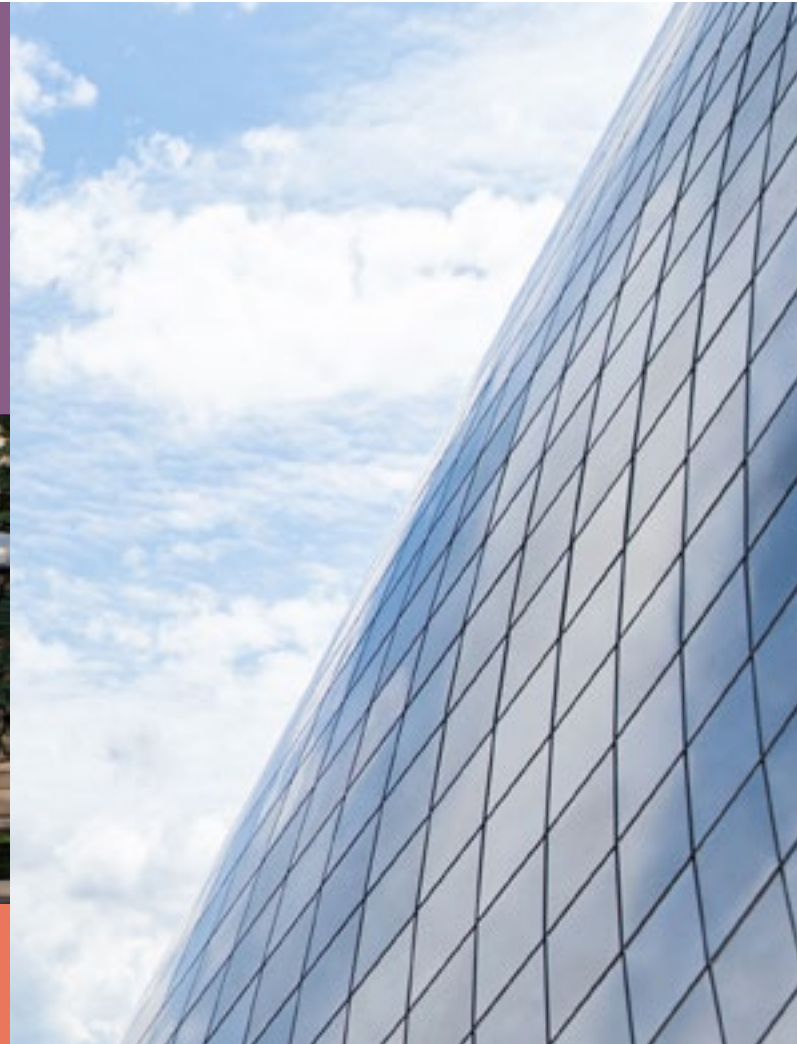


KNKX's state of the art broadcasting space in the heart of Downtown Tacoma.

International Promotion of Tacoma's Culture and Regional Economy

Our department manages the Tacoma Sister Cities program, which strengthens trade relationships and fosters international exposure opportunities for youth. This year, we coordinated with the Tacoma Fire Department to donate an ambulance to Brovary, Ukraine, to improve emergency services to its rural and suburban communities. We organized visits to four of Tacoma's 14 Sister Cities, and celebrated several major anniversaries: Fuzhou, China (25 years); Gunsan, South Korea (40 years); and Kitakyushu, Japan (60 years).

In addition, we hosted delegations from Japan, India, and Vietnam.



Mayor Woodards and Mayor Igor Sapozhko with Brovary preschool children at the ambulance donation ceremony.



Getting the Word Out

In collaboration with the Media and Communications Office, we developed fliers to market small business workshops, the Neighborhood Business District program, the new Microloan Program, local Tech Startup resources, a flier for startup investors, How to Launch a Business, How to Grow a Business, an FAQ sheet for Equity in Contracting policy, and a networking tip sheet. A number of materials are being translated to increase engagement with Tacoma's diverse communities.

Our department manages the Make It Tacoma microsite, which provides a newsfeed, resources to support business recruitment and development, and a property search tool developed by GIS Services.

We partnered with the Economic Development Board for Tacoma-Pierce County on numerous print and electronic business recruitment/retention proposals.

In preparation for implementing Equity in Contracting and the Microloan program, we identified community partners and locations to ensure successful reach of marketing efforts.

Each quarter, Community and Economic Development publishes a quarterly newsletter to inform and involve stakeholders in our work. These and our annual reports are available to the public on the Make It Tacoma website.

MAKE

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