

# DRAFT TERM SHEET

## ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

The City of Pflugerville ("City") and TMVC EAST MASTER, LLC, or an Affiliate, ("Developer"), will enter into an Economic Development Agreement ("Agreement"), wherein the Developer will agree that if it develops a mixed-use project consisting of multifamily, senior living, and commercial uses ("Project") on approximately 38.13 acres of land in the City ("Property"), City will reimburse Developer for the costs of the public infrastructure required for the Project ("Public Infrastructure") out of available funds within Reinvestment Zone Number One ("TIRZ"), as more particularly summarized below and the final Agreement between the parties:

### **I. Developer Commitments**

#### **a. Project Phases**

- i. "Commercial space" as used herein shall include retail, restaurant, entertainment, service, assisted living, memory care, and office uses. For restaurant and entertainment uses, demised outdoor area used for dining, seating, entertainment or kitchen or bar areas shall be included in the minimum areas described below.
- ii. Phase 1: Developer will cause to have constructed an approximately 120 units of senior housing and approximately 45,000 square feet of commercial space (assisted living, memory care, retail, or restaurant) and begin construction by December 31, 2024. The minimum taxable valuation for Phase 1 after completion must be \$65 million.
- iii. Phase ~~1a~~2: Developer will cause to have constructed approximately 425 units of multifamily and approximately 1,200 square feet of commercial space begin construction by June 30, 2025. The minimum taxable valuation for Phase 1a after completion must be \$100 million.
- iv. Phase ~~2~~3: Developer will cause to have constructed either (a) approximately 75,000 square feet of commercial space (office) and obtain a minimum taxable valuation of \$25 million or (b) approximately 6,277 square feet of commercial space (entertainment) and obtain a minimum taxable valuation of \$10 million; and begin construction by December 31, ~~2026~~2027 ("Commercial Phase").
- v. Phase ~~3~~4: Developer will construct approximately 325 units of multifamily and approximately 2,500 square feet of commercial space and begin construction by December 31, 2028. The minimum taxable valuation for Phase 3 after completion must be \$90 million.

#### **b. Public Infrastructure**

- i. Except as otherwise provided below, Developer will complete the Public Infrastructure consisting of roadways, TXDOT improvements, water, wastewater, a consistent level amenity pond, drainage, dry utilities, hike and bike trails, and related improvements as generally depicted on Exhibit A.

- ii. The cost of the Public Infrastructure is anticipated to be approximately \$15,999,705. Costs of the Public Infrastructure shall include design and consultant fees, contractor and construction management fees, construction costs, labor costs, permit and application fees, street rental/closure fees, project management fees, legal fees, cost of equipment, fair market value of the right-of-way and/or public access easements ~~dedicated for Elan Drive and Alba Bonita Drive,~~ Developer-funded costs for enhancements and the completion of Colorado Sand Drive (+/- \$950,000), carrying costs on land that is to be dedicated as right-of-way or public access easements, perpetual maintenance costs of Developer for public improvements, and interest accrued at an annual rate ~~of 8.5%~~ equal to Wall Street prime calculated from date the cost is incurred until the applicable reimbursement payment is made to Developer ("Total Cost").
- iii. Fair market value of dedicated rights-of-way shall be an amount mutually agreed to by the parties, and if the parties cannot mutually agree, it shall be determined by an independent, third-party appraiser.
- iv. Developer shall dedicate the right-of-way for Colorado Sand Drive at no cost to City. City shall construct Colorado Sand Drive and improvements related thereto. City will begin construction of Colorado Sand Drive and related improvements by September 29, 2023.
- v. If the parties mutually agree and Developer is allowed to be involved in the review and approval of bids and qualifications, City may include additional aspects of the Public Infrastructure in its bidding process for Colorado Sand Drive in order to achieve economies of scale and increased efficiency in the construction of the Public Infrastructure.

## **II. City Commitments**

### **a. Public Infrastructure Cost Reimbursement**

- i. City will enter into the Agreement with Developer and reimburse Developer for the Total Cost of the Public Infrastructure from 100% of the funds available in the TIRZ attributable to the Project. Available TIRZ funds attributable to the Project shall be equal to incremental tax revenue generated by the Project after the effective date of the Agreement.
- ii. Reimbursement payments shall begin in the first calendar year after acceptance of any of the Public Improvements, and the reimbursement payments shall continue until the earlier of (a) the expiration of the TIRZ (including any approved extensions), or (b) payment of the Full Reimbursement (defined below).
- iii. The total amount of the reimbursement shall be the lesser (a) the Total Cost of the Public Infrastructure, or (b) \$15,999,705 million (a or b, as applicable, the "Full Reimbursement").

### **C. Miscellaneous**

- i. City will support any efforts by Developer to obtain additional financial incentives from other local jurisdictions and the state including but not limited to tax abatements, sales tax rebates, economic development grants, and job grants.
- ii. City agrees to waive all inspection and materials testing fees for the Project and work in good faith to ensure timely review and approval of same.
- iii. City agrees to grant impact fee credits for the Project for any aspects of the Public Infrastructure that qualify for same under applicable state and local laws.
- iv. Failure to achieve the minimum taxable valuations for the applicable phases of the Project shall result in a pro-rata reduction of the amount of the total reimbursement. For example, if the total valuation is 5% less than the minimum amount herein, the total reimbursement would be reduced by 5%.
- v. Failure to achieve the minimum square footages for the applicable phases of the Project shall result in a pro-rata reduction of the amount of the total reimbursement. For example, if the square footage constructed for a phase is 5% less than the minimum amount herein, the total reimbursement would be reduced by 5%.
- vi. In addition to Section II(c)(iv) and (v) above, an uncured failure to timely begin construction of the applicable minimum square footage for the Commercial Phase shall result in an additional reduction of \$3,000,000 of the Full Reimbursement.

### III. General Terms

#### A. Agreement

- i. City and Developer reserve the ability to further negotiate terms related to items such as default, remedies, rights to cure, extensions, and other items deemed appropriate by the parties in the Agreement.
- ii. In the event of a conflict between any of the terms of the Agreement and this Term Sheet, the Agreement shall control.

I have reviewed and accept the term sheet as presented:

#### DEVELOPER

By: TMVC EAST MASTER, LLC  
Name: Chad A. Colley  
Title: Manager

Date: \_\_\_\_\_

**CITY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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