



PUBLIC FACILITY CORPORATION
AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: October 16, 2024
PREPARED BY: Scott Moore, General Manager

AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action to authorize the creation of Tower Road Contractor LLC and approve an Operating Agreement of Tower Road Contractor LLC.

BACKGROUND/SUMMARY:

The Tower Road Apartments project will be financed in part with tax-exempt multifamily affordable housing revenue bonds. The transcript for the bond transaction, which is the collection of the key transaction documents, includes a general certificate of the general partner to the general partnership that will be borrowing the bond funds to develop the project. The general partner for the Tower Roads Apartments project is MHPFC TRGP1, LLC, which has been created by the Manor Housing Public Facility Corporation.

The MHPFC will be serving as the general contractor to the project through another LLC, Tower Road Contractor LLC. Although Tower Road Contractor is the general contractor, it, along with the MHPFC and the City, is indemnified for liability arising in connection with the project.

Typically, for these types of project transactions, there will be an “operating agreement” between the PFC and the LLCs that it creates, here “Tower Road Contractor LLC,” to establish the relationship between the entities.

This operating agreement, among other things, provides for the indemnity of the MHPFC by Tower Road Contractor LLC. It is consistent with the form of operating agreement used in similar circumstances by PFCs throughout the state.

LEGAL REVIEW: Yes, Gregory Miller, Bond Counsel
FISCAL IMPACT: Not Applicable
PRESENTATION: Yes, Gregory Miller, Bond Counsel and Partnership Counsel to the MHPFC
ATTACHMENTS: Yes

- Operating Agreement

PROPOSED MOTION: Move that the Board authorize the General Manager to file documentation for the creation of Tower Road Contractor LLC and execute an operating agreement in substantially the same form as the agreement attached to this summary.

STAFF RECOMMENDATION: Staff recommends approval