



MAYOR & COUNCIL COMMUNICATION

DATE: September 16, 2014

REGULAR

ITEM # 21

AGENDA ITEM: Savona 2nd Addition 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

SUGGESTED ORDER OF BUSINESS:

- Introduction of ItemCommunity 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 2nd Addition residential development. The agreement has been drafted based on a model agreement previously reviewed by the Council and the agreement that was executed for the first phase of Savona.

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 5th 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 related to the Savona 2nd Addition final plat. The attached agreement has been previously 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. There are a few items in the list of construction cost estimates that need to be provided by the developer, but these can easily be incorporated into the document before it is signed by the City. 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 No. 2014-77 approving the developer’s agreement for Savona 2nd Addition”

LEGISLATIVE HISTORY/STAFF REPORT: One of the conditions included as part of the Planning Commission recommendation to the Council concerning the Savona 2nd Addition Final Plat specifies 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 125% of the total cost of the proposed improvements. The developer needs to submit cost estimates for a few additional improvements, the estimates provided to date indicate that the letter of credit will be a at least \$2,056,614.25 for the project.
- That the developer provide a cash deposit of \$461,032 for SAC and WAC charges, engineering administration, one year of street light operating costs, and other City fees, but not including park land dedication fees, which were paid as part of the first addition).

The proposed project does not include any specific City payments for utility oversizing or other reasons. 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 2nd Addition plans will 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 2nd Addition Final Plat.

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

Opportunities: The proposed improvements will extend the road system and public utilities presently being constructed in the first phase of Savona.

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 2nd Addition and that the Council direct the Mayor and Staff to execute this document once the final construction cost estimates have been provided. The suggested motion to adopt the Staff recommendation is as follows:

“Move to adopt Resolution No. 2014-77 approving the developer’s agreement for Savona 2nd Addition”

ATTACHMENTS:

1. Resolution No. 2014-77
2. Savona Developer's Agreement – Final Draft