

1 RESOLUTION 2016-.

2
3 A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING
4 WITH PEG DEVELOPMENT TO PROVIDE FOR THE PAYMENT OF
5 PROJECT RELATED IMPACT FEES USING TAX INCREMENT
6 GENERATED FROM THE DEVELOPMENT OF THE PROJECT.
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8 WHEREAS, the Redevelopment Agency of Provo City Corporation ("Agency") created
9 the South Downtown Community Development Project Area to remove blight and to assist with
10 private development within the boundaries of the project area; and
11

12 WHEREAS, PEG Development, doing business as Templeview Partners, LLC, a Utah
13 Limited Liability Company, ("Developer") has planned for the construction of a multi-story
14 apartment complex of 159 units with associated amenities which is located within the South
15 Downtown Project Area; and
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17 WHEREAS, Provo City Code Section 15.08.050 requires that all city impact fees be paid
18 prior to the issuance of a building permit; and
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20 WHEREAS, Developer now intends to pursue tax increment financing for that portion of
21 the South Downtown Project Area located at the corner of University Avenue and 200 South
22 and further requests authorization from Provo City Corporation ("City") in allowing the tax
23 increment collected from this project to be utilized for the payment of the impact fees; and
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25 WHEREAS, Developer further agrees to pay any remaining balance should the tax
26 increment not be sufficient to cover the impact fees required of this project; and
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28 WHEREAS, Developer is willing to enter into a Memorandum of Understanding (MOU),
29 as shown in Exhibit A, with City for the payment of the impact fees; and
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31 WHEREAS, on May 19, 2016, the Municipal Council held a duly noticed public
32 meeting to ascertain the facts regarding this matter, which facts are found in the meeting record;
33 and
34

35 WHEREAS, after considering the facts presented to the Municipal Council, the Council
36 finds that (i) the proposed Memorandum of Understanding authorizing the use of Tax Increment
37 Financing to pay impact fees should be approved, and (ii) such action furthers the health, safety,
38 and general welfare of the citizens of Provo City.
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40 NOW, THEREFORE, be it resolved by the Municipal Council of Provo City Corporation
41 as follows:

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43 PART I:

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45 The Municipal Council hereby approves the Memorandum of Understanding between the
46 City and Templeview Partners, LLC and authorizes the Mayor or his designee to sign the MOU
47 and any other documentation necessary for this deal.

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49 PART II:

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51 This resolution shall take effect immediately.

52

53 END OF RESOLUTION.

Provo City (Redevelopment)

Staff Memorandum

Cityview Apartments

May 17, 2016

<p>Department Head David Walter 852-6167</p> <p>Presenter David Walter 852-6167</p> <p>Required Time for Presentation 15 Minutes</p> <p>Is This Time Sensitive Yes</p> <p>Case File # (if applicable) Not applicable</p>	<p>Purpose of Proposal</p> <ul style="list-style-type: none">• Approve a Memorandum of Understanding for Templeview Partners LLC as the developer of the Cityview apartments <p>Action Requested</p> <ul style="list-style-type: none">• Staff recommends that the City Council approve the attached resolution approving the Memorandum of Understanding with Templeview Partners LLC <p>Relevant City Policies</p> <ul style="list-style-type: none">• Pursue economic development initiatives• Eliminate blight• Enhance residential opportunities for citizens• Provide a vibrant downtown environment <p>Budget Impact</p> <ul style="list-style-type: none">• \$ 652,001, to be paid over time to the City of Provo through the collection of tax increment. <p>Description of this item</p> <ul style="list-style-type: none">• PEG Development, doing business as Templeview Partners LLC, has purchased the corner of University Avenue and 200 South from Utah County and from some private landowners. They plan to build a 159 unit apartment complex in this area, increasing the viability of downtown Provo as a desirable place to live.• PEG has submitted their plans and is finalizing their equity and debt relationships to build the complex. The
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	<p>parking for the proposed facility will be internal and they will build the ground floor to commercial standards but at this time they are anticipating all the space to be residential units.</p> <ul style="list-style-type: none">• PEG has received the construction bids and they came in quite a bit higher than expected. As such they are requesting assistance from the Redevelopment Agency to help pay for the impact fees associated with this project. Specifically, PEG is asking the City of Provo to allow the tax increment financing generated from the project to be applied towards the impact fees for this project. They have agreed to pay any shortfall at the end of the tax increment period should the tax increment collected be deficient to pay the impact fees. The attached Memorandum of Understanding provides for that and gives the Community Development Department and the City Attorney sufficient consideration to consider the impact fees paid pursuant to Provo Municipal code 15.08.• PEG has had discussions with both the Provo School District and the Utah County Commission about tax increment financing and both entities have been favorable. In addition, PEG is requesting if there is tax increment left over from the payment of the impact fees that they be allowed to reimburse themselves for their some of their other fees.• Staff recommends that the Governing Board of the City of Provo approve the attached resolution approving the Memorandum of Understanding for Templeview Partners LLC as the developer of the Cityview apartments and authorizing the Mayor or his designee to sign any other necessary documentation to facilitate this transaction.

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
Provo City Attorney
351 West Center Street
Provo, UT 84601**

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (this "Memorandum") is made and entered into as of _____, 2016, by and between PROVO CITY (the "City") and Templeview Partners, LLC, a Utah limited liability company (the "Developer"), with reference to the following facts:

Developer desires to build and City desires to facilitate the construction of a multi-story apartment complex consisting of 159 apartment units with ancillary amenities on property Developer owns generally located at the southeast corner of University Avenue and 200 South in Provo, Utah (the "Project"). (See Exhibit A for Legal Description).

Developer, in order to assist City in its goals of downtown revitalization, has submitted plans to the City for review and approval of the Project.

Pursuant to Provo City Code Chapter 15.08, the City has assessed impact fees to this Project. Developer intends to seek Tax Increment Financing through the South Downtown Community Development Area, established in 2014. Developer further desires, and the Parties hereby agree, that such Tax Increment Financing may be used to pay the impact fees due to City for the Project. Developer agrees that up to EIGHT HUNDRED EIGHTY THOUSAND (\$880,000) of the Tax Increment Financing shall be pledged to pay its obligations for the City impact fees, an estimate of which is outlined in Exhibit B. Developer agrees that the Redevelopment Agency of Provo City Corporation (RDA) shall, upon receiving Tax Increment Financing funds from Utah County on behalf of Developer, remit those funds to City to be credited against the impact fees owed by Developer to City. Developer agrees and covenants for itself and any successor in interest to make up any shortfall of the impact fees, should any exist, at the end of the Tax Increment Financing term. City agrees to allow any Tax Increment Financing collected and not needed to pay the impact fees to be remitted to Developer.

It is expressly understood and agreed by all parties that the sole purpose of this Memorandum is to give record notice of the obligation of Developer to pay the impact fees and other pertinent fees through tax increment financing and to pay any shortfall at the end. This Memorandum is to provide assurance to the City of Provo that all required fees shall be paid, including the impact fees. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

In Witness Whereof, the parties hereto have executed this Memorandum on the day and year first above written.

PROVO CITY:

By: _____
Name: John R. Curtis
Its: Mayor

Attest: _____
Janene Weiss, City Recorder

DEVELOPER:

TEMPLEVIEW PARTNERS, LLC, a Utah limited liability company

By: _____

Name: Cameron Gunter

Its: Manager

Acknowledgment

State of Utah)
) ss
County of Utah)

On this ____ day of ____, 2016, before me personally appeared Cameron Gunter, the Manager of TEMPLEVIEW PARTNERS, LLC, a Utah limited liability company on behalf of the company.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

Exhibit B

City of Provo Impact Fees

\$ 209,027	Public Works
\$ 442,974	Park Impact Fees
<u>\$ 40,400</u>	Power Impact Fees
\$ 692,401	Total