



## RESOLUTION NO. 40419

1 A RESOLUTION relating to economic development; authorizing the execution of  
2 an amendment to the Amended and Restated Agreement with North  
3 America Asset Management Group, LLC, relating to the Town Center  
4 mixed-use project, located between South 21st to South 23rd Streets, from  
Jefferson to Tacoma Avenues, to facilitate construction financing for  
Building 2.

5 WHEREAS, on August 18, 2015, the City Council approved the Purchase  
6 and Sale and Development Agreement ("Agreement") with North America Asset  
7 Management Group, LLC ("NAAM") to develop the Town Center project on an  
8 approximately 6.4-acre site situated between South 21st and South 23rd Streets,  
9 from Jefferson to Tacoma Avenues, adjacent to the University of Washington, and  
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11 WHEREAS the Agreement has been amended three times: (1) the First  
12 Amendment, dated June 14, 2016, primarily adjusted the legal description,  
13 adjusted the Purchase Price to \$3,451,228, updated the Development Plan, and  
14 extended the construction timeline; (2) the Second Amendment, dated  
15 December 13, 2016, required a \$2.4 million non-refundable deposit, altered project  
16 phasing, increased residential density, and extended the construction timeline; and  
17 (3) the Amended and Restated Agreement (Third Amendment), dated October 16,  
18 2017, refined the conditions precedent to closing, fine-tuned development  
19 requirements, adjusted the closing date, extended performance deadlines,  
20 strengthened the City's reacquisition rights to the entire site, and memorialized a  
21 commitment by the Developer to contribute \$750,000 to fund South 21st Street  
22 improvements adjacent to the Property, which funding has been received, and  
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WHEREAS, on October 16, 2017, the City conveyed the 6.4-acre development site to the Developer, which was necessary for the Developer to invest in and construct the offsite improvements that encompass the whole property, and

WHEREAS NAAM is now requesting an amendment to the Agreement to facilitate construction financing for Building 2, consisting of 144 market-rate housing units, situated at the northwest corner of South 23rd Street and Jefferson Avenue, and

WHEREAS construction on Building 2 has commenced, is approximately 70 percent complete, and is anticipated to be finished by January 31, 2020; however, the lender is requiring the City to extinguish its rescission right to Building 2 and the underlying land in order to provide the necessary debt financing and enable building completion, and

WHEREAS this estimated \$125 million mixed-use project will serve as a catalytic development in the downtown core, generating significant direct and indirect revenue, creating jobs, increasing downtown residential density, adding to the liveliness of the UW Tacoma retail corridor, attracting diversified foreign investment, and enhancing the City's international image, and

WHEREAS, if the proposed amendment is not approved, Building 2 will not be timely completed and the City's long-term goal of a mixed-use urban village on the site will be delayed, and

WHEREAS the City will maintain its rescission rights to all of the remaining property within the Town Center development, and



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WHEREAS staff is recommending that the proposed Amendment be approved; Now, Therefore,

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

Section 1. That the proper officers of the City are hereby authorized to enter into an amendment to the Amended and Restated Agreement with North America Asset Management Group, LLC, relating to the Town Center mixed-use project, to facilitate construction financing for Building 2 located between South 21st to South 23rd Streets, from Jefferson to Tacoma Avenues, said amendment to be substantially in the form of the document on file in the office of the City Clerk.

Section 2. That the City Manager, or designee, is hereby authorized to take and execute any additional measures or documents that may be necessary to complete this transaction which are consistent with the approved form of documents referenced by this Resolution, and the intent of this Resolution.

Adopted \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest:  
  
\_\_\_\_\_  
City Clerk

Approved as to form:  
  
\_\_\_\_\_  
Deputy City Attorney