



## RESOLUTION NO. 40845

1 A RESOLUTION relating to economic development; authorizing the execution of  
2 amendments to the Purchase and Sale Agreement, Development Agreement,  
3 and Public Benefits Agreement with Surge Tacoma, d.b.a. Tacoma Old City  
4 Hall LLC, for modifications to the development plan, phasing, construction  
5 schedule, and financing of the residential and commercial mixed-use project  
6 at Old City Hall, located at 625 South Commerce Street; and accepting the  
7 amount of \$1,600,000, for deposit into the UDAG Fund.

8 WHEREAS, on April 22, 2019, pursuant to Resolution No. 40268, the City  
9 and Tacoma Old City Hall LLC (“Developer”) entered into a Development  
10 Agreement, Purchase and Sale Agreement, and Public Benefits Agreement for the  
11 purpose of developing a residential and commercial mixed-use project at Old City  
12 Hall, an historic and architectural landmark located at 625 Commerce Street  
13 (“Property”), and

14 WHEREAS the City acquired the Property on June 19, 2015, to stave off  
15 further degradation of this historic and architectural landmark and repurpose it for  
16 viable adaptive reuse, and

17 WHEREAS, over the past two and one-half years, the Developer has  
18 conducted extensive due diligence and critically examined numerous approaches to  
19 seismically retrofit the 128-year old Property so that it will withstand potential  
20 earthquakes and protect public safety for the next 100 years, and

21 WHEREAS the Developer has met the complex challenges of adapting the  
22 Property’s reuse to current building codes, and anticipates obtaining a building  
23 permit in early October 2021 to begin construction, and

24 WHEREAS the Landmarks Preservation Commission unanimously approved  
25 the project on June 9, 2021, and  
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1 WHEREAS key provisions of the First Amendment to the Development  
2 Agreement are as follows: (1) the Development Plan will be revised to meet the  
3 requirements of the International Building Code; (2) renovation of the Property will  
4 occur in two phases, instead of one phase, with no delay between the first and  
5 second phases; and (3) the construction schedule will be adjusted, and

6 WHEREAS the First Amendment to the Purchase and Sale Agreement will  
7 revise the date of closing, which is to occur on or before November 30, 2021, rather  
8 than July 30, 2020, and

9 WHEREAS the First Amendment to the Public Benefits Agreement contains  
10 revisions to account for the decrease in the number of housing units, which requires  
11 the Developer to forego applying for and obtaining the Multi-Family Property Tax  
12 Exemption for the Property; as a result, the budget for the 10-year Entrepreneurial  
13 Education Program will be increased accordingly and a new one-year Computer  
14 Literacy Skills Program will be developed to account for a total public benefit of  
15 \$2,000,000, and  
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17  
18 WHEREAS, in April 2019, the Developer remitted \$400,000 to the City as a  
19 Good Faith Deposit toward the \$2,000,000 cash purchase price, and the Developer  
20 will remit the balance of \$1,600,000, for deposit into the UDAG Fund, to offset the  
21 \$4,000,000 used to purchase the Property, and  
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23 WHEREAS staff is recommending approval of the proposed amendments to  
24 the Purchase and Sale Agreement, Development Agreement, and Public Benefits  
25 Agreement, all as more specifically set forth in the documents on file in the office of  
26 the City Clerk; Now, Therefore,



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

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Section 1. That the proper officers of the City are hereby authorized to enter into amendments to the Purchase and Sale Agreement, Development Agreement, and Public Benefits Agreement with Surge Tacoma, d.b.a. Tacoma Old City Hall LLC, for modifications to the development plan, phasing, construction schedule, and financing of the residential and commercial mixed-use project at Old City Hall, located at 625 South Commerce Street; and to accept the amount of \$1,600,000, for deposit into the UDAG Fund.

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