



Don Anderson  
Mayor

Jason Whalen  
Deputy Mayor

Mary Moss  
Councilmember

Michael D. Brandstetter  
Councilmember

John Simpson  
Councilmember

Marie Barth  
Councilmember

Paul Bocchi  
Councilmember

John J. Caulfield  
City Manager

November 22, 2016

**NOTICE**  
**CHANGE OF LOCATION FOR**  
**LAKEWOOD CITY COUNCIL STUDY SESSION**  
**AND**  
**LAKEWOOD CITY COUNCIL SPECIAL MEETING**

Notice is hereby given that the Lakewood City Council Study Session of Monday, November 28, 2016, will be held at 7:00 p.m., at the Lakewood Police Station, Multi-Purpose Room, 9401 Lakewood Drive SW, Lakewood, Washington.

Following the City Council Study Session, the City Council will hold a Special Meeting at the same location. The purpose of the Special Meeting is to consider Resolution No. 2016-23 to set Monday, December 5, 2016, at approximately 7:00 p.m., as the date for a public hearing, before the City Council, to consider the proposed assumption of the rights, powers, functions, and obligations of the existing City of Lakewood Transportation Benefit District.

Alice M. Bush, MMC  
City Clerk



## LAKEWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, November 28, 2016

7:00 P.M.

Lakewood Police Station

Multi-Purpose Room

9401 Lakewood Drive SW

Lakewood, WA 98499

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Page No.

### CALL TO ORDER

### ITEMS FOR DISCUSSION:

- ( 4) 1. Joint Youth Council meeting. – (Work Plan)
- ( 5) 2. Review of Springbrook Apartments Multi-Family Tax Exemption Credits. – (Memorandum)

### REPORTS BY THE CITY MANAGER

### ITEMS TENTATIVELY SCHEDULED FOR THE DECEMBER 5, 2016 REGULAR CITY COUNCIL MEETING:

- 1. Business showcase. – *Classy Chassis, Mr. Corey Campbell*
- 2. Proclamation recognizing Charlie Maxwell. – *Mr. Charlie Maxwell, Public Relations Director, LeMay Pierce County Refuse*
- 3. West Pierce Fire & Rescue Life Saving Awards – *Police Officer Brian Weekes and Police Officer Arron Grant*
- 4. Youth Council Report.
- 5. Clover Park School District Report.
- 6. Appointing members to serve on the Community Services Advisory Board. – (Motion – Consent Agenda)

*The Multi-Purpose Room is accessible to persons with disabilities. Equipment is available for the hearing impaired. Persons requesting special accommodations or language interpreters should contact the City Clerk's Office, 589-2489, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.*

<http://www.cityoflakewood.us>

*The Multi-Purpose Room will be closed 15 minutes after adjournment of the meeting.*

7. Appointing members serve on the Planning Commission. – (Motion – Consent Agenda)
8. Appointing members serve on the Landmarks & Heritage Advisory Board. – (Motion – Consent Agenda)
9. Appointing members serve on the Lakewood Arts Commission. – (Motion – Consent Agenda)
10. Appointing members serve on the Public Safety Advisory Committee. – (Motion – Consent Agenda)
11. Authorizing the execution of an agreement with Aspect Consulting and Cardno GS relative to the assumption of consulting services. – (Motion – Consent Agenda)
12. This is the date set for a public hearing by the City Council concerning the City of Lakewood's intent to assume the rights, powers, functions and obligations of the City of Lakewood's Transportation Benefit District. – (Public Hearings and Appeals – Regular Agenda)
13. Approving the Springbrook Apartments Multi-Family Tax Exemption Credits. – (Resolution – Regular Agenda)
14. Authorizing the execution of an agreement with the Tacoma-Pierce County Humane Society, in the amount of \$94,432, for animal sheltering services from January 1, 2017 through December 31, 2017. – (Motion – Regular Agenda)

## **COUNCIL COMMENTS**

## **ADJOURNMENT**

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<http://www.cityoflakewood.us>

*The Multi-Purpose Room will be closed 15 minutes after adjournment of the meeting.*

## **Youth Council Work Plan 2016-2017**

### **Members:**

Albert James - Lakes  
Alex Wright - Lakes  
Ayana Rice - CP  
Brittany Higgs - HP  
Carlos Alvarez – CP  
Carolina Robles – HP  
Cassandra Daniels – HP  
Cassidy Barnes – HP  
Chelsea Caranto – HP  
Claudia Penney – HP  
Damita Gomez – Covenant  
Dante Ost – HP  
Diana Carney – HP  
Halla Mannering – HP  
Jack Gonzalez – HP  
Jodelein Garcia – CP  
Lindon Coulter-Peterson – Bellarmine Prep  
Nicole Van Guilder – HP  
Peyton Gomez – Covenant  
Siobhan Wells – Lakes  
Therese Pacio – HP  
Tiana Arzuaga - HP

### **Council Liaison:**

Councilmember Mike Brandstetter

### **Meeting Schedule:**

First & third Monday of each month in the Mt. Rainier room at City Hall and CPSD Student Services Center room 18 beginning at 6:00pm

### **Significant Accomplishments to Date:**

- CPSD Superintendent & School Board meetings, ongoing
- Make a Difference Day, October 22, 2016
- Truck & Tractor Day, October 29, 2016
- Stuff the Bus (Caring for Kids), November 5, 2016

### **Upcoming:**

- Christmas Tree Lighting, December 2, 2016
- WRPA Teen Leadership Summit, December 3, 2016
- Holiday Fair (Caring for Kids), December 10, 2016
- Dr. Martin Luther King, Jr. Celebration, January 14, 2017
- Youth Legislative Day, January 28 & 29, 2017
- Lkwd First Lions Crab Feed, February 4, 2017
- Daddy/Daughter Dance, March 11, 2017
- Parks Appreciation Day, April 22, 2017
- Relay for Life, June 2 & 3, 2017



TO: Mayor and City Councilmembers

FROM: Courtney Casady, Assistant to the City Manager and David Bugher,  
Assistant City Manager

THROUGH: John Caulfield, City Manager *John E. Caulfield*

DATE: November 28, 2016

SUBJECT: Multi Family Tax Exemption Conditional Certificate- Springbrook  
Apartments

**Purpose:** The purpose of this memo is to present a project proposal for a multi-family tax exemption project located in the City's Tax Incentive Urban Use Center.

**Background:** An application for an eight year tax exemption was filed with the City of Lakewood on October 7, 2016. Staff has reviewed the application and made the following determinations:

1. The target area is located within a designated Tax Incentive Urban Use Center;
2. The target area lacks sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would likely live in the Urban Use Center if desirable, attractive and livable places were available; and
3. The providing of additional housing opportunity, including affordable housing, in the target area will assist in achieving at least one the following purposes:
  - a. Encourage increased residential opportunities within the target area; or
  - b. Stimulate the construction of new multi-family housing and the rehabilitation of existing vacant and under-utilized buildings for multi-family housing.

**Project Description:** The applicant is proposing to construct a 208 unit multi-family residential development on approximately 7.08 acres located 12623 Bridgeport Way SW, Lakewood, Washington Pierce County Assessor's Parcel (APN's) #0219123009, 0219123111, 0219123110, 0219123088, and 0219123086. The properties are located on the northeast of the intersection of San Francisco Avenue SW and Bridgeport Way SW. The proposed development use type is Multi-Family Level 2, and Residential Accessory. Three of the parcels, (0219123110, 0219123111, and 0219123088) are zoned Neighborhood Commercial 2 (NC2); the clubhouse and additional parking are being designated

Residential Accessory uses and are primarily permitted in the NC2 zone. The remaining parcels, (0219123009 and 0219123086) are zoned Multi-Family Three (MF3), the proposed housing units are designated Multi-Family Level 2 which is a primary permitted use in the MF3 zoning district.

The project site currently has one single family residence, one duplex and a commercial building. Prior to construction, all three structures located on the properties will be removed. The new development will consist of nine (9) structures containing a 3,137 square foot clubhouse as well as, two hundred and eight (208) single family apartment homes including: twelve (12) one bedroom efficiency units, sixty eight (68) one bedroom units, thirty two (32) one bedroom with den units, and ninety six (96) two bedroom units, all intended for permanent residential occupancy. The total new construction project cost is estimated to be \$35,827,667.

This project is being financed using a 221d4 HUD insured loan through Berkadia Capital Markets. The loan is 40 years fixed rate and is fully amortized. Given the length of the loan, HUD requirements dictate a 50 year building project either meeting or exceed City code requirements. A letter dated November 22, 2016 signed by the applicant, Donald Bartlett, is attached to this memo and includes a project schedule and a list of ways that this project is anticipated to exceed the City of Lakewood's code requirements. It is important to note, that all permit fees, and monies owed to the City in the total of \$235,000 for road and park improvements, will be paid through escrow and received prior to the Building Permits being issued.

**Next Steps:** The project meets all of the requirements for an eight year tax exemption. The Lakewood Municipal Code requires a signed contract between the applicant and the City which is to be approved by resolution.

1. Staff recommends that the City Council review and provide comments regarding the project proposal and the "Agreement Regarding Tax Incentive Urban Use Center Development" (attached).
2. On December 5, 2016, staff will present a resolution to adopt a housing tax exemption contract for the proposed housing tax exemption between Donald Bartlett, Springbrook SPE, LLC and the City of Lakewood.

**Attachments:**

1. Letter from Momentum Partners Dated November 22, 2016
2. Project Application
3. Proposed Project Site Plan
4. Design Concept
5. Agreement Regarding Tax Incentive Urban Use Center Development
6. Project Power Point Presentation

November 22, 2016

Courtney Casaday  
City of Lakewood  
City Manager Department  
00 Main Street SW  
City of Lakewood, WA 98499

RE: Springbrook Apartments Multi-family Tax Exemption Conditional Certificate  
Request for Information

Dear Courtney,

You have requested that we provide additional information regarding the Springbrook Apartments project to supplement the application materials previously provided for the Multi-family Tax Exemption Conditional Certificate. Accordingly, this letter and the enclosed attachments provide the additional information.

### Project Schedule

You have requested we provide a schedule for project construction, financing as well as the timing for City receipt of the \$235,000 due for roadway and park improvements. Below is a summary and graphic illustration of the schedule.

	2016		2017						2018
	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
<b>PERMIT SCHEDULE</b>									
SEPA / Site Development Permits									
Council Approval of Conditional Certificate		★							
Building Permits									
<b>FINANCING / CLOSING SCHEDULE</b>									
Payment to City of Lakewood						★			
Closing of HUD Loan						★			
Purchase of Property						★			
<b>CONSTRUCTION SCHEDULE</b>									
Construction									→ July 2018

#### Permit Schedule

We will be submitting for SEPA and Site Development Permits the week of November 21, 2016. We will be submitting for building permits immediately after Council approval of the Conditional Certificate for the MFTE. We are anticipating approval of all permits will be received/finalized prior to April 2017.

#### Financing / Closing Schedule

HUD will release funds for the project as soon as we provide approved building plans, therefore the expected closing date is tied to issuance of the building permits, which is estimated to be April 2017. At loan closing all properties will be purchased by Springbrook Development LLC.

At closing the City of Lakewood will also be paid the \$235,000 owed for payment of improvements to Bridgeport Road (\$185,000) and Springbrook Park (\$50,000) as previously agreed to. This payment is listed in the HUD loan Contractor's / Mortgagor's Cost Breakdown as line item 40 "Offsite Costs", a copy of which is enclosed.

#### Construction Schedule

The project will begin construction as soon as the building permits are issued. At this time we have estimated that to be April 2017. The construction is expected to be continuous through July 2018. A copy of the "Construction Progress Schedule" prepared for the HUD loan package is provided.

#### **Project Details**

The project will meet all City code requirements and, in many ways, exceed them. As you know the project is obtaining financing from the US Department of Housing and Urban Development (HUD). HUD dictates a 50-year building product that either meets or exceeds City code requirements.

Color Elevations - Enclosed are color elevations of the proposed buildings. Each building will have different colors and a slightly different look, however there will be overall design continuity by using similar elements throughout the project. Exterior materials will consist of fiber cement lap siding, board and batten and fiber cement panels. The lap siding will use a mix of four and eight inch exposure to provide variation and break down the scale of the building. The first floor will have a stone veneer. We will bring a materials board and 3-D color renderings of the project to the Council work session on Nov. 28th.

Common Open Space/Recreation – Lakewood Municipal Code requires at least 30 square feet of common open space/recreation area, which equates to a total of 6,240 square feet for the 208-unit project. The project proposes a 1,632 square foot centralized playground area to include picnic tables, play structure and open lawn. The project will also provide a 3,137 square foot clubhouse to include a Great Room for resident parties and gatherings. The project will also provide a fitness center, an outdoor saltwater pool and spa and pool house with showers and restrooms. The playground and pool/clubhouse area will have a privacy screen/sound barrier wall between the facilities and the street. In addition there are open lawn areas totaling 10,390 square feet. Altogether the project is providing more than 15,159 square feet of open space exceeding the code requirement by 41% percent. In addition, the project is contributing \$50,000 toward improvements to Springbrook Park.

Private Open Space – Lakewood Municipal Code requires private open space be included in addition to common space for each unit. The code requires that balconies be a minimum of 6 feet in length. Each of the Springbrook upper floor units have an 8-foot by 13-foot covered balconies. The scale of the balconies further assists with providing building modulation. The first floor units have privacy screens and a patio or lawn area.

Landscaping – The landscape planting at Springbrook Apartments exceeds the minimum code requirements. For example, the vast majority of the parking lot islands are greater than the 4' minimum width, and in one case provides more than the one required tree. Additionally, the street trees along Addison Street SW are spaced at 25' on center, as opposed to the minimum spacing of 30' on center. Extra care was taken to ensure that the layout of the trees responded to curb cuts and create an overall

rhythm. The clubhouse and playground area have ornamental trees above and beyond what is required, which are placed in such a way to frame the amenities, provide screening and identity. The main lawn has a few more trees than is minimally required in order to provide a sense of scale and entry appropriate for the space.

**Parking** – The project is meeting the City code requirement for parking. In addition to surface parking we are also providing garages and carports. In general all parking areas are located beside or behind buildings and the buildings front upon streets.

**Refuse Facilities** – The refuse containers are conveniently located for pickup. The project will provide curbside garbage valet service.

**Unit Upgrades** - All units will have air conditioning and will be energy efficient to reduce operating costs. Other unit upgrades include the use of stainless steel appliances, granite counters and 9-foot tall ceilings. In addition we have upgraded the acoustic rating for the exterior and interior walls. For interior walls between units the IBC requirement for STC (sound transmission class) is a rating of 50 and the project is providing a STC rating of 52. For the floor and ceiling walls the STC rating requirement is 50 and we are providing STC 60.

**Security** – The grounds will be fully enclosed with a metal estate fence (wrought iron appearance) and entries will be gated.



**Example of Estate Type Fence**

**Roadway Improvements** – The project is contributing its fair share to the frontage improvements completed by the City for Bridgeport Way SW and San Francisco Ave SW in the amount of \$185,000. In addition, frontage improvements to Adison Street include overlay and sidewalks.

**Relocation Assistance** – Although not specifically required by HUD or the City of Lakewood, the developer is providing relocation assistance to the existing three residences. Depending on income levels, the assistance will range from \$3,600 to \$2,400. The residents have been provided their 90-day notice to vacate.

Property Management

Greystar will be providing property management for the project. See the enclosed letter from Greystar describing their experience and expertise in property management.

Project Manager

Springbrook Development Group has engaged Kerry Nicholson, Senior Managing Director of Legacy Partners, as the owner's representative and project manager for the project. Kerry is responsible for advising the team on matters related to underwriting, marketing, leasing, HUD application documents and procedures, as well as reviewing design to meet current market needs. He will also be managing the contractor and construction phase, assisting with pre-leasing and leasing, and assisting with compliance with HUD requirements. Kerry is also advising development team in design and amenities for the current upscale multi-family market.

Legacy Partners is a privately owned real estate firm that develops, manages and acquires multi-family communities in core markets throughout the United States. Since 1968 Legacy has developed more than 60,000 apartment homes and worked with many of the world's largest financial institutions, life insurance, and real estate companies. Kerry has been an active participant in the Pacific Northwest market since 1978. Prior to joining Legacy in 1999, Mr. Nicholson financed the commercial real estate industry for over 20 years; holding various senior management positions with GE Capital Real Estate, Bank of America and Wells Fargo. During that time, he made loan and equity commitments in excess of \$2 billion. He is a former Chair of the ULI Northwest District Council and is founder and immediate past Chair of ULI Northwest's Multi-Family Product Council. Mr. Nicholson is also Vice Chair of the Urban Development Mixed Use Council, a national industry group that is under the auspices of the Urban Land Institute. He is also a Board Member of the Runstad Center for Real Estate at the University of Washington.

Thank you for your assistance as we have worked through the requirements for the MFTE. If there is anything additional that your Council requires, we would be happy to provide it.

Sincerely,



Donald Bartlett  
President  
Momentum Partners, Inc.

**CITY OF LAKEWOOD**  
**6000 Main St SW**  
**Lakewood, WA 98499**  
**(253) 512-2261**

Permit No.: LU-16-00188

Issued Date:  
Expiration Date: **10/07/2019**

Inspections must be called in by 4:00pm the current day in order to be processed for the next business day  
(253) 512-2266

Permit Type: Tax Exemption / Multi-Family

**Site Address:** 12623 BRIDGEPORT WAY SW  
LAKEWOOD WA 98499

**Parcel / APN:** 0219123009

**Applicant:** AHBL ENGINEERS & PLANNERS  
**Address:** 2215 N 30TH ST STE 330  
TACOMA, WA 98403

**Phone:** (253) 383-2422

**Owner:** FIR ACRES INVESTMENT COMPANY L  
**Address:** 815 S OXFORD ST  
TACOMA WA 98465-1829

**Phone:** (888) 820-6001

**Contractor:**  
**Address:**

**Phone:**

**Contact:**

**Business Lic#:**  
**Phone:**

**Description:** SPRINGBROOK APARTMENTS - TAX EXEMPT

**SUPPLEMENTAL INFORMATION:****FEEES:**

Tax Exemption/Multi-Family	800.00
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TOTAL FEES: 800.00



*single purpose entity*

Springbrook SPE LLC  
Donald L Bartlett, Manager

**Application - Conditional  
Certificate of Tax Exemption for  
Multiple Family Units Located  
within a Residential Target Area**

*Momentum  
Partners  
Registered  
Agent*

**APPLICATION INFORMATION**

Date: 8/9/2016 Name of Applicant: Springbrook Development Group, LLC  
Business Name of Applicant: Springbrook Development Group, LLC  
Mailing Address: 4002 Tacoma Mall Blvd, Ste. 102 Tacoma, WA 98409  
Telephone: 866-820-6001 Cell Phone: Don: 206-501-7287  
Matt: 253-359-6990  
Email: don@momentum-partners.net  
matt@momentum-partners.net

**PROJECT INFORMATION**

**Property Description**

Name of Project: Springbrook Apartments  
Street Address of Project: 12623 Bridgeport Way SW Lakewood, WA 98499  
County Assessor Parcel Number(s): 0219123009, 0219123111, 0219123110  
0219123088, 0219123086  
Term of Exemption Applying for:  
☒ 8 years ☐ 12 years  
Interest in Property: All Parcels Under Contract  
Other (description):  
\_\_\_\_\_  
\_\_\_\_\_

**Type of Construction**

New Construction: xYes No

*If rehabilitation/demolition, applicant must secure from the City verification of property*

2. Once this contract is executed, the City will issue a Conditional Certificate of Acceptance of Tax Exemption based on the information provided by the applicant. The Conditional Certificate will be effective for not more than three years, but may be extended for an additional 24 months under certain circumstances.
3. Once the project is completed and all contract terms have been fulfilled, at the applicant's request, the applicant will receive an application for Final Certificate of Tax Exemption, which the applicant must complete and return to the City of Lakewood Community & Economic Development Department.
4. Upon approval of the application for Final Certificate of Tax Exemption, the City will within 40 days of application, file the Final Certificate of Tax Exemption with the Pierce County Assessor's Office.

Please Note: The Pierce County Assessor may require the applicant to submit pertinent data regarding the use of classified land.

noncompliance with applicable building codes.

**Intended Project Construction Timeline(s):** Construction will commence with HUD  
loan closing (Tentative March Start). Construction completed 18 months from closing.

**Number & Type of Units**

Number of Units – New 208 Number of Units – Rehabilitated \_\_\_\_\_

Are the total numbers of units more than the number of units for which you are requesting a Tax Exemption?

☐ Yes ☒ No

Number of Units Proposed: Studio 12 One Bedroom 100 Two Bedroom 96

Other \_\_\_\_\_

Number and percentage of affordable units (if any): None

**Description of Building Use**

Required Preliminary Plans are Attached:

Site Plan ☒ Yes ☐ No Floor plans ☒ Yes ☐ No

Describe building use and square feet intended for use:

Multifamily of 208 Units:

EFFICIENCY/1 BA	: 3 PER BUILDING	TOTAL: <u>12 UNITS</u> (524 sq ft)
1 BR/1 BA	: 17 PER BUILDING	TOTAL: <u>68 UNITS</u> (524 sq ft and 695 sq ft)
1 BR/1 BA + Den	: 8 PER BUILDING	TOTAL: <u>32 UNITS</u> (719 sq ft)
2 BR/2 BA	: 24 PER BUILDING	TOTAL: <u>96 UNITS</u> (982 sq ft)
Total Rentable Square Feet: 164,672		
Clubhouse Square Feet: 3,137		
Open Space: 16,050		

Identify square feet of commercial space (if any): No commercial Space.

**Cost of Construction** Project cost of new construction/rehabilitation: \$35,827,667

Source of Cost Estimate: Developer (and Consultants)

Expected Date to Start Project: March 2017

Expected Date to Complete Project: September 2019

Provide a brief statement describing the project and setting forth the grounds for qualifications for tax exemptions in the space below (attach additional information if necessary):

Escrow item -  
Building permits are  
ready, line items

Prices have gone up  
HUD requirements  
for upgrades  
per unit - has  
increased cost of  
project  
Davis Brown  
Niles

Momentum Partners, Inc. via Springbrook Development Group, LLC desires an 8 year MFTE for 208 market rate apartments. Project financing is a 221d4 HUD insured loan through Berkadia Capital Markets. The loan is 40 years fixed rate and fully amortized. Given the length of the loan, HUD requirements dictate a 50 year building product either meeting or exceeding City code requirements. In addition, the building will be environmentally friendly according to HUD standards. A "Green" product is important to our investment group, the community (reducing waste during construction), and tenants, who live more comfortably and healthy due to the higher building standards. Momentum Partners has guided our consulting team to provide over three times the required open space according to City code inside a highly desirable complex with upgraded amenities, including stainless steel appliances, additional security, 9' ceiling heights, and much more. (Please see attached amenity list and pictures.) Together we've worked hard to provide a product that satisfies market demand, heightened lending requirements, and a project the community can be proud of.

**Tax Abatement Requirements:**

1. The project is located inside a Residential Target Area. This passed July 7, 2014
2. The former Fir Acres Mobile Home Park was closed well over twelve months ago and at that point there was no longer tenancy. There are two parcels that have been recently added to the project that have three tenants that will be relocating in 2017 prior to the start of construction. Springbrook Apartments LLC has established a relocation plan that provides relocation assistance, a copy of which is provided. The location of these parcels is to the north of the proposed apartment buildings and an area planned for parking and clubhouse amenities.
3. The project is well over the required 4 unit requirement at 208 units.
4. 100% of the designated space is designated permanent residential occupancy.
5. The proposed completion date is within 24 months of this application.
6. The project is within a residential target area. The product requires zero variances, and exceeds building code requirements in many areas.


*(Please attach additional information if necessary.)*

**AFFIRMATIONS**

- I understand that the value of new housing construction, conversion, and rehabilitation improvements qualifying under this chapter is exempt from ad valorem property taxation for eight (8) successive years for market rate housing, and twelve (12) successive years for qualified affordable housing multi-family projects beginning January 1st of the year immediately following the calendar year of issuance of the Final Certificate of Tax Exemption eligibility. DP (initial)
- I understand that by December 15th of each year and/or within 30 days after the first anniversary of the date of filing the Final Certificate of tax Exemption and each year thereafter, I will be required to file a report with the City of Shoreline that provides detailed information concerning rental rates, occupancy, and tenant incomes during the year. DP (initial)

- I understand at the conclusion of the exemption period, the new or rehabilitated housing cost shall be considered as new construction for the purposes of chapter 84.55 RCW. DB (Initial)
- I am aware of the potential tax liability involved when the property ceases to be eligible for the tax exemption incentive. DB (Initial)
- I affirm that the submitted information is true and correct, subject to penalty of perjury under the law of the State of Washington.

Signed the 13<sup>th</sup> day of September, 2016.

Applicant Signature: 

**SPRINGBROOK APARTMENTS**  
A PORTION OF THE SW 1/4 OF THE SW 1/4 OF SEC. 12, TWP. 19 N., RNG. 02 E., W.M.  
CITY OF LAKEWOOD, PIERCE COUNTY, WASHINGTON

**PARKING REQUIREMENTS**

UNIT COUNT:	
208 RESIDENTIAL UNITS (APARTMENTS)	
PARKING REQUIRED:	312 STALLS
REQUIRED ACCESSIBLE PARKING:	8 STALLS
VAN ACCESSIBLE:	2 STALLS

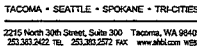
**PARKING PROVIDED**

STANDARD PARKING STALLS:	
197 STALLS	
152 STALLS WITH CARPORTS	
15 STALLS WITHOUT CARPORTS	
76 STALLS (ALL WITHOUT CARPORTS)	
24 STALLS	
25% BONUS FOR GARAGE STALLS	
COUNTS AS 32 STALLS INCLUDING BONUS	
9 STALLS	
9 STALLS	
306 STALLS	
314 STALLS	

COMPACT PARKING STALLS:  
GARAGE PARKING STALLS:  
ACCESSIBLE PARKING STALLS:  
VAN ACCESSIBLE:  
TOTAL PARKING COUNT:  
INCLUDING "BONUS":  
\*\*\*CARPORTS OUTLINED\*\*\*

**GRAPHIC SCALE**  
0 20 40 80 FEET  
1" = 40 FEET

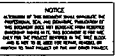
**811**  
Know what's below.  
Call before you dig.

**SPRINGBROOK  
APARTMENTS**

DONALD L. BARTLETT  
MOMENTUM PARTNERS ASSET  
MANAGEMENT GROUP, LLC

Issue Set & Date:

AUGUST 19, 2016



Sheet Title:

Designed by: A. BRAUN Drawn by: F. KATONA Checked by: W. FIERST

## C1.02

2 of 50 Sheets



## **AGREEMENT REGARDING TAX INCENTIVE URBAN USE CENTER DEVELOPMENT**

THIS STIPULATED AGREEMENT is entered into on the date signed below between Springbrook SPE, LLC, hereinafter referred to as “Applicant,” and the City of Lakewood, Washington, a municipal corporation, hereinafter referred to as “City”. This agreement is non-transferrable without express authorization from the City.

### **PROJECT DESCRIPTION**

The applicant is proposing to construct a 208 unit multi-family residential development on approximately 7.08 acres located 12623 Bridgeport Way SW, Lakewood, Washington Pierce County Assessor’s Parcel (APN’s) #0219123009, 0219123111, 0219123110, 0219123088, and 0219123086. The properties are located on the northeast of the intersection of San Francisco Avenue SW and Bridgeport Way SW. The proposed development use type is Multi-Family Level 2, and Residential Accessory. Three of the parcels, (0219123110, 0219123111, and 0219123088) are zoned Neighborhood Commercial 2 (NC2); the clubhouse and additional parking are being designated Residential Accessory uses and are primarily permitted in the NC2 zone. The remaining parcels, (0219123009 and 0219123086) are zoned Multi-Family Three (MF3), the proposed housing units are designated Multi-Family Level 2 which is a primary permitted use in the MF3 zoning district. The applicant intends to apply for a boundary line adjustment in order to combine parcels 0219123009 and 0219123086 prior to being issued a final certificate.

The project site currently has one single family residence, one duplex and a commercial building. Prior to construction, all three structures located on the properties will be removed. The new development will consist of nine (9) structures containing a 3,137 square foot clubhouse as well as, two hundred and eight (208) single family apartment homes including: twelve (12) one bedroom efficiency units, sixty eight (68) one bedroom units, thirty two (32) one bedroom with den units, and ninety six (96) two bedroom units, all intended for permanent residential occupancy. The project is not proposing to fulfill any specific affordable housing mandates.

An application for tax exemption was filed with the City of Lakewood in October 2016. The application supports the following determinations:

- 1) The target area is located within a designated Tax Incentive Urban Use Center;
- 2) The target area lacks sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would likely live in the Urban Use Center if desirable, attractive and livable places were available; and
- 3) The providing of additional housing opportunity, including affordable housing, in the target area will assist in achieving at least one the following purposes:
  - (a) Encourage increased residential opportunities within the target area; or
  - (b) Stimulate the construction of new multi-family housing and the rehabilitation of existing vacant and under-utilized buildings for multi-family housing.

## **CONDITIONS OF TAX EXEMPTION APPROVAL**

The applicant may, upon completion of the multifamily housing and upon issuance by the City of a temporary or permanent certificate of occupancy, request a Final Certificate of Tax Exemption. The request shall be in writing directed to the City Manager and be accompanied by the following:

1. A statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire property;
2. A description of completed work and a statement of qualification for the exemption; and
3. A statement that the work was completed within the required three-year period or any authorized extension.
4. In order to be issued building permits, the proposed development will require SEPA, design review and the buildings must comply with all local plans and regulations.
5. The City requires that building permits must be submitted for this project within 12 months of the date the conditional certificate is issued.
6. The applicant will apply for a boundary line adjustment to combine APN #0219123009 and #0219123086 prior to, or in conjunction with, the submission of any building plans. If the applicant chooses not to combine the two properties, they will notify City staff as soon as possible so the conditional agreement and project description can be amended.
7. Prior to being issued Building Permits, the applicant agrees to reimburse the City \$185,000 for Bridgeport Way improvements.
8. Prior to being issued Building Permits, the applicant will contribute \$50,000 towards the improvements to Springbrook Park.
9. The parties to this agreement acknowledge and agree that at the time of completion of this project, the project shall be constructed in conformity with all local plans and regulations including, Lakewood Municipal Code Titles 12A, 14 and 14A, 15, 17, and 18A.

## **TAX EXEMPTION**

Pursuant to RCW 84.14.020, the value of the new residential construction for the project described above shall be exempt from ad valorem property taxation for a period of eight successive years beginning January 1 of the year immediately following the calendar year of issuance of the final certificate of tax exemption. The exemption does not include the value of land or non-housing-related improvements. This exemption does not apply to increases in assessed valuation made by the assessor on non-qualifying portions of building and value of land nor to increases made by lawful order of a county board of equalization, the department of revenue, or Pierce County to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law. At the conclusion of the exemption period, the new or rehabilitated housing cost shall be considered as new construction for the purposes of chapter 84.55 RCW.

## **STATEMENT OF ADDITIONAL TAX, INTEREST, AND PENALTY DUE UPON CANCELLATION OF MULTI-FAMILY HOUSING EXEMPTION**

If the exemption is canceled for noncompliance, an additional tax shall be imposed as follows:

- a. The difference between the tax actually paid and the tax which would have been due for the pro rata portion of the tax year following cancellation, and for each tax year thereafter, if the improvements had been valued without exemption, (not to exceed 3 years before discovery of the noncompliance); plus
- b. A penalty of 20 percent of the difference, plus
- c. Interest at the statutory rate provided for delinquent property taxes is due within the times provided by RCW 84.40.350-84.40.390.

The additional tax, penalty and interest constitute a lien by the City of Lakewood upon the land which attaches at the time the property is no longer eligible for exemption, and has priority to and must be fully paid and satisfied before a recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the land may become charged or liable.

## **AFFIRMATION**

As owner(s) of the land described in this application, I hereby indicate by my signature that I am aware of the additional tax liability to which the property will be subject if the exemption authorized by Chapter 3.64 (LMC) is cancelled. I declare under penalty of perjury under the laws of the State of Washington that this application and any accompanying documents have been examined by me and that they are true, correct and complete to the best of my knowledge.

## **AGREEMENT REQUIRES APPROVAL OF CITY COUNCIL**

In accordance with Lakewood Muni. Code 3.64.030(F), this agreement is subject to approval by the Lakewood City Council. If this agreement is approved, the City of Lakewood shall issue a Conditional Certificate of Acceptance of Tax Administration. If this agreement is rejected by the City Council, both parties shall be discharged of their obligations under this agreement.

Signed at \_\_\_\_\_, Washington, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

Signature(s) of all Owner(s) and Contract Purchaser(s)

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

Donald Bartlett, Manager  
Springbrook SPE, LLC

This conditional certificate of tax exemption is hereby **approved**.

\_\_\_\_\_  
John Caulfield, City Manager  
City of Lakewood, Washington

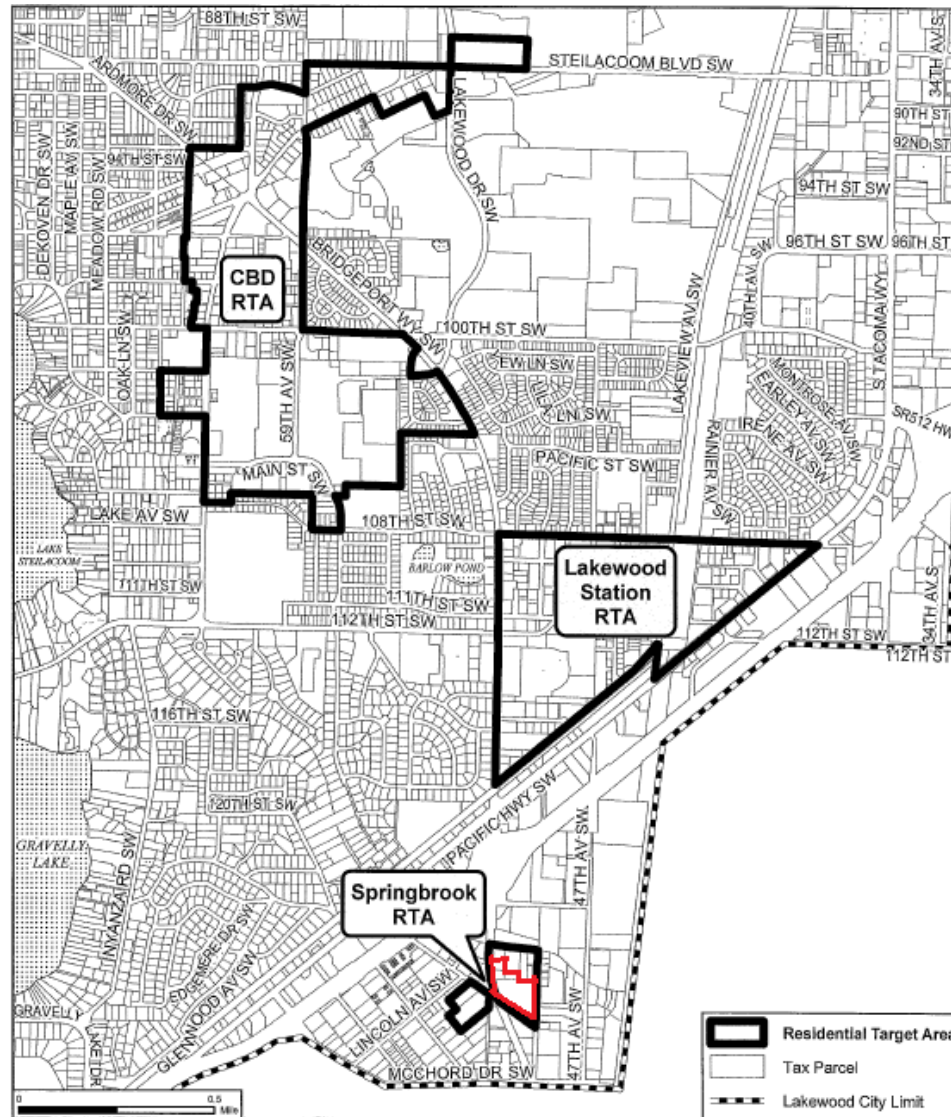
# Springbrook Apartments



**LAKEWOOD CITY COUNCIL**  
**NOVEMBER 28, 2016**



# Residential Target Area's in Lakewood

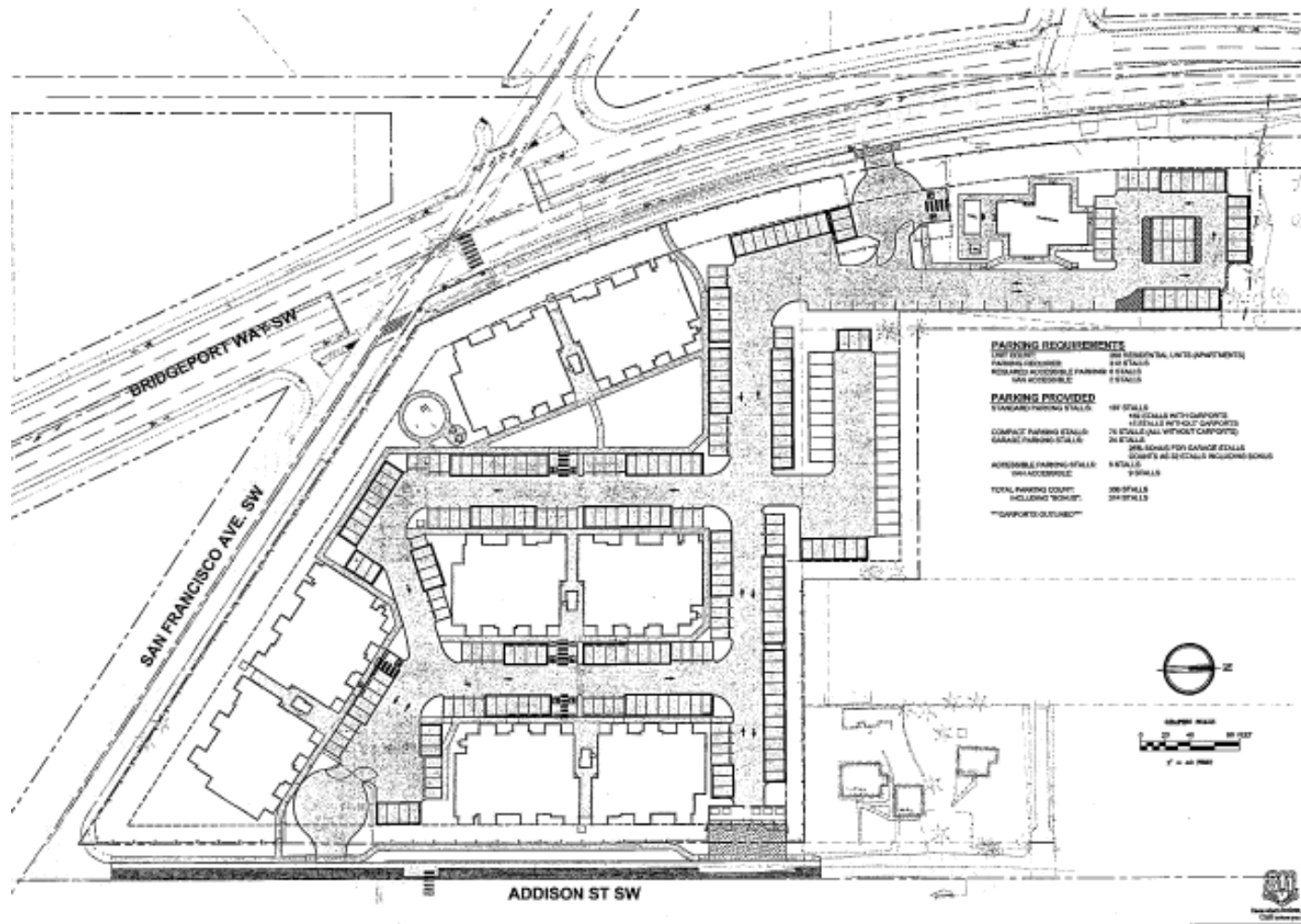


# Springbrook Apartments Design Concept



# Springbrook Apartments Site Plan

**SPRINGBROOK APARTMENTS**  
A PORTION OF THE SW 1/4 OF THE SW 1/4 OF SEC. 12, TWP. 19 N., RNG. 02 E., W.M.  
CITY OF LAKEWOOD, PIERCE COUNTY, WASHINGTON



# Springbrook Apartments Project Schedule



	2016		2017						2018
	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
<b>PERMIT SCHEDULE</b>									
SEPA / Site Development Permits									
Council Approval of Conditional Certificate		★							
Building Permits									
<b>FINANCING / CLOSING SCHEDULE</b>									
Payment to City of Lakewood						★			
Closing of HUD Loan						★			
Purchase of Property						★			
<b>CONSTRUCTION SCHEDULE</b>									
Construction									→ July 2018

# Springbrook Apartments Design Features



- Color Elevations
- Common Open Space/ Recreation
- Private Open Space
- Landscaping
- Parking
- Refuse Facilities
- Unit Upgrades
- Security
- Relocation Assistance
- Property Management

# Creekside Village Apartments, Dupont, WA

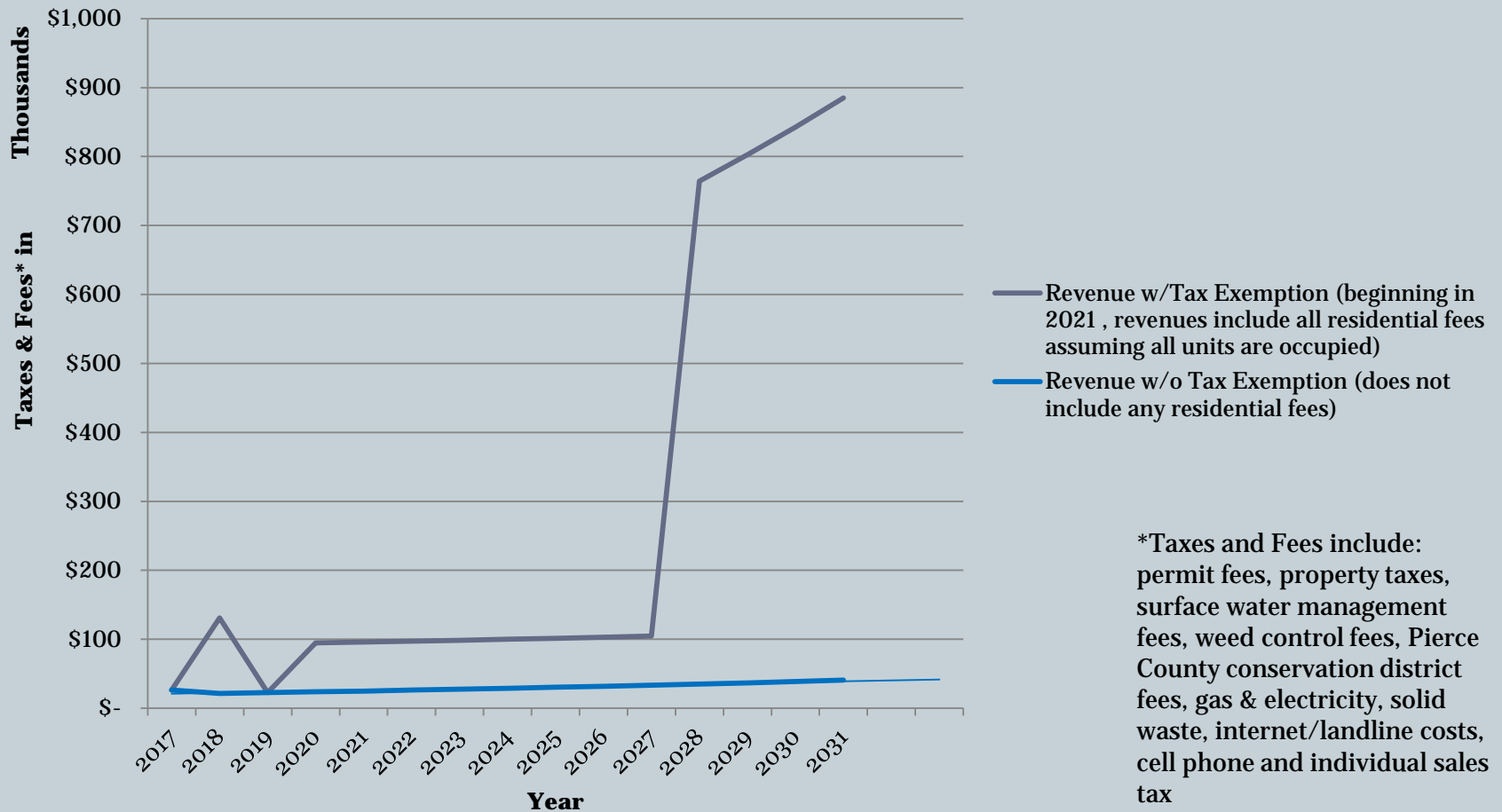






# Springbrook Apartments MFTE Program 2017- 2031

## Total Property Tax



# Springbrook Apartments MFTE Program 2017- 2031

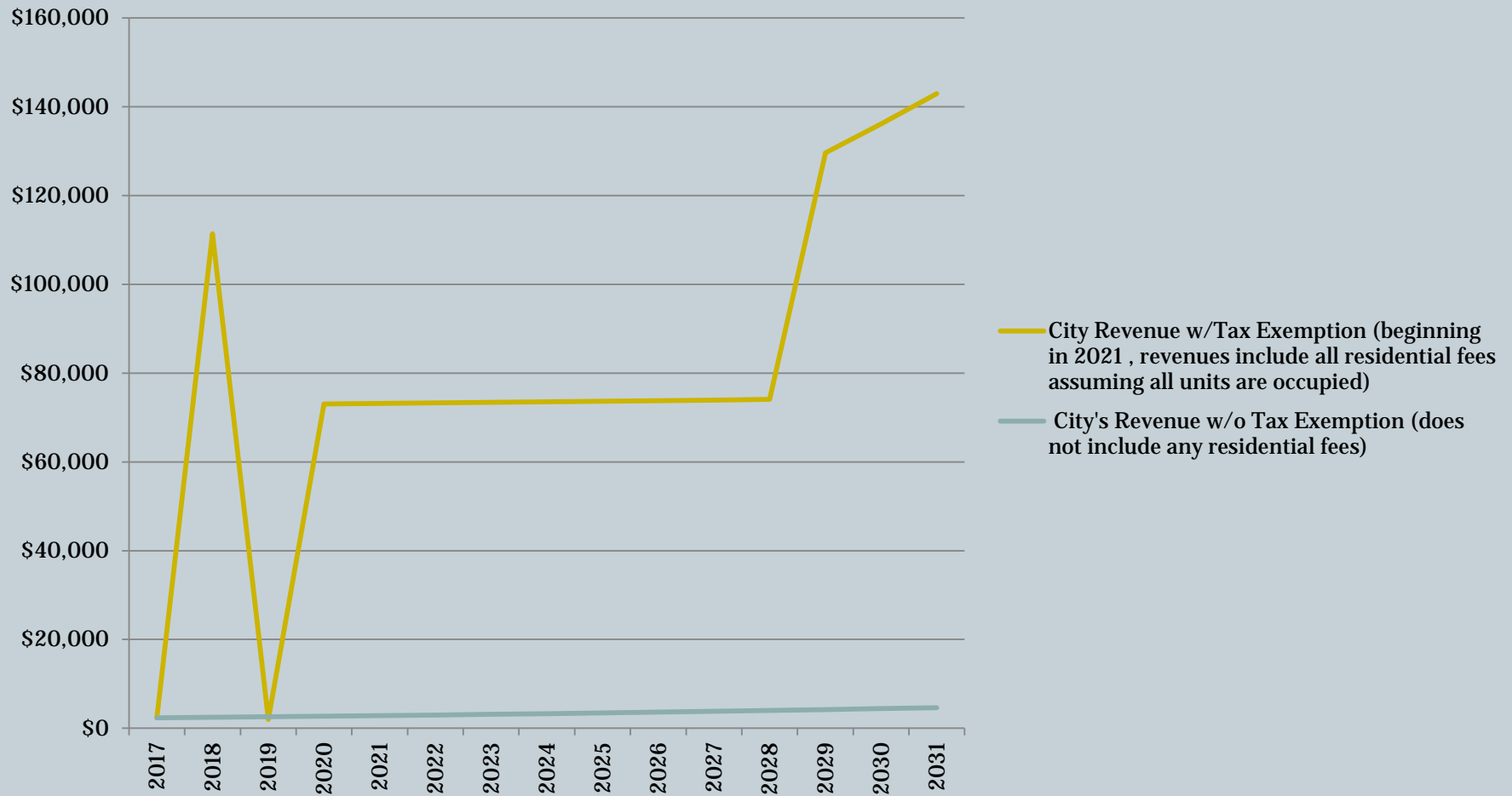
## Total Property Tax



Year	Revenue w/Tax Exemption (beginning in 2021 , revenues include all residential fees assuming all units are occupied)	Revenue w/o Tax Exemption (does not include any residential fees)
2017	\$ 26,444.04	\$ 26,444.04
2018	\$ 131,080.16	\$ 21,557.22
2019	\$ 22,715.70	\$ 22,635.08
2020	\$ 94,791.00	\$ 23,766.83
2021	\$ 95,979.68	\$ 24,955.17
2022	\$ 97,227.44	\$ 26,202.93
2023	\$ 98,537.59	\$ 27,513.08
2024	\$ 99,913.24	\$ 28,888.73
2025	\$ 101,357.68	\$ 30,333.17
2026	\$ 102,874.34	\$ 31,849.83
2027	\$ 104,466.83	\$ 33,442.32
2028	\$ 764,395.49	\$ 35,114.43
2029	\$ 802,615.26	\$ 36,870.16
2030	\$ 842,746.02	\$ 38,713.66
2031	\$ 884,883.33	\$ 40,649.35


# Springbrook Apartments MFTE Program 2017- 2031

## City of Lakewood Only



# Springbrook Apartments MFTE Program 2017- 2031

## City of Lakewood Only



Year	City Revenue w/Tax Exemption (beginning in 2021 , revenues include all residential fees assuming all units are occupied)	City's Revenue w/o Tax Exemption (does not include any residential fees)
2017	\$ 2,350.09	\$2,350.09
2018	\$111,363.97	\$2,467.59
2019	\$ 2,017.73	\$2,590.97
2020	\$ 73,061.62	\$2,720.52
2021	\$ 73,167.55	\$2,856.55
2022	\$ 73,278.78	\$2,999.38
2023	\$ 73,395.57	\$3,149.35
2024	\$ 73,518.20	\$3,306.81
2025	\$ 73,646.96	\$3,472.15
2026	\$ 73,782.16	\$3,645.76
2027	\$ 73,924.11	\$3,828.05
2028	\$ 74,073.17	\$4,019.45
2029	\$129,621.26	\$4,220.42
2030	\$136,102.32	\$4,431.45
2031	\$142,907.44	\$4,653.02