



RESOLUTION NO. U-11446

1 A RESOLUTION related to Tacoma Power; declaring the property located at
2 1801 North Orchard Street surplus to the needs of Tacoma Power and
3 authorizing Tacoma Power to transfer such property to the
4 Tacoma/Pierce County Habitat for Humanity at no cost pursuant to
5 Revised Code of Washington 39.33.015 for affordable housing.

6 WHEREAS the City of Tacoma, Department of Public Utilities, Light
7 Division, d/b/a Tacoma Power ("Tacoma Power"), originally acquired the
8 property located at 1801 North Orchard Street (the "Property") for public utility
9 purposes, and such property was formerly known as the Downing Substation;
10 and

11 WHEREAS in 2009 the Property was declared surplus to Tacoma
12 Power's needs and no longer necessary for continued utility operations by
13 Public Utility Board Resolution No. U-10270 and Tacoma City Council
14 Resolution No. 37730, but failed to sell through a sealed-bid process; and

15 WHEREAS in 2013, the Public Utility Board passed Resolution No. U-
16 10663 and the Tacoma City Council, after a public hearing, passed Resolution
17 No. 38784, authorizing the conveyance of the property through a negotiated
18 sale; and
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20 WHEREAS the sale of the Property was never finalized as the buyer
21 failed to complete the transaction; and
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23 WHEREAS the Property was then offered to the Puyallup Tribe who did
24 not express any interest, and
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1 WHEREAS in 2021, the Property was among six parcels included in a
2 request for proposal process for affordable housing under Revised Code of
3 Washington ("RCW") 39.33.015 and the only party that expressed an interest in
4 the Property was the Tacoma/Pierce County Habitat for Humanity, and
5

6 WHEREAS the Tacoma/Pierce County Habitat for Humanity agreed to
7 develop the property as affordable housing in accordance with a development
8 agreement negotiated by the Community and Economic Development
9 Department with Tacoma Power and Real Property Services approval (the
10 Development Agreement"), Now, Therefore,
11

12 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

13 Sec. 1. The property located at 1801 North Orchard Street, identified as
14 Pierce County Assessor Tax Parcel Number 7475022110, (the "Property") is no
15 longer necessary for providing continued public utility service and is again
16 declared surplus to Tacoma Power's needs.
17

18 Sec. 2. The Development Agreement and the Real Property Purchase
19 and Sale Agreement between the City of Tacoma and the Tacoma/Pierce
20 County Habitat for Humanity are hereby approved, and the Council of the City
21 of Tacoma is requested to hold a public hearing on this matter and thereafter
22 concur in the approval and pass a resolution authorizing the proper officers of
23 the City to execute and implement both the Development Agreement and the
24 Real Property Purchase and Sale Agreement, both substantially in the form as
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on file with the Clerk of the Board, with the final forms to be approved by the
City Attorney's Office.

Approved as to form:

_____	_____
/s/	Chair
Chief Deputy City Attorney	_____
	Secretary
_____	Adopted _____
Clerk	



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: John Nierenberg, Tacoma Power T&D Assistant Section Manager
Greg Muller, Senior Real Property Officer, Real Property Services
MEETING DATE: March 13, 2024
DATE: March 1, 2024

STRATEGIC DIRECTIVE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Strategic Directives is supported by this action.

- | | |
|--|---|
| <input type="checkbox"/> GP1 – Diversity, Equity, Inclusion, Belonging | <input type="checkbox"/> GP8 – Telecom |
| <input checked="" type="checkbox"/> GP2 – Financial Sustainability | <input checked="" type="checkbox"/> GP9 – Economic Development |
| <input type="checkbox"/> GP3 – Rates | <input checked="" type="checkbox"/> GP10 – Government Relations |
| <input type="checkbox"/> GP4 – Stakeholder Engagement | <input type="checkbox"/> GP11 – Decarbonization/Electric Vehicles |
| <input type="checkbox"/> GP5 – Environmental Leadership | <input type="checkbox"/> GP12 – Employee Relations |
| <input type="checkbox"/> GP6 – Innovation | <input type="checkbox"/> GP13 – Customer Service |
| <input type="checkbox"/> GP7 – Reliability & Resiliency | <input type="checkbox"/> GP14 – Resource Planning |

SUMMARY: Declare surplus and authorize the no-cost transfer of approximately 13,000 square feet of Tacoma Power vacant property located at 1801 North Orchard Street, identified as Pierce County Assessor Tax Parcel No. 7475022110, in the City of Tacoma to Tacoma/Pierce County Habitat For Humanity for the development of Affordable Housing.

BACKGROUND:

No previous request has been submitted to Board in relation to this proposal. The property is in an urban location in Tacoma and was formerly improved with Tacoma Power's Downing Substation. As part of a package of decommissioned substation properties, this former substation site was previously declared surplus in 2009 by the TPU Board and Council. However, it failed to sell through a sealed-bid process. This sale follows the process provided in the TPU Surplus Real Property Disposition Policy #121 adopted in 2020. The property was identified as potential for Affordable Housing in furtherance of the City's affordable housing initiatives under RCW 39.33.015, a new surplus declaration was signed in 2020, and it was included in an RFP in 2021. As it is an in-City property, it was also offered to the Puyallup Tribe. The only party that expressed an interest in the property was Tacoma/Pierce County Habitat For Humanity who will develop the property as Affordable Housing in accordance with the attached Development Agreement. The sale documents were reviewed by the City Attorney's Office and approved by Tacoma Power management and Real Property Services.

Upon approval by the Board, a separate request will be made to the City Council to hold a Public Hearing to be followed by Final Approval. Closing of the sale is expected by April 2024.



Board Action Memorandum

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS TO BE COVERED.

N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No

ATTACHMENTS: Purchase and Sale Agreement, Declaration of Surplus; Location Map; Request For Proposals; Habitat for Humanity RFP Proposal; Notice of Award; Development Agreement; CAM to set Public Hearing

CONTACT: Primary Contact: Greg Muller, Senior Real Property Officer, 253.337.3164
Supervisor: Dylan Harrison, Principal Real Property Officer, Ext 8836



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities
COPY: City Council and City Clerk
SUBJECT: Resolution – Declaration of Surplus and Sale of Tacoma Power Real Property – City Council Consent Agenda for March 19, 2024
DATE: March 1, 2024

SUMMARY AND PURPOSE:

To set Tuesday, April 2, 2024 as the date for a Public Hearing regarding the declaration of surplus and no-cost transfer of approximately 13,000 square feet of Tacoma Power vacant property located at 1801 North Orchard Street, identified as Pierce County Assessor Tax Parcel No. 7475022110, to Tacoma/Pierce County Habitat For Humanity for the development of Affordable Housing.

BACKGROUND:

This Department’s Recommendation is based on the follow: The property is in an urban location in Tacoma and was formerly improved with Tacoma Power’s Downing Substation. As part of a package of decommissioned substation properties, this former substation site was previously declared surplus in 2009 by the TPU Board and Council. However, it failed to sell through a sealed-bid process. This sale follows the process provided in the TPU Surplus Real Property Disposition Policy #121 adopted in 2020. The property was identified as potential for Affordable Housing in furtherance of the City’s affordable housing initiatives under RCW 39.33.015, a new surplus declaration was signed in 2020, and it was included in an RFP in 2021. As it is an in-City property, it was also offered to the Puyallup Tribe. The only party who expressed an interest in the property was Tacoma/Pierce County Habitat For Humanity who will develop the property as Affordable Housing in accordance with the attached Development Agreement. The sale documents were reviewed by the City Attorney’s Office and approved by Tacoma Power management and Real Property Services.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Efforts were made to engage the community and partners through providing an RFP for Affordable Housing and engagement with the Puyallup Tribe. This sale has been vetted by Tacoma Public Utilities management.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

Combining the value indices of Livability, Accessibility, Economy, Environmental Health and Education, the sale property is located in a Very High Equity Index neighborhood. The sale will allow continued development of the local community, which provides housing, educational, employment, and recreational opportunities in line with state-mandated Growth Management policies and City of Tacoma planning goals and development regulations.

Economy/Workforce: *Equity Index Score:* Very High Opportunity

Increase the percentage of people relocating to the city and affordability of housing compared to neighboring jurisdictions.



Livability: *Equity Index Score:* Very High Opportunity

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Retain property	None.	Costs for maintenance and liability.

EVALUATION AND FOLLOW UP:

The City's Department of Community and Economic Development will provide on-going oversight to ensure compliance with the Development Agreement and Affordable Housing requirements.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Power and Real Property Services recommend that the City Council set Tuesday, April 2, 2024 as the date for a Public Hearing regarding the declaration of surplus and no-cost transfer of approximately 13,000 square feet of Tacoma Power vacant property located at 1801 North Orchard Street, identified as Pierce County Assessor Tax Parcel No. 7475022110, to Tacoma/Pierce County Habitat For Humanity.

FISCAL IMPACT:

There is no fiscal impact to setting this Public Hearing.

Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

Sale Property Location Map; Purchase and Sale Agreement; Declaration of Surplus; Request for Proposals; Habitat for Humanity RFP Proposal; Notice of Award; Development Agreement

LOCATION MAP

TACOMA POWER FORMER DOWNING SUBSTATION SITE
TRANSFER TO TACOMA/PIERCE COUNTY HABITAT FOR HUMANITY



PIERCE COUNTY TAX PARCEL NO. 7475022110

13,000± SF OF VACANT LAND

1801 NORTH ORCHARD STREET

CITY OF TACOMA, WA

**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
LIGHT DIVISION
REAL ESTATE PURCHASE AND SALE AGREEMENT**

AGREEMENT NO. A3304

Reference No.: P2021-152

**Seller: City of Tacoma, Department of Public Utilities,
Light Division, (d.b.a. Tacoma Power)**

**Buyer: Tacoma/Pierce County Habitat For Humanity
Abbreviated**

**Legal Description: Portion of SW Qtr of NW QTR of S36, T21N, R2E, W.M., in Pierce Co.,
WA**

County: Pierce

Tax Parcel No.: Pierce County Assessor TPN 7475022110

This REAL ESTATE PURCHASE AND SALE AGREEMENT (the "Agreement") is entered into as of 02/20/2024 (the Agreement Date) between the **CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION (d.b.a. Tacoma Power)**, a first class municipal corporation ("Seller") and Tacoma/Pierce County Habitat For Humanity, a Washington Non-Profit Corporation, ("Buyer").

RECITALS

WHEREAS, Seller is the owner of certain real property known as the former Tacoma Power Downing substation property, identified herein as the Property as more particularly described in Section 1. below.

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Property on the terms and conditions set forth herein for public benefit as defined by RCW 39.33.015 ("Affordable Housing").

WHEREAS, prior to Closing, the Seller and Buyer will negotiate and execute a Development Agreement for the future development of the Property consistent with the City of Tacoma's goals under the Affordable Housing Action Strategy.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

AGREEMENT

1. Real Property. Seller agrees to sell and convey to Buyer and Buyer agrees to purchase from Seller, subject to the terms and conditions set forth in this Agreement, the real property located in the County of Pierce and State of Washington, more particularly described as follows:

The west 100 feet of the south 130 feet in Block 106 of Amended Map of Second School Land Addition to the City of Tacoma, as per map thereof recorded in Book 7 of Plats at page 79, records of the Pierce County Auditor.

Situate in the City of Tacoma, County of Pierce, State of Washington.

Also known as Pierce County Assessor Tax Parcel No. 7475022110 (the "Property").

2. Deposit. Buyer has deposited with Seller the amount of **TEN THOUSAND and No/100 U.S. Dollars (\$10,000.00)**, which shall be held by Seller in a non-interest bearing account pending execution of this Agreement as the earnest money deposit (the Deposit"). Upon execution of this Agreement by both Seller and Buyer (the "Agreement Date"), Seller shall deliver the Deposit to Chicago Title Company in Tacoma, Washington (the "Escrow Agent"), as escrow agent for the Closing of this transaction. The Deposit will be held in an interest-bearing account by the Escrow Agent for the benefit of the parties pursuant to the terms of this Agreement. Any interest that accrues on the Deposit will be for the benefit of Buyer; provided, however, that if Buyer forfeits the Deposit to Seller pursuant to the terms of this Agreement, then all interest accrued on the Deposit will be paid to Seller. Unless otherwise provided in this Agreement, the Deposit and any accrued interest shall be applied to the closing costs and proration outlined in Section 8 herein, and any remaining funds will be distributed to the Buyer.

3. Consideration. Consideration for this purchase (the "Consideration") shall consist of the public benefit purposes and Buyer's obligations specified in RCW 39.33.015 and the Buyer's obligations pursuant to the Covenant specified in the Deed.

4. Title to Property.

4.1 Conveyance. At Closing, Seller shall convey to Buyer fee simple title to the Property by a duly executed and acknowledged quit claim deed (the "Deed"), subject to a 50-year covenant that the property shall be used for public benefit as defined by RCW 39.33.015, with a minimum of twenty-five percent (25%) of proposed units at or below fifty percent (50%) Area Median Income (AMI), with remedies should any or all of the above terms be violated by the Grantee during said 50-year period (the "Covenant") substantially in the form of **Exhibit "A"** attached hereto and by this reference incorporated herein, subject only to those encumbrances that Buyer approves pursuant to Section 4.3. below (the "Permitted Encumbrances").

4.2 Preliminary Commitment. Upon the Agreement Date, Seller authorizes Buyer to order a preliminary commitment, at Buyer's option and expense, for an owner's standard coverage policy of title insurance to be issued by Chicago Title Company in Tacoma, Washington (the "Title Company") and accompanied by copies of all documents referred to in the commitment (the "Preliminary Commitment").

4.3 Condition of Title. If Buyer receives a Preliminary Commitment pursuant to Section 4.2, Buyer shall advise Seller by written notice what encumbrances to title, if any, are disapproved by Buyer ("Disapproved Encumbrances") within ten (10) business days of receipt of the Preliminary Commitment. All monetary encumbrances other than non-delinquent ad valorem property taxes will be deemed to be disapproved. Seller will have ten (10) business days after receipt of Buyer's notice to give Buyer notice that (i) Seller will remove Disapproved Encumbrances, or (ii) Seller elects not to remove Disapproved Encumbrances. If Seller fails to give Buyer notice before the expiration of the ten (10) day period, Seller will be deemed to have elected not to remove Disapproved Encumbrances. Notwithstanding anything to the contrary in this Agreement, Seller shall remove from title on or before the Closing Date all monetary encumbrances other than those approved by Buyer. If Seller elects not to remove any Disapproved Encumbrances, Buyer will have fifteen (15) business days to notify Seller of Buyer's election either to proceed with the purchase and take the Property subject to those encumbrances, or to terminate this Agreement. If Buyer elects to terminate this Agreement pursuant to this section, the escrow will be terminated, the Deposit will be returned immediately to Buyer, all documents and other funds will be returned to the party who deposited them, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement. If this Agreement is terminated, Buyer solely shall bear any costs of terminating the escrow and any cancellation fee for the Preliminary Commitment.

4.4 Title Policy. At Closing, at Buyer's option and expense, Buyer shall cause the Title Company to issue to Buyer a standard coverage owner's policy of title insurance insuring Buyer's title to the Property, subject only to the Permitted Encumbrances (the "Title Policy"). The Title Policy must be dated as of the Closing Date.

5. Conditions to Closing. The satisfaction of each of the following at or before Closing shall be a condition of Closing:

5.1 Tacoma Public Utility Board and Tacoma City Council Approval. This Agreement, and the transaction contemplated hereby, must be duly approved by the Tacoma Public Utility Board and the Tacoma City Council prior to Closing. If said approvals are not obtained, this Agreement will terminate, and the Deposit, less any costs advanced or committed for Buyer as authorized herein or other costs subsequently agreed to in writing, will be returned immediately to Buyer, all documents and other funds will be returned to the party who deposited them, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement. Nothing in this Paragraph 5.1 will obligate Seller to obtain Tacoma Public Utility Board or City Council approval beyond the ordinary course of City of Tacoma and Department of Public Utilities procedures.

5.2 Buyer's Indemnification. Buyer agrees to assume all liability for and to defend, indemnify and save Seller harmless from all liability and expense (including reasonable costs and attorneys' fees) in connection with all claims, suits and actions of every name, kind and description brought against Seller or its agents or employees by any person or entity as a result of or on account of injuries or damages to persons, entities and/or property received or sustained, arising out of, in connection with, or as a result of the acts or omissions of Buyer, or its agents or employees in exercising its rights under this Agreement, except for claims caused by Seller's sole negligence.

5.3 Buyer Feasibility Study. Buyer hereby waives the right to conduct inspections or feasibility studies related to the Property and will take title to the Property on an as-is basis.

5.4 Non-Suitability. Buyer hereby waives the right to terminate this Agreement if, in Buyer's good faith judgment, the Property is not suitable for Buyer's intended use. However, in the event Buyer does not complete the purchase, Buyer shall promptly repair any damage to the Property caused by or resulting from the activities of Buyer or its agents or employees, returning the Property as near as is practicable to its original condition.

5.5 Development Agreement. Prior to Closing, Buyer and Seller shall enter into a Development Agreement (the "Development Agreement") specifying the terms and conditions of future development of the Property for public benefit as defined by RCW 39.33.015 and consistent with the goals established by the City of Tacoma.

6. Condition of the Property.

6.1 "As Is". Buyer acknowledges that Buyer is purchasing and shall acquire the Property under this Agreement in its physical condition existing at Closing, "AS-IS, "WHERE IS" AND WITH ALL FAULTS. THIS ACKNOWLEDGEMENT INCLUDES, WITHOUT LIMITATIONS, THAT THE BUYER ACCEPTS THE PROPERTY REGARDLESS OF (1) THE CONDITION OR STABILITY OF THE SOILS OR GROUND WATERS, (2) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS ON OR UNDER THE PROPERTY, (3) SUITABILITY FOR ANY CONSTRUCTION OR DEVELOPMENT, AND (4) ZONING AND/OR SIMILAR MATTERS. As of the Agreement

Date, Seller has made no representations or warranties, express or implied, regarding the Property, excluding those representations and warranties expressly provided in this Agreement. Seller shall surrender the Property in as good condition, except for normal wear and tear, as exists on the Agreement Date. Seller agrees that it will not damage nor commit waste on the Property between the Agreement Date and Closing.

6.2 Release. Except with respect to Seller's representations and warranties expressly provided in this Agreement, Buyer releases Seller and its directors, officers, employees, and agents from any and all statutory, common law, and other claims, obligations, causes of action, losses, damages, liabilities, costs and expenses (including without limitation attorney fees), unknown to Seller, that Buyer may have against Seller arising from, in whole or in part, or related in any way to the physical condition of the Property (including conditions not readily apparent and the presence of any material classified under state or federal law or regulations as hazardous). Buyer assumes all liability and responsibility for any hazardous materials on or under the property and all costs for remediation of same, and shall not seek reimbursement from Seller therefore.

6.3 Inspections. Buyer agrees that it will rely on its own inspections and evaluations of the Property, with the exception of written documentation, including, but not limited to any disclosures required by law, provided to it by Seller, to determine the suitability of the Property for Buyer's intended use.

7. Closing. This transaction will be closed in escrow by the Escrow Agent. The closing will occur not later than thirty (30) business (excluding weekends and City of Tacoma observed holidays) days following satisfaction of all conditions set forth under Section 5. Conditions to Closing herein (the "Closing Date"). "Closing", for the purpose of this Agreement, is defined as the date that all documents are executed and legal title of the Property passes to Buyer. If Closing does not occur on or before the Closing Date, or any later date mutually agreed to in writing by Seller and Buyer, the Escrow Agent will immediately terminate the sale and forward the Deposit to Buyer, less the Deposit due Seller under Section 11. Events of Default of this Agreement. When notified by the Escrow Agent, Buyer will deposit with the Escrow Agent without delay all instruments and monies required to complete the transaction in accordance with this Agreement.

8. Closing Costs and Proration. If Buyer elects to purchase title insurance, Buyer shall pay the premium for a standard coverage owner's policy of title insurance. Buyer shall pay the additional premium, if any, attributable to an extended coverage owner's policy of title insurance (if elected by Buyer) and any endorsements required by Buyer. Buyer shall also pay state of Washington real estate excise taxes applicable to the sale, if any, the cost of recording the deed, and the Escrow Agent's escrow fee. Property taxes and assessments for the current year, water and other utility charges, if any, shall be prorated as of the Closing Date unless otherwise agreed. Seller is a property tax exempt organization pursuant to R.C.W. 84.36.010, and therefore property taxes will only be due from Buyer for its ownership from and after the Closing Date.

9. Casualty Loss. Seller shall promptly notify Buyer of any event prior to the Closing Date which causes damage to or destruction of any portion of the Property. If Buyer and Seller cannot come to an agreement regarding any such damage to or destruction of the Property, including the settlement of any insurance claims, then Buyer and Seller will each have the right to terminate this Agreement by giving written notice of termination to the other party within twenty (20) days after receipt of actual notice of such casualty loss. Upon exercise of such termination election by either party, this Agreement will terminate, and the Purchase Price (including the Deposit) will be returned to Buyer.

10. Possession. Seller shall deliver possession of the Property to Buyer upon Closing. Seller shall remove any and all personal property belonging to Seller from the Property on or before Closing, unless any items are specifically authorized to remain in writing by Buyer.

11. Events of Default. In the event Buyer fails, without legal excuse to complete the purchase of the Property, then the Deposit shall be forfeited to Seller as the sole and exclusive remedy available to Seller for such failure. In the event Seller fails, without legal excuse, to complete the sale of the Property, Buyer shall be entitled to immediate return of the Deposit), and may pursue any remedies available to it in law or equity, including specific performance.

12. Notices. Any notice under this Agreement must be in writing and be personally delivered, delivered by recognized overnight courier service, given by mail or e-mail. All notices must be addressed to the parties at the following addresses, or at such other addresses as the parties may from time to time direct in writing:

Seller: Tacoma Public Utilities – Real Property Services
ABS – 2nd Floor
3628 S. 35th Street
Tacoma, WA 98409
e-mail: gmuller@cityoftacoma.org

Buyer: Tacoma/Pierce County Habitat For Humanity
4824 South Tacoma Way
Tacoma, WA 98409
e-mail: mfife@tpc-habitat.org

Any notice will be deemed to have been given, when personally delivered, and if delivered by courier service, one business day after deposit with the courier service, and if mailed, two business days after deposit in the U.S. mail, and if delivered by e-mail, the same day as verified by electronic "Delivery Receipt".

13. Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts and by different parties hereto, each of which counterpart when so executed shall have the same force and effect as if that party had signed all other counterparts. Electronically transmitted signatures shall be fully binding and effective for all purposes.

14. Brokers and Finders. In the event any broker or other person makes a claim for a commission or finder's fee based upon the transaction contemplated by this Agreement, the party through whom said broker or other person makes its claim shall indemnify and hold harmless the other party from said claim and all liabilities, costs and expenses related thereto, including reasonable attorneys' fees, which may be incurred by such other party in connection with such claim. This indemnity shall survive the Closing of this transaction.

15. Professional Advice. Seller and Buyer hereby acknowledge that it may be advisable for either or both parties to obtain independent legal, tax or other professional advice in connection with this transaction, as the terms and conditions of this Agreement affect the parties' rights and obligations. The parties agree that they have satisfied themselves that they understand the terms and conditions of this sale and have accepted full responsibility to seek such professional advice as they deem necessary.

16. Amendments. This Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.

17. Continuation and Survival of Representations and Warranties. All representations and warranties by the respective parties contained in this Agreement or made in writing pursuant to this Agreement are intended to and will remain true and correct as of Closing, will be deemed to be material, and will survive the execution and delivery of this Agreement and the delivery of the Deed and transfer of title. Such representations and warranties, however, are not assignable and do not run with the land, except as may be expressly provided herein or contained in a written instrument signed by the party to be charged.

18. Governing Law. This Agreement will be governed and construed in accordance with the laws of the state of Washington.

19. Attorney Fees. If either party fails to perform any of its obligations under this Agreement or if a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in the dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights under this Agreement, including without limitation, court costs and reasonable attorney fees incurred in connection with any federal, state or bankruptcy proceeding.

20. Time of the Essence. Time is of the essence of this Agreement and of all acts required to be done and performed by the parties hereto.

21. FIRPTA. If required, Seller will prepare a certification or equivalent that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act ("FIRPTA"), and Seller agrees to sign this certification. If Seller is a "foreign person" as the same is defined by FIRPTA, and this transaction is not otherwise exempt from FIRPTA, Seller will withhold and pay the required amount to the Internal Revenue Service.

22. Waiver. Neither Seller's nor Buyer's waiver of the breach of any covenant under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant.

23. Nonmerger. The terms and provisions of this Agreement, including without limitation, all indemnification obligations, will not merge in, but will survive the Closing of the transaction contemplated under this Agreement.

24. Assignment. Buyer shall not assign this Agreement without Seller's prior written consent, which consent may not be unreasonably withheld or delayed.

25. Negotiation and Construction. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either party.

26. Additional Acts. Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by any party hereto, the parties agree to perform, execute and/or deliver, or cause to be performed, executed and/or delivered, any and all such further acts, deeds and assurances, which may reasonably be required to give effect to the Agreement contemplated herein.

27. Survival. Any terms, conditions, or provisions of this Agreement which by their nature should survive shall survive the Closing of the sale.

28. Waiver of RCW 64.06 Disclosure. Buyer and Seller acknowledge that the Property may constitute "Commercial Real Estate" or "Residential Real Property" as defined in RCW 64.06.005. Buyer waives receipt of the seller disclosure statement required under RCW 64.06 for transactions involving the sale of such real property, except for the section entitled "Environmental." The Environmental section of the seller disclosure statement (the "Disclosure Statement") shall be provided to Buyer within five business days after acceptance of this Agreement. Buyer shall within three business days thereafter either deliver written notice to Seller to rescind the Agreement, else the Disclosure Statement will be deemed approved and accepted by Buyer. If Buyer rescinds this Agreement, the Purchase Price (including the Deposit, but less any costs advanced or committed for Buyer as authorized herein, or other costs subsequently agreed to in writing) will be returned immediately to Buyer, all documents and other funds will be returned to the party who deposited

them, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided for in this Agreement.

29. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the purchase and sale of the Property, and supersedes all prior agreements and understandings, oral or written, between the parties relating to the subject matter of this Agreement.

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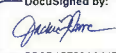
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SELLER:

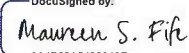
BUYER:

TACOMA POWER


TACOMA/PIERCE COUNTY HABITAT FOR HUMANITY

DocuSigned by:

01/02/2024
8D9D15F88A9447B

Jackie Flowers, Date
Director of Utilities

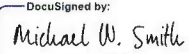
DocuSigned by:

02/20/2024
3A4E03A5435946F

Maureen S. Fife, Date
Chief Executive Officer

DocuSigned by:

12/28/2023
F8DA72CA6C849D


Chris Robinson,
Power Superintendent

Approved as to form:

DocuSigned by:

12/27/2023
43FA2C4C8E81FA

Michael W. Smith,
Deputy City Attorney

City of Tacoma Review

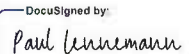
DocuSigned by:

12/22/2023
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Joseph A. Wilson,
Power Section Manager

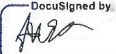
DocuSigned by:

12/21/2023
457276E0747D464

John Nierenberg,
Power Section Assistant Manager

DocuSigned by:

12/21/2023
88AFDA79B8C408

Paul Lennemann,
Tacoma Power Surveying Manager

DocuSigned by:

12/27/2023
1EAE43DA59164E0

Andrew Cherullo,
Director of Finance

EXHIBIT "A"

After Recording Mail To:

TACOMA PUBLIC UTILITIES
ABS 2nd Floor
3628 S. 35th Street
Tacoma, WA 98409
Attn: Real Property Services

**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITES
QUIT CLAIM DEED NO. 6779**

Reference No.	P2021-152
Grantor:	City of Tacoma, Department of Public Utilities, Light Division (d.b.a. Tacoma Power)
Grantee:	Tacoma/Pierce County Habitat For Humanity
Abbr. Legal Description:	Portion of SW Qtr of NW Qtr of S36, T21N, R2E, W.M., Pierce Co., WA
Tax Parcel No.:	Pierce County Assessor TPN 7475022110

The Grantor, CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION (d.b.a. Tacoma Power), a first class municipal corporation, for and in consideration of the public benefit purposes and Buyer's obligations specified in RCW 39.33.015, conveys and quit claims to Tacoma/Pierce County Habitat For Humanity, a Washington Non-Profit Corporation, as Grantee, all interest in the following described real property (the "Property") situate in Pierce County, State of Washington, to-wit:

The west 100 feet of the south 130 feet in Block 106 of Amended Map of Second School Land Addition to the City of Tacoma, as per map thereof recorded in Book 7 of Plats at page 79, records of the Pierce County Auditor.

Situate in the City of Tacoma, County of Pierce, State of Washington.

Also known as Pierce County Assessor Tax Parcel No. 7475022110.

CONDITION SUBSEQUENT

For a period of 50 years from the date of conveyance, this deed and all rights of Grantee are subject to a condition subsequent upon the occurrence of which Grantor or its successors or assigns shall have the absolute right to terminate, by notice to Grantee or by re-entering and taking possession of the Property, the estate conveyed under this deed and all rights and/or encumbrances of all persons claiming any by or through Grantee, whereupon fee simple title to the Property shall re-vest entirely in Grantor or its governmental successors or assigns. The condition subsequent shall have occurred if Grantee shall fail to use the Property for public benefit as defined by RCW 39.33.015 and/or if Grantee shall fail to sell or lease a minimum of 25% percent of the proposed housing units to be built on the Property to buyers or tenants whose income is at or below fifty percent (50%) Area Median Income (AMI).

Further, Grantor may, in its absolute and sole discretion and election, forever revoke its herein-described rights upon condition subsequent upon payment by Grantee of the fair market value of the Property at the time of said election.

COVENANT REGARDING PUBLIC BENEFIT

The Property herein shall be used for public benefit as defined by RCW 39.33.015, and if Grantee shall sell or lease the Property or any housing units to be built on the Property, a minimum of 25% percent of said housing units must be sold or leased to buyers or tenants whose income is at or below fifty percent (50%) Area Median Income (AMI), which shall be a covenant running with the land for 50 years following recordation of this Quit Claim Deed.

COVENANT REGARDING ENVIRONMENTAL CONDITIONS

The Property herein is conveyed AS-IS, WHERE-IS, WITH-ALL-FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AS TO ITS CONDITION, ENVIRONMENTAL OR OTHERWISE, OR ITS SUITABILITY OR SUFFICIENCY FOR THE GRANTEE'S INTENDED USES AND PURPOSES. Grantee acknowledges that adverse physical, economic or other conditions (including without limitation, adverse environmental soils and ground-water conditions), either latent or patent, may exist on the Property and assumes Grantor's responsibility for all environmental conditions of the Property, known or unknown, including but not limited to responsibility, if any, for investigation, removal or remediation actions relating to the presence, release or threatened release of any Hazardous Substance or other environmental contamination relating to the Property. Grantee also releases and shall indemnify, defend, and hold Grantor and its past, present and future officials, employees, and agents, harmless from and against any and all claims, demands, penalties, fees, damages, losses, expenses (including but not limited to regulatory

agencies, attorneys, contractors and consultants' fees and costs), and liabilities arising out of the condition of the Property including but not limited to any alleged or actual past, present or future presence, release or threatened release of any Hazardous Substance in, on, under or emanating from the Property, or any portion thereof or improvement thereon, from any cause whatsoever; it being intended that Grantee shall so indemnify Grantor and such personnel without regard to any fault or responsibility of Grantor or Grantee; provided, however, that Grantee shall not release or indemnify, defend, and hold Grantor harmless for claims, demands, penalties, fees, damages, losses, expenses, and liabilities to the extent arising out of Grantor's post-Closing activities on the Property, if any. The obligation to complete all environmental investigation, removal or remediation of the Property and the acknowledgement, release and indemnification touch and concern the Property, restrict the use of the Property, constitute an assessment against the Property and are intended to run with the land and bind Grantee and Grantee's heirs, successors and assigns, and inure to the benefit of Grantor and its successors and assigns.

For purposes of this COVENANT, the term "Hazardous Substance" shall mean any hazardous or dangerous substance, waste or pollutant, including but not limited to petroleum products and compounds containing them, polychlorinated biphenyls ("PCBs") and compounds containing them; asbestos or asbestos-containing materials in any friable form; or any substance or material that is now or hereafter becomes regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to environmental protection, contamination or cleanup, including the Washington Model Toxics Control Act ("MTCA"), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Superfund Amendment and Reauthorization Act ("SARA"), and Community Right to Know Act, the Toxic Substances Control Act ("TSCA"), Federal Water Pollution Control Act ("CWA"), the Clean Air Act ("CAA"), the Resource Conservation and Recovery Act ("RCRA"), the Oil Pollution Act of 1990, the Washington Water Pollution Control Act, the Clean Air Washington Act, the Washington Hazardous Waste Management Act ("HWMA"), and the Washington Oil and Hazardous Substance Spill Prevention and Response Act..

Grantee's release shall include both claims by Grantee against Grantor and cross-claims against Grantor by Grantee based upon claims made against Grantee by any and all third parties. The obligation to indemnify and defend shall include, but not be limited to, any liability of Grantor to any and all federal, state or local regulatory agencies or other persons or entities for remedial action costs and natural resources damages claims. The obligation to complete all environmental investigation, removal or remediation of the Property and the acknowledgement, release and indemnification touch and concern the Property, restrict the use of the Property, constitute an assessment against the Property and are intended to run with the land and bind Grantee and Grantee's heirs, successors and assigns, and inure to the benefit of Grantor and its successors and assigns. This release means that Grantee accepts the Property "as-is, where-is and with-all-faults," and that

Grantee assumes all responsibility of Grantor to investigate, remove and remediate any environmental conditions on the Property and has no recourse against Grantor or any of its officers, employees or agents for any claim or liability with respect to the condition of the Property at Closing.

Grantor shall have the right to defend itself and seek from Grantee recovery of any damages, liabilities, settlement awards and defense costs and expenses incurred by Grantor if Grantee does not accept unconditionally Grantor's tender to Grantee of the duty to investigate, remove and/or remediate environmental conditions on the Property and/or defend and indemnify Grantor against any such claim, suit, demand, penalty, fee, damages, losses, cost or expense. This Covenant shall apply regardless of whether or not Grantee is culpable, negligent or in violation of any law, ordinance, rule or regulation, but shall not apply to the extent that such damages, liabilities, settlement awards and defense costs and expenses arise out of Grantor's post-Closing activities on the Property. This Covenant is not intended, nor shall it, release, discharge or affect any rights or causes of action that Grantor or Grantee may have against any other person or entity, except as otherwise expressly stated herein, and each of the parties reserves all such rights including, but not limited to, claims for contribution or cost recovery relating to any Hazardous Substance in, on, under or emanating from the Property.

Authorized by City Council Resolution No. _____ adopted on _____
at the request of Public Utility Board Resolution No. U- _____ adopted on _____.

IN WITNESS WHEREOF, said corporation has caused this instrument to be
executed by its proper officers this on _____.

CITY OF TACOMA

By: _____
Mayor

Attest:

City Clerk

Accepted by Grantee

TACOMA/PIERCE COUNTY HABITAT
FOR HUMANITY

By: _____
Printed Name: Maureen S. Fife, CEO
Date: _____

P2021-152/D6779

**CITY OF TACOMA
DEPT. OF PUBLIC UTILITIES**

APPROVED:

Jackie Flowers,
Director of Utilities

AUTHORIZED:

Chris Robinson,
Power Superintendent

REVIEWED:

Joseph A. Wilson,
Power Section Manager

John Nierenberg,
Power Section Assistant Manager

REVIEWED:

Paul Lennemann,
Tacoma Power Surveying Manager

APPROVED AS TO FORM:

Michael W. Smith,
Deputy City Attorney

When Recorded Return To:
City of Tacoma, Community & Economic Development
Attn: Felicia Medlen
747 Market St, Room 737
Tacoma, WA 98402

Document Title: DEVELOPMENT AGREEMENT
Grantor: CITY OF TACOMA, a first class municipal corporation
Grantee: TACOMA/PIERCE COUNTY HABITAT FOR HUMANITY, a Washington Public Benefit Corporation
Legal Description: SEE EXHIBIT A
Assessor's Tax Parcel Number: 7475022110

**DEVELOPMENT AGREEMENT
FOR THE DEVELOPMENT OF REAL PROPERTY
FOR AFFORDABLE HOUSING PURPOSES**

This Development Agreement is entered into as of _____, between the City of Tacoma, a first class municipal corporation ("City"), and Tacoma/Pierce County Habitat for Humanity, a Washington Non-Profit Corporation, and its successors and assigns ("Developer") (City and Developer, together, "Parties").

RECITALS

WHEREAS the Parties have entered into that certain Purchase and Sale Agreement dated _____ ("PSA"), for the disposition and development of certain City owned real property known as Pierce County Tax Parcel No. 7475022110, and as legally described in Exhibit A ("Property") attached hereto and by this reference incorporated herein.

WHEREAS the Property will be conveyed to Developer by a Quit Claim Deed in the form attached to the PSA as Exhibit A ("Deed"), which includes a Condition Subsequent and a Covenant Regarding Public Benefit (together, the "Affordable Housing Encumbrance"). Conveyance and recording of the Quit Claim Deed is conditioned upon Developer executing this Development Agreement ("DA").

WHEREAS the City's primary purpose in conveying the Property to the Developer is to see it developed into affordable housing within a commercially reasonable time. To that end, this DA is an integral part of the consideration for the conveyance of the Property.

WHEREAS by this DA, Developer agrees to use the Property for the purpose of developing the Property as further set forth in Section I below, to be constructed in conformance with Developer's Development Proposal dated August 3rd, 2021.

In light of the foregoing, and as consideration for the conveyance of the Property, the City and the Developer hereby covenant and agree as follows:

I. Developer Covenants.

A. Designated Purpose. Developer covenants to use and develop the Property in conformance with the Developer's Proposal dated August 3rd, 2021 ("Proposal"). To the extent that any development plans submitted by the Developer and approved by the City deviate from the Proposal, said development plans shall control and Developer shall

develop the Property in conformance with said development plans. In the absence of any such deviations, Developer shall develop the Property to include, at a minimum, the following:

1. Housing:

- (i) Cottage Style Housing with a minimum of three (3) units
- (ii) A resale restricted land trust, whereby Developer shall maintain ownership of the land and the homeowner(s) shall lease the land through a ground lease for a nominal fee.
 - a. The ground lease shall define a pre-agreed upon resale formula that will ensure the accrual of modest equity for the homeowner while keeping the homes affordable for a minimum of 50 years from the execution of the Deed.
- (iii) A minimum of twenty-five percent (25%) of constructed units shall sell, lease or rent at or below fifty percent (50%) Area Median Income

2. Additional required features:

- (i) Homes shall meet or exceed requirements set forth by the International Building Code and International Residential Code as adopted and amended by the Washington State Building Code Council under the State Building Code and adopted as the official Building Code of the City of Tacoma. Homes will achieve a HERS (Home Energy Rating System) score of 55 or better.
- (ii) The property shall be landscaped and aesthetically complementary to the surrounding neighborhood

The foregoing are minimum requirements only. Developer may add square footage to the project where feasible, and is encouraged to do so. The above development requirements are referred to herein as the "Designated Development Use."

B. Construction Commencement/Completion.

1. Developer shall begin pre-construction of its project on the Property ***within 90 days of closing***, in accordance with the construction schedule as shown on Exhibit C. That construction schedule is restated here as follows:

- (a) Developer shall commence construction by October 1st, 2026 pending full funding, and
- (b) Developer shall complete construction no later than December 31st, 2028.

2. Once home construction is commenced, Developer must diligently pursue construction to completion. If at any time during construction of the project, Developer ceases construction for six (6) months or more, Developer shall be in violation of this Covenant.

C. Construction Completion. Developer covenants to complete all construction ***no later than December 31st, 2028.***

D. LEAP and Equity in Contracting Participation. Developer agrees to use its best efforts to participate in the City of Tacoma's LEAP and EIC program as outlined in Exhibit B hereto.

E. Local Improvement District. Developer hereby covenants to not oppose the formation of any Local Improvement District ("LID") in which Developer, as the owner of the Property, is considered a benefitted owner.

F. Development Team. Developer has agreed to employ architects, engineers and construction firms, contractors and subcontractors that have a minimum of five (5) years' experience in constructing affordable housing in its project on the Property, and shall identify a project manager to oversee all aspects of the project and coordinate with City planning, permitting and housing staff;

G. Covenant for Affordability. Upon completion of construction, Developer agrees to comply with the Affordable Housing Encumbrance.

II. City Covenants.

The City covenants to work cooperatively with Developer to meet the construction commencement deadline and subsequent construction completion deadlines set forth herein and in the PSA and to assist Developer in order to achieve the following:

1. Compliance with development requirements and standards,
2. Design approval,
3. Building permit issuance, and
4. Issuance of certificate of occupancy upon project completion.

III. Remedies

If Developer fails to meet any of the milestones in the construction schedule, the City shall have the right to reacquire, at no cost to the City, the Property, including any and all improvements thereon or therein. Further, City may, in its absolute and sole discretion and election, forever revoke this Covenant upon payment by Grantee to Grantor of the fair market value of the Property at the time of said election.

IV. Indemnification of the City and Developer.

A. Developer covenants to indemnify, defend, and hold the City harmless from and against all claim, liability, loss, damage, cost, or expense (including reasonable attorneys' fees, court costs, and amounts paid in settlements and judgment) incurred in connection with Developer's development activity, construction activity, or other liability arising in any manner out of its activities on the Property, including the construction of improvements on the Property, as well as any act or omission of Developer or its members, agents, employees, representatives, contractors, subcontractors, successors, assigns or invitees, on or with respect to the Property. The City shall not be entitled to such indemnification to the extent that such claim, liability, loss, damage, cost or expense is caused by the negligence or willful misconduct of the City.

B. Promptly following receipt of notice, the City shall give Developer written notice of any claim for which Developer has indemnified the City hereunder, and the relevant party shall thereafter vigorously defend such claim on behalf of the City. Failure to give prompt notice to Developer shall not constitute a bar to the indemnification hereunder unless such delay has prejudiced Developer in the defense of such claim. If Developer is required to defend any action or proceeding pursuant to this Section to which action or proceeding the City is made a party, the City shall be entitled to appear, defend or otherwise take part in the matter involved, at its election, by counsel of its own choosing, and to the extent the City is indemnified under this section, Developer shall bear the cost of the City's defense, including reasonable attorneys' fees and costs. No settlement of any non-monetary claim shall be made without the City's written approval, not to be unreasonably withheld.

C. Developer agrees to include in each construction contract for construction of its project or other work on the Property that if there is liability for damage or injury during construction, each contractor waives immunity under the Workers' Compensation Laws of the State of Washington, Title 51 RCW, for claims brought by its employees against the City. Further, each contractor shall agree to indemnify and hold the City harmless for damages attributable to the contractor's negligence.

D. The City shall indemnify, defend, and hold Developer harmless from and against all claim, liability, loss, damage, cost, or expense (including reasonable attorneys' fees, court costs, and amounts paid in settlements and judgment) incurred in connection with the City's negligence or other legally culpable conduct in performing its obligations under this DA.

V. Miscellaneous Provisions.

A. No Joint Venture. It is not intended by this DA to, and nothing contained in this DA shall, create any partnership or joint venture or create the relationship of principal and agent between Developer and the City, or any of their successors in interest.

B. Enforcement and Remedies. In the event of any violation of any of the provisions of this DA by the parties, the non-violating party shall have the right to enforce the violated covenant by any appropriate proceedings at law or in equity, including the right to apply to a court of competent jurisdiction for an injunction against such violation, or for specific performance. Any remedies specifically provided herein are non-exclusive and are in addition to all other remedies available to the non-violating party at law or in equity.

C. Covenants to Run With the Land. The City and Developer hereby declare their express intent that the covenants and conditions set forth in this DA shall run with the land, and shall bind all successors in title to the Property.

D. Governing Law and Choice of Venue. This DA shall be governed by the laws of the State of Washington without regard to any principles of Conflicts of Laws. Any action brought regarding this DA shall be brought in the Superior Court for the State of Washington in Pierce County.

E. Amendments. This DA may be amended only by a written instrument executed by all the parties hereto or their successors in title, and duly recorded in the Official Records of Pierce County, Washington.

F. Severability. If any provision of this DA shall be found invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this DA shall not in any way be affected or impaired thereby.

G. Electronic Signatures. This document may be signed electronically. Electronic signatures on this document are legally binding and enforceable.

H. Recording. This DA shall be recorded in the real property records of Pierce County, Washington.

IN WITNESS WHEREOF, the City and Developer have caused this Development Agreement to be executed as of the day and year written above and warrant by signing below that they have the authority to enter into this Development Agreement.

CITY OF TACOMA

DEVELOPER

Elizabeth A. Pauli
City Manager

By:
Its:

Jackie Flowers,
Director of Utilities

ATTEST:

City Clerk

APPROVED AS TO FORM:

Deputy City Attorney

APPROVED:

Community and Economic Development Director

Power Superintendent

EXHIBIT A
Legal Description

The west 100 feet of the south 130 feet in Block 106 of Amended Map of Second School Land Addition to the City of Tacoma, as per map thereof recorded in Book 7 of Plats at page 79, records of the Pierce County Auditor.

Situate in the City of Tacoma, County of Pierce, State of Washington.

Also known as Pierce County Assessor Tax Parcel No. 7475022110.

EXHIBIT B
LEAP and Equity In Contracting

CITY OF TACOMA LEAP & EQUITY IN CONTRACTING (f/k/a SBE) PARTICIPATION

Developer agrees to comply with the City of Tacoma’s Local Employment and Apprenticeship Training Program (LEAP) and Equity in Contracting (“EIC”; f/k/a Small Business Enterprise) program by attempting to ensure that all contractors performing work on the Project make their best efforts to comply with the program requirements. In an effort to develop relationships with the local community and promote the local work force and subcontracting businesses, Developer will notify each contractor and Bidders of the LEAP and EIC requirements and strongly encourage participation in the programs.

- I. LEAP Utilization Goal: The City of Tacoma’s LEAP program has established two requirements that may be satisfied concurrently:
 - a. Local Employment Requirement: 15% of total labor hours must be provided by:
 - i. Residents of the City of Tacoma
 - ii. Residents of the Economically Distressed Areas of the Tacoma Public Utilities Service Area
 - b. Apprentice Utilization Requirement: 15% of total labor hours must be provided by Apprentices affiliated with Washington State Apprenticeship and Training Council approved programs who are:
 - i. Residents of any county of the Tacoma Public Utilities Service Area
- II. EIC Annual Goal: The City of Tacoma’s EIC program has established annual subcontracting goals of:
 - a. 10% Minority Business Enterprise (MBE)
 - b. 8% Women Business Enterprise (WBE)
 - c. 7% Small/Disadvantaged Business Enterprise (SBE/DBE)

Contractors that agree to comply with the City of Tacoma LEAP and EIC programs must track the local hire and apprentice hours worked, and EIC contracts awarded under Developer’s Project. It shall be the responsibility of the contractors that qualify for and are participating in each respective program to supply the City of Tacoma with data, in such form as prescribed by the City, that shows reasonable evidence of compliance with LEAP and EIC. A final participation tracking report shall be prepared by the City of Tacoma upon completion of the Project.

LEAP and EIC can assist contractors in identifying qualified workers and subcontractors in meeting their business and workforce needs as identified in their respective bid submittals and scopes of work.

Program Contacts:

LEAP <http://www.cityoftacoma.org/leap>

Carol Wolfe

cwolfe@cityoftacoma.org

253-591-5384

EIC <https://www.cityoftacoma.org/cms/One.aspx?portalid=169&pageid=26616>

Carol Wolfe

cwolfe@cityoftacoma.org

253-591-5384

EXHIBIT C

Development Plan/Construction Schedule

- (a) Developer shall commence construction by October 1st, 2026, and
- (b) Developer shall complete construction no later than December 31st, 2028.



City of Tacoma, WA

REAL PROPERTY SERVICES

REQUEST FOR PROPOSAL

**DISPOSITION OF PROPERTY FOR DEVELOPMENT OF
AFFORDABLE HOUSING**

SPECIFICATION NO. PW21-0578F



**City of Tacoma
Public Works/Real Property Services**

**REQUEST FOR PROPOSALS PW21-0578F
Disposition of Property for Development of Affordable Housing**

Submittal Deadline: 11:00 a.m., Pacific Time, Tuesday, August 3, 2021

Submittals must be received by the City's Procurement and Payables Division prior to 11:00 a.m. Pacific Time.

For electronic submittals, the City of Tacoma will designate the time of receipt recorded by our email, bids@cityoftacoma.org, as the official time of receipt. This clock will be used as the official time of receipt of all parts of electronic bid submittals.

Submittal Delivery: Sealed submittals will be received as follows:

By Email:

bids@cityoftacoma.org

Maximum file size: 35 MB. Multiple emails may be sent for each submittal.

By Carrier:

A flash drive of your full submittal must accompany.

City of Tacoma Procurement & Payables Division
Tacoma Public Utilities
3628 S 35th Street
Tacoma, WA 98409

In Person:

A flash drive of your full submittal must accompany.

City of Tacoma Procurement & Payables Division
Tacoma Public Utilities Administration Building North
Guard House (east side of main building)
3628 S 35th Street
Tacoma, WA 98409

By Mail:

A flash drive of your full submittal must accompany.

City of Tacoma Procurement & Payables Division
Tacoma Public Utilities
PO Box 11007
Tacoma, WA 98411-0007

Bid Opening: Held virtually each Tuesday at 11AM. Attend [via this link](#) or call 1 (253) 215 8782.

Submittals in response to a RFP will be recorded as received. As soon as possible, after 1:00 PM, on the day of submittal deadline, preliminary results will be posted to www.TacomaPurchasing.org.

Solicitation Documents: An electronic copy of the complete solicitation documents may be viewed and obtained by accessing the City of Tacoma Purchasing website at www.TacomaPurchasing.org.

- [Register for the Bid Holders List](#) to receive notices of addenda, questions and answers and related updates.
- Click here to see a [list of vendors registered for this solicitation](#).

Pre-Proposal Meeting: A pre-proposal meeting will not be held.

Project Scope: The City of Tacoma (“City”) is soliciting proposals (“Proposal(s)”) from persons or entities (“Proposer(s)”) interested in the disposition and development with affordable housing of six properties

Paid Sick Leave: The City of Tacoma requires all employers to provide paid sick leave as set forth in Title 18 of the Tacoma Municipal Code. For more information, visit [our Minimum Employment Standards Paid Sick Leave webpage](#).

Americans with Disabilities Act (ADA Information: The City of Tacoma, in accordance with Section 504 of the Rehabilitation Act (Section 504) and the Americans with Disabilities Act (ADA), commits to nondiscrimination on the basis of disability, in all of its programs and activities. Specification materials can be made available in an alternate format by emailing Gail Himes at ghimes@cityoftacoma.org, or by calling her collect at 253-591-5785.

Federal Title VI Information:

“The City of Tacoma” in accordance with provisions of Title VI of the Civil Rights Act of 1964, (78 Stat. 252, 42 U.S.C. sections 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, national origin in consideration of award.

Additional Information: Requests for information regarding the specifications may be obtained by contacting Tad Carlson, Senior Buyer by email to tcarlson@cityoftacoma.org

Protest Policy: City of Tacoma [protest policy](#), located at www.tacomapurchasing.org, specifies procedures for protests submitted prior to and after submittal deadline.



Meeting sites are accessible to persons with disabilities. Reasonable accommodations for persons with disabilities can be arranged with 48 hours advance notice by calling 253-502-8468.


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SUBMITTAL CHECK LIST

This checklist identifies items to be included with your submittal. Any submittal received without these required items may be deemed non-responsive and not be considered for award.

Submittals must be received by the City of Tacoma Purchasing Division by the date and time specified in the Request for Proposal page.

The following items make up your submittal package:	
One copy of your complete submittal package and associated deposits.	
Signature Page	
Responses to Section 3: Content of Proposal	
After award, the following documents will be executed:	
Transfer and Development Agreement	

1. BACKGROUND

The City of Tacoma ("City") is soliciting proposals ("Proposal(s)") from persons or entities ("Proposer(s)") interested in the disposition and development with affordable housing of six properties as generally described in "Property Information" below, legally described in the herein attached Appendix A ("Property(s)") and located in **Tacoma, WA**.

To learn more about the City of Tacoma, visit www.cityoftacoma.org.

This is not a typical bid solicitation awarding the property to the highest bidder. Instead, this solicitation will take into account the Proposer's ability to meet the City's affordable housing goals, as detailed in the Tacoma Public Utility Surplus Policy #121 (the "Policy") as adopted by Public Utility Board Resolution No. U-11144 (the "Resolution).

PROPERTY INFORMATION:

PROPERTY #1 – DOWNING SUBSTATION

Address: 1801 N. Orchard Street.
Pierce County Tax Parcel No. 7475022110.
Vacant Land.
Approximately 0.30 Acres.
Zoning: R2 – Single Family Dwelling District.
Market Value: Estimated at **\$300,000**.

PROPERTY #2 – LINCOLN PARK SUBSTATION

Address: 1009 S. 35th Street.
Pierce County Tax Parcel No. 5275000720.
Vacant Land.
Approximately 0.19 Acres.
Zoning: R2 – SRD – Residential Special Review District.
Market Value: Estimated at **\$100,000**.

PROPERTY #3 – WARNER SUBSTATION

Address: 3404 South 45th Street.
Pierce County Tax Parcel No. 2890002480.
Vacant Land.
Approximately 0.15 Acres.
Zoning: URX – Urban Residential Mixed-Use District.
Market Value: Estimated at **\$225,000**.

PROPERTY #4 – 2101 NORTH HIGHLAND

Address: 2101 N. Highland Street.

Pierce County Tax Parcel No. 7045000390.

Vacant Land.

Approximately 0.14 Acres.

Zoning: R2 – Single Family Dwelling District.

Market Value: Estimated at **\$165,000**.

Note: Portions lying within extension of abutting North 21st Street and alley will be dedicated to City for public right-of-way use.

PROPERTY #5 – SOUTH 40TH & “A” STREET

Address: South 40th Street and “A” Street.

Pierce County Tax Parcel No. 7470021810.

Vacant Land.

Approximately 1.01 Acres.

Zoning: RCX – Residential Commercial Mixed-Use.

Market Value: Estimated at **\$750,000**.

PROPERTY #6 – SOUTH 45TH & UNION AVENUE

Address: South 45th Street and Union Avenue.

Pierce County Tax Parcel Nos. 2890000730, 2890002850, and 0220134012.

Vacant Land.

Approximately 1.11 Acres.

Zoning: UCX – Urban Center Mixed-Use.

Market Value: Estimated at **\$450,000**.

Note: Easements for utility infrastructure and a well covenant will be reserved.

The six Properties are all designated as Category 1 per the Policy, which includes the baseline requirement that a minimum of twenty-five percent (25%) of proposed units be at or below fifty percent (50%) Area Median Income (AMI). Scoring will be weighted in favor of Proposals that include at least fifty percent (50%) Affordable Housing units at or below thirty percent (30%) AMI. If no Proposals meet this baseline, it shall be deemed that no Proposal meets the requirements of the RFP, which shall then terminate, and the surplus disposal process may then proceed as described in the Policy, with an intent to maximize ratepayer returns and provide consistency with TPU Board strategic directives.

Proposers must be willing to execute a covenant consistent with the Policy Section 5. Minimum Affordable Housing Requirements (“Covenant”) obligating the Proposer to use the Property(s) consistent with the Covenant for a fifty (50) year period. Where the developer or subsequent owners cease to comply with the Covenant, the City shall have reversionary rights to the Property(s).

In order for a Proposal to be considered for award, it must conform to all the requirements of this RFP, including the Minimum Proposal Requirements provided below.

Ultimately, the transfer of the Property(s) is subject to the approval of both the Public Utility Board and City Council and shall be deemed a negotiated disposition as authorized by Tacoma Municipal Code 1.06.280.

Proposals may be submitted for ALL Properties listed, or for one or more INDIVIDUAL Properties listed in this RFP. Please clearly state which Property(s) you are submitting for in your Proposal. In the event the City receives multiple proposals for individual properties, the City reserves the right to ask Proposers, where possible, to partner on the disposition and development.

Proposer is Responsible for Independent Due Diligence. The information and documentation provided herein and in the Appendices is not to be relied upon by Proposers in the evaluation or creation of Proposals. The City makes no warranty as to information regarding the value, title to, or condition of the Property(s) provided herein, and Proposer acknowledges that it shall have no right to rely on such information. Further, by submitting a Proposal, Proposer acknowledges that Proposer is solely responsible for the independent verification of all property information and for performing independent due diligence of the condition, value, and title of the Property(s).

For a general map depiction of the Property(s) please see Appendix B.

Hereinafter, the term “Property(s)” shall mean all land, improvements, buildings, structures, and fixtures, located on Pierce County Tax Parcel Nos. 7475022110, 7045000390, 5275000720, 2890002480, 7470021810, 2890000730, 2890002850, and 0220134012 .

2. MINIMUM REQUIREMENTS

2.1 This Property(s) is classified as a Category 1 property, as defined within the Tacoma Public Utilities – Surplus Real Property Disposition Policy. The overall objectives of Category 1 property are to achieve the City’s affordable housing goals by encouraging development that meets the baseline requirements set forth in the Policy.

2.2 In order for a Proposal to be considered responsive, the Proposal must conform to all the requirements of this RFP, including the following:

2.2.1 Proposal Content. The contents of the Proposal should generally conform to the requirements of Section 3 herein.

- 2.2.2 **Consideration**. Consideration must include appraisal costs, debt service, all closing costs, and any other liabilities, if any, to the City (“Consideration”).
- 2.2.3 **Deposit**. Each Proposal must be accompanied either by a certified or cashier’s check for ten thousand dollars (\$10,000) per Property, payable to the City of Tacoma. The Deposit will be deposited in the City’s Real Property Services Escrow account and will offset the Consideration at closing for the Proposal which is selected. The City will not accept a bond or in lieu promissory note as payment for the Deposit requirement.

There are three options for submitting the deposit(s) all of which include check(s) being mailed or hand delivered to the below address:

1. If submitting an electronic proposal, include an image of the check with your electronic proposal and mail the check postmarked no later than the submittal due date, or
2. If selecting an electronic proposal, include an image of the check and hand deliver the check to address below, or
3. If submitting a hard copy proposal, check must accompany the proposal and arrive prior to 11 am on the submittal due date.

City of Tacoma Procurement and Payables Division
Tacoma Public Utilities
3628 S 35th St
Tacoma, WA 98409

- 2.2.3.1 **Refund**. The Deposit will be refunded to all Proposers who are not selected for the transfer of the Property(s) and the City will make best efforts to make this refund as soon as possible after the Proposers are notified of the City’s selection. The Deposit will not be refunded to the Proposer who is selected for award, unless the City is unwilling or unable to finalize the transfer of the Property(s) to the selected Proposer due to no fault of the Proposer, in which case the Deposit will be refunded in full.
- 2.2.4 **Transactional Documents**. By submitting a Proposal, Proposer agrees to enter into and accept as appropriate the agreements and documents with and from the City of Tacoma, including but not limited to, a Development Agreement, a Quit Claim Deed, and a Covenant which shall run with the land. Following the selection of the highest ranking Proposal, the City and the selected Proposer may negotiate mutually agreeable terms to the agreements incorporated herein. Negotiation of the agreement terms with the selected Proposer shall be allowed provided said negotiation does not result in an unfair advantage to the Proposer.

2.2.5 **Transfer and Development Agreement.** By submitting its Proposal, Proposer agrees to (at the time of receiving notice of selection) execute the Transfer and Development Agreement (“Agreement”), which includes but is not limited to the following requirements:

- 2.2.5.1 **Contingent upon** Public Utility Board and City Council Approval. The disposition must be duly approved by both the Public Utility Board and Tacoma City Council prior to Closing. If Tacoma City Council approval is not obtained, the Agreement will terminate, and all documents and other funds will be returned to the Proposer, and neither party will have any further rights, obligations, or remedies under the Agreement. *Further, transfer of Property #6 pursuant to this RFP for Affordable Housing will also require that notice be made to the Puyallup Tribe of Indians for possible purchase at Fair Market Value and that they decline such offer.*
- 2.2.5.2 **Closing.** Closing shall occur no later than thirty (30) calendar days from the City Council’s Approval of the Disposition. Proposer is responsible for paying all closing costs, including all recording, lender, brokerage services and title insurance costs and fees as applicable.
- 2.2.5.3 **“As Is”.** Proposer acknowledges that the Property(s) will be transferred under the Agreement in an “as is” condition. No warranties as to the condition of the Property(s) shall be given or implied.
- 2.2.5.4 **Title Conveyance.** The City shall convey title to the Property(s) via a Quit Claim Deed. No warranties as to the Title of the Property(s) shall be given or implied. If the selected Proposer desires to obtain its own Title Commitment Report/Insurance, then the selected Proposer will need to obtain the same at its own expense.
- 2.2.5.5 **Inspections.** Proposer agrees that it will rely on its own inspections and evaluations of the Property(s), with the exception of any disclosures required by law, to determine the suitability of the Property(s) for Proposer’s intended use.

3. CONTENTS OF PROPOSAL.

3.1 **Proposer Description.** In its Proposal, Proposer must provide the following information:

- 3.1.1 Provide Name and Addresses of Proposer. If Proposer is a business entity, provide names of principals, officers, members, shareholders, state of incorporation, and principal business address, as applicable.
- 3.1.2 Provide relevant background information explaining Proposer’s interest in the Property(s) and interest in investing in real estate in Tacoma and in the “Property(s)” neighborhood.

- 3.1.3 Provide relevant background information explaining whether Proposer's interest in acquiring the Property(s) has a relationship to Proposer's existing or intended connection to the neighborhood or community, if any, and/or whether and to what extent Proposer's interest is financial or speculative in nature.
- 3.1.4 Explain why Proposer would like to acquire the Property(s).

3.2 Proposal Description. In the Proposal, Proposer will provide sufficient information to enable the City to understand and evaluate the Proposer's intended future use(s) and plans for the Property(s). Proposers are encouraged to provide specific and detailed information about their intended futures use(s) of the Property(s). Proposals with more specific and detailed information about the future intended use(s) of the Property(s) are preferred as they will provide the City with more information to evaluate the Proposals. Proposals should at least provide information regarding the nature, type and scope of the future intended use(s), the nature of any proposed construction, rehabilitation, development, or demolition anticipated, and the timing associated with putting the Property(s) to Proposer's intended uses. Proposals that include responses which address the following categories and questions are encouraged:

3.2.1 Types/Kinds of Uses:

- 3.2.1.1 What is the nature, type, and scope of specific use(s) the Proposer will use the Property(s) for and for how long?
- 3.2.1.2 What kinds of housing, businesses, programs, services, or other endeavor(s) does the Proposer intend to conduct at the Property(s) and if applicable what kind of market will Proposer target?
- 3.2.1.3 If Proposer intends to lease out the Property(s) what type of tenant will Proposer target?

3.3 Construction/Development:

- 3.3.1 What kind, nature, type, and scope of construction, rehabilitation, or development does the Proposer intend to perform at and on the Property(s)?
- 3.3.2 Has Proposer confirmed that the proposed construction/repair is allowed by applicable zoning and laws?

3.4 Timing

- 3.4.1 What is Proposer's expected timeframe for putting the Property(s) to Proposer's intended futures use(s) and/or constructing or developing the Property(s).

3.5 Describe Alignment with City and Neighborhood Goals: In its Proposal, Proposer should describe and explain how its Proposal, where applicable, aligns with the following goals of the City and the Neighborhood. Proposer need only offer information to the extent the Proposal aligns with applicable goals below.

3.5.1 How does the Proposal align with the vision and goals of the neighborhood.

Specifically, how does the Proposal...

3.5.1.1 Improve the quality of life and property values in the neighborhood.

3.5.1.2 Improve walkability and streetscapes.

3.5.1.3 Provide valuable services and/or jobs to residents and businesses.

3.5.2 How does the Proposal align with the City’s goal to be a safe, clean, and attractive community.

Specifically, how does the Proposal...

3.5.2.1 Foster a safe environment for residents.

3.5.2.2 Reduce crime and blight in the community.

3.5.2.3 Improve and/or beautify the facility or site.

3.5.2.4 Encourage community engagement and participation to improve the neighborhood.

3.5.3 How does the Proposal align with City’s planning and economic development goals.

Specifically, how does the Proposal...

3.5.3.1 Align with the zoning goals and allowed uses of the Property(s)’ zoning.

3.5.3.2 Support increased housing and/or commercial activity in the neighborhood.

3.5.4 How does the proposal align with the City’s Equity goals?

Specifically, how does the Proposal...

3.5.4.1 Provide anti-racist marketing that attracts members of Tacoma’s Black, Indigenous, and People of Color (“BIPOC”) communities?

3.5.4.2 Encourage the hiring of Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs) and Small Business Enterprises (SBEs) during the development project?

4. CALENDAR OF EVENTS

4.1 This is a tentative schedule only and may be altered at the sole discretion of the City.

4.2 Public Utility Board and City Council Approval. All transfers of Surplus Real Property are subject to the approval of both the Public Utility Board and the City Council. Following selection, City staff will seek the approval of the transfer of the Property(s) to a selected Proposer at Public Utility Board and City Council meetings. Also, as the Properties are utility properties, a Public Hearing, as required by state law, will also be held.

4.3 The anticipated schedule of events concerning this RFP is as follows:

Pre-Submittal Questions:	7/16/2021
Response to Questions, on or about:	7/23/2021
Submittal Due Date:	8/3/2021
Submittal Evaluated, on or about:	8/6/2021
Interviews/presentations (if needed), on or about:	8/13/2021
Award Recommendation:	August 2021

5. INQUIRIES

5.1 Please submit question in writing to Tad Carlson, Senior Buyer, by email to tcarlson@cityoftacoma.org. Please make subject line:

PW21-0578F - Affordable Housing Disposition – *VENDOR NAME*

5.2 Questions marked confidential will not be answered or included.

5.3 The City reserves the discretion to group similar questions to provide a single answer or not to respond when the requested information is confidential.

5.4 The answers are not typically considered an addendum.

5.5 The City will not be responsible for unsuccessful submittal of questions.

5.6 Written answers to questions will be posted in the event approximately one week after the question deadline.

6. PRE-PROPOSAL MEETING

6.1 No pre-proposal meeting will be held; however, questions and request for clarifications of the specifications may be submitted as stated in the inquiries section.

7. DISCLAIMER

The City is not liable for any costs incurred by the Respondent for the preparation of materials or a submittal submitted in response to this RFP, for conducting any presentations to the City, or

any other activities related to responding to this RFP, or to any subsequent requirements of the contract negotiation process.

8. EVALUATION CRITERIA

A Selection Advisory Committee (SAC) will review and evaluate submittals based upon the below criteria:

Criteria	Points
Affordable Housing Scoring	40
Neighborhood Vision and Goals Alignment	15
City's Safe, Clean and Attractive Goal Alignment	15
City's Planning and Economic Development Goals Alignment	15
City's Equity Goals Alignment	15

After the evaluation, the SAC may conduct interviews of the most qualified Respondents before final selection.

8.1 The SAC may select one or more respondent.

8.2 The SAC may use references to clarify information in the submittals and interviews, if conducted, which may affect the rating. The City reserves the right to contact references other than those included in the submittal.

9. INTERVIEWS / ORAL PRESENTATIONS

An invitation to interview may be extended to Respondents based on SAC review of the written submittals. The SAC reserves the right to adjust scoring based on additional information and/or clarifications provided during interviews. The SAC may determine additional scoring criteria for the interviews following evaluation of written submittals.

The City reserves all rights to begin negotiations without conducting interviews.

Respondents must be available to interview within three business days' notice.

If interviews are conducted, the SAC will schedule the interviews with the contact person provided in the SOQs. Additional interview information will be provided at the time of invitation. At this time, it is anticipated that the main objective of the interview will be for the SAC to meet the project manager and key personnel that will have direct involvement with the project and hear about their relevant experience and expertise.

10. RESPONSIVENESS

Respondents agree their submittal is valid until a contract(s) has been executed.

All submittals will be reviewed by the City to determine compliance with the requirements and instructions specified in this RFP. The Respondent is specifically notified that failure to comply

with any part of this RFP may result in rejection of the submittal as non-responsive. The City reserves the right, in its sole discretion, to waive irregularities deemed immaterial.

The final selection, if any, will be that submittal which, after review of submissions and potential interviews, in the sole judgement of the City, best meets the requirements set forth in this RFP.

11. SCORING CONSIDERATIONS

Respondents are to provide complete and detailed responses to all items in Section 3 above. Submittals that are incomplete or conditioned in any way that contain alternatives or items not called for in this RFP, or not in conformity with law, may be rejected as being non-responsive. The City will not accept any submittal containing a substantial deviation from the requirements outlined in this RFP.

Submittals should present information in a straightforward and concise manner, while ensuring complete and detailed descriptions of the respondent's/team's abilities to meet the requirement of this RFP. Emphasis will be on completeness of content. The written submittals should be prepared in the sequential order as outlined below.

The City reserves the right to request clarification of any aspect of a submittal, or request additional information that might be required to properly evaluate the submittal. A failure to respond to such a request may result in rejection of the submittal. Proposers are required to provide responses to any request clarification within two (2) business days.

Requests for clarification or additional information shall be made at the sole discretion of the City. The City's retention of this right shall in no way diminish a Proposer's responsibility to submit a submittal that is current, clear, complete and accurate.

The relative weight of each scoring criteria is indicated below.

11.1 Affordable Housing Scoring (40 points).

A maximum of forty (40%) percentage points will be allowed for scoring the Affordable Housing requirement. Proposals that exceed the baseline will be scored higher than proposals that just meet the baseline.

11.2 How well does the proposed use align with the vision and goals of the Neighborhood (15 points). Considerations:

11.2.1 Improve the quality of life in the neighborhood.

11.2.2 Improve walkability and streetscapes.

11.2.3 Provide valuable housing, services and/or jobs to residents and businesses.

11.3 How well does the proposed use align with the City's goal to be a safe, clean, and attractive community (15 points): Considerations:

11.3.1 Foster a safe environment for residents.

11.3.2 Reduce crime and blight in the community.

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11.3.3 Improve and/or beautify the facility or site.

11.3.4 Encourage community engagement and participation to improve the neighborhood.

11.4 How well does the proposed use align with City’s planning and economic development goals (15 points): Considerations:

11.4.1 Align with the zoning goals and allowed uses of the Property(s)’ zoning.

11.4.2 Support increased housing and/or commercial activity in the neighborhood.

11.5 How well does the proposed use align with City’s Equity goals (15 points): Considerations:

11.5.1 Provide anti-racist marketing that attracts members of Tacoma’s Black, Indigenous, and People of Color (“BIPOC”) communities.

11.5.2 Encourage the hiring of Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs) and Small Business Enterprises (SBEs) during the development project.

12. ACCEPTANCE / REJECTION OF SUBMITTALS

Respondents are advised that the City reserves the right to cancel award of this Agreement at any time before execution of the Agreement by both parties if cancellation is deemed to be in the City’s best interest. In submitting a Submittal, Respondents agree that the City is not liable for any costs or damages for the cancellation of an award. The Respondent assumes the sole risk and responsibility for all expenses connected with the preparation of this submittal.

The City reserves the right and holds at its discretion the following rights and options:

- To waive any or all informalities
- To award one or more Agreements
- To not award an Agreement
- To issue subsequent solicitation
- To remove any Property from the RFP.

13. ACCEPTANCE OF SUBMITTAL CONTENTS

The Submittal contents of the successful Respondent will become contractual obligations if an Agreement ensues.

14. CONTRACTUAL OBLIGATION

The selected Respondent(s) will be expected to execute an Agreement with the City. As part of the negotiation process, Respondents may propose amendments to the Agreement, but the City, at its sole option, will decide whether to open discussion on each proposed amendment

and determine the final Agreement to be used. At a minimum, any Agreement will incorporate the terms and conditions contained herein.

15. PARTNERSHIPS

The City will allow Proposers to partner in order to respond to this RFP. Respondents may team under a Prime Respondent's submittal in order to provide responses to all sections in a single submission; however, each Respondent's participation must be clearly delineated by section. The Prime Respondent will be considered the responding vendor and the responsible party at contract award. All contract negotiations will be conducted only with the Prime Respondent. All contract payments will be made only to the Prime Respondent. Any agreements between the Prime Respondent and other companies will not be a part of the agreement between the City and the Prime Respondent. The City reserves the right to select more than one Prime Respondent.

16. COMMITMENT OF KEY PERSONNEL

The Respondent agrees that key personnel identified in its submittal or during Agreement negotiations as committed to this project will, in fact, be the key personnel to perform during the life of this Agreement. Should key personnel become unavailable for any reason, the selected Respondent shall provide suitable replacement personnel, subject to the approval of the City. Substantial organizational or personnel changes within the agency are expected to be communicated immediately. Failure to do so could result in cancellation of the Agreement.

17. AWARD

After the Respondent(s) is selected by the SAC and prior to award, all other Respondents will be notified via email by the Purchasing Division.

Once a finalist (or finalists) has been selected by the Selection Advisory Committee, negotiations with that finalist will begin, and if an Agreement is successfully negotiated, it will, if required, be submitted for final approval by the Public Utility Board and City Council.

18. EQUITY IN CONTRACTING

The City of Tacoma is committed to encouraging Proposers certified through the Washington State Office of Minority and Women's Business Enterprise to participate in City contracting opportunities.

19. CITY OF TACOMA LEAP & EIC PARTICIPATION

19.1 Developer agrees to use its best efforts to comply with the City of Tacoma’s Local Employment and Apprenticeship Training Program (LEAP) and Equity in Contracting (EIC) program by attempting to ensure that all contractors performing work on the project make their best efforts to comply with the program requirements. In an effort to develop relationships with the local community and promote the local work force and subcontracting businesses, Developer will notify each contractor and bidders of the LEAP and EIC requirements and strongly encourage participation in the programs.

19.2 LEAP has two separate requirements: Fifteen (15%) percent LEAP participation for projects over \$250/\$750k;

19.3 Fifteen (15%) percent apprentice participation for all projects over \$1M;

19.4 Projects over \$1M have BOTH of the requirements identified above.

19.5 The EIC requirement amounts are variable; however, there will be an evaluation completed for utilization of Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs) and Small Business Enterprises (SBEs) separately.

19.6 Developers are expected to ensure that all Contractors meet all three (3) EIC requirements to be responsive (or present good faith effort documentation)

19.7 Contractors that agree to comply with the City of Tacoma LEAP and EIC programs must track the local hire and apprentice hours worked, and EIC contracts awarded under Developer’s project. It shall be the responsibility of the contractors that qualify for and are participating in each respective program to supply the City of Tacoma with a monthly “Progress Report” that shows proof of participation in LEAP and EIC. A final participation tracking report shall be prepared by the Developer and provided to the City of Tacoma upon completion of the project.

19.8 LEAP and EIC can assist contractors in identifying qualified workers and subcontractors in meeting their business and workforce needs as identified in their respective bid submittals and scopes of work.

19.9 Program Information:

19.9.1 <http://www.cityoftacoma.org/leap>

19.9.2 <https://www.cityoftacoma.org/cms/one.aspx?portalId=169&pageId=112505>

19.9.3 EIC and LEAP Contact: Shakisha Ross at shakisha.ross@cityoftacoma or Phone: (253) 591-5075

20. PROPRIETARY OR CONFIDENTIAL INFORMATION

The Washington State Public Disclosure Act ([RCW 42.56 et seq.](#)) requires public agencies in Washington make public records available for inspection and copying unless they fall within the

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specified exemptions contained in the Act, or are otherwise privileged. Documents submitted under this RFP shall be considered public records and, with limited exceptions, will be made available for inspection and copying by the public.

Information that is confidential or proprietary must be clearly marked. Further, an index must be provided indicating the affected page number(s) and location(s) of all such identified material. Information not included in said index will not be reviewed for confidentiality or as proprietary before release.

21. ADDENDUMS

In the event it becomes necessary to revise any part of this RFP, an addendum will be issued. Failure to acknowledge addendum(s) on the required Signature Page may result in a submittal being deemed non-responsive by the City.

APPENDIX A

Legal Descriptions

SUBJECT TO the reservation of any required easements, restrictions, or covenants:

2101 North Highland – TPN: 7045000390

That portion of Lots 13 and 14 of Puget Sound Homestead Association plat in the Southwest Quarter of the Northeast Quarter of Section 35, Township 21 North, Range 2 East, W.M., as per plat recorded in Volume 1 of Plats, Page 30, records of the Pierce County Auditor, and described as follows:

Beginning at the southwest corner of said Lot 13; thence north along the west thereof 125.05 feet; thence South 56° 56' 0" East 232.65 feet, more or less, along the northerly line of transmission line right of way as described in Judgment of Pierce County Superior Court Cause No. 53042 dated June 23, 1924, to the south line of said Lot 14; thence westerly 195.63 feet, more or less, along said south line of said Lots 13 and 14 to the point of beginning;

Except that portion dedicated for street by City of Tacoma Ordinance No. 14799 dated May 27, 1953;

All situate in the City of Tacoma, County of Pierce, State of Washington.

Downing Substation – TPN: 7475022110

The west 100 feet of the south 130 feet in Block 106 of Amended Map of Second School Land Addition to the City of Tacoma, as per map thereof recorded in Book 7 of Plats at page 79, records of the Pierce County Auditor.

Situate in the City of Tacoma, County of Pierce, State of Washington.

Lincoln Park Substation – TPN: 5275000720

A portion of Lots 1 to 4, inclusive, Block 17, Lincoln Park Addition to Tacoma, Washington, according to plat recorded in Book 7 of Plats at page 111, described as follows:

Commencing at the SEC of Section 8, Township 20 N, Range 3 E of the W.M.; thence S 89°

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45' 45" W along the south boundary of said section 1303.0 feet to the SWC of Lincoln Park Addition to Tacoma as now platted; thence N 0° 05' 15" E along the west boundary of said Addition 30.0 feet to the true point of beginning; thence continuing N 0° 05' 15" E along said west boundary a distance of 119.5 feet; thence S 89° 54' 45" E 79.33 feet; thence S 0° 50' 22" W 104.33 feet; thence on a curve to the right having a radius of 15 feet through an angle of 88° 55' 23"; thence S 89° 45' 45" W 63.04 feet to the point of beginning.

Situate in the City of Tacoma, County of Pierce, State of Washington.

Warner Substation – TPN: 2890002480

Lots 1 and 2, Block 41, Cascade Park Addition to Tacoma, W.T., except the east 3 feet thereof.

Situate in the City of Tacoma, County of Pierce, State of Washington.

South 40th & 'A' Street – TPN: 7470021810

That portion of Block 73, Amended Map of the First School Land Addition to the City of Tacoma, according to the plat filed for record July 22, 1903 in Volume 7 of Plats, Pages 77 and 77A, in the records of the Pierce County Auditor, described as follows:

BEGINNING 100 feet North and 150 feet East of the Southwest corner of said Block 73; thence East 76.725 feet; thence North 120 feet; thence East 110 feet; thence North 161 feet; thence East 40 feet; thence North 50 feet; thence west 176.725 feet; thence South 131.5 feet; thence West 50 feet; thence South 200 feet, more or less, to the POINT OF BEGINNING;

Situate in the City of Tacoma, County of Pierce, State of Washington.

South 45th & Union Avenue – TPN: 2890000730, 0220134012, 2890002850

Parcel A: Tax Parcel No. 2890000730:

Lots 11 and 12, Block 18, Cascade Park Addition to Tacoma, W.T., according to the plat thereof recorded in Book 1 of Plats, Page 120, records of Pierce County, Washington;

Parcel B: Tax Parcel No. 0220134012:

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That portion of the Southeast Quarter of the Southeast Quarter of Section 13, Township 20 North, Range 2 East, W.M., Pierce County, Washington, described as follows:
BEGINNING at the Northeast corner of said Southeast Quarter of the Southeast Quarter of Section 13; thence west along the northerly boundary of said Southeast Quarter of the Southeast Quarter 74 feet, more or less, to the east boundary line of the water flume right-of-way; thence southeasterly along the easterly boundary line of said rightof-way 657 feet, more or less, to the east line of said Southeast Quarter of the Southeast Quarter; thence north 652.42 feet, more or less, to the POINT OF BEGINNING;
Parcel C: Tax Parcel No. 2890002850:
Lots 2 through 6, inclusive, Block 45, Cascade Park Addition to Tacoma, W.T., according to the plat thereof recorded in Book 1 of Plats, Page 120, records of Pierce County, Washington;
Situate in the City of Tacoma, County of Pierce, State of Washington.

APPENDIX B
General Depictions





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APPENDIX C

Surplus Policy and Resolution



RESOLUTION NO. U-11144

1
2 A RESOLUTION related to the adoption of a Surplus Real Property Disposition
3 Policy.

4 WHEREAS the City of Tacoma, Department of Public Works, Real
5 Property Services Division, in collaboration with the Department of Public
6 Utilities, has drafted a Tacoma Public Utilities – Surplus Real Property
7 Disposition Policy to: a) provide direction for the disposition of Tacoma Public
8 Utilities real property; b) better align with Council approved Policy for the
9 Sale/Disposition of City-owned General Government Real Property; and c)
10 enact affordable housing transfer rules consistent with RCW 39.33.015, and
11

12 WHEREAS on September 12, 1990, the City of Tacoma's Public Utility
13 Board ("TPU Board") adopted Resolution U-8459, to approve various policies,
14 including Policy 2.2, which directed the department to continue to manage
15 surplus property in a manner that is determined to be in the department's best
16 interest, and
17

18 WHEREAS on November 6, 1991, the TPU Board adopted Resolution U-
19 8640 revising Policy No. 2.2 to create additional guidelines regarding disposal
20 of property, including compliance with City Code, Charter and State law,
21 assuring equal opportunity and establishing limited disposition procedures, and
22

23 WHEREAS on June 7, 2018, Washington House Bill 2382, went into
24 effect authorizing public agencies to transfer real property for reduced cost for
25 affordable housing, the Bill was codified as RCW 39.33.015, and was
26 contingent upon the governing body or legislative authority of a municipality or
political subdivision enacting rules to regulate the disposition, and



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WHEREAS on September 17, 2019, the City Council adopted a revised Disposition Policy for General Government Real Property, which places a high priority on dispositions which increase affordable housing, and adopts a policy concerning how General Government will coordinate with the Puyallup Tribe of Indians concerning general government surplus property, and

WHEREAS on October 9, 2019, Real Property Services presented a draft of the proposed policy for TPU surplus property to the Public Utility Board, and

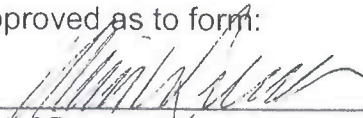
WHEREAS Real Property Services now recommends the adoption of the herein enclosed Tacoma Public Utilities - Surplus Real Property Disposition Policy, and

WHEREAS it is in the best interests of Tacoma Public Utilities and the ratepayers to adopt the proposed policy; Now, therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That the Tacoma Public Utilities – Surplus Real Property Disposition Policy, in the form as on file with the Clerk, is adopted and approved.

Approved as to form:



Chief Deputy City Attorney

Chair

Secretary

Clerk

Adopted _____

Policy: Tacoma Public Utilities – Surplus Real Property Disposition Policy

1. Purpose

Provide direction to the City of Tacoma, Department of Public Utilities (“TPU”) and the TPU Real Property Services section (“Real Property Services”) for the disposition of TPU surplus real property.

2. Background

TPU owns a variety of properties to meet its utility-related needs. TPU should retain such properties and dispose of properties that do not meet these needs. Unless otherwise authorized in accordance with applicable laws, TPU must receive at least fair market value for the property.

TPU considerations for surplus real property dispositions include:

- Fair Market Value Requirement (except for Affordable Housing)
- City of Tacoma Affordable Housing and Equity Goals
- Tribal and Other Jurisdictional Interests
- TPU Board Strategic Directives

TPU properties are located both within the City of Tacoma (City) incorporated limits and within other towns, cities and counties in which TPU conducts business. TPU recognizes each jurisdiction has unique policies and values relating to the use of property within its boundaries.

TPU encourages continued public use of TPU surplus property, and will provide preference to a public agency when multiple buyers propose offers comparable in value and terms.

3. Pre-Disposition

TPU adopts the following guidelines for surplus real property dispositions. Each Division of TPU is responsible for developing procedures to ensure TPU retains properties that meet its utility-related needs.

Upon Declaration of Surplus by the Director of Utilities, the following steps shall be followed:

A. Prior to disposing of surplus real property, TPU shall provide notice to all City departments of TPU’s intent to dispose, and shall afford the departments the opportunity to acquire, for at least fair market value, the property via a TPU Board and City Council-approved transfer in accordance with all applicable laws. If no interest is expressed by any City Department, the process shall proceed as outlined in Step B below and then Section 4 below.

B. Following Step A above, TPU shall provide notice to the following parties:

- a) The governing land use authority (except City) in which the property is located (“Governing Authority”); and
- b) Federally-recognized tribes (“Tribes”) located within areas TPU provides utility services and/or owns real property.

Further, TPU shall afford the Governing Authority and Tribes (each hereinafter referred to as “Offeree”) the opportunity to submit a bona fide written offer (the “Offer”) to acquire the property in accordance with all applicable laws.

Any Offeree will be required to pay fair market value, unless the property is acquired for public benefit as defined by RCW 39.33.015 (hereinafter referred to as “Affordable Housing”), and the Offeree has previously enacted rules pursuant to RCW 39.33.015.

If any Offeree declines the opportunity, or fails to submit an Offer within eight (8) calendar weeks after the date of the notice, said opportunity will automatically be deemed waived by such Offeree.

If multiple Offers are submitted, Offerees may be asked to submit final-and-best offers.

TPU, in its sole discretion, reserves the right to select the Offer and Offeree with whom to negotiate a purchase and sale agreement. If TPU and the selected Offeree are unable to consummate a mutually agreeable purchase and sale agreement, the process shall proceed as outlined in Section 4 below.

4. Disposition

If a transfer or sale is not agreed to pursuant to Section 3.A. or 3.B., subsequent to completion of the steps outlined in Section 3 above, surplus real property will be classified into three categories, as follows:

Category 1 properties are within City limits and within a land use zone that permits use suitable for Affordable Housing pursuant to RCW 39.33.015.

Category 1 Disposition: TPU staff will work with the City’s Community and Economic Development Department to develop a fair and equitable approach to conveying surplus real property for Affordable Housing. The Request for Proposals approach, as outlined in the City of Tacoma Purchasing Manual, will be the required method of disposition, and the execution of a Development Agreement will be a requirement prior to conveyance. The baseline requirement of any conveyance is a minimum of twenty-five percent (25%) of proposed units at or below fifty percent (50%) Area Median Income (AMI). Scoring will be weighted in favor of proposals that include at least fifty percent (50%) Affordable Housing units at or below thirty percent (30%) AMI. If no responsive proposals are received, the process shall proceed as outlined in Category 2 Disposition below.

Category 2 properties are developable parcels that have economic value or functional utility and are likely to appeal to a wide market, but do not meet the Category 1 criteria. The anticipation is that most surplus TPU properties will fall within this category.

Category 2 Disposition: Category 2 properties should have site-specific marketing strategies to prioritize maximizing ratepayer return and consistency with TPU Board strategic directives. Said

marketing strategies will be determined on a case-by-case basis, with recommendation by Real Property Services and approval by the Director of Utilities or designee.

Category 3 properties are remnant parcels that have little or no economic value, functional utility or marketability.

Category 3 Disposition: Category 3 properties should be disposed by direct negotiation or via bid-sale process. If no responsive bids are received, the process shall proceed as outlined in Category 2 Disposition above.

5. Minimum Affordable Housing Requirements

Consistent with RCW 39.33.015, TPU requires, at a minimum, the following terms in the conveyance documents for any properties conveyed for Affordable Housing:

- A. The conveyance documents must contain a covenant or other requirement that the property shall be used for Affordable Housing for a pre-determined period of time; and
- B. The conveyance documents must contain remedies that apply if the recipient of the property fails to use it for Affordable Housing or ceases to use it for such purpose.

Notwithstanding the forgoing, nothing herein shall preclude TPU from including additional terms in the conveyance documents for any properties conveyed for Affordable Housing.

6. Alternative Disposition Process

Situations may arise where it is in the best interest of TPU to market or otherwise dispose of a surplus real property through processes not outlined above. In these situations, the process must be approved by the Director of Utilities and TPU Board prior to implementation and it must comply with all applicable laws.

Reference:	PUB Res. U-8640, TMC 1.06.280, Charter Sec 9.1, RCW 35.94.040 & RCW 39.33.015
Contact Info:	Tacoma Public Utilities – Real Property Services – (253) 396-3060
Supersede and Replace:	This policy cancels and supersedes all Tacoma Public Utilities and Division policies and operating procedures established prior to the Effective Date related to the Disposition of Surplus Real Property.
Approval:	Jackie Flowers, Director of Utilities
Effective Date:	March 15, 2020 – This policy is not required to be applicable to any dispositions arising from negotiations initiated prior to the Effective Date. For such dispositions, policy applicability shall be at the discretion of the Director of Utilities or designee.



City of Tacoma
Finance Department

August 11, 2021

Subject: Notice of Award recommendation
Request for Proposals PW21-0578F – Disposition of Property for Development of
Affordable Housing

Thank you for your response to the subject specification. The Selection Advisory Committee has completed their review and evaluation of the submittals and the following firm was chosen:

- Tacoma/Pierce County Habitat for Humanity, Tacoma, WA

If your firm was not selected, you may request to appeal this award recommendation by emailing suppliernotifications@cityoftacoma.org no later than **9:00 AM PST, August 13, 2021**. This email must state you are submitting a formal protest and specify the grounds as outlined in the [City of Tacoma Protest Policy](#)^{**}. A late response or no response shall constitute a waiver of these protest procedures.

Appeals to RFPs and RFQs are limited to consideration of alleged defects relating to solicitation and/or evaluation processes. No appeal will be accepted when based solely on a challenge to the City's exercise of discretion or judgment in selection of finalist(s) or in making a contract award recommendation.

The City will contact the selected firm regarding the next steps.

We appreciate the time and effort put forth in preparing your submittal. If you have questions, please contact the City of Tacoma Procurement and Payables Division at 253-502-8468.

Sincerely,

DocuSigned by:

Patsy Best
3DFEF244A914408 ...
Patsy Best

Procurement & Payables Division Manager

cc: Jennifer Hines, Assistant Division Manager, Public Works
Tad Carlson, Senior Buyer, Finance/Purchasing

* Instructions and deadlines in this letter supersede information that may appear in other City publications or web pages.

** Located at www.tacomapurchasing.org.



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Tacoma/Pierce County Habitat for Humanity

Proposal for Properties:

1. 1801 North Orchard Street
2. 1009 South 35th Street
3. South 40th and “A” Street

City of Tacoma - PW21-0578F

Disposition of Property for Development of
Affordable Housing



Heritage
BANK

A community of banks.
Whidbey Island Bank & Central Valley Bank

CASHIER'S CHECK

260322

DATE: July 30, 2021

\$ 10,000.00

Ten Thousand and 00/100*****

PAY TO
THE ORDER
OF

City of Tacoma

App for Surplus Land, 1009 S 25th St

TPC Habitat for Humanity

Remitter

CASHIER'S CHECK

[Handwritten Signature]
AUTHORIZED SIGNATURE

THE BACK OF THIS DOCUMENT CONTAINS CHECK SECURITY WATERMARK AND COIN REACTIVE INK

⑈ 260322⑈ ⑆ 325170835⑆ 100000020⑈



Heritage
BANK

A community of banks.
Whidbey Island Bank & Central Valley Bank

CASHIER'S CHECK

260321

DATE: July 30, 2021

\$ 10,000.00

Ten Thousand and 00/100*****

PAY TO
THE ORDER
OF

City of Tacoma

App for Surplus Land, 1801 N Orchard

TPC Habitat for Humanity

Remitter

CASHIER'S CHECK

AUTHORIZED SIGNATURE

THE BACK OF THIS DOCUMENT CONTAINS CHECK SECURITY WATERMARK AND COIN REACTIVE INK

⑈ 260321⑈ ⑆ 325170835⑆ 1000000 20⑈



Heritage
BANK

A community of banks
Whidbey Island Bank & Central Valley Bank

CASHIER'S CHECK

260320

DATE: July 30, 2021

Ten Thousand and 00/100*****

\$ 10,000.00

PAY TO
THE ORDER
OF

City of Tacoma

App for Surplus Land, S 40th & A St

CASHIER'S CHECK

AUTHORIZED SIGNATURE

TPC Habitat for Humanity

Remitter

⑈ 2603 20⑈ ⑆ 3 25 1 7083 5⑆ 1000000 20⑈

ARTICLE ADDRESSED TO:
City of Tacoma Procurement and Payables
Tacoma Public Utilities
3626 S 35th Street
Tacoma WA 98409-3192

9414 7118 9956 1425 0273 9

CERTIFIED MAIL
TRACKING NUMBER

FEES
Postage Per Piece \$0.910
Certified Fee \$3.600
Return Receipt Fee 2.850
Total Postage & Fees \$6.960

Post/Mark
Here



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I. Proposer Information

Tacoma/Pierce County Habitat for Humanity
4824 South Tacoma Way
Tacoma, WA 98409

Incorporated by the Secretary of State of Washington in 1986

Chief Executive Officer: Maureen Fife

Board Roster provided as an attachment to this application

II. Background Information

- a. ***Proposer's interest.*** Since 1985, Tacoma/Pierce County Habitat for Humanity (Tacoma Habitat) has built or rehabilitated more than 300 homes and impacted the lives of more than 1,600 Pierce County residents. We have built 187 homes in the City of Tacoma. Tacoma Habitat is an experienced land developer, homebuilder, financial counselor, mortgage lender, and advocate for housing affordability for low-income families, seniors, veterans, and persons living with disabilities.

Land acquisition is one of the most significant costs to build, particularly in a housing market as competitive as Tacoma. Tacoma Habitat routinely seeks opportunities to reduce or subsidize land acquisition costs, ultimately lessening the burden on low-income first-time homebuyers.

- b. ***Nature of proposer's interest.*** In a typical year more than 1,500 volunteers help Tacoma Habitat build homes. We have longstanding, trusted relationships with local businesses and community organizations which provide gifts-in-kind and sponsorships that subsidize the cost to build. One helping hand at a time, our community-based approach lowers the cost to build homes, making Habitat for Humanity one of the most scalable and sustainable affordable housing solutions in the world. To date, 90 percent of our Tacoma homeowners remain in their Habitat home. In 2021 Tacoma Habitat's Board of Directors approved the adoption of a land-lease structure. This structure ensures that future homes on each of these sites would be permanently affordable to low-income homebuyers in our community, regardless of fluctuations in the local housing market.



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- c. ***Why Proposer would like to acquire property.*** Tacoma Habitat would like to acquire the properties at 1801 North Orchard Street, 1009 South 25th Street, South 40th and “A” Streets to develop affordable housing units at each site. Even prior to the COVID-19 pandemic, the City of Tacoma’s Affordable Housing Action Strategy estimated that there were only 87 units available for every 100 low-income households. Job losses and diminished earnings due to the pandemic have intensified the housing cost burden for low-income families, and Tacoma’s housing market has become one of the most competitive in the nation. Now more than ever, Tacoma Habitat sees how critical it is to leverage opportunities creating affordable housing units – particularly those providing safe, permanent housing to low-income households.

III. Proposal Description

- a. ***Types/Kinds of Uses of Property.*** Residential. Each of the three (3) properties, 1801 North Orchard Street, 1009 South 25th Street, and South 40th and “A” Street would be developed to provide affordable homeownership opportunities for low-income homebuyers via a resale restricted land trust. Tacoma Habitat will sell the homes constructed on this property to low income buyers while maintaining ownership of the land through a land trust. The homeowner will lease the land (for a nominal fee) via a ground lease. The ground lease will define a pre-agreed upon resale formula that will ensure the accrual of modest equity for the homeowner while also keeping these homes affordable in perpetuity.

As outlined above, this project would be permanently affordable homeownership for low-income homebuyers via a resale restricted land trust. Depending on the final plans for these projects (further details below), housing on this site could serve higher percentages of home buyers under 50% AMI.

- b. ***Construction/Development and Timing by Property***

Downing Substation 1801 N. Orchard, Parcel 7475022110. This site could lend itself to several types of residential construction: Single family detached, townhomes or cottage style housing. In our opinion, cottage style housing would afford the highest density while maintaining the privacy and feel of detached single-family homes. Zoning for this site is R-2, which allows all of the above-mentioned housing possibilities by incorporating various City of Tacoma land use mechanisms or methodologies.



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Our proposal is contingent on a satisfactory pre application review with the City of Tacoma Planning and Development Services Department, as well as the subsequent issuance of a variance, conditional use permit or approved infill pilot program application, as may be required as a result of the pre application meeting.

This is a smaller project and would likely be a fill-in between larger jobs. We expect this project could be complete within 36 months after the completion of land use / entitlement actions, approval of Site Development Plans and Work Order Plans for any required street improvements.

Lincoln Park Substation, 1009 South 35th Street, Parcel 5275000720. In Tacoma Habitat's opinion, the highest and best use of this site would be a three-unit townhome. Developing this site will trigger street improvements such as sidewalks and approximately 200 feet of alley paving / improvements. Zoning for this site is R-2SRD, which would allow our proposed use with a conditional use permit.

Our proposal is contingent on a satisfactory pre application review with the City of Tacoma Planning and Development Services Department, as well as the subsequent approval of a boundary line adjustment and issuance of a conditional use permit.

This is a smaller project that will be a fill-in between larger jobs. We expect this project will start within 24 months and be complete within 36 months after all land use actions are complete and Site Development and Work Order Plans have been approved.

South 40th & "A" Street, Parcel 7470021810. Zoning for this site is RCX. The minimum density requirement in this zone is 30 units per developable acre. Unfortunately, with only a 20 foot wide access, the maximum density that could be achieved on this site per the City of Tacoma's Design Requirements for Developments would be two units. Needless to say, this would be a tremendous waste of well- located urban real estate. In addition, a variance would be required, and the site development costs would exceed what two units could support.

The logical first step in developing this parcel of land would be to acquire additional access from neighboring properties. Although it may be possible to get a variance, an additional 32 feet would be required per the city's Development Design Requirements. Looking at the properties adjacent to the existing access this seems highly unlikely and if at all possible, very expensive. It may be possible to negotiate and easement or acquire real estate for access elsewhere on the block and propose



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a one-way street. All these possibilities present challenges but should be explored first.

Without additional access, next steps would be to make the most of the existing access and conditions. We would propose a pedestrian-oriented urban village of tiny homes. Up to 20 units less than 450 square feet each would qualify for a parking exemption in this zone. Use of the 20 foot access would be limited to emergency vehicles and refuse collection. Note: the designation “tiny homes” is used loosely here (for the reader’s understanding); technically, a tiny home is less 300 square feet.

Occupancy would be limited to two persons. With a major public transit line a few steps away, it could work. We believe this concept would generate some interest with the Planning and Development Services Department and expect that it could be developed within the parameters of current land use code.

Therefore, our proposal for this site would be contingent on the acquisition of additional adjacent real estate for access and satisfactory navigation through the pre-application review process with the Planning and Development Services Department for development in line with standard design requirements.

If this is unsuccessful, our proposal would be contingent upon satisfactory pre-application review with Planning and Development Services (with achievable requirements) for the tiny home urban village concept.

In either scenario, this would be a larger scale project compared to our two other proposals. We anticipate starting site development work within 12 months and (depending on scenario A or B), completing home construction within 24-30 months after all land use actions are complete and Site Development and Work Order Plans have been approved.

c. Alignment with Neighborhood Goals

Tacoma Habitat has decades of experience developing the requisite infrastructure for residential development, from typical street improvements like curb, gutter, and sidewalks to more complex tasks like sewer and water main extensions and paving. We are also well acquainted with fashionable development features like pervious pavement, rain gardens and street trees.



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With each development, we take into consideration the current character of the neighborhood and the needs of the local community. Many previous Habitat neighborhoods have included recreational facilities for children and families (indoor gathering spaces, playgrounds, etc.).

Tacoma Habitat is a local leader in sustainable and energy efficient construction. Our homes feature mini-split heat pumps, heat recovery ventilation systems and heat pump water heaters. They also include energy efficient appliances and light fixtures. Our current homes also feature lifetime composition roofs and fiber cement siding. Homes with suitable solar exposure are pre-wired for rooftop solar. Electric car-charging stations are also installed. These measures not only increase property values but make these homes more affordable to heat/cool, operate and maintain for low-income homeowners.

Tacoma Habitat maintains relationships with homeowners well after the sale of a home or completion of a neighborhood. We connect homeowners with training and resources to strengthen connections between neighbors, promote collaboration among homeowners, and advocate for community needs. We encourage Habitat homeowners to plan for routine home maintenance and to invest in shared community spaces.

d. Alignment with City Goal to be a safe, clean, and attractive community

A recent study examined neighborhoods where disadvantaged communities of color were denied mortgages at high rates. The research demonstrated that mortgage denials had a direct relationship with neighborhood crime, and that this relationship was at least partially explained by the impact of mortgage denials on community social problems (Kirk, 2020). Additional research suggests that higher homeownership rates are linked to reduced crime rates, especially property crime but also violent crime (MacDonald and Dildar, 2017).

Tacoma Habitat's plans to develop these properties would not only create additional affordable housing units but would provide the increasingly rare opportunity of homeownership to low-income buyers. Robust research shows that a homeowner's financial investment is part of a larger social investment in their neighbors and shared public spaces. Homeowners are more likely to vote and more likely to get involved in neighborhood groups and community organizations. They report higher levels of mental and physical health, and a sense of greater control of their lives (Rohe, Van Zandt, and McCarthy, 2001).



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Beyond the research, Tacoma Habitat has 35 years' experience working collaboratively with communities to build safe, stable neighborhoods and engaged citizens. Many Tacoma Habitat homeowners have gone on to become community leaders and advocates for the needs of their neighbors. We regularly receive messages from longtime homeowners eager to share news of their child's college graduation, or that they have made their final mortgage payment and own their home free and clear. Tacoma Habitat knows that a house is more than a roof overhead – it's a place for children and families to grow and dream of a better future. Every family who gains permanent affordable housing enriches their community as a whole.

e. Alignment with the City's Planning and Economic Development Goals

Please see Section B, Construction/Development by property for details on how this proposal aligns with zoning goals and uses. This proposal would create additional affordable housing units at each of the three (3) properties. Tacoma Habitat has extensive experience working with local jurisdictions to develop communities in compliance with applicable zoning and City goals.

f. Alignment with the City's Equity Goals

Tacoma Habitat does not provide explicitly anti-racist marketing, but of the nearly 300 homes that we have built or rehabbed, more than 60% are owned by self-identified people of color, and more than 35% are owned by women heads of household. 47% of Tacoma Habitat's homeowners are immigrants to the United States. In one Habitat neighborhood more than seven languages are spoken. Tacoma Habitat's Board of Directors is a reflection of the diverse communities we serve; half of board members identify as women, and more than a quarter identify as Black and/or persons of color. Still, our organization is actively seeking to diversify its board and staff, and to continuously promote anti-racist education and dialogue.

Today more than ever, we see mounting evidence that stable housing is a key determinant of not just financial stability, but health, education, and justice. For this reason, Tacoma Habitat carries out our work through intentional partnerships with other community-based organizations like the Tacoma Urban League, Sound Outreach and Tacoma/Pierce County Affordable Housing Consortium. We also partner with local jurisdictions to advocate for housing policy reform at city and state levels to ensure communities of color are no longer excluded from homeownership opportunities. In 2021, we were awarded \$100,000 from Habitat for Humanity International to address Barriers to Black Homeownership.



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The origins of Habitat for Humanity are fundamentally anti-racist. In 1942 rural Georgia, white and Black families formed a community known as Koinonia Farm. Residents aspired to treat all members equally, share resources, and take collective responsibility for the land. Because Koinonia Farm included Black families and Black-owned homes, it was boycotted by local businesses and harassed by the Ku Klux Klan. Over time, the ideology behind Koinonia Farms became the “Fund for Humanity” and eventually, Habitat for Humanity. In 2021, we recognize that the values on which Koinonia Farm was founded are still more dream than reality. Racist housing policies and practices persist, keeping generations of Black and brown families from realizing the wealth-building potential of homeownership. We commit ourselves to a never-ending process of learning and accountability in pursuit of a world where every person has a safe place to call home.



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Board of Directors

Officers

Mark Holcomb, President

Attorney, Morton McGoldrick, PS

Claire Spain-Remy, MD, Vice President

Consultant, ValueIQ, LLC

Bill Lynn, Secretary

Real Estate & Land Use Partner,
Gordon Thomas Honeywell

Scott Ritchie, Treasurer

Principal, Frost & Company, PLLC

Bob Hall, Immediate Past President

VP, Senior Investment Manager
Wells Fargo Private Bank

Members

Theresa Boyle

Retired, MultiCare Health System

Bart Brynstad

Partner, Panattoni Development Company

Peter Carlstrom

Branch Manager, HomeStreet Bank

Libby Catalinich

Communications Director, Pierce County

Lauren Dammeier

Community Volunteer

Kiara Daniels

Business & Development Coordinator,
Tacoma/Pierce County Chamber
of Commerce Spaceworks

Lauren Flemister

Community Planning Manager, City of Seattle

Don Hinson

Executive Vice President & Chief Financial
Officer, Heritage Bank

Veronica Hooper

Physician Executive, Primary Care
MultiCare Health System

Anne Jones

Owner/Designated Broker,
Windermere Abode

Kent Korneisel, OD

Retired, Optometrist

Dang Nguyen

Account Director, Nelson Worldwide

Rachael Pease

Diversity Program Manager,
Korsmo Construction

Chris Williams

Chief Operating Officer,
Tacoma Public Schools

Stuart Young

Architect, BCRA

Maureen Fife,

Board Member Ex-Officio
Chief Executive Officer, Tacoma/Pierce
County Habitat for Humanity



**CITY OF TACOMA Public
Works / Real Property**

ADDENDUM NO.1

DATE: August 3, 2021

REVISIONS TO:

Request for Proposals Specification No. PW21-0578F

Disposition of Property for Development of Affordable Housing

NOTICE TO ALL BIDDERS:

This addendum is issued to clarify, revise, add to or delete from, the original specification documents for the above project. This addendum, as integrated with the original specification documents, shall form the specification documents. The noted revisions shall take precedence over previously issued specification documents and shall become part of this contract.

REVISIONS TO THE SUBMITTAL DEADLINE:

The submittal deadline remains Tuesday, August 3, 2021

REVISIONS TO THE SPECIFICATIONS:

Please find attached to this addendum, the signature page that was missing from the originally posted specification. Please return this with your submittal. Due to the proximity to deadline that this document is being provided, an opportunity to submit this form after initial receipt of response will be afforded to all respondents.

NOTE: Acknowledge receipt of this addendum by initialing the corresponding space as indicated on the signature page. Vendors who have already submitted their bid/proposal may contact the Purchasing Division at 253-502-8468 and request return of their bid/proposal for acknowledgment and re-submittal. Or, a letter acknowledging receipt of this addendum may be submitted in an envelope marked Request for Bids Specification No. PF21-0466F Addendum No. 2. The City reserves the right to reject any and all bids, including, in certain circumstances, for failure to appropriately acknowledge this addendum.

SIGNATURE PAGE

**CITY OF TACOMA
Public Works Department / Real Property**

All submittals must be in ink or typewritten, executed by a duly authorized officer or representative of the bidding/proposing entity, and received and time stamped as directed in the **Request for Proposals page near the beginning of the specification**. If the bidder/proposer is a subsidiary or doing business on behalf of another entity, so state, and provide the firm name under which business is hereby transacted.

**REQUEST FOR PROPOSALS SPEC NO. PW21-0578F
Disposition of Property for Development of Affordable Housing**

The undersigned bidder/proposer hereby agrees to execute the proposed contract and furnish all materials, labor, tools, equipment and all other facilities and services in accordance with these specifications.

The bidder/proposer agrees, by submitting a bid/proposal under these specifications, that in the event any litigation should arise concerning the submission of bids/proposals or the award of contract under this specification, Request for Bids, Request for Proposals or Request for Qualifications, the venue of such action or litigation shall be in the Superior Court of the State of Washington, in and for the County of Pierce.

Non-Collusion Declaration

The undersigned bidder/proposer hereby certifies under penalty of perjury that this bid/proposal is genuine and not a sham or collusive bid/proposal, or made in the interests or on behalf of any person or entity not herein named; and that said bidder/proposer has not directly or indirectly induced or solicited any contractor or supplier on the above work to put in a sham bid/proposal or any person or entity to refrain from submitting a bid/proposal; and that said bidder/proposer has not, in any manner, sought by collusion to secure to itself an advantage over any other contractor(s) or person(s).

Tacoma/Pierce County Habitat for Humanity

Bidder/Proposer's Registered Name

4824 South Tacoma Way

Address

Tacoma, WA 98409

City, State, Zip

mfife@tpc-habitat.org

E-Mail Address

58-1735531

E.I.No. / Federal Social Security Number Used on Quarterly Federal Tax Return, U.S. Treasury Dept. Form 941

eweaver@tpc-habitat.org

E-Mail Address for Communications

Maureen L. Fife

8/3/21

Signature of Person Authorized to Enter into Contracts for Bidder/Proposer

Maureen Fife, Chief Executive Officer

Printed Name and Title

253-627-5626

(Area Code) Telephone Number / Fax Number

601003044

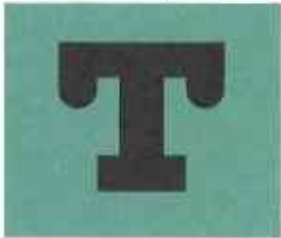
State Business License Number in WA, also known as UBI (Unified Business Identifier) Number

HABITFH933J7

State Contractor's License Number (See Ch. 18.27, R.C.W.)

Addendum acknowledgement #1 MF #2 _____ #3 _____ #4 _____ #5 _____

THIS PAGE MUST BE SIGNED AND RETURNED WITH SUBMITTAL.



TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

Date: 09/11/20

From: Jackie Flowers, Director of Utilities

To: Dylan Harrison, Senior Real Estate Officer, Real Property Services

Subject: Declaration of Surplus of Tacoma Power Properties – 2101 N Highland, and Downing, Lincoln Park, and Warner Substation Sites, and Tacoma Water Properties – “South 40th & ‘A’ Street” and “South 45th & Union Avenue”

Tacoma Power owns three parcels of land located within the corporate limits of the City of Tacoma identified as Pierce County Assessor Tax Parcel Numbers 7475022110, 5275000720, and 2890002480. All are former substation sites – Downing, Lincoln Park, and Warner - that have previously been decommissioned and were declared surplus in 2009 pursuant to TPU Board Resolution No. U-10270 and City Council Resolution No. 37730. All parcels failed to sell during a prior sealed-bid disposal process. Tacoma Power also owns a fourth parcel identified as Tax Parcel Number 7045000390, which was previously used as part of a transmission line corridor.

Tacoma Water owns four parcels of land located within the corporate limits of the City of Tacoma identified as Pierce County Assessor Tax Parcel Numbers 0220134012, 2890000730, 2890002850, collectively known as the “South 45th & Union Avenue” property; and Tax Parcel Number 7470021810 known as the “South 40th and ‘A’ Street” property.

Legal descriptions for each parcel are found on the attached Exhibit “A” for Tacoma Power and Exhibit “B” for Tacoma Water.

The TPU Board recently adopted a revised Surplus Real Property Disposition Policy effective as of March 15, 2020, and this memorandum serves as the Declaration of Surplus to ensure all steps required by that policy will be followed in the disposition of the properties.

Upon review by Tacoma Power and Tacoma Water management, it has been concluded that there is no foreseeable need for Tacoma Power and Tacoma Water to retain ownership of their respective properties. Therefore, pursuant to City of Tacoma Municipal Code Section 1.06.280, and subject to the reservation of any required easements, restrictions, or covenants, I hereby certify that these properties have no further public use, are surplus to the needs of Tacoma Public Utilities, and that disposing of them would be in the best interests of the City of Tacoma.

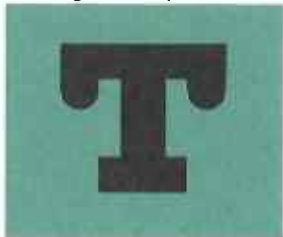
APPROVED:

Jackie Flowers

Jackie Flowers, Director of Utilities

cc: Jennifer Hines, Public Works ADM for Facilities Management/Real Property Services





TACOMA PUBLIC UTILITIES
3628 South 35th Street
Tacoma, Washington 98409-3192

EXHIBIT "A" - Tacoma Power Legal Descriptions

SUBJECT TO the reservation of any required easements, restrictions, or covenants:

2101 North Highland - TPN: 7045000390

That portion of Lots 13 and 14 of Puget Sound Homestead Association plat in the Southwest Quarter of the Northeast Quarter of Section 35, Township 21 North, Range 2 East, W.M., as per plat recorded in Volume 1 of Plats, Page 30, records of the Pierce County Auditor, and described as follows:

Beginning at the southwest corner of said Lot 13; thence north along the west thereof 125.05 feet; thence South 56° 56' 0" East 232.65 feet, more or less, along the northerly line of transmission line right of way as described in Judgment of Pierce County Superior Court Cause No. 53042 dated June 23, 1924, to the south line of said Lot 14; thence westerly 195.63 feet, more or less, along said south line of said Lots 13 and 14 to the point of beginning;

Except that portion dedicated for street by City of Tacoma Ordinance No. 14799 dated May 27, 1953;

All situate in the City of Tacoma, County of Pierce, State of Washington.

Downing Substation - TPN: 7475022110

The west 100 feet of the south 130 feet in Block 106 of Amended Map of Second School Land Addition to the City of Tacoma, as per map thereof recorded in Book 7 of Plats at page 79, records of the Pierce County Auditor.

Situate in the City of Tacoma, County of Pierce, State of Washington.

Lincoln Park Substation - TPN: 5275000720

A portion of Lots 1 to 4, inclusive, Block 17, Lincoln Park Addition to Tacoma, Washington, according to plat recorded in Book 7 of Plats at page 111, described as follows: Commencing at the SEC of Section 8, Township 20 N, Range 3 E of the W.M.; thence S 89° 45' 45" W along the south boundary of said section 1303.0 feet to the SWC of Lincoln Park Addition to Tacoma as now platted; thence N 0° 05' 15" E along the west boundary of said Addition 30.0 feet to the true point of beginning; thence continuing N 0° 05' 15" E along said west boundary a distance of 119.5 feet; thence S 89° 54' 45" E 79.33 feet; thence S 0° 50' 22" W 104.33 feet; thence on a curve to the right having a radius of 15 feet through an angle of 88° 55' 23"; thence S 89° 45' 45" W 63.04 feet to the point of beginning.

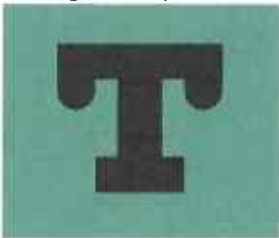
Situate in the City of Tacoma, County of Pierce, State of Washington.

Warner Substation - TPN: 2890002480

Lots 1 and 2, Block 41, Cascade Park Addition to Tacoma, W.T., except the east 3 feet thereof.

Situate in the City of Tacoma, County of Pierce, State of Washington.





TACOMA PUBLIC UTILITIES
3628 South 35th Street
Tacoma, Washington 98409-3192

EXHIBIT "B" - Tacoma Water Legal Descriptions

SUBJECT TO the reservation of any required easements, restrictions, or covenants:

South 40th & 'A' Street - TPN: 7470021810

That portion of Block 73, Amended Map of the First School Land Addition to the City of Tacoma, according to the plat filed for record July 22, 1903 in Volume 7 of Plats, Pages 77 and 77A, in the records of the Pierce County Auditor, described as follows:
BEGINNING 100 feet North and 150 feet East of the Southwest corner of said Block 73; thence East 76.725 feet; thence North 120 feet; thence East 110 feet; thence North 161 feet; thence East 40 feet; thence North 50 feet; thence west 176.725 feet; thence South 131.5 feet; thence West 50 feet; thence South 200 feet, more or less, to the POINT OF BEGINNING;

Situate in the City of Tacoma, County of Pierce, State of Washington.

South 45th & Union Avenue - TPN: 2890000730, 0220134012, 2890002850

Parcel A: Tax Parcel No. 2890000730:

Lots 11 and 12, Block 18, Cascade Park Addition to Tacoma, W.T., according to the plat thereof recorded in Book 1 of Plats, Page 120, records of Pierce County, Washington;

Parcel B: Tax Parcel No. 0220134012:

That portion of the Southeast Quarter of the Southeast Quarter of Section 13, Township 20 North, Range 2 East, W.M., Pierce County, Washington, described as follows:
BEGINNING at the Northeast corner of said Southeast Quarter of the Southeast Quarter of Section 13; thence west along the northerly boundary of said Southeast Quarter of the Southeast Quarter 74 feet, more or less, to the east boundary line of the water flume right-of-way; thence southeasterly along the easterly boundary line of said right-of-way 657 feet, more or less, to the east line of said Southeast Quarter of the Southeast Quarter; thence north 652.42 feet, more or less, to the POINT OF BEGINNING;

Parcel C: Tax Parcel No. 2890002850:

Lots 2 through 6, inclusive, Block 45, Cascade Park Addition to Tacoma, W.T., according to the plat thereof recorded in Book 1 of Plats, Page 120, records of Pierce County, Washington;

Situate in the City of Tacoma, County of Pierce, State of Washington.



Tacoma Public Utilities**Policy #121**

Department owner/sponsor:
Tacoma Public Utilities

Effective: March 15, 2020

Policy: Tacoma Public Utilities – Surplus Real Property Disposition Policy

1. Purpose

Provide direction to the City of Tacoma, Department of Public Utilities (“TPU”) and the TPU Real Property Services section (“Real Property Services”) for the disposition of TPU surplus real property.

2. Background

TPU owns a variety of properties to meet its utility-related needs. TPU should retain such properties and dispose of properties that do not meet these needs. Unless otherwise authorized in accordance with applicable laws, TPU must receive at least fair market value for the property.

TPU considerations for surplus real property dispositions include:

- Fair Market Value Requirement (except for Affordable Housing)
- City of Tacoma Affordable Housing and Equity Goals
- Tribal and Other Jurisdictional Interests
- TPU Board Strategic Directives

TPU properties are located both within the City of Tacoma (City) incorporated limits and within other towns, cities and counties in which TPU conducts business. TPU recognizes each jurisdiction has unique policies and values relating to the use of property within its boundaries.

TPU encourages continued public use of TPU surplus property, and will provide preference to a public agency when multiple buyers propose offers comparable in value and terms.

3. Pre-Disposition

TPU adopts the following guidelines for surplus real property dispositions. Each Division of TPU is responsible for developing procedures to ensure TPU retains properties that meet its utility-related needs.

Upon Declaration of Surplus by the Director of Utilities, the following steps shall be followed:

A. Prior to disposing of surplus real property, TPU shall provide notice to all City departments of TPU’s intent to dispose, and shall afford the departments the opportunity to acquire, for at least fair market value, the property via a TPU Board and City Council-approved transfer in accordance with all applicable laws. If no interest is expressed by any City Department, the process shall proceed as outlined in Step B below and then Section 4 below.

B. Following Step A above, TPU shall provide notice to the following parties:

- a) The governing land use authority (except City) in which the property is located (“Governing Authority”); and
- b) Federally-recognized tribes (“Tribes”) located within areas TPU provides utility services and/or owns real property.

Further, TPU shall afford the Governing Authority and Tribes (each hereinafter referred to as “Offeree”) the opportunity to submit a bona fide written offer (the “Offer”) to acquire the property in accordance with all applicable laws.

Any Offeree will be required to pay fair market value, unless the property is acquired for public benefit as defined by RCW 39.33.015 (hereinafter referred to as “Affordable Housing”), and the Offeree has previously enacted rules pursuant to RCW 39.33.015.

If any Offeree declines the opportunity, or fails to submit an Offer within eight (8) calendar weeks after the date of the notice, said opportunity will automatically be deemed waived by such Offeree.

If multiple Offers are submitted, Offerees may be asked to submit final-and-best offers.

TPU, in its sole discretion, reserves the right to select the Offer and Offeree with whom to negotiate a purchase and sale agreement. If TPU and the selected Offeree are unable to consummate a mutually agreeable purchase and sale agreement, the process shall proceed as outlined in Section 4 below.

4. Disposition

If a transfer or sale is not agreed to pursuant to Section 3.A. or 3.B., subsequent to completion of the steps outlined in Section 3 above, surplus real property will be classified into three categories, as follows:

Category 1 properties are within City limits and within a land use zone that permits use suitable for Affordable Housing pursuant to RCW 39.33.015.

Category 1 Disposition: TPU staff will work with the City’s Community and Economic Development Department to develop a fair and equitable approach to conveying surplus real property for Affordable Housing. The Request for Proposals approach, as outlined in the City of Tacoma Purchasing Manual, will be the required method of disposition, and the execution of a Development Agreement will be a requirement prior to conveyance. The baseline requirement of any conveyance is a minimum of twenty-five percent (25%) of proposed units at or below fifty percent (50%) Area Median Income (AMI). Scoring will be weighted in favor of proposals that include at least fifty percent (50%) Affordable Housing units at or below thirty percent (30%) AMI. If no responsive proposals are received, the process shall proceed as outlined in Category 2 Disposition below.

Category 2 properties are developable parcels that have economic value or functional utility and are likely to appeal to a wide market, but do not meet the Category 1 criteria. The anticipation is that most surplus TPU properties will fall within this category.

Category 2 Disposition: Category 2 properties should have site-specific marketing strategies to prioritize maximizing ratepayer return and consistency with TPU Board strategic directives. Said

marketing strategies will be determined on a case-by-case basis, with recommendation by Real Property Services and approval by the Director of Utilities or designee.

Category 3 properties are remnant parcels that have little or no economic value, functional utility or marketability.

Category 3 Disposition: Category 3 properties should be disposed by direct negotiation or via bid-sale process. If no responsive bids are received, the process shall proceed as outlined in Category 2 Disposition above.

5. Minimum Affordable Housing Requirements

Consistent with RCW 39.33.015, TPU requires, at a minimum, the following terms in the conveyance documents for any properties conveyed for Affordable Housing:

- A. The conveyance documents must contain a covenant or other requirement that the property shall be used for Affordable Housing for a pre-determined period of time; and
- B. The conveyance documents must contain remedies that apply if the recipient of the property fails to use it for Affordable Housing or ceases to use it for such purpose.

Notwithstanding the forgoing, nothing herein shall preclude TPU from including additional terms in the conveyance documents for any properties conveyed for Affordable Housing.

6. Alternative Disposition Process

Situations may arise where it is in the best interest of TPU to market or otherwise dispose of a surplus real property through processes not outlined above. In these situations, the process must be approved by the Director of Utilities and TPU Board prior to implementation and it must comply with all applicable laws.

Reference:	PUB Res. U-8640, TMC 1.06.280, Charter Sec 9.1, RCW 35.94.040 & RCW 39.33.015
Contact Info:	Tacoma Public Utilities – Real Property Services – (253) 396-3060
Supersede and Replace:	This policy cancels and supersedes all Tacoma Public Utilities and Division policies and operating procedures established prior to the Effective Date related to the Disposition of Surplus Real Property.
Approval:	Jackie Flowers, Director of Utilities
Effective Date:	March 15, 2020 – This policy is not required to be applicable to any dispositions arising from negotiations initiated prior to the Effective Date. For such dispositions, policy applicability shall be at the discretion of the Director of Utilities or designee.



RESOLUTION NO. U-11144

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A RESOLUTION related to the adoption of a Surplus Real Property Disposition Policy.

WHEREAS the City of Tacoma, Department of Public Works, Real Property Services Division, in collaboration with the Department of Public Utilities, has drafted a Tacoma Public Utilities – Surplus Real Property Disposition Policy to: a) provide direction for the disposition of Tacoma Public Utilities real property; b) better align with Council approved Policy for the Sale/Disposition of City-owned General Government Real Property; and c) enact affordable housing transfer rules consistent with RCW 39.33.015, and

WHEREAS on September 12, 1990, the City of Tacoma’s Public Utility Board (“TPU Board”) adopted Resolution U-8459, to approve various policies, including Policy 2.2, which directed the department to continue to manage surplus property in a manner that is determined to be in the department’s best interest, and

WHEREAS on November 6, 1991, the TPU Board adopted Resolution U-8640 revising Policy No. 2.2 to create additional guidelines regarding disposal of property, including compliance with City Code, Charter and State law, assuring equal opportunity and establishing limited disposition procedures, and

WHEREAS on June 7, 2018, Washington House Bill 2382, went into effect authorizing public agencies to transfer real property for reduced cost for affordable housing, the Bill was codified as RCW 39.33.015, and was contingent upon the governing body or legislative authority of a municipality or political subdivision enacting rules to regulate the disposition, and



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WHEREAS on September 17, 2019, the City Council adopted a revised Disposition Policy for General Government Real Property, which places a high priority on dispositions which increase affordable housing, and adopts a policy concerning how General Government will coordinate with the Puyallup Tribe of Indians concerning general government surplus property, and

WHEREAS on October 9, 2019, Real Property Services presented a draft of the proposed policy for TPU surplus property to the Public Utility Board, and

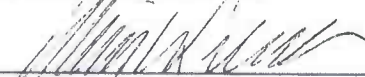
WHEREAS Real Property Services now recommends the adoption of the herein enclosed Tacoma Public Utilities - Surplus Real Property Disposition Policy, and

WHEREAS it is in the best interests of Tacoma Public Utilities and the ratepayers to adopt the proposed policy; Now, therefore,

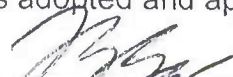
BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:


That the Tacoma Public Utilities – Surplus Real Property Disposition Policy, in the form as on file with the Clerk, is adopted and approved.

Approved as to form:



Chief Deputy City Attorney



Chair


Secretary



Clerk

Adopted 3-11-2020

SURPLUS PROPERTY PROFILE

TPU Division: Tacoma Power

Property: "2101 North Highland"

Location: 2101 North Highland Street on the NEC of N Highland St and N 21st Street

Jurisdiction: City of Tacoma

Tax Parcel No(s): 7045000390

Parcel Size: 0.14± acres / 5,920± SF

Zoning: R2 – Single Family Dwelling District

Estimated Fair Market Value: TBD. Assessed Value: \$133,100 (\$23.77± per SF).

Ownership History: In May 1924 the City of Tacoma came into title of the property via Pierce County Superior Court Judgment No. 53042 (J120) from Lott and Miller for \$300.00 to construct a portion of the Cushman transmission line. A portion was subsequently dedicated as street right of way via City of Tacoma Ordinance No. 14799 adopted May 27, 1953 and as amended by City of Tacoma Ordinance No. 15050 adopted July 12, 1954. The transmission line was subsequently re-routed and no longer encumbers the property.

Legal Encumbrances: None known. 2020 WFG report No. 20-256106.

Restrictions on Disposition: None known.

Restrictions on Use of Surplus Proceeds: None known.

Legal Description (Subject to internal review and retention of easements, restrictions, covenants):

That portion of Lots 13 and 14 of Puget Sound Homestead Association plat in the Southwest Quarter of the Northeast Quarter of Section 35, Township 21 North, Range 2 East, W.M., as per plat recorded in Volume 1 of Plats, Page 30, records of the Pierce County Auditor, and described as follows:

Beginning at the southwest corner of said Lot 13; thence north along the west thereof 125.05 feet; thence South 56° 56' 0" East 232.65 feet, more or less, along the northerly line of transmission line right-of-way as described in Judgment of Pierce County Superior Court Cause No. 53042 dated June 23, 1924, to the south line of said Lot 14; thence westerly 195.63 feet, more or less, along said south line of said Lots 13 and 14 to the point of beginning;

Except that portion dedicated for street by City of Tacoma Ordinance No. 14799 dated May 27, 1953;

All situate in the City of Tacoma, County of Pierce, State of Washington.



SURPLUS PROPERTY PROFILE

TPU Division: Tacoma Power

Property: "Downing Substation"

Location: 1801 North Orchard Street

Jurisdiction: City of Tacoma

Tax Parcel No(s): 7475022110

Parcel Size: 0.30± acres / 13,000± SF

Zoning: R2 - Single Family Dwelling District

Appraised Value: \$123,000 (\$9.50± per SF) as of June 28, 2013, based upon a highest and best use for single family residential development on two lots. This value includes a deduction of \$27,000 in estimated cost to raze existing improvements and land division. 2020 Assessed Value: \$5,200 (\$0.40 per SF).

Ownership History: In July 1953 the City of Tacoma came into title of the property via condemnation (J268) from O.M. and Myrtle A. Robbins for \$1,900.00. Property declared surplus in 2009 via TPU Resolution No. U-10270 and City Council Resolution No. 37730. There was a deal in place to sell the property in 2013 at the appraised value; however, the contracted buyer failed to close on the property. Declared surplus via TPU Res. No. U-10270, Council Res. No. 37730 and Director's Memo dated 12.15.2008.

Legal Encumbrances: None known. 2008 TICOR report No. 3121954-C.

Restrictions on Disposition: None known.

Restrictions on Use of Surplus Proceeds: None known.

Legal Description (Subject to internal review and retention of easements, restrictions, covenants):

The west 100 feet of the south 130 feet in Block 106 of Amended Map of Second School Land Addition to the City of Tacoma, as per map thereof recorded in Book 7 of Plats at page 79, records of the Pierce County Auditor.

Situate in the City of Tacoma, County of Pierce, State of Washington.



SURPLUS PROPERTY PROFILE

TPU Division: Tacoma Power

Property: "Lincoln Park Substation"

Location: 1009 South 35th Street

Jurisdiction: City of Tacoma

Tax Parcel No(s): 5275000720

Parcel Size: 0.19± acres / 8,165± SF

Zoning: R2 – SRD – Residential Special Review District

Appraised Value: \$100,000 (\$12.25 per SF) as of October 29, 2014, based upon a highest and best use for single family residential development.

Ownership History: In August 1947 the City of Tacoma came into title of the property via Warranty Deed (D3020) from Woodworth & Company, Inc. for \$1,000.00. Declared surplus via TPU Res. No. U-10270, Council Res. No. 37730 and Director's Memo dated 12.15.2008. 2020 Assessed Value: \$4,600 (\$0.56± per SF).

Legal Encumbrances: None known. 2008 TICOR report No. 3121958-C.

Restrictions on Disposition: None known.

Restrictions on Use of Surplus Proceeds: None known.

Legal Description (Subject to internal review and retention of easements, restrictions, covenants):

A portion of Lots 1 to 4, inclusive, Block 17, Lincoln Park Addition to Tacoma, Washington, according to plat recorded in Book 7 of Plats at page 111, described as follows: Commencing at the SEC of Section 8, Township 20 N, Range 3 E of the W.M.; thence S 89° 45' 45" W along the south boundary of said section 1303.0 feet to the SWC of Lincoln Park Addition to Tacoma as now platted; thence N 0° 05' 15" E along the west boundary of said Addition 30.0 feet to the true point of beginning; thence continuing N 0° 05' 15" E along said west boundary a distance of 119.5 feet; thence S 89° 54' 45" E 79.33 feet; thence S 0° 50' 22" W 104.33 feet; thence on a curve to the right having a radius of 15 feet through an angle of 88° 55' 23"; thence S 89° 45' 45" W 63.04 feet to the point of beginning.

Situate in the City of Tacoma, County of Pierce, State of Washington.



SURPLUS PROPERTY PROFILE

TPU Division: Tacoma Power

Property: "Warner Substation"

Location: 3404 South 45th Street

Jurisdiction: City of Tacoma

Tax Parcel No(s): 2890002480

Parcel Size: 0.15± acres / 6,350± SF

Zoning: URX – Urban Residential Mixed-Use District

Appraised Value: \$130,000 (\$20.00 per SF) as of September 16, 2008, based upon a highest and best use for multifamily residential development. The appraisal misstated the subject site size as 6,500 SF and applied a unit value of \$20.00 per SF, for \$130,000. Based on an actual site size of 6,350± SF due to transfer for row of the E 3 feet, indicated value would be \$127,000. 2020 Assessed Value: \$4,400 (\$0.68± per SF).

Ownership History: In May 1948 the City of Tacoma came into title of the property via Warranty Deed (D3078) from Cassandra Eberly for \$400.00. The east 3 feet was transferred to Public Works for road widening in October 1971 via Council Res. No. 21361 and TPU Res. No. U-3850 (Listed in RPS records as D5974 although not in reality a deed and not recorded). Declared surplus via TPU Res. No. U-10270, Council Res. No. 37730 and Director's Memo dated 12.15.2008.

Legal Encumbrances: None known. 2008 TICOR report No. 3121962-C.

Restrictions on Disposition: None known.

Restrictions on Use of Surplus Proceeds: None known.

Legal Description (Subject to internal review and retention of easements, restrictions, covenants):

Lots 1 and 2, Block 41, Cascade Park Addition to Tacoma, W.T., except the east 3 feet thereof.

Situate in the City of Tacoma, County of Pierce, State of Washington.



SURPLUS PROPERTY PROFILE

TPU Division: Tacoma Water

Property: "South 40th & "A" Street"

Location: Mid-block between Pacific Avenue and "A" Street and South 38th and South 40th streets. Access is via a partially paved public alley to "A" Street, between 3836 and 3840 "A" Street.

Jurisdiction: City of Tacoma

Tax Parcel No(s): 7470021810

Parcel Size: 1.01± acres / 44,031± SF

Zoning: RCX, Residential Commercial Mixed-Use

Appraised Value: No appraisal. 2020 Assessed Value: \$110,200 (\$2.50± per SF).

Ownership History:

A 50 foot-wide strip was acquired in 1929 via Judgment (J166) pursuant to Ordinance No. 9768 for the Tacoma Eastern Gulch Trunk Sewer with an associated release of easement therefor in 1984 via Resolution No. 28262. Upon payment of \$2,000.00 by Tacoma Water, in July 1975 the "City of Tacoma" ("for the use of its Department of Public Utilities") came into title of the property via Local Improvement Assessment Deed (D6204) as authorized by Resolution No. 23398 for intergovernmental transfer from the LID Guarantee Fund. Stated intent was to use site for fill.

This property may have been used at one time as a landfill – unknown impact on site contamination and utility if not already remediated. However, since A2360 allowed Tacoma Water to deposit "clean fill" on abutting TPN 7470021690, TW likely deposited only "clean fill" on its on site, too.

Legal Encumbrances: None known per 2020 WFG Title Report No. 20-255966.

Restrictions on Disposition: None known. Restrictions on Use of Surplus Proceeds: None known.

Legal Description (Subject to internal review and retention of easements, restrictions, covenants):

That portion of Block 73, Amended Map of the First School Land Addition to the City of Tacoma, according to the plat filed for record July 22, 1903 in Volume 7 of Plats, Pages 77 and 77A, in the records of the Pierce County Auditor, described as follows:

BEGINNING 100 feet North and 150 feet East of the Southwest corner of said Block 73; thence East 76.725 feet; thence North 120 feet; thence East 110 feet; thence North 161 feet; thence East 40 feet; thence North 50 feet; thence west 176.725 feet; thence South 131.5 feet; thence West 50 feet; thence South 200 feet, more or less, to the POINT OF BEGINNING;

Situate in the City of Tacoma, County of Pierce, State of Washington.



SURPLUS PROPERTY PROFILE

TPU Division: Tacoma Water

Property: "South 45th & Union Avenue"

Location: Westerly of Union Avenue at South 45th Street, and easterly of South Tacoma Way.

Jurisdiction: City of Tacoma

Tax Parcel No(s): 2890000730, 2890002850, and 0220134012

Parcel Size: 1.11± acres / 48,273± SF

Zoning: UCX, Urban Center Mixed-Use District.

Appraised Value: No appraisal. 2020 Assessed Value: \$649,400 (\$13.45± per SF).

Ownership History:

TPN 2890002850 was acquired via D4313 in 1960. TPN 2890000730 and TPN 0220134012 were acquired via J267(1) in 1953.

Legal Encumbrances: None known per 2020 WFG Title Report No. 20-256074. Will include a well protection covenant upon disposal.

Restrictions on Disposition: None known.

Restrictions on Use of Surplus Proceeds: None known.

Legal Description: (Subject to internal review and retention of easements, restrictions, covenants):

Parcel A: Tax Parcel No. 2890000730:

Lots 11 and 12, Block 18, Cascade Park Addition to Tacoma, W.T., according to the plat thereof recorded in Book 1 of Plats, Page 120, records of Pierce County, Washington;

Parcel B: Tax Parcel No. 0220134012:

That portion of the Southeast Quarter of the Southeast Quarter of Section 13, Township 20 North, Range 2 East, W.M., Pierce County, Washington, described as follows:

BEGINNING at the Northeast corner of said Southeast Quarter of the Southeast Quarter of Section 13; thence west along the northerly boundary of said Southeast Quarter of the Southeast Quarter 74 feet, more or less, to the east boundary line of the water flume right-of-way; thence southeasterly along the easterly boundary line of said right-of-way 657 feet, more or less, to the east line of said Southeast Quarter of the Southeast Quarter; thence north 652.42 feet, more or less, to the POINT OF BEGINNING;

Parcel C: Tax Parcel No. 2890002850:

Lots 2 through 6, inclusive, Block 45, Cascade Park Addition to Tacoma, W.T., according to the plat thereof recorded in Book 1 of Plats, Page 120, records of Pierce County, Washington;

Situate in the City of Tacoma, County of Pierce, State of Washington.



TACOMA/PIERCE COUNTY HABITAT FOR HUMANITY

Orchard Street Cottages

Tacoma/Pierce County Habitat for Humanity hopes to acquire the Downing property to build affordable homeownership opportunities for the residents of North Tacoma. The Downing property has been owned by Tacoma Power since the 1950s; the property was used as a substation for an electrical voltage that is now obsolete. The transformers and equipment have been removed from the site, and the vacant property was declared surplus several years ago. Our plan is to obtain a Conditional Use Permit under the Infill Pilot Program and build cottage-style housing.



Diagonal view of proposed cottage design

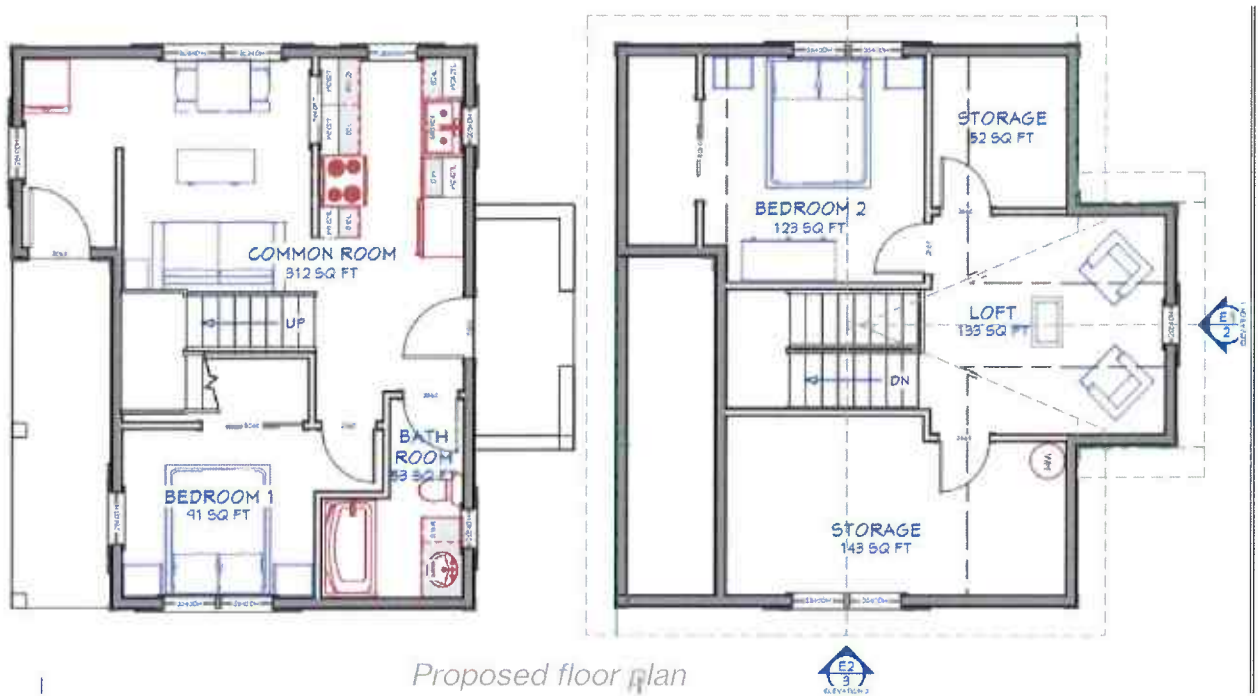


Side view of proposed cottage design

The dwelling units depicted on the proposed site plan and architectural plans are conceptual. The homes will be compact and intended for low-income, one- to three-person households. They will be 1.5 story cottages with approximately 557 sq. ft. of floor area down stairs, 458 sq. ft. upstairs and 195 sq. ft. of unheated storage. Though our purchase and sale agreement indicated a requirement to build three homes, we plan to construct four cottages to maximize affordable housing opportunities on the property. Not only are the cottages an efficient use of space, they also fit into the character of surrounding homes in the North End of Tacoma.

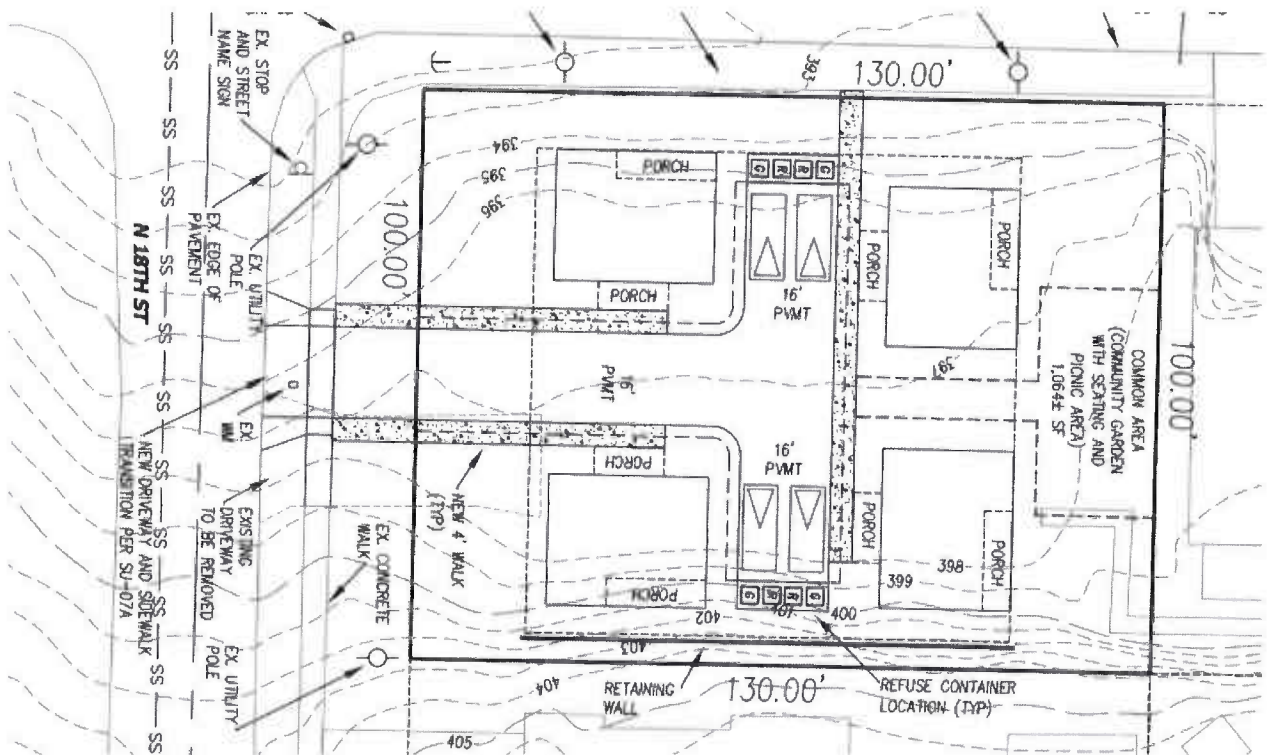
Habitat homes are highly efficient with tight building envelopes, heat recovery ventilation systems, mini-split heating systems and heat pump water heaters. We also build accessible homes, providing at least one bedroom on the main floor of the homes should a homebuyer or family member need mobility accommodations. Each home will feature one main-floor bedroom as well as an upstairs bedroom and a loft as well as a fully furnished kitchen and a main-floor bathroom. The Shared Common Area will be located at the north end of the property with space for a community garden and outdoor seating and picnic area. One parking space per unit is provided with the assumption that visitors would park on the street. Concrete sidewalks will connect each home to the public sidewalk. Space for refuse container stow is shown on the site plan.

Upon time of sale, the homes will be placed under Habitat's resale-restricted land-lease model, as indicated in the Development Agreement. This model works by selling the physical house as well as its infrastructure to the buyer while Habitat retains the right to the land. Homeowners agree to a fixed equity model, which calculates equity based on the number of years they lived in the home. If and when they choose to sell, homeowners agree to sell to another income-qualified buyer, ensuring that the homes built on the Downing property will remain permanently affordable first-time homeownership opportunities in perpetuity.



Proposed floor plan

Habitat homeowners typically make between 50 and 80% of the Area Median Income (AMI); however, as stated in the Development Agreement, one of the four units constructed will be sold to a buyer making less than 50% AMI. Habitat works with prospective homeowners throughout their homebuying process, ensuring they have adequate credit scores, a low debt-to-income ratio, and a solid financial education when they purchase their first homes. Our HUD-certified housing counselors conduct comprehensive reviews of homeowners' financial situations and assist them in planning not only to pay their monthly mortgage, but to save for repairs and upgrades that their home may need over time. Approximately 75% of Habitat homeowners are BIPOC individuals, and over half are single female heads of household. Our clients are hardworking, employed individuals, and we are excited to have the opportunity to develop cottages on the Downing site to serve smaller households who seek to become homeowners in Tacoma's North End.



Proposed site design