

RESOLUTION 19-151-C

A RESOLUTION TO APPROVE A DEVELOPMENT AGREEMENT WITH LENNAR HOMES OF TENNESSEE, LLC, FOR ADVANCE PAYMENT AND CREDITING OF ADEQUATE FACILITIES TAX FEES FOR CONSTRUCTION OF TOM LUNN ROAD WIDENING PROJECT

WHEREAS, the City of Spring Hill (“City”) has identified the widening of Tom Lunn Road as a necessary and important capital improvement project to improve the safety and capacity of the road; and

WHEREAS, Lennar Homes of Tennessee, LLC, (“Developer”) has attained certain development entitlements from the City to develop Sawgrass West as an approved Planned Unit Development; and

WHEREAS, the Developer has offered to pay Adequate Facilities Tax fees up front prior to development to provide funds to the City for the purpose of constructing the Tom Lunn Road widening project that in return would receive an agreed upon credit per developable lot when the Developer and/or the Developer’s successors and assigns, applies for and is granted building permits relative to said lots; and

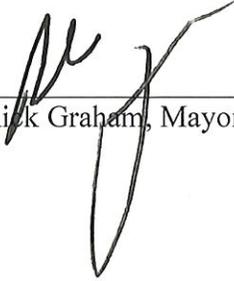
WHEREAS, the Developer contribution is calculated at \$274,400 based upon the development of 196 lots within Sawgrass West that is multiplied by a per lot fee utilizing a square footage of 1800 square feet times \$0.50 per square foot plus a base fee of \$500.00 per dwelling unit or \$1,400.00 per dwelling unit; and

WHEREAS, in consideration of the up-front deposit of adequate facilities in the amount of \$1,400.00 per lot, the Developer and/or the Developers successor and assigns shall be due and receive a credit in the amount of \$1,400.00 upon application for each and every building permit relative to said lots located within Sawgrass West

NOW, THEREFORE, BE IT RESOLVED, that the City of Spring Hill Board of Mayor and Aldermen:

1. Approve the Development Agreement and exhibits contained therein as attached hereto as Exhibit A to this Resolution and authorize the Mayor to sign an agreement with the Developer of Sawgrass West for advance payment of Adequate Facilities Tax fees in the amount of \$274,400.00 to be utilized for the construction of the Tom Lunn Road widening project. The Developer shall provide a Letter of Credit as surety for advance payment of Adequate Facilities Tax fees.
2. The Developer shall be provided a per lot credit in the amount of \$1,400.00 as provided in the Development Agreement upon the issuance of a building permit for each and every lot located within Sawgrass West by the City as more fully described in the Development Agreement attached hereto as Exhibit A.

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill,
Tennessee on this 19th day of August, 2019.



Rick Graham, Mayor

ATTEST:

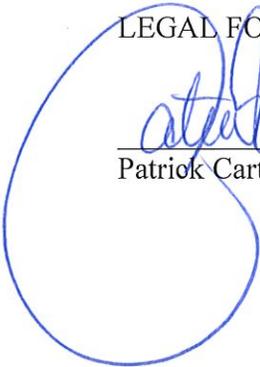


April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney



TOM LUNN ROAD JOINT DEVELOPMENT AND REIMBURSEMENT AGREEMENT

THIS AGREEMENT, entered into this the ____ day of _____, 2019, by and between Lennar Homes of Tennessee, LLC, (“Lennar”), referred to herein as the “Developer” and the CITY OF SPRING HILL, TENNESSEE, a municipal corporation organized and existing under the laws of the State of Tennessee, hereinafter referred to as “City”.

WITNESSETH:

WHEREAS, the Developer desires to undertake the development of certain real property located on Tom Lunn Road in the City of Spring Hill, Maury County, Tennessee, known as Sawgrass West and

WHEREAS, the Developer has attained certain development entitlements from the City to develop Sawgrass West as Planned Unit Developments (“PUDs”); and

WHEREAS, Tom Lunn Road as it currently exists is woefully inadequate to support new development; and

WHEREAS, in order to satisfy its obligation pursuant to the condition of approval, the Developer has offered to pay Adequate Facilities Tax Fees up front prior to development and in return would receive an agreed upon credit per developable lot when the Developer and/or Developer’s successors and assigns, applies for and is granted building permits relative to said lots.

NOW, THEREFORE, in consideration of the mutual covenants and assurances set forth herein, the Developer and City do hereby agree as follows:

1. Recitals

The foregoing Recitals are incorporated into this Agreement and are made a part hereof.

2. Scope of Work/Cost Estimate

The City shall cause the construction and installation of the Tom Lunn Road improvements as depicted in Exhibit A attached hereto (the “Road Improvements”). The City has prepared a reliable estimate for said work attached hereto as Exhibit B. The total will be approximately **\$1,029,800.00** includes a construction estimate of \$858,149.60 plus a 10% contingency of \$85,815.00 plus a Construction Engineering Inspection cost estimate of \$85,815.00. Tom Lunn Road, as improved, shall meet City road standards.

3. Developer Contribution

Within thirty (30) days upon full execution of this Agreement, Developer shall deposit with the City \$274,400 (the "Developer Facility Fee Amount") to be used by the City to make road improvements to Tom Lunn Road. In the alternative, Developer may deliver to City an irrevocable letter of credit in the amount of the Developer Facility Fee Amount, issued by a bank or institution acceptable to the City (the "LOC"). The financial institution must be chartered by the State of Tennessee with an office or branch authorized to accept a demand or "call" on the securing document within fifty (50) miles of Spring Hill, TN. The LOC shall be provided to the City to secure payment of the Developer Facility Fee Amount to the City upon notice from the City to Developer that the City is commencing construction of the Road Improvements. The amount of Developer's contribution is based upon the anticipated cost of the Road Improvements and is calculated as follows: 1,800 estimated minimum square footage of living space per home x \$0.50 per square foot = \$900.00 PLUS a \$500.00 base fee per home. This totals \$1,400.00 per home x 196 developable lots within Sawgrass West and equals \$274,400.00.

4. Reimbursement Due Developer

In consideration of Developer's up-front deposit of Adequate Facilities Tax for 196 lots to be developed in Sawgrass West, Developer shall be due and receive a credit of \$1,400.00 upon application for each and every building permit relative to said lots. In the event the square footage for the dwelling unit exceeds the minimum square footage utilized as the basis for calculated the Adequate Facilities Tax paid in advance by the Developer, the difference shall be paid prior to the issuance of a building permit. The credit due to Developer upon building permit application is transferable by Developer and shall benefit any subsequent owner of a Lot who makes the initial application for a building permit on such Lot.

5. Agents for City and Developer

The agent of the City for the purposes of this Agreement is the City Administrator of Spring Hill, Tennessee, or his designee. The agent for the Developer is the Director of Land for Lennar Homes of Tennessee, LLC.

6. Further Assurances

The Parties each hereby agree to execute and deliver all of the agreements and documents required to be executed and delivered by them in this Agreement and the instruments attached hereto, and to execute and deliver such additional instruments and documents and to take such additional actions as may be reasonably required from time to time in order to effectuate the transactions contemplated by this Agreement and the instruments attached hereto.

7. Notices and Communication

All notices or other communications hereunder shall be deemed sufficiently given and shall be deemed given when delivered by hand delivery or mailed by first class, postage prepaid, registered or certified mail and addressed as follows:

Office of City Administrator of Spring Hill, Tn.
ATTN: Victor Lay
199 Town Center Parkway
Spring Hill, TN 37174

The mailing address of the Developer for the purposes of notification requirements of this Agreement shall be:

Lennar Homes of Tennessee, LLC
Attn: Kevin Sturgill – Director of Land
381 Mallory Station, #200
Franklin, TN 37069

8. Non-Waiver

None of the terms, covenants or conditions of this Agreement shall be deemed waived by any act of either Party unless same is specified in writing executed by all Parties hereto.

9. Liability

The City shall have no liability except as specifically provided in this Agreement.

10. Governing Law

This Agreement shall be construed under and enforced pursuant to the laws of the State of Tennessee.

11. Venue and Jurisdiction

Exclusive venue and jurisdiction for any litigation brought pursuant to or with regard to this Agreement shall be in the Circuit Court for Maury County, Tennessee.

12. Severance

Should any provision of this Agreement be declared invalid, illegal or unenforceable by a court of competent jurisdiction, the invalidity, illegality or unenforceability shall not affect other provisions of this Agreement, which shall remain in full force and effect.

13. Captions

Captions of the sections of this Agreement are for convenience and reference only and shall in no way be held to explain, modify, amplify or aid in the interpretations, construction, or meaning of the provisions of this Agreement

14. Amendment

This Agreement shall be amended only in writing executed by all Parties hereto.

15. Assignment

This Agreement shall not be assigned by the Developer to a third party without prior written consent of the City, which shall not be unreasonably withheld.

16. Time is of the Essence

All Parties hereto acknowledge that time is of the essence, and each will commit to the completion of the project herein on an expedited basis.

17. Binding Effect

This Agreement shall be binding upon each of the parties hereto, their successors, heirs and assigns and that there are no understandings or agreements between them except as contained in this Agreement.

18. Entire Agreement

This writing constitutes the entire agreement between the Parties and supersedes all previous agreements, if any. No Party to this Agreement makes any representation to the other Party, except as expressly set forth in this Agreement.

19. Execution

This Agreement may be executed in one or more identical counterparts, each of which shall be deemed to be an original for all purposes, and all of which taken together shall constitute a single instrument.

Approved by the City of Spring Hill Board of Mayor and Alderman on _____, 2019.

SO AGREED by the undersigned parties as of the date first given.

DEVELOPERS

By: _____
Title: _____

CITY OF SPRING HILL, TENNESSEE

By: 
RICK GRAHAM, Mayor