



RESOLUTION NO. 39621

1 A RESOLUTION relating to community and economic development and the sale
2 of surplus real property; authorizing the execution of Amendment No. 2 to
3 the Purchase and Sale and Development Agreement with North America
4 Asset Management Group, LLC, to adjust performance dates and
5 development parameters under the agreement in exchange for an
6 additional \$2,400,000 nonrefundable deposit against the purchase of City
7 real property at the proximate location of South 21st to 23rd Streets and
8 Jefferson Avenue to Tacoma Avenue.

9 WHEREAS, on August 18, 2015, the City entered into a Purchase and Sale
10 and Development agreement (“PSA”) with North America Asset Management
11 Group, LLC (“NAAM”), for the sale of City real property, subject to City Council
12 ratification, at the proximate location of South 21st to 23rd Streets and Jefferson
13 Avenue to Tacoma Avenue (“Property”), and

14 WHEREAS the City acquired the Property parcels from 1998-2002, using
15 approximately \$4.1 million in proceeds from a 1997 sale of tax-exempt bonds
16 (1997B), and the Property secures a \$4.2 million General Fund loan made to the
17 Police Department in 2005 for capital construction, and

18 WHEREAS approximately \$5.12 million is currently outstanding on the
19 1997B bonds, which is due to be paid off by 2018, and

20 WHEREAS there is an outstanding loan from the Open Space Fund of
21 approximately \$175,000, consisting of principal and interest, and

22 WHEREAS, on June 14, 2016, the City Council ratified the Purchase and
23 Sale and Development Agreement with NAAM, and approved the first amendment
24 to the agreement, which revised the legal description and amended performance
25 deadlines, and
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WHEREAS NAAM is requesting an additional revision to the agreement to extend performance dates to allow adequate time for permitting approvals and finalizing financing, and

WHEREAS the amendment will increase the number of residential units built and will increase the number of phases of construction from two to three, and

WHEREAS, with this amendment, the closing date for the purchase of the property is intended to occur no later than August 31, 2017, after obtaining a site development permit, submitting the building permit package, and depositing funds with the City or bonding for offsite improvements required by the City, and

WHEREAS development will include over 800,000 square feet and will be constructed in three phases, as follows:

- Phase 1A - will include a minimum of 220 residential units, parking, and a minimum of 20,000 square feet of commercial/professional or retail space;
- Phase 1B – will include approximately 200,000 square feet of retail space, a minimum of 130 residential units, and parking. Combined Phase 1A and 1B will include a minimum of 450 parking stalls; and
- Phase 2 - will include a minimum of an additional 180 residential units, 50,000 square feet of commercial/professional space, and 185 parking stalls,

and

WHEREAS Phase 1A construction will begin no later than September 30, 2017, and be completed by February 28, 2019; Phase 1B construction will start in 2018 and be completed by November 30, 2019; and construction on Phase 2 will begin within six months of receiving a certificate of occupancy for Phase 1, and

WHEREAS NAAM has waived feasibility and has previously paid a nonrefundable deposit of \$1,125,000, and will pay an additional \$2,400,000



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nonrefundable deposit in consideration of the second amendment to extend the schedule and amend project phasing, and

WHEREAS these nonrefundable deposits cover the entire amount of the purchase price of \$3,451,228, plus closing costs and prorations; Now, Therefore,

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

That the proper officers of the City are hereby authorized to execute Amendment No. 2 to the Purchase and Sale and Development Agreement with North America Asset Management Group, LLC, in order to adjust performance dates and development parameters under the agreement, in exchange for an additional \$2,400,000 nonrefundable deposit to complete funding needed for the purchase of the City real property at the proximate location of South 21st to 23rd Streets and Jefferson Avenue to Tacoma Avenue, said amendment to be substantially in the form of the document on file in the office of the City Clerk.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney