

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

THIS AGREEMENT is entered into this ____ day of _____, 2017, by and between Point Ruston, 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 194 market-rate and affordable rental housing units, located at 5006-5020 Main Street, and

WHEREAS the housing will consist of 17 studio units, each 552-656 square feet which are expected to rent for approximately \$1050-1200 per month; 80 one-bedroom, one-bath units, each 643-868 square feet which are expected to rent for approximately \$1150-1900 per month; 91 two-bedroom, two-bath units, each 913-1149 square feet which are expected to rent for approximately \$1300-2800 per month; and six three-bedroom, two and one-half bath units, each 1263-1405 square feet which are expected to rent for approximately \$1560-3700 per month. This project will provide 241 parking spaces for residents and 17,900 square feet of commercial space. The construction cost is estimated at \$36,770,000 and will provide approximately 173,000 labor hours of employment. Total property taxes to be exempted over 12 year are estimated to be approximately \$7,104,000 of which \$1,580,400 would be the City's portion. The land and commercial portions will continue to produce tax revenues. Projected increase in total sales tax generated over 12 years due to the project is \$12,000,000 of which \$1,500,000 would be the City's portion. Construction is expected to begin in Fall of 2017 and be completed by Winter of 2018, 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:

Parcel #8950003316 describes Parcel F in the City of Tacoma boundary Line Adjustment 200810145002 filed in the Pierce County Auditor's office.

Legal Description

A portion of Government Lots 1 and 2, Section 24 Township 21 North, Range 2 East, W. M, as recorded in the City of Tacoma Boundary Line Adjustment AFN 200810145002 Records of Pierce County, Washington, portion being Parcel F of said BLA more particularly described as follows:

That portion of Block 111 and of Lots 7 through 16, inclusive, Block 110, of the Plat of Tacoma Tide Lands, as recorded in Volume 2 of Plats, Pages 18 and 19, Records of Pierce county, Washington;

Together with that portion of Lots A and B of the Plat of M. S. Drew's, as recorded in Volume 1 of plats, page 16, Records of Pierce County, Washington; Together with that portion of vacated Front Street, also being a portion of Section 24, Township 21 North, Range 2 East, W.M. more particularly described as follows;

Commencing at the west quarter corner of said section, being a 2" brass disk scribed with an "X" set in an iron case from which the center west sixteenth corner of said section 24, being a stone scribed with an "X" bears S 88° 06' 22" E 1323.89 Feet;

Thence along the west line of said section 24, N 01° 29' 42" E, 1223.50 feet to the true point of beginning;

Thence continuing along said west line, N 01° 29' 42" E, 48.35 Feet;

Thence N 47° 16' 18" E, 282.33 Feet;

Thence S 42° 51' 51" E 439.88 Feet;

Thence S 48° 52' 33" E, 36.86 Feet;

Thence S 47° 08' 09" W, 155.69 Feet to the northeasterly margin of Rustin Way as conveyed by deed recorded under recording no. 359283, records of Pierce County;

Thence along said margin the following courses:

N 64° 35' 50" W, 219.95 Feet;

S 51° 29' 32" W, 2.71 Feet;

N 56° 51' 07" W, 216.42 Feet;

N 87° 35' 05" W, 39.57 Feet to the true point of beginning.

Situate in County of Pierce, State of Washington

"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.

14. This Agreement governs the property tax exemption for this property only and is not to be construed as approval of, or providing authority for, any other requirement under state or local law, including but not limited to building permits or variances.

15. The Applicant agrees that it has a current valid business license from the city and state, as applicable.

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

CITY OF TACOMA

Point Ruston, LLC

Elizabeth Pauli, City Manager

By: _____
Its: _____

Countersigned:

Ricardo Noguera, Director
Community & Economic Development

Andrew Cherullo, Finance Director

Attest:

Doris Sorum, City Clerk

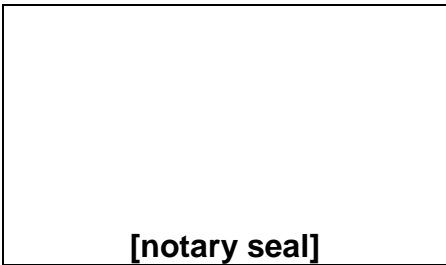
Approved as to Form:

Deputy City Attorney

STATE OF WASHINGTON)
) ss.
County of Pierce)

On this ____ day of _____, 2017, 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 Point Ruston, 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.



NOTARY PUBLIC
Printed Name: _____
Residing at _____
My commission expires _____