

TO: City Council
FROM: Gene Angel, Economic Development Coordinator
DATE: March 17th, 2026
SUBJECT: Economic Development Quarterly Update

1) Recommended Action:

No action is requested. This is an opportunity for discussion about the topic.

2) Background:

Opportunity Zones are a federal tax incentive designed to help facilitate investment into economically distressed areas of the United States. Their purpose is to facilitate job growth and economic prosperity by offering significant capital gains incentives to investors who develop projects within them.

Tumwater has two census tracts eligible for the Opportunity Zone program, pending final guidance by the US Department of Treasury and certification by the Washington State Department of Commerce. These two census tracts include most of the Brewery properties, including the Knoll and the Warehouse properties, as well as significant portions of the Capitol corridor and industrial areas around the airport.

Selection for designation is competitive, and only 25% of applications will be granted designation. Communities with public support from elected officials will be given higher priority in application scoring. Application for opportunity zone designation will open on April 1st, 2026, and close on May 1st, 2026.

3) Policy Support:

2026-2032 Strategic Priorities and Goals

Growth & Development: Pursue and support targeted community and economic development.

4) Alternatives:

This is a discussion only. Council may request further information, as needed.

5) Fiscal Notes:

None

6) Attachments:

A. Opportunity Zone Presentation (Wiese)