

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

THIS AGREEMENT is entered into on this date _____ by and between Stadium VUE35 LLC, 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 extension to an existing eight or twelve-year limited property tax exemption within 18 months of expiration, and

WHEREAS the City has, through Ordinance No. 28798, enacted a program allowing applications for a 12-year extension for projects under a current eight or twelve-year limited property tax exemption if twenty percent of the units become affordable to households at 70 percent of Pierce County area median income.

WHEREAS the Applicant received a property tax exemption on July 15, 2014 under Resolution # 38947 which is valid from 2017-2024 and is interested in receiving a 12-year extension to the exemption, of the project, as described and attached in exhibit A, and

WHEREAS the project must include 20% of units as affordable. The affordable units will be rented to households whose income is at or below 70% of Pierce County AMI, adjusted for household size, and as determined by HUD on an annual basis. Rent is based on the number of bedrooms in each unit and will be capped at 30% of those income levels, adjusted annually, and are published by the City each year. The land and any commercial portions of the project will continue to produce tax revenues, and

WHEREAS the Applicant has submitted to the City current and proposed projects specifics described more on attached Exhibit A, and

WHEREAS the City has determined that the project will have satisfied the requirements for a twelve-year extension of 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 Certificate of Extension of Tax Exemption.

2. The Applicant agrees that 20% of total units will qualify as affordable units. The affordable units will be rented to households whose income is at or below 70% of Pierce County AMI, adjusted for household size, and as determined by HUD on an annual basis. Rent is based on the number of bedrooms in each unit and will be capped at 30% of those income levels, adjusted annually, and are published by the City each year.

3. Applicant agrees to create and submit a marketing plan to the City of Tacoma six months before the extension begins.

4. Beginning six months prior to the extension beginning, the applicant agrees to being converting available units to affordable units and renting them to qualified applicants and to notify the City of progress monthly by filing required documents indicating the following:

(a) a current statement of occupancy and vacancy of the multi-family units

(b) Dates and documentation showing that outreach was performed for any vacant affordable units

5. The Applicant agrees to file annually with the City's Community and Economic Development Department required documents indicating the following:

(a) a statement of occupancy and vacancy of the multi-family units during the previous year;

(b) income and rental rates data required to show that the property continues to be in compliance with this Agreement; and,

(c) a description of any subsequent improvements or changes to the property

(d) Other items are requested by the City.

6. The Applicant acknowledges that every five years there will be an on-site inspection, and an audit as required by RCW 84.14 to ensure that the property continues to be in compliance with this Agreement

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 Applicant agrees to provide tenant relocation assistance in an amount equal to one month's rent to each tenant living in an affordable unit at the expiration of the 12-year exemption, or within the final month of a qualified tenant's lease who occupies an income-restricted unit at the time those additional affordability requirements cease to apply to the unit if the affordability requirements outlined herein remain in place for the unit after the expiration of the exemption. The amount must be provided within the final month of the qualified tenant's lease. To be eligible for tenant relocation assistance under this requirement, the tenant must occupy an income-restricted unit at the time the exemption expires and must qualify as a low-income household under this chapter at the time relocation assistance is sought. At the end of the 10th and 11th years of the extension, applicants must let these tenants know that they will receive rental relocation assistance amounting to one month's rent. Notwithstanding the foregoing, Applicant shall also comply with state and local laws regarding relocation assistance.

10. The Applicant agrees to keep the property in a nuisance free condition during the tax exemption period.

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

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

13. 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.

14. 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.

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

CITY OF TACOMA

STADIUM VUE35 LLC

By: _____

Elizabeth Pauli
City Manager

Countersigned:

Jeff Robinson, Director
Community & Economic Development Dept.

Andrew Cherullo, Finance Department Director

Attest:

Nicole Emery, City Clerk

Approved as to Form:

Deputy City Attorney

EXHIBIT A

Project Description:

Address: 219 & 223 N J Street

Tax Parcel: 2032190013

Number of units	Type of Unit	Average Size	Current Rental Rate
<i>Market Rate</i>			
9	Studio	513 SQFT	\$1645
6	One Bedroom, One Bath	801SQFT	\$1895
10	Two Bedroom, Two Bath	926 SQFT	\$2265
3	Three Bedroom, two Bath	1157 SQFT	\$2425
<i>Regulated Rate</i>			
2	Studio	513 SQFT	\$1379 (including utility allowance)
2	One Bedroom, One Bath	801 SQFT	\$1576 (including utility allowance)
3	Two Bedroom, Two Bath	926 SQFT	\$1773(including utility allowance)

The affordable units will be rented to households whose income is at or below 70 percent of Pierce County Area Median Income, adjusted for household size, as determined by the Department of Housing and Urban Development on an annual basis. Rent will be capped at 30 percent of those income levels, adjusted annually.

LEGAL DESCRIPTION

Legal Description:

Parcel Number 2032190013
219 & 223 North J Street, Tacoma, WA 98403

Lot 1 through 4, inclusive, Block 3219, MAP OF NEW TACOMA, W.T., according to Plat recorded February 3, 1875, records of Pierce County Auditor;
TOGETHER WITH the Southwesterly 10 feet of the alley abutting thereon, vacated by Ordinance No. 1889 of the City of Tacoma;
Situate in the City of Tacoma, County of Pierce, State of Washington.

