

City Council Staff Report

March 16, 2016

Applicant: Central Bank

Location: Harvest Park

Clubhouse

Prepared by: Sean Conroy,

Community Development

Director

Public Hearing: N

Zone: SDP-1

Attachments:

1. Resolution.
2. Letter of Intent.

REQUEST

Consideration of a Resolution authorizing the Mayor to sign a Letter of Intent with Central Bank to enter into a contract to transfer ownership of the Harvest Park Clubhouse Property to Mapleton City.

BACKGROUND AND PROJECT DESCRIPTION

Central Bank recently foreclosed upon several properties in the Harvest Park development. These include a .55 acre parcel containing the Harvest Park Clubhouse and approximately 25 acres of undeveloped property just south of the Maple Ridge Elementary School.

The approved development agreement for Harvest Park allows 144 units on the 25 acres recently acquired by Central Bank. The agreement also requires the applicant to submit 24 TDRs to the City.

The City has been in discussions with Central Bank regarding the City's potential acquisition of the clubhouse in exchange for the waiver of the requirement for the 24 TDRs for the undeveloped 25 acres. The Mayor held a meeting with the Harvest Park residents on March 8, 2016. Staff and the mayor can update the Council on the results of that meeting at the Council meeting.

Central Bank has provided the attached nonbinding Letter of Intent for the Council's review. If the Council is supportive, the Mayor could sign the Letter of Intent and then a formal agreement could be finalized.

RECOMMENDATION

Discuss the potential acquisition of the clubhouse and adoption of the attached Resolution.

RESOLUTION NO. 2016-

CONSIDERATION OF A RESOLUTION AUTHORIZING THE MAYOR TO SIGN A LETTER OF INTENT WITH CENTRAL BANK TO ENTER INTO A CONTRACT TO TRANSFER OWNERSHIP OF THE HARVEST PARK CLUBHOUSE PROPERTY TO MAPLETON CITY.

Whereas, Central Bank is the fee simple owner of a .55 acre parcel in Mapleton City identified by the Utah County Recorder as parcel serial number 41:693:0014; and

Whereas, this parcel is developed with a club house structure authorized under Mapleton City Building Permit #s 4562 and 4732; and

Whereas, Central Bank is also the fee simple owner of three parcels in Mapleton City identified by the Utah County Recorder as parcel serial numbers 27:008:0044, 27:008:0045 and 27:008:0046 totally 25.14 acres; and

Whereas, these parcels are currently undeveloped; and

Whereas, parcels 41:693:0014, 27:008:0044, 27:008:0045 and 27:008:0046 are all part of the Harvest Park Specific Development Plan subject to the standards of Mapleton City Code Sections 18.56 and 18.56a as well as the Mapleton West (Harvest Park) Development Agreement adopted by Mapleton City Council Resolution 2003-53; and

Whereas, according to the Mapleton City Code and the Development Agreement, for every six units developed, one Transferable Development Right (TDR) must be surrendered by the developer to the City; and

Whereas, according to the Development Agreement, parcels 27:008:0044, 27:008:0045 and 27:008:0046 would be allowed a maximum of 144 residential units with the submittal of 24 TDRs; and

Whereas, the Central Bank has provided a Letter of Intent that would allow the clubhouse property to be deeded to the City in exchange for the City waiving the requirement for 24 TDRs associated with the development of parcels 27:008:0044, 27:008:0045 and 27:008:0046.

NOW THEREFORE, BE IT RESOLVED that the City Council of Mapleton, Utah, authorizes the Mayor to sign the Letter of Intent described in exhibit "A".

PASSED AND ORDERED PUBLISHED BY THE CITY COUNCIL OF MAPLETON, UTAH, This 16th Day of March, 2016.

Brian Wall
Mayor

ATTEST:

Camille Brown
City Recorder

Publication Date:
Effective Date:

March 10, 2016

Mapleton City

RE: HARVEST PARK CLUBHOUSE

Mayor and Council,

Central Bank ("Seller") is pleased to present this non-binding Letter of Intent as it relates to the acquisition by Mapleton City ("Buyer") of the Harvest Park Clubhouse ("Property") from Seller. Buyer and Seller would like to enter into a mutually acceptable Real Estate Purchase Contract ("REPC") on the following terms and condition:

1. Purchase Price: Seller will deed its interest in the Property to Buyer. In exchange, Buyer will agree to waive any and all Transferable Development Rights ("TDRs") to any and all developers who may petition Mapleton City for approval to develop the remaining residential subdivision lots on the approximately 25.14 acres ("TDR Land") of land currently owned by Seller in the Harvest Park Master Planned Community. The 25.14 acres are identified by Utah County as Tax Parcels 27:008:0045; 27:008:0046 & 27:005:0044. This waiver of TDRs by Buyer will remain available to any and all developers until the remaining approved residential lots as defined in the master development agreement have been approved by Buyer.
2. Property: The subject property consists of the Harvest Park Clubhouse as it now exists and in the condition of the property as it now exists. The current improvements are contained upon approximately 0.55 acres and the Utah County Tax Parcel is 41:693:0014. The Purchase of the Property will also include the following equipment: (List to be determined before final draft)
3. Additional Consideration: Seller agrees to include in any sales contract for parcels 27:008:0044, 27:008:0045, and 27:009:0046 a stipulation that prior to plat recording of the first development phase on these parcels that the developer shall enter into an agreement with the City to construct additional parking on City owned property adjacent to parcel 41:693:0014 in exchange for a reduction in Parks and Recreation Impact Fees equal to the amount spent on the construction of the additional parking.
4. Title & Title Company: Closing is subject to Buyer acquiring a satisfactory Title Commitment. Seller will pay all typical title and escrow fees for both parties.
5. Closing Date: The purchase transaction will close on or before March 31, 2016.
6. Intent of Parties: Neither party will rely upon the Letter of Intent as binding on the other. It is intended to serve only as the basis for negotiating and drafting a definitive "REPC" between the parties. Buyer and Seller agree to negotiate exclusively and in good faith to finalize and execute a definitive REPC on or before March 25, 2016.

Please indicate your agreement with the foregoing by executing a copy of this letter in the placed provided.

Mark Packard
Senior Vice President
Central Bank

Acknowledged and agreed to the _____ day of March, 2016.

Mapleton City
