

The Downs – Credit Enhancement Agreement Structural Components

Town Goals

- a. Incentivize most beneficial mix of development for the Town
 1. Non-residential: job creation
 2. Return on investment
- b. Support extraordinary costs of enabling infrastructure
- c. Incentivize downtown development / future process
- d. Preserve option for building Town could rent and use as community center facility

Credit Enhancement Agreement

1. **Reimbursement Percentage/Performance Standards Incentives:**
 - Years 1-10: 40% reimbursement of TIF revenues.
 - Years 11-15:
 1. 25% reimbursement if Developer does not satisfy performance standards.
 2. 40% reimbursement if Developer meets the following performance standards by the end of Year 10: (a) 600,000 minimum square feet of non-residential space; (b) complete infrastructure (roads, water and sewer) necessary for planned development; and (c) complete roads/utilities to enable Downtown.
 - Years 16-20:
 1. 25% reimbursement if Developer does not satisfy performance standards.
 2. 40% reimbursement if Developer meets the following performance standards by the end of Year 15: (a) 900,000 square feet of non-residential; and (b) complete infrastructure (roads, water and sewer) necessary for planned development.
2. **Maximum Developer Reimbursement:** Initial non-bonus reimbursement cap is \$55 million.
3. **Residential Cap:** The Developer shall be permitted to construct up to 750 single-family detached dwelling units (affordable and/or senior single-family detached dwelling units do not count toward the cap).
4. **CEA Bonus option for Achieving “desired development”:** Developer can receive a bonus reimbursement of 10% of TIF revenues through Year 30, with a maximum annual reimbursement of \$2 million, if the project has achieved the “desired development” by the end of Year 20 (if met before Year 20, bonus begins at that time):
 1. The project has reached the maximum developer reimbursement of \$55 million; and,
 2. The project has met the minimum value creation of \$615 million in the Master Plan if a downtown and community center are constructed or are under construction / or / the project has met the minimum value creation of \$500 million in the Master Plan if a downtown and community center are not constructed or under construction; and,
 3. The project has met the minimum of 1,200,000 square feet of non-residential space.
5. **Downtown Process:** Town and Developer agree to a process to be completed no later than the end of Year 4 to determine/refine elements and costs of the “Downtown.”
6. **Community Center Land Option and Process:** Developer agrees to provide an option on project land for a possible future community center, which must be exercised by the end of Year 4. Town agrees to form an ad hoc committee to formulate plans for a Community Center.
7. **Council Updates:** The Developer will make regular progress reports to the Council on the development.