



## RESOLUTION NO. 39815

1 A RESOLUTION relating to community and economic development; authorizing  
2 the execution of an Amended and Restated Agreement and Quit Claim  
3 Deeds with North America Asset Management Group, LLC, for the  
4 development of the Town Center located between South 21st and South  
5 23rd Streets and Jefferson Avenue to Tacoma Avenue.

6 WHEREAS, in 2015, North America Asset Management Group,  
7 LLC (“NAAM”) proposed an approximately \$125 million mixed-use project on a  
8 6.4-acre City-owned site located downtown, between South 21st and South 23rd  
9 Streets and Jefferson to Tacoma Avenues, adjacent to the University of  
10 Washington Tacoma, and

11 WHEREAS, on August 18, 2015, the City entered into a Purchase and Sale  
12 and Development Agreement (“PSA”) with NAAM, subject to City Council  
13 ratification, which occurred on June 14, 2016, pursuant to Resolution No. 39468,  
14 for the purpose of developing the Town Center project on the approximate 6.4-acre  
15 site, and

16 WHEREAS the PSA has been amended twice: the First Amendment, dated  
17 June 14, 2016, primarily adjusted the legal description to remove a portion of real  
18 property to be dedicated as additional right-of-way for South 23rd Street and,  
19 consequently, the Purchase Price to \$3,451,228; updated the Development Plan;  
20 and extended the construction timeline, and

21 WHEREAS the Second Amendment, entered into on December 13, 2016,  
22 required a \$2.4 million non-refundable deposit, altered the project phasing;  
23 increased the residential density, and extended the construction timeline, and  
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WHEREAS the Town Center project will be developed in three stages:

1 Phase 1A (South 23rd Street and Jefferson Avenue); Phase 1B (South 21st Street  
2 and Jefferson Avenue); and Phase 2 (Fawcett Street to Tacoma Avenue), and

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4 WHEREAS, although the project will be developed in three stages, the  
5 entire 6.4-acre development site will be conveyed at one time to allow NAAM to  
6 invest in and construct the offsite improvements that encompass the whole  
7 property, which improvements include, but are not limited to, erosion control from  
8 South 21st to South 23rd Streets at Jefferson and Fawcett Avenues; paving  
9 South 21st Street from Jefferson to Tacoma Avenues; constructing storm drains  
10 throughout the site; demolishing sanitary sewer in vacated Court E; eliminating  
11 power lines in vacated Court D and Court E, along with the associated public utility  
12 easement releases; and installing electrical lines along Fawcett Avenue from  
13 South 21st to South 23rd Streets to complete the loop, as well as other  
14 infrastructure work, and

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17 WHEREAS NAAM is requesting additional amendments to the Development  
18 Agreement, which include final closing and development requirements, as well as  
19 strengthening the City's reacquisition rights to the site and memorializing a  
20 commitment by NAAM to contribute \$750,000 to fund the South 21st Street  
21 improvements adjacent to the Property, and

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23 WHEREAS key provisions of the Third Amendment are as follows:

24 (1) NAAM must demonstrate that it has financing available to  
25 complete Phase 1A of the project, which is estimated to cost \$35 million. Such  
26 funding must be transferred to the U.S. and will be required prior to property



1 conveyance. NAAM must submit evidence of the funds within 90 days of acquiring  
2 title to the Property. If it does not meet this requirement, the City will be enabled to  
3 reacquire the Property at the Purchase Price.

4 (2) Project financing milestones are established for Phase 1B and  
5 Phase 2. NAAM must show the City proof of financing to complete the \$45 million  
6 Phase 1B project by December 31, 2018, and the \$45 million Phase 2 project  
7 within four months after receiving a Certificate of Occupancy for Phase 1B, which  
8 is estimated to occur by March 31, 2021. The City will have the right to reacquire  
9 the undeveloped Property at the prorated Purchase Price if these requirements are  
10 not met and seek other investors to complete buildout of the site.

11 (3) NAAM will increase residential density from a total of 530 to at  
12 least 600 units, decrease retail/service commercial space from 220,000 square  
13 feet to 200,000 square feet, maintain at least 50,000 square feet of office space,  
14 and reduce the number of parking stalls from 635 to 600, and

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17 WHEREAS staff recommends that the City Council approve the execution of  
18 an Amended and Restated Agreement, as more specifically set forth in the  
19 agreement on file in the office of the City Clerk, and the execution of Quit Claim  
20 Deeds to convey the 6.4-acre site, excluding Fawcett Avenue, to NAAM for the  
21 sum of \$3,451,228, upon meeting the Development Agreement requirements for  
22 property conveyance; Now, Therefore,

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

25 Section 1. That the proper officers of the City are hereby authorized to  
26 execute an Amended and Restated Agreement and Quit Claim Deeds with North



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America Asset Management Group, LLC, for the development of the Town Center, located between South 21st and South 23rd Streets and Jefferson Avenue to Tacoma Avenue, said documents to be substantially in the form of the Amended and Restated Agreement and Quit Claim Deeds on file in the office of the City Clerk.

Section 2. That the City Manager is 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 attached to this Resolution, and this Resolution.

Adopted \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Deputy City Attorney