

**MULTI-FAMILY HOUSING 8-YEAR LIMITED PROPERTY  
TAX EXEMPTION AGREEMENT**

THIS AGREEMENT is entered into this \_\_\_\_ day of \_\_\_\_\_, 2014, by Pacific Opportunities, 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 94 market-rate housing units, located at 7635 Pacific Avenue, and

WHEREAS the housing will consist of 33 one-bedroom, one-bath units and 61 two-bedroom, two-bath units. The one-bedroom units will be approximately 500 square feet and rent for \$750 per month. The two-bedroom units be approximately 920 square feet and rent for \$925 per month. The project will include 93 on-site residential parking stalls. The project will provide housing for both individuals and small families. The construction cost is estimated at \$7,500,000 and will provide approximately 40,000 labor hours of employment. Annual property taxes to be exempted from the housing project are estimated to be approximately \$128,800 of which \$29,250 would be the City's portion. The land will continue to produce tax revenues. Construction is expected to begin in the January of 2015 and be completed in January of 2016, 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

Assessor's Parcel No. 7850000582

That portion of the Southeast quarter of the Southwest quarter of Section 28, Township 20 North, Range 03 East, W.M. more particularly described as follows:

The South 75 feet of the West half of Lot 9, T.J. Spooner's Five Acre Lots, according to the Plat thereof recorded in Volume 1 of Plats at Page 65, records of Pierce County Auditor.

Assessor's Parcel No. 7850000995

That portion of the Southeast quarter of the Southwest quarter of Section 28, Township 20 North, Range 03 East, W.M. more particularly described as follows:

The North 67.84 feet of the West 306.58 feet of Lot 12, T.J. Spooner's Five Acre Lots, according to the Plat thereof recorded in Volume 1 of Plats at Page 65, records of Pierce County Auditor.

Assessor's Parcel No. 7850001030

That portion of the Southeast quarter of the Southwest quarter of Section 28, Township 20 North, Range 03 East, W.M. more particularly described as follows:

Beginning on a line parallel with and 132 feet North of the South line of Lot 12, T. J. Spooner's Five Acre Lots, according to the Plat thereof recorded in Volume 1 of Plats at Page 65, records of Pierce County Auditor, at a point 306.57 feet West of the East line of said Lot 12;  
Thence parallel with said East line, North 66 feet;  
Thence parallel with said South line, West 306.57 feet to the East line of Pacific Avenue as laid out by the City of Tacoma;  
Thence along said East line of Pacific Avenue, South 65 feet;  
Thence parallel with said South line of said Lot, East 306.58 feet to the Point of Beginning.

Assessor's Parcel No. 7850001040

That portion of the Southeast quarter of the Southwest quarter of Section 28, Township 20 North, Range 03 East, W.M. more particularly described as follows:

Beginning on a line parallel with and 198 feet North of the South line of Lot 12, T. J. Spooner's Five Acre Lots, according to the Plat thereof recorded in Volume 1 of Plats at Page 65, records of Pierce County Auditor, at a point 306.57 feet West of the East line of said Lot 12; Thence parallel with said East line, North 66 feet to a line parallel with and 67.84 feet South of the North line of said Lot 12;

Thence West along said parallel line 306.57 feet to the East line of Pacific Avenue; Thence on said East line of Pacific Avenue, South 66 feet to a line parallel with and 198 feet North of the South line of said Lot 12;

Thence East along said parallel line, 306.57 feet to the Point of Beginning.

ALL LANDS SITUATE IN THE CITY OF TACOMA,  
COUNTY 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 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.

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

**CITY OF TACOMA**

**Pacific Opportunities, LLC**

\_\_\_\_\_  
T.C Broadnax  
City Manager

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Countersigned:

\_\_\_\_\_  
Ricardo Noguera, Director,  
Community & Economic Development Dept.

\_\_\_\_\_  
Andrew Cherullo, Director, Finance Department

Approved as to Form:

\_\_\_\_\_  
Deputy City Attorney

\_\_\_\_\_  
Joy St. Germain, Interim Risk Manager

Attest:

\_\_\_\_\_  
Doris Sorum, City Clerk

