City of Tacoma

Economic Development Strategic Plan

December 2019
Greetings!

I am delighted to introduce the City of Tacoma’s five-year Economic Development Strategic Plan that will guide the City’s economic development focus, actions and investments, and advance the goals of the Tacoma 2025 Citywide Vision and Strategic Plan – namely, “Equity and Accessibility”, “Economy and Workforce” and “Livability.”

We know that economic development is fundamental to enhancing our quality of life and that the businesses we retain, grow and attract are essential parts of our community. By working collectively on these issues through the immediate, short- and long-term actions in this plan, we have the power to move the community forward. Simultaneously, we recognize that the Plan’s results rely on sufficient resources and effective partnerships. Community-wide commitment to the Plan’s objectives will enable progress that we could not achieve alone.

Successful economic development requires local and regional collaboration and alignment with a variety of partners. The Plan highlights areas where the City will lead and those where we will bolster efforts by complementing the work done by our valued partner organizations and businesses. The strategies provide direction and flexibility as new opportunities and needs become apparent.

Good plans begin with listening, and countless stakeholders and staff enthusiastically provided extensive comments, ideas and initiatives to create an even brighter future for our community. We extend our sincere gratitude to all who assisted in shaping this vision for the future. I want to recognize community stakeholders, the City Council’s Economic Development Committee, the Community and Economic Development Department and Community Attributes for their leadership, vision and diligent work.

This plan provides an actionable vision for economic development. We invite all who want to elevate Tacoma’s position in the regional economy to join us in making our City an ever-more vibrant place in which to live, work, learn and enjoy.

Sincerely,

Mayor Victoria R. Woodards
City of Tacoma, Washington
Acknowledgments

This Economic Development Strategic Plan has been developed in close collaboration with the City of Tacoma Community and Economic Development Department staff, and under the guidance of the Tacoma City Council’s Economic Development Committee. In addition, we’d like to thank numerous local and regional partners and stakeholders for their participation in interviews and workshops that guided the findings and development of this plan.

City of Tacoma Community & Economic Development Department

Tacoma City Council Economic Development Committee

Lillian Hunter
Conor McCarthy - Vice Chair

Robert Thoms - Chair
Catherine Ushka

Project Consultants - Community Attributes, Inc.

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Bryan Lobel, AICP, CAI - Project Manager

Kristina Gallant, AICP, CAI
Elliot Weiss, AICP, CAI

Interviewees

Betty Capestan - Pierce County Economic Development Dept.
Michael Catsi - Tacoma Public Utilities
Patrick Clark & Ben Mauk - University of Washington, Tacoma
Maureen Fife - Habitat for Humanity
Bruce Kendall - Economic Dev. Board for Tacoma-Pierce County
Evette Mason - Port of Tacoma

Michael Mirra - Tacoma Housing Authority
Meredith Neal - Manufacturing Industrial Council
Linda Nguyen - Workforce Central
Andrew Strobel - Puyallup Tribe
John Xitco - Engine House No. 9 Brewery, X2P Capital
Lin Zhou - Bates College
Additional Stakeholders

Asia Pacific Cultural Center
Latinx Unidos of the South Sound
Tacoma-Pierce County Black Collective
Pierce County
Greater Seattle Partners

Mayors Business Advisory Group

Mark Pagano, Education
Bill Robertson, Healthcare
Ketul Patel, Healthcare
Grace Greene, Manufacturing/Industrial
Debbie Lee, Manufacturing/Industrial
Warren Martin, Professional Services
Cara Ritchie, Retail
Ken Dinsmore, Retail
Chun Li (and Michael), Hospitality

Michael Brown, IT
Greg Primm, Construction
Hadley Robbins, Financial Services
Herb Simon, Multi-sector
John Xitco, Multi-sector
Loren Cohen, Development
Claude Remy, Commercial Real Estate
Aaron Artman, Entertainment
Kristina Maritczak, Women’s Business Initiative

The Cross District Association of Tacoma

This non-profit business organization represents all of the Neighborhood Business Districts in the City of Tacoma through its efforts to promote, organize, advocate for, and develop the economy and community found in those districts. The Association represents the following Business Districts:

» Dome District
» Fern Hill Historic Business District
» Hilltop Business District
» Lincoln International Business District
» Old Town Business & Professional District
» Pacific Avenue Business District
» Portland Avenue Business District

» Proctor Business District
» Sixth Avenue Business District
» South Tacoma Business District
» Stadium Historical Business District
» Ruston Pt. Defiance
» Tacoma Narrows
Executive Summary

Why did the City of Tacoma develop an Economic Development Strategic Plan?

With strong economic growth and fundamental shifts in its mix of industries and occupations in recent years, the City of Tacoma needed an updated understanding of its economy, a re-examination of its economic goals, and a plan to move it toward those goals. The results of this effort - a five-year Economic Development Strategic Plan for the City of Tacoma including short-term, actionable, high-priority items to guide its immediate first steps - are presented in the following sections of this document.

What will this Plan accomplish over the next five years?

The Plan is organized around eight (8) primary economic OBJECTIVES and corresponding MEASURES, summarized below, that will be used to benchmark and assess progress toward achieving the City’s economic goals in the next one to five years. Underlying these objectives are a set of values that will shape and guide the City of Tacoma’s approach to its economic development activities. First, the City’s efforts will be collaborative and coordinated with the numerous other departments, agencies, and organizations involved in economic development in the City and region; next, economic equity and prosperity for all Tacomans will be reflected in specific actions to be taken by the City; finally, work undertaken by the City in coordination with its partners will be implementation-focused and action-oriented for maximum impact in the near term.

1. Strengthen and Diversify the Local Economy
   - Measures: Business Retention & Expansion visits; Leads generated in target industry companies and number of customized proposals produced.

2. Develop Authentic and Emerging Industries

3. Create a Trained, Future-Ready Workforce
   - Measures: Number of program participants served by workforce initiatives.

4. Build Increasingly Vibrant Neighborhoods
   - Measures: Number of trainings and workshops provided or facilitated by CEDD.

5. Promote Downtown Tacoma as the Center of Commerce for the South Sound


7. Implement Premier Customer Service

8. Choose Tacoma in Which to Live, Work & Explore
   - Measures: Marketing materials created & distributed.
How will this Plan move the City of Tacoma toward equitable, collaborative, and implementation-focused economic development?

This Plan proposes to move the City of Tacoma toward achievement of its economic development objectives by addressing each through a set of coordinated, phased, and place-based STRATEGIES. Each STRATEGY is designed as a cohesive approach toward achieving an objective, consisting of interrelated and mutually-supportive ACTIONS.

The diagram below presents an overview the STRATEGIES crafted to address the Plan objectives. In total, the Plan consists of 37 STRATEGIES and 124 ACTIONS over a five-year period. These are presented in detail in Section 4 - Detailed Strategies and Actions - where they are supported by case studies, success stories, and exhibits.
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ONE Purpose & Approach

The Tacoma Economic Development Strategic Plan establishes priorities and actions for the City of Tacoma to lead on inclusive economic development citywide. The Economic Development Strategic Plan (the Plan) reflects three fundamental values, which are presented in detail in subsequent sections:

**Equity & Prosperity.**
Tacoma will provide opportunity and advancement for all.

**Coordination & Collaboration.**
Tacoma will work with partners throughout the county and regional economic development and workforce ecosystem to reach common goals.

**Implementation-Focused Approach.**
The City will prioritize actions to achieve near-term benefits for Tacoma residents.

The Plan aligns City efforts with economic development goals. It is informed by and complementary to the City’s strategy, approach and programs with other organizations, government entities and groups involved in economic development in the region and state.

The Plan builds on other plans and initiatives important to the City of Tacoma. The Vision and Goals in Tacoma 2025, the City’s strategic plan, are reflected clearly in this document, as are the policies in the Economic Development Element of the City’s One Tacoma Comprehensive Plan. Neighborhood plans and active economic development initiatives inform this Plan, including the Downtown Office Recruitment program; Space Works; Make It Tacoma campaign; a vibrant Business Retention & Expansion (BRE) Program with the Economic Development Board of Tacoma-Pierce County; and start-up weekends for tech entrepreneurs.

The Plan draws on data analysis and engagement with many stakeholders. Contributors include Tacoma business and community leaders; elected officials; city staff; and economic development organizations that serve Tacoma and the region. The strategies and actions contained in the Plan offer short- and long-term opportunities. The Plan focuses on current and future industry sectors and geographic locations to grow a sustainable local economy.
Contributors & Engagement

The Economic Development Strategic Plan relied on robust stakeholder engagement to identify critical challenges and opportunities related to economic development. City staff and the consultant team met with the following groups to review interim findings and discuss strategic priorities:

**The Mayor’s Advisory Council.** A valued panel of business leaders in Tacoma that meets regularly with the Mayor to discuss local economic and market conditions.

**Tacoma City Council’s Economic Development Committee.** A committee of four City Council persons to discuss strategic priorities for economic development, review City initiatives, and hear from local business leaders.

**Citizen Survey.** A broadly distributed on-line survey to solicit needs and concerns to inform development of the Plan.

**Stakeholder Interviews.** In person and telephone interviews with the consultant team or many economic development leaders and business leaders.

**Neighborhood Business District Association.** The leaders from each of the City’s neighborhood business districts.
Plan Organization

**TWO Tacoma In 2019**
An overview of the fundamentals of the Plan, a summary of the values that direct the Plan’s strategies and actions, and a brief summary of the socioeconomic characteristics of Tacoma in 2019.

**THREE Priority Actions for Tacoma**
This section presents the highest-priority actions that align with Tacoma’s policies and programs to guide the City’s efforts toward economic development in the near term (1-3 years) and generate momentum for mid- and longer-term strategies and actions.

**FOUR Detailed Strategies & Actions**
This section provides the full repository of strategies and actions for Tacoma to pursue in the near-, mid- and long-term, as well as additional reference and supporting information that provides context and examples for better understanding and for implementation - including case studies, Tacoma success stories, and exhibits.

**FIVE Measures**
In the final section of this Plan, a number of measures are introduced whereby directional progress in holistic, sustainable, and equitable economic development in the City of Tacoma may be ascertained via implementation of the strategies and actions herein.
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Appendices
TWO Values
Equity & Prosperity

The City of Tacoma’s mission is to achieve equity in service delivery, decision-making and community engagement. This mission requires a commitment to identify and eliminate underlying drivers of social and economic inequity within Tacoma. Opportunity and advancement for all requires broad civic and community participation, livable neighborhoods without physical barriers to economic opportunity, and a robust economy that ensures wealth creation opportunities for all.

Social and economic equity must be reflected in specific actions - including economic development actions outlined in this Plan. Throughout this plan, **specific actions that contribute to equity in Tacoma’s economic development policies and programs are marked with an Icon (right)**. These actions present an explicit plan-within-the-plan for moving the City of Tacoma toward greater social and economic equity.

**Equality versus Equity**

Specific actions embedded within the Detailed Strategies & Actions presented in Section 4 of this plan that support greater equity in the City of Tacoma’s service delivery, decision-making and community engagement are highlighted with an Icon.
Coordination & Collaboration

Actions articulated in this document depend on close coordination with other departments, agencies, and outside partners. This plan focuses on how the City can best align with these partners, and how it can support their work. For each Strategy, a Coordination inset will describe exactly what the City’s role would be in the Strategy and outline any necessary coordination with partners.

This section presents partner context for economic development in Tacoma and honors the good work of numerous private-sector, non-profit, and government partners in Tacoma, Pierce County, and the region. As outlined in Section 1, the economic development ecosystem comprises many key organizations, including the Pierce County Economic Development Department (EDD), the Economic Development Board for Tacoma-Pierce County (EDB), the Tacoma-Pierce County Chamber, the Workforce Development Council (WDC) and its implementation arm, Workforce Central, Greater Seattle Partners (GSP), and the Puget Sound Regional Council (PSRC).

Mission-critical opportunities for collaboration and alignment exist in the following plans and programs:
**Tacoma 2025**

On January 27, 2015 the City Council approved the City of Tacoma’s Ten-Year Citywide Strategic Plan and Vision, Tacoma 2025. The Strategic Plan is intended to set the course and guide where the City of Tacoma (both as a local government organization and a community) is going over the next 10 years, and to help the City direct its efforts and resources toward a clearly defined vision for its future that reflects community desires, current and future trends, and bolsters the City’s unique position within the region. Specifically, Tacoma 2025 highlights the need to increase the number and quality of jobs throughout Tacoma; diversify Tacoma’s living wage business base; improve neighborhood business districts; and strengthen downtown Tacoma as a business core and residential option.

**One Tacoma Comprehensive Plan**

Tacoma has initiated myriad efforts in recent years to recruit new businesses, support local companies and revitalize its neighborhoods. The goals and policies in the City’s Comprehensive Plan (updated in 2015) Economic Development Element provide high-level support for all of these ongoing efforts and serve as a guide for the development of new strategies to ensure that they are well-coordinated and supported by the City’s land use policy.

**City of Tacoma Community and Economic Development Department (CEDD) - Two-Year Action Plan, Economic Development Program (2018-2019)**

This program represents the first two years of the City’s Five-Year Economic Development Framework Strategic Plan (2018-2022). This Plan serves to forecast the planned projects and programs to be undertaken or facilitated by the City’s CEDD over the course of the next two years.

**PSRC Regional Economic Strategy (RES)**

Amazing Place is a data-driven regional economic strategy that identifies leading sectors and the ways the region intends to sustain economic development. The strategy has three big goals: open economic opportunities to everyone; compete globally; and sustain a high quality of life. Each goal is supported by specific strategies and initiatives to sustain and grow jobs throughout the region, for all residents.
PSRC Vision 2040 (and 2050, currently in progress)
As one of five designated Metropolitan Cities in the Puget Sound Regional Council's (PSRC) VISION 2040, Tacoma is planning for 97,000 new jobs by 2040. PSRC is currently in the process of extending its Vision 2040 plan to 2050. In this iteration, there are three alternative growth scenarios that have been proposed – one of which, “Stay the Course” extends these 2040 growth targets to 2050.

Pierce County Workforce Development Council (WDC) – Strategic Action Plan 2018-2021
This Plan is the blueprint for the sustainability and growth of the region’s talent pipeline and lays the foundation for the WDC’s business plan which will outline key actions and resources required to execute the objectives and strategies found in this Plan.

Economic Development Community Partners – Retreat Objectives & Outcomes
In April of 2017 an Economic Development Community Partners Retreat was held in order to gain a more in-depth understanding of partners’ priorities and challenges, identify opportunities to support the success of partner agencies, and establish a foundation for both short-term and long-term actions.
Implementation-Focused Approach

The Plan presents the complexities of leadership on economic development in Tacoma. The needs and opportunities far exceed City resources and will require partnership with businesses, non-profit organizations and other government agencies to achieve success. **The Plan prioritizes implementable actions that City staff can execute and lead on.** Other actions require the leadership of partner organizations that the City will support and ensure alignment with. In this way, City resources will be best applied toward implementable actions that have real impact on Tacoma’s economy and benefit residents.

In this plan, **priority actions for the City to lead will be highlighted with an icon (left), and will be summarized as a standalone reference in Section 3 of this document.**

Mayor Victoria Woodwards and a group of students from IDEA high school.
Source: City of Tacoma, 2018
Tacoma Economic Profile Summary

Residents & Workforce Characteristics

From 2010-2018 Tacoma’s population grew by 10,700 persons to 209,100. Its compound annual growth rate (CAGR) of 0.7% lagged the county, region, and most of its neighboring and peer cities. Fostering workforce diversity supports a resilient economic base. In 2017, Tacoma’s population was more diverse (greater non-white percentage) than the county, region, and most of its peer and neighboring cities.

Tacoma has a greater proportion of millennials than the county, region, and most of its neighboring and peer cities. The City has more younger working-age people (20-44 years) than many nearby cities.

In recent years Tacoma has seen gains in educational attainment levels of its population aged 25 years and more. More than 27% of its workforce has college degrees or higher in 2017, up from 25% in 2012.

Household incomes in Tacoma in 2017 lagged the County and all of its neighbors except Lakewood. An important economic strategy for Tacoma will be to focus on attracting and strengthening higher-paying industries.

Source: American Community Survey, 2019; Community Attributes, 2019

Tacoma is a relatively young city, with a median age of 36. Younger workers tend to support an innovation economy, including entrepreneurship, and trend toward a broader array of tech-savvy workforce skills. Tacoma’s strong sense of place and assets can attract more of this demographic.
Tacoma has a good balance of jobs to housing units. Ratios exceeding 1.2 indicate a jobs center that imports labor, while ratios less than 1.0 indicate an area that exports labor.

Source: Washington State Office of Financial Management, 2019; American Community Survey, 2019; Community Attributes, 2019

Jobs to Housing Ratio, 2017

More jobs than housing units vs. region

More housing units than jobs vs. region

Source: Puget Sound Regional Council, 2018; Community Attributes, 2019

Total employment in Tacoma has risen from 96,700 in 2010 to 108,700 in 2017, a compound annual growth rate of 1.7%. Pierce County’s employment over that period grew 2.1% and the region’s employment 2.6%. Tacoma’s top sectors by employment were Healthcare, Government, and Accommodation. The FIRE (finance, insurance, and real estate) and Retail sectors were also strong employers in the City.

Source: Puget Sound Regional Council, 2018; Community Attributes, 2019
Industries & Employment ...continued

Location quotients measure how local industries rank locally in comparison to the nation. Sectors above 1.0 on the vertical axis were more highly concentrated in Pierce County than in the nation; sectors right of 0% on the horizontal axis had a positive growth rate.

Retail is strong in Tacoma. Taxable retail sales per capita are higher in Tacoma, surpassing most of its neighboring and peer cities. With retail and service sectors paying less on average than other sectors, Tacoma should maintain a strong economic focus on growing higher-wage industry sectors.

Government, Education, and Construction / Resource sectors are more highly concentrated, and have grown in recent years, in Pierce County.

According to the 2016 “Arts & Economic Prosperity 5” study, the arts and creative economy portion of the Services sector generate $137 million in annual economic activity in Tacoma and support more than 3,600 jobs.
Neighborhood Business Districts

The City of Tacoma has 15 officially recognized Neighborhood Business Districts. These districts receive assistance to local small businesses to improve the physical character of the districts with place-making design elements. The neighborhood business district program provides an additional vehicle for economic development efforts.

Source: City of Tacoma, 2018; Community Attributes, 2019
Section 1: Introduction

Section 2: Tacoma In 2019

Section 3: **Priority Actions for Tacoma**

Section 4: Detailed Strategies & Actions

Appendices
THREE Overview

Action in the Near Term

The following pages list 39 PRIORITY ACTIONS that the City of Tacoma can begin to undertake now that will have a significant impact in the near term - and that will signal its intent in these eight FOCUS AREAS of economic development and develop momentum for the rest of the STRATEGIES and ACTIONS contained in Section 4 of this Plan. These priority actions are intended to focus the City’s finite and limited resources in as practical and impactful a way as possible in the near term. The following pages may also be used as a CHECKLIST to periodically track and update progress on implementation.

Focus Areas in bold type at the top describe the general category of Priority Action

Objectives for each Focus Area are presented below in regular type. Priority Actions aim to achieve Objectives.

Priority Actions are presented and numbered according their location in Section 4: Detailed Strategies and Actions.

Implementation Status boxes may be filled in periodically to track and update staff CEDD and partner staff on progress.

Small Businesses & Entrepreneurship

Objective: Develop Authentic and Emerging Industries

Action 2A.1 Implementation Status
Expand the City’s and economic development partners’ business retention, expansion, and recruitment efforts to include micro, small, and mid-sized businesses

Action 2A.2 Implementation Status
Enhance education and outreach to existing micro, small, mid-sized, and minority businesses on the array of Small Business support resources, including business planning, market research, financing, incentives, workforce and other assistance.

Action 2B.1 Implementation Status
Facilitate providing additional assistance to businesses in areas of the city experiencing or projected to undergo gentrification and displacement of legacy businesses, such as lease consulting, third-party master leasing ground floor mixed-use retail space, and expanding customer base.

Action 2C.2 Implementation Status
Engage in one-on-one conversations periodically with individual businesses in Tacoma to keep abreast of ongoing and new issues or challenges facing the small business and entrepreneurial community.
**Business Retention, Expansion & Recruitment**

**Objective: Strengthen and Diversify the Local Economy**

<table>
<thead>
<tr>
<th>Action</th>
<th>Implementation Status</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>1A.4</td>
<td>Implementation Status</td>
<td>Collaborate with partners on periodic events to connect the business community to consulting, City permitting &amp; license assistance, real estate, financing, workforce, and other services.</td>
</tr>
<tr>
<td>1B.3</td>
<td>Implementation Status</td>
<td>Identify and conduct outreach to firms within Tacoma's targeted sectors, including utilizing the EDB's target cluster teams in Healthcare, Aerospace, Technology and Logistics.</td>
</tr>
<tr>
<td>1D.2</td>
<td>Implementation Status</td>
<td>Actively participate and strategically pursue projects with regional partners (e.g. Economic Development Board for Tacoma-Pierce County, Greater Seattle Partners (GSP), Port of Tacoma/NW Seaport Alliance and World Trade Center) to leverage new business and sectoral recruitment opportunities and engage with companies worldwide.</td>
</tr>
<tr>
<td>1D.3</td>
<td>Implementation Status</td>
<td>Promote the creation of satellite office locations for mid-sized and large companies within co-working and other types of curated office spaces to leverage the trend of remote working and increase local presence.</td>
</tr>
<tr>
<td>1E.3</td>
<td>Implementation Status</td>
<td>Identify infrastructure issues that inhibit business growth and advocate on behalf of commercial &amp; industrial zones.</td>
</tr>
<tr>
<td>1E.4</td>
<td>Implementation Status</td>
<td>Work closely with Public Works to develop a City-wide, comprehensive coordinated parking strategy.</td>
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**Small Businesses & Entrepreneurship**

**Objective: Develop Authentic and Emerging Industries**

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<th>Action</th>
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<th>Description</th>
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<tr>
<td>2A.1</td>
<td>Implementation Status</td>
<td>Expand the City's business retention, expansion, and attraction efforts to include micro, small, and mid-sized businesses.</td>
</tr>
<tr>
<td>2A.2</td>
<td>Implementation Status</td>
<td>Enhance education and outreach to existing micro, small, mid-sized, and minority businesses on the array of Small Business support resources, including business planning, market research, financing, incentives, workforce and other assistance.</td>
</tr>
<tr>
<td>2B.1</td>
<td>Implementation Status</td>
<td>Facilitate providing additional assistance to businesses in areas of the city experiencing or projected to undergo gentrification and displacement of legacy businesses, such as lease consulting, third-party master leasing ground floor mixed-use retail space, and expanding customer base.</td>
</tr>
<tr>
<td>2C.2</td>
<td>Implementation Status</td>
<td>Engage in one-on-one conversations periodically with individual businesses in Tacoma to keep abreast of ongoing and new issues or challenges facing the small business and entrepreneurial community.</td>
</tr>
<tr>
<td>2D.1</td>
<td>Implementation Status</td>
<td>Leverage Tacoma's supply of Class B &amp; C office space to engage local, regional and national co-working firms for recruitment and continued development of co-working spaces citywide.</td>
</tr>
<tr>
<td>2F.2</td>
<td>Implementation Status</td>
<td>Streamline City lending processes to enhance accessibility to small business financing - including translation of loan applications and marketing materials - and aggressively promote the utilization of related programs.</td>
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**Workforce Development & Human Capital**
Create a Trained, Future-Ready Workforce

**Action 3A.1**
Work with local colleges, universities, community colleges and technical schools, and the Tacoma School District to coordinate training and education for local industries by developing real-world occupational feedback loops around needed skills, automation, apprenticeship and other factors.

**Action 3B.1**
Coordinate with Workforce Central and local educational institutions to develop a list of skills that are in greatest demand by employers in Tacoma’s target sectors and in accordance with Workforce Central’s Strategic Plan objectives and programs.

**Action 3C.1**
Utilize Anchor Institution Collaborative in coordination with the City Manager’s Office.

**Neighborhood Business District Revitalization**
Build Increasingly Vibrant Neighborhoods

**Action 4A.2**
Regularly monitor properties for sale or rent and engage in direct recruitment of small businesses that are a good fit for specific neighborhood identities and retail/service gaps.

**Action 4A.3**
Facilitate training for NBDs similar to the Main Street Program regarding administration, operations, finance and design.

**Action 4B.1**
Work with Business Districts to inventory and solicit ideas from local businesses and property owners regarding temporary utilization of vacant local properties for activities such as restaurant or retail pop-ups, art displays and advertising.

**Action 4B.2**
Conduct an inventory of vacant or underutilized property and connect businesses looking for space and lease options with appropriate parties to explore the temporary utilization of such properties in NBDs, including co-siting with existing businesses.

**Action 4C.1**
Conduct outreach to absentee property owners to identify specific barriers to activating their vacant or underutilized property.
Section Three Priority Actions for Tacoma | December 2019

5 Downtown Tacoma
Objective: Promote Downtown Tacoma as the Center of Commerce for the South Sound

**Action 5A.1**
Actively work with the Downtown Tacoma Partnership on policy and regulatory improvements related to new and re-development, visitor and customer support, urban design, programming, marketing and other factors critical to the success of a vibrant Downtown.

**Action 5A.2**
Support the Downtown Retail Advocate’s workplan in the Downtown Tacoma Business Improvement Area, develop relationships with stakeholders, and identify prospects for infill development in the Downtown.

**Action 5B.1**
Continue to identify and recruit key anchor tenants for catalytic Downtown sites with the greatest potential for leveraging additional private sector development and job growth.

**Action 5C.1**
Facilitate historic restoration and renovation of Old City Hall for mixed use development to help anchor the St. Helens District.

6 Commercial & Industrial Property Activation
Support Employment-Generating Activities and Office / Industrial Product

**Action 6A.1**
Work closely with City of Tacoma Planning and Development Services and the University of Washington - Tacoma's Campus Planning and Retail Services division to facilitate new development on campus where substantial additional capacity exists and growth is anticipated.

**Action 6B.1**
Create and maintain a database of key properties in Tacoma with high economic potential that are underutilized.

**Action 6C.1**
Implement SHB 1746 providing for targeted sales and property tax incentives to developers who build or renovate commercial office space.

**Action 6D.1**
Work closely with the Manufacturing Industrial Council for the South Sound and Port-related businesses to ensure that they remain viable within the City of Tacoma (Port or Nalley Valley), especially as the subarea planning process proceeds.

**Action 6E.1**
Actively participate in an economic analysis of the Tideflats subarea planning process.
### Business & Development Climate
**Objective:** Implement Premier Customer Service

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<td><strong>Action 7A.1</strong></td>
<td>Use monthly coordinating meetings with the Community and Economic Development Department (CEDD), Tacoma Public Utilities (TPU), the Economic Development Board of Tacoma-Pierce County (EDB), the Tacoma-Pierce County Chamber, Pierce County, Travel Tacoma-Mt. Rainier-Tourism &amp; Sports, and Manufacturing Industrial Council representatives to discuss policy and program issues of mutual interest.</td>
</tr>
<tr>
<td><strong>Action 7A.2</strong></td>
<td>Participate in Planning and Development Services (PDS) review panel meetings to identify projects that need follow-up assistance.</td>
</tr>
<tr>
<td><strong>Action 7C.1</strong></td>
<td>Participate on the Permit Advisory Task Force to identify opportunities for reduction and streamlining; consider further expanding priority processing of permits for key properties.</td>
</tr>
<tr>
<td><strong>Action 7E.1</strong></td>
<td>Work with City of Tacoma departments including Planning and Development Services, Public Works, Environmental Services, Tacoma Public Utilities and the City Local Improvement Districts (LID) administrator to identify opportunities and mechanisms to assist with infrastructure, environmental and related development costs.</td>
</tr>
<tr>
<td><strong>Action 7F.1</strong></td>
<td>Conduct property owner outreach regarding key properties to facilitate development, and work closely with the community in areas of the city that could attract Opportunity Zone investment to facilitate positive impacts and mitigate for unintended consequences.</td>
</tr>
</tbody>
</table>

### Placemaking & City Image
**Objective:** Choose Tacoma in Which to Live, Work & Explore

<table>
<thead>
<tr>
<th>Action</th>
<th>Implementation Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Action 8A.1</strong></td>
<td>Build off successes and recent developments in arts, entertainment and cultural assets through direct recruitment of synergistic businesses or organizations to those areas.</td>
</tr>
<tr>
<td><strong>Action 8C.1</strong></td>
<td>Develop a narrative describing why Tacoma is an advantageous place to live and work with the power to resonate regionally and nationally and work with other agencies to produce and regularly update marketing and promotional materials.</td>
</tr>
<tr>
<td><strong>Action 8E.1</strong></td>
<td>Participate in an analysis of current and projected parking needs within the City and develop comprehensive and broad-based strategic approaches (see also Action 1E.4)</td>
</tr>
<tr>
<td><strong>Action 8F.1</strong></td>
<td>Align City communications efforts with local and regional economic development partners’ efforts, and spearhead a multi-channel marketing campaign.</td>
</tr>
<tr>
<td><strong>Action 8F.3</strong></td>
<td>Create a suite of customizable materials, and print and digital content to market Tacoma’s assets.</td>
</tr>
</tbody>
</table>
Section 1: Introduction

Section 2: Tacoma In 2019

Section 3: Priority Actions for Tacoma

**Section 4: Detailed Strategies & Actions**

Section 5: Measures

Appendices
The following section presents the **Strategies and Actions** at the heart of this plan for achieving equitable economic development in the City of Tacoma. The plan contains **8 Focus Areas** around which the Strategies and Actions are organized. Color-coding and icons distinguish each Focus Area section. Each of the eight sections begins with an introductory **Objective** statement.

**Individual Strategies** correspond to each Focus Area with like colors. Each Strategy represents one cohesive approach and consists of several specific, interrelated Actions.

**Actions** are where the rubber hits the road in this plan. Specific, implementable tactical measures are highlighted and organized numerically.

**Equity Icons** highlight Actions that represent specific steps that the City and its partners can take to improve equitable economic outcomes in Tacoma.

**Priority Icons** in green highlight Actions that should be the focus of the City’s nearest-term efforts and are summarized in Section 2.

**Coordination Insets** describe how the City can best align its efforts with those of its partners, and what the City’s primary role in each Strategy will be.

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**Strategy 1A: Retain & Expand Local Businesses** Continue focused engagement with local businesses throughout Tacoma to leverage opportunities and address challenges related to retention and growth of valued existing businesses.

**Action 1A.1**
Maintain a database to identify local businesses and track their contacts with the City in order to identify and address ongoing challenges.

**Action 1A.2**
Engage and follow up with tracked businesses to coordinate, consult, and provide resources for retention or expansion.

**Action 1A.3**
Expand on the current business development tools and financial & technical resources available through Make It Tacoma and make these accessible through multiple channels.

**Action 1A.4**
Conduct regular events aimed at business community to connect them to resources, business consulting, City permitting & license assistance, lease & space consultation, etc.

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**Make It Tacoma**

The City of Tacoma Community and Economic Development Department (CED) is Tacoma’s go-to source for growing, relocating, or starting a business in Tacoma. Make It Tacoma (formerly, “Tacoma Means Business”), is designed to help business owners, investors, site selectors, and entrepreneurs easily find the information they need to be successful in Tacoma. Make It Tacoma offers resources including:

- A Property Finder
- Business Development Checklists & Materials
- Events & Training
- City Economic Data, Research & Trends
- Incentive Information & Applications

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**COORDINATION**
The role of the City CED Department in this strategy is largely one of leadership. The City can track, initiate, and maintain contact, both informal and through periodic meetings, with the local business community. The City can also work with Tacoma City Council to expand available small business support tools and funding. Finally, the City can work in a coordinated manner to “divide and conquer” with another key B&E&R organization in Pierce County - the EDB.
Focus Area

Business Retention, Expansion & Recruitment

Objective: Strengthen and Diversify the Local Economy

The primary objective for the City of Tacoma in the ongoing area of Business Retention, Expansion and Recruitment (BRE&R) will be to coordinate the efforts of the City with those of its partners, and to challenge outdated perceptions of Tacoma by communicating its new reality: a highly livable, well-located City supportive of business expansion and location with a broad array of services and resources offered by the City and its partners.
Strategy 1A: Retain & Expand Local Businesses Broaden and intensify engagement with local businesses throughout Tacoma to address challenges and create opportunities to enable their growth.

**Action 1A.1**
Maintain a database to identify local businesses the City visits and track progress in meeting their needs.

**Action 1A.2**
Engage and follow up with key businesses to coordinate, consult and provide resources for retention or expansion.

**Action 1A.3**
Evaluate and refine current business development tools, including financial and technical resources, and make these broadly accessible by providing materials and training in multiple languages representative of the community.

**Action 1A.4**
Collaborate with partners on periodic events to connect the business community to consulting, City permitting and license assistance, real estate, financing, and workforce assistance.

TACOMA SUCCESS STORY
Make It Tacoma

The City of Tacoma Community and Economic Development Department (CEDD) is Tacoma’s go-to source for starting, growing, or relocating a business in Tacoma. Make It Tacoma is designed to help business owners, investors, site selectors, and entrepreneurs easily find the information they need to be successful in Tacoma. Make It Tacoma offers resources including:

- A Property Finder
- Business Development Checklists & Materials
- Events & Training
- City Economic Data, Research & Trends
- Incentive Information & Applications

Source: City of Tacoma, 2019

COORDINATION
The role of the City CED Department in this strategy is largely one of leadership. The City can track, initiate, and maintain contact, both informally and through periodic meetings, with the local business community. The City can also work with the Tacoma City Council to expand available small business support tools and funding. Finally, the City can work in a coordinated matter to share responsibilities for these actions with the Economic Development Board of Tacoma-Pierce County.
Strategy 1B: Identify Target Sectors  Evaluate sectoral performance annually to identify Tacoma’s growth sectors and prioritize Business Retention, Expansion and Attraction efforts.

**Action 1B.1**

Establish the following growth sectors as foundational for near-term Business Retention, Expansion and Attraction efforts: Health Care; Education; Finance, Insurance, & Real Estate (FIRE); Information Technology.

**Action 1B.2**

Facilitate economic diversification by promoting the Creative Economy including the Makers, the Green Economy and the Blue Economy.

**Action 1B.3**

Identify and conduct outreach to firms within Tacoma’s targeted sectors, including utilizing the EDB’s target cluster teams in Healthcare, Aerospace, Technology and Logistics.

**Action 1B.4**

Perform periodic location quotient analysis of Tacoma clusters, re-identify stronger than national & state, and growing, industries to update Business Retention, Expansion and Attraction targets.

**Action 1B.5**

Conduct City tours with target sector companies and site selectors and highlight the community’s available properties and key amenities.

**COORDINATION**  
City staff may run a sectoral analysis like the above annually, or rely on outside partners’ resources. For instance, the EDB conducts its own sectoral research for Pierce County. However, the results of the annual sectoral performance snapshot will focus the BRE&R efforts of City CED staff, as well as its coordination with site selectors and brokers in locating suitable space – and will align these efforts with those of the EDB and Pierce County Economic Development Corporation (EDC).
Strategy 1C: Support Retail Citywide  Support Tacoma’s retail sector citywide to enhance product and service offerings, customer access and neighborhood vitality.

Action 1C.1
Advocate to ensure vehicular and pedestrian access to businesses during construction of public infrastructure.

Action 1C.2
Work to enhance Tacoma’s regulatory environment that enables retail development and expansion.

Action 1C.3
Coordinate with the Tacoma-Pierce County Chamber of Commerce and other partners to create a local business promotion program.

Action 1C.4
Continue to work with other City departments and local agencies to expand housing options and affordability in the defined areas that directly support Tacoma’s retail districts.

SPOTLIGHT ON Tacoma-Pierce County Chamber
With 1,700 members representing 185,000 employees, the Tacoma-Pierce County Chamber of Commerce is a voice for business and catalyst for prosperity, stimulating activity in the South Sound to create a business climate that supports all sectors of the economy. The Chamber is focused on:

- ADVOCACY: Advocating on behalf of Tacoma-Pierce County businesses and influencing policy
- LEADERSHIP: Developing, connecting, and convening influential leaders
- RELATIONSHIPS: Building relationships that enhance the value of business.

Source: Tacoma-Pierce County Chamber, 2019

COORDINATION  The City CED Department role in this strategy is one of advocacy on behalf of retail sector businesses in Tacoma as well as of coordination and collaboration with other City departments and outside agencies such as the Chamber. CED may represent the interests of local businesses with the Public Works Department and may provide input and advise on regulatory changes related to land use, zoning, and development as well as business licensing and fees.
Strategy 1D: Recruit New Businesses & FDI  Formalize a regional business recruitment approach and build relationships to attract key sectors, firms and foreign direct investment (FDI) to Tacoma.

**Action 1D.1**
Establish a local Business Advocates Program cooperatively with the EDB to utilize a diverse base of local Tacoma business owners and anchor institutions to participate significantly in new business recruitment efforts including direct recruitment to CEOs through local CEO leadership.

**Action 1D.2**
Actively participate and strategically pursue projects with regional partners (e.g. Economic Development Board for Tacoma-Pierce County (EDB), Greater Seattle Partners (GSP), Port of Tacoma/NW Seaport Alliance and World Trade Center) to leverage new business and sectoral recruitment opportunities and engage with companies worldwide.

**Action 1D.3**
Promote the creation of satellite office locations for mid-sized and large companies within co-working and other types of curated office spaces to leverage the trend of remote working and increase local presence.

**Action 1D.4**
Develop and implement an International Investment Attraction Plan focused on developing strategic international partnerships and broadening Sister Cities' business relationships in coordination with the EDB and GSP.

COORDINATION  This strategy represents action items for the CED Department, including the creation and implementation of an International Investment Attraction Plan, and assistance with companies seeking new or expansion office space in Tacoma. Additionally, CED may partner with EDB on a local Business Advocates Program, and other projects to attract international companies and investment to the City and County.
Strategy 1E: Advise Infrastructure Needs  Acknowledge the Community & Economic Development (CED) Department’s role as an advocate and consultant on infrastructure development priorities, timing and coordination.

**Action 1E.1**
Participate in a CIP project review process to address long-range economic development needs involving CED consultation with the Public Works, Environmental Services and Planning and Development Services Departments as well as Tacoma Public Utilities.

**Action 1E.2**
Create an on-call special team involving key City departments to discuss high opportunity and priority economic development projects, identify potential issues and coordinate project response among multiple agencies.

**Action 1E.3**
Identify infrastructure issues that inhibit business growth and advocate on behalf of commercial & industrial zones.

**Action 1E.4**
Work closely with Public Works to develop a City-wide, comprehensive coordinated parking strategy.

**Action 1E.5**
Research technology infrastructure needs to enable future business growth and explore the potential to accommodate them.

**COORDINATION**  CED’s role as an advocate for Tacoma businesses in City and public utility led infrastructure planning and construction processes should be acknowledged by other departments and agencies, and consistent teaming and partnership implemented in order to make the most informed, coordinated decisions. CED can additionally contribute to decision making by researching technology infrastructure needs and identifying specific infrastructure challenges.
Focus Area 2

Small Businesses & Entrepreneurship

Objective: Develop Authentic and Emerging Industries

Over 99% of America’s firms are small businesses. Small businesses and entrepreneurs in Tacoma are the lifeblood and, in many cases, the identity of the City’s economy. The primary objective for the City of Tacoma in supporting this segment is to remove obstacles from the creation and growth of small businesses. To do this, the City and its partners must listen closely and refine the way they do business.

Above: Scorpio Rising vintage store, 6th Avenue, Tacoma. Source: South Sound Talk, 2019
Strategy 2A: Assist Small and Mid-Sized Businesses  Expand engagement to further develop and communicate policies and programs aimed at assisting small- and mid-sized businesses in Tacoma.

**Action 2A.1**
Expand the City’s business retention, expansion, and attraction efforts to include micro, small, and mid-sized businesses.

**Action 2A.2**
Enhance education and outreach to existing micro, small, mid-sized, and minority businesses on the array of Small Business support resources, including business planning, market research, financing, incentives, workforce and other assistance.

**Action 2A.3**
Work with Tacoma’s Minority Business Development Agency (MBDA) to consult with and offer classes for local businesses seeking to expand procurement contracts with the City of Tacoma, Tacoma Public Utilities and other public entities.

**Action 2A.4**
Tailor economic development policies and programs to the diverse cultural identities of Tacoma’s small business base, and translate materials and outreach into a variety of languages.

**COORDINATION**
Through the CED’s Make It Tacoma small business resource center, the City already leads in the implementation of small business support. This strategy would entail CED outreaching to the community to further focus and possibly expand the suite of services and resources offered. In addition, the City should coordinate with the MBDA Business Center and other partners to offer classes and informal consulting on how minority businesses can realize procurement contracts with the City.
Strategy 2B: Support Local Businesses  Protect, cultivate and prioritize small, local, and/or independently-owned businesses to foster a unique, authentic Tacoma commercial-cultural identity in the City’s Business Districts, Neighborhoods and Downtown.

**Action 2B.1**
Facilitate providing additional assistance to businesses in areas of the city experiencing or projected to undergo gentrification and displacement of legacy businesses, such as lease consulting, third-party master leasing ground floor mixed-use retail space, and expanding customer base.

**Action 2B.2**
Coordinate a discussion with City Planning & Development Services Department, the Chamber, and Neighborhood Business Districts to examine and implement best practices regarding business zones supportive of independent and locally-owned small business for select areas of Tacoma.

**Action 2B.3**
Leverage the required Conditional Use Permitting of anchor retail uses where allowed in Tacoma to advocate for more “urban-flavored” massing, design, scale and other factors affecting the character of surrounding retail districts.

**Action 2B.4**
For large developments, explore partnering with private developers to negotiate Community Benefits Agreements (CBAs) reserving ground floor spaces for small and local businesses.

**COORDINATION**
The role for the CED Department in this strategy is to leverage existing permitting practices to advocate for design supportive of the character of small business districts, and to expand the use of Community Benefits Agreements for large projects to include suitable space for small and independently-owned businesses. In preparing “Main Street Program” training materials for City NBDs, CEDD should determine the appetite for special independent / locally-owned business zones that helps level the playing field for small businesses competing with chains.

Source: https://squareboyclothing.com/pages/tacoma
Strategy 2C: Facilitate Entrepreneurial Ecosystem  Collaborate with local partners, institutions and developers to create space and provide consulting and other infrastructure and resources to connect, expand and market Tacoma-based entrepreneurs.

**Action 2C.1**
Facilitate quarterly business development seminars in a variety of languages for Tacoma entrepreneurs and small business owners on topics that affect their operations and growth potential.

**Action 2C.2**
Engage in one-on-one conversations with individual businesses in Tacoma to keep abreast of ongoing and new issues or challenges facing the small business and entrepreneurial community.

**Action 2C.3**
Leverage existing economic development engagement efforts to identify startup opportunities and spaces for entrepreneurial residents currently commuting out of Tacoma.

**Action 2C.4**
Develop local policies to allow for emerging technology to enable entrepreneurial efforts.

**Action 2C.5**
Conduct outreach to remote workers to explore the possibilities of starting companies in Tacoma.

**Action 2C.6**
Attract venture capital to assist emerging companies.

**COORDINATION**  This strategy represents a leadership role for the CED Department in doing the day-to-day work of engaging with, listening to, and responding to the needs and challenges of Tacoma-based entrepreneurs and potential entrepreneurs. In speaking frequently with this community, CED can respond with policies, events, and direct outreach in areas such as business development, space finding, technology access, and financing opportunities for Tacoma entrepreneurs.
Strategy 2D: Develop More Co-Working, Maker & Other Spaces  Directly recruit and/or partner with local institutions to develop and expand Co-working & Maker Spaces, Commercial Kitchens, and other offerings in Tacoma.

Action 2D.1
Leverage Tacoma's supply of Class B & C office space to engage local, regional and national co-working firms for recruitment and continued development of co-working spaces citywide in Tacoma.

Action 2D.2
Work with Neighborhood Councils, the Chamber and area anchor institutions to plan and develop additional maker spaces to provide additional needed capacity for small business incubation in Tacoma.

COORDINATION
The role for the CED Department in this strategy is one of advocacy through partnership with Neighborhood Councils, the Tacoma-Pierce County Chamber, local institutions, and private developers and businesses to expand the presence and efficacy of different types of emerging workspaces that can provide resources, prototyping, and low-cost or flexible operating environments to entrepreneurs, micro-businesses, and Stage 1 and 2 businesses in Tacoma.

TACOMA SUCCESS STORY
RAIN Incubator
The RAIN Incubator is a non-profit life sciences innovation hub growing companies, jobs, and talent for biotech for Tacoma. RAIN does this by providing accessible hands-on educational experiences for Tacoma’s students, empowering life science start-ups and small businesses, and executing pivotal research in our downtown Tacoma location.

Source: https://www.rainincubator.org/
Strategy 2E: Support Initiatives to Grow and Sustain the Creative Economy

In partnership with the Office of Arts & Cultural Vitality, help enrich the community by raising the profile of artists and creative entrepreneurs in Tacoma and the contribution they make to enhancing the City’s quality of life.

**Action 2E.1**

Promote Tacoma as a center for the arts by meaningfully integrating cultural and creative assets (people, places and businesses) in the marketing and storytelling materials that promote Tacoma.

**Action 2E.2**

Expand opportunities for creative businesses to thrive by enabling programs like Spaceworks Tacoma to become self-sustaining.

**Action 2E.3**

Identify and develop creative growth sectors by participating in a Creative Economy study that defines the strengths and intersections of the creative sector within the overall economy.

**Action 2E.4**

Collaborate in strengthening a public art in private development policy to increase opportunities for artists to impact the built environment.

**Action 2E.5**

Encourage development and sustainability of creative spaces throughout Tacoma.

**COORDINATION**

The CED Department’s role in this strategy is one of support for other entities doing work in the creative economy space, especially of the City’s Office of Arts & Cultural Vitality. A near-term action item would be the commissioning of a Creative Economy Report on Tacoma that, in addition to uncovering specific opportunities to support the sector, could convene durable partnerships to advance the impact of artists and creative entrepreneurs on the Tacoma economy into the future.
Strategy 2F: Redesign Small Business Lending  
Evaluate and enhance the City of Tacoma’s Small Business Lending services by addressing financing gaps and leveraging additional partnerships.

**Action 2F.1**  
Establish partnerships with local credit unions, banks, intermediary lenders, and foundations to leverage Tacoma's business lending resources and tailor offerings to the most appropriate segments of the local small and mid-size business community.

**Action 2F.2**  
Streamline City lending processes to enhance accessibility to small business financing - including translation of loan applications and marketing materials - and aggressively promote the utilization of related programs.

**COORDINATION**  
The CED Department role in this strategy is to lead the refinement, expansion, and tailoring of the City's existing suite of business financing by approaching lending partners and borrowers, identifying opportunities, and updating City products, applications, and communications materials.
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Focus Area 3

Workforce Development & Human Capital

Objective: Create a Trained, Future-Ready Workforce

Tacoma and Pierce County benefit from the leadership and implementation of workforce development programs and resources by the Pierce County Workforce Development Council and Workforce Central. The City is also home to numerous world-class training and educational institutions. As such, the City must support and facilitate the work of these leaders in equipping and diversifying its workforce for a rapidly-evolving modern workplace.

Source: The Aspen Institute, 2019
Strategy 3A: Fully Utilize Local Education Institutions  

Continue to support local colleges, universities, community colleges and technical schools, and the Tacoma School District in their roles as primary drivers of workforce development for Tacoma’s target economic sectors.

**Action 3A.1**

Work with local colleges, universities, community colleges and technical schools, and the Tacoma School District, as well as business and industry representatives, to coordinate training and education for local industries by developing real-world occupational feedback loops around needed skills, automation, apprenticeship and other factors.

**Action 3A.2**

Leverage opportunities for the City to support innovative workforce development assets.
Strategy 3B: Address Skills Gaps  Facilitate strengthened connections among workforce development partners by encouraging coordinated programming to identify top skills gaps facing workers in Tacoma target sectors and enhancing programs to address them.

Action 3B.1
Coordinate with Workforce Central and local educational institutions to develop a list of skills that are in greatest demand by employers in Tacoma’s target sectors and in accordance with Workforce Central’s Strategic Plan objectives and programs.

Action 3B.2
Collaborate with the various leaders in workforce development in Tacoma and Pierce County to facilitate better coordination of programs, investments and resources.

Action 3B.3
Strengthen employee retention at smaller firms in Tacoma by evaluating how best to encourage and provide small businesses training for entry-level employees.

Action 3B.4
Support the development of increased opportunities for STEM learning, digital literacy, leadership training, business mentoring, internships and apprenticeships for industry to help develop the future workforce.

COORDINATION
The CED Department can act as a “go-between” among the numerous, capable workforce development institutions in Pierce County including the Workforce Development Board and its implementation arm, Workforce Central. These institutions can benefit by CEDD’s industry knowledge gleaned from speaking with business owners and leaders in their day-to-day work and can leverage this knowledge in implementing their programs and policies in the City and County.
**Strategy 3C: Leverage Anchor Institutions**  Engage local anchor institutions to incorporate an “anchor mission”—consciously applying their long-term, place-based economic power, in combination with their human and intellectual resources, to better the welfare of the communities in which they reside.

**Action 3C.1**
Utilize Anchor Institution Collaborative in coordination with the City Manager’s Office.

**Action 3C.2**
Identify supply chain linkages to strengthen anchor institution and company recruitment efforts.

**COORDINATION**
The CEDD should directly support the City Manager’s Office planning and implementation of an Anchor Institution Collaborative for Tacoma with staff time and programmatic resources. The Department can also support anchor institutions’ recruitment efforts by providing information around local and regional supply chain firms and organizations.

**SPOTLIGHT ON Anchor Institutions**
Anchor institutions are nonprofit institutions that once established tend not to move location. Emerging trends related to globalization—such as the decline of manufacturing, the rise of the service sector, and a mounting government fiscal crisis—suggest the growing importance of anchor institutions to local economies. Indeed, in many places, anchor institutions have surpassed traditional manufacturing corporations to become their region’s leading employers. If the economic power of these anchor institutions were more effectively harnessed, they could contribute greatly to community wealth building. The largest and most numerous of such nonprofit anchors are universities and non-profit hospitals (often called “eds and meds”). Over the past two decades, useful lessons have been learned about how to leverage the economic power of universities in particular to produce targeted community benefits.

*Source: CommunityWealth.Org, 2019*
Objective: Build Increasingly Vibrant Neighborhoods

The City of Tacoma’s 15 Neighborhood Business Districts are a tremendous economic and community asset. From a taste of local history to great shopping, services, family-friendly special events, and around-the-world flavors from a host of restaurants, each District is a unique destination. The strategies in this section aim to expand prosperity in the Districts and in their surrounding neighborhoods by focusing on fundamentals that drive visitor and resident economic activity.
Strategy 4A: Nurture Authentic District Identities  Work with Neighborhood Business Districts (NBDs) and other neighborhood business nodes to articulate and support authentic District identities via specific profiles of business mix, scale and design.

**Action 4A.1**
Actively market the unique assets of the City’s Neighborhood Business Districts.

**Action 4A.2**
Regularly monitor properties for sale or rent and engage in direct recruitment of small businesses that are a good fit for specific neighborhood identities and retail/service gaps.

**Action 4A.3**
Facilitate training for NBDs similar to the Main Street Program regarding administration, operations, finance and design.

**Action 4A.4**
Expand the Clean & Safe mission across neighborhoods.

**Action 4A.5**
Identify opportunities to connect Neighborhood Councils with local news media to highlight business diversity through featuring, profiling or visitation.

**TACOMA SUCCESS STORY**
**Neighborhood Business District Program**
The City of Tacoma has 15 officially recognized Neighborhood Business Districts. The purpose of the program is to support economic growth and redevelopment in the City’s oldest neighborhood commercial districts. The program provides assistance to local small businesses and improves the physical character of the districts with place-making design elements.

**Source:** City of Tacoma, CAI, 2019

**COORDINATION**
This strategy represents a continued leadership role for the CED Department in administering the City’s Neighborhood Business District program and its constituent training and supports. The City may continue to work closely with the Cross District Association and individual Districts themselves while focusing particularly on the equitable prosperity of all Districts.
Strategy 4B: Utilize Vacant Properties  Develop programs for utilization of vacant Neighborhood Business District properties for businesses.

**Action 4B.1**

Work with Business Districts to inventory and solicit ideas from local businesses and property owners regarding temporary utilization of vacant local properties for activities such as restaurant or retail pop-ups, art displays and advertising.

**Action 4B.2**

Conduct an inventory of vacant or underutilized property and connect businesses looking for space and lease options with appropriate parties to explore the temporary utilization of such properties in NBDs, including co-siting with existing businesses.

**Action 4B.3**

Coordinate with business assistance providers to offer consulting related to lease negotiation and space planning assistance, including options for cooperative ownership, and succession strategies.

**COORDINATION**  This strategy represents a support role for the CED Department as a go-between for the NBDs, the Cross District Association, Neighborhood Councils, vacant property owners, and local businesses, entrepreneurs or artists with ideas for property utilization or plans for growth or expansion. The CEDD may add lease negotiation and space planning assistance consulting to its suite of small business services.
Strategy 4C: Reverse Neighborhood Deterioration

Address neighborhood deterioration in coordination with other City departments, agencies and businesses.

**Action 4C.1**

Conduct outreach to absentee property owners to identify specific barriers to activating their vacant or underutilized property.

**Action 4C.2**

Market small business loan funds and facilitate projects to address neighborhood deterioration.

**Action 4C.3**

Facilitate periodic meetings between local property owners and realtors to communicate the economic potential of their properties.

**SPOTLIGHT ON**

City of Tacoma Building Facade Improvement Loan Program

The City of Tacoma Community & Economic Development Department’s (CEDD) Business Facade Improvement Loan Program (BFILP) is designed to remove blight, beautify storefronts and improve older neighborhood business districts. Owners of Tacoma businesses or commercial buildings can use the loan for improvements such as windows, doors, paint, awnings, alarms, light fixtures, signage and other exterior enhancements.

The BFILP is administered by the Tacoma Community Redevelopment Authority (TCRA) and staffed by CEDD. Loans are available on a reimbursement basis up to 50% of approved façade project costs. The minimum loan is $5,000 and the maximum loan is $50,000.

*Source: City of Tacoma, 2019*

**COORDINATION**

This strategy represents a support role for the CED Department in marketing and administering existing and expanded programs for NBDs and small businesses, but also in working with absentee owners and other City departments to identify and remove barriers to transact or activate vacant or underutilized properties.
Focus Area 5

Downtown Tacoma

Objective: Promote Downtown Tacoma as the Center of Commerce for the South Sound.

Downtown Tacoma is experiencing a period of unprecedented growth and aspires to be THE downtown for the South Sound region. Downtown’s distinctive energy and sense of place can be strengthened as a primary driver of the City’s economy by continuing to knit together its assets via game-changing design and development decisions, as well as through better connectivity, visitor and customer support, programming, and marketing.
Strategy 5A: Support the Downtown Tacoma Partnership

Promote the Greater Downtown and coordinate business development programs.

**Action 5A.1**

Actively work with the Downtown Tacoma Partnership on policy and regulatory improvements related to new and re-development, visitor and customer support, urban design, programming, marketing and other factors critical to the success of a vibrant Downtown.

**Action 5A.2**

Support the Downtown Retail Advocate’s workplan in the Downtown Tacoma Business Improvement Area, develop relationships with stakeholders, and identify prospects for infill development in the Downtown.

**TACOMA SUCCESS STORY**

In 1988, The Downtown Tacoma Business Improvement Area (BIA) was founded as a private, not for profit corporation with a 501(c)(4) status to help to make downtown Tacoma safe, clean and welcoming. For over 30 years it has been managed by a Board of Directors comprised primarily of property owners. The activities of the BIA are supported entirely by rate-paying property owners who elect to pay an annual fee that supplements publicly financed street sweeping and police services.

As the city has grown, the BIA has grown as well into the Downtown Tacoma Partnership. Today, the DTP continues to maintain safe and clean services, while also providing community beautification, transportation services, and retail support and recruitment. Through its variety of services and comprehensive online and social platforms, DTP hopes to make Downtown Tacoma the heart of shopping, dining and entertainment in the South Sound.

Source: Downtown Tacoma Partnership, 2019

**COORDINATION**

The Community and Economic Development Department may continue to work closely with the Downtown Tacoma Partnership in its expanding roles as a liaison with other City departments and between DTP’s downtown business membership and the City, private developers, local utilities, and other partners.
Strategy 5B: Connect Downtown Nodes  Identify areas to focus urban design, infrastructure, private development, and marketing to connect existing nodes of vibrancy Downtown.

**Action 5B.1**

Continue to identify and recruit key anchor tenants for catalytic Downtown sites with the greatest potential for leveraging additional private sector development and job growth.

**Action 5B.2**

Explore urban design interventions that connect Downtown Tacoma’s primary commercial-cultural assets, including UW-Tacoma, the museums, waterfront parks, the Foss Waterway, and the Tacoma Dome.

**COORDINATION**

The work of infill development in Downtown Tacoma and of enhancing the connectivity of growing Downtown assets with urban design interventions will be dependent on the actions of numerous actors. The CEDD may intensify its contribution by directly identifying and recruiting anchor tenants, developers, and buyers for catalytic downtown properties via contacts made in its day-to-day operations.
Strategy 5C: Think Big in Downtown  Continue to prioritize planning and resources for catalytic investments in Downtown Tacoma to reinforce its identity as the physical, cultural and commercial center of the South Sound.

**Action 5C.1**
Facilitate historic restoration and renovation of Old City Hall for mixed use development to help anchor the St. Helens District.

**Action 5C.2**
Actively assist with buildout of sites along the west side of the Foss Waterway.

**Action 5C.3**
Recruit and assist development of destination-related businesses near the Tacoma Dome.

**Action 5C.4**
Intensify Transit-Oriented Development in the Dome District.

**COORDINATION**
This strategy represents a continued support role for the CED Department in identifying ways to assist and facilitate the work of multiple City departments with outside agencies, utilities, private developers, and local businesses in the development and re-development of key sites in Downtown. The CEDD can focus its business recruitment efforts around Tacoma Dome on destination businesses.
Focus Area 6

Commercial & Industrial Property Activation

Objective: Support Employment-Generating Activities and Office / Industrial Product

While commercial and industrial vacancy is low in some districts of Tacoma, a great deal of underutilized land and buildings exist in other areas. Activating this property through key partnerships among the City, private developers and brokers, and commercial and industrial users of lands in the region will be an important ongoing challenge for planners -- and will be critical to providing a balance of living-wage job options for Tacomans into the future.

Above: Port of Tacoma’s IPT Tacoma Logistics Center, completed in 2018. Source: Sierra Construction, 2019
Strategy 6A: Advocate for Growth on UW-Tacoma Campus

Enable UW-Tacoma and partners to ensure strategic and efficient permitting as well as development of the sizable land capacity on the campus of one of the City’s economic engines.

**Action 6A.1**

Work closely with City of Tacoma Planning and Development Services Department and the University of Washington - Tacoma’s Campus Planning and Retail Services division to facilitate new development on campus where substantial additional capacity exists and growth is anticipated.

**Action 6A.2**

Support UW-Tacoma’s adopted Campus Development Plan that seeks to integrate new campus development and student facility expansion into the urban fabric and street grid of Downtown Tacoma.

**TACOMA SUCCESS STORY**

**UW-Tacoma Campus Master Plan**

The UW-Tacoma Campus Development Plan adopted in 2008 seeks to reinforce the campus’ connections to the urban fabric of Downtown Tacoma by aligning development primarily with the street grid, building new parking below ground, and locating retail at street level. The plan anticipates new development accommodating 10,000 projected future students, built to an average of four stories.

**COORDINATION**

The Community and Economic Development Department may support and transmit information to the City’s PDS Department to identify and address any land use policy, permitting, and/or development regulation barriers to the continued planned expansion of the UW-Tacoma campus according to their most-recently adopted Campus Master Plan.

Source: UW-Tacoma, 2008
Commercial & Industrial Property Activation

Strategy 6B: Identify Key Properties & Infill  
Inventory the principal vacant or redevelopable sites in Tacoma and market these properties to potential users.

Action 6B.1

Create and maintain a database of key properties in Tacoma with high economic potential that are underutilized.

Action 6B.2

Conduct regular meetings with local property owners and brokers to explore development opportunities.

Action 6B.3

Assist Planning & Development Services and Public Works in developing strategies to encourage short- and long-term reuse of existing surface parking lots for other commercial and residential investment.

COORDINATION

The BNSF-owned South Tacoma Field property in Nalley Valley is a large vacant and underutilized parcel with significant redevelopment potential.

Source: Google, 2019

The work of infill development in Tacoma's commercial and industrial zones and of enhancing the connectivity of existing assets is largely one of private market activity facilitated and informed by public sector actors such as PDS, Public Works, and CEDD. However, certain actions - like the creation of an inventory or face-to-face deals connecting developers with specific opportunities - can dramatically increase interest and activity in key areas.
Strategy 6C: Grow Office & Industrial Product  Recruit developers and anchor tenants to increase the marketable supply of office and industrial land and buildings currently unavailable in the City in sufficient quantity.

**Action 6C.1**
Implement SHB 1746 providing for targeted sales and property tax incentives to developers who build or renovate commercial office space.

**Action 6C.2**
Activate Downtown Tacoma’s supply of Class B and C office space as an asset for tenants valuing architectural heritage, views and location.

**Action 6C.3**
Maintain effective working relationships with industrial product developers to facilitate new development.

**Action 6C.4**
Work with PDS to evaluate current real estate development incentives for new office development and recommend enhancements.

**Action 6C.5**
Seek funding for seismic upgrades to Downtown Tacoma’s Class B & C office buildings.
Commercial & Industrial Property Activation

Strategy 6D: Develop Nalley Valley  Continue to work closely with key landowners and local stakeholders to transition important commercial and industrial land supply in Nalley Valley (South Tacoma MIC) to “shovel-ready” condition.

**Action 6D.1**  Work closely with Manufacturing Industrial Council of South Sound and Port-related businesses especially to ensure that they remain viable within the City of Tacoma (Port or Nalley Valley), especially as the subarea planning process proceeds.

**Action 6D.2**  Strengthen the capabilities of the Nalley Valley to serve modern industrial uses, including collaboration to render sites “shovel-ready” for new development.

**Action 6D.3**  Continue to collaborate with PDS, other City departments, and BNSF to transition and/or redevelop the major BNSF-owned South Tacoma Field property as outlined in the South Tacoma Manufacturing Industrial Center plan.

**Action 6D.4**  Work with PDS to evaluate applying innovative planning tools to accelerate and leverage private investment.
Strategy 6E: Encourage Employment-Generating Activities on Port-Owned, Tribal, and Privately-Held Properties on the Tideflats

Work closely with the Port of Tacoma / NW Seaport Alliance, the Puyallup Tribe and local businesses in the Tideflats to assist in appropriate expansion and development.

**Action 6E.1**

Actively participate in an economic analysis of the Tideflats subarea planning process.

**Action 6E.2**

Continue to engage in BRE and recruitment of traditionally-represented sectors in the Tideflats, such as maritime and manufacturing, as well as emerging sectors, such as clean water and other technologies, green industry and cyber-security.

**Action 6E.3**

Support efforts to facilitate the development of industries and employment in the Tideflats that are a particular focus of the Puyallup Tribe.

**COORDINATION**

The Community and Economic Development Department should work in a strong advocacy role in the Tideflats subarea planning process to ensure that the voices of local businesses are heard and that employment-generating uses continue to have a home in the Tideflats and can continue to operate profitably.
Focus Area

Business & Development Climate

Objective: Implement Premier Customer Service

Tacoma’s “Culture of Yes” in development and business permitting has been a boon to the local economy, with City departments aiming to continually improve the level of service they provide in these areas. The perception and reality of doing business in the City is a key factor in attracting high quality development to Tacoma and in bringing the dynamic employers, small businesses, and entrepreneurs upon which the City’s evolving economy depends.

Source: TacomaPermits.org, 2019
Strategy 7A: Formalize CED as the City’s Intermediary  

Formalize and further develop CED’s role as City intermediary coordinating, informing and advising the actions of various City departments regarding policies, programs and projects impacting economic development in Tacoma.

**Action 7A.1**

Use monthly coordinating meetings with the Community and Economic Development Department (CEDD), Tacoma Public Utilities (TPU), the Port of Tacoma, the Economic Development Board of Tacoma-Pierce County (EDB), the Tacoma-Pierce County Chamber, Workforce Central, Pierce County, Travel Tacoma-Mt. Rainier Tourism & Sports, and the Manufacturing Industrial Council representatives to discuss policy and program issues of mutual interest.

**Action 7A.2**

Participate in Planning and Development Services (PDS) review panel meetings to identify projects that need follow-up assistance.

**Action 7A.3**

Continue to produce materials that business operators, developers, and investors would find valuable related to permitting tips, incentives and other information.
Strategy 7B: Enhance the Value Proposition in Tacoma  Build on the work of the Mayor’s Business Advisory Group to learn more and incorporate the perspectives of business owners when making policy decisions related to commerce.

**Action 7B.1**
Survey new or expanded businesses and developers working in Tacoma to establish customer satisfaction benchmarks and identify top permitting and compliance issues for users; develop a mechanism for receipt of systematic business climate feedback and assist in addressing concerns, as appropriate, for firms doing business in Tacoma.

**Action 7B.2**
Facilitate periodic conversations among business groups, such as the Chamber of Commerce and the Mayor’s Business Advisory Council, and the Economic Development Committee of the Tacoma City Council to better communicate concerns and coordinate and align economic development priorities.

**Action 7B.3**
Update local business advisory and advocacy groups periodically on successes, initiatives, policies and programs that are underway or planned to explicitly address their concerns.
Strategy 7C: “Get To Yes” on Development Permitting  Participate with the Planning and Development Services (PDS) department to assist in improving development permitting in Tacoma with a particular focus on furthering a “Getting To Yes” culture.

**Action 7C.1**

Participate on the Permit Advisory Task Force to identify opportunities for reduction and streamlining; consider further expanding priority processing of permits for key properties.

**Action 7C.2**

Continue to establish customer satisfaction as a strategic objective to improve customer outcomes and reduce inefficiencies.

**TACOMA SUCCESS STORY**

**Online Tacoma Permits System**

The City of Tacoma’s Planning and Development Services (PDS) department now provides citizens, businesses, and visitors access to government services online, 24 hours a day, 7 days a week. Without registering for an account, users can:

- Perform Permit Searches
- View Permits with Comments
- View Current & Past Inspections

Registering for an account allows users to:

- Request a Pre-Application Meeting and Apply for Permits
- Add your contractor license to an existing Account
- Schedule Inspections
- Create Delegates (other users you give permission to perform actions on your behalf)
- Check the status of your permits and applications

Source: TacomaPermits.org, 2019

**COORDINATION**

The Community and Economic Development Department should participate within the parameters of existing initiatives underway within PDS and other City departments to increase permitting efficiency and improve customer outcomes and satisfaction.
Strategy 7D: Identify Efficiencies in Development Regulations  

Continue to work closely with Tacoma Planning & Development Services, Public Works and other departments to identify and mitigate obstacles to development related to code requirements.

**Action 7D.1**

Participate in a discussion around replacing required off-site improvements with more consistent and predictable compensatory mitigation.

**Action 7D.2**

Support efforts to review the efficacy of policies related to business use of stormwater infrastructure and associated costs; determine equitable solutions as needed.

**COORDINATION**

The Community and Economic Development Department should leverage its unique position to transmit specific ideas and insights from the private sector to the City in relation to increasing the user-friendliness of Tacoma’s development regulations.

The City of Tacoma’s Point Defiance Regional Stormwater Treatment Facility is designed to capture pollutants before they wash into an impaired area of Puget Sound contaminated with heavy metals from the Tacoma Asarco Smelter Plume, a toxic legacy from a copper smelter that operated in the area for nearly 100 years. This innovative approach provides treatment for 754 acres in a footprint of only 5,500 square feet.

Source: City of Tacoma, 2019
Strategy 7E: Help Reduce Construction Costs  Coordinate public sector actions to help mitigate high construction costs in Tacoma for catalytic economic development projects.

Action 7E.1
Work with City of Tacoma departments including Planning and Development Services, Public Works, Environmental Services, Tacoma Public Utilities and the City Local Improvement Districts (LID) administrator to identify opportunities and mechanisms to assist with infrastructure, environmental and related development costs.

Action 7E.2
Evaluate potential to invest Local Revitalization Financing (LRF) funds into infrastructure projects to leverage high-impact economic development projects.

COORDINATION The Community and Economic Development Department should work closely with other listed departments to identify, apply for, and administer grants, loans, and other assistance programs to fund targeted public improvements that might broadly lower construction costs and leverage private investment in Tacoma.

TACOMA SUCCESS STORY
Online Tacoma Permits System

Rush Companies' Proctor Station development in Tacoma. While demand for apartments in Tacoma is up as renters flee high prices in Seattle - so are construction costs. According to Chris DeWald, vice president at Rush the shortage of subcontractors is one of the main drivers behind rising costs. Many of the area’s subcontractors are busy with projects in Seattle. DeWald said developers in Tacoma have the same construction costs as developers in Seattle, but can’t get the higher rents to support those costs.

Tacoma’s median two-bedroom rent of $1,512 is well above the national average of $1,170, but much lower than Seattle at $2,789 as of Q3, 2019.

Source: DJC, Rent Jungle, 2019
Strategy 7F: Leverage Opportunity Zones  Continue attracting investment to designated Opportunity Zones in Tacoma to enable community and economic development.

**Action 7F.1**

Conduct property owner outreach regarding key properties to facilitate development, and work closely with the community in areas of the city that could attract Opportunity Zone investment to facilitate positive impacts and mitigate for unintended consequences.

**Action 7F.2**

Meet with investors, tax accountants, attorneys, real estate brokers and others to discuss Tacoma Opportunity Zone Program advantages and investment possibilities.

**Action 7F.3**

Remain well-versed in Opportunity Zone regulations and incentives and facilitate introductions between potential investors and local developers and property owners.

**Action 7F.4**

Identify potential City investments in Opportunity Zones that could be used to leverage private investment.

**Action 7F.5**

Leverage the Opportunity Zone incentive to attract new Federal funding (President’s Executive Council).

**COORDINATION**

This strategy represents an opportunity for the Community and Economic Development Department to act as the City’s guru on all things Opportunity Zone-related. CEDD should familiarize itself with the still-to-be-finalized regulations regarding the new tax incentive and with specific opportunities for investors in Tacoma’s designated Zone, then cheerlead these opportunities and work to connect investors and developers.
Focus Area

8

Placemaking & City Image

Objective: Choose Tacoma in Which to Live, Work & Explore

A vibrant sense of place is an essential part of economic development in the Puget Sound region and a key determinant in firms’, entrepreneurs’, and residents’ decisions to locate in or move to a particular location. This is especially important for Tacoma as many increasingly look to the City as an alternative to higher-cost metros in the region. Tacoma has tremendous cultural, recreational, tourism, and hospitality assets, and can continue to strengthen and connect these assets with direct effects on economic development.

Above: Museum of Glass  Source: City of Tacoma, 2019
Strategy 8A: Protect & Grow Cultural Assets  Support and leverage the growing arts, entertainment, and cultural assets in Tacoma to attract new firms, industries, residents, and visitors while supporting existing businesses and sectors.

Action 8A.1  Build off successes and recent developments in arts, entertainment and cultural assets through direct recruitment of synergistic businesses or organizations to those areas.

Action 8A.2  Support Tacoma Venues & Events’ efforts regarding Tacoma Creates to provide arts, culture, science and heritage programs for residents with an emphasis on youth and equitable access.

Action 8A.3  Support the City of Tacoma's Historic Preservation Office in protecting and maintaining Tacoma’s diverse architectural heritage as an important economic development asset.

Action 8A.4  Prioritize urban design interventions in areas linking the City’s most important cultural assets to adjacent business districts.
Strategy 8B: Leverage Tourism  Grow tourism and convert visitation to business investment in Tacoma in coordination with other agencies and the private sector.

**Action 8B.1**
Support the efforts of Travel Tacoma - Mt. Rainier Tourism & Sports with in-kind contributions of information, marketing, analyses

**Action 8B.2**
Assess the state of Tacoma’s “front porch” welcome to visitors and prioritize planning for improvements to these key geographies.

**Action 8B.3**
Support designation of gateways of primary importance into and out of the City of Tacoma and improvement with regular cleaning, well-maintained landscaping, distinctive signage, public art, wayfinding, and other urban design elements.

**COORDINATION**
The Community and Economic Development Department should support the efforts of Travel Tacoma + Pierce County while also advocating with other City departments - especially with Planning and Development Services and Public Works - on behalf of gateway and city image improvements in the public realm.

**TACOMA SUCCESS STORY**
**Travel Tacoma + Pierce County, WA**

*SAVE 50% WITH THE 3-DAY ATTRACTION PASS*
The Mountain City Sea Attraction Pass is your guide to the ultimate Pacific Northwest.

Travel Tacoma + Pierce County is the official destination marketing organization for Pierce County, Washington.

Travel Tacoma + Pierce County is a private non-profit destination marketing organization funded by hotel/motel lodging taxes and assessments and membership dues to bring tourism to Pierce County. Travel Tacoma works with leisure travelers, meeting planners and group tour operators to make choosing Tacoma + Pierce County easy.

*Source: TravelTacoma.com, 2019*
Strategy 8C: Communicate Tacoma’s Livability  Articulate quality of life as a central asset of Tacoma’s economic development efforts and continue to coordinate with other City departments on projects & programs enhancing Tacoma’s unique character and livability.

**Action 8C.1**

Develop a narrative describing why Tacoma is an advantageous place to live and work with the power to resonate regionally and nationally and work with other agencies to produce and regularly update marketing and promotional materials.

**Action 8C.2**

Expand communication across multiple channels - using existing platforms like Travel Tacoma - Mt. Rainier Tourism & Sports, Make It Tacoma and others - and engage new channels about Tacoma’s unique assets and quality of life.

**Action 8C.3**

Promote the cultural diversity of Tacoma as an asset.

**COORDINATION**

This strategy reinforces the CED Department’s perspective in viewing and articulating Tacoma’s quality of life and sense of place as a central asset for economic development. While supporting existing City marketing and economic development channels, CEDD should also hone its narrative about Tacoma and seek to expand the ways to communicate it regionally and nationally.
Strategy 8D: Expand Hospitality Base  
Continue to support the expansion, diversity, and quality of hospitality and visitor services in the City.

**Action 8D.1**
When appropriate, recruit quality hotel brands with a well-articulated value proposition for locating new hotels in Downtown Tacoma near the Convention Center and the Tacoma Dome.

**Action 8D.2**
Work with the Downtown Partnership and the University of Washington-Tacoma and to expand restaurants, retail and hospitality businesses into newly-planned and developed ground floor retail spaces (see also Strategy 6B).

**TACOMA SUCCESS STORY**
**Convention Center Marriott**

A 22-story 304-room full-service Marriott hotel, currently under construction, will feature 9,000 square feet of event space and a 10,000-square-foot ballroom. The transformational project will benefit from being directly connected to the Greater Tacoma Convention Center, one of the largest meeting locations in the Pacific Northwest. The hotel is located in Tacoma’s tourism corridor surrounded by museums, dining, shopping, day spas, art, golf and other attractions which helped drive record-setting visitation to Tacoma in 2017. The hotel should support a range of large Tacoma corporations.

Source: GlobeSt.com, 2019

COORDINATION  
The Community and Economic Development Department may continue working with UW-Tacoma in the build-out of its Campus Master Plan policies for ground-floor retail and hospitality development.
**Strategy 8E: Improve Parking & Wayfinding**  Advocate for progressive, City-led parking and wayfinding solutions to support the Downtown, Neighborhood Business Districts and commercial zones citywide.

**Action 8E.1**
Participate in an analysis of current and projected parking needs within the City and develop comprehensive and broad-based strategic approaches (see also Action 1E.4)

**Action 8E.2**
Work with Parking Services to expand existing wayfinding signage downtown for City parking garages, including “live” signage indicating pricing and number of available spaces.

**COORDINATION**
This strategy represents a great opportunity for the CED Department to work with Public Works - a subject critical to the success and vitality of businesses throughout Tacoma. Many successful case studies exist of strategies that should be studied for feasibility in Tacoma and CEDD should actively communicate the specific needs and challenges of the City's business communities.

**SPOTLIGHT ON Santa Monica City Parking System**
The City of Santa Monica uses current technology and real-time information to keep cars moving on major boulevards and limit the impact of regional traffic on local streets. This includes a comprehensive street wayfinding system, including signs directing motorists to off-street parking and displaying real-time parking availability at many City-owned public parking facilities including parking garages and parking meters. Parking rates reflect the real-time market value of parking and are set to ensure that spaces are available when needed.

Source: GlobeSt.com, 2019
Strategy 8F: Brand & Communicate  Initiate a new strategic effort to enhance the community’s image regarding its assets, progress, and innovations and communicate placemaking comprising Tacoma’s “brand” -- regionally and nationally.

**Action 8F.1**
Align City communications efforts with local and regional economic development partners’ efforts, and spearhead a multi-channel marketing campaign.

**Action 8F.2**
Further develop a strong, unique and recognizable brand for Tacoma and its assets and/or subareas, such as the Museum District; the Theater District; the Brewery District; Tacoma parks; and the distinctive Neighborhood Business Districts.

**Action 8F.3**
Create a suite of customizable materials and print and digital content to market Tacoma's assets.

**Action 8F.4**
Generate a suite of development opportunity maps & infill / redevelopment / adaptive reuse visualizations aimed at businesses, developers, brokers, and site selectors considering location in Tacoma.

**SPOTLIGHT ON CDMX Mexico City Branding**
City branding or place branding plays a pivotal role in creating destinations across the region and around the world. Creating and communicating a single brand for a city helps highlight its offerings and interactions, allowing it to appeal to both tourists and residents alike. A city’s brand is the same as a company’s brand. It’s a promise of value. Mexico City’s iconic CDMX branding (Ciudad de Mexico in Spanish), with it’s fuscia color and omnipresent sans serif logo, have both been part of Mexico City’s successful place-branding campaign, initiated by former mayor Miguel Ángel Mancera in 2016.

Source: Citylab.com, 2018

**COORDINATION**
The CED Department can lead this strategy by identifying funding for a strategic city marketing campaign, including the development of a unique and recognizable brand, and custom marketing materials. CED may coordinate with BIs, NBDs, and other economic development agencies on the deployment of this consistent brand.
Section 1: Introduction

Section 2: Tacoma In 2019

Section 3: Priority Actions for Tacoma

Section 4: Detailed Strategies & Actions

Section 5: Measures

Appendices
FIVE   Overview

Traditionally, economic development plans have often attempted to measure the results of policies and programs aimed at supporting economic growth in terms of direct, quantitative metrics - new jobs, new companies, new investment, revenue growth, sales tax growth, and other such metrics. Aside from implying a direct causality that does not exist - the influence of public-sector policies and programs on local and regional economies in reality comprises only a small fraction of the complex of factors resulting in local economic growth or contraction - this way of measuring “success” examines only the “symptoms” of a healthy, equitable, and sustainable local economy.

In this Plan, the City of Tacoma is committed instead to measuring positive progress toward the strengthening of the underlying systems and networks that result in the kind of equitable, sustainable economic growth that the City values. Such critical systems include business development networks, the workforce development system, place-making, lending and capital expansion, commercial and industrial real estate development, and others. As such, the half dozen “global” measures presented below seek to measure progress in supporting these fundamental systems, and not just the symptoms, of economic development in the City of Tacoma. While quantitative in nature, these measures are intended as indirect indicators of progress based on specific outreach and action on the part of Tacoma’s Community and Economic Development Department (CEDD).

TACOMA ECONOMIC DEVELOPMENT STRATEGIC PLAN MEASURES

Measure 1: Business retention and expansion visits.

Measure 2: Leads generated in target industry companies, and number of customized proposals produced.

Measure 3: Number of program participants served by workforce initiatives.

Measure 4: Number of trainings and workshops provided or facilitated by CEDD.

Measure 5: New loans generated.

Measure 6: Marketing materials created & distributed.
# Measures & Objectives

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<td>1. Business retention and expansion visits; Leads generated in target</td>
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<td>1. Strengthen and Diversify the Local Economy</td>
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<td>6. New loans generated.</td>
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APPENDIX A

Economic Development Landscape Analysis

This document is available under a separate cover at:

https://www.cityoftacoma.org/government/city_departments/community_and_economic_development
APPENDIX B

Economic Profile Analysis

This document is available under a separate cover at:

https://www.cityoftacoma.org/government/city_departments/community_and_economic_development
BACKGROUND & PURPOSE

The City of Tacoma has initiated and implemented a wide variety of programs and policies related to economic development. These include a Downtown Office Recruitment program; Space Works; a Make It Tacoma campaign; establishment of Auto Row; a Business Retention & Expansion (BRE) Program with the Economic Development Board; and start-up weekends for tech entrepreneurs. In addition, the City has developed a number neighborhood-specific subarea plans in addition to strategic documents such as Tacoma 2025. The Vision and Goals in Tacoma 2025 were expanded upon and supported by the Economic Development Element of the City's One Tacoma Comprehensive Plan. These in turn will be used to guide the current effort – an actionable economic development strategic plan for the City of Tacoma.

In addition to the guidance provided by the City’s adopted planning documents, a further key component of the Tacoma Economic Development Plan currently underway must be the broad integration of the City's strategy, approach and programs with those of other organizations, government entities and groups involved in economic development in the region and state. The final plan will leverage and be coordinated with, while not replicating the work being done by others. It will fill any identified gaps in service delivery and techniques as appropriate and necessary.

This document presents an overview of the economic development context into which this current effort fits. It begins with an overview of the regional economic development ecosystem; continues with an assessment of the roles of regional partners and influencers in economic development; then summarizes related economic development plans and strategies; regulatory tools and incentives; and, finally, economic development programs.

ECONOMIC DEVELOPMENT ECOSYSTEM ALIGNMENT

Tacoma’s economic growth depends largely on regional market forces and how the City participates in the opportunities and challenges that come with regional economic growth. Each neighborhood in Tacoma presents its own market factors, but most markets that affect Tacoma’s success are regional in
nature, and in many cases national or global in context. Workforce and real estate costs are regional in nature. Customers and supply chains span the gamut of local, regional, national and global. Major determinants of financial access are global and nationally influenced, but local and regional financial institutions play a major role in Tacoma’s success as well.

The City and local business leaders must take into consideration the market forces, organizations, and plans that affect its strategy. This document establishes that context, through an inventory of organizations and plans anticipated to influence how the City grows its economy.

**Strategic Assessment of Regional Partners and Influencers**

**Greater Seattle Partners**

Greater Seattle Partners (GSP) is a newly-launched public-private non-profit organization working in partnership with the private sector, cities, counties, ports and economic development organizations, to strengthen and unify the region’s economic development efforts. GSP will leverage sophisticated research and data analysis, brand marketing and promotion, business recruitment and global engagement to drive international trade and investment to our region.

GSP is uniquely positioned as a regional umbrella organization focused especially on the recruitment of national and international enterprises to Pierce, King and Snohomish Counties. Tacoma’s Mayor, Victoria Woodards, is on the board of this organization and the City’s Community and Economic Development Department has begun to work closely with GSP in engaging and recruiting companies on a global stage to the Tacoma area. While the organization is newly-launched, GSP is anticipated to surface unique opportunities for curation by Tacoma. **GSP will lead national and international business recruitment to serve all areas of King, Pierce and Snohomish counties.**

GSP does not intend to supplant the work of local governments and business and economic groups. Competition among cities and towns in the three counties is to be expected to some extent, but a greater goal is for some place in the region to win instead of watching a new enterprise or industry turn away from the region or choose a location outside the state. Seattle’s challenges, such as gridlock and skyrocketing housing costs, can deter new enterprise and industries. Instead of letting a prospective incoming business walk away, the group’s idea is to provide a regional alternative – including locations in Tacoma and Pierce County.
Economic Development Board for Tacoma-Pierce County

Since 1978, the private, 501(c)(6) nonprofit Economic Development Board for Tacoma-Pierce County (EDB) helps companies looking to relocate or expand in Pierce County. The EDB channels investor resources to bridge the gap between government and businesses by providing market information, site selection assistance, collaboration with State and local officials on economic development, connections with workforce training and more.

Among the strategic regional partners in economic development in Pierce County and Tacoma, the EDB views its primary role as business recruitment. Bruce Kendall and the EDB’s staff of six focus on mid to long term deals to bring new businesses into the County. A second major area of focus and activity is business retention and expansion – growing the existing business base in the City and County. EDB shares this role with other entities – namely Pierce County and the City of Tacoma itself. The EDB and City staff work well together and coordinate to leverage EDB’s strengths that augment the City’s.

In the five-year period from 2013 to 2017, the EDB has help recruit new businesses and retain existing ones resulting in 3,619 additional jobs in the County, with these jobs resulting in wages and salaries of over $195 million. Private capital investment spurred during this period totaled over $401 million. The EDB’s $114:1 return on its investors’ dollars from 2013–2017 is indicative of the strength of its recruitment and retention programs.

Puget Sound Regional Council

The Puget Sound Regional Council (PSRC) is the federally-designated metropolitan planning organization (MPO) that develops policies and makes decisions about transportation planning, economic development, and growth management throughout the four-county Seattle metropolitan area surrounding Puget Sound. It is a primary forum for over 80 cities, towns, counties, transit agencies, port districts, Native American tribes, and state agencies to address regional issues. In addition to helping communities secure federal funding for transportation and providing data and forecasting that is essential for regional and local planning, PSRC also develops and maintains a Regional Economic Strategy (described in more detail in subsequent sections).

PSRC plays an important role in the region as a sounding board to connect economic development with transportation and land use. All three of these areas occur at the regional geography, and as such, PSRC is an indispensable facilitator of policies and tools providing broad direction and alignment to local leadership and agencies. Pierce County and Tacoma both participated closely in PSRC’s Regional Economic Strategy – a groundbreaking document
titled Amazing Place that seeks to fundamentally ground economic development in placemaking. This shared comprehensive strategy articulates the foundations of the regional economy and identifies actions required to best open economic opportunities to everyone, compete globally, and sustain a high quality of life.

**Pierce County Economic Development Department**

The Pierce County Economic Development Department, newly led by director Betty Nokes-Capestany, works primarily in the area of business retention and expansion (BRE) in the unincorporated areas of Pierce County. These areas comprise a large proportion of industrial lands, and much of the EDD’s work is focused around these sectors.

The EDD’s primary BRE role means that the department engages existing businesses in frequent conversations around what they need and how to connect them with resources, land and facilities for expansion, training and workforce, permitting and other elements that can allow them to grow their businesses in place or expand within Pierce County.

The Pierce EDD maintains a number of programs and initiatives to this end. Its Executive Priority project gives companies locating into the County top-priority treatment if they promise to create or bring a minimum number of jobs to the area. The EDD has also created the Family-Wage Job Credit Program that provides a one-time $275 credit per job to employers who create at least five new permanent family-wage jobs in unincorporated Pierce County after January 1, 2019. On the messaging front, the EDD attends numerous events to get the word out that Pierce County is open for business: EDD recently attended the Site Selectors Guild Fall Forum Conference in Seattle to engage important national corporate site selectors about locating in Pierce County. Another key priority for the department is the development of new Class A office space in the South Sound area.

**PLAN STRATEGIES & ACTIONS**

**Tacoma 2025**

On January 27, 2015, the City Council approved the City of Tacoma’s Ten-Year Citywide Strategic Plan and Vision, Tacoma 2025. The Strategic Plan is intended to set the course and guide where the City of Tacoma (as both a local government organization and a community) is going over the next 10 years, and to help the City direct its efforts and resources toward a clearly defined vision for its future that reflects community desires, current and future trends, and bolsters the City’s unique position within the region. Setting the strategy for the entire city, Tacoma 2025 is being incorporated into every major planning process, including the One Tacoma Plan (below), the Environmental Services Strategic Plan, and the Affordable Housing
Action Strategy. As a part of the creation of the 2019-2020 Biennial Budget process, every department in the City has incorporated 2025 goals into their ten-year and two-year goals and reports on these goals quarterly. In the Economic Vibrancy and Employment chapter, the following priorities were highlighted:

3A Increase the number and quality of jobs throughout Tacoma. Tacomans will have more economic opportunities—partners will strive to recruit, retain, and expand job opportunities throughout the community.

3B Diversify Tacoma’s living wage business base. Providing jobs at living wages is a top priority; well-paying jobs helps the community meet multiple goals.

3C Improve neighborhood business districts. A diversity of neighborhoods with vital business activity and housing options is essential to Tacoma.

3D Strengthen downtown Tacoma as a business core and residential option. A successful downtown Tacoma is a driver of Tacoma’s economic health and quality of life.

One Tacoma Comprehensive Plan

Tacoma has initiated myriad efforts in recent years to recruit new businesses, support local companies and revitalize its neighborhoods. The goals and policies in the City’s Comprehensive Plan (updated in 2015) Economic Development Element provide high-level support for all of these ongoing efforts and serve as a guide for the development of new strategies to ensure that they are well-coordinated and supported by the City’s land use policy. The Goals and Policies include:

GOAL EC–1 Diversify and expand Tacoma’s economic base to create a robust economy that offers Tacomans a wide range of employment opportunities, goods and services.

GOAL EC–2 Increase access to employment opportunities in Tacoma and equip Tacomans with the education and skills needed to attain high quality, living wage jobs.

GOAL EC–3 Cultivate a business culture that allows existing establishments to grow in place, draws new firms to Tacoma and encourages more homegrown enterprises.

GOAL EC–4 Foster a positive business environment within the City and proactively invest in transportation, infrastructure and utilities to grow Tacoma’s economic base in target areas.
GOAL EC--5 Create a city brand and image that supports economic growth and leverages existing cultural, community and economic assets.

GOAL EC--6 Create robust, thriving employment centers and strengthen and protect Tacoma’s role as a regional center for industry and commerce.


This program represents the first two years of the City’s Five-Year Economic Development Framework Strategic Plan (2018-2022). This Plan serves to forecast the planned projects and programs to be undertaken or facilitated by the City’s CEDD over the course of the next two years. **This wide-ranging Plan includes 79 total projects and programs** in the following areas:

- Downtown Office Development Activities (7)
- Downtown Office Recruitment, Retention & Expansion (5)
- Market Rate Multi-Family Development (includes mixed-use) (16)
- Affordable Housing Development (7)
- International Development, Trade & Sister Cities (4)
- Arts & Culture & Creative Maker Space (3)
- Industrial Development, Recruitment & Expansion (8)
- Small Business Development & Financing (3)
- Neighborhood Business Districts & Revitalization Efforts (2)
- MBDA, SBE/LEAP Activities (5)
- Public Assets Converted to Private Development Sites (6)
- Adaptive Reuse & Historic Building Renovations (9)
- Waterfront Activities (4)

PSRC Regional Economic Strategy (RES)

**Amazing Place** is a data-driven regional economic strategy that identifies leading sectors and the ways the region intends to sustain economic development. The strategy has three big goals: **open economic opportunities to everyone; compete globally; and sustain a high quality of life.** Each goal is supported by specific strategies and initiatives to sustain and grow jobs throughout the region, for all residents. The strategy emphasizes traditional economic development priorities such as transportation, education, international trade and the region’s business climate. Newer emphasis areas include a **specific rural strategy, initiatives to grow jobs throughout the region, advancing social equity and affordable housing.** The Central Puget Sound Economic Development District Board is leading the implementation of the strategy.
PSRC Vision 2040 (and 2050, currently in progress)

As one of five designated Metropolitan Cities in the Puget Sound Regional Council’s (PSRC) VISION 2040, Tacoma is planning for 97,000 new jobs by 2040. PSRC is currently in the process of extending its Vision 2040 plan to 2050. In this iteration, there are three alternative growth scenarios that have been proposed – one of which, “Stay the Course” extends these 2040 growth targets to 2050. The city has more than enough physical and land use zoning capacity to accommodate this growth, based on the most recent (2014) Buildable Lands report, but to work towards this target, Tacoma must strategically attract and grow businesses to increase the number of jobs in the city. Not only does the city have to grow its economic base generally, it must also deliberately channel this growth into the areas of Tacoma best suited to accommodate this increase.

Pierce County Workforce Development Council (WDC) – Strategic Action Plan 2018-2021

This Plan is the blueprint for the sustainability and growth of the region’s talent pipeline and lays the foundation for the WDC’s business plan which will outline key actions and resources required to execute the objectives and strategies found in this Plan. The strategic direction, goals and strategies included in this plan are focused on what our customers value most about the workforce systems, and current opportunities and challenges for offering a high-quality system of talent development to the area’s businesses. WDC’s overarching Strategic Priority in this plan is to “Build and sustain the talent pipeline and close the skills gap.” It’s two Goals are: By 2025 the workforce system will reduce the number of disconnected young adults, 16 to 24, by half – from 15,300 to 7,650. By 2025 the workforce system will reduce the number of residents between the ages of 25 to 64 without a High School Diploma or GED, by half – from 38,475 to 19,237.

Economic Development Community Partners – Retreat Objectives & Outcomes

In April 2017 an Economic Development Community Partners Retreat was held in order to gain a more in-depth understanding of partners’ priorities and challenges, identify opportunities to support the success of partner agencies, and establish a foundation for both short-term and long-term actions. Partner agencies presented on their goals and challenges for 2017, and included:

- Pierce County Office of Economic Development
- City of Tacoma Community & Economic Development Department
- Economic Development Board of Tacoma-Pierce County
- Port of Tacoma
REGULATORY TOOLS & INCENTIVES

Opportunity Zones Program
The federal Tax Cuts and Jobs Act of 2017 was signed into law on Dec. 22, 2017. The Opportunity Zone program was included in that act, which was designed to provide tax incentives to investors who fund businesses in underserved communities. Investors are able to defer paying taxes on capital gains that are invested in Qualified Opportunity Funds that in turn are invested in distressed communities designated as Opportunity Zones by the governor of each state. Up to 25 percent of the low-income census tracts in each state can be designated as Opportunity Zones.

Read more: DOC Opportunity Zones

Current Use Assessment
Through the Current Use Assessment process, landowners can apply to have their open space, farm/agricultural, and timber lands and historic properties valued, for tax purposes, at their current use value rather than at the highest and best use that would be permitted by zoning. This provides property owners with an incentive to maintain their land as open space by lowering their taxes.

Read more: Current Use Assessment
Transfer of Development Rights

Transfer of Development Rights is an innovative tool for implementing growth and conservation goals at the city and regional scale. Through voluntary, market-based transactions, rural landowners can sell the rights to build homes from their farms and forests. In addition, owners of historically significant structures in Tacoma can sell the right to further development. These development rights can then be used to increase development potential where growth is desired.

Read more: Transfer of Development Rights

Multi-family Tax Exemption

The Multi-Family Tax Exemption program provides an incentive for the development of new multifamily units in the City’s Mixed-Use Centers. Available to eligible property owners, this incentive exempts property taxes for eight to 12 years on the assessed value of improvements that create four or more additional housing units.

Read more: Multi-Family Property Tax Exemption Incentive

Development Regulation Agreement

A Development Regulation Agreement is an optional application and review procedure intended to provide a new degree of flexibility in the application of the City’s development regulations so that conditions are tailored to the specifics of the proposed project and community vision in such a manner as to ensure that significant public benefits are secured.

Read more: Development Regulation Agreements

Interlocal Agreements

To streamline permit review of projects, long-term agreements between the City and other agencies with jurisdiction may be reached that establish key objectives, avoid duplication of efforts, and specify how joint review will occur. The City has entered into such interlocal agreements with Metro Parks Tacoma, the City of University Place, and the Port of Tacoma.

Read more: Interlocal Agreements

Programs
Tacoma CED: Local Employment and Apprenticeship Training Program

This office provides residents of Tacoma, particularly those from the Community Empowerment Zone, with the training and support services necessary to complete apprenticeship requirements which lead to family-wage jobs in the building and construction trades. It assists in the development of skilled workers by leveraging workforce development resources that provide quality outreach, recruitment and training services, and it provides contract compliance services to General Government and Tacoma Public Utilities.

Tacoma CED: Office for Small Business Enterprise (formerly Historically Underutilized Businesses)

The Office for Small Business Enterprise Program (formerly HUB) is a service provided by the City to increase employment opportunities for small business contractors and individuals seeking to increase their skills through training and apprenticeship on City projects. Historically, SBE provides not only contracting opportunities for City Public Works projects, but also helpful resources in mentoring and business management.

Tacoma CED: Make It Tacoma website (also flyer); Economic Development Services

The City of Tacoma Community and Economic Development Department (CED) is your go-to source for growing, relocating, or starting a business in Tacoma. We’re here to help you find success, so whether you need help finding a business property, getting a business license, or recruiting top talent—we’ll be there for you, every step of the way. Make It Tacoma (formerly, “Tacoma Means Business”), is designed to help business owners, investors, site selectors, and entrepreneurs easily find the information they need to be successful in Tacoma. If you have any questions or comments, or would like help with your business, please contact us at (253) 591-2012 or MakeItTacoma@cityoftacoma.org.

City of Tacoma: Small Business Enterprise (SBE) Program

The City of Tacoma’s Small Business Enterprise Program (SBE) offers contracting and procurement of goods/services opportunities to qualified small businesses interested in doing work in the City. The goal of the SBE program is to facilitate a substantial procurement, education, and small business assistance program designed to promote equitable participation by historically underutilized businesses in the provision of supplies, services, and public works to the City.
City of Tacoma: Neighborhood Council Program

In 1992, the City Council established Tacoma's eight Neighborhood Councils to advise them on issues of local importance and to seek consensus among residents on specific plans of action. The Neighborhood Councils also undertake a wide range of neighborhood improvements in collaboration with staff from the City of Tacoma and other agencies. Each Neighborhood Council serves as an independent, non-profit citizen organization to promote citizen-based efforts for neighborhood improvement. Any resident, business owner, employee, property owner or member of an existing neighborhood group within a Neighborhood Council area can join a Neighborhood Council. Tacoma's eight Neighborhood Council boundaries – in Northeast Tacoma, New Tacoma, the North End, the West End, Central Tacoma, South Tacoma, the Eastside and the South End. The Neighborhood Council Program has a stated goal to engage its neighborhoods on issues and concerns that directly affect them, help craft solutions to mutual problems, and build a sense of pride and personal responsibility for their neighborhoods. As a result, the City supports and promotes the Neighborhood Council Program to create an environment in which residents are afforded an opportunity to participate in City government decisions in an advisory role.

City of Tacoma: Neighborhood Innovative Grant Program

Through the City of Tacoma's Neighborhood Innovative Grant Program, community groups within Tacoma’s eight Neighborhood Council districts can apply for grant funding supporting neighborhood improvement activities or projects. Most grants requested and approved are in the range of $500 to $8,000. If you are looking for ideas, you can look at Past Projects that were funded. If you are interested in applying, please review and submit the yearly Application. Questions can be directed to Shari Hart via email or by calling (253) 591-5208.

City of Tacoma: Neighborhood Business District Revitalization Program / Experience Tacoma website

Tacoma's Community and Economic Development Department provides technical assistance to business districts and targeted retail areas - with a focus on retail recruitment and mixed-use development - through a professional and trained staff. Where there is a cluster of businesses in a walkable neighborhood, the business and property owners may choose to organize to participate in activities that enhance the experience for their customers; the City is available to consult with these groups to help them get organized and maneuver through the myriad of city services. Although any group is free to organize for the betterment of their area, the City has a process for officially recognizing Neighborhood Business Districts. Additional information is available at Experience Tacoma. Experience Tacoma (.com) is
a direct link connecting users to businesses, events and attractions within the City of Tacoma. A blog is maintained about the good news and neighbors in town. Each story is inspired and written by Tacoma enthusiasts.

**US Department of Commerce / City of Tacoma: Minority Business Development Agency (MBDA)-Tacoma Business Center**

One of 40 Minority Business Development Agency (MBDA) centers across the country under the U.S. Department of Commerce, the Minority Business Development Agency (MBDA) Tacoma Business Center provides technical assistance and strategic business consulting to minority-owned Tacoma businesses regardless of size. The center works with minority business enterprises to generate increased financing and contract opportunities and to create and retain jobs. The Business Center is part of a cooperative agreement between US Department of Commerce and City of Tacoma. The program's objective is to provide ongoing, quality assistance to minority businesses with rapid growth potential so that they can achieve greater participation in the development of the nation’s commerce. MBDA-Tacoma Business Center helps minority-owned business gain access to:

**Capital** - This includes bonding assistance, identifying financing opportunities, and matchmaking with banking institutions or mezzanine financing options. It also includes connecting businesses with alternative lenders for the financing of purchase orders or rapid scalability.

**Contracts** - This includes procurement opportunities, solicitation analysis, bidding and proposal preparation.

**New Markets (Domestic and International)** - This includes trade leads through the U.S. Department of Commerce, World Trade Organization and other market research.

**Federal WIOA - WorkForce Central (on behalf of the Pierce County Workforce Development Council (WDC) / WorkSource): Core Services and Workforce Innovation Fund grants**

WIOA requires that each One-Stop Center provide access to physical services of six core programs – WIOA Title 1 (services for Adult, Dislocated Workers and Youth); the Adult Education and Literacy Act programs administered by the Department of Education (DoED); Wagner-Peyser Act services administered by the Department of Labor; and Rehabilitation Act Title 1 programs administered by the DoED.
Contents

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   > Demographic Profile
   > Economic Profile
   > Employment
   > Key Industries

2. Small Business Assistance
   > Business Climate
   > Workforce Profile

3. Neighborhood Business District Revitalization
   > Business District Profiles & Equity

4. Commercial & Industrial Property Activation
   > Commercial & Industrial Lands Profile
   > Real Estate Market Profile
ONE  Business Retention & Expansion

Demographic Profile
Economic Profile
Employment
Key Industries
From **2010-2018 Tacoma’s population grew by 10,703 persons to 209,100.** It’s Compound Annual Growth Rate (CAGR) of .7% lagged the county, region, and most of its neighboring and peer cities. With an increasing focus on placemaking, Tacoma may be poised to capture a much greater share of the region’s growth.
In 2017, Tacoma’s population was more diverse (greater non-white percentage) than the county, region, and all of its peer and neighboring cities but Federal Way and Lakewood. Fostering workforce diversity supports a resilient economic base.
Tacoma is a relatively young city, though it’s median age of 35.9 has hovered around the same level since 2012. Younger workers support an innovation economy, including entrepreneurship, and trend toward tech-savvy workforce skills. Tacoma’s strong sense of place and assets can attract more of this demographic.
Tacoma has a greater proportion of millennials than the county, region, and all but two of its neighboring and peer cities. The City also has more overall younger working-age people (20-44 years) than all but Seattle.
In recent years Tacoma has seen gains in educational attainment levels of its population 25 years and over. 27.6% of its workforce has college degrees or higher in 2017, up from 24.7% in 2012.
Household incomes in Tacoma in 2017 lagged the County and all of its neighbors except Lakewood. An important economic strategy for Tacoma will be to focus on attracting and strengthening higher-paying industries.
Tacoma has a good balance of jobs to housing units compared with the region. Ratios exceeding 1.4 indicate a jobs center that imports labor, while ratios less than .8 indicates an area that exports labor.
Taxable Retail Sales per Capita were strong in Tacoma, surpassing all of its neighboring and peer cities except for Puyallup and Seattle. With retail and service sectors paying less on average than most other sectors, Tacoma should shift its economic focus on growing and strengthening higher-wage industry sectors.
Total employment in Tacoma has risen from 96,700 in 2010 to 108,700 in 2017, a compound annual growth rate of 1.68%. Pierce county’s employment over that period grew 2.07% and the region’s employment 2.60%.

Source: Puget Sound Regional Council, 2018; Community Attributes, 2019
Tacoma’s top sectors by employment were Healthcare, Government, and Accommodation. The FIRE (finance, insurance, and real estate) and Retail sectors were also strong employers in the City.
Business Retention & Expansion

Employment

<table>
<thead>
<tr>
<th>Year</th>
<th>Tacoma</th>
<th>Pierce County</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>120,041</td>
<td>368,237</td>
</tr>
<tr>
<td>2025</td>
<td>128,311</td>
<td>386,148</td>
</tr>
<tr>
<td>2030</td>
<td>140,168</td>
<td>405,462</td>
</tr>
<tr>
<td>2035</td>
<td>162,607</td>
<td>443,565</td>
</tr>
<tr>
<td>2040</td>
<td>195,185</td>
<td>498,086</td>
</tr>
</tbody>
</table>

Source: Puget Sound Regional Council, 2018; Community Attributes, 2019
Sectors above 1.0 on the vertical axis were more highly concentrated in Pierce County than in the nation; sectors right of the 0% on the horizontal axis had a positive growth rate. This means that the Government, Education, Retail & Construction / Resource macro sectors are more highly concentrated, and are growing, in Pierce County.
Business Retention & Expansion

Key Industries Zoom-In: Arts, Maker Spaces and the Creative Economy

According to the 2016 “Arts & Economic Prosperity 5” study, the arts generate $137 million in annual economic activity in Tacoma and support more than 3,600 jobs. The City has a rich creative ecosystem, from museums and event spaces that serve the region to local studios and supply shops. Most of its creative assets are clustered Downtown, particularly near the Museum District and the UW Tacoma campus. Other notable clusters are located near Point Defiance and the Sixth Avenue Business District.

Tacoma’s maker space – Fablab Tacoma, located on Market Street just west of the UW Tacoma campus.
TWO Small Business Assistance

Business Climate
Workforce Profile
Business Climate

Taxes and Fees

The City does not currently charge development impact fees. In addition to no personal income or corporate excise tax like any other Washington city, Tacoma does not charge a property tax on inventories or a separate transit district tax. Tacoma has a Business & Occupation tax, but businesses with gross annual incomes below $250,000 are exempt. There is a sliding scale for businesses with incomes between $250,000 and $300,000. The City also offers credits to reduce B&O taxes, including credits for each new, permanent, family-wage job provided. The city business license fee is $90 per year for businesses with incomes over $12,000.

Business Incentives

Tacoma’s business incentives include:

• Affordable financing for improving commercial facades, improving fire safety, rehabilitating historic buildings, acquiring and developing commercial property.

• Contracting and procurement opportunities for small businesses through its Small Business Enterprise Program.

• Technical support and advocacy for local small businesses through the Neighborhood Business District program.

• Support for minority business enterprises through the MBDA Business Center.

• 8- or 12-year Multifamily Tax Exemption.

• 6 Opportunity Zone census tracts, covering commercial areas including Downtown, Tacoma Mall, and the Portland Avenue, South Tacoma and Pacific Avenue Neighborhood Business Districts.

• State-designated Community Empowerment Zone
Permitting

Tacoma has a dedicated permitting website, including resources to guide applicants through the development process. This includes a simple tool to estimate all permit fees for a given project. It also has an online map-based dashboard with all permit data over time in the City.

The City has established levels of service of 8 weeks for initial review of new commercial development and 4 weeks for initial review of new residential development. Over the past 6 months, however, the actual level of service has been slower for new commercial (11 weeks) and faster for new residential (3 weeks).
## Workforce Profile

### Labor

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Average Annual Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tacoma-Lakewood MSA</td>
</tr>
<tr>
<td>Software Developers, Applications</td>
<td>$103,324</td>
</tr>
<tr>
<td>Retail Salespersons</td>
<td>$35,888</td>
</tr>
<tr>
<td>Laborers/Freight, Stock &amp; Material Movers, Hand</td>
<td>$36,433</td>
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<tr>
<td>Office Clerks, General</td>
<td>$38,733</td>
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<tr>
<td>Customer Service Representatives</td>
<td>$39,224</td>
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<tr>
<td>Waiters &amp; Waitresses</td>
<td>$30,334</td>
</tr>
<tr>
<td>Cashiers</td>
<td>$28,646</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>$86,721</td>
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<tr>
<td>General &amp; Operations Managers</td>
<td>$115,390</td>
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<tr>
<td>Business Operations Specialists</td>
<td>$70,483</td>
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<tr>
<td>Personal Care Aides</td>
<td>$27,989</td>
</tr>
<tr>
<td>Accountants &amp; Auditors</td>
<td>$70,626</td>
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<tr>
<td>Janitors/Cleaners</td>
<td>$35,384</td>
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<tr>
<td>Sales Reps</td>
<td>$64,668</td>
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<tr>
<td>Bookkeeping, Accounting, &amp; Auditing Clerks</td>
<td>$44,598</td>
</tr>
<tr>
<td>Stock Clerks &amp; Order Fillers</td>
<td>$36,184</td>
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<tr>
<td>Restaurant Cooks</td>
<td>$30,756</td>
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<tr>
<td>Management Analysts</td>
<td>$78,893</td>
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<tr>
<td>Truck Drivers</td>
<td>$51,132</td>
</tr>
<tr>
<td>Secretaries &amp; Admin Assistants</td>
<td>$44,137</td>
</tr>
<tr>
<td>Maintenance &amp; Repair Workers</td>
<td>$47,760</td>
</tr>
</tbody>
</table>

Source: Washington State Employment Security Department, 2019

Wages for most occupations are lower in the Greater Tacoma area than in the Greater Seattle area.
Small Business Assistance

Workforce Profile

Average Annual Wage, 2017

- King: $81,500
- Pierce: $49,600
- Tacoma-Lakewood MD: $50,300

Source: Bureau of Labor Statistics, 2018; Community Attributes, 2019
Small Business Assistance

Workforce Profile

Labor Force Participation and Unemployment, 2017

Source: Washington State Employment Security Department, 2018; Community Attributes, 2019
Besides Tacoma itself, Seattle is the next largest destination for Tacoma workers, followed by Lakewod, Kent, and Federal Way.
More than 2.75 times the number of Tacoma jobs are filled by workers living elsewhere than Tacoma workers. At the same time, 56k workers leave the city to work in jobs located elsewhere.

Source: LEDH On The Map, 2019; Community Attributes, 2019
Workforce Profile Zoom-In: University of Washington - Tacoma

In 2017, UW Tacoma awarded 1,336 Bachelor’s degrees, 341 Master’s degrees, and 4 Doctorates. Its largest programs are:

- **Business, Management, Marketing**: 268 Bachelor’s degrees, 59 Master’s degrees
- **Computer & Information Sciences**: 258 Bachelor’s degrees, 121 Master’s degrees
- **Psychology**: 142 Bachelor’s degrees
- **Health Professions**: 107 Bachelor’s degrees, 14 Master’s degrees
- **Communication & Journalism**: 102 Bachelor’s degrees
- **Social Sciences**: 95 Bachelors’ degrees, 15 Master’s degrees
- **Public Administration & Social Services**: 47 Bachelor’s degrees, 58 Master’s degrees

*Source: National Center for Education Statistics, 2019*
THREE Neighborhood Business District Revitalization

Business District Profiles & Equity
Neighborhood Business District Revitalization

Neighborhood Business Districts

The City of Tacoma has 15 officially recognized Neighborhood Business Districts. The purpose of the program is to support economic growth and redevelopment in the City’s oldest neighborhood commercial districts. The program provides assistance to local small businesses and improves the physical character of the districts with place-making design elements.
Neighborhood Business Districts

In order to qualify for the program, a district must be compact and pedestrian-oriented, with an existing concentration of independent businesses. Regional Growth Centers do not qualify. Each district must have a City-recognized nonprofit Neighborhood Business District Association. The Cross District Association is a coalition of all Neighborhood Business District Associations in Tacoma. This body serves the Districts and provides the City with perspective on local independent business needs.

Neighborhood Equity

While Tacoma’s Neighborhood Business Districts have commonalities established through their minimum qualifications, there is wide variation in terms of neighborhood incomes and access to opportunity. In order to advance equitable outcomes for these districts, different strategies may be used in different neighborhoods to support those most in need.
Neighborhood Business Districts

The wealthiest areas of Tacoma surround the Old Town, Proctor, and Narrows NBDs, while many other NBDs serve areas of Tacoma with incomes below the City median ($51,269).
FOUR Commercial & Industrial Property Activation

Commercial & Industrial Lands Profile
Real Estate Market Profile
The 2014 Pierce County Buildable Lands Report includes the following estimates of growth demand and land capacity in Tacoma:

**Housing Needs, 2010-2030:** 47,240 additional units

**2014 Housing Capacity**
- Outside of Centers: 11,567 units
- Inside of Centers: 86,125 units
- Total Housing Capacity: 97,692 (Surplus of 50,452 units)

Centers with capacity for more than 10,000 units:
1. South Downtown (18,692)
2. North Downtown (17,026)
3. Tacoma Mall (16,119)

**Employment Needs, 2010-2030:** 71,819 additional jobs

**2014 Employment Capacity**
- Outside of Centers: 11,619 jobs
- Inside Mixed Use Centers: 153,804 jobs
- Inside Manufacturing/Industrial Centers: 60,048 jobs
- Total Employment Capacity: 225,471 (Surplus of 153,652 jobs)

Centers with capacity for more than 10,000 jobs:
1. Tideflats (43,321)
2. Tacoma Mall (33,570)
3. North Downtown (30,756)
4. South Downtown (26,029)
5. South Tacoma (16,727)
6. Martin Luther King (11,473)
7. Tacoma Central (10,297)
Commercial & Industrial Property Activation

Commercial & Industrial Lands Profile

Tacoma 2014 Buildable Lands Inventory

- City of Tacoma Boundary
- Manufacturing/Industrial Centers
- Mixed-Use Centers
- Built Out/Undevelopable
- Pipeline
- Underutilized
- Vacant
- Vacant Single Unit

Note: The mapped inventory does not account for critical areas or other deductions.

Source: City of Tacoma, 2019; Community Attributes, 2019
Pierce County’s 2014 BLA found that Tacoma’s commercial / industrial districts outside of mixed-use centers had 278 acres, net of deductions, available for development.
In Tacoma’s mixed-use and manufacturing / industrial centers, there were over 4,600 acres available for development.

Combined, this land was found capable of supporting over a quarter of a million additional jobs.
The buildable lands report included the following conclusions relevant to Tacoma’s future growth:

- From 2000-2010, Tacoma added 468 housing units per year on average. In order to meet 2030 growth projections, the City would have to add 2,362 units per year. This is 41% of the annual average production required Countywide.

- From 2000-2010, Tacoma added 484 residents per year on average. In order to meet 2030 growth projections, the City would have to add 4,145 per year. This is 41% of the annual average production required Countywide.

- No “reasonable measures” required for Tacoma’s comprehensive plan, as capacity exceeds requirements.

The Buildable Lands Report will be updated next in 2021. Since 2010, the City has experienced the following growth:

- 3,919 additional housing units from 2010-2018, 490 per year. 16% of Countywide growth. (Washington State OFM)

- 10,703 additional residents from 2010-2018, 1,338 per year. 14% of Countywide growth. (Washington State OFM)

- 39,883 additional jobs from 2010-2017, 5,698 per year. 30% of Countywide growth. (PSRC)
Real Estate Market Profile

- Multifamily rents have been rising steadily since 2010, while vacancy has been dropping.
- Vacancy has been lower than 5% since 2015, which is a level commonly associated with a tight rental market.

Source: CoStar, 2019
Real Estate Market Profile

Median Sale Price per Building SF, Multifamily, 2000-2019

Source: CoStar, 2019

- Multifamily building sale prices have been increasing at a steadily faster pace since 2010.
- The median price per square foot has more than doubled over the past 9 years.
• Industrial & Flex rents have been rising steadily since 2012 while vacancy dropped from 2012-2018.

• Vacancy spiked recently, potentially explained by new development.
Since 2017, Tacoma has seen the most significant periods of positive industrial absorption since 2011.
Median sale prices for industrial buildings have been uneven over time, but generally trending up since 2012.
Office rents have been rising steadily since 2000, but increases have been more significant for other categories.

Vacancy has been dropping since 2012, with a recent jump that is not explained by new development.
There was recently large negative absorption swing. While these can be the result of new space coming available, there have not been any significant recent deliveries.
Commercial & Industrial Property Activation

Real Estate Market Profile

Median Sale Price per Building SF, Office,
2000-2019

Source: CoStar, 2019
Real Estate Market Profile

- Following a period of decline, retail rents have been rising slowly since 2013.
- Vacancy has dropped steeply since 2013, and is currently under 3%.

Source: CoStar, 2019
Net retail absorption has been more consistently positive than in previous years since 2014.
With a few exceptions, the median sale price per square foot for retail buildings has hovered around $100 since 2000.

Source: CoStar, 2019