

RESOLUTION 20-159

A RESOLUTION TO APPROVE A REQUEST FOR PAYMENT FROM LENNAR HOMES OF TENNESSEE, LLC FOR ADEQUATE FACILITIES TAX FEES FOR SAWGRASS DEVELOPMENT FOR THE CONSTRUCTION OF TOM LUNN ROAD WIDENING PROJECT

WHEREAS, the City of Spring Hill 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, project construction is scheduled to begin in the first quarter of 2021; and

WHEREAS, Lennar Homes of Tennessee, LLC provided an Irrevocable Standby Letter of Credit for Sawgrass development on Tom Lunn Road for advance payment of Adequate Facilities Tax fees, as approved by Resolution 19-151A, in the amount of \$263,200.00; and

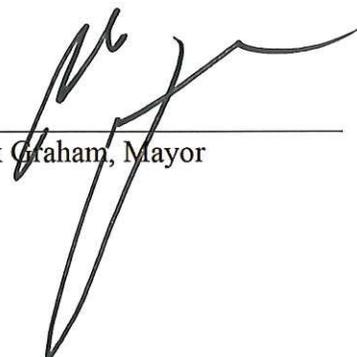
WHEREAS, Lennar Homes of Tennessee, LLC has received a credit up to \$1,400.00 for each building permit issued for Sawgrass that as of October 31, 2020 totaled \$65,800; and

WHEREAS, the City requests Lennar Homes of Tennessee, LLC liquidate the Letter of Credit in the full amount of \$263,200.00 to the benefit of the City of Spring Hill to be used for the purpose of constructing the Tom Lunn Road widening project; and

WHEREAS, the City will refund any and all Adequate Facilities Tax prepaid fee credits on building permits issued for Sawgrass development as of October 31, 2020.

NOW, THEREFORE BE IT RESOLVED, that the City of Spring Hill Board of Mayor and Aldermen, approves a request for payment from Lennar Homes of Tennessee, LLC for Adequate Facilities Tax fees for the Sawgrass development in the amount of \$263,200.00 for the construction of Tom Lunn Road widening project.

Passed and Adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 16th day of November, 2020.



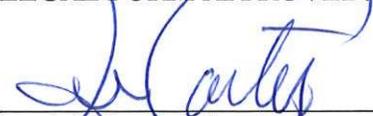
Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney



REQUEST: *Approval of Resolution 20-159*
SUBMITTED BY: Missy Stahl, Senior Project Manager
DATE: November 2, 2020
RE: To approve a request for payment from Lennar Homes of Tennessee, LLC for Sawgrass development Adequate Facilities Tax fees for the construction of the Tom Lunn Road widening project
ATTACHMENTS: Resolution 20-151A

PURPOSE:

The purpose of this resolution is to approve a request to be presented to Lennar Homes of Tennessee, LLC for advance payment of Adequate Facilities Tax fees for the construction of the Tom Lunn Road widening project.

BACKGROUND:

The City of Spring Hill identified the widening of Tom Lunn Road as important to improve the safety and capacity of the road. Three new Planned Unit Developments were approved that front upon Tom Lunn Road and the developer of each agreed to provide Adequate Facilities Tax fees up front prior to development to provide funds for the widening project. Lennar Homes of Tennessee, LLC issued a Standby Irrevocable Letter of Credit in the amount of \$263,200.00 for the Sawgrass development (\$1,400 per lot with a total of 188 lots within Sawgrass). The developer has been receiving a credit of \$1,400.00 on each building permit issued for Adequate Facilities Tax fees.

The City requests Lennar Homes liquidate the full amount of the Letter of Credit in the amount of \$263,200.00 to the benefit of the City of Spring Hill. Funds will be applied towards the construction costs of the widening project, scheduled to begin in the first quarter of 2021. All advance payments in the amount of \$65,800.00 paid by Lennar Homes as of October 31, 2020 for building permits issued to that date will be refunded.

FINANCIAL IMPACT:

The amount of \$263,200.00 will be applied as revenue in the Adequate Facilities Tax fund and will be used towards to the cost of construction for the widening of Tom Lunn Road.

STAFF RECOMMENDATION:

Staff recommends approval of Resolution 20-159 to approve a request to be presented for payment from Lennar Homes of Tennessee, LLC for Adequate Facilities Tax fees for Sawgrass development for the construction of Tom Lunn Road widening project in the amount of \$263,200.

RESOLUTION 19-151-A

**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 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

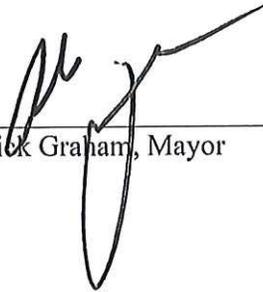
WHEREAS, the Developer contribution is calculated at \$263,200.00 based upon the development of 188 lots within Sawgrass that is multiplied by a per lot fee utilizing a square footage of 1800 square feet times \$0.50 per square foot plus a base fee of \$500.00 per dwelling unit or \$1,400.00 per dwelling 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.

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

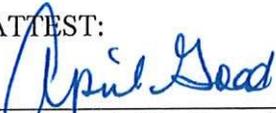
1. Approve the Development Agreement and exhibits contained therein as attached hereto as Exhibit A to this Resolution and authorize the Mayor to sign an agreement with the Developer of Sawgrass for advance payment of Adequate Facilities Tax fees in the amount of \$263,200.00 to be utilized for the construction 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 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 19th day of August, 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; and

WHEREAS, the Developer has attained certain development entitlements from the City to develop Sawgrass 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 \$263,200 (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 188 developable lots within Sawgrass and equals \$263,200.00.

4. Reimbursement Due Developer

In consideration of Developer's up-front deposit of Adequate Facilities Tax for 188 lots to be developed in Sawgrass, 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.

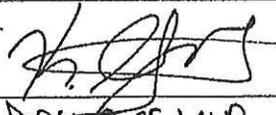
Approved by the City of Spring Hill Board of Mayor and Alderman on August 19,
2019.

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

DEVELOPERS

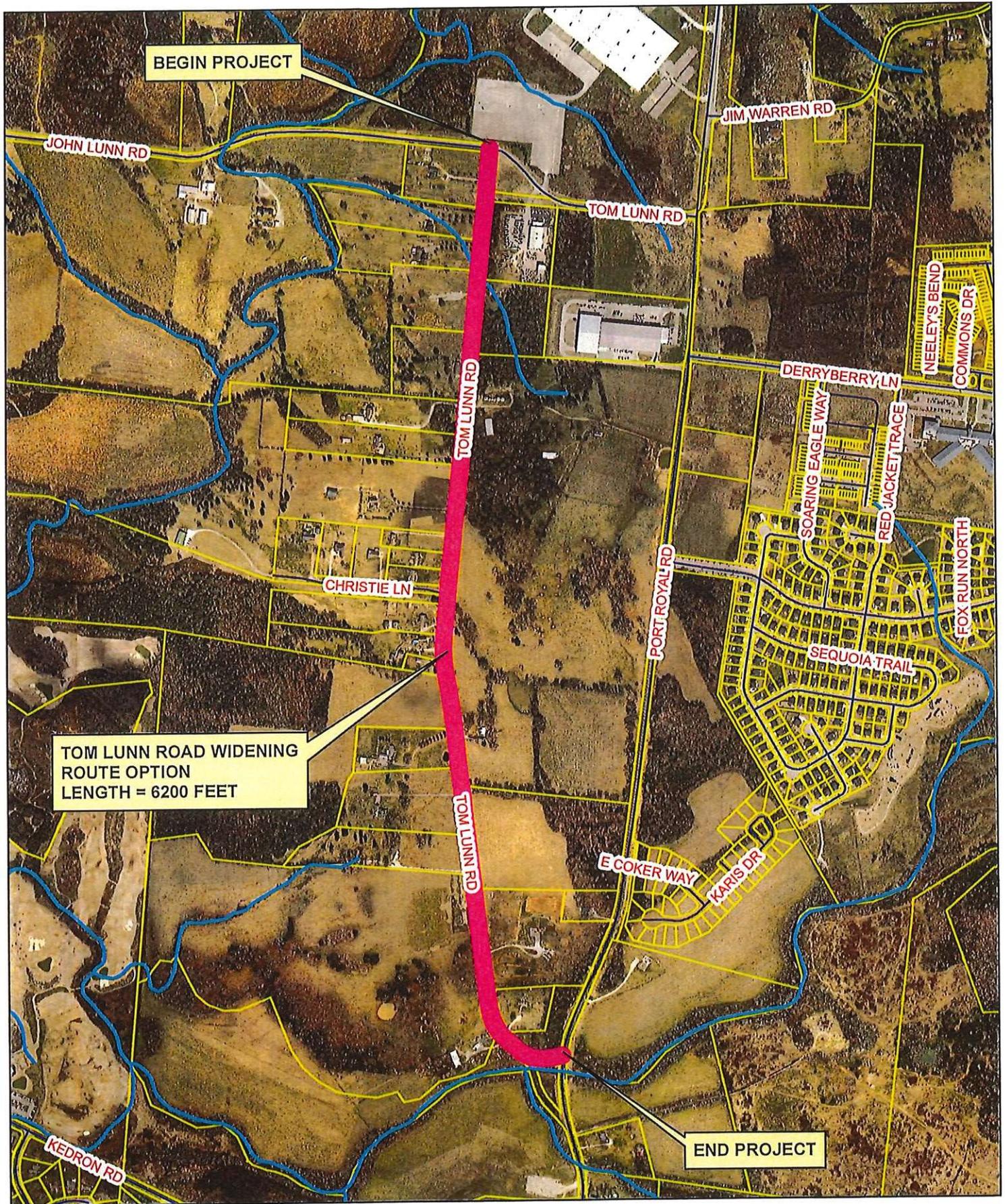
LEMMAN HOMES OF TENNESSEE, LLC

KEVIN STURGILL

By: 
Title: DIRECTOR OF LAND

CITY OF SPRING HILL, TENNESSEE

By: 
RICK GRAHAM, Mayor



BEGIN PROJECT

JIM WARREN RD

JOHN LUNN RD

TOM LUNN RD

TOM LUNN RD

DERRYBERRY LN

NEELEY'S BEND
COMMONS DR

CHRISTIE LN

PORT ROYAL RD

SOARING EAGLE WAY

RED JACKET TRACE

FOX RUN NORTH

TOM LUNN ROAD WIDENING
ROUTE OPTION
LENGTH = 6200 FEET

SEQUOIA TRAIL

TOM LUNN RD

E COCKER WAY

KARIS DR

END PROJECT

KEDRON RD

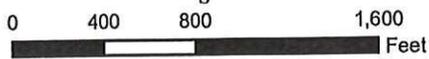


EXHIBIT A
TOM LUNN WIDENING
AERIAL EXHIBIT MAP
CITY OF SPRING HILL, TENNESSEE

Dempsey, Dilling & Associates, P.C.
Engineering Consultants
502 Hazelwood Drive
Smyrna, Tn 37167
phone: 615.220.5800



PROJECT: TOM LUNN ROAD
ROADWAY WIDENING

Date: 8/12/2019

EXHIBIT B					
ITEM	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	COST ESTIMATED
ESTIMATED ROADWAY QUANTITIES					
ITEM NO.	DESCRIPTION	UNIT	QUANTITY		
105-01	CONSTRUCTION STAKES, LINES, GRADES	L.S.	1	\$ 15,000.00	\$15,000.00
201-01	CLEARING AND GRUBBING	L.S.	1	\$ 20,000.00	\$20,000.00
202-03	REMOVAL OF RIGID PAVEMENT, SIDEWALK, ETC.	S.Y.	15	\$ 20.00	\$300.00
202-08.10	REMOVAL OF CURB	L.F.	50	\$ 20.00	\$1,000.00
203-01	ROAD AND DRAINAGE EXCAVATION (UNCLASSIFIED)	C.Y.	2500	\$ 10.00	\$25,000.00
203-05	UNDERCUTTING	C.Y.	100	\$ 2.00	\$200.00
203-07	FURNISHING & SPREADING TOPSOIL	C.Y.	1200	\$ 5.00	\$6,000.00
303-01	MINERAL AGGREGATE, TYPE A BASE, GRADING D	TON	300	\$ 25.00	\$7,500.00
304-01.08	PORTLAND CEMENT (FULL DEPTH RECLAMATION)	TON	300	\$ 155.00	\$46,500.00
304-02.02	BITUMINOUS MATERIAL (RECLAIMED BASE MATERIAL)	TON	3	\$ 630.00	\$1,682.10
304-02.03	FULL DEPTH FLEXIBLE PAVEMENT RECLAMATION	S.Y.	12600	\$ 4.25	\$53,550.00
307-03.08	ASPHALT CONCRETE MIX (PG76-22) (BPMB-HM) GRADING B-M2	TON	2600	\$ 90.00	\$234,000.00
402-01	BITUMINOUS MATERIAL FOR PRIME COAT (PC)	TON	40	\$ 550.00	\$22,000.00
402-02	AGGREGATE FOR COVER MATERIAL (PC)	TON	130	\$ 50.00	\$6,500.00
403-01	BITUMINOUS MATERIAL FOR TACK COAT (TC)	TON	5	\$ 600.00	\$3,000.00
407-20.05	SAW CUT ASPHALT PAVEMENT	L.F.	600	\$ 4.00	\$2,400.00
411-03.10	ACS MIX(PG76-22) GRADING D	TON	1700	\$ 110.00	\$187,000.00
502-04.01	SAWING CONCRETE PAVEMENT (FULL DEPTH)	L.F.	10	\$ 10.00	\$100.00
611-01.23	ADJUSTMENT OF WATER VALVE	EACH	40	\$ 70.00	\$2,800.00
701-02	CONCRETE DRIVEWAY	S.F.	135	\$ 8.50	\$1,147.50
702-01.01	EXTRUDED SLOPING CURB	L.F.	50	\$ 30.00	\$1,500.00
717-01	MOBILIZATION	L.S.	1	\$ 25,000.00	\$25,000.00
ESTIMATED DRAINAGE QUANTITIES					
ITEM NO.	DESCRIPTION	UNIT	QUANTITY		
607-03.02	18" CONCRETE PIPE CULVERT (CLASS III)	L.F.	50	\$ 60.00	\$3,000.00
607-05.02	24" CONCRETE PIPE CULVERT (CLASS III)	L.F.	56	\$ 75.00	\$4,200.00
607-06.02	30" CONCRETE PIPE CULVERT (CLASS III)	L.F.	36	\$ 110.00	\$3,960.00
607-37.02	18" CORRUGATED METAL PIPE CULVERT	L.F.	852	\$ 50.00	\$42,600.00
611-07.55	18IN ENDWALL (CROSS DRAIN) 4:1	EACH	4	\$ 2,400.00	\$9,600.00
611-07.58	24IN ENDWALL (CROSS DRAIN) 4:1	EACH	2	\$ 3,000.00	\$6,000.00
611-07.61	30IN ENDWALL (CROSS DRAIN) 4:1	EACH	2	\$ 3,500.00	\$7,000.00
ESTIMATED EROSION CONTROL QUANTITIES					
ITEM NO.	DESCRIPTION	UNIT	QUANTITY		
203-06	WATER	M.G.	5	\$ 15.00	\$75.00
209-08.02	TEMPORARY SILT FENCE (WITH BACKING)	L.F.	6000	\$ 4.00	\$24,000.00
209-08.07	ROCK CHECK DAM (PER)	EACH	4	\$ 250.00	\$1,000.00
707-08.11	HIGH-VISIBILITY CONSTRUCTION FENCE	L.F.	2200	\$ 2.50	\$5,500.00
709-05.08	MACHINED RIP-RAP (CLASS B)	TON	400	\$ 40.00	\$16,000.00
801-01	SEEDING (WITH MULCH)	UNIT	160	\$ 28.00	\$4,480.00
803-01	SODDING (NEW SOD)	S.Y.	6300	\$ 4.00	\$25,200.00

EXHIBIT B

ITEM	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	COST ESTIMATED
ESTIMATED TRAFFIC CONTROL QUANTITIES					
ITEM NO.	DESCRIPTION	UNIT	QUANTITY		
712-01	TRAFFIC CONTROL	L.S.	1	\$ 15,000.00	\$15,000.00
712-01.05	FLAGMAN	HR	150	\$ 30.00	\$4,500.00
712-04.01	FLEXIBLE DRUMS (CHANNELIZING)	EACH	145	\$ 25.00	\$3,625.00
712-06	SIGNS (CONSTRUCTION)	S.F.	380	\$ 7.50	\$2,850.00
713-16.20	SIGNS (STREET NAME - TOM LUNN RD)	EACH	2	\$ 35.00	\$70.00
713-16.21	SIGNS (STREET NAME - PORT ROYAL RD)	EACH	1	\$ 35.00	\$35.00
713-16.22	SIGNS (STREET NAME - JOHN LUNN RD)	EACH	1	\$ 35.00	\$35.00
713-16.23	SIGNS (STOP)	EACH	2	\$ 35.00	\$70.00
713-16.24	SIGNS (SPEED LIMIT)	EACH	4	\$ 35.00	\$140.00
713-16.25	SIGNS (CURVE WARNING LEFT)	EACH	2	\$ 35.00	\$70.00
713-16.26	SIGNS (CURVE WARNING RIGHT)	EACH	1	\$ 35.00	\$35.00
713-16.27	SIGNS (STOP AHEAD)	EACH	1	\$ 35.00	\$35.00
713-16.28	SIGNS (ADVISORY SPEED)	EACH	2	\$ 35.00	\$70.00
716-02.04	PLASTIC PAVEMENT MARKING (CHANNELIZATION STRIPING)	S.Y.	335	\$ 20.00	\$6,700.00
716-02.05	PLASTIC PAVEMENT MARKING (STOP LINE)	L.F.	36	\$ 15.00	\$540.00
716-13.01	SPRAY THERMO PVMT MRKNG (60 MIL) (4 IN LINE)	L.M.	4.79	\$ 2,000.00	\$9,580.00
Estimated Cost					\$858,149.60

SPECIAL NOTE: This proposal is submitted under the terms of the referenced annual contract and the standards of practice previously established. It is understood that these terms and practices supersede any conflicting notes, statements, or requirements contained in the plans on which this proposal is based

Submitted By: Allison Davis
 Title: Estimator
 Date: 8/12/2019