

RESOLUTION NO. 543

A RESOLUTION OF THE CITY OF UNIVERSITY PLACE APPROVING SECURITY PROPERTIES AS THE DEVELOPER OF A MIXED USE LIBRARY CONDOMINIUM PROJECT, APPROVING GENERALLY THE TERMS OF AN AGREEMENT WITH SECURITY, AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND APPROVE A DISPOSITION AND DEVELOPMENT AGREEMENT CONTAINING THESE TERMS, SUBJECT TO RATIFICATION AND CONFIRMATION BY THE CITY COUNCIL.

WHEREAS, the City has been engaged in a planning process for many years to develop a visually attractive and pedestrian oriented mixed-use town center that will serve as the civic and retail focal point of the community and include a mix of civic, entertainment, commercial, retail and residential uses which will, among other things, create a vibrant and sustainable economy that meets the needs of City residents for goods, services and public amenities, provide for relocation, upgrade and improvement to public utilities, streets and sidewalks within the town center area, create jobs, provide important public spaces including a new library branch, improve the economic vitality of the City, and establish a diversified tax base that will achieve multiple City objectives thereby maintaining quality of life and essential community services for City residents; and

WHEREAS, in 2002, the City Council adopted an Economic Development Strategic Action Plan for 2002-2007, which identified as one of their goals the creation of University Place Town Center, with a mix of residential, commercial, cultural, community, public and open spaces. The development concept for University Place Town Center is a mixed-use neighborhood that creates an integrated retail and residential urban village atmosphere; and

WHEREAS, to accomplish the City's Comprehensive Plan Goals and its vision for the Town Center Zone, the City acquired several parcels of real property for the purpose of constructing public improvements to support development within the town center. Such improvements include public parking, a road grid system and associated sidewalks and frontage improvements, and utility improvements, as well as a public plaza and open space and other public amenities; and

WHEREAS, the City entered into an agreement with the Pierce County Rural Library District for the acquisition of its library site and the development of a new library within the town center, as a part of a mixed use development (the "Library Agreement"); and

WHEREAS, in January 2006, following a request for proposals, the City Council approved Security Properties Inc. as its preferred developer and authorized the City Manager to enter into a Letter of Intent (LOI) for the sale of surplus property and development of a library within a mixed use development project; and

WHEREAS, the City and Security have reached tentative agreement on the substantive terms of a development and disposition agreement (the "DDA") and these terms were presented and considered by the City Council and public testimony taken at a public meeting on November 6, 2006; and

WHEREAS, by the terms of the proposed Agreement, the City will sell certain land acquired on the west side of Bridgeport Way within the town center zone to Security for construction of the Library as a part of a mixed use civic, residential and retail development; upon completion, the City will purchase the library and library parking as a condominium unit within the development and grant title of the unit to the Library; and

WHEREAS, City staff and the attorneys for the parties need additional time to complete the negotiations to have a DDA that is in final form for City Council ratification and approval; and

WHEREAS, the City has contacted the Library and been given administrative approval for a delay in signing the DDA with Security as required by the Library Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AS FOLLOWS:

Section 1. Approve Security Properties, Inc. The City Council hereby approves Security Properties, Inc. as the developer of a mixed use library condominium project in accordance with the terms of the New Library Development Agreement between the City and the Pierce County Rural Library District dated July 19, 2006.

Section 2. Approve the terms of an Agreement with Security Properties. The City Council hereby approves the following general terms of an agreement with Security Properties:

- Security shall purchase surplus property from the City and construct a 15,000 square foot library as part of a mixed use civic, retail, and housing condominium project.
- Security shall also construct an additional 5000 square feet of expansion space that the Library District may purchase.
- The construction shall be in accordance with the timelines and minimum development requirements of the Library District as set forth in the Library Agreement or as otherwise approved by the District.
- Plans will be reviewed by City and Library District.
- The sale price of the land shall be \$2.5 million with an additional \$12,500 for each residential unit above 100 units to be constructed.
- Security shall pay a \$50,000 earnest money deposit, with the balance of the purchase price to be paid at closing upon issuance of permits.
- Security will develop a condominium declaration establishing the library, retail, and housing units prior to sale of the library condominium.
- Upon construction of the shell and core of the library condominium, the City shall purchase the condo and perform the tenant improvements necessary for the Library District to occupy the unit.
- Security must meet the construction deadlines in the agreement or be subject to penalties that will cover the City's costs to the Library District for the delay.
- The City will purchase the newly constructed library condo unit for a price to be determined prior to closing, which shall be Security's cost of construction, including overhead and management costs, estimated to be around \$5.5 million.
- Upon purchase of the library condominium, the City will deed the property to the Library District in return for the payment in full of the Note and Deed it holds for the purchase of the old library.

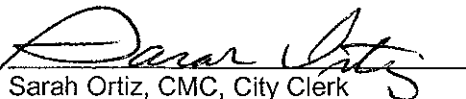
Section 3. Authorize the City Manager to Negotiate and Approve an Agreement with Security Properties. The City Manager is hereby authorized to negotiate with Security Properties and to approve a Disposition and Development Agreement (the "DDA") containing the terms set forth herein, subject to ratification and confirmation of the final DDA by the City Council prior to execution.

Section 4. Effective Date. This Resolution shall take effect immediately upon adoption.

ADOPTED BY THE CITY COUNCIL ON NOVEMBER 13, 2006


Gerald Gehring, Mayor

Attest:


Sarah Ortiz, CMC, City Clerk