



City of Killeen

Legislation Text

File #: PFC-24-7, Version: 1

Consider a memorandum/resolution approving a Memorandum of Understanding with Crimson Bulldog Development, Inc. for the development of the Avanti Legacy Parkview Apartments.

DATE: March 19, 2024

TO: Kent Cagle, City Manager

FROM: Holli Clements, City Attorney

SUBJECT: Memorandum of understanding regarding Avanti Legacy Parkview Apartments

BACKGROUND AND FINDINGS:

On March 5, 2024, the PFC approved an inducement resolution regarding Avanti Legacy Parkview Apartments transaction.

Avanti Legacy Parkview is expected to contain 108 residential units and is intended to be financed, in part, with low-income housing tax credits. The PFC or subsidiary limited liability company will serve as general partner and own the land on which the project will be located.

The proposed Memorandum of Understanding with the Developer Crimson Bulldog Development, Inc. provides for the ownership structure, financing structure, ground lease and ad valorem tax exemption, design and construction, management and operation, fees and expenses, and other miscellaneous provisions. While further details of the partnership will be finalized in a formal Partnership Agreement, ground lease, and other legal documents, the purpose of this Memorandum of Understanding is to set forth the general understanding of the parties for development of the Avanti Legacy Parkview Apartments.

THE ALTERNATIVES CONSIDERED:

Click or tap here to enter text.

Which alternative is recommended? Why?

Staff recommends that the PFC consider approval of the Memorandum of Understanding with Crimson Bulldog Development, Inc. for the development of Avanti Legacy Parkview Apartments.

CONFORMITY TO CITY POLICY:

Yes

FINANCIAL IMPACT:

What is the amount of the revenue/expenditure in the current fiscal year? For future years?

At the end of fifteen years, the PFC has the right to require the Developer to purchase the property from the PFC for a payment equal to the amount of the foregone property taxes for the fifteen years. The PFC is entitled to 5% of the developer fee and cash flow from operations or sale/refinancing of the project which will be escrowed to ensure payment at the end of the fifteen years.

Is this a one-time or recurring revenue/expenditure?

N/A

Is this revenue/expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this revenue/expenditure?

N/A

RECOMMENDATION:

Staff recommends that the PFC consider approval of the Memorandum of Understanding with Crimson Bulldog Development, Inc. for the development of Avanti Legacy Parkview Apartments.

DEPARTMENTAL CLEARANCES:

Click or tap here to enter text.

ATTACHED SUPPORTING DOCUMENTS:

MOU