

# Santaquin City Resolution 04-08-2019

## A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING (MOU) REGARDING PROPERTY DEVELOPMENT AT APPROXIMATELY 700 WEST MAIN STREET

**WHEREAS**, Santaquin City has adopted Resolution 04-07-2019, "A Resolution Approving an Option Agreement at Approximately 700 West Main Street", wherein it has secured an "Option" to purchase real property for the potential construction of a new recreation center; and

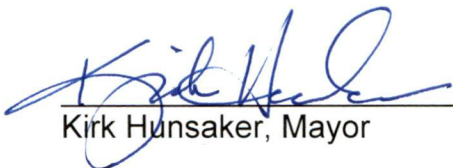
**WHEREAS**, the City desires to work in good faith with the owner of the property, W.M. Ercanbrack Company, Inc., to acquire additional acreage to support the construction of a new recreation center; and

**WHEREAS**, the owner of the property desires to work in good faith with the City for the development of the remainder of the owners of the property, not utilized by the construction of a new recreation center; and

**WHEREAS**, it would be beneficial for Santaquin City enter into this MOU to clearly establish an understanding of the objectives and goals of creating a mutually beneficial development plan and development agreement with W.N. Ercanbrack Company for the future development, both public and private, of the entire parcel;

**NOW, THEREFORE, BE IT RESOLVED**, the Santaquin City Council does hereby approve the attached Memorandum Of Understanding with W. M. Ercanbrack Company, Inc. for the future development real property at approximately 700 West Main Street, Santaquin, Utah.

Approved and adopted by the Santaquin City Council this 27<sup>th</sup> day of April, 2019.

  
Kirk Hunsaker, Mayor

Attest:

  
Susan B. Farnsworth, City Recorder



## MEMORANDUM OF UNDERSTANDING

To Whom It May Concern:

W. M. Ercanbrack Company, Inc. ("Ercanbrack") is the owner of approximately 22.85 acres of real property located on Main Street in the City of Santaquin, Utah, described in the records of the Office of the Utah County Recorder as Parcel No. 32:006:0102 (the "Property"). Ercanbrack desires to develop the Property for residential and commercial uses, specifically including high-density, multi-family residential uses and has prepared a draft Master Development Agreement ("MDA") to guide the development of the Property.

Santaquin City is attempting to purchase a portion of the Property comprising 6 to 8 acres from Ercanbrack for the purpose of developing a City Community Center. Ercanbrack and the City believe that development of the Property pursuant to the principles of the MDA will result in significant planning and economic benefits to the City and its residents by, among other things requiring orderly development of the Property as a master planned community and increasing property tax and other revenues to the City based on improvements to be constructed on the Property. Ercanbrack and the City acknowledge that each of the described conceptual uses will compliment and not negatively impact the others and are consistent with the City's General Plan and the current RC Residential Commercial zoning that is applied to the Property.

At present, neither the City nor Ercanbrack has a final plan for the proposed uses on the Property, but each is working toward such a plan. Ercanbrack is not in a position to complete a development plan until the exact size and location of the Property the City proposes to purchase is identified. The City cannot determine the exact size and location without employing the services of design experts to establish the extent of improvements and parking needed for the City's project and the best options for complimenting its proposed uses with those of Ercanbrack.

Therefore, the City desires to proceed immediately with its plans for design and procuring appropriate financing, while recognizing its obligation to the residents of the City to act in a reasonable and prudent manner in appropriating City's resources. To proceed, City has proposed an Option to purchase a portion of the Property from Ercanbrack, which will allow the City to proceed immediately with appropriate steps to finalize its plans for development on the Property and in turn establish the portion of the Property required for its development and thereby provide the information and data necessary for Ercanbrack to finalize its plans for presentation to the City.


City acknowledges that Ercanbrack will deliver the Option requested by the City, with the understanding that the City will negotiate in good faith to establish a development agreement for the remainder of the Property. The City and Ercanbrack anticipate that the development agreement will establish development rights on the Property based on current laws, ordinances and regulations and will provide for vesting of those rights for an appropriate period of time to complete the development of the Property, subject to generally accepted principles of the application of laws, rules and regulations passed or adopted subsequent to the execution of the development agreement.

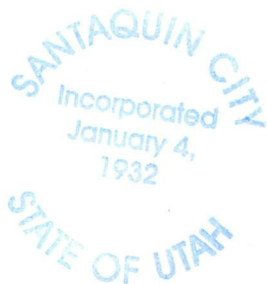


City and Ercanbrack will work together in good faith and will cooperate as is reasonably necessary to support the City's development and Ercanbrack's commercial/residential development.

The parties hereto affirm the understanding set forth in this memorandum.

SANTAQUIN CITY

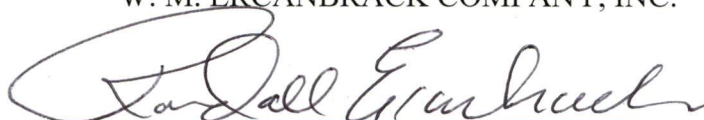
  
Kirk F. Hunsaker, Mayor



ATTEST:

  
Susan B. Farnsworth, City Recorder

W. M. ERCANBRACK COMPANY, INC.

  
Randall Ercanbrack, President