

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

THIS AGREEMENT is entered into this day, _____, by and between with AVA 200 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 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 the project attached in exhibit A, 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 on attached Exhibit A, and

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 described in Exhibit A, a multi-family residential housing substantially as described in Exhibit A and in the application

for Property Tax Exemption 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 including unit type, size and rent 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 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.

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 keep the property in a nuisance free condition during both the temporary and final tax exemption periods.

10. 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.

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

12. 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.

13. 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

AVA 200 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:

4218 South Steele Street
APN: 4647000571

Number of units	Type of Unit	Average Size	Expected Rental Rate
<i>Market Rate</i>			
15	Studio	455 SQFT	\$1515
70	One Bed, One Bath	575 SQFT	\$1650
53	One Bed, One Bath	731 SQFT	\$1795
33	Two Bed One Bath	934 SQFT	\$2600

The project will also provide 8 Live/Work units and 129 parking spaces.

Legal Description:

LOTS 1 TO 6, INCLUSIVE, BLOCK 14, AND LOTS 1 TO 6, INCLUSIVE, BLOCK 17, HOUGHTON'S ADDITION TO THE CITY OF TACOMA, WASHINGTON TERRITORY, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 4 OF PLATS, PAGE 3, RECORDS OF PIERCE COUNTY, WASHINGTON; TOGETHER WITH THAT PORTION OF SOUTH 42ND STREET ABUTTING SAID BLOCK 14 AND ATTACHED THERERTO BY OPERATION OF LAW, AS VACATED BY THE CITY OF TACOMA ORDINANCE NO. 6757 AND PASSED MARCH 13, 1918, AS DISCLOSED BY INSTRUMENT RECORDED MAY 21, 1919 UNDER RECORDING NUMBER 524589; ALSO TOGETHER WITH THAT PORTION OF SOUTH HOUGHTON WAY LYING BETWEEN LOTS 6 AND 8 IN BLOCKS 14 AND 17, HOUGHTON'S ADDITION TO THE CITY OF TACOMA, AND ATTACHED TO SAID PREMISES BY OPERATION OF LAW, AS VACATED BY CITY OF TACOMA ORDINANCE NO. 18437, RECORDED DECEMBER 11, 1967, UNDER RECORDING NUMBER 2218620; ALSO TOGETHER WITH THAT PORTION OF LOT 4, PIERCE COUNTY SHORT PLAT NUMBER 8212010098, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 1, 1982, RECORDS OF PIERCE COUNTY AUDITOR, MORE PARTICULARLY DESCRIBED AS FOLLOWS;
BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 4;
THENCE ALONG THE WEST LINE OF SAID LOT 4 NORTH 00°20'30" WEST 256.00 FEET;
THENCE NORTH 89°41'18" EAST 100.00 FEET;
THENCE SOUTH 00°22'24" EAST 256.00 TO THE SOUTH LINE OF SAID LOT 4;
THENCE ALONG SAID SOUTH LINE SOUTH 89°41'16" WEST 100.14 FEET TO THE TRUE POINT OF BEGINNING;

(ALSO KNOWN AS PARCEL 'A' OF CITY OF TACOMA BOUNDARY LINE
ADJUSTMENT RECORDED UNDER RECORDING NO. 9107030097.)
EXCEPTING THEREFROM THAT PORTION DEEDED TO THE CITY OF TACOMA
FOR ADDITIONAL RIGHT OF WAY BY RIGHT OF WAY DEED NO. 7367 AND
RECORDED ON JULY 31, 2017 UNDER RECORDING NO. 201707311075,
RECORDS OF PIERCE COUNTY AUDITOR;
SITUATE IN THE CITY OF TACOMA, COUNTY OF PIERCE, STATE OF
WASHINGTON.