

**MULTI-FAMILY HOUSING
8-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 Urban Olympia 11A, LLC (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 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 constructing 57 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 505 Legion Way SE, Olympia, WA and described more specifically as follows:

Assessor’s Parcel #:	78505600100
Legal Description:	Section 14 Township 18 Range 2W Quarter SW SE & NW SE Plat SYLVESTER TOWN OF OLYMPIA BLK 56 LT 1 & 2 Document 001/014 ALSO SWANS ADDITION TO OLYMPIA 002/015 LT 2 S2 LYING WLY OF LN
Street Address:	505 Legion Way SE, 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; and

WHEREAS, the Olympia City Council amended provisions of the Olympia Municipal Code governing the City's MTFE program in Ordinance No. 7386, passed December 19, 2023, and effective on or about January 19, 2024. Because the Applicant submitted its application for a Final Certificate of Tax Exemption prior to the effective date of those amendments (the Applicant's application was submitted October 13, 2023), this Agreement, and the Applicant's eligibility for a Final Certificate of Tax Exemption, is governed by the Code provisions in effect at the time of the application.

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 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 may the Applicant construct fewer than 57 new multi-family permanent residential units.
3. The Applicant shall complete construction of 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 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.
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 eight 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 Site or in the improvements made to the Site under this Agreement.
9. No rental occupancy is permitted on a transient or short-term basis. This includes rental accommodation that is leased/rented for a period of less than one month including a "short-term rental" as defined in the Olympia Municipal Code.
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.

