

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

**THIS AGREEMENT** is entered into this 22<sup>nd</sup> day of September, 2014 by and between Urban Olympia III, LLC, hereinafter referred to as the "Applicant" and the City of Olympia, Washington, a municipal corporation hereinafter referred to as the "City".

**WITNESSETH:**

WHEREAS, the City has an interest in encouraging new construction or rehabilitation of multi-family housing in Residential Target Areas in order to reduce development pressure on single-family residential neighborhoods, to increase and improve housing opportunities, and to encourage development densities supportive of transit use; and

WHEREAS, the City has, pursuant to the authority granted to it by Chapter 84.14 RCW, designated various Residential Target Areas for the provision of a limited property tax exemption for new multi-family residential housing; and

WHEREAS, the City has, through Olympia Municipal Code Chapter 5.86, enacted a program whereby property owners may qualify for a Final Certificate of Tax Exemption which certifies to the Thurston County Assessor-Treasurer that the owner is eligible to receive a limited property tax exemption; and

WHEREAS, the Applicant is interested in receiving a limited property tax exemption for constructing nineteen (19) units of new multi-family residential housing in the Downtown Residential Target Area; and

WHEREAS, the Applicant has submitted to the City preliminary site plans and floor plans for new multi-family residential housing to be constructed on property situated approximately at 600 Franklin St. SE, Olympia, WA 98501 and described more specifically as follows:

County Assessor's Parcel Number: 78503600100

Legal Description: See Attached Exhibit "A"

Street Address: 600 Franklin St., SE, Olympia, WA 98501

Herein referred to as the "Site"; and

WHEREAS, the Director of the Department of Community Planning and Development has determined that the improvements will, if completed and operated as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; and

WHEREAS, the Olympia Municipal Code requires an applicant for a limited property tax exemption to enter into a contract with the City, in which the applicant agrees to implement the proposed project on terms satisfactory to the Olympia City Council so as to maintain the improvements' eligibility for the limited property tax exemption;

**NOW, THEREFORE**, in exchange for the City's consideration of the applicant's request for a Final Certificate of Tax Exemption, the Applicant and the City mutually agree as follows:

1. The City agrees to issue the Applicant a Conditional Certificate of Acceptance of Tax Exemption.
2. The Applicant shall 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 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 shall complete construction of the agreed upon improvements within three (3) 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 shall, upon completion of the improvements and upon issuance by the City of a temporary or permanent Certificate of Occupancy, file with the City's Community Planning and 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.
  - D. A Restrictive Covenant Agreement in a form acceptable to the City Attorney, if the property qualifies for the 12-year, pursuant to OMC 5.86.040(A)(2)(b).
5. Upon 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, and upon the City's approval of a Final Certificate of Tax Exemption, the City shall file the Final Certificate with the Thurston County Assessor-Treasurer.
6. The Applicant shall, within thirty 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 (8) years, file a notarized declaration with the City's Community Planning and 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, during the term of any Final Certificate of Tax Exemption, the Applicant converts to another use any of the new multi-family residential housing units constructed under this Agreement, the Applicant shall notify the Thurston County Assessor-Treasurer and the City's Department of Community Planning and Development within sixty (60) days of such change in use. The City may, in its sole discretion, revoke and cancel the Final Certificate of Tax Exemption effective on the date of the Applicant's conversion of any of the multi-family residential housing units to another use.
8. The applicant shall notify the City promptly of any transfer of the Applicant's ownership interest in the Site or in the improvements made to the Site under this Agreement.
9. In addition to any other powers reserved to the City by law the City may, in its sole discretion, cancel the 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 the Agreement shall be made unless mutually agreed upon by the parties in writing.
11. The applicant shall enter into a "Restrictive Covenants Agreement," in a form acceptable to the City Attorney. Said Agreement shall be deemed covenants running with the land and shall pass to and be binding upon Grantor's successors in title including any purchaser, grantee, owner or lessee of any portion of the Property and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, owner or lessee of any portion of the Property and any other person or entity having any right, title or interest therein. Grantor shall not transfer the Property or any portion thereof or interest therein to any successor without providing written notice to the City at least ninety (90) days prior to such transfer.
12. 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 terms or clause, and to this end, the terms of the 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 OLYMPIA**

By: \_\_\_\_\_  
Steven R. Hall, City Manager

Approved as to form:

By: \_\_\_\_\_

City Attorney

By: Darren Pienaber

**PROPERTY OWNER(S)**

By: [Signature]  
Authorized Representative

By: Walker John

By: \_\_\_\_\_

STATE OF WASHINGTON     )  
  ) ss.  
COUNTY OF THURSTON    )

On the 22 day of September 2014, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Steven R. Hall, to me known to be the City Manager of the City of Olympia, a municipal corporation, who executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned and on oath states that he is authorized to execute the said instrument.

WITNESS my hand and official seal the day and year first above written.



Jodi Wunder  
Signature  
Print Name: Jodi Wunder  
NOTARY PUBLIC in and for the State of  
Washington, residing at Tacoma, WA  
My commission expires 6-29-17

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2014\_\_, before me, the undersigned a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_ to me known to be \_\_\_\_\_ [a Washington Limited Partnership\_\_\_\_] who executed the foregoing instrument and acknowledged the said instrument to be his/her/their free and voluntary act and deed of said [limited partnership] for the uses and purposes therein mentioned and on oath stated that he/she/they is/are authorized to execute the said instrument on behalf of the [limited partnership].

WITNESS my hand and official seal hereto affixed on \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,

Residing at \_\_\_\_\_

My commission expires: \_\_\_\_\_