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Finance Committee

Approval of the Establishment of an Economic Development Capital Facilities Plan (CFP) Project Account

Agenda Date: 4/13/2016

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Title

Approval of the Establishment of an Economic Development Capital Facilities Plan (CFP) Project Account

Recommended Action

Committee Recommendation:

Move to approve the creation of an Economic Development Capital Facilities Plan (CFP) Project account and forward it to the full Council for approval.

City Manager Recommendation:

Move to approve the Finance Committee recommendation to create an Economic Development Capital Facilities Plan (CFP) Project account and forward it to the full Council for approval.

Report

Issue:

Whether to establish an Economic Development CFP Project account.

Staff Contact:

Jay Burney, Assistant City Manager, Executive Department, 360.753.8740

Presenter(s):

Jay Burney, Assistant City Manager

Background and Analysis:

In 2007, as part of an effort to develop a vacant City lot on the corner of 4th and Columbia, Council set aside approximately \$500,000 in a Downtown Mixed Use Enhancements Fund to be used for purposes of remediation and/or development incentives. A prior potential development partner relocated utilities and did some initial remediation on the site. The current developer of the 123 4th Avenue project utilized a portion of the funds for its remediation work. \$100,000 in funding from the sale of the State Avenue lot to the Low Income Housing Institute (LIHI) was added to the fund balance. The current fund balance is \$358,286. \$120,000 of that balance is committed to the Water Street Redevelopment Area for site remediation. \$238,286 is available and staff is proposing utilizing the balance of funds to establish an Economic Development CFP Project Account.

An Economic Development CFP Project Account would provide staff and Council with a tool to assist in remediation and site preparation or marketing of properties that are candidates for public/private partnerships or sale for economic development purposes. It could also aid in assisting a development partner with site analysis, feasibility studies, or frontage improvements to move development projects forward. Any funds recovered from City efforts involving past polluters of City-owned properties could be added to the project account. Further options will be explored with the Finance Committee.

Neighborhood/Community Interests (if known):

Creation of the Economic Development CFP Project Account will provide flexibility for staff in working with potential private partners to develop properties throughout the City, advancing City Economic Development goals.

Options:

- 1) Move to approve the creation of an Economic Development CFP Project Account and forward it to the full Council for approval.
- 2) Do not approve the creation of an Economic Development CFP Project Account and provide direction to staff on use of funds available in the Downtown Mixed Use Enhancements CIP Fund (317).

Financial Impact:

\$358,286 is currently available in the General Government CIP Fund (317) for use on Downtown Mixed-Use Enhancements. \$120,000 is currently committed to the Water Street Redevelopment Area remediation work, leaving a balance of \$238,286 available for creation of the Economic Development CFP Project Account.

Attachments:

None.