



Hailey Apartments 1210 Tacoma Ave S.

Community & Economic Development Department

**City Council Meeting
April 30, 2019
Resolution Nos. 40316 & 40317**



OVERVIEW



- Request to approve Third Amendment to Development Agreement
- Request to approve change from 12 year tax exemption to 8 year property tax exemption

BACKGROUND



- **July 27, 2016:** City issued a Request for Developer Interest to build mixed used development at 1210 Tacoma Ave S.
- **December 22, 2016:** Development agreement was entered into between the City of Tacoma and HQC USA LLC.
- **October 20, 2017:** Construction began on the Hailey Apartments.
- **July 2018:** Construction halted.

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Third Amendment



- No later than April 30, 2019, Developer must provide a fully executed commitment letter from a lender demonstrating that the Developer has secured 100% financing to complete its proposed project on the Property.
- Increase the number of units from 150 to 186.
- Developer shall submit for permit revisions to the City by June 4, 2019.

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••• Third Amendment



- Developer shall re-commence construction by September 3, 2019.
- Developer shall complete construction and commence operating, having obtained a certificate of occupancy, by December 31, 2020 which is 15 months later than originally anticipated.

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••• Tax Exemption Agreement



- HQC USA LLC has changed their funding model for this project.
- Secured financing through a construction loan.
- Increased units from 150 to 186
- Due to the increased costs of the project, the lender is requiring an all market rate project.

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●●● Tax Exemption Agreement



Number of units	Type of Unit	Size	Expected Rental Rate
13	Studio	450-500 SQFT	\$1200-\$1400
143	One bedroom, one bath	490-1150 SQFT	\$1500-\$1700
30	Two bedroom, one & two bath	950-1090 SQFT	\$ 2200-\$2400

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THE HAILLEY APARTMENT
HQC USA LLC

1210 TACOMA AVE S, TACOMA, WA 98402

STUDIO 19 ARCHITECTS

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