



November 28, 2011

Lua Pritchard, Executive Director
Asia Pacific Cultural Center
221 S. 28th Street, Suite 101
Tacoma, WA 98402

Dear Ms. Pritchard:

Thank you for your recent presentations to the Tacoma City Council and inquiry regarding the potential acquisition of 3.66 acres of City-owned property located between S. 21st and S. 23rd Streets from Fawcett to Tacoma Avenues. We understand that the Asia Pacific Cultural Center (APCC) would like to construct a 381,314 square foot mixed-use development project on the site and is requesting the City to allow your organization one year to conduct the necessary due diligence prior to entering into formal negotiations to purchase it.

The City needs to resolve several encumbrances on the site before it can be made available for development. This will take some time, which provides an opportunity for you to explore the viability of your project. Simultaneously, while the City works to address encumbrance issues associated with the property, I am willing to provide you with up to one year from the date of this letter to assemble the critical information you will need to secure funding commitments.

In order to demonstrate progress, the City is requesting you to provide the following information to Robert Levin in our Community and Economic Development Department:

- Audit of APCC by December 31, 2011
- Revised development concept that shows greater density by March 31, 2012
- Third-party market feasibility study for the proposed project by June 30, 2012
- Capital and operating pro formas for the proposed project (including assumptions) by June 30, 2012

After we receive this information, we can evaluate next steps.

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It must be understood that this letter does not constitute an option to purchase the real estate, nor can the City donate the land to the project. APCC will need to propose sufficient consideration that it would be willing to offer the City if it intends to purchase the property, in compliance with Washington State law. These issues will need to be addressed during your pro forma development stage.

We appreciate APCC's vision to create a multi-faceted project that could benefit residents and visitors. We eagerly look forward to learning more about its details.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rey Arellano', with a stylized flourish at the end.

Rey Arellano
Interim City Manager

cc: Ryan Petty, Community and Economic Development Department Director
Robert Levin, Private Capital Division Manager
Jeff Capell, Deputy City Attorney