

# Zvago Apple Valley/ Village Pointe Plaza

City Council/EDA Meeting August 10, 2017



## Requested Actions

### **1. Economic Development Authority (EDA)**

- a. Hold public hearing on Business Subsidy Agreement
- b. Consider Business Subsidy Agreement with OneTwoOne Development, LLC.

### **2. City Council**

- a. Consider revised Purchase Agreement





# Rendering



Apple Valley

# Rendering



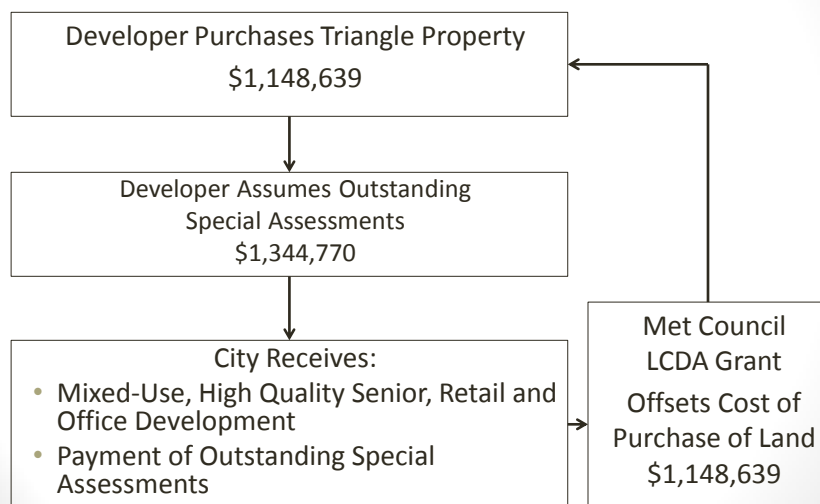
Apple Valley

# Livable Communities Demonstration Account Grant

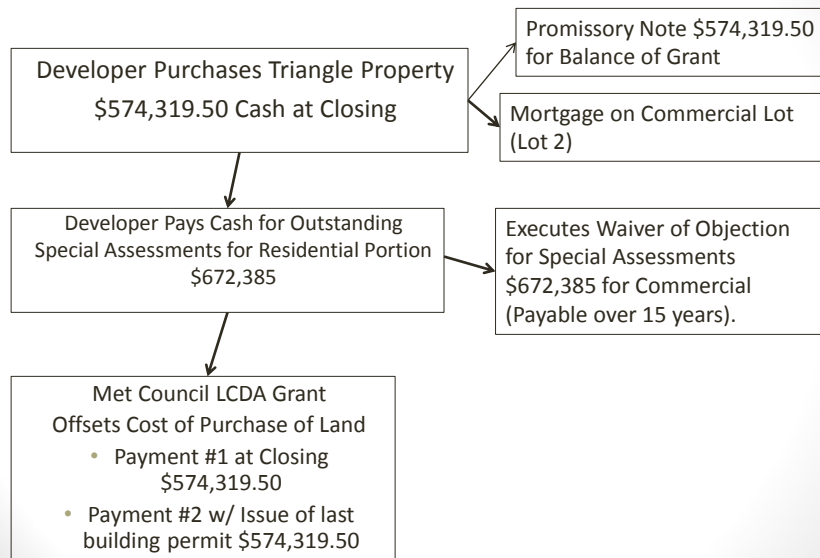
- Triangle property went to tax forfeiture. City acquired it in 2014 for \$1,148,639 to ensure property wouldn't languish in market or be sold off at auction.
- City awarded \$1,148,639 grant to help off-set cost of the purchase of the property.
- Grant will be used to ensure a compact, walkable, mixed-use development is created.
- A tool to ensure the City's vision for the Central Village and this triangle is implemented.



## Elements of Purchase



## Elements of Purchase



## Business Subsidy Agreement

Provides terms for distribution of Livable Communities Demonstration Account Grant (LCDA)

- The subsidy of \$1,148,639 is provided in the **form of a loan**.
- Recipient (developer) provides **promissory note** for full grant amount (**\$1,148,639**), to secure the loan.
- Recipient (developer) must **commence construction** no later than **May 28, 2018**. (An October 2017, housing start is planned)
- **Certificates of Occupancy** must be issued on or before **December 31, 2018**.
- **Jobs** are created for both temporary construction and permanent jobs in connection with the housing and commercial development.



## Business Subsidy Agreement

- **First distribution** of funds (\$574,320) **at closing** (1/2 of grant amount).
- **Second distribution** of funds (\$574,320) **after commencement of construction** of last building.
- If Recipient (developer) fails to perform, Recipient required to repay the loan back to the AVEDA.
- If Recipient (developer) meets the goals of the Business Subsidy Agreement, the loan is forgiven.



## Recommended Action - EDA

1. Conduct Public Hearing to consider Business Subsidy Agreement
2. Authorize Executive Director and EDA Attorney to finalize form and content of Business Subsidy Agreement with OneTwoOne Development, LLC.



## Recommended Action – City Council

1. Authorize City Administrator and City Attorney to finalize form and content of Purchase Agreement with OneTwoOne Development, LLC



## Questions?



