

**CITY OF BREMERTON  
MULTI-FAMILY HOUSING LIMITED PROPERTY  
TAX EXEMPTION AGREEMENT**

THIS AGREEMENT is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ (hereinafter referred to as the “Owner”), and the CITY OF BREMERTON, a municipal corporation of the State of Washington (hereinafter referred to as the “City”).

WITNESSETH:

WHEREAS the City has an interest in stimulating 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 Chapter 3.78 Bremerton Municipal code (BMC), enacted a program whereby property owners may qualify for a Final Certificate of Tax Exemption which certifies to the Kitsap County Assessor that the owner is eligible to receive a limited property tax exemption, and

WHEREAS, The Owner is interested in receiving the multiple family property tax exemption for new/rehabilitated multiple family residential housing units in a residential targeted area; and

WHEREAS, The Owner has submitted to the City a complete application form for no fewer than ten (10) units of new/rehabilitated multifamily housing within a residential structure or as part of an urban development. In the case of existing multifamily housing that is occupied or which has not been vacant for twelve (12) months or more, the multifamily housing project must also provide for a minimum of four (4) additional multifamily units for a total project of at least ten (10) units including the four (4) additional units. Existing multifamily housing that has been vacant for twelve (12) months or more does not have to provide additional units.

WHEREAS the Owner has submitted to the City preliminary site plans and floor plans for multi-family residential housing to be constructed on said property legally described as:

\_\_\_\_\_, in the City of Bremerton, Kitsap County.

Assessor’s Parcel Number(s) \_\_\_\_\_, commonly known as \_\_\_\_\_, hereinafter referred to as the “Site,” and

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

NOW, THEREFORE, the City and the Owner do mutually agree as follows:

1. The City agrees to issue the Owner a Conditional Certificate of Acceptance of Tax Exemption.

2. The Owner agrees to 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 administrative approval of this Agreement.

3. The project must comply with all applicable zoning requirements, land use requirements, design review requirements and all building, fire, and housing code requirements contained in the Bremerton Municipal Code (herein referred to as the "BMC") at the time a complete application for a building permit is received.

4. Existing dwelling units proposed for rehabilitation must fail to comply with one or more standards of the applicable State or City building codes.

5. The new, converted, or rehabilitated multiple-unit housing must provide for a minimum of fifty (50) percent of the space for permanent residential occupancy. The project, whether new, converted, or rehabilitated multiple-unit housing, must include at least ten (10) units of multifamily housing within a residential structure or as part of an urban development. In the case of existing multifamily housing that is occupied or which has not been vacant for twelve (12) months or more, the multifamily housing project must also provide for a minimum of four (4) additional multifamily units for a total project of at least ten (10) units including the four (4) additional units. Existing multifamily housing that has been vacant for twelve (12) months or more does not have to provide additional units.

6. The Owner 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.

7. The Owner is requesting an \_\_\_\_ EIGHT or a \_\_\_\_ TWELVE year (**check one**) limited property tax exemption. (If a twelve year exemption, the Owner 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 Section 3.78.040 BMC).

8. The Owner 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 Department of Community Development 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 (3) year period or any authorized extension.

(d) If applicable, that the project meets the affordable housing requirements as described in RCW 84.14.020.

9. The City agrees, conditioned on the Owner's successful completion of the improvements in accordance with the terms of this Agreement and on the Owner's filing of the materials described in Paragraph 8 above, to file an eight or twelve year, as applicable, Final Certificate of Tax Exemption with the Kitsap County Assessor.

10. The Owner 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 or twelve years, as applicable, to file a notarized declaration with the City's Department of Community Development indicating the following:

(a) A statement of occupancy and vacancy of the multi-family units during the previous twelve (12) months;

(b) A certification that the property continues to be in compliance with this Agreement; and,

(c) A description of changes or improvements constructed after issuance of the certificate of tax exemption.

(d) A statement of the income of each renter household at the time of initial occupancy and the income of each initial purchaser of owner-occupied units at the time of purchase for each of the units receiving a tax exemption and a summary of these figures.

(e) Any information needed by the City to file its annual report pursuant to Bremerton Municipal Code (BMC) 3.78.110 and any additional information requested by the City in regards to the units receiving a tax exemption.

11. The parties acknowledge that the units are to be used and occupied for multifamily residential use. The parties further acknowledge that the certificate of occupancy issued by the City is for multifamily residential units. The Owner acknowledges and agrees that the units shall be used primarily for residential occupancy and any business activities shall only be incidental and ancillary to the residential occupancy.

12. If the Owner converts to another use any of the new multi-family residential housing units constructed under this Agreement, the Owner shall notify the Kitsap County Assessor and the City's Department of Community Development within 60 days of such change in use.

13. The Owner agrees to notify the City promptly of any transfer of Owner's ownership interest in the Site or in the improvements made to the Site under this Agreement.

14. For purposes of this agreement, "Owner" shall mean the Owners Association of a condominium complex once such association is established which shall be responsible for all reporting requirements required herein on behalf of the owners of individual condominium units.

15. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Owner, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement.

16. The Owner acknowledges its awareness of the potential tax liability involved if and when the property ceases to be eligible for the incentive provided pursuant to this agreement. Such liability may include additional real property tax, penalties and interest imposed pursuant to RCW 84.14.110.

17. Nothing in this Agreement shall permit or be interpreted to permit either party to violate any provision of Chapter 84.14 RCW or BMC Chapter 3.78.

18. No modifications of this Agreement shall be made unless mutually agreed upon by the parties in writing.

19. The Owner acknowledges its awareness of the potential tax liability involved if and when the property ceases to be eligible for the incentive provided pursuant to this agreement. Such liability may include additional real property tax, penalties and interest imposed pursuant to RCW 84.14.110. The Owner further acknowledges its awareness and understanding of the process implemented by the Kitsap County Assessor's Office for the appraisal and assessment of property taxes. The Owner agrees that the City is not responsible for the property value assessment imposed by Kitsap County at any time during the exemption period.

20. 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.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF BREMERTON

Property Owners:

\_\_\_\_\_  
Patty Lent, Mayor

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

\_\_\_\_\_  
Andrea Spencer, Director

Dept. of Community Development

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Cathy Johnson, Manager  
Finance Department

Attest:

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Carol Etgen, City Clerk

Approved as to Form:

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Roger Lubovich, City Attorney

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Thelma Swem, Risk Manager

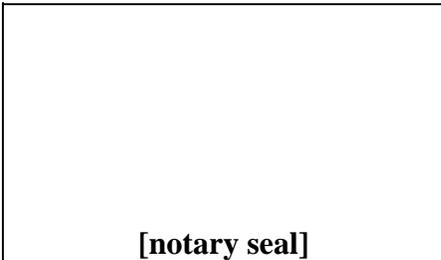
STATE OF WASHINGTON )

) ss.

County of Kitsap )

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the authorized signor and the person who executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said person, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.



\_\_\_\_\_  
NOTARY PUBLIC

Printed Name: \_\_\_\_\_

Residing at \_\_\_\_\_

My commission expires \_\_\_\_\_

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