

OLYMPIA DOWNTOWN IMPLEMENTATION STRATEGY

RESOURCE TOOL KIT

Rev. 5-29-09: E.D. Hovee & Co. and Barney & Worth, Inc.

INTRODUCTION

In determining how best to implement future downtown revitalization initiatives, it is helpful to first have an understanding of available options. The attached financial and technical “resource tool kit” provides descriptions for twenty-five such resources, and an assessment of their relative value and applicability to the City of Olympia. It also outlines two strategic initiatives – broad models for approaching downtown enhancements – for further consideration at the staff and Council level.

While this document can be used to inform decision-making regarding the accompanying mixed-use development concept (i.e. Artesian Gardens), it is designed to function as a “stand-alone” product – combining the various financial and technical tools under one roof for easy consultation when considering other downtown investments.

TOOLS FOR DOWNTOWN REVITALIZATION

A *tool kit* can be viewed as a set of resources useful for encouraging downtown revitalization and economic development. This resource list is focused on tools directly or indirectly available to city government and is organized more by type of organizational/funding resource, notably:

- Public-private partnership
- Planning & regulatory
- City resources
- State & regional resources
- Federal resources

A total of 25 potential tools are identified for consideration as *implementation pieces*. For each tool listed (see matrix), information is provided to briefly describe the resource, outline prospective opportunities and challenges, and then recommended application for consideration with a Olympia retail strategy.

The tool kit listing is intended to cover many of the more common resources and programmatic techniques available in the state of Washington to directly or indirectly support downtown retail revitalization. However, this listing is preliminary and should not be considered as covering all of the possible mechanisms available.

STRATEGIC INITIATIVES

Two broad strategic initiatives are recommended for consideration as *building blocks* for project implementation:

1. Enhanced Downtown Experience. This first set of building blocks are aimed to improve the quality of the existing downtown environment, from the perspective of:

- *Building Upkeep* – encouraging business and property owners to maintain properties for sustainable pedestrian and customer appeal, comfort, safety and functional use (both interior and exterior).
- *Store Fronts* – with special focus on fresh, attractive, complementary ground floor retail and upper level façade appearance including attention to signage, window displays, and building access.
- *Streetscapes* – covering not only visible elements such as sidewalks, cross-walks, landscaping and street signage in the public right-of-way but also the less visible elements of utility and telecommunications infrastructure.

Better upkeep of the already-built environment is valued in its own right. Enhancing the existing downtown experience also helps sets the stage for more substantial downtown development in the years ahead.

2. Downtown Mixed Use Development. A second set of initiatives is intended to expand the size of the downtown's retail, office, civic, residential and mixed use activity. Major elements of a prospective public-private development agenda are outlined to include:

- *Rehab & Reuse* – focused on more extensive building reinvestment including reconfiguration of ground floor space for more active retail use, especially in high demand locations.
- *New Buildings* – anticipated as mixed use development of 2+ stories with provision for added retail or complementary active use varied sizes and configuration at ground level.
- *Public Parking* – involving expansion and placement of the public parking inventory with priority for customer use to facilitate retail expansion in synch with strategic plan objectives for downtown Olympia.

MATCHING TOOL KIT RESOURCES TO STRATEGIC INITIATIVES

The table below provides a way of evaluating the applicability of each of the 25 tool box resources identified for the strategic initiatives as outlined above. This comparison is provided in summary form so that all tools and initiatives considered can be viewed together on one page. Resource tool applicability is rated in terms of whether it could definitely (●) or possibly (○) be applicable to the strategic initiative at hand.

Downtown Olympia Tool Evaluation Matrix	ENHANCED DOWNTOWN EXPERIENCE			DOWNTOWN MIXED USE DEVELOPMENT		
	Building Upkeep	Store Fronts	Streetscapes	Rehab & Reuse	New Buildings	Public Parking
RESOURCE TOOLS						
● = Definite ○ = Possible						
Public/Private Partnership						
Building Owner Design / Technical Assistance	●	●	○	●	○	○
Façade Improvement Grants & Loans	○	●	○	○		
Streetscape Improvement	○	○	●	○	○	○
Site Assembly				○	●	○
Public Development Offering (RFP/RFQ)				○	●	●
Public Development Authority	○	○	○	○	○	○
Return on Investment Model for City Funding	○	○	○	●	●	○
Planning & Regulatory						
Land Use Planning	○	○	○	●	●	●
Capital Facilities Plan Projects	○	○	●	○	○	○
City Resources						
Historic Property Tax Abatement				●	○	
Residential Property Tax Abatement				○	○	
General Obligation Bonds			●	○	○	●
Revenue Bonds			○			●
Direct City Funding	○	○	○			
Local Improvement District (LID)	○	○	●	○	○	●
Parking & Business Improvement Area	○	○	●			○
Community Revitalization Financing	○	○	●	○	●	●
Community Renewal	○	○	○	●	●	○
State & Regional Resources						
Washington State Main Street Program	○	○	○			
Main Street Tax Incentive Program	○	○	●			
CERB/LIFT Infrastructure Financing	○	○	●	○	○	●
Port District					●	○
Federal Resources						
Federal Historic Preservation Tax Credit				●		
New Markets Tax Credits				○	●	○
Community Development Block Grant	●	●	●	○	○	○

Regardless of the strategic initiative pursued, financial implications will vary based on:

- *Project or programmatic emphasis* – with site-specific project costs and sources of funding likely to be more variable than on-going programmatic activities as for a streetscape or building façade improvement program.
- *Level of priority* – with some initiatives identified as important for early implementation while others could be delayed till later (or may depend on early-phase successes for viability).
- *Public, non-profit or private sector responsibility allocation* – with the public sector share of costs varying, in part, on whether implementation responsibilities remain as they have traditionally been allocated or whether any of the major participants step in to undertake an initiative that might not otherwise happen.
- *Availability of resources* – making a big difference as to whether it is viable to draw on outside funding sources. For example, funding for a public downtown parking garage is considerably different to the degree that costs can be defrayed by outside state or federal funding programs versus property owner assessments, user fees and/or City general obligation bonding.

The resource list and strategic initiatives outlined here offer a *starting point* for discussion by beginning to frame the universe of the possible. From this initial list, the next steps may be to narrow the options based on strategic priorities together with assessment of which tools are most viable from a combination of market, technical feasibility and community perspectives.

AN ROI PERSPECTIVE

One of the 25 resources suggested for the Olympia tool kit is as a “return on investment model for City funding.” Return on investment (or ROI) represents one mechanism for sorting through and prioritizing from among the great of array of strategic initiatives and resources that are available for consideration.

An ROI perspective is that, as in the private realm, those projects or programs requiring City funding support should generate added tax revenues to the City that at least equal (and ideally exceed) the added City capital and/or operating cost incurred. Of all the economic uses for which City support might be considered, retail activity often offers greater returns to a municipality because the retail sales tax is the largest revenue source in the state of Washington – with the upside revenue capability to at least keep pace with inflation. By comparison, property tax revenue growth is now constrained to growth that does not keep up with inflation due to statewide voter approval of a 1% annual growth limitation.

As applied, a return on investment would look at the short and long-term added revenues of added downtown retail resulting from this strategy compared to costs. In some cases, future revenues are more readily compared with near term opportunities by using a net present value (NPV) approach to account for the cost of money – with a dollar received today worth more than a dollar received 10 or 20 years from now.

The approach would be tailored to the specific characteristics of each type of development project considered. For example, a proposal for a mixed use project that required public parking to support street level retail might be evaluated in terms of whether and to what extent user fees combined with incremental City tax revenues were adequate to repay the cost of the added parking (or other related infrastructure) investment.

CONCLUSION

This tool kit provides a menu of options for further consideration by the City of Olympia. Prioritization of alternatives will, in large part, be determined by selection of a redevelopment strategy. Barney & Worth, Inc. and E.D. Hovee & Co. are prepared to provide additional detail – and functioning examples – for any of the referenced resource tools the City would like to learn more about.

The accompanying pro forma analysis, conducted to assess (and achieve) financial viability for the proposed mixed use development concept, employs only a few of the tools referenced here: tax abatement for residential (financial) and parking incentives to make residential component more market-viable (regulatory).

IMPLEMENTATION TOOL KIT – RESOURCE MATRIX

PUBLIC/PRIVATE PARTNERSHIP				
Resource	Description	Opportunities	Challenges	Application
Building Owner Design & Financial Assistance	Provision of no- or low-cost architectural design, cost estimating and business/real estate financing services to encourage business & property owner reinvestment.	<ul style="list-style-type: none"> • Most appropriate for renovation of smaller existing structure & infill development. • Possible opportunity for financial institution participation via Community Reinvestment Act (CRA). 	<ul style="list-style-type: none"> • Direct City funding support to individual businesses may be limited by state “lending of credit” constraints. 	Suggested as a public-private program targeted to encourage building improvements & new investment.
Façade Improvement Grants & Loans	Could involve a program within a specified geographic area offering low interest loan funds &/or grants for renovation of storefront façades. Might be accompanied by technical assistance to business & property owners focused on architectural design & cost estimating services.	<ul style="list-style-type: none"> • Non-local funds may include resources as diverse as CDBG & bank lending. • Direct local City funding may be possible through mechanisms such as façade easements. • Business or building owner funding can be either in the form of a loan or grant. 	<ul style="list-style-type: none"> • For some buildings, investment need may extend well beyond façades to cover other building upkeep needs. • In cases where demolition is the best option, the focus might shift to evaluation of options for facade preservation. 	Suggested as program to be launched in participation with local lending institutions, also addressing Community Reinvestment Act (CRA) objectives.
Streetscape Improvement	Could address landscaping, signage, way-finding, sidewalks, cross-walks with distinctive pavers, benches & trash receptacles, lighting standards & banners.	<ul style="list-style-type: none"> • Private owner participation encouraged. • Can create a cohesive streetscape theme for downtown or sub-districts. 	<ul style="list-style-type: none"> • Property owner improvements may require periodic streetscape modification to best serve changing storefront needs. 	Recommend program initially focused on private development projects offering ground-level retail activation.
Site Assembly	Purchase of selected properties within a target revitalization area by the City or its designee with the intent of public-private redevelopment pursuant to a development offering. Acquisition must be for public use & purpose.	<ul style="list-style-type: none"> • May be critical to correct blight or assemble multiple properties for redevelopment to be financially feasible. • Can be coupled with development offering to facilitate retail and/or mixed use development. 	<ul style="list-style-type: none"> • Purchase negotiations can be protracted if the seller is not motivated or does not see benefits. • Usually depends on voluntary sale with eminent domain rarely considered. 	City has been involved with property assemblage in past. Recommended for future consideration with high visibility sites subject to owner interest & participation.
Public Development Offering (RFP/RFQ)	Request for Proposal (RFP) or Request for Qualifications (RFQ) could be issued by the City for single properties or assemblages Each RFP/RFQ would identify desired uses together with listing of incentives & process for developer selection/negotiations.	<ul style="list-style-type: none"> • An effective means of securing development interest, especially for challenging redevelopment projects. • The RFP/RFQ process can be used with priority properties, whether publicly or privately owned. 	<ul style="list-style-type: none"> • Requires up-front willingness of public sector participants to deliver on commitments stated with the development (RFP/RFQ) offering. 	Recommended for consideration, after pre-testing with targeted property owners & developers. RFQ more appropriate than detailed RFP in soft or pioneering markets, allowing greater negotiating flexibility with public & private parties.

Resource	Description	Opportunities	Challenges	Application
Public / Private Redevelopment	An overall approach to revitalization predicated on active involvement by public & private entities investing in specific economic development, real estate & public improvement projects. A range of development models are available, based on previous experience throughout Washington.	<ul style="list-style-type: none"> • City has related experience with the Colpitts & DOT sites, the listing of housing incentives, and to retain, expand & site state office. • City has also been involved in development offering through RFP process & addressed site assembly in 1990. 	<ul style="list-style-type: none"> • Strict state constitutional prohibition against lending of public credit requires public use and purpose for project components involving public investment. • Can be complex & sometimes controversial. 	Recommended for consideration with major downtown opportunity sites, especially sites for which private redevelopment initiative is not forthcoming on its own. Best facilitated with added public sector tools such as Public Development Authority (PDA).
Public Development Authority (RCW 35.21.730-32.21.755)	Authorized as a “public corporation,” a sub-agency of a city, town, or county with no defined authority. Intent is to improve administration of federal grant programs, improve governmental efficiency. PDA funds & indebtedness “shall not constitute public moneys or funds of any city, town, or county and at all times shall be kept segregated and set apart from other funds.”	<ul style="list-style-type: none"> • Liabilities are those solely of the PDA and not those of the creating city or county. • May avoid state “lending of credit” issues if project is funded through federal or non-state/ local contributed resources (with PDA serving a “conduit” role). • PDA property & revenues exempt from taxation – like town or county. 	<ul style="list-style-type: none"> • No power of eminent domain or ability to levy taxes/special assessments. • No added advantages for <i>locally generated</i> municipal financing beyond what is already available to city & county governments. • Olympia has no PDA experience to date. 	Potentially viable as a governing structure (with 49 PDAs statewide as of 2007) for public-private development. Advantages of this public organizational structure are greatest if significant federal or other non-local funding and/or public-private partnerships are involved.
Return on Investment (ROI) Model for City Incentive Funding	Applies an ROI metric to determine the <i>maximum</i> appropriate level of City funding for targeted downtown projects. Key steps are to: <ul style="list-style-type: none"> • Estimate all City tax revenues (property, sales, other) realized from a development project. • Compare to City-incurred costs. • Capitalize 20-25 year net revenue flow as net present value (NPV). • Approve incentive when NPV of revenues exceeds costs. 	<ul style="list-style-type: none"> • Offers an objective, tested mechanism to determine supportable public investment yielding positive net revenue to the City. • Can be combined with other City incentive tools such as supportable bond funding or public-private development partnership agreements. 	<ul style="list-style-type: none"> • Requires in-house City financial modeling or review capability for proposed development projects. • Most successful if City articulates commitments via a formal development solicitation or offering & carries through per stated terms & conditions. 	Recommended as financial keystone (the ROI Perspective) for consideration with downtown and retail revitalization programs
Land Use Planning (GMA)	Planning tools under GMA can affect land allocations, type of use, building form (design, height, density) & off-site effects (as with parking, landscaping, buffers, etc.).	<ul style="list-style-type: none"> • Planning regulations & incentives function best in a strong market. • Planning is increasingly accepted by the public as a legitimate public regulatory function. 	<ul style="list-style-type: none"> • Regulatory-focused approach is less effective in a weak market or where development feasibility of the planned project is marginal. 	Tools of potential for Olympia: downtown preferences for retail street presence, building height & density, off-street parking & mixed use development.
Capital Facilities Plan (CFP) Projects	Funding of infrastructure for projects of high downtown & city –wide priority.	<ul style="list-style-type: none"> • To use CFP process consistent with state GMA. • Related funding options include Transportation Benefit District (TBD) & Transportation Improvement Program (TIP). 	<ul style="list-style-type: none"> • Downtown funding allocations typically compete with other project priorities city-wide. 	Most appropriate for core infrastructure such as roads, utilities & public facilities.

Resource	Description	Opportunities	Challenges	Application
Historic Property Tax Abatement (RCW 84.26)	As adopted by the 1985 Washington State Legislature, historic properties may qualify for “special valuation” with rehabilitation improvements not taxed for 10 years.	<ul style="list-style-type: none"> • Available to commercial & residential structures. • Olympia has adopted a required local ordinance and a board to review applications. 	<ul style="list-style-type: none"> • Property must be listed in local or national historic register. • Rehabilitation costs must be 25%+ of a building’s assessed valuation prior to application. 	Potential use for qualifying downtown structures through local review process.
Urban Center Residential Property Tax Abatement (RCW 84.14)	Post-2007, this program provides 8-year property tax freeze for new multi-family construction, conversion & rehabilitation; or 12-year property tax freeze for housing rented or sold with 20%+ as affordable to low & moderate income households.	<ul style="list-style-type: none"> • Applies to multifamily housing of 4+ units. • Available for rental & owner-occupied housing & live-work units. • Targeted to urban centers - a compact district offering variety of retail products, services, mixed uses. 	<ul style="list-style-type: none"> • New or rehabilitated housing must be in targeted residential area designated by the City. • 50%+ of space must be for permanent residential use. • Not directly available for commercial uses. 	Potential incentive for the residential portion of mixed use development.
General Obligation Bonds (Voted or Non-Voted)	Downtown projects with public purpose and/or use could be funded through voted or non voted GO bond funding. Backed by full faith and credit of issuing public agency.	<ul style="list-style-type: none"> • Can use a portion of the City of Olympia’s available voted & non-voted debt capacity (@\$83 & \$40 million respectively). • Up-front funding allocation could incent desired private development. 	<ul style="list-style-type: none"> • Limited to projects for which there is clear public use & public purpose (to avoid constitutional lending of credit issues in state of Washington). 	Most suited for high priority downtown improvements (e.g. parking, streetscape, parks) of broad public benefit.
Revenue Bonds (Non-Recourse)	Municipal debt for public improvements backed only by revenues of the project being financed (without recourse to general fund revenues).	<ul style="list-style-type: none"> • Bonds do not count against a city’s overall debt limit. • Avoids risk of tapping taxpayer revenues in event of bond default. 	<ul style="list-style-type: none"> • Only suited for projects with sufficient revenue to repay operating expenses, debt & added coverage reserve. 	Potential use for public parking facilities at high demand locations charging market rates.
Direct City Funding Contribution	Direct contribution by City typically to a non-profit organization for downtown promotion & revitalization purposes.	<ul style="list-style-type: none"> • Consistent with City practice, especially when funding is through a contract for services with a non-profit (e.g.) Chamber of Commerce or Downtown Association. 	<ul style="list-style-type: none"> • Funding is discretionary & subject to budget availability, currently limited in Olympia. • Funds tied to services for clear public use & purpose. 	Potential application in conjunction with early phase image building initiative such as a <i>Shop Olympia</i> campaign.
Local Improvement District (RCW 35.43)	Assessment of property owners for the costs of a public improvement (as for public parking & transportation facilities, utility infrastructure or public facilities).	<ul style="list-style-type: none"> • Can be paid over time via City bonds repaid by owner assessments (enforceable). • Widely used mechanism with payments structured proportionate to benefits. 	<ul style="list-style-type: none"> • Subject to remonstrance if protested by owners paying 60%+ of improvement. • Differential rate structures can be difficult to set. • Not used in Olympia except for LID water improvement. 	Most suited for improvements of widespread public benefit (as for shared parking or streetscape). Recommended as potential later phase of implementation strategy.
Parking & Business Improvement Area (RCW 35.87A)	Similar to LID except that business rather than property owners are assessed. Can be used for promotion, management & planning as well as capital improvements.	<ul style="list-style-type: none"> • Ability to assess businesses if more supportive than property owners. • Flexibility in assessment formula and ability to pay for operating as well as capital expenses. 	<ul style="list-style-type: none"> • Subject to remonstrance if opposed by owners paying 50%+ of proposed assessment. • Less ability to enforce repayment, especially as collateral for bonding. 	Most appropriate for on-going programs rather than as source of funding for major capital improvement projects.

Resource	Description	Opportunities	Challenges	Application
Community Revitalization Financing (RCW 39.89)	Authorized by the 2001 Legislature. CRF enables 75% of added property tax generated within a geographically defined “increment area” to fund public improvements (infrastructure including park facilities) and spur development in areas characterized by unemployment & stagnant income growth. Can be general revenue or general obligation bonds.	<ul style="list-style-type: none"> • CRF may be coordinated with other programs by the local government or other jurisdictions. • May receive less than full increment as long as bond payments are covered. May be securitized by non-public participants. • Implemented in Spokane (Iron Bridge TIF area). 	<ul style="list-style-type: none"> • CRF increment area requires prior written agreement from taxing districts levying 75%+ of regular property tax. • Not usable for projects not covered by “public improvements” definition. • City has no CRF experience & tool is not well used statewide. 	Most suitable for downtown projects centers that fit with the statutory definition of a public improvement, and will directly stimulate or are within an area in which substantial new private tax assessed valuation is being developed.
Community Renewal (RCW 35.81)	Adopted by the 2002 Legislature as a replacement for the state’s urban renewal laws. Allows purchase of property, public improvements & public-private development pursuant to a community renewal plan within an area declared as “blighted.” Funding can be provided by GO, revenue, or LID bonds. Allows for excess property & sales taxes to pay for capital costs for up to 5 yrs.	<ul style="list-style-type: none"> • Renewal areas have been established in cities such as Anacortes, Bremerton (with Kitsap Housing) & Vancouver. • May be implemented directly by local government or delegated to another public body including PFD, PDA, port or housing authority. • Can use with eminent domain for public use or community renewal. 	<ul style="list-style-type: none"> • Requirement for declaration of blight limits flexibility of program in some high performing urban centers. • Does not directly provide new funding resources except as are already available to local municipalities. • City has no direct community renewal experience to date. 	Potential tool for projects considered as integral to revitalization of blighted portions of a community within the context of a broader renewal plan.
Washington State Main Street Program (CTED)	Washington state’s program provides services and assistance for downtown revitalization focused on organization, promotion, design & economic restructuring	<ul style="list-style-type: none"> • Program based on a proven model pioneered by the National Trust for Historic Preservation • Offers a <i>tiered approach</i> to participation – at the start-up, affiliate and designation levels. 	<ul style="list-style-type: none"> • Not suitable for downtowns unprepared to commit staff resources. • State funds limited for added cities @ top tier designation level (11 as of July 2008) 	Olympia Downtown Association is at the top tier level of state Main Street designation.
Main Street Tax Credit Incentive Program (RCW 82.73)	Provides a 75% Business & Occupation (B&O) or Public Utility Tax (PUT) credit for private contributions to eligible downtown or neighborhood commercial district revitalization organizations.	<ul style="list-style-type: none"> • Applicant can be a nonprofit commercial district revitalization organization. • No restriction on use as long as nonprofit meets its exempt purpose. 	<ul style="list-style-type: none"> • Limited to a total of \$1.5 million in credits statewide & \$100,000 annually to each downtown program. 	Potentially available for organizations such as Olympia Downtown Association (which likely would need to take the lead).
Community Economic Revitalization Board / Local Infrastructure Financing Tool Competitive Program (CERB/LIFT)	Authorized by 2006 Legislature (E2SHB 2673) to fund infrastructure including roadway, utility, sidewalk, parking, public park/rec. facilities. Uses a form of tax increment financing with revenue or GO bonds repaid over up to 25 year as a state sale & use tax credit matched by increased local funds including local sales/use/property tax revenues within a defined Revenue Development Area.	<ul style="list-style-type: none"> • Offers the most comprehensive form of tax increment financing available to date in Washington State. • Added revenues return to local governments after bonds repaid. • Authorizes securitization of debt from non-public participants – including the private developer with whom the sponsoring government has contracted for private improvements. 	<ul style="list-style-type: none"> • Limited to projects involving private development that also increase RDA sales & property taxes. • Limited to one RDA per county, and maximum of \$1 million per year to any single project. • Statewide cap of \$2.5 million for 2008 competitive funding. 	In current form, CERB/LIFT most suited for projects that involve committed on-site or nearby significant private investment. Greater utility as a sustainable tool likely is predicated on future legislative amendments. <i>Note:</i> Projects funded to date in Bellingham, Spokane County, Vancouver, Bothell, Everett & Federal Way.

Resource	Description	Opportunities	Challenges	Application
Port District (RCW 53)	In addition to authority for harbor, transportation & industrial related facilities, Ports may improve land for commercial use, use community revitalization financing & powers of a community renewal agency, engage in economic development, and provide park & recreation facilities linked to water & transport activity.	<ul style="list-style-type: none"> Ports may annually levy up to \$0.45 per \$1,000 tax assessed value <i>plus</i> a 6-year (renewable) industrial development district levy of up to an added \$0.45. Non-voted property tax base provides stable funding for a range of economic development purposes. 	<ul style="list-style-type: none"> Downtown development is often viewed as outside the purview of core Port operations & facilities. However, Port of Olympia has been involved with downtown-related development activities at Percival Landing. 	May be appropriate for downtown consideration, especially for projects in which there is expressed Port interest, coupled with linkage to existing Port activities such as waterfront or related economic development (as near Percival Landing).
FEDERAL RESOURCES				
Resource	Description	Opportunities	Challenges	Application
Federal Historic Preservation Tax Credit	The Tax Reform Act of 1986 provides tax credits of: <ul style="list-style-type: none"> 20% for certified rehab of certified historic commercial & rental residential structures. 10% for rehab of non-historic, non-residential buildings built pre 1936. Expenditures must exceed the adjusted basis of the building.	<ul style="list-style-type: none"> One of the most powerful federal tax incentives available. 20% applicable to structures in national historic districts. Substantial track record across the U.S. & state of Washington via the State Historic Preservation Office (SHPO) as first point of property owner contact. 	<ul style="list-style-type: none"> 20% tax credit projects must meet Secretary of Interior standards for “certified rehabilitations”. In some cases, cost of meeting rehab standards may equal or exceed value of the tax credit. No downtown businesses have applied in recent years. 	Potential use for qualifying downtown structures through consultation with City & SHPO.
New Markets Tax Credits	Federal program of tax credits over 7 years for up to 39% of the investment cost of qualified equity investments through a Certified Development Entity (CDE). Investments must be made in low income communities or for low income persons.	<ul style="list-style-type: none"> Most commercial & mixed use projects in low income communities qualify. Can use with historic tax credits. 294 awards have been made totaling \$16 billion across U.S. 	<ul style="list-style-type: none"> Requires a commercial use component. Has required on-going reauthorization by Congress. Complex program needing experienced CDE partner. 	Possible source for major mixed use redevelopment with demonstrated low income benefit (residential). Depends on finding a suitable recognized CDE/ banking partner. Options have been reviewed by City staff.
Community Development Block Grant (CDBG)	CDBG projects require at least 51% of new jobs created to be for persons of low or moderate income. Project priorities cover expansion of economic opportunity, provision of decent housing & suitable living environment.	<ul style="list-style-type: none"> Funds typically available for planning an implementation of community & economic development projects. Can include Section 108 lending for economic development projects. 	<ul style="list-style-type: none"> Though an entitlement city with \$400,000 / year, City of Olympia funding is prioritized for low-income housing, sidewalks & 15% social services. 	Possible consideration as a source of pilot or start-up/early year funding, as for streetscape or façade improvements. Might also be considered to incent building rehab.

Notes: State of Washington specific tools not included with this evaluation as not anticipated for downtown funding include Public Facility District (PFD), Metropolitan Parks District (MPD), Community Economic Revitalization Board (CERB) economic development infrastructure funding, and sales and use tax/B&O tax exemptions, deferrals and credits (related to activities such as manufacturing, high tech, aerospace, and warehousing). Federal tools not covered include Small Business Administration (SBA) programs, Enterprise Zones, Industrial Revenue Bonds, Foreign Trade Zones, and 63-20 non-profit tax-exempt financing. Information provided with this listing is in summary form and should not be construed as representing all resource-related requirements. Information is subject to change without notice.