



MAYOR & COUNCIL COMMUNICATION

DATE: April 19, 2016
REGULAR
ITEM #19b
RESOLUTION 2016-__

AGENDA ITEM: Village Preserve 2nd Addition – Developer’s Agreement

SUBMITTED BY: Stephen Wensman, Planning Director

THROUGH: Kristina Handt, City Administrator

REVIEWED BY: Jack Griffin, City Engineer
Sarah Sonsala, City Attorney
Cathy Bendel, Finance Director

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 2nd phase of the Village Preserve single family residential subdivision. The agreement has been drafted based on the newly updated model agreement (January 2016) 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 warranty period), maintenance of the 5th Street boulevard landscaping (after three years), monthly lease payments for street lights, 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 Village Preserve 2nd Addition Final Plat. The attached agreement has been reviewed by the City Attorney, City Engineer, and the Finance Director, and all recommend changes specific to the Village Preserve 2nd Addition project have

been incorporated into the document as drafted. This agreement must be executed before any construction activity may proceed on the site. The recommended motion to take action on the request is as follows:

“Move to adopt Resolution 2016-__, approving the developer’s agreement for the Village Preserve 2nd Addition residential subdivision.”

LEGISLATIVE HISTORY/STAFF REPORT: The Village Preserve 2nd Addition Final Plat was approved by the City Council on April 19, 2016 (Resolution #2016-__). One of the conditions of the Village Preserve Final Plat approval specifies that the developer enter into a Developer’s Agreement with the City prior to the execution of the plat by City officials. Staff has drafted such an agreement based on the City’s developer’s agreement template, and this document is attached for consideration by the City Council. The key aspects of the agreement include the following components:

- That all improvements to be completed by October 31, 2016.
- That the developer provide a letter of credit in the amount of 125% of the total cost of the internal proposed improvements. The construction estimates provided have been reviewed by the City Engineer and found to be sufficient. The necessary letter of credit to secure the construction activity and expenses internal to the site will be \$____.00 for the 2nd and final phase of the Village Preserve development.
- That the developer provide a cash deposit of \$197,463 for SAC and WAC charges, engineering administration, Village AUAR Fee, one year of street light operating costs, , and other City fees.

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 and the conditions of Final Plat are complied with.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS:

Strengths: The developer’s agreement has been drafted to guarantee that the improvements associated with Village Preserve 2nd Addition plans will be installed in accordance with City standards and specifications. Execution of the developer’s agreement and compliance with all conditions in the agreement will allow the developer to record the Village Preserve 2nd Addition Final Plat. Approval of the Developers Agreement will also allow the City to collect the necessary SAC and WAC fees to help finance the City’s investments in the municipal sanitary sewer and watermain systems. In

addition, payment of the City's AUAR Fee assists the City in recovering the cost expended on the Village Alternative Urban Areawide Review (AUAR).

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

Opportunities: Approval of the developer's agreement will allow construction to proceed for a new single family residential subdivision in the Village Area, offering homes constructed by a mix of custom builders.

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 Village Preserve 2nd Addition and that the Council direct the Mayor and Staff to execute this document once the financial security and cash requirements have been received. The suggested motion to adopt the Staff recommendation is as follows:

“Move to adopt Resolution 2016-__, approving the developer's agreement for the Village Preserve 2nd Addition residential subdivision.”

ATTACHMENTS:

1. Resolution 2016-__, approving the Developer's Agreement for Village Preserve 2nd Add.
2. Village Preserve 2nd Addition Development Agreement