

MEMORANDUM

To: Matt Fitterer, Patrick Carter
Spring Hill, Tennessee

From: Randy Parham, Southeast Venture LLC
Wood Caldwell, Southeast Venture LLC

Copy: Buckner Lane Partners, L.P.
Bryan Echols, Waller Law
Chuck Downham, Littlejohn SME

Date: March 30, 2017

RE: Zoning Approval and creation of Special Assessment District for the 2660 Buckner Lane Property

Buckner Lane Partners, LP, the Owner of property at 2660 Buckner Lane has submitted through its representative, Southeast Venture LLC a request to change the zoning of its Property to a Planned Zoning District ("PZD.") This zone change was introduced at First Reading before the Board of Mayor and Aldermen via Ordinance 17-05 (the "Zoning Ordinance") on March 20, 2017. The purpose of this memorandum is to clarify details of the Zoning Ordinance, which will also establish the conditions under which the City will permit the Development of the Property. As per the proposed Zoning Ordinance, the Development shall adhere to all Development Approval Procedures, Concept Plan and Sub district Boundaries, Permitted Uses, Yard, Bulk and Height Requirements, Sub district Standards, Street Standards, Pedestrian and Open Space Standards, Access, Parking and Loading Area Standards, Landscaping Standards, Screening Standards, Lighting Standards and Sign Standards attached to the Zoning Ordinance as Exhibit A, the 'Planned Zoning District Standards Book.' A copy of the final version of the Planned Zoning District Standards Book is being delivered to you under separate cover as the file is too large to transmit with this email correspondence. For the purposes of this memorandum, the following words shall have the definition below.

- "Property" means two tracts of land, as shown on Map 166, Parcel 023.00 and Map 154, Parcel 062.03 on the land records of Williamson County which together total 780.71 acres (the "Property.")
- "Owner" means the current or future owner(s) of the Property or portions thereof.
- "City" means the municipality of Spring Hill Tennessee.
- "Development" means the construction of one or more buildings for various residential, commercial retail and office uses on the Property.
- "Developer" means any current or future developer of the Property or portion thereof, who undertakes a Development on the Property.

- “Road Improvements” means the road improvements shown on Exhibit B.
- “Utility Improvements” means the utility improvements shown on Exhibit B.

BACKGROUND INFORMATION

The capacity of the road network and utilities serving the Property, particularly the road capacity of Buckner Lane are not adequate to meet the current traffic demands, especially at peak morning and evening commute times. Traffic problems exist today with no additional vehicles coming to or from the Property. Additional traffic from the Development is the major concern expressed by the citizens of Spring Hill at multiple public meetings held as part of the zone change review process. These traffic concerns need to be addressed to permit the orderly development of the Property. Further, the City has submitted, along with Williamson County and the City of Thompson Station an Interchange Access Request for the construction of a new interchange to be built at the point where Buckner Road extended to the east would intersect Interstate 65. This interchange will provide access to I-65 which will relive substantial traffic on Highway 31 (Colombia Pike), Highway 431 (Lewisburg Pike), Buckner Lane and other north-south streets in the vicinity of the Property.

Development of the Property is planned to occur in five (5) separate Sub districts. Sub district boundaries shall be created by the Zoning Ordinance for Commercial Office, Residential/ Mixed Use 1, Residential/ Mixed Use 2, Residential, Residential 2, Commercial Retail, and Flex as further detailed in Exhibit B to the Zoning Ordinance, a copy of which is attached to this memorandum.

A Traffic Study analyzing the demands and patterns generated by vehicles from the Development and their impact on the surrounding road network was prepared as part of the zone change submittal. This Traffic Study recommends a list of road improvements to be completed prior to each phase of the Development of the Property. Some of the roadway improvements recommended by the traffic impact study overlap with projects already identified by the City in its 5-year Capital Improvement Plan, indicating the City has recognized the need for these improvements outside of, and regardless of the outcome of the application to re-zone the Property. The City has already spent funds towards several of these projects. The mutually necessary roadway projects which exist on or immediately adjacent to the Property are proposed to be completed as a shared responsibility between the Owner and the City.

The Development is planned to occur in three phases over time with corresponding Road Improvements and Utility Infrastructure to be constructed as needed for each phase. The Phases and their corresponding Development densities are shown on the drawing entitled Phasing Plan attached as Exhibit C to the Zoning Ordinance. Road and utility infrastructure improvements shall be required on or before the development and delivery of the improvements. These Improvements are detailed on Exhibit D to the Zoning Ordinance including the Phase 1, 2 and 3 drawings included as part of Exhibit D. A copy of Exhibit D including the Phase 1, 2 and 3 drawings are attached to this memorandum.

BUCKNER LANE RE-ROUTE AND WIDEN

The width of Buckner Lane is not adequate to meet the current traffic demands, especially at peak morning and evening commute times. Phase I of the Road Improvements is to widen and re-route a portion of Buckner Lane. Beginning at a point approximately 1,200 feet south of the Buckner Road intersection and continuing north to the intersection of Thompson Station Road East, Buckner Lane will be widened to two travel lanes in each direction with a center two-way turn lane and re-routed around the “hill” on the Property to intersect Thompson Station Road East at a point approximately 1,200 feet east of the current intersection at Thompson Station Road East. The re-routing of Buckner Lane is shown as Arterial B on the Phase I drawing in Exhibit D. With the installation of a traffic signal at Thompson Station Road East, this re-routing solves the sight line problems of the existing dangerous intersection. As Buckner Lane is moved approximately 250 feet to the East, Westchester Lane is extended to the east to intersect with Buckner Lane. A traffic signal is also installed at this intersection.

The cost of rerouting and widening this section of Buckner Lane and the signalization at Buckner Road, Westchester Lane and Thompson Station Road East are a Shared Expense between the Developer and the City. The cost will be prorated to each party on the basis of the ratio of the trips generated on this portion of Buckner Lane by traffic from the Development as a percentage of the total traffic on this portion of Buckner Lane from all sources. For purposes of the calculation of this ratio, the trips estimated from the Development shall be based on full buildout and total traffic counts on Buckner Lane from all sources will be forecast for the point in time full build out is anticipated.

We have priced these shared improvements in today’s dollars and included a budget for surveying and engineering of ten percent (10%). The estimate of these costs are summarized below in the following table.

**BUCKNER LANE RE-ROUTE AND WIDEN
(Arterial “B”)**

Phase	Item of Work	Shared Expense	Developer
Phase I	Construct Roadway B	\$4,479,300	
	Construct Roadway E	\$ 185,702	
	Street Lighting	\$ 96,383	
	Underground Electric & Cable		\$ 1,069,855
	Signalization /Turn Lane	\$1,615,000	
	Land for Right of Way (11.23	\$1,467,536	
Total Construction		\$6,376,385	\$1,069,855
	Engineering Expense @ 10%	\$ 637,638	\$ 106,985
Total Cost	(not including land)	\$7,014,023	\$1,176,840

As recommended by the City’s traffic studies, Buckner Lane will also be widened south of the Buckner Road intersection to Duplex Road. Traffic signals are planned to be installed at the Twin Lakes Drive and Spring Station Drive intersections on this section of Buckner Lane. These two intersections handle a substantial amount of school traffic. The widening of Buckner Lane beginning at a point approximately 1,200 feet south of Buckner Road in the southerly direction, including the

two new traffic signals at Twin Lakes Drive and Spring Station Drive are not a Shared Expense. This work is a cost of the City.

BUCKNER ROAD EXTENSION TO I-65

The other major road improvement mutually benefitting the Development and the City is the extension of Buckner Road from the intersection of Buckner Lane to the proposed new interchange at I-65. This road extension is shown constructed in three segments on the Phase I, Phase 2 and Phase 3 drawings included with Exhibit D of the Zoning Ordinance. Upon the completion of the Phase 3 segment of this extension and the construction of the new interchange this road will connect to I-65. The Buckner Road Extension, except for the cost of the intersections at Roadways C, D & E on the extension is also proposed to be a Shared Expense. The costs of the three intersections, including the traffic signals are there solely to provide access to the Property and are a cost to the Developer.

As with Buckner Lane, the Shared Expense portion of the Buckner Road extension will be prorated to each party on the basis of a ratio of the trips generated on this portion of Buckner Road by traffic from the Development as a percentage of the total traffic on this extension of Buckner Road from all sources. For purposes of the calculation of this ratio, the trips estimated from the Development shall be based on full buildout and total traffic counts on Buckner Road from all sources will be forecast for the point in time full build out is anticipated.

We have priced these shared improvements in today’s dollars attached and included a budget for surveying and engineering of ten percent (10%). The estimate of these costs are summarized below in the following table.

BUCKNER ROAD EXTENSION (Arterial “A”)

Phase	Item of Work	Shared Expense	Owner	City
Phase I	Construct Roadway	\$1,092,770		
	Street Lighting	\$ 19,575		
	Underground Electric & Cable		\$ 217,282	
	Land for Right of Way (2.92)	\$ 763,171		
Phase II	Construct Roadway	\$1,095,584		
	Street Lighting	\$ 19,575		
	Underground Electric & Cable		\$ 217,282	
	Land for Right of Way (2.92)	\$ 763,171		
Phase III	Construct Roadway	\$2,218,370		
	Street Lighting	\$ 39,150		
	Underground Electric & Cable		\$ 434,566	
	Signalization		\$ 975,000	
	Land for Right of Way (5.92)	\$1,547,251		
Total Construction		\$4,485,024	\$1,844,130	
	Engineering Expense @ 10%	\$ 448,502	\$ 184,413	
Total Cost	(not including land)	\$4,933,526	\$2,028,543	

Traffic studies commissioned by the City also recommend Buckner Road be widened from Buckner Lane to Highway 31 (Columbia Pike). The right of way acquisition and widening of this portion of Buckner Road are not a Shared Expense and are a cost of the City.

UTILITY IMPROVEMENTS

Utilities installed solely to service the Development are assumed to be the cost responsibility of the Developer. There is not enough water and sewer capacity currently available at the Property with the existing lines to meet the demands of the Development. Below is the estimated cost of the utility improvements as shown on the Phase I and 2 drawings in Exhibit D in today’s dollars. These costs are not a Shared Expense and are the responsibility of the Developer.

UTILITIES

Phase	Item of Work	Owner
Phase I	Water Utilities (10” Line Buckner Road)	\$ 325,360
	Sanitary Sewer Utilities (15” Line in Buckner	\$ 304,300
Phase II	Water Tower	\$ 2,000,000
	Land for Water Tower (15 acres)	\$ 1,960,200
	Sanitary Sewer Utilities (18” Line extended	\$ 648,500
Total Construction		\$ 3,278,160
	Engineering Expense @ 10%	\$ 327,816
Total Cost	(not including land)	\$ 3,605,976

DESIGNATION OF THE PROPERTY AS A SPECIAL ASSESSMENT DISTRICT AND CREATION OF THE SPECIAL ASSESSMENT DISTRICT ORDINANCE

The Property is currently subject to impact fees by the City. We have projected the impact fees collected based on the City’s current impact fee schedule at a total of approximately \$10,700,000. We have attached a spreadsheet which projects the sale and or development of the Property and estimates these impact fees, entitled Projected Impact Fees. These impact fees will be used as stipulated in the City’s impact fee legislation, but will not be used to pay for the City’s portion of the Shared Expenses. Except for those costs reimbursed to the Developer through the collection of Special Assessment Fees as outlined below, the Developer/Owner will receive all impact fee credits for Roadway expenditures and dedication of land deeded to the City for the right of ways as permitted in the Impact Fee legislation.

The City and the Developer have agreed to each pay their portion of the Shared Expenses as outlined in Exhibit D to the Zoning Ordinance. In order to generate the revenue to pay for the City’s portion of these Shared Expenses, the Property shall be designated as a Special Assessment District. This will be done through an ordinance to be approved by the Board of Mayor and Aldermen, the “Special Assessment District Ordinance.” As a Special Assessment District the City shall have the right to collect Special Assessment fees. These fees shall only be used to pay for the City’s portion of the Shared Expenses.

The total amount of the Shared Expense necessary for the Development is estimated to be \$11,947,549, (round to \$12,000,000.) Based upon the pro-rations of the Shared Expense for the Buckner Lane widening and rerouting at ___% to the Developer and ___% to the City, which percentages were calculated on the ratio of traffic counts as outlined above, the City's portion of this Shared Expense is estimated to be \$_____. Based upon the pro-rations of the Shared Expense for the Buckner Road Extension at ___% to the Developer and ___% to the City, , which percentages were calculated on the ratio of traffic counts as outlined above the City's portion of this Shared Expense is estimated to be \$_____. (Note: We are waiting on the City's traffic engineer's projections for the Buckner Lane and Buckner Road traffic counts to fill in these percentages and extrapolate from these percentages the estimated cost of the Shared Expense for each party.)

The Owner and the City agree the Schedule of Special Assessment Fees shall be established to collect the revenue necessary to pay the City's portion of the Shared Expenses. The intent is to create a Special Assessment Fee Schedule which will fund the City's obligation for the Shared Expenses, while not over-burdening the Property with fees which negatively impact the Owner's ability to sell or develop the Property. These fees will be assessed upon the issuance of a building permit.

The drafting, review, introduction and passing of this Special Assessment District Ordinance will be done concurrently with the final reading of the Zoning Ordinance. Note the Special Assessment Fee Schedule referenced as Exhibit E in the Zoning Ordinance introduced on first reading will be removed from the Zoning Ordinance and the Special Assessment Fee Schedule shall be included in the Special Assessment District Ordinance. The removal of this Exhibit E and the replacement of Exhibits A, B, C and D in the Zoning Ordinance with the version of Exhibits A, B, C and D attached to this memorandum will be used to create the final version of the Zoning Ordinance.

CONSTRUCTION OF THE IMPROVEMENTS BY THE DEVELOPER

As the Development of the Property is dependent upon the construction of the Road and Utility Improvements, including the Road Improvements designated as a Shared Expense, the Developer shall have the right to construct these Improvements. If the Developer funds all or a portion of the City's obligation of the Road Improvements designated as a Shared Expense, the Developer shall be refunded 100% of the Special Assessment Fees collected by the City until the Developer has been completely reimbursed for the City's portion of the Road Improvements designated as a Shared Expense. The market value of land contributed by the Owner of the Property for the construction of the Road Improvements may be considered a part of the total cost of the Road Improvements, and if not included in the Shared Expense, may be considered as a credit for impact fees, as provided in the Impact Fee legislation. The Developer shall have the right to construct these Road and Utility Improvements, but will not have the obligation to construct these improvements. After reimbursement to the Developer for all of the City's portion of Shared Expenses funded by the Developer, we would support any remaining Special Assessment Fees to be used to fund the construction of the I-65 Interchange at Buckner Road.

As a practical matter, the Owner/Developer will not construct the Road and Utility Improvements until there is a transaction (the sale or development of a significant portion of the land) which would generate enough revenue to pay for all or some significant portion of these “front end” Road and Utility costs. This is likely to entail the development of all or a portion of the Commercial Property permitted in Phases I and 2 as the Commercial Property will have a much higher value. This would likely be accompanied by the sale or development of a large residential tract.

IMPACT OF REZONING ON THE INTERCHANGE AT I-65 AND BUCKNER ROAD

We believe the construction of the new I-65 interchange and the extension of Buckner Road to the interchange and on to Lewisburg Pike are the key long term solutions to the traffic issues in the north area of Spring Hill. You and the other community leaders have recognized this with your support of the Interchange Access Request study and the Buckner Road and Buckner Lane traffic studies. We believe the passing of the Zoning Ordinance will provide support to justify the construction of the I-65 interchange at Buckner Road. Traffic and revenue generated by this Development should have a positive effect on the approval and funding of the interchange.

COMMUNITY IMPACT OF THE DEVELOPMENT

Development of the Property will create a substantial employment base for Spring Hill. The office development alone is projected to house over 15,000 + jobs upon full build out. Development of the Property will also generate a higher tax base for Williamson County and Spring Hill through the increased value of the Property from its current agricultural use to various commercial and residential uses. Residential development on the Property will provide various housing choices for Spring Hill residents at varied price points. After meetings with the Williamson County School Board, we understand the residential development planned for the Property will generate the need for one new grammar school, requiring 15-20 acres. Although it is premature to fix the exact location of the school in the master plan and the value of the land, we acknowledge this will be needed and will commit at the appropriate time to including the grammar school site in the master plan. We also acknowledge the scale of the larger commercial buildings, planned to be as tall as ten stories will dictate the need for a new Fire and Police Station. Although again it is premature to fix the exact location and the details of any economic transaction, the Owner/Developer will commit to providing a site for this station on the Property.

Development of the property is dependent on a successful rezoning. It provides the entitlements needed to present the property to corporate users, retailers and residential and commercial developers by providing the assurance they need to spend time and money to pursue this as a potential location. In summary, we believe our proposed plan for the property:

- Creates the appropriate density for a successful walkable, live, work, shop and play mixed use community;
- Makes the property a true Gateway to Spring Hill from I-65;
- Is consistent with your Spring Hill Rising 2040 Community Plan;

- Provides a location for a Class A office employment base;
- Adds both neighborhood and regional scale retail options for the area;
- Gives varying housing choices in a design controlled environment needed in a growing community;
- Respects the surrounding single family residential community
- Enhances the natural site features;
- Limits additional local traffic through an appropriate mix of uses to internalize trips,

We look forward to working through the passage of the Zoning Ordinance and the Special Assessment District Ordinance. Please call if you have any questions. Thanks