

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

THIS AGREEMENT is entered into this ____ day of _____, 2015, by and between Signature Investments, 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 16 market-rate and affordable rental housing units, located at 4017 and 4021 S Warner Street, and

WHEREAS the housing will consist of 16, two-bedroom, two-bath units of 1150 square feet which will rent for approximately \$1,195 per month. Each unit will have a one car garage. The construction cost is estimated at \$1,600,000 and will provide approximately 7,500 labor hours of employment. Annual property taxes to be exempted are estimated to be approximately \$27,700 of which \$6,000 would be the City's portion. The land portion will continue to produce tax revenues. Construction is expected to begin in the summer of 2015 and be completed within 10 months, 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:

Parcels 2890000272 & 2890000282

That portion of the Northwest quarter of the Southwest quarter of Section 18, Township 20 North, Range 03 East, W.M. more particularly described as follows:

Lots 9 and 10 and the North half of Lot 11, Block 11, Cascade Park Addition to the City of Tacoma, W.T., according the Plat recorded in Book 1 of Plats at Page 120 records of Pierce County Auditor

Except the West 3 feet thereof.

Also known as Lot 1 of City of Tacoma Boundary Line Adjustment NO.

40000058714 recorded January 06, 2006 as recording number 200601065005 in the official records of Pierce County)

Also:

That portion of the Northwest quarter of the Southwest quarter of Section 18, Township 20 North, Range 03 East, W.M. more particularly described as follows:

Lots 12 and 13 and the South half of Lot 11, Block 11, Cascade Park Addition to the City of Tacoma, W.T., according the Plat recorded in Book 1 of Plats at Page 120 records of Pierce County Auditor

Except the West 3 feet thereof.

Also known as Lot 2 of City of Tacoma Boundary Line Adjustment NO.

40000058714 recorded January 06, 2006 as recording number 200601065005 in the official records of Pierce County)

Situate in the City of Tacoma, 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.

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

CITY OF TACOMA

Signature Investments

T.C Broadnax, City Manager

By: _____
Its: _____

Countersigned:

Ricardo Noguera, Director
Community & Economic Development

Andrew Cherullo, Finance Director

Attest:

Doris Sorum, City Clerk

