## MULTIFAMILY HOUSING 12-YEAR LIMITED PROPERTY
## TAX EXEMPTION AGREEMENT

THIS AGREEMENT is entered into this _____ day of _____, 2016, by and between Calkins Enterprises 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 multifamily 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 12-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 a 12-year limited property tax exemption to develop 12 market-rate and affordable rental housing units, located at 4301 South Junett Street, and

WHEREAS the housing will consist of 3, one-bedroom, one-bath units of 800 square feet; 6, two-bedroom, two-bath units of 1400 square feet; 3, three-bedroom, two-bath units of 1800 square feet and include on-site residential parking. The housing is expected to rent for approximately $800, $1,200, and $1,450, respectively, per month. This project will provide housing for couples and families. The construction cost is estimated at $1,100,000 and will provide approximately 5,200 labor hours of employment. Annual property taxes to be exempted are estimated to be approximately $18,500 of which $4,180 would be the City's portion. The land portion will continue to produce tax revenues. Construction is expected to begin in August of 2016 and be completed by spring of 2017, and

WHEREAS the Applicant has submitted to the City preliminary site plans and floor plans for multifamily residential housing to be created on said property and described more specifically as follows:

That portion of the Northeast quarter of the Southwest quarter of Section 18, Township 20 North, Range 03 East, W.M. more particularly described as follows: Lot 6 through 9, and the North 7 feet of Lot 10, Block 2, MADISON PARK ADDITION TO TACOMA, W.T., according to the Plat thereof recorded in Volume 3 of Plats, page 99, records of Pierce County Auditor.

Situated in the City of Tacoma, County of Pierce, state of Washington.

APN 5405000080

"hereinafter referred to as the "Site," and

WHEREAS the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a twelve 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 multifamily 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 multifamily permanent residential units nor shall it provide fewer than half of its total residential units as permanent housing.

3. The Applicant agrees to rent or sell at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households respectively. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection may be satisfied solely through housing affordable to moderate income households.

4. 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.

5. 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 multifamily 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.

6.  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 a twelve year Final Certificate of Tax Exemption with the Pierce County Assessor-Treasurer.

7.  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 twelve 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 multifamily 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.

8.  If the Applicant converts to another use any of the new multifamily 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.

9.  The Applicant may assign or otherwise convey its rights and responsibilities under this contract to a successor owner.

10. 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.

11.  The City reserves the right to cancel the twelve 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.

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.

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

**CITY OF TACOMA**                                         **Calkins Enterprises, LLC**


_____          By: _____
T.C Broadnax, City Manager                       Its: _____

Countersigned:


_____
Ricardo Noguera, Director
Community & Economic Development


_____
Andrew Cherullo, Finance Director


Attest:


_____
Doris Sorum, City Clerk


Approved as to Form:


_____
Deputy City Attorney

STATE OF WASHINGTON )
                                   ) ss.
County of Pierce )

On this _____ day of _____, 2016, before the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the authorized signor for Calkins Enterprises, LLC, and the person who executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said person, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.

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|---|
| **[notary seal]** |
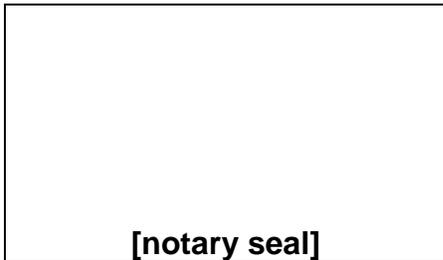
NOTARY PUBLIC
Printed Name:_____
Residing at _____
My commission expires _____