



## MAYOR & COUNCIL COMMUNICATION

**DATE: May 20, 2014**  
**REGULAR**  
**ITEM # 12**  
**RESOLUTION 2014-31**

**AGENDA ITEM:** Savona Developer's Agreement

**SUBMITTED BY:** Kyle Klatt, Community Development Director

**THROUGH:** Dean Zuleger, City Administrator

**REVIEWED BY:** Jack Griffin, City Engineer  
Dave Synder, City Attorney  
Nick Johnson, City Planner

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### **SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item .....Community Development Director
- Report/Presentation.....Community Development Director
- Questions from Council to Staff ..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion ..... Mayor & City Council
- Action on Motion ..... Mayor Facilitates

**POLICY RECCOMENDER:** Staff is recommending that the City Council approve a developer's agreement associated with the Savona residential development. The agreement has been drafted based on a model agreement previously reviewed by the Council.

**FISCAL IMPACT:** Direct Payments to Developer – None: there are no City payments for oversizing of utilities or for other reasons included in the agreement. Future financial impacts include maintenance of streets, trails, sanitary sewer mains, watermains and other public infrastructure, maintenance of storm water ponding areas (after three years), maintenance of the 5<sup>th</sup> Street boulevard landscaping, monthly lease payments for street lights (estimated at \$111 for 16 lights), future park land improvements, and other public financial responsibilities typically associated with a new development.

**SUMMARY AND ACTION REQUESTED:** The City Council is being asked to authorize execution of a developer's agreement for the first phase of the Savona residential development. The attached agreement has been reviewed by the City Attorney and City Engineer, and all recommend changes specific to the Savona project have been incorporated into the document as

drafted. This agreement must be executed before any construction activity, outside of the previously authorized grading work, may proceed on the site. The recommended motion to take action on the request is as follows:

***“Move to adopt Resolution 2014-31 approving the developer’s agreement for Savona”***

**LEGISLATIVE HISTORY/STAFF REPORT:** One of the conditions attached to the Council’s approval of the Savona Final Plat specified that the developer enter into a Developer’s Agreement prior to the execution of the plat by City officials. Staff has drafted such an agreement consistent with the City’s developer’s agreement template, and this document is attached for consideration by the City Council. Please note that the document as drafted contains some modifications to the original template based on some of the unique aspects of the Savona development. The key aspects of the agreement include the following components:

- That all improvements to be completed by October 31, 2015.
- That the developer provide a letter of credit in the amount of \$3,113,846 related to the cost of the proposed improvements.
- That the developer provide a cash deposit of \$316,432 for SAC and WAC charges, engineering administration, one year of street light operating costs, and other City fees, but not including the required fee in lieu of park land dedication.

The proposed project does not include any specific City payments for utility oversizing or other reasons. Please note that Staff is still waiting to obtain an estimated fair market value related to the developer’s fee in lieu of park land dedication (or the equivalent of 3.74 acres). This amount will need to be included in the agreement and will increase the cash payments required by the developer.

The City Engineer has not approved the final construction plans for the project, and no work will be allowed to commence on the site until these plans are approved by the City.

**BACKGROUND INFORMATION (SWOT):**

**Strengths:** The developer’s agreement has been drafted to guarantee that the improvements associated with Savona plans will be installed in accordance with City specifications.

Execution of the developer’s agreement and compliance with all conditions in the agreement will allow the developer to record the Savona Final Plat.

**Weaknesses:** The City will assume responsibility for future maintenance of the public improvements.

**Opportunities:** The proposed improvements include the construction of the initial segment of the 5<sup>th</sup> Street parkway.

**Threats:** The City will need to provide construction observation throughout the course of the project (these costs will be covered under an Engineering Administration Escrow).

**RECOMMENDATION:** Based on the above Staff report, Staff is recommending that the City Council approve the Developer's Agreement for Savona and that the Council direct the Mayor and Staff to execute this document. The suggested motion to adopt the Staff recommendation is as follows:

*“Move to adopt Resolution 2014-31 approving the developer's agreement for Savona”*

**ATTACHMENTS:**

1. Resolution 2014-31
2. Savona Developer's Agreement – Final Draft