PROVO MUNICIPAL COUNCIL

Redevelopment Agency Governing Board

Regular Meeting Agenda

5:30 PM, Tuesday, November 03, 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 and 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).

November 03 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
Presentations, Proclamations, and Awards

1 A ceremony recognizing the Fall 2026 Provology graduates (26-007)

2 A ceremony for the pinning of firefighter badges. (26-007)

3 A ceremony recognizing the Provo City Employee of the Month: Development Services (26-007)

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

4 An ordinance allowing toy arrows in city parks. (26-074)

5 An ordinance to repeal and replace Provo City Code 14.30. (PLOTA20260551)

6 An ordinance amending the application requirements for a rental dwelling license. (26-022)

7 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 Medium Density Residential (MDR) zone. Joaquin Neighborhood. (PLRZ20250330)

8 A resolution approving an appropriation of up to $300,000 in the General Fund for a Center Street redesign study for the fiscal year ending June 30, 2027. (26-079)

9 An ordinance amending the zone map classification of real property, generally located at 910 N 900 E, from the Residential Conservation (RC) zone to the Campus Residential (CR) zone. Foothills Neighborhood. (PLRZ20260393)

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 (PMC Sales 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 (PMC Property Tax) (26-005)

12 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)

13 ***CONTINUED*** Bret Nelson requests a Zone Map Amendment from the RC (Residential Conservation) Zone to the LDR (Low Density Residential) Zone in order to create a 4-unit townhome development, located at 152 E 500 S.

14 ***CONTINUED*** Zone Map Amendment from the RC (Residential Conservation) Zone to the MDR (Medium Density Residential) Zone, to develop a seven-unit townhome project, located at 908 E 1060 S. (PLRZ20260349)

Redevelopment Agency of Provo

15 A resolution approving to the adoption of an amended project area budget for the Lakeview Parkway Community Reinvestment Area. (26-005)

16 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)

17 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)

18 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)

19 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, December 1, 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.

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter:	SBJORNN
Presenter:	Scott Henderson, CAO
Department:	Mayor Office
Meeting Date:	11/3/2026
Requested Duration (Minutes):	10 minutes
CityView or Issue File Number:	26-007

SUBJECT: 1 A ceremony recognizing the Fall 2026 Provology graduates (26-007)

ADMINISTRATIVE RECOMMENDATION: Graduation ceremony for Fall 2026 participants. Scott Henderson and the Mayor will recognize the participants for completing the course.

ADMINISTRATIVE MEMO: Provology is a course to educate Provo residents about how the city runs. The participants are recognized for completing the 11-week course.

FISCAL IMPACT: none

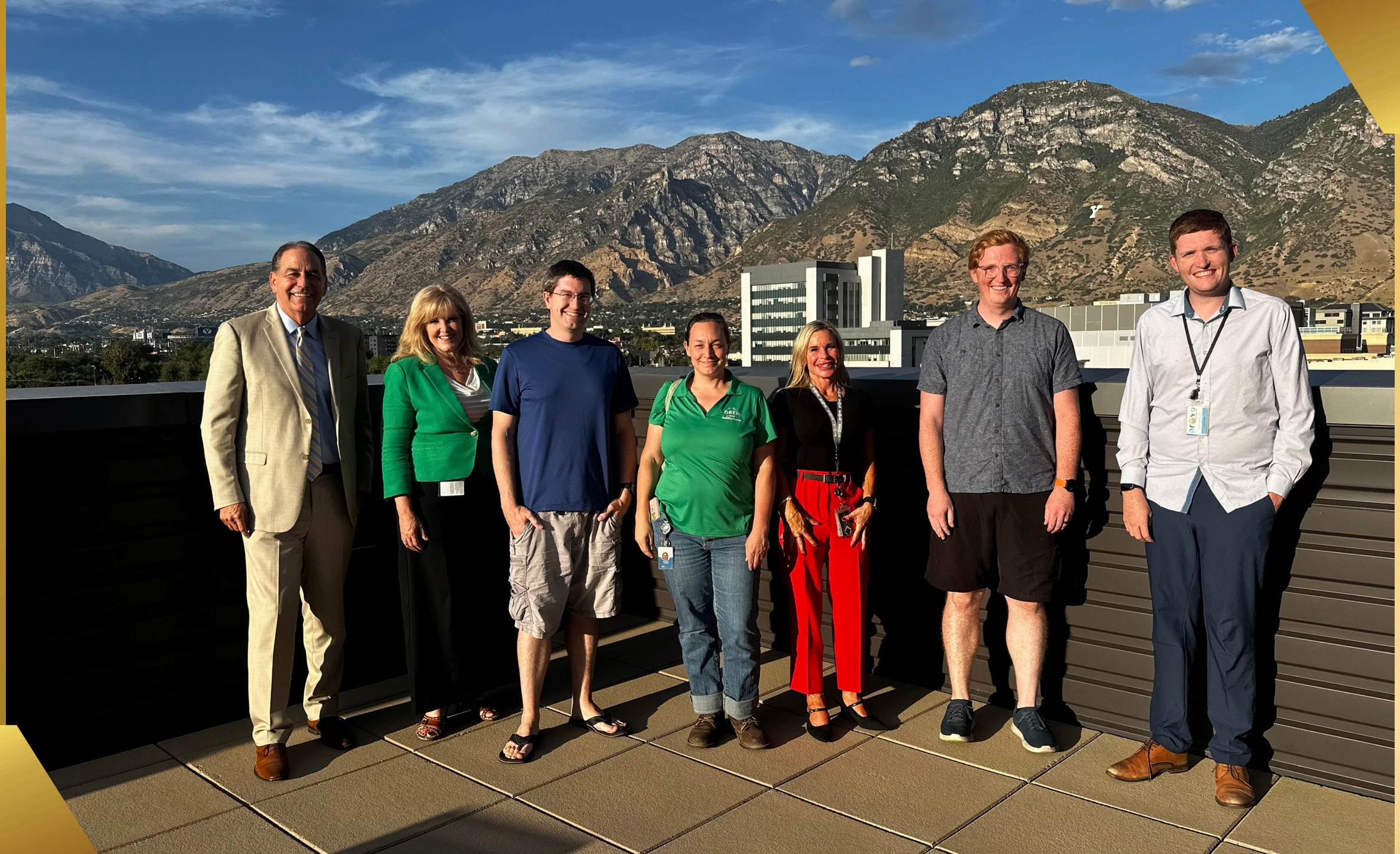
TIME SENSITIVITY: This is the last week of the course, so it is important to not make the graduates wait another month for graduation

COUNCIL STAFF MEMO:

PROVOLOGY

Fall 2026 Cohort

3 November 2026



PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter: CHILL
Presenter: Jeremy Headman, Fire Chief
Department: Fire
Meeting Date: 11/3/2026
Requested Duration (Minutes): 15 mins minutes
CityView or Issue File Number:

SUBJECT: 2 A ceremony for the pinning of firefighter badges. (26-007)

ADMINISTRATIVE RECOMMENDATION: Badge pinning and swearing in of 3 new firefighters.

ADMINISTRATIVE MEMO: Badge Pinning

FISCAL IMPACT: 0

COUNCIL STAFF MEMO:

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter: KMARTINS
Presenter: Bill Peperone, Director of Development Services
Department: Recorder
Meeting Date: 11/3/2026
Requested Duration (Minutes): 5 minutes
CityView or Issue File Number: 26-007

SUBJECT: 3 A ceremony recognizing the Provo City Employee of the Month: Development Services (26-007)

ADMINISTRATIVE RECOMMENDATION: NA

ADMINISTRATIVE MEMO: This item recognizes and honors the Provo City Employee of the Month for their outstanding service, dedication, and contributions to the City.

FISCAL IMPACT: NA

COUNCIL STAFF MEMO:

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter:	BRJOHNSON
Presenter:	Britton Johnson, City Council Intern
Department:	Council
Meeting Date:	11/3/2026
Requested Duration (Minutes):	10 minutes
CityView or Issue File Number:	26-074

SUBJECT: 4 An ordinance allowing toy arrows in city parks. (26-074)

ADMINISTRATIVE RECOMMENDATION: Change code to allow LARP arrows and standard foam dart blasters in Provo parks.

ADMINISTRATIVE MEMO: Councilors Whitlock and Whipple submitted an issue request to review Provo City's regulations on arrows in city parks to consider allowing specific toy arrows used in live action role play (LARP) mock combat, allowing more flexible recreation options for both youth and adults. This request responds to a Provo resident who would like to incorporate Belegarth toy arrows into his LARP group's mock combat simulations at Provo parks.

This memorandum aims to summarize how other cities that allow these toy projectiles address them in their municipal codes. It also outlines policy options to allow them in our city. The corresponding work meeting discussion is intended to clarify the scope and scale with which the City Council wants to address this item. Based on Council direction following the work meeting discussion, an ordinance text amendment may be drafted for your review at a future meeting.

Your packet also includes a supplemental document from the interested resident with specifications for the bows and arrows their group would like to use, photos of LARP bows and arrows, and a personal account from a LARP organizer who received approval to use mock archery in a Salt Lake City park.

Current Provo City Code Sections That Prohibit Toy Bows and Arrows

Provo City Code Section 9.19.010 states:

> "It shall be unlawful for any individual or group to do any of the following in a City park: …
> b) To shoot or otherwise propel arrows[.]"

After review with Provo's legal counsel, this is the first section of Provo code that would need to change to allow the use of toy arrows in LARP combat simulations.

If the Council wants to permit toy bows and arrows on public school grounds, allowing LARP mock combat practices and events to be held there, then a very similar text amendment would be needed in Provo City Code Section 9.21.030. That section states:

> “It shall be unlawful to do any of the following on school grounds: …
> (2) To shoot or otherwise propel arrows[.]”

The next section of Provo City Code that may need to be changed, Section 9.03.020, states:

> “It shall be unlawful for any person to discharge any air gun, sparrow gun, flipper, BB gun, or any other contrivance of a similar nature which is capable of projecting a missile for a horizontal distance of fifty (50) feet or more, within the limits of Provo City, except upon a place inspected and approved by the Chief of Police.”

After speaking with the resident who requested this change, he confirmed that Belegarth bows can shoot toy arrows greater than 50 feet. If the Council chooses not to limit toy-arrow distance elsewhere in the code, then this section would need to exempt specific toy bows and arrows. If the Council instead decides to limit the distance toy arrows may travel to 50 feet or less through an amendment to Section 9.19.010, then no change to Section 9.03.020 would be necessary.

Section 9.03.030 prohibits minors from discharging firearms or air guns within City limits except at “inspected and approved places” designated by Provo City. If the Council wants to allow minors to participate in LARP mock combat with bows and arrows, this section may also need an amendment clarifying that toy bows and arrows are not considered firearms or air guns. This could include a waiver requirement for minors.

Municipal Code Examples from Cities That Allow This Type of Toy Arrow

Cities across the country allow toy arrows to varying degrees. The following municipal code examples, both locally in Utah and in other states, demonstrate different policy approaches being implemented to address this issue.

Pleasant Grove, Utah

Pleasant Grove City Code Section 5-4-1 states:

> “It is unlawful for any person to discharge any gun or pistol or air gun or to shoot any bow and arrow within the limits of the city … provided, however, that nothing contained in this section shall be construed to prohibit the use of play pistols, guns, bows and arrows, or other similar children's toys.”

Their code does not include a narrow definition of what is classified as a children’s toy bow and arrow and allows several other toy weapons.

Midvale, Utah

The City of Midvale's municipal code states in Section 9.82.060 that the discharge of any gun, pistol, or pellet gun is illegal, but that:

> "[T]he ordinance codified in this section shall not apply to BB guns and bows and arrows, as long as they are discharged in a safe and reasonable manner."

After discussions with Chief Beebe in Police, the department wants to ensure that paintballs, airsoft pellets, water balloons, high-powered foam darts, or any kind of modified Nerf launchers would not be allowed as part of the definition of "toy arrow."

Lynchburg, Virginia

Lynchburg's municipal code more narrowly defines what is allowed than the two previous examples. Section 27-67 allows:

> "the use of a bow ten pounds or less of draw weight with a blunt rubber tipped arrow"

Minors are also prohibited from discharging arrows except at approved archery ranges. This draw-weight limit would be more restrictive than what most LARP groups typically use for their mock combat simulations.

Southlake, Texas

Southlake's park rules state that bows and arrows may only be used in parks if the Director of Community Services issues a permit intended for temporary use in city parks for special programs and events.

If the Council chose to address the toy-arrow exemption from this angle, the burden of permitting these types of uses would fall on the Parks & Recreation Department.

Potential Policy Options to Consider

Before turning to potential policy choices, it is worth noting that several LARP organizations establish their own mock archery standards that could serve as a baseline for a narrow code definition of "toy bow and arrow."

Permitted draw weights for bows range from approximately 15 to 40 pounds, draw lengths are typically capped at 28 inches, and most organizations prohibit the use of compound bows, which use cable or pulley systems to increase draw weight. Some groups have additional requirements regarding the materials and construction of their bows and arrows.

Option 1: Citywide Permission

If the Council wants to allow toy bows and arrows through a code text amendment, Provo City Code Section 9.19.010 would need to be amended at minimum by exempting toy bows and arrows and creating a narrow definition.

Changes to Sections 9.03.020, 9.03.030, and 9.21.030 may also be necessary. Although not directly related, the Council may also wish to clarify that a toy arrow, as defined through a potential amendment to Section 9.19.010, is not considered a "missile" under Section 9.14.100.

These would be the primary changes necessary if the Council wants to allow blanket permission for qualifying toy bows and arrows anywhere in the city.

If the Council instead prefers to limit where toy bows may be used within the city, two additional options are available for consideration.

Option 2: Pilot Program

The first option would be a pilot program led by the Provo Parks & Recreation and Police departments. The departments would identify specific parks, or areas within parks, where narrowly defined toy bows and arrows would be allowed.

Once those areas are identified, the pilot program could authorize their use for a 12- to 24-month period before automatically expiring. This would allow the Council and City staff to evaluate whether the exemption resulted in safety concerns, injuries, or other problems.

Based on those findings, the Council could choose to end the pilot and revoke the exemption, continue the pilot, or expand the exemption to additional or all City parks.

This approach would give the City concrete evidence regarding how safely these toy bows and arrows can be used in practice without committing the Council or affected City departments to a permanent policy change. However, it would delay when LARP mock combat participants could begin using bows and arrows and would require additional staff time to identify appropriate exemption areas.

Option 3: Reservation Program

The second option would be a reservation program.

Similar to a park pavilion reservation, interested LARP groups could apply for a reservation through Parks & Recreation to reserve an entire park, or specifically defined areas of a park, for LARP mock combat involving bows and arrows.

As with the pilot program option, the Parks & Recreation Department, and potentially the Police Department, would need to determine which parks would be eligible for reservations and which areas within those parks could safely accommodate toy bows and arrows.

FISCAL IMPACT: 0

COUNCIL STAFF MEMO:

Toy Arrow & Foam Dart Exemptions

Presented By:
Britton Johnson, Council Intern
Council Night Meeting | Tuesday, November 3rd, 2026

Proposed Code Change

Option 1

(2) It shall be unlawful for any individual or group to do any of the following in a City park:

(b) To shoot or otherwise propel arrows~~:~~, except for toy arrows with padded and blunted tips;

(c) To engage in any activity that threatens the safety or well being of other persons; or

(d) To create a disturbance or a nuisance as described in Sections 9.06.010 and 7.01.010, Provo City Code.

Provo City Code Section 9.19.010(2)(b)

Proposed Code Change

Option 2

(2) It shall be unlawful for any individual or group to do any of the following in a City park:

(b) To shoot or otherwise propel arrows, except for toy arrows with padded and blunted tips such as are commonly used and commercially available for mock combat in a live-action role play setting, provided that:

(i) the area of play is clearly marked with a visible boundary; and

(ii) no arrow is shot toward a playground, trail, sidewalk, street, or parking area;

Provo City Code Section 9.19.010(2)(b)

Discharge of Air Guns, Sparrow Guns, Flippers, BB Guns, Etc., Prohibited.

(1) It shall be unlawful for any person to discharge any air gun, sparrow gun, flipper, BB gun, or any other contrivance of a similar nature which is capable of projecting a missile for a horizontal distance of fifty (50) feet or more, within the limits of Provo City, except upon a place inspected and approved by the Chief of Police.

(2) This Section does not apply to:

(a) toy bows and arrows with padded and blunted tips used for mock combat in a live-action role-play setting; or

(b) foam dart blasters.

Provo City Code Section 9.03.020

provo

Proposed Code Change

Option 2 (cont).

(3) As used in this Section, "foam dart blaster" means a commercially manufactured toy that:

(a) propels soft foam darts or soft foam rounds solely by spring-plunger or battery-powered flywheel action;

(b) has a manufacturer-rated muzzle velocity of no more than one hundred (100) feet per second; and

(c) has not been altered from its manufactured condition.

(4) "Foam dart blaster" does not include any device that:

(a) is homemade or 3D-printed;

(b) uses compressed gas, including CO2, or high-pressure air; or

(c) propels half-length darts, hard-tipped or weighted darts, gel or water beads, or any projectile other than soft foam.

Provo City Code Section 9.03.020(cont.)

Proposed Code Change

Option 3

(2) It shall be unlawful for any individual or group to do any of the following in a City park:

(b) To shoot or otherwise propel arrows:, except for toy arrows with padded and blunted tips such as are commonly used and commercially available for mock combat in a live-action role play setting, provided that:

(i) the area of play is clearly marked with a visible boundary; and

(ii) no arrow is shot toward a playground, trail, sidewalk, street, or parking area;

Provo City Code Section 9.19.010(2)(b)

ORDINANCE <<Document Number>>

AN ORDINANCE ALLOWING TOY ARROWS IN CITY PARKS. (26-074)

RECITALS:

It is proposed that Provo City Code Section 9.19.010(2) be amended to allow toy bows and arrows in city parks;

On November 3, 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 9.19.010(2) is amended as presented 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

9.19.010

Vandalism and Nuisances Prohibited.

(1) It shall be unlawful for any person or persons to scratch, cut, injure or deface any of the buildings, fences, structures, or foul any of the fountains, or any other improvement, or to cut, or injure flowers, flower beds, trees or shrubs within the parks, or to commit any other act of vandalism to public or private property.

(2) It shall be unlawful for any individual or group to do any of the following in a City park:

(a) To play or practice golf;

(b) To shoot or otherwise propel arrows~~;~~, except for toy arrows with padded and blunted tips;

(c) To engage in any activity that threatens the safety or well being of other persons; or

(d) To create a disturbance or a nuisance as described in Sections 9.06.010 and 7.01.010, Provo City Code.

ORDINANCE <<Document Number>>

AN ORDINANCE ALLOWING TOY ARROWS AND FOAM DART BLASTERS IN CITY PARKS. (26-074)

RECITALS:

It is proposed that Provo City Code Section 9.19.010(2) and Section 9.03.020 be amended to allow toy bows and arrows and non-modified, non-high-powered foam dart blasters in city parks;

On November 3, 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 9.19.010(2) is amended as presented in Exhibit A.

PART II:

Provo City Code Section 9.03.020 is amended as presented in Exhibit B.

PART III:

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

9.19.010

Vandalism and Nuisances Prohibited.

(1) It shall be unlawful for any person or persons to scratch, cut, injure or deface any of the buildings, fences, structures, or foul any of the fountains, or any other improvement, or to cut, or injure flowers, flower beds, trees or shrubs within the parks, or to commit any other act of vandalism to public or private property.

(2) It shall be unlawful for any individual or group to do any of the following in a City park:

(a) To play or practice golf;

(b) To shoot or otherwise propel arrows~~;~~, except for toy arrows with padded and blunted tips such as are commonly used and commercially available for mock combat in a live-action role play setting, provided that:

(i) the area of play is clearly marked with a visible boundary; and

(ii) no arrow is shot toward a playground, trail, sidewalk, street, or parking area;

(c) To engage in any activity that threatens the safety or well being of other persons; or

(d) To create a disturbance or a nuisance as described in Sections 9.06.010 and 7.01.010, Provo City Code.

Exhibit B

9.03.020

Discharge of Air Guns, Sparrow Guns, Flippers, BB Guns, Etc., Prohibited.

(1) It shall be unlawful for any person to discharge any air gun, sparrow gun, flipper, BB gun, or any other contrivance of a similar nature which is capable of projecting a missile for a horizontal distance of fifty (50) feet or more, within the limits of Provo City, except upon a place inspected and approved by the Chief of Police.

(2) This Section does not apply to:

(a) toy bows and arrows with padded and blunted tips used for mock combat in a live-action role-play setting; or

(b) foam dart blasters.

(3) As used in this Section, "foam dart blaster" means a commercially manufactured toy that:

(a) propels soft foam darts or soft foam rounds solely by spring-plunger or battery-powered flywheel action;

(b) has a manufacturer-rated muzzle velocity of no more than one hundred (100) feet per second; and

(c) has not been altered from its manufactured condition.

(4) "Foam dart blaster" does not include any device that:

(a) is homemade or 3D-printed;

(b) uses compressed gas, including CO2, or high-pressure air; or

(c) propels half-length darts, hard-tipped or weighted darts, gel or water beads, or any projectile other than soft foam.

ORDINANCE <<Document Number>>

AN ORDINANCE ALLOWING TOY ARROWS IN CITY PARKS. (26-074)

RECITALS:

It is proposed that Provo City Code Section 9.19.010(2) be amended to allow toy bows and arrows in city parks;

On November 3, 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 9.19.010(2) is amended as presented in Exhibit A.

PART III:

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

9.19.010

Vandalism and Nuisances Prohibited.

(1) It shall be unlawful for any person or persons to scratch, cut, injure or deface any of the buildings, fences, structures, or foul any of the fountains, or any other improvement, or to cut, or injure flowers, flower beds, trees or shrubs within the parks, or to commit any other act of vandalism to public or private property.

(2) It shall be unlawful for any individual or group to do any of the following in a City park:

(a) To play or practice golf;

(b) To shoot or otherwise propel arrows~~;~~, except for toy arrows with padded and blunted tips such as are commonly used and commercially available for mock combat in a live-action role play setting, provided that:

(i) the area of play is clearly marked with a visible boundary; and

(ii) no arrow is shot toward a playground, trail, sidewalk, street, or parking area;

(c) To engage in any activity that threatens the safety or well being of other persons; or

(d) To create a disturbance or a nuisance as described in Sections 9.06.010 and 7.01.010, Provo City Code.

PROVO CITY MUNICIPAL COUNCIL

Staff Memorandum

Britton Johnson, City Council Intern

Toy Arrow & Foam Dart Exemption Discussion

November 3, 2026

Councilors Whitlock and Whipple submitted an issue request to review Provo City's regulations on arrows in city parks to consider allowing specific toy arrows used in live action role play (LARP) mock combat, allowing more flexible recreation options for both youth and adults. On October 6th, the Council met to discuss this topic during Work Meeting. They concluded that toy bows and arrows and foam dart blasters should be permitted in parks so long as there is a boundary set for play and no arrows are aimed at playgrounds, other park guests, or toward parking lots. This memorandum explains the ordinance text amendment being proposed and provides three distinct options that aim to address the consensus met during the Work Meeting discussion.

Current Provo City Code Sections That Prohibit Toy Arrows and Foam Dart Blasters

Provo City Code Section 9.19.010 states that: "It shall be unlawful for any individual or group to do any of the following in a City park:…

> b) To shoot or otherwise propel arrows[.]"

After review with Provo's legal counsel, this is the first section (and potentially only) section of Provo code that would need to change to allow the use of toy arrows in LARP combat simulations.

The next section of Provo City Code that may need to be changed, 9.03.020, states that:

> It shall be unlawful for any person to discharge any air gun, sparrow gun, flipper, BB gun, or any other contrivance of a similar nature which is capable of projecting a missile for a horizontal distance of fifty (50) feet or more, within the limits of Provo City, except upon a place inspected and approved by the Chief of Police.

After speaking with the resident who requested this change, he confirmed that Belegarth bows can shoot toy arrows greater than 50 feet. However, after meeting with Provo's legal counsel, they are under the belief that neither toy bows and arrows nor foam dart blasters meet the definition of a "contrivance of a similar nature" to the weapons listed in this code section. If the council decides to clarify this further, one of the code text amendment options allows that flexibility.

Three Options: Simple, Complex, and Hybrid

After receiving additional direction from the city prosecutor, option 1 would only change Section 9.19.010 to allow toy arrows with a simple definition. The change states that shooting or otherwise propelling toy arrows "with padded and blunted tips" would now be allowed. Only this section of code needs to be amended under this option. Provo City's Legal Department interprets Section 9.03.020 as not treating toy bows and arrows or foam dart blasters as "contrivances of a similar nature" to air guns, sparrow guns, flippers, and BB guns. The amendment would codify that interpretation and clarify that these toys are legal to use, even when they can project a dart or arrow more than 50 feet. This option does not specify the provision of a clear and visible boundary for play with LARP bows and arrows for simplicity, knowing that there are existing mechanisms in code to address complaints or instances of

injury. It is of note that Police Chief Beebe and Brad Raney, the Parks & Recreation director, prefer this option over the more complex one that will be explained in the next paragraph.

If the council prefers to have a more complicated yet clear text amendment, then both Section 9.19.010 and 9.03.020 would need to be changed. The full text of this option is included in your packet, titled "Draft Ordinance Option 2". This option clearly defines what is considered a toy bow and arrow and what a foam dart blaster is as well as requiring those playing with LARP toy arrows to create a clear boundary and avoid aiming or shooting toward a playground, trail, sidewalk, street, or parking area. Additionally, foam dart blasters and toy bows and arrows are explicitly exempted from 9.03.020 as contrivances of a similar nature to any air gun, sparrow gun, flipper, or BB gun capable of discharging a projectile more than 50 feet.

Option 3 would make the same one word change to section 9.19.010 of Provo City Code as option 1, except it would add an additional section clarifying that toy bows and arrows are only allowed in parks provided that the area of play is clearly marked with a visible boundary and that no arrow is shot toward a playground, trail, sidewalk, street, or parking area. Like Option 1, Option 3 relies on the interpretation that toy bows and arrows and foam dart blasters are not "contrivances of a similar nature" to air guns, sparrow guns, flippers, or BB guns. Under this reading, Section 9.03.020 already excludes them, so no clarification or change to the code language is needed.

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter:	MDAYLEY
Presenter:	Melia Mercier, Council Policy Analyst
Department:	Recorder
Meeting Date:	11/3/2026
Requested Duration (Minutes):	10 minutes
CityView or Issue File Number:	PLOTA20260551

SUBJECT: 5 An ordinance to repeal and replace Provo City Code 14.30. (PLOTA20260551)

ADMINISTRATIVE RECOMMENDATION: (see Planning Commission staff report)

ADMINISTRATIVE MEMO: (see Planning Commission staff report)

FISCAL IMPACT: N/A

COUNCIL STAFF MEMO:

External Accessory Dwelling Units

Provo City Code 14.30 Amendments

October 14,2026

Provo External ADU Code with SB284 Changes

Chapter 14.30- Accessory Dwelling Units Chapter 6.26- Rental Dwelling License

SB284 Changes- October 1, 2026 implementation deadline

Prohibited:

All PRO zones,
R2PD zones,
RM, R16, R17, R18, R19, R110, R w/ PD, SDP-5

Allowed:

West of I-15 (except SDP-5 & R2PD)
Specified R16 & R18 areas
Any parcel thats is 11,000 sq ft or greater & allows single-family dwellings

Regulations:

One ADU per primary dwelling
Owner Occupancy
Building height & footprint less than main dwelling
Architecturally compatible
Permanent foundation & utility infrastructure
~~4 off-street parking spots~~
Rental Dwelling License
Impact fees
2 off-street parking spaces maximum if the unit is 650 sq ft or larger
1 off-street parking space maximum if the unit is less than 650 sq ft

External ADU Code with SB284 State-Mandated Amendments

14.43.020 Permitted Use of Accessory Dwelling Units

(4) So long as it is required by UCA 10-21-304(1), as amended, external ADUs are permitted on any lot or parcel that would otherwise be prohibited under Subsection (2) if the lot or parcel:

(a) is in a zone that permits single-family dwellings;

(b) contains a single-family dwelling; and

(c) is 11,000 square feet or larger.

Allowed Areas

14.43.030 Accessory Dwelling Unit (ADU) Development Standards

(5) *Parking*. A one-family dwelling with an ADU must provide at least four off-street parking spaces. However, for properties with a detached ADU, if the provisions of UCA 10-21-304(3), as amended, limit the parking that may be required, the property must provide the maximum number of off-street parking spaces that may be required under that statute.

Parking Maximums

Additional Proposed Amendments

14.43.030 Accessory Dwelling Unit (ADU) Development Standards

(d) As~~In~~ a detached accessory structure, or within a detached accessory structure including detached garages, located in the rear or side yard, subject to the following requirements:

(i) ~~The~~ All accessory structures and primary dwelling combined may not cover more than 40% of the total parcel area;

Parcel Coverage

(ii) ~~must have a building footprint and~~The detached ADU maximum building height may be up to twenty five feet (25') or less than the main dwelling, whichever is less; accessory structures over sixteen feet (16') high must be set back from side and rear property lines in accordance with the minimum setbacks of this section, plus one foot (1') for each additional foot of height, or part thereof, in excess of sixteen feet (16') ~~height smaller than the main dwelling~~. The minimum area of the structure must be at least 200 square feet;

Height & Setback

(~~i~~iii) The detached ADU or structure must be set back at least 10 feet from any property line, or match the existing setback of the primary dwelling from that same property line, whichever is less;

(~~ii~~iv) The accessory structure must be architecturally compatible with the main dwelling;

(~~iv~~v) The structure must be permanently affixed to a site-built foundation and comply with all applicable Provo City building codes; and

~~(v) The structure must be permanently connected to all required utilities, with a separate and independent utility connection and meter from the main dwelling; and~~

Utilities

(vi) Shipping containers may not be used as ADUs unless they comply with all applicable building codes and are clad with materials that are architecturally compatible with those of the main dwelling.

ORDINANCE <<Document Number>>

AN ORDINANCE TO REPEAL AND REPLACE PROVO CITY CODE 14.30. (PLOTA20260551)

RECITALS:

It is proposed that Provo City Code Section 14.30 be repealed and replaced to comply with new state code regulations as of October 1, 2026 and to address amendments to parcel coverage, height and setback, and utility infrastructure specifications of detached accessory dwelling units;

On October 14, 2026, the Planning Commission held a public hearing to consider the proposed amendment, and after the hearing, the Planning Commission recommended denial to the Municipal Council by a vote of 6:0;

On November 3, 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) Provo City Code should be amended as set forth below, and (ii) such action furthers the health, safety, and general welfare of the citizens of Provo City.

THEREFORE, the Municipal Council of Provo City, Utah ordains as follows:

PART I:

Provo City Code Chapter 14.30 is repealed and replaced as shown 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

~~Chapter 14.30~~
~~ACCESSORY DWELLING UNITS~~

~~Sections:~~

~~**14.30.010 Purpose and Objectives.**~~
~~**14.30.020 Permitted Use of Accessory Dwelling Units.**~~
~~**14.30.030 Accessory Dwelling Unit (ADU) Development Standards.**~~
~~***14.30.040 Special Use Permit for Accessory Dwelling Unit (Rep Ord. 2025-60)***~~

~~**Prior legislation:** Ords. 1991-07, 1998-55, 2000-15, 2009-17, 2010-28, 2013-49, 2019-45.~~

~~14.30.010~~
~~Purpose and Objectives.~~

~~(1) The purpose of the accessory dwelling unit (ADU) development standards is to encourage promotion of an environment for family life by providing for the establishment of ADUs in conjunction with one (1) family detached dwellings on individual lots. These development standards are hereby established to promote the use of ADUs; to provide flexibility for the changes in household size associated with life cycle; to offer financial security for home owners; and to offer security against problems associated with frailty in old age.~~

~~(2) "Accessory dwelling unit (ADU)" means a residential dwelling unit occupied as a separate dwelling unit on the same lot as a primary dwelling unit, either within the same building as the primary dwelling unit (referred to as an internal ADU), attached to the single-family dwelling, or in a detached building. An accessory building, as defined, is not a mobile home or other portable structure that does not qualify as an ADU.~~

~~(3) The use of an accessory dwelling unit in areas zoned primarily for residential use is a permitted use, except as otherwise provided in this Chapter.~~

> ~~(a) For purposes of this Chapter, the phrase "areas zoned primarily for residential use" means areas in the following zones: RA, R1, R2, LDR, MDR, HDR, CMU, VLDR, RM, RC, any Project Redevelopment Option (PRO) zone, and Specific Development Plan Overlay zones 2 through 5.~~

~~(Am 2021-46, Am 2024-03, Am 2025-60)~~

~~14.30.020~~
~~Permitted Use of Accessory Dwelling Units.~~

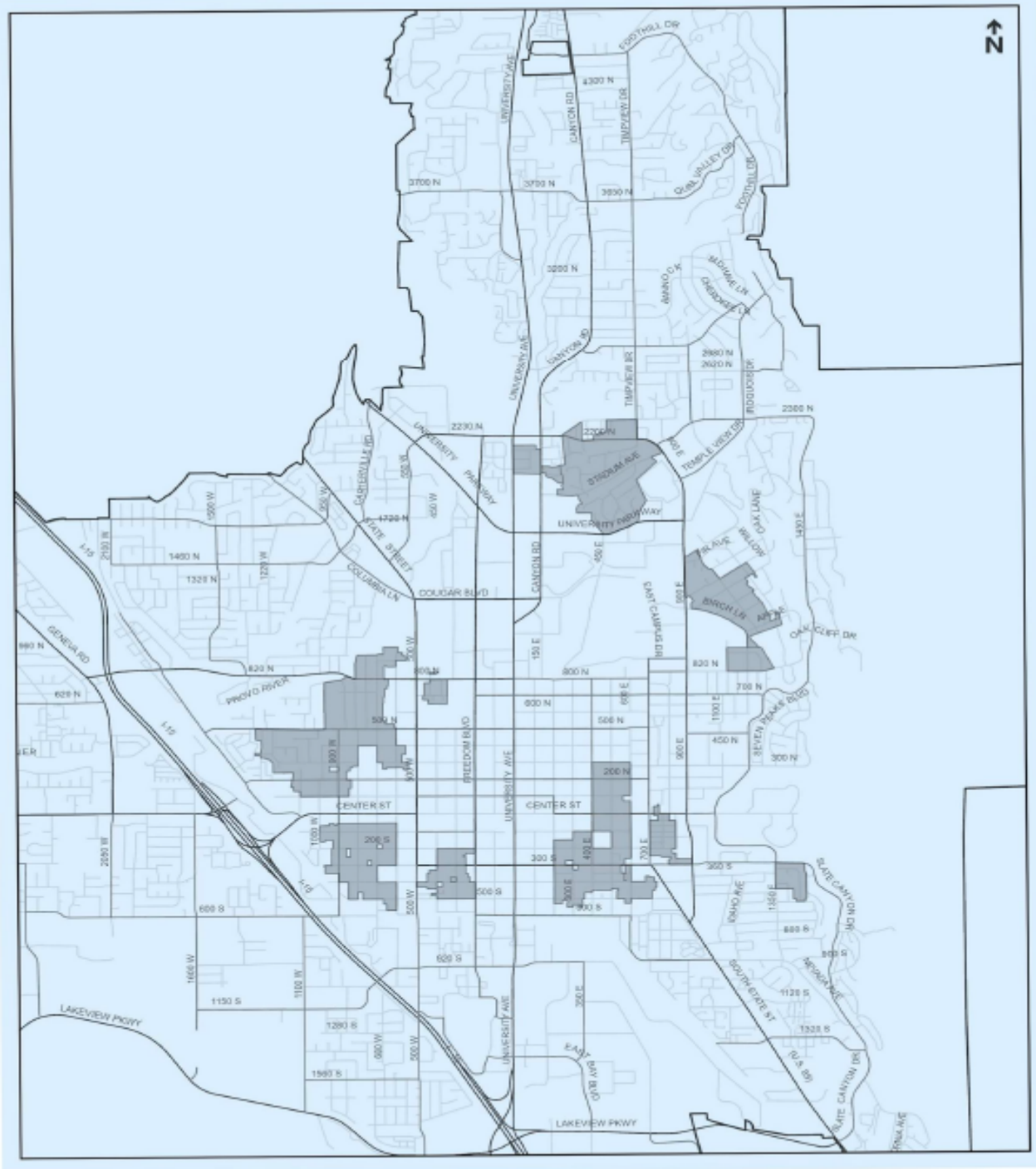
(1) Notwithstanding the regulation of permitted uses in other chapters of this Title, the regulation of the permitted use of accessory dwelling units is governed by this Section.

(2) Notwithstanding Section 14.30.010, Provo City Code, Utah Code Annotated Section 10-9a-530 allows the prohibition of accessory dwelling units in some areas zoned primarily for residential use. Accordingly, accessory dwelling units are prohibited in the following areas zoned primarily for residential use:

(a) All Project Redevelopment Option (PRO) zones;

(b) R2 zones with a Performance Development Overlay (R2PD);

(c) Areas designated RM, R16, R17, R18, R19, or R110, including such areas with the Performance Development Overlay, except as shown in the map below:



~~(3) Notwithstanding Subsection (2) of this Section, the use of an accessory dwelling unit in areas zoned primarily for residential use is a permitted use in all areas west of Interstate Highway 15, except the Specific Development Plan Overlay zone 5 (SDP-5) and R2 zones with a Performance Development Overlay (R2PD).~~

~~(Am 2021-46, Am 2022-46, Am 2024-03, Am 2024-20, Am 2024-21, Am 2025-60)~~

14.30.030

Accessory Dwelling Unit (ADU) Development Standards.

ADUs shall be subject to the following development standards:

(1) *Number.* No more than one (1) ADU shall be permitted in conjunction with each one (1) family detached dwelling.

(2) *Location.* ADUs may be located only:

(a) Over an attached garage, provided the ADU has access to required parking and does not otherwise disrupt required covered parking;

(b) Inside a one (1) family detached dwelling;

(c) In an addition to a one (1) family detached dwelling; provided, that the addition will not alter the one (1) family character of the building; or

(d) As a detached accessory structure or within a detached accessory structure located in the rear and/or side yard in accordance with the following requirements:

(i) The accessory structure in which the ADU is located shall have a building footprint and height less than the main dwelling, but in no case shall the accessory structure be less than two hundred (200) square feet in area;

(ii) A detached ADU or a detached accessory structure containing an ADU shall be set back from any property line no less than ten (10) feet or the distance of the existing setback of the one (1) family dwelling from that same property line, whichever is less;

(iii) The accessory structure shall be architecturally compatible with the main dwelling;

(iv) The accessory structure shall be permanently affixed to a site-built foundation and shall be designed in accordance with Provo City adopted building codes;

(v) The accessory structure must be approved for, and permanently connected to, all required utilities with a connection and meter independent and separate from the one (1) family dwelling; and

(vi) Shipping containers shall not be permitted for use as an ADU unless they can meet all building codes and are clad with materials similar to and architecturally compatible with those of the main dwelling.

(3) *Appearance.* The ADU shall not alter the appearance of the structure as a one (1) family detached dwelling and shall not resemble in any degree a side-by-side, side-to-back, back-to-back, or other type of two-family dwelling. There shall be no external evidence from a street view of

occupancy by more than one (1) family, such as two (2) front doors on the main dwelling. The yard areas of the property shall be maintained free of weeds, junk, solid waste, or other materials constituting a violation of the Provo City Code. An ADU shall not be authorized on a property that has outstanding ordinance violations.

(4) *Occupancy.* A one (1) family dwelling with an ADU, which is authorized by and conforms to the requirements set forth in this Section, shall, for purposes of this Subsection, consist of two (2) component parts: the main dwelling unit and the ADU. Those two (2) parts shall be occupied as follows:

(a) Except as otherwise provided in Subsection (4)(d) of this Section, either the main dwelling unit or the ADU must be occupied by an owner occupant as that term is defined in Section 14.06.020, Provo City Code. If this requirement is not met, no ADU shall be permitted.

(b) The occupancy of the main dwelling unit shall be limited to one (1) "family" as that term is defined in Chapter 14.06, Provo City Code, except that if the ADU is also occupied, the occupancy of the main dwelling unit may not include the two (2) additional related or unrelated individuals described in Subsection (b)(i)(B) of the "family" definition in Section 14.06.020, Provo City Code.

(c) The ADU shall not be occupied by more than three (3) related or unrelated adults, together with any minor children of those adults.

(d) Owner occupancy shall not be required when the owner has submitted a temporary absence application prior to beginning of the temporary absence and meets the following criteria:

(i) The owner has a bona fide, temporary absence of three (3) years or less for activities such as temporary job assignments, sabbaticals, military service, or voluntary service (indefinite periods of absence from the dwelling shall not qualify for this exception); or

(ii) The owner is placed in a hospital, nursing home, assisted living facility or other similar facility.

(iii) The owner has resided in the residence for at least one (1) year prior to beginning the temporary absence.

(5) *Parking.* A one (1) family dwelling with an ADU must have at least four (4) off-street parking spaces.

(a) Two (2) tandem parking spaces (front to rear) are permitted.

(b) Parking spaces for a one (1) family dwelling with an associated ADU may be located on a driveway in a required front yard if:

(i) The driveway leads to the minimum number of required covered off-street parking spaces; or

(ii) The property is listed on the Provo City Landmarks Registry.

(c) Parking spaces allowed under Subsection (5)(b) of this Section may not be between the primary dwelling and the street.

(d) In no case may the number of off-street parking spaces be less than the number of vehicles being maintained on the premises.

(e) Parking must comply with all other regulations of Chapter 14.37, Provo City Code.

(6) *Utility Meters.* A one (1) family dwelling with an internal ADU shall have at least one (1) but no more than two (2) meters for each water, gas, and electricity utility service, and each meter shall be in the property owner's name. A detached ADU or a detached accessory structure containing an ADU must have its own separate meter, and each meter shall be in the property owner's name.

(7) *Addresses.* The ADU shall have its own address assigned by Provo City.

(8) *Outside Entrances.* Outside entrances to the ADU shall be on the side or rear of the building. Only one (1) front entrance shall be visible from the front yard.

(9) *Building Codes.* All existing construction and remodeling shall comply with building codes in effect at the time of the original construction or remodeling. Newly constructed ADUs shall meet current building codes.

(10) *Rental Dwelling License.* In accordance with Chapter 6.26 (Rental Dwellings), Provo City Code, any person operating an ADU under this Chapter must obtain a rental dwelling license (RDL). This RDL is in addition to any building permits that may be necessary.

(a) In addition to complying with Chapter 6.26 (Rental Dwellings), Provo City Code, to be eligible for an RDL a person operating an ADU under this Chapter must:

(i) Submit a site plan drawn accurately to scale that shows property lines and dimensions, the location of existing buildings and building entrances, proposed buildings or additions, dimensions from buildings or additions to property lines, the location of parking stalls, and utility meters;

(ii) Include detailed floor plans drawn to scale with labels on rooms indicating uses or proposed uses. Floor plans must have the interior connection clearly labeled;

(iii) Pay an application fee as shown on the Consolidated Fee Schedule adopted by the Municipal Council;

(iv) Cooperate with the Development Services Department in recording a deed restriction with the County Recorder evidencing the restrictions under which the ADU is constructed and occupied. This deed restriction must run with the land as long as the property contains an ADU as provided in this Chapter;

(v) Renew the rental dwelling license annually; and

(vi) Establish at the time of the initial application and at every renewal that the dwelling is the owner's primary residence.

(b) Noncompliance with the standards of this Section is just cause for the denial or revocation of a rental dwelling license for an ADU. Revocation will be in accordance with the license regulations in Chapters 6.01 (License Administration) and 6.26 (Rental Dwellings), Provo City Code.

(c) Notwithstanding Section 6.01.090, Provo City Code, a rental dwelling license for an ADU automatically expires one (1) year after the date of the approval, or upon transfer of the property to another owner, whichever occurs first.

(Am 2021-46, Am 2022-17, Am 2022-46, Am 2024-03, Am 2024-59, Am 2025-36, Am 2025-60)

14.30.040

Special Use Permit for Accessory Dwelling Unit.

(Enacted 2022-46, Am 2024-03, Am 2024-61, Rep 2025-60)

Chapter 14.30
ACCESSORY DWELLING UNITS

Sections:

14.30.010 Purpose and Objectives.
14.30.020 Permitted Use of Accessory Dwelling Units.
14.30.030 Accessory Dwelling Unit (ADU) Development Standards.

14.30.010 Purpose and Objectives

The purpose of the Accessory Dwelling Unit (ADU) development standards is to support family life by allowing ADUs in conjunction with one-family detached dwellings on individual lots. These standards are intended to promote the use of ADUs, provide flexibility in housing arrangements due to life cycle changes, offer financial support for homeowners, and enhance housing options for aging residents.

14.30.015 Definitions

(1) "Accessory dwelling unit (ADU)" has the same meaning defined in PCC Chapter 14.05.

(2) For purposes of this Chapter, "areas zoned primarily for residential use" means the RA, R1, R2, VLDR, LDR, MDR, HDR, CR, and RM zones.

14.30.020 Permitted Use of Accessory Dwelling Units

(1) The use of an ADU is a permitted use in all areas zoned primarily for residential use, except as otherwise provided in this Section.

(2) Except as provided in subsection (3), ADUs are prohibited in:

(a) the Broadview Shores Overlay Zone; and

(b) all areas east of Interstate 15 that are zoned RM, R16, R17, R18, R19, R110, or R2PD, including those with a Performance Development Overlay.

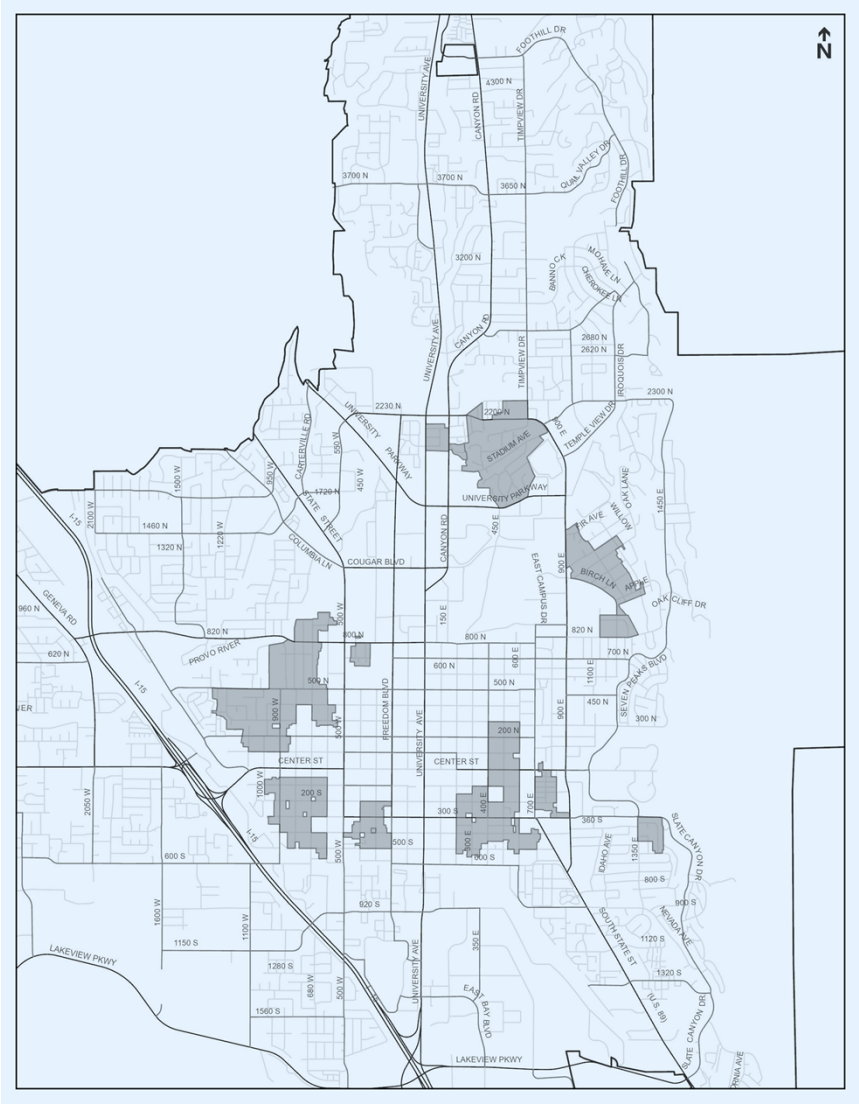
(3) Notwithstanding Subsection (2), ADUs are permitted in certain areas that subsection (2) would otherwise prohibit, as shown on the following map. This map is not a comprehensive map of areas where ADUs are permitted. It shows only areas where ADUs would otherwise be prohibited under subsection (2).

(4) So long as it is required by UCA 10-21-304(1), as amended, detached ADUs are permitted on any lot or parcel that would otherwise be prohibited under Subsection (2) if the lot or parcel:

(a) is in a zone that permits single-family dwellings;

(b) contains a single-family dwelling; and

(c) is 11,000 square feet or larger.



14.30.030 Accessory Dwelling Unit (ADU) Development Standards

Accessory dwelling units (ADUs) are subject to the following development standards:

(1) *Number*. No more than one ADU is permitted in conjunction with each one-family detached dwelling.

(2) *Location*. An ADU may only be located in the following locations:

(a) Over an attached garage, provided the ADU has access to required parking and does not interfere with required covered parking;

(b) Inside a one-family detached dwelling;

(c) In an addition to a one-family detached dwelling, provided the addition does not alter the one-family character of the building; or

(d) As a detached accessory structure, or within a detached accessory structure including detached garages, located in the rear or side yard, subject to the following requirements:

(i) All accessory structures and primary dwelling combined may not cover more than 40% of the total parcel area;

(ii) The accessory structure's height and footprint must be smaller than the main dwelling. The minimum area of the structure must be at least 200 square feet;

(iii) The detached ADU or structure must be set back at least 10 feet from any property line, or match the existing setback of the primary dwelling from that same property line, whichever is less;

(iv) For detached ADUs that are permitted under Subsection 14.43.020(4), the accessory structure containing the ADU must:

(A) have a height less than the main dwelling and less than 25 feet; and

(B) meet the side and rear yard setbacks for the property's zone plus an additional setback of one foot for each foot of height over 16 feet (any height in excess of a whole number is rounded to the next foot);

(v) The accessory structure must be architecturally compatible with the main dwelling;

(vi) The structure must be permanently affixed to a site-built foundation and comply with all applicable Provo City building codes; and

(vii) Shipping containers may not be used as ADUs unless they comply with all applicable building codes and are clad with materials that are architecturally compatible with those of the main dwelling.

(3) *Appearance*. The ADU must not alter the appearance of the structure as a one-family detached dwelling or resemble any form of two-family dwelling, including side-by-side, side-to-back, or back-to-back configurations. From the street, any visible evidence of multiple-family occupancy is prohibited.

(4) *Occupancy*. A one-family dwelling with an authorized and conforming ADU is considered to consist of two parts: the main dwelling unit and the accessory dwelling unit. These two units must be occupied as follows:

(a) Owner occupancy.

(i) Except as provided in Subsection (a)(ii), either the main dwelling unit or the ADU must be occupied by an owner occupant, as defined in PCC 14.05.020. If this requirement is not met, the ADU is not permitted.

(ii) Owner occupancy is not required if the owner has submitted a temporary absence application before the absence begins and meets the following conditions:

(A) The owner has a bona fide, temporary absence of three years or less for purposes such as temporary job assignments, sabbaticals, military service, or voluntary service. Indefinite absences do not qualify.

(B) The owner is residing in a hospital, nursing home, assisted living facility, or similar institution.

(C) The owner has lived in the residence for at least one year prior to the start of the temporary absence.

(b) The occupancy of the main dwelling unit is limited to one "family" as defined in PCC 14.05.020. However, if the ADU is also occupied, the main dwelling unit may not include the additional two related or unrelated individuals otherwise permitted under Subsection (b)(i)(B) of the "family" definition in that Section.

(c) The ADU may not be occupied by more than three related or unrelated adults, along with any minor children of those adults.

(5) *Parking*. A one-family dwelling with an ADU must provide at least four off-street parking spaces. However, for properties with a detached ADU, if the provisions of UCA 10-21-304(3), as amended, limit the parking that may be required, the property must provide the maximum number of off-street parking spaces that may be required under that statute.

(a) Two tandem parking spaces (front to rear) are permitted.

(b) Parking spaces may be located on a driveway within the required front yard if:

(i) The driveway leads to the minimum number of required covered off-street parking spaces; or

(ii) The property is listed on the Provo City Landmarks Registry.

(c) Parking spaces allowed under Subsection (5)(b) may not be located between the primary dwelling and the street.

(d) In no case may the number of off-street parking spaces be less than the number of vehicles maintained on the premises.

(e) All parking must comply with the requirements of PCC 14.44.

(6) *Utility meters*. A one-family dwelling with an internal ADU must have at least one but no more than two meters for each water, gas, and electricity service, and each meter must be in the property owner's name

(7) *Addresses*. The ADU must be assigned its own address by Provo City.

(8) *Outside entrances*. Exterior entrances to the ADU must be located on the side or rear of the building. Only one front entrance may be visible from the front yard.

(9) *Building codes*. All existing construction and remodeling must comply with the building codes in effect at the time the work was completed. Newly constructed ADUs must comply with all current building codes.

(10) *Rental Dwelling License*. In accordance with PCC 6.26, any person operating an accessory dwelling unit (ADU) under this Chapter must obtain a rental dwelling license (RDL). This license is required in addition to any necessary building permits.

(a) In addition to complying with the requirements of PCC 6.26, an applicant for a rental dwelling license for an ADU must:

(i) Submit a site plan drawn to scale showing property lines and dimensions, the location of existing and proposed buildings and entrances, distances from structures to property lines, the location of parking stalls, and utility meters;

(ii) Submit detailed floor plans drawn to scale with labeled room uses and clearly marked interior connections between the main dwelling and the ADU;

(iii) Pay the application fee established in the Consolidated Fee Schedule adopted by the Municipal Council;

(iv) Cooperate with the Development Services Department in recording a deed restriction with the County Recorder outlining the conditions under which the ADU is constructed and occupied. The restriction must run with the land as long as the ADU remains on the property;

(v) Renew the rental dwelling license annually; and

(vi) Establish, at the time of initial application and at each renewal, that the dwelling is the owner’s primary residence.

(b) Noncompliance with this Section is grounds for denial or revocation of the rental dwelling license. Revocation procedures are found in PCC 6.01 and PCC 6.26.

(c) Notwithstanding PCC 6.01.090, a rental dwelling license for an ADU automatically expires one year after issuance or upon transfer of the property to a new owner, whichever occurs first.

DEVELOPMENT SERVICES

Planning Commission Hearing Staff Report Hearing Date: October 14, 2026

***ITEM #1** The Provo City Council requests an Ordinance Text Amendment to Title 14.30 (Accessory Dwelling Units) to update regulations with State Code. Citywide Application. Jessica Dahneke (801) 852-6413 jdahneke@provo.gov PLOTA20260551

APPLICANT:	Provo City Staff
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.

PROJECT SUMMARY

During the 2026 Session, the Utah State Legislature passed Senate Bill (SB) 284 Local Land and Water Modifications. This bill, among many other state code changes, amends requirements for detached accessory dwelling units in municipalities. In part, state code reads:

> *(1)(a)A specified municipality shall adopt a land use regulation that permits a detached accessory dwelling unit on any lot or parcel that is 11,000 square feet or larger and contains a single-family dwelling, if the single-family dwelling is a permitted use on the lot or parcel.*
>
> *(b)This section does not prohibit a municipality from adopting a land use regulation that permits a detached accessory dwelling unit on a lot or parcel that is smaller than 11,000 square feet.*

The Council-sponsored proposed PCC text amendment updates Section 14.30 to ensure city code complies with new state code requirements regarding detached/external accessory dwelling units. These amendments include the parcels where detached ADUs are allowed and changes in maximum number of off-street parking stalls required.

In addition to the amendments required by the state, Council is proposing the following amendments for detached ADUs on lots outside the ADU overlay but over 11,000 square feet: requiring the detached ADUs to comply with the rear and side setbacks of the zone, with an additional one-foot setback for every foot the structure exceeds 16 feet in height; limiting the height of the ADU to less than both the main dwelling and 25 feet; establishing parcel coverage

requirements; and removing the requirement that detached ADUs have a separate utility meter.

Section language is being repealed and replaced instead of normal line-by-line amendments so 14.30 matches the simplified language found in the ADU section of the forthcoming zoning rewrite (14.43). This will help maintain continuity between the versions of Title 14 while meeting deadlines to be compliant with statewide code changes. Besides the enumerated changes above, no other substantive policy changes are being proposed with the repeal and replace.

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 purpose of the amendment is to bring Provo City Code into compliance with state code requirement and update the regulations for detached ADUs

FINDING: Meets Standard

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

Staff Response: The proposed amendment meets the requirement of the updated state code and gives clear directions on the requirements for establishing a detached ADU.

FINDING: Meets Standard

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

Staff Response: The proposed amendment is in line with the following General Plan policies and goals:

Housing

1. Allow for different types of housing in neighborhoods and allow for a mix of home sizes at different price points, including ADUs.

1c – Continue to examine zoning solutions in certain locations to promote Accessory Dwelling Units in residential areas.

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: There is no conflict with the proposed amendment and the General Plan's "timing and sequencing".

FINDING: Meets Standard

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

Staff Response: The proposed ordinance text amendment brings the Provo City Code in compliance with state requirements and increases the number of properties that could qualify for an accessory apartment. This does not hinder or obstruct the General Plan Policies.

FINDING: Meets Standard

(f) Adverse impacts on adjacent landowners; and

Staff Response: The proposed text amendment still includes owner occupancy requirements, setback requirements, and parking requirements that exist in the current code. Staff do not believe the additions to the ADU section of code will create an adverse impact on adjacent landowners.

FINDING: Meets Standard

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

Staff Response: This ordinance text amendment does not impact the zoning of any specific area.

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: There is no conflict between the General Plan Map and General Plan Policies.

FINDING: Meets Standard

APPLICABLE ZONING CODES

Provo City Code 14.30 - https://provo.municipal.codes/Code/14.30

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. (*The Planning Commission Recommends approval of the proposed ordinance text amendment to 14.30*)
2. **Recommend Denial**: The proposal is not consistent with the General Plan. (*The Planning Commission Recommends denial of the proposed ordinance text amendment to 14.30*)
3. **Continue**: New information presented at the public hearing or additional study needs to be done. (*I motion that the planning commission continue the proposed ordinance text amendment to allow for further discussion of the amendments to 14.30*)

ATTACHMENTS

1. Proposed Text Amendment
2. Properties over 11,000 square feet

Attachment 1 Proposed Text Amendment

~~Chapter 14.30~~

~~ACCESSORY DWELLING UNITS~~

~~Sections:~~

~~**14.30.010 Purpose and Objectives.**~~

~~**14.30.020 Permitted Use of Accessory Dwelling Units.**~~

~~**14.30.030 Accessory Dwelling Unit (ADU) Development Standards.**~~

~~***14.30.040 Special Use Permit for Accessory Dwelling Unit (Rep Ord. 2025-60)***~~

~~**Prior legislation:** Ords. 1991-07, 1998-55, 2000-15, 2009-17, 2010-28, 2013-49, 2019-45.~~

~~14.30.010~~

~~Purpose and Objectives.~~

~~(1) The purpose of the accessory dwelling unit (ADU) development standards is to encourage promotion of an environment for family life by providing for the establishment of ADUs in conjunction with one (1) family detached dwellings on individual lots. These development standards are hereby established to promote the use of ADUs; to provide flexibility for the changes in household size associated with life cycle; to offer financial security for home owners; and to offer security against problems associated with frailty in old age.~~

~~(2) "Accessory dwelling unit (ADU)" means a residential dwelling unit occupied as a separate dwelling unit on the same lot as a primary dwelling unit, either within the same building as the primary dwelling unit (referred to as an internal ADU), attached to the single-family dwelling, or in a detached building. An accessory building, as defined, is not a mobile home or other portable structure that does not qualify as an ADU.~~

~~(3) The use of an accessory dwelling unit in areas zoned primarily for residential use is a permitted use, except as otherwise provided in this Chapter.~~

~~(a) For purposes of this Chapter, the phrase "areas zoned primarily for residential use" means areas in the following zones: RA, R1, R2, LDR, MDR, HDR, CMU, VLDR, RM, RC, any Project Redevelopment Option (PRO) zone, and Specific Development Plan Overlay zones 2 through 5.~~

~~(Am 2021-46, Am 2024-03, Am 2025-60)~~

~~14.30.020~~

~~Permitted Use of Accessory Dwelling Units.~~

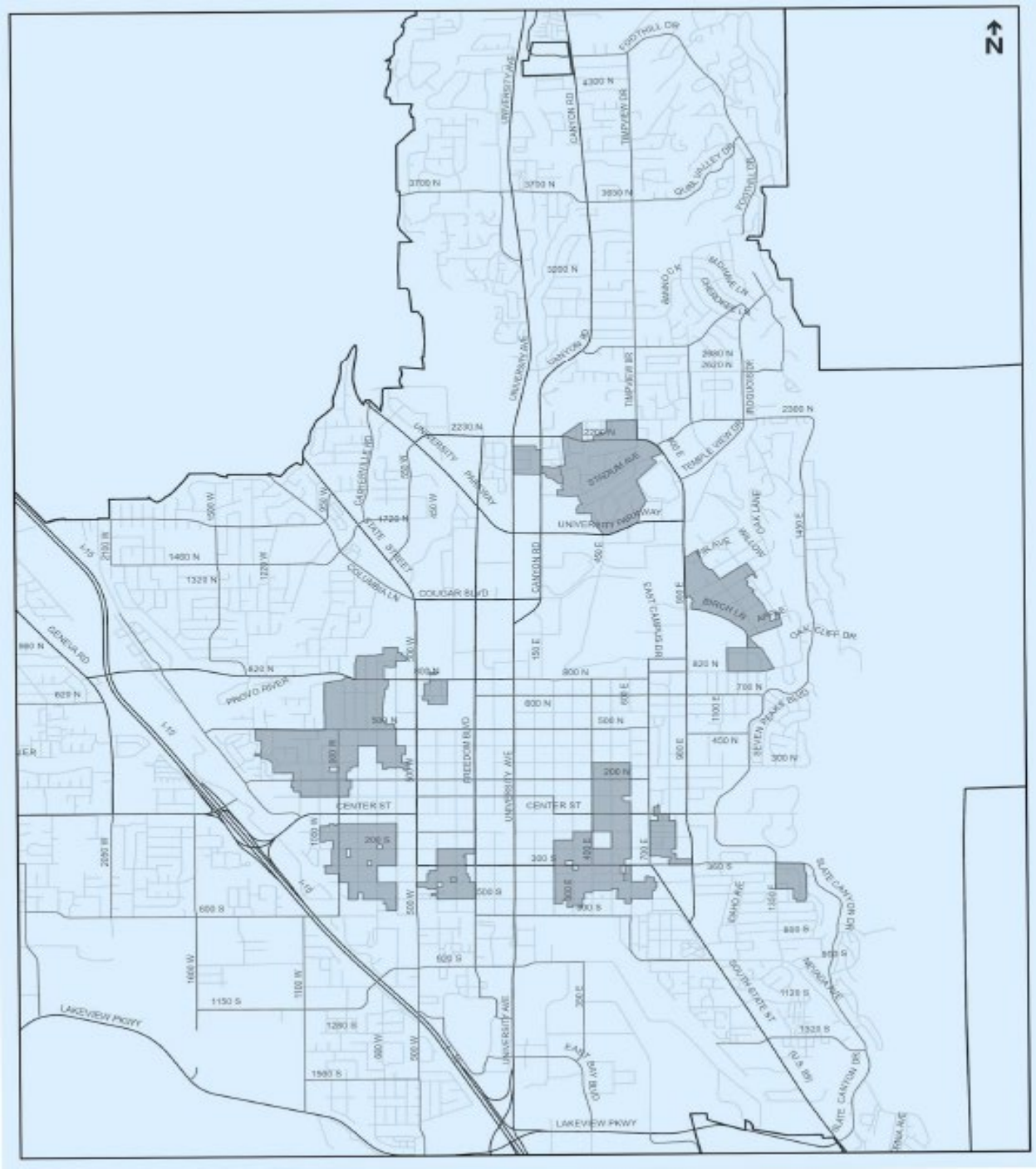
~~(1) Notwithstanding the regulation of permitted uses in other chapters of this Title, the regulation of the permitted use of accessory dwelling units is governed by this Section.~~

~~(2) Notwithstanding Section 14.30.010, Provo City Code, Utah Code Annotated Section 10-9a-530 allows the prohibition of accessory dwelling units in some areas zoned primarily for residential use. Accordingly, accessory dwelling units are prohibited in the following areas zoned primarily for residential use:~~

~~(a) All Project Redevelopment Option (PRO) zones;~~

~~(b) R2 zones with a Performance Development Overlay (R2PD);~~

~~(c) Areas designated RM, R16, R17, R18, R19, or R110, including such areas with the Performance Development Overlay, except as shown in the map below:~~



~~(3) Notwithstanding Subsection (2) of this Section, the use of an accessory dwelling unit in areas zoned primarily for residential use is a permitted use in all areas west of Interstate Highway 15, except the Specific Development Plan Overlay zone 5 (SDP-5) and R2 zones with a Performance Development Overlay (R2PD).~~

~~(Am 2021-46, Am 2022-46, Am 2024-03, Am 2024-20, Am 2024-21, Am 2025-60)~~

~~14.30.030~~

~~Accessory Dwelling Unit (ADU) Development Standards.~~

~~ADUs shall be subject to the following development standards:~~

~~(1) *Number.* No more than one (1) ADU shall be permitted in conjunction with each one (1) family detached dwelling.~~

~~(2) *Location.* ADUs may be located only:~~

~~(a) Over an attached garage, provided the ADU has access to required parking and does not otherwise disrupt required covered parking;~~

~~(b) Inside a one (1) family detached dwelling;~~

~~(c) In an addition to a one (1) family detached dwelling; provided, that the addition will not alter the one (1) family character of the building; or~~

~~(d) As a detached accessory structure or within a detached accessory structure located in the rear and/or side yard in accordance with the following requirements:~~

~~(i) The accessory structure in which the ADU is located shall have a building footprint and height less than the main dwelling, but in no case shall the accessory structure be less than two hundred (200) square feet in area;~~

~~(ii) A detached ADU or a detached accessory structure containing an ADU shall be set back from any property line no less than ten (10) feet or the distance of the existing setback of the one (1) family dwelling from that same property line, whichever is less;~~

~~(iii) The accessory structure shall be architecturally compatible with the main dwelling;~~

~~(iv) The accessory structure shall be permanently affixed to a site-built foundation and shall be designed in accordance with Provo City adopted building codes;~~

~~(v) The accessory structure must be approved for, and permanently connected to, all required utilities with a connection and meter independent and separate from the one (1) family dwelling; and~~

(vi) Shipping containers shall not be permitted for use as an ADU unless they can meet all building codes and are clad with materials similar to and architecturally compatible with those of the main dwelling.

(3) *Appearance.* The ADU shall not alter the appearance of the structure as a one (1) family detached dwelling and shall not resemble in any degree a side-by-side, side-to-back, back-to-back, or other type of two-family dwelling. There shall be no external evidence from a street view of occupancy by more than one (1) family, such as two (2) front doors on the main dwelling. The yard areas of the property shall be maintained free of weeds, junk, solid waste, or other materials constituting a violation of the Provo City Code. An ADU shall not be authorized on a property that has outstanding ordinance violations.

(4) *Occupancy.* A one (1) family dwelling with an ADU, which is authorized by and conforms to the requirements set forth in this Section, shall, for purposes of this Subsection, consist of two (2) component parts: the main dwelling unit and the ADU. Those two (2) parts shall be occupied as follows:

(a) Except as otherwise provided in Subsection (4)(d) of this Section, either the main dwelling unit or the ADU must be occupied by an owner occupant as that term is defined in Section 14.06.020, Provo City Code. If this requirement is not met, no ADU shall be permitted.

(b) The occupancy of the main dwelling unit shall be limited to one (1) "family" as that term is defined in Chapter 14.06, Provo City Code, except that if the ADU is also occupied, the occupancy of the main dwelling unit may not include the two (2) additional related or unrelated individuals described in Subsection (b)(i)(B) of the "family" definition in Section 14.06.020, Provo City Code.

(c) The ADU shall not be occupied by more than three (3) related or unrelated adults, together with any minor children of those adults.

(d) Owner occupancy shall not be required when the owner has submitted a temporary absence application prior to beginning of the temporary absence and meets the following criteria:

(i) The owner has a bona fide, temporary absence of three (3) years or less for activities such as temporary job assignments, sabbaticals, military service, or voluntary

service (indefinite periods of absence from the dwelling shall not qualify for this exception); or

(ii) The owner is placed in a hospital, nursing home, assisted living facility or other similar facility.

(iii) The owner has resided in the residence for at least one (1) year prior to beginning the temporary absence.

(5) *Parking.* A one (1) family dwelling with an ADU must have at least four (4) off-street parking spaces.

(a) Two (2) tandem parking spaces (front to rear) are permitted.

(b) Parking spaces for a one (1) family dwelling with an associated ADU may be located on a driveway in a required front yard if:

(i) The driveway leads to the minimum number of required covered off-street parking spaces; or

(ii) The property is listed on the Provo City Landmarks Registry.

(c) Parking spaces allowed under Subsection (5)(b) of this Section may not be between the primary dwelling and the street.

(d) In no case may the number of off-street parking spaces be less than the number of vehicles being maintained on the premises.

(e) Parking must comply with all other regulations of Chapter 14.37, Provo City Code.

(6) *Utility Meters.* A one (1) family dwelling with an internal ADU shall have at least one (1) but no more than two (2) meters for each water, gas, and electricity utility service, and each meter shall be in the property owner's name. A detached ADU or a detached accessory structure containing an ADU must have its own separate meter, and each meter shall be in the property owner's name.

(7) *Addresses.* The ADU shall have its own address assigned by Provo City.

(8) *Outside Entrances.* Outside entrances to the ADU shall be on the side or rear of the building. Only one (1) front entrance shall be visible from the front yard.

(9) *Building Codes.* All existing construction and remodeling shall comply with building codes in effect at the time of the original construction or remodeling. Newly constructed ADUs shall meet current building codes.

(10) *Rental Dwelling License.* In accordance with Chapter 6.26 (Rental Dwellings), Provo City Code, any person operating an ADU under this Chapter must obtain a rental dwelling license (RDL). This RDL is in addition to any building permits that may be necessary.

(a) In addition to complying with Chapter 6.26 (Rental Dwellings), Provo City Code, to be eligible for an RDL a person operating an ADU under this Chapter must:

(i) Submit a site plan drawn accurately to scale that shows property lines and dimensions, the location of existing buildings and building entrances, proposed buildings or additions, dimensions from buildings or additions to property lines, the location of parking stalls, and utility meters;

(ii) Include detailed floor plans drawn to scale with labels on rooms indicating uses or proposed uses. Floor plans must have the interior connection clearly labeled;

(iii) Pay an application fee as shown on the Consolidated Fee Schedule adopted by the Municipal Council;

(iv) Cooperate with the Development Services Department in recording a deed restriction with the County Recorder evidencing the restrictions under which the ADU is constructed and occupied. This deed restriction must run with the land as long as the property contains an ADU as provided in this Chapter;

(v) Renew the rental dwelling license annually; and

(vi) Establish at the time of the initial application and at every renewal that the dwelling is the owner's primary residence.

(b) Noncompliance with the standards of this Section is just cause for the denial or revocation of a rental dwelling license for an ADU. Revocation will be in accordance with the license regulations in Chapters 6.01 (License Administration) and 6.26 (Rental Dwellings), Provo City Code.

~~(c) Notwithstanding Section 6.01.090, Provo City Code, a rental dwelling license for an ADU automatically expires one (1) year after the date of the approval, or upon transfer of the property to another owner, whichever occurs first.~~

~~(Am 2021-46, Am 2022-17, Am 2022-46, Am 2024-03, Am 2024-59, Am 2025-36, Am 2025-60)~~

~~14.30.040~~

~~Special Use Permit for Accessory Dwelling Unit.~~

~~(Enacted 2022-46, Am 2024-03, Am 2024-61, Rep 2025-60)~~

Chapter 14.30
ACCESSORY DWELLING UNITS

Sections:

14.30.010 Purpose and Objectives.
14.30.020 Permitted Use of Accessory Dwelling Units.
14.30.030 Accessory Dwelling Unit (ADU) Development Standards.

14.30.010 Purpose and Objectives

The purpose of the Accessory Dwelling Unit (ADU) development standards is to support family life by allowing ADUs in conjunction with one-family detached dwellings on individual lots. These standards are intended to promote the use of ADUs, provide flexibility in housing arrangements due to life cycle changes, offer financial support for homeowners, and enhance housing options for aging residents.

14.30.015 Definitions

(1) "Accessory dwelling unit (ADU)" means a residential dwelling unit occupied as a separate dwelling unit on the same lot as a primary dwelling unit, either within the same building as the primary dwelling unit (referred to as an internal ADU), attached to the single-family dwelling, or in a detached building. An accessory building, as defined, is not a mobile home or other portable structure that does not qualify as an ADU.

(2) For purposes of this Chapter, "areas zoned primarily for residential use" means the RA, R1, R2, LDR, MDR, HDR, CMU, VLDR, RM, RC, any Project Redevelopment Option (PRO) zone, and Specific Development Plan Overlay zones 2 through 5.

14.30.020 Permitted Use of Accessory Dwelling Units

(1) The use of an ADU is a permitted use in all areas zoned primarily for residential use, except as otherwise provided in this Section.

(2) Except as provided in subsection (3), ADUs are prohibited in:

(a) the Broadview Shores Overlay Zone; and

(b) all areas east of Interstate 15 that are zoned RM, R16, R17, R18, R19, R110, or R2PD, including those with a Performance Development Overlay.

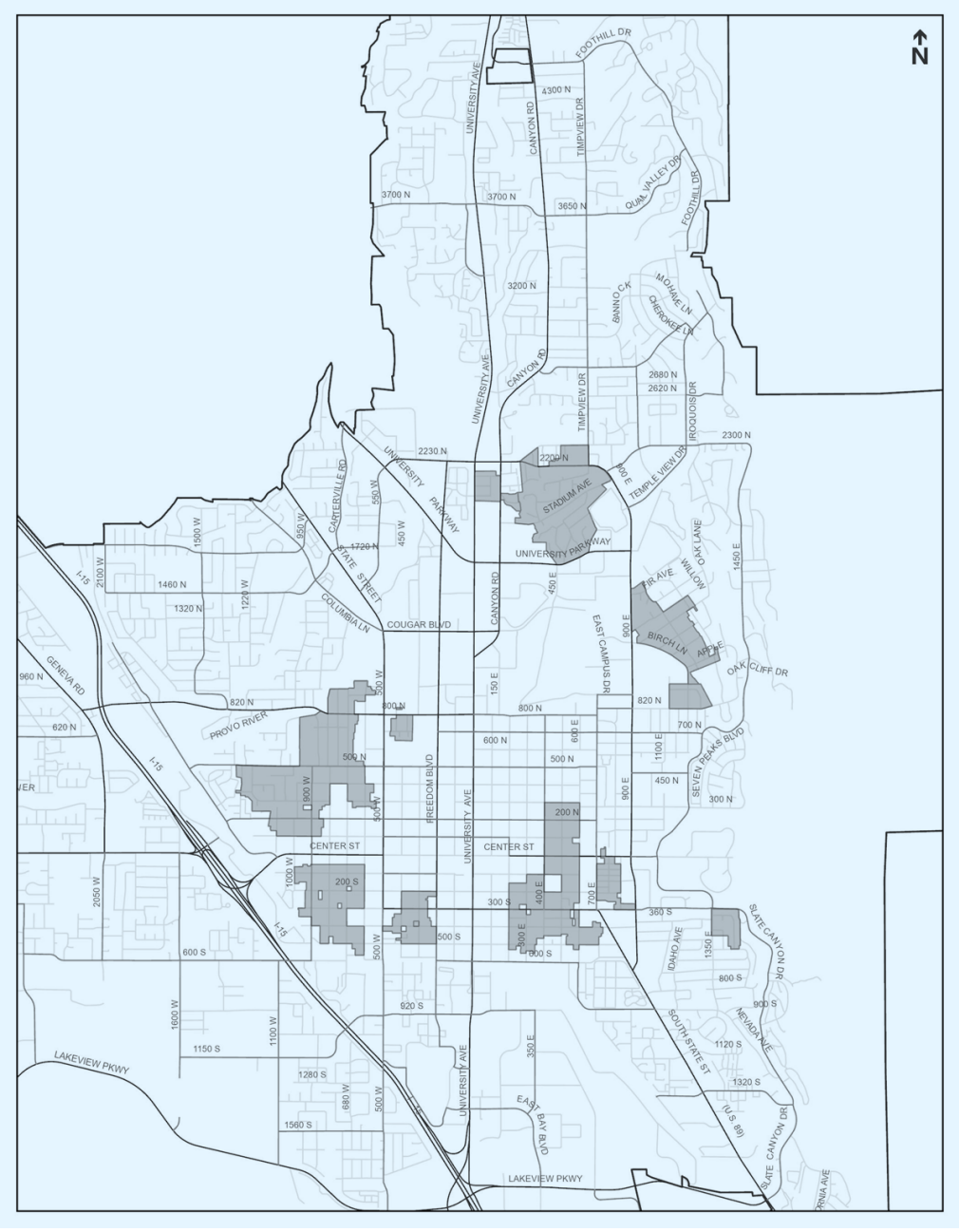
(3) Notwithstanding Subsection (2), ADUs are permitted in certain areas that subsection (2) would otherwise prohibit, as shown on the following map. This map is not a comprehensive map of areas where ADUs are permitted. It shows only areas where ADUs would otherwise be prohibited under subsection (2).

(4) So long as it is required by UCA 10-21-304(1), as amended, external ADUs are permitted on any lot or parcel that would otherwise be prohibited under Subsection (2) if the lot or parcel:

(a) is in a zone that permits single-family dwellings;

(b) contains a single-family dwelling; and

(c) is 11,000 square feet or larger.



14.30.030 Accessory Dwelling Unit (ADU) Development Standards

Accessory dwelling units (ADUs) are subject to the following development standards:

(1) *Number*. No more than one ADU is permitted in conjunction with each one-family detached dwelling.

(2) *Location*. An ADU may only be located in the following locations:

(a) Over an attached garage, provided the ADU has access to required parking and does not interfere with required covered parking;

(b) Inside a one-family detached dwelling;

(c) In an addition to a one-family detached dwelling, provided the addition does not alter the one-family character of the building; or

(d) As a detached accessory structure, or within a detached accessory structure including detached garages, located in the rear or side yard, subject to the following requirements:

(i) All accessory structures and primary dwelling combined may not cover more than 40% of the total parcel area;

(ii) The accessory structure's height must be smaller than the main dwelling. The minimum area of the structure must be at least 200 square feet;

(iii) The detached ADU or structure must be set back at least 10 feet from any property line, or match the existing setback of the primary dwelling from that same property line, whichever is less;

(iv) For detached ADUs that are permitted under Subsection 14.30.020(4), the accessory structure containing the ADU must:

(A) have a height less than the main dwelling and less than 25 feet; and

(B) meet the side and rear yard setbacks for the property's zone plus an additional setback of one foot for each foot of height over 16 feet (any height in excess of a whole number is rounded to the next foot);

(v) The accessory structure must be architecturally compatible with the main dwelling;

(vi) The structure must be permanently affixed to a site-built foundation and comply with all applicable Provo City building codes; and

(vii) Shipping containers may not be used as ADUs unless they comply with all applicable building codes and are clad with materials that are architecturally compatible with those of the main dwelling.

(3) *Appearance*. The ADU must not alter the appearance of the structure as a one-family detached dwelling or resemble any form of two-family dwelling, including side-by-side, side-to-back, or back-to-back configurations. From the street, any visible evidence of multiple-family occupancy is prohibited.

(4) *Occupancy*. A one-family dwelling with an authorized and conforming ADU is considered to consist of two parts: the main dwelling unit and the accessory dwelling unit. These two units must be occupied as follows:

(a) Owner occupancy.

(i) Except as provided in Subsection (a)(ii), either the main dwelling unit or the ADU must be occupied by an owner occupant, as defined in PCC 14.06.020. If this requirement is not met, the ADU is not permitted.

(ii) Owner occupancy is not required if the owner has submitted a temporary absence application before the absence begins and meets the following conditions:

(A) The owner has a bona fide, temporary absence of three years or less for purposes such as temporary job assignments, sabbaticals, military service, or voluntary service. Indefinite absences do not qualify.

(B) The owner is residing in a hospital, nursing home, assisted living facility, or similar institution.

(C) The owner has lived in the residence for at least one year prior to the start of the temporary absence.

(b) The occupancy of the main dwelling unit is limited to one “family” as defined in PCC 14.06.020. However, if the ADU is also occupied, the main dwelling unit may not include the additional two related or unrelated individuals otherwise permitted under Subsection (b)(i)(B) of the “family” definition in that Section.

(c) The ADU may not be occupied by more than three related or unrelated adults, along with any minor children of those adults.

(5) *Parking*. A one-family dwelling with an ADU must provide at least four off-street parking spaces. However, for properties with a detached ADU, if the provisions of UCA 10-21-304(3), as amended, limit the parking that may be required, the property must provide the maximum number of off-street parking spaces that may be required under that statute.

(a) Two tandem parking spaces (front to rear) are permitted.

(b) Parking spaces may be located on a driveway within the required front yard if:

(i) The driveway leads to the minimum number of required covered off-street parking spaces; or

(ii) The property is listed on the Provo City Landmarks Registry.

(c) Parking spaces allowed under Subsection (5)(b) may not be located between the primary dwelling and the street.

(d) In no case may the number of off-street parking spaces be less than the number of vehicles maintained on the premises.

(e) All parking must comply with the requirements of PCC 14..

(6) *Utility meters*. A one-family dwelling with an internal ADU must have at least one but no more than two meters for each water, gas, and electricity service, and each meter must be in the property owner's name

(7) *Addresses*. The ADU must be assigned its own address by Provo City.

(8) *Outside entrances*. Exterior entrances to the ADU must be located on the side or rear of the building. Only one front entrance may be visible from the front yard.

(9) *Building codes*. All existing construction and remodeling must comply with the building codes in effect at the time the work was completed. Newly constructed ADUs must comply with all current building codes.

(10) *Rental Dwelling License.* In accordance with PCC 6.26, any person operating an accessory dwelling unit (ADU) under this Chapter must obtain a rental dwelling license (RDL). This license is required in addition to any necessary building permits.

(a) In addition to complying with the requirements of PCC 6.26, an applicant for a rental dwelling license for an ADU must:

(i) Submit a site plan drawn to scale showing property lines and dimensions, the location of existing and proposed buildings and entrances, distances from structures to property lines, the location of parking stalls, and utility meters;

(ii) Submit detailed floor plans drawn to scale with labeled room uses and clearly marked interior connections between the main dwelling and the ADU;

(iii) Pay the application fee established in the Consolidated Fee Schedule adopted by the Municipal Council;

(iv) Cooperate with the Development Services Department in recording a deed restriction with the County Recorder outlining the conditions under which the ADU is constructed and occupied. The restriction must run with the land as long as the ADU remains on the property;

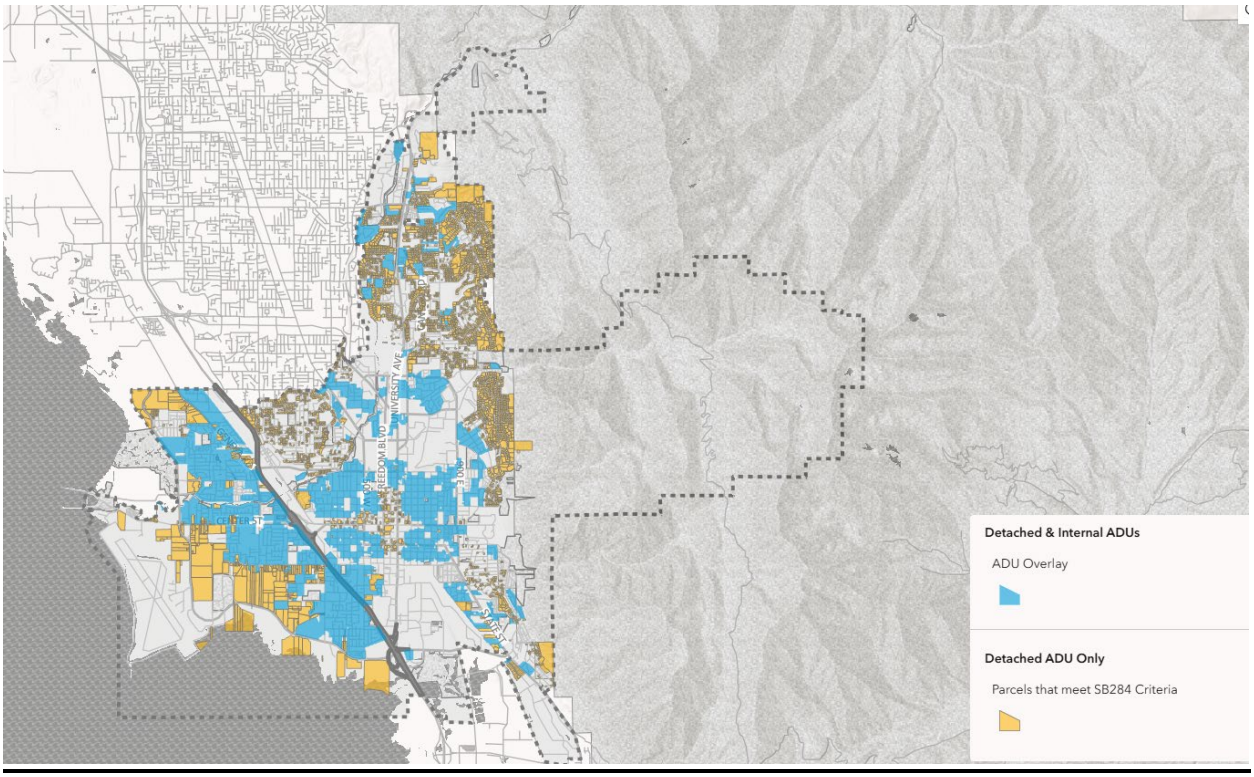
(v) Renew the rental dwelling license annually; and

(vi) Establish, at the time of initial application and at each renewal, that the dwelling is the owner's primary residence.

(b) Noncompliance with this Section is grounds for denial or revocation of the rental dwelling license. Revocation procedures are found in PCC 6.01 and PCC 6.26.

(c) Notwithstanding PCC 6.01.090, a rental dwelling license for an ADU automatically expires one year after issuance or upon transfer of the property to a new owner, whichever occurs first.

Attachment 2 Properties over 11,000 square feet



Provo City Planning Commission

Report of Action

October 14, 2026

*ITEM 1 The Provo City Council requests an Ordinance Text Amendment to Title 14.30 (Accessory Dwelling Units) to update regulations with State Code. Citywide Application. Jessica Dahneke (801) 852-6413 jdahneke@provo.gov PLOTA20260551

The following action was taken by the Planning Commission on the above described item at its regular meeting of October 14, 2026:

RECOMMENDED APPROVAL

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

Motion By: Jon Lyons
Second By: David Conger
Votes in Favor of Motion: Tosh Metzger, Melissa Kendall, Matthew Wheelwright, Jon Lyons, Joel Temple, David Conger
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 AND PUBLIC COMMENT
- A Neighborhood District Chair addressed the Planning Commission during the public hearing.
  - Angie Carter, East District Board Chair, stated that a concern in the east district is that an increase in the allowance of ADUs will lead to an increase in the number of rental properties and make homeownership harder.

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:

APPLICANT RESPONSE

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

- Staff explained that state code now requires the City to update the areas where detached ADUs are allowed to include parcels that are over 11,000 square feet and zoned for single family dwellings.
- Staff highlighted that this ordinance text amendment was to repeal and replace the existing ordinance to improve the language of the entire section in addition to updating the code to reflect new state requirements.
- Staff explained the changes to setbacks, building height, lot coverage, and utilities that were being proposed along with the state-required updates.

PLANNING COMMISSION DISCUSSION

Key points discussed by the Planning Commission included the following:

- Commissioner Lyons noted a few grammatical errors in the text and that the requirement for detached ADUs in the ADU overlay be smaller than the main dwelling had been removed. Staff made note of the edits and stated the code will be updated to address the errors.
- Commissioner Temple asked if the lot coverage, height, set back, and size requirements become overly restrictive and inhibit ADUs being built in the areas that allow for them. Staff explained that the setback requirement for detached ADUs varies depending on if the property is in the ADU overlay where the lots are smaller.
- Commissioner Lyons asked about how parking requirements would be enforced, specifically the requirement that the number of vehicles should not exceed the number of off-street parking spaces. Staff explained that parking concerns would be enforced through code enforcement staff and parking enforcement staff.
- Commissioner Temple asked if the City should make additional changes based on possible future state legislation.
- Commissioner Conger stated that the code amendment seems thought through and is bringing the city into compliance with the state requirements.



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

Chapter 14.30
ACCESSORY DWELLING UNITS

Sections:

14.30.010 Purpose and Objectives.

14.30.020 Permitted Use of Accessory Dwelling Units.

14.30.030 Accessory Dwelling Unit (ADU) Development Standards.

14.30.040 Special Use Permit for Accessory Dwelling Unit (Rep Ord. 2025-60)

Prior legislation: Ords. 1991-07, 1998-55, 2000-15, 2009-17, 2010-28, 2013-49, 2019-45.

14.30.010
Purpose and Objectives.

(1) The purpose of the accessory dwelling unit (ADU) development standards is to encourage promotion of an environment for family life by providing for the establishment of ADUs in conjunction with one (1) family detached dwellings on individual lots. These development standards are hereby established to promote the use of ADUs; to provide flexibility for the changes in household size associated with life cycle; to offer financial security for home owners; and to offer security against problems associated with frailty in old age.

(2) "Accessory dwelling unit (ADU)" means a residential dwelling unit occupied as a separate dwelling unit on the same lot as a primary dwelling unit, either within the same building as the

primary dwelling unit (referred to as an internal ADU), attached to the single-family dwelling, or in a detached building. An accessory building, as defined, is not a mobile home or other portable structure that does not qualify as an ADU.

(3) The use of an accessory dwelling unit in areas zoned primarily for residential use is a permitted use, except as otherwise provided in this Chapter.

(a) For purposes of this Chapter, the phrase "areas zoned primarily for residential use" means areas in the following zones: RA, R1, R2, LDR, MDR, HDR, CMU, VLDR, RM, RC, any Project Redevelopment Option (PRO) zone, and Specific Development Plan Overlay zones 2 through 5.

(Am 2021-46, Am 2024-03, Am 2025-60)

~~14.30.020~~

~~Permitted Use of Accessory Dwelling Units.~~

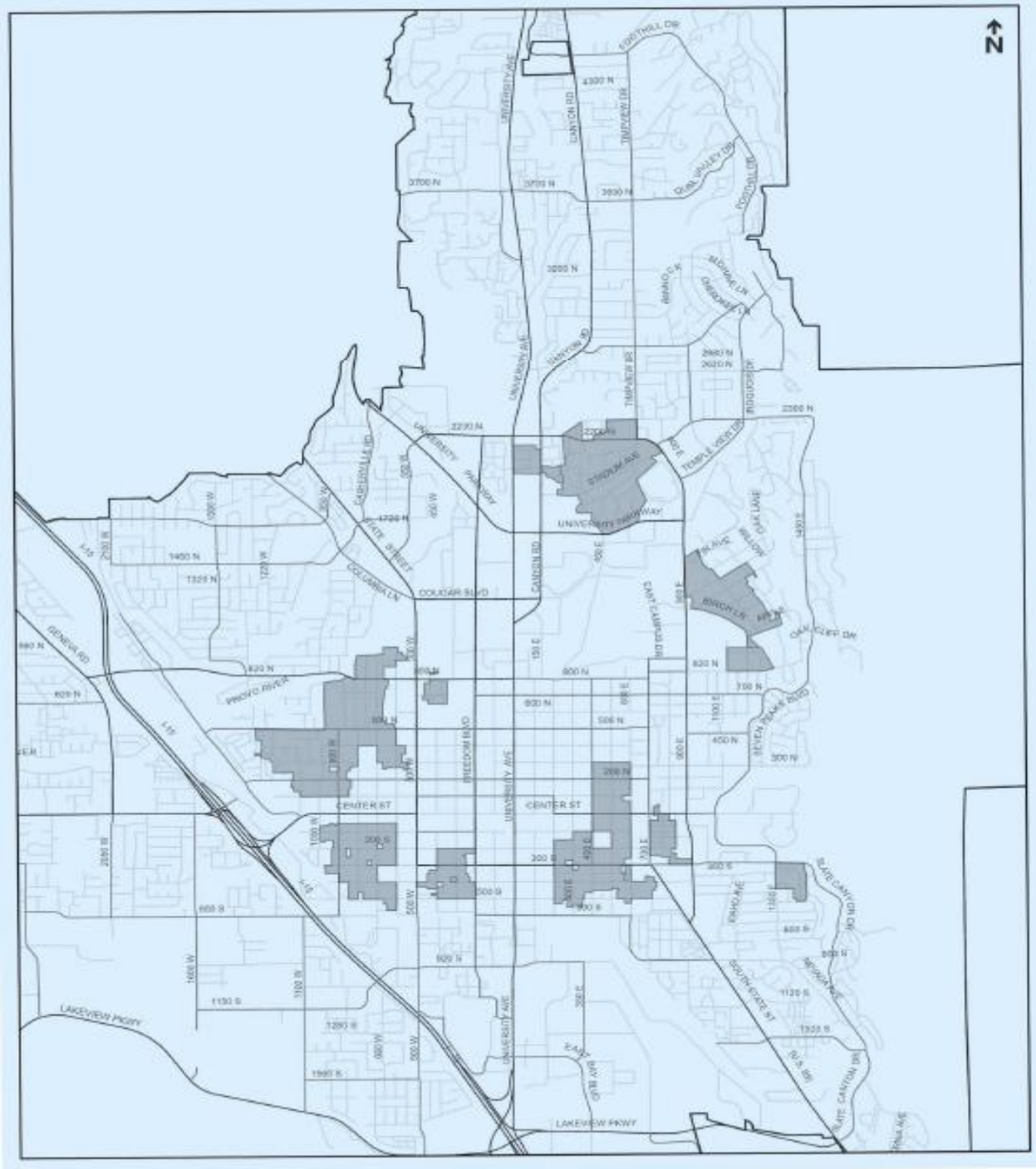
~~(1) Notwithstanding the regulation of permitted uses in other chapters of this Title, the regulation of the permitted use of accessory dwelling units is governed by this Section.~~

~~(2) Notwithstanding Section 14.30.010, Provo City Code, Utah Code Annotated Section 10-9a-530 allows the prohibition of accessory dwelling units in some areas zoned primarily for residential use. Accordingly, accessory dwelling units are prohibited in the following areas zoned primarily for residential use:~~

~~(a) All Project Redevelopment Option (PRO) zones;~~

~~(b) R2 zones with a Performance Development Overlay (R2PD);~~

~~(c) Areas designated RM, R16, R17, R18, R19, or R110, including such areas with the Performance Development Overlay, except as shown in the map below:~~



(3) Notwithstanding Subsection (2) of this Section, the use of an accessory dwelling unit in areas zoned primarily for residential use is a permitted use in all areas west of Interstate Highway 15, except the Specific Development Plan Overlay zone 5 (SDP-5) and R2 zones with a Performance Development Overlay (R2PD).

(Am 2021-46, Am 2022-46, Am 2024-03, Am 2024-20, Am 2024-21, Am 2025-60)

~~14.30.030~~

~~Accessory Dwelling Unit (ADU) Development Standards.~~

~~ADUs shall be subject to the following development standards:~~

~~(1) *Number.* No more than one (1) ADU shall be permitted in conjunction with each one (1) family detached dwelling.~~

~~(2) *Location.* ADUs may be located only:~~

~~(a) Over an attached garage, provided the ADU has access to required parking and does not otherwise disrupt required covered parking;~~

~~(b) Inside a one (1) family detached dwelling;~~

~~(c) In an addition to a one (1) family detached dwelling; provided, that the addition will not alter the one (1) family character of the building; or~~

~~(d) As a detached accessory structure or within a detached accessory structure located in the rear and/or side yard in accordance with the following requirements:~~

~~(i) The accessory structure in which the ADU is located shall have a building footprint and height less than the main dwelling, but in no case shall the accessory structure be less than two hundred (200) square feet in area;~~

~~(ii) A detached ADU or a detached accessory structure containing an ADU shall be set back from any property line no less than ten (10) feet or the distance of the existing setback of the one (1) family dwelling from that same property line, whichever is less;~~

~~(iii) The accessory structure shall be architecturally compatible with the main dwelling;~~

~~(iv) The accessory structure shall be permanently affixed to a site-built foundation and shall be designed in accordance with Provo City adopted building codes;~~

~~(v) The accessory structure must be approved for, and permanently connected to, all required utilities with a connection and meter independent and separate from the one (1) family dwelling; and~~

~~(vi) Shipping containers shall not be permitted for use as an ADU unless they can meet all building codes and are clad with materials similar to and architecturally compatible with those of the main dwelling.~~

(3) *Appearance.* The ADU shall not alter the appearance of the structure as a one (1) family detached dwelling and shall not resemble in any degree a side-by-side, side-to-back, back-to-back, or other type of two-family dwelling. There shall be no external evidence from a street view of occupancy by more than one (1) family, such as two (2) front doors on the main dwelling. The yard areas of the property shall be maintained free of weeds, junk, solid waste, or other materials constituting a violation of the Provo City Code. An ADU shall not be authorized on a property that has outstanding ordinance violations.

(4) *Occupancy.* A one (1) family dwelling with an ADU, which is authorized by and conforms to the requirements set forth in this Section, shall, for purposes of this Subsection, consist of two (2) component parts: the main dwelling unit and the ADU. Those two (2) parts shall be occupied as follows:

(a) Except as otherwise provided in Subsection (4)(d) of this Section, either the main dwelling unit or the ADU must be occupied by an owner occupant as that term is defined in Section 14.06.020, Provo City Code. If this requirement is not met, no ADU shall be permitted.

(b) The occupancy of the main dwelling unit shall be limited to one (1) "family" as that term is defined in Chapter 14.06, Provo City Code, except that if the ADU is also occupied, the occupancy of the main dwelling unit may not include the two (2) additional related or unrelated individuals described in Subsection (b)(i)(B) of the "family" definition in Section 14.06.020, Provo City Code.

(c) The ADU shall not be occupied by more than three (3) related or unrelated adults, together with any minor children of those adults.

(d) Owner occupancy shall not be required when the owner has submitted a temporary absence application prior to beginning of the temporary absence and meets the following criteria:

(i) The owner has a bona fide, temporary absence of three (3) years or less for activities such as temporary job assignments, sabbaticals, military service, or voluntary service (indefinite periods of absence from the dwelling shall not qualify for this exception); or

(ii) The owner is placed in a hospital, nursing home, assisted living facility or other similar facility.

(iii) The owner has resided in the residence for at least one (1) year prior to beginning the temporary absence.

(5) *Parking.* A one (1) family dwelling with an ADU must have at least four (4) off-street parking spaces.

(a) Two (2) tandem parking spaces (front to rear) are permitted.

(b) Parking spaces for a one (1) family dwelling with an associated ADU may be located on a driveway in a required front yard if:

(i) The driveway leads to the minimum number of required covered off-street parking spaces; or

(ii) The property is listed on the Provo City Landmarks Registry.

(c) Parking spaces allowed under Subsection (5)(b) of this Section may not be between the primary dwelling and the street.

(d) In no case may the number of off-street parking spaces be less than the number of vehicles being maintained on the premises.

(e) Parking must comply with all other regulations of Chapter 14.37, Provo City Code.

(6) *Utility Meters.* A one (1) family dwelling with an internal ADU shall have at least one (1) but no more than two (2) meters for each water, gas, and electricity utility service, and each meter shall be in the property owner's name. A detached ADU or a detached accessory structure containing an ADU must have its own separate meter, and each meter shall be in the property owner's name.

(7) *Addresses.* The ADU shall have its own address assigned by Provo City.

(8) *Outside Entrances.* Outside entrances to the ADU shall be on the side or rear of the building. Only one (1) front entrance shall be visible from the front yard.

(9) *Building Codes.* All existing construction and remodeling shall comply with building codes in effect at the time of the original construction or remodeling. Newly constructed ADUs shall meet current building codes.

(10) *Rental Dwelling License.* In accordance with Chapter 6.26 (Rental Dwellings), Provo City Code, any person operating an ADU under this Chapter must obtain a rental dwelling license (RDL). This RDL is in addition to any building permits that may be necessary.

(a) In addition to complying with Chapter 6.26 (Rental Dwellings), Provo City Code, to be eligible for an RDL a person operating an ADU under this Chapter must:

(i) Submit a site plan drawn accurately to scale that shows property lines and dimensions, the location of existing buildings and building entrances, proposed buildings or additions, dimensions from buildings or additions to property lines, the location of parking stalls, and utility meters;

(ii) Include detailed floor plans drawn to scale with labels on rooms indicating uses or proposed uses. Floor plans must have the interior connection clearly labeled;

(iii) Pay an application fee as shown on the Consolidated Fee Schedule adopted by the Municipal Council;

(iv) Cooperate with the Development Services Department in recording a deed restriction with the County Recorder evidencing the restrictions under which the ADU is constructed and occupied. This deed restriction must run with the land as long as the property contains an ADU as provided in this Chapter;

(v) Renew the rental dwelling license annually; and

(vi) Establish at the time of the initial application and at every renewal that the dwelling is the owner's primary residence.

(b) Noncompliance with the standards of this Section is just cause for the denial or revocation of a rental dwelling license for an ADU. Revocation will be in accordance with the license regulations in Chapters 6.01 (License Administration) and 6.26 (Rental Dwellings), Provo City Code.

(c) Notwithstanding Section 6.01.090, Provo City Code, a rental dwelling license for an ADU automatically expires one (1) year after the date of the approval, or upon transfer of the property to another owner, whichever occurs first.

(Am 2021-46, Am 2022-17, Am 2022-46, Am 2024-03, Am 2024-59, Am 2025-36, Am 2025-60)

14.30.040

Special Use Permit for Accessory Dwelling Unit.

(Enacted 2022-46, Am 2024-03, Am 2024-61, Rep 2025-60)

Chapter 14.30
ACCESSORY DWELLING UNITS

Sections:

14.30.010 Purpose and Objectives.
14.30.020 Permitted Use of Accessory Dwelling Units.
14.30.030 Accessory Dwelling Unit (ADU) Development Standards.

14.30.010 Purpose and Objectives

The purpose of the Accessory Dwelling Unit (ADU) development standards is to support family life by allowing ADUs in conjunction with one-family detached dwellings on individual lots. These standards are intended to promote the use of ADUs, provide flexibility in housing arrangements due to life cycle changes, offer financial support for homeowners, and enhance housing options for aging residents.

14.30.015 Definitions

(1) "Accessory dwelling unit (ADU)" means a residential dwelling unit occupied as a separate dwelling unit on the same lot as a primary dwelling unit, either within the same building as the primary dwelling unit (referred to as an internal ADU), attached to the single-family dwelling, or in a detached building. An accessory building, as defined, is not a mobile home or other portable structure that does not qualify as an ADU.

(2) For purposes of this Chapter, "areas zoned primarily for residential use" means the RA, R1, R2, LDR, MDR, HDR, CMU, VLDR, RM, RC, any Project Redevelopment Option (PRO) zone, and Specific Development Plan Overlay zones 2 through 5.

14.30.020 Permitted Use of Accessory Dwelling Units

(1) The use of an ADU is a permitted use in all areas zoned primarily for residential use, except as otherwise provided in this Section.

(2) Except as provided in subsection (3), ADUs are prohibited in:

(a) the Broadview Shores Overlay Zone; and

(b) all areas east of Interstate 15 that are zoned RM, R16, R17, R18, R19, R110, or R2PD, including those with a Performance Development Overlay.

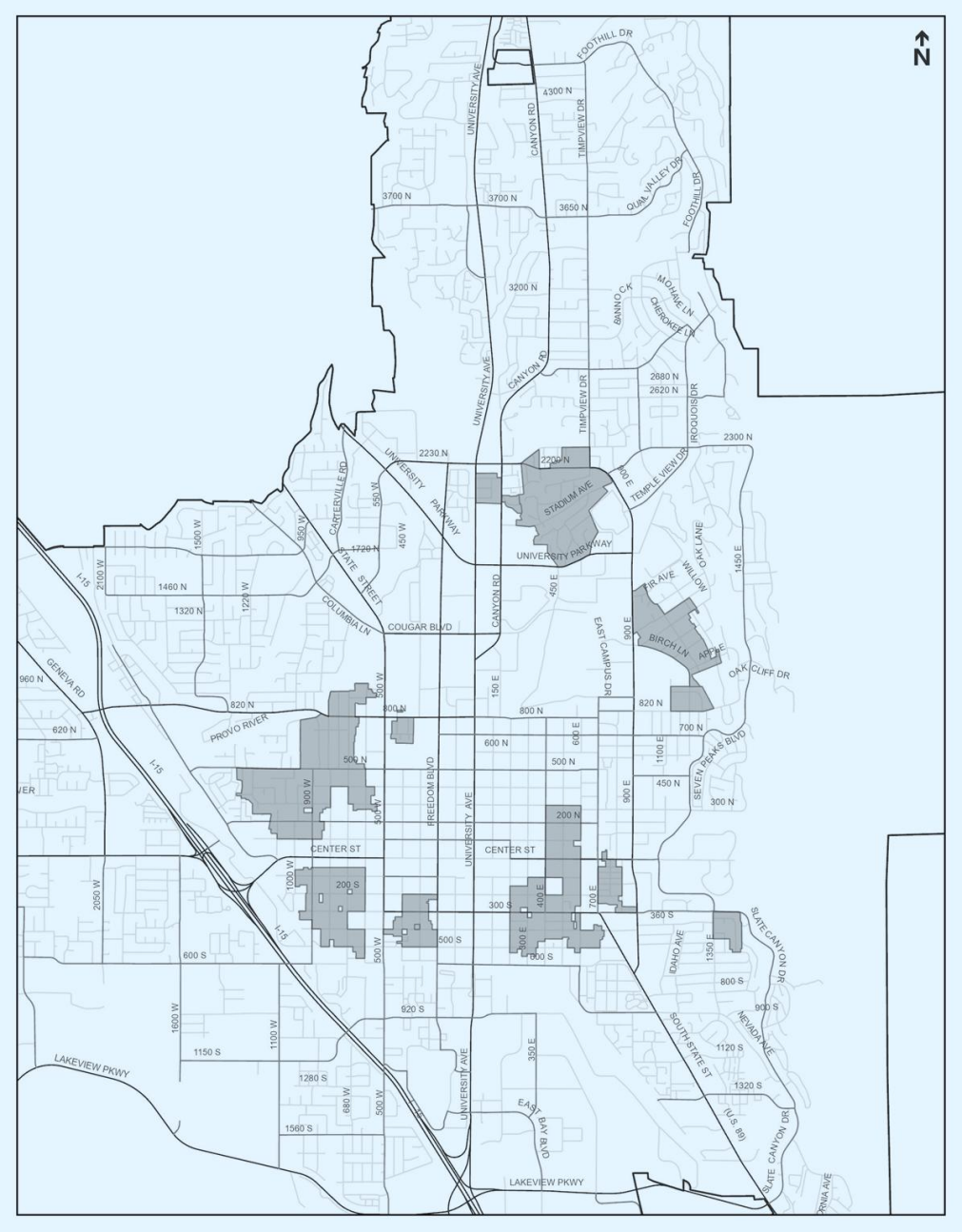
(3) Notwithstanding Subsection (2), ADUs are permitted in certain areas that subsection (2) would otherwise prohibit, as shown on the following map. This map is not a comprehensive map of areas where ADUs are permitted. It shows only areas where ADUs would otherwise be prohibited under subsection (2).

(4) So long as it is required by UCA 10-21-304(1), as amended, external ADUs are permitted on any lot or parcel that would otherwise be prohibited under Subsection (2) if the lot or parcel:

(a) is in a zone that permits single-family dwellings;

(b) contains a single-family dwelling; and

(c) is 11,000 square feet or larger.



14.30.030 Accessory Dwelling Unit (ADU) Development Standards

Accessory dwelling units (ADUs) are subject to the following development standards:

(1) *Number*. No more than one ADU is permitted in conjunction with each one-family detached dwelling.

(2) *Location*. An ADU may only be located in the following locations:

(a) Over an attached garage, provided the ADU has access to required parking and does not interfere with required covered parking;

(b) Inside a one-family detached dwelling;

(c) In an addition to a one-family detached dwelling, provided the addition does not alter the one-family character of the building; or

(d) As a detached accessory structure, or within a detached accessory structure including detached garages, located in the rear or side yard, subject to the following requirements:

(i) All accessory structures and primary dwelling combined may not cover more than 40% of the total parcel area;

(ii) The accessory structure's height must be smaller than the main dwelling. The minimum area of the structure must be at least 200 square feet;

(iii) The detached ADU or structure must be set back at least 10 feet from any property line, or match the existing setback of the primary dwelling from that same property line, whichever is less;

(iv) For detached ADUs that are permitted under Subsection 14.30.020(4), the accessory structure containing the ADU must:

(A) have a height less than the main dwelling and less than 25 feet; and

(B) meet the side and rear yard setbacks for the property's zone plus an additional setback of one foot for each foot of height over 16 feet (any height in excess of a whole number is rounded to the next foot);

(v) The accessory structure must be architecturally compatible with the main dwelling;

(vi) The structure must be permanently affixed to a site-built foundation and comply with all applicable Provo City building codes; and

(vii) Shipping containers may not be used as ADUs unless they comply with all applicable building codes and are clad with materials that are architecturally compatible with those of the main dwelling.

(3) *Appearance*. The ADU must not alter the appearance of the structure as a one-family detached dwelling or resemble any form of two-family dwelling, including side-by-side, side-to-back, or back-to-back configurations. From the street, any visible evidence of multiple-family occupancy is prohibited.

(4) *Occupancy*. A one-family dwelling with an authorized and conforming ADU is considered to consist of two parts: the main dwelling unit and the accessory dwelling unit. These two units must be occupied as follows:

(a) Owner occupancy.

(i) Except as provided in Subsection (a)(ii), either the main dwelling unit or the ADU must be occupied by an owner occupant, as defined in PCC 14.06.020. If this requirement is not met, the ADU is not permitted.

(ii) Owner occupancy is not required if the owner has submitted a temporary absence application before the absence begins and meets the following conditions:

(A) The owner has a bona fide, temporary absence of three years or less for purposes such as temporary job assignments, sabbaticals, military service, or voluntary service. Indefinite absences do not qualify.

(B) The owner is residing in a hospital, nursing home, assisted living facility, or similar institution.

(C) The owner has lived in the residence for at least one year prior to the start of the temporary absence.

(b) The occupancy of the main dwelling unit is limited to one "family" as defined in PCC 14.06.020. However, if the ADU is also occupied, the main dwelling unit may not include the additional two related or unrelated individuals otherwise permitted under Subsection (b)(i)(B) of the "family" definition in that Section.

(c) The ADU may not be occupied by more than three related or unrelated adults, along with any minor children of those adults.

(5) *Parking*. A one-family dwelling with an ADU must provide at least four off-street parking spaces. However, for properties with a detached ADU, if the provisions of UCA 10-21-304(3), as amended, limit the parking that

may be required, the property must provide the maximum number of off-street parking spaces that may be required under that statute.

(a) Two tandem parking spaces (front to rear) are permitted.

(b) Parking spaces may be located on a driveway within the required front yard if:

(i) The driveway leads to the minimum number of required covered off-street parking spaces; or

(ii) The property is listed on the Provo City Landmarks Registry.

(c) Parking spaces allowed under Subsection (5)(b) may not be located between the primary dwelling and the street.

(d) In no case may the number of off-street parking spaces be less than the number of vehicles maintained on the premises.

(e) All parking must comply with the requirements of PCC 14..

(6) *Utility meters*. A one-family dwelling with an internal ADU must have at least one but no more than two meters for each water, gas, and electricity service, and each meter must be in the property owner's name

(7) *Addresses*. The ADU must be assigned its own address by Provo City.

(8) *Outside entrances*. Exterior entrances to the ADU must be located on the side or rear of the building. Only one front entrance may be visible from the front yard.

(9) *Building codes*. All existing construction and remodeling must comply with the building codes in effect at the time the work was completed. Newly constructed ADUs must comply with all current building codes.

(10) *Rental Dwelling License.* In accordance with PCC 6.26, any person operating an accessory dwelling unit (ADU) under this Chapter must obtain a rental dwelling license (RDL). This license is required in addition to any necessary building permits.

(a) In addition to complying with the requirements of PCC 6.26, an applicant for a rental dwelling license for an ADU must:

(i) Submit a site plan drawn to scale showing property lines and dimensions, the location of existing and proposed buildings and entrances, distances from structures to property lines, the location of parking stalls, and utility meters;

(ii) Submit detailed floor plans drawn to scale with labeled room uses and clearly marked interior connections between the main dwelling and the ADU;

(iii) Pay the application fee established in the Consolidated Fee Schedule adopted by the Municipal Council;

(iv) Cooperate with the Development Services Department in recording a deed restriction with the County Recorder outlining the conditions under which the ADU is constructed and occupied. The restriction must run with the land as long as the ADU remains on the property;

(v) Renew the rental dwelling license annually; and

(vi) Establish, at the time of initial application and at each renewal, that the dwelling is the owner's primary residence.

(b) Noncompliance with this Section is grounds for denial or revocation of the rental dwelling license. Revocation procedures are found in PCC 6.01 and PCC 6.26.

(c) Notwithstanding PCC 6.01.090, a rental dwelling license for an ADU automatically expires one year after issuance or upon transfer of the property to a new owner, whichever occurs first

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter: AERCANBRACK
Presenter: Laramie Gonzales, Customer Service Business Analayst
Department: Customer Service
Meeting Date: 11/3/2026
Requested Duration (Minutes): 10 minutes
CityView or Issue File Number: 26-022

SUBJECT: 6 An ordinance amending the application requirements for a rental dwelling license. (26-022)

ADMINISTRATIVE RECOMMENDATION: Customer Service and Zoning Staff recommend approval of the proposed amendment.

ADMINISTRATIVE MEMO: To streamline the Rental Dwelling License (RDL) application process, Customer Service staff met with Zoning to review current requirements for a RDL. Staff determined that requiring out-of-state property owners to obtain a limited power of attorney creates unnecessary delays and has not proven necessary for enforcement. Staff recommends removing it from the ordinance.

The current code also requires property owners living more than 20 miles from the rental property to designate a local agent. Staff recommends increasing this distance to 50 miles, which would include areas such as Salt Lake City, Park City, and Nephi, all within approximately one hour of Provo.

Minor updates were also made to align the ordinance with the City's current ordinance style and formatting.

FISCAL IMPACT: None

COUNCIL STAFF MEMO:

ORDINANCE <<Document Number>>

AN ORDINANCE AMENDING THE APPLICATION REQUIREMENTS FOR A RENTAL DWELLING LICENSE. (26-022)

RECITALS:

It is proposed that Provo City Code Chapter 6.26 be amended to eliminate the requirement for a limited power of attorney and to increase the distance threshold requiring the designation of a local agent to 50 miles;

On October 20, 2026 and November 3, 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, 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:

Provo City Code 6.26 is amended as presented 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.

Chapter 6.26
RENTAL DWELLINGS

Sections:

6.26.010 Definitions.
6.26.020 License Required.
6.26.030 License Application.
6.26.040 License Procedure.
6.26.050 License Fee.
6.26.060 Effect of License Issuance.
6.26.070 License Denial.
6.26.080 License Suspension or Revocation.
6.26.090 Determination of Legal Status.
6.26.100 Minimum Health and Safety Requirements.
6.26.110 Minimum Parking Requirements.
6.26.120 Inspections.
6.26.125 Signage Requirements.
6.26.130 Effective Date.
6.26.140 Compliance Reports.
6.26.150 Rental Disclosure Required.

6.26.010
Definitions.

Words and phrases contained herein which are defined in Chapter 6.01, 6.02 or 14.06, Provo City Code, as amended, shall will have the meanings set forth in such chapters. If there is a conflict between definitions contained in Title 14, other sSections or Titles of Provo City Code, and definitions contained in this Title, the definitions in this Title shall will govern for the purposes of interpreting this Title.

(Enacted 2003-01, Am 2019-45)

6.26.020
License Required.

(1) It is unlawful for any person to keep, conduct, operate or maintain a rental dwelling within the City without a business license for such dwelling. A person who owns multiple-rental dwellings or multiple buildings containing rental dwellings is not required to obtain more than one (1) business license for the operation and maintenance of those rental dwellings.

(2) A business license for a rental dwelling is not transferable between persons or structures. Any person holding such license ~~shall will~~must give written notice within ~~thirty (30)~~ 30 days to the business license official after having transferred or otherwise disposed of legal or equitable control of any rental dwelling licensed under this Chapter. Such notice of transferred interest ~~shall~~ will be deemed a request to cancel an existing business license for such rental dwelling and ~~shall will~~must include the name, address, and information regarding the person(s) succeeding to the ownership or control thereof. The new owner ~~shall will~~must obtain a business license as required by this Chapter.

(3) A business license ~~shall will~~is not be required for a dwelling unit which is ordinarily owner-occupied but is temporarily rented because:

(a) the owner is placed in a hospital, nursing home, assisted living facility or other similar facility, or

(b) the owner has a bona fide, temporary absence of three ~~(3)~~ years or less for activities such as temporary job assignments, sabbaticals, or voluntary service. Indefinite periods of absence from the dwelling ~~shall will~~do not qualify for this exception.

(c) As used in this subsection owner occupancy means:

(i) a natural person who possesses ~~fifty percent (~~50%~~)~~ ownership or more in the dwelling and said dwelling is the primary residence of such person; or

(ii) a family trust created for the primary purpose of estate planning by one ~~(1)~~ or more trustors who create the trust, place the dwelling in such trust, and whose primary residence is such dwelling.

~~(Enacted 2003-01, Am 2006-14, Am 2008-17, Am 2021-27, Am 2024-19)~~

6.26.030
License Application.

An application for a business license ~~shall~~ mustwill conform to the requirements of Section 6.01.060 of this Title and ~~shall will~~must include the following additional information:

(1) the address of each building containing rental dwellings which are owned, operated or maintained by the applicant;

(2) the number of rental dwelling units in each building;

(3) the occupancy status of each rental dwelling unit;

(4) the number of parking spaces provided on the premises;

(5) if the owner of the rental dwellings is not a Utah resident, the name, address, and both home and business telephone numbers of a legal representative and agent who resides in the State of Utah for service of process;

(6) the name, address, and both home and business telephone numbers of a local agent who:

(a) resides not more than ~~twenty (20)~~ 50 miles from the rental dwelling(s), and

(b) is authorized to manage the rental dwelling(s);

(7) proof of liability insurance for the rental dwellings to be licensed; and

(8) the signature of the owner of the rental dwelling(s):

(a) certifying, to the best of the owner's knowledge or belief, that the use and occupancy of the rental dwelling(s) conforms to applicable ordinances, and

(b) agreeing to comply with applicable ordinances.

~~(Enacted 2003-01, Am 2006-45)~~

6.26.040
License Procedure.

(1) A rental dwelling business license ~~shall~~ will be issued pursuant to the requirements of Chapters 6.01 and 6.02 of this Title except as modified by this Chapter.

(2) No business license ~~shall~~ will be issued or renewed for a rental dwelling unless the owner:

~~(a) if not a Utah resident, designates in writing a power of attorney, in the name of a resident agent, for:~~

~~(i) receipt of service for notice of violation of the provisions of this Chapter or any other applicable code requirement, and~~

~~(ii) service of process, acknowledged by such agent;~~

(~~b~~ a) certifies, to the best of the owner's knowledge or belief, that the use and occupancy of the rental dwelling(s) conforms to applicable ordinances; and

(~~c~~ b) agrees to comply with applicable ordinances.

~~(Enacted 2003-01, Am 2006-45)~~

6.26.050
License Fee.

(1) The fee for a rental dwelling business license ~~shall~~ willis ~~be~~ as shown on the Consolidated Fee Schedule adopted by the Municipal Council.

(2) There ~~shall~~ will be no fee reduction for the first year in which a person engages in the business of operating, keeping, conducting, or maintaining a rental dwelling.

(3) A rental dwelling license may be suspended or revoked at any time as provided in Section 6.26.080, Provo City Code.

~~(Enacted 2003-01, Am 2003-36, Am 2006-15, Am 2006-45, Am 2016-28)~~

6.26.060
Effect of License Issuance.

The issuance of a rental dwelling business license ~~shall~~ doeswill not have the effect of changing the legal status of a rental dwelling, including, but not limited to:

(1) legalizing an illegally created dwelling unit, use, or other circumstance, or

(2) recognizing a nonconforming use, structure, or other nonconformity.

. . . ~~(Enacted 2003-01)~~

6.26.070
License Denial.

An application for a rental dwelling business license, including a renewal application, may be denied for any of the following reasons:

(1) The applicant does not meet the qualifications for a license as provided in this Title.

(2) For a new application, nonpayment and return of a check for the required license fee. For a renewal application, nonpayment of the required license fee plus any penalty assessed for late payment.

(3) Violation of this Title or the Provo City Zoning Code with regard to any property to be licensed under that application, including failure to pay outstanding fines or penalties imposed for such violations.

(4) A reviewing City department recommends disapproval of the application pursuant to an applicable provision of the Provo City Code.

(5) An application contains false or incomplete information.

(6) The rental dwelling does not comply with applicable Health Department regulations governing the premises, or any City, State or federal law.

(Enacted 2003-01, Am 2026-12)

6.26.080
License Suspension or Revocation.

The City may suspend or revoke a rental dwelling business license for any of the reasons set forth in Section 6.01.160 of this Title and for any of the following reasons:

(1) The licensee does not meet the qualifications for a license as provided under this Title;

(2) The licensee gave false or incomplete information on the licensee's application;

(3) Violation of this Title or the Provo City Zoning Code with regard to any property to be licensed under that application, including failure to pay outstanding fines or penalties imposed for such violations;

(4) The licensee has allowed the licensed premises to be occupied or operated in a manner contrary to the conditions set forth in the license; or

~~(5) The licensee has, or the licensee's agents or employees have, violated the provisions of the license, this Title, or any other law while acting in relation to any rental dwelling authorized by the license.~~

~~(Enacted 2003-01, Am 2024-59, Am 2026-12)~~

6.26.090
Determination of Legal Status.

(1) The provisions of this subsection ~~shall~~ will be applied to determine whether a particular rental dwelling was legally established and is thus qualified, subject to the provisions of this Chapter, for a rental dwelling business license.

(2) If necessary building and zoning permits were issued authorizing the establishment of a rental dwelling, construction was substantially completed pursuant to such permits, and no deviation therefrom has occurred thereafter, the issuance of such permits ~~shall~~ will be prima facie evidence that the rental dwelling was legally established. A business license for such rental dwelling may be issued, subject to the provisions of this Chapter.

(3) If necessary building permits were not issued authorizing a rental dwelling, or if allegations are made that necessary permits were issued, but no record of any such permits can be found, a determination of the legal status of the rental dwelling ~~shall~~ will be made pursuant to subsections (a), (b), and (c) below.

(a) A determination ~~shall~~ will be made as to whether the rental dwelling substantially conforms to applicable zoning and building code requirements in effect when the rental dwelling was established. If necessary to make such determination, the Zoning Administrator, Chief Building Official or their designees may inspect the rental dwelling premises, pursuant to authorization from the owner of the rental dwelling.

(i) If the rental dwelling conforms to requirements of the currently applicable zone, as set forth in Title 14, Provo City Code, then the rental dwelling ~~shall~~ will be deemed legally established so long as substantial evidence exists to conclude the rental dwelling met building code standards in effect when the dwelling unit was created and no deviations therefrom have occurred, other than deviations required by applicable law.

(ii) If the rental dwelling does not conform to requirements of the currently applicable zone, and did not conform to the requirements of the applicable zone when the rental dwelling was created, then the rental dwelling ~~shall~~ will be deemed illegal and no rental dwelling business license ~~shall~~ will be issued.

(iii) If the rental dwelling substantially conforms to zoning and building code requirements that applied when the rental dwelling was created, or conforms to requirements of a zoning status determination which may have been previously made by the City, and no deviations therefrom have occurred, other than deviations required by applicable law, then the rental dwelling ~~shall~~ will be deemed legally established.

(iv) If the rental dwelling does not substantially conform to zoning and building code requirements that applied when the rental dwelling was created, a rental dwelling business license may be issued if the illegal aspects of the structure are abated, mitigated, or brought into compliance with applicable zoning and building code requirements in effect when the rental dwelling was established, except as otherwise provided in Section 6.26.100 of this Chapter; and provided the dwelling units in the rental dwelling have regularly been occupied in a manner that would have been allowed when the rental dwelling was established. The fact that a particular number of dwelling units could have been established under prior applicable zoning ~~shall~~ will not be used as a basis for authorizing a greater number of dwelling units than the number of units which have been regularly occupied as such in a rental dwelling.

(b) The presence of an interior connection between upper, lower, or adjoining portions of a structure originally constructed as a single family dwelling ~~shall will~~ creates a presumption that only one ~~(1)~~ dwelling unit was originally authorized, unless the connection was obviously originally constructed as a vestibule, lobby, or passage way between dwelling units in the structure. Such presumption may be rebutted by a preponderance of evidence that the rental dwelling was legally established.

(c) Rental dwellings located within a complex consisting of one ~~(1)~~ or more multiple-family dwellings or apartment buildings constructed prior to January 1, 1974, and located in a zone where such dwellings and buildings, as presently existing, are not permitted under Title 14, Provo City Code, ~~shall will~~are ~~be~~ entitled to a rental dwelling business license so long as the requirements of this Chapter are met, and such dwellings and apartments in the complex:

(i) were originally constructed substantially as presently existing;

(ii) were not originally constructed and occupied as single-family dwellings and later converted to multiple-family or apartment dwellings, except as permitted by a building permit;

(iii) are all owned by the same individual, association, firm, partnership, or other legal entity; and

(iv) are managed by a property manager, or management company in Provo City.

(4)

(a) A person:

(i) who owns a dwelling originally constructed as a one-family dwelling which existed prior to August 1, 2003, and

(ii) who has not applied for or obtained a rental dwelling license for such dwelling under the provisions of this Chapter by December 31, 2007;

(b) ~~shall will~~is not ~~be~~ entitled to thereafter obtain a rental dwelling license for more than one ~~(1)~~ rental dwelling unit in such dwelling unless:

(i) a greater number of dwelling units is permitted by the zone where the dwelling is located,

(ii) a building permit has been issued authorizing the dwelling units, and

(iii) applicable provisions of this Title are met.

~~(Enacted 2003-01, Am 2003-36, Am 2007-29)~~

6.26.100
Minimum Health and Safety Requirements.

After the effective date of this Chapter, and notwithstanding that a rental dwelling qualifies for a business license under Section 6.26.090 of this Chapter, each rental dwelling ~~shall will~~must meet the building code requirements necessary to achieve, or be mitigated to the satisfaction of the Chief Building Official to achieve:

(1) structural integrity;

(2) proper installation, maintenance and operational condition of all plumbing, electrical, and mechanical systems;

(3) appropriate exiting;

(4) properly constructed and located stairways, including consistent rise and run of stair treads;

(5) appropriate bedroom egress windows, including proper sill height and size of window openings and window wells for basement rooms;

(6) minimum bedroom floor area;

(7) adequate guardrails;

(8) proper backflow prevention devices;

(9) appropriately located and operational smoke alarms;

(10) watertight and sound roofing systems;

(11) fire-rated separation between dwelling units; and

(12) properly placed street addressing.

~~(Enacted 2003-01, Am 2003-36)~~

6.26.110
Minimum Parking Requirements.

After the effective date of this Section, parking for a rental dwelling ~~shall will~~must conform to the following parking requirements:

(1) Parking and driveway areas for a rental dwelling ~~shall will~~must be built as specified in Section 14.37.090, Provo City Code, and maintained in good condition.

(a) Paving ~~shall will~~must be maintained so as to eliminate dust or mud, and ~~shall will~~must be sealed, resurfaced, graded and drained to dispose of or infiltrate all surface water. Surface water drainage ~~shall will~~may not cross a public sidewalk.

(b) The width of any nonconforming driveway existing prior to August 17, 2004, may continue subject to the standards in effect when the driveway was created. In no case, however, ~~shall will~~may the paved width of a driveway be less than ~~eight and one-half (8 1/2)~~ 8.5 feet.

(c) The requirements of this Subsection (1) ~~shall will~~do not apply to a detached one-family rental dwelling. Provided, however, that any legally existing on-site parking for such a dwelling ~~shall will~~must be maintained in good condition.

(2) The size of each parking space ~~shall will~~must be:

(a) ~~Eight and one-half (8 1/2)~~ 8.5 feet by ~~eighteen (18)~~ 18 feet; or

(b) If smaller than ~~eight and one-half (8 1/2)~~ 8.5 feet by ~~eighteen (18)~~ 18 feet, the size required when the parking space was created. Provided, however, that a parking space subject to this Subsection ~~shall will~~must always be at least ~~seven and one-half (7 1/2)~~ 7.5 feet by ~~fifteen (15)~~ 15 feet.

(3) Pavement thickness for a parking space ~~shall will~~must be as follows:

(a) Asphalt: minimum of two ~~(2)~~ inches of asphalt and six ~~(6)~~ inches of road base.

(b) Concrete: minimum of four ~~(4)~~ inches.

(4) Each rental dwelling ~~shall will~~must have on-site parking spaces which equal the greater of:

(a) The number of parking spaces required by applicable codes when the rental dwelling was created; or

(b) The number of legal parking spaces existing on August 17, 2004; or

(c) The number of parking spaces required to provide a parking space for every motor vehicle used by occupants of the rental dwelling. Vehicles owned or operated from such premises ~~shall will~~may not exceed the number of legal off-street parking spaces required to provide a parking space for every motor vehicle used by occupants of a rental dwelling.

(5) Parking areas containing five ~~(5)~~ or more spaces ~~shall~~must ~~will~~ be striped to clearly demarcate required parking spaces. Striping ~~shall will~~must be at least three ~~(3)~~ inches wide and ~~shall~~must ~~will~~ consist of white or yellow paint designed for this purpose.

(6) No off-street parking ~~shall will~~is ~~be~~ permitted in a required front yard or street side yard except as follows:

(a) Tandem parking spaces for a one-family dwelling or a two-family dwelling may be located on a driveway in a required front or side yard provided such driveway leads to the minimum number of required covered off-street parking spaces which are located behind any required front or side yard setback.

(b) Nonconforming parking that has been established for front yard, side yard, or tandem parking not leading to covered parking, if permitted by applicable codes in effect when the rental dwelling was created, ~~shall will~~is ~~be~~ permitted. A public sidewalk ~~shall will~~may not be used for any portion of a parking space.

(7) An existing carport or garage may continue to serve as required off-street parking subject to the standards in effect when the carport or garage was created; provided, that the interior dimensions of a garage or carport ~~shall will in no case~~ must be no less than ~~nine (9)~~ 9 feet wide and ~~fifteen (15)~~ 15 feet deep.

(8) Off-street parking for a rental dwelling ~~shall will~~must be located on the same lot as the dwelling which it is required to serve. Required parking for multiple residential developments ~~shall will~~may not be rented, leased or otherwise utilized by another dwelling unit or development with the intent of increasing the occupancy of a dwelling unit.

(9) In the case of mixed uses in a building or on a lot (commercial and residential uses), the total requirement for off-street parking spaces ~~shall will~~is ~~be~~ the sum of the parking required for each use present in the building or on the lot.

(10) No parking lot as required by this Section ~~shall will~~may be constructed or maintained or allowed within ~~one hundred (100)~~ 100 feet of the closest bank of the Provo River at any location where the adjacent property to the river is part of the floodplain.

(11) Plans for proposed changes or additions to parking existing as of the effective date of this Section ~~shall will~~must be submitted to the Development Services Department and approved prior to paving. Such plans ~~shall~~must ~~will~~ be drawn to a recognized scale indicating the proposed parking including location, size, shape, design, curb cuts and ~~shall will~~must show all structures located on the property.

~~. . .(Enacted 2003-01, Am 2003-36, Am 2004-21, Am 2004-32, Am 2006-14, Am 2020-09, Am 2020-57, Am 2021-33)~~

~~6.26.120~~
~~Inspections.~~

~~Inspections of rental dwellings may be conducted as provided in Section 6.01.070, Provo City Code.~~

~~(Enacted 2003-01)~~

6.26.125
Signage Requirements.

Within six ~~(6)~~ months of the ordinance approval of this Section, all apartment buildings and condominium projects, as those terms are defined in Section 14.06.020, Provo City Code, must conform to the following signage requirements:

(1) The owner(s) must post and maintain at least one ~~(1)~~ sign, in English and in Spanish, in a conspicuous place on the exterior premises of the building and visible on the block face of the primary entrance of the building that includes the phone number of:

(a) The building's office; and/or

(b) The maintenance manager for the building.

(2) If an apartment complex or condominium project consists of multiple buildings in one ~~(1)~~ complex sharing the same name, only one ~~(1)~~ building is required to have the sign required by this Section, but the sign must be visible on the block face where the primary entrance to the complex is located.

(3) The signs required in this section ~~shall will~~must be a minimum of ~~twelve (12)~~ 12 inches by ~~twenty-four (24)~~ 24 inches. Sign facings ~~shall~~must ~~will~~ be weatherproof with contrasting colors between text and background.

~~**Code reviser's note:** Ordinance 2023-27 added this section as 6.26.120. It has been editorially renumbered to avoid duplication of numbering.~~

~~(Enacted 2023-27)~~

6.26.130
Effective Date.

The provisions of this Chapter ~~shall will take~~took effect on August 1, 2003, after which no rental dwelling ~~shall~~may ~~will~~ be rented, loaned, leased, or hired out for a period of one ~~(1)~~ month or longer without a valid business license.

~~(Enacted 2003-01)~~

6.26.140
Compliance Reports.

(1) By the first day of the second and fourth quarter, the Mayor or the Mayor's designee ~~shall~~ will provide to the Municipal Council a semiannual written report for the second half of the previous calendar year and the first half of the current calendar year, respectively, regarding rental dwelling business licenses that shows:

(a) The number of rental dwelling business licenses that have been:

(i) Issued and have not expired or been revoked;

(ii) Applied for but not issued; and

(iii) Applied for and not issued which have been pending for more than six (6) months; and

(b) The number of rental dwelling units authorized under all presently valid licenses.

(2) In conjunction with the report required under Subsection (1) of this section, the Mayor or the Mayor's designee ~~shall~~ will provide a report to the Municipal Council which details the reasons why any license pending for more than one ~~(1)~~ year has not been issued.

~~(Enacted 2007-29, Am 2024-01)~~

6.26.150
Rental Disclosure Required.

(1) For purposes of this Section, the following definitions ~~shall~~ will apply:

(a) "Lessor" means any person leasing to another person a rental dwelling or any interest therein.

(b) "Lessee" means any person leasing from another person a rental dwelling or any interest therein.

(c) "Provo City Rental Disclosure" means a document provided by the Provo City Development Services Department in accordance with this Section.

(d) "Rental dwelling" has the meaning defined in Section 6.02.010, Provo City Code, but also includes a mobile home rental dwelling as defined in that Section.

(2) Every lessor, or the lessor's agent, ~~shall~~must ~~will~~ provide to each lessee of the lessor's property a Provo City Rental Disclosure signed by the lessor, or lessor's agent, and ~~shall~~must ~~will~~ obtain the lessee's signature thereon.

(3) Every adult lessee ~~shall~~must ~~will~~ obtain a Provo City Rental Disclosure from the lessor, or lessor's agent, of the leased property and ~~shall~~must ~~will~~ sign the same. It is an affirmative defense to a violation of this Subsection if the lessee requests in writing the Provo City Rental Disclosure from the lessor, or lessor's agent, and the lessor, or lessor's agent, fails to provide it.

(4) The Provo City Rental Disclosure must contain the following:

(a) A copy of the rental dwelling license for the lease property;

(b) A statement advising the lessee that if the lessee subleases or assigns any portion of the leased property to another, then, as a sublessor, the lessee is obligated to meet a lessor's obligations under this Section with regard to the sublessee;

(c) A statement of the rights and responsibilities of lessees;

(d) A place for the signature of both the lessor and lessee acknowledging the lease of the property; and

(e) A place for the make, model, and license plate number for every motor vehicle used by the lessees of the rental dwelling.

(5) A lessor, lessor's agent, or lessee must provide a copy of a completed Provo City Rental Disclosure, including all statements, signatures, and information required by Subsection (4) of this Section, to Provo City officials upon request or within ten ~~(10)~~ calendar days of the occurrence of any of the following events:

(a) Execution of any lease agreement for a rental dwelling subject to this Chapter;

(b) The addition of any property or rental dwelling to an existing Rental Dwelling License; or

(c) A change in any information required by this Section, including a change in tenants or a change in lessee motor vehicle information.

(6) Notwithstanding the other requirements of Subsection (5) of this Section, any parcel containing five ~~(5)~~ or more dwelling units is only required to provide the Provo City Rental Disclosure when requested by Provo City officials.

(7) It is unlawful for any lessor, lessor's agent, lessee, or other individual to violate the requirements of this Section.

(8) Any lessor, lessor's agent, lessee, or other individual who intentionally, knowingly, or recklessly violates this Section is guilty of a Class C misdemeanor.

(a) A second or subsequent conviction under this Section is a Class B misdemeanor.

(b) For purposes of this Section, a plea of guilty or no contest to a violation of this Section, which plea is held in abeyance under Utah Code Title 77, Chapter 2a, Pleas in Abeyance, is the equivalent of a conviction, even if the charge has been subsequently reduced or dismissed in accordance with the plea in abeyance agreement.

~~(Enacted 2017-51, Am 2018-01, Am 2018-10, Am 2020-57, Am 2021-27, Am 2022-17, Am 2024-56)~~

~~The Provo City Code is current through Ordinance 2026-17, passed June 9, 2026.~~

~~Disclaimer: The city recorder has the official version of the Provo City Code. Users should contact the city recorder for ordinances passed subsequent to the ordinance cited above.~~

~~City Website: www.provo.gov~~
~~City Telephone: (801) 852-6000~~

~~Hosted by ICC Code Solutions.~~

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter:	DWRIGHT
Presenter:	Dustin Wright, City Planner
Department:	Development Services
Meeting Date:	11/3/2026
Requested Duration (Minutes):	5 minutes
CityView or Issue File Number:	PLRZ20250330

SUBJECT: 7 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 Medium Density Residential (MDR) 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 10 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 Medium Density Residential (MDR) zone.
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.
The applicant has proffered to do a development agreement. This agreement would aim to limit the density, height, and require owner occupancy for each unit in perpetuity.

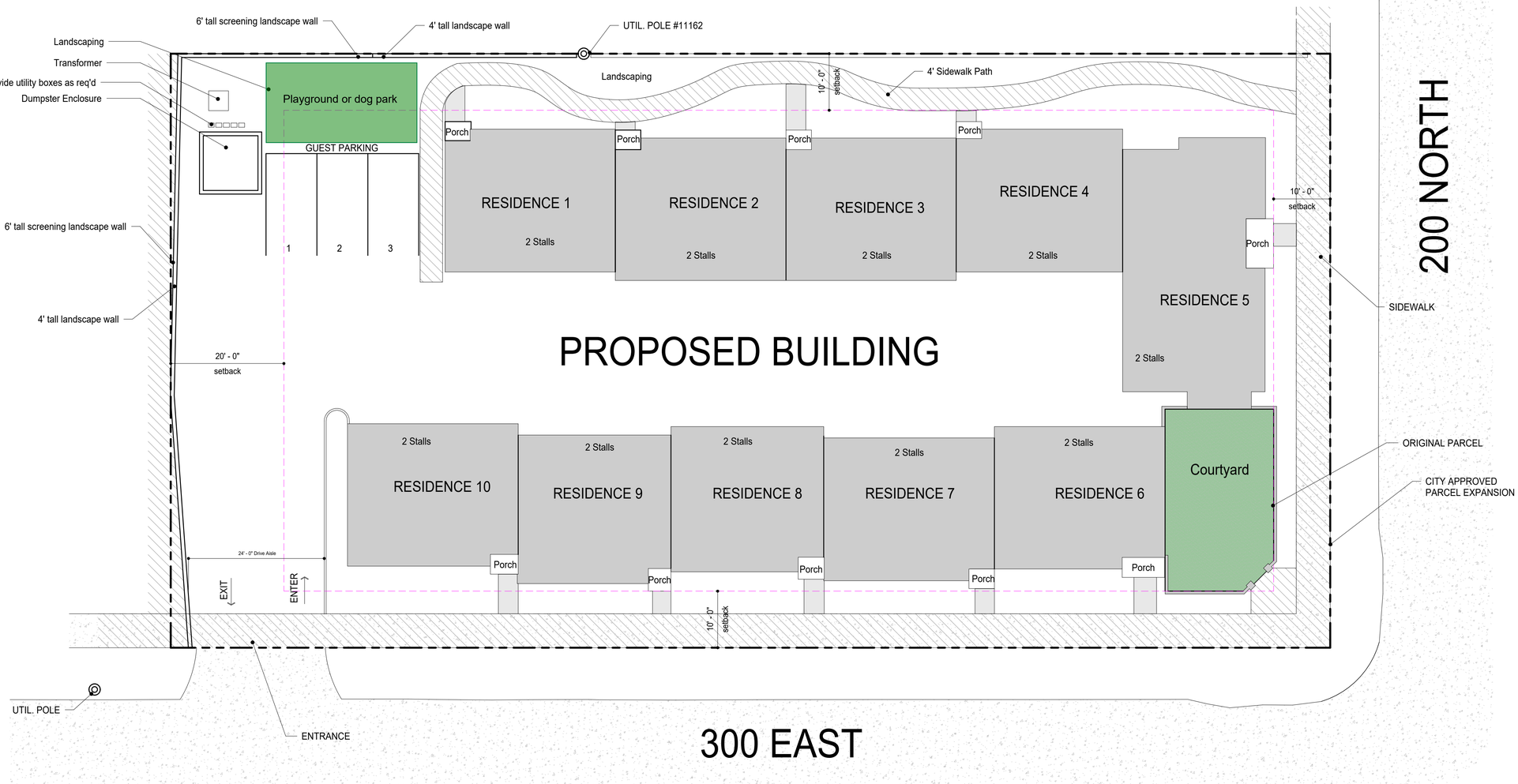
FISCAL IMPACT: N/A

COUNCIL STAFF MEMO:

Tuscanel Townhomes

PROPOSED MULTI-FAMILY (RESIDENTIAL)
313 East 200 North
Provo, Utah, 84606
SUMMARY - 3-Story above grade Multi-Family Housing Building with Eleven (11) units with private garages.
SITE DATA
Parcel No. 05:033:0009 & 05:033:0008 (to be combined)
Zoning Classification: (14.14C)
Current: RC – Residential Conservation Zone.
Proposed: MDR - Medium Density Residential Zone
Parcel size: .49 acres (21,517 S.F.). Minimum 20,000 S.F. per MDR zone
Setback Requirements
Front: 10 feet setback (Variance)
Rear: 20 feet setback (Variance)
Side: 10 feet setback (Variance)
Building Height Requirements
Building Height Allowed: 45 feet
Provided: 35 feet (RC Zone Height Restrictions)

Parking Requirements (14.37)
Multi-Family Residential:
3-bedroom units = 2.25 stalls x 10 units = 22.25 stalls (2 parking stalls + 0.25 parking stalls for visitors.)
Total Parking Required = 23 stalls.
Total Parking Provided = 23 stalls.
Landscaping Requirements
Landscaping required - 1,907 sq. ft.
Landscape provided - 1,907 sq. ft. (Min.)
Minimum of (1) tree per 2,000 sq. ft. of landscape space.
Other Requirements:
Tenant Amenity Space (14.14C.010)
Not required.
Lot Coverage Requirements:
Required: 16,138 sq. ft. (Max 75%)
Provided: 8,036 sq. ft. (37.3%)



SITE PLAN

NORTH

60 40 20 10 0
scale

GENERAL & KEYED NOTES

INOUYE DESIGN
1443 W 800 N #203 Orem, Utah 84057 Ph: 801.373.0909

Heritage Row Townhomes

313 E. 200 N. Provo, Utah

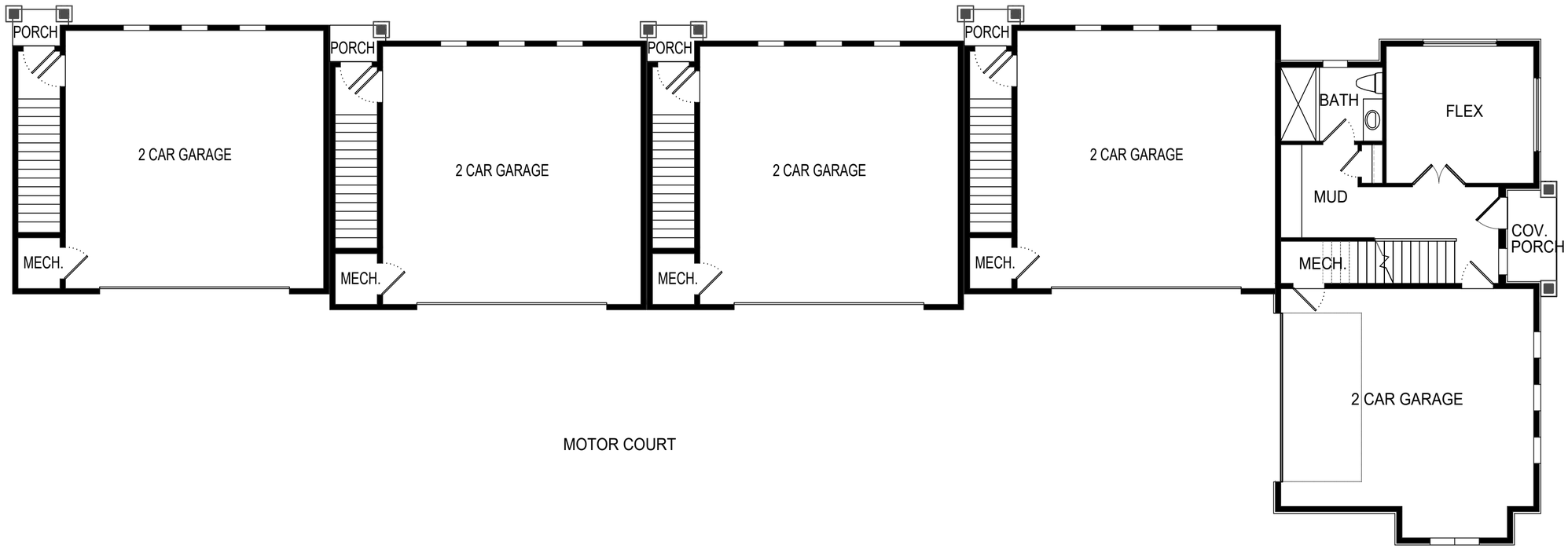
Contractor shall verify all dimensions, conditions and measurements at the job prior to construction. These plans and documents are the property of Inouye Design, and any reuse or further distribution thereof in part or in whole without the written permission of the designer is strictly prohibited. Designer is not an architect or engineer.
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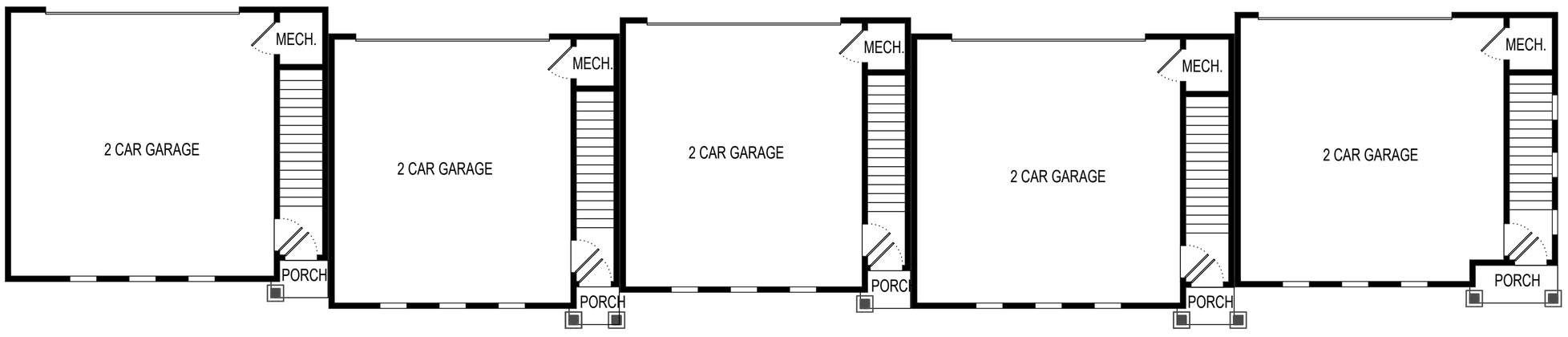
12 x 18 (sheet size): 1"=20'-0"
24 x 36 (sheet size): 1"=10'-0"

Project 00000
24 April 2026

C2.1

SITE PLAN



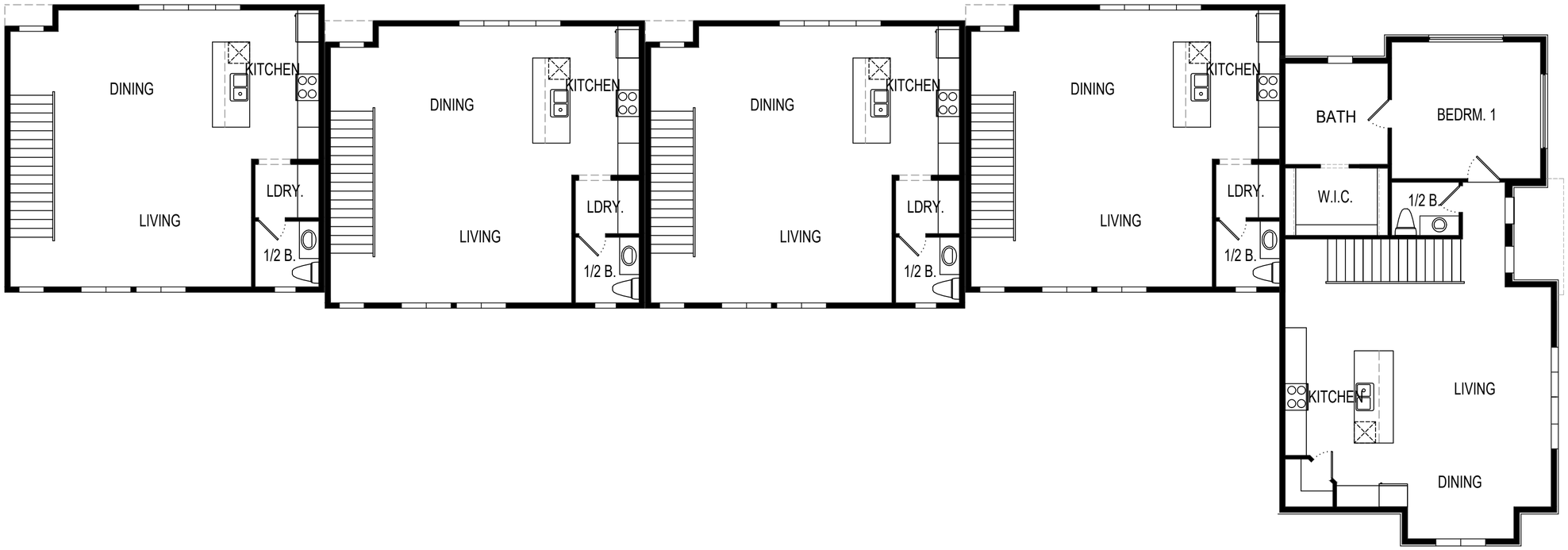


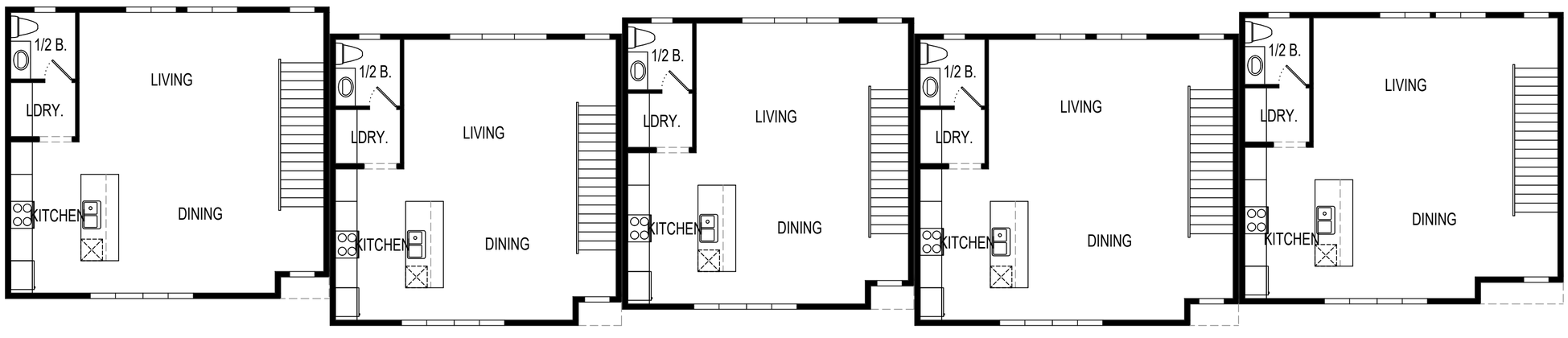
INOUYE DESIGN
801-373-0909 1443 W. 800 N. Ste. 203 Orem, Utah

0 1 5 10 15 25

GROUND LEVEL FLOOR PLAN STUDY

Heritage Row Townhomes - - - (10) 3-Bedroom Units





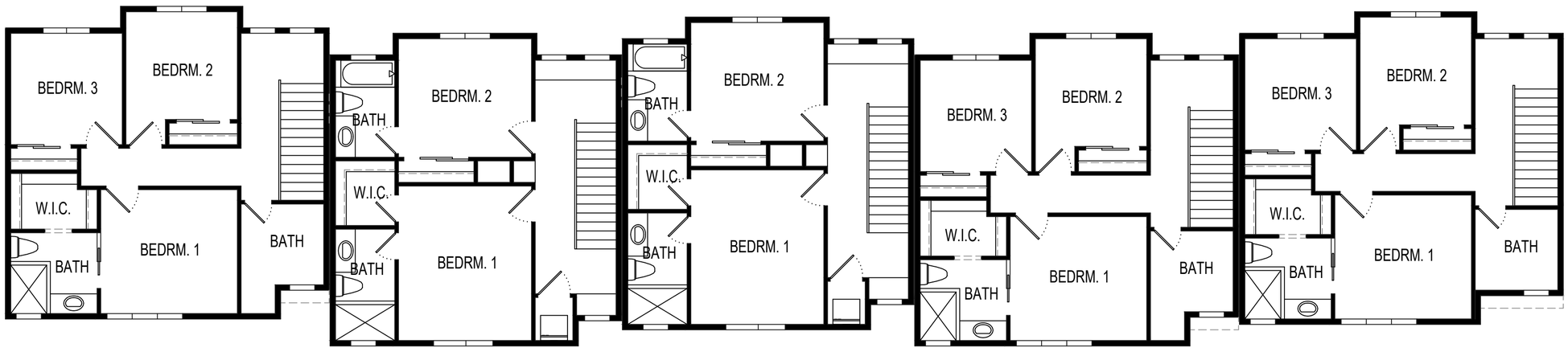
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1443 W. 800 N. Ste. 203 Orem, Utah

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SECOND LEVEL FLOOR PLAN STUDY

Heritage Row Townhomes - - - (10) 3-Bedroom Units



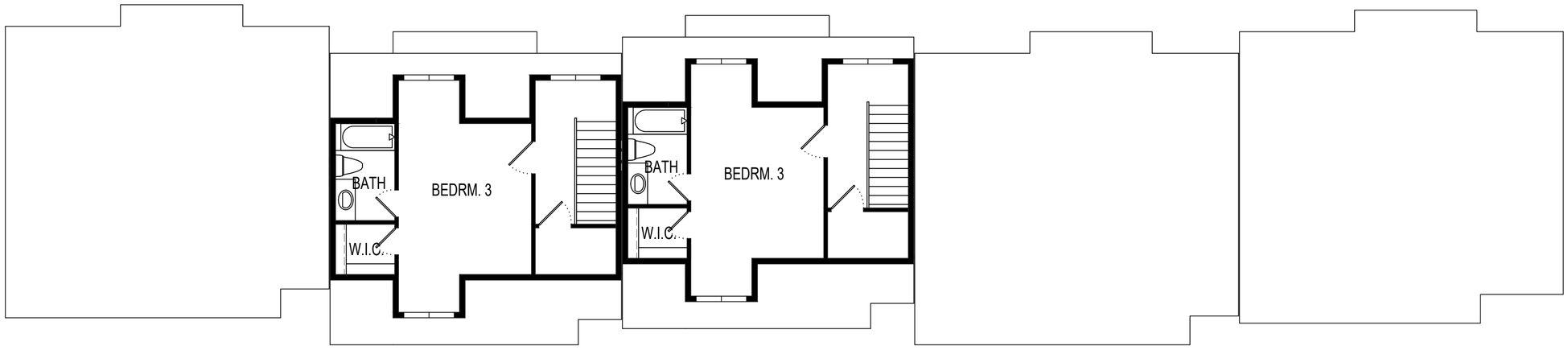


INOUYE DESIGN
801-373-0909
1443 W. 800 N. Ste. 203 Orem, Utah

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THIRD LEVEL FLOOR PLAN STUDY

Heritage Row Townhomes - - - (10) 3-Bedroom Units



INOUYE DESIGN
801-373-0909
1443 W. 800 N. Ste. 203 Orem, Utah

0 1 5 10 15 25

FOURTH LEVEL FLOOR PLAN STUDY

Heritage Row Townhomes - - - (10) 3-Bedroom Units

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 MEDIUM DENSITY RESIDENTIAL (MDR) 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 Medium Density Residential (MDR) Zone;

On July 8, 2026, the Planning Commission held a public hearing to consider the proposal, which at that point in time was for a change to the High Density Residential (HDR) Zone, 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, October 6, 2026 and November 3, 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 Medium Density Residential (MDR) Zone for the real property described in this ordinance.

PART II:

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

PART III:

A. If a provision of this ordinance conflicts with a provision of a previously adopted ordinance, this ordinance controls.

B. This ordinance and its various sections, clauses, and paragraphs are severable. If any part, sentence, clause, or phrase is judicially determined to be unconstitutional or invalid, the remainder of the ordinance is not affected by that determination.

C. Except as otherwise stated in Part II, 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 Provo Zoning Map be updated and codified to reflect the provisions enacted by this ordinance.

E. Notwithstanding any provision or language to the contrary in this ordinance, if the Development Agreement authorized in Part II has not been fully executed by the necessary parties within one year from the date of the Municipal Council's approval of this ordinance, the entire ordinance expires, becoming null and void as if it had never been approved. Because the zone map classification change contemplated in Part I cannot come into effect if the Development Agreement is not executed, neither the applicant nor any successor(s) in interest has any vested rights under this ordinance if it expires.

Exhibit A



Exhibit B

Legal Description
This will be added once GIS makes the change.

Exhibit C

Proposed Development Agreement

Exhibit D

Executed Development Agreement



PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter: BPEPERONE
Presenter: Bill Peperone, Development Services Director and Gordon Haight, Public Works Director
Department: Development Services
Meeting Date: 11/3/2026
Requested Duration (Minutes): 10 minutes
CityView or Issue File Number: 26-079

SUBJECT: 8 A resolution approving an appropriation of up to $300,000 in the General Fund for a Center Street redesign study for the fiscal year ending June 30, 2027. (26-079)

ADMINISTRATIVE RECOMMENDATION: Development Services and Public Works request a budget allocation of $300,000 for redesign of Center Street for increased efficiency and public safety.

ADMINISTRATIVE MEMO: The redesign of Center Street has been discussed many times over the years but because of the cost, complexity and scope of the project, staff has hesitated to move forward. With the impending need to replace and/or upgrade underground utilities, it would be beneficial to implement improvements to Center Street that would solve existing problems. The scope of this project would include plans to shift through traffic to 100 North while maintaining vehicular access to destinations on Center Street. This effort will require significant public outreach and participation as impacts will be far reaching.

FISCAL IMPACT: $300,000

TIME SENSITIVITY: This was discussed in the Oct. 6 work session and we want to follow up on that. The study will likely take a year and Public Works needs to begin planning for repair/replacement of utilities. It would be helpful to get this process started immediately. An RPF will have to be written and posted.

COUNCIL STAFF MEMO:

RESOLUTION <<Document Number>>

A RESOLUTION APPROVING AN APPROPRIATION OF UP TO $300,000 IN THE GENERAL FUND FOR A CENTER STREET REDESIGN STUDY FOR THE FISCAL YEAR ENDING JUNE 30, 2027. (26-079)

RECITALS:

It is proposed that up to $300,000 be appropriated in the General Fund for a Center Street Redesign study in the Development Services department;

The funding source for the appropriation is general fund balance;

On October 22, 2026, the Municipal Council met to consider 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 as described herein, and (ii) such action furthers the health, safety, and general welfare of the citizens of Provo City.

THEREFORE, the Provo Municipal Council resolves as follows:

PART I:

An appropriation of up to $300,000 in the General Fund is authorized for the Center Street Redesign study described herein.

PART II:

This resolution takes effect immediately.

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter: DWRIGHT
Presenter: Dustin Wright, Planner
Department: Development Services
Meeting Date: 11/3/2026
Requested Duration (Minutes): 10 minutes
CityView or Issue File Number: PLRZ20260393

SUBJECT: 9 An ordinance amending the zone map classification of real property, generally located at 910 N 900 E, from the Residential Conservation (RC) zone to the Campus Residential (CR) zone. Foothills Neighborhood. (PLRZ20260393)

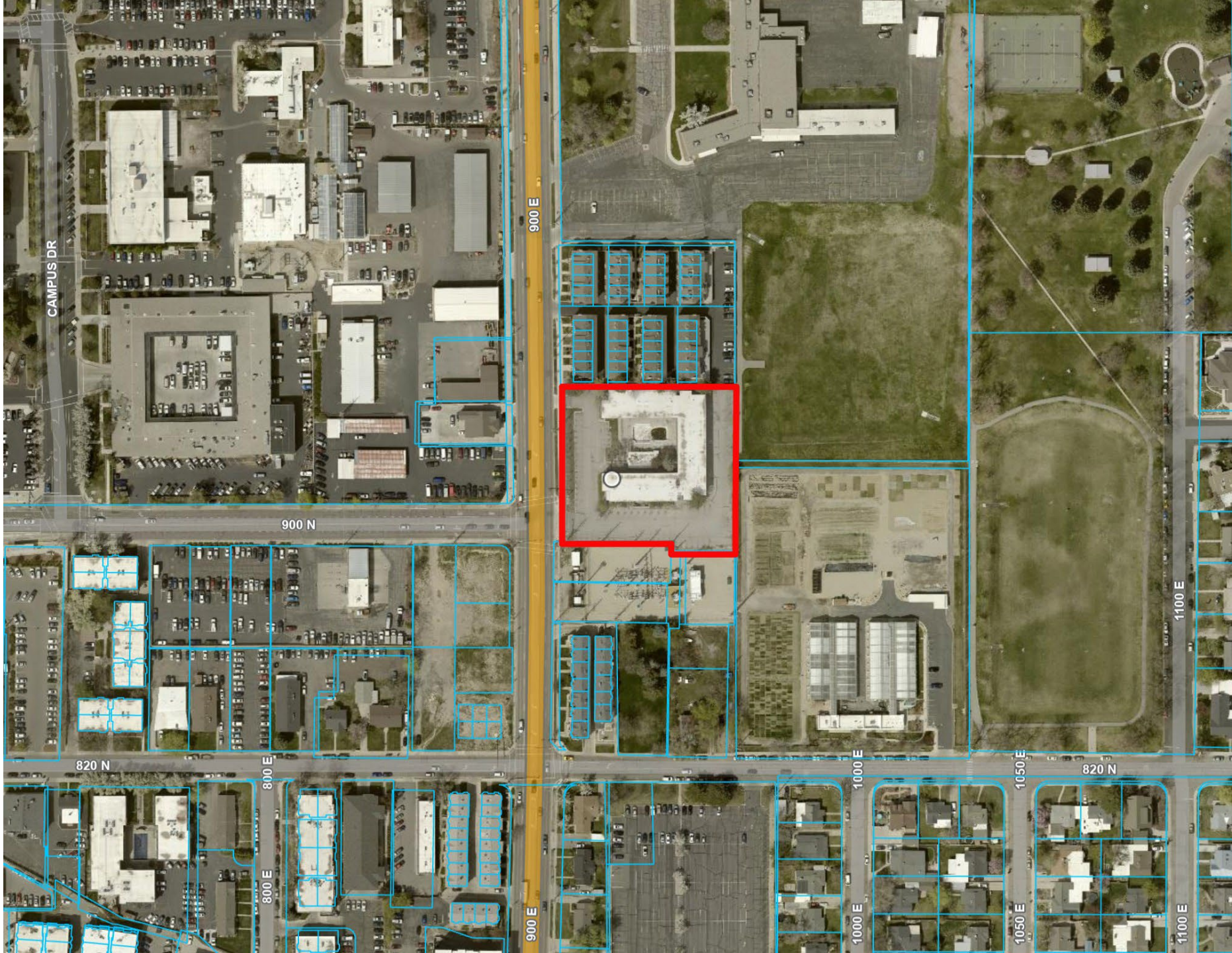
ADMINISTRATIVE RECOMMENDATION: Planning Commission Recommended Denial due to parking ratio being under 0.80

ADMINISTRATIVE MEMO: Following feedback from the Planning Commission, the applicant has updated their development agreement and proposed to have all the parking on-site with a car stacking system which will increase the parking ratio. They have added language to have 20% of the bedrooms be shared bedrooms. They have proposed to have a step-back on the top floor along the north side that is adjacent to existing housing, this has not been included in the development agreement.

FISCAL IMPACT: N/A

COUNCIL STAFF MEMO:

Former Park Plaza
910 N 900 E



Former Park Plaza
910 N 900 E

Current Zone:
Residential Conservation

Proposed Zone:
Campus Residential



Former Park Plaza
910 N 900 E



Former Park Plaza
910 N 900 E

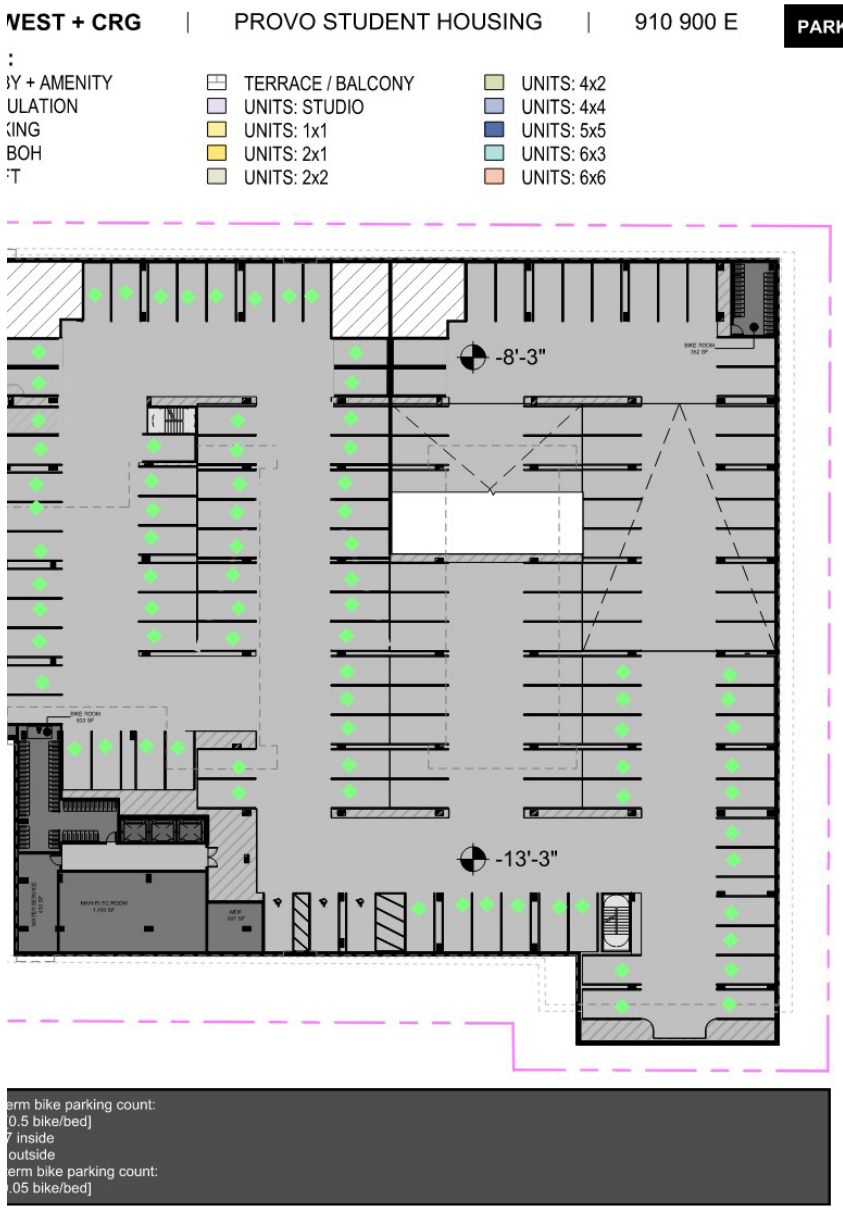


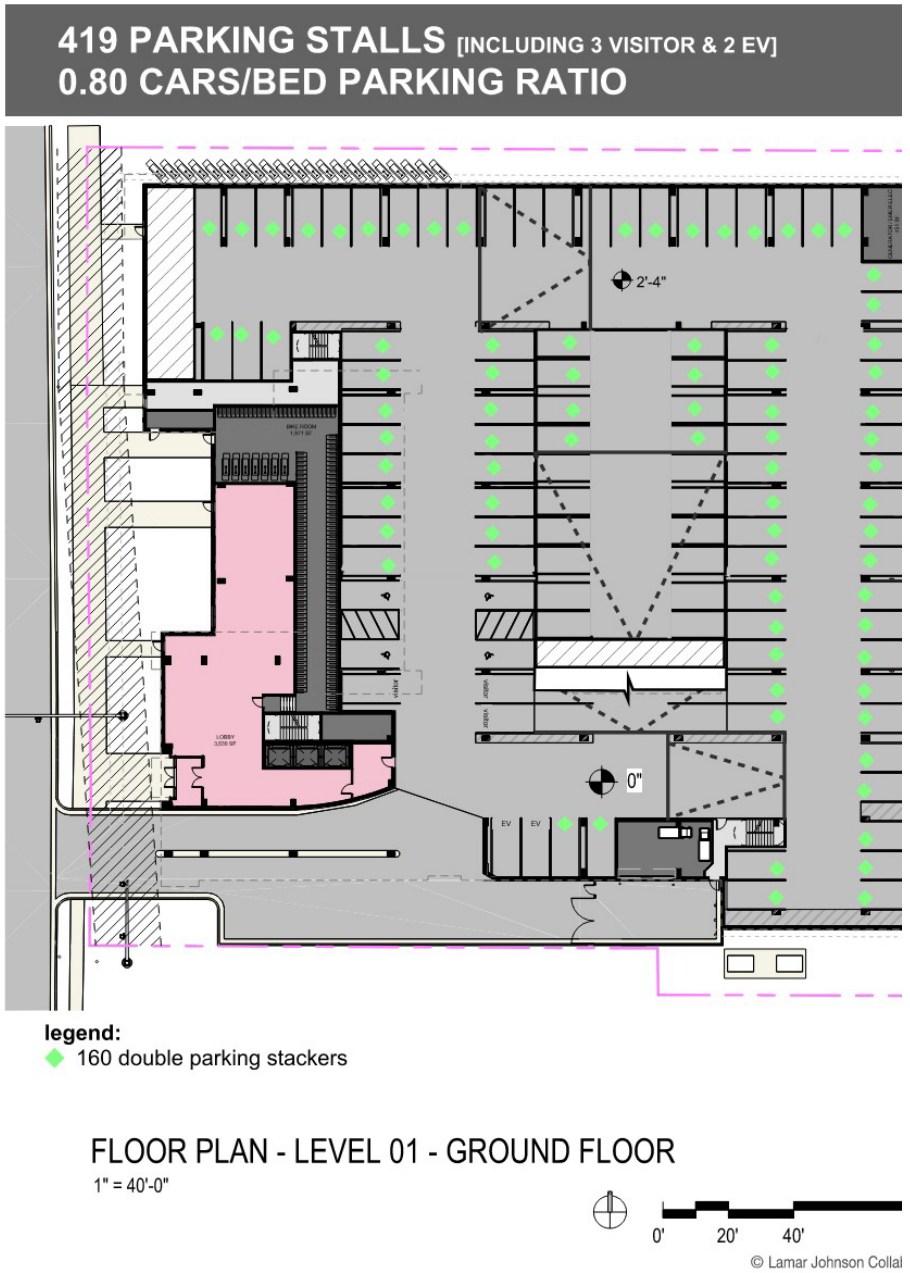
Former Park Plaza
910 N 900 E



Former Park Plaza
910 N 900 E

Concept Plan





Provo City Planning Commission

Report of Action

September 23, 2026

*ITEM 1 Cole West requests a Zone Map Amendment from the Residential Conservation (RC) Zone to the Campus Residential (CR) Zone to allow for the development of a 157-unit apartment building, located at 910 N 900 E. Foothills Neighborhood. Dustin Wright (801) 852-6414 dwright@provo.gov PLRZ20260393

The following action was taken by the Planning Commission on the above described item at its regular meeting of September 23, 2026:

RECOMMENDED DENIAL

On a vote of 3:4, a motion to recommend that the Municipal Council approve the above noted application and authorize the mayor to sign the development agreement failed, resulting in the Planning Commission forwarding a negative recommendation to the Municipal Council.

Motion By: Jon Lyons
Second By: Jonathon Hill
Votes in Favor of Motion: Jon Lyons, Joel Temple, Matthew Wheelwright
Votes in Opposition to Motion: David Conger, Melissa Kendall, Jonathon Hill, Tosh Metzger
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.
- Allowing a parking reduction below 0.80 would not be sufficient parking to meet the parking demand.

LEGAL DESCRIPTION FOR PROPERTY TO BE REZONED
The property to be rezoned to the Campus Residential (CR) Zone is described in the attached Exhibit A.

RELATED ACTIONS
Concept Plan approval (PLCP20260407) granted on September 23, 2026, subject to council approval of the zone change and development agreement, Planning Commission Hearing.

RECOMMENDED OCCUPANCY
- 157 Total Units for baching occupancy (maximum 6 individuals per unit)
- 491 bedrooms with 1 individual per bedroom.

APPROVED/RECOMMENDED PARKING
- Required:530 (1 space per bedroom and 0.25 per unit for visitors)
- Provided: 238 on-site and 57 off-site
- Planning Commission Recommended: 0.80 parking stalls per bedroom

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

- Traffic study may be required with future stages of approval.

NEIGHBORHOOD MEETING DATE

- A neighborhood meeting was held on 08/05/2026.

NEIGHBORHOOD AND PUBLIC COMMENT

- Neighbors or other interested parties were present or addressed the Planning Commission.
- Some student residents spoke in favor, expressing the ability to live near campus without a car with nearby UVX stations or carpooling opportunities.
- Others spoke about being opposed to the proposed 0.5 parking ratio as it would add to parking congestion in the area that is already bad. There would be a high likelihood of parking spillovers into the surrounding neighborhoods.
- The lack of public transit on Sundays is one reason people are car dependent.
- Here in Utah, even high school students have cars.

APPLICANT RESPONSE

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

- The applicant explained that the property is in disrepair and that with the proximity to campus the proposed rezone and concept plan will create a viable development that will help free up single family housing that is being used by students by giving them an alternative place to live.
- The applicant explained the elements of the proposed development agreement. There would be off-site parking made available to residents, and the agreement would be renewed after five years or relocated to a new location. Residents would be told upfront that this site has limited parking in the lease agreement. There would be 2 shared electric vehicles for the 491 students.
- The applicant discussed how other projects they built can function well with off-site parking. This allows costs to be lower.

PLANNING COMMISSION DISCUSSION

Key points discussed by the Planning Commission included the following:

- The proposed parking ratios may or may not work, and this would be a big risk to take without more assurance that there would be good mitigation measures that city staff would be able to enforce if this lower parking ratio does not work. The applicant stated that they would add more off-site parking if they saw an issue with parking.
- The demographic for the higher-end housing that is proposed would likely have a car.
- The Commission wanted to better understand the building and if they could do something to break up the façade more. The applicant explained that there are large gathering spaces, private study areas, pool and terraces.
- The development agreement would have an educational component to let tenants know in the lease that there is a lower ratio of parking available for tenants.
- There will be 8 stalls dedicated to visitor parking which means there would be even less than .50 stalls available for tenants.
- There was a discussion about having the rooms shared instead of private so that rents would be lower and attract students that may not have cars.

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

Legal Description
COMMENCING AT A POINT LOCATED SOUTH 00°43'43" EAST ALONG THE SECTION LINE 80.79 FEET AND WEST 1220.86 FEET FROM THE NORTHEAST CORNER OF SECTION 6, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE SOUTH 00°10'00" WEST ALONG A FENCE LINE 258.62 FEET; THENCE NORTH 89°47'52" WEST ALONG A FENCE LINE 96.21 FEET; THENCE NORTH 00°50'10" WEST ALONG A FENCE LINE 14.25 FEET; THENCE NORTH 89°43'43" WEST 173.87 FEET TO A POINT ON THE EASTERLY BOUNDARY LINE OF 900 EAST STREET; THENCE ALONG SAID EASTERLY BOUNDARY LINE AS FOLLOWS: NORTH 00°27'02" EAST 47.92 FEET, NORTH 00°35'07" WEST 196.58 FEET; THENCE SOUTH 89°43'43" EAST ALONG THE SOUTHERLY BOUNDARY LINE OF CHATHAM TOWNE CONDOMINIUMS 272.68 FEET TO THE POINT OF BEGINNING.

DEVELOPMENT SERVICES

Planning Commission Hearing Staff Report
Hearing Date: September 23, 2026

***ITEM # 1** Cole West requests a Zone Map Amendment from the Residential Conservation (RC) Zone to the Campus Residential (CR) Zone to allow for the development of a 157-unit apartment building, located at 910 N 900 E. Foothills Neighborhood. Dustin Wright (801) 852-6414 dwright@provo.gov PLRZ20260393

APPLICANT:	Walker Wood
PROPERTY OWNER:	CW PROVO LLC
PARCEL ID:	22:015:0080
ACREAGE:	1.55
CURRENT LEGAL USE:	Vacant/Residential
GENERAL PLAN DESIGNATION:	Residential
CURRENT ZONE:	Residential Conservation
APPLICATION TYPE:	Legislative Decision – Planning Commission will make a recommendation to the City Council.

NEIGHBORHOOD FEEDBACK

This item was presented at the East District meeting on August 5, 2026. The minutes for this item are included in attachment 5 of this report.

PROJECT SUMMARY

The applicant has submitted a zone map amendment and concept plan applications for the property located at approximately 910 N 900 E. to allow for the property to be redeveloped into a 157-unit apartment building for student housing with baching singles occupancy, structured parking, bicycle facilities, resident amenities, management offices, and landscaped open spaces. The property is currently zoned as Residential Conservation (RC). The proposed density of this project exceeds what is permitted in the existing zone. The applicant is looking for the property to be rezoned to the Campus Residential (CR) zone to allow for the proposed development.

The property to the north has townhomes zoned Residential Conservation (RC). The properties to the east and to the south are in the Public Facilities (PF) zone.

The applicant has provided a development agreement that aims to have the parking requirement reduced to 0.50 parking stalls per bed and allow up to 40 parking stalls to be provided off-site. The applicant has not provided a maximum distance of how far away from the property the off-site parking could be. The agreement also describes that the off-site parking would be held on a 5-year lease, but it is not clear what will happen after this time or how this will be enforced by city staff. The applicant is proposing approval of the parking request through

a development agreement. The agreement also describes that the demolition permit for the existing building would be submitted within three days of the effective date of the agreement, and that demolition would begin as soon as possible.

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:
The public purpose of the requested amendment is to accommodate needed housing in a location where increased residential density can be supported by the surrounding land-use and transportation context, while directing campus-oriented housing demand to an area immediately adjacent to Brigham Young University.

The proposed CR zoning would allow purpose-built housing for baching singles within walking and biking distance of BYU and in close proximity to the Utah Valley Express (UVX) bus rapid transit line. This advances several public objectives: increasing the supply and diversity of housing; locating density near a major educational institution and high-capacity transit; reducing reliance on private automobiles; making efficient use of existing streets, utilities, and public infrastructure; and reducing pressure for student-oriented housing to expand farther into established lower-density neighborhoods.

This public purpose is directly supported by the General Plan. The Housing chapter states that Provo will need to increase housing density in already-developed areas and specifically observes that areas near major transit corridors and public transportation hubs should have more density than areas that can only be accessed by car. The Plan also reports that, among surveyed students, student housing was the most frequently identified type of housing and development needed in Provo. (General Plan, pp. 37–38.)

The public purpose is further advanced through a comprehensive TDM program that pairs the Project's location near BYU and UVX with substantial bicycle facilities, shared micromobility, at least two shared electric vehicles, resident transportation education, and managed parking. These measures are intended to provide residents with practical alternatives to private vehicle ownership and allow increased housing density to occur in a location where daily transportation needs can be met through walking, bicycling, transit, and shared mobility.

Staff Response:
Removal of a blighted building and redevelopment of the property for new student housing to help meet the needs for housing near the university.

FINDING: Complies

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

Applicant Response:

The requested amendment from RC (Residential Conservation) to CR (Campus Residential) serves a clear public purpose and is consistent with the direction established by the 2023 Provo General Plan. It places purpose-built student housing at a location immediately adjacent to BYU campus, near the UVX bus rapid transit line, and within an already-developed area served by existing public infrastructure. The amendment advances the General Plan's housing, land-use, transportation, and university-community objectives while concentrating increased density in a location where its impacts can be more effectively managed. The proposed Development Agreement further supports the amendment through enforceable commitments addressing parking supply, off-site parking security, resident parking education, shared micromobility, shared electric vehicles, and ongoing TDM review.

The site is uniquely well positioned for this use. It is immediately adjacent to BYU, fronts 900 East, is near the UVX corridor, and is already within the developed urban fabric of Provo. The revised zoning set proposes 157 units and 491 bedrooms on approximately 1.554 acres, with approximately 19,244 square feet of indoor and outdoor gathering/amenity space. The project internalizes most vehicle parking in a structured garage rather than relying on a large surface parking field and provides substantial bicycle parking to support a multimodal residential environment.

The General Plan's own housing-rezone evaluation criteria ask whether a proposed rezone facilitates housing within one-half mile of public transit and whether it advances infill and other top housing strategies. This application responds directly to those considerations. (General Plan, p. 45.)

Retaining the existing Residential Conservation (RC) designation would substantially limit the ability of the property to respond to its current land-use context. The RC Zone is principally intended to conserve existing housing. While that approach serves an important purpose within stable residential neighborhoods, it is less well suited to a redevelopment site immediately adjacent to Brigham Young University and the UVX transit corridor.

In practical terms, continuation of the RC designation would preserve a relatively low-intensity development pattern at a location where the General Plan's current policies support infill housing, greater housing diversity, coordination of land use and transportation, and increased residential intensity near major transit corridors and public transportation facilities. The requested CR designation therefore provides a more appropriate mechanism for implementing the City's current planning objectives on this particular property.

Staff Response:

The property has been used historically as student housing. The existing structure is no longer functioning for that purpose. Demolition of the existing building would be a benefit towards public safety and improve the appearance of the site with new student housing with a close proximity to campus.

FINDING: Complies

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

Applicant Response:
In considering compatibility with the General Plan, it is also appropriate to consider the practical land-use outcome of retaining the existing zoning. Continued RC zoning would emphasize preservation of the property's existing development pattern, while the requested CR zoning would allow the site to implement several current General Plan objectives simultaneously: additional housing, infill redevelopment, student housing near BYU, transit-supportive density, multimodal transportation, and efficient use of existing infrastructure. In this location, the CR designation therefore provides a closer alignment between the regulatory zoning of the property and the City's adopted policy objectives.

The requested amendment is compatible with multiple, mutually reinforcing policies of the 2023 General Plan.

Land Use. The Plan's Land Use commitment is to create places where individuals, families, businesses, and institutions can thrive. Land Use Goal 1 calls for a balanced approach that aligns transit, land use, and economics. Strategy 1b specifically encourages infill opportunities in transit-oriented development. The proposed rezone places additional housing immediately adjacent to BYU and near UVX, directly aligning residential land use with a major institutional destination and existing transit investment. (General Plan, Land Use chapter and Implementation Matrix, pp. 34, 90.)

Housing. The Housing commitment is to provide and maintain a mix of housing for residents in all walks of life. Housing Goal 1 calls for different housing types and a mix of home sizes and price points; Strategy 1b calls for revising regulations to encourage a mix of housing types; Strategy 1e addresses student housing quality and rental regulations; and Strategy 1f encourages entry-level housing options including apartments and smaller unit sizes. Goal 2 further calls for increasing housing units of all types across Provo in appropriate and balanced ways. (General Plan, pp. 46–47; Implementation Matrix, pp. 92–93.)

Transportation. Transportation Goal 2 calls for a robust system of local and regional transportation alternatives, including rail, bus, biking, and walking. Strategies 2a and 2b address public-transit access and encouraging biking and transit use. The property's proximity to the UVX bus rapid transit line and BYU allows residents to use these alternatives for daily trips. (General Plan, p. 63; Implementation Matrix, p. 97.)

Community / University Connection. The Implementation Matrix also includes Community Identity Strategy 2c, “Build connections to students and university communities,” with a Short–Long implementation horizon. Purpose-built housing for baching singles immediately adjacent to BYU is consistent with Provo's recognition of its university community as an important component of the city. (General Plan Implementation Matrix, p. 89.)

Staff Response:
The applicant's response points out applicable goals and policies from the General Plan that this development could help support. The requested parking reduction aligns with the goal of promoting efficient land use.

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:
The proposed amendment is consistent with the timing and sequencing framework contained in the General Plan's Implementation Matrix. Chapter 10 explains that the Matrix is the Plan's implementation roadmap and assigns strategies Short (1–3 years), Mid (3–10 years), and Long (10–20 years) time frames.

Several strategies most directly advanced by this rezone are identified for near-term implementation. Land Use Strategy 1b, encouraging infill opportunities in transit-oriented developments, is designated "Short." Housing Strategies 1a and 1b, addressing infill housing and regulatory changes that encourage a mix of housing types, are also designated "Short." Transportation Strategy 2a, increasing public-transit access and operations, is designated "Short–Mid," while the broader transportation goal of creating robust rail, bus, biking, and walking alternatives is already an adopted policy direction.

The requested rezone therefore does not prematurely introduce a land-use pattern that the General Plan reserves for a later planning horizon. Instead, it advances strategies that the City expressly identified for short- or short-to-mid-term implementation. The site is already urbanized and served by existing streets, utilities, a major university, and nearby high-capacity transit, so the project does not depend on a future extension of the City's urbanized area or major new regional infrastructure before the proposed use can appropriately occur. (General Plan Implementation Matrix, pp. 88–93, 96–97.)

Staff Response:
No issues with the General Plan's timing and sequencing.

FINDING: Complies

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

Applicant Response:
The proposed amendment is not expected to hinder or obstruct attainment of the General Plan's articulated policies. To the contrary, it advances several of them simultaneously by providing additional housing through redevelopment of an already-developed site, locating density near transit, encouraging walking and biking, and placing campus-oriented housing immediately adjacent to the institution generating much of the demand.

The General Plan appropriately cautions that not every housing type belongs in every neighborhood and recognizes the value of established single-family neighborhoods. That principle supports careful location of higher-density housing rather than uniform increases in density. This site is distinguishable because of its immediate adjacency to BYU, location on a significant street, and proximity to UVX. Concentrating campus residential density here can help reduce pressure to accommodate the same demand farther into lower-density residential areas.

The project's structured parking, internal courtyards, setbacks, landscaping, bicycle facilities, and articulated building design also provide mechanisms to manage the impacts associated with higher density. Accordingly, approval would further rather than frustrate the Plan's effort to balance housing growth, neighborhood character, land use, and transportation. (General Plan, pp. 35–38.)

Staff Response:
The General Plan aims to protect the existing character and quality of life in established areas. This development is proposing a reduction in parking. While this development is somewhat isolated from the surrounding residential areas, there is potential for the reduction in parking to create spillovers into the surrounding streets if the proposed TDM strategies do not reduce vehicle ownership.

FINDING: There is potential for this development to have spillover of parking.

(f) Adverse impacts on adjacent landowners; and

Applicant Response:
The Applicant recognizes that increased residential intensity and building height require careful consideration of impacts on neighboring properties, including building scale, privacy, shadowing, traffic, parking, lighting, and noise. Unlike a redevelopment site embedded within an established low-density residential neighborhood, the subject property is located at an edge condition with a unique combination of surrounding uses. The site's immediate context consists of 900 East, an existing townhome community, a power generation/utility facility, and a stormwater retention basin/open area. As a result, much of the project's perimeter is adjacent to a major street or nonresidential/open-space uses rather than directly abutting traditional single-family residential properties.

Particular consideration has been given to the potential for parking impacts on surrounding residential properties. The Project's parking strategy is supplemented by a comprehensive TDM program intended to reduce private vehicle ownership and parking demand. The program includes secure bicycle parking, shared micromobility, at least two on-site shared electric vehicles, a resident reservation system, ongoing program management, access to nearby public transit, and resident transportation education. The Project's immediate proximity to BYU and the UVX corridor further provides residents with realistic alternatives to automobile ownership for daily transportation.

The Development Agreement also directly addresses potential neighborhood parking impacts through resident education and lease provisions. Residents will be informed at move-in of available on-site parking, shared micromobility, bicycle facilities, nearby

public transit, and other transportation alternatives. Residential leases will advise residents that surrounding public streets may be subject to City parking restrictions and that residents remain responsible for complying with applicable parking laws. In addition, the Project will maintain reasonable community rules prohibiting residents from storing or routinely parking vehicles on adjacent public streets for the purpose of avoiding Project parking fees or requirements.

The proposed building has also been designed to respond to the portion of the site that is adjacent to existing residential development. Rather than placing the full building mass directly against neighboring residences, the site plan incorporates building setbacks, landscaped areas, and separation between the proposed building and adjacent residential uses. These setbacks provide physical and visual relief and help mitigate

Staff Response:
The proposed change would allow for higher density housing in the area. There would be an increase in traffic and with the parking reduction there could potentially be parking spillover if the strategies in the TDM do not work.

FINDING: There would be impacts from the proposed change on adjacent landowners related to increased density and parking reductions.

(g) Verification of correctness in the original zoning or General Plan for the area in question.
Applicant Response:
The Applicant does not contend that the original RC zoning was necessarily erroneous when adopted. The RC Zone serves an important purpose by conserving established housing and protecting stable residential areas from incompatible redevelopment. The relevant question, however, is whether continued application of that zoning designation remains the most appropriate means of implementing the City's adopted land-use policies for this particular property. The requested amendment reflects the current planning context, adopted General Plan policies, transportation investments, housing needs, and the site's proximity to BYU.

The General Plan itself describes planning as a dynamic process and recognizes that growth, change, and new opportunities may warrant adjustments from an earlier vision. Since zoning is the regulatory mechanism used to implement evolving land-use policy, a finding that the existing zoning was correct when adopted does not preclude a finding that CR zoning is now more appropriate for this particular property.

The current circumstances strongly support reconsideration of the site's zoning: Provo's adopted General Plan calls for additional housing; identifies infill and redevelopment as the predominant development pattern for central and eastern Provo; supports greater density near major transit corridors and public transportation hubs; and includes near-term implementation actions related to infill, housing diversity, and transit-oriented development. The requested amendment should therefore be evaluated as an appropriate implementation of current adopted policy rather than as a correction of a historic zoning error. (General Plan, pp. 4–8, 20, 38, 90–93.)

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:
To the extent any perceived tension exists between a General Plan map designation and the written policies of the General Plan, the applicable review standard directs that precedence be given to the Plan Policies. The requested amendment is strongly supported by those written policies.

The General Plan calls for a balanced alignment of transit and land use; encourages infill in transit-oriented locations; recognizes that areas near major transit corridors and public transportation hubs should accommodate more density than auto-dependent locations; encourages a broader mix of housing; and establishes implementation actions related to zoning changes, student housing, apartments, and multimodal transportation.

Accordingly, the written policy framework provides substantial support for the amendment. The project's immediate adjacency to BYU, proximity to UVX, infill character, structured parking, and purpose-built housing for baching singles make the requested zoning particularly responsive to the Plan's articulated policy objectives. (General Plan, pp. 34, 38, 45–47, 63; Implementation Matrix, pp. 90–93, 97.)

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

FINDING: No issues.

APPLICABLE ZONING CODES

Provo City Code 14.14E – Campus Residential (CR)

POSSIBLE MOTIONS AND FINDINGS

The Planning Commission may make any of the following findings:

1. **Recommend Approval**: The Planning Commission finds that the requested zone change is consistent with the General Plan and that the Planning Commission forward a positive recommendation for a zone change from RC to CR with the condition that a development agreement is approved by the Municipal Council. In making this motion, the Planning Commission supports the parking plan and reduction as proposed in the development agreement.

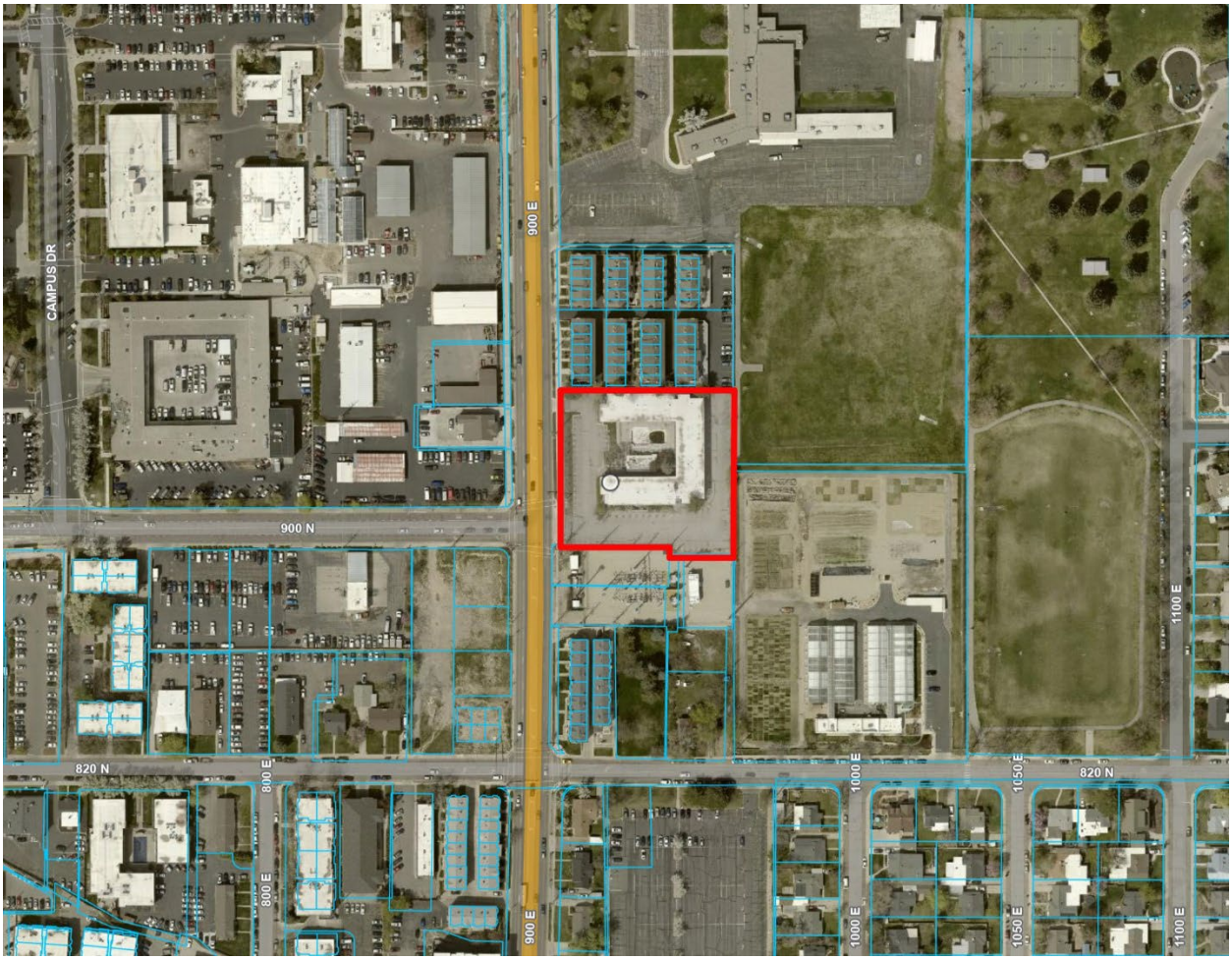
2. **Recommend Denial**: The Planning Commission finds that the proposal is consistent with the General Plan, but the Commission recommends denial of the requested zone change with the following findings:

a. That the applicant has not sufficiently demonstrated that on-site parking will avoid spillover parking impacts to adjacent neighborhoods; and,
b. That it remains nebulous as to how proposed off-site parking will be adequately and appropriately managed in perpetuity.

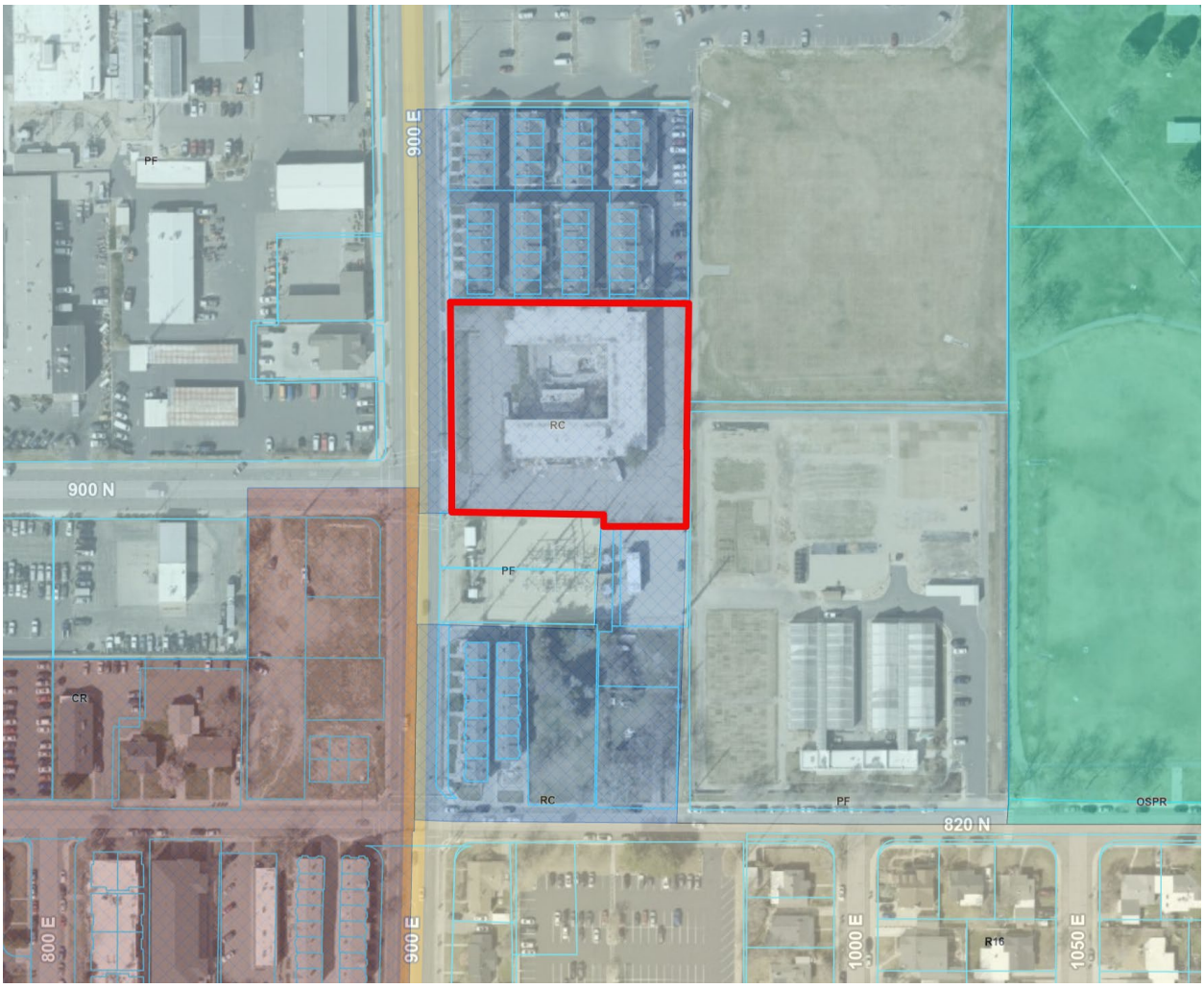
3. **Continue**: That the Planning Commission continue this item so the applicant can provide the following information:
    a.
    b.

ATTACHMENTS

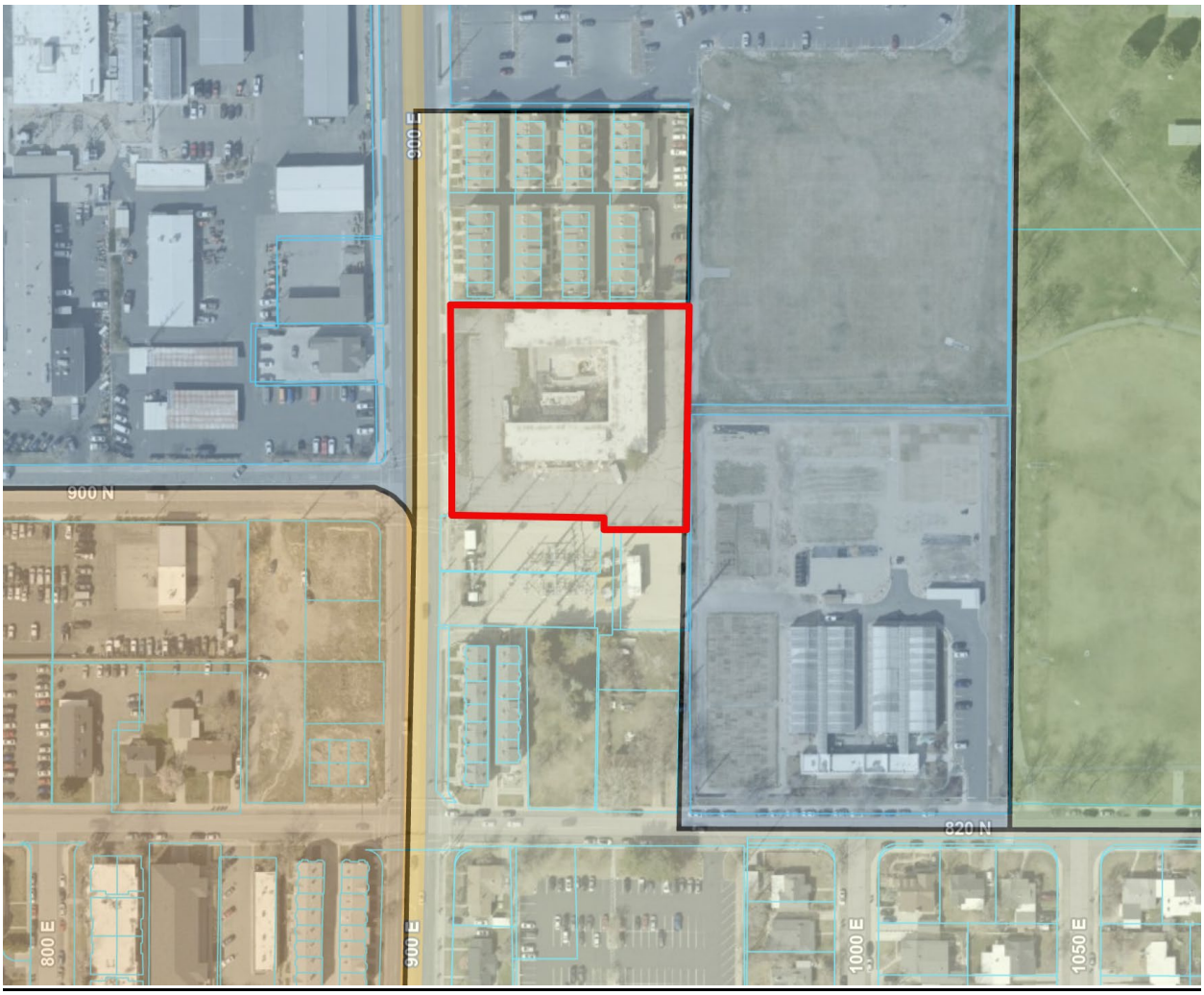
Attachment 1 – Map of property located at 910 N 900 E.



Attachment 2 – Map of Existing Zoning.



Attachment 3 – General Plan Map.



DEVELOPMENT SERVICES

Planning Commission Hearing Staff Report
Hearing Date: September 23, 2026

Attachment 4 – Proposed Development Agreement Items

1. Additional Specific Developer Obligations. As an integral part of the consideration for this agreement, the Developer voluntarily agrees as follows:
    a. Parking: The Project shall provide a minimum parking ratio of 0.50 parking stalls per approved bed. The required parking supply may be provided through a combination of on-site and off-site parking; however, no more than forty (40) parking stalls may be provided on off-site property. All remaining required parking stalls shall be located on the Project site. The parties acknowledge that off-site parking may function as long-term vehicle storage rather than daily commuter parking. Any off-site parking utilized to satisfy the required parking supply shall be secured through one or more legally enforceable agreements, including but not limited to: a parking easement, lease, license agreement, shared parking agreement, parking management agreement, or other arrangement reasonably acceptable to the City. Such agreement(s) shall:
        i. Provide the Project with the right to use the required number of parking spaces for resident parking and/or vehicle storage, with all off-site parking located within __ miles of the Project and available exclusively for use by Project residents;
        ii. Have an initial term of not less than five (5) years and, thereafter, remain in effect or be replaced by another legally enforceable agreement that provides the Developer with continuous rights to the required parking spaces. The Developer shall not permit any off-site parking agreement to expire, terminate, or materially reduce the Developer's parking rights unless replacement parking meeting requirements of this Agreement has been secured and approved by the City;
        iii. Secure and obtain City approval of substitute parking meeting the requirements of this Agreement not less than ninety (90) days before the expiration, termination, relocation, or material reduction of any off-site parking rights ;
        iv. Be provided to the City for review and approval prior to the issuance of the first Certificate of Occupancy for the Project; and
        v. Provide continuous and uninterrupted access to the required parking spaces for so long as the off-site parking is relied upon to satisfy the required parking supply.

The required parking supply is a continuing condition of Project approval. The

Developer shall maintain, at all times, not less than 0.50 lawfully available parking stalls per approved bed, of which no more than 40 stalls may be located off-site. Failure to maintain the required parking supply in accordance with this Agreement shall constitute a violation of this Agreement and an Event of Default under this Agreement.

b. The Developer may relocate or substitute off-site parking facilities, provided that any replacement parking complies with all requirements of this Agreement and is approved by the City. The Developer shall not routinely relocate or substitute off-site parking facilities on an annual or other recurring basis. The Developer shall maintain uninterrupted access to the required number of parking spaces and shall provide the City with annual certification of compliance. Lease Disclosure: The Developer shall provide residents with information regarding available on-site parking, shared micromobility options, bicycle facilities, nearby public transit, and other transportation alternatives at the time of move-in. To encourage responsible parking practices and minimize impacts on surrounding neighborhoods, the Developer shall include in each initial residential lease and any renewal lease a written parking disclosure substantially in the following form. The parties acknowledge that the Developer's obligation under this Section is limited to providing the required disclosures and resident education. Nothing in this Agreement shall obligate the Developer to enforce City parking regulations or guarantee resident compliance with applicable parking laws.

Resident Parking Acknowledgment. Residents who own or operate a motor vehicle are expected to park their vehicle within the Project's designated parking facilities or in other locations where parking is lawfully permitted. Residents are advised that parking on surrounding public streets may be restricted by applicable City ordinances, permit requirements, or time limitations. Residents are responsible for complying with all applicable parking regulations and acknowledge that violations may result in citations, towing, fines, or other enforcement actions by the City or other authorized entities.

Community Parking Covenant. The Developer shall adopt and maintain reasonable community rules prohibiting residents from storing or routinely parking vehicles on adjacent public streets for the purpose of avoiding on-site parking fees or requirements. Violations may be addressed through the Project's lease enforcement procedures, subject to applicable law and the terms of each lease. Enforcement of these community rules is committed to Developer's reasonable discretion, and Developer's decision not to pursue any particular alleged violation shall not constitute a waiver of any right or an Event of Default under this Agreement.

c. Transportation Demand Management (“TDM”). The City acknowledges that the approved parking supply for the Project is supported by a comprehensive TDM program, including secure bicycle parking, shared micromobility devices, an on-site shared electric vehicle program, proximity to BYU, walkability, public transit access, and resident parking education. The parties acknowledge that these

measures are intended to reduce private vehicle ownership and parking demand while providing residents with practical transportation alternatives. As part of the Project's TDM, the Developer shall provide and maintain an on-site shared micromobility program intended to reduce resident dependence on personal automobiles. The program shall include:

i. A designated on-site location for the parking, charging (if applicable), and storage of shared electric scooters or other comparable micromobility devices;

ii. A minimum of two (2) electric vehicles ("Shared EVs") made available for reservation and use by Project residents and located within designated parking spaces on the Property;

iii. A reservation system, which may be app-based or otherwise administered, allowing residents to reserve and use the shared micromobility devices and the Shared EV fleet;

iv. Ongoing management of the program, either directly by the Developer or through a third-party provider.

v. The parties acknowledge that the purpose of this program is to provide residents with convenient first-mile/last-mile transportation options that complement nearby public transit, bicycle facilities, and pedestrian infrastructure, thereby reducing reliance on private vehicle ownership and supporting the Project's approved parking supply.

vi. Transportation Demand Management Review. Beginning five (5) years after issuance of the first certificate of occupancy, and every five (5) years thereafter, the Developer may request a review of the Project's required parking supply based on then-current transportation technologies, shared mobility services, autonomous vehicle adoption, parking utilization data, resident travel behavior, or other TDM measures. Following such review, the City may, in its discretion and in accordance with applicable law, approve an administrative reduction in the required off-site parking supply if the City determines that the Project can continue to operate without creating a material increase in neighborhood parking demand.

d. Demolition of Existing Building: The City has determined that redevelopment of the Property, including removal of the existing vacant and deteriorated building, will eliminate a long-standing blighting condition, improve the appearance and safety of the surrounding neighborhood, and further the City's redevelopment objectives. Developer has agreed to submit an application for a demolition permit within three (3) business days of the Effective Date of this Agreement and to commence the demolition of the existing building as soon as is reasonably possible following the issuance of the demolition permit.

Attachment 5 – East District Meeting Minutes August 5, 2026

A preliminary proposal for a zone change from Residential Conservation (RC) to Campus Residential (CR) at 910 North 900 East, the site of the long-vacant former Park Plaza building. The proposed development would consist of a five-story apartment building over one level of ground-floor parking and approximately one-half level of underground parking, designed and marketed for student housing. The existing structure on the site is three stories; the proposed building would be approximately two stories taller. The unit mix includes a combination of one-, two-, three-, and four-bedroom configurations.

The developer has requested a parking ratio of 0.5 spaces per bed, which is substantially below the current code standard of 1.5 spaces per unit for studios and one-bedrooms, and up to 4 spaces per unit for four-bedrooms. It was noted that the developer has proposed mitigations including car-sharing programs and enhanced bicycle storage. He added that a BRT transit stop is located approximately two blocks from the site.

Resident concerns:

• Parking (discussion of high cost of structured parking)

• Retail space on the first floor

• Height relative to adjacent condominiums

• Step-down agreements would be included

• Zoning creep along the 900 East corridor

• Spillover parking onto adjacent residential streets, particularly 820 North

• Extend the Foothills Parking Permit Program to those streets

ORDINANCE <<Document Number>>

AN ORDINANCE AMENDING THE ZONE MAP CLASSIFICATION OF REAL PROPERTY, GENERALLY LOCATED AT 910 N 900 E, FROM THE RESIDENTIAL CONSERVATION (RC) ZONE TO THE CAMPUS RESIDENTIAL (CR) ZONE. FOOTHILLS NEIGHBORHOOD. (PLRZ20260393)

RECITALS:

It is proposed that the classification on the Provo Zoning Map for approximately 1.55 acres of real property, generally located at 910 N 900 E (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 Residential Conservation (RC) Zone to the Campus Residential (CR) Zone;

On September 23, 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 4:3 vote;

The Planning Commission's recommendation was based on the reduction of the parking ratio being below 0.80 not being sufficient parking to meet the parking demand;

On November 3, 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 Campus Residential (CR) Zone for the real property described in this ordinance.

PART II:

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

PART III:

A. If a provision of this ordinance conflicts with a provision of a previously adopted ordinance, this ordinance controls.

B. This ordinance and its various sections, clauses, and paragraphs are severable. If any part, sentence, clause, or phrase is judicially determined to be unconstitutional or invalid, the remainder of the ordinance is not affected by that determination.

C. Except as otherwise stated in Part II, 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 Provo Zoning Map be updated and codified to reflect the provisions enacted by this ordinance.

E. Notwithstanding any provision or language to the contrary in this ordinance, if the Development Agreement authorized in Part II has not been fully executed by the necessary parties within one year from the date of the Municipal Council's approval of this ordinance, the entire ordinance expires, becoming null and void as if it had never been approved. Because the zone map classification change contemplated in Part I cannot come into effect if the Development Agreement is not executed, neither the applicant nor any successor(s) in interest has any vested rights under this ordinance if it expires.

EXHIBIT A

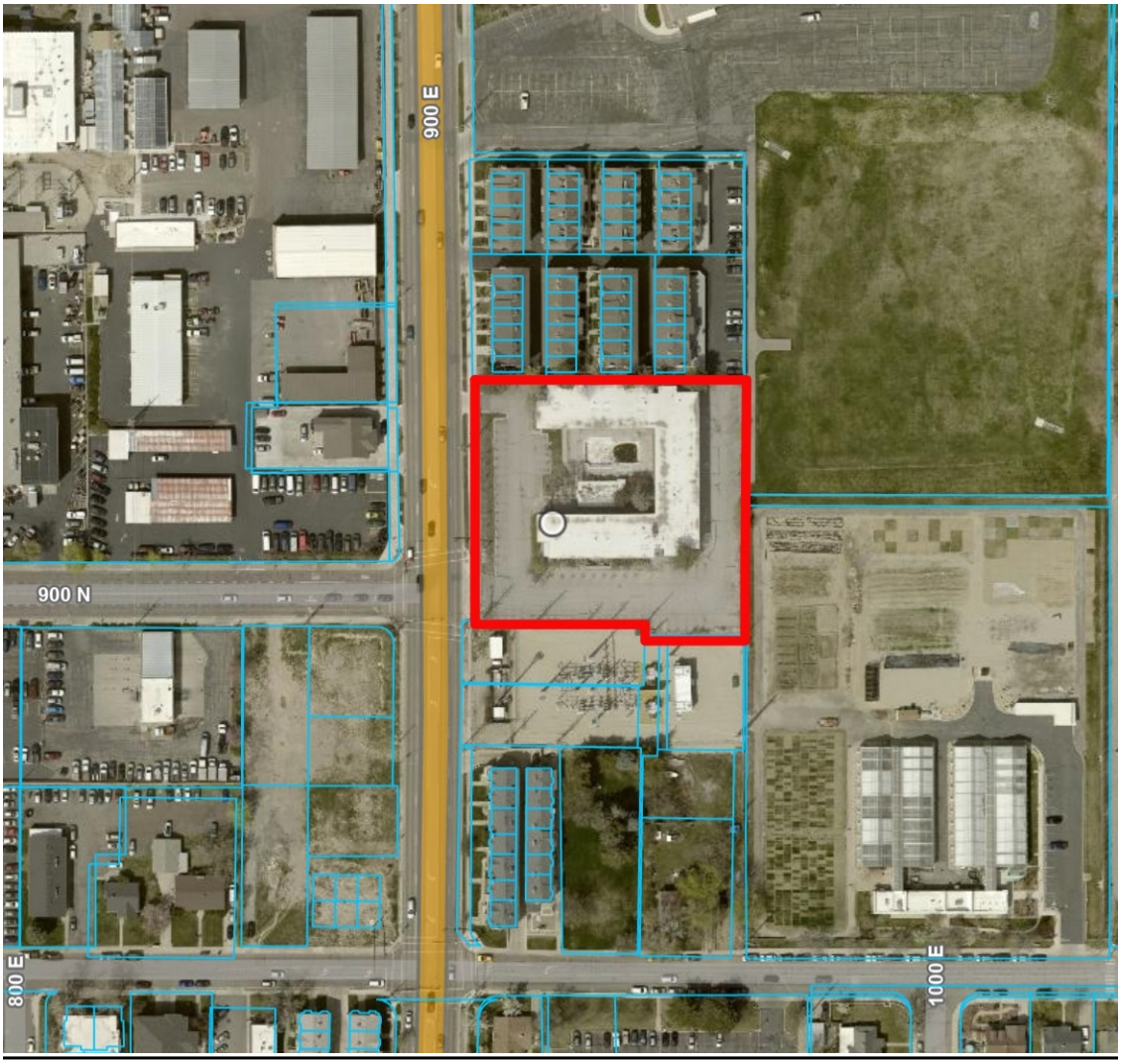


EXHIBIT B

Legal Description of the Property

Commencing at a point located South 00°43'43" East along the Section line 80.79 feet and West 1220.86 feet from the Northeast corner of Section 6, Township 7 South, Range 3 East, Salt Lake Base and Meridian; thence South 00°10'00" West along a fenceline 258.62 feet; thence North 89°47'52" West along a fenceline 96.21 feet; thence North 00°50'10" West along a fenceline 14.25 feet; thence North 89°43'43" West 173.87 feet to a point on the Easterly boundary line of 900 East Street; thence along said Easterly boundary line as follows: North 00°27'02" East 47.92 feet, North 00°35'07" West 196.58 feet; thence South 89°43'43" East along the Southerly boundary line of Chatham Towne Condominiums 272.68 feet to the point of beginning. AREA 1.552 AC.

EXHIBIT C

DEVELOPMENT AGREEMENT
FOR
_____

(910 N 900 E)

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into as of the _____ day of _____, 20__ (the "Effective Date"), by and between the CITY OF PROVO, a Utah municipal corporation, hereinafter referred to as "City," and CW Provo, LLC, a Utah limited liability company, hereinafter referred to as "Developer." The City and Developer are hereinafter collectively referred to as "Parties."

RECITALS

A. Developer is the owner of approximately 1.55 acres of land located within the City of Provo as is more particularly described on EXHIBIT A, attached hereto and incorporated herein by reference (the "Property").

B. On _____, the City Council approved Ordinance _____, vesting zoning (the "Vesting Ordinance"), based on the Concept Plan set forth on EXHIBIT B ("Concept Plan"), attached hereto and incorporated herein by reference, which will govern the density, development and use of the Property (said density, development, and use constituting the "Project").

C. Developer is willing to design and construct the Project in a manner that is in harmony with and intended to promote the long range policies, goals, and objectives of the City's general plan, zoning and development regulations in order to receive the benefit of vesting for certain uses and zoning designations under the terms of this Agreement as more fully set forth below.

D. The City Council accepted Developer's proffer to enter into this Agreement to memorialize the intent of Developer and City and decreed that the effective date of the Vesting Ordinance be the date of the execution and delivery of this Agreement and the recording thereof as a public record on title of the Property in the office of the Utah County Recorder.

E. The City Council further authorized the Mayor of the City to execute and deliver this Agreement on behalf of the City.

F. The City has the authority to enter into this Agreement pursuant to Utah Code Section 10-20-101(2) and relevant municipal ordinances, and desires to enter into this Agreement with the Developer for the purpose of guiding the development of the Property in accordance with the terms and conditions of this Agreement and in accordance with applicable City Ordinances.

G. This Agreement is consistent with, and all preliminary and final plats within the Property are subject to and shall conform with, the City's General Plan, Zoning Ordinances, and Subdivision Ordinances, and any permits issued by the City pursuant to City Ordinances and regulations.

H. The Parties desire to enter into this Agreement to specify the rights and responsibilities of the Developer to develop the Property as expressed in this Agreement and the rights and responsibilities of the City to allow and regulate such development pursuant to the requirements of this Agreement.

I. The Parties understand and intend that this Agreement is a "development agreement" within the meaning of, and entered into pursuant to, the terms of Utah Code Ann., §10-20-102.

J. The Parties intend to be bound by the terms of this Agreement as set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Developer hereby agree as follows:

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into this Agreement, as a substantive part hereof.

2. Zoning. The Property shall be developed in accordance with (i) the requirements of the _____ Zone, (ii) all other features as generally shown on the Concept Plan, and (iii) this Agreement. The Developer shall not seek to develop the Property in a manner that deviates materially from the Concept Plan as permitted by the aforementioned zoning designations for the Property.

3. Governing Standards. The Concept Plan, the Vesting Ordinance and this Agreement establish the development rights for the Project, including the use, maximum density, intensity and general configuration for the Project. The Project shall be developed by the Developer in accordance with the Concept Plan, the Vesting Ordinance and this Agreement. All Developer submittals must comply generally with the Concept Plan, the Vesting Ordinance and this Agreement. Non-material variations to the Concept Plan, as defined and approved by the City's Community Development Director, such as exact building locations, exact locations of open space and parking may be varied by the Developer without official City Council or Planning Commission approval. Such variations however shall in no way change the maximum density, use and intensity of the development of the Project.

4. Additional Specific Developer Obligations. As an integral part of the consideration for this agreement, the Developer voluntarily agrees as follows:

a. Parking: The Project shall provide a minimum parking ratio of 0.70 parking stalls per approved bed.

b. Lease Disclosure: The Developer shall provide residents with information regarding available on-site parking, shared micromobility options, bicycle facilities, nearby public transit, and other transportation alternatives at the time of move-in. To encourage responsible parking practices and minimize impacts on surrounding neighborhoods, the Developer shall include in each initial residential lease and any renewal lease a written parking disclosure substantially in the following form. The parties acknowledge that the Developer's obligation

under this Section is limited to providing the required disclosures and resident education. Nothing in this Agreement shall obligate the Developer to enforce City parking regulations or guarantee resident compliance with applicable parking laws.

Resident Parking Acknowledgment. Residents who own or operate a motor vehicle are expected to park their vehicle within the Project's designated parking facilities or in other locations where parking is lawfully permitted. Residents are advised that parking on surrounding public streets may be restricted by applicable City ordinances, permit requirements, or time limitations. Residents are responsible for complying with all applicable parking regulations and acknowledge that violations may result in citations, towing, fines, or other enforcement actions by the City or other authorized entities.

Community Parking Covenant. The Developer shall adopt and maintain reasonable community rules prohibiting residents from storing or routinely parking vehicles on adjacent public streets for the purpose of avoiding on-site parking fees or requirements. Violations may be addressed through the Project's lease enforcement procedures, subject to applicable law and the terms of each lease. Enforcement of these community rules is committed to Developer's reasonable discretion, and Developer's decision not to pursue any particular alleged violation shall not constitute a waiver of any right or an Event of Default under this Agreement.

c. Transportation Demand Management ("TDM"). The City acknowledges that the approved parking supply for the Project is supported by a comprehensive TDM program, including secure bicycle parking, shared micromobility devices, an on-site shared electric vehicle program, proximity to BYU, walkability, public transit access, and resident parking education. The parties acknowledge that these measures are intended to reduce private vehicle ownership and parking demand while providing residents with practical transportation alternatives. As part of the Project's TDM, the Developer shall provide and maintain an on-site shared micromobility program intended to reduce resident dependence on personal automobiles. The program shall include:

i. A designated on-site location for the parking, charging (if applicable), and storage of shared electric scooters or other comparable micromobility devices;

ii. A minimum of two (2) electric vehicles ("Shared EVs") made available for reservation and use by Project residents and located within designated parking spaces on the Property;

iii. A reservation system, which may be app-based or otherwise administered, allowing residents to reserve and use the shared micromobility devices and the Shared EV fleet;

iv. Ongoing management of the program, either directly by the Developer or through a third-party provider.

v. The parties acknowledge that the purpose of this program is to provide residents with convenient first-mile/last-mile transportation options that complement nearby public transit, bicycle facilities, and pedestrian infrastructure, thereby reducing reliance on private vehicle ownership and supporting the Project's approved parking supply.

vi. Transportation Demand Management Review. Beginning five (5) years after issuance of the first certificate of occupancy, and every five (5) years thereafter, the Developer may request a review of the Project's required parking supply based on then-current transportation technologies, shared mobility services, autonomous vehicle adoption, parking utilization data, resident travel behavior, or other TDM measures. Following such review, the City may, in its discretion and in accordance with applicable law, approve an administrative reduction in the required off-site parking supply if the City determines that the Project can continue to operate without creating a material increase in neighborhood parking demand.

d. **Minimum Shared Bedrooms:** To encourage a diversity of student housing accommodations and support reduced demand for private vehicle parking, the Project shall provide shared bedrooms comprising not less than twenty percent (20%) of the total bedrooms within the Project. For purposes of this provision, a "shared bedroom" shall mean a bedroom designed and configured to accommodate two (2) residents, with two designated sleeping accommodations.

Compliance with this requirement shall be demonstrated in the final architectural plans submitted for building permit approval. The Developer may modify the bedroom and unit configurations during final design, provided that the minimum percentage of shared bedrooms is maintained.

e. Demolition of Existing Building: The City has determined that redevelopment of the Property, including removal of the existing vacant and deteriorated building, will eliminate a long-standing blighting condition, improve the appearance and safety of the surrounding neighborhood, and further the City's redevelopment objectives. Developer has agreed to submit an application for a demolition permit within three (3) business days of the Effective Date of this Agreement and to commence the demolition of the existing building as soon as is reasonably possible following the issuance of the demolition permit.

4. Construction Standards and Requirements. All construction on the Property at the direction of the Developer shall be conducted and completed in accordance with the City Ordinances, including, but not limited to setback requirements, building height requirements, lot coverage requirements and all off-street parking requirements.

5. Vested Rights and Reserved Legislative Powers.

a. Vested Rights. As of the Effective Date, Developer shall have the vested right to develop and construct the Project in accordance with the uses, maximum permissible densities, intensities, and general configuration of development established in the Concept Plan, as supplemented by the Vesting Ordinance and this

Agreement (and all Exhibits), subject to compliance with the City Ordinances in existence on the Effective Date. The Parties intend that the rights granted to Developer under this Agreement are contractual and also those rights that exist under statute, common law and at equity. The Parties specifically intend that this Agreement grants to Developer "vested rights" as that term is construed in Utah's common law and pursuant to Utah Code Ann., §10-9a-509.

i. Examples of Exceptions to Vested Rights. The Parties understand and agree that the Project will be required to comply with future changes to City Laws that do not limit or interfere with the vested rights granted pursuant to the terms of this Agreement. The following are examples for illustrative purposes of a non-exhaustive list of the type of future laws that may be enacted by the City that would be applicable to the Project:

1. Developer Agreement. Future laws that Developer agrees in writing to the application thereof to the Project;

2. Compliance with State and Federal Laws. Future laws which are generally applicable to all properties in the City and which are required to comply with State and Federal laws and regulations affecting the Project;

3. Safety Code Updates. Future laws that are updates or amendments to existing building, plumbing, mechanical, electrical, dangerous buildings, drainage, or similar construction or safety related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual of Uniform Traffic Control Devices or similar standards that are generated by a nationally or statewide recognized construction/safety organization, or by the State or Federal governments and are required to meet legitimate concerns related to public health, safety or welfare; or,

4. Taxes. Taxes, or modifications thereto, so long as such taxes are lawfully imposed and charged uniformly by the City to all properties, applications, persons and entities similarly situated.

5. Fees. Changes to the amounts of fees for the processing of Development Applications that are generally applicable to all development within the City (or a portion of the City as specified in the lawfully adopted fee schedule) and which are adopted pursuant to State law.

6. Impact Fees. Impact Fees or modifications thereto which are lawfully adopted, imposed and collected.

b. Reserved Legislative Powers. The Developer acknowledges that the City is restricted in its authority to limit its police power by contract and that the limitations, reservations and exceptions set forth herein are intended to reserve to the City all of its police power that cannot be so limited. Notwithstanding the

retained power of the City to enact such legislation of the police powers, such legislation shall not modify the Developer's vested right as set forth herein unless facts and circumstances are present which meet the exceptions to the vested rights doctrine as set forth in Section 10-9a-509 of the Municipal Land Use, Development, and Management Act, as adopted on the Effective Date, *Western Land Equities, Inc. v. City of Logan*, 617 P.2d 388 (Utah 1980), its progeny, or any other exception to the doctrine of vested rights recognized under state or federal law.

6. Default. An "Event of Default" shall occur under this Agreement if any party fails to perform its obligations hereunder when due and the defaulting party has not performed the delinquent obligations within sixty (60) days following delivery to the delinquent party of written notice of such delinquency. Notwithstanding the foregoing, if the default cannot reasonably be cured within that 60-day period, a party shall not be in default so long as that party commences to cure the default within that 60-day period and diligently continues such cure in good faith until complete.

a. Remedies. Upon the occurrence of an Event of Default, the non-defaulting party shall have the right to exercise all of the following rights and remedies against the defaulting party:

1. All rights and remedies available at law and in equity, including injunctive relief, specific performance, and termination, but not including damages or attorney's fees.

2. The right to withhold all further approvals, licenses, permits or other rights associated with the Project or development activity pertaining to the defaulting party as described in this Agreement until such default has been cured.

3. The right to draw upon any security posted or provided in connection with the Property or Project by the defaulting party.

The rights and remedies set forth herein shall be cumulative.

7. Notices. Any notices, requests and demands required or desired to be given hereunder shall be in writing and shall be served personally upon the party for whom intended, or if mailed, by certified mail, return receipt requested, postage prepaid, to such party at its address shown below:

To the Developer: CW Provo, LLC
Attn: Walker Wood
610 North 800 West
Centerville, UT 84014
Email: walker@colewest.com

With a copy to: Cole West, LLC
Attn: Quin Stephens
610 North 800 West
Centerville, UT 84014
Email: quin@colewest.com

To the City: City of Provo
Attention: City Attorney
445 W Center
Provo, UT 84601
Phone: (801) 852-6140

8. General Term and Conditions.

a. Headings. The headings contained in this Agreement are intended for convenience only and are in no way to be used to construe or limit the text herein.

b. Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, representatives, officers, agents, employees, members, successors and assigns (to the extent that assignment is permitted). Without limiting the generality of the foregoing, a "successor" includes a party that succeeds to the rights and interests of the Developer as evidenced by, among other things, such party's submission of land use applications to the City relating to the Property or the Project.

c. Non Liability of City Officials and Employees. No officer, representative, consultant, attorney, agent or employee of the City shall be personally liable to the Developer, or any successor in interest or assignee of the Developer, for any default or breach by the City, or for any amount which may become due to the Developer, or its successors or assignees, or for any obligation arising under the terms of this Agreement. Nothing herein will release any person from personal liability for their own individual acts or omissions.

d. Third Party Rights. Except for the Developer, the City and other parties that may succeed the Developer on title to any portion of the Property, all of whom are express intended beneficiaries of this Agreement, this Agreement shall not create any rights in and/or obligations to any other persons or parties. The Parties acknowledge that this Agreement refers to a private development and that the City has no interest in, responsibility for, or duty to any third parties concerning any improvements to the Property unless the City has accepted the dedication of such improvements

e. Further Documentation. This Agreement is entered into by the Parties with the recognition and anticipation that subsequent agreements, plans, profiles, engineering and other documentation implementing and carrying out the provisions of this Agreement may be necessary. The Parties agree to negotiate and act in good faith with respect to all such future items.

f. Relationship of Parties. This Agreement does not create any joint venture, partnership, undertaking, business arrangement or fiduciary relationship between the City and the Developer.

g. Agreement to Run With the Land. This Agreement shall be recorded in the Office of the Utah County Recorder against the Property and is intended to and shall be deemed to run with the land, and shall be binding on and shall benefit all successors in the ownership of any portion of the Property.

h. Performance. Each party, person and/or entity governed by this Agreement shall perform its respective obligations under this Agreement in a manner that will not unreasonably or materially delay, disrupt or inconvenience any other party, person and/or entity governed by this Agreement, the development of any portion of the Property or the issuance of final plats, certificates of occupancy or other approvals associated therewith.

i. Applicable Law. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Utah.

j. Construction. This Agreement has been reviewed and revised by legal counsel for both the City and the Developer, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

k. Consents and Approvals. Except as expressly stated in this Agreement, the consent, approval, permit, license or other authorization of any party under this Agreement shall be given in a prompt and timely manner and shall not be unreasonably withheld, conditioned or delayed. Any consent, approval, permit, license or other authorization required hereunder from the City shall be given or withheld by the City in compliance with this Agreement and the City Ordinances.

l. Approval and Authority to Execute. Each of the Parties represents and warrants as of the Effective Date this Agreement, it/he/she has all requisite power and authority to execute and deliver this Agreement, being fully authorized so to do and that this Agreement constitutes a valid and binding agreement.

m. Termination.

i. Notwithstanding anything in this Agreement to the contrary, it is agreed by the parties hereto that in the event the final plat for the Property has not been recorded in the Office of the Utah County Recorder within ten (10) years from the date of this Agreement (the "Term"), or upon the occurrence of an event of default of this Agreement that is not cured, the City shall have the right, but not the obligation, at the sole discretion of the City Council, to terminate this Agreement as to the defaulting party (*i.e.*, the Developer). The Term may be extended by mutual agreement of the Parties.

ii. Upon termination of this Agreement for the reasons set forth herein, following the notice and process required hereby, the obligations of the City and the defaulting party to each other hereunder shall terminate, but none of the licenses, building permits, or certificates of occupancy granted prior to expiration of the Term or termination of this Agreement shall be rescinded or limited in any manner.

9. Assignability. The rights and responsibilities of Developer under this Agreement may be assigned in whole or in part by Developer with the consent of the City as provided herein.

a. Notice. Developer shall give Notice to the City of any proposed assignment and provide such information regarding the proposed assignee that the City may reasonably request in making the evaluation permitted under this Section. Such

Notice shall include providing the City with all necessary contact information for the proposed assignee.

b. Partial Assignment. If any proposed assignment is for less than all of Developer's rights and responsibilities, then the assignee shall be responsible for the performance of each of the obligations contained in this Agreement to which the assignee succeeds. Upon any such approved partial assignment, Developer shall be released from any future obligations as to those obligations which are assigned but shall remain responsible for the performance of any obligations that were not assigned.

c. Grounds for Denying Assignment. The City may only withhold its consent if the City is not reasonably satisfied of the assignee's reasonable financial ability to perform the obligations of Developer proposed to be assigned.

d. Assignee Bound by this Agreement. Any assignee shall consent in writing to be bound by the assigned terms and conditions of this Agreement as a condition precedent to the effectiveness of the assignment.

10. Sale or Conveyance. If Developer sells or conveys parcels of land, the lands so sold and conveyed shall bear the same rights, privileges, intended uses, configurations, and density as applicable to such parcel and be subject to the same limitations and rights of the City as when owned by Developer and as set forth in this Agreement without any required approval, review, or consent by the City except as otherwise provided herein.

11. No Waiver. Any party's failure to enforce any provision of this Agreement shall not constitute a waiver of the right to enforce such provision. The provisions may be waived only in writing by the party intended to be benefited by the provisions, and a waiver by a party of a breach hereunder by the other party shall not be construed as a waiver of any succeeding breach of the same or other provisions.

12. Severability. If any portion of this Agreement is held to be unenforceable for any reason, the remaining provisions shall continue in full force and effect.

13. Force Majeure. Any prevention, delay or stoppage of the performance of any obligation under this Agreement which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefore; acts of nature; governmental restrictions, regulations or controls; judicial orders; enemy or hostile government actions; wars, civil commotions; fires or other casualties or other causes beyond the reasonable control of the party obligated to perform hereunder shall excuse performance of the obligation by that party for a period equal to the duration of that prevention, delay or stoppage.

14. Amendment. This Agreement may be amended only in writing signed by the Parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first hereinabove written.

CITY:

CITY OF PROVO

ATTEST:

By: _____ By:_____

City Recorder Mayor Marsha Judkins

DEVELOPER:

CW Provo, LLC, a Utah limited liability company

By: Cole West Entity Services, LLC, a Utah limited liability company

Its: Manager

By: Cole West, LLC, a Utah limited liability company

Its: Manager

By: _____

Name: Colin Wright

Title: Manager

STATE OF UTAH)

:ss

COUNTY OF UTAH)

On the ____ day of _____, 2025, personally appeared before me _____, who being by me duly sworn, did acknowledge that he/she executed the foregoing instrument in his/her official capacity as _____ of Provo City, a municipal corporation of the State of Utah.

_____

Notary Public

STATE OF UTAH)
:ss
COUNTY OF UTAH)

On the ____ day of _____, 2025, personally appeared before me _____, who being by me duly sworn, did say that he is the _____ of _____, a Utah limited liability company, and that the within and foregoing instrument was signed on behalf of said limited liability company with proper authority and duly acknowledged to me that he executed the same.

_____
Notary Public

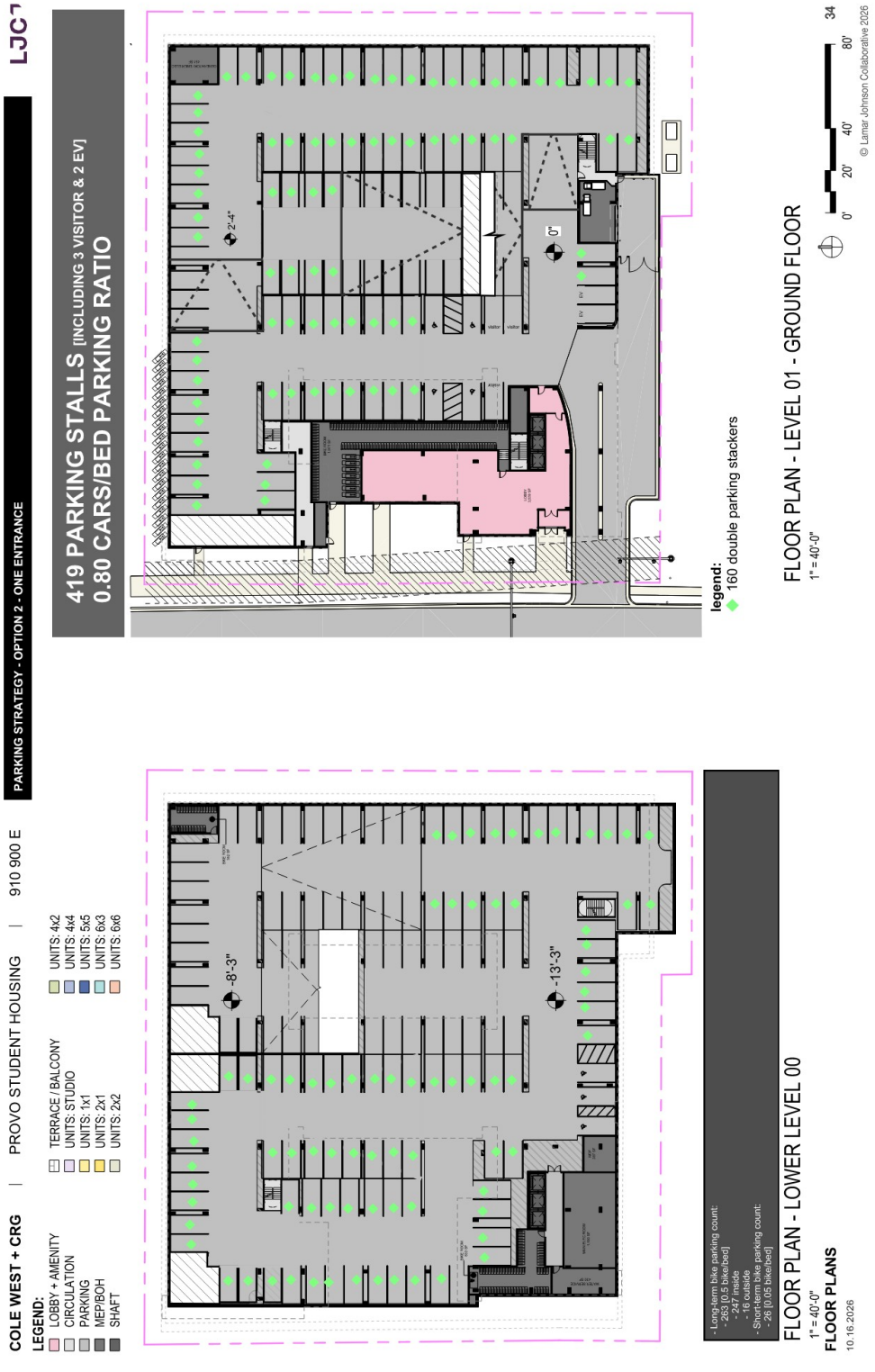
Exhibit A

Legal Description of the Property

Commencing at a point located South 00°43'43" East along the Section line 80.79 feet and West 1220.86 feet from the Northeast corner of Section 6, Township 7 South, Range 3 East, Salt Lake Base and Meridian; thence South 00°10'00" West along a fenceline 258.62 feet; thence North 89°47'52" West along a fenceline 96.21 feet; thence North 00°50'10" West along a fenceline 14.25 feet; thence North 89°43'43" West 173.87 feet to a point on the Easterly boundary line of 900 East Street; thence along said Easterly boundary line as follows: North 00°27'02" East 47.92 feet, North 00°35'07" West 196.58 feet; thence South 89°43'43" East along the Southerly boundary line of Chatham Towne Condominiums 272.68 feet to the point of beginning.

Exhibit B

Concept Plan





521



522



PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter: JAHILL
Presenter: Melissa McNalley, Redevelopment Agency Director
Department: Development Services
Meeting Date: 11/3/2026
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 (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.

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 MUNICIPAL COUNCIL STAFF REPORT

Submitter: Cody Hill
Presenter: Melissa McNalley, Redevelopment Agency Director
Department: Development Services
Requested Meeting Date: November 3, 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.

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

RESOLUTION <<Document Number>>

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)

RECITALS:

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

The Redevelopment Agency of Provo City (the "**Agency**") and Provo City (the "**City**") are "public agencies" for purposes of the Act;

The Agency adopted a Project Area Plan and a Project Area Budget for the Lakeview Parkway Community Reinvestment Project Area (the "**Project Area**");

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

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

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

On November 3, 2026, the Municipal Council met to consider 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 Interlocal Agreement should be approved as described herein, and (ii) such action furthers the health, safety, and general welfare of the citizens of Provo City.

THEREFORE, the Provo Municipal Council resolves as follows:

PART I:

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

PART II:

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 (this "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 a "**Party**" and collectively as the "**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;

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;

C. 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;

D. WHEREAS, commercial improvements consisting of (i) a hotel, (ii) retail space, and (iii) a convenience store and gas station (collectively, the "Project") are to be developed in the portion of the Project Area that is likely to generate significant sales and use tax revenues, as described on Exhibit A, attached hereto (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 taxable transactions occurring within the Site to assist in the development as contemplated by the Project Area Plan;

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

G. WHEREAS, in order to facilitate development of the Project, the City desires to pay to the Agency a portion of the City's POST and TRT 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 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 combined rate of one and one-half percent (1.5%) imposed by the City per UCA §§ 59-12-352 and 59-12-353 (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 Site and (ii) thirty percent (30%) of the TRT generated by payments for temporary lodging within the Site (together, the amounts received by the Agency as described in this Section 3 are the "**Agency Share**") for ten (10) years, for calendar 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 Site for that same year. The Agency Share shall be used for the purposes set forth in Section 6.

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 POST or TRT generated elsewhere within the Project Area.

b. The Agency Share shall be payable from POST and TRT revenues generated within the Site. The City may, but shall not be obligated to, pay all or any portion of the Agency Share from other legally available funds, subject to annual appropriation by the legislative body of the City, and nothing in this Agreement shall constitute a general obligation or indebtedness of 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 calculated by applying the percentages set forth in Section 3 to the POST and TRT revenue, or any successor point-of-sale or transient room tax revenue, that is retained by or distributed to the City on the

basis of taxable transactions occurring within the Site, 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 Section 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 unless each component of the Project is open for business to the public on or before December 31, 2030. Any termination under this Section 4(b) shall not require the Agency to repay any portion of the Agency Share paid before the date of termination.

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 distribution of POST and TRT attributable to taxable transactions occurring within the Site during 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 $250,000.00.

5. **Property Tax Increment.** This Agreement shall not entitle the Agency to receive any portion of the incremental property tax revenues generated by development within the Site or 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 or to be adopted by the Agency for the Project Area (the "Project Area Budget").

8. **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.

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. 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 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 Effective Date and shall continue through the earlier of (i) the date on which the City has paid to the Agency the Agency Share attributable to calendar year 2036, or (ii) the date on which the maximum amounts of POST and TRT set forth in Section 4(d) have both been paid to the Agency. Notwithstanding any provision in this Agreement to the contrary, this Agreement shall automatically terminate on December 31, 2037.

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 Agency shall cause a notice regarding this Agreement to be published on behalf of both Parties in accordance with Section 11-13-219 of the Cooperation Act and Section 17C-5-205 of the Act, upon which this Agreement shall become effective (the "Effective Date").

11. **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.

12. **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.

13. **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 hereof. 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.

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

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

16. **Severability.** If any provision of this Agreement shall be held illegal, 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 illegal, 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.

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

18. **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 (other than the publication of the notice described in Section 10(g), which shall occur following the execution of this Agreement), in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

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

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

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

22. **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

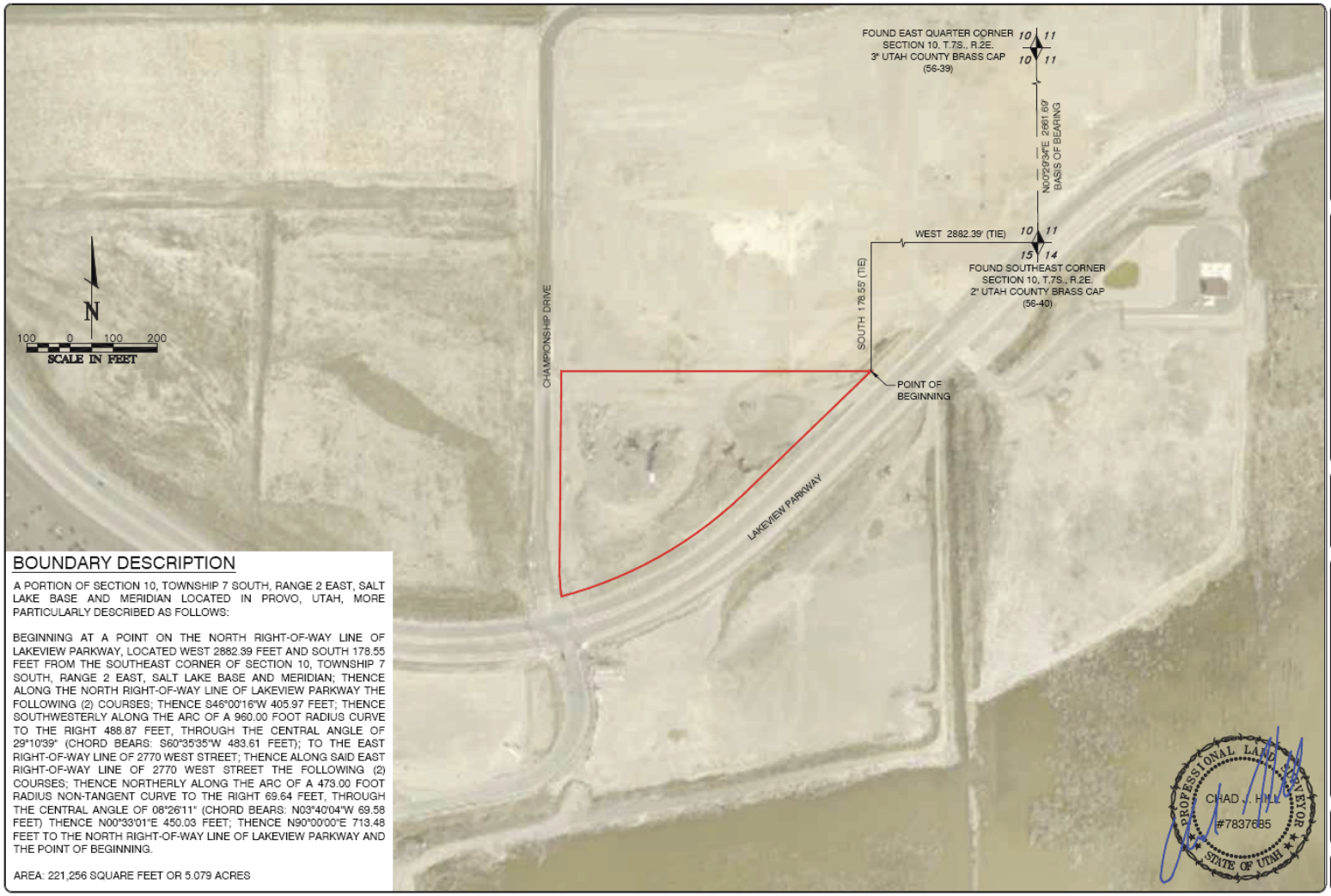
The "Site"

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



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:

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AREA: 221,256 SQUARE FEET OR 5.079 ACRES

PROFESSIONAL LAND SURVEYOR
CHAD J. HILL
#7837685
STATE OF UTAH

provo PUBLIC WORKS ENGINEERING

REMARKS

PROVO CITY REDEVELOPMENT
COMMUNITY REINVESTMENT AREA
NOVEMBER 2025

PROVO CITY

Engineering File Number: -

Drawing: 1
Sheet: 1 of 1

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter: JAHILL
Presenter: Melissa McNalley, Redevelopment Agency Director
Department: Development Services
Meeting Date: 11/3/2026
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 (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: November 3, 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

RESOLUTION <<Document Number>>

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)

RECITALS:

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

The Redevelopment Agency of Provo City (the "**Agency**") and Provo City (the "**City**") are "public agencies" for purposes of the Act;

The Agency adopted a Project Area Plan and a Project Area Budget for the Lakeview Parkway Community Reinvestment Project Area (the "**Project Area**");

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

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

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

On November 3, 2026, the Municipal Council met to consider 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 Interlocal Agreement should be approved as described herein, and (ii) such action furthers the health, safety, and general welfare of the citizens of Provo City.

THEREFORE, the Provo Municipal Council resolves as follows:

PART I:

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

PART II:

This resolution takes effect immediately.

INTERLOCAL AGREEMENT FOR THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA

THIS INTERLOCAL AGREEMENT (this "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;

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;

C. WHEREAS, commercial improvements consisting of (i) a hotel, (ii) retail space, and (iii) a convenience store and gas station (collectively, the "Project") are to be developed in a portion of the Project Area as shown on **Exhibit A**, attached hereto (the "**Site**");

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;

E. WHEREAS, the Agency anticipates using tax increment (as defined in Utah Code Annotated ("**UCA**") § 17C-1-102 (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;

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;

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 Site in accordance with the terms of this Agreement;

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 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 Section 2 and shall be disbursed as specified herein. The calculation of annual Tax Increment shall be made using (i) the Taxing Entity's property tax levy rate for the tax year for which Tax Increment is calculated and (ii) a base taxable value of $4,360,000.00 for purposes of calculating Tax Increment generated within the Site.

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 Parties anticipate that the Agency Share will be paid to the Agency no later than April 1 of the year following the tax year for which the Agency Share is to be paid.

d. The Agency Share shall be payable from Tax Increment generated within the Site. The Taxing Entity may, but shall not be obligated to, pay all or any portion of the Agency Share from other legally available funds, subject to annual appropriation by the legislative body of the Taxing Entity, and nothing in this Agreement shall constitute a general obligation or indebtedness of the Taxing Entity.

e. The total cumulative amount of the 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 UCA § 59-2-919 and applicable hearing procedures that occurs after the Effective Date.

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

h. All Tax Increment generated within the Site 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. 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. Consent to Project Area Budget. As required by UCA § 17C-5-304, the Taxing Entity consents to the project area budget adopted or to be adopted by the Agency for the Project Area (the "Project Area Budget").

5. 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 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 (the "Effective Date").

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 Effective Date and shall continue through the date that is 180 days after the date on which 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.

6. 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.

7. 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.

8. 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.

9. 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 hereof. 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.

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

11. Interpretation. The terms "include," "includes," and "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

12. Severability. If any provision of this Agreement shall be held illegal, 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.

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

14. **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 (other than the publication of the notice described in Section 5(e), which shall occur following the execution of this Agreement), in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

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

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

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

18. **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 the Site. All such prior agreements and understandings are hereby terminated and deemed of no further force or effect.

19. **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 Agency, 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

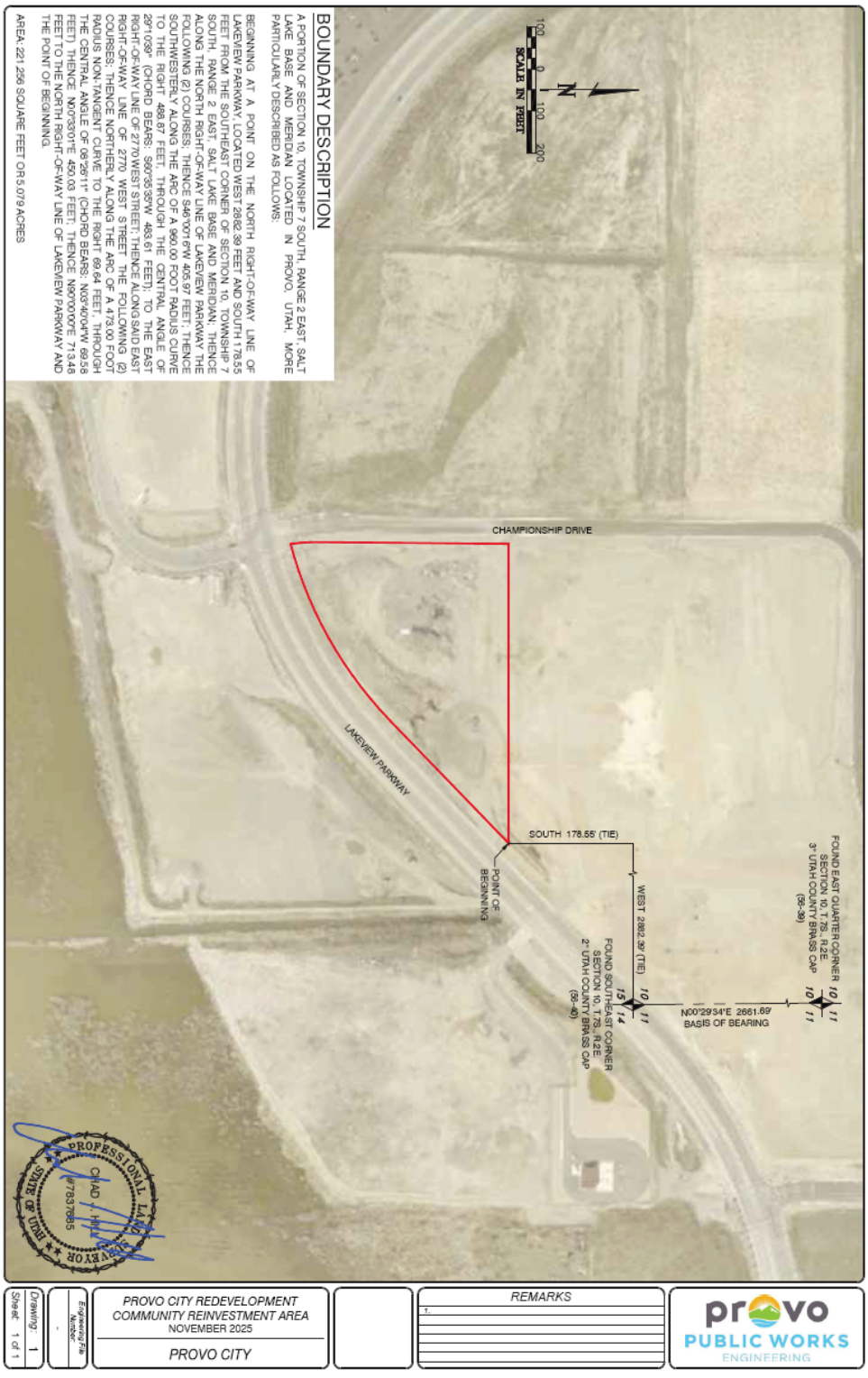
Attorney Review for the Taxing Entity:
The undersigned, as attorney for the Taxing Entity, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

_____
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: Cody Hill, Economic Development Division Director
Department: Development Services
Meeting Date: 11/3/2026
Requested Duration (Minutes): 15 minutes
CityView or Issue File Number: 26-075

SUBJECT: 12 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: November 3, 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)

RESOLUTION <<Document Number>>

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)

RECITALS:

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

The Redevelopment Agency of Provo City (the "**Agency**") and Provo City (the "**City**") are "public agencies" for purposes of the Act;

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

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

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

On November 3, 2026, the Municipal Council met to consider 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 Participation Agreement should be approved as described herein, and (ii) such action furthers the health, safety, and general welfare of the citizens of Provo City.

THEREFORE, the Provo Municipal Council resolves as follows:

PART I:

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

PART II:

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 among 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 permitted successors and 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 Municipal 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 85% of the Property Tax Increment actually received by the Agency from the City under Section 8(a) attributable to the Project, to the extent permitted under Title 17C and the applicable project area documents.
    b. "Available Sources" means the Property Tax Increment, sales tax revenues, and transient room tax revenues payable under Sections 8 and 9, in each case solely to the extent actually received by the Agency.
    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, with respect to a parcel, the date on which the Developer (or an SPV) has obtained a grading or building permit for that parcel and begun physical site work on that parcel (including grading, dewatering, or structural fill). Off-site

or preparatory work, design, permitting, or the execution of contracts, standing alone, shall not 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 property casualty 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. For any space leased to or operated by the SPV, the Developer, or an affiliate, base rent shall be the greater of the rent actually paid and the fair market rent for that space. Gross Revenue of each SPV includes business interruption and rental loss insurance proceeds received in lieu of amounts that would otherwise constitute Gross Revenue.

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. Any term sheet, letter of intent, or other prior writing among the Parties concerning the Project, including any statement that it is non-binding, is superseded by this Agreement and has no further effect.

b. Matters Reserved for Future Agreements. The Parties acknowledge that the organizational documents of each SPV and certain other instruments referenced herein will be documented in future definitive agreements. The obligations to enter into those instruments, and to cause them 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, substantially meaning no greater than a 15% reduction from the proposed retail square footage (including the convenience store, but not including any non-retail portions of the hotel) and number of hotel rooms, subject to the conditions, approvals, and contingencies set forth in this Agreement.

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, including the requirement to develop the Project substantially in accordance with Exhibit B as provided in Section 3(a), 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. Upon formation, the Developer shall cause each SPV to execute and deliver to the City and the Agency a joinder agreeing to be bound by this Agreement, and the Developer shall remain jointly and severally liable with each SPV for that SPV's obligations until the City has approved that SPV's organizational documents under Section 4(c) and the Reverter Release Conditions under Section 12(a)(iii)(4) have been satisfied as to that SPV's parcel, whereupon the Developer shall be released, as to that parcel, from that SPV's obligations first arising thereafter.

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. Approval. Prior to executing the organizational documents for any SPV, the Developer shall submit the documents to the City and the Agency for approval, which approval shall not be unreasonably withheld, conditioned, or delayed so long as the documents meet the requirements of this Agreement.

d. 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.

e. 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 16 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 (or, if earlier, the closing of the SPV's construction loan for the horizontal improvements on that parcel), following the Developer's written notice, with reasonable supporting documentation, that the conditions in Section 16(a) have been satisfied as to that parcel and that the Developer has obtained all permits required to begin physical site work on that parcel. 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 those conditions are satisfied.

b. Reverter. Each conveyance shall be subject to a right of reverter in favor of the City exercisable solely as provided in Section 12 (Commencement of Construction). Upon satisfaction of the Reverter Release Conditions for a conveyed parcel under Section 12(a)(iii)(4), 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 title by special warranty deed substantially in the form of Exhibit E, subject to matters of record, and shall otherwise convey the Property "AS IS," without representation or warranty as to its physical or environmental condition; the City shall reasonably cooperate, at no cost to the Developer, with the Developer's review of title and survey and with the issuance to the applicable SPV, at the Developer's sole cost, of an owner's policy of title insurance; provided that such cooperation shall not require the City to incur any out-of-pocket cost or liability, to give any indemnity, gap undertaking, or similar undertaking to the title company, or to make any affidavit or certification other than as to matters within the actual knowledge of the City's designated representative, without investigation. 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 16 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), without representation or warranty as to their accuracy or completeness:

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, ground water 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; and

vii. 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 (i) through (vi) 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 Section 6 and to the transfer protections in Section 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) and shall be 2.5% of Gross Revenue as defined in Section 1(e).

e. Payment. The Revenue Share shall be paid by each SPV quarterly, 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, with interest at six percent (6%) per annum from the due date until paid.

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, by mutual written agreement, 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, the Developer, nor any SPV shall have the right to require or compel a redemption absent a written agreement of the City and the applicable SPV.

    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. Following a mutual written agreement under Section 6(g)(ii), the SPV shall deliver 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 SPV reasonably requests to confirm the termination.

    vi. Successors; Tax Characterization. This Section 6(g) binds and benefits the City and each SPV and their respective permitted successors and assigns, but confers no unilateral redemption right on any Party. 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. The aggregate of all reimbursements and payments by the City and the Agency under Sections 7 through 9, from all Available Sources combined, shall not exceed $3,000,000, and all such payments shall be applied solely to reimburse Qualifying Costs actually incurred, paid, and documented to the reasonable satisfaction of the City and the Agency (including paid invoices and lien waivers). Neither the City nor the Agency shall be obligated to reimburse Qualifying Costs from any source other than the Available Sources. For purposes of clarity, any reimbursements or payments by the Provo City School District (PCSD) as described in that certain agreement dated _____ between PCSD and _____, whether or not through the City or the Agency or both, to the Developer are independent of and not subject to this maximum aggregate amount of $3,000,000.

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 City's and the Agency's obligations 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 the Agency Increment to support the development of the Project by reimbursing Developer for incurred Qualifying Costs as provided herein.

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. Payments under Section 8(a) shall be made not less than annually within one hundred twenty (120) days after the Agency's receipt of the applicable Property Tax Increment, based on actual site-specific collections.

9. 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 and received by the City. Of the amounts so contributed, the Agency shall pay or credit to the SPVs an amount equal to eighty-five percent (85%) of the amount actually received by the Agency from the City under this Section 9(a) 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 by Agency is eighty-five percent (85%) of the thirty percent (30%) site-specific sales tax City contribution.

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 that are received by the City. Of the TRT revenues so contributed, the Agency shall pay or credit to the Hotel SPV an amount equal to eighty-five percent (85%) of such site-specific TRT City contribution 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 by Agency is eighty-five percent (85%) of the thirty percent (30%) of site-specific TRT City contribution.

c. Sales tax and TRT sharing payments under this Section 9 shall be made not less than annually, within one hundred twenty (120) days after the Agency's receipt of the applicable revenues from the City, based on actual site-specific collections. Each SPV shall deliver to the City, within thirty (30) days after filing, copies of its Utah sales and use tax and transient room tax returns, and shall execute any authorization the Utah State Tax Commission requires to release site-specific tax information to the City.

d. To the extent the City has actual knowledge that site-specific tax revenues described in this Section 9 were generated and assessed but not collected, the City shall take reasonable measures to encourage the Utah State Tax Commission to collect and distribute those revenues; provided that the City shall not be required to incur any out-of-pocket cost, to initiate or join any legal or administrative proceeding, or to advance or pay any amount it has not actually received, and nothing in this subsection modifies the requirement in subsections (a) and (b) that payments be based on revenues actually received.

10. 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, subject to the Developer's payment of all applicable impact, connection, and service fees; any capacity reserved for a parcel shall lapse if Commencement of Construction on that parcel does not occur by the Outside Date (as tolled).

11. BUSINESS PLAN

a. Delivery. The Developer shall furnish to the City a business plan for the Project within one hundred eighty (180) days after the Effective Date and, for each parcel, before conveyance of that parcel. 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).

12. 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 the conditions in Sections 16(a)(ii) and 16(a)(iii) (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 (except to the extent the delay is caused by Developer's delay in making the payments necessary for issuance of the letters), Project Area establishment, or land conveyance), or by third-party litigation or appeals challenging the Project approvals; provided that delays caused by the Developer's own acts or omissions shall not toll the Outside Date, and in no event shall the Outside Date be extended by more than eighteen (18) months in the aggregate.

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. Except as provided in subsection (4)(B), no bond or assurance shall be required for a parcel on which the applicable work has not commenced. The Developer shall use commercially reasonable efforts to cause the bond or other completion assurance for any public improvements to be dedicated to the City to be issued separately from, or by separate rider to, the bond for the private improvements, and any such separate bond or rider shall name the City as an obligee or co-obligee,

which status may be subordinate to that of the construction lender. If the construction lender will not permit that separation, the City need not be named as an obligee. For each bond that does not name the City as an obligee or co-obligee, the Developer shall deliver to the City evidence of the bond and the surety's agreement to give the City not less than thirty (30) days' prior written notice of any cancellation, non-renewal, or material modification. The Developer shall provide the City with evidence of the horizontal completion assurance prior to the City recording the release described in Section 5(b), and with evidence of each other bond or completion assurance promptly after it is issued. Nothing in this subsection limits any improvement completion assurance required under applicable City ordinances or Utah law in connection with any plat, subdivision, or other land use approval.

4. Reverter Release Conditions. The "Reverter Release Conditions" for a parcel are: (A) the earlier of Commencement of Construction on that parcel and the closing of the SPV's construction loan for the horizontal improvements on that parcel; (B) delivery of the horizontal completion assurance required under subsection (1); (C) delivery to the City and the Agency of a written guaranty by the applicable SPV, in form reasonably acceptable to the City, under which the SPV guarantees to, and covenants directly with, the City and the Agency to complete the horizontal and vertical improvements on that parcel substantially in accordance with Exhibit B, lien-free and with reasonable diligence (the "SPV Completion Guaranty"), together with a written guaranty, in form reasonably acceptable to the City, by [_____] and by each other person or entity that guarantees completion of those improvements to the SPV's construction lender, under which the guarantors guarantee to the City and the Agency Commencement of Construction on that parcel by the Outside Date (as tolled) and lien-free completion of those improvements by the completion date required under the SPV's construction loan, as that date may be extended by the lender or by Force Majeure (or, if there is no construction loan, within a reasonable time after Commencement of Construction, as extended by Force Majeure) (the "Sponsor Completion Guaranty"), which may be subordinate to the completion guaranty given to the construction lender; and (D) evidence reasonably satisfactory to the City that cash equity (excluding the value of the Property contributed by the City) of not less than twenty percent (20%) of the total budgeted cost of the improvements on that parcel, as shown in the business plan delivered under Section 11, has been contributed to and is held by the SPV (the "Funded Equity"). Until completion of the improvements on a parcel, the SPV shall not distribute, return, or otherwise apply any Funded Equity or construction loan proceeds other than to pay costs of those improvements. The SPV Completion Guaranty and the Sponsor Completion Guaranty are independent of, and in addition to, any bond. If the SPV's construction lender requires release of the Reversionary Interest as a condition to closing, the City shall deliver the release described in Section 5(b) into escrow with the closing title company, to be recorded concurrently with the closing upon satisfaction of the other Reverter Release Conditions.

b. Reversion

i. Reversion. If the Developer fails to satisfy the Reverter Release Conditions 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 12, and any deed conveying any portion of the Property (collectively, the "Reversionary Interest") is subordinate to the lien of each Permitted Mortgage only in that, if the City exercises the Reversionary Interest, the City shall take title subject to that Permitted Mortgage. No foreclosure of a Permitted Mortgage, deed in lieu of foreclosure, or other exercise of remedies under a Permitted Mortgage shall extinguish, terminate, or impair the Reversionary Interest. A "Permitted Mortgage" means a mortgage or deed of trust on a parcel held by an institutional lender not affiliated with the Developer that secures only loans for the development, construction, or permanent financing of the improvements on that parcel, in a principal amount not exceeding the cost of those improvements, and "Permitted Mortgagee" means the holder of a Permitted Mortgage. Each reference to a "mortgage" or "Mortgage" in this Agreement and its Exhibits means a Permitted Mortgage, and each reference to a "mortgagee" or "Mortgagee" means a Permitted Mortgagee. This subordination is self-operative and effective without further instrument, but the City shall confirm it as provided in Section 13.

iii. No Disturbance of Permitted Mortgagee. No exercise, operation, or enforcement of the Reversionary Interest shall extinguish, terminate, impair, or affect any Permitted Mortgage or the lien thereof.

iv. Revenue Share. A Permitted Mortgagee's acquisition of title through foreclosure or deed in lieu shall not require assumption of the Revenue Share, but any subsequent transferee shall assume the Revenue Share as provided in Section 14(b) and Exhibit C.

v. Permitted Mortgagee Notice and Cure. The City shall not exercise or attempt to exercise the Reversionary Interest unless it first delivers to each Permitted 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 12(b)(i), plus an additional sixty (60) days. If the cure, including satisfying the Reverter Release Conditions, reasonably requires the Permitted Mortgagee to obtain possession of the parcel or to complete a foreclosure, the cure period shall be extended for so long as the Permitted Mortgagee is diligently pursuing possession or foreclosure and for a reasonable period thereafter to effect the cure. Each Permitted Mortgagee shall have the right, but not the obligation, to cure.

vi. Completion by Permitted Mortgagee. If a Permitted Mortgagee or its successor or assign acquires title to the affected parcel and satisfies the Reverter Release Conditions within the cure period (as extended under subsection (v)), the condition giving rise to the Reversionary Interest shall be deemed satisfied and the Reversionary Interest shall terminate as to that parcel. For purposes of this subsection, a Permitted Mortgagee or its successor or assign may satisfy condition (C) of the Reverter Release Conditions by delivering, in place of the SPV

Completion Guaranty and the Sponsor Completion Guaranty, a completion guaranty from itself or from a creditworthy affiliate or designee reasonably acceptable to the City, and may satisfy condition (D) with equity it contributes or holds for the improvements. No Permitted 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.

13. CONFIRMATORY INSTRUMENTS

a. Within thirty (30) days after written request from the Developer, an SPV, or any Permitted Mortgagee, the City shall execute, acknowledge, and deliver, in recordable form, a subordination, non-disturbance, consent, and/or estoppel agreement confirming Section 12(b) on a commercially reasonable form reasonably acceptable to the City, and shall provide such further assurances as a Permitted Mortgagee may reasonably require to confirm that exercise of the Reversionary Interest will not extinguish or impair the lien of its Permitted Mortgage.

14. 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 to Sections 14(b) and 14(c).

b. 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 City's reversionary 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 such assumption.

c. Agency Consent. No transfer of this Agreement or the rights and obligations hereunder shall occur without the consent of the Agency. Such consent shall not be unreasonably withheld, conditioned, or delayed.

15. CULTURAL HERITAGE ARTIFACTS; INDEMNIFICATION; INSURANCE; IMMUNITY

a. Hold Harmless. The Developer releases the City and the Agency from, and shall indemnify, defend, and hold them harmless against, all claims, losses, and liabilities arising from any disturbance or destruction of cultural heritage artifacts in connection with the Project, except to the extent arising from the City's or Agency's own gross negligence or willful misconduct. The Developer shall comply with applicable law regarding the discovery of artifacts or remains.

b. General Indemnity. The Developer (and, after its formation, each SPV as to its parcel) shall indemnify, defend, and hold harmless the City and the Agency and their elected and appointed officials, officers, employees, and agents from and against all third-party claims, losses, liabilities, damages, and expenses (including reasonable attorneys' fees) arising from the design, construction, ownership, operation, or use of the Project, or from any act or omission of the Developer, any SPV, or their respective contractors, agents, employees,

tenants, or invitees, except to the extent caused by the gross negligence or willful misconduct of the City or the Agency. This obligation survives termination of this Agreement and, as to claims arising before the release, any release of the Developer under Section 4(a).

c. Insurance. From the earlier of conveyance of a parcel or commencement of any work on it, the Developer or the applicable SPV shall maintain builder's risk insurance through completion of the improvements on that parcel, and commercial general liability insurance for so long as the SPV owns or operates that parcel, each in commercially reasonable amounts and naming the City and the Agency as additional insureds, and shall deliver certificates of insurance to the City upon request.

d. Governmental Immunity. Nothing in this Agreement waives, or shall be construed to waive, any immunity, limitation of liability, notice requirement, or other protection available to the City or the Agency under the Governmental Immunity Act of Utah, Title 63G, Chapter 7 of the Utah Code.

16. 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 7–9 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;

iv. the Developer's delivery of the business plan under Section 11;

v. evidence that the Developer or the applicable SPV maintains builder's risk insurance and commercial general liability insurance in commercially reasonable amounts, naming the City and the Agency as additional insureds; and

vi. reasonable evidence, which may consist of a binding commitment from an institutional lender subject only to customary closing conditions (and not merely a term sheet or letter of interest) together with evidence of committed equity, of construction financing and equity sufficient to complete the improvements on the applicable parcel.

b. Conditions to Developer's Obligations. The Developer's obligations to develop and to achieve Commencement of Construction are subject to:

i. conveyance of title to the applicable parcel at no cost in accordance with Section 5;

ii. issuance of will-serve letters and availability of adequate utility capacity to serve the Project pursuant to Section 10; and

iii. satisfaction of the conditions in Sections 16(a)(ii) and 16(a)(iii).

17. 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, subject, in the case of the City and the Agency, to Section 20.

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.

c. Developer. The Developer represents that (i) it is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Utah; (ii) its execution, delivery, and performance of this Agreement do not conflict with its organizational documents or with any agreement, judgment, or order binding on it; and (iii) there is no litigation or proceeding pending or, to its knowledge, threatened against it that would materially impair its ability to perform this Agreement.

18. 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 12 and Section 18(c), its remedies at law. Except for the termination rights under Sections 19(c) and 19(d), the City's remedy for a failure to satisfy the Reverter Release Conditions for a parcel by the Outside Date is limited to the reverter under Section 12. After the Reverter Release Conditions have been satisfied for a parcel, the City may enforce the SPV Completion Guaranty, the Sponsor Completion Guaranty, and its other remedies under this Section 18 with respect to that parcel.

c. No Consequential Damages; No Personal Liability. No Party shall be liable for consequential, punitive, or special damages; provided that amounts already due and payable under this Agreement (including any portion of the Revenue Share then due and payable) shall be deemed direct damages. No elected or appointed official, officer, employee, member, manager, or agent of any Party shall have any personal liability under this Agreement.

19. 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 or its assigns or successors owns or operates its portion of the Project, or until the Revenue Share for that SPV is redeemed under Section 6(g), whichever occurs first.

b. Developer Withdrawal Before Conveyance; Completion After Release. At any time before conveyance of a parcel, the Developer may withdraw from and terminate this Agreement as to that parcel and its SPV (or, if no parcel has been conveyed, in whole), 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) the withdrawn parcel shall not be conveyed; and (iii) the City shall retain the land free of further obligation of the Developer as to the withdrawn parcel. The Developer's right to withdraw under this Section as to a parcel shall terminate upon conveyance of that parcel, after which the City's remedy for failure to achieve Commencement of Construction or to satisfy the Reverter

Release Conditions is as provided in Sections 12(b) and 18(b). From and after satisfaction of the Reverter Release Conditions with respect to a parcel, absent a written agreement to the contrary, the applicable SPV shall be obligated to commence (if it has not already done so) and complete the improvements on that parcel with reasonable diligence, subject to customary completion obligations, Force Majeure, and the other terms of this Agreement.

c. City Termination for Failure to Commence. If the Developer fails to achieve Commencement of Construction with respect to a parcel that has not been conveyed by the Outside Date (as tolled), and such failure continues for sixty (60) days after written notice, the City may terminate this Agreement as to that parcel and any SPV formed for it by written notice to the Developer. Upon such termination, the City shall have no further obligation to convey that parcel or to provide any reimbursement, tax sharing, or other undertaking attributable to it, other than obligations that expressly survive termination.

d. Termination for Failure of Conditions. If the conditions in Sections 16(a)(ii) and 16(a)(iii) have not been satisfied or waived within thirty-six (36) months after the Effective Date, the City or the Developer may terminate this Agreement by written notice to the other Parties, and no Party shall have any further obligation under this Agreement other than obligations that expressly survive termination; provided that no Party may terminate under this Section 19(d) if the failure of the condition results from that Party's own breach of this Agreement.

20. 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 and the Agency's payment obligations under Sections 7 through 9 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 or the Agency within the meaning of any constitutional or statutory debt limitation.

21. 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 SPV and otherwise only in accordance with Section 14. Neither the City nor the Agency may assign this Agreement 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; provided that Force Majeure does not include (i) any delay caused by the acts or omissions of the Party claiming relief or its affiliates, contractors, or agents, (ii) lack of funds, financial inability, or changes in market or financing conditions, or (iii) any event for which the Party claiming relief fails to give written notice to the other Parties within thirty (30) days after becoming aware of it.

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: _____

ATTEST:

By: _____

City Recorder

APPROVED AS TO FORM:

By: _____

City Attorney

Notice Address: _____

REDEVELOPMENT AGENCY OF PROVO CITY

By: _____

Name / Title: _____

ATTEST:

By: _____

Agency Secretary

Notice Address: _____

Philo Venture Management, LLC

By: _____

Name / Title: _____

Notice Address: _____

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 Property

Exhibit B— Project Description and Conceptual Site Plan

Project Description:
The Project, known as Lakeview Crossing, is a mixed-use project to be developed by the Developer in cooperation with the City and the Agency. 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. a limited-service hotel of 137 keys, operated under a nationally recognized hotel brand;
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, which the Convenience Store SPV may ground lease to an operator.

The Developer shall develop, own, and operate the Project through the three SPVs described in Section 4 of the Agreement. The City's land contribution and Revenue Share are governed exclusively by Sections 5 and 6 of the Agreement.

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, quarterly within forty-five (45) days after the end of each calendar quarter, commencing with the first full calendar quarter after the SPV begins generating Gross Revenue, and shall accrue and remain payable to the extent not paid when due, with interest at six percent (6%) per annum from the due date until paid. The Revenue Share shall be calculated on Gross Revenue as defined in the Agreement.

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 to the extent permitted under the Government Records Access and Management Act 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 of a Permitted Mortgage and the acquisition of title by a Permitted Mortgagee through foreclosure or deed in lieu shall not require assumption under this Section, but any subsequent transfer by the Permitted Mortgagee shall require assumption. 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 notice (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 are limited to the following categories, to the extent actually incurred and required for the Project, and such other costs as are eligible project area costs under Title 17C and are approved in writing in advance by the City and the Agency, which approval the City and the Agency shall consider in good faith:

- **Site Preparation.**
  - Mass grading and structural fill to elevate buildings above the high water table
  - Dewatering and soil stabilization
  - Land remediation

- **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 fees 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

The 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 satisfy the Reverter Release Conditions with respect to the Property by the Outside Date, as those terms are defined in and determined under Section 12 of that certain Participation Agreement dated [_____], 2026, among Grantor, the Redevelopment Agency of Provo City, and Philo Venture Management, LLC (the "**Participation Agreement**"), and subject in all respects to the notice, cure, tolling, and other conditions and limitations of Section 12. Upon satisfaction of the Reverter Release Conditions 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.** If Grantor exercises the Reversionary Interest, Grantor shall take title subject to the lien of each Permitted Mortgage (as defined in the Participation Agreement) then encumbering the Property, in accordance with Section 12. No foreclosure of a Permitted Mortgage, deed in lieu of foreclosure, or other exercise of remedies under a Permitted Mortgage shall extinguish, terminate, or impair the Reversionary Interest, which may be exercised against a Permitted Mortgagee or any purchaser or grantee only after the notice and cure period provided in, and which terminates as provided in, Section 12(b) of the Participation Agreement. Grantor shall, within thirty (30) days after request, execute and deliver

in recordable form the subordination, non-disturbance, consent, and estoppel instruments provided for in Section 13 of the Participation Agreement.

3. **Incorporation; Conflicts.** Section 12 of the Participation Agreement is incorporated by reference. A memorandum of the Participation Agreement is recorded concurrently with this Deed in the office of the Utah County Recorder. As between Grantor and Grantee, the Participation Agreement controls in the event of conflict with this Deed; provided that any Permitted Mortgagee or bona fide purchaser or encumbrancer for value may rely conclusively on this Deed and on any recorded instrument executed by Grantor confirming termination of the Reversionary Interest.

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 [_____]

Schedule 2 – Permitted Exceptions [_____]

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter: MVANDEGRAAFF
Presenter: Megan Van De Graaff, Planner
Department: Development Services
Meeting Date: 11/3/2026
Requested Duration (Minutes): 10 minutes
CityView or Issue File Number: PLRZ20250470

SUBJECT: 13 ***CONTINUED*** Bret Nelson requests a Zone Map Amendment from the RC (Residential Conservation) Zone to the LDR (Low Density Residential) Zone in order to create a 4-unit townhome development, located at 152 E 500 S.

ADMINISTRATIVE RECOMMENDATION: Staff is requesting the Council to either approve or deny the rezone request.

ADMINISTRATIVE MEMO: The property went through the rezone and project plan process in 2021 but there was ultimately no vote. The item was heard by the Planning Commission in August 2021 but was continued to give the applicant time to address concerns. The plan was brought back to Planning Commission in January 2022 and was denied on the grounds that most of the concerns were not addressed. The associated rezone was recommended denial, and the applicant requested the item be continued on the subsequent Municipal Council agenda. The application eventually expired without being heard by the Council.

The General Plan designates this parcel as Residential and the Maeser Plan future land use map designates it as Single-Family Residential, although it does not specify between attached and detached. The applicant is currently proposing the units as rentals, with a future plan to subdivide and sell two of the units. The city's desire for owner-occupancy has been communicated to the applicant. If desired, the Planning Commission and City Council should consider occupancy with the rezone and concept plan applications as it would be more difficult to enforce in the future. A project plan will be required if this concept plan and rezone are approved.

The applicant is proposing four townhome units that are split as, essentially, two twin homes. The project would include installing a 6-foot sidewalk along 500 South and a new 20-foot access to the property. The units include 1,700 square feet of living space, a 530 square foot 2-car garage, and a 1,200 square foot unfinished basement (total ~3,430). The LDR zone allows up to 12 dwelling units per acre. The proposal is for 10 units per acre. Each unit would have a porch.

Below is a comparison of how this application compares to the concerns of the 2021 proposal (Staff responses in bold). These points are included as a comparison to how the current plan differs from the previous plan, not as strict criteria for approval:
- Development lighting – Lighting is not indicated on the concept plan. Would be required to show lighting plan for project plan approval.
- Variation of exterior building materials – The previous plan showed mainly fiber cement horizontal siding with some cultured stone and LP shingles. The current plan shows stucco, cultured stone, and metal roofs on the dormers. The LDR zone would require reducing stucco to only 20% of the façade. Another design requirement is that buildings cannot front interior lot lines. Units 2-4 in the current plan face the west interior property line. It would be difficult to configure this lot with units only fronting 500 South.
- Architectural style that blends with the neighborhood. The units exhibit gable roofs with dormers and covered porches. This style would fit in with the residential surroundings.
- Add tall vegetation near the eastern elevation of the dwellings to break up long walls. The landscape plan shows deciduous shrubs along the eastern side. However, the units are now split into two buildings which breaks up that façade.
- Add sidewalks to driveway. Walkways connect the driveway to the unit entrances, though pedestrian access doesn't run its full length. Another notable change is that the previous plan included only one-car garages.
- Move dwellings to north to facilitate addressing parking lot congestion in the southeast corner of the development. Less parking is provided at the back of the lot now that two-car garages are included.
- Porches. Covered porches are provided.

FISCAL IMPACT: None

COUNCIL STAFF MEMO:

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter:	DWRIGHT
Presenter:	Dustin Wright, Planner
Department:	Development Services
Meeting Date:	11/3/2026
Requested Duration (Minutes):	10 minutes
CityView or Issue File Number:	PLRZ20260349

SUBJECT: 14 ***CONTINUED*** Zone Map Amendment from the RC (Residential Conservation) Zone to the MDR (Medium Density Residential) Zone, to develop a seven-unit townhome project, located at 908 E 1060 S. (PLRZ20260349)

ADMINISTRATIVE RECOMMENDATION: Planning Commission recommended denial.

ADMINISTRATIVE MEMO: The current zoning only allows for the existing single-family home, and the applicant would like to remove the home and build a new seven-unit townhome project on the property located at 908 E 1060 S. To accomplish this increase in density, a rezone is needed and the applicant has submitted a zone map amendment to change the zone and a concept plan application to show how the property would be developed.

FISCAL IMPACT: N/A

COUNCIL STAFF MEMO:

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter: MMCNALLEY
Presenter: Melissa McNalley Redevelopment Agency Director
Department: Development Services
Meeting Date: 11/3/2026
Requested Duration (Minutes): 5 minutes
CityView or Issue File Number: 26-005

SUBJECT: 15 A resolution approving to the adoption of an amended project area budget for the Lakeview Parkway Community Reinvestment Area. (26-005)

ADMINISTRATIVE RECOMMENDATION: RDA Board approve the resolution to adopt the amended Lakeview Parkway Project Area Budget

ADMINISTRATIVE MEMO: The Budget was amended to reflect the participation of the school district and Provo City in Property Tax Increment on the Epic Sports park parcel and a percentage of Transient room tax from Provo City that was not anticipated in the initial budget.

FISCAL IMPACT: estimated $13,148,212 over 20 years

COUNCIL STAFF MEMO:

RESOLUTION <<Document Number>>

A RESOLUTION APPROVING TO THE ADOPTION OF AN AMENDED PROJECT AREA BUDGET FOR THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT AREA. (26-005)

RECITALS:

It is proposed that the Governing Board of the Redevelopment Agency of Provo City (the Agency Governing Board) consent to the adoption of the Lakeview Parkway Community Reinvestment Project Area Budget Amendment (EXHIBIT A);

On October 6 and November 3, 2026, the Agency Governing Board met to consider the facts regarding this matter and receive public comment, which facts and comments are found in the public record of the Board's consideration; and

After considering the facts presented to the Agency Governing Board, the Board finds that:

(i) the proposed action should be approved as described herein, and

(ii) such action furthers the health, safety, and general welfare of the citizens of Provo City.

THEREFORE, the Agency Governing Board resolves as follows:

PART I:

The Agency of the Governing Board approves the adoption of the Lakeview Parkway Community Reinvestment Project Area Budget Amendment as shown in Exhibit A.

PART II:

This resolution takes effect immediately.

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)	
Provo City Tax Increment (Maximum — Only planned for collection from Area 3)	*$749,395*
Provo City School District Tax Increment (Only Area 3)	*$2,473,092*
Sales and Use Tax Revenue (Anticipated — No Agreement in Place)	
For Area 1: 50% of Provo City Point-of-Sale Tax — Amount to be determined upon execution of interlocal agreement For Area 3: 25% of *Provo City Point-of-Sale Tax — Amount to be determined upon execution of interlocal agreement*	*$9,254,183*
Municipal Transient Room Tax Revenue (Anticipated — No Agreement in Place)	
For Area 3: 25% of *Provo Municipal Transient Room Tax Increment — Amount to be determined upon execution of interlocal agreement*	*$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: 11/3/2026
Requested Duration (Minutes): 15 minutes
CityView or Issue File Number: 26-005

SUBJECT: 16 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: November 3, 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

RESOLUTION <<Document Number>>

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)

RECITALS:

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

The Redevelopment Agency of Provo City (the "**Agency**") and Provo City (the "**City**") are "public agencies" for purposes of the Act;

The Agency adopted a Project Area Plan and a Project Area Budget for the Lakeview Parkway Community Reinvestment Project Area (the "**Project Area**");

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

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

It is proposed that the Agency enter into the Interlocal Agreement attached hereto as EXHIBIT A;

On November 3, 2026, the Redevelopment Agency Board met to consider the facts regarding this matter and receive public comment, which facts and comments are found in the public record of the Agency Board's consideration; and

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

THEREFORE, the Agency Board resolves as follows:

PART I:

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

PART II:

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 (this "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 a "**Party**" and collectively as the "**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;

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;

C. 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;

D. WHEREAS, commercial improvements consisting of (i) a hotel, (ii) retail space, and (iii) a convenience store and gas station (collectively, the "Project") are to be developed in the portion of the Project Area that is likely to generate significant sales and use tax revenues, as described on Exhibit A, attached hereto (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 taxable transactions occurring within the Site to assist in the development as contemplated by the Project Area Plan;

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

G. WHEREAS, in order to facilitate development of the Project, the City desires to pay to the Agency a portion of the City's POST and TRT 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 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 combined rate of one and one-half percent (1.5%) imposed by the City per UCA §§ 59-12-352 and 59-12-353 (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 Site and (ii) thirty percent (30%) of the TRT generated by payments for temporary lodging within the Site (together, the amounts received by the Agency as described in this Section 3 are the "**Agency Share**") for ten (10) years, for calendar 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 Site for that same year. The Agency Share shall be used for the purposes set forth in Section 6.

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 POST or TRT generated elsewhere within the Project Area.

b. The Agency Share shall be payable from POST and TRT revenues generated within the Site. The City may, but shall not be obligated to, pay all or any portion of the Agency Share from other legally available funds, subject to annual appropriation by the legislative body of the City, and nothing in this Agreement shall constitute a general obligation or indebtedness of 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 calculated by applying the percentages set forth in Section 3 to the POST and TRT revenue, or any successor point-of-sale or transient room tax revenue, that is retained by or distributed to the City on the

basis of taxable transactions occurring within the Site, 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 Section 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 unless each component of the Project is open for business to the public on or before December 31, 2030. Any termination under this Section 4(b) shall not require the Agency to repay any portion of the Agency Share paid before the date of termination.

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 distribution of POST and TRT attributable to taxable transactions occurring within the Site during 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 $250,000.00.

5. **Property Tax Increment.** This Agreement shall not entitle the Agency to receive any portion of the incremental property tax revenues generated by development within the Site or 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 or to be adopted by the Agency for the Project Area (the "Project Area Budget").

8. **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.

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. 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 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 Effective Date and shall continue through the earlier of (i) the date on which the City has paid to the Agency the Agency Share attributable to calendar year 2036, or (ii) the date on which the maximum amounts of POST and TRT set forth in Section 4(d) have both been paid to the Agency. Notwithstanding any provision in this Agreement to the contrary, this Agreement shall automatically terminate on December 31, 2037.

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 Agency shall cause a notice regarding this Agreement to be published on behalf of both Parties in accordance with Section 11-13-219 of the Cooperation Act and Section 17C-5-205 of the Act, upon which this Agreement shall become effective (the "Effective Date").

11. **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.

12. **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.

13. **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 hereof. 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.

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

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

16. **Severability.** If any provision of this Agreement shall be held illegal, 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 illegal, 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.

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

18. **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 (other than the publication of the notice described in Section 10(g), which shall occur following the execution of this Agreement), in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

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

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

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

22. **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

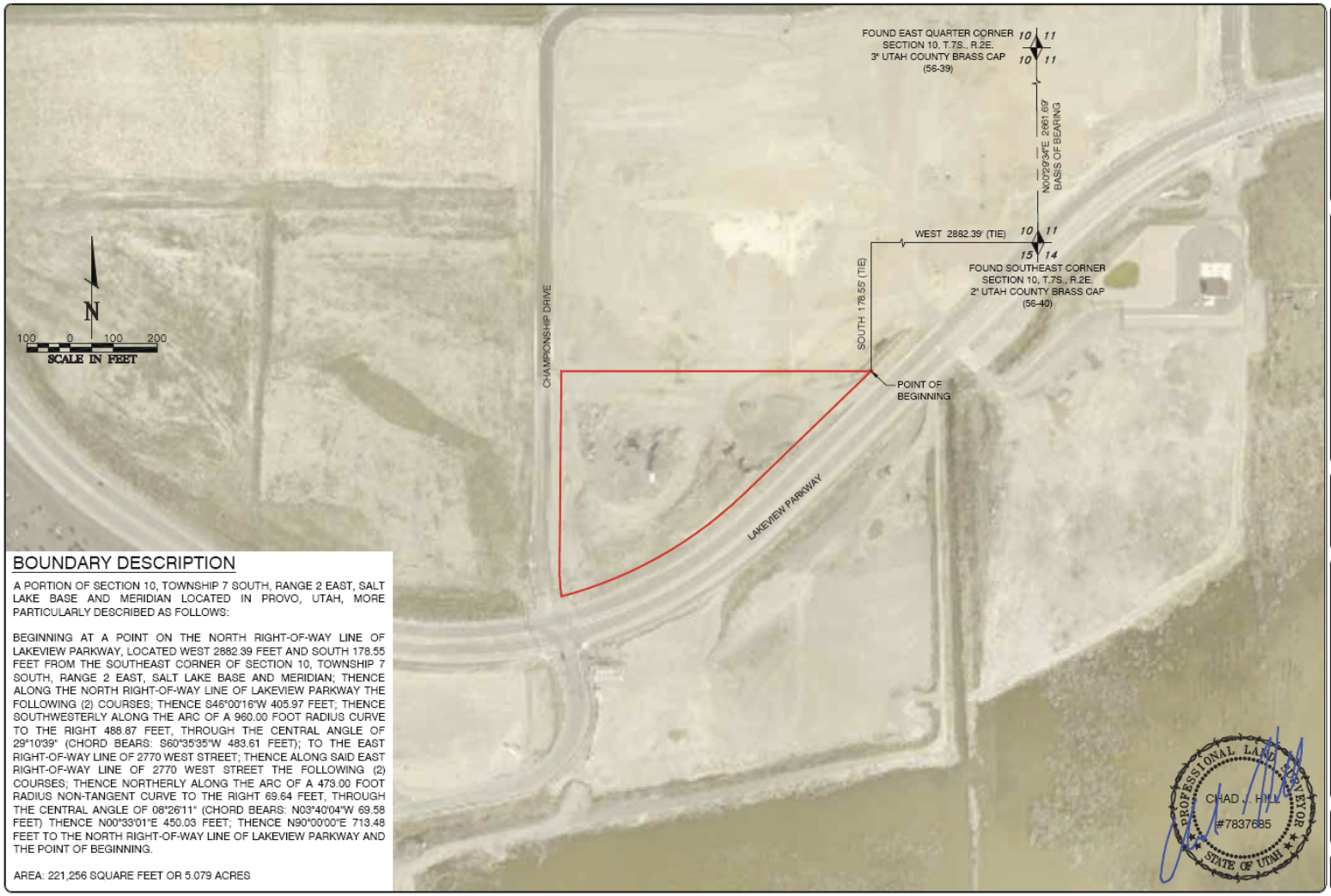
The "Site"

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



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

PROFESSIONAL LAND SURVEYOR
CHAD J. HILL
#7837685
STATE OF UTAH

provo PUBLIC WORKS ENGINEERING

REMARKS

PROVO CITY REDEVELOPMENT
COMMUNITY REINVESTMENT AREA
NOVEMBER 2025

PROVO CITY

Engineering File Number: -

Drawing: 1
Sheet: 1 of 1

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter: JAHILL
Presenter: Melissa McNalley, Redevelopment Agency Director
Department: Development Services
Meeting Date: 11/3/2026
Requested Duration (Minutes): 15 minutes
CityView or Issue File Number: 26-005

SUBJECT: 17 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: November 3, 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

RESOLUTION <<Document Number>>

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)

RECITALS:

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

The Redevelopment Agency of Provo City (the "**Agency**") and Provo City (the "**City**") are "public agencies" for purposes of the Act;

The Agency adopted a Project Area Plan and a Project Area Budget for the Lakeview Parkway Community Reinvestment Project Area (the "**Project Area**");

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

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

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

On November 3, 2026, the Redevelopment Agency Board met to consider the facts regarding this matter and receive public comment, which facts and comments are found in the public record of the Agency Board's consideration; and

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

THEREFORE, the Agency Board resolves as follows:

PART I:

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

PART II:

This resolution takes effect immediately.

INTERLOCAL AGREEMENT FOR THE LAKEVIEW PARKWAY COMMUNITY REINVESTMENT PROJECT AREA

THIS INTERLOCAL AGREEMENT (this "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;

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;

C. WHEREAS, commercial improvements consisting of (i) a hotel, (ii) retail space, and (iii) a convenience store and gas station (collectively, the "Project") are to be developed in a portion of the Project Area as shown on **Exhibit A**, attached hereto (the "**Site**");

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;

E. WHEREAS, the Agency anticipates using tax increment (as defined in Utah Code Annotated ("**UCA**") § 17C-1-102 (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;

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;

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 Site in accordance with the terms of this Agreement;

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 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 Section 2 and shall be disbursed as specified herein. The calculation of annual Tax Increment shall be made using (i) the Taxing Entity's property tax levy rate for the tax year for which Tax Increment is calculated and (ii) a base taxable value of $4,360,000.00 for purposes of calculating Tax Increment generated within the Site.

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 Parties anticipate that the Agency Share will be paid to the Agency no later than April 1 of the year following the tax year for which the Agency Share is to be paid.

d. The Agency Share shall be payable from Tax Increment generated within the Site. The Taxing Entity may, but shall not be obligated to, pay all or any portion of the Agency Share from other legally available funds, subject to annual appropriation by the legislative body of the Taxing Entity, and nothing in this Agreement shall constitute a general obligation or indebtedness of the Taxing Entity.

e. The total cumulative amount of the 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 UCA § 59-2-919 and applicable hearing procedures that occurs after the Effective Date.

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

h. All Tax Increment generated within the Site 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. 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. Consent to Project Area Budget. As required by UCA § 17C-5-304, the Taxing Entity consents to the project area budget adopted or to be adopted by the Agency for the Project Area (the "Project Area Budget").

5. 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 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 (the "Effective Date").

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 Effective Date and shall continue through the date that is 180 days after the date on which 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.

6. 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.

7. 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.

8. 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.

9. 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 hereof. 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.

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

11. Interpretation. The terms "include," "includes," and "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

12. Severability. If any provision of this Agreement shall be held illegal, 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.

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

14. **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 (other than the publication of the notice described in Section 5(e), which shall occur following the execution of this Agreement), in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

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

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

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

18. **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 the Site. All such prior agreements and understandings are hereby terminated and deemed of no further force or effect.

19. **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 Agency, 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

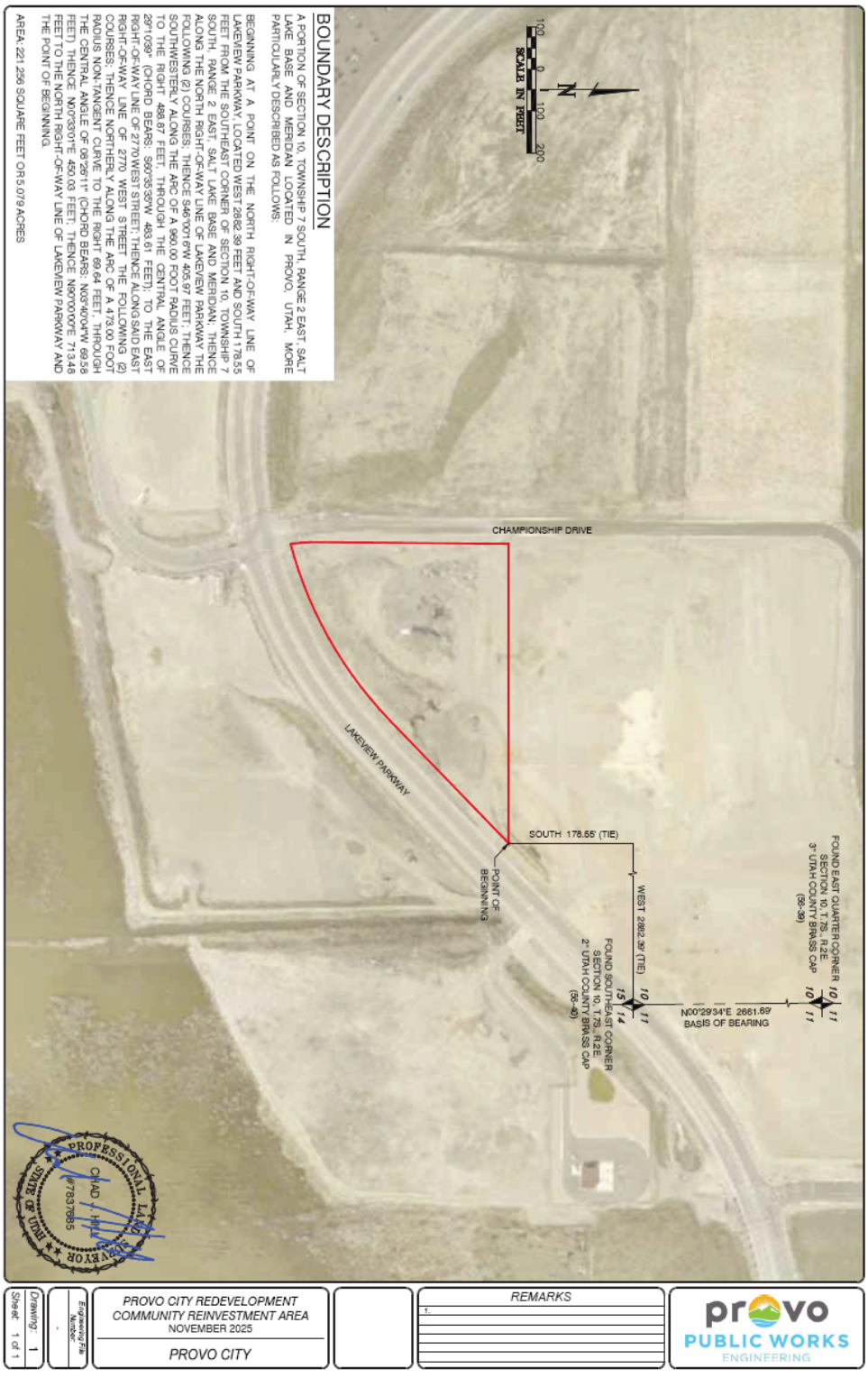
Attorney Review for the Taxing Entity:
The undersigned, as attorney for the Taxing Entity, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

_____
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: Cody Hill, Economic Development Division Director
Department: Development Services
Meeting Date: 11/3/2026
Requested Duration (Minutes): 15 minutes
CityView or Issue File Number: 26-075

SUBJECT: 18 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: November 3, 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 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.

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)

RESOLUTION <<Document Number>>

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)

RECITALS:

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

The Redevelopment Agency of Provo City (the "**Agency**") and Provo City (the "**City**") are "public agencies" for purposes of the Act;

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

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

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

On November 3, 2026, the Redevelopment Agency Board met to consider the facts regarding this matter and receive public comment, which facts and comments are found in the public record of the Agency Board's consideration; and

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

THEREFORE, the Agency Board resolves as follows:

PART I:

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

PART II:

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 among 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 permitted successors and 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 Municipal 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 85% of the Property Tax Increment actually received by the Agency from the City under Section 8(a) attributable to the Project, to the extent permitted under Title 17C and the applicable project area documents.
    b. "Available Sources" means the Property Tax Increment, sales tax revenues, and transient room tax revenues payable under Sections 8 and 9, in each case solely to the extent actually received by the Agency.
    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, with respect to a parcel, the date on which the Developer (or an SPV) has obtained a grading or building permit for that parcel and begun physical site work on that parcel (including grading, dewatering, or structural fill). Off-site

or preparatory work, design, permitting, or the execution of contracts, standing alone, shall not 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 property casualty 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. For any space leased to or operated by the SPV, the Developer, or an affiliate, base rent shall be the greater of the rent actually paid and the fair market rent for that space. Gross Revenue of each SPV includes business interruption and rental loss insurance proceeds received in lieu of amounts that would otherwise constitute Gross Revenue.

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. Any term sheet, letter of intent, or other prior writing among the Parties concerning the Project, including any statement that it is non-binding, is superseded by this Agreement and has no further effect.

b. Matters Reserved for Future Agreements. The Parties acknowledge that the organizational documents of each SPV and certain other instruments referenced herein will be documented in future definitive agreements. The obligations to enter into those instruments, and to cause them 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, substantially meaning no greater than a 15% reduction from the proposed retail square footage (including the convenience store, but not including any non-retail portions of the hotel) and number of hotel rooms, subject to the conditions, approvals, and contingencies set forth in this Agreement.

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, including the requirement to develop the Project substantially in accordance with Exhibit B as provided in Section 3(a), 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. Upon formation, the Developer shall cause each SPV to execute and deliver to the City and the Agency a joinder agreeing to be bound by this Agreement, and the Developer shall remain jointly and severally liable with each SPV for that SPV's obligations until the City has approved that SPV's organizational documents under Section 4(c) and the Reverter Release Conditions under Section 12(a)(iii)(4) have been satisfied as to that SPV's parcel, whereupon the Developer shall be released, as to that parcel, from that SPV's obligations first arising thereafter.

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. Approval. Prior to executing the organizational documents for any SPV, the Developer shall submit the documents to the City and the Agency for approval, which approval shall not be unreasonably withheld, conditioned, or delayed so long as the documents meet the requirements of this Agreement.

d. 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.

e. 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 16 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 (or, if earlier, the closing of the SPV's construction loan for the horizontal improvements on that parcel), following the Developer's written notice, with reasonable supporting documentation, that the conditions in Section 16(a) have been satisfied as to that parcel and that the Developer has obtained all permits required to begin physical site work on that parcel. 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 those conditions are satisfied.

b. Reverter. Each conveyance shall be subject to a right of reverter in favor of the City exercisable solely as provided in Section 12 (Commencement of Construction). Upon satisfaction of the Reverter Release Conditions for a conveyed parcel under Section 12(a)(iii)(4), 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 title by special warranty deed substantially in the form of Exhibit E, subject to matters of record, and shall otherwise convey the Property "AS IS," without representation or warranty as to its physical or environmental condition; the City shall reasonably cooperate, at no cost to the Developer, with the Developer's review of title and survey and with the issuance to the applicable SPV, at the Developer's sole cost, of an owner's policy of title insurance; provided that such cooperation shall not require the City to incur any out-of-pocket cost or liability, to give any indemnity, gap undertaking, or similar undertaking to the title company, or to make any affidavit or certification other than as to matters within the actual knowledge of the City's designated representative, without investigation. 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 16 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), without representation or warranty as to their accuracy or completeness:

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, ground water 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; and

vii. 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 (i) through (vi) 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 Section 6 and to the transfer protections in Section 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) and shall be 2.5% of Gross Revenue as defined in Section 1(e).

e. Payment. The Revenue Share shall be paid by each SPV quarterly, 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, with interest at six percent (6%) per annum from the due date until paid.

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, by mutual written agreement, 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, the Developer, nor any SPV shall have the right to require or compel a redemption absent a written agreement of the City and the applicable SPV.

    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. Following a mutual written agreement under Section 6(g)(ii), the SPV shall deliver 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 SPV reasonably requests to confirm the termination.

    vi. Successors; Tax Characterization. This Section 6(g) binds and benefits the City and each SPV and their respective permitted successors and assigns, but confers no unilateral redemption right on any Party. 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. The aggregate of all reimbursements and payments by the City and the Agency under Sections 7 through 9, from all Available Sources combined, shall not exceed $3,000,000, and all such payments shall be applied solely to reimburse Qualifying Costs actually incurred, paid, and documented to the reasonable satisfaction of the City and the Agency (including paid invoices and lien waivers). Neither the City nor the Agency shall be obligated to reimburse Qualifying Costs from any source other than the Available Sources. For purposes of clarity, any reimbursements or payments by the Provo City School District (PCSD) as described in that certain agreement dated _____ between PCSD and _____, whether or not through the City or the Agency or both, to the Developer are independent of and not subject to this maximum aggregate amount of $3,000,000.

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 City's and the Agency's obligations 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 the Agency Increment to support the development of the Project by reimbursing Developer for incurred Qualifying Costs as provided herein.

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. Payments under Section 8(a) shall be made not less than annually within one hundred twenty (120) days after the Agency's receipt of the applicable Property Tax Increment, based on actual site-specific collections.

9. 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 and received by the City. Of the amounts so contributed, the Agency shall pay or credit to the SPVs an amount equal to eighty-five percent (85%) of the amount actually received by the Agency from the City under this Section 9(a) 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 by Agency is eighty-five percent (85%) of the thirty percent (30%) site-specific sales tax City contribution.

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 that are received by the City. Of the TRT revenues so contributed, the Agency shall pay or credit to the Hotel SPV an amount equal to eighty-five percent (85%) of such site-specific TRT City contribution 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 by Agency is eighty-five percent (85%) of the thirty percent (30%) of site-specific TRT City contribution.

c. Sales tax and TRT sharing payments under this Section 9 shall be made not less than annually, within one hundred twenty (120) days after the Agency's receipt of the applicable revenues from the City, based on actual site-specific collections. Each SPV shall deliver to the City, within thirty (30) days after filing, copies of its Utah sales and use tax and transient room tax returns, and shall execute any authorization the Utah State Tax Commission requires to release site-specific tax information to the City.

d. To the extent the City has actual knowledge that site-specific tax revenues described in this Section 9 were generated and assessed but not collected, the City shall take reasonable measures to encourage the Utah State Tax Commission to collect and distribute those revenues; provided that the City shall not be required to incur any out-of-pocket cost, to initiate or join any legal or administrative proceeding, or to advance or pay any amount it has not actually received, and nothing in this subsection modifies the requirement in subsections (a) and (b) that payments be based on revenues actually received.

10. 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, subject to the Developer's payment of all applicable impact, connection, and service fees; any capacity reserved for a parcel shall lapse if Commencement of Construction on that parcel does not occur by the Outside Date (as tolled).

11. BUSINESS PLAN

a. Delivery. The Developer shall furnish to the City a business plan for the Project within one hundred eighty (180) days after the Effective Date and, for each parcel, before conveyance of that parcel. 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).

12. 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 the conditions in Sections 16(a)(ii) and 16(a)(iii) (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 (except to the extent the delay is caused by Developer's delay in making the payments necessary for issuance of the letters), Project Area establishment, or land conveyance), or by third-party litigation or appeals challenging the Project approvals; provided that delays caused by the Developer's own acts or omissions shall not toll the Outside Date, and in no event shall the Outside Date be extended by more than eighteen (18) months in the aggregate.

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. Except as provided in subsection (4)(B), no bond or assurance shall be required for a parcel on which the applicable work has not commenced. The Developer shall use commercially reasonable efforts to cause the bond or other completion assurance for any public improvements to be dedicated to the City to be issued separately from, or by separate rider to, the bond for the private improvements, and any such separate bond or rider shall name the City as an obligee or co-obligee,

which status may be subordinate to that of the construction lender. If the construction lender will not permit that separation, the City need not be named as an obligee. For each bond that does not name the City as an obligee or co-obligee, the Developer shall deliver to the City evidence of the bond and the surety's agreement to give the City not less than thirty (30) days' prior written notice of any cancellation, non-renewal, or material modification. The Developer shall provide the City with evidence of the horizontal completion assurance prior to the City recording the release described in Section 5(b), and with evidence of each other bond or completion assurance promptly after it is issued. Nothing in this subsection limits any improvement completion assurance required under applicable City ordinances or Utah law in connection with any plat, subdivision, or other land use approval.

4. Reverter Release Conditions. The "Reverter Release Conditions" for a parcel are: (A) the earlier of Commencement of Construction on that parcel and the closing of the SPV's construction loan for the horizontal improvements on that parcel; (B) delivery of the horizontal completion assurance required under subsection (1); (C) delivery to the City and the Agency of a written guaranty by the applicable SPV, in form reasonably acceptable to the City, under which the SPV guarantees to, and covenants directly with, the City and the Agency to complete the horizontal and vertical improvements on that parcel substantially in accordance with Exhibit B, lien-free and with reasonable diligence (the "SPV Completion Guaranty"), together with a written guaranty, in form reasonably acceptable to the City, by [_____] and by each other person or entity that guarantees completion of those improvements to the SPV's construction lender, under which the guarantors guarantee to the City and the Agency Commencement of Construction on that parcel by the Outside Date (as tolled) and lien-free completion of those improvements by the completion date required under the SPV's construction loan, as that date may be extended by the lender or by Force Majeure (or, if there is no construction loan, within a reasonable time after Commencement of Construction, as extended by Force Majeure) (the "Sponsor Completion Guaranty"), which may be subordinate to the completion guaranty given to the construction lender; and (D) evidence reasonably satisfactory to the City that cash equity (excluding the value of the Property contributed by the City) of not less than twenty percent (20%) of the total budgeted cost of the improvements on that parcel, as shown in the business plan delivered under Section 11, has been contributed to and is held by the SPV (the "Funded Equity"). Until completion of the improvements on a parcel, the SPV shall not distribute, return, or otherwise apply any Funded Equity or construction loan proceeds other than to pay costs of those improvements. The SPV Completion Guaranty and the Sponsor Completion Guaranty are independent of, and in addition to, any bond. If the SPV's construction lender requires release of the Reversionary Interest as a condition to closing, the City shall deliver the release described in Section 5(b) into escrow with the closing title company, to be recorded concurrently with the closing upon satisfaction of the other Reverter Release Conditions.

b. Reversion

i. Reversion. If the Developer fails to satisfy the Reverter Release Conditions 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 12, and any deed conveying any portion of the Property (collectively, the "Reversionary Interest") is subordinate to the lien of each Permitted Mortgage only in that, if the City exercises the Reversionary Interest, the City shall take title subject to that Permitted Mortgage. No foreclosure of a Permitted Mortgage, deed in lieu of foreclosure, or other exercise of remedies under a Permitted Mortgage shall extinguish, terminate, or impair the Reversionary Interest. A "Permitted Mortgage" means a mortgage or deed of trust on a parcel held by an institutional lender not affiliated with the Developer that secures only loans for the development, construction, or permanent financing of the improvements on that parcel, in a principal amount not exceeding the cost of those improvements, and "Permitted Mortgagee" means the holder of a Permitted Mortgage. Each reference to a "mortgage" or "Mortgage" in this Agreement and its Exhibits means a Permitted Mortgage, and each reference to a "mortgagee" or "Mortgagee" means a Permitted Mortgagee. This subordination is self-operative and effective without further instrument, but the City shall confirm it as provided in Section 13.

iii. No Disturbance of Permitted Mortgagee. No exercise, operation, or enforcement of the Reversionary Interest shall extinguish, terminate, impair, or affect any Permitted Mortgage or the lien thereof.

iv. Revenue Share. A Permitted Mortgagee's acquisition of title through foreclosure or deed in lieu shall not require assumption of the Revenue Share, but any subsequent transferee shall assume the Revenue Share as provided in Section 14(b) and Exhibit C.

v. Permitted Mortgagee Notice and Cure. The City shall not exercise or attempt to exercise the Reversionary Interest unless it first delivers to each Permitted 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 12(b)(i), plus an additional sixty (60) days. If the cure, including satisfying the Reverter Release Conditions, reasonably requires the Permitted Mortgagee to obtain possession of the parcel or to complete a foreclosure, the cure period shall be extended for so long as the Permitted Mortgagee is diligently pursuing possession or foreclosure and for a reasonable period thereafter to effect the cure. Each Permitted Mortgagee shall have the right, but not the obligation, to cure.

vi. Completion by Permitted Mortgagee. If a Permitted Mortgagee or its successor or assign acquires title to the affected parcel and satisfies the Reverter Release Conditions within the cure period (as extended under subsection (v)), the condition giving rise to the Reversionary Interest shall be deemed satisfied and the Reversionary Interest shall terminate as to that parcel. For purposes of this subsection, a Permitted Mortgagee or its successor or assign may satisfy condition (C) of the Reverter Release Conditions by delivering, in place of the SPV

Completion Guaranty and the Sponsor Completion Guaranty, a completion guaranty from itself or from a creditworthy affiliate or designee reasonably acceptable to the City, and may satisfy condition (D) with equity it contributes or holds for the improvements. No Permitted 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.

13. CONFIRMATORY INSTRUMENTS

a. Within thirty (30) days after written request from the Developer, an SPV, or any Permitted Mortgagee, the City shall execute, acknowledge, and deliver, in recordable form, a subordination, non-disturbance, consent, and/or estoppel agreement confirming Section 12(b) on a commercially reasonable form reasonably acceptable to the City, and shall provide such further assurances as a Permitted Mortgagee may reasonably require to confirm that exercise of the Reversionary Interest will not extinguish or impair the lien of its Permitted Mortgage.

14. 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 to Sections 14(b) and 14(c).

b. 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 City's reversionary 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 such assumption.

c. Agency Consent. No transfer of this Agreement or the rights and obligations hereunder shall occur without the consent of the Agency. Such consent shall not be unreasonably withheld, conditioned, or delayed.

15. CULTURAL HERITAGE ARTIFACTS; INDEMNIFICATION; INSURANCE; IMMUNITY

a. Hold Harmless. The Developer releases the City and the Agency from, and shall indemnify, defend, and hold them harmless against, all claims, losses, and liabilities arising from any disturbance or destruction of cultural heritage artifacts in connection with the Project, except to the extent arising from the City's or Agency's own gross negligence or willful misconduct. The Developer shall comply with applicable law regarding the discovery of artifacts or remains.

b. General Indemnity. The Developer (and, after its formation, each SPV as to its parcel) shall indemnify, defend, and hold harmless the City and the Agency and their elected and appointed officials, officers, employees, and agents from and against all third-party claims, losses, liabilities, damages, and expenses (including reasonable attorneys' fees) arising from the design, construction, ownership, operation, or use of the Project, or from any act or omission of the Developer, any SPV, or their respective contractors, agents, employees,

tenants, or invitees, except to the extent caused by the gross negligence or willful misconduct of the City or the Agency. This obligation survives termination of this Agreement and, as to claims arising before the release, any release of the Developer under Section 4(a).

c. Insurance. From the earlier of conveyance of a parcel or commencement of any work on it, the Developer or the applicable SPV shall maintain builder's risk insurance through completion of the improvements on that parcel, and commercial general liability insurance for so long as the SPV owns or operates that parcel, each in commercially reasonable amounts and naming the City and the Agency as additional insureds, and shall deliver certificates of insurance to the City upon request.

d. Governmental Immunity. Nothing in this Agreement waives, or shall be construed to waive, any immunity, limitation of liability, notice requirement, or other protection available to the City or the Agency under the Governmental Immunity Act of Utah, Title 63G, Chapter 7 of the Utah Code.

16. 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 7–9 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;

iv. the Developer's delivery of the business plan under Section 11;

v. evidence that the Developer or the applicable SPV maintains builder's risk insurance and commercial general liability insurance in commercially reasonable amounts, naming the City and the Agency as additional insureds; and

vi. reasonable evidence, which may consist of a binding commitment from an institutional lender subject only to customary closing conditions (and not merely a term sheet or letter of interest) together with evidence of committed equity, of construction financing and equity sufficient to complete the improvements on the applicable parcel.

b. Conditions to Developer's Obligations. The Developer's obligations to develop and to achieve Commencement of Construction are subject to:

i. conveyance of title to the applicable parcel at no cost in accordance with Section 5;

ii. issuance of will-serve letters and availability of adequate utility capacity to serve the Project pursuant to Section 10; and

iii. satisfaction of the conditions in Sections 16(a)(ii) and 16(a)(iii).

17. 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, subject, in the case of the City and the Agency, to Section 20.

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.

c. Developer. The Developer represents that (i) it is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Utah; (ii) its execution, delivery, and performance of this Agreement do not conflict with its organizational documents or with any agreement, judgment, or order binding on it; and (iii) there is no litigation or proceeding pending or, to its knowledge, threatened against it that would materially impair its ability to perform this Agreement.

18. 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 12 and Section 18(c), its remedies at law. Except for the termination rights under Sections 19(c) and 19(d), the City's remedy for a failure to satisfy the Reverter Release Conditions for a parcel by the Outside Date is limited to the reverter under Section 12. After the Reverter Release Conditions have been satisfied for a parcel, the City may enforce the SPV Completion Guaranty, the Sponsor Completion Guaranty, and its other remedies under this Section 18 with respect to that parcel.

c. No Consequential Damages; No Personal Liability. No Party shall be liable for consequential, punitive, or special damages; provided that amounts already due and payable under this Agreement (including any portion of the Revenue Share then due and payable) shall be deemed direct damages. No elected or appointed official, officer, employee, member, manager, or agent of any Party shall have any personal liability under this Agreement.

19. 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 or its assigns or successors owns or operates its portion of the Project, or until the Revenue Share for that SPV is redeemed under Section 6(g), whichever occurs first.

b. Developer Withdrawal Before Conveyance; Completion After Release. At any time before conveyance of a parcel, the Developer may withdraw from and terminate this Agreement as to that parcel and its SPV (or, if no parcel has been conveyed, in whole), 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) the withdrawn parcel shall not be conveyed; and (iii) the City shall retain the land free of further obligation of the Developer as to the withdrawn parcel. The Developer's right to withdraw under this Section as to a parcel shall terminate upon conveyance of that parcel, after which the City's remedy for failure to achieve Commencement of Construction or to satisfy the Reverter

Release Conditions is as provided in Sections 12(b) and 18(b). From and after satisfaction of the Reverter Release Conditions with respect to a parcel, absent a written agreement to the contrary, the applicable SPV shall be obligated to commence (if it has not already done so) and complete the improvements on that parcel with reasonable diligence, subject to customary completion obligations, Force Majeure, and the other terms of this Agreement.

c. City Termination for Failure to Commence. If the Developer fails to achieve Commencement of Construction with respect to a parcel that has not been conveyed by the Outside Date (as tolled), and such failure continues for sixty (60) days after written notice, the City may terminate this Agreement as to that parcel and any SPV formed for it by written notice to the Developer. Upon such termination, the City shall have no further obligation to convey that parcel or to provide any reimbursement, tax sharing, or other undertaking attributable to it, other than obligations that expressly survive termination.

d. Termination for Failure of Conditions. If the conditions in Sections 16(a)(ii) and 16(a)(iii) have not been satisfied or waived within thirty-six (36) months after the Effective Date, the City or the Developer may terminate this Agreement by written notice to the other Parties, and no Party shall have any further obligation under this Agreement other than obligations that expressly survive termination; provided that no Party may terminate under this Section 19(d) if the failure of the condition results from that Party's own breach of this Agreement.

20. 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 and the Agency's payment obligations under Sections 7 through 9 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 or the Agency within the meaning of any constitutional or statutory debt limitation.

21. 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 SPV and otherwise only in accordance with Section 14. Neither the City nor the Agency may assign this Agreement 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; provided that Force Majeure does not include (i) any delay caused by the acts or omissions of the Party claiming relief or its affiliates, contractors, or agents, (ii) lack of funds, financial inability, or changes in market or financing conditions, or (iii) any event for which the Party claiming relief fails to give written notice to the other Parties within thirty (30) days after becoming aware of it.

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: _____

ATTEST:

By: _____

City Recorder

APPROVED AS TO FORM:

By: _____

City Attorney

Notice Address: _____

REDEVELOPMENT AGENCY OF PROVO CITY

By: _____

Name / Title: _____

ATTEST:

By: _____

Agency Secretary

Notice Address: _____

Philo Venture Management, LLC

By: _____

Name / Title: _____

Notice Address: _____

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 Property

Exhibit B— Project Description and Conceptual Site Plan

Project Description:
The Project, known as Lakeview Crossing, is a mixed-use project to be developed by the Developer in cooperation with the City and the Agency. 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. a limited-service hotel of 137 keys, operated under a nationally recognized hotel brand;
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, which the Convenience Store SPV may ground lease to an operator.

The Developer shall develop, own, and operate the Project through the three SPVs described in Section 4 of the Agreement. The City's land contribution and Revenue Share are governed exclusively by Sections 5 and 6 of the Agreement.

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, quarterly within forty-five (45) days after the end of each calendar quarter, commencing with the first full calendar quarter after the SPV begins generating Gross Revenue, and shall accrue and remain payable to the extent not paid when due, with interest at six percent (6%) per annum from the due date until paid. The Revenue Share shall be calculated on Gross Revenue as defined in the Agreement.

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 to the extent permitted under the Government Records Access and Management Act 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 of a Permitted Mortgage and the acquisition of title by a Permitted Mortgagee through foreclosure or deed in lieu shall not require assumption under this Section, but any subsequent transfer by the Permitted Mortgagee shall require assumption. 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 notice (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 are limited to the following categories, to the extent actually incurred and required for the Project, and such other costs as are eligible project area costs under Title 17C and are approved in writing in advance by the City and the Agency, which approval the City and the Agency shall consider in good faith:

- **Site Preparation.**
  - Mass grading and structural fill to elevate buildings above the high water table
  - Dewatering and soil stabilization
  - Land remediation

- **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 fees 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

The 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 satisfy the Reverter Release Conditions with respect to the Property by the Outside Date, as those terms are defined in and determined under Section 12 of that certain Participation Agreement dated [_____], 2026, among Grantor, the Redevelopment Agency of Provo City, and Philo Venture Management, LLC (the "**Participation Agreement**"), and subject in all respects to the notice, cure, tolling, and other conditions and limitations of Section 12. Upon satisfaction of the Reverter Release Conditions 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.** If Grantor exercises the Reversionary Interest, Grantor shall take title subject to the lien of each Permitted Mortgage (as defined in the Participation Agreement) then encumbering the Property, in accordance with Section 12. No foreclosure of a Permitted Mortgage, deed in lieu of foreclosure, or other exercise of remedies under a Permitted Mortgage shall extinguish, terminate, or impair the Reversionary Interest, which may be exercised against a Permitted Mortgagee or any purchaser or grantee only after the notice and cure period provided in, and which terminates as provided in, Section 12(b) of the Participation Agreement. Grantor shall, within thirty (30) days after request, execute and deliver

in recordable form the subordination, non-disturbance, consent, and estoppel instruments provided for in Section 13 of the Participation Agreement.

3. **Incorporation; Conflicts.** Section 12 of the Participation Agreement is incorporated by reference. A memorandum of the Participation Agreement is recorded concurrently with this Deed in the office of the Utah County Recorder. As between Grantor and Grantee, the Participation Agreement controls in the event of conflict with this Deed; provided that any Permitted Mortgagee or bona fide purchaser or encumbrancer for value may rely conclusively on this Deed and on any recorded instrument executed by Grantor confirming termination of the Reversionary Interest.

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 [_____]

Schedule 2 – Permitted Exceptions [_____]

PROVO MUNICIPAL COUNCIL
COUNCIL MEETING
STAFF REPORT

Submitter: JAHILL
Presenter: Melissa McNalley, Redevelopment Agency Director
Department: Development Services
Meeting Date: 11/3/2026
Requested Duration (Minutes): 15 minutes
CityView or Issue File Number: 26-005

SUBJECT: 19 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: November 3, 2026
Requested Duration (Minutes): 15
CityView or Issue File Number:

SUBJECT: Interlocal Agreement with Provo City School District for the Lakeview Parkway Community Reinvestment Project Area

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

RESOLUTION <<Document Number>>

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)

RECITALS:

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

The Redevelopment Agency of Provo City (the "**Agency**") and Provo City School District (the "**District**") are "public agencies" for purposes of the Act;

The Agency adopted a Project Area Plan and a Project Area Budget for the Lakeview Parkway Community Reinvestment Project Area (the "**Project Area**");

After careful analysis and consideration of relevant information, the Agency desires to enter into an interlocal cooperation agreement with the District (the "**Interlocal Agreement**") whereby the District consents to the Agency receiving for an extended period of time a portion of the property tax increment produced by the District's levy on real and personal property within a certain portion of the Project Area; a

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

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

On November 3, 2026, the Redevelopment Agency Board met to consider the facts regarding this matter and receive public comment, which facts and comments are found in the public record of the Agency Board's consideration; and

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

THEREFORE, the Agency Board resolves as follows:

PART I:

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

PART II:

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. Nothwithstanding 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 is 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:

EXHIBIT A

Site Description and Map

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

