

**MULTI-FAMILY HOUSING 8-YEAR LIMITED PROPERTY
TAX EXEMPTION AGREEMENT**

THIS AGREEMENT is entered into this ____ day of _____, 2016, by Overlook Place, 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 multi-family 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 an eight 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 an eight year limited property tax exemption to develop 12 market-rate housing units, located at 624 East 32nd Street, and

WHEREAS the housing will consist of 6 one bedroom/one bath units and 6 two bedroom/two bath units. The one bedroom units will range from 600-700 square feet and rent from \$850 to \$950 per month. The two bedroom units will range from 800-900 square feet and rent from \$1,250 to \$1,450 per month. The project will include 12 on-site residential parking stalls. The project will provide housing for both individuals and small families. Construction cost is estimated at \$1,500,000 and will provide approximately 7,000 labor hours of employment. Annual property taxes to be exempted from the housing project are estimated to be approximately \$25,200 of which \$ 5,700 would be the City's portion. The land will continue to produce tax revenues. Construction is expected to begin in Fall of 2016 and be completed in February of 2017, and

WHEREAS the Applicant has submitted to the City preliminary site plans and floor plans for multi-family residential housing to be created on said property and described more specifically as follows:

LEGAL DESCRIPTION

Parcel 2082260060 Description

That portion of the Northeast quarter of the Southeast quarter of Section 09, Township 20 North, Range 03 East, W.M. more particularly described as follows:
Lots 10, 11, and 12, Block 8226, Tacoma Land Company's First Addition to Tacoma, W.T. according to the map thereof filed for record on July 7, 1884, in the office of the county auditor, in Pierce County, Washington

Together with that portion of East 32nd Street vacated by City of Tacoma Ordinance No. 27441 recorded under recording number 200604120632.

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 an eight 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 multi-family 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 multi-family permanent residential units nor shall it provide fewer than half of its total residential units as permanent housing.

3. 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.

4. 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 multi-family 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.

5. 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 an eight year Final Certificate of Tax Exemption with the Pierce County Assessor-Treasurer.

6. 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 eight 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 multi-family 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.

7. If the Applicant converts to another use any of the new multi-family 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.

8. 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.

9. The City reserves the right to cancel the eight 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.

10. No modifications of this Agreement shall be made unless mutually agreed upon by the parties in writing.

11. 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

OVERLOOK PLACE, LLC

T.C. Broadnax
City Manager

By: _____
Its: _____

Countersigned:

Ricardo Noguera, Director
Community & Economic Development Dept.

Andrew Cherullo, Director
Finance Department

Approved as to Form:

Deputy City Attorney

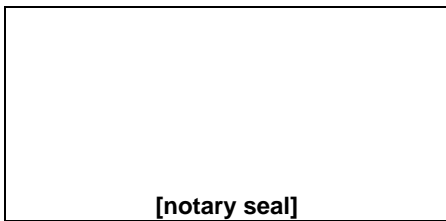
Attest:

Doris Sorum, City Clerk

STATE OF WASHINGTON)
) ss.
County of Pierce)

On this ____ day of _____, 2016, 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 Overlook Place, 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 _____