

DATE: *October 28, 2021*
TO: Mayor and City Council
FROM: *[Signature]* Assistant City Manager
SUBJECT: Memorandum of Understanding - Addendum
Solis Project



RECOMMENDED ACTION

Approve the attached addendum to the Memorandum of Understanding (MOU) with the Sugar Hill Downtown Development Authority (SHDDA) for the project known as Solis Sugar Hill and authorize the Mayor to sign it.

BUDGET IMPACT

The project and associated transactions will return \$5,000,000 to the city from the sale of property and allow the SHDDA to complete the closing on all parcels necessary for its development.

DISCUSSION

As the documents were being finalized outlining the financial framework of the redevelopment project, the transaction contemplated in the initial version of the MOU between the city and SHDDA needed to align with the other closing documents. Therefore, this addendum to the MOU was provided to indicate that the value of the sales price would be returned to the city from SHDDA assets after the initial transaction was closed and the project's public assets bonded (parking and retail components).

In addition, the Solis project continued in the design process, the southeast corner of the tract needed to encroach into the old right-of-way for Temple at W. Broad. In order to properly account for this corner and allow the SHDDA to complete the transaction, the Memorandum of Understanding signed with the city in January needed to be updated. In that document, the financial portion of the transaction needed to be updated as well to indicate the timing for return of the expected \$5M sales price.

Attachment

Addendum to MOU Between the City and the SHDDA

**ADDENDUM TO MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF SUGAR HILL AND THE CITY OF SUGAR HILL DOWNTOWN
DEVELOPMENT AUTHORITY**

WHEREAS, the City of Sugar Hill, Georgia, a municipal corporation in the State of Georgia (the “City”) and the City of Sugar Hill Downtown Development Authority, a public corporation created and existing under the laws of the State of Georgia (the “SHDDA”) entered into a Memorandum of Understanding (“MOU”) on the 26th day of January, 2021, regarding the sale of properties identified in that MOU as the “Temple Drive Properties”; and

WHEREAS, the City and the SHDDA desire to make certain additions to the MOU.

NOW THEREFORE, for and in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the SHDDA do hereby agree as follows:

1. The development plan for the properties included in the original MOU described as the Temple Drive Properties is approved by the City, and the City will transfer these properties to the SHDDA. The development plan approved is described in the Series 2021 Bond Resolution adopted by the SHDDA on October 11, 2021. A survey of the properties to be conveyed is attached hereto as Exhibit “A” and incorporated herein by reference.
2. The SHDDA is hereby authorized to use \$4,950,000.00 received from the developer as the Land Rent Payment to make the Parking Deck Escrow deposit to be used for the construction of the parking deck as described in the DDO Agreement and the Parking Deck Agreement referenced in the Bond Resolution.
3. Upon the issuance of a bond by the SHDDA (Series 2021C Bond) to provide funds for the reimbursement of the City for the funding of the Parking Deck Escrow deposit authorized in paragraph 2, and for the build-out of the commercial portions of the development to be owned by the SHDDA, the SHDDA shall transfer \$5,000,000.00 to the City as payment for the Temple Drive Properties.
4. Except as specifically altered by this Addendum to Memorandum of Understanding, the original MOU shall remain in full force and effect.
5. Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed, construed, and interpreted according to the laws of the State of Georgia.
6. Entire Agreement. This Agreement expresses the entire understanding and agreement between the parties hereto.
7. Severability. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not affect the remaining portions of

this Agreement or any part thereof.

8. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.
9. Amendments or Modifications. No waiver, amendment, release, or modification of this Agreement shall be effective unless made in writing and executed by both parties hereto.

CITY OF SUGAR HILL, GEORGIA

Date Signed: _____

By: _____
Steve Edwards, Mayor

Attest: _____
Jane Whittington, City Clerk

(CITY SEAL)

**CITY OF SUGAR HILL DOWNTOWN
DEVELOPMENT AUTHORITY**

Date Signed: _____

By: _____
Jack Wolfe, Chairman

Attest: _____
Secretary

(AUTHORITY SEAL)