

Mapleton City Council Staff Report

Meeting Date: August 19, 2014

Prepared by: Cory Branch

Applicant: EBCo and Presidio

DISCUSSION ITEM:

Discussion regarding the Development Agreement for the Harmony Ridge Development located generally at 5000 South Hwy 89.

FINDINGS OF FACT:

1. The attached letter outlines the discussion which Ensign-Bickford Company (EBCo) and Mesquite Presidio (Presidio) would like to have with the City Council. (see Attachment – Joint Letter issued by EBCo and Presidio)
2. Staff is currently reviewing the attached letter and will provide recommendations to the Council at the night of the meeting.

Via e-mail

August 13, 2014

To: Mapleton City Council

From: The Ensign-Bickford Company
and Mesquite Presidio

RE: **Harmony Ridge and Mapleton Village Recommendations for Offsite Utilities**

The Ensign-Bickford Company (EBCo) and Mesquite Presidio (Presidio) are the current owners and land developers of Harmony Ridge and Mapleton Village respectively. This letter is in response to the City's request for a written statement of what both developers would like to see with respect to the build out of offsite utilities associated with both properties. Collectively, we respectfully request that the City adopt these overall guiding principles:

- A. The City should be sensitive to making policy and allocating developer funds as if the City was using its own funds.
- B. The infrastructure should be designed and managed to maximize the benefit to the future users and the public in general. A key component of this strategy is to designate the new water and sewer lines as "master plan" lines.
- C. Decisions regarding costs and returns on capital should be based on current market conditions for a project of this scale and risk profile.

With respect to the Harmony Ridge project specifically, in which both Presidio and EBCo (together, E/P) participate, we propose the following:

1. The City fund the upsizing costs of the offsite utilities according to the previously approved reimbursement methodology. (To the extent that municipal bonding would significantly delay infrastructure installation, E/P is open to fund the upsizing costs once it has secured a reasonable transaction on the site and receives appropriate assurances from the City.)
2. That the City finalize an actionable sewer and water route plan as soon as possible in order to preserve the existing Harmony Ridge purchase and sale contract. The delays thus far have resulted in both higher design costs and higher installation costs.
3. E/P would like the City to approve the installation of the offsite utilities in phases per the Boundary Adjustment and Development Agreement.

The above is proposed in the hopes of progressing value creating development for all involved parties in Mapleton City. City funding of municipal-driven upsizing costs will provide benefits such as:

- (a). a lower (municipal bond) interest rate;
- (b). lower escalating costs due to lower interest rates; and
- (c). the avoidance of a perception that the City is favoring one developer over another.

Alternatively, the City could provide some other type of offsetting economic consideration(s).

We look forward to meeting you and explaining these preferences at the City Council meeting on Tuesday, August 19, 2014, and to continuing to work with City Staff on other development matters. Should the City wish and the parties find it beneficial, we can explore involvement of a third party or ombudsman as we work through these matters.

Sincerely,

Jack Evans, Mesquite Presidio
C. Anthony DiFatta, Jr., President, Ensign-Bickford Realty Corporation