

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

**THIS AGREEMENT** is effective as of the date of the last authorizing signature affixed hereto. The parties (“Parties”) to this Agreement are 3<sup>rd</sup> Generation Investment Group 2 LLC, hereinafter referred to as the “Applicant” and the City of Olympia, Washington, a municipal corporation, hereinafter referred to as the “City”.

**RECITALS**

**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 seventy five (75) 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 510 State Ave NE, Olympia, WA and described more specifically as follows:

Assessor’s Parcel #:	66130000411
Legal Description:	Lot 11 of Olympia Area Rowing Biding Site Plan Third Amendment as recorded February 13, 2018 under Auditor’s File No. 4611194, Records of Thurston County, Washington. Subject to Easement recorded under Auditor’s File No. 4288190, and Easement filed under Auditor’s File No. 4288189 Records of Thurston County, Washington
Street Address:	510 State Ave NE, Olympia, WA

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. Each of the recitals set forth above are by this reference incorporated into this Agreement as fully set forth herein.
2. The City agrees to issue the Applicant a Conditional Certificate of Acceptance of Tax Exemption.
3. 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.
4. 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.
5. 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.
6. 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 5 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.
7. 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. 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.
8. 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.
  9. 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.
  10. No rental occupancy will be permitted on a transient basis. This includes rental accommodation that is leased for a period of less than on (1) month.
  11. 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.
  12. No modifications of the Agreement shall be made unless mutually agreed upon by the parties in writing.
  13. The venue for any dispute related to this Agreement shall be in Thurston County Superior Court for the State of Washington.
  14. 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.



