

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

THIS AGREEMENT is effective as of the date of the last authorizing signature below. The parties (“Parties”) to this Agreement are 505 Union Avenue LLC, a Washington limited liability company (the “Applicant”) and the City of Olympia, Washington, a municipal corporation (the “City”).

RECITALS

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 City has an interest in encouraging new construction or rehabilitation of, or conversion to, multi-family housing in Residential Target Areas in order to increase and improve housing opportunities, and to encourage development densities supportive of transit use; and

WHEREAS, the Applicant is interested in receiving a limited property tax exemption for converting an existing office building to 64 units of new multi-family residential housing in the Downtown Residential Target Area; and

WHEREAS, in accordance with Olympia Municipal Code Chapter 5.86.040(2), the Applicant will rent all 64 units as affordable to households whose gross annual income does not exceed 80 percent of Median Family Income adjusted for household size for the Olympia-Tumwater Metropolitan Statistical Area as determined by the U.S. Department of Housing and Urban Development.

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 505 Union Ave. SE, Olympia, WA and described more specifically as follows:

Assessor’s Parcel #: 78205600100
Legal Description: Parcel 1:
Lots 1 and 2 in Block 56 of Swan’s Addition to
Olympia, as recorded in Volume 1 of Plats, Page

37; Together with that portion of vacated Jefferson Street adjoining said Lot 1 on the west; in Thurston County, Washington.

Parcel 2:

Lot 3 in Block 56 of Swan's Addition to Olympia, as recorded in Volume 1 of Plats, Page 37; except the east 5 feet thereof; in Thurston County, Washington.

Street Address: 505 Union Ave., SE
Olympia, WA 98501

Referred to in this Agreement as the "Property"; and

WHEREAS, the Director of the Department of Community Planning and Economic 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 shall issue the Applicant a Conditional Certificate of Acceptance of Tax Exemption.
2. The Applicant shall create on the Property 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 may this project provide fewer than 64 new multi-family permanent residential units.
3. The Applicant shall complete 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 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 entirety of the Site;

- 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. 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 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 12 years, file a notarized declaration with the City's Community Planning and Development Department indicating the following:
- A. An emailed or electronically submitted statement of occupancy and vacancy of the multi-family units during the previous year in Excel spreadsheet format that includes monthly rent by unit and the income of each household at the time of initial occupancy;
 - B. A notarized certification that the Property continues to be in compliance with this Agreement and RCW 84.14; and
 - C. A description of any subsequent improvements or changes to the Property;
 - D. The total monthly rent by unit; and
 - E. The income of each renter household at the time of initial occupancy.
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 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. Applicant shall notify the City promptly of any transfer of the Applicant's ownership interest in the Property or in the improvements made to the Property under this Agreement.
9. No rental occupancy is permitted on a transient basis. This includes rental accommodation that is leased/rented for a period of less than one month.
10. 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, or its

successors or assigns, fail to comply with any of the terms and conditions of this Agreement.

11. No modification of the Agreement is effective unless mutually agreed upon by the Parties in writing.
12. Any lawsuit related to or arising out of this Agreement must be filed and maintained only in Thurston County Superior Court for the State of Washington.
13. In the event that any term or clause of this Agreement conflicts with applicable law, such conflict does 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.

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

CITY OF OLYMPIA

By: _____ Date: _____
Steven J. Burney, City Manager

APPROVED AS TO FORM:

By: Michael M. Young
Senior Deputy City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

On this ___ day of _____, 2025, before me, the undersigned a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Steven J. Burney, to me known to be City Manager of the City of Olympia, a Washington Municipal Corporation, who executed the foregoing instrument and acknowledged the said instrument to be his free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned and on oath stated that he is authorized to execute the said instrument on behalf of the City of Olympia.

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

Signature
Print Name: _____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My Commission expires: _____

