



RESOLUTION NO. 40316

1 A RESOLUTION relating to economic development; authorizing the execution of
2 the Third Amendment to the Development Agreement with HQC USA LLC,
3 for the development of a mixed-use project located at 1210 Tacoma
4 Avenue South.

4 WHEREAS, on July 27, 2016, the Community and Economic Development
5 Department ("CEDD") issued a Request for Developer Interest to build a mixed-
6 use development at 1210 Tacoma Avenue South, a City-owned parcel which was
7 declared surplus by the City, and

8 WHEREAS, pursuant to that process, HQC USA LLC ("HQC") was chosen
9 as the developer for the site, and

10 WHEREAS, on December 22, 2016, a Development Agreement was
11 entered into between the City and HQC and, since that time, has been amended
12 twice in order to accommodate the first multi-family investment from Vietnam in the
13 United States, and

14 WHEREAS, due to the complexity of the foreign financing, construction
15 stopped in July 2018, and

16 WHEREAS the proposed Third Amendment to the Development Agreement
17 outlines the steps necessary to restart the project in a way that better meets the
18 needs of the community, provides greater flexibility with the development plan, and
19 extends the project schedule, and

20 WHEREAS key amendments are as follows: (1) HQC must provide a fully
21 executed commitment letter from a lender or equity partner, demonstrating that
22 100 percent of funding has been secured to complete the project, no later than
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April 30, 2019; (2) Increase the number of units from 150 to a minimum of 180;

(3) Due to project redesign, HQC shall submit for permit revisions by June 4, 2019;

(4) Construction shall recommence by September 3, 2019; and (5) HQC shall complete construction and commence operating, having obtained a certificate of occupancy, by December 31, 2020, which is 15 months later than anticipated, and

WHEREAS CEDD staff is recommending that the proposed amendment be approved to allow HQC to complete development of the project; 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 the Third Amendment to the Development Agreement with HQC USA LLC, for the development of a mixed-use project located at 1210 Tacoma Avenue South, 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