



PROVO MUNICIPAL COUNCIL

Redevelopment Agency Governing Board

Regular Meeting Agenda

5:30 PM, Tuesday, October 06, 2026
Council Chambers (Room 100)
445 W. Center Street, Provo, UT 84601 or
<https://www.youtube.com/provocitycouncil>

The in-person meeting will be held in the **Council Chambers**. The meeting will be available to the public for live broadcast and on-demand viewing on YouTube and Facebook at: [youtube.com/provocitycouncil](https://www.youtube.com/provocitycouncil) and [facebook.com/provocouncil](https://www.facebook.com/provocouncil). If one platform is unavailable, please try the other. If you do not have access to the Internet, you can join via telephone following the instructions below.

TO MAKE A VIRTUAL PUBLIC COMMENT:

To participate in the public comment portion(s) of the meeting, call in as an audience member as the presentation is wrapping up. Be sure to mute/silence any external audio on your end to reduce feedback (if you are viewing the live proceedings on YouTube, mute the YouTube video; you will be able to hear the meeting audio through the phone while you are on the line).

Press *9 from your phone to indicate that you would like to speak. When you are invited to speak, the meeting host will grant you speaking permission, calling on you by the last four digits of your phone number. Please begin by stating your first and last name, and city of residence for the record. After you have shared your comment, hang up. If you wish to comment on a later item, simply re-dial to rejoin the meeting for any subsequent comment period(s).

October 06 Council Meeting: Dial **346 248 7799**. Enter Meeting ID **854 2825 2093** and press **#**. When asked for a participant ID, press **#**. To join via computer, visit zoom.us and enter the meeting ID and passcode: **185104**.

Decorum

The Council requests that citizens help maintain the decorum of the meeting by turning off electronic devices, being respectful to the Council and others, and refraining from applauding during the proceedings of the meeting.

Opening Ceremony

Roll Call

Prayer

Pledge of Allegiance

Public Comment

Fifteen minutes have been set aside for any person to express ideas, concerns, comments, or issues that are not on the agenda:

Please state your name and city of residence into the microphone.

Please limit your comments to two minutes.

State Law prohibits the Council from acting on items that do not appear on the agenda.

Action Agenda

- 1 An ordinance amending city standards for access to new development. (PLOT20260344)
- 2 An ordinance amending the zone map classification of real property, generally located at 985 W 300 S, from the Light Manufacturing (M1) and Residential Conservation (RC) zones to the Medium Density Residential (MDR) zone. (PLRZ20260213)
- 3 A resolution approving an Interlocal cooperation agreement between Provo City and Springville City to share net benefits from the Springville Rising development (26-062)
- 4 Public Hearing regarding an amended budget for the Lakeview Parkway Community Reinvestment Area (26-005)
- 5 A resolution approving an interlocal agreement between the Redevelopment Agency of Provo City and Provo City regarding the Provo Lakeview Parkway Community Reinvestment Project Area (PMC Property Tax) (26-005)
- 6 A resolution approving an interlocal agreement between the Redevelopment Agency of Provo City and Provo City regarding the Provo Lakeview Parkway Community Reinvestment Project Area (PMC Sales Tax) (26-005)
- 7 A resolution approving a participation agreement between the Redevelopment Agency of Provo City, Provo City, and Philo Venture Management, LLC regarding the Provo Epic Sports Park Commercial Development (PMC) (26-075)
- 8 An ordinance amending the zone map classification of real property, generally located at 313 E 200 N, from the Residential Conservation (RC) Zone to the High Density Residential (HDR) Zone. Joaquin Neighborhood. (PLRZ20250330)

Redevelopment Agency of Provo

- 9 A resolution approving a participation agreement between the Redevelopment Agency of Provo City, Provo City, and Philo Venture Management, LLC regarding the Provo Epic Sports Park Commercial Development (RDA) (26-075)
- 10 A resolution approving an interlocal agreement between the Redevelopment Agency of Provo City and Provo City regarding the Provo Lakeview Parkway Community Reinvestment Project Area (RDA Property Tax) (26-005)

- 11 A resolution approving an interlocal agreement between the Redevelopment Agency of Provo City and Provo City regarding the Provo Lakeview Parkway Community Reinvestment Project Area (RDA Sales Tax) (26-005)
- 12 A resolution approving an interlocal agreement between the Redevelopment Agency of Provo City and Provo City School District regarding the Provo Lakeview Parkway Community Reinvestment Project Area. (26-005)

Adjournment

If you have a comment regarding items on the agenda, please contact Councilors at council@provo.gov or using their contact information listed at: provo.gov/434/City-Council.

Materials and Agenda: agendas.provo.org

Council meetings are broadcast live and available later on demand at youtube.com/ProvoCityCouncil.

The next Council Meeting will be held on Tuesday, October 20, 2026. The meeting will be held in the Council Chambers, 445 W. Center Street, Provo, UT 84601 with an online broadcast. Work Meetings generally begin between 12 and 4 PM. Council Meetings begin at 5:30 PM. The start time for additional meetings may vary. All meeting start times are noticed at least 24 hours prior to the meeting.

Notice of Compliance with the Americans with Disabilities Act (ADA)

In compliance with the ADA, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting are invited to notify the Provo Council Office at 445 W. Center, Provo, Utah 84601, phone: (801) 852-6120 or email kmartins@provo.gov at least three working days prior to the meeting. Council meetings are broadcast live and available for on demand viewing at youtube.com/ProvoCityCouncil.

Notice of Telephonic Communications

One or more Council members may participate by telephone or Internet communication in this meeting. Telephone or Internet communications will be amplified as needed so all Council members and others attending the meeting will be able to hear the person(s) participating electronically as well as those participating in person. The meeting will be conducted using the same procedures applicable to regular Municipal Council meetings.

Notice of Compliance with Public Noticing Regulations

This meeting was noticed in compliance with Utah Code 52-4-207(4), which supersedes some requirements listed in Utah Code 52-4-202 and Provo City Code 14.02.010. Agendas and minutes are accessible through the Provo City website at agendas.provo.org. Council meeting agendas are available through the Utah Public Meeting Notice website at utah.gov/pmn, which also offers email subscriptions to notices.

STREET STANDARDS CODE CHANGE

September 9, 2026



CODE CHANGES

15.03.200 Street Standards.

(14) ~~A development with a single street access (ingress and egress) shall have a maximum ADT not higher than two hundred fifty (250) vehicle trips. ADT shall be determined by trip generation rates obtained from the City Traffic Engineer. A second street access shall be required for projects which exceed the designated trip rate.~~ Developments with single family or two-family dwelling units with more than 30 units must be served by at least two separate public streets. Multiple-family developments (apartments, townhomes, or condominiums) with more than 100 dwelling units must be served by at least two separate public streets. If located in the Wildland Urban Interface area, more than 20 units must be served by at least two separate public streets.

The fire marshal and city engineer may consider exemptions to the Wildland Urban Interface requirement of two public street accesses with a specific plan that implements such safety measures including, but not limited to, shelter in place, fire safety zones, fire breaks, fire protection systems, etc. However, the distance from the beginning point of the single access road cannot exceed 500 feet to the furthest door in the Wildland Urban Interface area on a single access road.

QUESTIONS?

The background features a large white triangle on the right side, which contains the text. To the left of this triangle are several overlapping triangles in shades of blue and grey, creating a dynamic, geometric pattern.

**THANK
YOU!**

PROVO MUNICIPAL COUNCIL COUNCIL MEETING STAFF REPORT



Submitter: MVANDEGRAAFF
Presenter: Megan Van De Graaff, Planner
Department: Development Services
Meeting Date: 10/6/2026
Requested Duration (Minutes): 10 minutes
CityView or Issue File Number: PLOTA20260344

SUBJECT: 1 An ordinance amending city standards for access to new development.
(PLOTA20260344)

ADMINISTRATIVE RECOMMENDATION: Requesting the Council approve the ordinance amendment.

ADMINISTRATIVE MEMO: Section 15.03.200 of Provo City Code outlines Provo City's street standards for development within the city. Part 14 of this section requires that a development with single-street access have no more than 250 daily vehicle trips, and a second access is required for development over that trip rate. Provo City Engineering Department has found the requirement to be overly restrictive and problematic; therefore, it is proposed to raise the standard.

FISCAL IMPACT: N/A

COUNCIL STAFF MEMO:

***ITEM 1** Provo Public Works request an Ordinance Text Amendment to Provo City Code 15.03.200, to provide more flexibility on street access standards for new development. Citywide Application. Megan Van De Graaff (801) 852-6408 mvandegraaff@provo.gov PLOTA20260344

APPLICANT:	Jimmy McKnight
PROPERTY OWNER:	Citywide
PARCEL ID:	N/A
ACREAGE:	N/A
CURRENT LEGAL USE:	N/A
GENERAL PLAN DESIGNATION:	N/A
CURRENT ZONE:	N/A
APPLICATION TYPE:	Legislative Decision – Planning Commission will make a recommendation to the City Council.

NEIGHBORHOOD FEEDBACK

No neighborhood meeting is required for this item. No public comment has been received at the time of writing this report.

PROJECT SUMMARY

Section 15.03.200 of Provo City Code outlines Provo City's street standards for development within the city. Part 14 of this section requires that a development with single-street access have no more than 250 daily vehicle trips, and a second access is required for development over that trip rate. Provo City Engineering Department has found the requirement to be overly restrictive and problematic; therefore, it is proposed to raise the standard.

STAFF ANALYSIS

Before recommending an amendment, the Commission must find that the amendment serves the public interest and aligns with the General Plan, based on consideration of the following:

(a) Public purpose for the amendment in question;

Staff Response: The amendment will be consistent with the International Fire Code, which many other communities use for consistency.

FINDING: Meets standard.

(b) Confirmation that the public purpose is best served by the amendment in question;

Staff Response: The amendment in question allows for a little more flexibility for a

secondary access for single-family and two-family developments. It increases the number of units that trigger a second access from about 22 to 30.

FINDING: Meets standard.

(c) Compatibility of the proposed amendment with General Plan policies, goals, and objectives;

Staff Response: This code amendment is compatible with Land Use Goals and Strategies 1a and 1b as follows:

- 1a. Encourage the development of additional single-family home developments in key areas to address housing shortages and facilitate additional economic growth and economic opportunities.
- 1b. Encourage infill opportunities in downtown, mixed-use and transit-oriented developments.

This code amendment is compatible with Housing Goals and Strategies 1a, 1b, and 1d as follows:

- 1a. Encourage opportunities for small scale, infill housing development.
- 1b. Consider revising regulations to encourage development of a mix of housing types.
- 1d. Encourage the development of additional single-family homes in key areas, such as the city's west side, to address housing shortages, and to facilitate additional economic growth and opportunities.

This code amendment allows for multiple-family and infill developments to increase the requirement for a secondary access from 30 units to 100 units.

FINDING: Meets standard.

(d) Consistency of the proposed amendment with the General Plan's "timing and sequencing" provisions on changes of use, insofar as they are articulated;

Staff Response: This amendment would support the timing found in the implementation matrix which is as follows:

Land Use:

- 1a (Short-Mid)
- 1b (Short)

Housing:

- 1a (Short)
- 1b (Short)
- 1d (Short-Mid)

FINDING: Meets standard.

(e) Potential of the proposed amendment to hinder or obstruct attainment of the General Plan's articulated policies;

Staff Response: None found.

FINDING: Meets standard.

(f) Adverse impacts on adjacent land owners; and

Staff Response: This change should not adversely affect land owners.

FINDING: Meets standard.

(g) Verification of correctness in the original zoning or General Plan for the area in question.

Staff Response: Not applicable.

FINDING: Meets standard.

(h) In cases where a conflict arises between the General Plan Map and General Plan Policies, precedence shall be given to the Plan Policies.

Staff Response: Not applicable.

FINDING: Meets standard.

APPLICABLE ZONING CODES

Provo City Code 15.15.300: <https://provo.municipal.codes/Code/15.03.200>

POSSIBLE MOTIONS AND FINDINGS

The Planning Commission may make any of the following findings:

1. **Recommend Approval:** The proposal is consistent with the General Plan. (*Planning Commission recommends approval to the City Council for the proposed ordinance text amendment*)
2. **Recommend Denial:** The proposal is not consistent with the General Plan. (*Planning Commission recommends denial to the City Council for the proposed*

- ordinance text amendment*) (state reasons)
3. **Continue:** New information presented at the public hearing or additional study needs to be done. (*Planning Commission continues this item*) (state reasons)

ATTACHMENTS

1. Proposed Text Amendment

ATTACHMENT 1 – PROPOSED TEXT AMENDMENT

ORDINANCE <<Document Number>>

AN ORDINANCE AMENDING CITY STANDARDS FOR ACCESS TO NEW DEVELOPMENT. (26-____)

RECITALS:

It is proposed that Provo City Code be amended to change requirements for second street access in new developments;

On October 6, 2026, the Municipal Council met to ascertain the facts regarding this matter and receive public comment, which facts and comments are found in the public record of the Council's consideration; and

After considering the facts presented to the Municipal Council, the Council finds that (i) the proposed action should be approved, and (ii) such action furthers the health, safety, and general welfare of the citizens of Provo City.

THEREFORE, the Provo Municipal Council ordains as follows:

PART I:

Provo City Code section 15.03.200 is amended to read as indicated in Exhibit A.

PART II:

- A. If a provision of this ordinance conflicts with a provision of a previously adopted ordinance, this ordinance prevails.
- B. This ordinance and its various sections, clauses, and paragraphs are severable. If any part, sentence, clause, or phrase is adjudged to be unconstitutional or invalid, the remainder of the ordinance is not affected by that determination.
- C. This ordinance takes effect immediately after it has been posted or published in accordance with Utah Code Section 10-3-711, presented to the Mayor in accordance with Utah Code Section 10-3b-204, and recorded in accordance with Utah Code Section 10-3-713.
- D. The Municipal Council directs that the official copy of Provo City Code be updated to reflect the provisions enacted by this ordinance.

Exhibit A

15.03.200 Street Standards.

(14) ~~A development with a single street access (ingress and egress) shall have a maximum ADT not higher than two hundred fifty (250) vehicle trips. ADT shall be determined by trip generation rates obtained from the City Traffic Engineer. A second street access shall be required for projects which exceed the designated trip rate.~~ Developments with single family or two-family dwelling units with more than 30 units must be served by at least two separate public streets. Multiple-family developments (apartments, townhomes, or condominiums) with more than 100 dwelling units must be served by at least two separate public streets. If located in the Wildland Urban Interface area, more than 20 units must be served by at least two separate public streets.

The fire marshal and city engineer may consider exemptions to the Wildland Urban Interface requirement of two public street accesses with a specific plan that implements such safety measures including, but not limited to, shelter in place, fire safety zones, fire breaks, fire protection systems, etc. However, the distance from the beginning point of the single access road cannot exceed 500 feet to the furthest door in the Wildland Urban Interface area on a single access road.

Provo City Planning Commission

Report of Action

September 09, 2026

- *ITEM 1 Provo Public Works request an Ordinance Text Amendment to Provo City Code 15.03.200, to provide more flexibility on street access standards for new development. Citywide Application. Megan Van De Graaff (801) 852-6408 mvandegraaff@provo.gov PLOTA20260344
-

The following action was taken by the Planning Commission on the above described item at its regular meeting of September 09, 2026:

RECOMMENDED APPROVAL

On a vote of 8:0, the Planning Commission recommended that the Municipal Council approve the above noted application.

Motion By: Jon Lyons

Second By: Joel Temple

Votes in Favor of Motion: Melissa Kendall, Jonathon Hill, David Conger, Tosh Metzger, Joel Temple, Jon Lyons, Matthew Wheelwright, Anne Allen.

Matthew Wheelwright was present as Chair.

- Includes facts of the case, analysis, conclusions and recommendations outlined in the Staff Report, with any changes noted; Planning Commission determination is generally consistent with the Staff analysis and determination.

TEXT AMENDMENT

The text of the proposed amendment is attached as Exhibit A.

STAFF PRESENTATION

The Staff Report to the Planning Commission provides details of the facts of the case and the Staff's analysis, conclusions, and recommendations.

CITY DEPARTMENTAL ISSUES

- The Coordinator Review Committee (CRC) has reviewed the application and given their approval.

NEIGHBORHOOD MEETING DATE

- A neighborhood meeting was not necessary for this item.

NEIGHBORHOOD AND PUBLIC COMMENT

- This item was City-wide or affected multiple neighborhoods.

CONCERNS RAISED BY PUBLIC

Any comments received prior to completion of the Staff Report are addressed in the Staff Report to the Planning Commission. Key issues raised in written comments received subsequent to the Staff Report or public comment during the public hearing included the following:

- No public comments were received for this item either in written comments or public comment during the public hearing.

APPLICANT RESPONSE

Key points addressed in the applicant's presentation to the Planning Commission included the following:

- Gordon Haight explained that the existing code specifies that a development with only one street access can generate up to 250 average daily trips.
- To provide more flexibility for developments (typically infill developments), the Public Works department proposes the text amendment (Exhibit A) that corresponds with existing Fire code.
- The proposed amendment requires a second access for single-family developments over 30 units and for multi-family developments over 100 units.
- There are opportunities for exemptions for the Wildland Urban Interface.
- The proposed code is less restrictive than the current code. If the Fire code changes, this section will be updated as well.
- This amendment would only apply to residential development.
- Developments three acres or greater, or 10 units or greater, will still require a Traffic Study.

PLANNING COMMISSION DISCUSSION

Key points discussed by the Planning Commission included the following:

- Jon Lyons stated that his concerns have been assuaged because the amendment is in line with Fire code, and it seems the city would not benefit from keeping the existing code.



Planning Commission Chair



Director of Development Services

See Key Land Use Policies of the Provo City General Plan, applicable Titles of the Provo City Code, and the Staff Report to the Planning Commission for further detailed information. The Staff Report is a part of the record of the decision of this item. Where findings of the Planning Commission differ from findings of Staff, those will be noted in this Report of Action.

Legislative items are noted with an asterisk (*) and require legislative action by the Municipal Council following a public hearing; the Planning Commission provides an advisory recommendation to the Municipal Council following a public hearing.

Administrative decisions of the Planning Commission (items not marked with an asterisk) **may be appealed** by submitting an application/notice of appeal, with the required application and noticing fees to the Development Services Department, 445 W Center Street, Provo, Utah, **within fourteen (14) calendar days of the Planning Commission's decision** (Provo City office hours are Monday through Thursday, 7:00 a.m. to 6:00 p.m.).

BUILDING PERMITS MUST BE OBTAINED BEFORE CONSTRUCTION BEGINS

EXHIBIT A

15.03.200 Street Standards.

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RECITALS:

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After considering the facts presented to the Municipal Council, the Council finds that (i) the proposed action should be approved, and (ii) such action furthers the health, safety, and general welfare of the citizens of Provo City.

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- D. The Municipal Council directs that the official copy of Provo City Code be updated to reflect the provisions enacted by this ordinance.

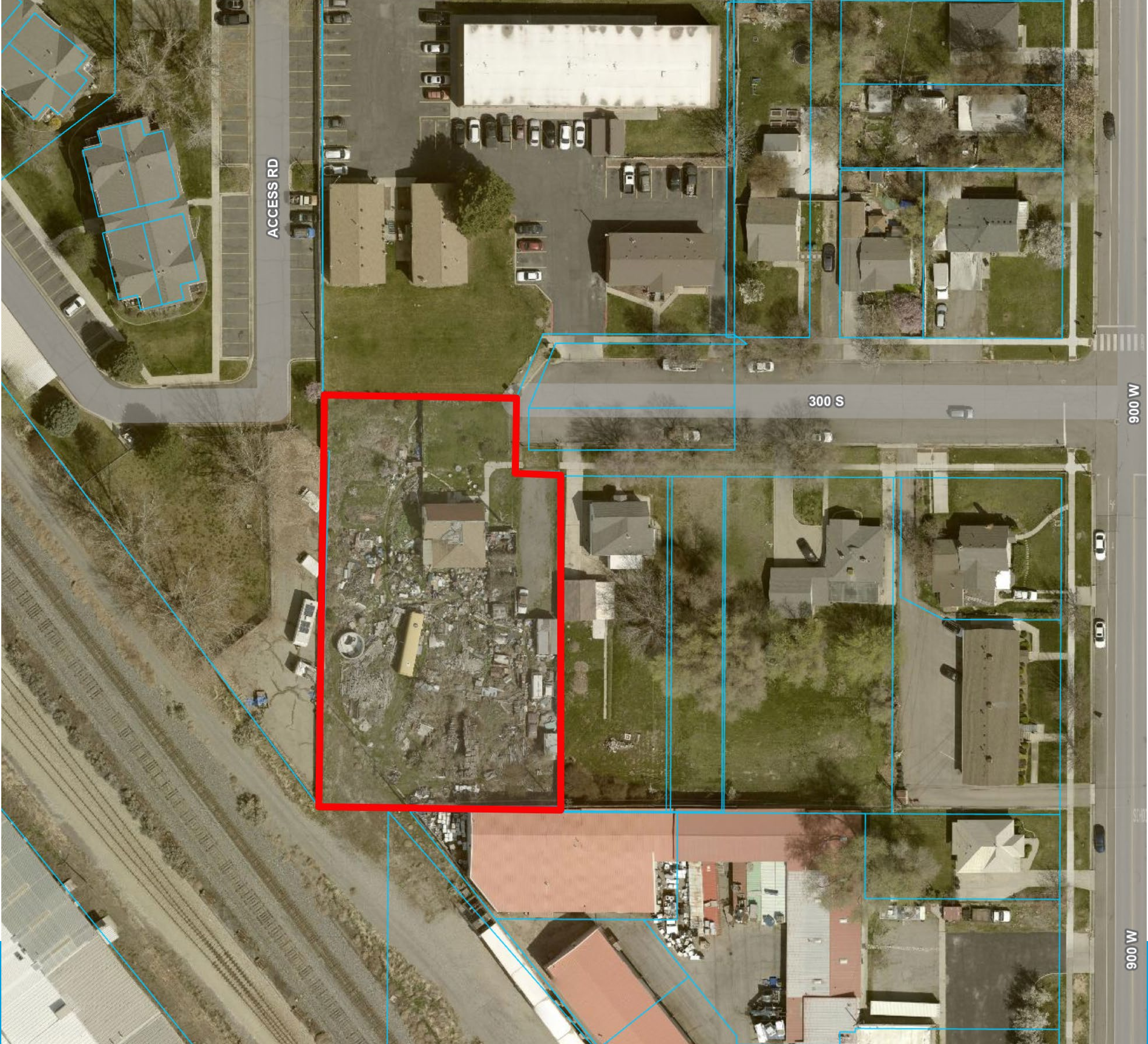
Exhibit A

15.03.200 Street Standards.

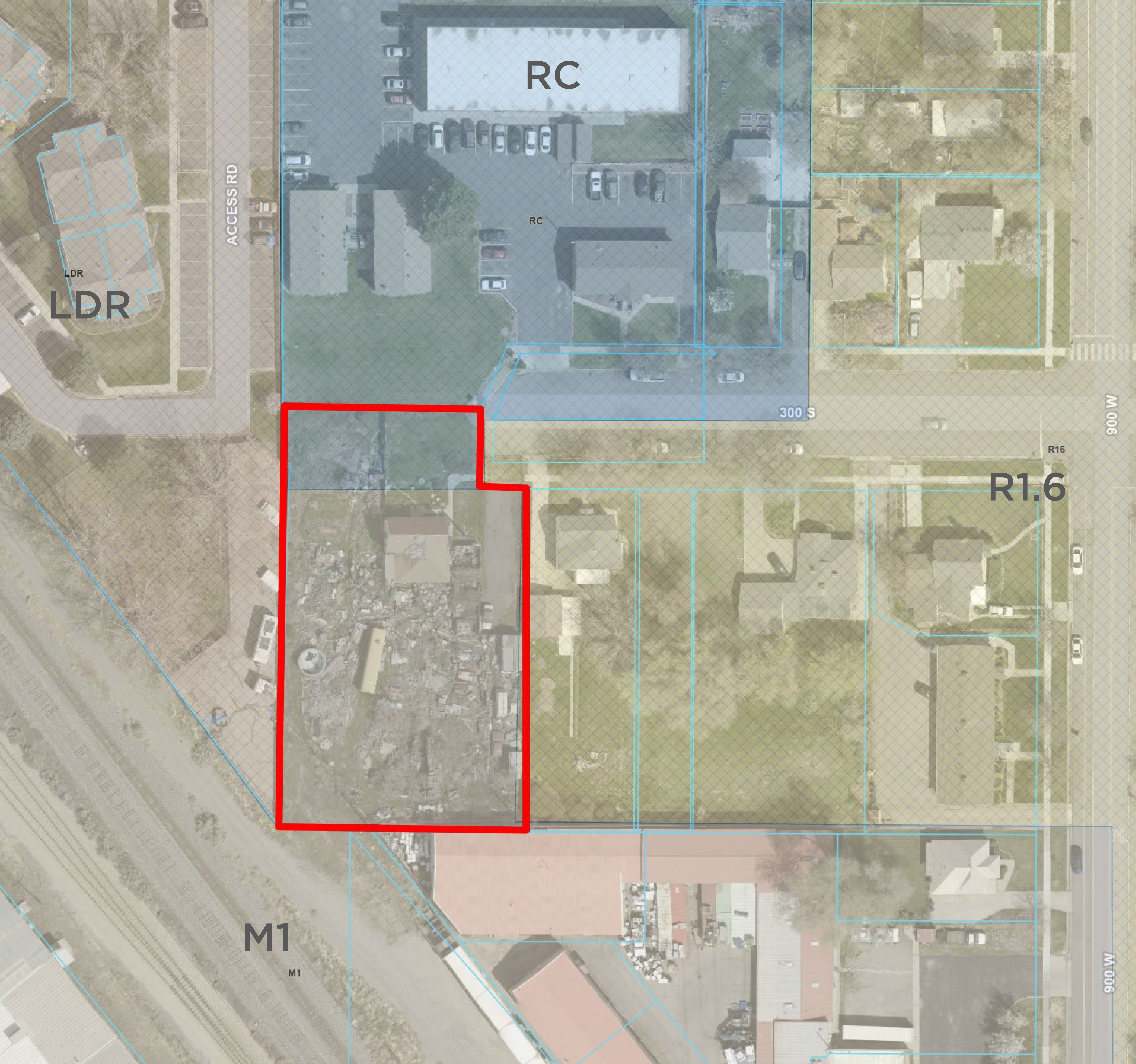
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The Fire Marshal and City Engineer may consider exemptions to the Wildland Urban Interface requirement of two public street accesses with a specific plan that implements approved safety measures, including, but not limited to, shelter in place, fire safety zones, fire breaks, and fire protection systems. However, if only one access road is provided, the distance from the beginning point of the road cannot exceed 500 feet to the furthest door in the Wildland Urban Interface area on the road.

985 W 300 S



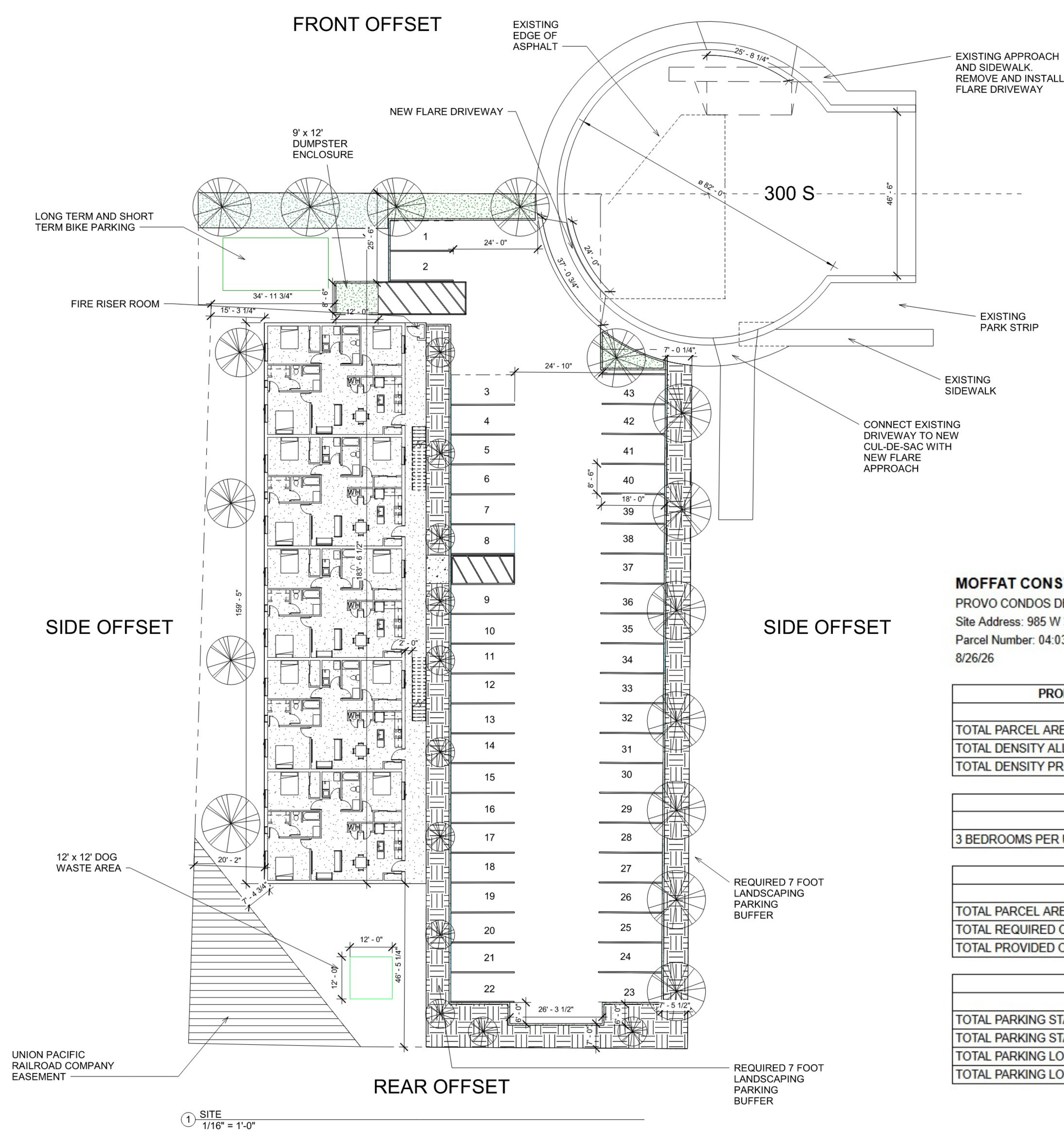
Zoning Map



General Plan Map



Concept Plan



MOFFAT CONSTRUCTION

PROVO CONDOS DEVELOPMENT INFORMATION

Site Address: 985 W 300 S, Provo, UT 84601

Parcel Number: 04:031:0006

8/26/26

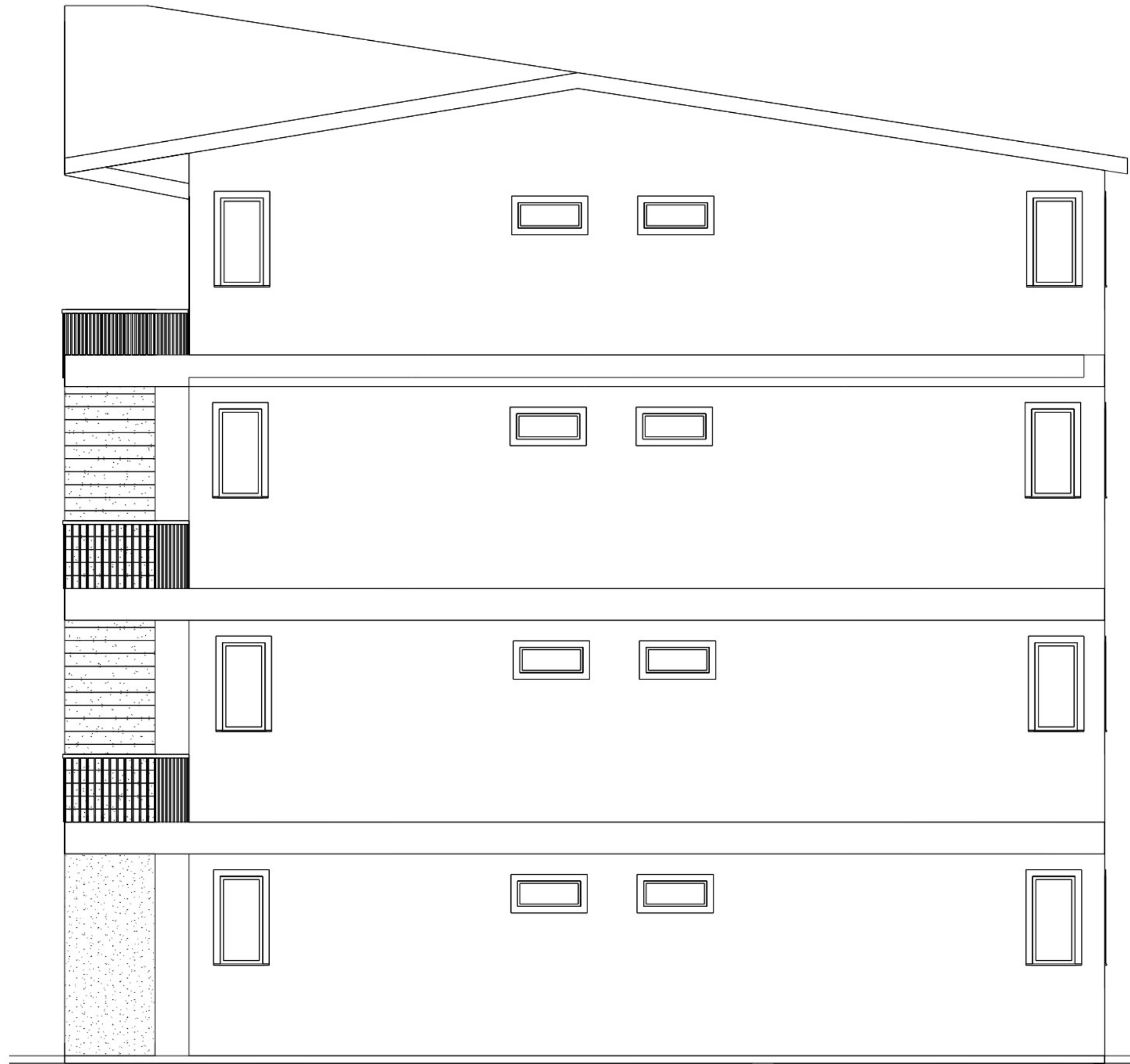
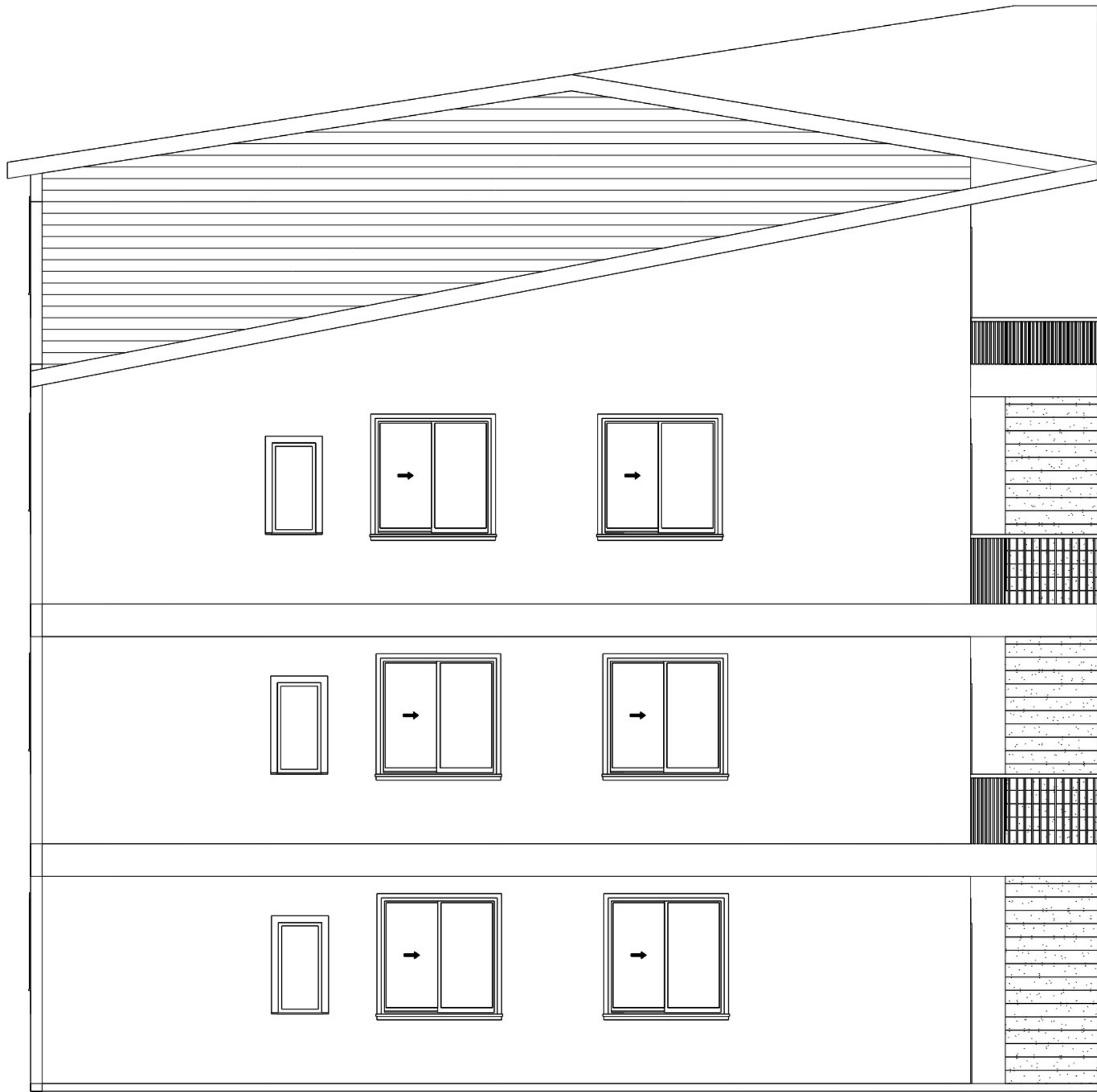
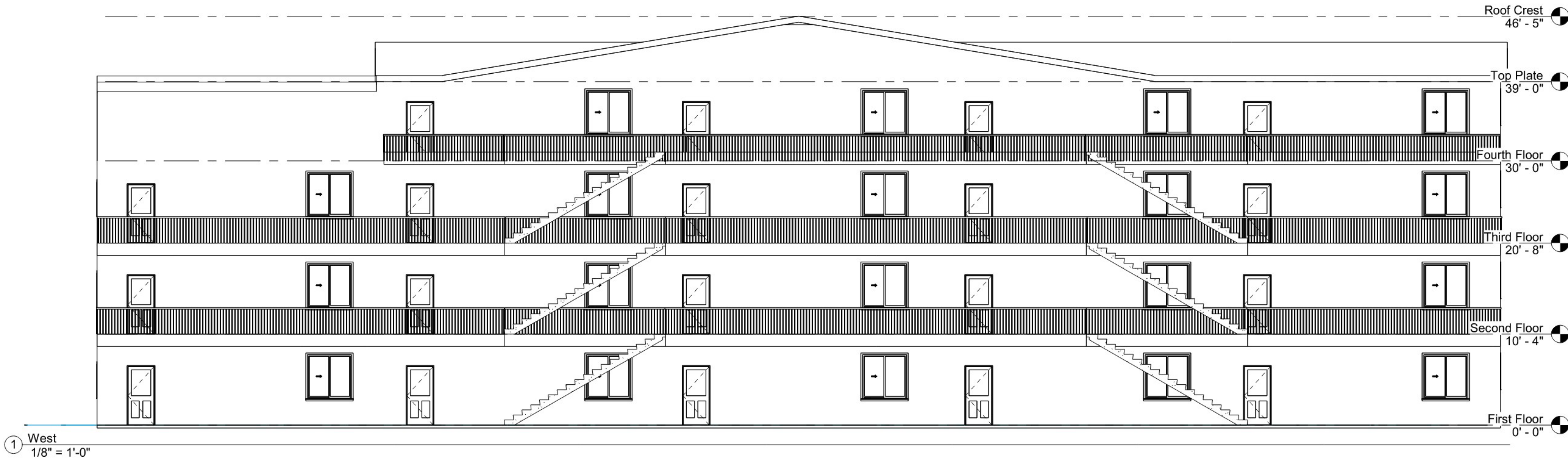
PROPOSED DENSITY (PCC 14.14B.030 (2)) MEDIUM DENSITY RESIDENTIAL		
DESCRIPTION	UNITS PER ACRE	AMOUNT
TOTAL PARCEL AREA		0.717 ACRES
TOTAL DENSITY ALLOWED (UNITS PER ACRE)	30	22
TOTAL DENSITY PROVIDED (UNITS PER ACRE)	26	19

BEDROOMS PER UNIT		
DESCRIPTION	UNITS	TOTAL BEDROOMS
3 BEDROOMS PER UNIT	19	57

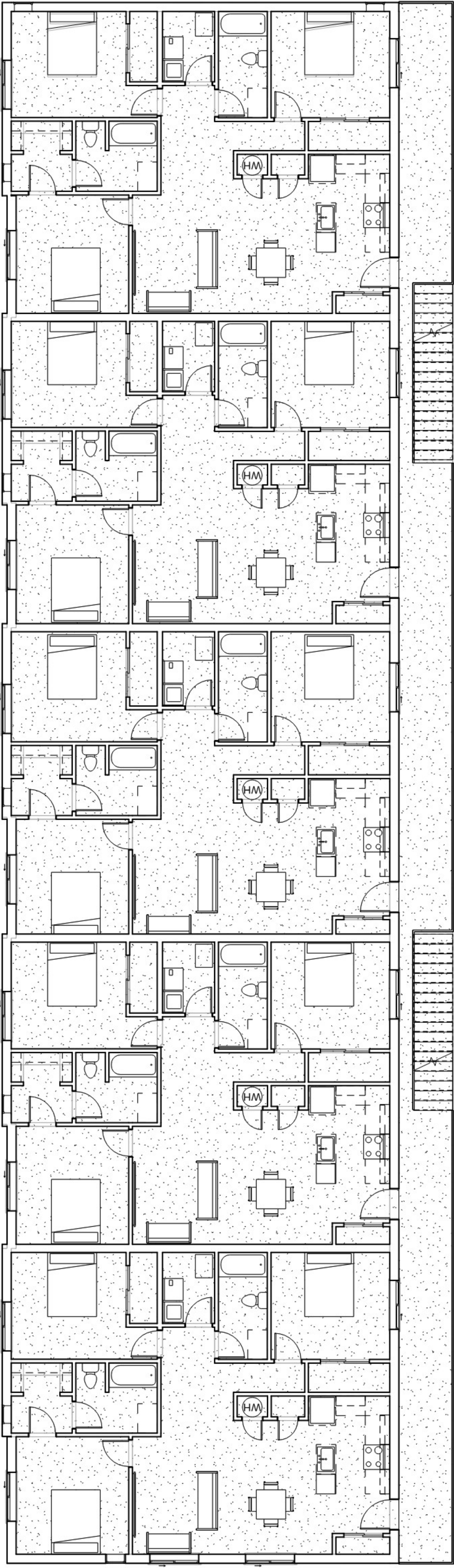
OPEN SPACE (PCC 14.14B.030 (6))		
DESCRIPTION	PERCENT	AMOUNT
TOTAL PARCEL AREA		31,233
TOTAL REQUIRED OPEN SPACE	50.00%	15,616
TOTAL PROVIDED OPEN SPACE	80.33%	25,089

PARKING LOT LANDSCAPING (PCC 15.20.090 (2))		
DESCRIPTION	PER STALL	AMOUNT
TOTAL PARKING STALLS REQUIRED		43
TOTAL PARKING STALLS PROVIDED		43
TOTAL PARKING LOT LANDSCAPING REQUIRED	40	1,720
TOTAL PARKING LOT LANDSCAPING PROVIDED	103.8139535	4,464

Elevations



Floor Plan



PROVO MUNICIPAL COUNCIL COUNCIL MEETING STAFF REPORT



Submitter: DWRIGHT
Presenter: Dustin Wright, City Planner
Department: Development Services
Meeting Date: 10/6/2026
Requested Duration (Minutes): 10 minutes
CityView or Issue File Number: PLRZ20260213

SUBJECT: 2 An ordinance amending the zone map classification of real property, generally located at 985 W 300 S, from the Light Manufacturing (M1) and Residential Conservation (RC) zones to the Medium Density Residential (MDR) zone. (PLRZ20260213)

ADMINISTRATIVE RECOMMENDATION: Planning Commission recommended approval.

ADMINISTRATIVE MEMO: The applicant has submitted a zone map amendment and concept plan applications for the property located at 985 W 300 S to allow for the property to be developed for 19 condominium units. When the applicant was asked about for-sale versus for-rent, he stated that the condominium plat will be created but he was doubtful of the ability of buyers to obtain financing. Most of the property is currently zoned as M1 (Light Manufacturing) and there is a smaller portion zoned RC (Residential Conservation). The applicant originally requested the High Density Residential (HDR) zone, but since reduced the scope of the project and changed to Medium Density Residential (MDR). The property to the north is in the Residential Conservation (RC) zone and has apartments. The property to the east is in the Residential R1.6 zone and has a single-family home, the property to the west is in the Low Density Residential (LDR) zone and has multi-family units, and the property to the south is in the Light Manufacturing (M1) zone with railroad tracks in between the adjacent properties. The street 300 South terminates into the property and the property to the north currently. The applicant has been working with Public Works on a cul-de-sac that would provide better access to the site for emergency personnel.

FISCAL IMPACT: N/A

COUNCIL STAFF MEMO:

Provo City Planning Commission

Report of Action

September 09, 2026

*ITEM 2 James Smith requests a Zone Map Amendment from the M1 (Light Manufacturing) and RC (Residential Conservation) Zones to the HDR (High-Density Residential) Zone to entitle a 19-unit condominium project, located at 985 West 300 South. Franklin Neighborhood. Dustin Wright (801) 852-6414 dwright@provo.gov PLRZ20260213

The following action was taken by the Planning Commission on the above-described item at its regular meeting of September 09, 2026:

RECOMMENDED APPROVAL

On a vote of 8:0, the Planning Commission recommended that the Municipal Council approve the above noted application and authorize the mayor to sign the development agreement.

Conditions of Approval:

Motion By: Tosh Metzger

Second By: Melissa Kendall

Votes in Favor of Motion: Tosh Metzger, Melissa Kendall, David Conger, Anne Allen, Joel Temple, Matt Wheelwright, John Lyons and Jonathan Hill

Matt Wheelwright was present as Chair.

- Although this proposal was advertised as a High-Density Residential zone change, density was reduced while working with the CRC. The applicant asked for MDR zoning instead of HDR and staff agreed that MDR would be more appropriate.
- Because the concept plan includes less density than the MDR zone permits, staff suggested a Development Agreement to tie the zone change to the proposed concept plan.
- Includes facts of the case, analysis, conclusions and recommendations outlined in the Staff Report, with any changes noted; Planning Commission determination is generally consistent with the Staff analysis and determination.

LEGAL DESCRIPTION FOR PROPERTY TO BE REZONED

The property to be rezoned to the Medium Density Residential Zone is described in the attached Exhibit A.

RELATED ACTIONS

Concept Plan approval (PLCP20260235) granted on September 9, 2026, subject to council approval of the zone change.

APPROVED/RECOMMENDED OCCUPANCY

- 19 Total Units
- All units include three bedrooms for family occupancy

APPROVED/RECOMMENDED PARKING

- 43 Total parking stalls required
- 43 Total parking stalls provided
- 2.25 Required parking stalls per unit

DEVELOPMENT AGREEMENT

- Applies - referred applicant to Council Attorney.

STAFF PRESENTATION

The Staff Report to the Planning Commission provides details of the facts of the case and the Staff's analysis, conclusions, and recommendations.

CITY DEPARTMENTAL ISSUES

- The Coordinator Review Committee (CRC) has reviewed the application and given their approval.
- Preliminary traffic study submitted, to be reviewed as part of project plan approval.

NEIGHBORHOOD MEETING DATE

- No neighborhood meeting was held as it was not required.

NEIGHBORHOOD AND PUBLIC COMMENT

- The Neighborhood District Chair was not present or did not address the Planning Commission during the hearing.
- Jason Beal, a neighboring property owner, raised concerns regarding traffic and safety as he had young children. The 300 S 900 W intersection is dangerous. Although it is a four-way stop intersection, drivers routinely run stop signs.

APPLICANT RESPONSE

Key points addressed in the applicant's presentation to the Planning Commission included the following:

- The applicant presented an overview of the project.
- When asked by the Commission about for-sale verses for-rent housing, the applicant stated that a condominium plat will be created but he was doubtful of the ability of buyers to obtain financing.

PLANNING COMMISSION DISCUSSION

Key points discussed by the Planning Commission included the following:

- The Commission questioned the building height and project density in relation to surrounding projects. This would be the only four-story building in the neighborhood. On the other hand, the subject property is distressed, industrial land that is not helpful to the neighborhood. Staff noted that the city has no record of a business license for any industrial use at this location.
- The proposed project will install a cul-de-sac on a dead-ended 300 S Street which would bring the street into compliance with the fire code.
- Location of the proposed building along the west boundary line, adjacent to other stacked condominiums, makes for a good transition into the neighborhood.
- The Commission questioned the closeness of stairways to the sidewalk and thought shifting the building a few feet to the west may be helpful.
- The architecture and building materials were questioned and the applicant was encouraged to address these issues at the project plan stage.
- The MDR zone has architectural design standards in Section 14.34.287 of the City Code.



Planning Commission Chair



Director of Development Services

See Key Land Use Policies of the Provo City General Plan, applicable Titles of the Provo City Code, and the Staff Report to the Planning Commission for further detailed information. The Staff Report is a part of the record of the decision of this item. Where findings of the Planning Commission differ from findings of Staff, those will be noted in this Report of Action.

Legislative items are noted with an asterisk (*) and require legislative action by the Municipal Council following a public hearing; the Planning Commission provides an advisory recommendation to the Municipal Council following a public hearing.

Administrative decisions of the Planning Commission (items not marked with an asterisk) **may be appealed** by submitting an application/notice of appeal, with the required application and noticing fees to the Development Services Department, 445 W Center Street, Provo, Utah, **within fourteen (14) calendar days of the Planning Commission's decision** (Provo City office hours are Monday through Thursday, 7:00 a.m. to 6:00 p.m.).

BUILDING PERMITS MUST BE OBTAINED BEFORE CONSTRUCTION BEGINS

EXHIBIT A

QUIT-CLAIM DESCRIPTION FROM THE BAY APARTMENTS LLC TO FRENZEL

BEGINNING AT A POINT ON THAT CERTAIN SPECIAL WARRANTY DEED RECORDED AS ENTRY 54698-2000 IN THE UTAH COUNTY RECORDER'S OFFICE, SAID POINT BEING LOCATED SOUTH 706.85 FEET AND WEST 129.62 FEET FROM THE NORTHWEST CORNER OF SECTION 12, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN; THENCE WEST 114.44 FEET ALONG SAID DEED TO THE BOUNDARY OF PHASE VIII, FRANKLIN PARK CONDOMINIUMS SUBDIVISION ACCORDING TO THE OFFICIAL PLAT ON FILE AS MAP 6966 IN THE UTAH COUNTY RECORDER'S OFFICE; THENCE NORTH 31.79 FEET ALONG SAID PHASE VIII, FRANKLIN PARK CONDOMINIUMS SUBDIVISION TO A POINT ON THE EXTENSION OF AN EXISTING 6-FOOT CHAIN-LINK FENCE; THENCE MORE OR LESS ALONG SAID 6-FOOT CHAIN-LINK FENCE AND EXTENSIONS THEREOF SOUTH 89°46'58" EAST 114.81 FEET TO SAID DEED; THENCE ALONG SAID DEED THE FOLLOWING TWO (2) COURSES: SOUTH 22°41'47" WEST 0.96 FEET AND SOUTH 30.47 FEET TO THE POINT OF BEGINNING. Area = 3,614 SQ. FT. OR 0.083 ACRES

QUIT-CLAIM DESCRIPTION FROM FRENZEL TO FRENZEL

BEGINNING AT A POINT ON AN EXISTING FENCE ON THE NORTHERLY LINE OF BLOCK 32, PLAT A, PROVO CITY SURVEY OF BUILDING LOTS, SAID POINT BEING LOCATED SOUTH 719.42 FEET AND WEST 103.73 FEET FROM THE NORTHWEST CORNER OF SECTION 12, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN; THENCE ALONG EXISTING FENCE LINES AND A LINE PERPENDICULAR TO THE NORTHERLY LINE OF SAID BLOCK 32 AS DETERMINED BY THE EXISTING SIDEWALK ALONG SAID NORTHERLY BLOCK LINE, SOUTH 00°21'17" WEST 198.00 FEET MORE OR LESS TO AN EXISTING 6-FOOT CHAIN-LINK FENCE LINE; THENCE MORE OR LESS ALONG SAID EXISTING 6-FOOT CHAIN-LINK FENCE LINE AND EXTENSION THEREOF NORTH 89°38'43" WEST 141.91 FEET MORE OR LESS TO THE BOUNDARY OF PHASE VIII, FRANKLIN PARK CONDOMINIUMS SUBDIVISION ACCORDING TO THE OFFICIAL PLAT ON FILE AS MAP 6966 IN THE UTAH COUNTY RECORDER'S OFFICE; THENCE ALONG SAID PHASE VIII, FRANKLIN PARK CONDOMINIUMS SUBDIVISION THE FOLLOWING THREE (3) COURSES: NORTH 01°46'00" EAST 209.78 FEET, WEST 3.66 FEET AND NORTH 31.79 FEET TO A POINT ON THE EXTENSION OF AN EXISTING 6-FOOT CHAIN-LINK FENCE; THENCE MORE OR LESS ALONG SAID 6-FOOT CHAIN-LINK FENCE AND EXTENSIONS THEREOF SOUTH 89°46'58" EAST 114.81 FEET; THENCE SOUTH 22°41'47" WEST 0.96 FEET; THENCE SOUTH 42.88 FEET TO SAID NORTHERLY BLOCK LINE; THENCE ALONG SAID NORTHERLY BLOCK LINE SOUTH 89°38'43" EAST 25.89 FEET TO THE POINT OF BEGINNING. Area = 32,568 SQ. FT. OR 0.7477 ACRES



***ITEM 2** James Smith requests a Zone Map Amendment from the M1 (Light Manufacturing) and RC (Residential Conservation) Zones to the HDR (High Density Residential) Zone to entitle a 19-unit condominium project, located at 985 West 300 South. Franklin Neighborhood. Dustin Wright (801) 852-6414 dwright@provo.gov PLRZ20260213

APPLICANT:	James Smith
PROPERTY OWNER:	MCP4 PROV300 LLC
PARCEL ID:	04:031:0024
ACREAGE:	0.75
CURRENT LEGAL USE:	Residential
GENERAL PLAN DESIGNATION:	Residential
CURRENT ZONE:	M1 (Light Manufacturing) and RC (Residential Conservation)
APPLICATION TYPE:	Legislative Decision – Planning Commission will make a recommendation to the City Council.

NEIGHBORHOOD FEEDBACK

This item is scheduled for the Central District meeting on September 30, 2026.

PROJECT SUMMARY

The applicant has submitted a zone map amendment and concept plan applications for the property located at 985 W 300 S to allow for the property to be developed for 19 condominium units. Most of the property is currently zoned as M1 (Light Manufacturing) and there is a smaller portion zoned RC (Residential Conservation).

The applicant requested the High Density Residential (HDR) zone, but the Medium Density Residential (MDR) zone could work for what is being proposed. The HDR zone would allow for higher density than what is being proposed with the concept plan. In order to meet city ordinances, the number of units has diminished since the original application was filed.

The property to the north is in the Residential Conservation (RC) zone and has apartments. The property to the east is in the Residential R1.6 zone and has a single-family home, the property to the west is in the Low Density Residential (LDR) zone and has multi-family units, and the property to the south is in the Light Manufacturing (M1) zone with railroad tracks in between the adjacent properties.

The street 300 South terminates into the property and the property to the north currently. The applicant has been working with Public Works on a cul-de-sac that would provide better access to the site for emergency personnel.

STAFF ANALYSIS

Before recommending an amendment, the Commission must find that the amendment serves the public interest and aligns with the General Plan, based on consideration of the following:

- (a) Public purpose for the amendment in question;

Applicant Response:

N/A

Staff Response:

The applicant is proposing to build residential units that could be sold or rented if the property is changed from light manufacturing to residential.

FINDING:

Complies

- (b) Confirmation that the public purpose is best served by the amendment in question;

Applicant Response:

N/A

Staff Response:

The existing property is surrounded by multiple different zones and uses. The proposed development would fit with surrounding land uses and provide additional housing in the area. The requested HDR zone is more than is needed to accomplish the proposed development and may be more appropriate to use the MDR zone.

FINDING:

Complies

- (c) Compatibility of the proposed amendment with General Plan policies, goals, and objectives;

Applicant Response:

N/A

Staff Response:

Goals in the General Plan call for development of different housing types in neighborhoods as well as increasing the number of housing types across the city appropriately.

FINDING:

Complies

(d) Consistency of the proposed amendment with the General Plan's "timing and sequencing" provisions on changes of use, insofar as they are articulated;

Applicant Response:

N/A

Staff Response:

No timing issues identified.

FINDING:

Complies

(e) Potential of the proposed amendment to hinder or obstruct attainment of the General Plan's articulated policies;

Applicant Response:

N/A

Staff Response:

It is not anticipated that this proposal would hinder the goals or policies of the General Plan.

FINDING:

Complies

(f) Adverse impacts on adjacent landowners; and

Applicant Response:

N/A

Staff Response:

There is a single-family residential zone to the east that would see the biggest impact related to compatibility. The proposed use of the property would increase the amount of traffic that is seen from how the property is currently being used.

FINDING: There would be impacts from the proposed change on adjacent landowners but considering the low number of units being proposed, impacts would be minimal.

(g) Verification of correctness in the original zoning or General Plan for the area in question.

Applicant Response:

N/A

Staff Response:

The zoning is correct.

FINDING:
No issues.

(h) In cases where a conflict arises between the General Plan Map and General Plan Policies, precedence shall be given to the Plan Policies.

Applicant Response:
N/A

Staff Response:
No issues with the maps and related policies.

FINDING:
No issues.

APPLICABLE ZONING CODES

Provo City Code 14.14C – High Density Residential (HDR)

POSSIBLE MOTIONS AND FINDINGS

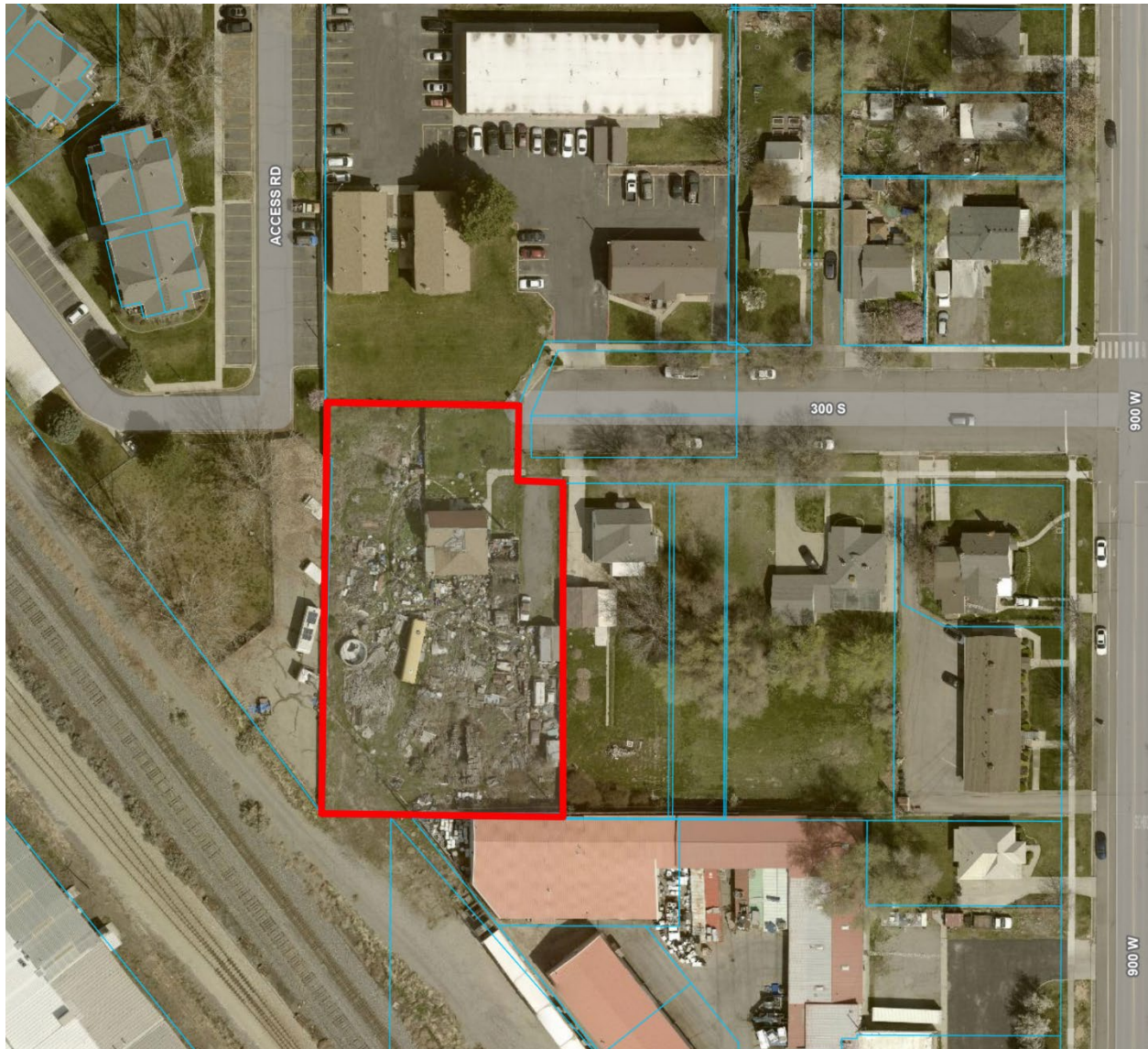
The Planning Commission may make any of the following findings:

1. **Recommend Approval:** The proposal is consistent with the General Plan.
Motion to recommend approval to the City Council.
2. **Recommend Denial:** The proposal is not consistent with the General Plan.
Motion to recommend denial to the City Council for the proposed zone change.
3. **Continue:** New information presented at the public hearing or additional study needs to be done.
Motion to continue this item to allow for more information to be provided.

ATTACHMENTS

1. Map of property located at 985 W 300 S
2. Map of existing zoning
3. General Plan map

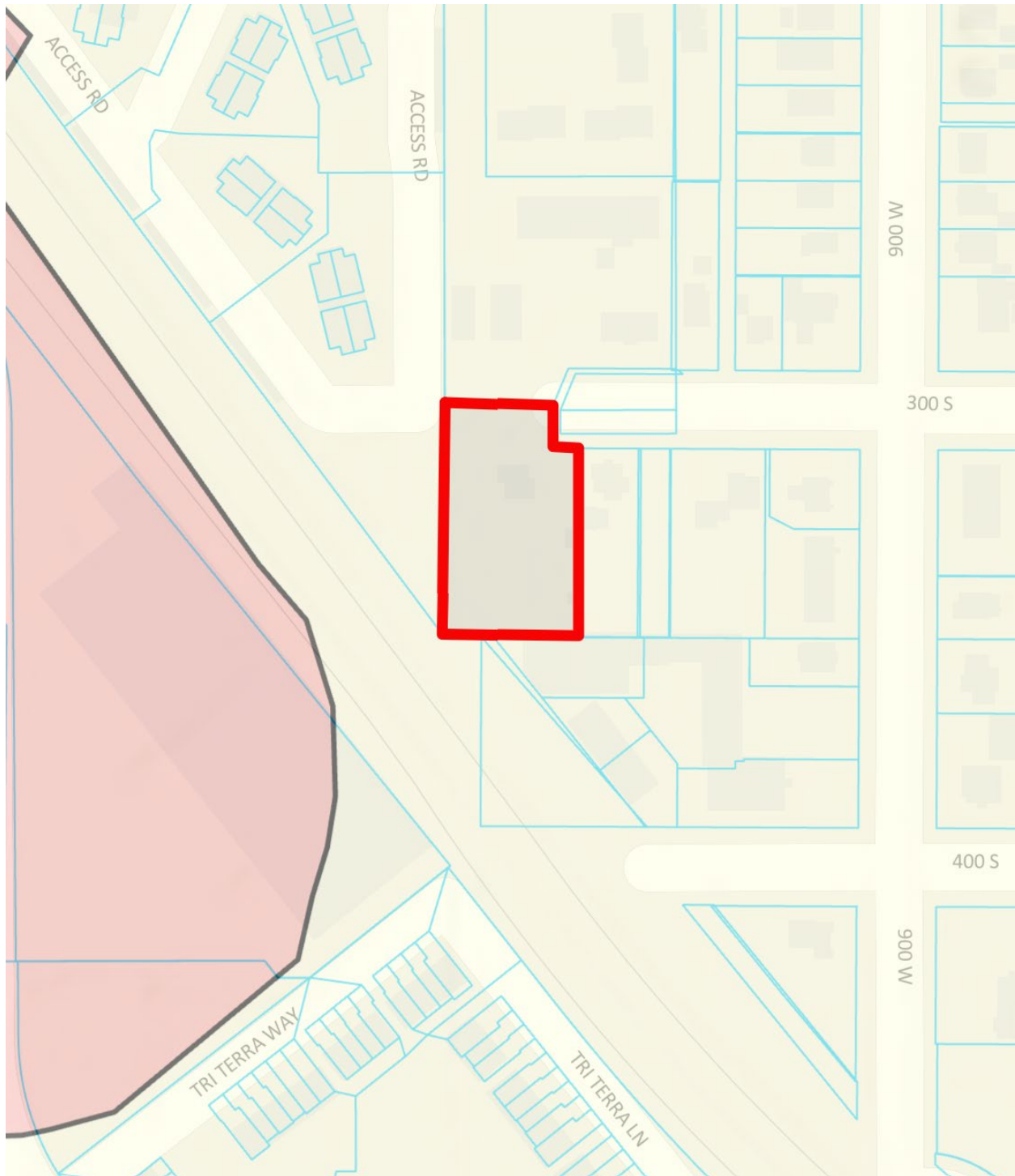
ATTACHMENT 1 – MAP OF PROPERTY LOCATED AT 985 W 300 S



ATTACHMENT 2 – MAP OF EXISTING ZONING



ATTACHMENT 3 – GENERAL PLAN MAP



ORDINANCE <<Document Number>>

AN ORDINANCE AMENDING THE ZONE MAP CLASSIFICATION OF
REAL PROPERTY, GENERALLY LOCATED AT 985 W 300 S, FROM THE
LIGHT MANUFACTURING (M1) AND RESIDENTIAL CONSERVATION
(RC) ZONES TO THE MEDIUM DENSITY RESIDENTIAL (MDR) ZONE.
FRANKLIN NEIGHBORHOOD. (PLRZ20260213)

RECITALS:

It is proposed that the classification on the Provo Zoning Map for approximately 0.75 acres of real property, generally located at 985 W 300 S (an approximation of which is shown or described in Exhibit A and a more precise description of which is attached as Exhibit B), be amended from the Light Manufacturing (M1) and Residential Conservation (RC) Zones to the Medium Density Residential (MDR) Zone;

On September 9, 2026, the Planning Commission held a public hearing to consider the proposal, and after the hearing the Planning Commission recommended **approval** of the proposal to the Municipal Council by a 8:0 vote;

The Planning Commission's recommendation was based on the project design presented to the Commission;

On October 6, 2026, the Municipal Council met to determine the facts regarding this matter and receive public comment, which facts and comments are found in the public record of the Council's consideration; and

After considering the Planning Commission's recommendation and the facts presented to the Municipal Council, and having considered the impact of the proposed ordinance on family health, stability, and formation, the Council finds that (i) the proposed action should be approved, and (ii) such action furthers the health, safety, and general welfare of the citizens of Provo City.

THEREFORE, the Provo Municipal Council ordains as follows:

PART I:

The classification on the Provo Zoning Map is amended from the Light Manufacturing (M1) and Residential Conservation (RC) Zones to the Medium Density Residential (MDR) Zone for the real property described in this ordinance.

41 PART II:

42 The Mayor is authorized to negotiate and execute a development agreement as proposed
43 by the applicant for this zone change, consistent with the representations made by the applicant
44 and the applicant's representatives to the Council. An executed copy of the agreement will be
45 attached as Exhibit C after execution. The zone map classification change described in Part I is not
46 effective until the date of final execution of the development agreement.

47 PART III:

- 48
- 49 A. If a provision of this ordinance conflicts with a provision of a previously adopted
50 ordinance, this ordinance controls.
51
- 52 B. This ordinance and its various sections, clauses, and paragraphs are severable. If any part,
53 sentence, clause, or phrase is judicially determined to be unconstitutional or invalid, the
54 remainder of the ordinance is not affected by that determination.
55
- 56 C. Except as otherwise stated in Part II, this ordinance takes effect immediately after it has
57 been posted or published in accordance with Utah Code Section 10-3-711, presented to the
58 Mayor in accordance with Utah Code Section 10-3b-204, and recorded in accordance with
59 Utah Code Section 10-3-713.
60
- 61 D. The Municipal Council directs that the Provo Zoning Map be updated and codified to
62 reflect the provisions enacted by this ordinance.
63
- 64 E. Notwithstanding any provision or language to the contrary in this ordinance, if the
65 Development Agreement authorized in Part II has not been fully executed by the necessary
66 parties within one year from the date of the Municipal Council's approval of this ordinance,
67 the entire ordinance expires, becoming null and void as if it had never been approved.
68 Because the zone map classification change contemplated in Part I cannot come into effect
69 if the Development Agreement is not executed, neither the applicant nor any successor(s)
70 in interest has any vested rights under this ordinance if it expires.

Exhibit A



Exhibit B

QUIT-CLAIM DESCRIPTION FROM THE BAY APARTMENTS LLC TO FRENZEL

BEGINNING AT A POINT ON THAT CERTIAN SPECIAL WARRANTY DEED RECORDED AS ENTRY 54698-2000 IN THE UTAH COUNTY RECORDER'S OFFICE, SAID POINT BEING LOCATED SOUTH 706.85 FEET AND WEST 129.62 FEET FROM THE NORTHWEST CORNER OF SECTION 12, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN; THENCE WEST 114.44 FEET ALONG SAID DEED TO THE BOUNDARY OF PHASE VIII, FRANKLIN PARK CONDOMINIUMS SUBDIVISION ACCORDING TO THE OFFICIAL PLAT ON FILE AS MAP 6966 IN THE UTAH COUNTY RECORDER'S OFFICE; THENCE NORTH 31.79 FEET ALONG SAID PHASE VIII, FRANKLIN PARK CONDOMINIUMS SUBDIVISION TO A POINT ON THE EXTENSION OF AN EXISTING 6-FOOT CHAIN-LINK FENCE; THENCE MORE OR LESS ALONG SAID 6-FOOT CHAIN-LINK FENCE AND EXTENSIONS THEREOF SOUTH 89°46'58" EAST 114.81 FEET TO SAID DEED; THENCE ALONG SAID DEED THE FOLLOWING TWO (2) COURSES: SOUTH 22°41'47" WEST 0.96 FEET AND SOUTH 30.47 FEET TO THE POINT OF BEGINNING. Area = 3,614 SQ. FT. OR 0.083 ACRES

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Area = 32,568 SQ. FT. OR 0.7477 ACRES

Exhibit C

Exhibit C will be attached after execution

PROVO MUNICIPAL COUNCIL COUNCIL MEETING STAFF REPORT



Submitter: ENAIR
Presenter: Ezra Nair, Council Office Executive Director
Department: Council
Meeting Date: 10/6/2026
Requested Duration (Minutes): 3 minutes
CityView or Issue File Number: 26-062

SUBJECT: 3 A resolution approving an Interlocal cooperation agreement between Provo City and Springville City to share net benefits from the Springville Rising development (26-062)

ADMINISTRATIVE RECOMMENDATION: Approve a new Interlocal Cooperation Agreement as the last one that was approved wasn't countersigned by Springville City. This revised agreement is supported by Springville City.

ADMINISTRATIVE MEMO: Rather than going through some difficult calculations on rev share, staff has negotiated a simple one-time payment that will reduce potential liability for Provo and create a more administratively efficient process concerning the calculation of impacts from this development.

FISCAL IMPACT: \$100,000 revenue

COUNCIL STAFF MEMO:

INTERLOCAL COOPERATION AGREEMENT

(Development)

THIS INTERLOCAL COOPERATION AGREEMENT (the "Agreement"), is made and entered into by and between SPRINGVILLE CITY, a political subdivision of the State of Utah, with an address at 110 South Main Street, Springville, Utah 84663, and PROVO CITY, a political subdivision of the State of Utah, with an address at 445 W Center Street, Provo, Utah 84601.

RECITALS

- A. Pursuant to the provisions of the Utah Interlocal Cooperation Act, Utah Code Annotated, Section 11-13-101, et seq., public agencies, including cities of the State of Utah as defined therein, are authorized to enter into mutually advantageous agreements for joint or cooperative action and to exchange services that they are each authorized by statute to provide.
- B. Provo and Springville want to jointly encourage commercial and residential development along their mutual borders and desire to reduce risk for both cities by sharing in the tax proceeds generated from the development.
- C. The governing bodies of Springville City and Provo City have by resolution agreed to adopt this Agreement.

NOW, THEREFORE, be it mutually covenanted and agreed as follows, each of the parties accepting as consideration for this Agreement the mutual promises and agreements of the other:

Section 1. Purpose.

This Agreement has been established and entered into between Springville City and Provo City for the purpose of agreeing to the terms under which the parties will mutually share in future tax proceeds from a development along the shared border between the cities at a location west of State Route 89 and north of State Route 75. The area consists of approximately 30.19 acres, exclusive of dedicated streets and comprising the following parcel serial numbers:

Provo	23:002:0041, 47:358:0003, 23:014:0013
Springville	23:015:0042, 23:015:0043, 23:015:0041, 40:465:0002, 40:465:0001 23:015:0044, 47:417:0006

Section 2. Effective Date and Duration.

a. The governing body of each party shall approve this Agreement as required by the Interlocal Cooperation Act. This Agreement shall become effective on the date that both parties approve, execute and file it with the person who keeps the records of each party.

b. The term of this Agreement shall be from January 1, 2027 to December 31, 2030 or sooner as set forth herein..

c. This Agreement shall be reviewed as to proper form and compliance with applicable law by an attorney for each of the parties.

Section 3. Administration of Interlocal Cooperation Agreement.

The parties to this Agreement do not contemplate nor intend to establish a separate legal or administrative entity under the terms of this Agreement. The parties agree that, pursuant to Section 11-13-207 of the Utah Code Annotated, Springville City's City Administrator, or his or her designee, shall act as the administrator responsible for the administration of this Agreement and shall have all powers provided by Springville City rule, ordinance, or practice, as is necessary to administer and carry out this Agreement. The parties further agree that this Agreement does not anticipate nor provide for any organizational change in the parties.

Section 4. Revenue Sharing.

To avoid costly administration and tracking expenses, the parties agree to a one-time payment of \$100,000 from Springville City to Provo City to balance the estimated tax benefits between the cities. This payment will be paid within 30 days after notice is given that a building permit on one parcel in Springville and one parcel in Provo has a building permit paid for by Clyde Companies or their designee and issued by the respective City. Each City shall provide notice to the other of the issuance of a permit in their City within 30 days of the issuance.

Section 5. Termination

This Agreement shall terminate on December 31, 2030 or 30 days after the payment is made whichever is sooner.

Section 6. Indemnification

The parties to this Agreement are both governmental entities subject to the Governmental Immunity Act. Each party agrees to defend, indemnify and save harmless the other party for damages, claims, suits, and actions arising out of the negligent acts of its own officers or agents in connection with this Agreement. The obligation to indemnify is limited to the damage cap amounts set forth in the Governmental Immunity Act. This paragraph shall not be construed as a waiver of the rights, immunities, defenses or protections of the Governmental Immunity Act, including limitation of judgments.

Section 7. Filing of Agreement

A copy of this Agreement shall be placed on file in the Office of the City Recorder of each party and shall remain on file for public inspection during the term of this Agreement.

Section 8. Notice of Default; Corrective Action

The failure of either party to comply with each and every term and condition of this Agreement shall constitute a breach of this Agreement. Either party shall have thirty (30) days after receipt of written notice from the other of any breach to correct the conditions specified in the notice, or if the corrections cannot be made within the thirty (30) day period, within a reasonable time if corrective action is commenced within ten (10) days after receipt of the notice.

Section 9. Rights and Remedies

In the event of any breach hereunder and after the lapse of the cure period as per Section 9 of this Agreement, the non-breaching party shall have all the rights and remedies available under the laws of the State of Utah in effect. The rights and remedies of the parties hereto shall not be mutually exclusive but shall be cumulative in all effects. The respective rights and obligations of the parties hereunder shall be enforceable in equity as well as at law or otherwise.

Section 10. Governing Law, Jurisdiction, and Venue

All questions with respect to the construction of this Agreement and all rights and liability of the parties hereto shall be governed by the laws of the State of Utah. Jurisdiction and venue for the enforcement of this Agreement shall be found in the courts of Utah County, State of Utah.

Section 11. Costs of Enforcement

In the event of a breach of this Agreement, the non-breaching party shall be entitled to recover from the breaching party all of the non-breaching party's costs (including, but not limited to, court fees and expert witness costs) and attorneys' fees associated with the enforcement of this Agreement.

Section 12. Notice

Any written notice which must or may be given relating to this Agreement shall be sufficient if mailed postage prepaid, registered or certified mail, in the United States mail addressed to a party at the address given above. Notice shall be mailed to the attention of each City's Administrator at the above addresses. Either party may notify the other to designate a different address for mailing.

Section 13. Miscellaneous

A. Severability. In the event that any condition, covenant, or other provision herein contained is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect any other covenant or condition herein contained, unless the severance of such condition, covenant, or other provision defeats the essential purposes of this Agreement, in which case this Agreement shall be considered invalid or void in its entirety. If such condition, covenant, or other provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

B. Entire Agreement. This Agreement contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied upon by the parties. All prior understandings, negotiations, or agreements are merged herein and superseded hereby.

C. Amendments. This Agreement may be modified only by a writing signed by each of the parties hereto.

D. Not Assignable. This Agreement is specific to the parties hereto and is therefore not assignable.

E. Captions. The captions to the various Sections of this Agreement are for convenience and ease of reference only and do not define, limit, augment, or describe the scope, content, or intent of this Agreement or any part or parts of this Agreement.

F. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

G. Gender and Number. The singular number includes the plural whenever the context so indicates. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes corporation, limited liability company, partnership, or other legal entity when the context so requires.

H. Waiver or Forbearance. No delay or omission in the exercise of any right or remedy by any party hereto shall impair such right or remedy or be construed as a waiver. Any waiver of any breach must be in writing and shall not be a waiver of any other breach concerning the same or any other provision of this Agreement.

- SIGNATURES ON FOLLOWING PAGE -

IN WITNESS WHEREOF, the parties have signed and executed this Agreement, after resolutions duly and lawfully passed, on the dates listed below.

DATED this ____ day of _____, 2026.

SPRINGVILLE CITY

By: _____
MATT PACKARD, Mayor

ATTEST:

By: _____
KIM CRANE, City Recorder

**APPROVED AS TO FORM AND COMPATIBILITY
WITH THE LAWS OF THE STATE OF UTAH:**

JOHN A. PENROD,
Springville City Attorney

DATED this ____ day of _____, 2026.

PROVO CITY

By: _____
MARSHA JUDKINS, Mayor

ATTEST:

By: _____
HEIDI ALLMAN, City Recorder

**APPROVED AS TO FORM AND COMPATIBILITY
WITH THE LAWS OF THE STATE OF UTAH:**

BRIAN JONES
Attorney for Provo City

**PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT**



Submitter: MMCNALLEY
Presenter: Melissa McNalley, RDA Director
Department: Development Services
Meeting Date: 10/6/2026
Requested Duration (Minutes): 5-10 minutes minutes
CityView or Issue File Number: 26-005

SUBJECT: 4 Public Hearing regarding an amended budget for the Lakeview Parkway Community Reinvestment Area (26-005)

ADMINISTRATIVE RECOMMENDATION: A Public Hearing is requested for the amended Lakeview Parkway Community Reinvestment Area budget.

ADMINISTRATIVE MEMO: This amendment is to include Property tax increment participation for the School District and Provo City which were not included in the original budget. These items pertain only to the Epic Sports Park Parcel in the Community Reinvestment Area.

FISCAL IMPACT: 3.2 Million in Property Tax increment

COUNCIL STAFF MEMO:

Community Reinvestment Project Area Amended Budget

2025-1 Lakeview Parkway

Utah Code §17C-5-303

Provo City Redevelopment Agency

I. Tax Increment

The base tax year for the project area shall be 2025. The base property taxable value of the area is \$7,451,100, established across the three parcels comprising the project area as follows:

Parcel Number	Area	Base Taxable Value
21:051:0062	Area 1	\$1,729,100
21:051:0063	Area 2	\$1,362,000
21:039:0024	Area 3	\$4,360,000
Total Base Taxable Value		\$7,451,100

* Note that this parcel still needs to be subdivided. As of 7/7/2026, that parcel is 50.5417 acres. Provo City ordered an appraisal for the 5.079 acres within the project area and contemplated for development. The Base Taxable Value listed in the table is what the appraisal came in at.

The incremental taxable value of the project area is projected to reach \$184,786,750 in Year 20 of the project area plan, generating an estimated \$33,414,652 in incremental property tax revenue across all taxing entities over the 20-year duration. The projected incremental tax revenue by taxing entity, and the maximum amount the Agency may receive, are set forth in Section IV (Exhibit A) of this Budget.

The Agency only plans to collect property tax increment from Area 3 of the project area. In the event the Agency elects to collect tax increment in the future from either of the two Areas, participation shall be limited to Provo City's increment only and shall not exceed the maximum amounts set forth in Exhibit A. No tax increment shall be collected from any other taxing entity.

II. Sales and Use Tax Revenue

The Agency anticipates entering into an interlocal agreement with Provo City for portions of the City's Point of Sale Sales and Use Tax revenue generated by the retail sites within the project area, 50% for Area 1 and 25% for Area 2. For Area 1, the agreement is anticipated to commence upon the issuance of a Certificate of Occupancy for each participating retail site and to continue for a period of 20 years. For Area 3, the agreement is anticipated to commence upon executing the agreement for each participating retail site and to continue for a period of 10 years.

The sales and use tax base value for this community reinvestment area is \$0 as there is no retail development within the project area.

Any sales and use tax revenue collected under such agreements will be applied toward the extraordinary costs of developing the land for commercial use, including infrastructure improvements and the cost of fill material necessary to create developable area, as the sites currently lie within the 100-year floodplain.

III. Municipal Transient Room Tax Revenue

The Agency anticipates entering into an interlocal agreement with Provo City for portions of the City's Municipal Transient Room Tax generated by the hotel site within the project area, 25% for Area 3 for a period of up to 10 years. Participation is anticipated to commence upon the execution of the agreement with the developer and end after 10 years or until a cap amount is reached, whichever comes first. This is still subject to approval from Provo City and execution of an interlocal cooperation agreement to participate municipal transient room tax revenues (17C-5-204(3)). The base taxable value for municipal transient room tax within the project area is \$0, as there are no hotels or any development within the area.

IV. Use of Project Area Funds

Agency funds collected within the project area shall be allocated as follows:

- No more than 5% shall be expended for administrative costs associated with the project area, in accordance with Utah Code §17C-5-303.
- No less than 10% shall be deposited into the Agency's Housing Fund in accordance with Utah Code §17C-5-307.
- The remaining balance shall be applied to redevelopment activities and project area development costs as further described in Exhibit A.

The Agency does not currently own any property within the project area.

Exhibit A

Project Area Budget — Lakeview Parkway CRA (2025-1)

A.1 Base Taxable Value by Parcel

Parcel Number	Base Taxable Value
21:051:0062	\$1,729,100
21:051:0063	\$1,362,000
21:039:0024	\$4,360,000
Total Base Taxable Value	\$7,451,100

A.2 Incremental Property Tax Revenue and Agency Participation by Taxing Entity (20-Year Projection)

Taxing Entity	Tax Rate	20-Year Incremental Revenue (All Entities)	Agency Participation (Maximum)
Utah County	0.0893%	\$2,978,270	—
Multicounty Assessing & Collecting	0.0014%	\$46,692	—
County Assessing & Collecting	0.0112%	\$373,534	—
Provo City School District	0.6922%	\$23,085,759	\$2,473,092
Provo City	0.1678%	\$5,596,346	\$749,395
Central Utah Water Conservancy	0.0400%	\$1,334,051	—
TOTALS	1.0019%	\$33,414,652	\$3,222,487

* The Agency currently plans to only collect property tax increment from Area 3. The Agency participation column above represents the maximum allowable amount if the Agency elects to collect 100% from Provo City's increment and 80% of Provo City School District's Area 3 revenue in a future action. The Agency must still seek approval and interlocal cooperation agreements with Provo City and Provo City School District.

A.3 Agency Revenue Sources (20-Year Projection)

Revenue Source	20-Year Projected Maximum
Property Tax Increment (Conditional)	
<i>Provo City Tax Increment (Maximum — Only planned for collection from Area 3)</i>	\$749,395
<i>Provo City School District Tax Increment (Only Area 3)</i>	\$2,473,092
Sales and Use Tax Revenue (Anticipated — No Agreement in Place)	
<i>For Area 1: 50% of Provo City Point-of-Sale Tax — Amount to be determined upon execution of interlocal agreement</i> <i>For Area 3: 25% of Provo City Point-of-Sale Tax — Amount to be determined upon execution of interlocal agreement</i>	\$9,254,183
Municipal Transient Room Tax Revenue (Anticipated — No Agreement in Place)	
<i>For Area 3: 25% of Provo Municipal Transient Room Tax Increment — Amount to be determined upon execution of interlocal agreement</i>	\$671,542
Maximum Authorized Tax Increment	\$13,148,212

A.4 Sales and Use Tax Revenue Projection — 20-Year Summary

Projected gross taxable sales and Agency participation based on full buildout for Area 1 of 637,000 SF across all three use types, phased over 5 years, with 2% annual sales growth. Sales tax participation modeled at 50% of the City of Provo's 0.5% point-of-sale share under a future interlocal agreement (Utah Code §17C-5-204). For Area 2, the build out and model include of 67,498 SF across all three use types, phased over 3 years, with 2.5% annual sales growth. Sales tax participation modeled at 25% of the City of Provo's 0.5% point-of-sale share under a future interlocal agreement and 0.25% of the 1.5% municipal transient room tax revenue. No agreements are currently in place.

A.4.1 Gross Taxable Sales by Use Type

Use Type	Total SF	Est. Annual Sales/SF	20-Year Projected Gross Sales
Area 1 General Retail	497,000	\$250	\$2,746,415,564
Area 1 Restaurant	40,000	\$400	\$353,663,171
Area 1 Hotel	100,000	\$200	\$442,078,964
AREA 1 SUB TOTAL	637,000	—	\$3,542,157,699
Area 3 General Retail	4,000	\$422	\$41,431,382
Area 3 Restaurant	15,498	\$259	\$98,521,814
Area 3 Hotel	48,000	\$152	\$179,077,822
AREA 3 SUB TOTAL	67,498	—	\$319,031,018
TOTAL	704,498	—	\$3,861,188,717

A.4.2 Sales Tax Distribution and Agency Participation

Revenue Component	Rate	20-Year Projected Amount
Total Gross Taxable Sales (all use types)	—	\$3,861,188,717
Combined Sales Tax Generated (City, County, State, Special Districts)	7.45%	\$287,658,559
City of Provo Point-of-Sale Share	1.10%	\$19,305,944
Agency Participation — Areas 1 & 3 (Utah Code §17C-5-204)	0.50% 0.25%	\$9,254,183
Net Sales Tax Retained by City of Provo after Agency Participation	0.55%	\$10,051,761

* All projections assume a phased buildout, for Area 1, (15% in Year 1 through 100% by Year 5), a 2% annual sales growth rate, and the annual sales per SF benchmarks shown above. For Area 3, the build out is 100% in Year 2, a 2.5% annual sales growth rate, and the annual sales per SF benchmarks shown above. Actual revenues will vary based on tenant mix, occupancy, and market conditions. Hotel revenue modeled as taxable room revenue. No sales tax participation agreement is currently in place; revenues are contingent upon future execution of an interlocal agreement with Provo City.

A.5 Expenditure Allocations

Expenditure Category	Statutory %	20-Year Projected Amount
Administration (maximum)	5%	\$657,411
Agency Housing Fund (minimum per Utah Code 17C-5-307)	10%	\$1,314,821
Redevelopment and Development Activities	85%	\$11,175,980
TOTAL	100%	\$13,148,212

A.6 Project Area Development Activities — Authorized Uses of Funds

The remaining 85% of Agency funds collected within the project area shall be applied to redevelopment activities within or directly benefiting the project area, which may include the following priority uses:

- **Extraordinary Site Preparation Costs** — Fill material, grading, and infrastructure improvements necessary to develop parcels currently located within the 100-year floodplain to a developable condition.
- **Public Infrastructure Improvements** — Construction or reimbursement of on- and off-site infrastructure including roads, utilities, drainage, and related improvements required to support commercial development within the project area.
- **Development Incentives and Agreements** — Financial assistance to qualified developers pursuant to participation agreements authorized under Utah Code Title 17C, to offset extraordinary development costs and incentivize investment within the project area.
- **Agency Administration of Redevelopment Activities** — Costs directly associated with implementing the project area plan, including professional services, legal, and project management.

Specific expenditures shall be authorized by the Agency Board through future action consistent with Utah Code Title 17C and the Provo City Redevelopment Agency's adopted policies and procedures.

All dollar amounts represent 20-year nominal projections based on a conservative adjustment for inflation. Net present values are calculated at a 5% discount rate. Actual revenues and expenditures are subject to development timing, market conditions, and future Agency action.

PROVO MUNICIPAL COUNCIL COUNCIL MEETING STAFF REPORT



Submitter: JAHILL
Presenter: Melissa McNalley, Redevelopment Agency Director
Department: Development Services
Meeting Date: 10/6/2026
Requested Duration (Minutes): 15 minutes
CityView or Issue File Number: 26-005

SUBJECT: 5 A resolution approving an interlocal agreement between the Redevelopment Agency of Provo City and Provo City regarding the Provo Lakeview Parkway Community Reinvestment Project Area (PMC Property Tax) (26-005)

ADMINISTRATIVE RECOMMENDATION: Consider adopting the Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area

ADMINISTRATIVE MEMO: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

The selection committee chose Philo as the preferred development group. Philo proposes building a 137-key hotel, roughly 15,500 square feet of retail space, a gas station, and a convenient store on the site. Staff and Philo presented the proposed development and discussed potential terms with Council in a work session on 6/9/2026. Staff have since worked with Philo on a participation agreement which includes support from tax increment participated from the City to the Agency via an Interlocal Agreement (Exhibit A) and now bring the Agreement to Council for discussion and consideration.

FISCAL IMPACT: Pledge of property tax increment estimated to be just under \$1,000,000 spread evenly over 19 years.

COUNCIL STAFF MEMO:

PROVO MUNICIPAL COUNCIL STAFF REPORT



Submitter: Cody Hill

Presenter: Melissa McNalley, Redevelopment Agency Director

Department: Development Services

Requested Meeting Date: October 6, 2026

Requested Duration (Minutes): 15

CityView or Issue File Number:

SUBJECT: Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area – Property Tax Increment

RECOMMENDATION: Consider adopting the Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area

BACKGROUND: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

The selection committee chose Philo as the preferred development group. Philo proposes building a 137-key hotel, roughly 15,500 square feet of retail space, a gas station, and a convenient store on the site. Staff and Philo presented the proposed development and discussed potential terms with Council in a work session on 6/9/2026. Staff have since worked with Philo on a participation agreement which includes support from tax increment participated from the City to the Agency via an Interlocal Agreement (Exhibit A) and now bring the Agreement to Council for discussion and consideration.

FISCAL IMPACT: Pledge of property tax increment estimated to be just under \$1,000,000 spread evenly over 19 years.

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:
Support economic retail growth and mitigate sales tax leakage.

Exhibit A:

**INTERLOCAL AGREEMENT FOR
THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA**

Exhibit B:

Resolution to Adopt

INTERLOCAL AGREEMENT FOR

THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA

1 RESOLUTION <<Document Number>>

2
3 A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT BETWEEN
4 THE REDEVELOPMENT AGENCY OF PROVO CITY AND PROVO CITY
5 REGARDING THE PROVO LAKEVIEW PARKWAY COMMUNITY
6 REINVESTMENT PROJECT AREA (PMC Property Tax) (26-005)

7
8 RECITALS:

9
10 Pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah
11 Code Annotated 1953, as amended (the “**Act**”), public agencies, including political subdivisions
12 of the State of Utah as therein defined, are authorized to enter into mutually advantageous
13 agreements for joint and cooperative actions, including the sharing of tax and other revenues;

14
15 The Redevelopment Agency of Provo City (the “**Agency**”) and Provo City (the “**City**”) are “public agencies” for purposes of the Act;

16
17
18 The Agency adopted a Project Area Plan and a Project Area Budget for the Lakeview
19 Parkway Community Reinvestment Project Area (the “**Project Area**”);

20
21 After careful analysis and consideration of relevant information, the City desires to enter
22 into an interlocal agreement with the Agency (the “**Interlocal Agreement**”) whereby the City
23 consents to the Agency receiving for an extended period of time a portion of the property tax
24 increment produced by the City’s levy on real and personal property within a certain portion of
25 the Project Area;

26
27 Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by
28 resolution of the legislative body of a public agency;

29
30 It is proposed that the Provo Municipal Council approve the Interlocal Agreement
31 attached hereto as EXHIBIT A;

32
33 On October 6, 2026, the Municipal Council met to consider the facts regarding this
34 matter and receive public comment, which facts and comments are found in the public record of
35 the Council’s consideration; and

36
37 After considering the facts presented to the Municipal Council, the Council finds that (i)
38 the proposed Interlocal Agreement should be approved as described herein, and (ii) such action
39 furthers the health, safety, and general welfare of the citizens of Provo City.
40

41 THEREFORE, the Provo Municipal Council resolves as follows:

42
43 PART I:

44
45 The Interlocal Agreement attached as EXHIBIT A is approved and the Mayor is
46 authorized to execute the Interlocal Agreement.

47
48 PART II:

49
50 This resolution takes effect immediately.

INTERLOCAL AGREEMENT FOR THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA

THIS INTERLOCAL AGREEMENT is entered into as of this ____ day of _____ 2026, by and between the **REDEVELOPMENT AGENCY OF PROVO CITY**, a political subdivision of the State of Utah (the “**Agency**”), and **PROVO CITY**, a political subdivision of the State of Utah (the “**Taxing Entity**”). The Agency and the Taxing Entity may be referred to individually as a “**Party**” and collectively as the “**Parties**”.

A. WHEREAS the Agency was created pursuant to the provisions of Utah redevelopment law, and continues to operate under the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C of the Utah Code (the “**Act**”), and is authorized thereunder to conduct project area development activities within its boundaries, as contemplated by the Act; and

B. WHEREAS the Agency created the Lakeview Parkway Community Reinvestment Project Area (the “**Project Area**”) and adopted a project area plan for the Project Area on February 10, 2026 (the “**Project Area Plan**”), which is incorporated herein by this reference, and which includes the legal description and map of the Project Area, pursuant to which the Agency desires to provide for redevelopment within the Project Area; and

C. WHEREAS, the Project is to be located in a portion of the Project Area as shown on **Exhibit A**, attached hereto (the “**Site**”); and

D. WHEREAS the Taxing Entity and the Agency have determined that it is in the best interests of the Taxing Entity to provide certain financial assistance through the use of Tax Increment (as defined below) and other funds in connection with the development of the Project Area as set forth in the Project Area Plan and as allowed by the Act; and

E. WHEREAS the Agency anticipates using tax increment (as defined in Utah Code Annotated (“UCA”) § 17C-1-102(60) (hereinafter “**Tax Increment**”)), created by development within the Project Area, to assist in the project area development within the Project Area as provided in the Project Area Plan; and

F. WHEREAS the Act authorizes the Taxing Entity to consent to the payment to the Agency of amounts equal to all or a portion of the Tax Increment generated from the Project Area for the purposes set forth therein; and

G. WHEREAS in order to facilitate development of the Project, the Taxing Entity desires to pay to the Agency a portion of the Tax Increment generated by development within the Site attributable to the Taxing Entity’s tax levy on taxable property within the Project Area in accordance with the terms of this Agreement; and

H. WHEREAS UCA § 11-13-215 further authorizes the Taxing Entity to share its tax and other revenues with the Agency; and

I. WHEREAS the provisions of applicable Utah State law shall govern this Agreement, including the Act and the Interlocal Cooperation Act, Title 11 Chapter 13 of the UCA, as amended (the “**Cooperation Act**”).

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Tax Increment.

a. Pursuant to the Act and Section 11-13-215 of the Cooperation Act, the Taxing Entity hereby agrees and consents that the Agency shall be paid an amount equal to one hundred percent (100%) of the Taxing Entity’s portion of the Property Tax Increment generated within the Site (the “**Agency Share**”) for nineteen (19) years, for tax years 2027 through 2045 inclusive (the “**Project Area Funds Collection Period**”). The Agency Share shall be used for the purposes set forth in the Act and in the Project Area Plan and shall be disbursed as specified herein. The calculation of annual Property Tax Increment shall be made using (a) the Taxing Entity’s property tax levy rate during the year for which Tax Increment is to be paid and (b) the base year value for purposes of calculating Property Tax Increment generated within the Site shall be \$4,360,000.00.

b. The Taxing Entity hereby authorizes and directs Utah County officials and personnel to pay directly to the Agency all amounts due to the Agency under this Agreement for the periods described herein.

c. The Agency Share shall be paid to the Agency no later than April 1st of the year following the tax year for which the Agency Share is to be paid.

d. The Agency Share may be paid to the Agency from any funding source available to the Taxing Entity.

e. The total cumulative amount of Agency Share paid to the Agency under this Agreement shall not exceed \$3,000,000 (the “**Maximum Amount**”).

f. The Agency Share shall not include any portion of the Tax Increment generated by the Taxing Entity’s tax levy that is attributable to an increase in the Taxing Entity’s tax rate pursuant to Utah Code § 59-2-919 and applicable hearing procedures that occurs after the effective date of this Agreement.

g. The Agency Share does not include any funds generated by development outside of the Site.

h. All Tax Increment generated by the Taxing Entity’s tax levy in excess of the Maximum Amount or for periods beyond the end of the Project Area Funds Collection Period shall be paid by Utah County directly to the Taxing Entity.

2. **Authorized Uses of Tax Increment and Incentive.** The Parties agree that the Agency may apply the funds collected hereunder to encourage the development of the Project Area as deemed appropriate by the Agency and contemplated in the Project Area Plan, including but not limited to the cost and maintenance of public infrastructure and other improvements located within or benefitting the Project Area, incentives to developers or participants within the project area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act.

3. **No Third-Party Beneficiary.** Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the parties to this Agreement, no person or entity is an intended third-party beneficiary under this Agreement.

4. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant facts upon which this Agreement is based, including representations of the Agency concerning the Project and the Project's benefits to the community and to the Parties, and each Party relies upon its own understanding of the relevant law and facts, information, and representations, after having completed its own due diligence and investigation.

5. **Consent to Project Area Budget.** As required by UCA § 17C-5-304, the Taxing Entity consents to the Project Area Budget adopted by the Agency for the Project Area.

6. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act.

b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Cooperation Act.

c. Once executed, a copy of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act.

d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act.

e. Following the execution of this Agreement by all Parties, the Agency shall cause a notice regarding this Agreement to be published on behalf of all Parties in accordance with Section 11-13-219 of the Cooperation Act, upon which this Agreement shall become effective.

f. No separate legal entity is created by the terms of this Agreement and no facility, improvement, or other asset shall be jointly owned, jointly acquired, or jointly operated by the Parties to this Agreement.

g. The term of this Agreement shall commence on the publication of the notice described in Section 11-13-219 of the Cooperation Act and shall continue through the date that is 180 days after the date on which all of the final payment as contemplated herein has been paid to the Agency. Notwithstanding any provision in this Agreement to the contrary, this Agreement shall automatically terminate on December 31, 2050.

h. Notwithstanding any provision in this Agreement to the contrary, the total cumulative amount of the Agency Share paid to the Agency shall not exceed the Maximum Amount.

7. **Modification and Amendment.** Any modification of or amendment to any provision contained herein shall be effective only if the modification or amendment is in writing and signed by all Parties. Any oral representation or modification concerning this Agreement shall be of no force or effect.

8. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the others, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement. Further, in the event of any question regarding the calculation or payment of amounts contemplated hereunder, the Parties shall cooperate in good faith to resolve such issue.

9. **Due Diligence.** Each Party acknowledges for itself that it has performed its own review, investigation, and due diligence as to this Agreement, the Project Area, the Project Area Plan, and the expected benefits to the Parties and that each of the Parties has performed such investigation to its satisfaction and relies on its own understanding of the relevant facts and information.

10. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and the final, complete, and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations, and understandings, whether oral or written and whether express or implied, of the Parties hereto are hereby superseded and merged herein.

11. **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Utah.

12. **Interpretation.** The terms “include,” “includes,” “including” when used herein shall be deemed in each case to be followed by the words “without limitation.”

13. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

- a. such holding or action shall be strictly construed;
- b. such provision shall be fully severable;
- c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;
- d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and
- e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties' intent in entering into this Agreement.

14. **Assignment.** No Party may assign any rights, duties, or obligations under this Agreement without the prior written consent of all Parties hereto.

15. **Authorization.** Each of the Parties hereto represents and warrants to the others that the warranting Party has taken all steps, including the publication of public notice where necessary, in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

16. **Time of the Essence.** Time shall be of the essence in the performance of this Agreement.

17. **Incorporation of Recitals.** The recitals set forth above are hereby incorporated by reference as part of this Agreement.

18. **Incorporation of Exhibits.** The exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

19. **Prior Agreements.** The execution of this Agreement shall be deemed to constitute the termination of any and all prior agreements between the Agency and the Taxing Entity relating to tax increment generated within any portion of the Project Area. All such prior agreements and understandings are hereby terminated and deemed of no further force or effect.

20. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

ENTERED into as of the day and year first above written.

[Remainder of page intentionally left blank; signature pages follow]

**REDEVELOPMENT AGENCY OF PROVO
CITY**

Craig Christensen, Board Chair

ATTEST:

Heidi Allman, Secretary

Attorney Review for the Agency:

The undersigned, as counsel for the Redevelopment Agency of Provo City, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Adam S. Long

[signatures continue on next page]

PROVO CITY

By: _____
Marsha Judkins, Mayor

ATTEST:

Heidi Allman, City Recorder

Attorney Review for the Taxing Entity:

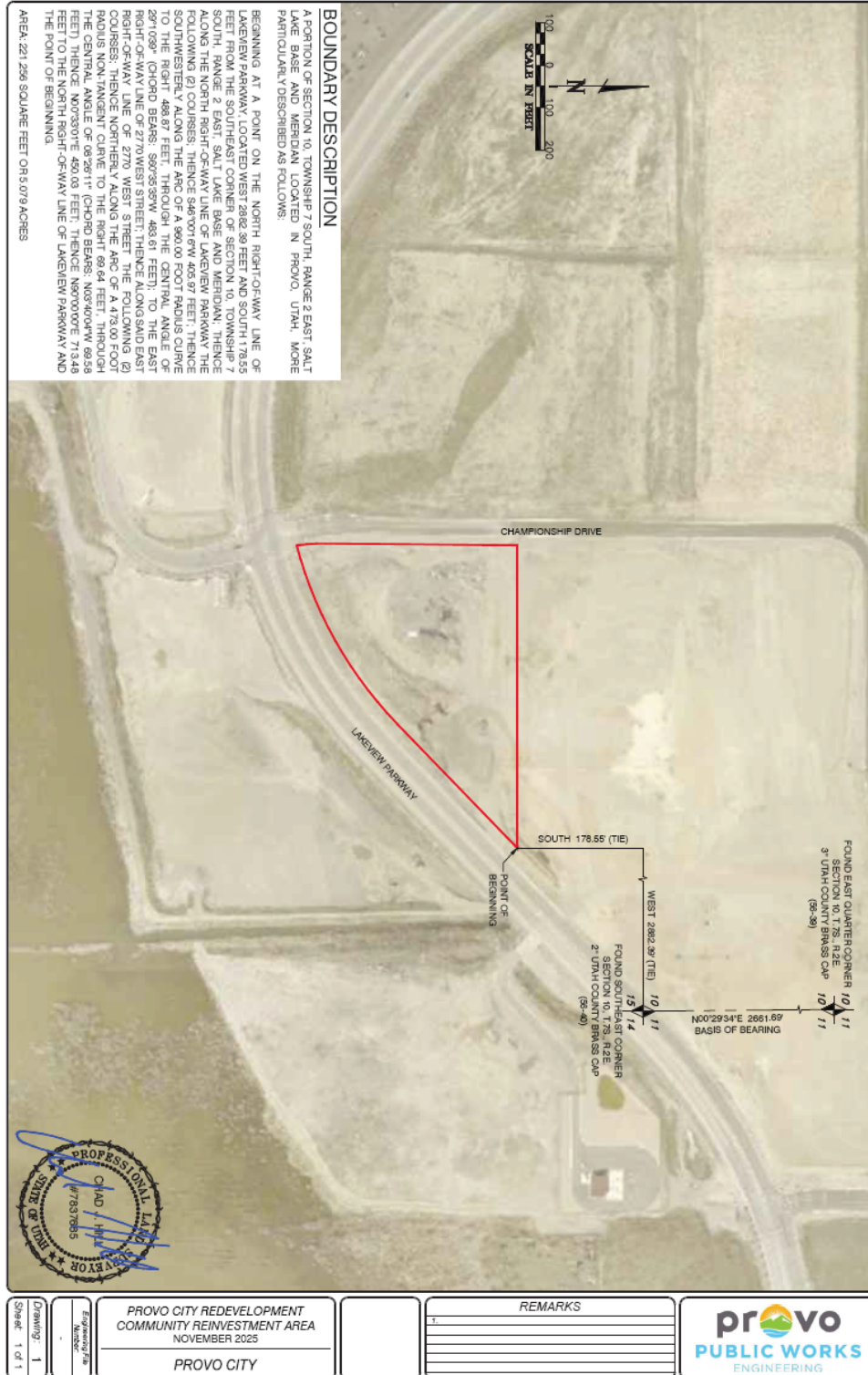
The undersigned, as attorney for Provo City has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Name:

EXHIBIT A

Site Description and Map

The Site consists of the southernmost 5 acres in Parcel No. 21:039:0024, as shown and described below.



PROVO MUNICIPAL COUNCIL COUNCIL MEETING STAFF REPORT



Submitter: JAHILL
Presenter: Melissa McNalley, Redevelopment Agency Director
Department: Development Services
Meeting Date: 10/6/2026
Requested Duration (Minutes): 15 minutes
CityView or Issue File Number: 26-005

SUBJECT: 6 A resolution approving an interlocal agreement between the Redevelopment Agency of Provo City and Provo City regarding the Provo Lakeview Parkway Community Reinvestment Project Area (PMC Sales Tax) (26-005)

ADMINISTRATIVE RECOMMENDATION: Consider adopting the Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area

ADMINISTRATIVE MEMO: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

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FISCAL IMPACT: Pledge of sales tax increment and municipal transient room tax increment estimated to be about \$350,000 spread over 10 years.

COUNCIL STAFF MEMO:

PROVO MUNICIPAL COUNCIL STAFF REPORT



Submitter: Cody Hill

Presenter: Melissa McNalley, Redevelopment Agency Director

Department: Development Services

Requested Meeting Date: October 6, 2026

Requested Duration (Minutes): 15

CityView or Issue File Number:

SUBJECT: Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area – Sales Tax Increment and Municipal Transient Tax Increment

RECOMMENDATION: Consider adopting the Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area

BACKGROUND: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

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COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:
Support economic retail growth and mitigate sales tax leakage.

Exhibit A:

**INTERLOCAL AGREEMENT FOR
THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA**

Exhibit B:

Resolution to Adopt

INTERLOCAL AGREEMENT FOR

THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA

1 RESOLUTION <<Document Number>>

2
3 A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT BETWEEN
4 THE REDEVELOPMENT AGENCY OF PROVO CITY AND PROVO CITY
5 REGARDING THE PROVO LAKEVIEW PARKWAY COMMUNITY
6 REINVESTMENT PROJECT AREA (PMC Sales Tax) (26-005)
7

8 RECITALS:
9

10 Pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah
11 Code Annotated 1953, as amended (the “**Act**”), public agencies, including political subdivisions
12 of the State of Utah as therein defined, are authorized to enter into mutually advantageous
13 agreements for joint and cooperative actions, including the sharing of tax and other revenues;
14

15 The Redevelopment Agency of Provo City (the “**Agency**”) and Provo City (the “**City**”)
16 are “public agencies” for purposes of the Act;
17

18 The Agency adopted a Project Area Plan and a Project Area Budget for the Lakeview
19 Parkway Community Reinvestment Project Area (the “**Project Area**”);
20

21 After careful analysis and consideration of relevant information, the City desires to enter
22 into an interlocal agreement with the Agency (the “**Interlocal Agreement**”) whereby the City
23 consents to the Agency receiving for an extended period of time a portion of the sales tax and
24 municipal transient room tax increment produced by the City’s levy on qualifying sales and
25 short-term rentals within a certain portion of the Project Area;
26

27 Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by
28 resolution of the legislative body of a public agency;
29

30 It is proposed that the City enter into the Interlocal Agreement attached hereto as
31 EXHIBIT A;
32

33 On October 6, 2026, the Municipal Council met to consider the facts regarding this
34 matter and receive public comment, which facts and comments are found in the public record of
35 the Council’s consideration; and
36

37 After considering the facts presented to the Municipal Council, the Council finds that (i)
38 the proposed Interlocal Agreement should be approved as described herein, and (ii) such action
39 furthers the health, safety, and general welfare of the citizens of Provo City.
40

41 THEREFORE, the Provo Municipal Council resolves as follows:

42
43 PART I:

44
45 The Interlocal Agreement attached as EXHIBIT A is approved and the Mayor is
46 authorized to execute the Participation Agreement.

47
48 PART II:

49
50 This resolution takes effect immediately.

**SALES TAX and TRT INTERLOCAL AGREEMENT by and between the
REDEVELOPMENT AGENCY OF PROVO CITY and PROVO CITY**

THIS INTERLOCAL AGREEMENT is entered into as of this ____ day of _____, 2026, by and between the **REDEVELOPMENT AGENCY OF PROVO CITY**, a political subdivision of the State of Utah (the “**Agency**”) and **PROVO CITY, UTAH**, a political subdivision of the State of Utah (the “**City**”; the Agency and the City may also be individually referred to as “**Party**” and collectively as “**Parties**”).

A. WHEREAS the City created the Agency pursuant to the provisions of Utah redevelopment law, and the Agency continues to operate under the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C of the Utah Code (the “**Act**”), and is authorized thereunder to conduct project area development activities within the City, as contemplated by the Act; and

B. WHEREAS the Agency created the Lakeview Parkway Community Reinvestment Project Area (the “**Project Area**”) and adopted a community reinvestment project area plan for the Project Area (the “**Project Area Plan**”) on February 10, 2026, which is incorporated herein by this reference, which includes the legal description and a map of the Project Area, pursuant to which the Agency desires to provide for redevelopment within the Project Area; and

A. WHEREAS the City and the Agency have determined that it is in the best interests of the City to provide certain financial assistance through the use of POST and TRT (as defined below) in connection with the development of the Project Area as set forth in the Project Area Plan; and

C. WHEREAS the City receives sales tax and transient room tax revenue from sales occurring within its borders and the City and the Agency have determined that it is in the best interests of the residents of the City to provide certain financial assistance through the use of a portion of those local taxes in connection with the development of the Project Area as set forth in the Project Area Plan; and

D. WHEREAS the City and the Agency have identified the portion of the Project Area that is likely to generate significant sales and use tax revenues, as described on **Exhibit A** (the “**Site**”);

E. WHEREAS the Agency anticipates providing an amount equal to a portion of the sales tax revenue and transient room tax revenue generated by sales occurring within the Site to assist in the development as contemplated by Project Area Plan; and

F. WHEREAS Utah Code Ann (“UCA”) § 11-13-215 authorizes the City to share its tax and other revenues with the Agency; and

G. WHEREAS in order to facilitate development of the Project, the City desires to pay to the Agency a portion of the City's sales tax revenue generated within the Site in accordance with the terms of this Agreement; and

H. WHEREAS the provisions of applicable Utah state law shall govern this Agreement, including the Act and the Interlocal Cooperation Act, Title 11 Chapter 13 of the UCA, as amended (the "**Cooperation Act**").

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Point of Sale Tax. Sales occurring within the boundaries of the City are currently subject to a one percent (1%) sales tax (the "**Local Sales Tax**") per Title 59, Chapter 12, Part 2 of the UCA, the Local Sales and Use Tax Act, and more particularly per UCA § 59-12-204. The City retains fifty percent (50%) of that one-percent tax as set forth in UCA § 59-12-205(2)(a) based on the transaction occurring within the boundaries of the City (the "**Point-of-sale Tax**" or "**POST**").

2. Transient Room Tax. Amounts paid for temporary lodging within the boundaries of the City are subject to a municipal transient room tax at a rate of one percent (1.5%) imposed by the City per UCA § 59-12-352 (the "**TRT**"). The TRT is separate from state or county imposed transient room taxes.

3. City's Consent. Pursuant to Section 17C-5-204 of the Act and Section 11-13-215 of the Cooperation Act, the City hereby agrees and consents that the Agency shall be paid an amount equal to (i) thirty percent (30%) of the POST generated by sales within the Project Area and (ii) thirty percent (30%) of the TRT generated by payments for temporary lodging within the Project Area (together, the amounts received by the Agency as described in this paragraph are the "**Agency Share**") for ten (10) years, for tax years 2027 through 2036, inclusive. In no event will the Agency Share in any year exceed the actual sum of all amounts received by the City for POST and TRT generated within the Project Area for that same year. The Agency Share shall be used to facilitate development within the Project Area, including for those purposes described in the Project Area Plan and as allowed by the Act.

a. The amount of POST and TRT revenues used to calculate the Agency Share shall be only those revenues generated within the Site. This amount shall not include retail transactions within the Lakeview Parkway Community Reinvestment Area at other sites, if any.

b. The Agency Share and any other amounts due to the Agency under this Agreement may be paid to the Agency from any funding source available to the City.

c. Notwithstanding any provisions in this Agreement, the amounts due to the Agency under this Agreement shall be subordinate to the City's obligations under current or future sales tax revenue bonds.

d. If changes are made to Utah laws during the term of this Agreement that affect the amount of or calculation of the Agency Share, the Agency Share shall be defined as that POST and TRT revenue that is retained by or distributed to the City on the basis of taxable transactions occurring within the boundaries of the City, whether that amount be more or less than the current amount

4. **Restrictions on Agency Share.** The payment of the Agency Share from the City to the Agency shall be subject to the following provisions:

a. **Time Limit.** The Agency Share described in Subheading 3 will begin to apply to POST and TRT generated revenue within the Site commencing on January 1, 2027 and continuing through December 31, 2036.

b. This Agreement shall automatically terminate if the contemplated commercial developments are not open for business on or before December 31, 2030.

c. **Timing of Payment.** The City shall pay the Agency Share to the Agency on at least an annual basis. Such payment shall be made within thirty (30) days after the City receives the final payment of the POST and TRT for the preceding calendar year.

d. **Maximum Amount.** The total cumulative amount of POST paid to the Agency under this Agreement shall not exceed \$150,000.00 and the amount of TRT paid to the Agency under this Agreement shall not exceed \$250,000.

5. **Property Tax Increment.** This Agreement shall not entitle the Agency to receive any portion of the incremental property revenues generated by development within the Project Area. This Agreement shall not be read to prohibit the Agency or the City from entering into other agreements for the sharing of property tax revenues from the Site or any other areas within the Project Area.

6. **Authorized Uses of Agency Share.** The Agency may apply the Agency Share as contemplated in the Project Area Plan, including but not limited to the cost and maintenance of public infrastructure and other improvements located within the Project Area, incentives to developers or participants within the project area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act. Up to ten percent (10%) of the Agency Share may be used by the Agency for the purposes described in UCA §17C-1-412.

7. **Consent to Project Area Budget.** As required by UCA § 17C-5-304, the City consents to the Project Area Budget adopted by the Agency for the Project Area.

8. **Use of Tax Increment and other Taxes.** Any property tax increment to be received by the Agency will be governed by separate interlocal agreement(s).

9. **No Third Party Beneficiary.** Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the parties to this Agreement, no person or entity is an intended third-party beneficiary under this Agreement.

10. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant law and facts upon which this Agreement is based, including representations of the Agency concerning the Project and the Project's benefits to the community and to the Parties, and each Party relies upon its own understanding of the relevant law and facts, information, and representations, after having completed its own due diligence and investigation.

11. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

a. This Agreement shall be authorized and adopted by resolution of the governing body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act;

b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Cooperation Act;

c. Once executed, a copy of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act;

d. The Secretary of the Agency is hereby designated the administrator for all purposes of the Cooperation Act, pursuant to Section 11-13-207 of the Cooperation Act;

e. The term of this Agreement shall commence on the publication of the notice required by Section 17C-5-205 of the Act and shall continue through the date on which all of the Agency Share has been paid to the Agency as provided herein. Notwithstanding any provision in this Agreement to the contrary, this Agreement shall automatically terminate on December 31, 2045.

f. No separate legal entity is created by the terms of this Agreement and no facility, improvement, or other asset shall be jointly owned, jointly acquired, or jointly operated by the Parties to this Agreement.

g. Following the execution of this Agreement by both Parties, the Parties shall cause a notice regarding this Agreement to be published in accordance with Section 11-13-219 of the Cooperation Act and Section 17C-5-205 of the Act.

12. **Modification and Amendment.** Any modification of or amendment to any provision contained herein shall be effective only if the modification or amendment is in writing and signed by both Parties. Any oral representation or modification concerning this Agreement shall be of no force or effect.

13. **Further Assurances and Cooperation.** Each of the Parties hereto agrees to cooperate in good faith with the other, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement. Further, in the event of any question regarding the calculation or payment of amounts contemplated hereunder, the Parties shall cooperate in good faith to resolve such issue.

14. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and the final, complete, and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations, and understandings, whether oral or written and whether express or implied, of the Parties hereto are hereby superseded and merged herein.

15. **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Utah.

16. **Interpretation.** The terms “include,” “includes,” “including” when used herein shall be deemed in each case to be followed by the words “without limitation.”

17. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

- a. such holding or action shall be strictly construed;
- b. such provision shall be fully severable;
- c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;
- d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and
- e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties’ intent in entering into this Agreement.

18. Assignment. No Party may assign any rights, duties, or obligations under this Agreement without the prior written consent of all Parties hereto.

19. Authorization. Each of the Parties hereto represents and warrants to the other that the warranting Party has taken all steps, including the publication of public notice where necessary, in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

20. Time of the Essence. Time shall be of the essence in the performance of this Agreement.

21. Incorporation of Recitals. The recitals set forth above are hereby incorporated by reference as part of this Agreement.

22. Incorporation of Exhibits. The exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

23. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original. Email transmission of pdf-format signatures shall be considered original signatures and pdf-format scans of original documents shall be treated as original documents.

ENTERED into as of the day and year first above written.

[remainder of page intentionally left blank; signature pages follow]

**REDEVELOPMENT AGENCY OF
PROVO CITY**

By: _____
Craig Christensen, Chair

ATTEST:

Heidi Allman, Secretary

Attorney Review of Interlocal Agreement:

The undersigned, an attorney licensed to practice in the State of Utah, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Adam S. Long

[signatures continue on next page.]

[additional signatures to Interlocal Agreement]

PROVO CITY

By: _____
Marsha Judkins, Mayor

ATTEST:

Heidi Allman, City Recorder

Attorney Review of Interlocal Agreement:

The undersigned, an attorney licensed to practice in the State of Utah, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Nicholas Muhlstein

EXHIBIT A

The "Site"

BOUNDARY DESCRIPTION:

A PORTION OF SECTION 10, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN LOCATED IN PROVO, UTAH, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH RIGHT-OF-WAY LINE OF LAKEVIEW PARKWAY, LOCATED WEST 2882.39 FEET AND SOUTH 178.55 FEET FROM THE SOUTHEAST CORNER OF SECTION 10, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN; THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF LAKEVIEW PARKWAY THE FOLLOWING (2) COURSES; THENCE S46°00'16"W 405.97 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF A 960.00 FOOT RADIUS CURVE TO THE RIGHT 488.87 FEET, THROUGH THE CENTRAL ANGLE OF 29°10'39" (CHORD BEARS: S60°35'35"W 483.61 FEET); TO THE EAST RIGHT-OF-WAY LINE OF 2770 WEST STREET; THENCE ALONG SAID EAST RIGHT-OF-WAY LINE OF 2770 WEST STREET THE FOLLOWING (2) COURSES; THENCE NORTHERLY ALONG THE ARC OF A 473.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT 69.64 FEET, THROUGH THE CENTRAL ANGLE OF 08°26'11" (CHORD BEARS: N03°40'04"W 69.58 FEET) THENCE N00°33'01"E 450.03 FEET; THENCE N90°00'00"E 713.48 FEET TO THE NORTH RIGHT-OF-WAY LINE OF LAKEVIEW PARKWAY AND THE POINT OF BEGINNING.

AREA: 221,256 SQUARE FEET OR 5.079 ACRES



PROVO MUNICIPAL COUNCIL COUNCIL MEETING STAFF REPORT



Submitter: JAHILL
Presenter: Cody Hill, Economic Development Division Director
Department: Development Services
Meeting Date: 10/6/2026
Requested Duration (Minutes): 15 minutes
CityView or Issue File Number: 26-075

SUBJECT: 7 A resolution approving a participation agreement between the Redevelopment Agency of Provo City, Provo City, and Philo Venture Management, LLC regarding the Provo Epic Sports Park Commercial Development (PMC) (26-075)

ADMINISTRATIVE RECOMMENDATION: Consider adopting the Participation Agreement (Provo Epic Sports Park Commercial Development)

ADMINISTRATIVE MEMO: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

The selection committee chose Philo as the preferred development group. Philo proposes building a 137-key hotel, roughly 15,500 square feet of retail space, a gas station, and a convenient store on the site. Staff and Philo presented the proposed development and discussed potential terms with Council in a work session on 6/9/2026. Staff have since worked with Philo on a participation agreement (Exhibit A) and now bring the Agreement to Council for discussion and consideration.

FISCAL IMPACT: Pledge of property tax increment estimated to be just under \$1,000,000 spread evenly over 19 years. Pledge of sales tax increment and municipal transient room tax increment estimated to be about \$351,000. Participation of property appraised at \$4.3M. In exchange, Philo will pledge 2.5% revenue sharing from hotel sales and other commercial lease revenue. City will break even after Year 15 and receive an annual benefit of over \$500,000 annually every year thereafter.

COUNCIL STAFF MEMO:

PROVO MUNICIPAL COUNCIL STAFF REPORT



Submitter: Cody Hill

Presenter: Cody Hill, Economic Development Division Director

Department: Development Services

Requested Meeting Date: October 6, 2026

Requested Duration (Minutes): 15

CityView or Issue File Number:

SUBJECT: Participation Agreement (Provo Epic Sports Park Commercial Development)

RECOMMENDATION: Consider adopting the Participation Agreement (Provo Epic Sports Park Commercial Development)

BACKGROUND: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

The selection committee chose Philo as the preferred development group. Philo proposes building a 137-key hotel, roughly 15,500 square feet of retail space, a gas station, and a convenient store on the site. Staff and Philo presented the proposed development and discussed potential terms with Council in a work session on 6/9/2026. Staff have since worked with Philo on a participation agreement (Exhibit A) and now bring the Agreement to Council for discussion and consideration.

FISCAL IMPACT: Pledge of property tax increment estimated to be just under \$1,000,000 spread evenly over 19 years. Pledge of sales tax increment and municipal transient room tax increment estimated to be about \$351,000. Participation of property appraised at \$4.3M. In exchange, Philo will pledge 2.5% revenue sharing from hotel sales and other commercial lease revenue. City will break even after Year 15 and receive an annual benefit of over \$500,000 annually every year thereafter.

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:
Support economic retail growth and mitigate sales tax leakage.

Exhibit A:

PARTICIPATION AGREEMENT

(Provo Epic Sports Park Commercial Development)

Exhibit B:

Resolution to Adopt

PARTICIPATION AGREEMENT

(Provo Epic Sports Park Commercial Development)

1 RESOLUTION <<Document Number>>

2
3 A RESOLUTION APPROVING A PARTICIPATION AGREEMENT
4 BETWEEN THE REDEVELOPMENT AGENCY OF PROVO CITY, PROVO
5 CITY, AND PHILO VENTURE MANAGEMENT, LLC REGARDING THE
6 PROVO EPIC SPORTS PARK COMMERCIAL DEVELOPMENT (PMC) (26-
7 075)

8
9 RECITALS:

10
11 Pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah
12 Code Annotated 1953, as amended (the “**Act**”), public agencies, including political subdivisions
13 of the State of Utah as therein defined, are authorized to enter into mutually advantageous
14 agreements for joint and cooperative actions, including the sharing of tax and other revenues;

15
16 The Redevelopment Agency of Provo City (the “**Agency**”) and Provo City (the “**City**”) are “public agencies” for purposes of the Act;

17
18
19 The public agencies desire to enter into a public/private partnership with Philo Venture
20 Management, LLC (“**Philo**”) for the development of certain city-owned property adjacent to the
21 Epic Sports Park;

22
23 After careful analysis and consideration of relevant information, the City desires to enter
24 into a participation agreement with the Agency and Philo (the “**Participation Agreement**”)
25 whereby the City consents to the receipt of certain tax increment revenues by the Agency and to
26 the transfer of certain property immediately south of the Epic Sports Park;

27
28 It is proposed that the City approve the Participation Agreement attached hereto as
29 EXHIBIT A;

30
31 On October 6, 2026, the Municipal Council met to consider the facts regarding this
32 matter and receive public comment, which facts and comments are found in the public record of
33 the Council’s consideration; and

34
35 After considering the facts presented to the Municipal Council, the Council finds that (i)
36 the proposed Participation Agreement should be approved as described herein, and (ii) such
37 action furthers the health, safety, and general welfare of the citizens of Provo City.

38
39 THEREFORE, the Provo Municipal Council resolves as follows:
40

41 PART I:

42

43 The Participation Agreement attached as EXHIBIT A is approved and the Mayor is
44 authorized to execute the Participation Agreement.

45

46 PART II:

47

48 This resolution takes effect immediately.

PARTICIPATION AGREEMENT
(Provo Epic Sports Park Commercial Development)

This Participation Agreement (this “Agreement”) is entered into and effective as of _____, 2026 (the “Effective Date”), by and between the City of Provo, Utah, a municipal corporation and political subdivision of the State of Utah (the “City”), the Redevelopment Agency of Provo City, a separate body corporate and politic of the City (the “Agency”) and Philo Venture Management, LLC, a Utah limited liability company, and its assigns (collectively, the “Developer”). The City, the Agency, and the Developer are each a “Party” and collectively the “Parties.”

RECITALS

A. The City owns or controls certain real property located adjacent to the City’s Epic Sports Park, more particularly described on Exhibit A (the “Property”).

B. The Developer desires to develop commercial improvements on the Property consisting of (i) a hotel, (ii) retail space, and (iii) a convenience store and gas station (collectively, the “Project”), as further described on Exhibit B.

C. The Parties intend that the Project will be owned and operated through three special purpose vehicles to be formed in the future as provided in Section 4 (each, an “SPV”): the “Hotel SPV”; the “Retail SPV”; and the “Convenience Store SPV”. No SPV, joint venture, partnership, or limited liability company is formed by, or is intended to be formed by, this Agreement as of the Effective Date.

D. The City and the Agency have determined that the Project serves valid public purposes, including the expansion of the City’s tax and economic base, the activation of land adjacent to the Epic Sports Park, the provision of hospitality and retail services to visitors, and the receipt by the City of the Revenue Share described herein, and that the public benefits to be received constitute adequate consideration for the City’s undertakings.

E. This Agreement has been authorized by the City Council of the City and the governing board of the Agency following all required public notice and hearing.

NOW, THEREFORE, in consideration of the mutual covenants below and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. **DEFINITIONS.** Capitalized terms used but not otherwise defined have the meanings given below.

- a. “Agency Increment” means 100% of the property tax increment or other increment(s), if any, generated within the Project Area and attributable to the Project, to the extent permitted under Title 17C of the Utah Code (“Title 17C”) and the applicable project area documents.
- b. “Available Sources” means the Property Tax Increment, Sales Tax Sharing, and Transient Room Tax Sharing as defined in Sections 8, 9 & 10.
- c. “Base Taxable Value” means the assessed value of the Property in its raw, unimproved condition, as established for the base year under Title 17C (i.e., before the improvements comprising the Project). For the avoidance of doubt, the raw land value is the base against which increment is measured and is not itself Property Tax Increment.
- d. “Commencement of Construction” means the earliest to occur of the Developer (or an SPV) (a) obtaining a grading or building permit for any portion of the Project and beginning physical site work (including grading, dewatering, or structural fill), (b) entering a binding construction contract and issuing a notice to proceed, or (c) commencing vertical

construction of any building. Off-site or preparatory work shall count as Commencement of Construction.

- e. “Gross Revenue” means for each SPV and the relevant period, determined on the accrual basis: (a) for the Hotel SPV, all income and receipts of any kind derived from the hotel, excluding Transaction Taxes, operational credits (including insurance proceeds and condemnation awards), and service gratuities; and (b) for the Retail SPV and the Convenience Store SPV, only base rent and building and/or ground lease proceeds, excluding common area maintenance (CAM) reimbursements, tenant improvement allowances, security deposits, and Transaction Taxes.
- f. “Title 17C” means Title 17C of the Utah Code (the Community Reinvestment Agency Act).
- g. “Project Area” means the community reinvestment or redevelopment project area established or to be established by the community reinvestment agency having jurisdiction that includes the Property, pursuant to Title 17C.
- h. “Property Tax Increment” means the property tax revenues generated within the Project Area that are attributable to the increase in the taxable value of the Property above its Base Taxable Value.
- i. “Qualifying Costs” means the categories of costs described on Exhibit D incurred by the Developer (or an SPV) in connection with the Project, to the extent actually incurred and required for the Project.
- j. “Revenue Share” means the City’s right to receive 2.5% of each SPV’s Gross Revenue, as implemented through the Class B Interests described in Section 6.
- k. “Required SPV Terms” means the mandatory terms set forth on Exhibit C that the organizational documents of each SPV must contain.
- l. “Transaction Taxes” means all sales, use, transient room, excise, and similar transaction-based taxes collected from customers or tenants and remitted to a governmental authority.
- m. Other terms (Hotel SPV, Retail SPV, Convenience Store SPV, Project, Property and SPV) have the meanings given above or where first defined.

2. BINDING EFFECT

- a. Binding Agreement. This Agreement is a binding and enforceable contract among the Parties. The non-binding legend and any statements in any prior term sheet that the Parties executed, if any, are superseded by this Agreement and have no further effect.
- b. Matters Reserved for Future Agreements. The Parties acknowledge that the organizational documents of each SPV, the contributions and ground leases, and certain other instruments referenced herein will be documented in future definitive agreements. The obligations to enter into, and to cause those instruments to contain the terms required by, this Agreement are themselves binding.
- c. No Entity Formed. Nothing in this Agreement forms, or shall be construed to form, a partnership, joint venture, or limited liability company among the Parties, or to make any Party the agent or fiduciary of another. Each SPV will be formed only as and when provided in Section 4.

3. THE PROJECT; SCOPE OF DEVELOPMENT

- a. Development of the Project. The Developer shall, directly or through the SPVs, pursue development of the Project substantially in accordance with Exhibit B, subject to the conditions, approvals, and contingencies set forth in this Agreement and to market and financing feasibility.
- b. Phasing. The Developer may develop and place the Project into service in stages or phases, and the reimbursement and revenue mechanics herein shall apply on a stage- or phase-by-phase basis.
- c. Developer Discretion. Except for the obligations expressly stated in this Agreement, the Developer retains sole discretion over the design, financing, construction means and methods, leasing, branding, and operation of the Project.

4. FUTURE FORMATION OF SPVs; REQUIRED TERMS

- a. Formation. At a time determined by the Developer in its reasonable discretion, and in any event prior to the contribution of the applicable portion of the Property under Section 5, the Developer shall form each SPV as a Utah limited liability company. Until formed, no SPV shall have any rights or obligations under this Agreement, and the Developer shall perform the obligations allocated to the SPVs hereunder.
- b. Required SPV Terms. The Developer shall cause the organizational documents of each SPV to include the Required SPV Terms set forth on Exhibit C, including:
 - i. issuance to the City of non-voting Class B membership interests carrying the Revenue Share and no other economic or governance rights;
 - ii. the transfer-protection and successor-assumption provisions described in Section 14; and
 - iii. confirmation that the City, as holder of the Class B interests, is not liable for the debts or obligations of the SPV and has no obligation to contribute capital.
- c. Governance. Each SPV shall be governed by customary organizational documents for a real estate special purpose vehicle. The City's Class B interests shall be non-voting and shall be disregarded in determining any quorum, vote, or consent of the members or managers.
- d. City Not a Developer Member of the Operating Business. The City's sole interest in each SPV shall be the Class B interest and the Revenue Share. The City shall not be allocated profits or losses of any SPV, shall have no capital account, and shall not share in residual equity or liquidation proceeds except for any accrued and unpaid Revenue Share.

5. CONTRIBUTION OF LAND

- a. Conveyance at No Cost. The City shall convey, or cause to be conveyed, to each SPV the applicable portion of the Property described on Exhibit A, at no cost to the SPV or the Developer, free and clear of monetary liens, by special warranty deed, upon satisfaction of the conditions in Section 17 and formation of the applicable SPV; provided that conveyance of each parcel shall occur in connection with, and as a condition to, the Developer's Commencement of Construction on that parcel, following the Developer's written notice that it is prepared to commence construction. In no event shall the City be

required to convey, or the Developer or any SPV be required to accept conveyance of, any parcel before the Developer is prepared to commence construction on that parcel.

- b. Reverter. Each conveyance shall be subject to a right of reverter in favor of the City exercisable solely as provided in Section 13 (Commencement of Construction). Upon Commencement of Construction with respect to a conveyed parcel, the right of reverter as to that parcel shall automatically terminate and the City shall promptly record a release.
- c. Title and Condition. The City shall convey marketable title and shall cooperate, at no cost to the Developer, with the Developer's review of title and survey. The Parties shall address environmental conditions and any required remediation as Qualifying Costs under Section 7.
- d. Disposition Procedures. The City shall, prior to conveyance, complete any public notice, public hearing, and findings required by applicable law and City ordinance for the disposition of the Property, the satisfaction of which is a condition precedent under Section 17 of this Agreement.
- e. Within ten (10) business days of the Effective Date, the City shall deliver to the Developer, to the extent in the City's possession or control (including all versions, updates, and amendments thereof):
 - i. all title commitments, title reports, title policies, and exception documents relating to the Property;
 - ii. all surveys, plats, legal descriptions, ALTA/NSPS surveys (if any), and related survey materials;
 - iii. all geotechnical reports, soils reports, environmental reports (Phase I and Phase II, if any), engineering reports, drainage reports, traffic studies, and other third-party technical reports relating to the Property;
 - iv. all recorded and unrecorded easements, covenants, conditions, restrictions, declarations, development agreements, and similar instruments affecting the Property, including specifically any easements, view corridor restrictions, covenants, side agreements, or other instruments whether or not recorded in the Utah County land records;
 - v. all zoning letters, entitlements, approvals, permits, variances, and correspondence with any governmental authority relating to the Property or the Project;
 - vi. all utility availability letters, will-serve letters, service commitment letters, and related utility documentation for water, sewer, electric, gas, and telecommunications service to the Property;
 - vii. any existing soils report and ground water report; and
 - viii. all other material due diligence materials, reports, studies, contracts, correspondence, and documents in the City's possession or control relating to the Property, the Project, or any of the foregoing, whether or not specifically described in clauses above.

6. CITY REVENUE SHARE (2.5%)

- a. Grant of Class B Interests. Upon formation of each SPV, the Developer shall cause the SPV to issue to the City non-voting Class B membership interests (the "Class B Interests") in consideration of the City's contribution of the applicable portion of the Property. The

Class B Interests shall entitle the City to the Revenue Share described in this Article 6 and to the transfer protections in Article 14, and to no other economic or governance rights.

- b. **Guaranteed Payment for the Use of Capital.** As consideration for the City's contribution of the Property (constituting capital) to the SPV, each SPV shall pay the City an amount equal to 2.5% of that SPV's Gross Revenue (the "Revenue Share"). The Parties intend that the Revenue Share constitute a guaranteed payment for the use of capital within the meaning of Section 707(c) of the Internal Revenue Code, determined without regard to the income of the SPV, and the Parties shall report it as such for all income tax purposes. The Revenue Share shall not be treated as a distributive share of SPV income or as a distribution, and shall be payable whether or not the SPV has net income or available cash.
- c. **Tax Treatment; Capitalization.** Each SPV shall deduct the Revenue Share as a guaranteed payment under Section 707(c) to the extent allowable; provided that any portion required to be capitalized under Section 263A of the Code, including amounts properly allocable to the development and construction of the Project before it is placed in service, shall be capitalized into the basis of the Project and recovered through depreciation or amortization, and shall be deductible currently only after the applicable portion of the Project is placed in service. The City shall not be allocated any item of SPV income, gain, loss, deduction, or credit on account of the Class B Interests, shall have no capital account attributable to the Revenue Share, and shall not share in residual equity or liquidation proceeds except for any accrued and unpaid Revenue Share.
- d. **Measurement.** The Revenue Share shall be calculated as Gross Revenue (and not on net income), as follows:
 - i. Hotel SPV — 2.5% of gross hotel receipts;
 - ii. Retail SPV — 2.5% of base rent and/or building/ground lease proceeds; and
 - iii. Convenience Store SPV — 2.5% of base rent and/or building/ground lease proceeds.
- e. **Payment.** The Revenue Share shall be regularly paid by each SPV on a periodic basis but not less frequently than annually, within forty-five (45) days after the end of each calendar quarter, commencing with the first full quarter after the applicable SPV begins generating Gross Revenue, and shall accrue and remain payable to the extent not paid when due.
- f. **Reporting.** Each SPV shall provide the City with a quarterly statement of Gross Revenue and the Revenue Share calculation, and the City shall have reasonable audit rights as set forth in the Required SPV Terms.
- g. **Five-Year Guarantee; Optional Premium Redemption.**
 - i. **Five-Year Guarantee.** During the period beginning on the date the applicable SPV first commences operations and ending on the fifth (5th) anniversary thereof (the "Guarantee Period"), the Revenue Share shall be paid at the full rate of 2.5% of Gross Revenue, and the City's right to the Revenue Share shall not be reduced, redeemed, bought out, or otherwise impaired by any sale, transfer, financing, or other disposition of the SPV or the Project. Any transferee during the Guarantee Period takes subject to the Revenue Share in accordance with Section 14.
 - ii. **Optional Premium Redemption.** At any time after the expiration of the Guarantee Period, the City and the SPV may, at their mutually agreed discretion and election), redeem and extinguish the City's Class B Interests and the Revenue Share in full by paying the City the Redemption Price determined under this Section 6.g. For

the avoidance of doubt, neither the City nor the Developer shall have the right to require or compel a redemption absent a written agreement by these two Parties.

- iii. **Redemption Price.** The "Redemption Price" means an amount equal to (i) the Revenue Share paid or accrued in respect of the trailing twelve (12) full calendar months preceding the redemption notice (the "Trailing Revenue Share"), divided by the Applicable Cap Rate, multiplied by (ii) one hundred twenty percent (120%).
- iv. **Applicable Cap Rate.** The "Applicable Cap Rate" means, if the redemption is made in connection with, and within twelve (12) months of, an arm's-length sale of the Project (or the applicable SPV) to an unaffiliated third party (a "Third-party Sale"), the going-in capitalization rate implied by that sale. For purposes of clarity, without a Third-party Sale, the Optional Premium Redemption cannot be elected.
- v. **Mechanics.** The Developer or the SPV shall exercise the redemption right by written notice to the City stating the redemption date (not fewer than thirty (30) days after the notice) and the calculation of the Redemption Price. On the redemption date, the SPV shall pay the Redemption Price in immediately available funds, together with any Revenue Share accrued and unpaid through the redemption date, and the City's Class B Interests and all rights to the Revenue Share shall thereupon automatically terminate without further action. The City shall execute and deliver such instruments as the Developer reasonably requests to confirm the termination.
- vi. **Successors; Tax Characterization.** The redemption right under this Section 6(g) is exercisable by the SPV and inures to the benefit of, and is exercisable by, the Developer and its successors and assigns. The Parties intend that the redemption be effected by the SPV as a redemption of the City's interest (and not as a purchase by the Developer or any other member), and that payments hereunder be treated, to the extent attributable to the City's right to the Revenue Share, as payments described in Section 736(a) of the Code. The Parties shall report consistently with the foregoing.

7. PUBLIC FINANCING; QUALIFYING COSTS

- a. **Developer Incurrence.** The Developer (or the applicable SPV) shall incur and place into service the Qualifying Costs described in Exhibit D as and to the extent required for the Project.
- b. **Reimbursement.** Total reimbursement under this Section 7 shall not exceed \$3,000,000 from the City. The City shall not be obligated to reimburse Qualifying Costs from any source other than the Available Sources.
- c. **Reduction or Elimination of Incentive.** If changes in federal or state law render the collection, receipt, or disbursement of the shares, increments, or tax revenues unlawful or impractical, the Agency's obligation to disburse shares, increments, or tax revenues shall be proportionately reduced or eliminated to comply with such changes. The Developer assumes the risk of such changes but reserves the right to challenge them at its own expense.

8. PROPERTY TAX INCREMENT; AGENCY INCREMENT

- a. Allocation. For a period of nineteen (19) years commencing on the Effective Date, the City shall allocate one hundred percent 100% of the City's portion of the Property Tax Increment generated by the Project within the Project Area to the Agency. Upon receipt of such funds from the City, the Agency shall, for the same nineteen (19) year period, allocate eighty-five percent (85%) of the amounts so received from the City to support the development of the Project.
- b. Incentives or increment contributions from any other taxing entity (including the school district and the county) are the subject of separate agreements and are neither addressed nor committed by this Agreement.
- c. Both the Property Tax Increment and Agency Increment payments shall be made on a periodic basis but not less than annually within one hundred and twenty (120) days after the end of each period, based on actual site-specific collections.

9. SALES TAX SHARING

- a. Sharing. For a period of ten (10) years commencing on the Effective Date, the City shall participate 30% of the site-specific sales tax revenues generated by the Project to the Lakeview Parkway CRA. The Redevelopment Agency shall share 85% of the portion it receives from the City with the SPVs. The site-specific sales tax revenue payments are not to exceed \$100,000 in any calendar year.
- b. Sales tax sharing payments shall be made periodically but not less than annually within one hundred and twenty (120) days after the end of each calendar quarter, based on actual site-specific collections.

10. SALES TAX AND TRANSIENT ROOM TAX SHARING

- a. Sales Tax. For a period of ten (10) years commencing on the Effective Date, the City shall contribute to the Agency via participation in the Lakeview Parkway CRA thirty percent (30%) of the site-specific sales tax revenues generated by the Project. Of the sales tax revenues so generated, the Agency shall pay or credit to the SPVs an amount equal to eighty-five percent (85%) of such site-specific sales tax revenues to support the development of the Project, not to exceed \$100,000 in any calendar year, with the balance retained by the Agency. For the avoidance of doubt, the amount payable to the SPVs is eighty-five percent of the twenty-five percent (25%) of site-specific sales tax revenues, and not twenty-five percent (25%) of the amount contributed by the City to the Agency.
- b. Transient Room Tax. For a period of ten (10) years commencing on the Effective Date, the City shall contribute to the Agency thirty percent (30%) of the site-specific transient room tax ("TRT") revenues generated by the Hotel SPV. Of the TRT revenues so generated, the Agency shall pay or credit to the Hotel SPV an amount equal to eighty-five percent (85%) of such site-specific TRT revenues received from the City to support the development of the Project, not to exceed \$100,000 in any calendar year, with the balance retained by the Agency. For the avoidance of doubt, the amount payable to the Hotel SPV is eighty-five percent of the thirty percent (30%) of site-specific TRT revenues participated by the City, and not twenty-five percent (25%) of the amount contributed by the City to the Agency.

11. UTILITY CAPACITY RESERVATION

- a. Will-Serve Letters. The City shall, within a commercially reasonable time after request, issue will-serve letters reserving adequate water, sewer, storm, and other municipal utility capacity for the Project, on terms consistent with the City's standard practices.

12. BUSINESS PLAN

- a. Delivery. The Developer shall furnish to the City a business plan for the Project. The business plan is provided for the City's information; shall not impose development obligations beyond those expressly set forth in this Agreement and shall be subject to the classifications under the Utah Government Records Access and Management Act (GRAMA).

13. COMMENCEMENT OF CONSTRUCTION; REVERSION

- a. Construction.
 - i. Outside Date. The Developer shall achieve Commencement of Construction within thirty (30) months after the later of (a) the Effective Date and (b) the satisfaction or waiver of all conditions in Section 17 (the "Outside Date").
 - ii. Tolling. The Outside Date shall be extended day-for-day for any period of delay caused by Force Majeure, by the City's acts or omissions (including delays in approvals, will-serve letters, Project Area establishment, or land conveyance), or by litigation or appeals affecting the Project.
 - iii. Completion Bonds. Completion assurance for the Project shall be provided on a parcel-by-parcel basis, as follows:
 - 1. Horizontal Improvements. Prior to commencing horizontal or site development on a parcel (including grading, utilities, streets, and drainage), the Developer shall furnish, or cause its contractor to furnish, a performance and payment bond (or other completion assurance customary for comparable work, such as a completion guaranty or letter of credit) covering the horizontal improvements for that parcel, in an amount not less than the cost of the horizontal work covered thereby for that parcel.
 - 2. Vertical Improvements. Prior to commencing vertical construction of the buildings on a parcel, the Developer shall furnish, or cause its general contractor to furnish, a performance and payment bond (or other completion assurance customary for comparable work) covering the vertical improvements for that parcel, in an amount not less than the cost of the vertical work covered thereby for that parcel.
 - 3. Each bond or other completion assurance shall be issued by a surety or institution qualified to do business in Utah and sized to the scope of the work it covers for the applicable parcel. The obligation to furnish a bond or assurance for a parcel arises only when the applicable work on that parcel is commenced, and upon completion of the work covered by a bond or assurance for that parcel, the applicable bond or assurance may be released or terminated. No bond or assurance shall be required for a parcel on which the applicable work has not commenced. The Developer shall provide the City with evidence of each bond or other completion assurance upon reasonable request.

b. Reversion

- i. Reversion. If the Developer fails to achieve Commencement of Construction with respect to a conveyed parcel by the Outside Date (as tolled), and such failure continues for sixty (60) days after written notice, the City's sole and exclusive remedy shall be to exercise its right of reverter and re-take title to that parcel, free of further obligation of the Developer with respect to that parcel. Reversion of one parcel shall not affect the Developer's rights as to any other parcel.
- ii. Subordination. The right of reverter, possibility of reverter, right of entry, and power of termination reserved to the City under this Section 13, and any deed conveying any portion of the Property (collectively, the "Reversionary Interest") is, and shall at all times remain, subject and subordinate to the lien, terms, and provisions of each mortgage, if any. This subordination is self-operative and effective without further instrument, but the City shall confirm it as provided in subsection (vi).
- iii. No Disturbance of mortgagee. No exercise, operation, or enforcement of the Reversionary Interest shall extinguish, terminate, impair, or affect any mortgage or the lien thereof, or divest, disturb, or affect the title or interest of any mortgagee or any purchaser at a foreclosure of a mortgage (or grantee of a deed in lieu) or their respective successors or assigns. Upon completion of a foreclosure of a mortgage, the delivery of a deed in lieu of foreclosure, or the exercise of any remedy under a mortgage, the Reversionary Interest shall automatically and completely terminate as to the affected parcel, and the mortgagee, such purchaser or grantee, and their successors and assigns shall acquire and hold title to that parcel free and clear of the Reversionary Interest.
- iv. Mortgagee Notice and Cure. The City shall not exercise or attempt to exercise the Reversionary Interest unless it first delivers to each mortgagee (at the notice address most recently provided to the City) written notice of the applicable failure and the same opportunity to cure afforded to the Developer under Section 13(b)(i), plus an additional sixty (60) days. If the cure, including achieving Commencement of Construction, reasonably requires the mortgagee to obtain possession of the parcel or to complete a foreclosure, the cure period shall be extended for so long as the mortgagee is diligently pursuing possession or foreclosure and for a reasonable period thereafter to effect the cure. Each mortgagee shall have the right, but not the obligation, to cure.
- v. Completion by Mortgagee. If a mortgagee or its successor or assign acquires title to the affected parcel and achieves Commencement of Construction within the cure period (as extended under subsection (iv)), the condition giving rise to the Reversionary Interest shall be deemed satisfied and the Reversionary Interest shall terminate as to that parcel. No mortgagee shall have any personal liability under this Agreement unless and until it acquires title to the affected parcel, and then only for obligations first accruing during, and attributable to, its period of ownership.

14. CONFIRMATORY INSTRUMENTS

- a. Within fifteen (15) days after written request from the Developer, an SPV, or any mortgagee, the City shall execute, acknowledge, and deliver, in recordable form, a subordination, non-disturbance, consent, and/or estoppel agreement confirming this

Section 14 on the requesting mortgagee's commercially reasonable form, and shall provide such further assurances as a mortgagee may reasonably require to confirm the priority of its mortgage over the Reversionary Interest.

15. TRANSFER RIGHTS

- a. Permitted Transfers. The Developer and the SPVs may, in their reasonable discretion, transfer an SPV or the assets of an SPV, and the Developer may transfer its interests in any SPV, subject only to Section 15(b).
- b. City Consent; Successor Assumption. No transfer of an SPV or all or substantially all of an SPV's assets shall be made unless the transferee agrees in writing, for the City's benefit, to assume and perform all obligations of the transferor under this Agreement, including, without limitation, the obligations relating to construction, operation of the Project, the Agency's repurchase rights, and payment of the Revenue Share on the same terms. Transfers of ordinary-course leases and Project financing (including construction and permanent loans and related collateral assignments) do not require City consent.
- c. Agency Consent. No transfer of this Agreement or the rights and obligations hereunder shall occur without the consent of the Agency.

16. CULTURAL HERITAGE ARTIFACTS

- a. Hold Harmless. The City shall be held harmless for, and the Developer releases the City from, any disturbance or destruction of cultural heritage artifacts in connection with the Project, except to the extent arising from the City's own gross negligence or willful misconduct. The Developer shall comply with applicable law regarding the discovery of artifacts or remains.

17. CONDITIONS PRECEDENT

- a. Conditions to Land Conveyance and City Undertakings. The City's obligations to convey the Property and to deliver the financial undertakings in Sections 7–10 are subject to:
 - i. formation of the applicable SPV and adoption of the Required SPV Terms;
 - ii. establishment or amendment of the Project Area and project area budget as needed;
 - iii. all required public hearings, resolutions, and interlocal agreements; and
 - iv. appropriation as described in Section 21(c).
- b. Conditions to Developer's Obligations. The Developer's obligations to develop and to achieve Commencement of Construction are subject to:
 - i. conveyance of marketable title to the applicable parcel at no cost;
 - ii. issuance of will-serve letters and availability of adequate utility capacity to serve the Project;
 - iii. the City's binding commitment to the reimbursement and tax-sharing terms herein; and

18. REPRESENTATIONS AND WARRANTIES

- a. Mutual. Each Party represents that it has full power and authority to enter into this Agreement, that this Agreement has been duly authorized, and that this Agreement is enforceable against it in accordance with its terms.
- b. City. The City represents that all public notices, hearings, and approvals required for the execution of this Agreement have been completed, and that the officials executing this Agreement are duly authorized to do so.

19. DEFAULT; REMEDIES

- a. Default. A Party is in default if it fails to perform a material obligation and does not cure within thirty (30) days after written notice (or, if the cure reasonably requires more time, fails to commence and diligently pursue cure within that period).
- b. Remedies. Upon an uncured default, the non-defaulting Party may pursue specific performance or other equitable relief and, except as limited by Section 13 and Section 18, its remedies at law. The City's remedy with respect to a failure to timely commence construction is limited to the reverter under Section 13.
- c. No Consequential Damages; No Personal Liability. No Party shall be liable for consequential, punitive, or special damages. No elected or appointed official, officer, employee, member, manager, or agent of any Party shall have any personal liability under this Agreement.

20. TERM AND TERMINATION

- a. Term. This Agreement is effective on the Effective Date and continues until the Parties' obligations are fully performed; provided that the Revenue Share and the transfer-protection provisions survive for so long as each SPV owns or operates its portion of the Project.
- b. Developer Withdrawal Before Construction; Completion After. At any time before Commencement of Construction, the Developer may withdraw from and terminate this Agreement, in whole or as to any one or more parcels or SPVs, for any reason or for no reason, in its sole and absolute discretion, upon written notice to the City. Upon such withdrawal: (i) neither the Developer nor any SPV shall have any further obligation or liability under this Agreement with respect to the withdrawn Project, parcel, or SPV, other than obligations that expressly survive termination; (ii) any parcel not yet conveyed shall not be conveyed, and any parcel already conveyed shall, at the City's election, revert to the City in accordance with Sections 5(b) and 13; and (iii) the City shall retain the land free of further obligation of the Developer as to the withdrawn parcel. From and after Commencement of Construction with respect to a parcel, absent a written agreement to the contrary, the Developer's right to withdraw under this Section as to that parcel shall terminate, and the Developer (or the applicable SPV) shall thereafter be obligated to complete the improvements on that parcel with reasonable diligence, subject to customary completion obligations, Force Majeure, and the other terms of this Agreement.

21. PUBLIC PURPOSE; RESERVED POWERS; APPROPRIATION

- a. Public Purpose. The Parties acknowledge and agree that the undertakings of the City serve valid public purposes and are supported by adequate consideration, including the Revenue

Share, the reverter, increased tax base, and economic development benefits, consistent with the Utah Constitution and applicable law.

- b. Reserved Legislative and Police Powers. Nothing in this Agreement limits or commits the future exercise of the City's legislative or police powers, including land use, zoning, and permitting authority, except as expressly and lawfully provided in a development agreement under Utah Code Title 10, Chapter 20.
- c. Appropriation. The City's payment obligations under Sections 7, 9, and 10 are payable solely from the Available Sources and are subject to annual budgeting and appropriation as required by law; such obligations do not constitute a general obligation or debt of the City within the meaning of any constitutional or statutory debt limitation.

22. GENERAL PROVISIONS

- a. Notices. Notices shall be in writing and delivered by hand, nationally recognized overnight courier, or email with confirmation, to the addresses set forth on the signature pages.
- b. Assignment. The Developer may assign this Agreement and its rights to an affiliate or to an SPV and otherwise subject only to Section 14(b). The City may not assign without the Developer's consent.
- c. Amendment; Waiver. This Agreement may be amended only by a writing signed by all Parties. No waiver is effective unless in writing.
- d. Entire Agreement. This Agreement, together with its Exhibits, is the entire agreement of the Parties and supersedes any and all prior negotiations and understandings.
- e. No Third-Party Beneficiaries. There are no third-party beneficiaries of this Agreement, except that each SPV, once formed, shall be entitled to enforce the City's obligations that run to it.
- f. Force Majeure. No Party is liable for delay or failure to perform (other than payment obligations then due) caused by events beyond its reasonable control, including acts of God, severe weather, labor disputes, supply shortages, litigation, and governmental delay.
- g. Governing Law; Venue. This Agreement is governed by Utah law. Venue lies exclusively in the state district court for Utah County, Utah.
- h. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts and by electronic signature, each of which is an original and all of which together constitute one instrument.
- i. Severability. If any provision is held invalid, illegal, or unenforceable, it shall be reformed and modified to the minimum extent necessary to make it valid and enforceable consistent with the Parties' original intent, and if it cannot be so reformed, it shall be severed; in either case the remainder of this Agreement remains in effect, and the Parties shall negotiate in good faith a valid provision that most nearly effects the original intent.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CITY OF PROVO, UTAH

By: _____

Name / Title: _____

REDEVELOPMENT AGENCY OF PROVO CITY

By: _____

Name / Title: _____

Philo Venture Management, LLC

By: _____

Name / Title: _____

EXHIBITS

Exhibit A — Legal Description of the Property

Exhibit B — Project Description and Conceptual Site Plan

Exhibit C — Required SPV Terms

Exhibit D — Qualifying Costs

Exhibit E — Form of Special Warranty Deed with Reverter

Exhibit A— Legal Description of the Entire Property

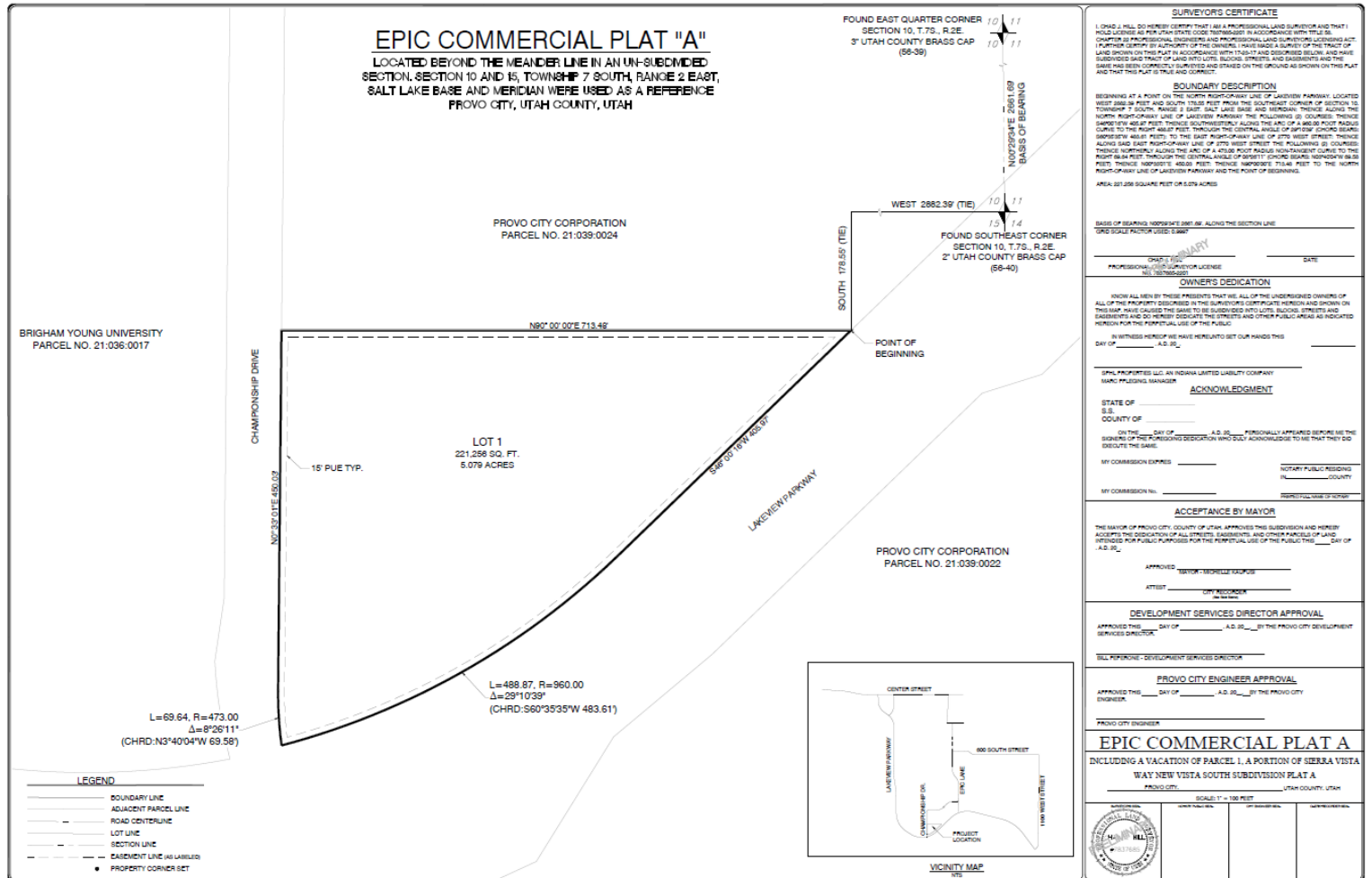


Exhibit B— Project Description and Conceptual Site Plan

Project Description:

Lakeview Crossing is a proposed mixed-use project (the “Project”) to be developed by Philo Development Group, LLC or its assignee (the “Developer”), in cooperation with the City of Provo (the “City”); it is located adjacent to the Provo Airport and Epic Sports Park. Selected through the City's RFP process, the Project comprises the following:

- a. 137-key limited-service hotel targeting a major national flag;
- b. two retail buildings totaling approximately 15,500 SF with eight spaces for fast-casual restaurant and retail tenants on triple-net leases; and
- c. a 4,000 SF convenience store/gas station with six pumps on a ground lease.

Under this structure, the City would contribute the land to the Project in exchange for an ongoing 2.5% share of hotel gross receipts and retail/C-store lease revenue, subject to a five-year guarantee and an optional buyout thereafter. The Developer would handle all the development, project management, and operations across three asset-level SPVs. The Project is structured to deliver a growing long-term fiscal benefit to the City over a 20-year horizon and beyond.

Conceptual Site Plan



Exhibit C— Required SPV Terms (Class B / Revenue Share; Non-voting; Transfer Protection; Audit Rights)

The organizational documents of each SPV shall contain the following terms, which the Developer shall cause to be adopted upon formation of the SPV. Capitalized terms used but not defined in this Exhibit C have the meanings given in the Agreement.

1. Class B Interests. The SPV shall issue to the City non-voting Class B membership interests (the "Class B Interests") in consideration of the City's contribution of the applicable portion of the Property. The Class B Interests shall carry only (a) the Revenue Share, (b) the transfer-protection rights, (c) the reporting and audit rights, and (d) the liquidation priority, and shall carry no other economic or governance rights.

2. Non-Voting. The Class B Interests shall be non-voting and shall be disregarded in determining any quorum, vote, consent, or approval of the members or managers of the SPV. The City, in its capacity as holder of the Class B Interests, shall have no right to participate in, direct, or approve the management, operation, financing, leasing, or disposition of the SPV or the Project.

3. Revenue Share as Guaranteed Payment. The SPV shall pay the City a Revenue Share equal to 2.5% of the SPV's Gross Revenue. The Parties intend the Revenue Share to constitute a guaranteed payment for the use of capital within the meaning of Section 707(c) of the Internal Revenue Code, determined without regard to the income of the SPV, and shall report it as such for all income tax purposes and not as a distributive share of SPV income or as a distribution. The Revenue Share shall be payable whether or not the SPV has net income or available cash, shall be paid in priority to any distribution to the holders of other membership interests, not less frequently than annually within forty-five (45) days after the end of each calendar year, commencing with the first full year after the SPV begins generating Gross Revenue, and shall accrue and remain payable to the extent not paid when due. The Revenue Share shall be measured as follows: (a) Hotel SPV — 2.5% of gross hotel receipts; and (b) Retail SPV and Convenience Store SPV — 2.5% of base rent and/or building/ground lease proceeds.

4. Tax Treatment; Capitalization; No Allocations to City. The SPV shall deduct the Revenue Share as a guaranteed payment under Section 707(c) to the extent allowable; provided that any portion required to be capitalized under Section 263A of the Code, including amounts allocable to the development and construction of the Project before it is placed in service, shall be capitalized into the basis of the Project and recovered through depreciation or amortization, and shall be deductible currently only after the applicable portion of the Project is placed in service. The City shall not be allocated any item of SPV income, gain, loss, deduction, or credit on account of the Class B Interests, shall have no capital account attributable to the Revenue Share, shall have no obligation to contribute capital to the SPV, and shall have no liability for the debts or obligations of the SPV.

5. Reporting and Audit Rights. The SPV shall deliver to the City, within forty-five (45) days after the end of each calendar quarter, a statement of Gross Revenue for the quarter and the corresponding calculation of the Revenue Share. The SPV shall maintain books and records supporting the calculation of Gross Revenue for not less than three (3) years. Not more than once per calendar year, upon not less than twenty (20) business days' prior written notice, the City (or an independent accountant engaged by the City and reasonably acceptable to the SPV) may, during normal business hours and in a manner that does not unreasonably interfere with the SPV's operations, audit those books and records solely to verify the Revenue Share. Each audit shall be at the City's expense; provided that if the audit reveals an underpayment of the Revenue Share for the audited period exceeding five percent (5%), the SPV shall

pay the reasonable cost of that audit together with the underpaid amount and interest at six percent (6%) per annum. Any information disclosed in connection with reporting or an audit shall be treated as confidential and used solely to verify the Revenue Share. Each quarterly and annual statement shall be conclusive and binding on the City unless the City delivers a written objection, and commences an audit, within twelve (12) months after delivery of the statement.

6. Transfer Protection. No transfer of the SPV, or of all or substantially all of the SPV's assets, shall be made unless the transferee assumes in writing, for the City's benefit, the obligation to continue paying the Revenue Share and to perform the Class B Interest terms on the same terms set forth in these Required SPV Terms. Transfers of ordinary-course leases and Project financing (including construction and permanent loans and related collateral assignments) do not require such assumption. For the avoidance of doubt, the grant, foreclosure, or enforcement of any Mortgage, and any transfer to or by a Mortgagee, shall not require assumption under this Section. Any transfer made in violation of this Section shall be void.

7. Five-Year Guarantee. During the period beginning on the date the SPV first commences operations and ending on the fifth (5th) anniversary thereof (the "Guarantee Period"), the Revenue Share shall be paid at the full rate of 2.5% of Gross Revenue, and the City's right to the Revenue Share shall not be reduced, redeemed, bought out, or otherwise impaired by any sale, transfer, financing, or other disposition of the SPV or the Project. Any transferee during the Guarantee Period takes subject to the Revenue Share.

8. Optional Premium Redemption. At any time after expiration of the Guarantee Period, the City and the SPV may, by mutual written agreement, redeem and extinguish the City's Class B Interests and the Revenue Share in full for the Redemption Price. The "Redemption Price" means the Revenue Share paid or accrued in respect of the trailing twelve (12) full calendar months preceding the redemption (the "Trailing Revenue Share"), divided by the Applicable Cap Rate, multiplied by 120%. The "Applicable Cap Rate" means the going-in capitalization rate implied by an arm's-length sale of the Project (or the SPV) to an unaffiliated third party consummated in connection with, and within twelve (12) months of, the redemption (a "Third-Party Sale"); absent a Third-Party Sale, no redemption may occur. Neither the City nor the SPV may require or compel a redemption absent such mutual written agreement. Any redemption shall be effected by the SPV as a redemption of the City's interest (and not as a purchase by the Developer or any other member), and the Parties shall report the payment, to the extent attributable to the City's right to the Revenue Share, as a payment described in Section 736(a) of the Code.

9. Liquidation. Upon liquidation of the SPV, the City shall be entitled to any accrued and unpaid Revenue Share in priority to the return of capital to, or any residual distribution among, the other members, and shall not otherwise participate in liquidation proceeds.

Exhibit D— Qualifying Costs

(site preparation; wetlands/flood; utilities; hospitality infrastructure; retail support/USTs; public assets; soft costs)

Qualifying costs include but are not limited to the following (and any other costs reasonably necessary for the Project and approved by the City, such approval not to be unreasonably withheld), in each case if and when necessary:

- **Site Preparation.**
 - Mass grading and structural fill to elevate buildings above the high water table
 - Dewatering and soil stabilization
- **Wetlands/Flood.**
 - Flood mitigation systems and any required wetlands remediation/bank credits
 - Lift stations and retention areas
- **Utilities.**
 - Off-site storm and sewer line extensions and connection fees
 - EV charging stations
- **Hospitality Needs.**
 - Hotel infrastructure, including dedicated turning lanes and shuttle drop-off zones.
- **Retail Support.**
 - C-Store Underground Storage Tanks (USTs)
 - Environmental safety containment.
- **Public Assets.**
 - Roads
 - Landscaping
 - Streetlights
 - Paths
- **Soft Costs.**
 - Engineering and architectural related to any of the above

Exhibit E— Form of Special Warranty Deed with Reverter

FORM OF SPECIAL WARRANTY DEED (STATUTORY) WITH RESERVED RIGHT OF REVERTER

When recorded, return to: [] Mail tax notices to: [Grantee name and address] Tax Parcel/Serial No.: []

(Space above for Recorder's use)

SPECIAL WARRANTY DEED

City of Provo, Utah, a municipal corporation of the State of Utah, "**Grantor**," of [____], hereby **CONVEYS AND WARRANTS against all who claim by, through, or under it to [____], LLC, a Utah limited liability company, "Grantee," of []**, for the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the following described tract of land in **Utah County**, State of Utah:

[Legal description — see Schedule 1, incorporated by reference.]

This conveyance is made **SUBJECT TO** general property taxes for the current year not yet due and payable; patent reservations and exclusions; all easements, covenants, conditions, restrictions, reservations, and rights-of-way of record [and the matters on Schedule 2]; and **subject to the reserved right of reverter set forth below**.

Reserved Right of Reverter.

1. **Reservation.** Grantor reserves a right of reverter (including a possibility of reverter, right of entry, and power of termination, collectively the "**Reversionary Interest**") that arises only if Grantee fails to achieve Commencement of Construction with respect to the Property by the Outside Date, as those terms are defined in and determined under Section 13 of that certain Development Agreement dated [____], 2026, among Grantor, the Redevelopment Agency of Provo City, and [Developer] (the "**Development Agreement**"), and subject in all respects to the notice, cure, tolling, and other conditions and limitations of Section 13. Upon Commencement of Construction with respect to the Property, the Reversionary Interest automatically and completely terminates, and Grantor shall, within fifteen (15) days, execute and record an instrument confirming the termination.
2. **Subordination; No Disturbance of Mortgagees.** The Reversionary Interest is and shall remain subject and subordinate to the lien and terms of each Mortgage (as defined in the Development Agreement) now or hereafter encumbering the Property, in accordance with Section 13. Upon a foreclosure of any Mortgage, delivery of a deed in lieu of foreclosure, or exercise of any remedy under a Mortgage, the Reversionary Interest automatically and completely terminates as to the Property, and the Mortgagee and any purchaser or grantee (and their successors and assigns) take title free and clear of the Reversionary Interest. Grantor shall, within fifteen (15) days after request, execute and deliver in recordable form the subordination, non-disturbance, consent, and estoppel instruments provided for in Section 13.

3. **Incorporation; Conflicts.** Section 13 of the Development Agreement is incorporated by reference. As between Grantor and Grantee, the Development Agreement controls in the event of conflict with this Deed; provided that this Deed is conclusive in favor of, and the Reversionary Interest shall not impair the interest of, any Mortgagee or any bona fide purchaser or encumbrancer for value relying on record title.

WITNESS the hand of Grantor as of [____], 20[____].

CITY OF PROVO, UTAH, a municipal corporation

By: _____ Name / Title: [_____]

STATE OF UTAH)) ss. COUNTY OF UTAH)

On [], 20[____], **before me personally appeared** [], who acknowledged to me that he/she is the [_____] of the City of Provo, Utah, and that the foregoing instrument was signed on behalf of the municipal corporation by authority of law (or its governing body).

Notary Public — My commission expires: [_____]

Schedule 1 — Legal Description [_____]

313 E 200 N



Zoning

Existing:
Residential Conservation
(RC) Zone

- Does not allow new units or lots

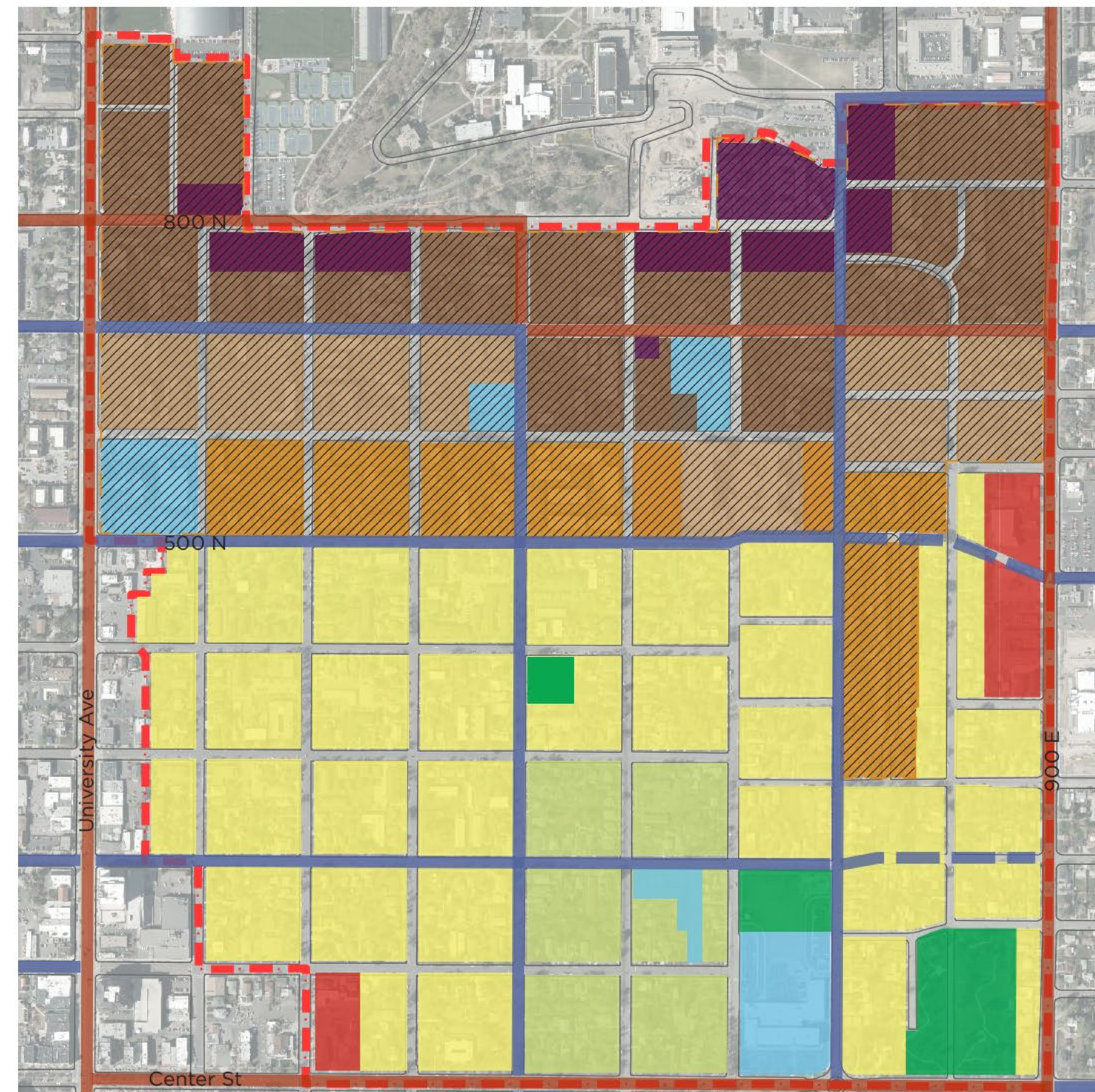
Requesting:
High Density Residential
(HDR) Zone

- Allows 50 units/acre
- Proposing 27 units/acre



Joaquin

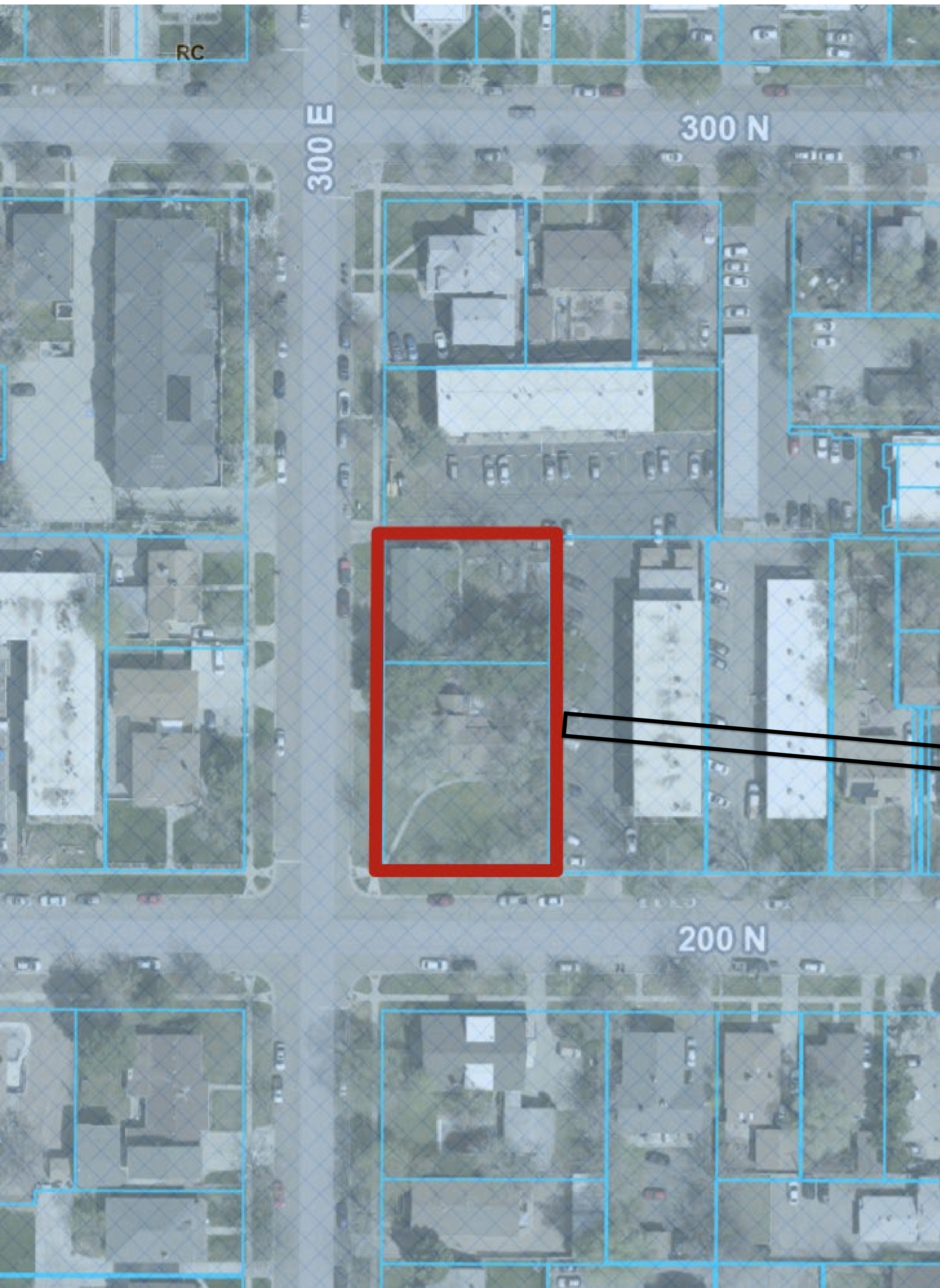
Neighborhood Plan



- | | | | | |
|--------------------|--------------------|-------------------|-------|------------------|
| RC | R1.6(A) | MDR | HDR | CMU |
| CMU (mix req'd.) | Commercial | Civic/Religious | Parks | Batching Overlay |
| Existing Collector | Proposed Collector | Existing Arterial | | |

Figure 3.3 - Joaquin Neighborhood Future Land Use

Zoning



Future Land Use Map

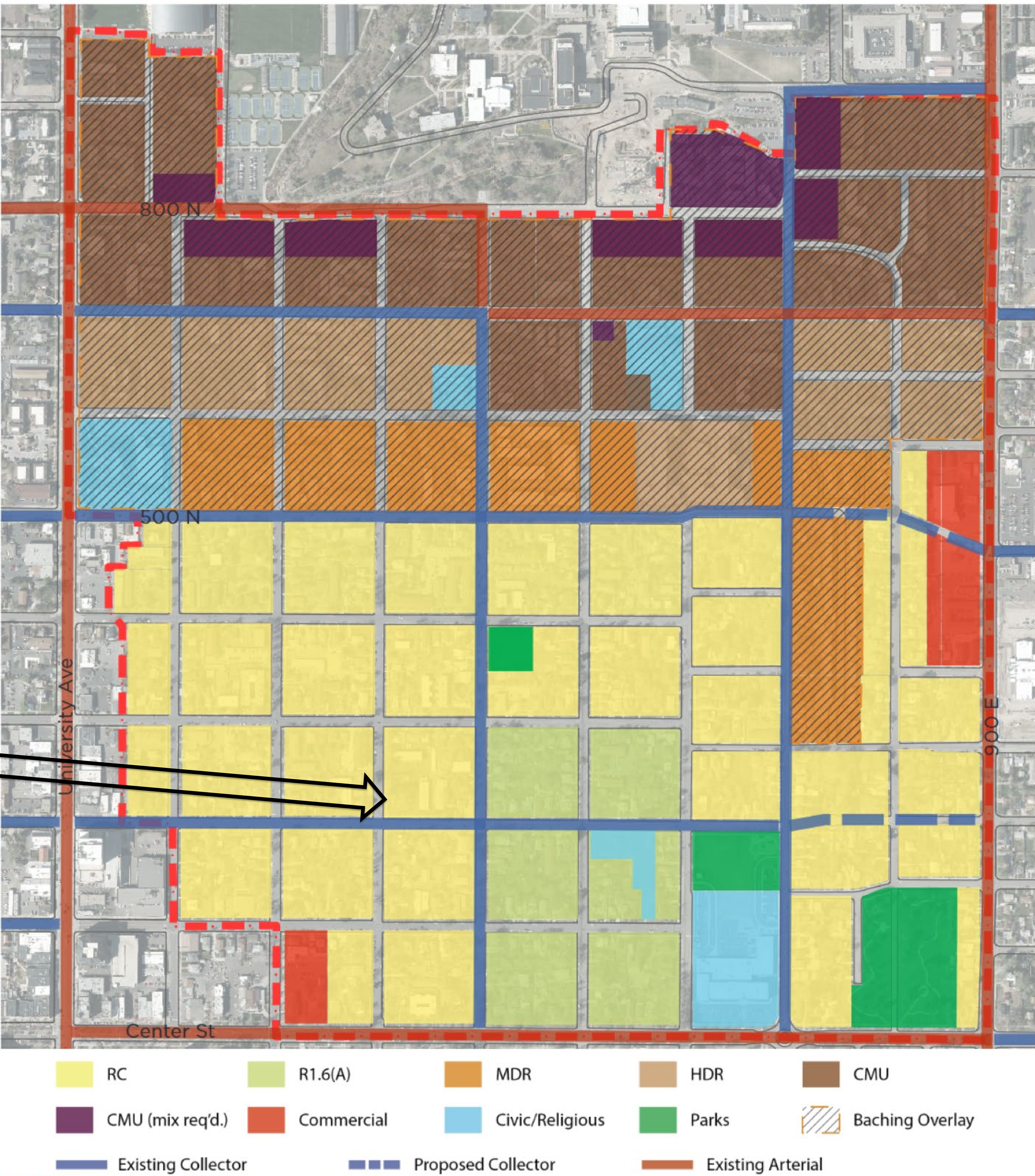


Figure 3.3 - Joaquin Neighborhood Future Land Use

300 EAST

PROPOSED BUILDING

2 Stalls

2 Stalls

2 Stalls

1 Stall

1 Stall

2 Stalls

10' setback

GARAGE COLLECTION ZONE



Elevations



WEST ELEVATION



NORTH ELEVATION



EAST ELEVATION



SOUTH ELEVATION

PROVO MUNICIPAL COUNCIL COUNCIL MEETING STAFF REPORT



Submitter: DWRIGHT
Presenter: Dustin Wright, City Planner
Department: Development Services
Meeting Date: 10/6/2026
Requested Duration (Minutes): 5 minutes
CityView or Issue File Number: PLRZ20250330

SUBJECT: 8 An ordinance amending the zone map classification of real property, generally located at 313 E 200 N, from the Residential Conservation (RC) Zone to the High Density Residential (HDR) Zone. Joaquin Neighborhood. (PLRZ20250330)

ADMINISTRATIVE RECOMMENDATION: Planning Commission recommended denial.

ADMINISTRATIVE MEMO: Zone map amendment for property located at approximately 313 E. 200 N. to allow for the property to be developed for 12 new townhome units. The property is currently zoned as Residential Conservation (RC). This zone does not allow new units to be created, and this is why the applicant is seeking a rezone. The applicant is looking for the property to be rezoned to the High Density Residential (HDR) zone to allow for the proposed development as this zone has the needed setbacks for the proposed development to work. The future land use designation in the Joaquin plan identifies this location as an area to not allow for increased density. That plan aims to increase density in the northern half of the neighborhood, near BYU campus, and preserve the single-family residential character in the lower half of the neighborhood. Because the HDR zone allows for more development potential, like density and building height, than what the applicant is proposing to do, they have proffered to do a development agreement. This agreement would aim to limit the density, height, and require owner occupancy for each unit for at least one year after purchase.

FISCAL IMPACT: N/A

COUNCIL STAFF MEMO:

ORDINANCE <<Document Number>>

AN ORDINANCE AMENDING THE ZONE MAP CLASSIFICATION OF
REAL PROPERTY, GENERALLY LOCATED AT 313 E 200 N, FROM THE
RESIDENTIAL CONSERVATION (RC) ZONE TO THE HIGH DENSITY
RESIDENTIAL (HDR) ZONE. JOAQUIN NEIGHBORHOOD.
(PLRZ20250330)

RECITALS:

It is proposed that the classification on the Provo Zoning Map for approximately 0.45 acres of real property, generally located at 313 E 200 N (an approximation of which is shown in Exhibit A and a more precise description of which will be attached as Exhibit B after the Zone Map has been updated), be amended from the Residential Conservation (RC) Zone to the High Density Residential (HDR) Zone;

On July 8, 2026, the Planning Commission held a public hearing to consider the proposal, and after the hearing the Planning Commission recommended **denial** of the proposal to the Municipal Council by a 6:0 vote;

The Planning Commission's recommendation was based on the project design presented to the Commission;

On August 11 and October 6, 2026, the Municipal Council met to determine the facts regarding this matter and receive public comment, which facts and comments are found in the public record of the Council's consideration; and

After considering the Planning Commission's recommendation and the facts presented to the Municipal Council, and having considered the impact of the proposed ordinance on family health, stability, and formation, the Council finds that (i) the proposed action should be approved, and (ii) such action furthers the health, safety, and general welfare of the citizens of Provo City.

THEREFORE, the Provo Municipal Council ordains as follows:

PART I:

The classification on the Provo Zoning Map is amended from the Residential Conservation (RC) Zone to the High Density Residential (HDR) Zone for the real property described in this ordinance.

Commented [BJ1]: Are these the only two dates?

41 PART II:

42 The Mayor is authorized to negotiate and execute a development agreement as proposed
43 by the applicant for this zone change, consistent with the representations made by the applicant
44 and the applicant's representatives to the Council. An executed copy of the agreement will be
45 attached as Exhibit C after execution. The zone map classification change described in Part I is not
46 effective until the date of final execution of the development agreement.

47 PART III:

- 48
- 49 A. If a provision of this ordinance conflicts with a provision of a previously adopted
50 ordinance, this ordinance controls.
- 51
- 52 B. This ordinance and its various sections, clauses, and paragraphs are severable. If any part,
53 sentence, clause, or phrase is judicially determined to be unconstitutional or invalid, the
54 remainder of the ordinance is not affected by that determination.
- 55
- 56 C. Except as otherwise stated in Part II, this ordinance takes effect immediately after it has
57 been posted or published in accordance with Utah Code Section 10-3-711, presented to the
58 Mayor in accordance with Utah Code Section 10-3b-204, and recorded in accordance with
59 Utah Code Section 10-3-713.
- 60
- 61 D. The Municipal Council directs that the Provo Zoning Map be updated and codified to
62 reflect the provisions enacted by this ordinance.
- 63
- 64 E. Notwithstanding any provision or language to the contrary in this ordinance, if the
65 Development Agreement authorized in Part II has not been fully executed by the necessary
66 parties within one year from the date of the Municipal Council's approval of this ordinance,
67 the entire ordinance expires, becoming null and void as if it had never been approved.
68 Because the zone map classification change contemplated in Part I cannot come into effect
69 if the Development Agreement is not executed, neither the applicant nor any successor(s)
70 in interest has any vested rights under this ordinance if it expires.
- 71

Exhibit A



Exhibit B

Legal Description

Exhibit C

Development Agreement

-
- *ITEM 2** Tuscanel Townhomes LLC requests a Zone Map Amendment from the RC (Residential Conservation) Zone to the HDR (High Density Residential) Zone in order to develop a 12-unit townhome project, located at 313 E 200 N. Joaquin Neighborhood. Dustin Wright (801) 852-6414 dwright@provo.gov PLRZ20250330
-

APPLICANT:	Tuscanel Townhomes LLC
PROPERTY OWNER:	S & R TRIPLEX LLC and S & R 313 LLC
PARCEL ID:	05:033:0008 05:033:0009
ACREAGE:	0.45
CURRENT LEGAL USE:	Residential
GENERAL PLAN DESIGNATION:	Residential Conservation
CURRENT ZONE:	Residential Conservation
APPLICATION TYPE:	Legislative Decision – Planning Commission will make a recommendation to the City Council.

NEIGHBORHOOD FEEDBACK

Multiple neighborhood meetings have been held for the rezoning of this property; on May 26, 2022, another on March 30, 2023, and the most recent was on June 17, 2026. Some comments supported this type of development in this location, while others were opposed to it and referenced the efforts in the Joaquin Neighborhood Plan to protect the single-family designation in this area with a Residential Conservation designation in the future land use map. The project has decreased in density since the earlier neighborhood meetings, where a 17-unit apartment was proposed.

The Chair of the Central Neighborhoods District reached out to remind staff that there was strong opposition to this development as it deviates from the neighborhood plan.

PROJECT SUMMARY

The applicant has submitted a zone map amendment and concept plan applications for the property located at approximately 313 E. 200 N. to allow for the property to be developed for 12 new townhome units. The property is currently zoned as Residential Conservation (RC). This zone does not allow new units to be created, and this is why the applicant is seeking a rezone. The applicant is looking for the property to be rezoned to the High Density Residential (HDR) zone to allow for the proposed development as this zone has the needed setbacks for the proposed development to work. The Medium Density Residential (MDR) zone would not allow the development to work because of greater setback requirements.

In 2014, Provo City adopted the Joaquin Neighborhood Plan, which is part of the Provo City General Plan. The future land use designation in the Joaquin plan identifies this location as an area to not allow for increased density. That plan aims to increase density in the northern half of

the neighborhood, near BYU campus, and preserve the single-family residential character in the lower half of the neighborhood.

Because the HDR zone allows for more development potential, like density and building height, than what the applicant is proposing to do, they have proffered to do a development agreement. This agreement would aim to limit the density, height, and require owner occupancy for each unit for at least one year after purchase.

The property surrounding this property is zoned Residential Conservation (RC).

STAFF ANALYSIS

Before recommending an amendment, the Commission must find that the amendment serves the public interest and aligns with the General Plan, based on consideration of the following:

- (a) Public purpose for the amendment in question;

Applicant Response:

This amendment allows a long-held family property to transition into a high-quality, owner-occupied residential community that promotes homeownership, long-term residency, and reinvestment in central Provo.

The proposal expands housing opportunities within an established area already served by public infrastructure, schools, parks, transportation networks, and community services. The project is designed to provide housing for individuals and families who intend to live, invest, and contribute to the community, aligning with the General Plan's emphasis on housing availability, complete neighborhoods, and long-term community stability.

Staff Response:

A neighborhood plan was created that calls for this area to remain low density to help preserve this historic character and encourage higher density to be in the northern portion of the Joaquin Neighborhood closer to BYU Campus.

The properties are part of the National Register of Historic Places in the East Central Historic District. The home on the corner was built in 1880, and the 3-unit row house was built in 1885. Both properties are listed as contributing to the East Central Historic District and are eligible to be nominated to our local Landmarks Register. Properties on the National Register are not protected from demolition.

FINDING:

Does not comply with the Joaquin Neighborhood Plan designation of Residential Conservation.

- (b) Confirmation that the public purpose is best served by the amendment in question;

Applicant Response:

This proposal represents approximately four years of collaboration with City staff, neighboring property owners, and elected officials. Multiple concepts were evaluated and refined to arrive at a townhome community that balances neighborhood concerns with the City's goals for high-quality ownership housing.

The proposed development introduces a housing type that bridges the gap between detached single-family homes and larger apartment developments, expanding housing

choice within an established neighborhood. The amendment allows the property to contribute meaningfully to the City's housing supply while utilizing existing infrastructure and supporting the General Plan's direction for infill development.

Staff Response:

Preserving the historic character of this part of the neighborhood while providing increased density closer to BYU would serve the public. The existing structures would be eligible to receive historic rehabilitation tax credits. The proposed amendment would bring that increased density further south from campus.

FINDING:

Does not comply with the Joaquin Neighborhood future land use map that calls for residential conservation zone to remain.

(c) Compatibility of the proposed amendment with General Plan policies, goals, and objectives;

Applicant Response:

The proposal is consistent with the goals and policies of the General Plan, particularly those related to housing choice, homeownership opportunities, efficient use of infrastructure, and responsible infill redevelopment.

The project provides ownership housing in a central location, promotes long-term community investment through proposed deed restrictions, and reinvests in an established neighborhood. It supports the General Plan's broader vision of accommodating future residents within developed areas while maintaining high-quality design and contributing to complete, well-functioning neighborhoods.

Staff Response:

The Joaquin Neighborhood Plan identifies 500 North as the transition line for housing density. Increased density is planned for the area north of this transition line and residential conservation is planned for the areas south of 500 North. The plan aims to reduce development pressure on the homes in the lower half of the neighborhood by allowing much higher density closer to BYU campus where the density makes more sense.

FINDING:

Does not comply with the Joaquin Neighborhood future land use map that calls for residential conservation zone to remain.

In section E of chapter 3 in the Joaquin Neighborhood Plan, goal number 2 reads "Require that all future development complies with the future land use map".

(d) Consistency of the proposed amendment with the General Plan's "timing and sequencing" provisions on changes of use, insofar as they are articulated;

Applicant Response:

The surrounding area has evolved significantly over time, and the property's current context is substantially different than when earlier planning decisions were made. The amendment allows the site to respond to existing conditions while utilizing established

infrastructure and public services.

The proposal represents logical infill redevelopment within an already urbanized area and does not require expansion into undeveloped portions of the City. As such, it is consistent with the General Plan's principles of orderly, efficient, and fiscally responsible growth.

Staff Response:

Public Works looks at the General Plan and Neighborhood Plans as they plan infrastructure needs. Engineering review comment for this development reads: "Our existing Utilities cannot handle proposed HDR development. If this plan makes it to the project plan phase, then some sort of solution needs be proposed to address deficiency in our existing infrastructures to support this development."

FINDING:

Does not comply with Neighborhood Plan as it is proposing higher density than anticipated at this location.

(e) Potential of the proposed amendment to hinder or obstruct attainment of the General Plan's articulated policies;

Applicant Response:

The proposal is not expected to hinder General Plan objectives. The requested zoning flexibility is intended to achieve a better overall site plan—improving circulation, parking, open space, building placement, and neighborhood compatibility—rather than to maximize density or height.

The project remains below the allowable density and height standards while advancing key General Plan objectives related to housing availability, efficient land use, and infill development. The proposal reflects a balanced approach to growth that supports the City's long-term planning goals.

Staff Response:

In section E of chapter 3 in the Joaquin Neighborhood Plan, goal number 2 reads "Require that all future development complies with the future land use map".

FINDING:

Does not comply with the Joaquin Neighborhood future land use map that calls for residential conservation zone to remain, and the request is for High Density Residential.

(f) Adverse impacts on adjacent land owners; and

Applicant Response:

Minimizing impacts on surrounding properties has been a central focus throughout the planning process. Over approximately four years, the project has undergone multiple revisions to improve compatibility, site design, circulation, and neighborhood integration. The current proposal incorporates reduced density, reduced height, private garages, enhanced landscaping, and proposed owner-occupancy deed restrictions. There is also a willingness to formalize these commitments through a Development Agreement. These measures are intended to ensure the project integrates well with surrounding properties

and contributes positively to the neighborhood.

Staff Response:

The proposed change would allow for higher density housing in the area. There would be an increase in traffic. The existing homes and structures that contribute to the historic district would be demolished and the character of the block would be altered with the new development.

FINDING:

There would be impacts from the proposed change on adjacent land owners.

- (g) Verification of correctness in the original zoning or General Plan for the area in question.

Applicant Response:

The requested amendment does not suggest that the original zoning or General Plan designation was incorrect at the time it was adopted. Rather, it reflects how the surrounding area has evolved and how the property functions today.

The site is now surrounded by multifamily developments, including Apollo Apartments, Aspenwood Apartments, Fleur de Lis, and Casa Linda, which have substantially changed the character and context of the area. These changes have altered the relationship of the property to its surroundings, including significant impacts on privacy, with approximately 30 Apollo units directly overlooking portions of the property. The proposed amendment recognizes these changes and responds to current conditions and housing needs.

Staff Response:

The zoning is correct.

FINDING:

No issues.

- (h) In cases where a conflict arises between the General Plan Map and General Plan Policies, precedence shall be given to the Plan Policies.

Applicant Response:

While portions of the Joaquin Neighborhood Plan contemplate lower-intensity development patterns, this property occupies a unique location within an area that is already characterized by multifamily residential development.

After several years of refinement, the proposal reflects an effort to create the right project for this specific location—not the largest project possible. The project remains below the density and height permitted within the requested zone and utilizes the zoning primarily to achieve improved setbacks, site design, and compatibility.

The proposal also includes proposed owner-occupancy deed restrictions and a willingness to formalize commitments through a Development Agreement. When viewed in the context of the General Plan's broader policies, supporting housing choice, infill redevelopment, efficient use of infrastructure, and sustainable growth, the amendment is consistent with the intent and long-term vision of the General Plan.

Staff Response:

No issues with the maps and related policies.

FINDING:

No issues.

APPLICABLE ZONING CODES

Provo City Code 14.14C – High Density Residential (HDR)

POSSIBLE MOTIONS AND FINDINGS

The Planning Commission may make any of the following findings:

1. **Recommend Approval:** The proposal is consistent with the General Plan. Motion to recommend approval to the City Council with the condition that a development agreement restricts the height and density to what has been proposed in the concept plan.
2. **Recommend Denial:** The proposal is not consistent with the General Plan. Motion to recommend denial to the City Council for the proposed zone change.
3. **Continue:** New information presented at the public hearing or additional study needs to be done.
Motion to continue this item. (State findings/reasons)

ATTACHMENTS

1. Map of Property Located at Approximately 313 E 200 N
2. Map of Existing Zoning
3. Future Land Use Map of the Joaquin Neighborhood Plan
4. Neighborhood Meeting Minutes – May 26, 2022
5. Neighborhood Meeting Minutes – March 30, 2022
6. Neighborhood Meeting Minutes – June 17, 2026

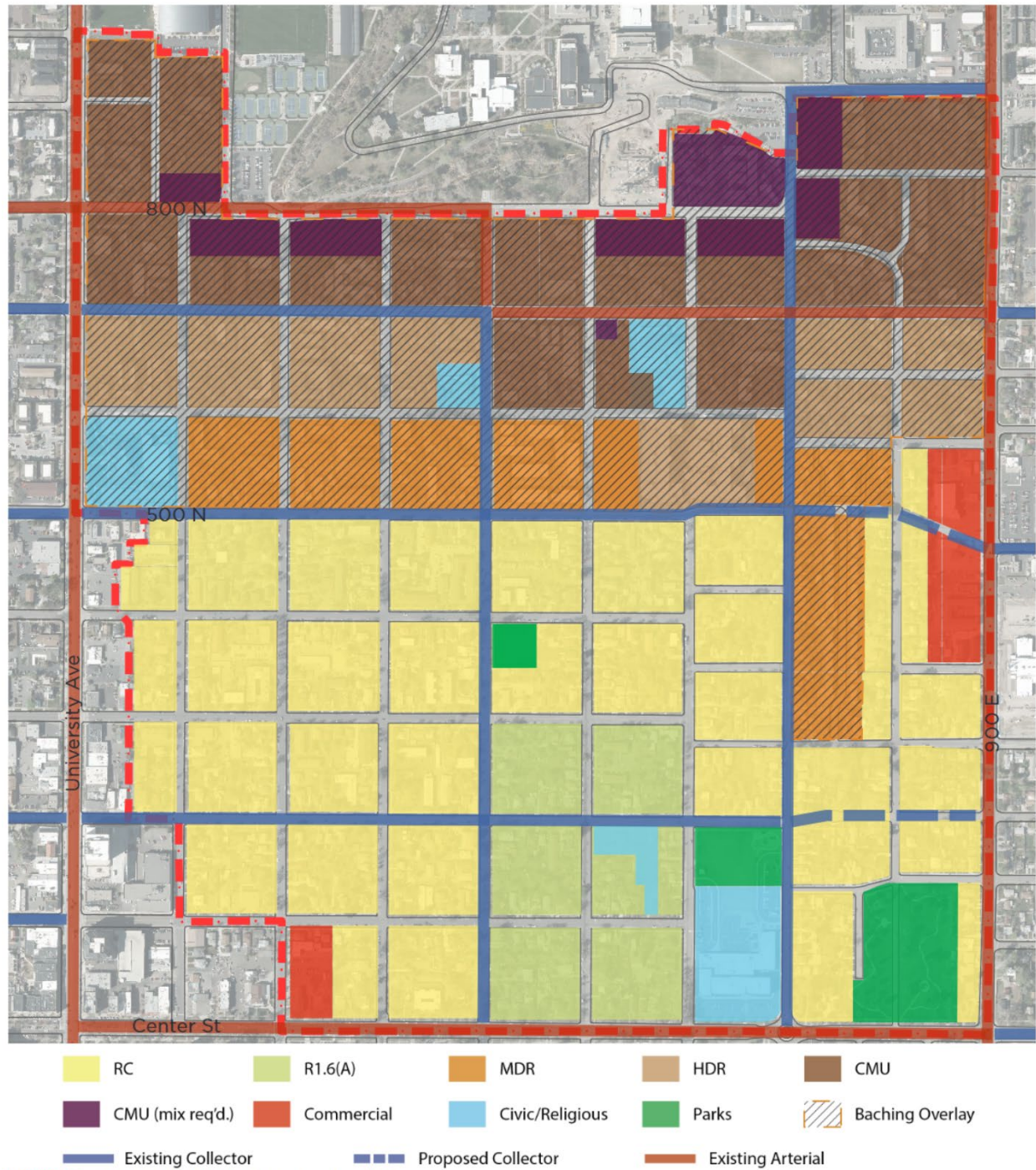
**ATTACHMENT 1 – MAP OF PROPERTY LOCATED AT
APPROXIMATELY 313 E 200 N**



ATTACHMENT 2 – MAP OF EXISTING ZONING



ATTACHMENT 3 – FUTURE LAND USE MAP FROM THE JOAQUIN NEIGHBORHOOD PLAN



ATTACHMENT 4 – NEIGHBORHOOD MEETING MINUTES FROM MAY 26, 2022



Neighborhood Meeting Report

An online version of this form is available at neighborhood.provo.org (on right-hand side of page)

Neighborhood Joaquin Meeting Date 5-26-22

File # PLRZ20220159

Meeting conducted by (name and title): Leo Lines Joaquin Neighborhood Chair

Meeting location: Library @ the academy Bullock Room 309 Number in attendance: 34 3 city council members
1 staff

Applicant name or project description: The Denali multi family student housing project

Was applicant or their designee in attendance at this meeting? Yes No Did applicant contact you within 7 days of the notice of application (as required by Provo City Code)? Yes No

Have other neighborhood meetings been held on this project? No

Relevant history of property/area:

With the growth of BYU & UVU this neighborhood been turned into a multi family student neighborhood. The number of full time residents has rapidly declined.

Other methods of outreach (note number of residents informed and input received)

Facebook group:

Email:

Phone calls:

Face-to-face (in person):

Fliers: By the developer

Overall responses

Positive/in favor: 1 person was in favor that spoke up

In favor if some changes were made: 5-6

Negative/against: most comments were negative

How many of each type of response came from those who live closest to the project:

90% there were some in attendance that did not speak during the meeting

Favorable feedback (be specific):

only build 6 units
couples instead of singles

Concerns raised (be specific):

Needs to be north of 700' or 500'
will start a bunch of huge developments
does not fit the Neighborhood plan
Because a former general Authority owned the home previously there should be no changes

doesn't fit the neighborhood
not enough parking
project too big for the neighborhood
does not match neighborhood architecture.

Has the applicant worked with the neighbors to address their concerns, if any?

I do not know

Are there specific parts of the City Code, General Plan, or the neighborhood/area plan that should be considered?

Conclusions/summary from Neighborhood Chair:

The meeting was mainly attended by the residents that live closest to the project. Those attending were overwhelmingly opposed to any development with ~~an~~ increased density that was already there. With the students gone for the summer & Landlords feeling like they do not have a say concerning their property's 34 people are not even 1% of the residents of the neighborhood. There were mainly 12 people that made most of the comments.

Date of this report:

5-30-2022

Submit this form to neighborhoodprogram@provo.org within five (5) days of the meeting date.

ATTACHMENT 5 - NEIGHBORHOOD MEETING MINUTES FROM **MARCH 30, 2023**

Neighborhood District 5 Meeting, March 30, 2023

21 residents signed in as attending, 1 attended on Zoom. The meeting was held in the council chambers because the police were using the community room.

Executive members in attendance included Quinn Petersen, David Harding, Leo Lines, Sariah Hillam, Jason Ream, Dylan Cindrich and Shannon Bingham. Chair Laura Leavitt conducted. City Council member Rachel Whipple also attended.

Land Use Items

- a. **Denali Project** Taryn Denali requests approval of a Zone Map Amendment from the RC (Residential Conservation) zone to the HDR (High Density Residential) zone in order to build a new **17**-unit apartment building, located at 313 East 200 North. Joaquin Neighborhood.

City Staff mentioned that this project is under staff review and will still need to go up before the Planning Commission.

Taryn made an extensive presentation of the project, focusing on the Italian design inspiration from her parents and the upgrade in style that was made after feedback in a previous Joaquin Neighborhood meeting. She stated that there would be **23** units, 20 of which would be 3 bedrooms and several 1 bedrooms in order to encourage long-term residency. There would be lots of trees, a central courtyard with a fountain, wrought iron flowerboxes, and underground parking for the three-story project. There would be contractual limitations on parking to allow for the parking variance that the project would require. This would all sit on less than an acre of ground, so they are working on updates with public works and are developing an agreement with Provo city to build nothing more, nothing less. She felt that the current residential conservation zoning inhibits restoration of old houses fallen into disrepair, and showed pictures of the rundown triplex and house currently on the property that her family has owned for 40 years. A friend who walked around the area noted that there are already a number of large complexes nearby. She ended with her mother's motto of "siempre familia".

Time was opened up for comments, and for the first few Taryn remained at the front to respond.

David Keller was the first to comment. He lives ½ block from the proposed development and objected that Taryn had quoted only parts of his statement from the earlier Joaquin meeting, where 70% had been opposed to a building that large on that property. He reminded her that they had been through this before in a long meeting and he was still not convinced because it is too dense for this part of Joaquin. He thought it would be beautiful farther north. He would be okay with a modest increase, but going from the current 4 units to 23 is not what the Joaquin plan says. He was surprised this project keeps coming back. Some things were better but not for the long term.

Sam Oman from Maeser commented next, pointing out that this still looked like it was designed for short term rather than long term student housing. He noted the property has not been maintained by the owners to this point and that the owners will not be changing with the new project.

Spencer near the Bright Building mentioned that it has been hard looking to find a place to live. He thought the project design actually looks nice and was wondering what type of price range they were looking at.

Staff mentioned that this part of the meeting was meant for comments to the board so they could report to the Planning Commission; that if residents had questions for the developer they should talk after the meeting. Taryn sat down and other residents continued with comments.

Zachary Chamberlain mentioned that he lived here in Provo until COVID and is now in Layton. He recently got a job here in Provo and would like to live here but has had a hard time finding a place. He thinks that the design looks like a huge upgrade. He has lived in places in Joaquin where the owners did not upkeep the property and thinks this could help out the community.

Shannon Bingham from Timpanogos spoke strongly that she knows how long Joaquin worked on their neighborhood plan. They drew the line at 500 North for continued building of high density to the north, with the current residential conservation zone to the south of that line. The placement of this type of density is directly counter to that decision. She knows of 20 houses in her neighborhood of that same type that was shown to be dilapidated that have been restored. She asked whether the proposal would really allow residents to live long term while, taking away the opportunity for 3 lots that could be used by longer term residents. She noted that in her neighborhood 9% are homeowners and 91% are rentals, and that they really need the long-term residents.

Dylan Cindritch thought it was a great project, as the cheapest home you can find now in Provo is \$400K for a fixer upper.

Kim McIntyre lives a block away from the proposed development. He is concerned with the parking issue, as heavy traffic was responsible for a roundabout crash just this last week at 200 East and 200 South. The cost for each apartment is going to be a lot. Many will not be able to afford to live there, even though it is being sold as more affordable housing. It looks nice, but is not right for the neighborhood.

Leo Lines from Joaquin noted that 20 of the units will have 3 bedrooms, and that it will be possible to rent each to 3 singles. He talked about angled parking out front for visitors, and that you can't control how many cars a tenant will have, since they will bring more and park two blocks away.

(Attendee) mentioned that he owns houses south of campus and in his experience, he can't keep yards nice. The houses are old and will never be a place to keep it up with too many students around. He doesn't think hanging on to the houses makes sense.

It was noted that no floor plans for the apartments in the project were included in the presentation.

An opinion poll of those in attendance showed 15 in support and 8 opposed. This totaled more than the number of residents who signed in as attending, even though Laura mentioned three times that only people currently residing in District 5 were allowed to vote.

Quinn Petersen asked about the setup for these meetings, including topics for neighborhood feedback and feedback polls. Leo proposed that development and staff present and then open up to board members to comment, and then to open to other attendees. Staff responded that the neighborhood executive board is not a legislative body; it is here for feedback. If the project goes forward, it first goes to the Planning Commission and then to the City Council, who makes the actual decision.

ATTACHMENT 6 NEIGHBORHOOD MEETING MINUTES FROM JUNE 17, 2026

Update on a proposed Zone Change from RC (Residential Conservation) to HDR (High Density Residential) for a 12-unit townhome project at 313 East 200 North in the Joaquin Neighborhood – Planning Supervisor Aaron Ardmore

Planning Supervisor Aaron Ardmore presented an update on a proposed zone change at 313 East 200 North in the Joaquin Neighborhood, from RC (Residential Conservation) to HDR (High Density Residential), to accommodate a 12-unit townhome development. Ardmore noted this is a revised iteration of a previously presented project; earlier proposals had sought approval for over 20 apartment units, whereas the current proposal has shifted to townhomes. The HDR zone is being sought primarily to address setback requirements, as the actual density proposed is well below what HDR would allow. The item was previously continued by the Planning Commission due to the applicant's scheduling conflict and will go before the Planning Commission on July 8th and to the City Council in August. A waterline upgrade to an 8-inch main is included as part of the project's infrastructure improvements.

Resident feedback:

- A longtime resident offered detailed historical context, noting that the RC zone was established following a City Council moratorium on high-density development in South Joaquin, in direct response to earlier projects that replaced historic single-family homes with multifamily structures. The resident argued that the applicant's characterization of the surrounding area as having "evolved" toward high-density housing was inaccurate, as the developments cited predated the RC zone. Staff's report was cited favorably, noting that it found the proposal non-compliant with the Joaquin Neighborhood Plan and the future land use map on multiple points.
- Several others expressed their disapproval of the proposal based on the grounds that the proposal was incongruent with the Joaquin Neighborhood Plan and the RC zone in South Joaquin.
- A Zoom attendee was in support of the proposal, noting that townhomes seemed like a good fit for the area and expressed support for housing diversity and density.
- One resident questioned the aesthetics of the design, describing it as uniform and unwelcoming.

- A resident called for any future applicants to be required to disclose projected water usage for their developments.
- A non-resident landlord expressed general support for the project's intent, noting the deed restrictions and infrastructure upgrades, while acknowledging the planning concerns raised.
- A question was raised regarding owner-occupancy enforcement, to which Ardmore responded that the city uses deed restrictions and withholds rental licenses for one year following a change of ownership, with the one-year period resetting upon each subsequent conveyance.
- Councilor Whipple addressed water usage concerns, clarifying that indoor water use remains within the municipal system and does not represent a net loss. She further noted the city is currently engaged in a strategic planning process related to water use recommendations and is in the process of selecting a consultant to conduct a comprehensive review of zoning enforcement procedures.
- A question was raised regarding whether the project includes any affordable or replacement housing units for displaced residents; Ardmore confirmed there is no current requirement to that effect.
- Regarding Denali project: Part of the benefit of townhomes over apartments is access to private outdoor space, which I did not see in this project. If we are talking about this being good housing for “families,” families want outdoor space. This project removes several old trees and does not provide much space to support plants. [This comment was submitted later in the suggestion box.]

Attendees were encouraged to submit written comments to the Planning Commission prior to the July 8th hearing and to the City Council prior to any subsequent council action.

Provo City Planning Commission

Report of Action

July 08, 2026

-
- *ITEM 2** Tuscanel Townhomes LLC requests a Zone Map Amendment from the RC (Residential Conservation) Zone to the HDR (High Density Residential) Zone in order to develop a 12-unit townhome project, located at 313 E 200 N. Joaquin Neighborhood. Dustin Wright (801) 852-6414 dwright@provo.gov PLRZ20250330
-

The following action was taken by the Planning Commission on the above described item at its regular meeting of July 08, 2026:

RECOMMENDED DENIAL

On a vote of 6:0, the Planning Commission recommended that the Municipal Council deny the above noted application.

Motion By: Jon Lyons

Second By: Melissa Kendall

Votes in Favor of Motion: Jon Lyons, Melissa Kendall, Matt Wheelwright, Jonathon Hill, Tosh Metzger, Joel Temple
Matt Wheelwright was present as Chair.

- Includes facts of the case, analysis, conclusions and recommendations outlined in the Staff Report, with any changes noted; Planning Commission determination is generally consistent with the Staff analysis and determination.

LEGAL DESCRIPTION FOR PROPERTY TO BE REZONED

The property to be rezoned to the High Density Residential (HDR) Zone is described in the attached Exhibit A.

RELATED ACTIONS

Item 1 – Planning Commission on July 8, 2026 - PLCP20250331– Denied the Concept Plan

STAFF PRESENTATION

The Staff Report to the Planning Commission provides details of the facts of the case and the Staff's analysis, conclusions, and recommendations.

CITY DEPARTMENTAL ISSUES

- There are remaining issues from the Coordinator Review Committee (CRC) review that need to be resolved.

NEIGHBORHOOD MEETING DATE

- A neighborhood meeting was held on 5/26/2022, 3/30/2023 and 06/17/2026.

NEIGHBORHOOD AND PUBLIC COMMENT

- The Neighborhood District Chair was present /addressed the Planning Commission during the public hearing.
- Neighbors or other interested parties were present or addressed the Planning Commission.

CONCERNS RAISED BY PUBLIC

Any comments received prior to completion of the Staff Report are addressed in the Staff Report to the Planning Commission. Key issues raised in written comments received subsequent to the Staff Report or public comment during the public hearing included the following:

- The district chair pointed out that the proposed project does not comply with the requirements.
- There are many apartments in the neighborhood that existed prior to 2002 when the RC zone was put in place.
- There needs to be better buffers between adjacent properties.
- There are needs in the city for homes.

- This does not follow the overall plan that was created for the neighborhood.
- This project will be an improvement to what is there now.
- This doesn't meet the parking requirements.
- On-street parking will be lost to garbage and recycling cans for the 12 units.
- A lot of work went into the Joaquin Plan to improve the neighborhood.
- The RC zone is protecting the single-family housing.
- The applicant has made several changes to the plans to try and meet the feedback from neighbors and the city.
- This will become a gathering space.
- Schools are being lost to a lack of families.
- The design will help it fit into the neighborhood.

APPLICANT RESPONSE

Key points addressed in the applicant's presentation to the Planning Commission included the following:

- The plan is to use the HDR zone because of the setbacks that it allows.
- The applicant expressed a willingness to do a development agreement that would meet the commitments that the applicant has made.
- The applicant expressed a willingness to for a deed restriction to ensure that the properties are owner-occupied for the first year, and is willing to increase this to two years.
- Pick-up trucks would fit in the garages and there would be room for storage.

PLANNING COMMISSION DISCUSSION

Key points discussed by the Planning Commission included the following:

- The percentage of units that would be allowed to be rented at any given time should be determined.
- Looking for owner-occupancy for longer than just one year.
- The parking requirement is short one stall from being met.
- The RC zone has frozen the neighborhood.
- The architecture is great and it is good to have more types of housing.
- There is a concern about high density creeping into other parts of the neighborhood if this is approved.
- The neighborhood plan saw this development pressure coming and sought to protect the neighborhood and provide a location for the development.



Planning Commission Chair



Director of Development Services

See Key Land Use Policies of the Provo City General Plan, applicable Titles of the Provo City Code, and the Staff Report to the Planning Commission for further detailed information. The Staff Report is a part of the record of the decision of this item. Where findings of the Planning Commission differ from findings of Staff, those will be noted in this Report of Action.

Legislative items are noted with an asterisk (*) and require legislative action by the Municipal Council following a public hearing; the Planning Commission provides an advisory recommendation to the Municipal Council following a public hearing.

Administrative decisions of the Planning Commission (items not marked with an asterisk) **may be appealed** by submitting an application/notice of appeal, with the required application and noticing fees to the Development Services Department, 445 W Center Street, Provo, Utah, **within fourteen (14) calendar days of the Planning Commission's decision** (Provo City office hours are Monday through Thursday, 7:00 a.m. to 6:00 p.m.).

BUILDING PERMITS MUST BE OBTAINED BEFORE CONSTRUCTION BEGINS

Exhibit A

COM. AT SW COR OF BLK 33, PLAT B, PROVO CITY SURVEY; E 6 RODS; N 124.06 FT; W 6 RODS; W 124.06 FT TO BEG. AREA 0.45 OF AN ACRE.

And

COM. AT NW COR OF LOT 3, BLK 33, PLAT B, PROVO CITY SURVEY; S 75 FT; E 6 RODS; N 75 FT; W 6 RODS TO BEG.



ITEM 1 Tuscanel Townhomes LLC requests Concept Plan approval for a 12-unit townhome project in a proposed HDR (High Density Residential) Zone, located at 313 E 200 N. Joaquin Neighborhood. Dustin Wright (801) 852-6414 dwright@provo.gov
PLCP20250331

APPLICANT:	Tuscanel Townhomes LLC
PROPERTY OWNER:	S & R TRIPLEX LLC and S & R 313 LLC
PARCEL ID:	05:033:0008 05:033:0009
ACREAGE:	0.45
CURRENT LEGAL USE:	Residential
GENERAL PLAN DESIGNATION:	Residential Conservation
CURRENT ZONE:	Residential Conservation
APPLICATION TYPE:	Administrative Decision – must be approved if it meets all city standards.

NEIGHBORHOOD FEEDBACK

Multiple neighborhood meetings have been held for the rezoning of this property; on May 26, 2022, another on March 30, 2023, and the most recent was on June 17, 2026. Some comments supported this type of development in this location, while others were opposed to it and referenced the efforts in the Joaquin Neighborhood Plan to protect the single-family designation in this area with a Residential Conservation designation in the future land use map. The project has decreased in density since the earlier neighborhood meetings, where a 17-unit apartment was proposed.

The Chair of the Central Neighborhoods District reached out to remind staff that there was strong opposition to this development as it deviates from the neighborhood plan.

PROJECT SUMMARY

The applicant has submitted a zone map amendment and concept plan applications for the property located at approximately 313 E. 200 N. to allow for the property to be developed for 12 new townhome units. The property is currently zoned as Residential Conservation (RC). This zone does not allow an increase in housing density, and this is why the applicant is seeking a rezone of the property to allow for the proposed redevelopment of the site. The applicant is looking for the property to be rezoned to the High Density Residential (HDR) zone to allow for the proposed development as this zone has the needed setbacks for the proposed development to work. The Medium Density Residential (MDR) zone would not allow the development to work because of greater setback requirements.

Because the HDR zone allows for more development potential, like density and building height, than what the applicant is proposing to do, they have proffered to do a development agreement.

This agreement would aim to limit the density, height, and require owner occupancy for each unit for at least one year after purchase.

The property surrounding this property is zoned Residential Conservation (RC).

STAFF ANALYSIS

Proposed Use

12 new residential townhomes.

Lot Standards

Required:

- (1) Minimum Lot Area: One-family attached: ten thousand (10,000) sf.
- (2) Housing density maximum: fifty (50) units per acre.
- (3) Minimum lot frontage: thirty-five (35) feet.
- (4) Minimum lot width: fifty (50) feet and Corner lot: seventy (70) feet.
- (5) Minimum lot depth: ninety (90) feet.
- (6) Maximum lot coverage by structures: seventy-five percent (75%).

Proposed:

- (1) Lot Area: 19,600
- (2) Housing density: 27 units per acre.
- (3) Lot frontage: 100 feet.
- (4) Lot width: 100 feet.
- (5) Lot depth: 200 feet.
- (6) Lot coverage by structures: 44% (8,605 sf).

Finding: Complies

Setback Requirements

Required: Front: 10' min 20' max; Side: 10'; Rear: 20'

Proposed: Front: 10', Side: 10', Rear: over 20'

Finding: Complies

Building Height and Distance

Required: 55' max.

Proposed: 42'

Finding: Complies

Parking and Access

Required: 26

Proposed: 25

Finding: Does not Comply. Code requires 25.5 and it up so 26. A parking reduction would be needed at project plan application.

Landscaping

Required: 1 tree per 2,000 sf of landscape area.

Proposed: 1,907 sf of landscape provided.

Finding: Complies (at project plan application)

Design Standards

Required: 14.34.287

Proposed: Designed to meet standards

Finding: Complies in concept.

APPLICABLE ZONING CODES

Provo City Code 14.14C – HDR Zone

Provo City Code 14.34.287 – Design Standards

POSSIBLE MOTIONS AND FINDINGS

The Planning Commission may make any of the following findings:

1. **Approve:** The proposal is consistent with city code.
Motion to approve the proposed concept plan for 12 new townhome units at approximately 313 E 200 N.
2. **Deny:** The proposal is not consistent with city code.
Motion to deny the proposed concept plan for 12 new townhome units at approximately 313 E 200 N.
3. **Continue:** New information presented at the public hearing or additional study needs to be done.
Motion to continue this item.

ATTACHMENTS

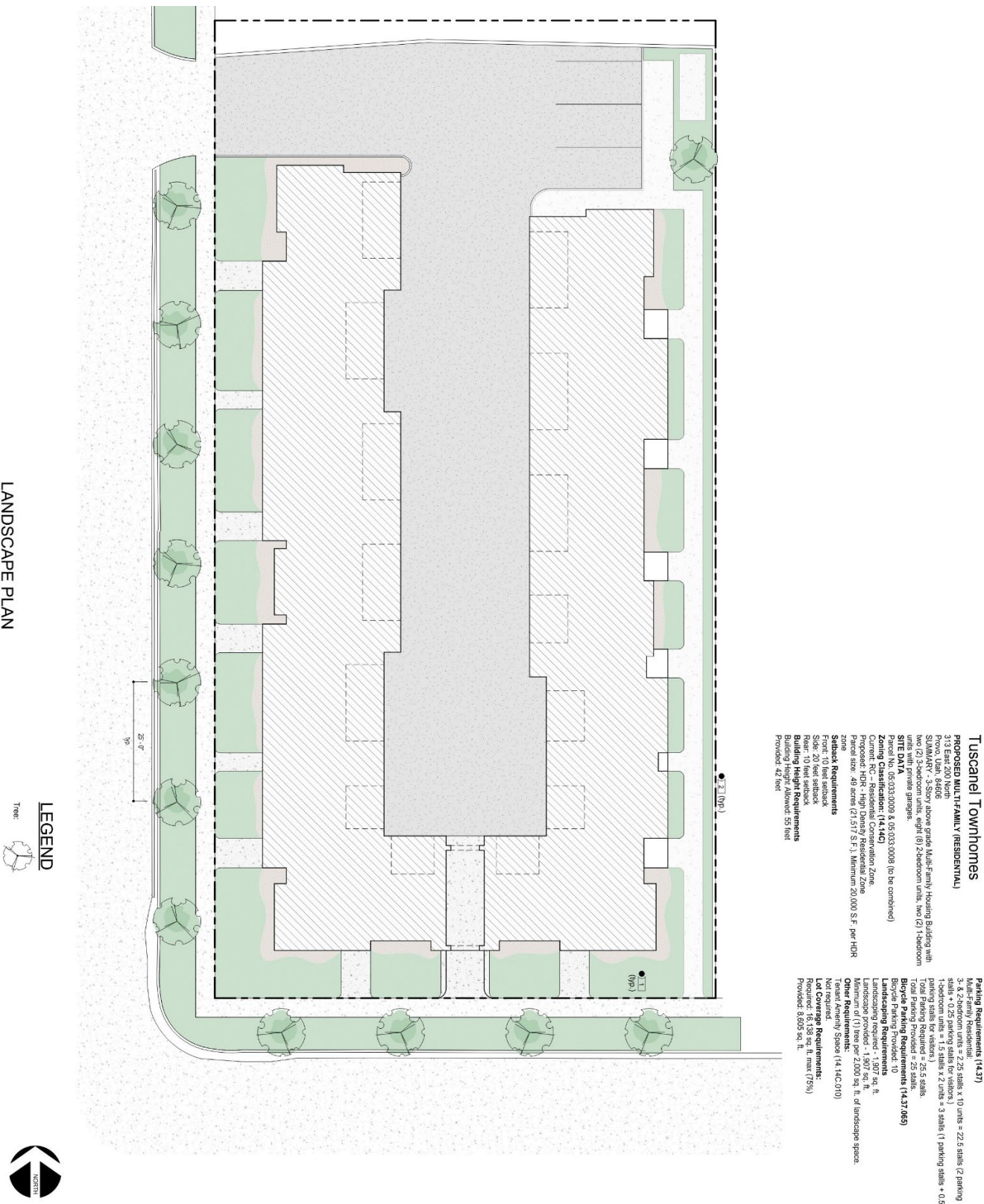
1. Area Map
2. Concept Plan
3. Landscape Plan
4. Floor Plans
5. Elevations

**ATTACHMENT 1 – MAP OF PROPERTY LOCATED AT
APPROXIMATELY 313 E 200 N**



[illegible]

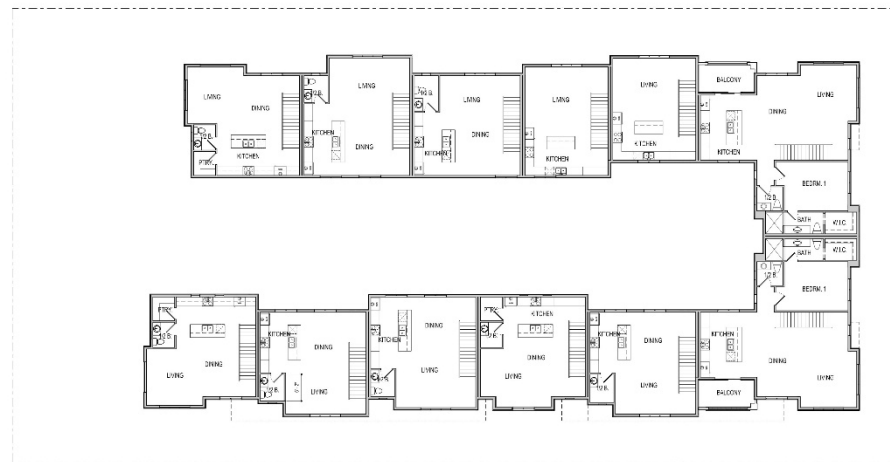
ATTACHMENT 3 – LANDSCAPE PLAN



ATTACHMENT 4 – FLOOR PLANS



GROUND LEVEL FLOOR PLAN

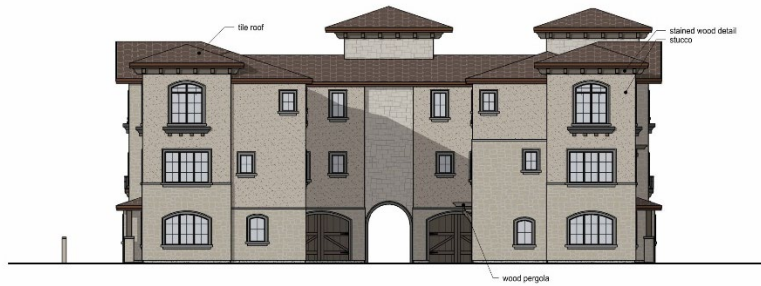


SECOND FLOOR PLAN



THIRD FLOOR PLAN

ATTACHMENT 5 – ELEVATIONS



Provo City Planning Commission

Report of Action

July 08, 2026

ITEM 1 Tuscanel Townhomes LLC requests Concept Plan approval for a 12-unit townhome project in a proposed HDR (High Density Residential) Zone, located at 313 E 200 N. Joaquin Neighborhood. Dustin Wright (801) 852-6414 dwright@provo.gov PLCP20250331

The following action was taken by the Planning Commission on the above described item at its regular meeting of July 08, 2026:

DENIED

On a vote of 4:2, the Planning Commission denied the above noted application.

Motion By: Jon Lyons

Second By: Melissa Kendall

Votes in Favor of Motion: Jon Lyons, Melissa Kendall, Matt Wheelwright, Jonathon Hill

Votes opposed to Motion: Tosh Metzger, Joel Temple

Matt Wheelwright was present as Chair.

- Includes facts of the case, analysis, conclusions and recommendations outlined in the Staff Report, with any changes noted; Planning Commission determination is generally consistent with the Staff analysis and determination.

RELATED ACTIONS

Item 2 – Planning Commission on July 8, 2026 - PLRZ20250330 – Recommended Denial of Rezone

DEVELOPMENT AGREEMENT

- Applies - referred applicant to Council Attorney.

STAFF PRESENTATION

The Staff Report to the Planning Commission provides details of the facts of the case and the Staff's analysis, conclusions, and recommendations.

CITY DEPARTMENTAL ISSUES

- There are remaining issues from the Coordinator Review Committee (CRC) review that need to be resolved.

NEIGHBORHOOD MEETING DATE

- A neighborhood meeting was held on 5/26/2022, 3/30/2023 and 06/17/2026.

NEIGHBORHOOD AND PUBLIC COMMENT

- The Neighborhood District Chair was present /addressed the Planning Commission during the public hearing.
- Neighbors or other interested parties were present or addressed the Planning Commission.

CONCERNS RAISED BY PUBLIC

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- The district chair pointed out that the proposed project does not comply with the requirements.
- There are many apartments in the neighborhood that existed prior to 2002 when the RC zone was put in place.
- There needs to be better buffers between adjacent properties.

- There are needs in the city for homes.
- This does not follow the overall plan that was created for the neighborhood.
- This project will be an improvement to what is there now.
- This doesn't meet the parking requirements.
- On-street parking will be lost to garbage and recycling cans for the 12 units.
- A lot of work went into the Joaquin Plan to improve the neighborhood.
- The RC zone is protecting the single-family housing.
- The applicant has made several changes to the plans to try and meet the feedback from neighbors and the city.
- This will become a gathering space.
- Schools are being lost to a lack of families.
- The design will help it fit into the neighborhood.

APPLICANT RESPONSE

Key points addressed in the applicant's presentation to the Planning Commission included the following:

- The plan is to use the HDR zone because of the setbacks that it allows.
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- Pick-up trucks would fit in the garages and there would be room for storage.

PLANNING COMMISSION DISCUSSION

Key points discussed by the Planning Commission included the following:

- The percentage of units that would be allowed to be rented at any given time should be determined.
- Looking for owner-occupancy for longer than just one year.
- The parking requirement is short one stall from being met.
- The RC zone has frozen the neighborhood.
- The architecture is great and it is good to have more types of housing.
- There is a concern about high density creeping into other parts of the neighborhood if this is approved.
- The neighborhood plan saw this development pressure coming and sought to protect the neighborhood and provide a location for the development.



Planning Commission Chair



Director of Development Services

See Key Land Use Policies of the Provo City General Plan, applicable Titles of the Provo City Code, and the Staff Report to the Planning Commission for further detailed information. The Staff Report is a part of the record of the decision of this item. Where findings of the Planning Commission differ from findings of Staff, those will be noted in this Report of Action.

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BUILDING PERMITS MUST BE OBTAINED BEFORE CONSTRUCTION BEGINS

TUSCANEL TOWNHOMES

Neighborhood Project Update



NEIGHBORHOOD REQUESTS

DENSITY

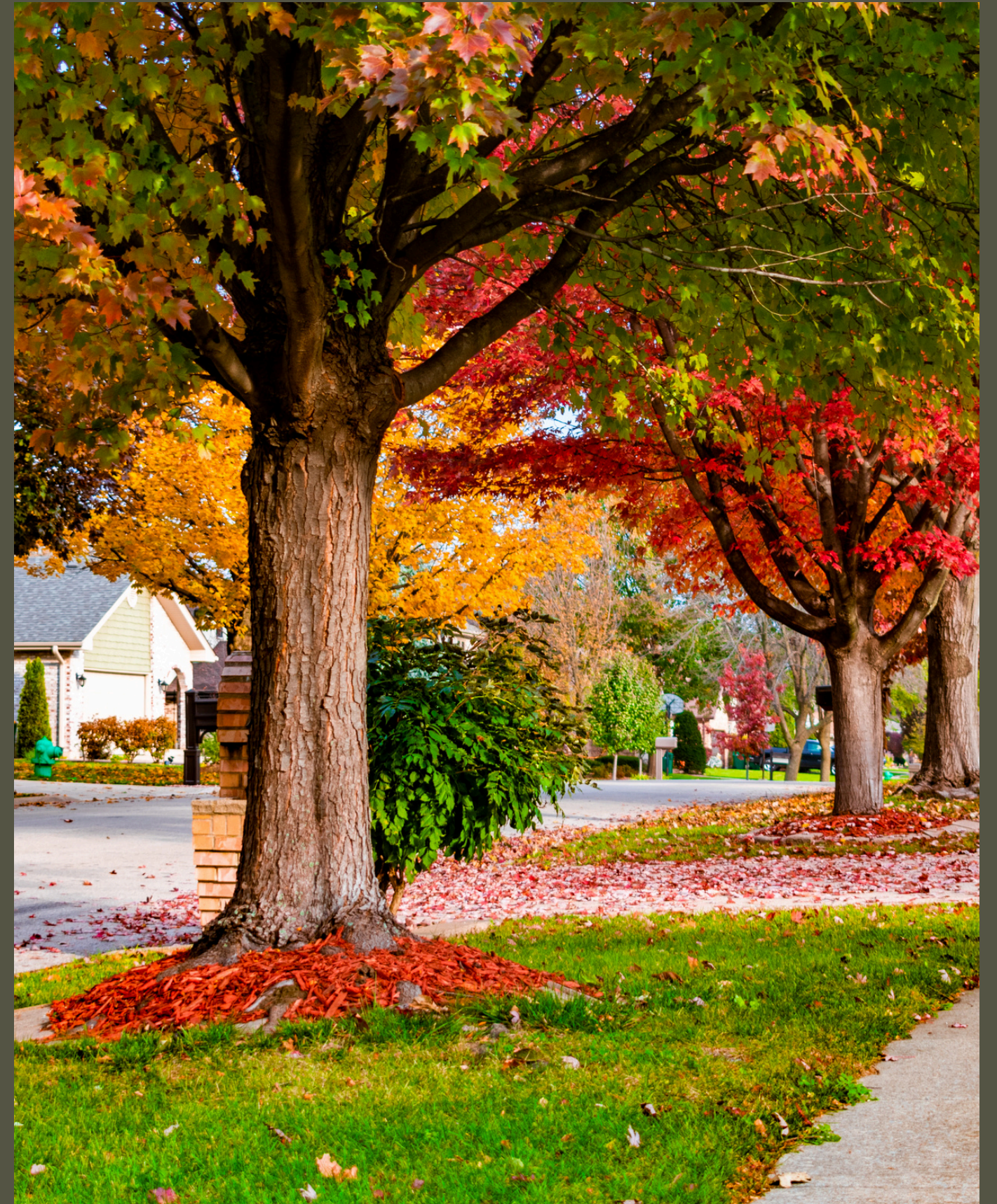
The neighborhood expressed concern about the overall density of the project and asked us to explore fewer homes, including options for 4, 6, 8, and 10 homes.

FAMILIES

There is a strong desire to see families and long-term residents become part of the neighborhood and contribute to the community.

DESIGN

The neighborhood asked for architecture that feels more connected to historic Provo and the character of Joaquin, rather than a design that feels out of place.



WE'VE HEARD YOU!

A project that feels a little more like it belongs to all of us.



DENSITY

We heard the concern about density. After studying several different options, we are reducing Tuscanel from 12 homes to 11, with 23 total bedrooms, while preserving the character and purpose of the project.



FAMILIES

We heard the concerns about height. The revised project will be limited to a 35-foot maximum, staying within the height standards of the existing RC zone and helping the project better fit the scale of the surrounding neighborhood.



DESIGN

We heard the desire for architecture that feels rooted in Joaquin. The revised design draws inspiration from the historic Knight-Mangum House, bringing more of the neighborhood's character into Tuscanel.



MORE SPACE + PRIVACY

We heard the concerns about privacy, light, and open space. The revised plan adds more landscaping, a four-foot privacy wall along the east side, larger and brighter living spaces, and the possibility of a courtyard and play area for families.



LONG-TERM PROTECTION

We heard the concern about protecting the neighborhood long after construction is complete. Tuscanel will move forward as MDR rather than HDR, with a perpetual owner-occupancy deed restriction, enforceable HOA, detailed CC&Rs, and meaningful enforcement provisions designed to last.

INSPIRED BY JOAQUIN

The Knight- Mangum House

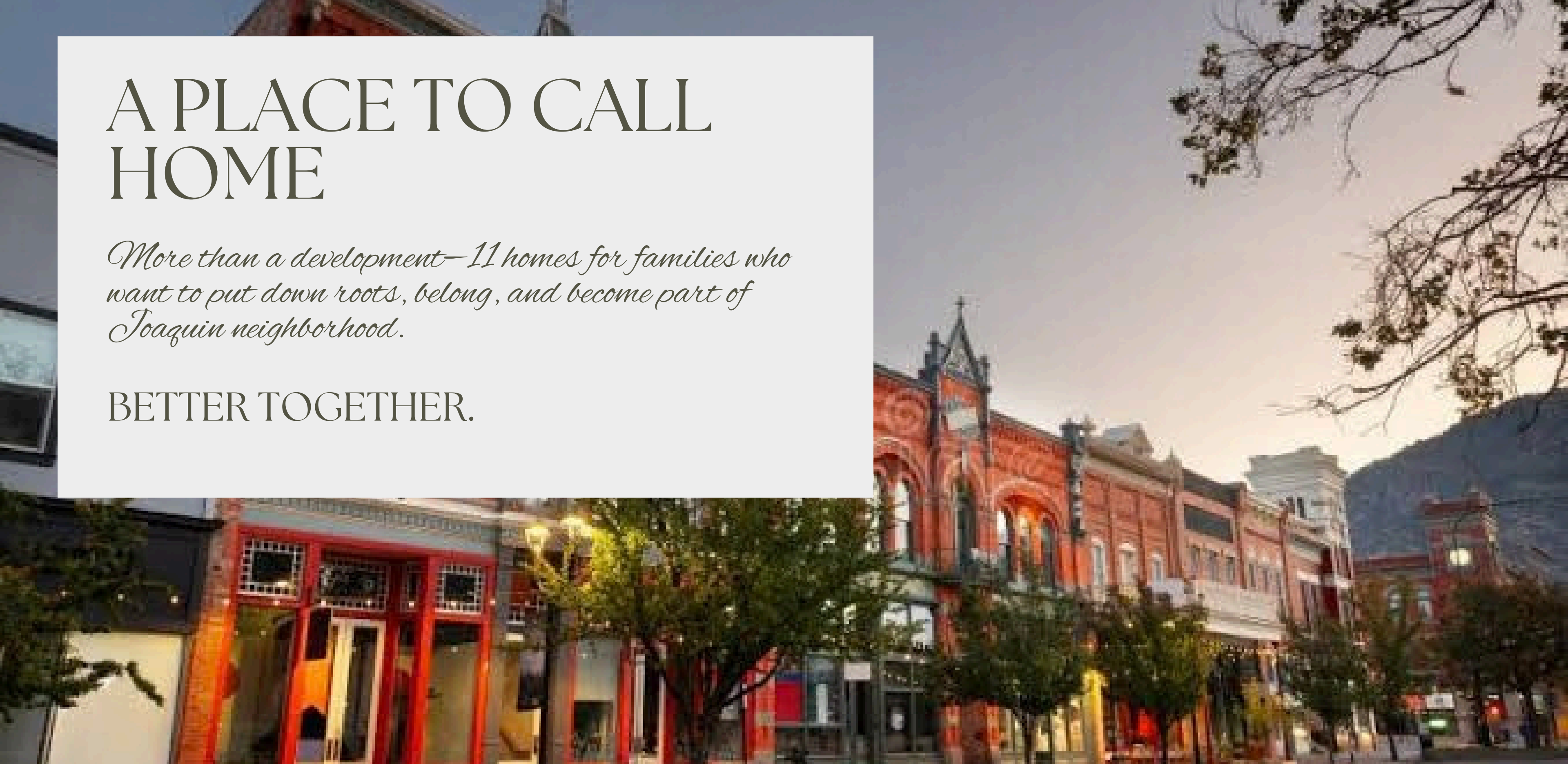
Florence introduced us to the Knight-Mangum House and encouraged us to look more closely at the historic character of Joaquin. Its craftsmanship, materials, and distinctive architecture have become an inspiration as we rethink Tuscanel—helping us create something that feels more connected to the neighborhood and its history.



A PLACE TO CALL HOME

More than a development—11 homes for families who want to put down roots, belong, and become part of Joaquin neighborhood.

BETTER TOGETHER.



WE HOPE TUSCANEL CAN
BECOME A PLACE THAT FEELS A
LITTLE MORE LIKE IT BELONGS TO
ALL OF US.

THANK YOU.

PROVO MUNICIPAL COUNCIL COUNCIL MEETING STAFF REPORT



Submitter: JAHILL
Presenter: Cody Hill, Economic Development Division Director
Department: Development Services
Meeting Date: 10/6/2026
Requested Duration (Minutes): 15 minutes
CityView or Issue File Number: 26-075

SUBJECT: 9 A resolution approving a participation agreement between the Redevelopment Agency of Provo City, Provo City, and Philo Venture Management, LLC regarding the Provo Epic Sports Park Commercial Development (RDA) (26-075)

ADMINISTRATIVE RECOMMENDATION: Consider adopting the Participation Agreement (Provo Epic Sports Park Commercial Development)

ADMINISTRATIVE MEMO: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

The selection committee chose Philo as the preferred development group. Philo proposes building a 137-key hotel, roughly 15,500 square feet of retail space, a gas station, and a convenient store on the site. Staff and Philo presented the proposed development and discussed potential terms with Council in a work session on 6/9/2026. Staff have since worked with Philo on a participation agreement (Exhibit A) and now bring the Agreement to the Agency Board for discussion and consideration.

FISCAL IMPACT: Pledge of property tax increment estimated to be just under \$1,000,000 spread evenly over 19 years. Pledge of sales tax increment and municipal transient room tax increment estimated to be about \$351,000. Participation of property appraised at \$4.3M. In exchange, Philo will pledge 2.5% revenue sharing from hotel sales and other commercial lease revenue. City will break even after Year 15 and receive an annual benefit of over \$500,000 annually every year thereafter. It will also generate about \$132,000 in funds for affordable housing.

COUNCIL STAFF MEMO:

PROVO City Redevelopment Agency STAFF REPORT

Submitter: Cody Hill

Presenter: Cody Hill, Economic Development Division Director

Department: Development Services

Requested Meeting Date: October 6, 2026

Requested Duration (Minutes): 15

CityView or Issue File Number:

SUBJECT: Participation Agreement (Provo Epic Sports Park Commercial Development)

RECOMMENDATION: Consider adopting the Participation Agreement (Provo Epic Sports Park Commercial Development)

BACKGROUND: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

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COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:
Support economic retail growth and mitigate sales tax leakage.

Exhibit A:

PARTICIPATION AGREEMENT

(Provo Epic Sports Park Commercial Development)

Exhibit B:

Resolution to Adopt

PARTICIPATION AGREEMENT

(Provo Epic Sports Park Commercial Development)

1 RESOLUTION <<Document Number>>

2
3 A RESOLUTION APPROVING A PARTICIPATION AGREEMENT
4 BETWEEN THE REDEVELOPMENT AGENCY OF PROVO CITY, PROVO
5 CITY, AND PHILO VENTURE MANAGEMENT, LLC REGARDING THE
6 PROVO EPIC SPORTS PARK COMMERCIAL DEVELOPMENT (RDA) (26-
7 075)

8
9 RECITALS:

10
11 Pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah
12 Code Annotated 1953, as amended (the “**Act**”), public agencies, including political subdivisions
13 of the State of Utah as therein defined, are authorized to enter into mutually advantageous
14 agreements for joint and cooperative actions, including the sharing of tax and other revenues;
15

16 The Redevelopment Agency of Provo City (the “**Agency**”) and Provo City (the “**City**”)
17 are “public agencies” for purposes of the Act;
18

19 The public agencies desire to enter into a public/private partnership with Philo Venture
20 Management, LLC (Philo) for the development of certain city-owned property adjacent to the
21 Epic Sports Park;
22

23 After careful analysis and consideration of relevant information, the Agency desires to
24 enter into a participation agreement with the City and Philo (the “**Participation Agreement**”)
25 whereby the Agency agrees to utilize community reinvestment area revenues specific to the
26 development to support the development’s qualifying costs;
27

28 It is proposed that the Agency enter into the Participation Agreement attached hereto as
29 EXHIBIT A;
30

31 On October 6, 2026, the Redevelopment Agency Board met to consider the facts
32 regarding this matter and receive public comment, which facts and comments are found in the
33 public record of the Agency Board’s consideration; and
34

35 After considering the facts presented to the Agency Board, the Agency Board finds that
36 (i) the proposed Participation Agreement should be approved as described herein, and (ii) such
37 action furthers the health, safety, and general welfare of the citizens of Provo City.
38

39 THEREFORE, the Agency Board resolves as follows:
40

41 PART I:

42

43 The Participation Agreement attached as EXHIBIT A is approved and the Agency
44 Executive Director is authorized to execute the Participation Agreement.

45

46 PART II:

47

48 This resolution takes effect immediately.

PARTICIPATION AGREEMENT
(Provo Epic Sports Park Commercial Development)

This Participation Agreement (this “Agreement”) is entered into and effective as of _____, 2026 (the “Effective Date”), by and between the City of Provo, Utah, a municipal corporation and political subdivision of the State of Utah (the “City”), the Redevelopment Agency of Provo City, a separate body corporate and politic of the City (the “Agency”) and Philo Venture Management, LLC, a Utah limited liability company, and its assigns (collectively, the “Developer”). The City, the Agency, and the Developer are each a “Party” and collectively the “Parties.”

RECITALS

A. The City owns or controls certain real property located adjacent to the City’s Epic Sports Park, more particularly described on Exhibit A (the “Property”).

B. The Developer desires to develop commercial improvements on the Property consisting of (i) a hotel, (ii) retail space, and (iii) a convenience store and gas station (collectively, the “Project”), as further described on Exhibit B.

C. The Parties intend that the Project will be owned and operated through three special purpose vehicles to be formed in the future as provided in Section 4 (each, an “SPV”): the “Hotel SPV”; the “Retail SPV”; and the “Convenience Store SPV”. No SPV, joint venture, partnership, or limited liability company is formed by, or is intended to be formed by, this Agreement as of the Effective Date.

D. The City and the Agency have determined that the Project serves valid public purposes, including the expansion of the City’s tax and economic base, the activation of land adjacent to the Epic Sports Park, the provision of hospitality and retail services to visitors, and the receipt by the City of the Revenue Share described herein, and that the public benefits to be received constitute adequate consideration for the City’s undertakings.

E. This Agreement has been authorized by the City Council of the City and the governing board of the Agency following all required public notice and hearing.

NOW, THEREFORE, in consideration of the mutual covenants below and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. **DEFINITIONS.** Capitalized terms used but not otherwise defined have the meanings given below.

- a. “Agency Increment” means 100% of the property tax increment or other increment(s), if any, generated within the Project Area and attributable to the Project, to the extent permitted under Title 17C of the Utah Code (“Title 17C”) and the applicable project area documents.
- b. “Available Sources” means the Property Tax Increment, Sales Tax Sharing, and Transient Room Tax Sharing as defined in Sections 8, 9 & 10.
- c. “Base Taxable Value” means the assessed value of the Property in its raw, unimproved condition, as established for the base year under Title 17C (i.e., before the improvements comprising the Project). For the avoidance of doubt, the raw land value is the base against which increment is measured and is not itself Property Tax Increment.
- d. “Commencement of Construction” means the earliest to occur of the Developer (or an SPV) (a) obtaining a grading or building permit for any portion of the Project and beginning physical site work (including grading, dewatering, or structural fill), (b) entering a binding construction contract and issuing a notice to proceed, or (c) commencing vertical

construction of any building. Off-site or preparatory work shall count as Commencement of Construction.

- e. “Gross Revenue” means for each SPV and the relevant period, determined on the accrual basis: (a) for the Hotel SPV, all income and receipts of any kind derived from the hotel, excluding Transaction Taxes, operational credits (including insurance proceeds and condemnation awards), and service gratuities; and (b) for the Retail SPV and the Convenience Store SPV, only base rent and building and/or ground lease proceeds, excluding common area maintenance (CAM) reimbursements, tenant improvement allowances, security deposits, and Transaction Taxes.
- f. “Title 17C” means Title 17C of the Utah Code (the Community Reinvestment Agency Act).
- g. “Project Area” means the community reinvestment or redevelopment project area established or to be established by the community reinvestment agency having jurisdiction that includes the Property, pursuant to Title 17C.
- h. “Property Tax Increment” means the property tax revenues generated within the Project Area that are attributable to the increase in the taxable value of the Property above its Base Taxable Value.
- i. “Qualifying Costs” means the categories of costs described on Exhibit D incurred by the Developer (or an SPV) in connection with the Project, to the extent actually incurred and required for the Project.
- j. “Revenue Share” means the City’s right to receive 2.5% of each SPV’s Gross Revenue, as implemented through the Class B Interests described in Section 6.
- k. “Required SPV Terms” means the mandatory terms set forth on Exhibit C that the organizational documents of each SPV must contain.
- l. “Transaction Taxes” means all sales, use, transient room, excise, and similar transaction-based taxes collected from customers or tenants and remitted to a governmental authority.
- m. Other terms (Hotel SPV, Retail SPV, Convenience Store SPV, Project, Property and SPV) have the meanings given above or where first defined.

2. BINDING EFFECT

- a. Binding Agreement. This Agreement is a binding and enforceable contract among the Parties. The non-binding legend and any statements in any prior term sheet that the Parties executed, if any, are superseded by this Agreement and have no further effect.
- b. Matters Reserved for Future Agreements. The Parties acknowledge that the organizational documents of each SPV, the contributions and ground leases, and certain other instruments referenced herein will be documented in future definitive agreements. The obligations to enter into, and to cause those instruments to contain the terms required by, this Agreement are themselves binding.
- c. No Entity Formed. Nothing in this Agreement forms, or shall be construed to form, a partnership, joint venture, or limited liability company among the Parties, or to make any Party the agent or fiduciary of another. Each SPV will be formed only as and when provided in Section 4.

3. THE PROJECT; SCOPE OF DEVELOPMENT

- a. Development of the Project. The Developer shall, directly or through the SPVs, pursue development of the Project substantially in accordance with Exhibit B, subject to the conditions, approvals, and contingencies set forth in this Agreement and to market and financing feasibility.
- b. Phasing. The Developer may develop and place the Project into service in stages or phases, and the reimbursement and revenue mechanics herein shall apply on a stage- or phase-by-phase basis.
- c. Developer Discretion. Except for the obligations expressly stated in this Agreement, the Developer retains sole discretion over the design, financing, construction means and methods, leasing, branding, and operation of the Project.

4. FUTURE FORMATION OF SPVs; REQUIRED TERMS

- a. Formation. At a time determined by the Developer in its reasonable discretion, and in any event prior to the contribution of the applicable portion of the Property under Section 5, the Developer shall form each SPV as a Utah limited liability company. Until formed, no SPV shall have any rights or obligations under this Agreement, and the Developer shall perform the obligations allocated to the SPVs hereunder.
- b. Required SPV Terms. The Developer shall cause the organizational documents of each SPV to include the Required SPV Terms set forth on Exhibit C, including:
 - i. issuance to the City of non-voting Class B membership interests carrying the Revenue Share and no other economic or governance rights;
 - ii. the transfer-protection and successor-assumption provisions described in Section 14; and
 - iii. confirmation that the City, as holder of the Class B interests, is not liable for the debts or obligations of the SPV and has no obligation to contribute capital.
- c. Governance. Each SPV shall be governed by customary organizational documents for a real estate special purpose vehicle. The City's Class B interests shall be non-voting and shall be disregarded in determining any quorum, vote, or consent of the members or managers.
- d. City Not a Developer Member of the Operating Business. The City's sole interest in each SPV shall be the Class B interest and the Revenue Share. The City shall not be allocated profits or losses of any SPV, shall have no capital account, and shall not share in residual equity or liquidation proceeds except for any accrued and unpaid Revenue Share.

5. CONTRIBUTION OF LAND

- a. Conveyance at No Cost. The City shall convey, or cause to be conveyed, to each SPV the applicable portion of the Property described on Exhibit A, at no cost to the SPV or the Developer, free and clear of monetary liens, by special warranty deed, upon satisfaction of the conditions in Section 17 and formation of the applicable SPV; provided that conveyance of each parcel shall occur in connection with, and as a condition to, the Developer's Commencement of Construction on that parcel, following the Developer's written notice that it is prepared to commence construction. In no event shall the City be

required to convey, or the Developer or any SPV be required to accept conveyance of, any parcel before the Developer is prepared to commence construction on that parcel.

- b. Reverter. Each conveyance shall be subject to a right of reverter in favor of the City exercisable solely as provided in Section 13 (Commencement of Construction). Upon Commencement of Construction with respect to a conveyed parcel, the right of reverter as to that parcel shall automatically terminate and the City shall promptly record a release.
- c. Title and Condition. The City shall convey marketable title and shall cooperate, at no cost to the Developer, with the Developer's review of title and survey. The Parties shall address environmental conditions and any required remediation as Qualifying Costs under Section 7.
- d. Disposition Procedures. The City shall, prior to conveyance, complete any public notice, public hearing, and findings required by applicable law and City ordinance for the disposition of the Property, the satisfaction of which is a condition precedent under Section 17 of this Agreement.
- e. Within ten (10) business days of the Effective Date, the City shall deliver to the Developer, to the extent in the City's possession or control (including all versions, updates, and amendments thereof):
 - i. all title commitments, title reports, title policies, and exception documents relating to the Property;
 - ii. all surveys, plats, legal descriptions, ALTA/NSPS surveys (if any), and related survey materials;
 - iii. all geotechnical reports, soils reports, environmental reports (Phase I and Phase II, if any), engineering reports, drainage reports, traffic studies, and other third-party technical reports relating to the Property;
 - iv. all recorded and unrecorded easements, covenants, conditions, restrictions, declarations, development agreements, and similar instruments affecting the Property, including specifically any easements, view corridor restrictions, covenants, side agreements, or other instruments whether or not recorded in the Utah County land records;
 - v. all zoning letters, entitlements, approvals, permits, variances, and correspondence with any governmental authority relating to the Property or the Project;
 - vi. all utility availability letters, will-serve letters, service commitment letters, and related utility documentation for water, sewer, electric, gas, and telecommunications service to the Property;
 - vii. any existing soils report and ground water report; and
 - viii. all other material due diligence materials, reports, studies, contracts, correspondence, and documents in the City's possession or control relating to the Property, the Project, or any of the foregoing, whether or not specifically described in clauses above.

6. CITY REVENUE SHARE (2.5%)

- a. Grant of Class B Interests. Upon formation of each SPV, the Developer shall cause the SPV to issue to the City non-voting Class B membership interests (the "Class B Interests") in consideration of the City's contribution of the applicable portion of the Property. The

Class B Interests shall entitle the City to the Revenue Share described in this Article 6 and to the transfer protections in Article 14, and to no other economic or governance rights.

- b. **Guaranteed Payment for the Use of Capital.** As consideration for the City's contribution of the Property (constituting capital) to the SPV, each SPV shall pay the City an amount equal to 2.5% of that SPV's Gross Revenue (the "Revenue Share"). The Parties intend that the Revenue Share constitute a guaranteed payment for the use of capital within the meaning of Section 707(c) of the Internal Revenue Code, determined without regard to the income of the SPV, and the Parties shall report it as such for all income tax purposes. The Revenue Share shall not be treated as a distributive share of SPV income or as a distribution, and shall be payable whether or not the SPV has net income or available cash.
- c. **Tax Treatment; Capitalization.** Each SPV shall deduct the Revenue Share as a guaranteed payment under Section 707(c) to the extent allowable; provided that any portion required to be capitalized under Section 263A of the Code, including amounts properly allocable to the development and construction of the Project before it is placed in service, shall be capitalized into the basis of the Project and recovered through depreciation or amortization, and shall be deductible currently only after the applicable portion of the Project is placed in service. The City shall not be allocated any item of SPV income, gain, loss, deduction, or credit on account of the Class B Interests, shall have no capital account attributable to the Revenue Share, and shall not share in residual equity or liquidation proceeds except for any accrued and unpaid Revenue Share.
- d. **Measurement.** The Revenue Share shall be calculated as Gross Revenue (and not on net income), as follows:
 - i. Hotel SPV — 2.5% of gross hotel receipts;
 - ii. Retail SPV — 2.5% of base rent and/or building/ground lease proceeds; and
 - iii. Convenience Store SPV — 2.5% of base rent and/or building/ground lease proceeds.
- e. **Payment.** The Revenue Share shall be regularly paid by each SPV on a periodic basis but not less frequently than annually, within forty-five (45) days after the end of each calendar quarter, commencing with the first full quarter after the applicable SPV begins generating Gross Revenue, and shall accrue and remain payable to the extent not paid when due.
- f. **Reporting.** Each SPV shall provide the City with a quarterly statement of Gross Revenue and the Revenue Share calculation, and the City shall have reasonable audit rights as set forth in the Required SPV Terms.
- g. **Five-Year Guarantee; Optional Premium Redemption.**
 - i. **Five-Year Guarantee.** During the period beginning on the date the applicable SPV first commences operations and ending on the fifth (5th) anniversary thereof (the "Guarantee Period"), the Revenue Share shall be paid at the full rate of 2.5% of Gross Revenue, and the City's right to the Revenue Share shall not be reduced, redeemed, bought out, or otherwise impaired by any sale, transfer, financing, or other disposition of the SPV or the Project. Any transferee during the Guarantee Period takes subject to the Revenue Share in accordance with Section 14.
 - ii. **Optional Premium Redemption.** At any time after the expiration of the Guarantee Period, the City and the SPV may, at their mutually agreed discretion and election), redeem and extinguish the City's Class B Interests and the Revenue Share in full by paying the City the Redemption Price determined under this Section 6.g. For

the avoidance of doubt, neither the City nor the Developer shall have the right to require or compel a redemption absent a written agreement by these two Parties.

- iii. **Redemption Price.** The "Redemption Price" means an amount equal to (i) the Revenue Share paid or accrued in respect of the trailing twelve (12) full calendar months preceding the redemption notice (the "Trailing Revenue Share"), divided by the Applicable Cap Rate, multiplied by (ii) one hundred twenty percent (120%).
- iv. **Applicable Cap Rate.** The "Applicable Cap Rate" means, if the redemption is made in connection with, and within twelve (12) months of, an arm's-length sale of the Project (or the applicable SPV) to an unaffiliated third party (a "Third-party Sale"), the going-in capitalization rate implied by that sale. For purposes of clarity, without a Third-party Sale, the Optional Premium Redemption cannot be elected.
- v. **Mechanics.** The Developer or the SPV shall exercise the redemption right by written notice to the City stating the redemption date (not fewer than thirty (30) days after the notice) and the calculation of the Redemption Price. On the redemption date, the SPV shall pay the Redemption Price in immediately available funds, together with any Revenue Share accrued and unpaid through the redemption date, and the City's Class B Interests and all rights to the Revenue Share shall thereupon automatically terminate without further action. The City shall execute and deliver such instruments as the Developer reasonably requests to confirm the termination.
- vi. **Successors; Tax Characterization.** The redemption right under this Section 6(g) is exercisable by the SPV and inures to the benefit of, and is exercisable by, the Developer and its successors and assigns. The Parties intend that the redemption be effected by the SPV as a redemption of the City's interest (and not as a purchase by the Developer or any other member), and that payments hereunder be treated, to the extent attributable to the City's right to the Revenue Share, as payments described in Section 736(a) of the Code. The Parties shall report consistently with the foregoing.

7. PUBLIC FINANCING; QUALIFYING COSTS

- a. **Developer Incurrence.** The Developer (or the applicable SPV) shall incur and place into service the Qualifying Costs described in Exhibit D as and to the extent required for the Project.
- b. **Reimbursement.** Total reimbursement under this Section 7 shall not exceed \$3,000,000 from the City. The City shall not be obligated to reimburse Qualifying Costs from any source other than the Available Sources.
- c. **Reduction or Elimination of Incentive.** If changes in federal or state law render the collection, receipt, or disbursement of the shares, increments, or tax revenues unlawful or impractical, the Agency's obligation to disburse shares, increments, or tax revenues shall be proportionately reduced or eliminated to comply with such changes. The Developer assumes the risk of such changes but reserves the right to challenge them at its own expense.

8. PROPERTY TAX INCREMENT; AGENCY INCREMENT

- a. Allocation. For a period of nineteen (19) years commencing on the Effective Date, the City shall allocate one hundred percent 100% of the City's portion of the Property Tax Increment generated by the Project within the Project Area to the Agency. Upon receipt of such funds from the City, the Agency shall, for the same nineteen (19) year period, allocate eighty-five percent (85%) of the amounts so received from the City to support the development of the Project.
- b. Incentives or increment contributions from any other taxing entity (including the school district and the county) are the subject of separate agreements and are neither addressed nor committed by this Agreement.
- c. Both the Property Tax Increment and Agency Increment payments shall be made on a periodic basis but not less than annually within one hundred and twenty (120) days after the end of each period, based on actual site-specific collections.

9. SALES TAX SHARING

- a. Sharing. For a period of ten (10) years commencing on the Effective Date, the City shall participate 30% of the site-specific sales tax revenues generated by the Project to the Lakeview Parkway CRA. The Redevelopment Agency shall share 85% of the portion it receives from the City with the SPVs. The site-specific sales tax revenue payments are not to exceed \$100,000 in any calendar year.
- b. Sales tax sharing payments shall be made periodically but not less than annually within one hundred and twenty (120) days after the end of each calendar quarter, based on actual site-specific collections.

10. SALES TAX AND TRANSIENT ROOM TAX SHARING

- a. Sales Tax. For a period of ten (10) years commencing on the Effective Date, the City shall contribute to the Agency via participation in the Lakeview Parkway CRA thirty percent (30%) of the site-specific sales tax revenues generated by the Project. Of the sales tax revenues so generated, the Agency shall pay or credit to the SPVs an amount equal to eighty-five percent (85%) of such site-specific sales tax revenues to support the development of the Project, not to exceed \$100,000 in any calendar year, with the balance retained by the Agency. For the avoidance of doubt, the amount payable to the SPVs is eighty-five percent of the twenty-five percent (25%) of site-specific sales tax revenues, and not twenty-five percent (25%) of the amount contributed by the City to the Agency.
- b. Transient Room Tax. For a period of ten (10) years commencing on the Effective Date, the City shall contribute to the Agency thirty percent (30%) of the site-specific transient room tax ("TRT") revenues generated by the Hotel SPV. Of the TRT revenues so generated, the Agency shall pay or credit to the Hotel SPV an amount equal to eighty-five percent (85%) of such site-specific TRT revenues received from the City to support the development of the Project, not to exceed \$100,000 in any calendar year, with the balance retained by the Agency. For the avoidance of doubt, the amount payable to the Hotel SPV is eighty-five percent of the thirty percent (30%) of site-specific TRT revenues participated by the City, and not twenty-five percent (25%) of the amount contributed by the City to the Agency.

11. UTILITY CAPACITY RESERVATION

- a. Will-Serve Letters. The City shall, within a commercially reasonable time after request, issue will-serve letters reserving adequate water, sewer, storm, and other municipal utility capacity for the Project, on terms consistent with the City's standard practices.

12. BUSINESS PLAN

- a. Delivery. The Developer shall furnish to the City a business plan for the Project. The business plan is provided for the City's information; shall not impose development obligations beyond those expressly set forth in this Agreement and shall be subject to the classifications under the Utah Government Records Access and Management Act (GRAMA).

13. COMMENCEMENT OF CONSTRUCTION; REVERSION

- a. Construction.
 - i. Outside Date. The Developer shall achieve Commencement of Construction within thirty (30) months after the later of (a) the Effective Date and (b) the satisfaction or waiver of all conditions in Section 17 (the "Outside Date").
 - ii. Tolling. The Outside Date shall be extended day-for-day for any period of delay caused by Force Majeure, by the City's acts or omissions (including delays in approvals, will-serve letters, Project Area establishment, or land conveyance), or by litigation or appeals affecting the Project.
 - iii. Completion Bonds. Completion assurance for the Project shall be provided on a parcel-by-parcel basis, as follows:
 - 1. Horizontal Improvements. Prior to commencing horizontal or site development on a parcel (including grading, utilities, streets, and drainage), the Developer shall furnish, or cause its contractor to furnish, a performance and payment bond (or other completion assurance customary for comparable work, such as a completion guaranty or letter of credit) covering the horizontal improvements for that parcel, in an amount not less than the cost of the horizontal work covered thereby for that parcel.
 - 2. Vertical Improvements. Prior to commencing vertical construction of the buildings on a parcel, the Developer shall furnish, or cause its general contractor to furnish, a performance and payment bond (or other completion assurance customary for comparable work) covering the vertical improvements for that parcel, in an amount not less than the cost of the vertical work covered thereby for that parcel.
 - 3. Each bond or other completion assurance shall be issued by a surety or institution qualified to do business in Utah and sized to the scope of the work it covers for the applicable parcel. The obligation to furnish a bond or assurance for a parcel arises only when the applicable work on that parcel is commenced, and upon completion of the work covered by a bond or assurance for that parcel, the applicable bond or assurance may be released or terminated. No bond or assurance shall be required for a parcel on which the applicable work has not commenced. The Developer shall provide the City with evidence of each bond or other completion assurance upon reasonable request.

b. Reversion

- i. Reversion. If the Developer fails to achieve Commencement of Construction with respect to a conveyed parcel by the Outside Date (as tolled), and such failure continues for sixty (60) days after written notice, the City's sole and exclusive remedy shall be to exercise its right of reverter and re-take title to that parcel, free of further obligation of the Developer with respect to that parcel. Reversion of one parcel shall not affect the Developer's rights as to any other parcel.
- ii. Subordination. The right of reverter, possibility of reverter, right of entry, and power of termination reserved to the City under this Section 13, and any deed conveying any portion of the Property (collectively, the "Reversionary Interest") is, and shall at all times remain, subject and subordinate to the lien, terms, and provisions of each mortgage, if any. This subordination is self-operative and effective without further instrument, but the City shall confirm it as provided in subsection (vi).
- iii. No Disturbance of mortgagee. No exercise, operation, or enforcement of the Reversionary Interest shall extinguish, terminate, impair, or affect any mortgage or the lien thereof, or divest, disturb, or affect the title or interest of any mortgagee or any purchaser at a foreclosure of a mortgage (or grantee of a deed in lieu) or their respective successors or assigns. Upon completion of a foreclosure of a mortgage, the delivery of a deed in lieu of foreclosure, or the exercise of any remedy under a mortgage, the Reversionary Interest shall automatically and completely terminate as to the affected parcel, and the mortgagee, such purchaser or grantee, and their successors and assigns shall acquire and hold title to that parcel free and clear of the Reversionary Interest.
- iv. Mortgagee Notice and Cure. The City shall not exercise or attempt to exercise the Reversionary Interest unless it first delivers to each mortgagee (at the notice address most recently provided to the City) written notice of the applicable failure and the same opportunity to cure afforded to the Developer under Section 13(b)(i), plus an additional sixty (60) days. If the cure, including achieving Commencement of Construction, reasonably requires the mortgagee to obtain possession of the parcel or to complete a foreclosure, the cure period shall be extended for so long as the mortgagee is diligently pursuing possession or foreclosure and for a reasonable period thereafter to effect the cure. Each mortgagee shall have the right, but not the obligation, to cure.
- v. Completion by Mortgagee. If a mortgagee or its successor or assign acquires title to the affected parcel and achieves Commencement of Construction within the cure period (as extended under subsection (iv)), the condition giving rise to the Reversionary Interest shall be deemed satisfied and the Reversionary Interest shall terminate as to that parcel. No mortgagee shall have any personal liability under this Agreement unless and until it acquires title to the affected parcel, and then only for obligations first accruing during, and attributable to, its period of ownership.

14. CONFIRMATORY INSTRUMENTS

- a. Within fifteen (15) days after written request from the Developer, an SPV, or any mortgagee, the City shall execute, acknowledge, and deliver, in recordable form, a subordination, non-disturbance, consent, and/or estoppel agreement confirming this

Section 14 on the requesting mortgagee's commercially reasonable form, and shall provide such further assurances as a mortgagee may reasonably require to confirm the priority of its mortgage over the Reversionary Interest.

15. TRANSFER RIGHTS

- a. Permitted Transfers. The Developer and the SPVs may, in their reasonable discretion, transfer an SPV or the assets of an SPV, and the Developer may transfer its interests in any SPV, subject only to Section 15(b).
- b. City Consent; Successor Assumption. No transfer of an SPV or all or substantially all of an SPV's assets shall be made unless the transferee agrees in writing, for the City's benefit, to assume and perform all obligations of the transferor under this Agreement, including, without limitation, the obligations relating to construction, operation of the Project, the Agency's repurchase rights, and payment of the Revenue Share on the same terms. Transfers of ordinary-course leases and Project financing (including construction and permanent loans and related collateral assignments) do not require City consent.
- c. Agency Consent. No transfer of this Agreement or the rights and obligations hereunder shall occur without the consent of the Agency.

16. CULTURAL HERITAGE ARTIFACTS

- a. Hold Harmless. The City shall be held harmless for, and the Developer releases the City from, any disturbance or destruction of cultural heritage artifacts in connection with the Project, except to the extent arising from the City's own gross negligence or willful misconduct. The Developer shall comply with applicable law regarding the discovery of artifacts or remains.

17. CONDITIONS PRECEDENT

- a. Conditions to Land Conveyance and City Undertakings. The City's obligations to convey the Property and to deliver the financial undertakings in Sections 7–10 are subject to:
 - i. formation of the applicable SPV and adoption of the Required SPV Terms;
 - ii. establishment or amendment of the Project Area and project area budget as needed;
 - iii. all required public hearings, resolutions, and interlocal agreements; and
 - iv. appropriation as described in Section 21(c).
- b. Conditions to Developer's Obligations. The Developer's obligations to develop and to achieve Commencement of Construction are subject to:
 - i. conveyance of marketable title to the applicable parcel at no cost;
 - ii. issuance of will-serve letters and availability of adequate utility capacity to serve the Project;
 - iii. the City's binding commitment to the reimbursement and tax-sharing terms herein; and

18. REPRESENTATIONS AND WARRANTIES

- a. Mutual. Each Party represents that it has full power and authority to enter into this Agreement, that this Agreement has been duly authorized, and that this Agreement is enforceable against it in accordance with its terms.
- b. City. The City represents that all public notices, hearings, and approvals required for the execution of this Agreement have been completed, and that the officials executing this Agreement are duly authorized to do so.

19. DEFAULT; REMEDIES

- a. Default. A Party is in default if it fails to perform a material obligation and does not cure within thirty (30) days after written notice (or, if the cure reasonably requires more time, fails to commence and diligently pursue cure within that period).
- b. Remedies. Upon an uncured default, the non-defaulting Party may pursue specific performance or other equitable relief and, except as limited by Section 13 and Section 18, its remedies at law. The City's remedy with respect to a failure to timely commence construction is limited to the reverter under Section 13.
- c. No Consequential Damages; No Personal Liability. No Party shall be liable for consequential, punitive, or special damages. No elected or appointed official, officer, employee, member, manager, or agent of any Party shall have any personal liability under this Agreement.

20. TERM AND TERMINATION

- a. Term. This Agreement is effective on the Effective Date and continues until the Parties' obligations are fully performed; provided that the Revenue Share and the transfer-protection provisions survive for so long as each SPV owns or operates its portion of the Project.
- b. Developer Withdrawal Before Construction; Completion After. At any time before Commencement of Construction, the Developer may withdraw from and terminate this Agreement, in whole or as to any one or more parcels or SPVs, for any reason or for no reason, in its sole and absolute discretion, upon written notice to the City. Upon such withdrawal: (i) neither the Developer nor any SPV shall have any further obligation or liability under this Agreement with respect to the withdrawn Project, parcel, or SPV, other than obligations that expressly survive termination; (ii) any parcel not yet conveyed shall not be conveyed, and any parcel already conveyed shall, at the City's election, revert to the City in accordance with Sections 5(b) and 13; and (iii) the City shall retain the land free of further obligation of the Developer as to the withdrawn parcel. From and after Commencement of Construction with respect to a parcel, absent a written agreement to the contrary, the Developer's right to withdraw under this Section as to that parcel shall terminate, and the Developer (or the applicable SPV) shall thereafter be obligated to complete the improvements on that parcel with reasonable diligence, subject to customary completion obligations, Force Majeure, and the other terms of this Agreement.

21. PUBLIC PURPOSE; RESERVED POWERS; APPROPRIATION

- a. Public Purpose. The Parties acknowledge and agree that the undertakings of the City serve valid public purposes and are supported by adequate consideration, including the Revenue

Share, the reverter, increased tax base, and economic development benefits, consistent with the Utah Constitution and applicable law.

- b. Reserved Legislative and Police Powers. Nothing in this Agreement limits or commits the future exercise of the City's legislative or police powers, including land use, zoning, and permitting authority, except as expressly and lawfully provided in a development agreement under Utah Code Title 10, Chapter 20.
- c. Appropriation. The City's payment obligations under Sections 7, 9, and 10 are payable solely from the Available Sources and are subject to annual budgeting and appropriation as required by law; such obligations do not constitute a general obligation or debt of the City within the meaning of any constitutional or statutory debt limitation.

22. GENERAL PROVISIONS

- a. Notices. Notices shall be in writing and delivered by hand, nationally recognized overnight courier, or email with confirmation, to the addresses set forth on the signature pages.
- b. Assignment. The Developer may assign this Agreement and its rights to an affiliate or to an SPV and otherwise subject only to Section 14(b). The City may not assign without the Developer's consent.
- c. Amendment; Waiver. This Agreement may be amended only by a writing signed by all Parties. No waiver is effective unless in writing.
- d. Entire Agreement. This Agreement, together with its Exhibits, is the entire agreement of the Parties and supersedes any and all prior negotiations and understandings.
- e. No Third-Party Beneficiaries. There are no third-party beneficiaries of this Agreement, except that each SPV, once formed, shall be entitled to enforce the City's obligations that run to it.
- f. Force Majeure. No Party is liable for delay or failure to perform (other than payment obligations then due) caused by events beyond its reasonable control, including acts of God, severe weather, labor disputes, supply shortages, litigation, and governmental delay.
- g. Governing Law; Venue. This Agreement is governed by Utah law. Venue lies exclusively in the state district court for Utah County, Utah.
- h. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts and by electronic signature, each of which is an original and all of which together constitute one instrument.
- i. Severability. If any provision is held invalid, illegal, or unenforceable, it shall be reformed and modified to the minimum extent necessary to make it valid and enforceable consistent with the Parties' original intent, and if it cannot be so reformed, it shall be severed; in either case the remainder of this Agreement remains in effect, and the Parties shall negotiate in good faith a valid provision that most nearly effects the original intent.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CITY OF PROVO, UTAH

By: _____

Name / Title: _____

REDEVELOPMENT AGENCY OF PROVO CITY

By: _____

Name / Title: _____

Philo Venture Management, LLC

By: _____

Name / Title: _____

EXHIBITS

Exhibit A — Legal Description of the Property

Exhibit B — Project Description and Conceptual Site Plan

Exhibit C — Required SPV Terms

Exhibit D — Qualifying Costs

Exhibit E — Form of Special Warranty Deed with Reverter

Page 15 of 21 -- Provo Development Agreement — DRAFT for discussion

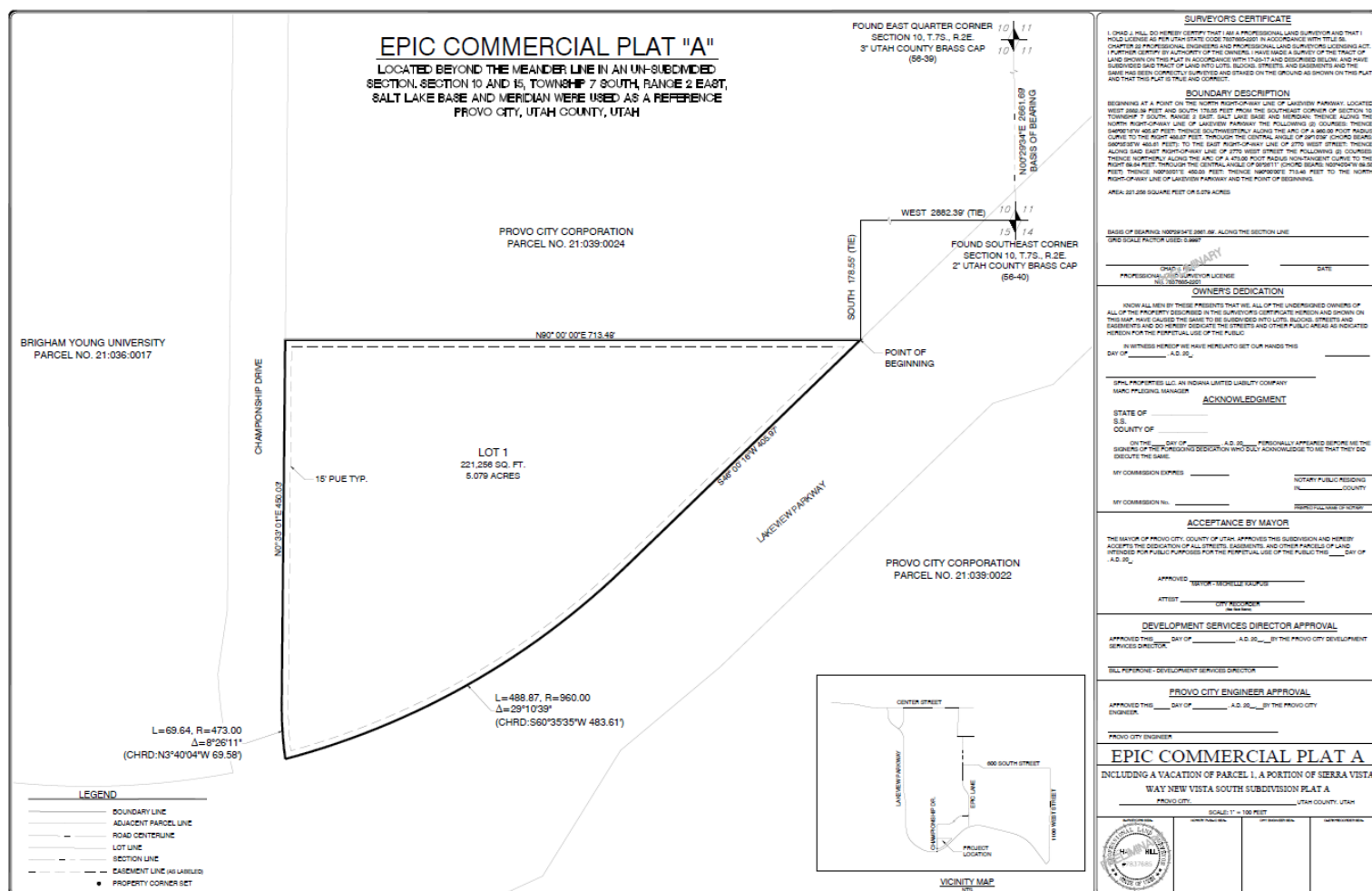


Exhibit B— Project Description and Conceptual Site Plan

Project Description:

Lakeview Crossing is a proposed mixed-use project (the “Project”) to be developed by Philo Development Group, LLC or its assignee (the “Developer”), in cooperation with the City of Provo (the “City”); it is located adjacent to the Provo Airport and Epic Sports Park. Selected through the City's RFP process, the Project comprises the following:

- a. 137-key limited-service hotel targeting a major national flag;
- b. two retail buildings totaling approximately 15,500 SF with eight spaces for fast-casual restaurant and retail tenants on triple-net leases; and
- c. a 4,000 SF convenience store/gas station with six pumps on a ground lease.

Under this structure, the City would contribute the land to the Project in exchange for an ongoing 2.5% share of hotel gross receipts and retail/C-store lease revenue, subject to a five-year guarantee and an optional buyout thereafter. The Developer would handle all the development, project management, and operations across three asset-level SPVs. The Project is structured to deliver a growing long-term fiscal benefit to the City over a 20-year horizon and beyond.

Conceptual Site Plan



Exhibit C— Required SPV Terms (Class B / Revenue Share; Non-voting; Transfer Protection; Audit Rights)

The organizational documents of each SPV shall contain the following terms, which the Developer shall cause to be adopted upon formation of the SPV. Capitalized terms used but not defined in this Exhibit C have the meanings given in the Agreement.

1. Class B Interests. The SPV shall issue to the City non-voting Class B membership interests (the "Class B Interests") in consideration of the City's contribution of the applicable portion of the Property. The Class B Interests shall carry only (a) the Revenue Share, (b) the transfer-protection rights, (c) the reporting and audit rights, and (d) the liquidation priority, and shall carry no other economic or governance rights.

2. Non-Voting. The Class B Interests shall be non-voting and shall be disregarded in determining any quorum, vote, consent, or approval of the members or managers of the SPV. The City, in its capacity as holder of the Class B Interests, shall have no right to participate in, direct, or approve the management, operation, financing, leasing, or disposition of the SPV or the Project.

3. Revenue Share as Guaranteed Payment. The SPV shall pay the City a Revenue Share equal to 2.5% of the SPV's Gross Revenue. The Parties intend the Revenue Share to constitute a guaranteed payment for the use of capital within the meaning of Section 707(c) of the Internal Revenue Code, determined without regard to the income of the SPV, and shall report it as such for all income tax purposes and not as a distributive share of SPV income or as a distribution. The Revenue Share shall be payable whether or not the SPV has net income or available cash, shall be paid in priority to any distribution to the holders of other membership interests, not less frequently than annually within forty-five (45) days after the end of each calendar year, commencing with the first full year after the SPV begins generating Gross Revenue, and shall accrue and remain payable to the extent not paid when due. The Revenue Share shall be measured as follows: (a) Hotel SPV — 2.5% of gross hotel receipts; and (b) Retail SPV and Convenience Store SPV — 2.5% of base rent and/or building/ground lease proceeds.

4. Tax Treatment; Capitalization; No Allocations to City. The SPV shall deduct the Revenue Share as a guaranteed payment under Section 707(c) to the extent allowable; provided that any portion required to be capitalized under Section 263A of the Code, including amounts allocable to the development and construction of the Project before it is placed in service, shall be capitalized into the basis of the Project and recovered through depreciation or amortization, and shall be deductible currently only after the applicable portion of the Project is placed in service. The City shall not be allocated any item of SPV income, gain, loss, deduction, or credit on account of the Class B Interests, shall have no capital account attributable to the Revenue Share, shall have no obligation to contribute capital to the SPV, and shall have no liability for the debts or obligations of the SPV.

5. Reporting and Audit Rights. The SPV shall deliver to the City, within forty-five (45) days after the end of each calendar quarter, a statement of Gross Revenue for the quarter and the corresponding calculation of the Revenue Share. The SPV shall maintain books and records supporting the calculation of Gross Revenue for not less than three (3) years. Not more than once per calendar year, upon not less than twenty (20) business days' prior written notice, the City (or an independent accountant engaged by the City and reasonably acceptable to the SPV) may, during normal business hours and in a manner that does not unreasonably interfere with the SPV's operations, audit those books and records solely to verify the Revenue Share. Each audit shall be at the City's expense; provided that if the audit reveals an underpayment of the Revenue Share for the audited period exceeding five percent (5%), the SPV shall

pay the reasonable cost of that audit together with the underpaid amount and interest at six percent (6%) per annum. Any information disclosed in connection with reporting or an audit shall be treated as confidential and used solely to verify the Revenue Share. Each quarterly and annual statement shall be conclusive and binding on the City unless the City delivers a written objection, and commences an audit, within twelve (12) months after delivery of the statement.

6. Transfer Protection. No transfer of the SPV, or of all or substantially all of the SPV's assets, shall be made unless the transferee assumes in writing, for the City's benefit, the obligation to continue paying the Revenue Share and to perform the Class B Interest terms on the same terms set forth in these Required SPV Terms. Transfers of ordinary-course leases and Project financing (including construction and permanent loans and related collateral assignments) do not require such assumption. For the avoidance of doubt, the grant, foreclosure, or enforcement of any Mortgage, and any transfer to or by a Mortgagee, shall not require assumption under this Section. Any transfer made in violation of this Section shall be void.

7. Five-Year Guarantee. During the period beginning on the date the SPV first commences operations and ending on the fifth (5th) anniversary thereof (the "Guarantee Period"), the Revenue Share shall be paid at the full rate of 2.5% of Gross Revenue, and the City's right to the Revenue Share shall not be reduced, redeemed, bought out, or otherwise impaired by any sale, transfer, financing, or other disposition of the SPV or the Project. Any transferee during the Guarantee Period takes subject to the Revenue Share.

8. Optional Premium Redemption. At any time after expiration of the Guarantee Period, the City and the SPV may, by mutual written agreement, redeem and extinguish the City's Class B Interests and the Revenue Share in full for the Redemption Price. The "Redemption Price" means the Revenue Share paid or accrued in respect of the trailing twelve (12) full calendar months preceding the redemption (the "Trailing Revenue Share"), divided by the Applicable Cap Rate, multiplied by 120%. The "Applicable Cap Rate" means the going-in capitalization rate implied by an arm's-length sale of the Project (or the SPV) to an unaffiliated third party consummated in connection with, and within twelve (12) months of, the redemption (a "Third-Party Sale"); absent a Third-Party Sale, no redemption may occur. Neither the City nor the SPV may require or compel a redemption absent such mutual written agreement. Any redemption shall be effected by the SPV as a redemption of the City's interest (and not as a purchase by the Developer or any other member), and the Parties shall report the payment, to the extent attributable to the City's right to the Revenue Share, as a payment described in Section 736(a) of the Code.

9. Liquidation. Upon liquidation of the SPV, the City shall be entitled to any accrued and unpaid Revenue Share in priority to the return of capital to, or any residual distribution among, the other members, and shall not otherwise participate in liquidation proceeds.

Exhibit D— Qualifying Costs

(site preparation; wetlands/flood; utilities; hospitality infrastructure; retail support/USTs; public assets; soft costs)

Qualifying costs include but are not limited to the following (and any other costs reasonably necessary for the Project and approved by the City, such approval not to be unreasonably withheld), in each case if and when necessary:

- **Site Preparation.**
 - Mass grading and structural fill to elevate buildings above the high water table
 - Dewatering and soil stabilization
- **Wetlands/Flood.**
 - Flood mitigation systems and any required wetlands remediation/bank credits
 - Lift stations and retention areas
- **Utilities.**
 - Off-site storm and sewer line extensions and connection fees
 - EV charging stations
- **Hospitality Needs.**
 - Hotel infrastructure, including dedicated turning lanes and shuttle drop-off zones.
- **Retail Support.**
 - C-Store Underground Storage Tanks (USTs)
 - Environmental safety containment.
- **Public Assets.**
 - Roads
 - Landscaping
 - Streetlights
 - Paths
- **Soft Costs.**
 - Engineering and architectural related to any of the above

Exhibit E— Form of Special Warranty Deed with Reverter

FORM OF SPECIAL WARRANTY DEED (STATUTORY) WITH RESERVED RIGHT OF REVERTER

When recorded, return to: ☐ *Mail tax notices to:* [Grantee name and address] *Tax Parcel/Serial No.:* ☐

(Space above for Recorder's use)

SPECIAL WARRANTY DEED

City of Provo, Utah, a municipal corporation of the State of Utah, "**Grantor**," of [____], hereby **CONVEYS AND WARRANTS** against all who claim by, through, or under it to [____], **LLC, a Utah limited liability company, "Grantee,"** of ☐, for the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the following described tract of land in **Utah County**, State of Utah:

[Legal description — see Schedule 1, incorporated by reference.]

This conveyance is made **SUBJECT TO** general property taxes for the current year not yet due and payable; patent reservations and exclusions; all easements, covenants, conditions, restrictions, reservations, and rights-of-way of record [and the matters on Schedule 2]; and **subject to the reserved right of reverter set forth below.**

Reserved Right of Reverter.

1. **Reservation.** Grantor reserves a right of reverter (including a possibility of reverter, right of entry, and power of termination, collectively the "**Reversionary Interest**") that arises only if Grantee fails to achieve Commencement of Construction with respect to the Property by the Outside Date, as those terms are defined in and determined under Section 13 of that certain Development Agreement dated [____], 2026, among Grantor, the Redevelopment Agency of Provo City, and [Developer] (the "**Development Agreement**"), and subject in all respects to the notice, cure, tolling, and other conditions and limitations of Section 13. Upon Commencement of Construction with respect to the Property, the Reversionary Interest automatically and completely terminates, and Grantor shall, within fifteen (15) days, execute and record an instrument confirming the termination.
2. **Subordination; No Disturbance of Mortgagees.** The Reversionary Interest is and shall remain subject and subordinate to the lien and terms of each Mortgage (as defined in the Development Agreement) now or hereafter encumbering the Property, in accordance with Section 13. Upon a foreclosure of any Mortgage, delivery of a deed in lieu of foreclosure, or exercise of any remedy under a Mortgage, the Reversionary Interest automatically and completely terminates as to the Property, and the Mortgagee and any purchaser or grantee (and their successors and assigns) take title free and clear of the Reversionary Interest. Grantor shall, within fifteen (15) days after request, execute and deliver in recordable form the subordination, non-disturbance, consent, and estoppel instruments provided for in Section 13.

3. **Incorporation; Conflicts.** Section 13 of the Development Agreement is incorporated by reference. As between Grantor and Grantee, the Development Agreement controls in the event of conflict with this Deed; provided that this Deed is conclusive in favor of, and the Reversionary Interest shall not impair the interest of, any Mortgagee or any bona fide purchaser or encumbrancer for value relying on record title.

WITNESS the hand of Grantor as of [____], 20[____].

CITY OF PROVO, UTAH, a municipal corporation

By: _____ Name / Title: [_____]

STATE OF UTAH)) ss. COUNTY OF UTAH)

On [], 20[____], **before me personally appeared** [], who acknowledged to me that he/she is the [_____] of the City of Provo, Utah, and that the foregoing instrument was signed on behalf of the municipal corporation by authority of law (or its governing body).

Notary Public — My commission expires: [_____]

Schedule 1 — Legal Description [_____]

PROVO MUNICIPAL COUNCIL COUNCIL MEETING STAFF REPORT



Submitter: JAHILL
Presenter: Melissa McNalley, Redevelopment Agency Director
Department: Development Services
Meeting Date: 10/6/2026
Requested Duration (Minutes): 15 minutes
CityView or Issue File Number: 26-005

SUBJECT: 10 A resolution approving an interlocal agreement between the Redevelopment Agency of Provo City and Provo City regarding the Provo Lakeview Parkway Community Reinvestment Project Area (RDA Property Tax) (26-005)

ADMINISTRATIVE RECOMMENDATION: Consider adopting the Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area

ADMINISTRATIVE MEMO: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

The selection committee chose Philo as the preferred development group. Philo proposes building a 137-key hotel, roughly 15,500 square feet of retail space, a gas station, and a convenient store on the site. Staff and Philo presented the proposed development and discussed potential terms with Council in a work session on 6/9/2026. Staff have since worked with Philo on a participation agreement which includes support from tax increment participated from the City to the Agency via an Interlocal Agreement (Exhibit A) and now bring the Agreement to Council for discussion and consideration.

FISCAL IMPACT: Pledge of property tax increment estimated to be just under \$1,000,000 spread evenly over 19 years.

COUNCIL STAFF MEMO:

PROVO City Redevelopment Agency STAFF REPORT

Submitter: Cody Hill

Presenter: Melissa McNalley, Redevelopment Agency Director

Department: Development Services

Requested Meeting Date: October 6, 2026

Requested Duration (Minutes): 15

CityView or Issue File Number:

SUBJECT: Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area – Property Tax Increment

RECOMMENDATION: Consider adopting the Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area

BACKGROUND: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

The selection committee chose Philo as the preferred development group. Philo proposes building a 137-key hotel, roughly 15,500 square feet of retail space, a gas station, and a convenient store on the site. Staff and Philo presented the proposed development and discussed potential terms with Council in a work session on 6/9/2026. Staff have since worked with Philo on a participation agreement which includes support from tax increment participated from the City to the Agency via an Interlocal Agreement (Exhibit A) and now bring the Agreement to Council for discussion and consideration.

FISCAL IMPACT: Pledge of property tax increment estimated to be just under \$1,000,000 spread evenly over 19 years.

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:
Support economic retail growth and mitigate sales tax leakage.

Exhibit A:

**INTERLOCAL AGREEMENT FOR
THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA**

Exhibit B:

Resolution to Adopt

INTERLOCAL AGREEMENT FOR

THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA

1 RESOLUTION <<Document Number>>

2
3 A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT BETWEEN
4 THE REDEVELOPMENT AGENCY OF PROVO CITY AND PROVO CITY
5 REGARDING THE PROVO LAKEVIEW PARKWAY COMMUNITY
6 REINVESTMENT PROJECT AREA (RDA PROPERTY TAX) (26-005)
7

8 RECITALS:
9

10 Pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah
11 Code Annotated 1953, as amended (the “**Act**”), public agencies, including political subdivisions
12 of the State of Utah as therein defined, are authorized to enter into mutually advantageous
13 agreements for joint and cooperative actions, including the sharing of tax and other revenues;
14

15 The Redevelopment Agency of Provo City (the “**Agency**”) and Provo City (the “**City**”)
16 are “public agencies” for purposes of the Act;
17

18 The Agency adopted a Project Area Plan and a Project Area Budget for the Lakeview
19 Parkway Community Reinvestment Project Area (the “**Project Area**”);
20

21 After careful analysis and consideration of relevant information, the Agency desires to
22 enter into an interlocal cooperation agreement with the City (the “**Interlocal Agreement**”)
23 whereby the City consents to the Agency receiving for an extended period of time a portion of
24 the property tax increment produced by the City’s levy on real and personal property within a
25 certain portion of the Project Area;
26

27 Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by
28 resolution of the legislative body of a public agency;
29

30 It is proposed that the Agency Board approve the Interlocal Agreement attached hereto as
31 EXHIBIT A;
32

33 On October 6, 2026, the Redevelopment Agency Board met to consider the facts
34 regarding this matter and receive public comment, which facts and comments are found in the
35 public record of the Agency Board’s consideration; and
36

37 After considering the facts presented to the Agency Board, the Agency Board finds that
38 (i) the proposed Interlocal Agreement should be approved as described herein, and (ii) such
39 action furthers the health, safety, and general welfare of the citizens of Provo City.
40

41 THEREFORE, the Agency Board resolves as follows:

42
43 PART I:

44
45 The Interlocal Agreement attached as EXHIBIT A is approved and the Agency Executive
46 Director is authorized to execute the Interlocal Agreement.

47
48 PART II:

49
50 This resolution takes effect immediately.

INTERLOCAL AGREEMENT FOR THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA

THIS INTERLOCAL AGREEMENT is entered into as of this ____ day of _____ 2026, by and between the **REDEVELOPMENT AGENCY OF PROVO CITY**, a political subdivision of the State of Utah (the “**Agency**”), and **PROVO CITY**, a political subdivision of the State of Utah (the “**Taxing Entity**”). The Agency and the Taxing Entity may be referred to individually as a “**Party**” and collectively as the “**Parties**”.

A. WHEREAS the Agency was created pursuant to the provisions of Utah redevelopment law, and continues to operate under the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C of the Utah Code (the “**Act**”), and is authorized thereunder to conduct project area development activities within its boundaries, as contemplated by the Act; and

B. WHEREAS the Agency created the Lakeview Parkway Community Reinvestment Project Area (the “**Project Area**”) and adopted a project area plan for the Project Area on February 10, 2026 (the “**Project Area Plan**”), which is incorporated herein by this reference, and which includes the legal description and map of the Project Area, pursuant to which the Agency desires to provide for redevelopment within the Project Area; and

C. WHEREAS, the Project is to be located in a portion of the Project Area as shown on **Exhibit A**, attached hereto (the “**Site**”); and

D. WHEREAS the Taxing Entity and the Agency have determined that it is in the best interests of the Taxing Entity to provide certain financial assistance through the use of Tax Increment (as defined below) and other funds in connection with the development of the Project Area as set forth in the Project Area Plan and as allowed by the Act; and

E. WHEREAS the Agency anticipates using tax increment (as defined in Utah Code Annotated (“UCA”) § 17C-1-102(60) (hereinafter “**Tax Increment**”)), created by development within the Project Area, to assist in the project area development within the Project Area as provided in the Project Area Plan; and

F. WHEREAS the Act authorizes the Taxing Entity to consent to the payment to the Agency of amounts equal to all or a portion of the Tax Increment generated from the Project Area for the purposes set forth therein; and

G. WHEREAS in order to facilitate development of the Project, the Taxing Entity desires to pay to the Agency a portion of the Tax Increment generated by development within the Site attributable to the Taxing Entity’s tax levy on taxable property within the Project Area in accordance with the terms of this Agreement; and

H. WHEREAS UCA § 11-13-215 further authorizes the Taxing Entity to share its tax and other revenues with the Agency; and

I. WHEREAS the provisions of applicable Utah State law shall govern this Agreement, including the Act and the Interlocal Cooperation Act, Title 11 Chapter 13 of the UCA, as amended (the “**Cooperation Act**”).

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Tax Increment.

a. Pursuant to the Act and Section 11-13-215 of the Cooperation Act, the Taxing Entity hereby agrees and consents that the Agency shall be paid an amount equal to one hundred percent (100%) of the Taxing Entity’s portion of the Property Tax Increment generated within the Site (the “**Agency Share**”) for nineteen (19) years, for tax years 2027 through 2045 inclusive (the “**Project Area Funds Collection Period**”). The Agency Share shall be used for the purposes set forth in the Act and in the Project Area Plan and shall be disbursed as specified herein. The calculation of annual Property Tax Increment shall be made using (a) the Taxing Entity’s property tax levy rate during the year for which Tax Increment is to be paid and (b) the base year value for purposes of calculating Property Tax Increment generated within the Site shall be \$4,360,000.00.

b. The Taxing Entity hereby authorizes and directs Utah County officials and personnel to pay directly to the Agency all amounts due to the Agency under this Agreement for the periods described herein.

c. The Agency Share shall be paid to the Agency no later than April 1st of the year following the tax year for which the Agency Share is to be paid.

d. The Agency Share may be paid to the Agency from any funding source available to the Taxing Entity.

e. The total cumulative amount of Agency Share paid to the Agency under this Agreement shall not exceed \$3,000,000 (the “**Maximum Amount**”).

f. The Agency Share shall not include any portion of the Tax Increment generated by the Taxing Entity’s tax levy that is attributable to an increase in the Taxing Entity’s tax rate pursuant to Utah Code § 59-2-919 and applicable hearing procedures that occurs after the effective date of this Agreement.

g. The Agency Share does not include any funds generated by development outside of the Site.

h. All Tax Increment generated by the Taxing Entity’s tax levy in excess of the Maximum Amount or for periods beyond the end of the Project Area Funds Collection Period shall be paid by Utah County directly to the Taxing Entity.

2. **Authorized Uses of Tax Increment and Incentive.** The Parties agree that the Agency may apply the funds collected hereunder to encourage the development of the Project Area as deemed appropriate by the Agency and contemplated in the Project Area Plan, including but not limited to the cost and maintenance of public infrastructure and other improvements located within or benefitting the Project Area, incentives to developers or participants within the project area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act.

3. **No Third-Party Beneficiary.** Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the parties to this Agreement, no person or entity is an intended third-party beneficiary under this Agreement.

4. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant facts upon which this Agreement is based, including representations of the Agency concerning the Project and the Project's benefits to the community and to the Parties, and each Party relies upon its own understanding of the relevant law and facts, information, and representations, after having completed its own due diligence and investigation.

5. **Consent to Project Area Budget.** As required by UCA § 17C-5-304, the Taxing Entity consents to the Project Area Budget adopted by the Agency for the Project Area.

6. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act.

b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Cooperation Act.

c. Once executed, a copy of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act.

d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act.

e. Following the execution of this Agreement by all Parties, the Agency shall cause a notice regarding this Agreement to be published on behalf of all Parties in accordance with Section 11-13-219 of the Cooperation Act, upon which this Agreement shall become effective.

f. No separate legal entity is created by the terms of this Agreement and no facility, improvement, or other asset shall be jointly owned, jointly acquired, or jointly operated by the Parties to this Agreement.

g. The term of this Agreement shall commence on the publication of the notice described in Section 11-13-219 of the Cooperation Act and shall continue through the date that is 180 days after the date on which all of the final payment as contemplated herein has been paid to the Agency. Notwithstanding any provision in this Agreement to the contrary, this Agreement shall automatically terminate on December 31, 2050.

h. Notwithstanding any provision in this Agreement to the contrary, the total cumulative amount of the Agency Share paid to the Agency shall not exceed the Maximum Amount.

7. **Modification and Amendment.** Any modification of or amendment to any provision contained herein shall be effective only if the modification or amendment is in writing and signed by all Parties. Any oral representation or modification concerning this Agreement shall be of no force or effect.

8. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the others, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement. Further, in the event of any question regarding the calculation or payment of amounts contemplated hereunder, the Parties shall cooperate in good faith to resolve such issue.

9. **Due Diligence.** Each Party acknowledges for itself that it has performed its own review, investigation, and due diligence as to this Agreement, the Project Area, the Project Area Plan, and the expected benefits to the Parties and that each of the Parties has performed such investigation to its satisfaction and relies on its own understanding of the relevant facts and information.

10. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and the final, complete, and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations, and understandings, whether oral or written and whether express or implied, of the Parties hereto are hereby superseded and merged herein.

11. **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Utah.

12. **Interpretation.** The terms “include,” “includes,” “including” when used herein shall be deemed in each case to be followed by the words “without limitation.”

13. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

- a. such holding or action shall be strictly construed;
- b. such provision shall be fully severable;
- c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;
- d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and
- e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties' intent in entering into this Agreement.

14. **Assignment.** No Party may assign any rights, duties, or obligations under this Agreement without the prior written consent of all Parties hereto.

15. **Authorization.** Each of the Parties hereto represents and warrants to the others that the warranting Party has taken all steps, including the publication of public notice where necessary, in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

16. **Time of the Essence.** Time shall be of the essence in the performance of this Agreement.

17. **Incorporation of Recitals.** The recitals set forth above are hereby incorporated by reference as part of this Agreement.

18. **Incorporation of Exhibits.** The exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

19. **Prior Agreements.** The execution of this Agreement shall be deemed to constitute the termination of any and all prior agreements between the Agency and the Taxing Entity relating to tax increment generated within any portion of the Project Area. All such prior agreements and understandings are hereby terminated and deemed of no further force or effect.

20. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

ENTERED into as of the day and year first above written.

[Remainder of page intentionally left blank; signature pages follow]

**REDEVELOPMENT AGENCY OF PROVO
CITY**

Craig Christensen, Board Chair

ATTEST:

Heidi Allman, Secretary

Attorney Review for the Agency:

The undersigned, as counsel for the Redevelopment Agency of Provo City, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Adam S. Long

[signatures continue on next page]

PROVO CITY

By: _____
Marsha Judkins, Mayor

ATTEST:

Heidi Allman, City Recorder

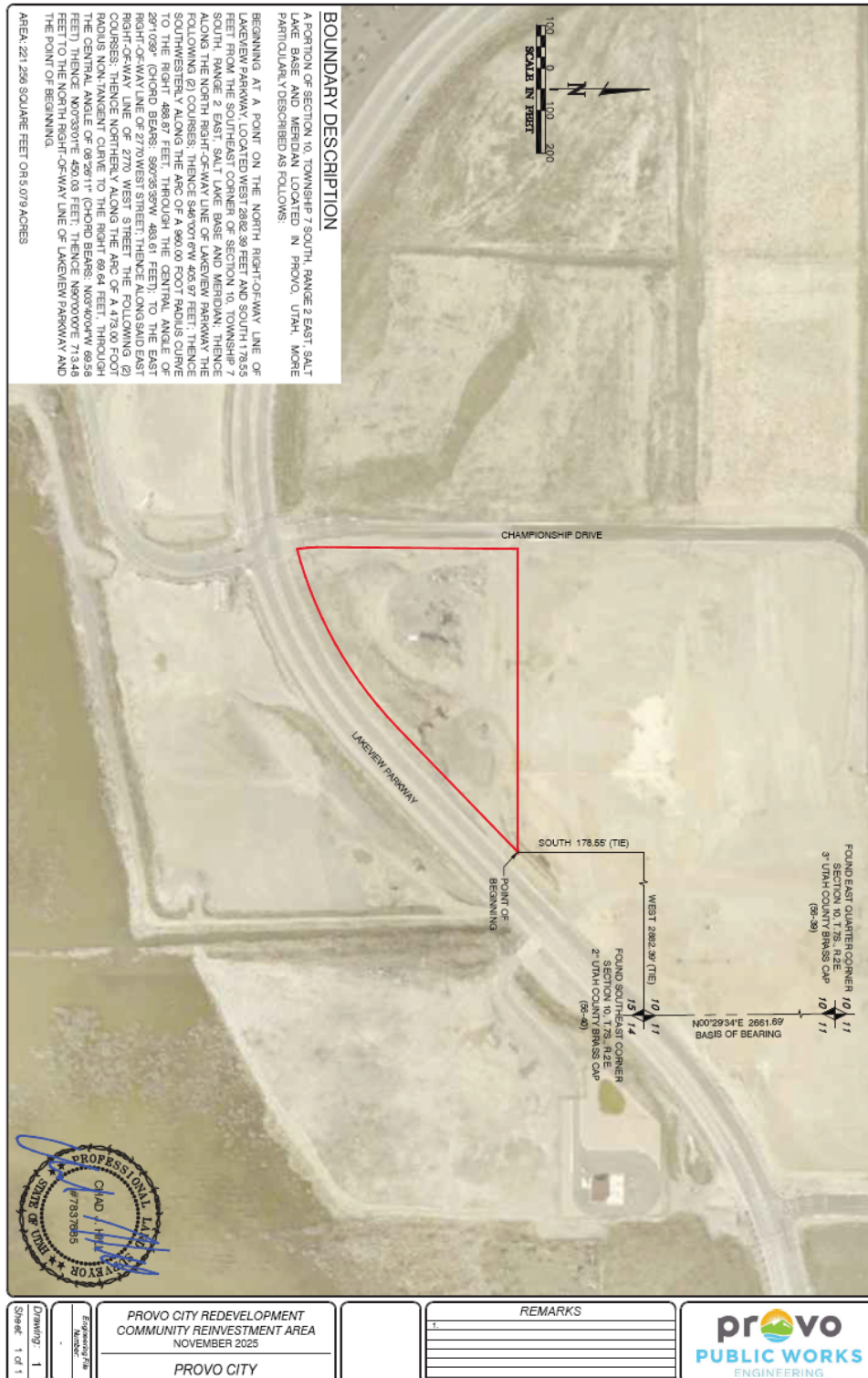
Attorney Review for the Taxing Entity:

The undersigned, as attorney for Provo City has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Name:

Site Description and Map

The Site consists of the southernmost 5 acres in Parcel No. 21:039:0024, as shown and described below.



PROVO MUNICIPAL COUNCIL COUNCIL MEETING STAFF REPORT



Submitter: JAHILL
Presenter: Melissa McNalley, Redevelopment Agency Director
Department: Development Services
Meeting Date: 10/6/2026
Requested Duration (Minutes): 15 minutes
CityView or Issue File Number: 26-005

SUBJECT: 11 A resolution approving an interlocal agreement between the Redevelopment Agency of Provo City and Provo City regarding the Provo Lakeview Parkway Community Reinvestment Project Area (RDA Sales Tax) (26-005)

ADMINISTRATIVE RECOMMENDATION: Consider adopting the Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area

ADMINISTRATIVE MEMO: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

The selection committee chose Philo as the preferred development group. Philo proposes building a 137-key hotel, roughly 15,500 square feet of retail space, a gas station, and a convenient store on the site. Staff and Philo presented the proposed development and discussed potential terms with Council in a work session on 6/9/2026. Staff have since worked with Philo on a participation agreement which includes support from tax increment participated from the City to the Agency via an Interlocal Agreement (Exhibit A) and now bring the Agreement to Council for discussion and consideration.

FISCAL IMPACT: Pledge of sales tax increment and municipal transient room tax increment estimated to be about \$350,000 spread over 10 years.

COUNCIL STAFF MEMO:

PROVO City Redevelopment Agency STAFF REPORT

Submitter: Cody Hill

Presenter: Melissa McNalley, Redevelopment Agency Director

Department: Development Services

Requested Meeting Date: October 6, 2026

Requested Duration (Minutes): 15

CityView or Issue File Number:

SUBJECT: Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area – Sales & Municipal Transient Room Tax Increment

RECOMMENDATION: Consider adopting the Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area

BACKGROUND: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

The selection committee chose Philo as the preferred development group. Philo proposes building a 137-key hotel, roughly 15,500 square feet of retail space, a gas station, and a convenient store on the site. Staff and Philo presented the proposed development and discussed potential terms with Council in a work session on 6/9/2026. Staff have since worked with Philo on a participation agreement which includes support from tax increment participated from the City to the Agency via an Interlocal Agreement (Exhibit A) and now bring the Agreement to Council for discussion and consideration.

FISCAL IMPACT: Pledge of sales tax increment and municipal transient room tax increment estimated to be about \$350,000 spread over 10 years.

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:
Support economic retail growth and mitigate sales tax leakage.

Exhibit A:

**INTERLOCAL AGREEMENT FOR
THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA**

Exhibit B:

Resolution to Adopt

INTERLOCAL AGREEMENT FOR

THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA

1 RESOLUTION <<Document Number>>

2
3 A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT BETWEEN
4 THE REDEVELOPMENT AGENCY OF PROVO CITY AND PROVO CITY
5 REGARDING THE PROVO LAKEVIEW PARKWAY COMMUNITY
6 REINVESTMENT PROJECT AREA (RDA SALES TAX) (26-005)
7

8 RECITALS:
9

10 Pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah
11 Code Annotated 1953, as amended (the “**Act**”), public agencies, including political subdivisions
12 of the State of Utah as therein defined, are authorized to enter into mutually advantageous
13 agreements for joint and cooperative actions, including the sharing of tax and other revenues;
14

15 The Redevelopment Agency of Provo City (the “**Agency**”) and Provo City (the “**City**”)
16 are “public agencies” for purposes of the Act;
17

18 The Agency adopted a Project Area Plan and a Project Area Budget for the Lakeview
19 Parkway Community Reinvestment Project Area (the “**Project Area**”);
20

21 After careful analysis and consideration of relevant information, the Agency desires to
22 enter into an interlocal cooperation agreement with the City (the “**Interlocal Agreement**”)
23 whereby the City consents to the Agency receiving for an extended period of time a portion of
24 the sales tax and municipal transient room tax increment produced by the City’s levy on
25 qualifying sales and short-term rentals within a certain portion of the Project Area;
26

27 Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by
28 resolution of the legislative body of a public agency;
29

30 It is proposed that the Agency enter into the Interlocal Agreement attached hereto as
31 EXHIBIT A;
32

33 On October 6, 2026, the Redevelopment Agency Board met to consider the facts
34 regarding this matter and receive public comment, which facts and comments are found in the
35 public record of the Agency Board’s consideration; and
36

37 After considering the facts presented to the Agency Board, the Agency Board finds that
38 (i) the proposed Interlocal Agreement should be approved as described herein, and (ii) such
39 action furthers the health, safety, and general welfare of the citizens of Provo City.
40

41 THEREFORE, the Agency Board resolves as follows:

42
43 PART I:

44
45 The Interlocal Agreement attached as EXHIBIT A is approved and the Agency Executive
46 Director is authorized to execute the Participation Agreement.

47
48 PART II:

49
50 This resolution takes effect immediately.

**SALES TAX and TRT INTERLOCAL AGREEMENT by and between the
REDEVELOPMENT AGENCY OF PROVO CITY and PROVO CITY**

THIS INTERLOCAL AGREEMENT is entered into as of this ____ day of _____, 2026, by and between the **REDEVELOPMENT AGENCY OF PROVO CITY**, a political subdivision of the State of Utah (the “**Agency**”) and **PROVO CITY, UTAH**, a political subdivision of the State of Utah (the “**City**”; the Agency and the City may also be individually referred to as “**Party**” and collectively as “**Parties**”).

A. WHEREAS the City created the Agency pursuant to the provisions of Utah redevelopment law, and the Agency continues to operate under the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C of the Utah Code (the “**Act**”), and is authorized thereunder to conduct project area development activities within the City, as contemplated by the Act; and

B. WHEREAS the Agency created the Lakeview Parkway Community Reinvestment Project Area (the “**Project Area**”) and adopted a community reinvestment project area plan for the Project Area (the “**Project Area Plan**”) on February 10, 2026, which is incorporated herein by this reference, which includes the legal description and a map of the Project Area, pursuant to which the Agency desires to provide for redevelopment within the Project Area; and

A. WHEREAS the City and the Agency have determined that it is in the best interests of the City to provide certain financial assistance through the use of POST and TRT (as defined below) in connection with the development of the Project Area as set forth in the Project Area Plan; and

C. WHEREAS the City receives sales tax and transient room tax revenue from sales occurring within its borders and the City and the Agency have determined that it is in the best interests of the residents of the City to provide certain financial assistance through the use of a portion of those local taxes in connection with the development of the Project Area as set forth in the Project Area Plan; and

D. WHEREAS the City and the Agency have identified the portion of the Project Area that is likely to generate significant sales and use tax revenues, as described on **Exhibit A** (the “**Site**”);

E. WHEREAS the Agency anticipates providing an amount equal to a portion of the sales tax revenue and transient room tax revenue generated by sales occurring within the Site to assist in the development as contemplated by Project Area Plan; and

F. WHEREAS Utah Code Ann (“UCA”) § 11-13-215 authorizes the City to share its tax and other revenues with the Agency; and

G. WHEREAS in order to facilitate development of the Project, the City desires to pay to the Agency a portion of the City's sales tax revenue generated within the Site in accordance with the terms of this Agreement; and

H. WHEREAS the provisions of applicable Utah state law shall govern this Agreement, including the Act and the Interlocal Cooperation Act, Title 11 Chapter 13 of the UCA, as amended (the "**Cooperation Act**").

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Point of Sale Tax. Sales occurring within the boundaries of the City are currently subject to a one percent (1%) sales tax (the "**Local Sales Tax**") per Title 59, Chapter 12, Part 2 of the UCA, the Local Sales and Use Tax Act, and more particularly per UCA § 59-12-204. The City retains fifty percent (50%) of that one-percent tax as set forth in UCA § 59-12-205(2)(a) based on the transaction occurring within the boundaries of the City (the "**Point-of-sale Tax**" or "**POST**").

2. Transient Room Tax. Amounts paid for temporary lodging within the boundaries of the City are subject to a municipal transient room tax at a rate of one percent (1.5%) imposed by the City per UCA § 59-12-352 (the "**TRT**"). The TRT is separate from state or county imposed transient room taxes.

3. City's Consent. Pursuant to Section 17C-5-204 of the Act and Section 11-13-215 of the Cooperation Act, the City hereby agrees and consents that the Agency shall be paid an amount equal to (i) thirty percent (30%) of the POST generated by sales within the Project Area and (ii) thirty percent (30%) of the TRT generated by payments for temporary lodging within the Project Area (together, the amounts received by the Agency as described in this paragraph are the "**Agency Share**") for ten (10) years, for tax years 2027 through 2036, inclusive. In no event will the Agency Share in any year exceed the actual sum of all amounts received by the City for POST and TRT generated within the Project Area for that same year. The Agency Share shall be used to facilitate development within the Project Area, including for those purposes described in the Project Area Plan and as allowed by the Act.

a. The amount of POST and TRT revenues used to calculate the Agency Share shall be only those revenues generated within the Site. This amount shall not include retail transactions within the Lakeview Parkway Community Reinvestment Area at other sites, if any.

b. The Agency Share and any other amounts due to the Agency under this Agreement may be paid to the Agency from any funding source available to the City.

c. Notwithstanding any provisions in this Agreement, the amounts due to the Agency under this Agreement shall be subordinate to the City's obligations under current or future sales tax revenue bonds.

d. If changes are made to Utah laws during the term of this Agreement that affect the amount of or calculation of the Agency Share, the Agency Share shall be defined as that POST and TRT revenue that is retained by or distributed to the City on the basis of taxable transactions occurring within the boundaries of the City, whether that amount be more or less than the current amount

4. **Restrictions on Agency Share.** The payment of the Agency Share from the City to the Agency shall be subject to the following provisions:

a. **Time Limit.** The Agency Share described in Subheading 3 will begin to apply to POST and TRT generated revenue within the Site commencing on January 1, 2027 and continuing through December 31, 2036.

b. This Agreement shall automatically terminate if the contemplated commercial developments are not open for business on or before December 31, 2030.

c. **Timing of Payment.** The City shall pay the Agency Share to the Agency on at least an annual basis. Such payment shall be made within thirty (30) days after the City receives the final payment of the POST and TRT for the preceding calendar year.

d. **Maximum Amount.** The total cumulative amount of POST paid to the Agency under this Agreement shall not exceed \$150,000.00 and the amount of TRT paid to the Agency under this Agreement shall not exceed \$250,000.

5. **Property Tax Increment.** This Agreement shall not entitle the Agency to receive any portion of the incremental property revenues generated by development within the Project Area. This Agreement shall not be read to prohibit the Agency or the City from entering into other agreements for the sharing of property tax revenues from the Site or any other areas within the Project Area.

6. **Authorized Uses of Agency Share.** The Agency may apply the Agency Share as contemplated in the Project Area Plan, including but not limited to the cost and maintenance of public infrastructure and other improvements located within the Project Area, incentives to developers or participants within the project area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act. Up to ten percent (10%) of the Agency Share may be used by the Agency for the purposes described in UCA §17C-1-412.

7. **Consent to Project Area Budget.** As required by UCA § 17C-5-304, the City consents to the Project Area Budget adopted by the Agency for the Project Area.

8. **Use of Tax Increment and other Taxes.** Any property tax increment to be received by the Agency will be governed by separate interlocal agreement(s).

9. **No Third Party Beneficiary.** Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the parties to this Agreement, no person or entity is an intended third-party beneficiary under this Agreement.

10. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant law and facts upon which this Agreement is based, including representations of the Agency concerning the Project and the Project's benefits to the community and to the Parties, and each Party relies upon its own understanding of the relevant law and facts, information, and representations, after having completed its own due diligence and investigation.

11. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

a. This Agreement shall be authorized and adopted by resolution of the governing body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act;

b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Cooperation Act;

c. Once executed, a copy of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act;

d. The Secretary of the Agency is hereby designated the administrator for all purposes of the Cooperation Act, pursuant to Section 11-13-207 of the Cooperation Act;

e. The term of this Agreement shall commence on the publication of the notice required by Section 17C-5-205 of the Act and shall continue through the date on which all of the Agency Share has been paid to the Agency as provided herein. Notwithstanding any provision in this Agreement to the contrary, this Agreement shall automatically terminate on December 31, 2045.

f. No separate legal entity is created by the terms of this Agreement and no facility, improvement, or other asset shall be jointly owned, jointly acquired, or jointly operated by the Parties to this Agreement.

g. Following the execution of this Agreement by both Parties, the Parties shall cause a notice regarding this Agreement to be published in accordance with Section 11-13-219 of the Cooperation Act and Section 17C-5-205 of the Act.

12. **Modification and Amendment.** Any modification of or amendment to any provision contained herein shall be effective only if the modification or amendment is in writing and signed by both Parties. Any oral representation or modification concerning this Agreement shall be of no force or effect.

13. **Further Assurances and Cooperation.** Each of the Parties hereto agrees to cooperate in good faith with the other, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement. Further, in the event of any question regarding the calculation or payment of amounts contemplated hereunder, the Parties shall cooperate in good faith to resolve such issue.

14. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and the final, complete, and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations, and understandings, whether oral or written and whether express or implied, of the Parties hereto are hereby superseded and merged herein.

15. **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Utah.

16. **Interpretation.** The terms “include,” “includes,” “including” when used herein shall be deemed in each case to be followed by the words “without limitation.”

17. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

- a. such holding or action shall be strictly construed;
- b. such provision shall be fully severable;
- c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;
- d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and
- e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties’ intent in entering into this Agreement.

18. Assignment. No Party may assign any rights, duties, or obligations under this Agreement without the prior written consent of all Parties hereto.

19. Authorization. Each of the Parties hereto represents and warrants to the other that the warranting Party has taken all steps, including the publication of public notice where necessary, in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

20. Time of the Essence. Time shall be of the essence in the performance of this Agreement.

21. Incorporation of Recitals. The recitals set forth above are hereby incorporated by reference as part of this Agreement.

22. Incorporation of Exhibits. The exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

23. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original. Email transmission of pdf-format signatures shall be considered original signatures and pdf-format scans of original documents shall be treated as original documents.

ENTERED into as of the day and year first above written.

[remainder of page intentionally left blank; signature pages follow]

**REDEVELOPMENT AGENCY OF
PROVO CITY**

By: _____
Craig Christensen, Chair

ATTEST:

Heidi Allman, Secretary

Attorney Review of Interlocal Agreement:

The undersigned, an attorney licensed to practice in the State of Utah, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Adam S. Long

[signatures continue on next page.]

[additional signatures to Interlocal Agreement]

PROVO CITY

By: _____
Marsha Judkins, Mayor

ATTEST:

Heidi Allman, City Recorder

Attorney Review of Interlocal Agreement:

The undersigned, an attorney licensed to practice in the State of Utah, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Nicholas Muhlstein

EXHIBIT A

The "Site"

BOUNDARY DESCRIPTION:

A PORTION OF SECTION 10, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN LOCATED IN PROVO, UTAH, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH RIGHT-OF-WAY LINE OF LAKEVIEW PARKWAY, LOCATED WEST 2882.39 FEET AND SOUTH 178.55 FEET FROM THE SOUTHEAST CORNER OF SECTION 10, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN; THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF LAKEVIEW PARKWAY THE FOLLOWING (2) COURSES; THENCE S46°00'16"W 405.97 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF A 960.00 FOOT RADIUS CURVE TO THE RIGHT 488.87 FEET, THROUGH THE CENTRAL ANGLE OF 29°10'39" (CHORD BEARS: S60°35'35"W 483.61 FEET); TO THE EAST RIGHT-OF-WAY LINE OF 2770 WEST STREET; THENCE ALONG SAID EAST RIGHT-OF-WAY LINE OF 2770 WEST STREET THE FOLLOWING (2) COURSES; THENCE NORTHERLY ALONG THE ARC OF A 473.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT 69.64 FEET, THROUGH THE CENTRAL ANGLE OF 08°26'11" (CHORD BEARS: N03°40'04"W 69.58 FEET) THENCE N00°33'01"E 450.03 FEET; THENCE N90°00'00"E 713.48 FEET TO THE NORTH RIGHT-OF-WAY LINE OF LAKEVIEW PARKWAY AND THE POINT OF BEGINNING.

AREA: 221,256 SQUARE FEET OR 5.079 ACRES



PROVO MUNICIPAL COUNCIL COUNCIL MEETING STAFF REPORT



Submitter: JAHILL
Presenter: Melissa McNalley, Redevelopment Agency Director
Department: Development Services
Meeting Date: 10/6/2026
Requested Duration (Minutes): 15 minutes
CityView or Issue File Number: 26-005

SUBJECT: 12 A resolution approving an interlocal agreement between the Redevelopment Agency of Provo City and Provo City School District regarding the Provo Lakeview Parkway Community Reinvestment Project Area. (26-005)

ADMINISTRATIVE RECOMMENDATION: Consider adopting the Interlocal Agreement with Provo City School District for the Lakeview Parkway Community Reinvestment Project Area

ADMINISTRATIVE MEMO: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

The selection committee chose Philo as the preferred development group. Philo proposes building a 137-key hotel, roughly 15,500 square feet of retail space, a gas station, and a convenient store on the site. Staff and Philo presented the proposed development and discussed potential terms with Council in a work session on 6/9/2026. Staff have since worked with Philo on a participation agreement which includes support from tax increment participated from the City to the Agency via an Interlocal Agreement (Exhibit A) and now bring the Agreement to Council for discussion and consideration.

On 9/25/2026, Provo City School District's Board met and approved the interlocal cooperation agreement.

FISCAL IMPACT: Pledge of property tax increment participated from Provo City School District estimated to be about \$1,500,000 spread evenly over 10 years. This will generate nearly \$150,000 in affordable housing funds.

COUNCIL STAFF MEMO:

PROVO City Redevelopment Agency STAFF REPORT

Submitter: Cody Hill

Presenter: Melissa McNalley, Redevelopment Agency Director

Department: Development Services

Requested Meeting Date: October 6, 2026

Requested Duration (Minutes): 15

CityView or Issue File Number:

SUBJECT: Interlocal Agreement for the Lakeview Parkway Community Reinvestment Project Area – Property Tax Increment

RECOMMENDATION: Consider adopting the Interlocal Agreement with Provo City School District for the Lakeview Parkway Community Reinvestment Project Area

BACKGROUND: In 2019, Provo City purchased 100 acres of land for the Epic Sports Park. To meet the hospitality needs of the athletes and teams, Parks and Recreation worked with Development Services to zone roughly 5 acres at the very south-end of the property SC2 (Regional Shopping Center). In September 2025, Economic Development released a Request for Proposals seeking a development partner on the land to develop it into uses that could serve the needs of those utilizing the Epic Sports Park and the expanding Provo Airport.

The selection committee chose Philo as the preferred development group. Philo proposes building a 137-key hotel, roughly 15,500 square feet of retail space, a gas station, and a convenient store on the site. Staff and Philo presented the proposed development and discussed potential terms with Council in a work session on 6/9/2026. Staff have since worked with Philo on a participation agreement which includes support from tax increment participated from the City to the Agency via an Interlocal Agreement (Exhibit A) and now bring the Agreement to Council for discussion and consideration.

On 9/25/2026, Provo City School District's Board met and approved the interlocal cooperation agreement.

FISCAL IMPACT: Pledge of property tax increment participated from Provo City School District estimated to be about \$1,500,000 spread evenly over 10 years. This will generate nearly \$150,000 in affordable housing funds.

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:
Support economic retail growth and mitigate sales tax leakage.

Exhibit A:

**INTERLOCAL AGREEMENT FOR
THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA**

Exhibit B:

Resolution to Adopt

INTERLOCAL AGREEMENT FOR

THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA

1 RESOLUTION <<Document Number>>

2
3 A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT BETWEEN
4 THE REDEVELOPMENT AGENCY OF PROVO CITY AND PROVO CITY
5 SCHOOL DISTRICT REGARDING THE PROVO LAKEVIEW PARKWAY
6 COMMUNITY REINVESTMENT PROJECT AREA. (26-005)

7
8 RECITALS:

9
10 Pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah
11 Code Annotated 1953, as amended (the “**Act**”), public agencies, including political subdivisions
12 of the State of Utah as therein defined, are authorized to enter into mutually advantageous
13 agreements for joint and cooperative actions, including the sharing of tax and other revenues;

14
15 The Redevelopment Agency of Provo City (the “**Agency**”) and Provo City School
16 District (the “**District**”) are “public agencies” for purposes of the Act;

17
18 The Agency adopted a Project Area Plan and a Project Area Budget for the Lakeview
19 Parkway Community Reinvestment Project Area (the “**Project Area**”);

20
21 After careful analysis and consideration of relevant information, the Agency desires to
22 enter into an interlocal cooperation agreement with the District (the “**Interlocal Agreement**”)
23 whereby the District consents to the Agency receiving for an extended period of time a portion of
24 the property tax increment produced by the District’s levy on real and personal property within a
25 certain portion of the Project Area; a

26
27 Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by
28 resolution of the legislative body of a public agency;

29
30 It is proposed that the Agency Board approve the Interlocal Agreement attached hereto as
31 EXHIBIT A;

32
33 On October 6, 2026, the Redevelopment Agency Board met to consider the facts
34 regarding this matter and receive public comment, which facts and comments are found in the
35 public record of the Agency Board’s consideration; and

36
37 After considering the facts presented to the Agency Board, the Agency Board finds that
38 (i) the proposed Interlocal Agreement should be approved as described herein, and (ii) such
39 action furthers the health, safety, and general welfare of the citizens of Provo City.

41 THEREFORE, the Agency Board resolves as follows:

42
43 PART I:

44
45 The Interlocal Agreement attached as EXHIBIT A is approved and the Agency Executive
46 Director is authorized to execute the Interlocal Agreement.

47
48 PART II:

49
50 This resolution takes effect immediately.

INTERLOCAL AGREEMENT FOR THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA

THIS INTERLOCAL AGREEMENT is entered into as of this _____ day of _____ 2026, by and between the **REDEVELOPMENT AGENCY OF PROVO CITY**, a political subdivision of the State of Utah (the “**Agency**”), and **PROVO CITY SCHOOL DISTRICT**, a political subdivision of the State of Utah (the “**Taxing Entity**”). The Agency and the Taxing Entity may be referred to individually as a “**Party**” and collectively as the “**Parties**”.

A. WHEREAS the Agency was created pursuant to the provisions of Utah redevelopment law, and continues to operate under the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C of the Utah Code (the “**Act**”), and is authorized thereunder to conduct project area development activities within its boundaries, as contemplated by the Act; and

B. WHEREAS the Agency created the Lakeview Parkway Community Reinvestment Project Area (the “**Project Area**”) and adopted a project area plan for the Project Area on February 10, 2026 (the “**Project Area Plan**”), which is incorporated herein by this reference, and which includes the legal description and map of the Project Area, pursuant to which the Agency desires to provide for redevelopment within the Project Area; and

C. WHEREAS, the Project is to be located in a portion of the Project Area as shown on **Exhibit A**, attached hereto (the “**Site**”); and

D. WHEREAS the Taxing Entity and the Agency have determined that it is in the best interests of the Taxing Entity to provide certain financial assistance through the use of Tax Increment (as defined below) and other funds in connection with the development of the Project Area as set forth in the Project Area Plan and as allowed by the Act; and

E. WHEREAS the Agency anticipates using tax increment (as defined in Utah Code Annotated (“UCA”) § 17C-1-102(60) (hereinafter “**Tax Increment**”)), created by development within the Project Area, to assist in the project area development within the Project Area as provided in the Project Area Plan; and

F. WHEREAS the Act authorizes the Taxing Entity to consent to the payment to the Agency of amounts equal to all or a portion of the Tax Increment generated from the Project Area for the purposes set forth therein; and

G. WHEREAS in order to facilitate development of the Project, the Taxing Entity desires to pay to the Agency a portion of the Tax Increment generated by development within the Site attributable to the Taxing Entity’s tax levy on taxable property within the Project Area in accordance with the terms of this Agreement; and

H. WHEREAS UCA § 11-13-215 further authorizes the Taxing Entity to share its tax and other revenues with the Agency; and

I. WHEREAS the provisions of applicable Utah State law shall govern this Agreement, including the Act and the Interlocal Cooperation Act, Title 11 Chapter 13 of the UCA, as amended (the “**Cooperation Act**”).

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Tax Increment.

a. Pursuant to the Act and Section 11-13-215 of the Cooperation Act, the Taxing Entity hereby agrees and consents that the Agency shall be paid an amount equal to eighty percent (80%) of the Taxing Entity’s portion of the Tax Increment generated within the Site (the “**Agency Share**”) for fifteen (15) years, for tax years 2027 through 2041 inclusive (the “**Project Area Funds Collection Period**”). The Agency Share shall be used for the purposes set forth in the Act and in the Project Area Plan and shall be disbursed as specified herein. The calculation of annual Tax Increment shall be made using (a) the Taxing Entity’s tax levy rate during the year for which Tax Increment is to be paid and (b) the base year value for purposes of calculating Tax Increment generated within the Site shall be \$4,360,000.00.

b. The Taxing Entity hereby authorizes and directs Utah County officials and personnel to pay directly to the Agency all amounts due to the Agency under this Agreement for the periods described herein.

c. The Agency Share shall be paid to the Agency no later than April 1st of the year following the tax year for which the Agency Share is to be paid.

d. The Agency Share may be paid to the Agency from any funding source available to the Taxing Entity.

e. The total cumulative amount of Agency Share paid to the Agency under this Agreement shall not exceed \$2,480,000.00 (the “**Maximum Amount**”).

f. The Agency Share shall not include any portion of the Tax Increment generated by the Taxing Entity’s tax levy that is attributable to an increase in the Taxing Entity’s tax rate pursuant to Utah Code § 59-2-919 and applicable hearing procedures that occurs after the effective date of this Agreement.

g. The Agency Share does not include any funds generated by development outside of the Site.

h. All Tax Increment generated by the Taxing Entity’s tax levy in excess of the Maximum Amount or for periods beyond the end of the Project Area Funds Collection Period shall be paid by Utah County directly to the Taxing Entity.

i. This agreement is contingent on Provo City entering into an interlocal agreement with the Agency whereby Provo City agrees to contribute at least eighty percent (80%) of Provo City's property tax increment generated within the Site for a term of at least 15 years, under terms substantially similar to this Agreement. Notwithstanding any other provisions of this Agreement, this Agreement shall be null and void if Provo City and the Agency have not approved and executed such interlocal agreement prior to June 30, 2027.

2. **Authorized Uses of Tax Increment and Incentive.** The Parties agree that the Agency may apply the funds collected hereunder to encourage the development of the Project Area as deemed appropriate by the Agency and contemplated in the Project Area Plan, including but not limited to the cost and maintenance of public infrastructure and other improvements located within or benefitting the Project Area, incentives to developers or participants within the project area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act.

3. **No Third-Party Beneficiary.** Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the parties to this Agreement, no person or entity is an intended third-party beneficiary under this Agreement.

4. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant facts upon which this Agreement is based, including representations of the Agency concerning the Project and the Project's benefits to the community and to the Parties, and each Party relies upon its own understanding of the relevant law and facts, information, and representations, after having completed its own due diligence and investigation.

5. **Consent to Project Area Budget.** As required by UCA § 17C-5-304, the Taxing Entity consents to the Project Area Budget adopted by the Agency for the Project Area.

6. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act.

b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Cooperation Act.

c. Once executed, a copy of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act.

d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act.

e. Following the execution of this Agreement by all Parties, the Agency shall cause a notice regarding this Agreement to be published on behalf of all Parties in accordance with Section 11-13-219 of the Cooperation Act, upon which this Agreement shall become effective.

f. No separate legal entity is created by the terms of this Agreement and no facility, improvement, or other asset shall be jointly owned, jointly acquired, or jointly operated by the Parties to this Agreement.

g. The term of this Agreement shall commence on the publication of the notice described in Section 11-13-219 of the Cooperation Act and shall continue through the date that is 180 days after the date on which all of the final payment as contemplated herein has been paid to the Agency. Notwithstanding any provision in this Agreement to the contrary, this Agreement shall automatically terminate on December 31, 2050.

h. Notwithstanding any provision in this Agreement to the contrary, the total cumulative amount of the Agency Share paid to the Agency shall not exceed the Maximum Amount.

7. **Modification and Amendment.** Any modification of or amendment to any provision contained herein shall be effective only if the modification or amendment is in writing and signed by all Parties. Any oral representation or modification concerning this Agreement shall be of no force or effect.

8. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the others, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement. Further, in the event of any question regarding the calculation or payment of amounts contemplated hereunder, the Parties shall cooperate in good faith to resolve such issue.

9. **Due Diligence.** Each Party acknowledges for itself that it has performed its own review, investigation, and due diligence as to this Agreement, the Project Area, the Project Area Plan, and the expected benefits to the Parties and that each of the Parties has performed such investigation to its satisfaction and relies on its own understanding of the relevant facts and information.

10. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and the final, complete, and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations, and understandings, whether oral or written and whether express or implied, of the Parties hereto are hereby superseded and merged herein.

11. **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Utah.

12. **Interpretation.** The terms “include,” “includes,” “including” when used herein shall be deemed in each case to be followed by the words “without limitation.”

13. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

- a. such holding or action shall be strictly construed;
- b. such provision shall be fully severable;
- c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;
- d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and
- e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties' intent in entering into this Agreement.

14. **Assignment.** No Party may assign any rights, duties, or obligations under this Agreement without the prior written consent of all Parties hereto.

15. **Authorization.** Each of the Parties hereto represents and warrants to the others that the warranting Party has taken all steps, including the publication of public notice where necessary, in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

16. **Time of the Essence.** Time shall be of the essence in the performance of this Agreement.

17. **Incorporation of Recitals.** The recitals set forth above are hereby incorporated by reference as part of this Agreement.

18. **Incorporation of Exhibits.** The exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

19. **Prior Agreements.** The execution of this Agreement shall be deemed to constitute the termination of any and all prior agreements between the Agency and the Taxing Entity relating to tax increment generated within any portion of the Project Area. All such prior agreements and understandings are hereby terminated and deemed of no further force or effect.

20. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

ENTERED into as of the day and year first above written.

[Remainder of page intentionally left blank; signature pages follow]

**REDEVELOPMENT AGENCY OF PROVO
CITY**

Craig Christensen, Board Chair

ATTEST:

Heidi Allman, Secretary

Attorney Review for the Agency:

The undersigned, as counsel for the Redevelopment Agency of Provo City, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Adam S. Long

[signatures continue on next page]

PROVO SCHOOL DISTRICT

By: _____
Jennifer Partridge, Board President

ATTEST:

Devyn Dayley, Business Administrator

Attorney Review for the Taxing Entity:

The undersigned, as attorney for Provo School District has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Name:

Site Description and Map

BOUNDARY DESCRIPTION

A PORTION OF SECTION 10, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN LOCATED IN PROVO, UTAH, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH RIGHT-OF-WAY LINE OF LAKEVIEW PARKWAY LOCATED WEST 2862.59 FEET AND SOUTH 178.55 FEET FROM THE SOUTHEAST CORNER OF SECTION 10, TOWNSHIP 7 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN, THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF LAKEVIEW PARKWAY THE FOLLOWING (2) COURSES; THENCE S87°01'59\" N 406.97 FEET; THENCE S87°01'59\" N 406.97 FEET; THENCE S87°01'59\" N 406.97 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF CHORD BEARS; S60°55'39\" W 483.01 FEET); TO THE EAST RIGHT-OF-WAY LINE OF 2770 WEST STREET; THENCE ALONG SAID EAST RIGHT-OF-WAY LINE OF 2770 WEST STREET THE FOLLOWING (2) COURSES; THENCE NORTHERLY ALONG THE ARC OF A 473.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT 69.64 FEET; THROUGH THE CENTRAL ANGLE OF 10°28'11\" (CHORD BEARS; N06°00'00\" E 69.64 FEET; THENCE ALONG SAID EAST RIGHT-OF-WAY LINE OF 2770 WEST STREET 173.45 FEET TO THE NORTH RIGHT-OF-WAY LINE OF LAKEVIEW PARKWAY AND THE POINT OF BEGINNING.

CHAMPIONSHIP DRIVE

LAKVIEW PARKWAY

SOUTH 178.55' (TIE)

WEST 2862.59' (TIE)

POINT OF BEGINNING

FOUND SOUTHEAST CORNER SECTION 10, T7S, R2E, 2nd UTAH COUNTY BRASS CAP (58-38)

N00°29'54\" E 2661.69' BASIS OF BEARING

FOUND EAST QUARTER CORNER 10, T7S, R2E, 2nd UTAH COUNTY BRASS CAP (58-38)

PROFESSIONAL SEAL: CHAD J. HALL, PROFESSIONAL ENGINEER, STATE OF UTAH, LICENSE NO. 17357055