

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

THIS AGREEMENT is entered into this ____ day of _____, 2018, by and between Dragon Bowline 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 a twelve-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 twelve-year limited property tax exemption to develop 152 market-rate and affordable housing rental units, located at 304, 306 & 308 Puyallup Avenue, and

WHEREAS the housing will consist of 152 market-rate and affordable housing rental units containing 84 market rate studio units of 305 square feet renting for \$850 per month; 29 market rate one-bedroom, one bathroom units of 400 square feet renting for \$1100 per month; 8 market rate two-bedroom, one bathroom units of 585 square feet renting for \$1350 per month; 21 affordable studio units of 305 square feet renting for \$850 per month; 8 affordable one-bedroom, one bathroom units of 400 square feet renting for \$1192 per month (including basic utilities); 2 affordable rate two-bedroom, one bathroom units of 585 square feet renting for \$1342 per month (including basic utilities) and include 3,190 square feet of retail space. The construction cost is estimated at \$20,313,000 and will provide approximately 95,600 labor hours of employment. Annual property taxes to be exempted are estimated to be approximately \$327,000 of which \$73,000 would be the City’s portion. The land and retail portions will continue to produce

tax revenues throughout the exemption. Construction is expected to begin in April of 2018 and be completed in May 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:

304, 306 & 308 Puyallup Avenue

Tax Parcels 2074200010, 2074200030 & 2074200040

That portion of the Northwest Quarter of the Northeast Quarter of Section 09, Township 20 North, Range 03 East of the Willamette Meridian, more particularly described as follows:

Lots 1 through 5, inclusive, Block 7420, Tacoma Land Company's First Addition to Tacoma, W.T., according to Plat thereof recorded July 7, 1884 in the office of the County Auditor, in Pierce County, Washington.

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

"hereinafter referred to as the "Site," and

WHEREAS the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a twelve-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 twelve-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 twelve-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 twelve-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.

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

CITY OF TACOMA

Dragon Bowline LLC

Elizabeth Pauli
City Manager

By: _____
Its: _____

Countersigned:

Kim Bedier,
Acting Community & Economic Development Dept. Director

Andrew Cherullo, Finance Department Director

Attest:

Doris Sorum, City Clerk

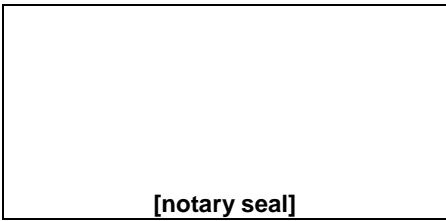
Approved as to Form:

Deputy City Attorney

STATE OF WASHINGTON)
) ss.
County of Pierce)

On this ____ day of _____, 2018, 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 Dragon Bowline 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 _____