

RESOLUTION NO. 2021-37

A RESOLUTION of the City Council of the City of Ellensburg approving an agreement with Stalder Holdings, LLC for property tax exemption.

WHEREAS, the City of Ellensburg desires to stimulate new construction of multifamily housing in the downtown, in order to encourage increased residential opportunities within the central commercial zone, to stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing in the central commercial zone to increase and improve housing opportunities, and to reduce development pressure on single-family residential neighborhoods; and

WHEREAS, the City is interested in promoting new housing in the downtown area of the City of Ellensburg; and

WHEREAS, the City has, pursuant to authority granted to by Chapter 84.14 RCW, designated the Central Commercial zoned area of the city as a Residential Target Area for the provision of limited property tax exemptions for new multifamily residential housing; and

WHEREAS, the City has, as set forth at Chapter 2.30 of the Ellensburg City Code (“ECC”), enacted a program whereby property owners may qualify for a Final Certificate of Tax Exemption which certifies to the Kittitas County Assessor and Treasurer that the Applicant is eligible to receive a limited property tax exemption; and

WHEREAS, Stalder Holdings, LLC (Applicant) is interested in receiving a limited property tax exemption for the construction of new multifamily residential housing within the central commercial zone, which is a designated “Residential Target Area” identified in Chapter 2.30 ECC; and

WHEREAS, the Applicant has submitted to the City a complete application for the City’s limited tax exemption program outlining the development of new multifamily residential housing being constructed on property addressed as 101 N. Pine Street Ellensburg, WA, Parcel ID # 337133, and more particularly described as Lot 6 Block 22 Town (Now City) of Ellensburg, as per the Plat thereof recorded in Volume 1 of Plats, Page 1, records of Kittitas County, State of Washington. (“Property”); and

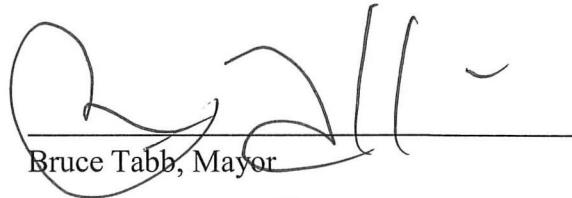
WHEREAS, the City has determined that the improvements to the Property satisfy the requirements for a Final Certificate of Tax Exemption.

NOW THEREFORE, the City Council for the City of Ellensburg do resolve as follows:

Section. 1. The Agreement attached hereto as Exhibit A between Stalder Holdings, LLC and the City of Ellensburg, a Washington Municipal Corporation, is approved.

Section 2. The City Manager of the City of Ellensburg or her designee is authorized to execute the attached Exhibit A.

ADOPTED by the City Council of the City of Ellensburg this December 6th, 2021.



Bruce Tabb, Mayor

ATTEST:



Beth Leader, City Clerk



Dustin Dawson, Deputy City Clerk

Exhibit A

**MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION
AGREEMENT**

THIS AGREEMENT is entered into this _____ day of _____, 2021, by and between STALDER HOLDINGS LLC, a Washington Limited Liability Corporation (hereinafter referred to as "Applicant"), and the CITY OF ELLENSBURG, a Washington municipal corporation (hereinafter referred to as "City").

WITNESSETH:

WHEREAS, the City desires to stimulate new construction of multifamily housing in the downtown, in order to encourage increased residential opportunities within the central commercial zone, to stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing in the central commercial zone to increase and improve housing opportunities, and to reduce development pressure on single-family residential neighborhoods, and

WHEREAS, the City is interested in promoting new housing in the downtown area of the City of Ellensburg, and

WHEREAS, the City has, pursuant to authority granted to by Chapter 84.14 RCW, designated the Central Commercial zoned area of the city as a Residential Target Area for the provision of limited property tax exemptions for new multifamily residential housing, and

WHEREAS, the City has, as set forth at Chapter 2.30 of the Ellensburg City Code ("ECC"), enacted a program whereby property owners may qualify for a Final Certificate of Tax Exemption which certifies to the Kittitas County Assessor and Treasurer that the Applicant is eligible to receive a limited property tax exemption, and

WHEREAS, the Applicant is interested in receiving a limited property tax exemption for constructing units of new multifamily residential housing, to be known as "1st & Pine Studios", within the Central Commercial zoning district, which is a Designated Residential Target Area identified in ECC 2.30.020, and

WHEREAS, the Applicant has submitted to the City a complete application for the City's limited tax exemption program outlining the development of new multifamily residential housing being constructed on property addressed as 101 N. Pine Street Ellensburg, WA, Parcel ID # 337133, and more particularly described as Lot 6 Block 22 Town (Now City) of Ellensburg, as per Plat thereof recorded in Volume 1 of Plats, Page 1, records of Kittitas County, State of Washington. ("Property"), and

WHEREAS, the City has determined that the improvements to the Property will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption,

NOW THEREFORE, the City and Applicant mutually agree as follows:

1. The City agrees to issue the Applicant a Conditional Certificate of Acceptance of Tax Exemption.
2. The Applicant agrees to construct on the site multifamily residential housing units as described in the approved site plans, floor plans, and elevations on file with the City as of the date of City Council approval of this agreement.
3. The Applicant agrees that the property must satisfy any eligibility conditions contained in Chapter 2.30 ECC for the duration of the tax exemption.
4. The Applicant is requesting an XEIGHT or a TWELVE year (check one) limited property tax exemption. (If a twelve year exemption, the Applicant commits to renting or selling at least twenty percent (20%) of the multifamily housing units constructed on the site as housing units affordable for low or moderate-income households as defined by ECC 2.30.015).
5. The Applicant agrees to 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.
6. The Applicant agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file with the City's Community Development Director ("Director") the following:
 - (a) A statement of expenditures made with respect to each multifamily housing unit and the total expenditures made with respect to the entire property;
 - (b) A description of the completed work and a statement of qualifications for the exemption;

- (c) A statement that the work was completed within the required three-year period or any authorized extension.

7. The City agrees, conditioned on 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 6 above, to file a Final Certificate of Tax Exemption with the Kittitas County Treasurer and Assessor within forty days.

8. The Applicant agrees, 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, to file a notarized declaration with the Director indicating the following:

- (a) A statement identifying the total number of occupied and vacant multifamily units receiving a property tax exemption;
- (b) A certification that the property continues to be in compliance with this Agreement, Chapter 2.30 ECC, and Chapter 84.14 RCW;
- (c) A description of any subsequent improvements or changes to the property constructed after the issuance of the certificate of tax exemption;
- (d) The total monthly rent for each unit; and
- (e) Documentation of the income of each renter household at the time of initial occupancy.

9. The applicant agrees to maintain the property including all improvements in compliance with all applicable City codes and requirements.

10. The Applicant agrees to maintain records supporting all information provided to the City and to make those records and the multifamily units available for inspection by the City. Failure to submit the annual declaration identified in Paragraph 8 or to maintain adequate records may result in the tax exemption being canceled.

11. If the Applicant converts to another use any of the new multifamily residential housing units constructed under this Agreement, the Applicant shall notify the Kittitas County Assessor and Treasurer and the Director within 60 days of such change in use.

12. The Applicant agrees to notify the Director promptly of any transfer of the Applicant's ownership interest in the site or in the improvements made to the site under this Agreement.

13. The City reserves the right to 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. Cancellation of the Final Certificate of Tax Exemption may subject the Applicant to potential tax liability as further described in Chapter 84.14 RCW. No modifications of this Agreement shall be made unless mutually agreed upon by the parties in writing.
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 term or clause, and to this end, the terms of this Agreement are declared to be severable.
15. Applicant agrees that this Agreement is subject to the Ellensburg MultiFamily Housing Tax Exemption set forth in Chapter 2.30 of the Ellensburg City Code.

CITY OF ELLENSBURG

STALDER HOLDINGS LLC

Heidi Behrends Cerniwey, City Manager
Date: _____

Douglas Stalder, Managing Partner
Date: _____

Approved as to form:

Terry Weiner, City Attorney

STATE OF WASHINGTON)

) ss.

County of Kittitas)

On this day personally appeared before me, the undersigned Notary Public, in and for the State of Washington, duly commissioned and sworn, Douglas Stalder, Authorized Signatory for STALDER HOLDINGS LLC, who executed the within and foregoing instrument, and acknowledged

the said instrument to be the free and voluntary act and deed of said property, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

Dated this _____ day of _____, 2021.

Printed Name:

Notary Public in and for the State of Washington, residing at _____.

My Commission Expires:

STATE OF WASHINGTON

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) ss.

County of Kittitas

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On this day personally appeared before me, the undersigned Notary Public, in and for the State of Washington, duly commissioned and sworn, _____, the _____ of the CITY OF ELLENSBURG, as GRANTEE, a Washington municipal corporation, which executed the within and foregoing instrument, and acknowledge the said instrument to be the free and voluntary act and deed of said city, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

Dated this _____ day of _____, 2021.

Printed Name:

Notary Public in and for the State of Washington, residing at _____.

My Commission Expires: