



LAKEWOOD LANDING

SUPPORT FOR ECONOMIC DEVELOPMENT FINANCING

Lakewood Landing: Lakewood Landing is a 25-acre project along Interstate 5. The land is currently being used for industrial purposes, including a WSDOT maintenance facility, and limited retail. Heavy daily traffic loads (average daily traffic count of 282,000 vehicles), and proximity to the Lakewood Sounder Station make it well suited for transit-oriented development (TOD) and mixed-use development. To learn more about Lakewood Landing and the need for economic development financing, [click here](#).

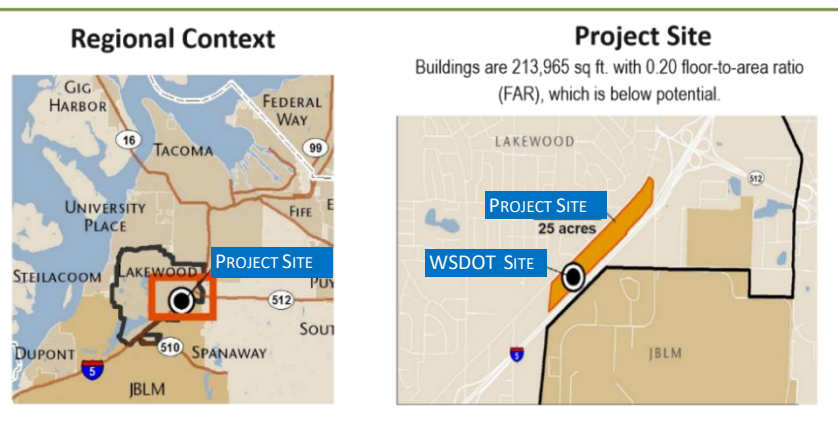
The Lakewood Landing development could include: affordable and market rate housing, early learning facilities, an entertainment complex, medical and other social services, office spaces, recreation and open space, restaurants, and retail.

Redevelopment would result in significant tax revenue increases for the State of Washington, Pierce County, the City, other municipalities, and special purpose districts. In addition, this redevelopment would create a more livable South Sound community.

Legislative Request: The City requests that the state authorize property tax based tax increment financing (TIF) or allocate \$1 million annually for twenty years toward an economic development financing program.

Authorization of economic development financing is needed to advance this project, due to the WSDOT facility that is located on the site and needs to be relocated. This is a capital cost that developers are not able to absorb and develop a profitable project. The City is working collaboratively with WSDOT towards a win-win proposal to relocate the WSDOT facility. The cost of removing and replacing the WSDOT facility is estimated upward of \$30 million.

In addition to the economic development financing, the City is committed to utilizing the many other funding options available such as the multifamily property tax exemption, affordable housing grant funding, grant programs for early learning, and more. But these tools alone cannot close the funding gap created by the relocation of the WSDOT facility unless economic development financing is authorized.



Annual benefit* estimate mid-level retail:	
\$4.5 - 9.5 million	WA State
\$700K - 1.4 million	Lakewood
\$350 - 800K	Pierce Transit
\$175 - 275K	Pierce County
\$25,000	Pierce County Library
\$10,000	Port of Tacoma

(*Annual revenue estimates include sales tax, property tax, B&O tax, and utility tax.)

Contact Information:

John J. Caulfield, City Manager
City of Lakewood
253-983-7703
jcaulfield@cityoflakewood.us

Becky Newton, Economic Development Manager
City of Lakewood
253-983-7738
bnewton@cityoflakewood.us

Briahna Murray, Vice President
Gordon Thomas Honeywell
Government Affairs
253-310-5477
bmurray@gth-gov.com

Tax Increment Financing: Tax increment financing is a method of investing funds for infrastructure improvements, including sidewalks, roads, utility improvements, etc., that raise the value of surrounding properties. When the value of those properties increase, the additional tax revenue is used to pay back the initial investment. Traditional tax increment financing allows the initial investment to be made with property tax revenues. Currently, Washington State does not allow for traditional tax increment financing. In lieu of traditional TIF, the state legislature previously authorized the Local Infrastructure Financing Tool (LIFT) and the Local Revitalization Financing (LRF) programs.

These programs authorized select cities and counties to create “revitalization areas” (RAs). The jurisdictions then received an allocation of funding from the state through a credit against the state sales tax equal to the increases in local sales and property tax revenues within the RA, up to the project award amount (previously \$500K or \$1M depending on the project award). Cities and counties then bonded against this revenue stream to make infrastructure improvements in the RA that, in turn, helped spur further increases in sales and property tax revenues for the state and local governments.

