PROJECT UPDATE

DOWNTOWN ECONOMIC DEVELOPMENT STRATEGY

City of Tacoma, Washington

PRESENTED BY:

AngelouEconomics
technology-based economic development

AGENDA

Project Overview

Downtown Vision

Target Sectors

Goals and Strategies

PROJECT GOAL

The Downtown Tacoma Economic Development Strategy will result in a strategic roadmap to increase private commercial investment in Downtown Tacoma and provide additional high-wage job opportunities for the region's residents.

PHASE 1: ECONOMIC IMPACT ANALYSIS

DOWNTOWN DIRECT JOBS: 43,482

TOTAL ANNUAL DOWNTOWN TACOMA IMPACT

	TACOMA	PIERCE	WASHINGTON
Output	$4.80 B	$7.44 B	$10.3 B
Jobs	40.3k	62.4k	79.4k
Income	$1.92 B	$2.97 B	$4.16 B
Tax Revenue	$39.5 M	$44.2 M	$130 M

PHASE 2: MARKET ASSESSMENT

ASSETS/OPPORTUNITIES

Good legacy reputation for fast-track permitting

Lower than average business operating costs

Growing UW-Tacoma campus

Excellent telecommunications infrastructure

Good public transportation options

Stunning waterfront setting

Arts and cultural institutions have increased tourism brand of Tacoma

Relatively affordable housing

Significant developable land

WEAKNESSES/THREATS

Local option B&O tax is relatively high

Difficult to retain and recruit highly skilled labor

Uncertainty surrounding Russell Investments

Lack of foot traffic in the downtown core

Lack of available Class A supply

Poor perception of the Tacoma public school system

Perception of high crime rates downtown

Limited retail and entertainment opportunities

Within the Greater Seattle region, Tacoma suffers from a poor, but improving, image

2020 VISION FOR DOWNTOWN TACOMA

Downtown Tacoma is a major employment center developing around successful world-class companies producing goods and services for the betterment of the community, its citizens, and the companies and investors doing business here.

Downtown Tacoma is the "South Sound's Downtown," a thriving regional marketplace leveraging its unique geographic location at the crossroads of a region of more than a million people; it's the obvious place for regional companies, headquarters and entrepreneurs.

VISION FOR DOWNTOWN TACOMA

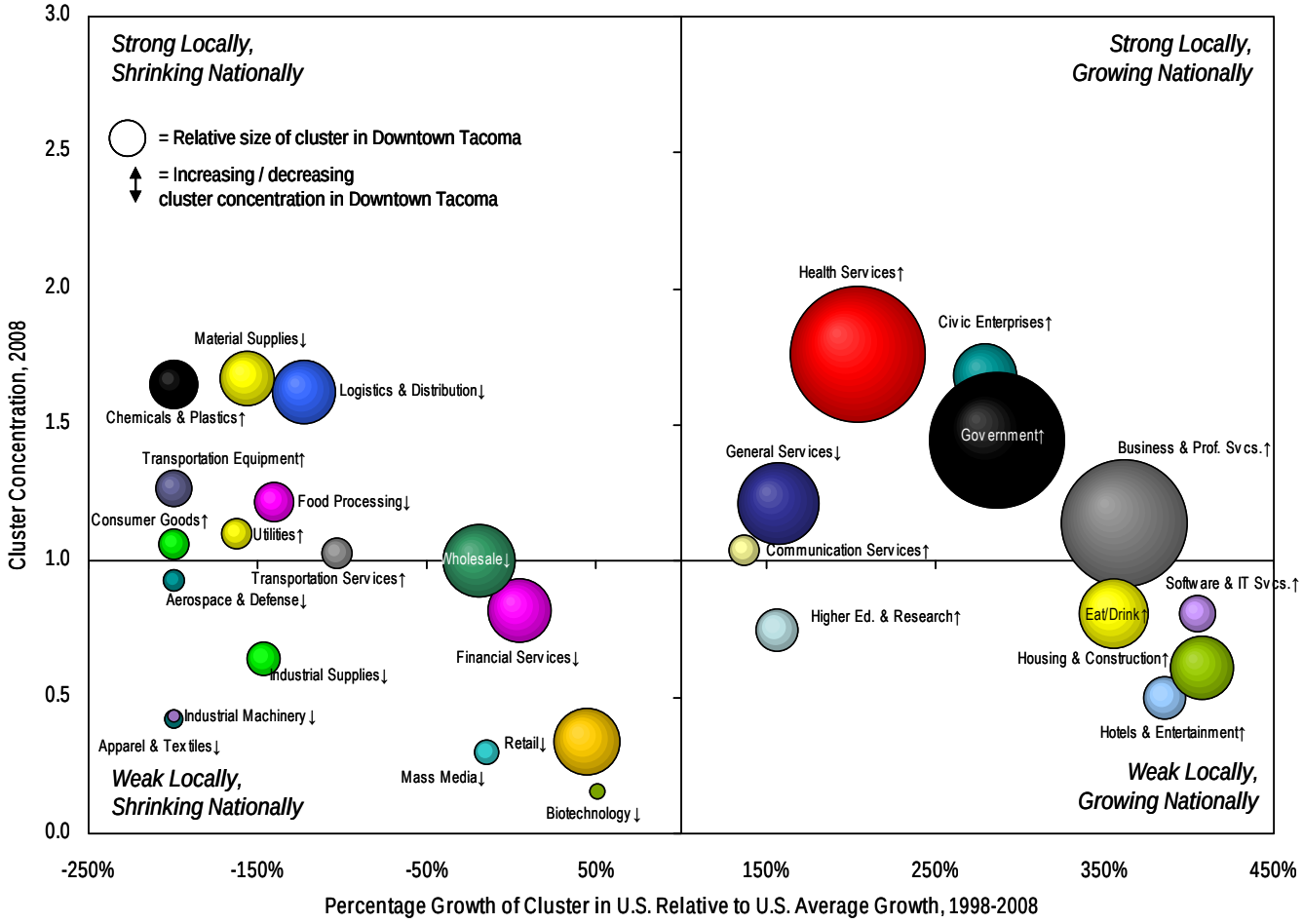
Downtown Tacoma is positioned to leverage its strategic location within the Greater Puget Sound area,the I-5 corridor, and the Pacific Rim.

Downtown Tacoma is an urban fabric of live, work, play and shop opportunities: emerging as a place of thriving neighborhoods and business venues, an attraction for urban dwellers, creative talent, tourists, local citizens and surrounding communities – a place for people drawn by the amenities of a redeveloped waterfront, arts, culture and entertainment venues and a lively and unique university campus.

DOWNTOWN TACOMA

TARGET SECTORS

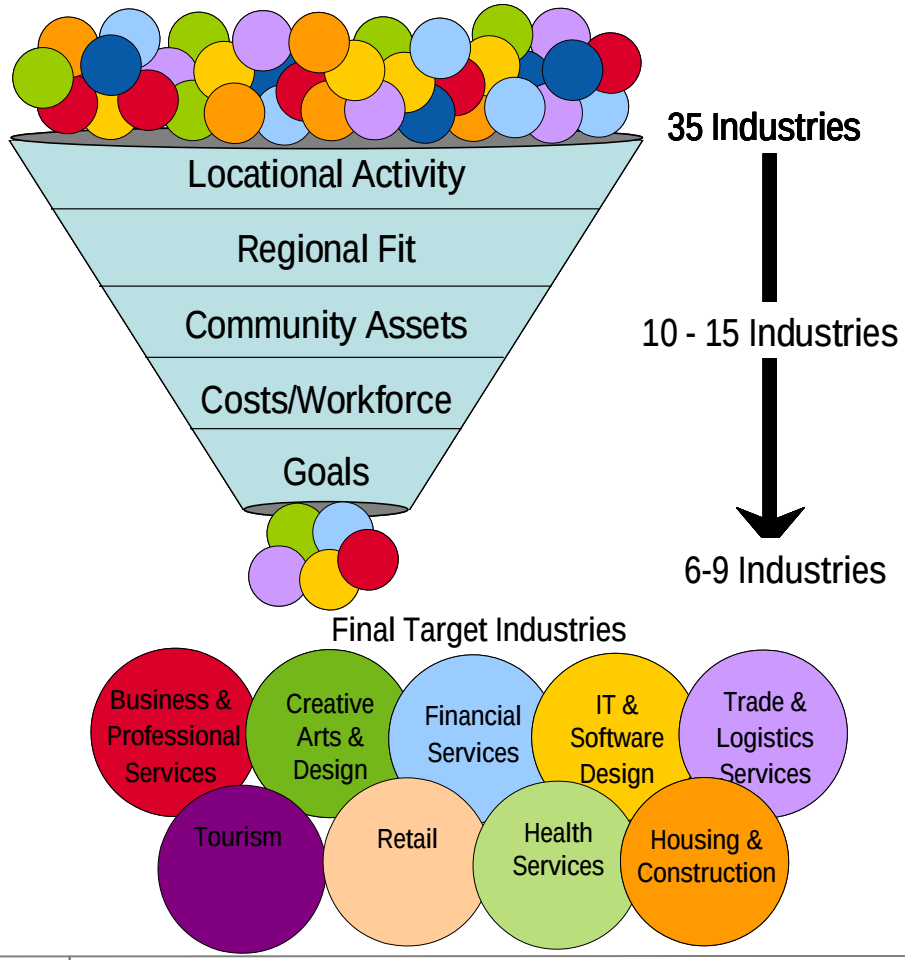
DOWNTOWN TACOMA – RELATIVE CLUSTER CONCENTRATION AND SIZE, 1998-2008



Source: Dun and Bradstreet

TARGET SECTORS

ANGELOUECONOMICS TARGET SECTOR SELECTION PROCESS



PRIMARY TARGET SECTORS

NICHE SECTORS

Bus & Prof. Services	Creative Arts & Design	Financial Services	IT & Software Design	Trade & Logistics Svcs.
⋮	⋮	⋮	⋮	⋮
Environmental Eng. Services	Digital Media & Graphic Design	Headquarters	Software Firms	Logistics & Freight Fwd.
Regional Law Firms	Industrial Design	Investment Banking	Communication Services	Consulting Services
Support Services	Artisan Studios	International Finance		
	Culinary Arts	Insurance Companies		

ACTION PLAN: OVERARCHING GOALS

1. BECOME A PREMIERE LOCATION OF CHOICE FOR PRIMARY TARGET SECTORS
2. FOSTER AN ENTREPRENEURIAL CULTURE AND GREATER AWARENESS OF INDEPENDENT LOCAL BUSINESSES
3. STIMULATE INVESTOR INTEREST IN DOWNTOWN TACOMA
4. DEVELOP DOWNTOWN TACOMA INTO A "TALENT MAGNET"
5. SUPPORT AND EXPAND THE ECONOMIC DEVELOPMENT AGENDA OF THE UNIVERSITY OF WASHINGTON-TACOMA
6. INCREASE RETAIL OPPORTUNITIES IN DOWNTOWN TACOMA
7. RAISE WORLD-CLASS PROFILE OF DOWNTOWN TACOMA

GOAL 1: LOCATION OF CHOICE FOR TARGETS

1. CONTINUE TO SUPPORT THE DEVELOPMENT OF THE CURRENTLY ADOPTED INTERNATIONAL FINANCIAL SERVICES AREA (IFSA)

2. DEVELOP A CREATIVE ECONOMY STRATEGY THROUGHOUT DOWNTOWN TACOMA

   - Create a B&O tax classification for creative arts and adopt minimal rate or phased-out exemption
   - Establish a Creative Arts Complex to include a training center, UWT's proposed arts and community program, a Creative Arts Entrepreneurship Accelerator, and limited, low-rent space for artists and non-profits
   - Review regulations for live-work space
   - Pursue legislative strategy to reduce or provide credit for seismic retrofit costs to encourage historic restoration
   - Allow market to create critical mass – e.g. arts manufacturing in Brewery district, galleries and performing arts throughout Theater and Museum districts

GOAL 1: LOCATION OF CHOICE FOR TARGETS

1. LEVERAGE KEY INDUSTRY RESEARCH ASSETS TO FURTHER DEVELOP INDUSTRY SECTORS *(Urban Waters, Puget Sound Partnership, Institute of Technology, etc…)*
   - Develop sector-based working groups with cross-disciplinary membership to drive strategic initiatives and partnerships
2. DEVELOP A ROBUST TARGET INDUSTRY MARKETING PROGRAM
   - Internal Marketing to engage citizens, informal media, and local businesses, including word of mouth campaigns, blogging, community road shows
   - External Marketing, including Downtown Economic Development Website, focused public relations, external marketing missions, site selectors familiarization tours, trade show attendance

GOAL 2: ENTREPRENEURIAL CULTURE

1. EXTEND THE COMMUNITY'S CURRENT ECONOMIC GARDENING PROGRAM TO BUILD A ROBUST NETWORK OF ENTREPRENEURS AND INDEPENDENT LOCAL BUSINESSES
   - Build a broad-based coalition to develop a structure that is accountable for fostering Downtown Tacoma's entrepreneurial climate
   - Create a database of all existing entrepreneurs and create resource support package dependent on stage of development.
2. RECRUIT ENTREPRENEURS IN HIGHER COST LOCATIONS
3. ADVOCATE THE STATE OF WASHINGTON TO INCREASE ENTREPRENEURIAL SUPPORT
4. ENCOURAGE ENTREPRENEURSHIP FROM A YOUNG AGE
   - Offer entrepreneurial programs at every Tacoma middle and high school, support business plan competition, organize Young Entrepreneurs Network

GOAL 3: STIMULATE INVESTOR INTEREST

1. FOCUS PUBLIC INVESTMENT AND MARKETING ON STRATEGIC NODES WITHIN DOWNTOWN

District	Infrastructure	Public Policy	Marketing	Visioning/ Planning	City-owned Property as Stimulus
Int. Financial Services Area	Short-Term	Short-Term	Short-Term	Short-Term	Short-Term
Dome District	Short-Term	Short-Term	Short-Term	Short-Term	Short-Term
Brewery District	Mid-Term	Short-Term	Mid-Term	Mid-Term	Mid-Term
Hotel Murano uphill to Tacoma Ave	Long-Term	Mid-Term	Mid-Term	Mid-Term	Mid-Term
Pacific Avenue	Short-Term	Mid-Term	Mid-Term	Mid-Term	Mid-Term
Theater District	Mid-Term	Mid-Term	Mid-Term	Mid-Term	Long-Term
Tacoma Ave Corridor	Long-Term	Mid-Term	Mid-Term	Mid-Term	Mid-Term

GOAL 3: STIMULATE INVESTOR INTEREST

2. SUPPORT INVESTOR INTERESTS BY PROVIDING ADDITIONAL INCENTIVES AND STRATEGIC PUBLIC INVESTMENT

- Restore fast, predictable permit processing
- Develop legislative package to further encourage mixed-income housing
- Create a façade improvement matching grant fund for mixed-use properties
- Work with utilities to provide incentives for green building structures
- Support improved jail release policies to increase investor interest along Tacoma Ave.

GOAL 4: TALENT MAGNET

1. PROACTIVELY FOCUS ON TALENT RETENTION AND RECRUITMENT FOR MAJOR EMPLOYERS

   - Joint attendance with employers at job fairs
   - Outreach to talented former Tacomans who might consider returning to their "hometown."
   - Annual survey that measures major employers' satisfaction with the local workforce and training programs

Source: The Greater Naples Chamber of Commerce

2. CREATE A YOUNG PROFESSIONAL MARKETING STRATEGY

   - Coordinate and leverage with tourism efforts

3. ENGAGE YOUNG PROFESSIONAL ORGANIZATIONS IN ECONOMIC DEVELOPMENT EFFORTS

GOAL 5: UW-TACOMA

1. WORK WITH UWT TO DEVELOP AN URBAN ECONOMIC DEVELOPMENT STRATEGY
   - Labor development goals for regional target industries
   - Technology commercialization structure
   - Real estate investment plans for Downtown Tacoma
   - Civic participation goals
   - Quality of life amenities for students and surrounding neighborhood
2. ESTABLISH AN INFORMAL UWT ECONOMIC DEVELOPMENT WORKING GROUP *(UWT, City, EDB, Major Employers, Neighborhood Councils, Developers)*
3. WORK WITH COMMUNITY AND HIGHER EDUCATION PARTNERS TO ESTABLISH THE CREATIVE ARTS TRAINING CENTER AND ACCELERATOR

University of Washington-Tacoma

GOAL 6: DOWNTOWN RETAIL

1. INCREASE RETAIL, RESTAURANT, AND ENTERTAINMENT MARKETING EFFORTS
   - Downtown retail coordinator
   - Downtown retail website
   - Retail sales leakage study

- ESTABLISH A RETAIL RECRUITMENT FUND TO FUND SMALL, SHORT-TERM INCENTIVES FOR RETAIL CORRIDORS
  - Focus on three primary corridors: Broadway Avenue, Pacific Avenue from 7th to 21st streets, and the Tacoma Dome District along the D Street Corridor
  - Incentives include streetscape, infrastructure, public art, etc…

Downtown shopping in Kansas City

Source: www.thinkkansas.org

GOAL 7: RAISE WORLD-CLASS PROFILE

1. LEVERAGE THE PORT OF TACOMA'S GLOBAL LEADERSHIP IN INTERNATIONAL MARKETS

2. IMPROVE THE SUPPORT STRUCTURE FOR THE ADVANCEMENT OF DOWNTOWN TACOMA'S INTERNATIONAL INTERESTS

   - Establish an International Center to support business and trade interests and cultural exchange

Port of Tacoma

3. DEVELOP AN INTERNATIONAL MARKETING STRATEGY
   - Establish a South Sound Regional Economic Development Marketing group to continue to invest in public relations and grass-roots marketing
   - Create an internationally marketed downtown "signature" event

Questions?

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