

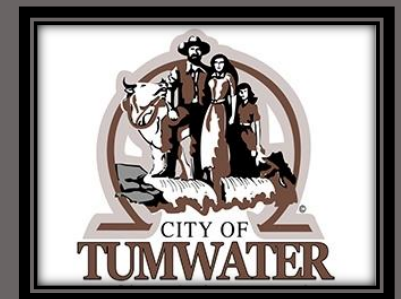
Contract Approvals

For Eight-Year Multifamily Tax Exemptions –

350 North Street Apartments (TUM-22-1338)

Craft District Apartments (TUM-22-1393)

November 22, 2022
City Council Worksession



Background

- In 2014 the City Council adopted the *Brewery District Plan*
- The *Brewery District Plan* recommended establishing a MFTE program to improve the financial viability of development in the District
- In 2017, the City Council adopted the MFTE program to stimulate desired multifamily housing development within key areas of the City, such as the Brewery District and Capitol Boulevard Corridor

Background

- The City's MFTE program includes an eight-year tax exemption for providing market rate multifamily housing to help encourage further development in the designated areas, such as the Brewery District

MFTE Effect on Revenue

- An approved MFTE is a shift in revenue from property tax
- When the City Council sets the City's property tax levy, the City levies a total dollar amount that will be collected for City operations

MFTE Effect on Revenue

- When certain property owners get discounts, such as through the MFTE program, that cost is re-distributed to the other property owners in the City
- No matter how many MFTE discounts the City provides, the City still collects the same amount of property tax dollars

Approval Process

TMC 3.30 *Multifamily Housing Tax Exemptions* establishes the review and approval process for MFTE applications:

1. An applicant files a complete Conditional Certificate Application with the City
2. City staff reviews the application
3. If the application is complete and meets the requirements of TMC 3.30, the Community Development Director approves the Conditional Certificate

Approval Process

4. To complete the Conditional Certificate approval process, the applicant must enter into a contract with City that is approved by City Council, under which the applicant agrees to complete the development as outlined in the contract
5. An approved Conditional Certificate and contract are valid for three years from the date of approval

Approval Process

6. Upon completion of the improvements agreed upon in the contract and issuance of a certificate of occupancy, the applicant then files a Final Certificate Application
7. The complete Final Certificate Application is reviewed and approved by the Community Development Director
8. The Community Development Director files a Final Certificate of Tax Exemption with the Thurston County Assessor

Contract Approval

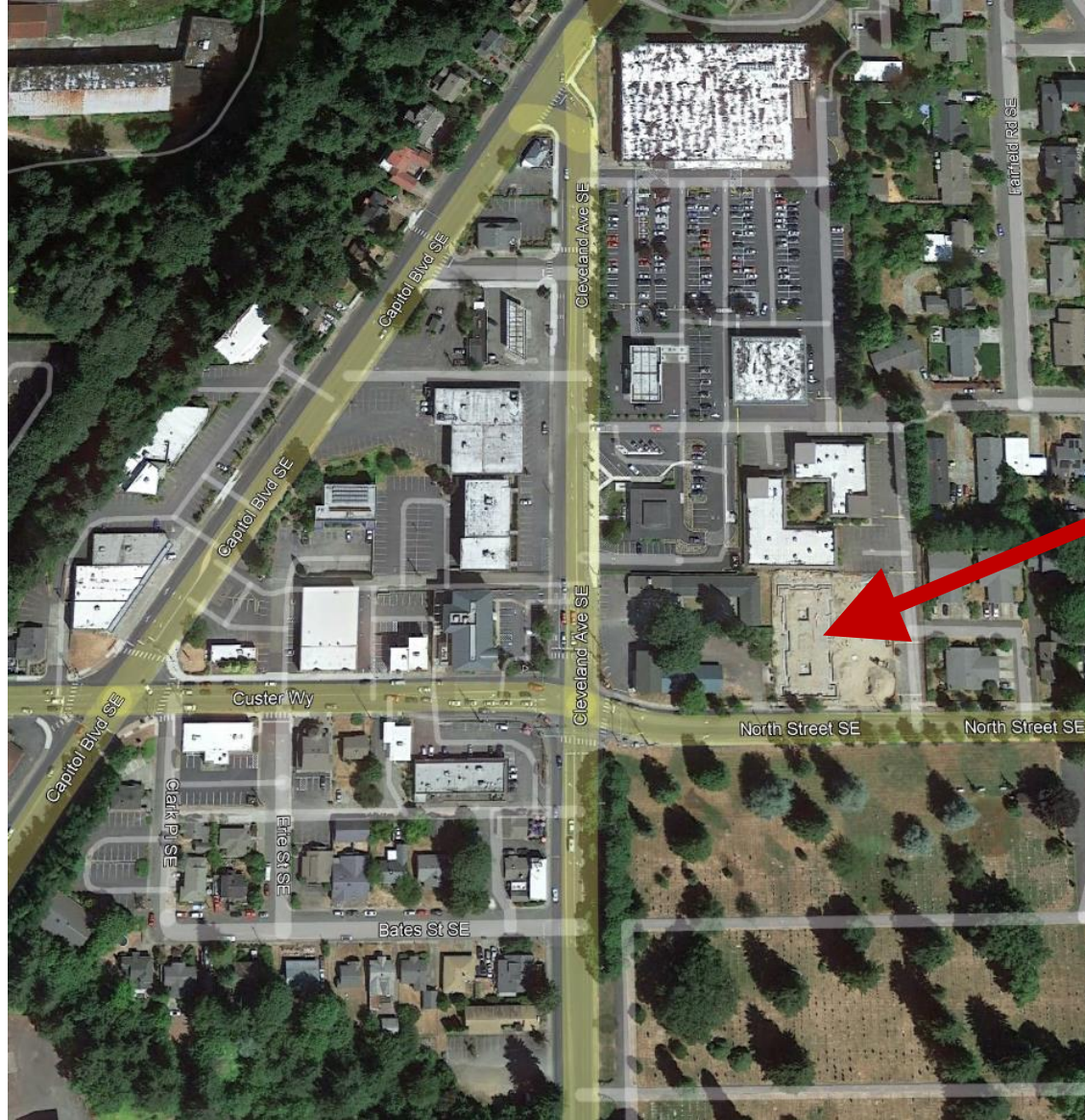
The City Council is asked to approve eight-year tax exemption contracts for two multifamily projects in the Brewery District Subarea:

- 350 North Street Apartments (TUM-22-1338)
- Craft District Apartments (TUM-22-1393)

350 North Street Apartments

- Project Number: TUM-22-1338
- 350 North Street SE, just east of the intersection of North Street SE and Cleveland Avenue SW
- 24 units of new multifamily housing
- Eight-year tax exemption

350 North Street Apartments



Project Site

Craft District Apartments

- Project Number TUM-22-1393
- 4300 Capitol Boulevard, immediately south of the Craft District complex
- 95 units of new multifamily housing
- Eight-year tax exemption

Craft District Apartments



Project Site

Next Steps

City Council

- City Council places the contracts on the **December 6, 2022** City Council consent calendar