

**MULTI-FAMILY HOUSING EIGHT-YEAR LIMITED PROPERTY
TAX EXEMPTION AGREEMENT**

THIS AGREEMENT is entered into this ____ day of _____, 2017, by and between North America Asset Management Group, LLC and, hereinafter referred to as the "Applicant," and the CITY OF TACOMA, a first-class charter city hereinafter referred to as the "City."

WITNESSETH:

WHEREAS the City has an interest in stimulating new construction or rehabilitation of multi-family housing in Residential Target Areas in order to reduce development pressure on single-family residential neighborhoods, increase and improve housing opportunities, and encourage development densities supportive of transit use, and

WHEREAS the City has, pursuant to the authority granted to it by Chapter 84.14 of the Revised Code of Washington, designated various Residential Target Areas for the provision of an eight-year limited property tax exemption for new multifamily residential housing, and

WHEREAS the City has, through Ordinance No. 25789, enacted a program whereby property owners may qualify for a Final Certificate of Tax Exemption which certifies to the Pierce County Assessor-Treasurer that the owner is eligible to receive a limited property tax exemption, and

WHEREAS the Applicant is interested in receiving an eight-year limited property tax exemption to develop 228 market-rate housing units, located at 23rd Street and Jefferson Ave , and

WHEREAS the housing will consist of 41 studio units of 330 square feet, renting for between \$750-\$825 per month; 78 one-bedroom, one-bath units of 470-580 square feet, renting for between \$1050-\$1450 per month; 109 two-bedroom, one-bath units of 740-805 square feet, renting for between \$1660-\$2000 per month; and include 216 on-site parking spaces. This project will also include 22,715 square feet of retail space. The construction cost is estimated at \$40,000,000 and will provide approximately 188,235 labor hours of employment. Annual property taxes to be exempted are estimated to be approximately \$644,000 of which \$144,000 would be the City's portion. The land and retail portions will continue to produce tax revenues. Construction is expected to begin fall of 2017 and be completed in summer of 2019, and

WHEREAS the Applicant has submitted to the City preliminary site plans and floor plans for multi-family residential housing to be created on said property and described more specifically as follows:

LEGAL DESCRIPTION:

Tax Parcels 2021100080 2021100090, 2021100100, 2021100110, 2021100120, 2021100130 & 2021100140

That portion of the Northwest Quarter of the Northwest Quarter of Section 9, Township 20 North, Range 03 East of the Willamette Meridian, more particularly described as follows:

Lots 12 through 23, inclusive, Block 2110, Amended Plat of Smith & Denton's Addition to Tacoma, W.T., according to the plat thereof recorded in Volume 2 of Plats, Page 38, in Tacoma, Pierce County, Washington.

Together with that portion of vacated alley abutting, as described in Ordinance No. 26780, recorded under recording number 200202201465, records of Pierce County Auditor.

Situate in the City of Tacoma, County of Pierce, State of Washington.

Tax Parcels 2021090070, 2021090080, 2021090090, 2021090060, 2021090050 & 2021090031

That portion of the Northwest Quarter of the Northwest Quarter of Section 9, Township 20 North, Range 03 East of the Willamette Meridian, more particularly described as follows:

Lots 5 through 19, inclusive of Replat of Spinning's Addition and Block 2109, Amendatory Map of Smith & Denton's Addition to Tacoma, W.T., according to the plat thereof recorded in Volume 10 of Plats, Page 111 in Tacoma, Pierce County, Washington.

Together with that portion of vacated alley abutting, as described in Ordinance No. 26780, recorded under recording number 200202201465, records of Pierce County Auditor.

Situate in the City of Tacoma, County of Pierce, State of Washington.

WHEREAS the City has determined that the improvements will, if completed as proposed, satisfy the requirements for an eight year Final Certificate of Tax Exemption;

NOW, THEREFORE, the City and the Applicant do mutually agree as follows:

1. The City agrees to issue the Applicant a Conditional Certificate of Acceptance of Tax Exemption.

2. The Applicant agrees to construct on the Site multi-family residential housing substantially as described in the most recent site plans, floor plans, and elevations on file with the City as of the date of City Council approval of this Agreement. In no event shall such construction provide fewer than four new multi-family permanent residential units nor shall it provide fewer than half of its total residential units as permanent housing.

3. The Applicant agrees to complete construction of the agreed upon improvements within three years from the date the City issues the Conditional Certificate of Acceptance of Tax Exemption, or within any extension thereof granted by the City.

4. The Applicant agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file with the City's Community and Economic Development Department the following:

- (a) a statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire property;
- (b) a description of the completed work and a statement of qualification for the exemption; and
- (c) a statement that the work was completed within the required three year period or any authorized extension.

5. The City agrees, conditioned on the Applicant's successful completion of the improvements in accordance with the terms of this Agreement and on the Applicant's filing of the materials described in Paragraph 4 above, to file an eight year Final Certificate of Tax Exemption with the Pierce County Assessor-Treasurer.

6. The Applicant agrees, within 30 days following the first anniversary of the City's filing of the Final Certificate of Tax Exemption and each year thereafter for a period of eight years, to file a notarized declaration with the City's Community and Economic Development Department indicating the following:

- (a) a statement of occupancy and vacancy of the multi-family units during the previous year;
- (b) a certification that the property continues to be in compliance with this Agreement; and,
- (c) a description of any subsequent improvements or changes to the property.

7. If the Applicant converts to another use any of the new multi-family residential housing units constructed under this Agreement, the Applicant shall notify the Pierce

County Assessor-Treasurer and the City's Department of Community and Economic Development within 60 days of such change in use.

8. The Applicant agrees to notify the City promptly of any transfer of Applicant's ownership interest in the Site or in the improvements made to the Site under this Agreement.

9. The City reserves the right to cancel the eight year Final Certificate of Tax Exemption should the Applicant, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement.

10. No modifications of this Agreement shall be made unless mutually agreed upon by the parties in writing.

11. In the event that any term or clause of this Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement which can be given effect without the conflicting term or clause, and to this end, the terms of this Agreement are declared to be severable.

12. This Agreement governs the property tax exemption for this property only and is not to be construed as approval of, or providing authority for, any other requirement under state or local law, including but not limited to building permits or variances.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF TACOMA

**North America Asset Management Group,
LLC**

Elizabeth Pauli
City Manager

By: _____
Its: _____

Countersigned:

Ricardo Noguera, Director
Community and Economic Development

Andrew Cherullo, Finance Department Director

Attest:

Doris Sorum, City Clerk

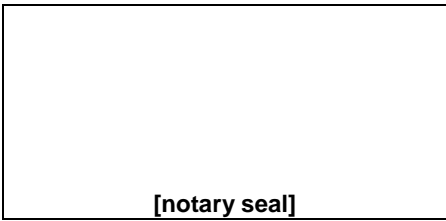
Approved as to Form:

Deputy City Attorney

STATE OF WASHINGTON)
) ss.
County of Pierce)

On this ____ day of _____, 2017, before the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the authorized signor for North America Asset Management Group, LLC and the person who executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said person, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.



NOTARY PUBLIC
Printed Name: _____
Residing at _____
My commission expires _____