



RESOLUTION NO. 40268

1 A RESOLUTION relating to community and economic development; authorizing
2 the execution of a Purchase and Sale Agreement, Development
3 Agreement, and Public Benefits Agreement with Surge Tacoma d.b.a.
4 Tacoma Old City Hall LLC, in the total amount of \$4 million, for the
5 development of City-owned property known as Old City Hall, located at
6 625 South Commerce Street, into a residential and commercial mixed-use
7 property.

8 WHEREAS, on June 19, 2015, the City purchased Old City Hall, located at
9 625 South Commerce Street (“Property”), for \$4 million, and

10 WHEREAS the property had deteriorated significantly and fallen into
11 disrepair, and the acquisition was made to slow further degradation and repurpose
12 the distinguished Tacoma historical landmark for viable adaptive reuse, and

13 WHEREAS, in late 2015, pursuant to a Request for Information process,
14 the City selected a developer to rehabilitate the property, but the project could
15 not proceed for several reasons, and

16 WHEREAS, on May 29, 2018, the City issued a Request for
17 Proposals (“RFP”) and received five submittals, including a proposal from Surge
18 Tacoma d.b.a. Tacoma Old City Hall LLC (“Developer”), and in late 2018, the
19 City Manager authorized staff to negotiate a Purchase and Sale Agreement,
20 Development Agreement, and Public Benefits Agreement with the Developer to
21 develop a residential and commercial use project, and

22 WHEREAS the Developer will purchase the Property in an “as-is,”
23 “where-is” condition, for \$2 million cash, with an additional expected value of
24 \$2 million, as follows: (1) Reduced rent to the Tacoma Historical Society, in the
25 amount of \$287,500; (2) Entrepreneurial Education Program, in the amount of
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\$1,245,300; and (3) Affordable and Market Rate Housing, in the amount of

1 \$467,200, all as more particularly set forth in the Public Benefits Agreement, and

2 WHEREAS the estimated \$15 million retrofit proposed by the Developer will
3 benefit a broad cross-section of Tacoma residents and visitors by renovating an
4 historic and architectural landmark, positively impacting development and
5 investment opportunities, increasing the City's tax base, and creating approximately
6 100 construction and 150 full-time office, retail, and service jobs, and
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8 WHEREAS the project will also incorporate equity, enable entrepreneurship,
9 provide approximately 40 housing units, and support tourism to enhance the City's
10 vitality, and
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12 WHEREAS staff is recommending that the proposed Purchase and Sale
13 Agreement, Development Agreement, and Public Benefits Agreement with the
14 Developer be approved; Now, Therefore,

15 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

16 That the proper officers of the City are hereby authorized to execute the
17 Purchase and Sale Agreement, Development Agreement, and Public Benefits
18 Agreement with Surge Tacoma d.b.a. Tacoma Old City Hall LLC, in the total
19 amount of \$4 million, to develop City-owned property known as Old City Hall,
20 located at 625 South Commerce Street, into a residential and commercial
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1 mixed-use property, said documents to be substantially in the form of the
2 agreements on file in the office of the City Clerk.

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4 Adopted _____

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Mayor

7 Attest:

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City Clerk

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11 Approved as to form:

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13 _____
Deputy City Attorney

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